



# NXP Investor Presentation

**Fourth Quarter 2024**

February 2025

# Forward Looking Statements

This document includes forward-looking statements which include statements regarding NXP's business strategy, financial condition, results of operations, 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; 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; increasing and evolving cybersecurity threats and privacy risks, including theft of sensitive or confidential data; 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; global hostilities, including the invasion of Ukraine by Russia and resulting regional instability, sanctions and any other retaliatory measures taken against Russia and the continued hostilities and the armed conflict in the Middle East, which could adversely impact the global supply chain, disrupt our operations or negatively impact the demand for our products in our primary end markets; the ability to maintain good relationships with NXP's suppliers; and a change in tax laws could have an effect on our estimated effective tax rate. In addition, this document contains information concerning the semiconductor industry, our end markets and business generally, 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 business will 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. 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](http://www.nxp.com/investor) or from the SEC website, [www.sec.gov](http://www.sec.gov).

## No offer of solicitation

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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 non-foundry equity-accounted investees, (xii) Net income (loss) attributable to stockholders, (xiii) Earnings per Share - Diluted, (xiv) EBITDA, adjusted EBITDA and trailing 12 month adjusted EBITDA, and (xv) free cash flow, trailing 12 month free cash flow and trailing 12 month free cash flow as a percent of Revenue. The non-GAAP information excludes, 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, extinguishment of debt, foreign exchange gains and losses, income tax effect on adjustments described above and results from non-foundry equity-accounted investments. The difference in the benefit (provision) for income taxes between our GAAP and non-GAAP results relates to the income tax effects of the GAAP to non-GAAP adjustments that we make and the income tax effect of any discrete items that occur in the interim period. Discrete items primarily relate to unexpected tax events that may occur as these amounts cannot be forecasted (e.g., the impact of changes in tax law and/or rates, changes in estimates or resolved tax audits relating to prior year tax provisions, the excess or deficit tax effects on share-based compensation, etc.). 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).

The difference in the benefit (provision) for income taxes between our GAAP and non-GAAP results relates to the income tax effects of the GAAP to non-GAAP adjustments that we make and the income tax effect of any discrete items that occur in the interim period. Discrete items primarily relate to unexpected tax events that may occur as these amounts cannot be forecasted (e.g., the impact of changes in tax law and/or rates, changes in estimates or resolved tax audits relating to prior year tax provisions, the excess or deficit tax effects on share-based compensation, etc.).

# NXP, A Future of Innovation and Long-term Value Creation



+



+



**High Single Digit Organic  
Revenue Growth**

**S32 SDV**  
Intelligent systems at the edge

**Gross Margin Expansion  
Above 60%**

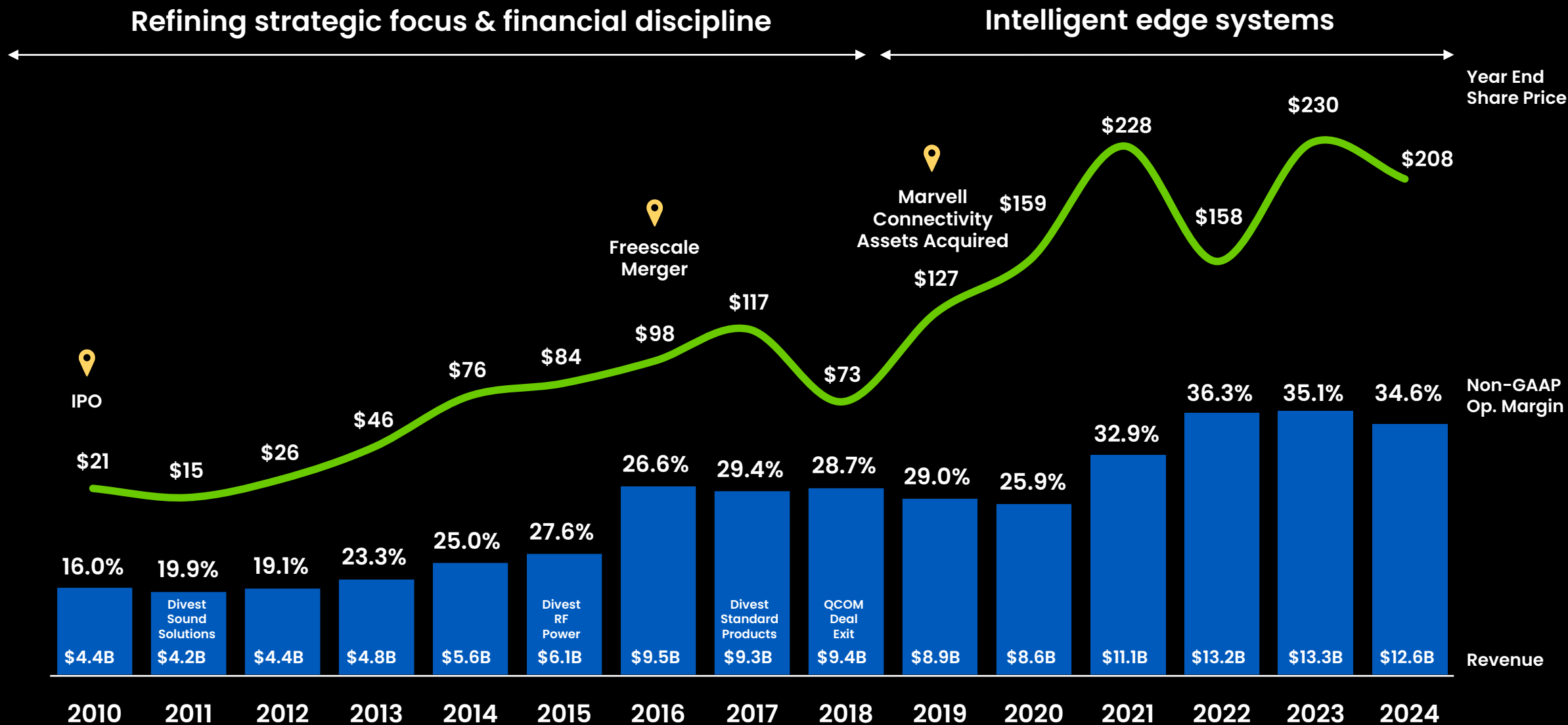
Hybrid manufacturing  
Mix / NPI

**100% of Excess FCF  
to Our Owners**

Hybrid manufacturing  
RMS & system leadership

**Doubling non-GAAP EPS by 2030+**

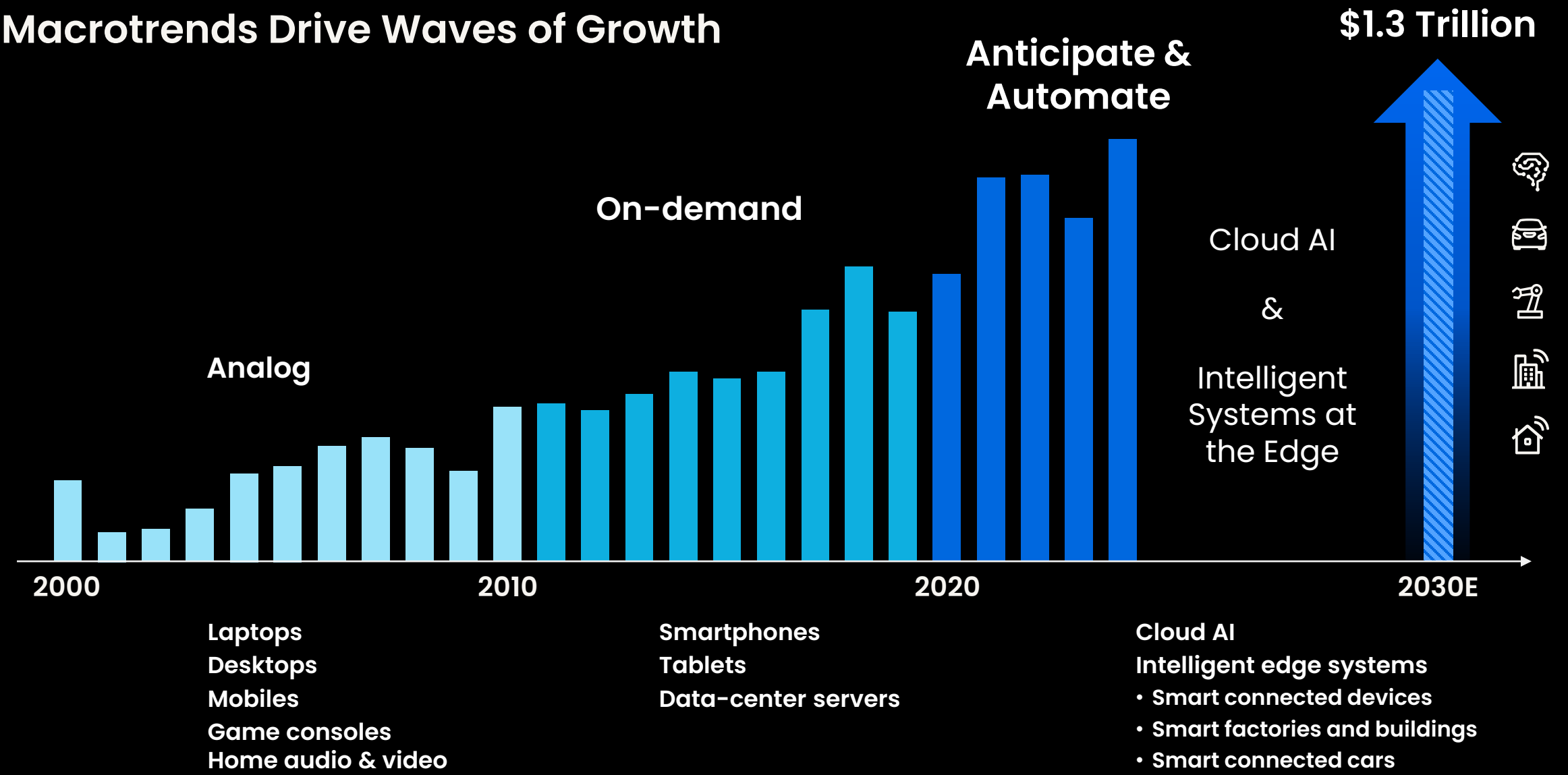
# NXP, A History of Innovation and Value Creation



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. Annual share price is the closing share price of NXPI in each full year period sourced from FactSet

