

NXP Semiconductors

"NXP" redirects here. For the airfield, see [Twentynine Palms Strategic Expeditionary Landing Field](#).

NXP Semiconductors N.V.



Type	Public
Traded as	NASDAQ: NXPI NASDAQ-100 Component
ISIN	NL0009538784
Industry	Electronics
Founded	1953; 67 years ago as Philips subsidiary spun-off in 2006
Headquarters	High Tech Campus in Eindhoven, Netherlands , Austin texas, USA (corporate headquarters) ^[1]
Key people	Richard L. Clemmer , CEO Kurt Sievers, President
Products	Semiconductors
Revenue	US\$9.41 billion (2018)
Operating income	US\$85.0 million (2018)
Net income	US\$22 million (2018)
Total assets	US\$215.3 billion (2018)
Total equity	US\$106.9 billion (2018)
Number of employees	31,000 (2017) ^[2]
Website	www.nxp.com

NXP Semiconductors N.V. is a global [semiconductor manufacturer](#) headquartered in [Eindhoven, Netherlands](#). The company employs approximately 31,000 people in more than 35 countries, including 11,200 engineers in 33 countries.^[2] NXP reported revenue of \$9.4 billion in 2018.^[3]

On October 27, 2016, it was announced that [Qualcomm](#) would try to buy NXP,^[4] but because the Chinese merger authority did not approve the acquisition before the deadline set by Qualcomm, it was effectively canceled on 26 July 2018.^[5]



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Description

NXP said it was the fifth-largest non-memory semiconductor supplier in 2016, and the leading semiconductor supplier for the secure identification, automotive and digital networking industries.^[6] The company was founded in 1953 as part of the electrical and electronics firm [Philips](#), with manufacturing and development in [Nijmegen](#), [Netherlands](#).^[7] Known then as **Philips Semiconductors**, the company was sold to a consortium of [private equity](#) investors in 2006, at which point the company's name was changed to NXP.^[8]

On August 6, 2010, NXP completed its [initial public offering](#), with shares trading on [NASDAQ](#) under the ticker symbol NXPI. On December 23, 2013, NXP Semiconductors was added to the [NASDAQ 100](#).^[9] Finally, on March 2, 2015, it was announced that NXP Semiconductors would merge with chip designer and manufacturer [Freescale Semiconductor](#) in a \$40 billion US-dollar deal.^{[10][11]} The merger was closed on December 7, 2015.^[12]

NXP Semiconductors provides mixed signal and standard products based on its security, identification, automotive, networking, [radio frequency](#), [analog signal](#), and [power management](#) expertise. With an emphasis on security of the connected vehicle and the [Internet of things](#), the company's products are used in [automotive](#), identification, wired and [wireless infrastructure](#), [lighting](#), industrial, consumer, mobile and computing applications. For example, in order to protect against potential hackers, NXP offers gateways to automotive manufacturers that prevent communication with every network within a car independently.^[13]

NXP is the co-inventor of [near field communication](#) (NFC) technology along with [Sony](#) and supplies NFC chip sets that enable mobile phones to be used to pay for goods, and store and

exchange data securely.^[14] NXP manufactures chips for eGovernment applications such as [electronic passports](#); [RFID](#) tags and labels; and transport and access management, with the [chip set](#) and [contactless card](#) for [MIFARE](#) used by many major public transit systems worldwide.^[15]

In addition, NXP manufactures automotive chips for in-vehicle networking, passive keyless entry and [immobilization](#), and car radios.^[16] NXP invented the [PC interface](#) over 30 years ago and has since supplied products using it.^[17] Before the divestiture of [Nexperia](#), NXP was also a volume supplier of standard logic devices, and celebrated its 50 years in logic (via its history as both [Signetics](#) and Philips Semiconductors) in March 2012.^[18]

NXP owns over 9,000 issued or pending patents.^[2]

