nexperia

GSA EUROPEAN EXECUTIVE FORUM

Trust, Trajectories, and Trade Zones

Navigating a Semiconductor World in Permanent Crisis

June 2026 • Munich, Germany

nexperia disruptions have triggered strategic thought process

Presenting three STRATEGIC WORKING HYPOTHESES on semi strategy

Disclaimer: DOES NOT REPRESENT ANY INVESTMENT OR STRATEGIC RECOMMENDATION – THESES ARE PRESENTED AS FOOD FOR THOUGHT AND PROVOKING DISCUSSION

Working Hypothesis

01 Semiconductors = Critical National Infrastructure

02 Interruption is permanent – master *force majeure* events

03 Global expansion meets diseconomy of scale

Semiconductors = Critical National Infrastructure

States move into your board room

New focus on national / trade zone interests

Public / private sector alignment increases

Corporate Governance

Transparency and oversight

Ownership

National identity

Global business

Intra-company conflict of interest

Goverance overhead

From autonomy to Control

Compare with:
Energy, Water, Telecom, Transport, Healthcare, Financial System, Defense

Employment diversity is at risk

Security clearance restrictions

National security / Public service override

U.N. SDG goals
Conflict areas for critical infrastructure industries

FOR DISCUSSION

Corporate Governance
Anti-fragile global business design anticipating conflicting state input

Governance & State Intervention

Company	Measure	Reasons	Consequences
NVIDIA	Export Ctrl, 2022 / 2023	Nat' security (US)	Nvidia develops modified portfolio, CN develops alternatives
nexperia	Leadership + control, 2025	Management issues	time-limited export restrictions (CN), control dispute
LUMILEDS	Blocked acquisition, 2026	Nat' security, Tech sovereignty (US)	Acquisition / divestiture fail
ASML	Export restrictions, 2019-2023	Nat' security (US, EU)	Politicized high-tech trade, CN develops alternatives
ZEISS	Export Ctrl, 2022 / 2023	Allied security, Tech sovereignty (DE, EU)	Western-only access to EUV tech, slowing CN tech progress
tsmc	Export ban, 2020	Nat' security & sanctions (US)	Forcing Huawei to select SMIC as alternative
SMIC	Export blacklist, 2020	Nat' security (US)	CN accelerated advanced semiconductor funding program
micron	Market ban, 2023	Nat' & cybersecurity (CN)	Technology de-coupling (CN), US urging SK not to sell to CN
Qualcomm	Blocked BDCM takeover, 2018	Nat' security (US)	BDCM relocated HQ to US
Lattice 2017, Wolfspeed 2017, HUAWEI 2019 / 2020			

State intervention becomes a common practice.

Semiconductor & Semiconductor Manufacturing become state's critical infrastructure like defense industry.

Accelerated supply chain fragmentation across trade zones.

Substantial revenue impacts, portfolio consequences, governance changes.

Sources: multiple press articles from 2017-2026

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Interruption is permanent – master force majeure events

Dual sourcing did not prevent line downs – buffering did.

No company maintains idle capex & opex intensive, efficient – high yield – profitable capacity.

Force Majeure Events are a boardroom topic – NOT contractual fine print.

Force Majeure Events demand resilient – NOT efficient supply chains.

Fast Recovery enables anti-fragility.

Considerations for anti-fragile supply chains

Redundancy
Geographic + sovereign diversification

Buffering
On site, in transit, at suppliers, partners, WIP

Supplier collaboration
pre-negotiated emergency MOU / LTSA

In-sourcing / allied trade zone manufacturing

Supply chain disruption – associated costs

Theme	Cost item	What it includes in practice
1. Procurement / input cost	Spot-buy premium	Paying above contracted price to secure constrained parts on the open market or through brokers.
	Supplier price increase	Formal list-price hikes, allocation pricing, surcharge-loaded quotations.
	Critical material premium	Higher cost for neon, palladium, helium, bromine, sulfur-derived chemicals, etc.
	Utility / resource premium	Extra cost for water, electricity, gas, cooling, purification, emergency utilities.
2. Logistics / transport cost	Expedite freight	Airfreight, express parcel, split shipments, charter solutions to avoid shortages.
	Rerouting premium	Longer routes, extra fuel, emergency rebooking, transshipment changes.
	War-risk / insurance surcharge	Additional carrier fees, war-risk premiums, bunker surcharges, conflict surcharges.
	Delay-related handling cost	Demurrage, detention, re-handling, port dwell, special storage.
3. Production / operations cost	Line-down cost	Idle labor, under-absorbed fixed cost, interrupted production, tool downtime.
	Yield / restart loss	Scrap, requalification lots, slow ramp after outage, restart inefficiency.
	Substitution / redesign cost	Re-engineering BOMs, part replacement, PPAP / qualification / testing, software validation.
	Temporary workaround cost	Direct wafer shipping, alternate turnkey flows, temporary packaging / test routes, manual workarounds.
4. Commercial / market impact	Lost sales / lost revenue	Orders missed, shipments delayed or cancelled, share loss in the market.
	Lost contribution margin	Margin forfeited because finished goods cannot be built or shipped.
	Penalty / service-level cost	Late-delivery penalties, chargebacks, lost rebates, contractual non-performance.
	Customer recovery / retention cost	Commercial concessions, price protection, special support to preserve accounts.
5. Inventory / working capital cost	Safety-stock build cost	Intentional inventory build to improve time-to-survive.
	Inventory carrying cost	Financing cost, warehousing, insurance, obsolescence risk.
	Buffer stock write-down	Excess inventory acquired at crisis prices that later devalues.
6. Governance / compli-ance / finance cost	Sanctions / export-control compliance cost	Legal review, screening, transaction restructuring, entity-list management.
	Quality / authenticity assurance cost	Extra controls where source chain integrity or site oversight is uncertain.
	Hedging / financing cost	Higher cash needs, bridge inventory funding, FX effects, commodity / energy hedging.
7. Strategic / long-tail cost	Dual-sourcing enablement cost	New supplier development, audits, qualifications, tooling, engineering transfers.
	Localization / footprint-shift cost	Moving packaging / test or fab load, adding regional capacity, duplication of footprint.
	Opportunity cost of delayed launches	Deferred new products, delayed qualifications, missed design-in windows.

