STMicroelectronics
Q3 2026 Financial Results

October 29, 2026

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 continuation, adoption and expansion of tariffs and trade barriers and sanctions, that are affecting and could further affect the macro-economic environment and are adversely impacting and could further adversely impact the demand for our products;
• uncertain macro-economic and industry trends (such as inflation and fluctuations in supply chains), which are impacting and may further 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 research and development 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 intellectual property 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, 2025 as filed with the Securities and Exchange Commission ("SEC") on February 26, 2026. 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 SEC filings, could have a material adverse effect on our business and/or financial condition.

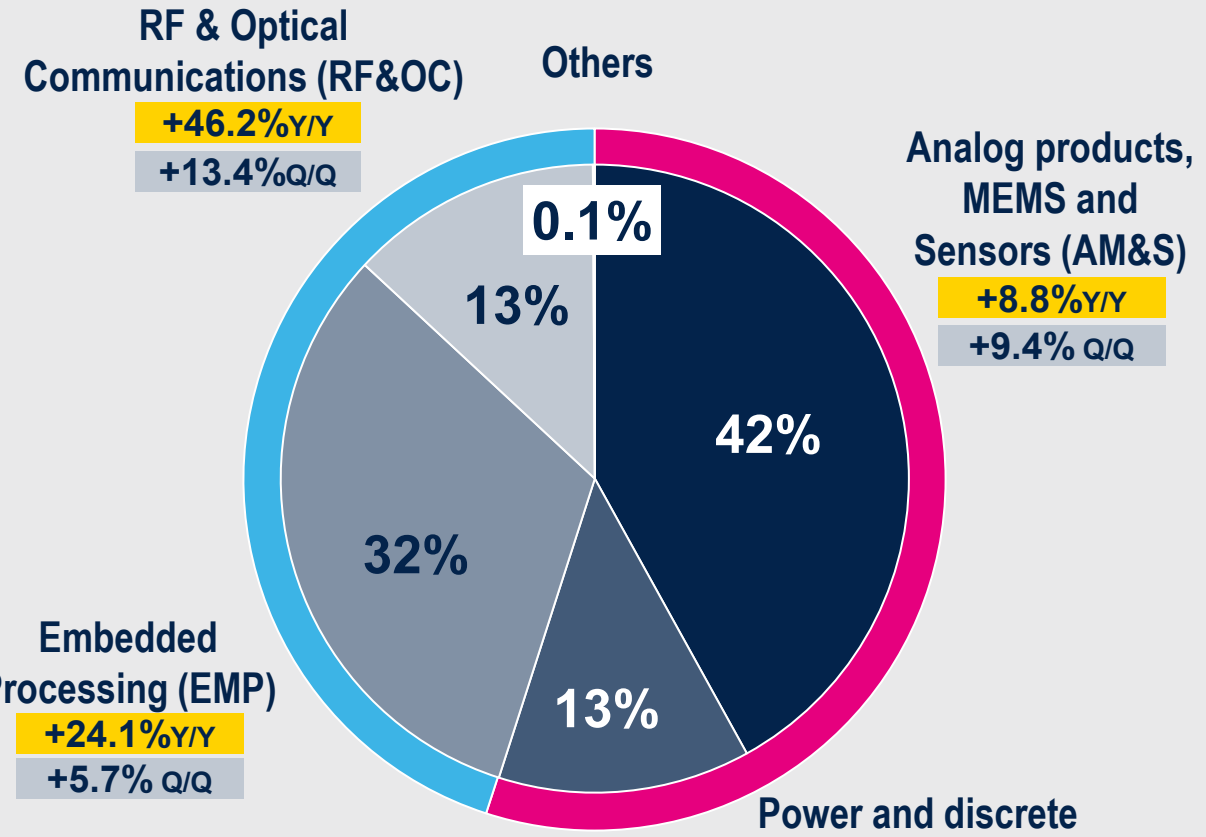
Highlights

Q3 2026	• Net revenues of $3.76B increased 17.9% Y/Y and 7.7% Q/Q. Revenues came above the mid-point of our business outlook range, driven by higher revenues in CECP and Personal Electronics. • Gross margin was 37.3% above the mid-point of our business outlook range • Operating margin was 9.8%, net income was $291M and EPS $0.31. On a Non-U.S. GAAP* basis, operating margin was 11.4%, net income was $344M and EPS $0.37.
	• In Q3, demand increased further supported by strong bookings and improving visibility, while inventory in distribution continued to track below our standard target. These indicators confirm the continued ongoing recovery and secular growth across the markets we serve
Q4 2026	• Outlook at mid-point is for net revenues of $4.15B, increasing 24.7% Y/Y and 10.5% Q/Q. • Gross margin expected to be about 39.0% at the mid-point.
2026	• Q426 revenue mid-point translates into FY26 revenues of $14.5B, up 22.8% Y/Y. Beyond the cyclical recovery across our end markets, the Y/Y growth is supported by ST's company specific growth drivers, including AI datacenters and LEO satellite communication. • Gross margin is expected to be 36.4%, non-U.S. GAAP* gross margin is expected to be 36.6%, up 270 bps vs FY25.
	• Demand remains well above supply; we continue to expand capacity aligned with ST’s strategic roadmap. • We remain focused on improving profitability consistent with our intermediate financial model. This is driven by our company-specific growth drivers and the execution of our company-wide program to reshape our manufacturing footprint and resize our global cost base.