Philips Semiconductors

- [Silicon Valley](#)-based [Signetics](#), the "first company in the world established expressly to make and sell integrated circuits"^[19] and inventor of the [555 timer IC](#), was acquired by [Philips](#) in 1975. At the time, it was claimed that "with the Signetics acquisition, Philips was now number two in the league table of semiconductor manufacturers in the world."^[20] In 1987, *Philips-Signetics*, a unit of Philips, was ranked Europe's largest semiconductor maker, with sales of \$1.36 billion in 1986.^[21]
- [Philips](#) acquired [VLSI Technology](#) in June 1999. At the time, the acquisition made Philips the world's sixth largest semiconductor company.^[22]
- In December 2005, Philips announced its intention to legally separate its semiconductor division, Philips Semiconductors, into an independent [legal entity](#).^[23]
- In September 2006, Philips completed the sale of an 80.1% stake in Philips Semiconductors to a consortium of [private equity](#) investors consisting of [Kohlberg Kravis Roberts](#) (KKR), [Bain Capital](#), [Silver Lake Partners](#), [Apax Partners](#), and [AlInvest Partners](#).^[24]

Launch of NXP Semiconductors N.V.

- The new company name *NXP* (from *Next eXPerience*) was announced on August 31, 2006,^[8] and was officially launched during the [Internationale Funkausstellung](#) (IFA) consumer electronics show in Berlin. The newly independent NXP was ranked as one of the world's top 10 semiconductor companies.^[25] At the time, CEO [Frans van Houten](#) emphasized the importance of NXP in enabling "vibrant media" technologies in mobile phones, digital TVs, portable music players and other consumer electronics devices.^[26]
- NXP's first acquisition as an independent company was in 2007, when NXP announced that it would acquire [Silicon Laboratories](#)' AeroFONE single-chip phone and power amplifier product lines to strengthen its Mobile and Personal business.^[27] Fourteen months later, NXP announced that it would transform its Mobile and Personal business unit into a joint venture with [STMicroelectronics](#), which in 2009 became [ST-Ericsson](#), a 50/50 [joint venture](#) of [Ericsson](#) Mobile Platforms and [STMicroelectronics](#), after ST purchased NXP's 20% stake.^[28]

- Similarly, in April 2008, NXP announced it would acquire the set-top box business of [Conexant](#) to complement its existing Home business unit.^{[29][30]} In October 2009, NXP announced that it would sell its Home business unit to [Trident Microsystems](#).^[31]
- In September 2008, NXP announced that it would restructure its manufacturing, R&D and back office operations, resulting in 4,500 job cuts worldwide, for annual savings of \$550 million.^[32]

Notable events

- Current president and CEO Rick Clemmer took over from Frans van Houten on January 1, 2009.^[33] Clemmer has emphasized the importance of "high performance mixed signal" products as a key focus area for NXP.^[34] As of 2011, "standard products" including components such as small signal, power and integrated discretes^[35] accounted for 30 percent of NXP's business.^[34]
- On July 26, 2010, NXP announced that it had acquired [Jennic](#) based in [Sheffield, UK](#),^[36] which now operates as part of its smart home and energy product line, using [ZigBee](#) and [JenNet-IP](#).
- On August 6, 2010, NXP announced its [initial public offering](#) at [NASDAQ](#), with 34,000,000 shares, pricing each \$14.^[37]
- In December 2010, NXP announced that it would sell its Sound Solutions business to [Knowles Electronics](#), part of [Dover Corporation](#), for \$855 million in cash.^[38] The acquisition was completed as of July 5, 2011.^[39]
- In April 2012, NXP announced its intent to acquire electronic design consultancy Catena to work on automotive applications.^[40]
- In July 2012, NXP sold its high-speed data converter assets to [Integrated Device Technology](#).^[41]
- In 2012, revenue for NXP's Identification business unit was \$986 million, up 41% from 2011, in part due to growing sales of [NFC](#) chips and secure elements.^[42]
- On January 4, 2013, NXP and [Cisco](#) announced their investment in Cohda Wireless, an Australian company focused on car-to-car and car-to-infrastructure communications.^[43]
- In January 2013, NXP announced 700-900 redundancies worldwide in an effort to cut costs related to "support services".^[44]
- In May 2013, NXP announced that it acquired *Code Red Technologies*, a provider of embedded software development such as the LPCXpresso IDE and Red Suite.^[45]
- In July 2014, NXP was reported to have sacked union organisers.^[46] A campaign was started for their reinstatement.^[47]
- On June 14, 2016, it was announced that [Nexperia](#) would be divested from NXP to a consortium of financial investors consisting of Beijing Jianguang Asset Management Co., Ltd ("JAC Capital") and Wise Road Capital LTD ("Wise Road Capital").^[48] This transaction is expected to close in the first quarter of 2017 pending all required regulatory approvals and employee representative consultations.^[48]
- In April 2017, [Qualcomm](#) received approval from U.S. antitrust regulators for the acquisition of NXP for \$47 billion.^[49] However, the acquisition has not received approval from Chinese authorities and Qualcomm has refiled an antitrust application and request to purchase with the PRC Ministry of Commerce.^[50]

