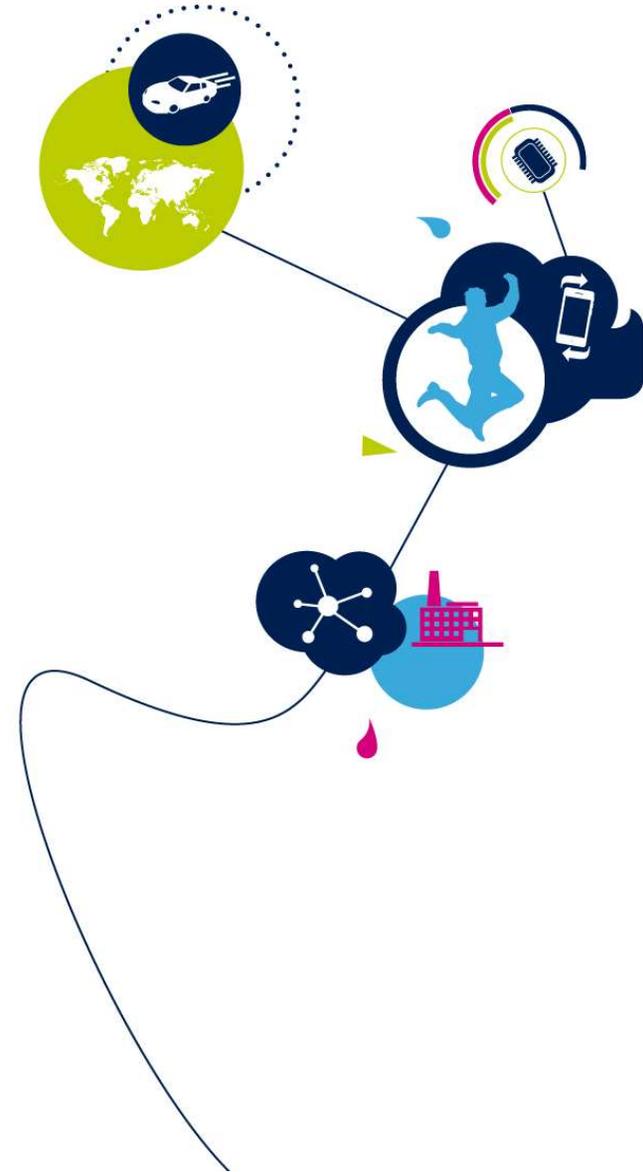


STMicroelectronics Q3 2018 Financial Results

October 24, 2018



Forward Looking Statements

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:

- Uncertain macro-economic and industry trends, which may impact end-market demand for our products;*
- Customer demand that differs from projections;*
- The ability to design, manufacture and sell innovative products in a rapidly changing technological environment;*
- Changes in economic, social, 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, military conflicts, social unrest, labor actions, or terrorist activities;*
- 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;*
- The Brexit vote and the perceptions as to the impact of the withdrawal of the U.K. may adversely affect business activity, political stability and economic conditions in the U.K., the Eurozone, the EU and elsewhere. While we do not have material operations in the U.K. and have not experienced any material impact from Brexit on our underlying business to date, we cannot predict its future implications;*
- 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;*
- The functionalities and performance of our IT systems, which support our critical operational activities including manufacturing, finance and sales, and any breaches of our IT systems or those of our customers or suppliers;*
- 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 impact of intellectual property ("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;*
- 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, health risks and epidemics in locations where we, our customers or our suppliers operate;*
- Availability and costs of raw materials, utilities, third-party manufacturing services and technology, or other supplies required by our operations;*
- 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*
- Theft, loss, or misuse of personal data about our employees, customers, or other third parties, and breaches of global privacy legislation, including the EU's General Data Protection Regulation ("GDPR").*

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, 2017, as filed with the SEC on March 1, 2018. 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 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.

