



STMicroelectronics Q1 2025 Financial Results

April 24, 2025

Forward looking information

Some of the statements contained in this release that are not historical facts are statements of future expectations and other forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended) that are based on management's current views and assumptions, and are conditioned upon and also involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements due to, among other factors:

- changes in global trade policies, including the adoption and expansion of tariffs and trade barriers, that could affect the macro-economic environment and adversely impact the demand for our products;
- uncertain macro-economic and industry trends (such as inflation and fluctuations in supply chains), which may impact production capacity and end-market demand for our products;
- customer demand that differs from projections which may require us to undertake transformation measures that may not be successful in realizing the expected benefits in full or at all;
- the ability to design, manufacture and sell innovative products in a rapidly changing technological environment;
- changes in economic, social, public health, labor, political, or infrastructure conditions in the locations where we, our customers, or our suppliers operate, including as a result of macro-economic or regional events, geopolitical and military conflicts, social unrest, labor actions, or terrorist activities;
- unanticipated events or circumstances, which may impact our ability to execute our plans and/or meet the objectives of our R&D and manufacturing programs, which benefit from public funding;
- financial difficulties with any of our major distributors or significant curtailment of purchases by key customers;
- the loading, product mix, and manufacturing performance of our production facilities and/or our required volume to fulfill capacity reserved with suppliers or third-party manufacturing providers;
- availability and costs of equipment, raw materials, utilities, third-party manufacturing services and technology, or other supplies required by our operations (including increasing costs resulting from inflation);
- the functionalities and performance of our IT systems, which are subject to cybersecurity threats and which support our critical operational activities including manufacturing, finance and sales, and any breaches of our IT systems or those of our customers, suppliers, partners and providers of third-party licensed technology;
- theft, loss, or misuse of personal data about our employees, customers, or other third parties, and breaches of data privacy legislation;
- the impact of IP claims by our competitors or other third parties, and our ability to obtain required licenses on reasonable terms and conditions;
- changes in our overall tax position as a result of changes in tax rules, new or revised legislation, the outcome of tax audits or changes in international tax treaties which may impact our results of operations as well as our ability to accurately estimate tax credits, benefits, deductions and provisions and to realize deferred tax assets;
- variations in the foreign exchange markets and, more particularly, the U.S. dollar exchange rate as compared to the Euro and the other major currencies we use for our operations;
- the outcome of ongoing litigation as well as the impact of any new litigation to which we may become a defendant;
- product liability or warranty claims, claims based on epidemic or delivery failure, or other claims relating to our products, or recalls by our customers for products containing our parts;
- natural events such as severe weather, earthquakes, tsunamis, volcano eruptions or other acts of nature, the effects of climate change, health risks and epidemics or pandemics in locations where we, our customers or our suppliers operate;
- increased regulation and initiatives in our industry, including those concerning climate change and sustainability matters and our goal to become carbon neutral in all direct and indirect emissions (scopes 1 and 2), product transportation, business travel, and employee commuting emissions (our scope 3 focus), and to achieve our 100% renewable electricity sourcing goal by the end of 2027;
- epidemics or pandemics, which may negatively impact the global economy in a significant manner for an extended period of time, and could also materially adversely affect our business and operating results;
- industry changes resulting from vertical and horizontal consolidation among our suppliers, competitors, and customers;
- the ability to successfully ramp up new programs that could be impacted by factors beyond our control, including the availability of critical third-party components and performance of subcontractors in line with our expectations; and
- individual customer use of certain products, which may differ from the anticipated uses of such products and result in differences in performance, including energy consumption, may lead to a failure to achieve our disclosed emission-reduction goals, adverse legal action or additional research costs.

Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of our business to differ materially and adversely from the forward-looking statements. Certain forward-looking statements can be identified by the use of forward-looking terminology, such as "believes", "expects", "may", "are expected to", "should", "would be", "seeks" or "anticipates" or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions.

Some of these risk factors are set forth and are discussed in more detail in "Item 3. Key Information — Risk Factors" included in our Annual Report on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission ("SEC") on February 27, 2025. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this press release as anticipated, believed or expected. We do not intend, and do not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances.

Unfavorable changes in the above or other factors listed under "Item 3. Key Information — Risk Factors" from time to time in our Securities and Exchange Commission ("SEC") filings, could have a material adverse effect on our business and/or financial condition.

Highlights

**Q1
2025**

- Net revenues of \$2.52B decreased 27.3% Y/Y and 24.2% Q/Q. Gross margin was 33.4%.
- Revenues came in line with the mid-point of our business outlook range, driven by higher revenues in Personal Electronics offset by lower-than-expected revenues in Automotive and Industrial. Gross margin was slightly below the mid-point mainly due to product mix.
- Operating margin was 0.1% and net income was \$56M.

- In the first quarter, our book-to-bill ratio improved with both Automotive and Industrial above parity.

**Q2
2025**

- Outlook at mid-point is for net revenues of \$2.71B, declining 16.2% Y/Y and increasing 7.7% Q/Q.
- Gross margin expected to be about 33.4% at the mid-point.

**FY
2025**

- We plan to maintain our Net Capex* plan for 2025 between \$2.0B and \$2.3B mainly to execute the reshaping of our manufacturing footprint

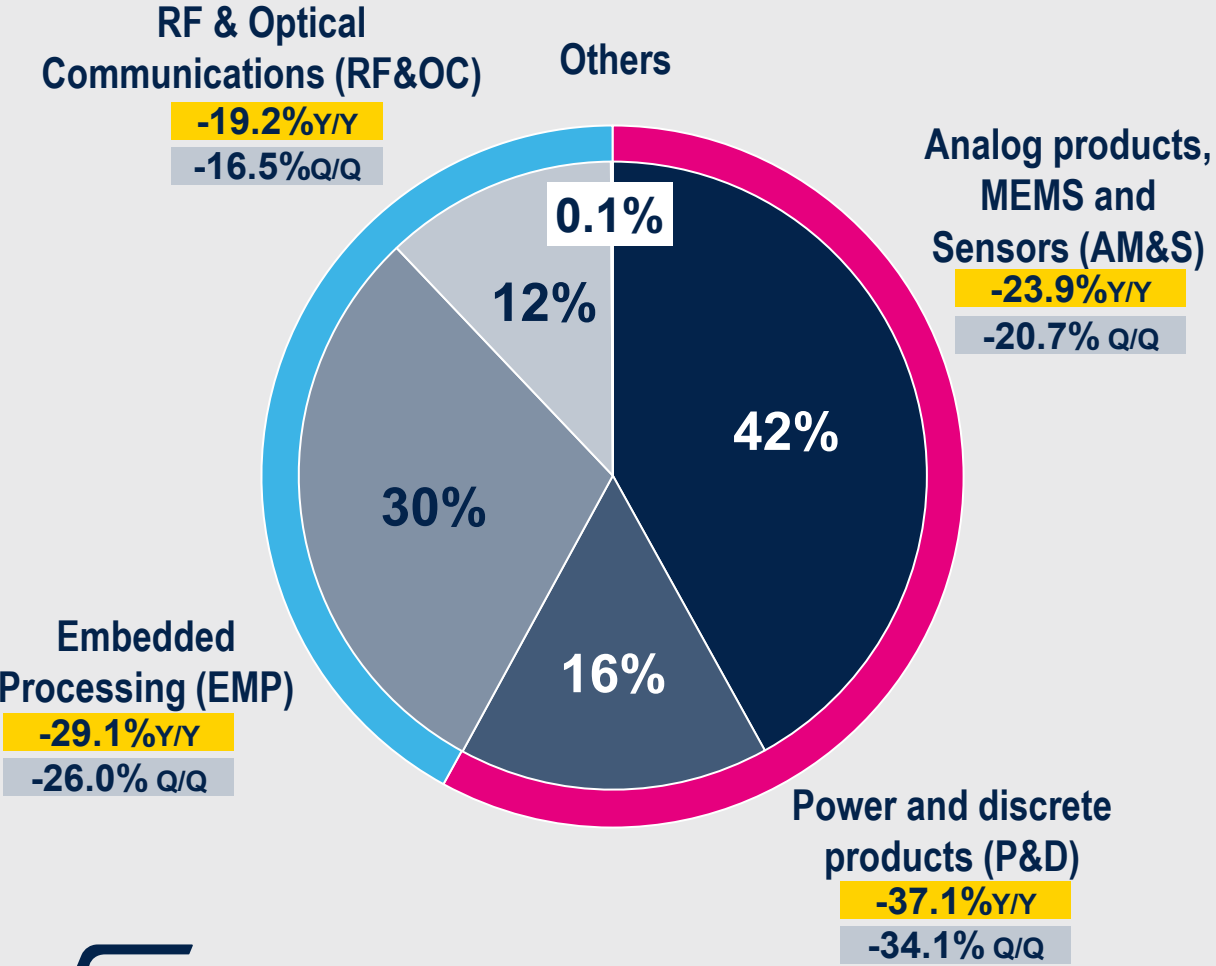
- While we see Q1 2025 as the bottom, in the current uncertain environment we are focusing on what we can control: keep on innovating to continuously improve and accelerate the competitiveness of our product and technology portfolio, focus on advanced manufacturing and tightly manage our costs. In this respect our company-wide program to reshape ST manufacturing footprint and resize our global cost base is on track and we confirm the annual cost savings target in the high triple-digit million-dollar range exiting 2027.