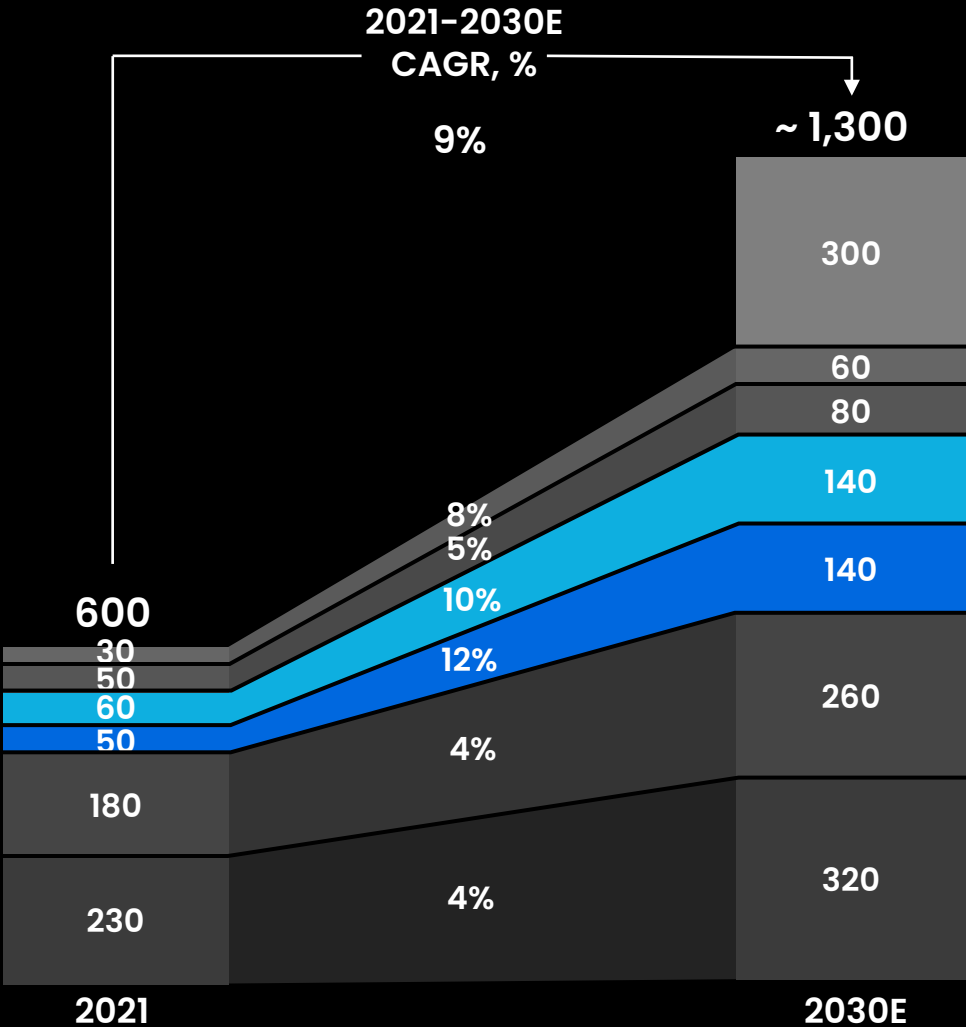
# Total Semiconductor Market

## Macrotrends Drive Waves of Growth

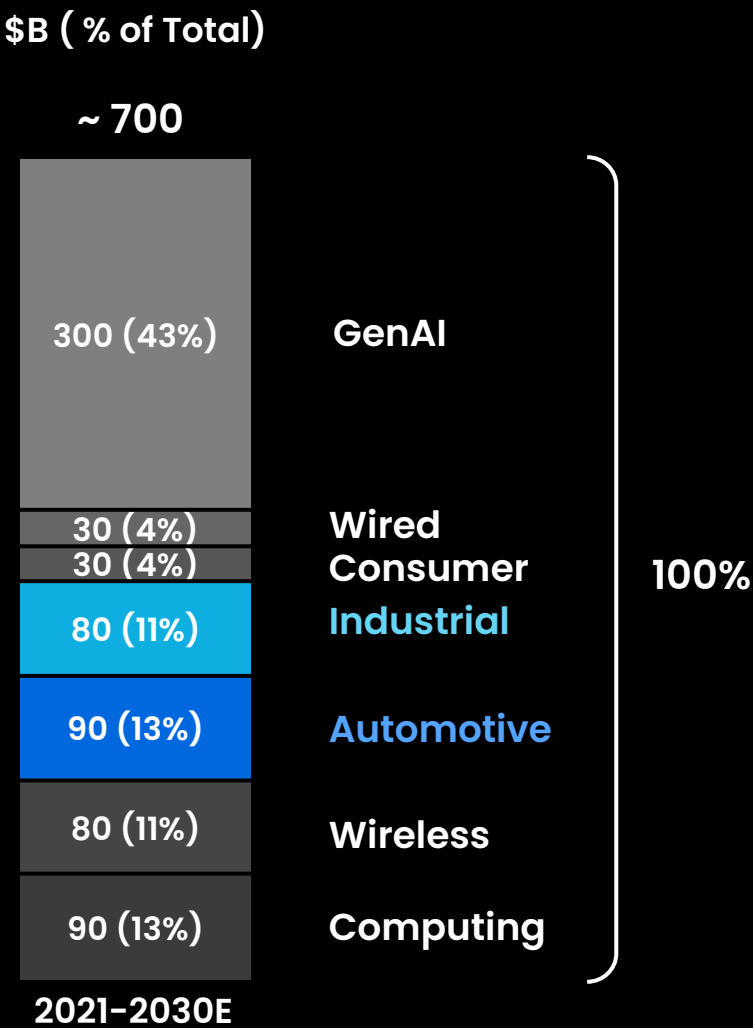


# Auto & Industrial Lead Growth at the Intelligent Edge within a \$1.3T Opportunity

Global Semiconductor market value by vertical, \$billion



Growth contribution



# NXP Uniquely Positioned to Bring Intelligent Systems to the Edge

## Industry challenges

### Ecosystem shifts

From supply chain to value network

### Increasing complexity

Components to system-of-systems

### Software-defined edge

From HW-to SW-defined solutions

### Resilience & sustainability

Rising concerns & awareness



## NXP's unique capability and response

### Complete portfolio

Sensing

AI enabled processing

Actuation

Connectivity

### Deep competence

Security leader

Functional safety leader

Automotive & industrial focus

**NXP**

### Resilient & Sustainable

Hybrid manufacturing

Target carbon neutral by 2035

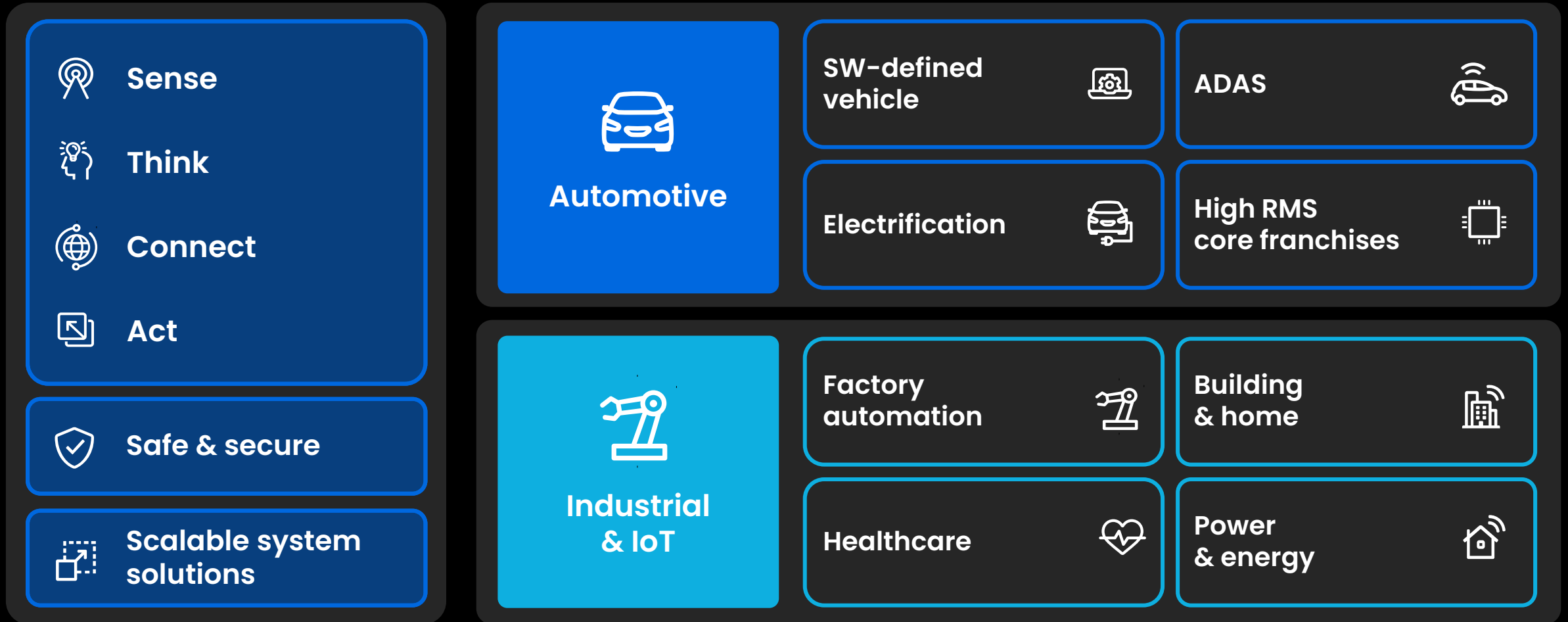
### Simplifying

Scalable system solutions

Pre-integrated  
software & hardware

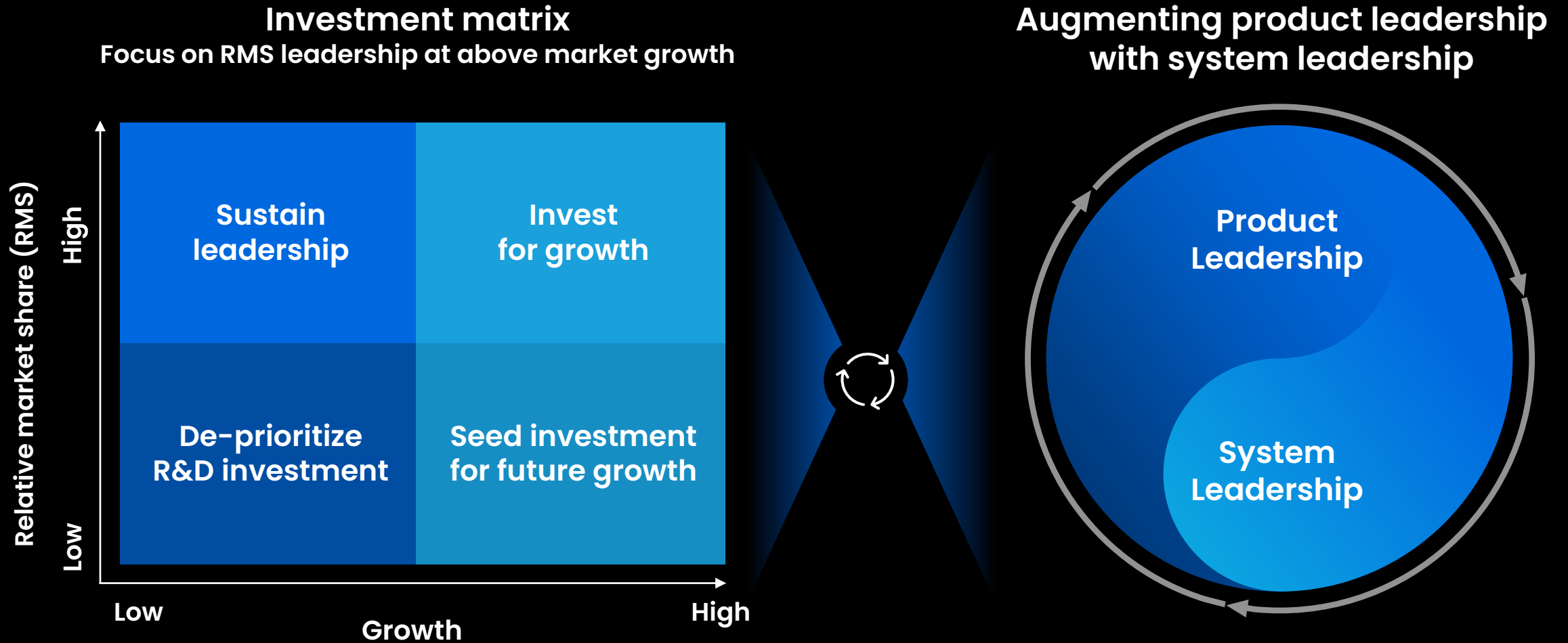
Top OEMs & long-tail

# NXP Uniquely Positioned to Bring Intelligent Systems to the Edge



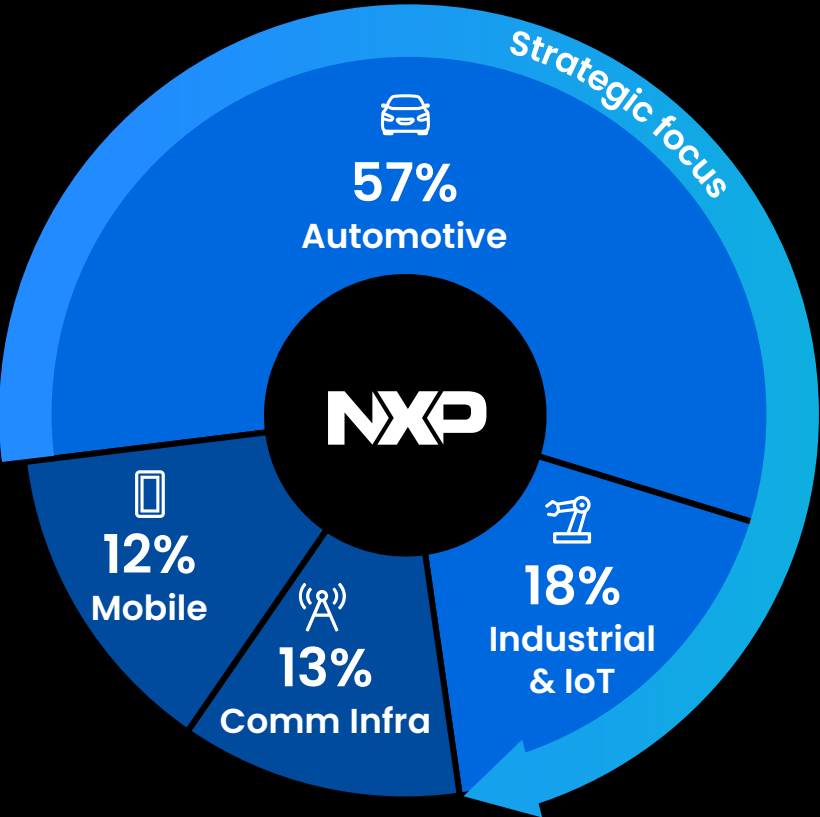


# NXP Investment Compass to Focus on Profitable Growth

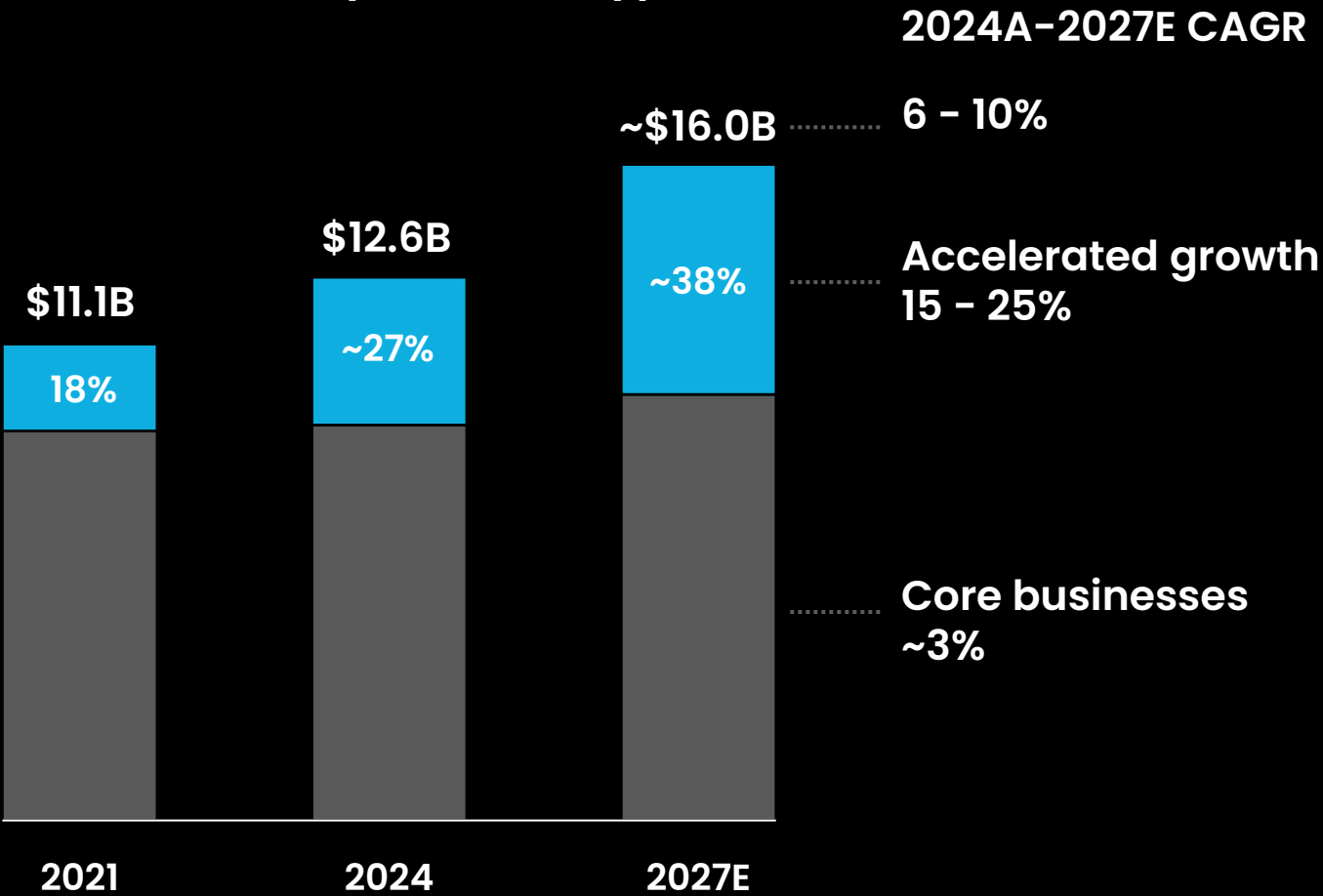