- In September 2018, NXP announced that it acquired OmniPHY, a provider of automotive Ethernet subsystem technology.
- On December 6, 2019, NXP announced the completion of the acquisition of the wireless connectivity assets from Marvell.^[51]

Acquisition of Freescale Semiconductor

- In March 2015, a merger agreement was announced through which NXP would acquire rival [Freescale Semiconductor](#).^[52]
- The RF Power Division was sold to [JAC Capital](#) for \$1.8 billion and was rebranded as [Ampleon](#), in a transaction closed in November 2015.^[53]
- On December 7, 2015, NXP completed its acquisition of Freescale Semiconductor and the merged company continued operations as NXP Semiconductors N.V.^[54]

Analysis of merger

Both elements have deep roots stretching back to when they were part of Philips NV (in the case of NXP), and Motorola (Freescale). Each had comparable revenue figures; US\$4.8B and US\$4.2B for NXP and Freescale respectively in 2013. NXP primarily focuses on [near field communication](#) (NFC) and [high-performance mixed signal](#) (HPMS) hardware. Freescale focuses on its [microprocessor](#) and [microcontroller](#). Both companies possess roughly equal patent portfolios.^[55]

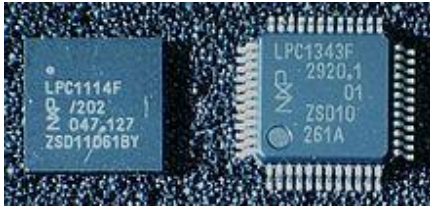
Certainly, each company brings core strengths to the combined organization, NFC from NXP and microcontrollers from Freescale. Also, both companies have been actively involved in litigation over the years as both plaintiff and defendant, so a larger and, more importantly, a more geographically diverse patent portfolio could likely prove useful in such matters. [Chipworks'](#) analysts suggest the newly merged company will divest itself of many properties as the merger progresses.^[55]

Some analysts believe cost savings after the two companies merge are expected to be about \$500M dollars. Customers are ultimately divided over the consolidation of their product families and how it may affect their own development and end-products.^[55]

Worldwide sites



NXP Headquarters in Eindhoven, Netherlands, July 2011



[NXP LPC1114](#) in 33-pin [HVQFN](#) package and [LPC1343](#) in 48-pin [LQFP](#) package, both [ARM Cortex-M](#) microcontrollers

NXP Semiconductors is headquartered in [Eindhoven, Netherlands](#). The company has operations in more than 35 countries, with engineering design teams in 23 countries.^[2]

NXP currently has 14 manufacturing sites, with seven test and assembly sites and seven wafer fabs:

Test and assembly

- [Bangkok, Thailand](#)
- [Cabuyao City, Philippines](#)
- [Kaohsiung, Taiwan](#)
- [Petaling Jaya, Malaysia](#)^[56]
- [Tianjin, China](#)

Wafer fabs

- [Chandler, Arizona, United States](#)
- [Austin, Texas, United States](#) (2)
- [Nijmegen, Netherlands](#)
- [Singapore](#)

Joint ventures and other major interests

- [Systems on Silicon Manufacturing Company \(SSMC\) Pte. Ltd.](#) (61%)
- [Datang NXP Semiconductors Co., Ltd.](#) (49%)
- [Suzhou ASEN Semiconductors Co., Ltd](#) (40%)
- [Advanced Semiconductor Manufacturing Co. Ltd.](#) (27%)
- [Cohda Wireless Pty Ltd.](#) (23%)