



Quarterly presentation

Q1 2025

April 29, 2025

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This presentation was prepared in connection with the Q1 results released on April 29, 2025. Information contained herein will not be updated. The following slides should also be read and considered in connection with the information given orally during the presentation.

Today's presenters

- Vegard Wollan, CEO
- Pål Elstad, CFO



Strong performance in Q1

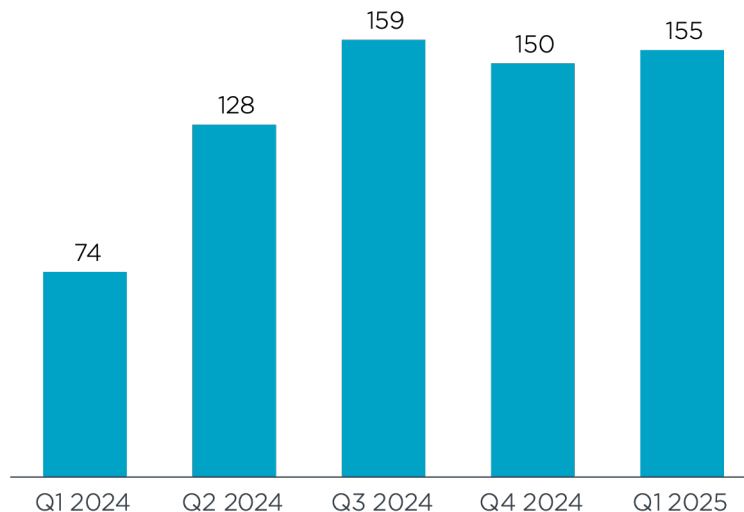
Q1 2025

- Revenue of USD 155 million
 - High growth from a Q1'24 affected by significant inventory adjustments
 - Healthy underlying demand
 - Positively impacted by orders from individual large customers
 - Gross margin of 50%
- EBITDA USD 15 million

Q2 2025 guidance

- Revenue of USD 145 - 165 million
 - Increased macro uncertainty
- Gross margin expected to remain at ~50%

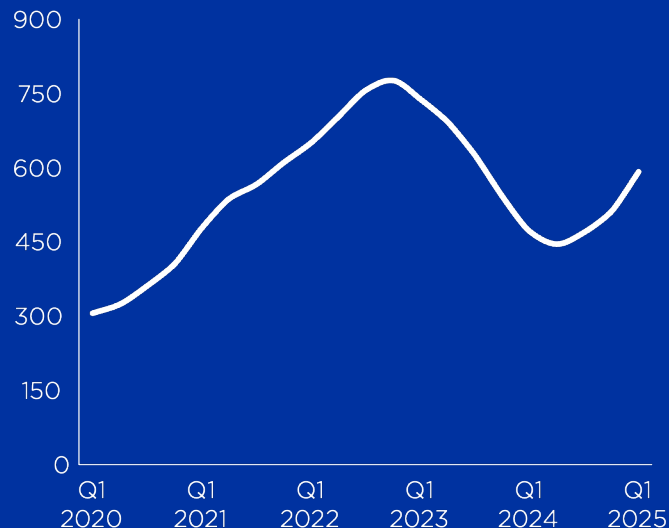
Quarterly revenue development (USDm)