***Non-U.S. GAAP measure.** See Appendix for additional information explaining why the Company believes these measures are important.

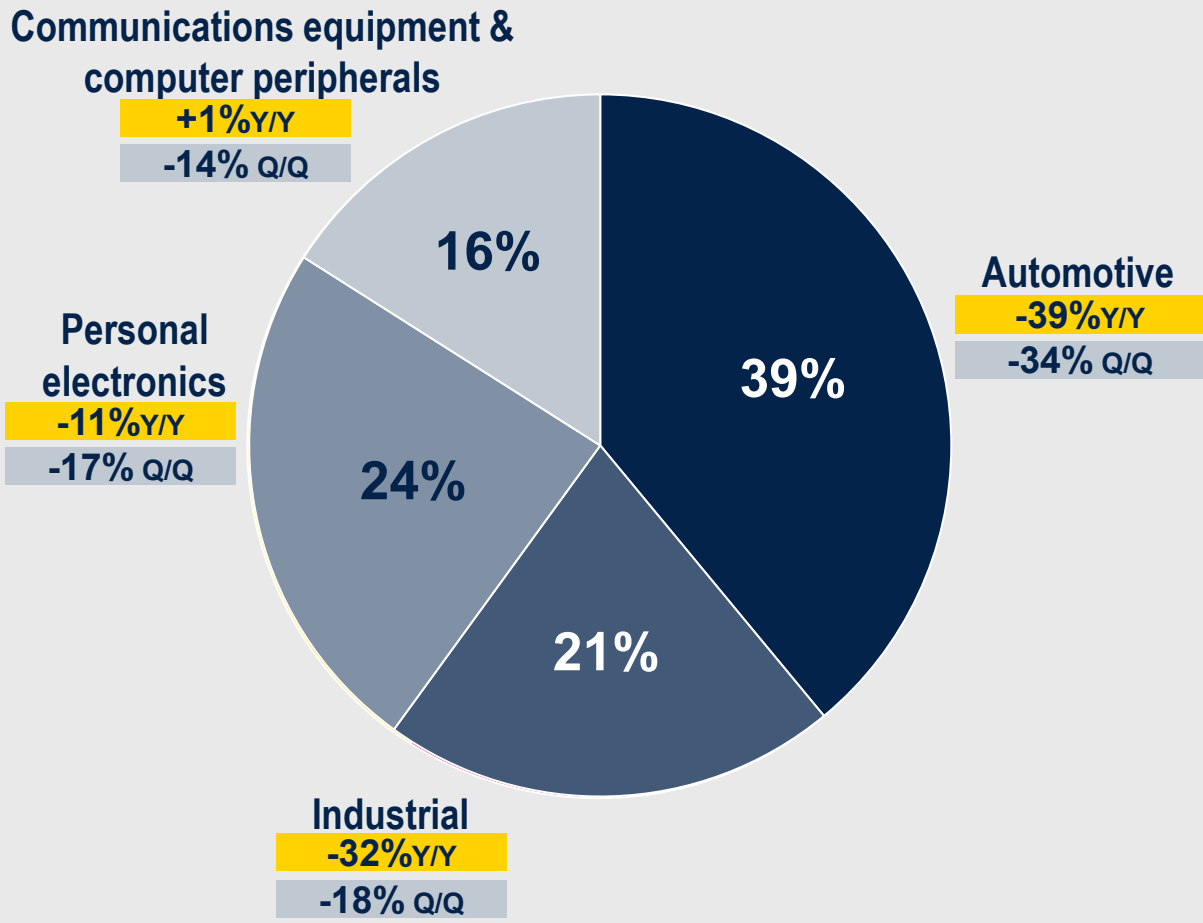
Q1 2025 Revenues dynamic

% by reportable segments



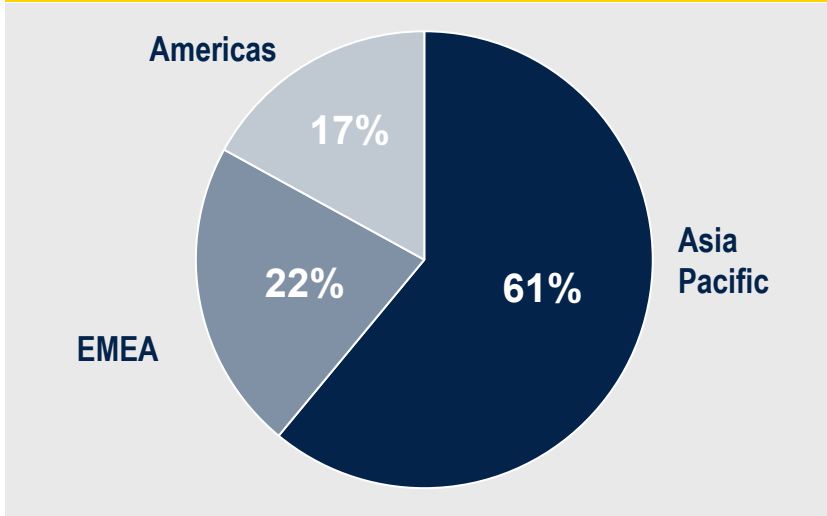

■ Analog, Power & Discrete, MEMS and Sensors (APMS)
■ Microcontrollers, Digital ICs and RF products (MDRF)

