



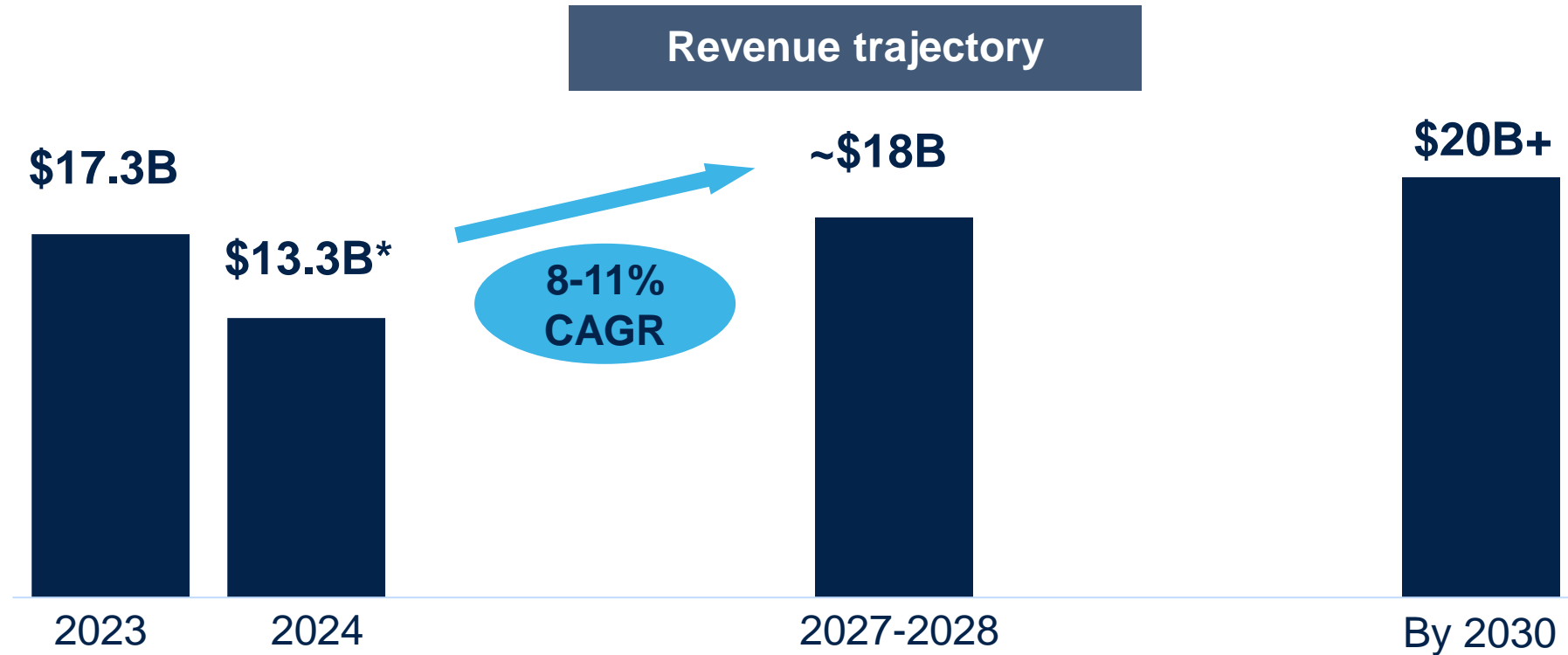
**Capital Markets
Day 2024**

STMicroelectronics Financial Overview

Lorenzo Grandi

President and Chief Financial Officer

The \$20B+ ambition is postponed but still intact A new intermediate point in FY 2027/2028 is set

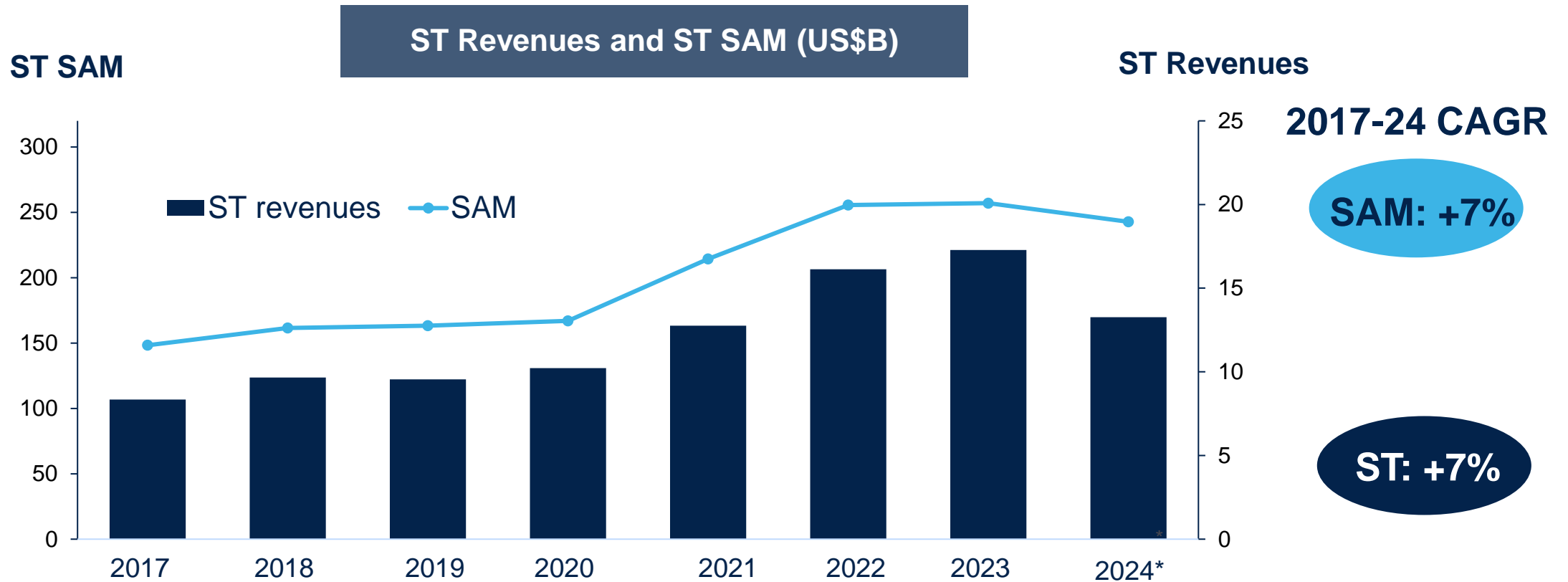


Considering a changing market and competitive environment, we set a new intermediate Financial Model on the path towards the \$20B+ ambition by 2030