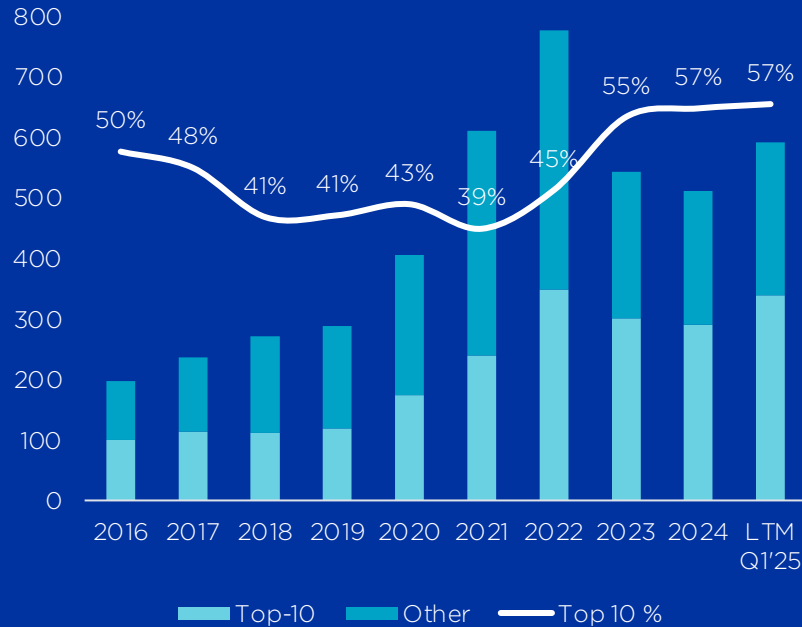
Navigating macroeconomic uncertainty

- Nordic has been well positioned to capitalize on the gradual market recovery over the past year
- Trade policy changes affecting the complex semiconductor value chains
- Continuing to develop a diversified and resilient supply chain, maintaining close collaboration with our customers
- Too early to conclude on potential indirect effects

LTM revenue– five-year overview (USDm)



Top-10 share stabilizing



- Solid revenue increases with both top-10 and broad market customers
- Maintained strong relationships with key customers
- High priority to regain traction in the broad market