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

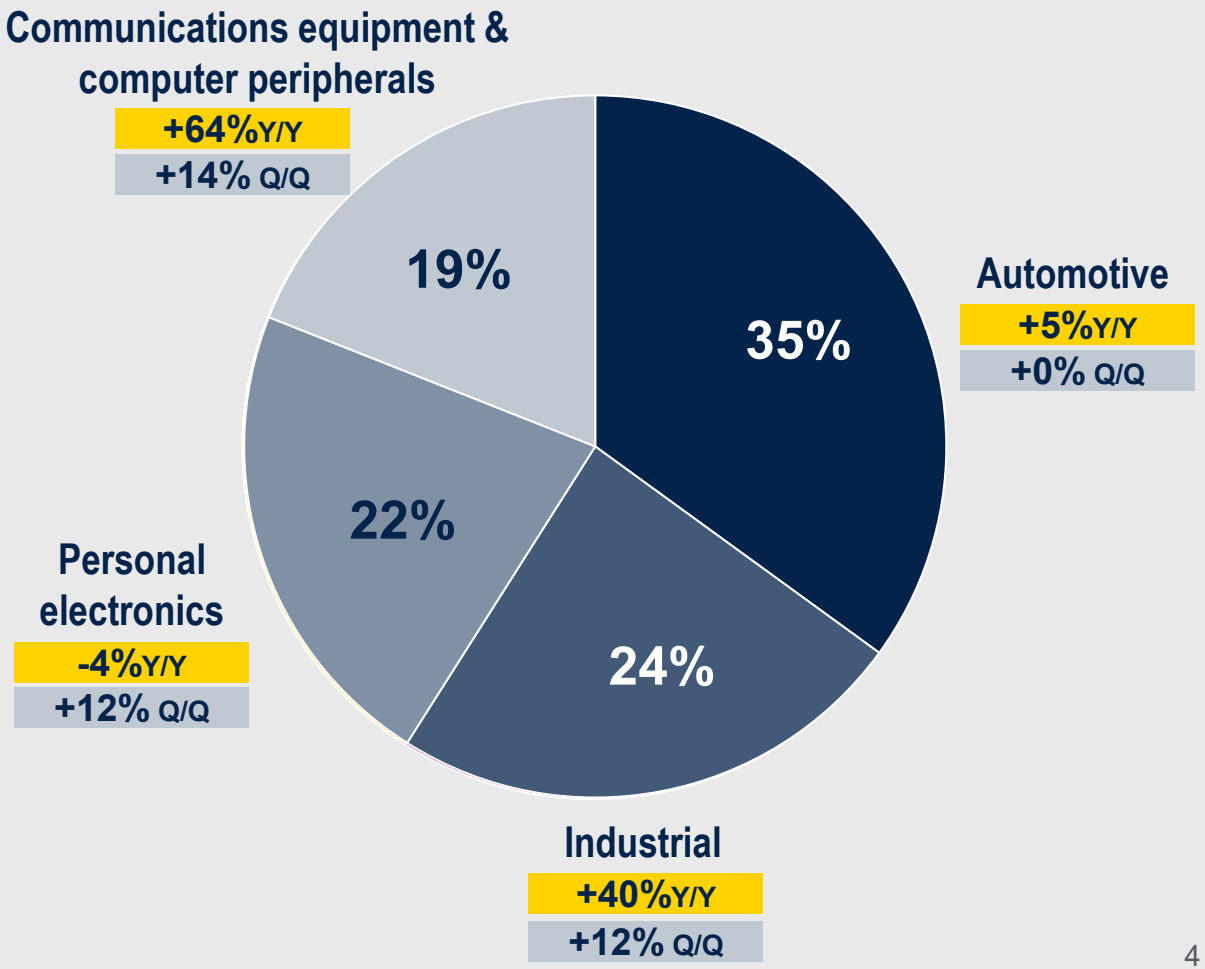
Q3 2026 Revenues dynamic

% by reportable segments



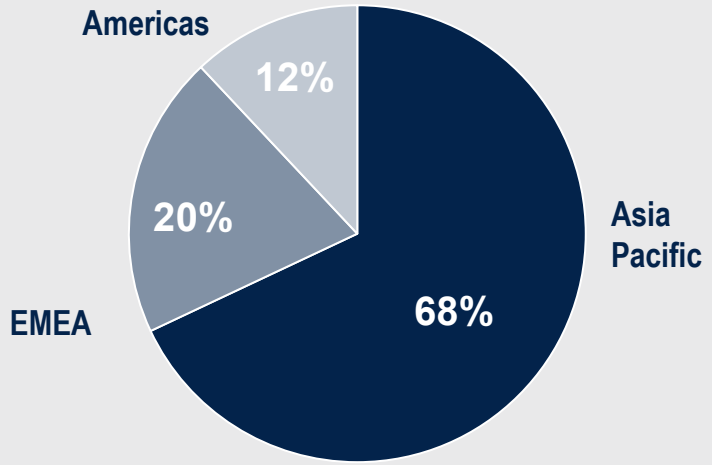
Analog, Power & Discrete, MEMS and Sensors (APMS)
Microcontrollers, Digital ICs and RF products (MDRF)

