

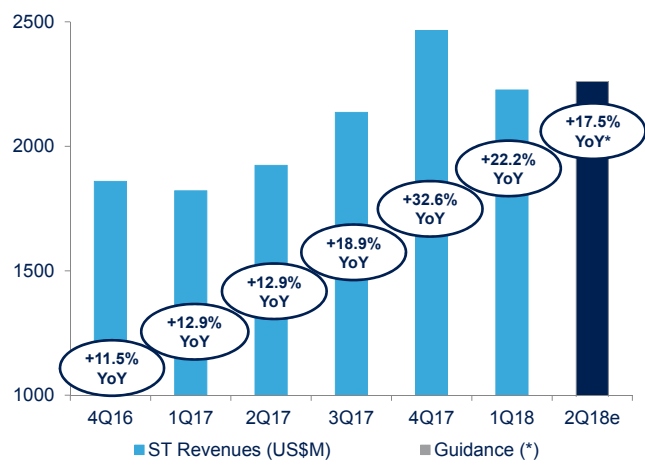
Business & Financial Results

Carlo Ferro

Chief Financial Officer
President, Finance, Legal Infrastructure and Services



Solid Revenue Growth 2

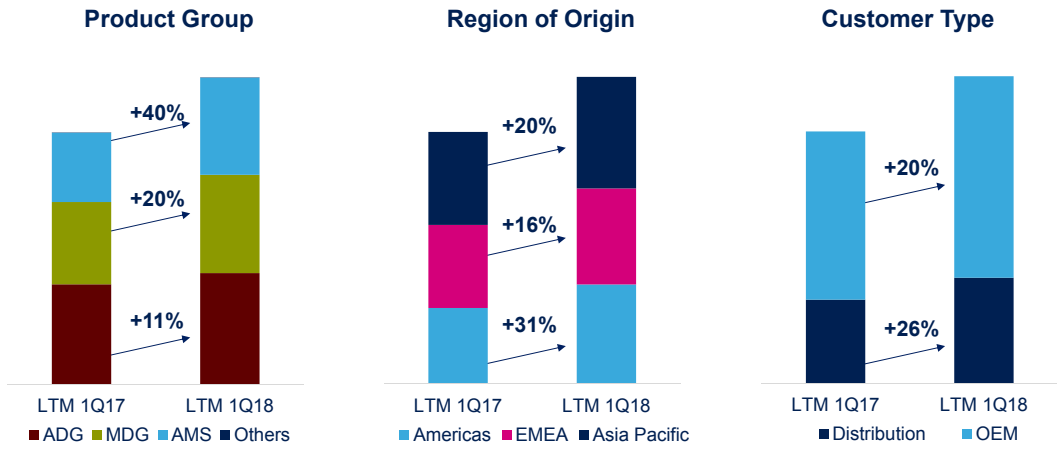


- Strategic focus on industry megatrends
 - Smart Driving
 - Internet of Things
- Innovative and broad product portfolio
- Successfully ramped key programs in 2017
- 6 consecutive quarters of double-digit y-o-y growth
- 2017 revenues of \$8.35B, up 19.7% y-o-y
- 1H18 revenues (*) up 19.8% y-o-y
- Outperformed the Serviceable Available Market ("SAM") by about 7 points

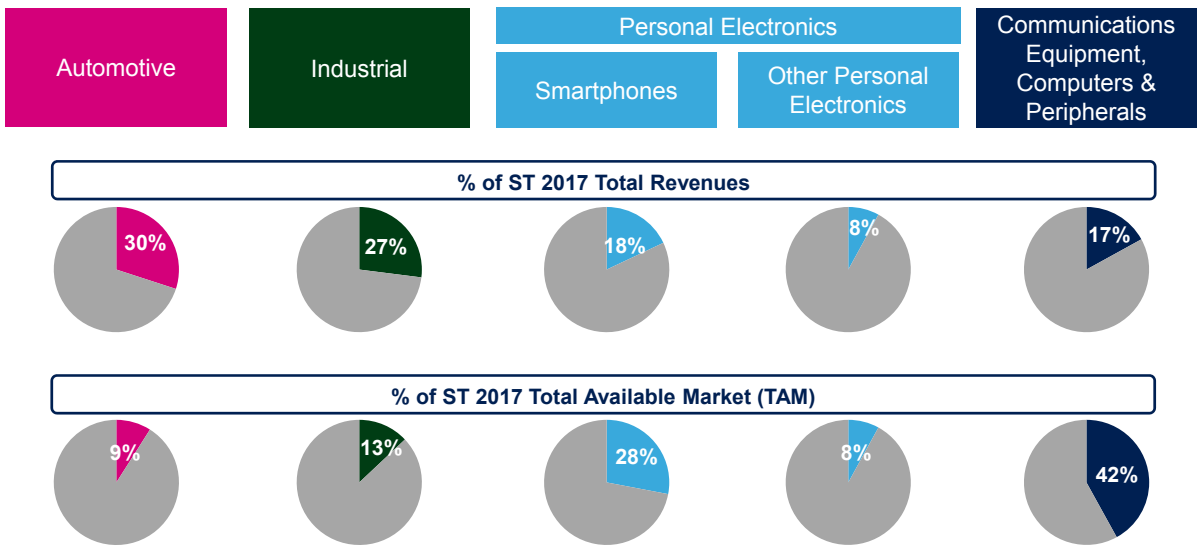
(*) At midpoint of guidance +/- 350 basis points