Remaining the clear design win leader

34% share certifications, 4x of the runner up

Bluetooth Low Energy end-product certifications, last 12 months



*Source: Nordic Semiconductor / Bluetooth SIG

Competitors

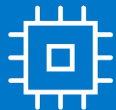
Nordic
end-product
certifications

Q1'25
127 designs
34% share

LTM
451 designs
34% share

nRF54 Series gains market traction

Engagement from key and broad market customers



High design activity with both existing and new customers



On track with innovative roadmap
expanding our addressable market

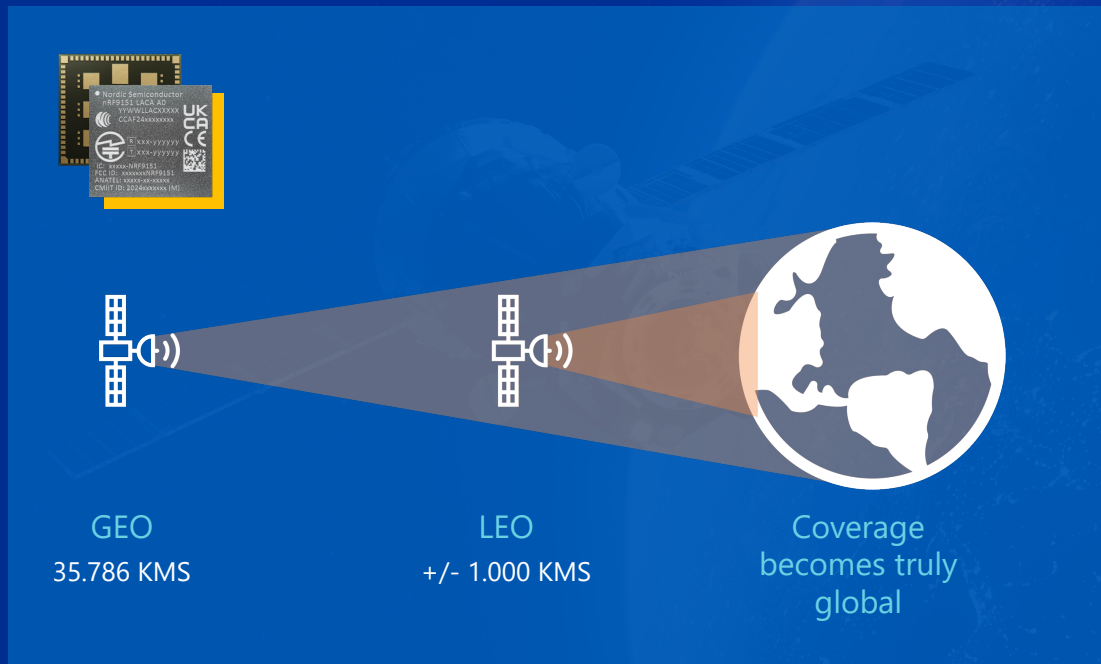


Limited 2025 revenue effect,
accelerating growth from 2026



nRF9151 expanding to satellite communication

Targeting remote infrastructure and globally roaming products



- Software update will enable nRF9151 to operate on both cellular networks and non-terrestrial networks, or combination
- Supporting both LEO (Low Earth Orbit) and GEO (Geostationary satellites)
- Customer support starting second half of 2025

Strategic partnerships

Unlocking global IoT connectivity with nRF9151

Deutsche Telekom (DT)

Seamless connectivity with nRF9151 across DT's extensive network and roaming partners

Skylo

nRF9151 certified for commercial satellite via Skylo NTN network

Keysight

Live NTN demo at MWC using nRF9151 and Thingy:91 X

NR+ Interest Group

Driving smart building standard with Siemens, Legrand, and Schneider.



Product launch: nPM2100 PMIC

For end-products with non-rechargeable batteries

- Enabling ultra-low power Bluetooth LE applications
- Optimized for power efficiency and system performance
- Expanding target market to meet the demand for primary/non-rechargeable cell batteries

Application examples



Personal health
monitoring



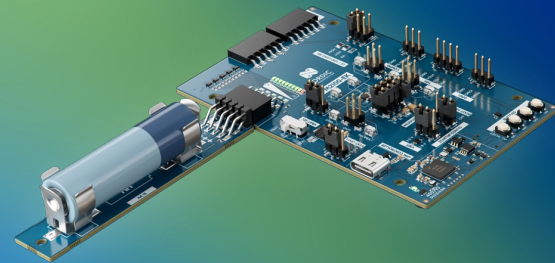
Consumer
applications



Industrial sensors



Other



nPM2100 Evaluation Kit



*Power Product category
winner of the Electronics
Excellence Awards,
Embedded World,
2025*

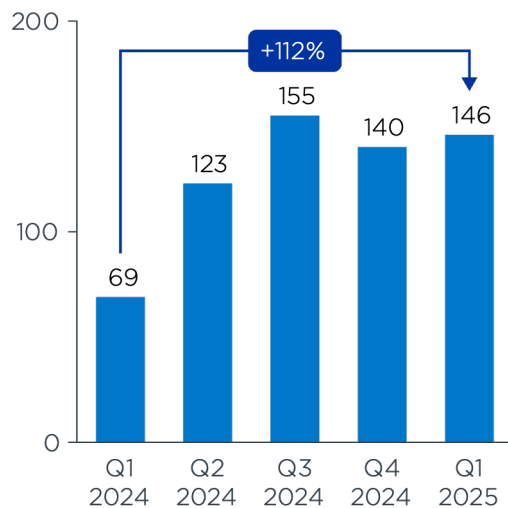
A blue-tinted image of a satellite in orbit over the Earth. The satellite is complex, with various instruments and solar panels. The Earth's surface shows cloud patterns and landmasses.

