STMicroelectronics
Q3 2025 Financial Results

October 23, 2025

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 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 SEC filings, could have a material adverse effect on our business and/or financial condition.

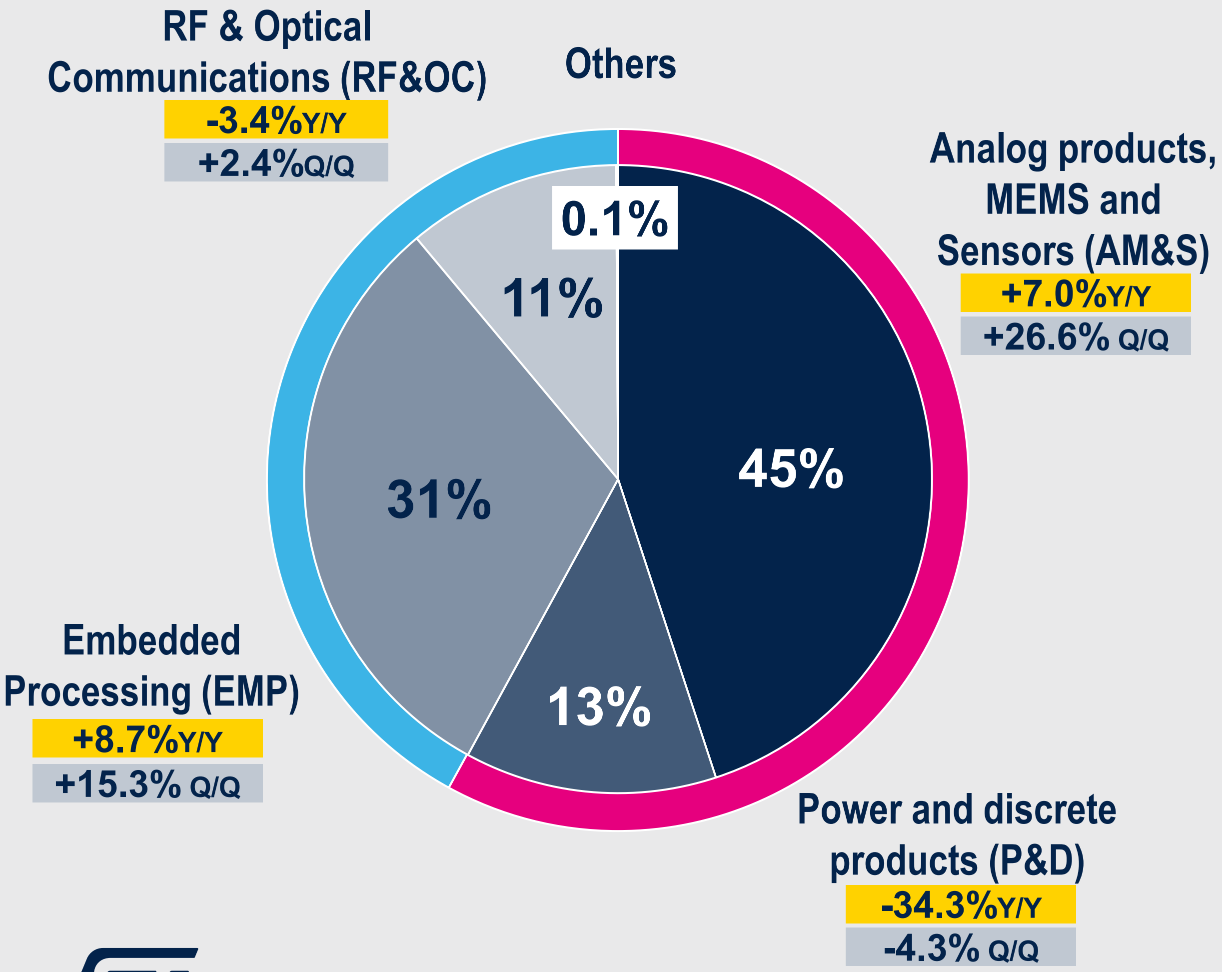
Highlights

Q3 2025	Net revenues came slightly above the mid-point of our business outlook range, with higher revenues in Personal Electronics, while Automotive and Industrial performed as anticipated, and CECP was broadly in line with expectations. All end markets but Automotive are now back to year-on-year growth. Gross margin slightly below the mid-point of our business outlook range mainly due to product mix within Automotive and Industrial. Y/Y Q3 net revenues decreased 2.0%, non-U.S. GAAP* operating margin decreased to 6.8% from 11.7% and non-U.S. GAAP* net income decreased to $267M from $351M. During Q3 we managed to work down inventories both in our BS and in distribution and we generated a positive $130M FCF. In Q3, our book-to-bill ratio was above one, with Automotive above parity and Industrial at parity.
Q4 2025	Outlook at the mid-point is for net revenues of $3.28B, increasing 2.9% Q/Q. Gross margin is expected to be about 35.0%; including about 290 bps of unused capacity charges.
FY 2025	The mid-point of Q4 outlook translates into FY25 revenues of about $11.75B. This represents a 22.4% growth in H2 vs H1, confirming signs of market recovery. Gross margin is expected to be about 33.8%." To optimize our investments in response to the current market conditions, FY25 Net Capex plan reduced is now slightly below $2B.
	Our strategic priorities remain clear: accelerating innovation; executing our company-wide program to reshape our manufacturing footprint and resize our global cost base, which remains on schedule to deliver the targeted savings; and strengthening free cash flow generation.

