STMicroelectronics to strengthen position in sensors with acquisition of NXP's MEMS sensors business

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- **ST enters into agreement for acquisition of NXP's MEMS sensor business for a purchase price of up to US$950 million in cash, including US$900 million upfront and US$50 million subject to the achievement of technical milestones**
- **The MEMS businesses of ST and NXP are strongly complementary in terms of technology and product portfolio, with the combined product offering to be well balanced across automotive, industrial and consumer end markets**
- **NXP's MEMS Business generated revenue of about US$300 million in calendar year 2024 with gross and operating margins significantly accretive for ST**
- **All-cash transaction to be financed from existing liquidity and expected to be accretive to ST Earnings Per Share from completion**

Geneva, Switzerland, July 24, 2025 -- STMicroelectronics (NYSE: STM), a global semiconductor leader serving customers across the spectrum of electronics applications, is strengthening its global sensors capabilities with the planned acquisition of NXP Semiconductors' (NASDAQ: NXPI) MEMS sensors business, focused on automotive safety products as well as sensors for industrial applications. The transaction will complement and expand ST's leading MEMS sensors technology and product portfolio, unlocking new opportunities for development across automotive, industrial and consumer applications.

"*The planned acquisition is a great strategic fit for ST,*" says Marco Cassis, President, Analog, Power & Discrete, MEMS and Sensors Group of STMicroelectronics. "*Together with ST's existing MEMS portfolio, these highly complementary technologies and customer relationships, focused on automotive safety and industrial technologies, will strengthen our position in sensors across key segments in automotive, industrial and consumer applications. By leveraging our IDM model, with technology R&D, product design and advanced manufacturing, we will better serve all our customers worldwide*."

"NXP is a leading supplier of automotive MEMS based motion and pressure sensors, with a long history of strong customer adoption," said Jens Hinrichsen, Executive Vice President and General Manager, Analog and Automotive Embedded Systems of NXP. *"However, after careful portfolio review the company has decided the business does not fit into its long-term strategic direction. We have agreed with STMicroelectronics that the product line will fit ideally into ST's portfolio, manufacturing footprint and strategic roadmap. We are gratified that the MEMS sensor team will have an excellent home and long-term future at ST."*

The MEMS sensors portfolio to be acquired by ST primarily targets automotive safety sensors, both passive (airbags) and active (vehicle dynamics), as well as monitoring sensors (TPMS[1], engine management, convenience, and security). It also includes pressure sensors and accelerometers for industrial applications. ST is well-positioned to leverage strong, established customer relationships with automotive Tier1s with its innovation roadmap in a rapidly expanding MEMS automotive market. MEMS technologies increasingly enable advanced functionalities for safety, electrification, automation, and connected vehicles, paving the way for future revenue growth.

MEMS inertial sensors in Automotive are expected to grow at a faster pace than the broader MEMS market. The business to be acquired generated about 300m$ revenues in 2024 with gross and operating margin both significantly accretive for ST. It is also expected to be accretive to ST Earnings Per Share from completion.

The planned acquisition will enhance ST's MEMS technology, product R&D capabilities and roadmap, with leading IP, technology and products for automotive safety applications and highly skilled R&D teams. The expanded business will take advantage of ST's Integrated Device Manufacturer model for MEMS, which involves every stage of MEMS development, from design and manufacturing to testing and packaging, enabling faster innovation cycles and greater flexibility for customization.

STMicroelectronics and NXP have entered into a definitive transaction agreement for a purchase price of up to US$950 million in cash, including US$900 million upfront and US$50 million subject to the achievement of technical milestones. The transaction which will be financed with existing liquidity is subject to customary closing conditions, including regulatory approvals, and is expected to close in H1 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 adoption and expansion of tariffs and trade barriers, that could affect the macro-economic environment and may directly or indirectly 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.

About STMicroelectronics
At ST, we are 50,000 creators and makers of semiconductor technologies mastering the semiconductor supply chain with state-of-the-art manufacturing facilities. An integrated device manufacturer, we work with more than 200,000 customers and thousands of partners to design and build products, solutions, and ecosystems that address their challenges and opportunities, and the need to support a more sustainable world. Our technologies enable smarter mobility, more efficient power and energy management, and the wide-scale deployment of cloud connected autonomous things. We are on track to be 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. Further information can be found at www.st.com.

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[1] Tire Pressure Monitoring Systems.

Attachment

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