Q318 Highlights

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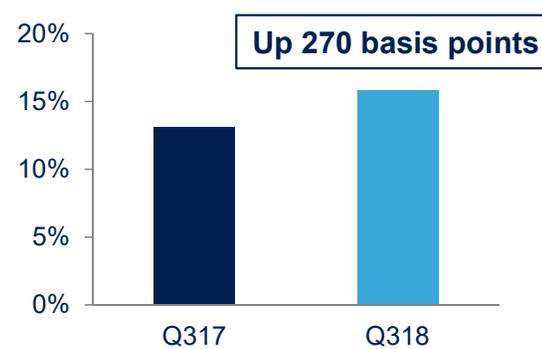
- Another quarter of solid performance
- Revenue growth and operating leverage translating into expansion of profitability
- FY2018 revenue growth anticipated to be about 16% Y/Y, in line with our mid-year expectations

Q318 Financial Highlights

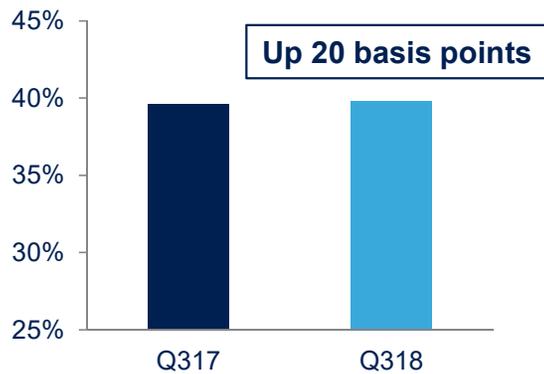
Revenues = \$2.52B



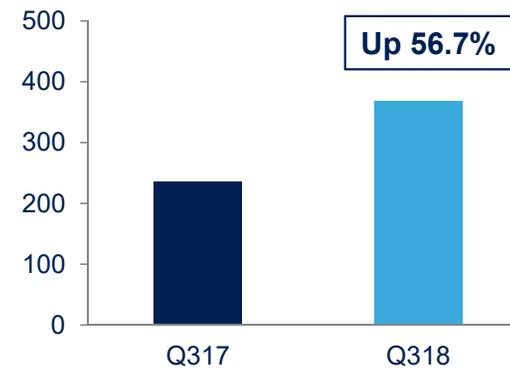
Operating Margin = 15.8%



Gross Margin = 39.8%

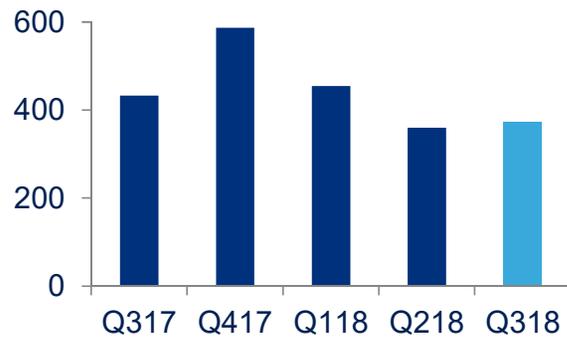


Net Income = \$369M

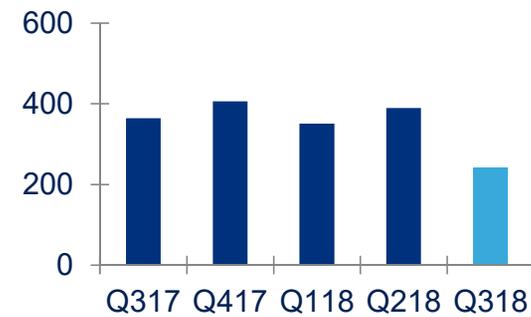


Financial Flexibility

Q318 Net Cash From Operating Activities = \$373M



Q318 Capex = \$242M



Q318 Free Cash Flow* = \$114M



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

Q318 Product Group Results

Automotive & Discrete (ADG)

Revenues **\$901M**
Revenues growth y/y **16.3%**
Operating Margin **12.8%**



■ Revenue (US\$M) ◆ Operating Margin (%)

Analog, MEMS & Sensors (AMS)

Revenues **\$899M**
Revenues growth y/y **36.7%**
Operating Margin **17.5%**



■ Revenue (US\$M) ◆ Operating Margin (%)

Microcontrollers & Digital ICs (MDG)