% by end market

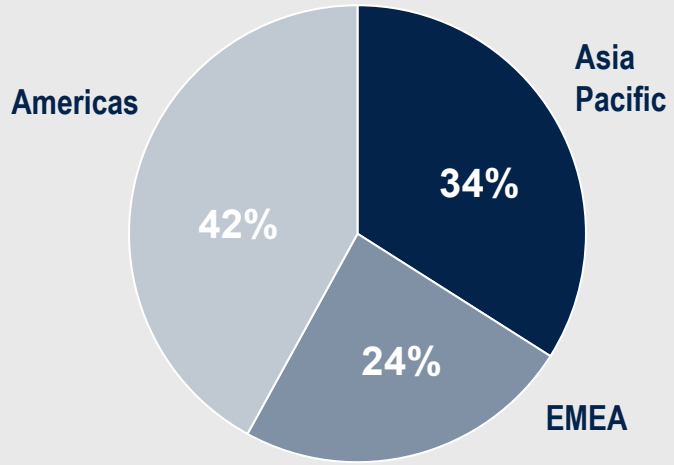


Q3 2026 Revenues

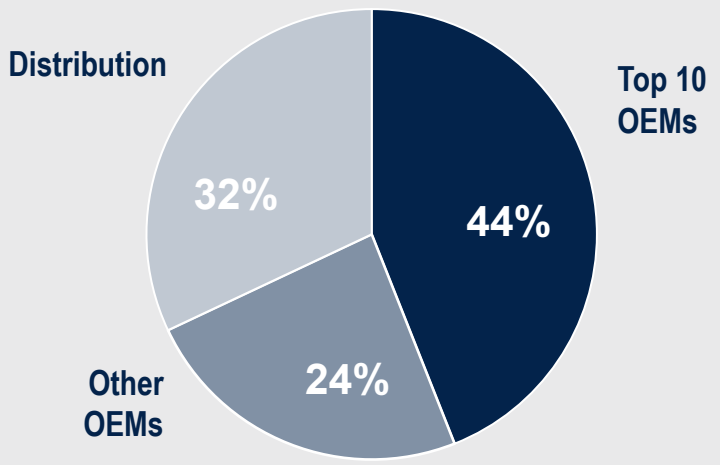
% by shipment location



% by region of origin

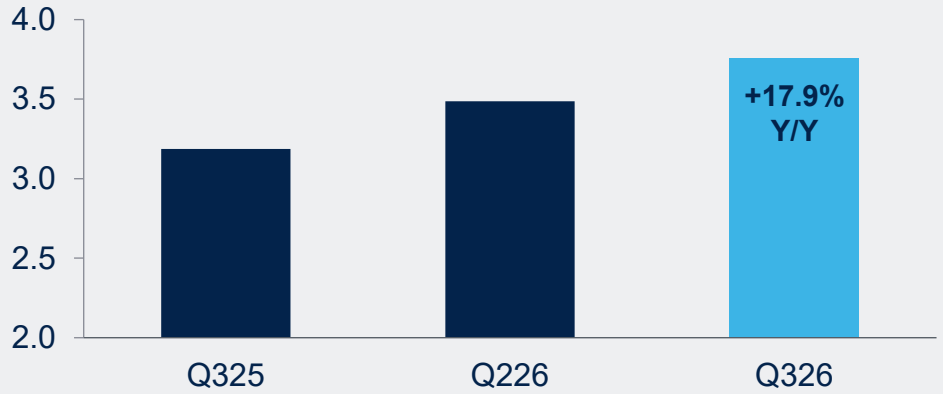


% by customer type

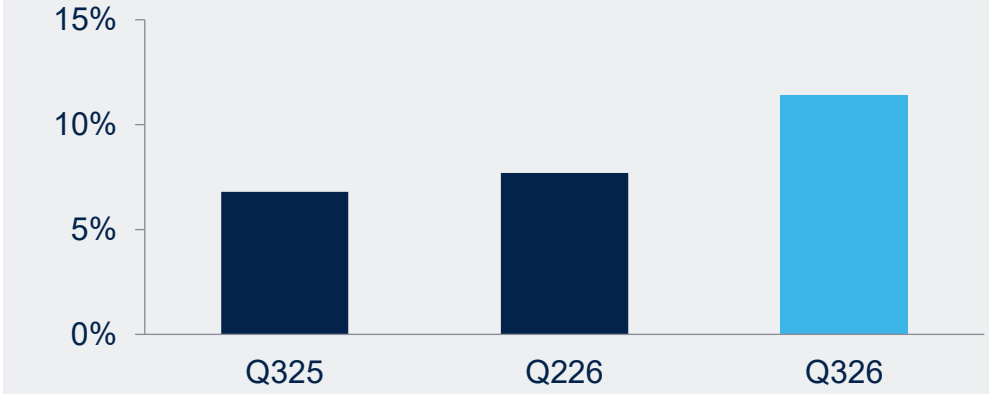


Q3 2026 Financial highlights

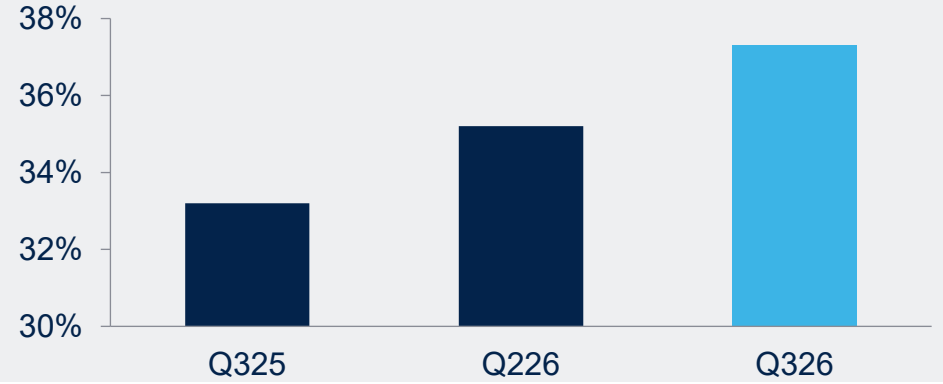
Revenues = $3.76B



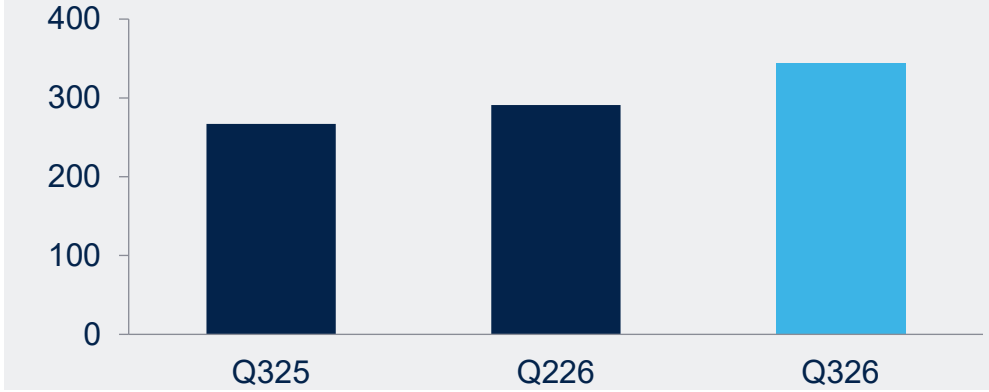
Non-U.S. GAAP Operating Margin* = 11.4%



Non-U.S. GAAP Gross Margin* = 37.3%



Non-U.S. GAAP Net Income* = $344M



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

Q3 2026 Business dynamics
Automotive



Design wins across hybrid, electric, and internal combustion engine vehicles
Onboard charging, powertrain, active suspension, and 48V electro-mechanical braking



Automotive MEMS sensor business
Awards for telematics, cockpit control, and tire-pressure monitoring



ST SafeSense VD56GA: a unique 1.1 MP in-cabin image sensor

Q3 2026 Business dynamics
Industrial

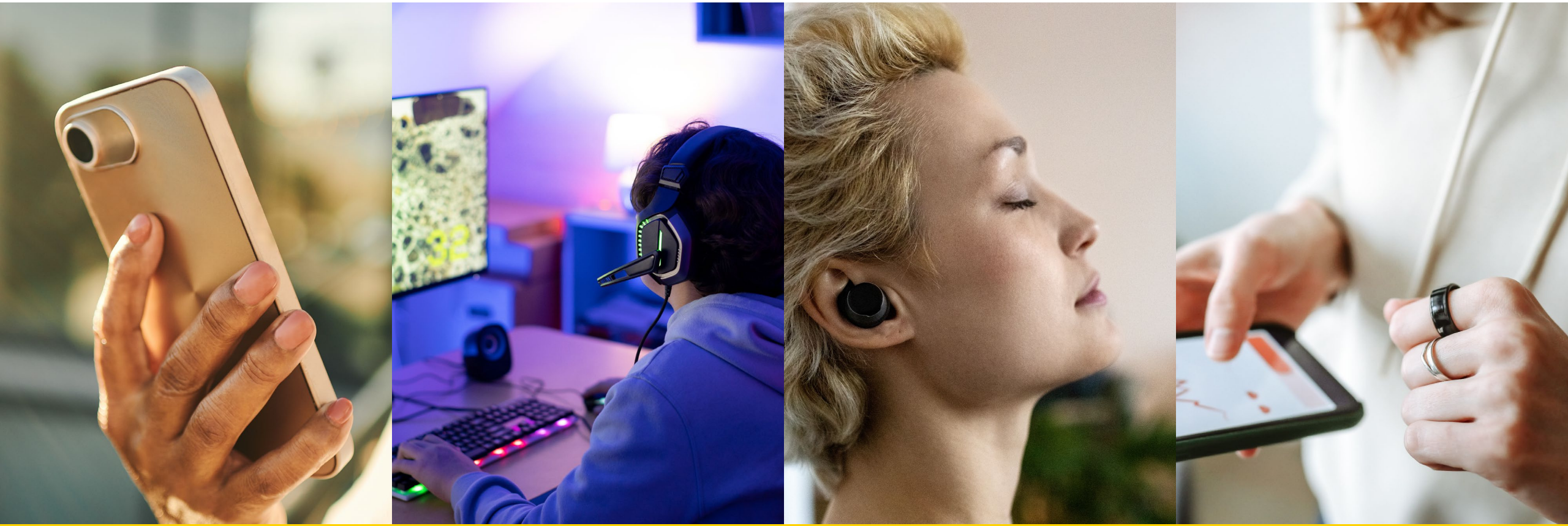


Demonstration with NVIDIA at Embedded World North America.
Illustrating our broad cooperation on robotics, based on inertial sensors, microcontrollers & imaging solutions.