Synchronized Revenue Growth

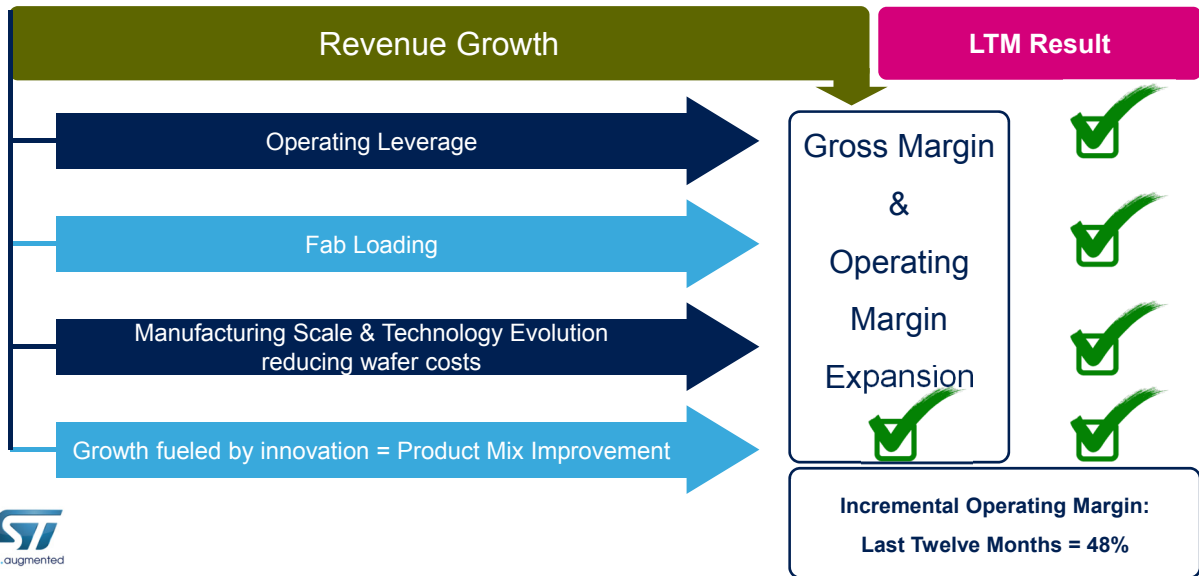


ST Revenues by End Market



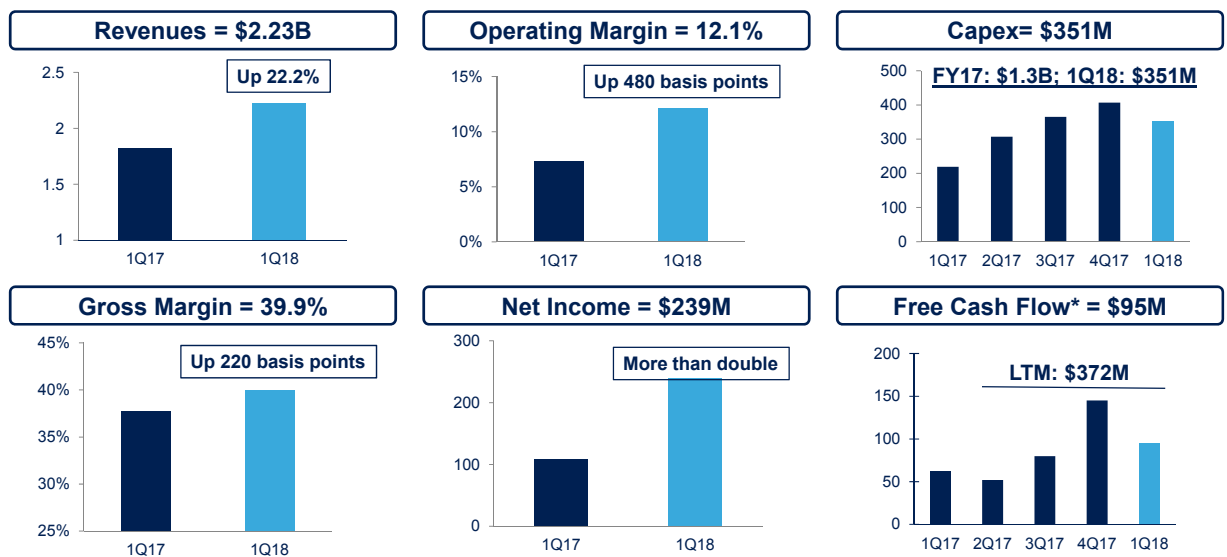
Drivers to Improve Operating Margin

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1Q18 Financial Highlights

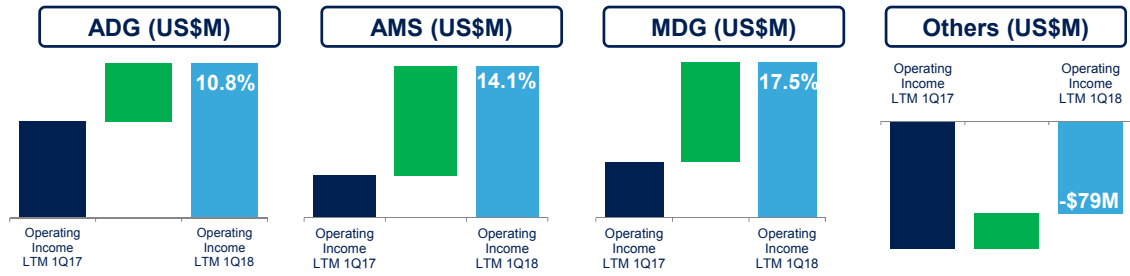