# NXP Revenue Growth in Next 3 Years

2024 Revenue by end-market exposure

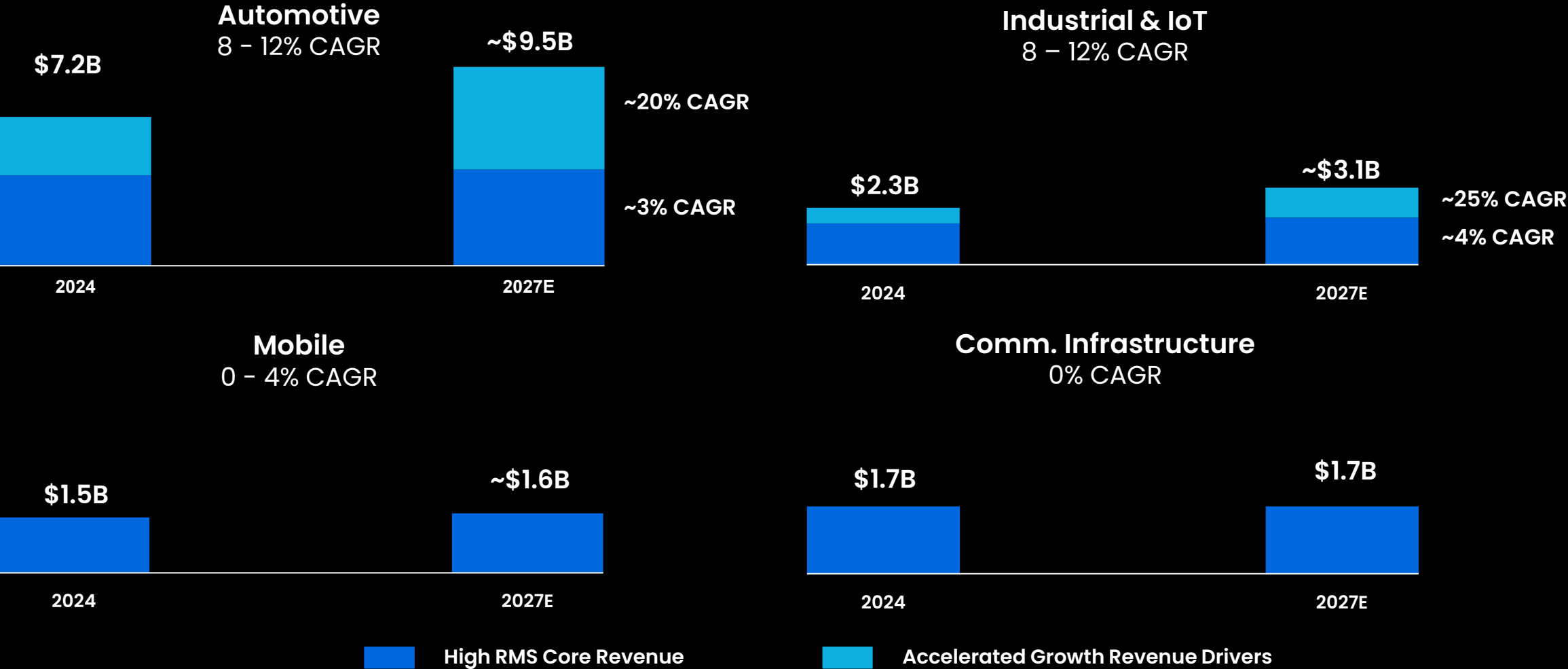


Revenue by business type



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. The sum of the percentages shown may not add to 100% due to rounding

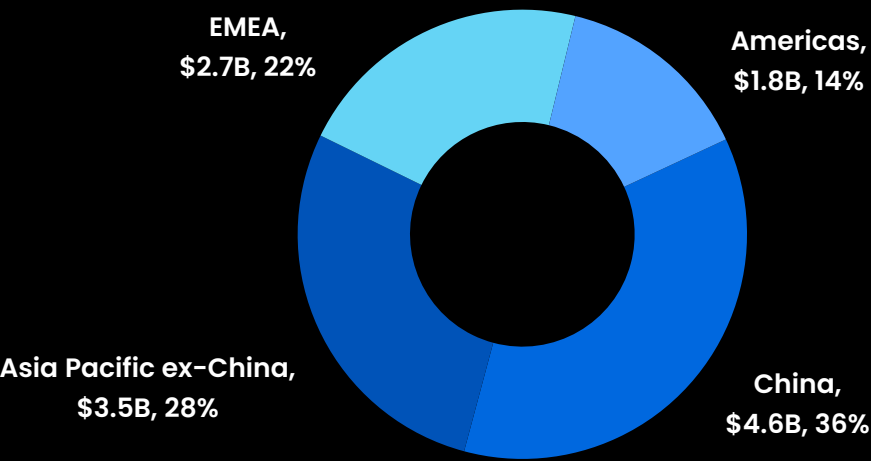
# Analyst Day 2024 Outlook: Accelerating Secular Profitable Revenue Growth<sup>(1,2,3,4)</sup>



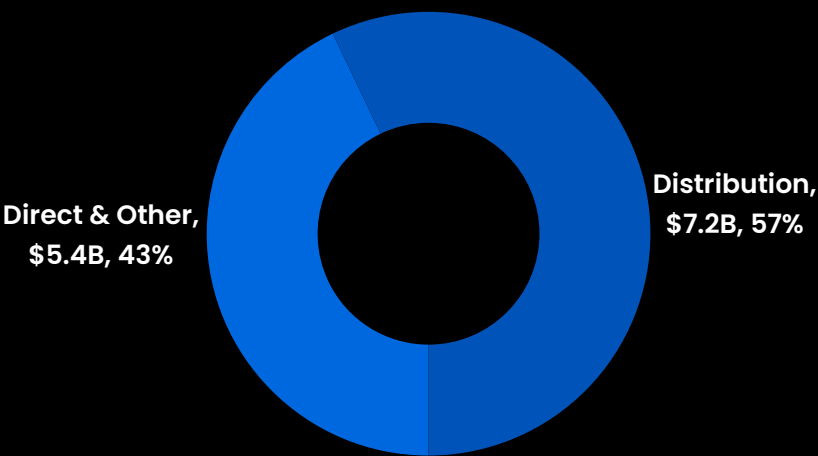
1. NXP Strategy Office, as of NXP Analyst Day November 2024  
2. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures  
3. All growth rates are 3-year CAGR based on 2024 actuals through 2027 estimates, as of NXP Analyst Day 2024  
4. The sum of the percentages shown may not add to 100% due to rounding

# NXP Semiconductors – At a Glance <sup>(1,2,3)</sup>

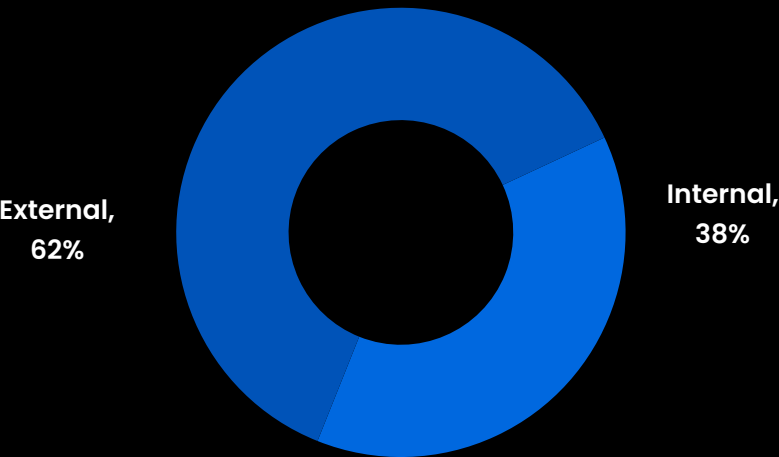
2024 Geographic Revenue Ship-To by Region



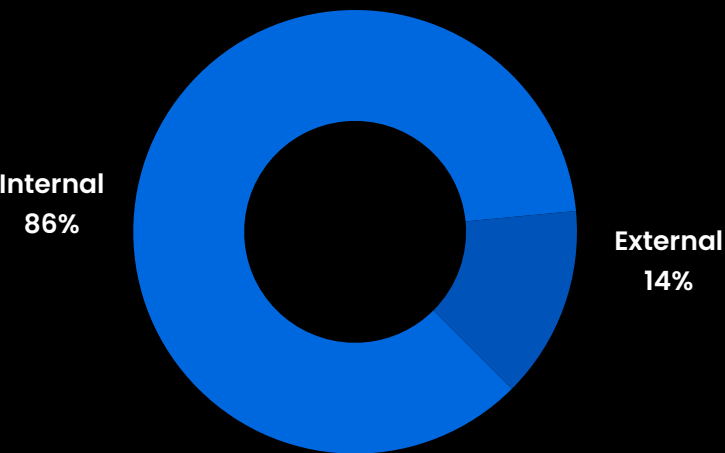
2024 Revenue Ship-To by Channel



Hybrid Manufacturing – Front-end Sourcing



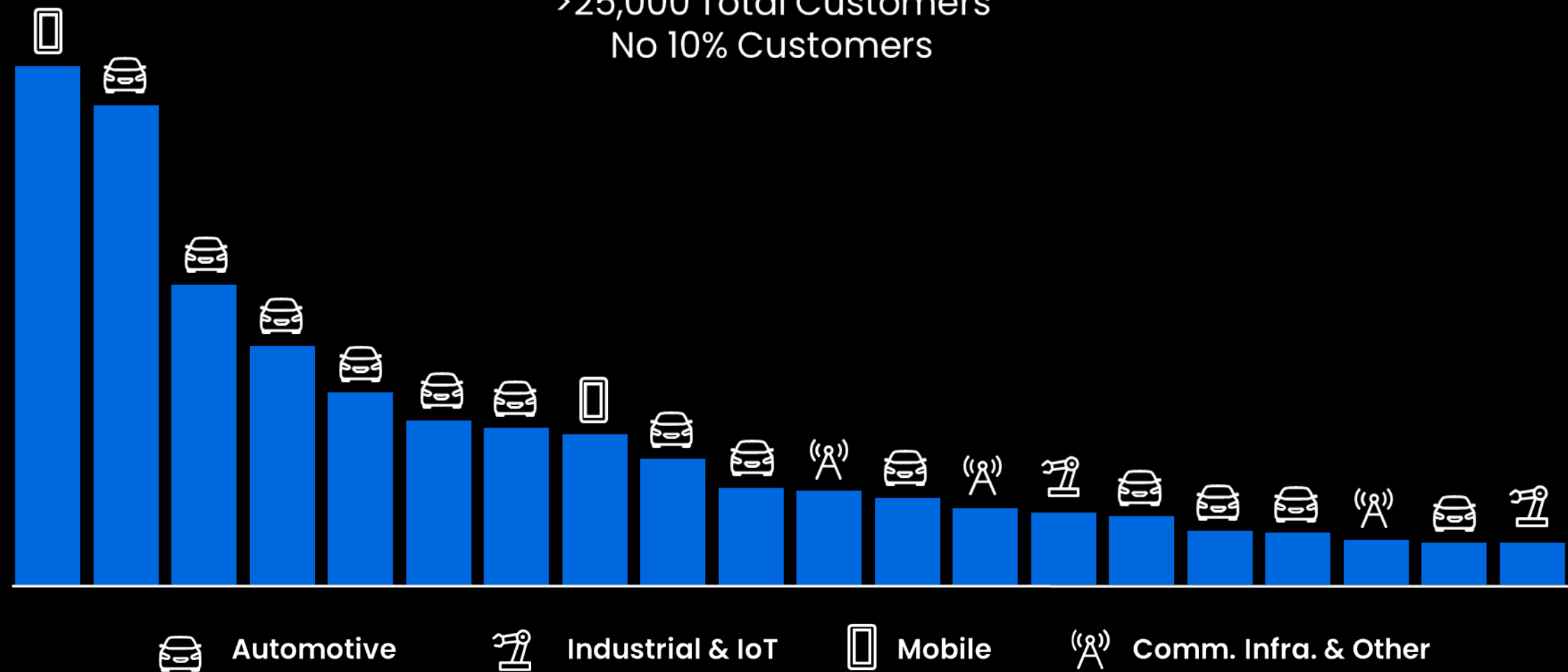
Hybrid Manufacturing – Back-end Sourcing



1. All data as of end 2024;  
2. Revenue by Geographic Ship-To, and Channel from NXP Semiconductors 2024 Annual 10-K Report;  
3. Hybrid manufacturing reflects both internal and external sourcing for front-end and back-end manufacturing, presented as a percentage of revenue.