Strong pipeline of STM32 product and software innovations. More to come at our **STM32 Summit** on **Nov 3rd**, followed by a dedicated **STM32 analyst call** on **Nov 18th**.

Q3 2026 Business dynamics
Personal electronics



Design wins with secure solutions, MEMS, and imaging sensors and microcontrollers
across a variety of devices including smartphones, gaming headsets, earbuds, and smart rings.

Q3 2026 Business dynamics
Communications Equipment & Computer Peripherals



Datacenter revenue

Expectations of about $1.3B for 2026

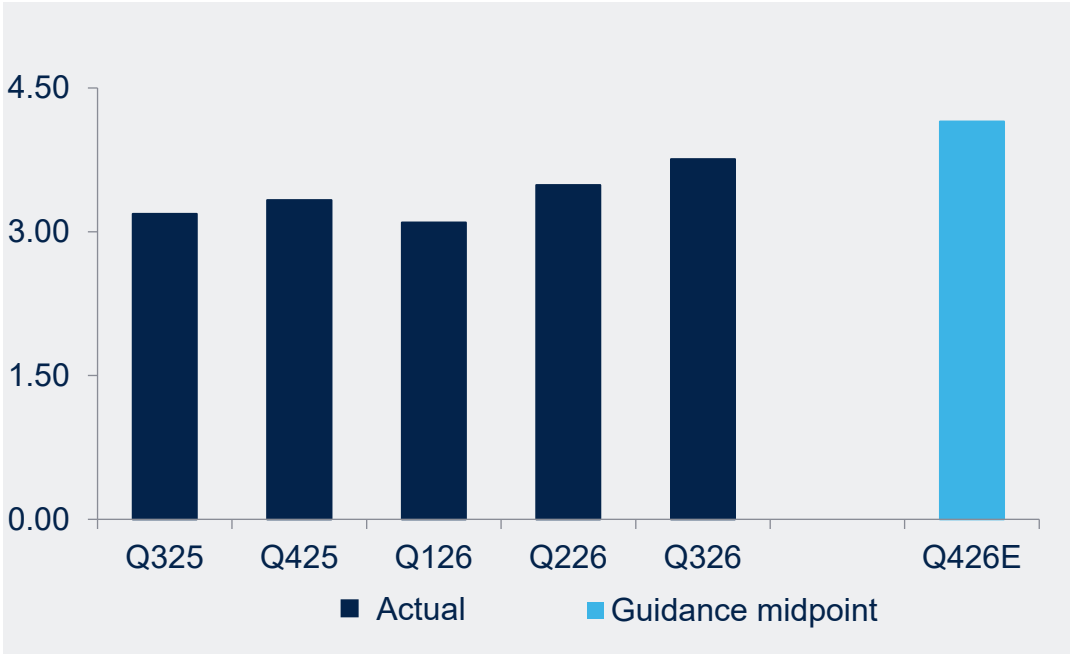
Ambitions well above $2B for 2027*



*assuming the current dynamic continues and with the current engagements we have

Revenues

Q326 Revenues = $3.76B



Q326 revenues up 17.9% Y/Y

- AM&S increased 8.8%, P&D 11.3%, EMP 24.1% and RF&OC 46.2%.
- By end market, Automotive Increased 5%, Industrial 40%, CECP 64% and Personal Electronics decreased 4%.
- Revenues to OEMs and Distribution increased 10.2% and 38.8%, respectively.

Q326 revenues up 7.7% Q/Q

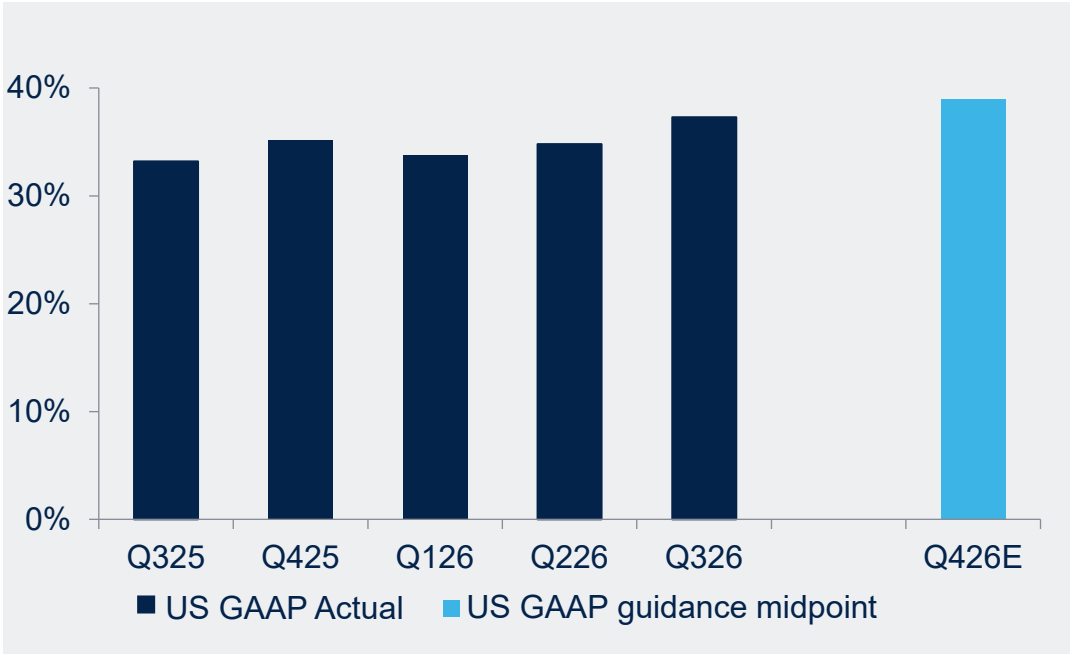
- 150 bps better than the mid-point of the Company's guidance.
- Increase of 9.4% in AM&S, 2.8% in P&D, 5.7% in EMP and 13.4% in RF&OC.
- By end market, Q/Q Automotive was flat, Industrial increased 12%, CECP 14% and Personal Electronics 12%.

Q426 Revenues Outlook

Up Q/Q by about 10.5% (+/- 350 bps)
Up Y/Y by about 24.7% at mid-point

Gross margin

Q326 Gross Margin = 37.3%



Q326 Gross Margin

- Up 410 bps Y/Y, mainly due to lower unused capacity charges and better product mix.
- Up 250 bps Q/Q
- Above the mid-point of ST's guidance.

Q426 Gross Margin Outlook about 39.0% (+/- 200 bps)

Clear path to 44-46% gross margin

Committed to **44% - 46%** intermediate financial model gross margin, once manufacturing reshaping plan completed.