Financials

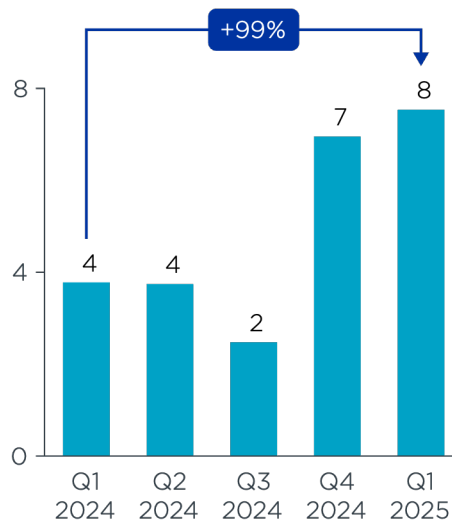
Pål Elstad, CFO

Revenue by technology

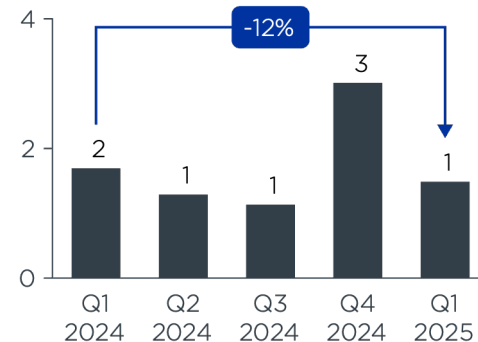
Short-range (USDm)
Quarterly



Long-range (USDm)
Quarterly



Other (USDm)
Quarterly



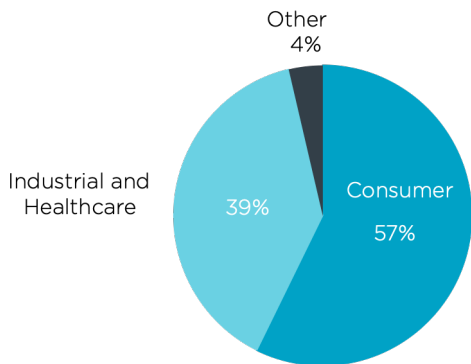
Strong momentum across key markets

Group

155.1 USDm

108%
y-o-y

3%
q-o-q

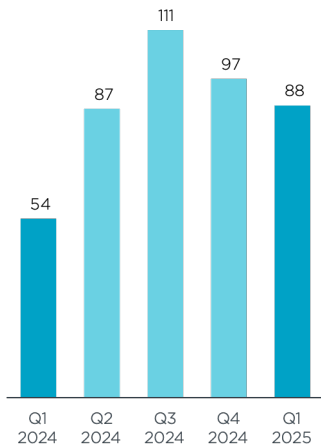


Consumer

88.5 USDm

63%
y-o-y

-8%
q-o-q

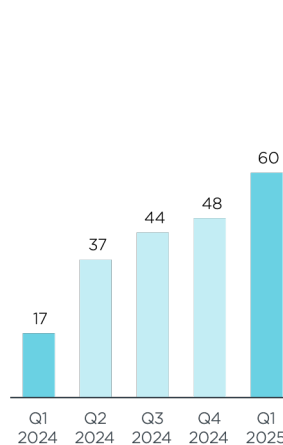


Industrial and Healthcare

60.4 USDm

249%
y-o-y

25%
q-o-q

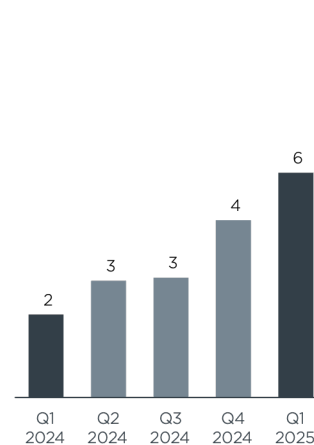


Other

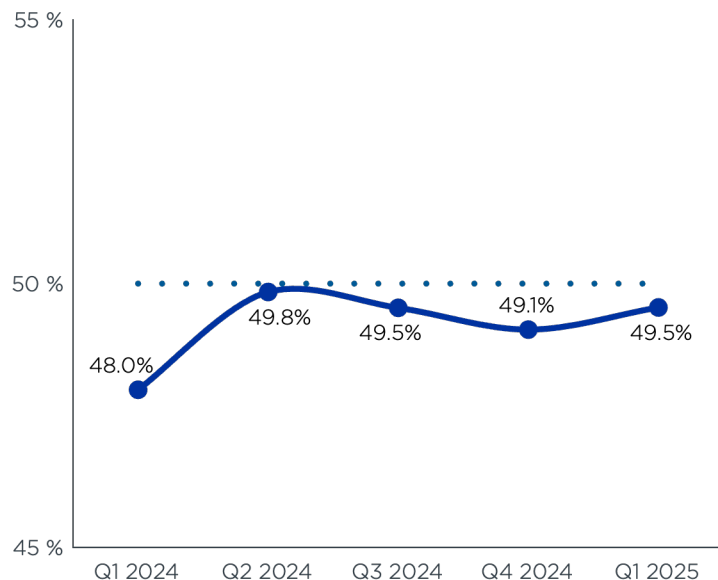
5.7 USDm

171%
y-o-y

27%
q-o-q



Gross margin



* Note: Gross margin for Q2 2024 excludes a USD 10 million writedown of inventory in Long-range

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- Stable underlying development
- Year-on-year improvement reflecting customer and product mix, and low revenue in Q1'24