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

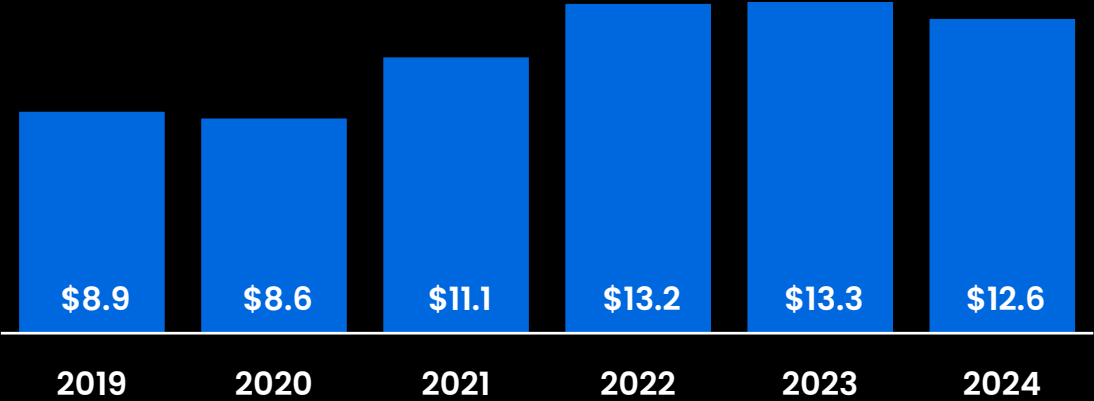
Top 20 End-customers are less than 45% of 2024 Revenue  
>25,000 Total Customers  
No 10% Customers



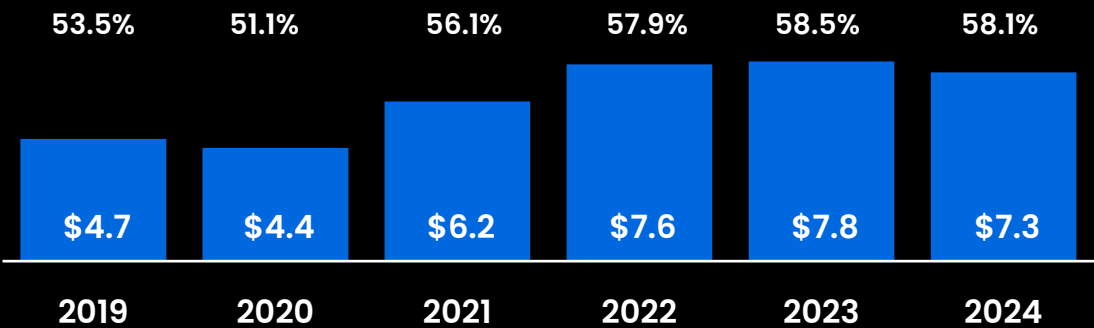
1. Reflects 2024 sales on a ship to basis through all channels

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

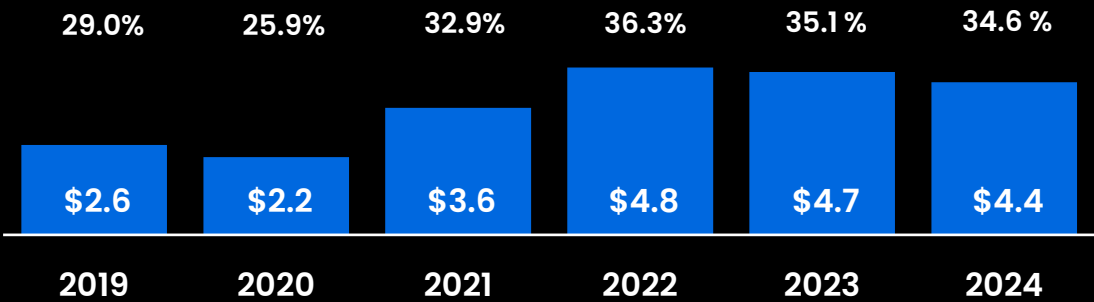
As Reported Revenue  
Up 7% 5-yr. CAGR (\$B)



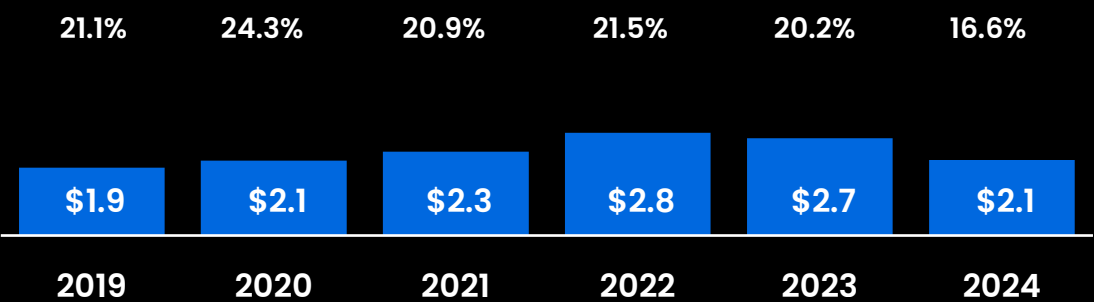
Non-GAAP Gross Profit / Non-GAAP Gross Margin  
Up 9% 5-yr. CAGR (\$B)



Non-GAAP Operating Profit / Non-GAAP Operating Margin  
Up 11% 5-yr. CAGR (\$B)



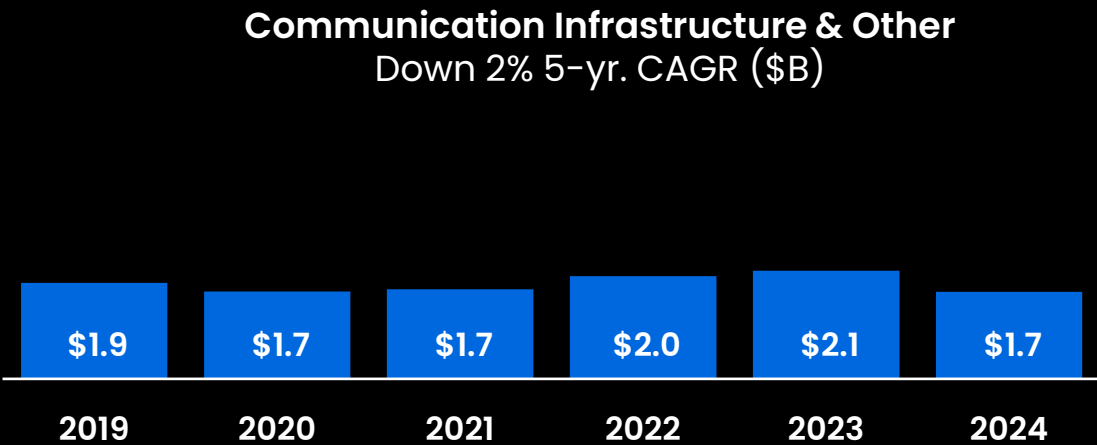
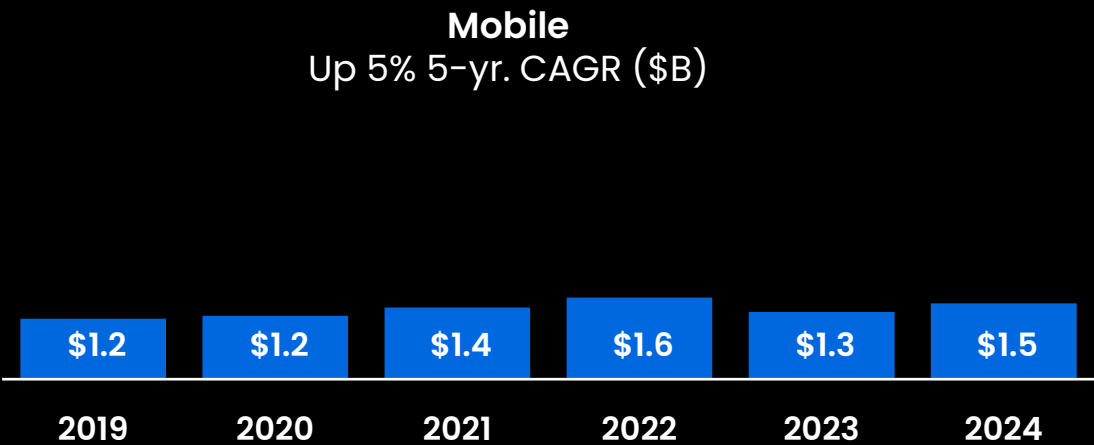
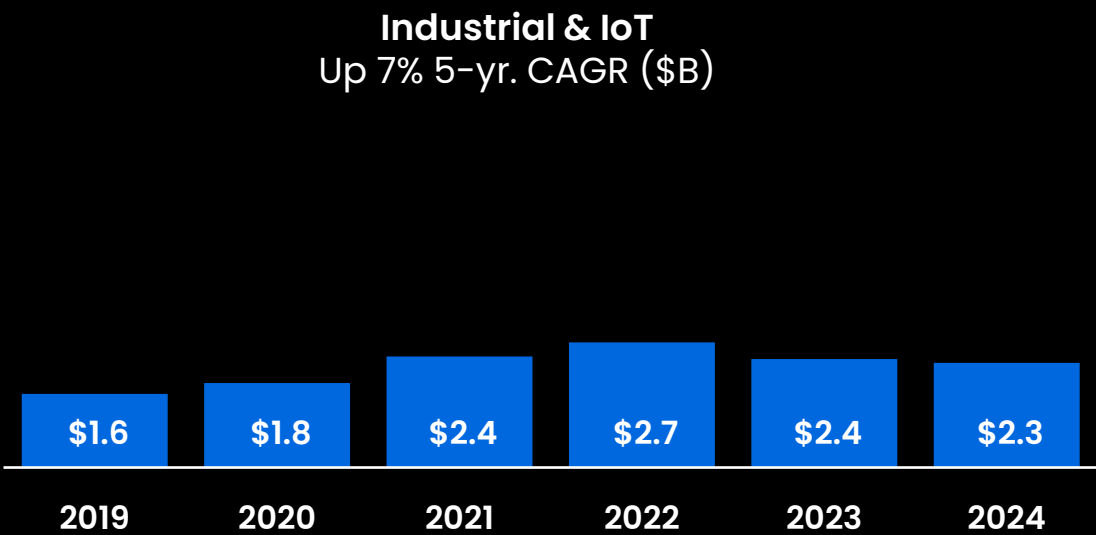
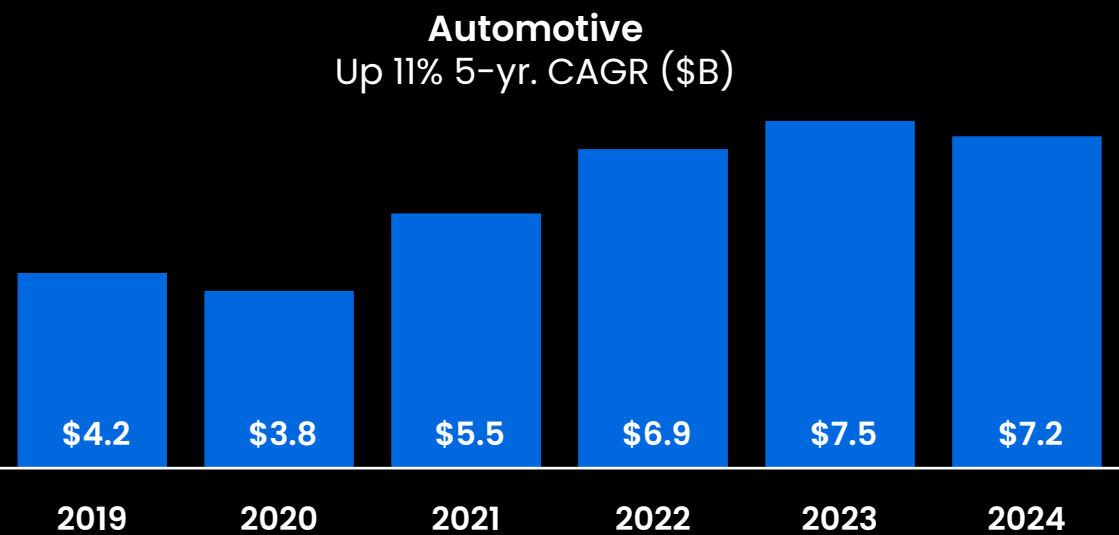
Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin  
Up 3% 5-yr. CAGR (\$B)