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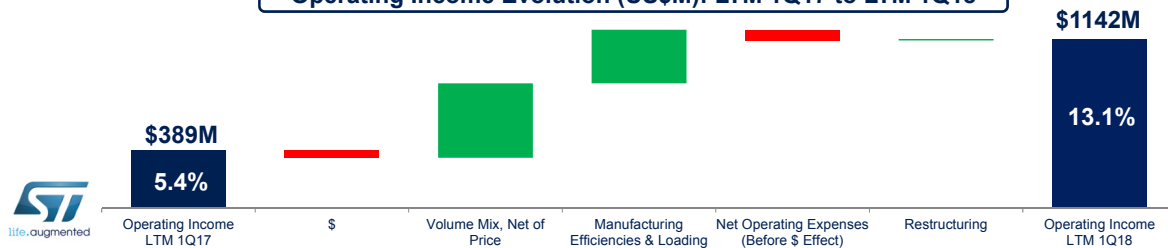
*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.

Operating Income Improvement Last Twelve Months

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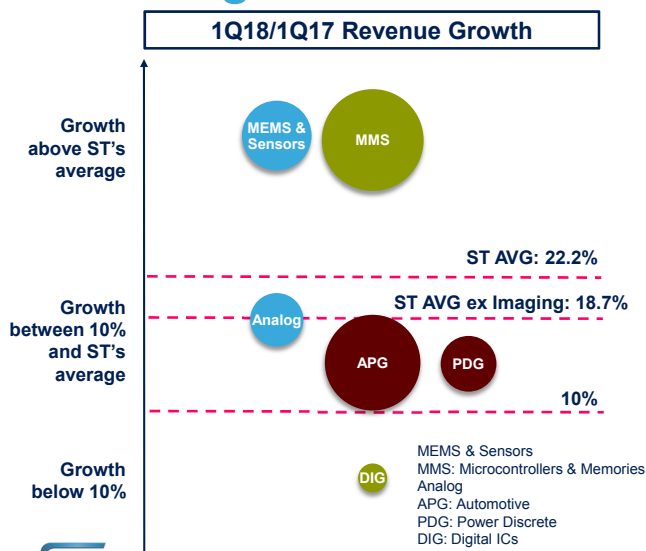