- Expecting gross margin around 50% also in Q2 2025
- Reiterating long-term ambition to maintain gross margin >50%

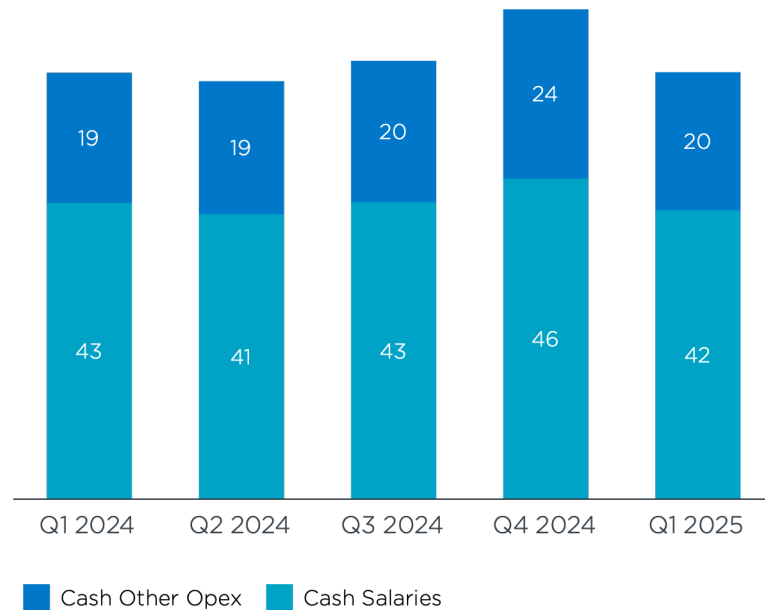
Operating model performance Q1 2025

Gross Margin 49.5%		Q1 2025	Q1 2024	Δ		
R&D Short-range	16.5%	Revenue	USD 155.1 m	USD 74,498.4	+108.1 %	Gradual recovery, partly driven by orders from large customers
		Gross margin	49.5%	48.0%	+1.5pp	Close to target Gross Margins
			USD 76.8 m	USD 35.8 m		
R&D Long-range	6.5%	R&D Short-range	16.5%	31.8%	-15.3pp	Cost focus offset by less capitalization
			USD 25.6 m	USD 23.7 m		
R&D Wi-Fi	2.3%	R&D Long-range	6.5%	15.7%	-9.2pp	Effects of reprioritizations
			USD 10.1 m	USD 11.7 m		
SG&A	14.7%	R&D Wi-Fi	2.3%	5.4%	-3.1pp	Costs managed closely
			USD 3.5 m	USD 4.0 m		
		SG&A	14.7%	25.9%	-11.2pp	High activity related to product launches
			USD 22.8 m	USD 19.3 m		
EBITDA	9.5%	EBITDA	9.5%	-30.7%	+40.2pp	Moving toward target operating model
			USD 14.7m	USD -22.8m		
Q1 2025						