Source: Nexperia internal research

Former incidents

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Global expansion meets diseconomy of scale

Divergent technology regulations

by trade sphere demand portfolio customization.

Portfolio

becomes incompatible in foreign trade spheres.

Management attention

is diluted from business to complex governance, export control, sanctions, public sector stakeholder management, subsidies,…

"Local-for-Local"

implies multiplied (capex intensive) investments for separate supply chains – risk: smaller ROIC.

STRATEGIC CONSIDERATIONS

How much globalization do you want to afford at what profit ?

What's your position with the tech spheres around: US, CN, EU, emerging players IN, SEA, Global South, GCC / MENA…?

How can you go deep vs. broad in your *home* trade sphere?

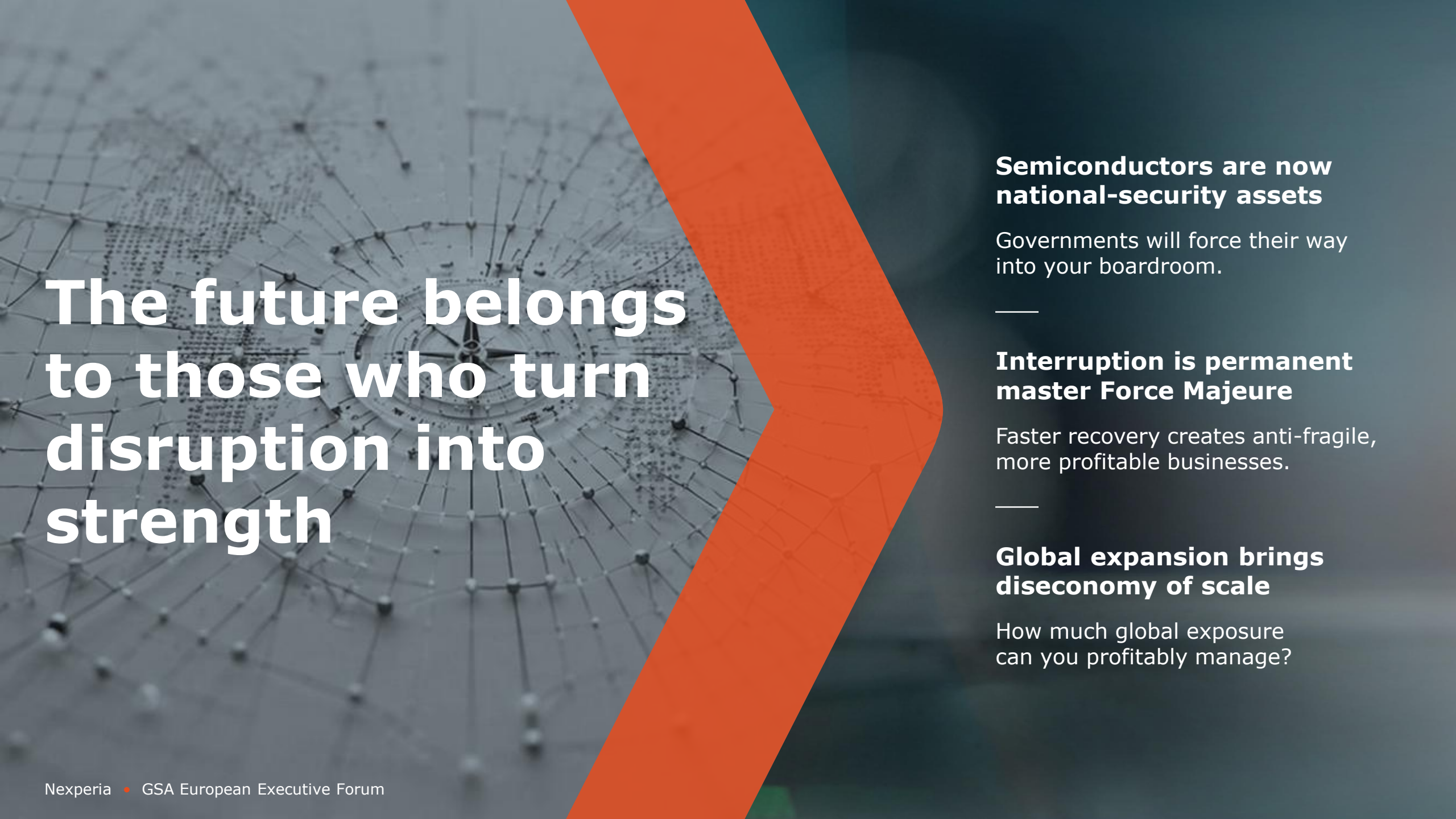
The New World Order

TRADE SPHERE

- U.S. centric
- MENA
- SEA
- EU centric
- China centric
- Emerging

DYNAMIC ALLIANCES

- National Interests
- Free trade zones
- Global politics



The future belongs to those who turn disruption into strength

Semiconductors are now national-security assets

Governments will force their way into your boardroom.

Interruption is permanent master Force Majeure

Faster recovery creates anti-fragile, more profitable businesses.

Global expansion brings diseconomy of scale

How much global exposure can you profitably manage?