* Mid-point of Q4 2024 outlook translates into 2024 revenues of \$13.27B

On average ST has grown in line with its SAM



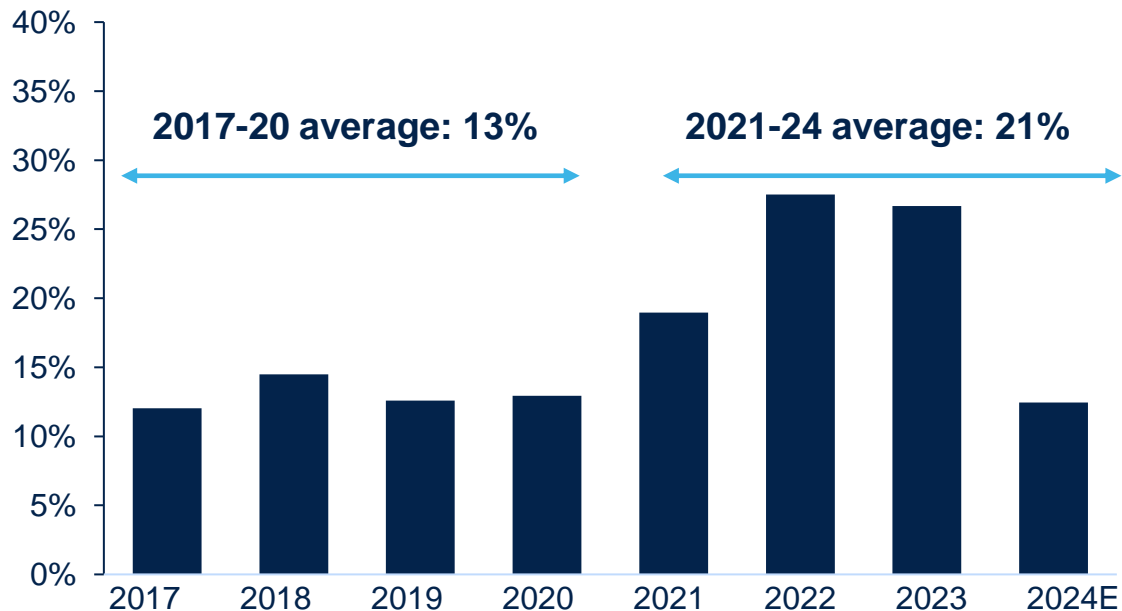
ST grew faster than its SAM in 2017-2023. 2024 impacted by correction in Industrial



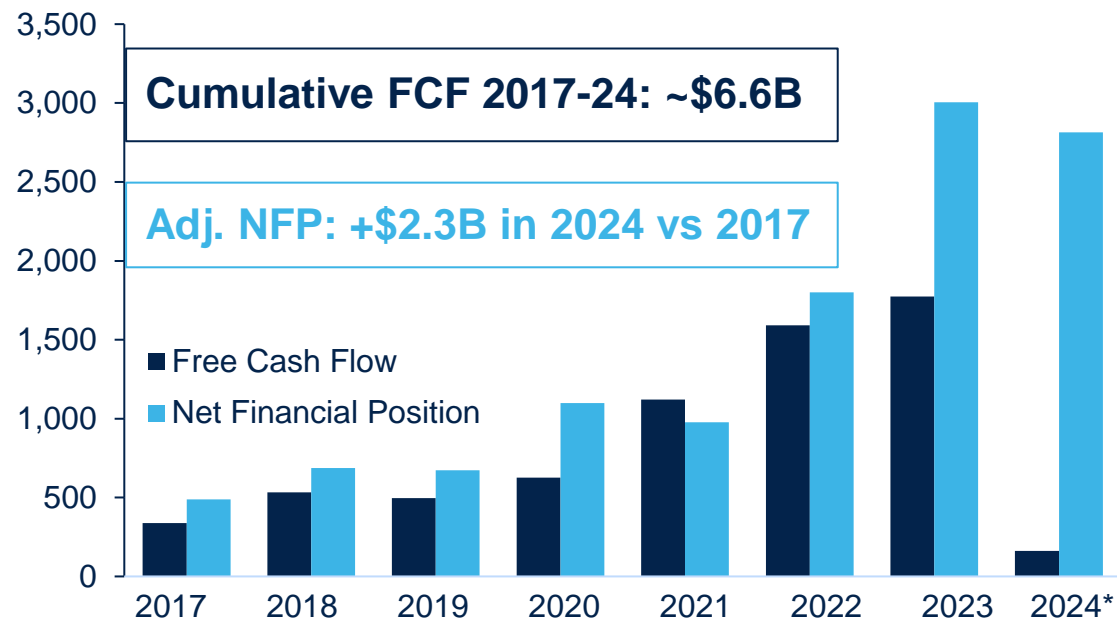
* Mid-point of Q4 2024 outlook translates into 2024 revenues of \$13.27B
ST SAM as defined in 6K Form – Source WSTS

Average profitability and FCF increased over the period

ST Operating Margin (%)