% by end market

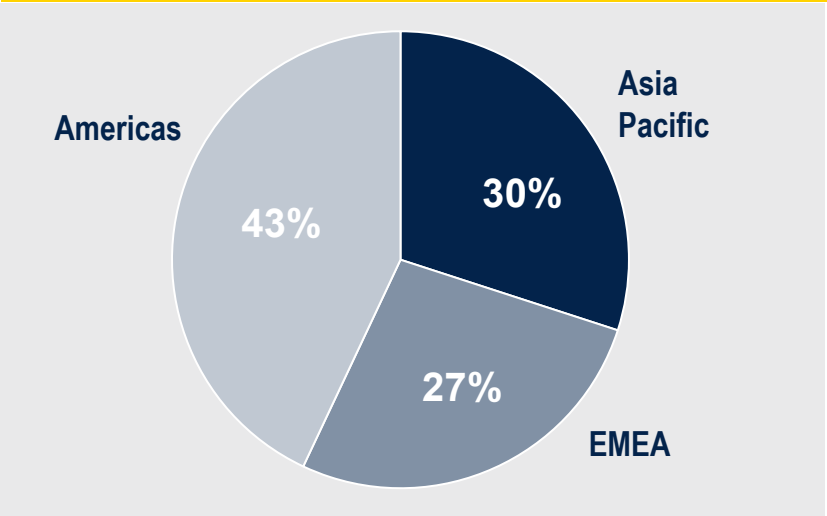


Q1 2025 Revenues

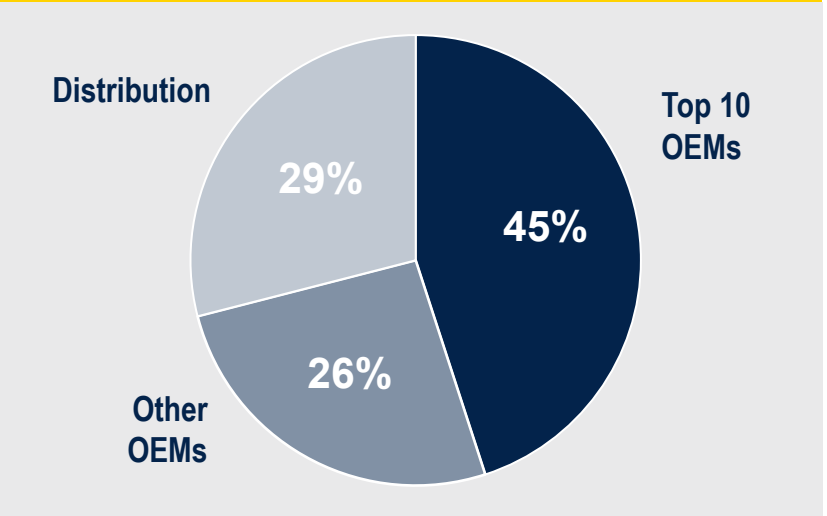
% by shipment location



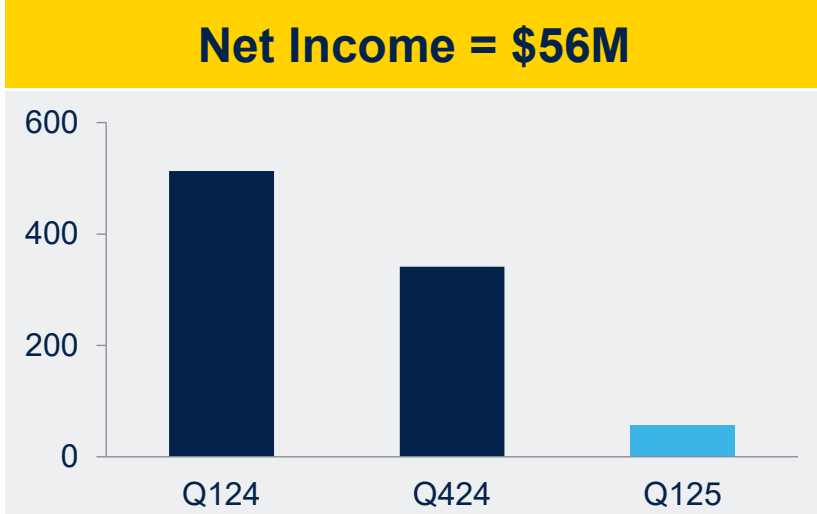
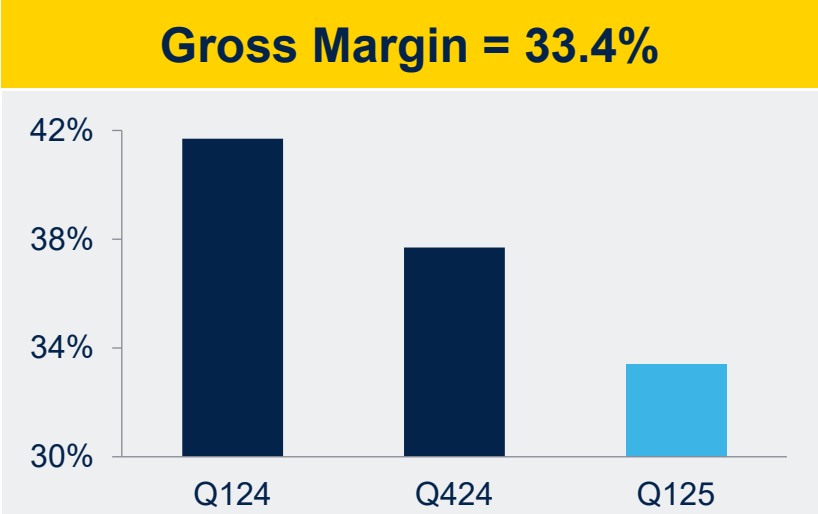
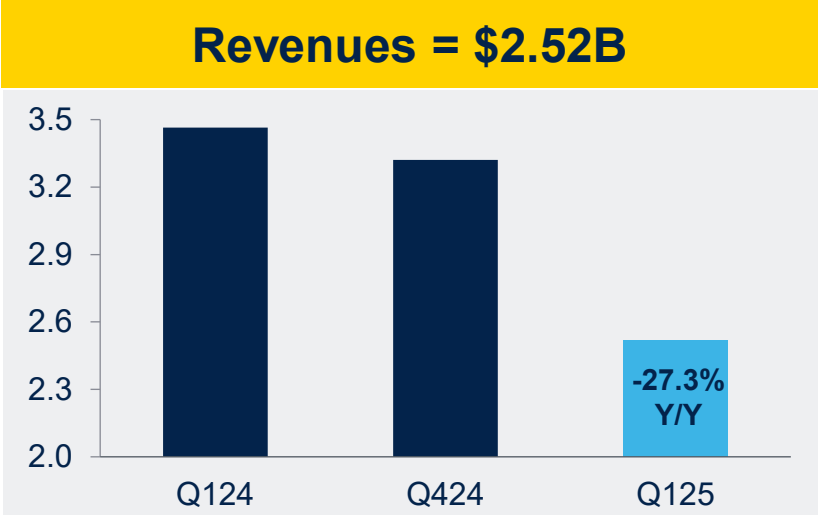
% by region of origin



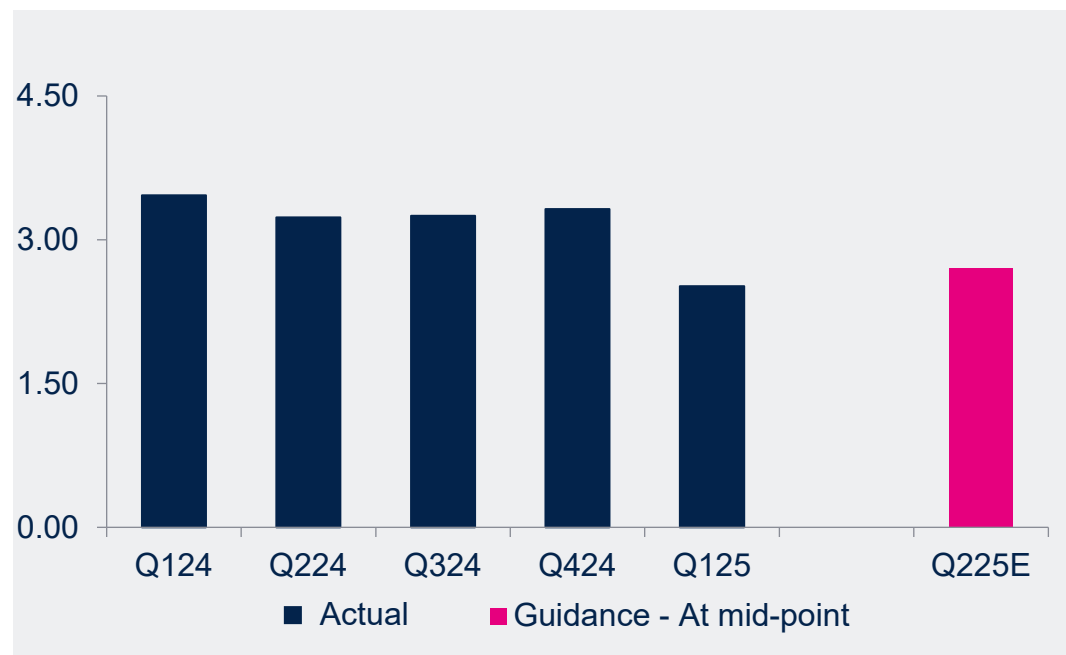
% by customer type



Q1 2025 Financial highlights



Q125 Revenues = \$2.52B



Q125 revenues down 27.3% Y/Y

- AM&S declined 23.9%, P&D 37.1%, EMP 29.1% and RF&OC 19.2%,
- By end market, Automotive declined 39%, Industrial 32%, Personal Electronics 11% and CECP increased 1%.
- Revenues to OEMs and Distribution decreased 25.7% and 31.2%, respectively.