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

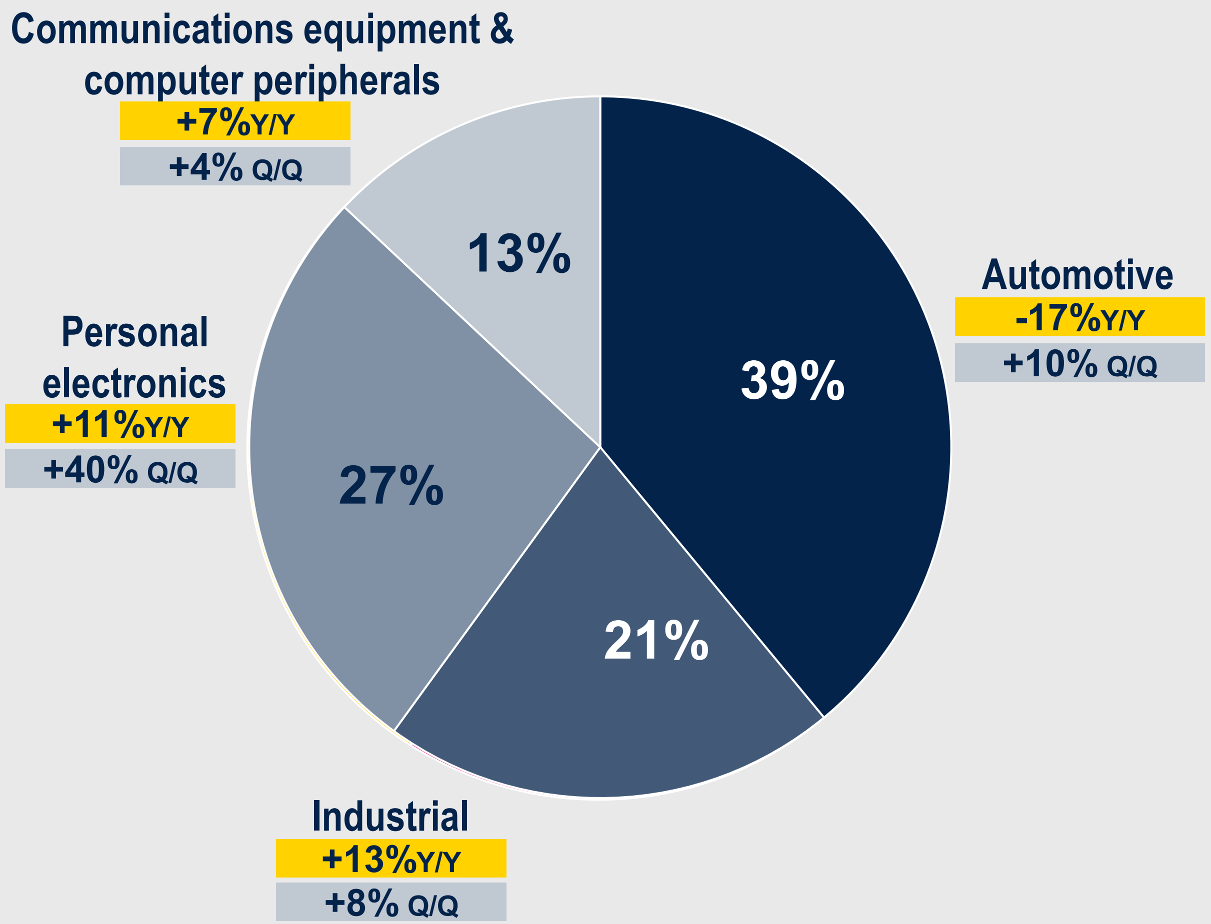
Q3 2025 Revenues dynamic

% by reportable segments

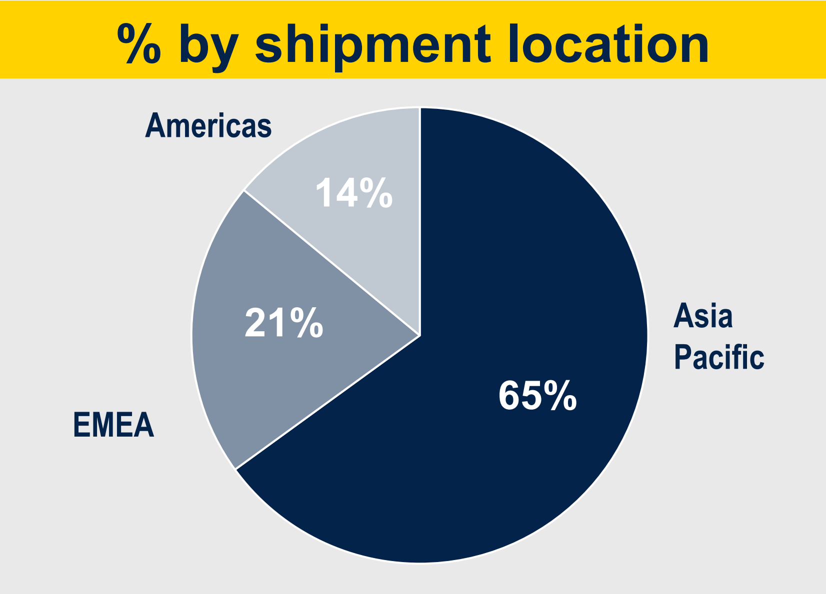