ST FCF and Adjusted Net Financial Position** (US\$M)**



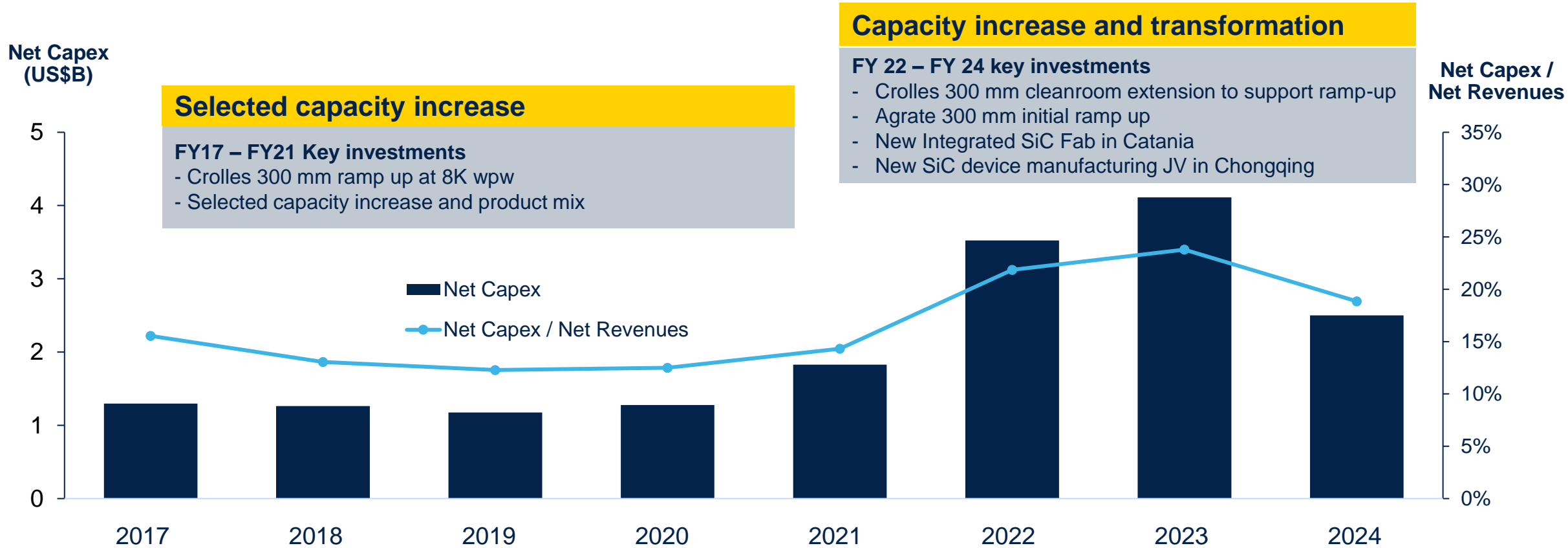
Since 2017, higher profitability on average enabled ST to deliver robust FCF and improve Net Financial Position...



* Based on 9m YTD 2024

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

We have invested for future growth



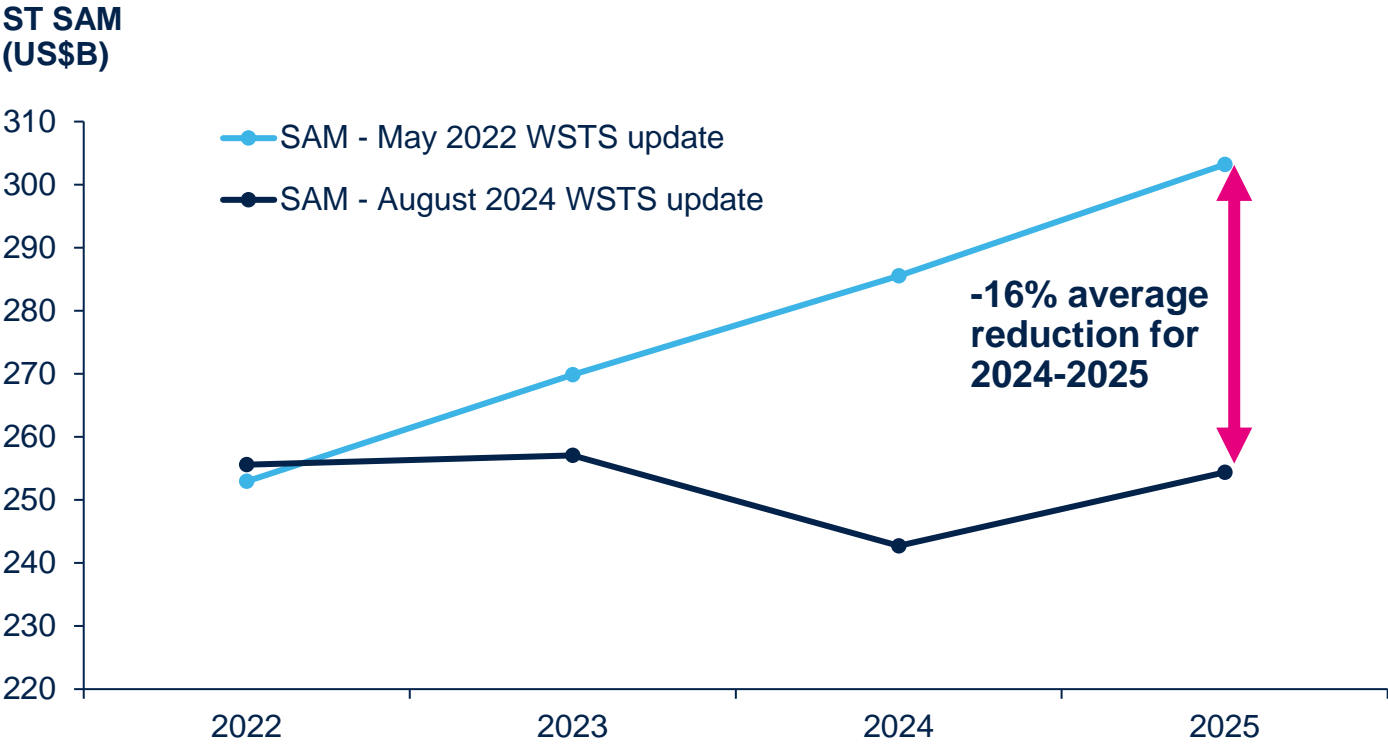
... while investing significantly in a modernized infrastructure



