

Good morning everyone and thank you for joining ST for our Q1 2026 earnings conference call.

I will start with an overview of the first quarter, including business dynamics, and I will hand over to Lorenzo for the detailed financial overview. I will then comment on the outlook and conclude before answering your questions.

So, starting with Q1:

- Our first quarter net revenues were \$3.10 billion, including about \$40 million revenues associated with NXP's MEMS sensor business which we acquired during the quarter. Excluding this contribution, on a sequential basis, net revenues were above the mid-point of our business outlook range, driven mainly by higher revenues in our engaged customer programs in Personal electronics and CECP.
- Gross margin was 33.8%, or 34.1% excluding the impact of the Purchase Price Allocation (PPA) following our acquisition of NXP's MEMS sensor business.

- Excluding impairment, restructuring charges and other related phaseout costs, and Purchase Price Allocation (PPA) effects from our acquisition of NXP's MEMS sensor business, non-U.S. GAAP Diluted Earnings Per Share was \$0.13.
- During the first quarter, inventory in our Balance Sheet increased slightly, and we continued to work down inventories in distribution; they are now normalized.
- We generated a negative \$723 million Free-Cash-Flow, including \$895 million cash-out related to the payment for our acquisition of NXP's MEMS sensor business.

Let's now discuss our business dynamics during Q1.

We had strong booking momentum during Q1, with book-to-bill well above 1 across all end markets and regions.

In Automotive, during the quarter revenues declined 10% sequentially; year-over-year revenues increased 15%, marking the return to year-over-year growth.

Automotive design momentum progressed, with various OEM and Tier1 ecosystems. We had design wins across electric, hybrid and traditional vehicles spanning onboard chargers, DC-DC converters, powertrain, active suspension, and vehicle control electronics. Key products included power semiconductors, smart power devices, automotive microcontrollers, analog, and sensors.

In February, we completed the acquisition of NXP's MEMS sensors business. The acquired technology and product portfolio are highly complementary to ST's and strengthen our automotive sensor business. We are progressing as planned with the integration into our portfolio and operational flows.

Industrial decreased by 1% sequentially and improved 26% year-over-year. Importantly, inventories in distribution further decreased and are now normalized.

In Industrial, our broad portfolio of microcontrollers, sensing, analog, and power devices is strongly aligned with industrial transformation trends and the evolving needs of Physical AI. During the quarter, we saw design wins across industrial automation and robotics, building automation, power systems, healthcare, and home appliances.

We announced our collaboration with NVIDIA to integrate ST sensors, microcontrollers, and motor control solutions with NVIDIA's robotics ecosystem. This aims to help developers design, train, and deploy humanoid robots and other Physical AI systems with higher efficiency, reliability, and scalability.

We are also proud to have been ranked the number one vendor worldwide for general purpose microcontrollers for the fifth consecutive year, based on research by Omdia.

During March we announced that the first batch of STM32 wafers fully produced in China for ST by our partner Huahong had been delivered to customers in China. This was a major step forward in ST's China for China supply chain strategy.

For **Personal Electronics**, first quarter revenues were down 14% sequentially, reflecting the seasonality of our engaged customer programs, and up 21% year-over-year reflecting increasing content.

During the quarter, we reinforced our position in mobile platforms and connected consumer devices, supported by both engaged programs and a broad open-market portfolio spanning sensors, secure solutions, and power management. We announced support for motion-sensing and secure wireless technologies on Qualcomm Technologies' newly launched personal AI platform based on ST's smart sensors and secure NFC controllers.

For **Communications Equipment and Computer Peripherals**, first quarter revenues were above our expectations, up 3% sequentially and 41% year-over-year.

We continued to reinforce our position as a supplier of critical semiconductors that power, cool, and connect AI data centers- from the grid to the core, and from core to user. ST is now strategically positioned to capture upside from new AI driven programs, leveraging specialized

technologies to enable the evolving AI infrastructure. We confirm our data centers revenue expectation to be nicely above \$500 million for 2026 and well above \$1 billion for 2027.

In a major development, we expanded our strategic engagement with Amazon Web Services through a multi-year, multi-billion USD commercial engagement to enable new high performance compute infrastructure for cloud and AI data centers. This engagement covers a broad range of semiconductor solutions leveraging ST's portfolio of proprietary technologies.