Revenues **\$719M**
Revenues growth y/y **2.5%**
Operating Margin **16.6%**



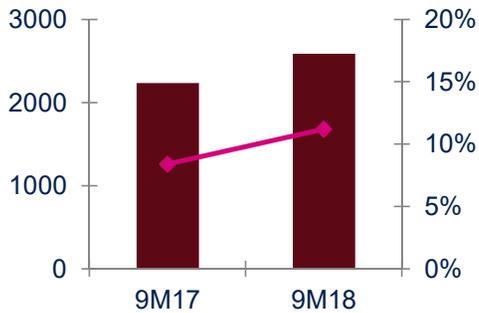
■ Revenue (US\$M) ◆ Operating Margin (%)



9M18 Product Group Results

Automotive & Discrete (ADG)

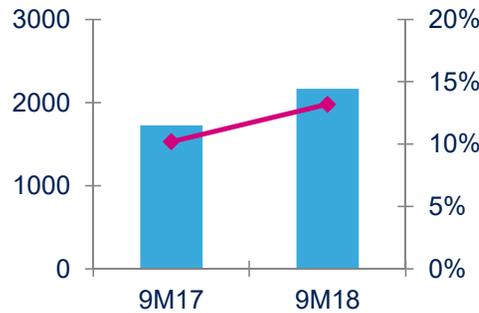
Revenues **\$2.59B**
Revenues growth **15.7%**
Operating Margin **11.2%**



■ Revenue (US\$M)
◆ Operating Margin (%)

Analog, MEMS & Sensors (AMS)

Revenues **\$2.17B**
Revenues growth **25.4%**
Operating Margin **13.2%**



■ Revenue (US\$M)
◆ Operating Margin (%)

Microcontrollers & Digital ICs (MDG)

Revenues **\$2.25B**
Revenues growth **18.1%**
Operating Margin **18.9%**



■ Revenue (US\$M)
◆ Operating Margin (%)



Automotive

Industrial

Personal Electronics

Communications
Equipment,
Computers & Peripherals



Q318 Automotive Highlights



Design-wins for Silicon Carbide products for on-board chargers and charging station applications

ADG



Award for ADAS power-management IC for a 77GHz radar system for a European Tier1 - for truck and car makers

ADG



Multiple awards for automotive accelerometers from Japanese and American Tier1s. Ramped high-accuracy sensors for a safety application with a Tier1

AMS



Wins for airbag and engine management ICs from European Tier1s

ADG



Wins for SPC58 32-bit MCU into Gateway and Connectivity applications in Asia

ADG

Q318 Industrial Highlights

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Numerous wins for a range of power products including Silicon Carbide for a variety of industrial applications across the globe

AMS

ADG



Ramped new intelligent power switch (IPS) for major Industrial customers in EMEA

AMS



Landed a win for an Industrial 6-axis IMU(*) in a predictive-maintenance application in Europe

AMS



Captured design-ins for dynamic NFC/RFID tags with several metering manufacturers

MDG

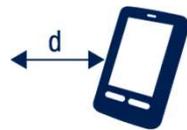


STM32 win for a solar panel DC/DC converter from a key American OEM

MDG

*Inertial Measurement Unit

Q318 Personal Electronics Highlights



Wins and volume growth of Time-of-Flight sensors in flagship smartphones, while ramping a new generation of ambient light sensor at a major smartphone maker



Began ramping production of a new embedded SIM (eSIM) program at a top phone manufacturer



6-axis IMU(*) wins at leading Chinese smartphone makers and with IMU and pressure sensor for a wearable from a top Asian mobile manufacturer



Designs with smart power and motion-control products for smartphones



Won several ultra-low power STM32 designs in smartwatches at key OEMs



*Inertial Measurement Unit

Q318 Communications Equipment, Computers & Peripherals Highlights

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RF chip design in BiCMOS 55nm from a Chinese Telecom market leader

MDG



ASIC award for a power drive modulator in BCD8 for 5G cellular networking from a European manufacturer