Net Capex (non-US GAAP measure) for 2023 and 2024, Capital expenditure payments, net of proceeds from sales for prior years

What has changed since 2022

ST SAM expectations reduced by 16% on average for 2024-25 vs May 22



What has changed

- Reduced ST SAM expectations
- EV growing at a slower pace than expected
- All end-Markets gradually entering correction post shortage at various times and with varying intensity
- Decoupling and trade implications
- Increasing availability of capacity in China for mature nodes

What has not changed

Key long-term enablers of our Strategy including Smart Mobility, Power & Energy and Cloud-connected Autonomous Things



ST SAM as defined in 6K form – Source WSTS

Introducing a new intermediate financial model towards the \$20B+ financial ambition

Key financials		
	Intermediate model (2027/28)	\$20B+ ambition (by 2030)
Revenue	~\$18B	\$20B+
Gross Margin	~44-46%	~50%
Operating Margin	~22-24%*	>30%
Free Cash Flow Margin**	~20%*	>25%

Financials assume a currency exchange rate of approximately \$1.09 = €1.00. See appendix for FX sensitivity

* Excluding one-offs

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

See Forward Looking Information for full disclosure. Such information is 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 Information



Targeting to grow around twice as fast as our SAM

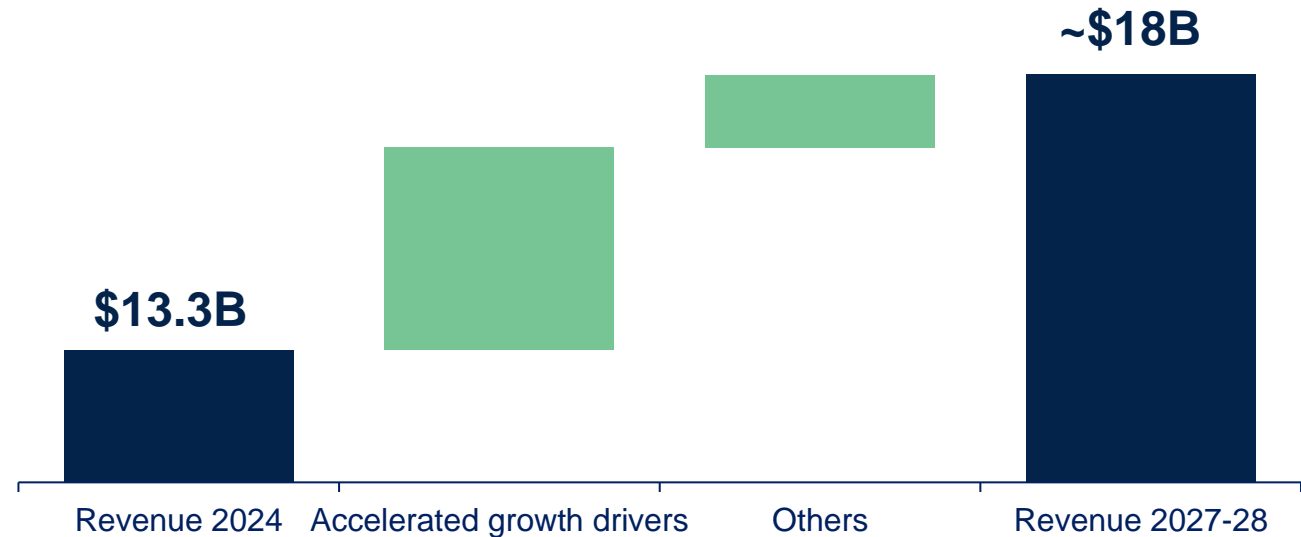
2024 to 2027-28 CAGR

ST revenues: 8-11%*

ST SAM: ~5%**

* Based on Mid-point of Q4 2024 outlook translating into 2024 revenues of \$13.27B and on revenues of ~\$18B in 2027-28

** 2024 to 2027 CAGR



Accelerated growth drivers including engaged customer programs in personal electronics and CECP, Silicon Carbide, Auto ADAS and General-purpose MCUs

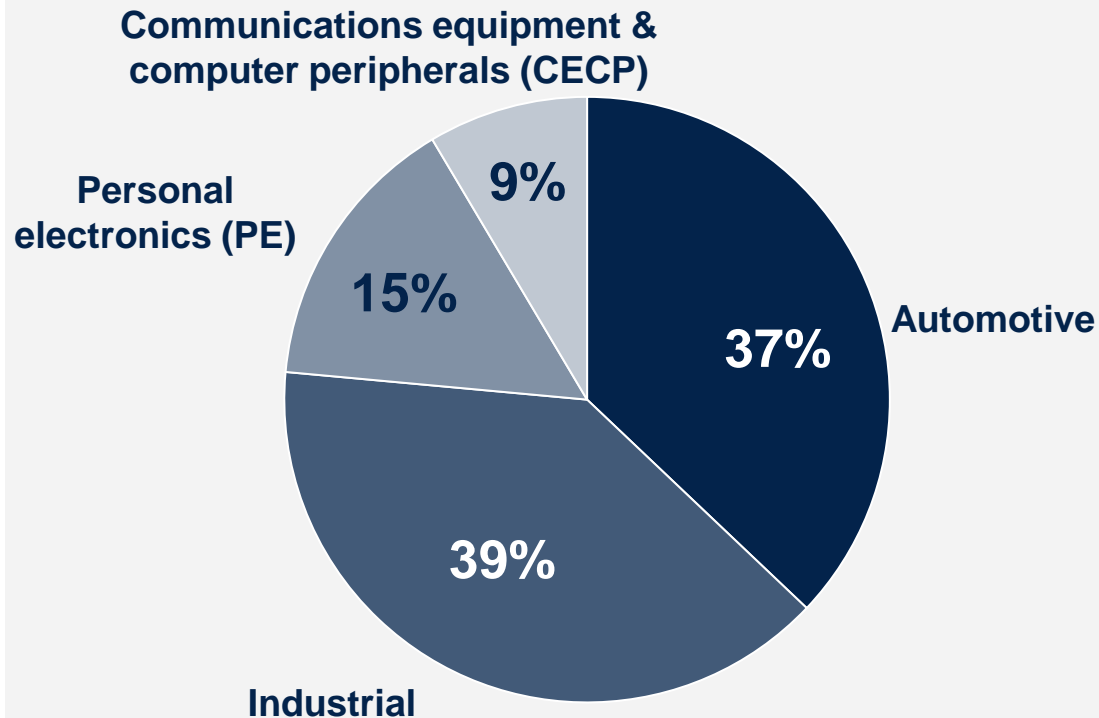
Accelerated growth drivers to represent about three quarters of 2024 to 2027-28 growth



See Forward Looking Information for full disclosure. Such information is 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 Information.