During the quarter, we secured multiple design wins for silicon and silicon carbide-based power solutions. These support the drive for higher power density and increased energy efficiency for next generation AI compute and data center architectures.

We announced the expansion of our 800 Volt DC AI data center power conversion portfolio with new 12V and 6V architectures in collaboration with NVIDIA. With this ST now provides a complete portfolio for the 800 VDC power distribution inside gigawatt-scale compute infrastructure leveraging ST power, analog and mixed-signal, and microcontrollers.

We also announced the start of high-volume production for our silicon photonics-based PIC100 platform used by hyperscalers for optical interconnect for data centers and AI clusters. The technology enables higher bandwidth, lower latency, and greater energy efficiency.

As I mentioned last quarter, the momentum in optical interconnect technologies is also driving demand growth for our high-performance microcontrollers in pluggable optics. We are also seeing initial demand for our secure elements in data server power supply units to support authentication and detect data manipulation attacks.

Our LEO satellite business, based mainly on our BiCMOS and panel level packaging technologies, strongly progressed during the quarter. We were selected to develop a power amplifier controller for direct-to-cell satellites based on our proprietary BCD technology by our main LEO customer and we continued to ramp shipments to our second largest customer.

For Sustainability, we issued our annual integrated report during the quarter. This report integrates our sustainability statement detailing our performance in 2025. We made further progress and remain on track for our commitment to becoming carbon neutral by 2027 on scopes 1 and 2 and on product transportation, business travel, and employee commuting for scope 3. We also target the sourcing of 100% renewable electricity by 2027 and achieved 86% in 2025.

Now over to Lorenzo, who will present our key financial figures.

Thank you, Jean-Marc, and good morning, everyone.

Let's start with a detailed review of the first quarter. Starting with revenues, on a year-over-year basis.

By reportable segment,

- Analog products, MEMS and Sensors grew 23.2% mainly due to Imaging and MEMS and, to a lesser extent, Analog;
- Power and Discrete products decreased 1.8%;
- Embedded Processing revenues were up 31.3%, due to General Purpose MCU and, to a lesser extent, Custom Processing; and
- RF & Optical Communications grew 33.9%.

By end-market, Communication Equipment and Computer Peripherals grew 41%, Industrial 26%, Personal Electronics 21%; and Automotive 15%.

Year-over-year, sales to OEMs and Distribution increased 24.5% and 19.2%, respectively.

On a sequential basis, Analog Products, MEMS and Sensors decreased by 9.1%, Power and Discrete by 5.4%, Embedded Processing by 4.0% and RF & Optical Communications by 9.0%.

By end market, on a sequential basis, Communications Equipment and Computer Peripherals was up 3%, while the other end markets declined; Industrial was down 1%, Automotive 10% and Personal Electronics 14%.

Turning now to profitability:

Gross profit in the first quarter was \$1.05 billion, increasing 24.3% on a year-over-year basis.

Gross margin was 33.8%, increasing 40 basis points year-over-year, mainly due to lower unused capacity charges and better product mix. On a sequential basis, gross margin decreased by 140 basis points.

Gross profit included \$11 million Purchase Price Allocation (PPA) effects from our acquisition of NXP's MEMS sensor business. Non-U.S. GAAP gross margin, excluding this item, was 34.1%

Excluding the impact from NXP's MEMS sensor business and related PPA effects, gross margin stood at 33.9%, 20 basis points better than the mid-point of ST's guidance, which did not include any impact related to our acquisition of NXP's MEMS sensor business.

Q1 gross margin included about 50 basis points of negative impact resulting from non-recurring costs related to our manufacturing reshaping program. The negative impact on Gross margin from the just mentioned non-recurring costs is expected to remain at similar level over the rest of the year.

Total net operating expenses, excluding restructuring, amounted to \$904 million in the first quarter.

Excluding the Purchase Price Allocation (PPA) effects from our acquisition of NXP's MEMS sensor business, non-U.S. GAAP Opex stood at \$885 million.

Non-U.S GAAP net Opex included Opex related to the acquired NXP MEMS sensor business, and a one-off impact related to a settlement with a supplier. Excluding these two items, non-U.S. GAAP net Opex was broadly in line with expectations given in January, which did not include any impact related to our acquisition.