AMS



Win for an STM32 in an optical transceiver module with a key Networking OEM

MDG



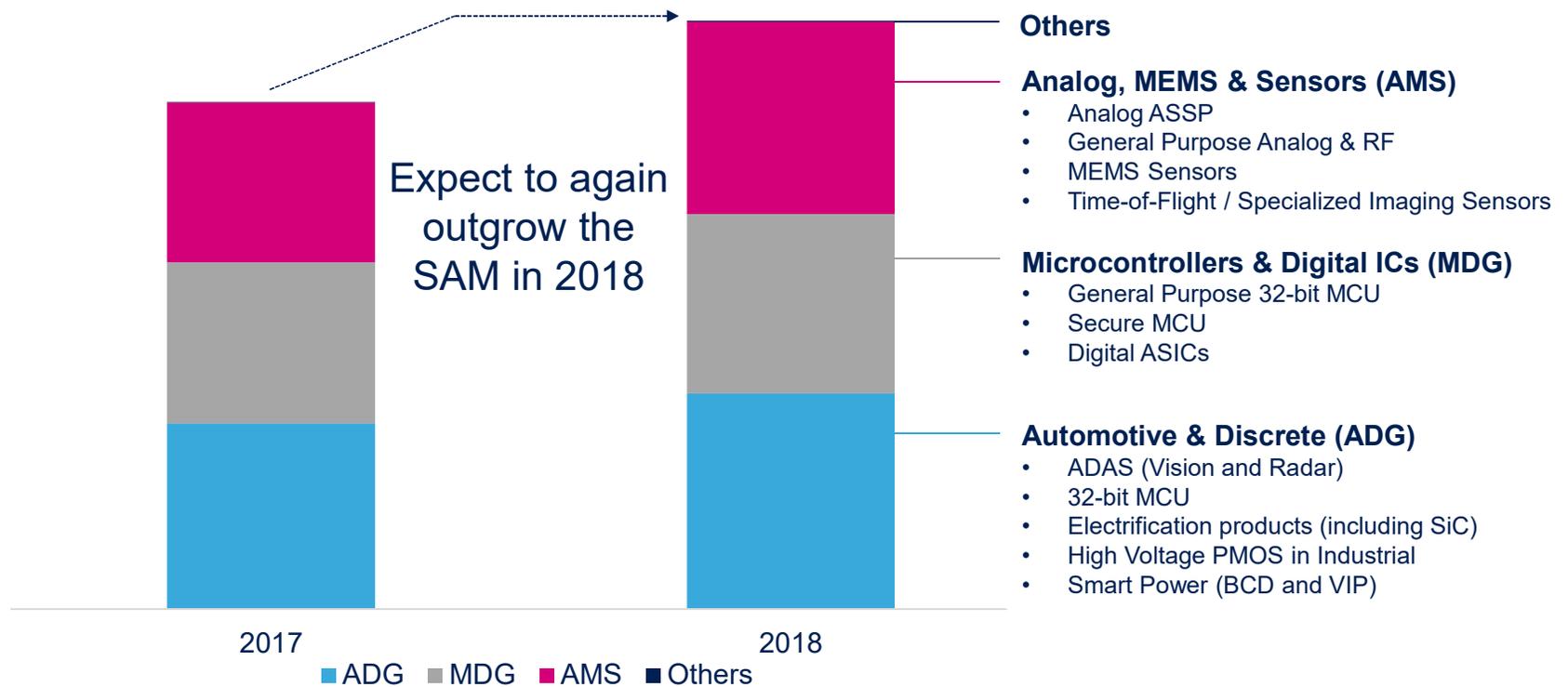
Multiple design wins for power-management products with Tier1 computer makers

AMS

- Net revenue is expected to increase about 5.7% on a sequential basis, plus or minus 350 basis points
- Gross margin of about 39.8%, plus or minus 200 basis points
- This outlook is based on an assumed effective currency exchange rate of approximately \$1.18 = €1.00 for the 2018 fourth quarter and includes the impact of existing hedging contracts
- The fourth quarter will close on December 31, 2018

2018 Revenue Goal: On Track

FY18/FY17 revenue growth expected to be about 16%*



* Based on Q418 outlook of 5.7% Q/Q revenue growth.



- On track with our 2018 goal in terms of revenue growth and operating leverage
- Leveraging leading positions to broadly address Automotive and Industrial end markets; targeting selected opportunities in Personal Electronics and Communications Infrastructure
- Focus on continuing to create value for all stakeholders by delivering sustainable and profitable growth

Questions & Answers



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