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

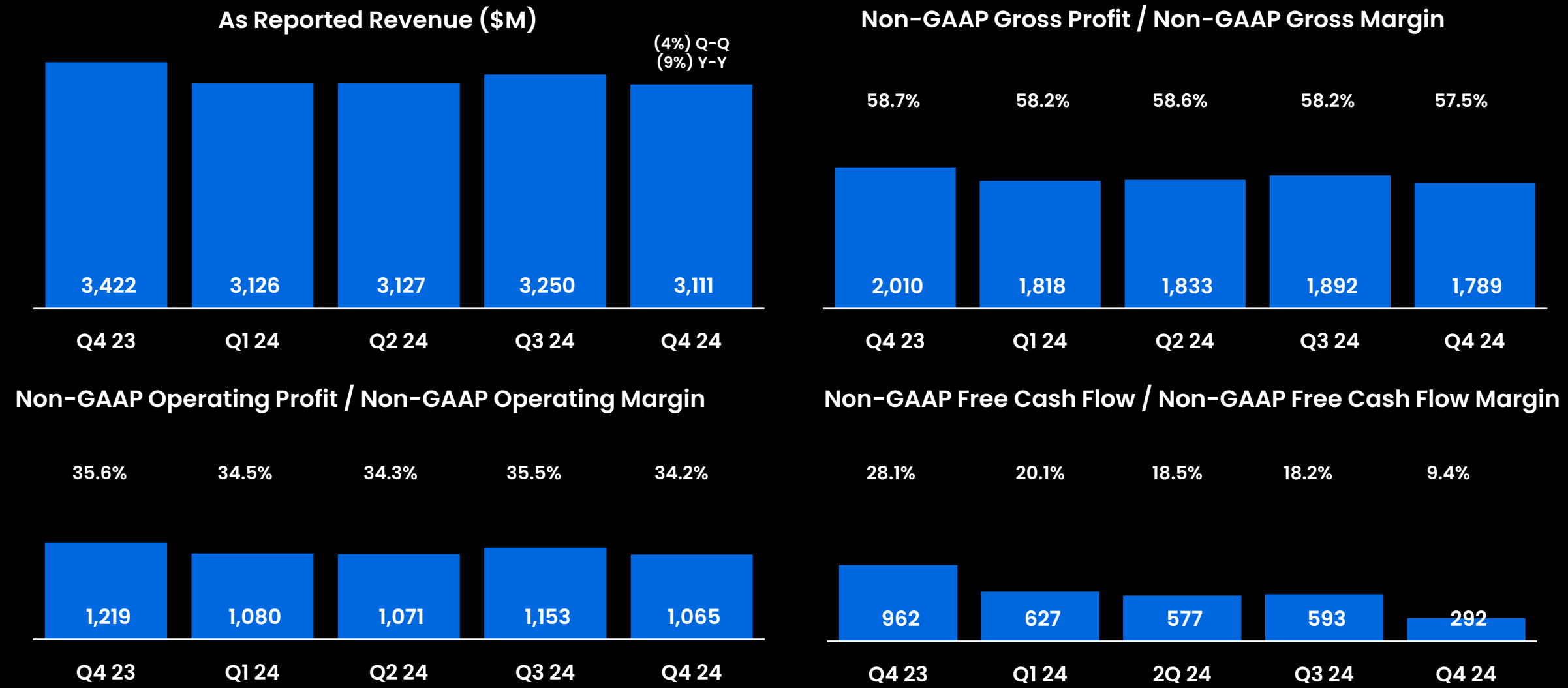
2. Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow (FCF), are all non-GAAP figures, 5-yr. CAGR reflect the period 2019–2024

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



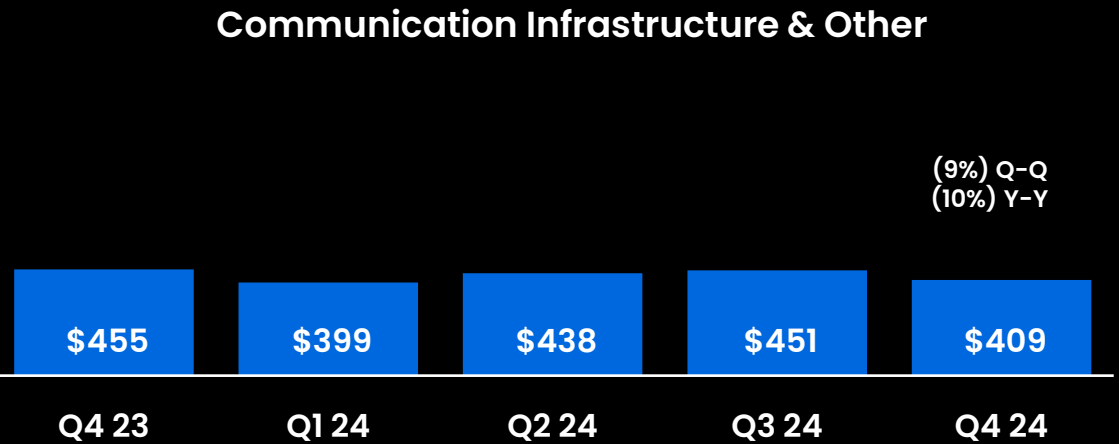
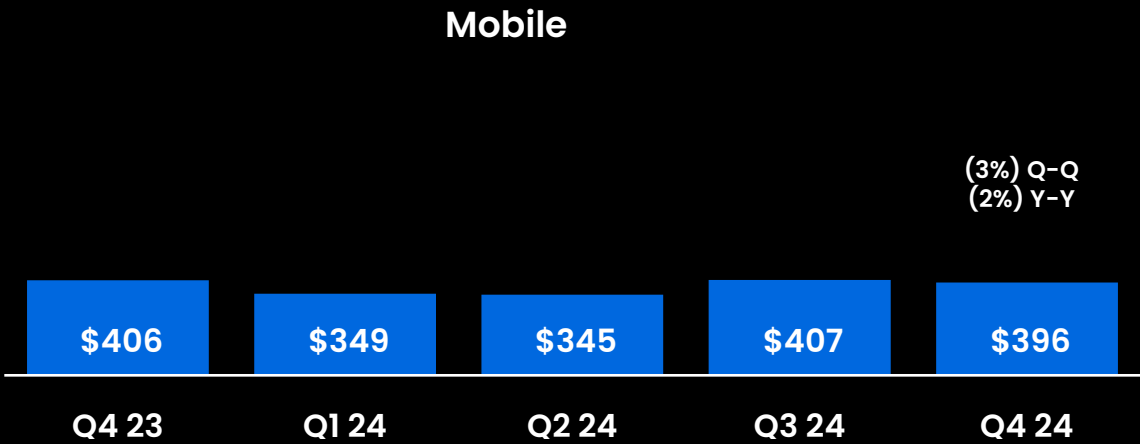
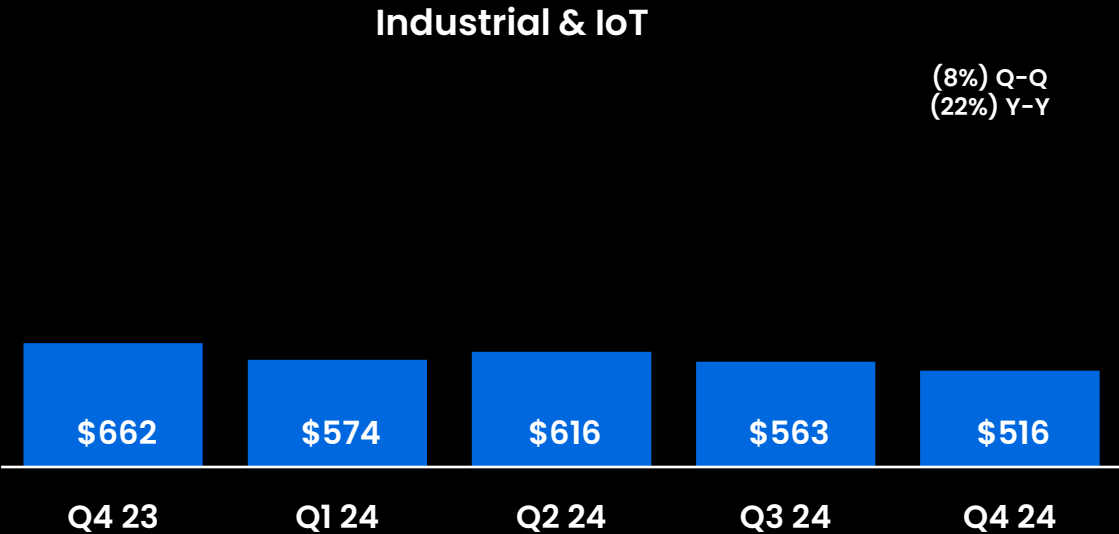
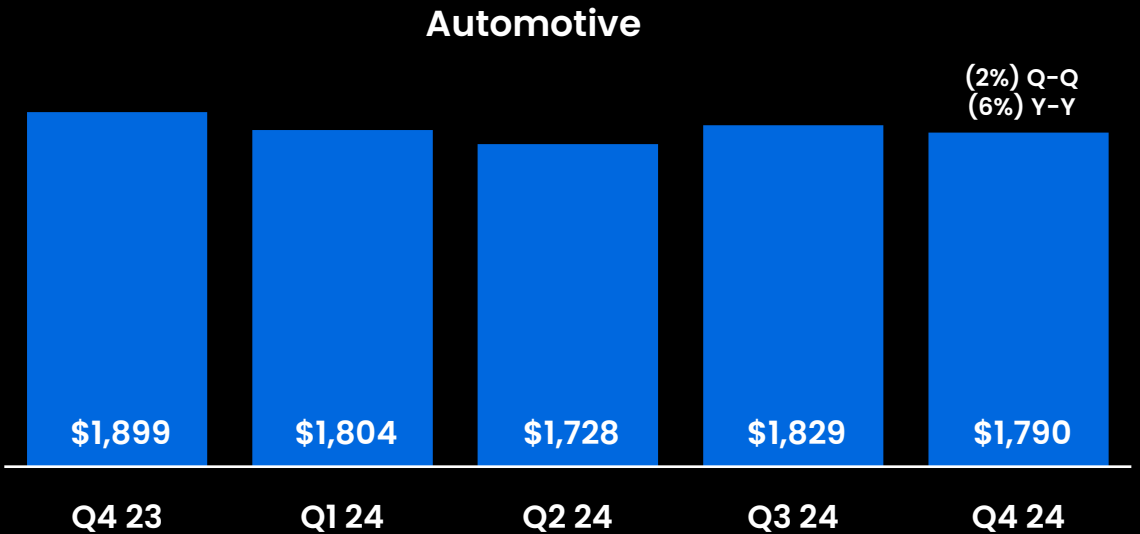
<sup>1.</sup> Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures

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



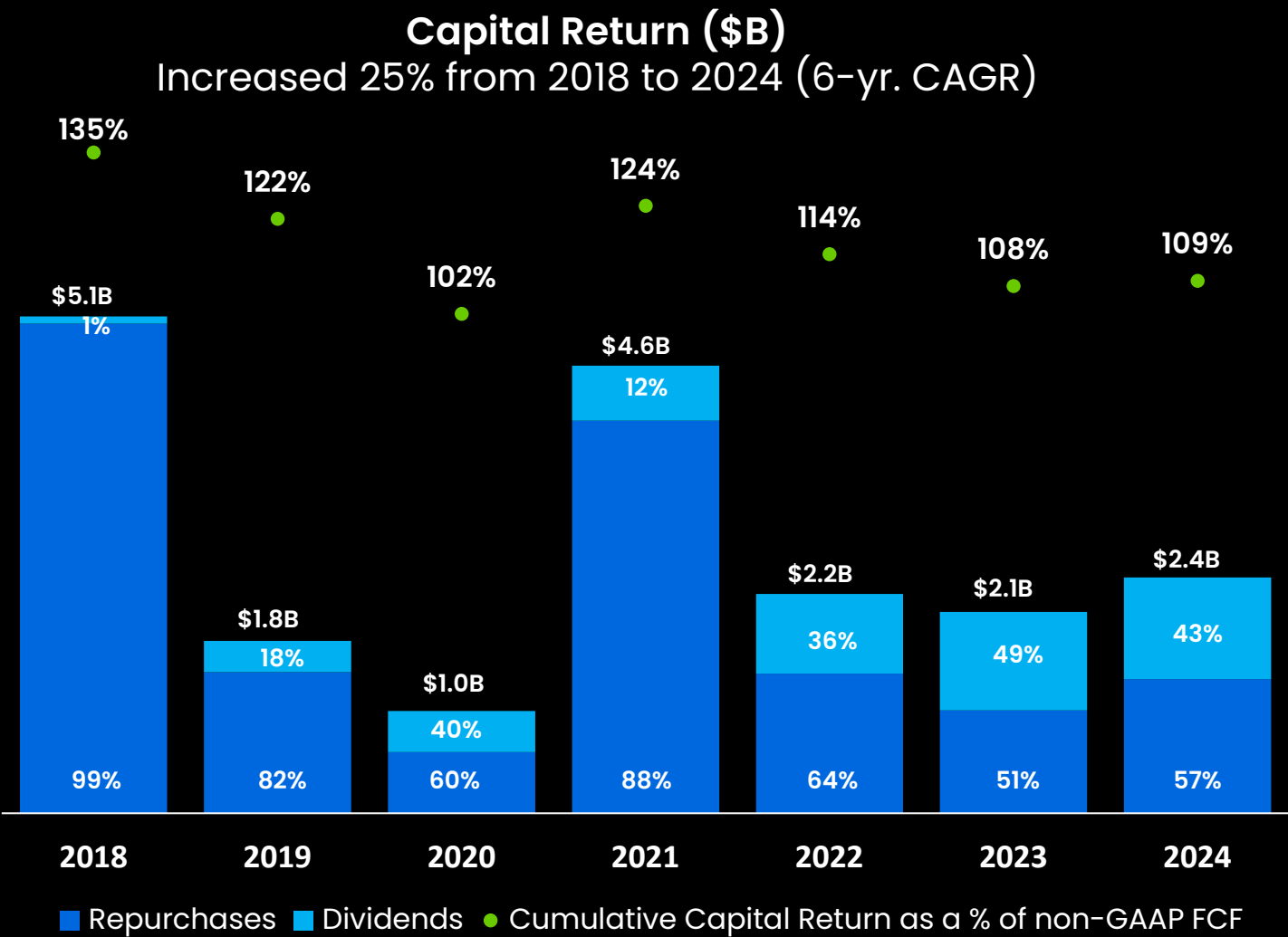


# Quarterly Revenue by End Market (\$M)<sup>(1)</sup>



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# A Robust Shareholder Centric Capital Return Policy<sup>(1,2)</sup>



## Capital Return Policy:

- Return All Excess non-GAAP FCF
- **Cumulative Capital Return 2018 – 2024:**
  - \$19.5B or 109% of non-GAAP FCF
  - Capital Return Growth of 25% CAGR
- **Cumulative Repurchases 2018 – 2024:**
  - \$14.9B or 78% of Capital Return
  - Repurchase Growth of 20% CAGR
  - Reduced Diluted Shares by 21%
- **Cumulative Cash Dividends 2018 – 2024:**
  - \$4.2B or 22% of Capital Return
  - Target 25% Cash Flow from Ops.
  - Dividend Growth of 96% CAGR

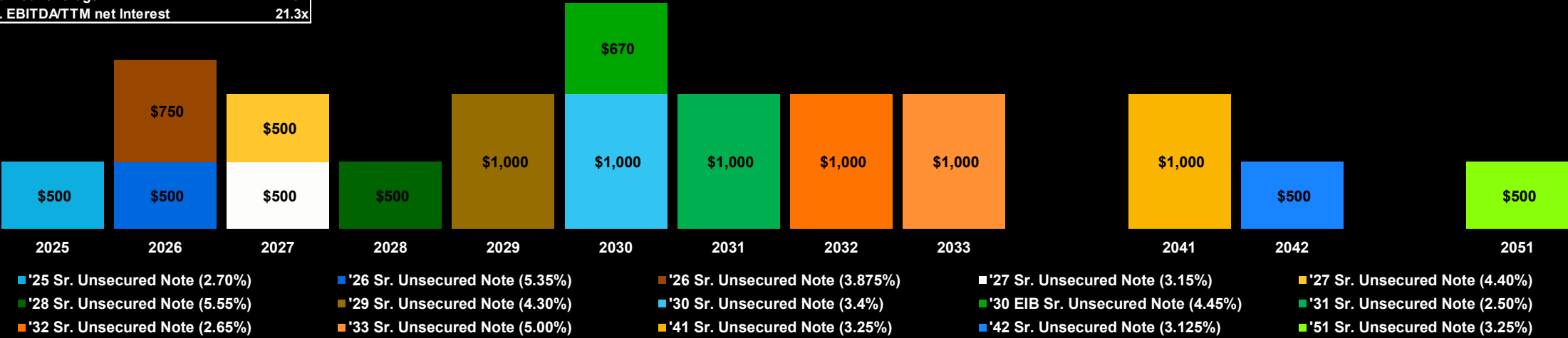
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2. Non-GAAP Free Cash Flow (FCF), = Cash Flow from Operations less Net Capex

# Debt Summary at the End of 4Q24<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	EIB - Sr. Unsecured Facility	Revolving Credit Facility
Issue Date	May-20	Dec-18	Jun-19	May-20	May-22	Dec-18	Jun-19	May-20	May-21	Nov-21	May-22	May-21	Nov-21	Nov-21	Dec-24	Aug-22
Maturity Date	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	Dec-30	Aug-27
Issued Amount (M)	\$ 500	\$ 500	\$ 750	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 500	\$ 500	\$ 670	\$ -
Book Value (M)	\$ 500	\$ 499	\$ 749	\$ 499	\$ 498	\$ 498	\$ 995	\$ 995	\$ 994	\$ 994	\$ 990	\$ 989	\$ 493	\$ 492	\$ 669	\$ -
Coupon	2.700%	5.350%	3.875%	3.150%	4.400%	5.550%	4.300%	3.400%	2.500%	2.650%	5.000%	3.250%	3.125%	3.250%	4.450%	Adj. Fwd. SOFR + 110 bps
Moody's	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+		NR
Fitch	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+		NR

Total Leverage	
Long and short Term Debt (\$M)	\$ 10,854
Cash and Equivalents + ST Deposits (\$M)	\$ 3,292
Net Debt (\$M)	\$ 7,562
TTM Adj. EBITDA	\$ 5,064
Cost of Debt	3.73%
Reported Gross Leverage	2.1X
Reported Net Leverage	1.5X
TTM Adj. EBITDA/TTM net Interest	21.3x

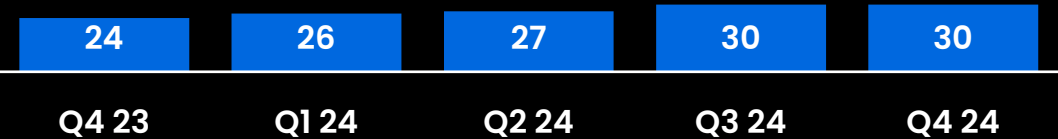


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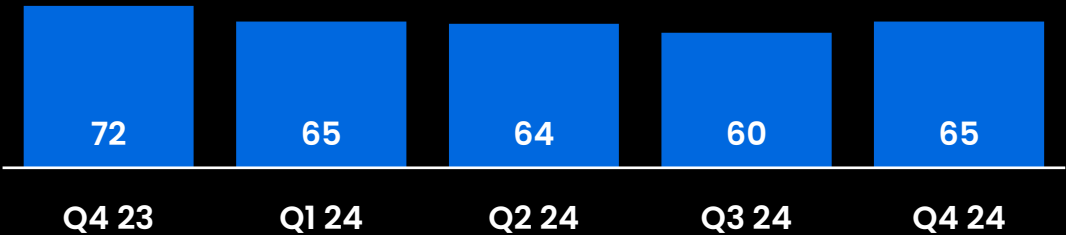
2. For the fourth quarter ended December 31, 2024, interest expense, net of (\$65) million is comprised of interest expense of (\$100) million, less interest income of \$35 million. Interest expense, net is a component of Financial income (expense) of (\$91) million as reported in the NXP Historic Financial Model file found on the Financial Information page.

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

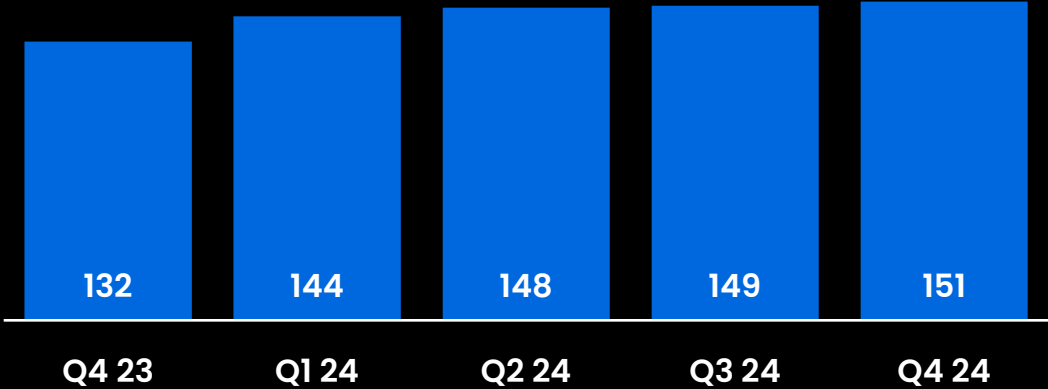
DSO



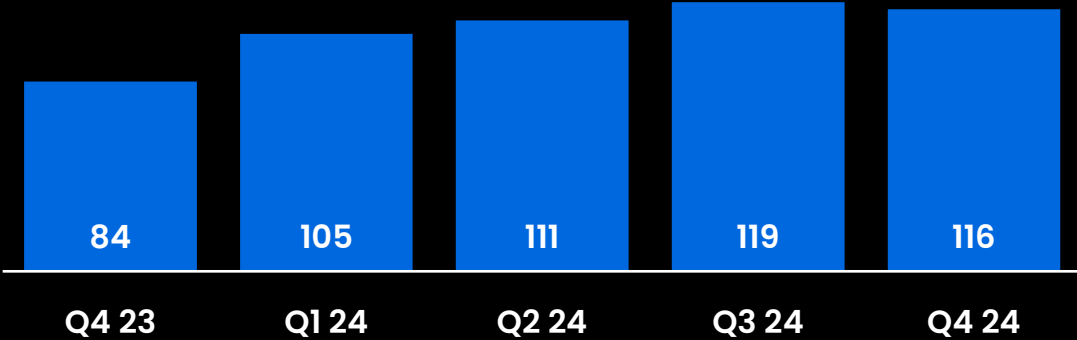
DPO



DIO



Cash Conversion Cycle



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

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

1. Working capital ratios exclude the effect of purchase price accounting amortization effects on GAAP COGS;  
2. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures.

# Financial Model: P&L

	Investor Day 2021	2024A	Investor Day 2024
<b>NXP Growth</b>	<b>+8 to 12%</b> (3 yr. CAGR)	<b>4.5%</b> (3 yr. CAGR)	<b>+6 to 10%</b> (3 yr. CAGR)
<i>Channel Inventory</i>	<i>~11 wks.</i>	<i>8 wks.</i>	<i>~11 wks.</i>
<b>Non-GAAP Gross Margin %</b>	<b>55 to 58%</b>	<b>58.1%</b>	<b>57 to 63%</b>
<i>Non-GAAP R&amp;D (% of Rev)</i>	<i>~16%</i>	<i>16.3%</i>	<i>~16%</i>
<i>Non-GAAP SG&amp;A (% of Rev)</i>	<i>~7%</i>	<i>7.2%</i>	<i>~7%</i>
<b>Non-GAAP Operating Margin %</b>	<b>32 to 36%</b>	<b>34.6%</b>	<b>34 to 40%</b>
<i>Non-GAAP EAETR %</i>	<i>~15% - 18%</i>	<i>16.8%</i>	<i>17% - 18%</i>
<i>Non-controlling Interest (SSMC)</i>	<i>(\$35M to \$45M)</i>	<i>(\$32M)</i>	<i>(\$25M to \$35M)</i>
<i>Equity-accounted Investees (Loss)/Gain related to ESMC + VSMC Mfg. JV</i>	<i>–</i>	<i>–</i>	<i>~(\$200M)<sup>(‘25-’27)</sup></i>