Q125 revenues down 24.2% Q/Q

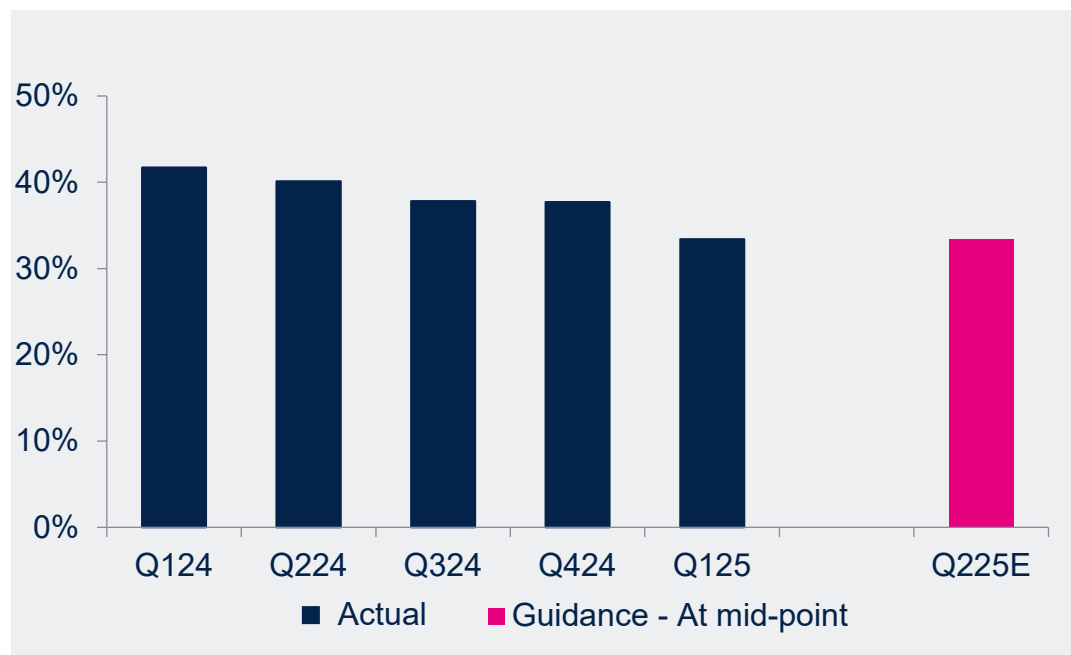
- 20 bps better than the mid-point of the Company's guidance,
- Decline of 20.7% in AM&S, 34.1% in P&D, 26.0% in EMP and 16.5% in RF&OC,
- By end market, Q/Q Automotive was down 34%, Industrial 18%, Personal Electronics 17% and CECP 14%.

Q225 Revenues Outlook

Up Q/Q by about 7.7% (+/- 350 bps)
Down Y/Y by about 16.2% at mid-point

Gross margin

Q125 Gross Margin = 33.4%



Q125 Gross Margin

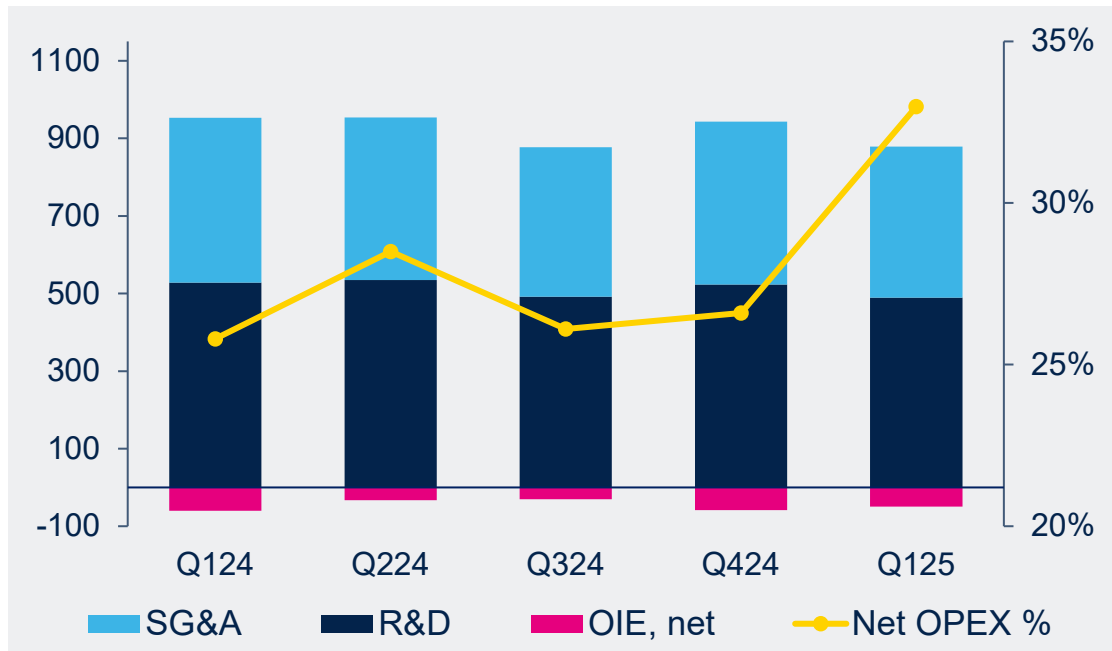
- Down 830 bps Y/Y, mainly due to product mix and, to a lesser extent, higher unused capacity charges and lower sales price,
- Down 430 bps Q/Q,
- 40 basis points below the mid-point of ST's guidance.

Q225 Gross Margin Outlook

About 33.4% (+/- 200 bps)

Net operating expenses*

Q125 Net Operating Expenses = \$830M



Q125 Combined SG&A and R&D at \$879M

- 35.0% of revenues.