Cash cost development

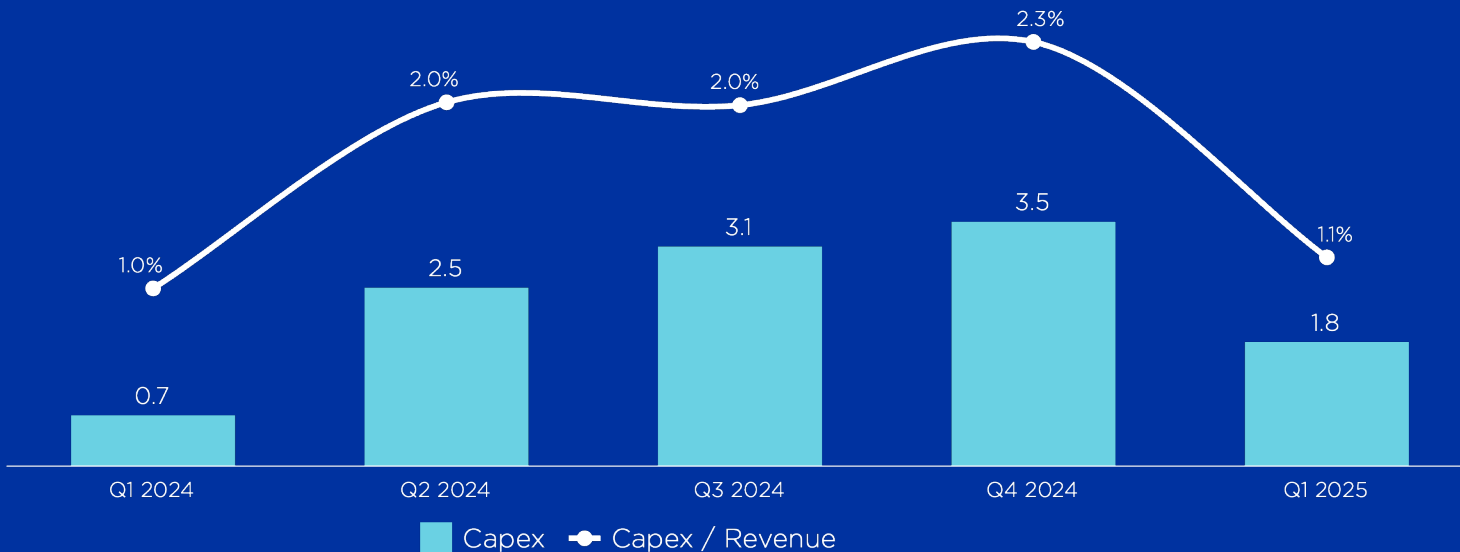
- Flat cash cost y-o-y with cost focus mitigating inflationary pressures
- Headcount down 4% vs. Q4 2024, 6% vs. Q1 2024
- Continuous focus on spending to improve margins

Cash OPEX (USDm)