Revenue growth: end-market view

End market contribution to growth between 2024 and 2027-28



ST revenues CAGR by end market between 2024 and 2027-28 (%)

Automotive: High-single-digit

Industrial: Mid-to-high-teens

PE: Mid-to-high-single-digit

CECP: Mid-to-high-single-digit

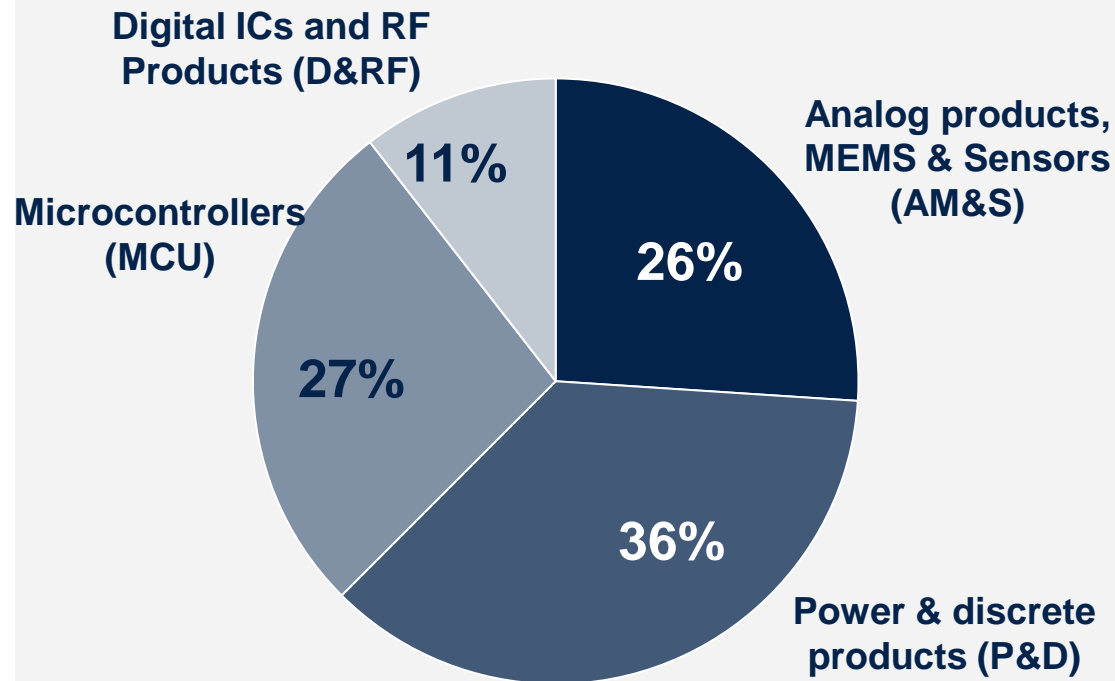
ST to grow 2x faster than its SAM: addressing the right markets



See Forward Looking Information for full disclosure. Such information is 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 Information.

Revenue growth: reportable segments view

Reportable segments contribution to growth between 2024 and 2027-28



Growth CAGR by reportable segment between 2024 and 2027-28 (%)

AM&S: Mid to high-single-digit

P&D: Low double digit to mid-teens

MCU: High single digit to low-double-digit

D&RF: Mid to high-single-digit

ST to grow 2x faster than its SAM: providing the right product portfolio



See Forward Looking Information for full disclosure. Such information is 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 Information.

Strengthening revenue growth capability and improving operating efficiency

Implementing new organization



Delivering **enhanced product development innovation and efficiency**, time-to-market as well as **customer focus** by end market.

Reshaping of manufacturing footprint



Improve **productivity / efficiency** of our fabs

Resizing of global expense base



Generate structural **cost savings**

**ST is adapting to a lower-than-expected revenue base
by managing what is under our control**

New organization to increase efficiency

Moving from three to two Product Groups split in four Reportable Segments

Increase **value extraction** from our broad and unique product and technology portfolio

Further enhance product development **innovation** and **efficiency**, and **time-to-market**

New application marketing organization by end market implemented across all ST Regions

Getting even **closer to our customers** boosting our ability to **complement our product offering**

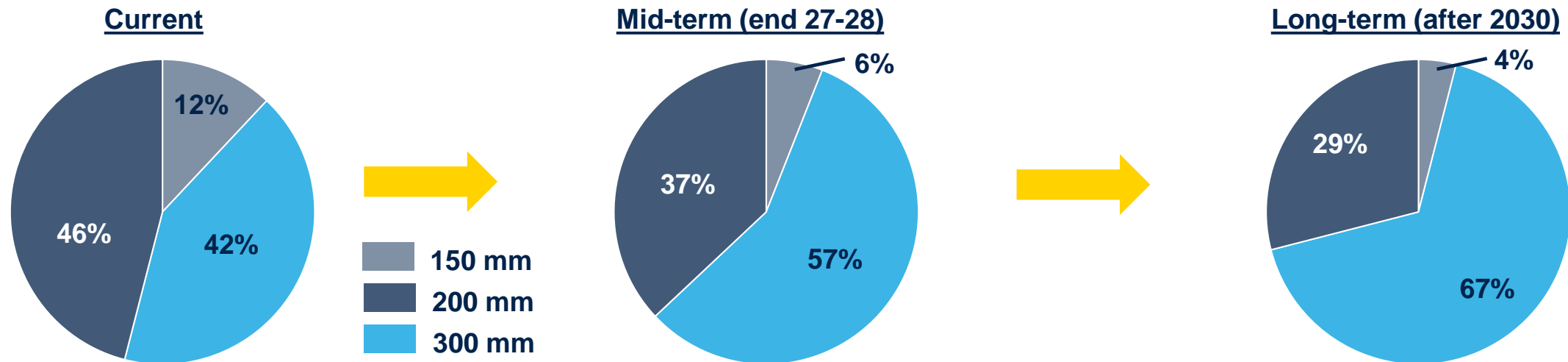
Providing our customers with **end-to-end system solutions** based on our product and technology portfolio

