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The 1- Minute Brief

NXP

Q3’26 Earnings

Announced on 27, Oct’26

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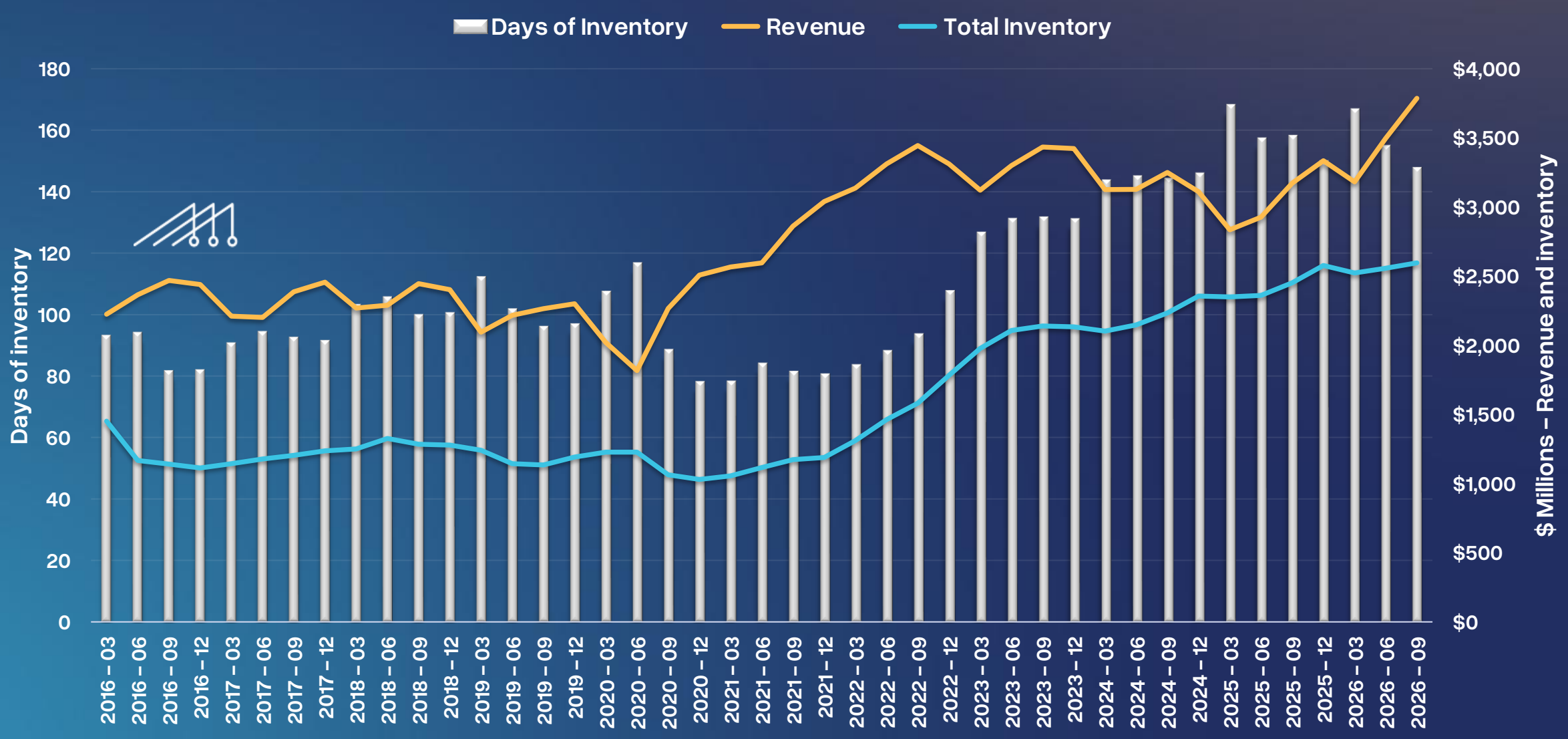
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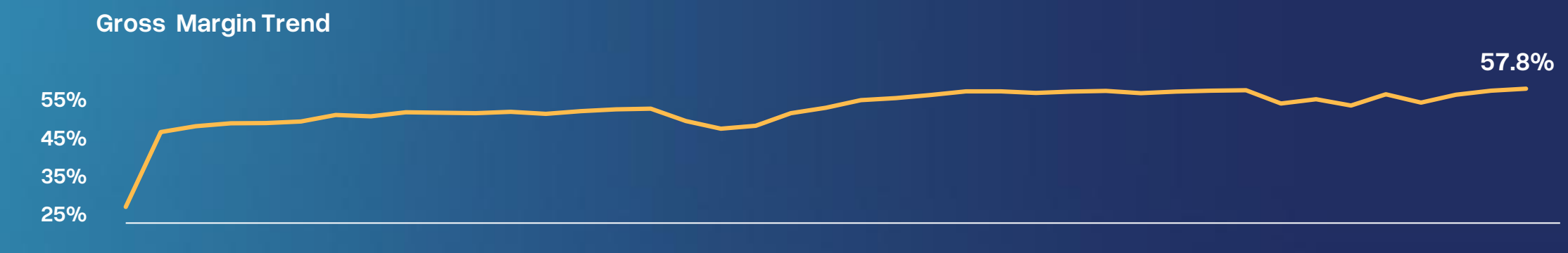
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Key Takeaways