Operating Income Evolution (US\$M): LTM 1Q17 to LTM 1Q18

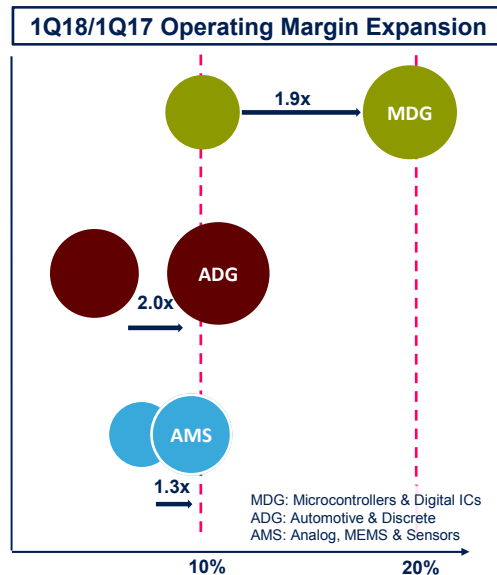


Strong Performance Across the Portfolio...

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Note: Size of bubble is proportional to ST's 2017 revenue.

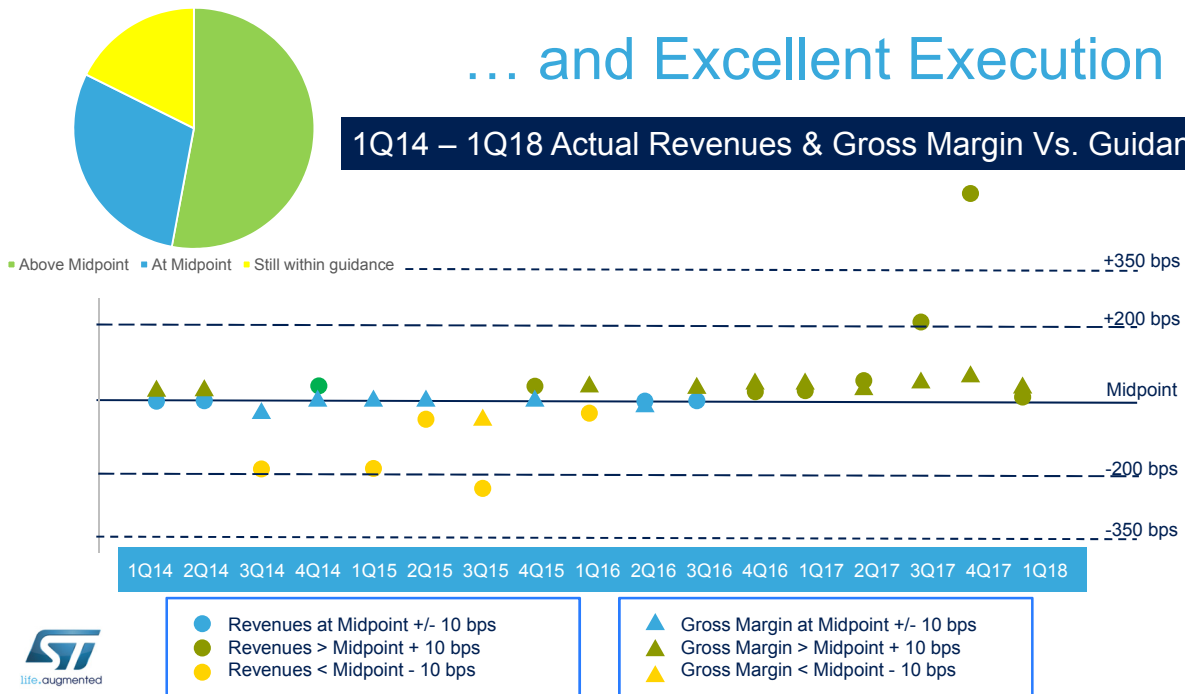


Note: Size of bubble is proportional to ST's 1Q17 and 1Q18 revenue.