Delivering enhanced product development innovation and efficiency, time-to-market as well as customer focus by end market



Accelerating transition to 300 mm silicon & 200 mm SiC

Split of silicon production value by wafer size (%)



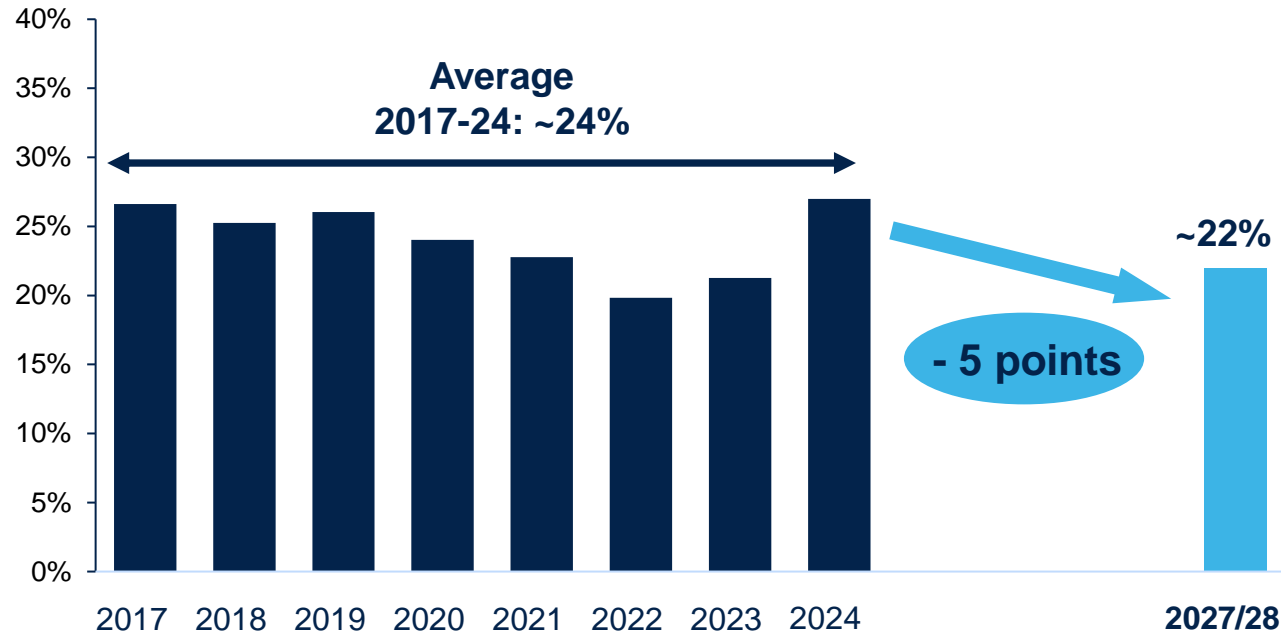
Silicon carbide accelerating transition to 200 mm

Joint Venture with Sanan Optoelectronics to create a high-volume 200 mm SiC device manufacturing facility in Chongqing
New high-volume 200 mm SiC manufacturing facility for power devices and modules, as well as test and packaging in Catania

Focus on manufacturing reshaping to boost competitiveness

Resizing our Opex base

Net Opex* to Net Revenues ratio (%)



Accelerating efficiency on SG&A and R&D

New organization reducing incremental resources required for innovation and go-to-market

Automation and digitalization of G&A processes triggering less resources to accomplish the same support tasks

Opex containment coupled with return to growth will improve expenses to revenues ratio

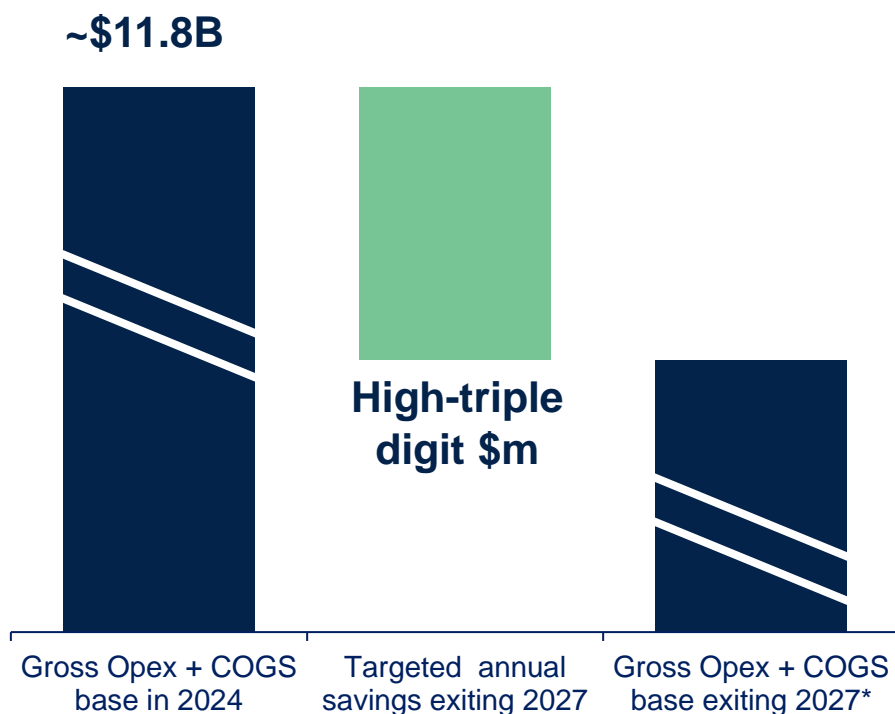
Improving Net Opex to Revenues ratio



* Net Opex include Selling, general and administrative expenses, Research and development expenses and Other income and expenses, net

High triple-digit \$M range annual cost savings exiting 2027

Evolution of Total Cost structure (\$B)



*Cost base at 2024 volumes and excluding inflation.