Path to margin expansion, starting from the approximately **39.0%** gross margin expected for **Q426**

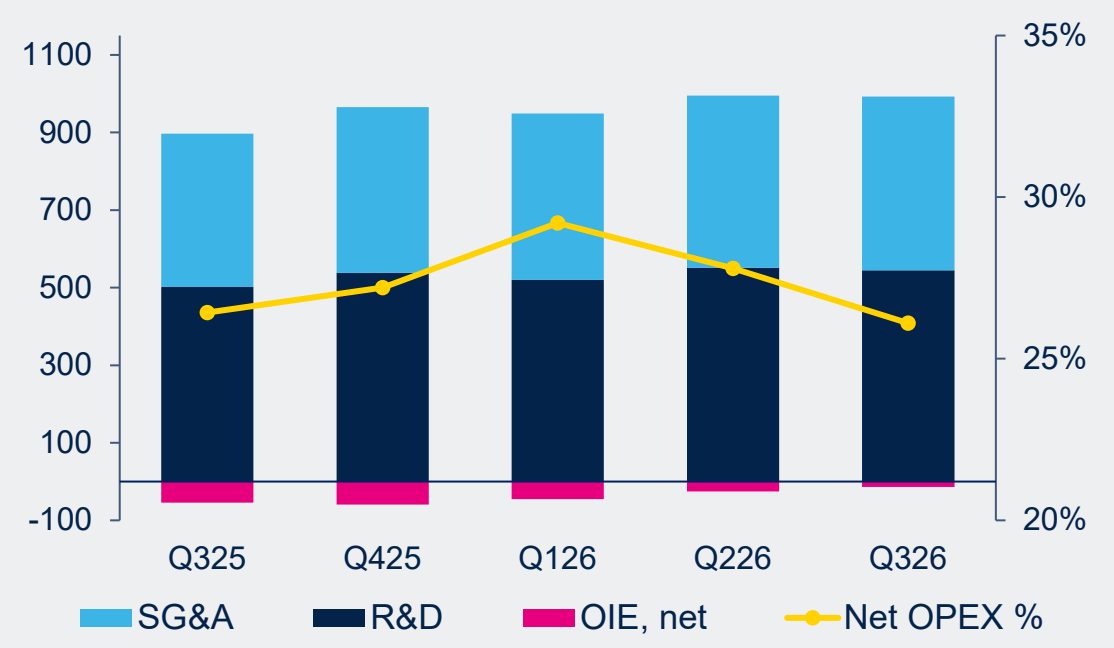
Q426 temporary headwinds, incl. **~40bps unused capacity charges** and **~30bps non-recurring costs** associated with manufacturing reshaping program, to largely **disappear during H227.**

More than 400bps of structural gross margin improvement from **manufacturing footprint reshaping**. This will materialize **end 2027/ early 2028**, subject to the shutdown of legacy fabs and customers' qualification timing.

Better mix and price to contribute to margin expansion over time, while **input cost increase** expected to be a headwind. Timing and magnitude of these effects is more difficult to assess.

Net operating expenses*

Q326 Net Operating Expenses = $979M
Q326 Non-U.S. GAAP Net Operating Expenses = $972M**



Q326 Non-U.S. GAAP** net Opex at $972M

- 25.9% of revenues
- better than the indication we gave in July, reflecting continuing cost discipline

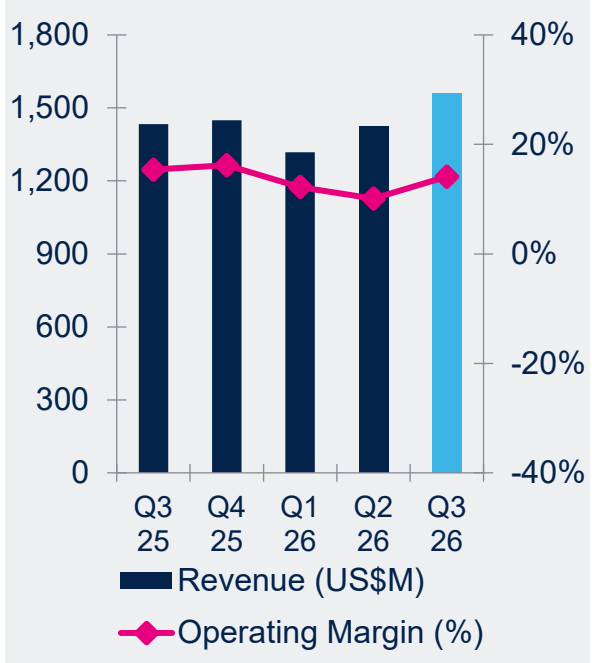
Q426 Non-U.S. GAAP Net Operating Expenses Outlook about $1.035B**

*Net Opex = R&D + SG&A + Other expenses (− Other income), excluding impairment, restructuring and phase-out costs.
****Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.

Q3 2026 Reportable segments results

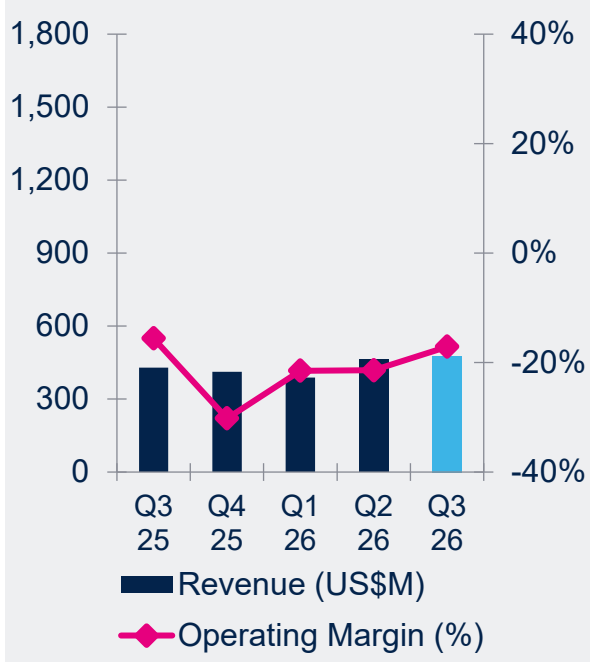
Analog products, MEMS and Sensors (AM&S)

Revenues = $1,560M
Operating Margin = 14.1%



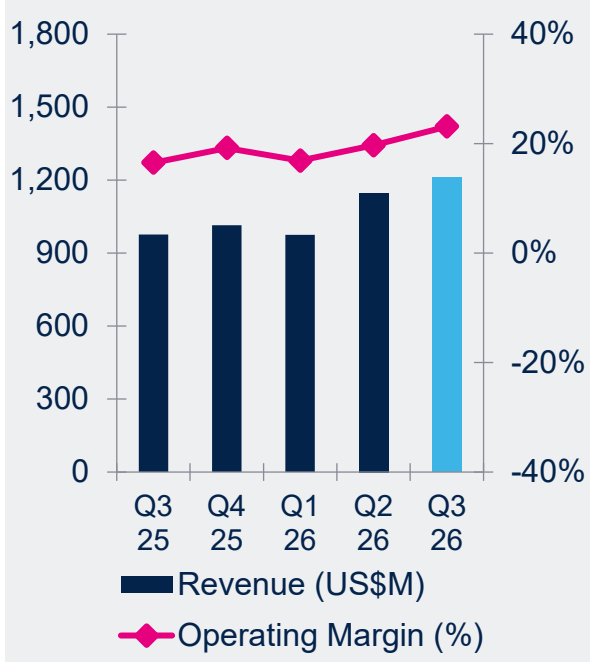
Power and discrete products (P&D)