... and Excellent Execution

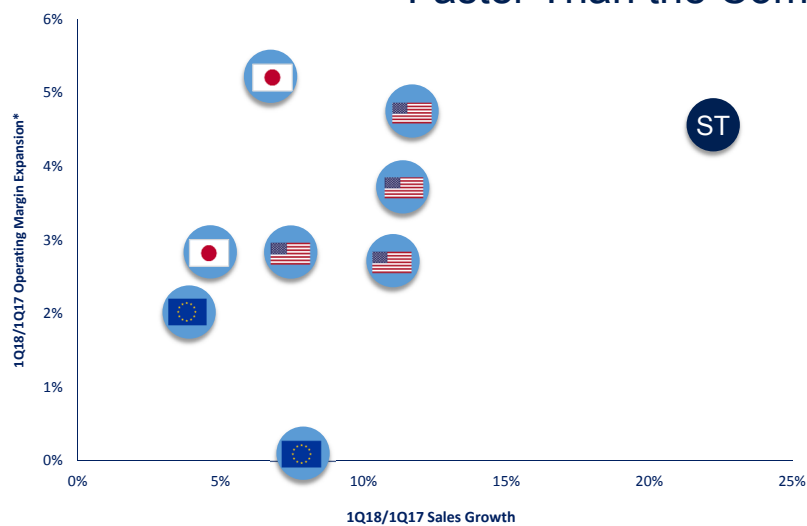
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1Q14 – 1Q18 Actual Revenues & Gross Margin Vs. Guidance



... Growing and Improving Margin Faster Than the Competition

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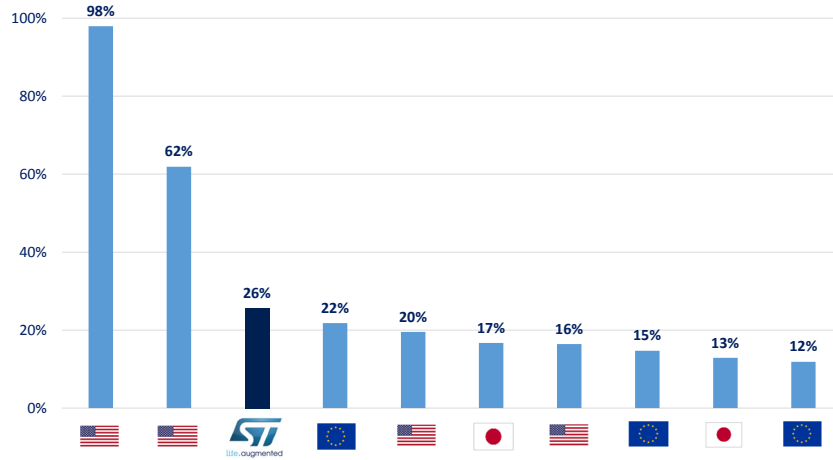


(*) Based on reported Operating Profit excluding Exceptionals

Turning Capital into Profits

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1Q18 LTM Return on Net Assets (RONA)⁽¹⁾

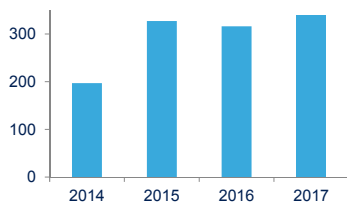


(1) RONA: Operating Profit pre-exceptionals / Average Net Assets (Assets – Cash/ST Investments – Non-financial Liabilities) from 1Q17 to 1Q18
Peers include – based on available reporting: AMS, Infineon, Maxim, Microchip, NXP, On Semi, Renesas, Rohm, TI

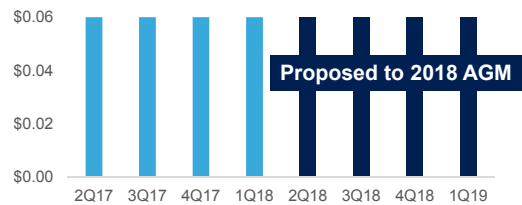
Keeping a Solid Capital Structure

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FY17 Free Cash Flow* = \$338M



Cash Dividend: proposal to shareholders at 2018 AGM is stable at \$0.24 per share



1Q18 Net Financial Position* = \$522M

End of period (US\$M)	March 31 2018	December 31 2017	April 1 2017
Total Liquidity	2,234	2,190	1,976
Total Financial Debt	(1,712)	(1,701)	(1,458)
Net Financial Position*	522	489	518



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

A Sustainable and Profitable Growth Story

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