Q125 Net Operating Expenses at \$830M

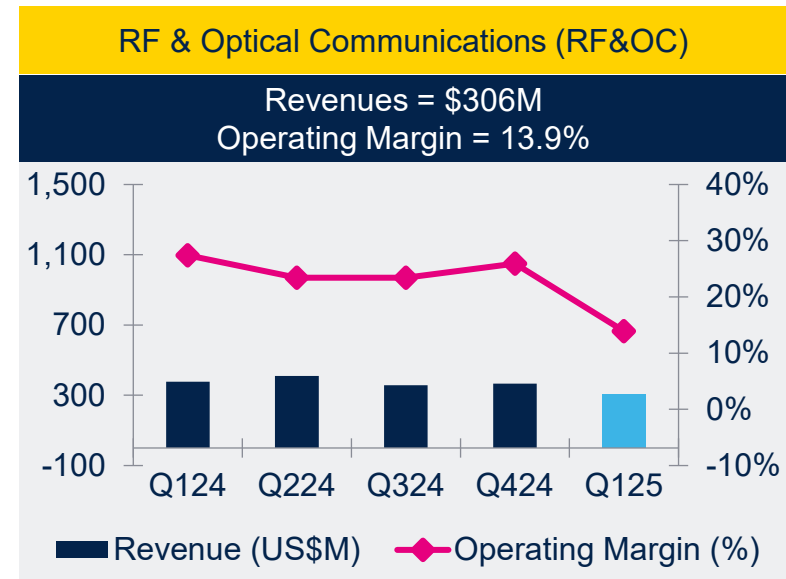
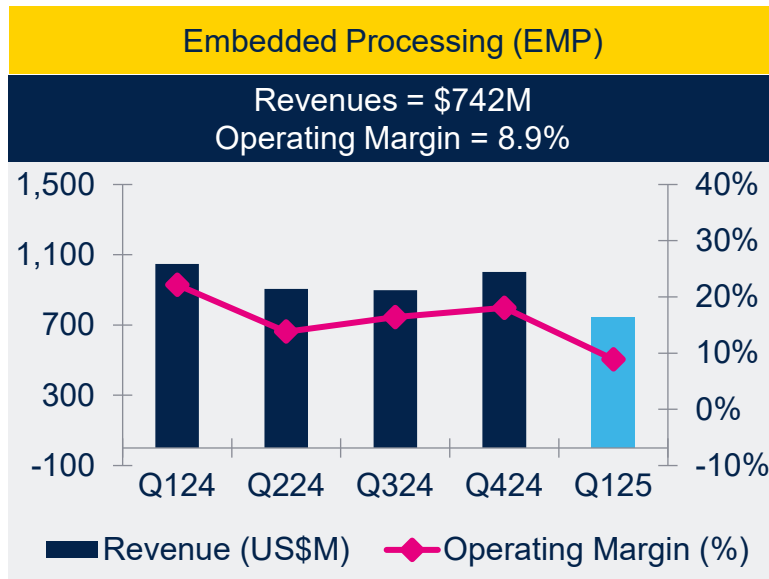
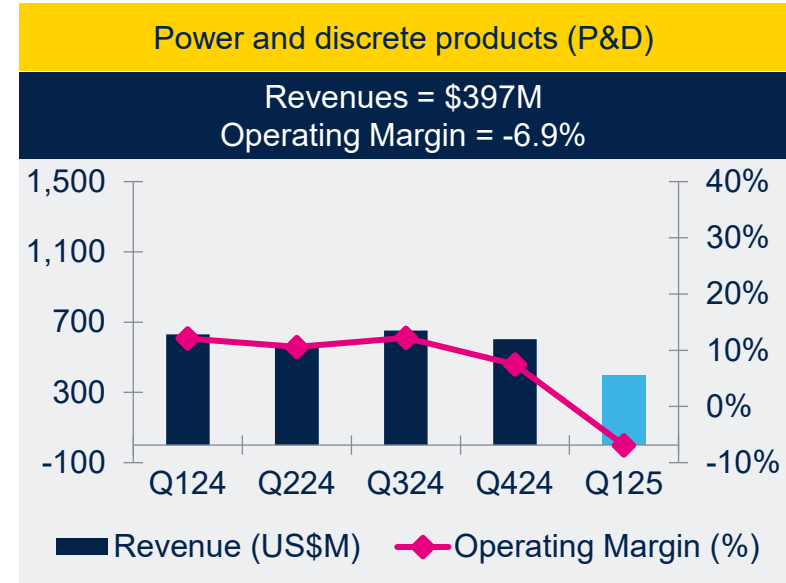
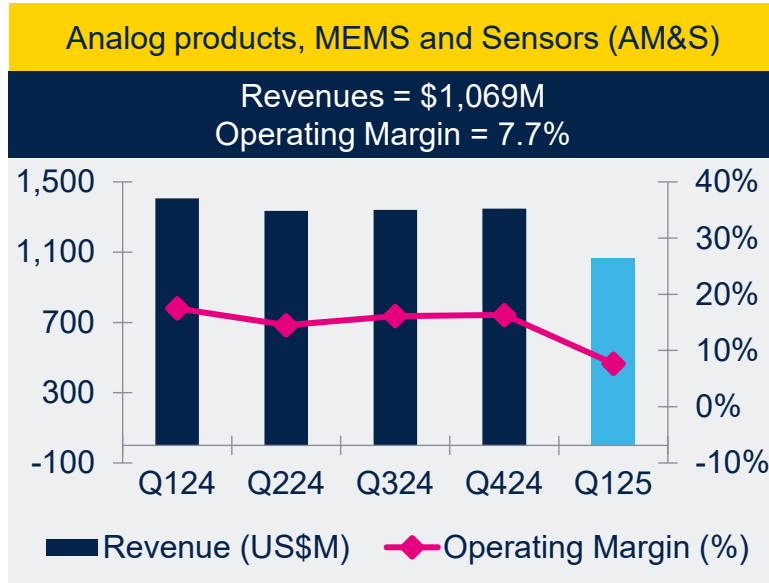
- 33.0% of revenues.

Net Operating Expenses expected to stand between \$860M and 870M in Q2 2025



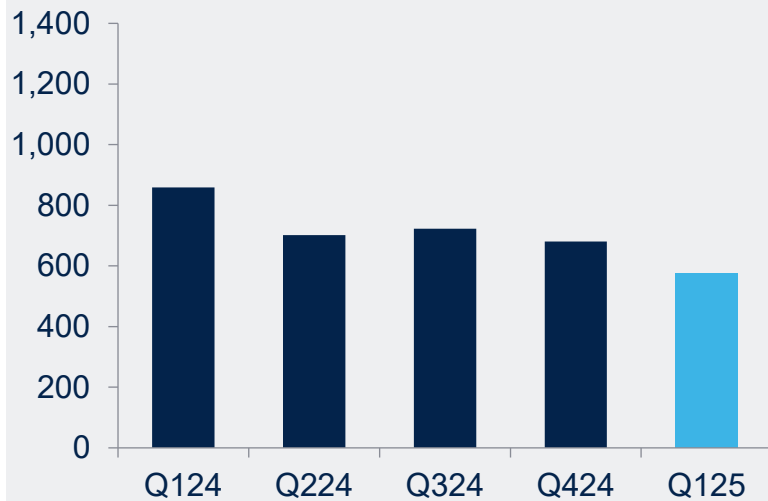
* Net operating expenses: R&D + SG&A + Other expenses (- Other income)
Impairment, restructuring charges and other related phase-out costs.

Q1 2025 Reportable segments results

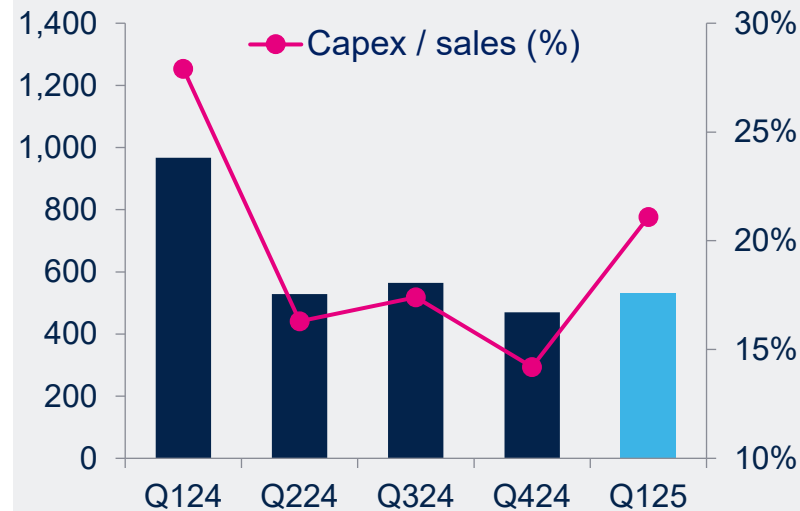


Q1 2025 Financial flexibility

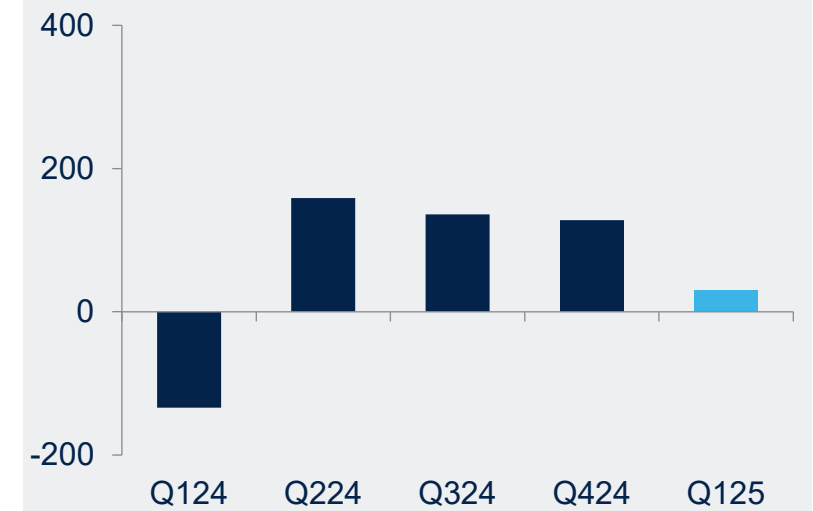
Net Cash From Operating Activities = \$574M