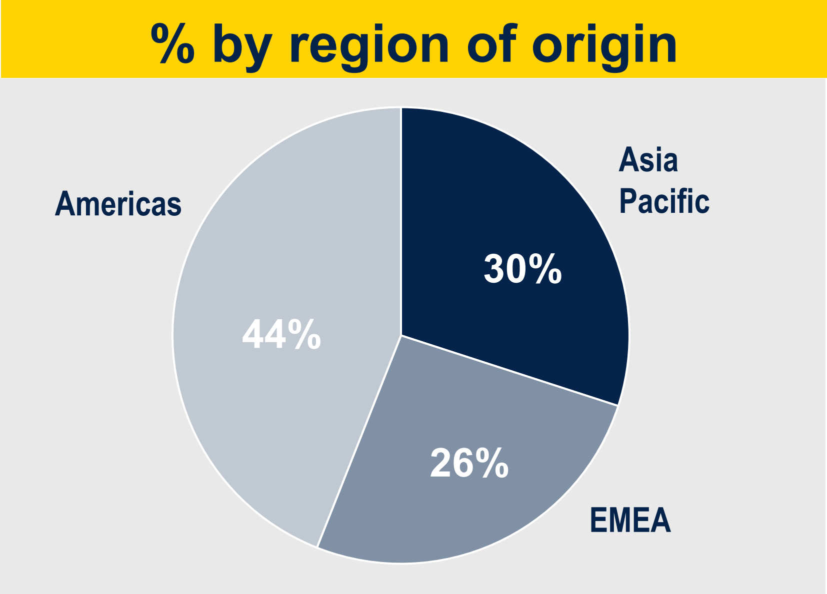
- Analog, Power & Discrete, MEMS and Sensors (APMS)
- Microcontrollers, Digital ICs and RF products (MDRF)