Key financials

High-single digit % reduction of overall current cost structure

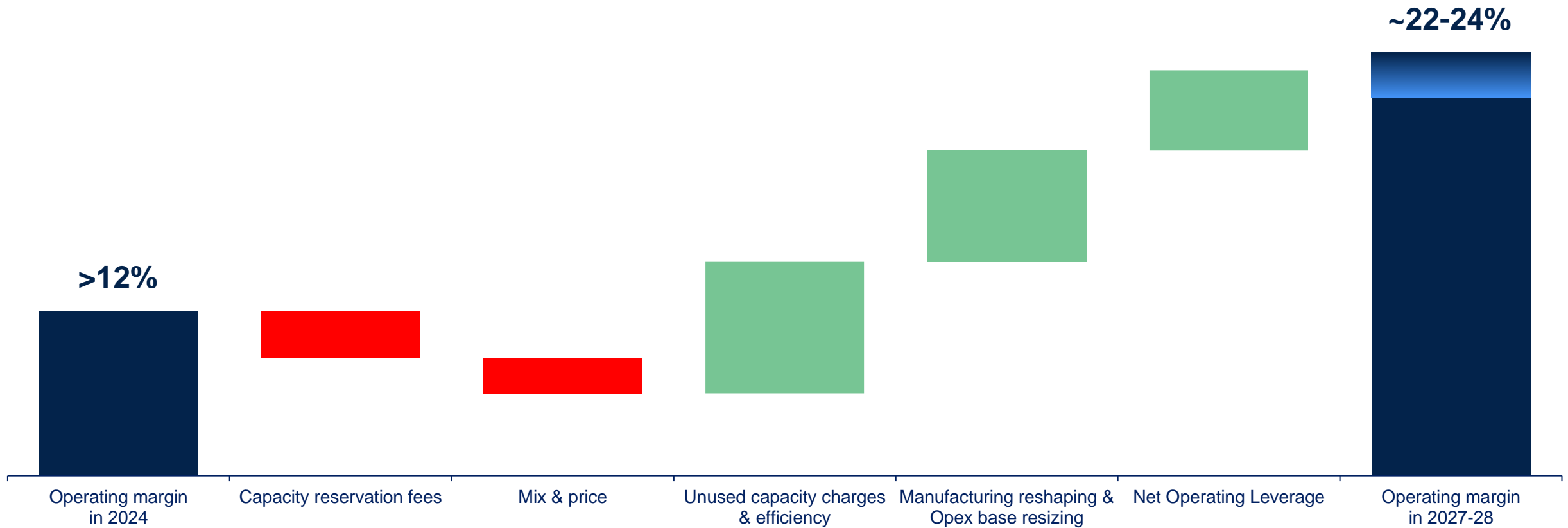
Mix of Cash and Non-Cash items

Opex savings starting to be partially visible from 2025, COGS savings starting in 2026 and accelerating in 2027



See Forward Looking Information for full disclosure. Such information is 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 Information.

Key drivers of operating margin improvement



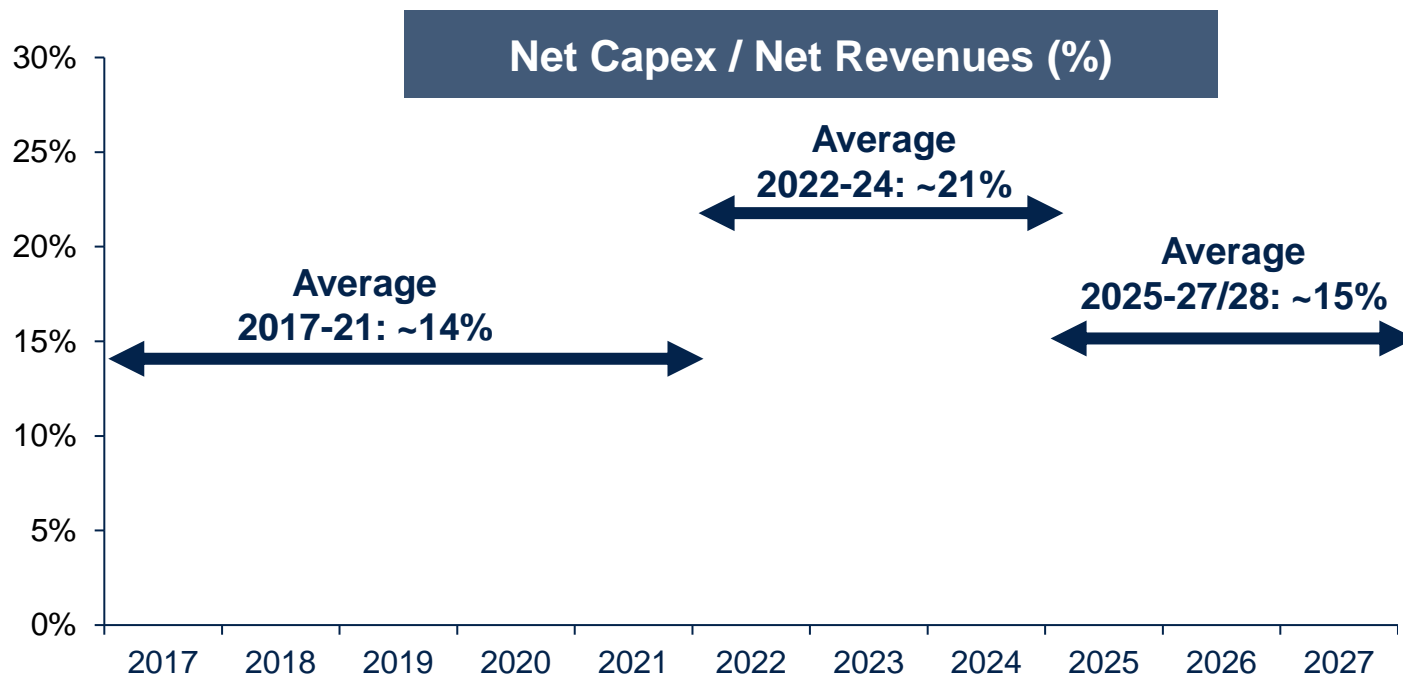
Unused capacity charges & efficiency, cost base resizing and operating leverage are the key drivers of operating margin improvement