Net Capex* = \$530M



Free Cash Flow* = \$30M



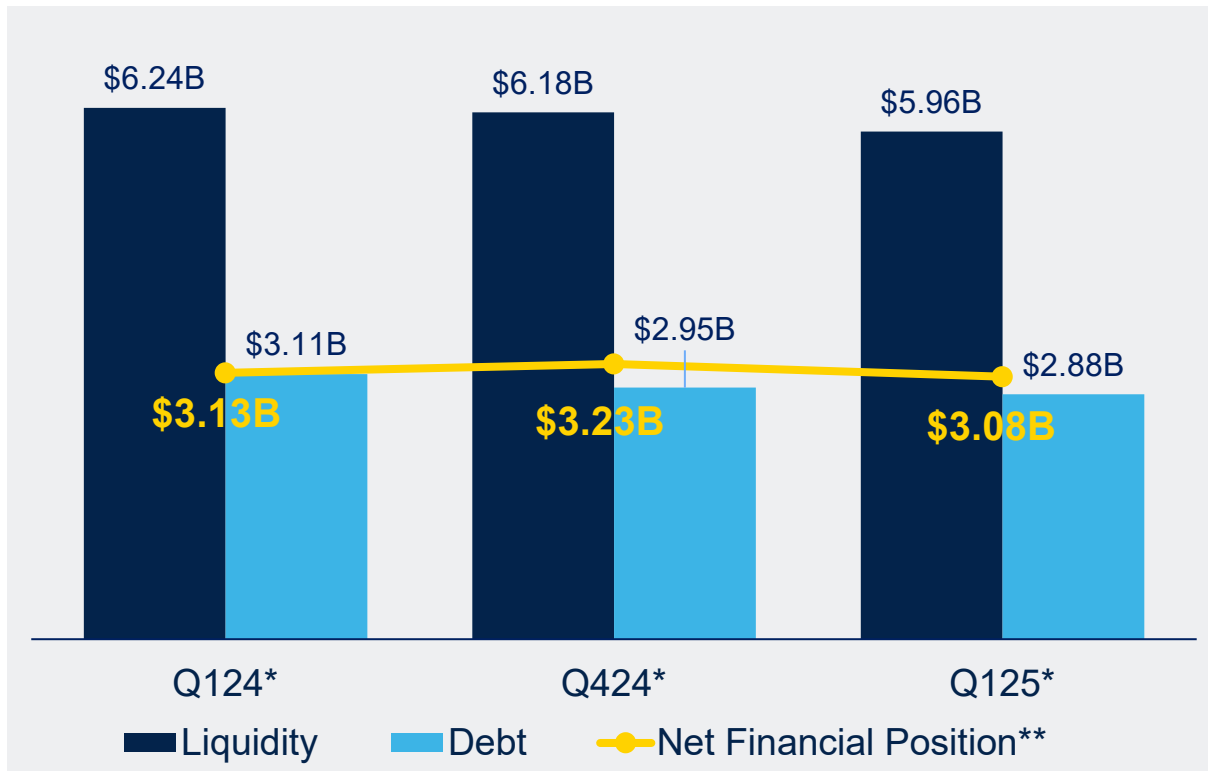
Cash dividends paid to stockholders totaled \$72M in Q125.

In Q125 we repurchased shares totaling \$92M.



*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.

Solid capital structure



ST is in a very solid position from a capital, liquidity and balance sheet perspective.

ST credit rating is now BBB+ with Stable Outlook from S&P and Baa1 with Stable Outlook from Moody's.

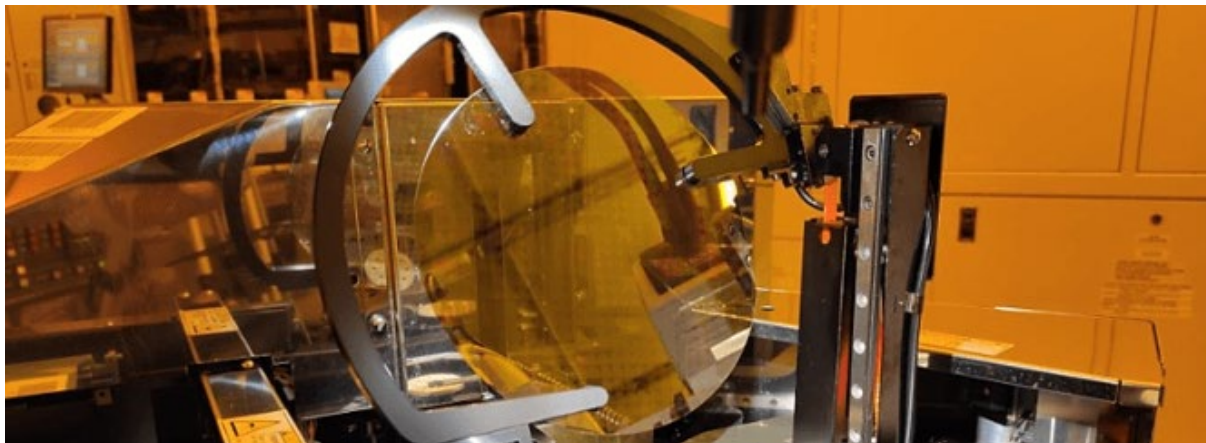


***Adjusted net financial position**, taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not been incurred yet, stood at \$2.78B as of March 30, 2024, \$2.85B as of December 31, 2024, and \$2.71B as of March 29, 2025.

****Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.

Automotive

Car electrification



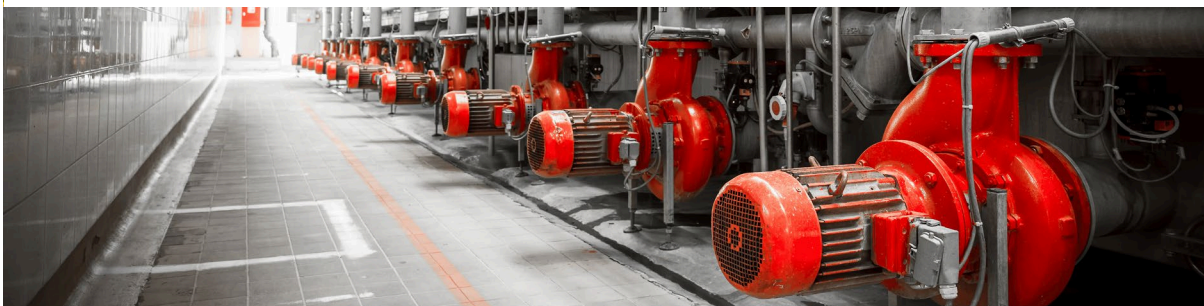
Car digitalization

Stellar
with
xMemory

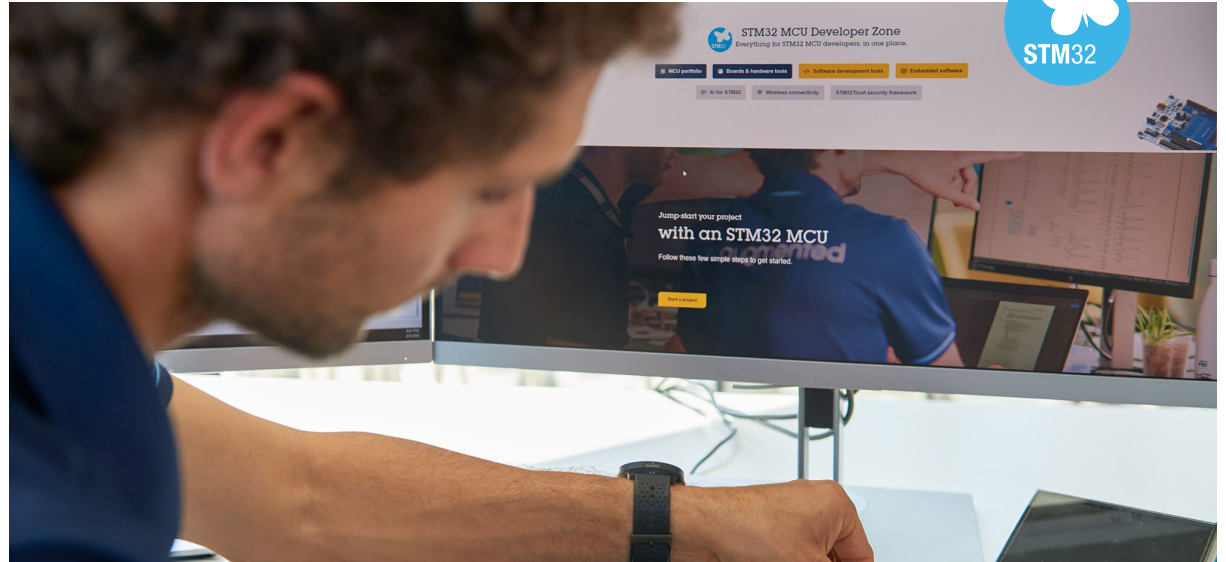


New Teseo VI quad-band GNSS receivers simplify precise positioning

Power & Energy



Embedded processing



Best-in-class ultra-low-power MCUs increase energy efficiency and security



High performance and highly integrable wireless platform



Personal electronics Communications equipment & computer peripherals



Enabling technologies

TMOS thermal	THELMA motion	Proprietary pixel portfolio	Hybrid bonding 3D BSI/CMOS
Vertical analog front end	PETRA Piezo actuator	Diffraction & metasurface optics	Small footprint packaging

Enabling technologies

BiCMOS RF front-end modules	Panel level packaging (PLP)	PIC100 Silicon Photonics	BiCMOS Optical Transceivers
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Corporate development

During Q1 ST announced the details of its three-year program to reshape the manufacturing footprint and resize the global cost base

Confirmed the annual cost savings target in the high triple-digit million-dollar range exiting 2027

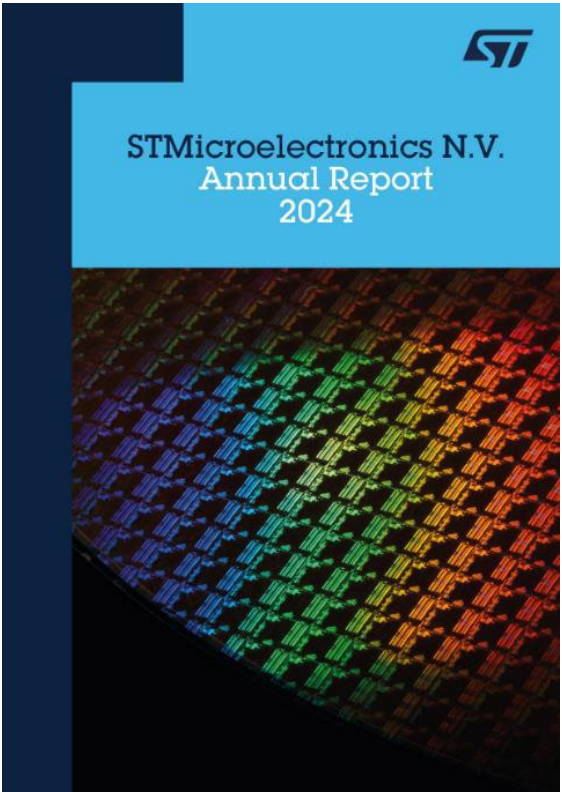
Reshaping and modernization aim to achieve two main objectives:

- prioritizing planned investments towards future-ready infrastructure such as 300mm silicon and 200mm silicon carbide wafer fabs
- maximizing the productivity and efficiency of legacy 150mm capabilities and mature 200mm capabilities

Program is expected to see up to 2,800 people leaving the company globally on a voluntary basis over 3 years, on top of normal attrition. This is expected to occur mainly in 2026 and 2027.

Sustainability

28th year of reporting
First **integrated report** as part of ST's annual report



Commitments

Carbon neutral* by 2027
Sourcing 100% renewable energy by 2027



*on scope 1 & 2 and focusing on product transportation, business travel and employee commuting emissions for scope 3

Q2 2025 Outlook

Net Revenues

Q225 outlook, at the mid-point, is for net revenues of **\$2.71B**, decreasing Y/Y by 16.2% and increasing Q/Q by 7.7%, plus or minus 350 bps.

Gross Margin

Gross margin is expected to be about **33.4%**, +/- 200 bps.



The second quarter will close on June 28, 2025.

This outlook is based on an assumed effective currency exchange rate of approximately \$1.08 = €1.00 for Q225 and includes the impact of existing hedging contracts.

This business outlook does not include any impact for potential further changes to global trade tariffs compared to current situation.

Considering the level of uncertainty for the economy globally and for ST end markets specifically, we are not providing an indication for FY25 revenues.

We plan to maintain our Net Capex* plan for 2025 between \$2.0B and \$2.3B mainly to execute the reshaping of our manufacturing footprint.



Takeaways

While we see **Q125 as the bottom**, in the current uncertain environment **we are focusing on what we can control**:

- **Strict expense control while protecting R&D**, continuously innovating to enhance and accelerate the competitiveness of our product and technology portfolio.
- On track with our **company-wide program to reshape our manufacturing** footprint. We confirm that the **cost savings target** is in **the high triple-digit million-dollar range exiting 2027**.

ST medium-term growth drivers remain solid. Specifically, they will come from MEMS and Optical sensing solutions, General Purpose Microcontrollers, Analog and LEO communication, while we see a lower and delayed growth in Power & Discrete due primarily to the well-known electrification market dynamics.

Additional **further growth beyond the medium-term horizon** thanks to **Automotive MCU and AI applications** - at the Edge, and for power management and cloud optical interconnect in data centers and AI clusters. We will do so by leveraging our product and technology portfolio and roadmap, and our competitive reshaped manufacturing footprint.



Appendix

Historical financial performance

<i>US\$M, except EPS</i>	Q124	Q224	Q324	Q424	FY24	Q125
Net Revenues	3,465	3,232	3,251	3,321	13,269	2,517
Gross Margin	41.7%	40.1%	37.8%	37.7%	39.3%	33.4%
Operating Income	551	375	381	369	1,676	3
Operating Margin	15.9%	11.6%	11.7%	11.1%	12.6%	0.1%
Net Income – Reported	513	353	351	341	1,557	56
EPS Diluted (\$/share)	0.54	0.38	0.37	0.37	1.66	0.06
Free Cash Flow*	-134	159	136	128	288	30
Net Financial Position*	3,126**	3,199**	3,181**	3,231**	3,231**	3,082**
Effective Exchange Rate €/€	1.09	1.08	1.08	1.09	1.08	1.06

***Non-U.S. GAAP measure.** See Appendix for additional information explaining why the Company believes these measures are important.

****Adjusted net financial position**, taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not been incurred yet, stood at \$2,775M as of March 30, 2024, at \$2,797M as of June 29, 2024, at \$2,815M as of September 28, 2024, at \$2,846M as of December 31, 2024, and \$2,705M as of March 29, 2025.