Revenues = $477M
Operating Margin = -17.1%



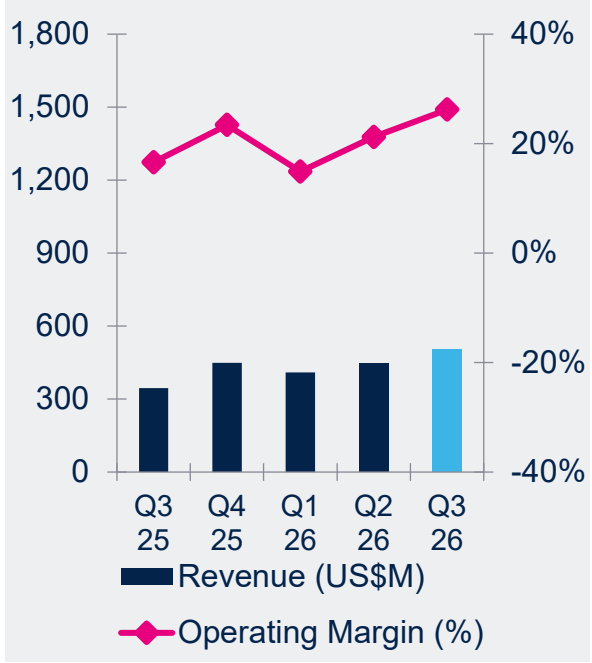
Embedded Processing (EMP)

Revenues = $1,212M
Operating Margin = 23.1%



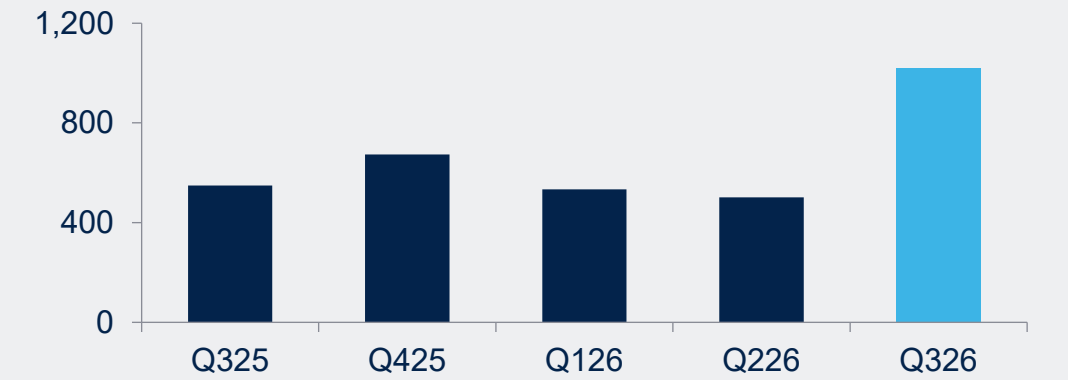
RF & Optical Communications (RF&OC)

Revenues = $504M
Operating Margin = 26.2%

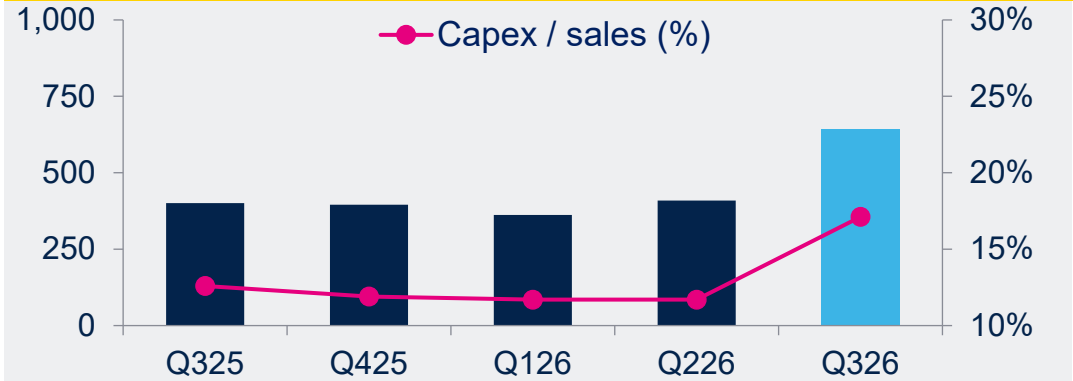


Q3 2026 Cash Flow & Balance Sheet Highlights

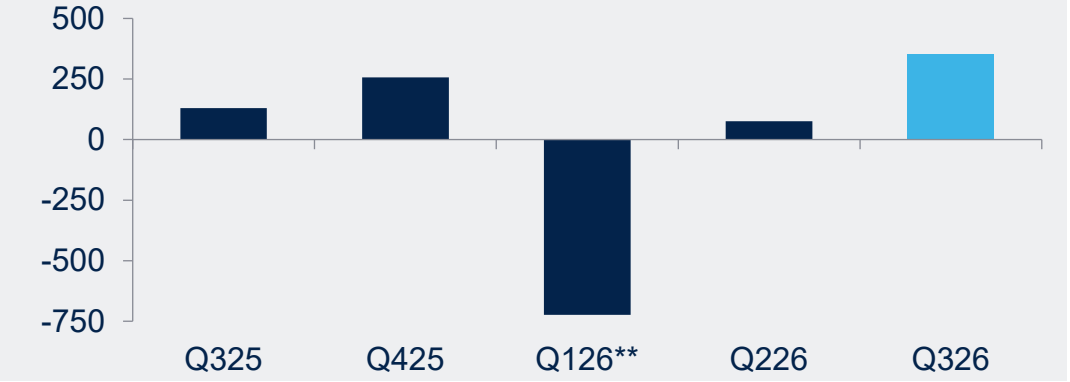
Net Cash From Operating Activities = $1,020M