- Q3’26 revenue was record $3.8B, up 19% YoY and 8% QoQ, driven by Automotive (SDVs), Industrial AI and expanding data center opportunities
- Gross margin improved QoQ, driven by improved factory utilization and solid fall through higher revenues
- Inventory days improved to 148 from 156, with ~13 days still tied to planned factory consolidation prebuild inventor
- NXP invested $218M in VSMC* and ESMC* during Q3 and expects to complete over 75% of its joint venture investments by year-end

*VSMC (Vision Power Semiconductor Manufacturing Company);
*ESMC (European Semiconductor Manufacturing Company)



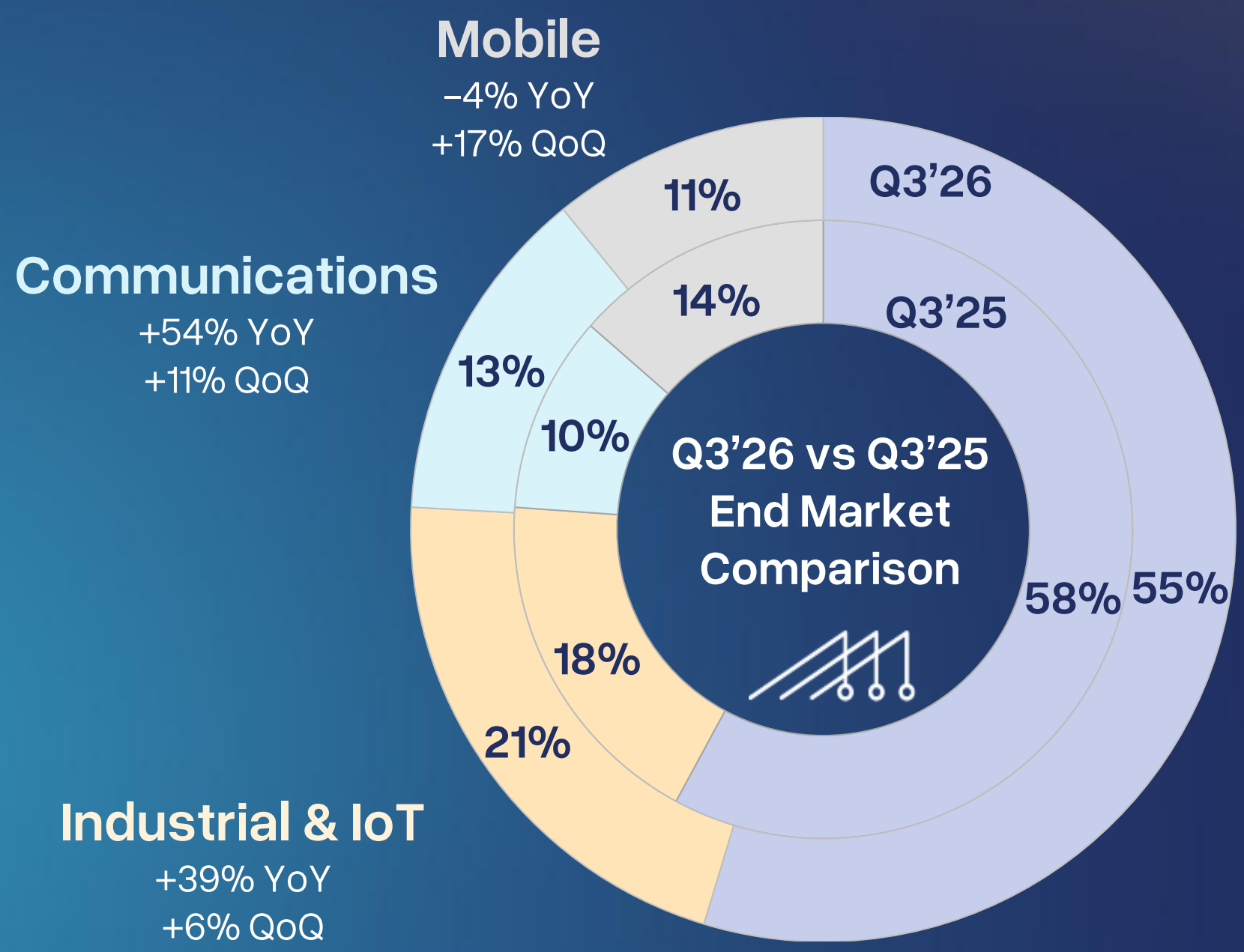


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Performance by Segment

- **Automotive**: Crossed the $2B milestone for the first time, driven by content increases via Software-Defined Vehicles (SDVs), connectivity, and radar, rather than a rise in vehicle volume
- **Industrial & IoT**: YoY growth driven by industrial automation, healthcare, and intelligent edge expansion. The dedicated industrial sub-segment expanded by nearly 50% YoY
- **Communication Infrastructure**: Fastest growing segment, driven by expanding data center infrastructure deployments and secure-card applications
- **Mobile**: Slight YoY decline reflects an uneven and softer consumer demand



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Outlook

- **Q4’26 quarter midpoint guidance:**
  +15% YoY (vs. Q4’25) and +2% QoQ (vs. Q3’26)
- Gross margin is expected to be 59% in Q4, driven by higher revenue and manufacturing utilizations
- NXP remains confident in sustained double-digit growth through 2027, driven by software-defined vehicles, industrial edge AI, and data center infrastructure

Q4’26 Segment Performance Outlook

Segment	YoY Change	QoQ Change
Automotive	Up low double-digit	Up low single digits
Industrial & IoT	High-20% growth	Up low single digits
Comms Infrastructure & Others	~50% YoY growth	Up low single-digit
Mobile	YoY decline	Modest growth

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