For the second quarter of 2026 we expect non-U.S. GAAP net Opex to stand between \$950 and \$960 million. The sequential increase is mainly due to calendar days effect, start-up costs, and one incremental month of Opex related to the acquired NXP's MEMS sensor business. Excluding these items, Q226 non-U.S. GAAP net Opex would slightly decrease sequentially.

In light of our acquisition of NXP's MEMS sensor business and the new AI revenues opportunities, let me give you some more color on 2026 Opex.

For FY2026, we now expect like-for-like net Opex to be up mid to high single-digit year-over-year versus our previous expectations for a low-single digit increase, as we are accelerating our investments in new business opportunities.

Including NXP's MEMS sensor business acquisition and the exchange

rate impact, net Opex should be up low-double digit year-over-year.

In the first quarter we reported a \$70 million operating income which included \$71 million for impairment, restructuring charges and other related phase-out costs. These charges are related to the execution of the previously announced company-wide program to reshape our manufacturing footprint and resize our global cost base. Q1 operating income also included \$30 million Purchase Price Allocation (PPA) effects from our acquisition of NXP's MEMS sensor business.

Excluding these items, Q1 non-US GAAP operating income stood at \$171 million and non-US GAAP operating margin was 5.5%, with Analog Products, MEMS and Sensors at 12.2%, Power and Discrete at -21.5%, Embedded Processing at 16.9% and RF & Optical Communications at 14.9%.

First quarter 2026 net income was \$37 million, compared to a net income of \$56 million in the year-ago quarter. Diluted Earnings per share were \$0.04 compared to \$0.06.

Non-US GAAP net income stood at \$122 million and non-US GAAP diluted Earnings Per Share stood at \$0.13.

Net cash from operating activities totaled \$534 million in the first quarter, compared to \$574 million in the year-ago quarter.

Net Capex was \$362 million in the first quarter compared to \$530 million in the year-ago quarter.

Free cash flow was negative at \$723 million in the first quarter compared to positive \$30 million in Q1 2025. Q126 Free cash flow includes \$895 million cash-out related to the payment for the acquisition of NXP's MEMS sensor business.

Inventory at the end of this quarter was \$3.17 billion, compared to \$3.14 billion in Q425 and \$3.01 billion in Q125. Days sales of inventory at quarter-end were 140 days, in line with our expectation, compared to 130 days for the previous quarter and 167 days in the year-ago quarter.

Cash dividends paid to stockholders in the first quarter of 2026 totaled \$71 million.

ST maintained its financial strength with a net financial position that remained solid at \$2.00 billion as of March 28, 2026, reflecting total liquidity of \$4.57 billion and total financial debt of \$2.57 billion.

Now back to Jean-Marc, who will comment on our outlook.

Thank you Lorenzo.

Now, let's move to our business outlook for Q2 2026:

- We are expecting Q226 revenues at \$3.45 billion +/- 350 basis points. At the mid-point, our Q226 net revenues will increase 11.6% sequentially and by 24.9% year-over-year.
- We expect our gross margin to be at about 34.8% +/- 200 basis points, including about 100 basis points of unused capacity charges. Non-U.S. GAAP gross margin is expected to be about 35.2%.
- This business outlook does not include any impact for potential further changes to global trade tariffs compared to the current situation.

To conclude:

In the first quarter, despite the macroeconomic uncertainty, we saw improving demand with strong booking and normalized inventory in distribution.

In the second quarter we expect revenues well above average seasonality, as well as an increased gross margin. We have a clear path to improve gross margin while staying at the forefront of innovation.

We expect 2026 revenues to show double-digit growth. Beyond our addressable market dynamics and our already engaged customer programs, this growth will be driven by new AI programs, for which we leverage our specialized technologies to enable the evolving AI infrastructure.

Before handing over to Jerome, I am pleased to announce that, as we

did in March for Cloud AI and for Intelligent Sensing, on May 4 we will host a dedicated call on ST's LEO satellites, explaining how we are going to achieve our ambition of well above \$3 billion cumulative revenues over the period 2026-2028 for this opportunity.

You will receive the invitation today.

Thank you, and we are now ready to answer your questions.