# Source and Use of Cash Model

	Investor Day 2021	2024A	Investor Day 2024
<b>Non-GAAP Free-cash Flow</b>	<b>25% of Rev</b>	<b>19.5% of Rev</b> <small>(CUM '22 to '24)</small>	<b>&gt; 25% of Rev</b>
<i>DSO</i>	<i>~30</i>	<i>30</i> <small>(4Q24A)</small>	<i>~30</i>
<i>DPO</i>	<i>~75</i>	<i>65</i> <small>(4Q24A)</small>	<i>~75</i>
<i>DIO</i>	<i>~95</i>	<i>151</i> <small>(4Q24A)</small>	<i>~110</i>
<i>Capacity Access Fee (VSMC)</i>	<i>N/A</i>	<i>\$275M</i>	<i>\$800M</i>
<b>Net Capex % of Revenue</b>	<b>6 to 8%</b>	<b>6.6%</b> <small>(CUM '22 to '24)</small>	<b>&lt; 5%</b>
<i>SBC</i>	<i>\$380M - \$440M</i>	<i>\$461M / 3.7% of Rev</i> <small>(2024)</small>	<i>~3% of Rev</i>
<b>Equity Investments (ESMC/VSMC)</b>	<b>N/A</b>	<b>\$220M</b> <small>(2024)</small>	<b>~\$1.7B</b>
<i>Dividend (% CF from Ops.)</i>	<i>~25%</i>	<i>28.1%</i> <small>(CUM 22 to 24)</small>	<i>~25%</i>
<i>Buyback (Buy &lt; Net Leverage 2.0x)</i>	<i>&lt; 2.0x</i>	<i>\$3.9B</i> <small>(CUM 22 to 24)</small>	<i>&lt; 2.0x</i>
<b>Capital Return % of FCF</b>	<b>100%</b>	<b>\$6.7B / 88.2%</b> <small>(CUM 22 to 24)</small>	<b>100%</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. Capacity access fee associated with VSMC JV: \$0.5B ('25), \$0.3B ('26).
3. Equity investments in manufacturing JVs (ESMC & VSMC) \$1.1B ('25), \$0.5B ('26), \$0.1B ('27) equals \$1.7B



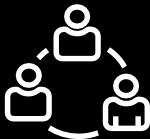

# Guidance for the First Quarter of 2025 <sup>(1,2,3,4,5)</sup>

	<u>GAAP</u>			<u>Reconciliation</u>	<u>Non-GAAP</u>		
	<u>Low</u>	<u>Mid</u>	<u>High</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>
<b>Total Revenue</b>	<b>2,725</b>	<b>2,825</b>	<b>2,925</b>		<b>2,725</b>	<b>2,825</b>	<b>2,925</b>
Q-Q	-12%	-9%	-6%		-12%	-9%	-6%
Y-Y	-13%	-10%	-6%		-13%	-10%	-6%
<b>Gross Profit</b>	<b>1,489</b>	<b>1,559</b>	<b>1,630</b>	(31)	<b>1,520</b>	<b>1,590</b>	<b>1,661</b>
Gross Margin	54.6%	55.2%	55.7%		55.8%	56.3%	56.8%
<b>Operating Income (loss)</b>	<b>652</b>	<b>712</b>	<b>773</b>	(178)	<b>830</b>	<b>890</b>	<b>951</b>
<b>Operating Margin</b>	<b>23.9%</b>	<b>25.2%</b>	<b>26.4%</b>		<b>30.5%</b>	<b>31.5%</b>	<b>32.5%</b>
Financial income (expense)	(90)	(90)	(90)	(10)	(80)	(80)	(80)
Tax rate		18.0%-19.0%				17.0%-18.0%	
Tax rate to calculate EPS	18.5%	18.5%	18.5%		17.5%	17.5%	17.5%
Tax to calculate EPS	(104)	(115)	(126)	22	(131)	(142)	(152)
Equity-accounted investees	(4)	(4)	(4)	(3)	(1)	(1)	(1)
Non-controlling interests	(5)	(5)	(5)	0	(5)	(5)	(5)
Shares	256	256	256		256	256	256
<b>Earnings per share - diluted</b>	<b>1.75</b>	<b>1.95</b>	<b>2.14</b>		<b>2.39</b>	<b>2.59</b>	<b>2.79</b>

- GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(7) million; Share-based Compensation, \$(16) million; Other Incidentals, \$(8) million;
- GAAP Operating Income (loss) is expected to include PPA effects, \$(35) million; Share-based Compensation, \$(128) million; Restructuring and Other Incidentals, \$(15) million;
- GAAP Financial Income (expense) is expected to include Other financial expense \$(10) million;
- GAAP Results relating to equity-accounted investees is expected to include results relating to non-foundry equity-accounted investees \$(3) million;
- 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 interests & Other and the adjustment on Tax due to the earlier mentioned adjustments.


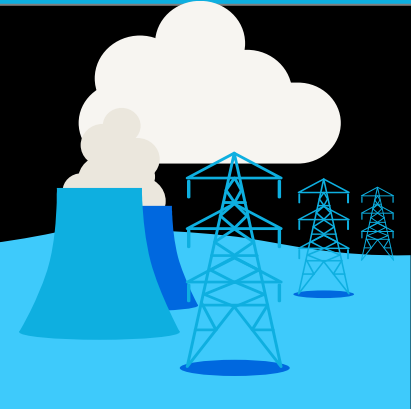
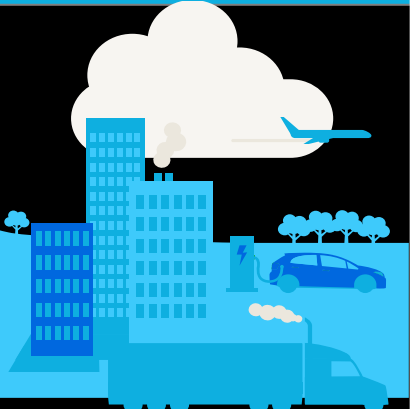
*NXP has based the guidance included in this release on judgments and estimates that management believes are reasonable given its assessment of historical trends and other information reasonably available as of the date of this release. Please note, the guidance included in this release consists of predictions 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.*

# NXP Sustainability Mission

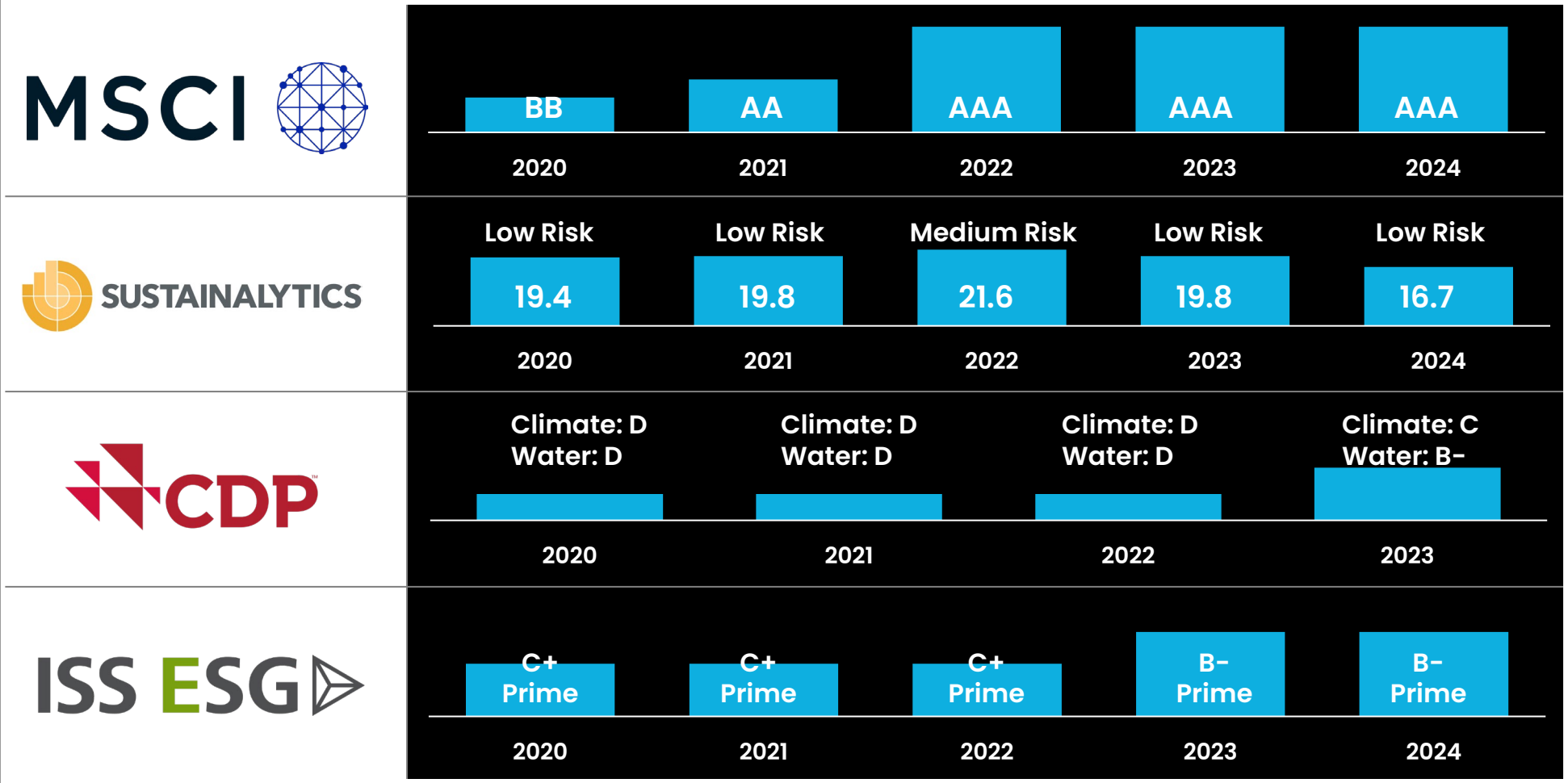
	Strategy	Guiding Principles	Goals
 <p><b>Innovation</b></p>	Innovate advancements that enable a better, safer, more secure and more sustainable world.	Push boundaries and explore new approaches to develop innovative and sustainable products and solutions.	Develop higher-performing, energy-efficient solutions that positively impacts the planet and society.
 <p><b>Environment</b></p>	Optimize NXP’s use of its resources and the beneficial social impacts of its operations.	Pursue continual improvements to protect our planet.	Carbon neutral by 2035; by 2027 reduce carbon emissions by 35%, drive 50% renewable electricity, 60% of wastewater recycled, and 90% of waste recycled
 <p><b>Social</b></p>	Leverage NXP’s global and diverse team to actively drive its sustainability mission	Respect human rights and promote an ethical, safe and healthy work environment where team members collaborate to drive innovation	25% women in R&D by 2025; 50% underrepresented minorities in NXP US workforce; zero tolerance of forced labor and human-rights abuses; zero workplace injuries
 <p><b>Governance</b></p>	Collaborate with stakeholders on global sustainability initiatives. Ensure accountability, trust and transparency in NXP business practices and operations.	Actively assess risk and build resilience through robust governance systems, appropriate goals and processes	Work with NXP supply-chain partners to reduce their environmental footprint and to integrate ESG into NXP’s business to foster ownership and accountability



# NXP 2023 Sustainability Progress

Scope 1 Direct sources	Scope 2 Indirect sources	Scope 3 Upstream and downstream sources	Additional Progress:		
			<b>29%</b> decrease PFC emissions from 2022	<b>28%</b> decrease non-GHG emissions from 2022	<b>1%</b> decrease electricity consumption from 2022
<b>30%</b> decrease from 2022	<b>17%</b> decrease from 2022	<b>36%</b> decrease from 2022	<b>57%</b> decrease HTF emissions from 2022	<b>2%</b> decrease fossil fuel emissions from 2022	<b>24%</b> decrease N <sub>2</sub> O emissions from 2022
			<b>2%</b> Increase in water recycling from 2022	<b>20%</b> Women in R&D positions	<b>100%</b> Certified Conflict free 3TG smelters

# NXP Sustainability Ratings



Source 2023 NXP Corporate Sustainability Report: See the 2023 NXP Corporate Sustainability Report for more discussion around Scope 3 methodology. Cataloging Scope 3 emissions is a complex endeavor that presents specific challenges. In the coming years, we will continue to review our calculations, refine our methodologies and evaluate whether the underlying assumptions made earlier in the project are still accurate

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

(\$ in millions, unless otherwise stated)	2019	2020	2021	2022	2023	2024
<b>Revenue</b>	<b>8,877</b>	<b>8,612</b>	<b>11,063</b>	<b>13,205</b>	<b>13,276</b>	<b>12,614</b>
Cost of Revenue	4,259	4,377	4,996	5,688	5,723	5,495
<b>Gross Profit</b>	<b>4,618</b>	<b>4,235</b>	<b>6,067</b>	<b>7,517</b>	<b>7,553</b>	<b>7,119</b>
Research and development	1,643	1,725	1,936	2,148	2,418	2,347
Selling, general and administrative	924	879	956	1,066	1,159	1,164
Amortization of acquisition-related intangible assets	1,435	1,327	592	509	300	136
Total operating expenses	4,002	3,931	3,484	3,723	3,877	3,647
Other income (expense)	25	114	-	3	(15)	(55)
<b>Operating income (loss)</b>	<b>641</b>	<b>418</b>	<b>2,583</b>	<b>3,797</b>	<b>3,661</b>	<b>3,417</b>
Financial income (expense)	(350)	(417)	(403)	(434)	(309)	(318)
Income (loss) before taxes	291	1	2,180	3,363	3,352	3,099
Benefit (provision) for income taxes	(20)	83	(272)	(529)	(523)	(545)
Results relating to equity-accounted investees	1	(4)	(2)	(1)	(7)	(12)
Net income (loss)	272	80	1,906	2,833	2,822	2,542
Less: Net Income (loss) attributable to non-controlling interests	(29)	(28)	(35)	(46)	(25)	(32)
<b>Net income (loss) attributable to stockholders</b>	<b>243</b>	<b>52</b>	<b>1,871</b>	<b>2,787</b>	<b>2,797</b>	<b>2,510</b>
Basic earnings per share	0.86	0.19	6.91	10.64	10.83	9.84
Diluted earnings per share	0.85	0.18	6.79	10.55	10.70	9.73
Basic - weighted average number of shares	282,056	279,763	270,687	261,879	258,381	255,208
Diluted - weighted average number of shares	285,911	283,809	275,646	264,053	261,370	257,848