Appendix

- Net financial position and Adjusted Net Financial Position (non-U.S. GAAP measure)**: represents the difference between our total liquidity and our total financial debt. Our total liquidity includes cash and cash equivalents, restricted cash, if any, short-term deposits, and marketable securities, and our total financial debt includes short-term debt and long-term debt, as reported in our Consolidated Balance Sheets. ST also presents adjusted net financial position as a non-U.S. GAAP measure, to take into consideration the effect on total liquidity of advances received on capital grants for which capital expenditures have not been incurred yet. ST believes its Net Financial Position and Adjusted Net Financial Position provide useful information for investors and management because they give evidence of our global position either in terms of net indebtedness or net cash by measuring our capital resources based on cash and cash equivalents, restricted cash, if any, short-term deposits and marketable securities and the total level of our financial debt. Our definitions of Net Financial Position and Adjusted Net Financial Position may differ from definitions used by other companies, and therefore, comparability may be limited.
- Net Capex and Free Cash Flow (non-U.S. GAAP measure)**: ST presents Net Capex as a non-U.S. GAAP measure, which is reported as part of our Free Cash Flow (non-U.S. GAAP measure), to take into consideration the effect of advances from capital grants received on prior periods allocated to property, plant and equipment in the reporting period. Net Capex, a non-U.S. GAAP measure, is defined as (i) Payment for purchase of tangible assets, as reported plus (ii) Proceeds from sale of tangible assets, as reported plus (iii) Proceeds from capital grants and other contributions, as reported plus (iv) Advances from capital grants allocated to property, plant and equipment in the reporting period. ST believes Net Capex provides useful information for investors and management because annual capital expenditures budget includes the effect of capital grants. Our definition of Net Capex may differ from definitions used by other companies. Free Cash Flow, which is a non-U.S. GAAP measure, is defined as (i) net cash from operating activities plus (ii) Net Capex plus (iii) payment for purchase (and proceeds from sale) of intangible and financial assets and (iv) net cash paid for business acquisitions, if any. ST believes Free Cash Flow provides useful information for investors and management because it measures our capacity to generate cash from our operating and investing activities to sustain our operations. Free Cash Flow reconciles with the total cash flow and the net cash increase (decrease) by including the payment for purchases of (and proceeds from matured) marketable securities and net investment in (and proceeds from) short-term deposits, the net cash from (used in) financing activities and the effect of changes in exchange rates, and by excluding the advances from capital grants received on prior periods allocated to property, plant and equipment in the reporting period. Our definition of Free Cash Flow may differ from definitions used by other companies.
- Net revenues of Others**: include revenues from sales assembly services and other revenues. Operating income (loss) of Others include items such as unused capacity charges, including incidents leading to power outage, impairment and restructuring charges, management reorganization costs, start-up and phase out costs, and other unallocated income (expenses) such as: strategic or special research and development programs, certain corporate-level operating expenses, patent claims and litigations, and other costs that are not allocated to reportable segments, as well as operating earnings of other products. Others includes:

US\$M	Q124	Q224	Q324	Q424	FY24	Q125
Unused Capacity Charges	63	84	104	118	370	123

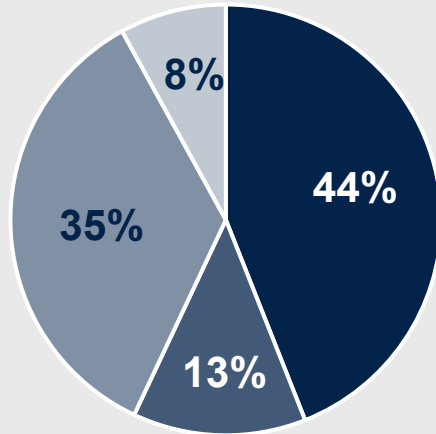


Historical Revenues and Operating Margin by Product Groups and Reportable Segments

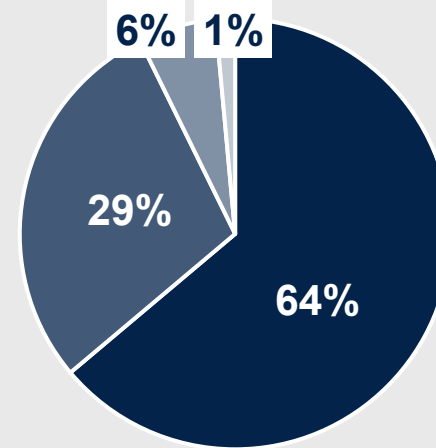
<i>US\$M</i>	Q124	Q224	Q324	Q424	FY24	Q125
Analog products, MEMS and Sensors (AM&S)						
Revenue	1,406	1336	1,340	1,348	5,429	1,069
<i>Operating Margin</i>	<i>17.5%</i>	<i>14.5%</i>	<i>16.1%</i>	<i>16.3%</i>	<i>16.1%</i>	<i>7.7%</i>
Power and discrete products (P&D)						
Revenue	631	576	652	602	2,461	397
<i>Operating Margin</i>	<i>12.1%</i>	<i>10.6%</i>	<i>12.2%</i>	<i>7.5%</i>	<i>10.6%</i>	<i>-6.9%</i>
Analog, Power & Discrete, MEMS and Sensors (APMS)						
Revenue	2,037	1,912	1,992	1,950	7,890	1,466
<i>Operating Margin</i>	<i>15.8%</i>	<i>13.3%</i>	<i>14.9%</i>	<i>13.6%</i>	<i>14.4%</i>	<i>3.7%</i>
Embedded Processing (EMP)						
Revenue	1,047	906	898	1,002	3,853	742
<i>Operating Margin</i>	<i>22.2%</i>	<i>13.8%</i>	<i>16.4%</i>	<i>18.1%</i>	<i>17.8%</i>	<i>8.9%</i>
RF & Optical Communications (RF&OC)						
Revenue	378	410	357	366	1,511	306
<i>Operating Margin</i>	<i>27.4%</i>	<i>23.4%</i>	<i>23.4%</i>	<i>25.9%</i>	<i>25.1%</i>	<i>13.9%</i>
Microcontrollers, Digital ICs and RF products (MDRF)						
Revenue	1,425	1,316	1,255	1,368	5,364	1,048
<i>Operating Margin</i>	<i>23.6%</i>	<i>16,8%</i>	<i>18.3%</i>	<i>20.2%</i>	<i>19.8%</i>	<i>10.4%</i>

FY 2024 Reportable segment revenues by end market

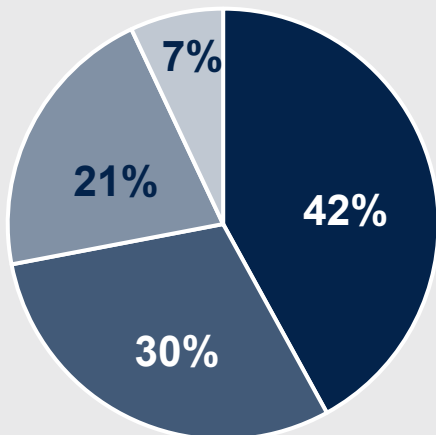
Analog products, MEMS and Sensors (AM&S)



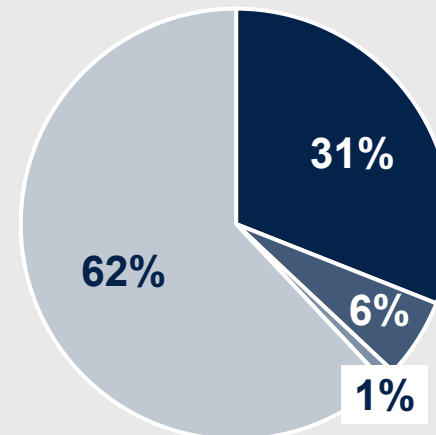
Power and discrete products (P&D)



Embedded Processing (EMP)



RF & Optical Communications (RF&OC)



- Automotive
- Industrial
- Personal electronics
- Communications equipment & computer peripherals

Our technology starts with You

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