Capex intensity remains low

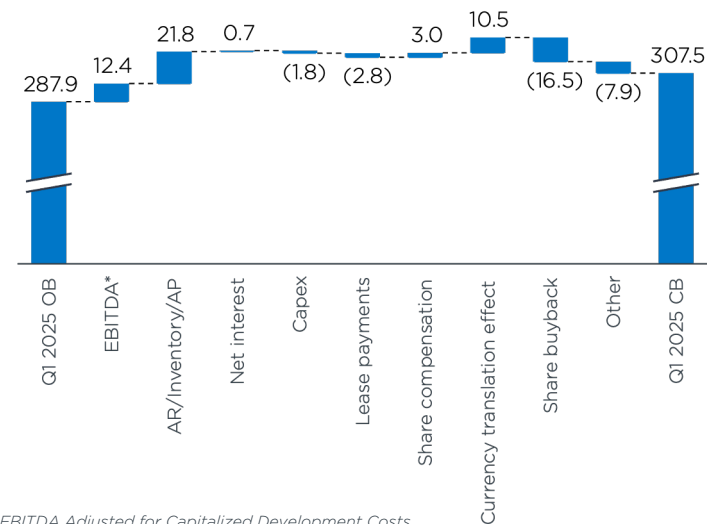
Capex (USDm)



Focus on cash spending

- Operating cash flow of USD 34.9m in Q1
- NWC/Revenue (LTM) reduced to 26%, driven by low inventory and high collections
- Capex spending remain tightly managed
- Currency translation relates to the natural cash hedge of the bond
- Share buyback completed in Q1
- Other items reflects mainly payout of variable pay

Cash position and cash flow Q1 2025 (USDm)



* EBITDA Adjusted for Capitalized Development Costs

A blue-tinted image of a satellite in orbit over the Earth. The satellite has a central body with various instruments and two long solar panel arrays extending outwards. The Earth's surface is visible on the left, showing cloud patterns.

Summary and outlook

Vegard Wollan, CEO

On track with product portfolio renewal

Short-range Established

Launched the first nRF54 products late 2024
Launching 2-4 nRF54 product families on 22nm per year

Long-range Scale-up

Launched the new nRF9151 in second half of 2024
New nRF92 on 22nm in 2026

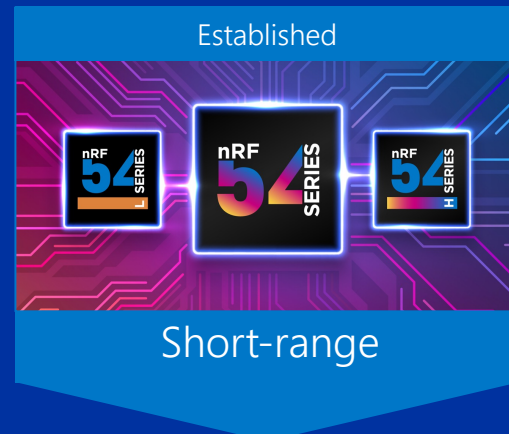
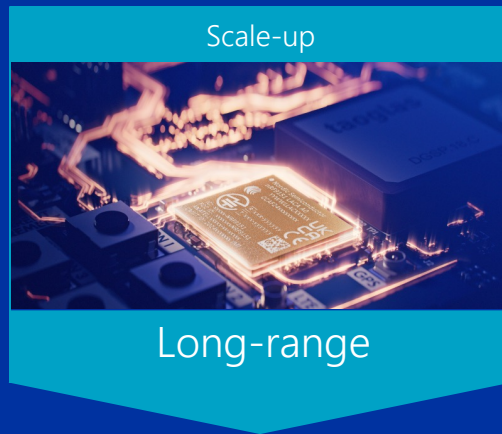
Wi-Fi Early-stage

New nRF71 on 22nm in 2026

PMIC Early-stage

Launched the new nPM2100 early 2025
Launching 2-3 new products per year

Committed to our long-term ambitions



Group
level
ambitions

Deliver average annual revenue growth above 20% through the decade

Moving towards target operating model profitability of ~25% EBITDA within five years

Q2 2025 guidance

Y/Y revenue growth amidst higher uncertainty

Revenue	Gross margin
USDm 145-165m	~50%
+13% to +29% y-o-y	
-6% to +6% q-o-q	

- Order inflow and customer forecasting indicates continued year-on-year revenue growth in Q2
- Gross margin expected to remain around ~50% in Q2



Q&A

April 29, 2025