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)	2019	2020	2021	2022	2023	2024
GAAP Gross Profit	4,618	4,235	6,067	7,517	7,553	7,119
Gross profit adjustments	(131)	(165)	(138)	(126)	(209)	(213)
Non - GAAP Gross Profit	4,880	4,565	6,343	7,769	7,970	7,545
GAAP Gross Margin	52.0%	49.2%	54.8%	56.9%	56.9%	56.4%
Non-GAAP Gross Margin	53.5%	51.1%	56.1%	57.9%	58.5%	58.1%
GAAP Operating income (loss)	641	418	2,583	3,797	3,661	3,417
Operating income adjustments	(1,932)	(1,810)	(1,058)	(994)	(1,001)	(952)
Non - GAAP Operating income (loss)	2,573	2,228	3,641	4,791	4,662	4,369
GAAP Operating Margin	7.2%	4.9%	23.3%	28.8%	27.6%	27.1%
Non-GAAP Operating Margin	29.0%	25.9%	32.9%	36.3%	35.1%	34.6%

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

(\$ in millions, unless otherwise stated)

	2019	2020	2021	2022	2023	2024
<b>Net cash provided by (used for) operating activities</b>	<b>2,373</b>	<b>2,482</b>	<b>3,077</b>	<b>3,895</b>	<b>3,513</b>	<b>2,782</b>
<b>Net cash provided by (used for) investing activities</b>	<b>(2,284)</b>	<b>(418)</b>	<b>(934)</b>	<b>(1,249)</b>	<b>(1,508)</b>	<b>(686)</b>
<b>Net cash provided by (used for) financing activities</b>	<b>(1,831)</b>	<b>(835)</b>	<b>(1,585)</b>	<b>(1,619)</b>	<b>(1,990)</b>	<b>(2,662)</b>
Effects of changes in exchange rates on cash position	(2)	1	(3)	(12)	2	(4)
Increase (decrease) in cash and cash equivalents	(1,744)	1,230	555	1,015	17	(570)
<b>Cash and cash equivalents at beginning of the period</b>	<b>2,789</b>	<b>1,045</b>	<b>2,275</b>	<b>2,830</b>	<b>3,845</b>	<b>3,862</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,045</b>	<b>2,275</b>	<b>2,830</b>	<b>3,845</b>	<b>3,862</b>	<b>3,292</b>

Net cash provided by (used for) operating activities	2,373	2,482	3,077	3,895	3,513	2,782
Net capital expenditures on property, plant and equipment	(503)	(388)	(766)	(1,061)	(826)	(693)
<b>Non-GAAP free cash flow</b>	<b>1,870</b>	<b>2,094</b>	<b>2,311</b>	<b>2,834</b>	<b>2,687</b>	<b>2,089</b>
<b>Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue</b>	<b>21.1%</b>	<b>24.3 %</b>	<b>20.9%</b>	<b>21.5%</b>	<b>20.2%</b>	<b>16.6%</b>

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

(\$ in millions, unless otherwise stated)

	2019	2020	2021	2022	2023	2024
<b>Net income (loss)</b>	<b>272</b>	<b>80</b>	<b>1,906</b>	<b>2,833</b>	<b>2,822</b>	<b>2,542</b>
Financial (income) expense	350	417	403	434	309	318
(Benefit) provision for income taxes	20	(83)	272	529	523	545
Depreciation	518	547	551	605	652	630
Amortization	1,529	1,441	711	645	454	295
<b>Non-GAAP EBITDA</b>	<b>2,689</b>	<b>2,402</b>	<b>3,843</b>	<b>5,046</b>	<b>4,760</b>	<b>4,330</b>
Excluding from total other incidental items, charges included in depreciation or amortization reconciling items:						
other incidental items	-	-	-	-	2	45
<b>Reconciling items to adjusted EBITDA</b>						
Results of equity-accounted investees	(1)	4	2	1	7	12
Purchase accounting effect on inventory	8	17	-	-	-	-
Restructuring	28	78	1	(7)	98	125
Stock-based compensation	346	384	353	364	411	461
Merger-related costs	33	8	-	-	-	
Other incidental items	(3)	(101)	33	65	134	136
<b>Non-GAAP Adjusted EBITDA</b>	<b>3,100</b>	<b>2,792</b>	<b>4,232</b>	<b>5,469</b>	<b>5,410</b>	<b>5,064</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. Excluded from total other incidental items, charges included in depreciation or amortization reconciling items:

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

(\$ in millions, unless otherwise stated)	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
<b>Revenue</b>	<b>3,422</b>	<b>3,126</b>	<b>3,127</b>	<b>3,250</b>	<b>3,111</b>
Cost of Revenue	(1,485)	(1,343)	(1,335)	(1,384)	(1,433)
<b>Gross Profit</b>	<b>1,937</b>	<b>1,783</b>	<b>1,792</b>	<b>1,866</b>	<b>1,678</b>
Research and development	(651)	(564)	(594)	(577)	(612)
Selling, general and administrative	(311)	(306)	(270)	(265)	(323)
Amortization of acquisition-related intangible assets	(63)	(51)	(28)	(29)	(28)
Total operating expenses	(1,025)	(921)	(892)	(871)	(963)
Other income (expense)	(5)	(6)	(4)	(5)	(40)
<b>Operating income (loss)</b>	<b>907</b>	<b>856</b>	<b>896</b>	<b>990</b>	<b>675</b>
Financial income (expense)	(78)	(70)	(75)	(82)	(91)
Income (loss) before taxes	829	786	821	908	584
Benefit (provision) for income taxes	(124)	(141)	(154)	(173)	(77)
Results relating to equity-accounted investees	(2)	(1)	(3)	(6)	(2)
Net income (loss)	703	644	664	729	505
Less: Net Income (loss) attributable to non-controlling interests	(6)	(5)	(6)	11	10
Net income (loss) attributable to stockholders	697	639	658	718	495
Basic earnings per share	2.71	2.49	2.58	2.82	1.95
Diluted earnings per share	2.68	2.47	2.54	2.79	1.93
Basic - weighted average number of shares	257,285	256,567	255,478	254,458	254,349
Diluted - weighted average number of shares	260,298	258,954	258,732	257,717	256,628

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

(\$ in millions, unless otherwise stated)	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
GAAP Gross Profit	1,937	1,783	1,792	1,866	1,678
Gross profit adjustments	(73)	(35)	(41)	(26)	(111)
Non - GAAP Gross Profit	2,010	1,818	1,833	1,892	1,789
GAAP Gross Margin	56.6%	57.0%	57.3%	57.4%	53.9%
Non-GAAP Gross Margin	58.7%	58.2%	58.6%	58.2%	57.5%
GAAP Operating income (loss)	907	856	896	990	675
Operating income adjustments	(312)	(224)	(175)	(163)	(390)
Non - GAAP Operating income (loss)	1,219	1,080	1,071	1,153	1,065
GAAP Operating Margin	26.5%	27.4%	28.7%	30.5%	21.7%
Non-GAAP Operating Margin	35.6%	34.5%	34.3%	35.5%	34.2%
GAAP Provision for income taxes	(124)	(141)	(154)	(173)	(77)
Income tax effect	54	30	15	9	87
Non-GAAP Provision for income tax	(178)	(171)	(169)	(182)	(164)
GAAP Net income (loss) attributable to stockholders	697	639	658	718	495
Non-GAAP Net income (loss) attributable to stockholders	966	840	829	890	817
GAAP Diluted earnings per share	2.68	2.47	2.54	2.79	1.93
Non-GAAP Diluted earnings per share	3.71	3.24	3.20	3.45	3.18

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
GAAP Net income (loss) attributable to stockholders	697	639	658	718	495
PPA Effects	(77)	(63)	(41)	(42)	(39)
Restructuring	(84)	(7)	(6)	-	(112)
Share-based compensation	(107)	(115)	(114)	(115)	(117)
Other incidentals	(44)	(39)	(14)	(6)	(122)
Other adjustments combined	43	23	4	(9)	68
Foreign exchange loss	(6)	(1)	(2)	(3)	3
Other financial expense	(3)	(5)	(6)	(9)	(20)
Income tax effect	54	30	15	9	87
Results relating to equity accounted investees	(2)	(1)	(3)	(6)	(2)
Non-GAAP Net income (loss) attributable to stockholders	966	840	829	890	817

GAAP net income(loss) per common share attributable to shareholders - diluted	2.68	2.47	2.54	2.79	1.93
Total GAAP to Non-GAAP adjustments per common share	(1.03)	(0.77)	(0.66)	(0.66)	(1.25)
Non-GAAP net income(loss) per common share attributable to shareholders - diluted	3.71	3.24	3.20	3.45	3.18

GAAP Financial income / (expense)	(78)	(70)	(75)	(82)	(91)
Financial income / (expense) adjustments	(9)	(6)	(8)	(12)	(17)
Non-GAAP Financial income / (expense)	(69)	(64)	(67)	(70)	(74)



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

(\$ in millions, unless otherwise stated)

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
<b>Net cash provided by (used for) operating activities</b>	<b>1,137</b>	<b>851</b>	<b>761</b>	<b>779</b>	<b>391</b>
<b>Net cash provided by (used for) investing activities</b>	<b>(629)</b>	<b>(274)</b>	<b>(239)</b>	<b>(371)</b>	<b>198</b>
<b>Net cash provided by (used for) financing activities</b>	<b>(694)</b>	<b>(1,528)</b>	<b>(567)</b>	<b>(526)</b>	<b>(41)</b>
Effects of changes in exchange rates on cash position	6	(3)	(4)	7	(4)
Increase (decrease) in cash and cash equivalents	(180)	(954)	(49)	(111)	544
<b>Cash and cash equivalents at beginning of the period</b>	<b>4,042</b>	<b>3,862</b>	<b>2,908</b>	<b>2,859</b>	<b>2,748</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,862</b>	<b>2,908</b>	<b>2,859</b>	<b>2,748</b>	<b>3,292</b>

Net cash provided by (used for) operating activities	1,137	851	761	779	391
Net capital expenditures on property, plant and equipment	(175)	(224)	(184)	(186)	(99)
<b>Non-GAAP free cash flow</b>	<b>962</b>	<b>627</b>	<b>577</b>	<b>593</b>	<b>292</b>
<b>Trailing 12-month Non-GAAP free cash flow</b>	<b>2,687</b>	<b>2,933</b>	<b>2,954</b>	<b>2,759</b>	<b>2,059</b>
<b>Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue</b>	<b>20%</b>	<b>22%</b>	<b>23%</b>	<b>21%</b>	<b>17%</b>

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

(\$ in millions, unless otherwise stated)	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
<b>Net income (loss)</b>	<b>703</b>	<b>644</b>	<b>664</b>	<b>729</b>	<b>505</b>
Reconciling items to adjusted net income					
Financial (income) expense	78	70	75	82	91
(Benefit) provision for income taxes	124	141	154	173	77
Depreciation	167	145	146	149	190
Amortization	102	90	67	69	69
<b>Non-GAAP EBITDA</b>	<b>1,174</b>	<b>1,090</b>	<b>1,106</b>	<b>1,202</b>	<b>932</b>
Excluding from total other incidental items, charges included in depreciation or amortization reconciling items:					
other incidental items	-	-	-	-	45
Reconciling items to adjusted EBITDA					
Results of equity-accounted investees	2	1	3	6	2
Restructuring	84	7	6	-	112
Stock-based compensation	107	115	114	115	117
Other incidental items	44	39	14	6	77
<b>Non-GAAP Adjusted EBITDA</b>	<b>1,411</b>	<b>1,252</b>	<b>1,243</b>	<b>1,329</b>	<b>1,240</b>
<b>Trailing 12-month Non-GAAP Adjusted EBITDA</b>	<b>5,410</b>	<b>5,395</b>	<b>5,297</b>	<b>5,235</b>	<b>5,064</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

# Notable Product Announcements

**New S32J Family of Safe and Secure Ethernet Switches Enables Scalable Vehicle Networks, Extending NXP CoreRide Platform**

**NXP's Advanced Trimension UWB Portfolio Hits the Road with Audi**

**NXP's New i.MX 94 Family of Applications Processors Delivers Safe, Secure Connectivity for the Industrial and Automotive Edge**

**NXP Announces Industry-First Ultra-Wideband Wireless Battery Management System Solution**

**NXP to Acquire Automotive Networking Pioneer Aviva Links, Accelerating Asymmetrical ASA Multi-Gigabit Connectivity in Software-Defined Vehicles**

**NXP Accelerates the Transformation to Software-Defined Vehicles (SDV) with Agreement to Acquire TTTech Auto**

# NXP, A Future of Innovation and Long-term Value Creation



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**High Single Digit Organic  
Revenue Growth**

**S32 SDV**

**Intelligent systems at the edge**

**Gross Margin Expansion  
Above 60%**

**Hybrid manufacturing  
Mix / NPI**

**100% of Excess FCF  
to Our Owners**

**Hybrid manufacturing  
RMS & system leadership**

**Doubling non-GAAP EPS by 2030+**



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