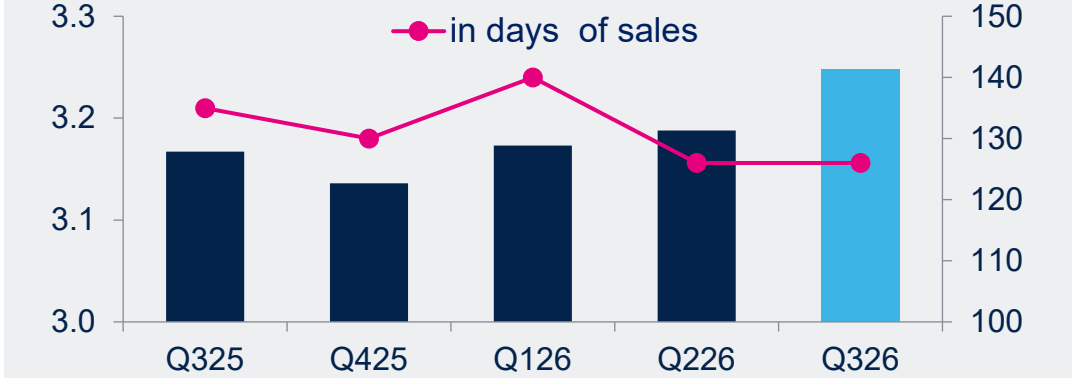
Net Capex* = $643M



Free Cash Flow* = $351M



Inventory = $3.25B & DOI = 126 Days

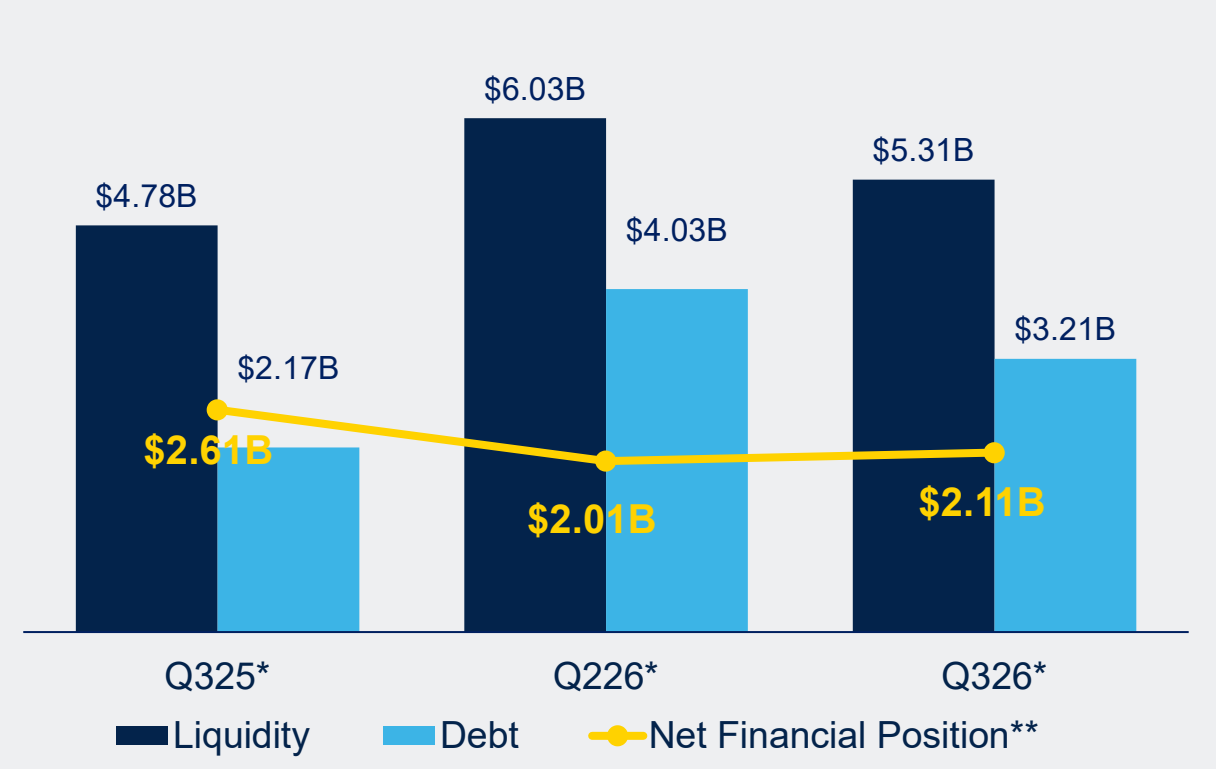


Cash dividends paid to stockholders totaled $83M in Q326.

In Q326 we repurchased shares totaling $91M.

***Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.
** Q126 Free cash flow includes $895M cash-out related to the acquisition of NXP MEMS sensor business.

Solid capital structure



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

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

For the early redemption of its 2027 convertible bond during Q3, ST settled the bond through $750M in cash and approximately 4.2M treasury shares.

*__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 $2.27B as of Sep 27, 2025, $1.70B as of Jun 27, 2026, and $1.81B as of Sep 26, 2026.
**__Non-U.S. GAAP measure__. See Appendix for additional information explaining why the Company believes these measures are important.

Q4 2026 Outlook

Net Revenues

Q426 outlook, at the mid-point, is for net revenues of **$4.15B**, increasing Y/Y by 24.7% and Q/Q by 10.5%, plus or minus 350 bps.

Gross Margin

Gross margin is expected to be **about 39.0%**, +/- 200 bps.

The fourth quarter will close on December 31, 2026.

This outlook is based on an assumed effective currency exchange rate of approximately $1.14 = €1.00 for Q426 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.

FY 2026

Mid-point of Q4 outlook translates into **FY26 revenues of $14.5B**, representing a **22.8% Y/Y increase**.

Gross margin to be about **36.4%**. **Non-U.S. GAAP* gross margin** to be about **36.6%**, representing an improvement of **270bps** vs FY25.

Beyond the cyclical recovery across our end markets, Y/Y growth supported by ST's company specific growth drivers, including AI datacenters and LEO satellite communication.

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

Takeaways

Strong demand for our **AI datacenter** and **LEO satellite products**, alongside **recovery in automotive and industrial**. As **demand exceeds supply** in several markets, we are **expanding capacity** in line with our strategic roadmap.

Improving profitability, toward our intermediate financial model, remains a **key priority**, supported by our growth drivers and the continued execution of our manufacturing footprint reshaping and global cost base resizing.

Corporate developments

Earlier this month, the ST SVB proposed extending Jean-Marc Chery mandate by one year. His reappointment as **Chairman of the Managing Board and ST's President and CEO** will be submitted for shareholder approval at the **2027 AGM.**

Updates to ST's organization to strengthen the coordination between our strategy, technology and product roadmaps, accelerate innovation and time-to-market, ultimately supporting our long-term growth opportunities.

Rémi El-Ouazzane confirmed as President, member of the Executive Committee, Head of MDRF Products. He will also take on leadership of the Imaging Sensors Sub-Group and be appointed ST Chief Technology Officer.

Marco Cassis confirmed as President, member of the Executive Committee, Head of APMS Products. He will also take on leadership of R&D for Analog, Power & Discrete and MEMS technologies and be appointed ST Chief Strategic Officer.

The new organization and the related adjustment to our reportable segments will **take effect on January 1, 2027**, with implementation of the changes to be completed by the end of March 2027.