See **Forward Looking Information for full disclosure**. Such information is 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 Information.

Capital intensity is expected to decrease

We are in a position to leverage the significant investments in the infrastructure done in the last few years



Main investments 2024-27

Capacity & mix Changes

- Agrate and Crolles 300mm
- Assembly & Testing

SiC

- Catania fully integrated 200 mm facility
- JV with Sanan (200 mm)

Maintenance, efficiency improvement, R&D, CO₂ neutrality program & others

Improving FCF* to revenues ratio reaching 20% of revenues by 2027/2028



* Excluding one-offs

See Forward Looking Information for full disclosure. Such information is 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 Information.

Investment & capital allocation

Commitment to innovation and growth



Market-driven R&D based on leading-edge products and technologies
Accelerate R&D investment on critical success areas: wide bandgap materials, Edge AI, Silicon Photonics, Cloud-Connected Autonomous Things...

Organic growth



Commitment to organic and self-financed growth complemented by strategic partnerships with Foundry and OSAT
Accelerated transition towards 300 mm Silicon and 200 mm SiC

Strategic M&A



Fast bolt-on specialized acquisitions to boost innovation, reinforce our IP and product portfolio

Balance Sheet



Maintain solid capital structure and financial flexibility
Investment-grade credit ratings

Shareholder returns



Return value to shareholders improving Company fundamental value
Dividend policy consistent with our planned increased cash generation

Key takeaways

\$20B+ Ambition and attendant financial model is still valid but postponed

Intermediate model with revenues expected at ~\$18B in 2027 / 2028
ST has the right innovation capabilities, product portfolio, & end-market exposure to achieve this target

Gross Margin expected in a 44-46% range in 2027 / 2028
Supported by reshaping and improved efficiency of manufacturing footprint and to reach ~50% by 2030

Operating margin* expected in the 22-24% range in 2027 / 2028
Supported by resizing of our global cost base and to reach >30% by 2030

Improving FCF** to revenues ratio supported by increased profitability and lower capital intensity reaching 20%* of the revenues in 2027 / 2028 and >25% by 2030

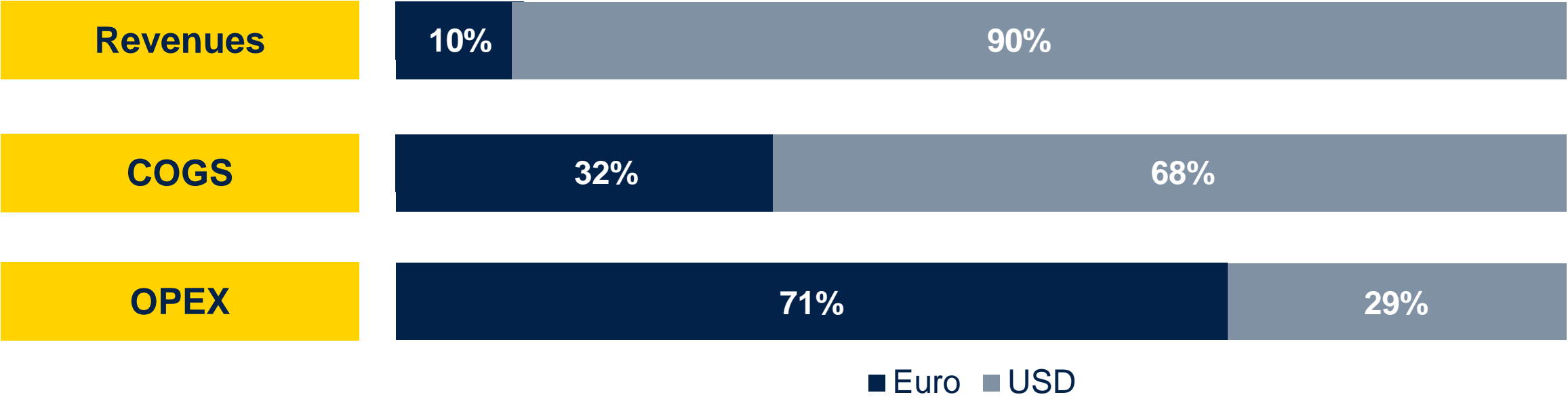


* Excluding one-offs

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

APPENDIX

Currency impact



Quarterly effect of +/-1% change of €/\$: -/+ \$8M to \$10M on Operating Income



Euro / USD weights based on 9-months year to date for FY24

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. Reporting periods prior to Q4 2023 are not impacted. 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-US 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**: 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	Q123	Q223	Q323	9M23	Q423	FY23	Q124	Q224	Q324	9M24
Unused Capacity Charges	1	15	46	63	57	120	63	84	104	252



Our technology starts with You



Find out more at www.st.com

© STMicroelectronics - All rights reserved.

ST logo is a trademark or a registered trademark of STMicroelectronics International NV or its affiliates in the EU and/or other countries.

For additional information about ST trademarks, please refer to www.st.com/trademarks.

All other product or service names are the property of their respective owners.