Appendix

2027 calendar days by quarter

Q127	Q227	Q327	Q427
86 days	**91** days	**91** days	**97** days

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, restructuring charges and other related phase-out costs, management reorganization costs, start-up 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, operating earnings of other products as well as Purchase Price Allocation (PPA) effects from the acquisition of NXP's MEMS sensor business. With additional cost elements included in the table below::

US$M	Q125	Q225	Q325	Q425	FY25	Q126	Q226	Q326
Unused Capacity Charges	123	103	102	88	416	69	37	23
Impairment, restructuring charges and other related phase-out costs	8	190	37	141	376	71	58	55
PPA effects from the acquisition of NXP's MEMS sensor business	-	-	-	-	-	30	24	7

Historical data

Historical financial performance

Effective Exchange Rate €/$	1.06	1.09	1.14	1.14	1.11	1.16	1.16	1.15
U.S. GAAP *US$M, except EPS*	**Q125**	**Q225**	**Q325**	**Q425**	**FY25**	**Q126**	**Q226**	**Q326**
Net Revenues	2,517	2,766	3,187	3,329	11,800	3,095	3,487	3,757
Gross Margin	33.4%	33.5%	33.2%	35.2%	33.9%	33.8%	34.8%	37.3%
Operating Income Operating Margin	3 0.1%	(133) -4.8%	180 5.6%	125 3.8%	175 1.5%	70 2.3%	187 5.4%	367 9.8%
Net Income	56	(97)	237	(30)	166	37	222	291
EPS Diluted ($/share)	0.06	(0.11)	0.26	(0.03)	0.18	0.04	0.24	0.31
Non-U.S. GAAP* *US$M, except EPS*	**Q125**	**Q225**	**Q325**	**Q425**	**FY25**	**Q126**	**Q226**	**Q326**
Gross Margin	33.4%	33.5%	33.2%	35.2%	33.9%	34.1%	35.2%	37.3%
Operating Income Operating Margin	11 0.4%	57 2.1%	217 6.8%	266 8.0%	551 4.7%	171 5.5%	269 7.7%	429 11.4%
Net Income	63	57	267	100	486	122	291	344
EPS Diluted ($/share)	0.07	0.06	0.29	0.11	0.53	0.13	0.31	0.37
Free Cash Flow	30	(152)	130	257	265	(723)***	75	351
Net Financial Position	3,082**	2,672**	2,610**	2,789**	2,789**	2,002**	2,007**	2,106**

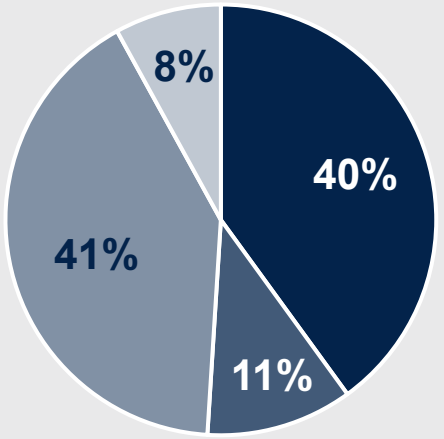
*__Non-U.S. GAAP measure__. See Appendix for additional information explaining why the Company believes these measures are important.
**__Adjusted net financial position__, taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not been incurred yet, stood at $2,705M in Q125, $2,311M in Q225, $2,265 in Q325, $2,456 in Q425, $1,686M in Q126, $1,701M in Q226 and $1,806M in Q326
***__Q126 Free cash flow__ includes $895M cash-out related to the acquisition of NXP MEMS sensor business.

Historical Revenues and Operating Margin by Product Groups and Reportable Segments

US$M	Q125	Q225	Q325	Q425	FY25	Q126	Q226	Q326
Analog products, MEMS and Sensors (AM&S)								
Revenue	1,069	*1,133*	*1,434*	*1,449*	*5,085*	1,318	1,426	1,560
Operating Margin	*7.7%*	*7.5%*	*15.4%*	*16.2%*	*12.3%*	*12.2%*	*10.1%*	*14.1%*
Power and discrete products (P&D)								
Revenue	397	*447*	*429*	*412*	*1,685*	389	464	477
Operating Margin	*-6.9%*	*-12.5%*	*-15.6%*	*-30.2%*	*-16.3%*	*-21.5%*	*-21.4%*	*-17.1%*
Analog, Power & Discrete, MEMS and Sensors (APMS)								
Revenue	**1,466**	***1,580***	***1,863***	***1,861***	***6,770***	**1,707**	**1,890**	**2,037**
Operating Margin	***3.7%***	***1.9%***	***8.3%***	***5.9%***	***5.1%***	***4.5%***	***2.4%***	***6.8%***
Embedded Processing (EMP)								
Revenue	*742*	*847*	*976*	*1,015*	*3,580*	975	1,147	1,212
Operating Margin	*8.9%*	*13.5%*	*16.5%*	*19.2%*	*15.0%*	*16.9%*	*19.7%*	*23.1%*
RF & Optical Communications (RF&OC)								
Revenue	306	*336*	*345*	*449*	*1,436*	409	445	504
Operating Margin	*13.9%*	*17.9%*	*16.6%*	*23.4%*	*18.5%*	*14.9%*	*21.2%*	*26.2%*
Microcontrollers, Digital ICs and RF products (MDRF)								
Revenue	**1,048**	***1,183***	***1,321***	***1,464***	***5,016***	**1,384**	**1,592**	**1,716**
Operating Margin	***10.4%***	***14.8%***	***16.5%***	***20.5%***	***16.0%***	***16.3%***	***20.1%***	***24.0%***

FY 2025 Reportable segment revenues by end market

Analog products, MEMS and Sensors (AM&S)



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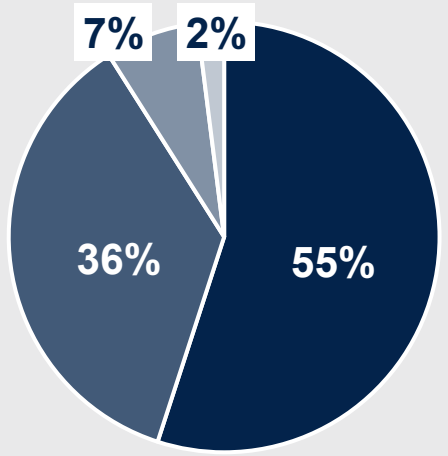
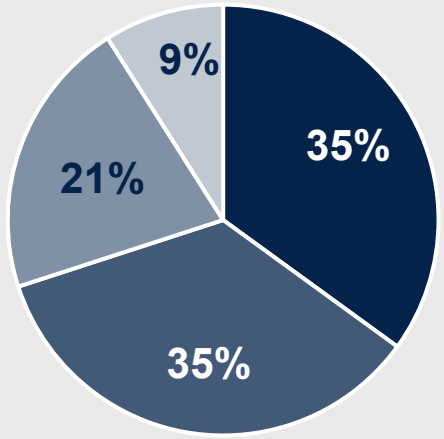
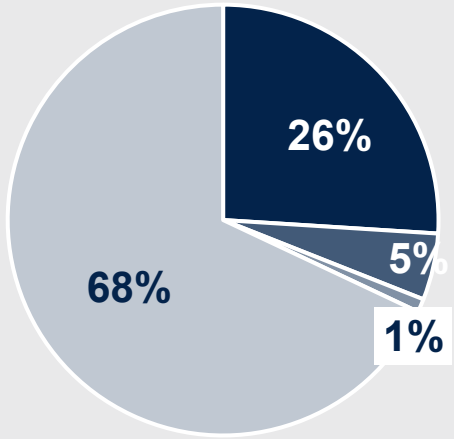


Embedded Processing (EMP)



RF & Optical Communications (RF&OC)



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

Our technology starts with You

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