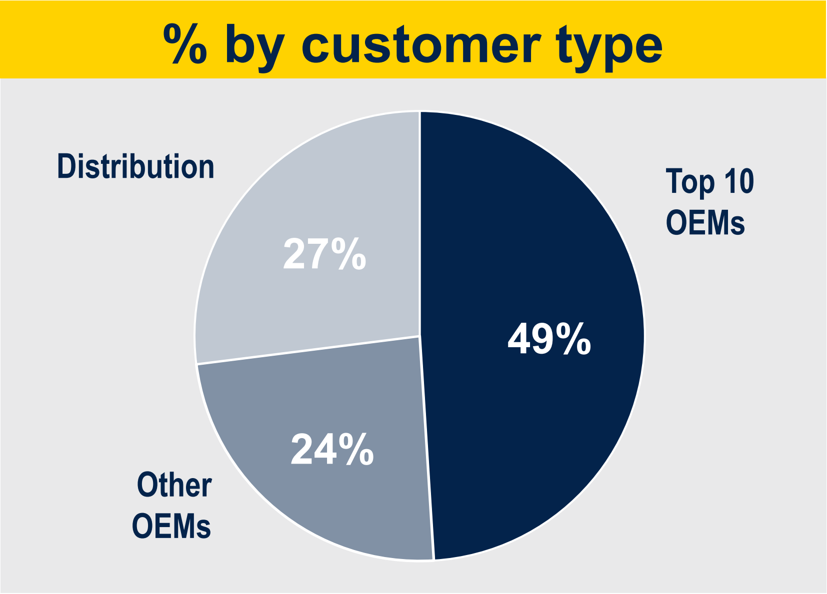
% by end market



Q3 2025 Revenues

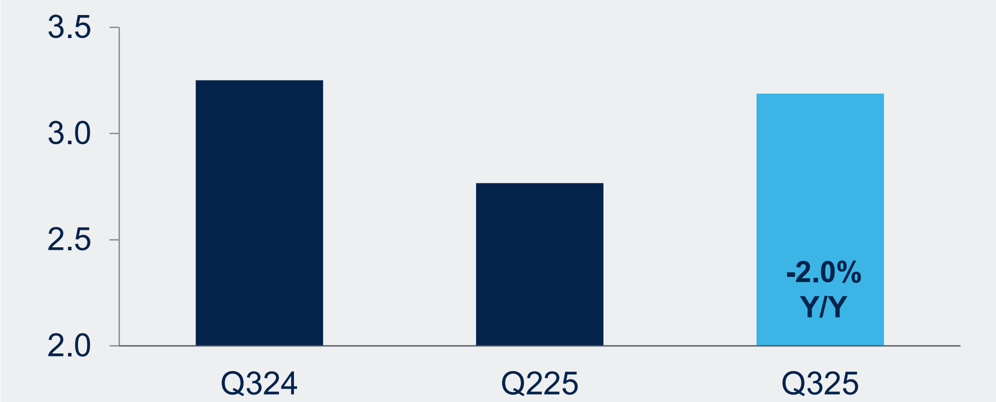




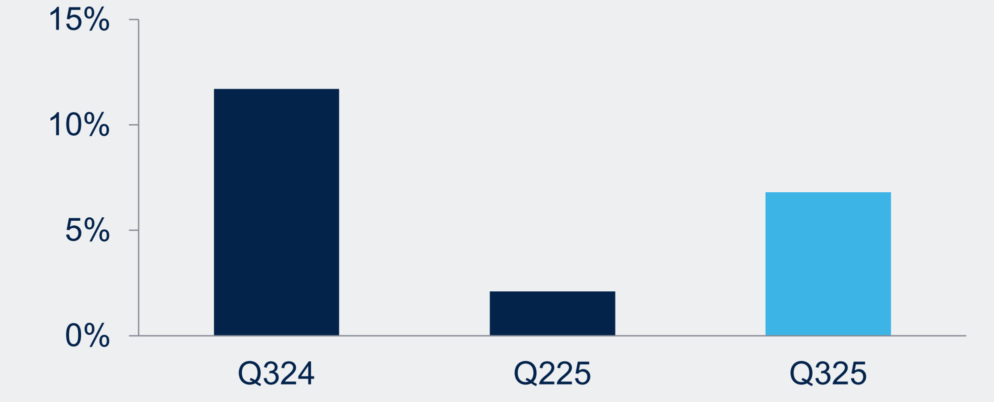


Q3 2025 Financial highlights

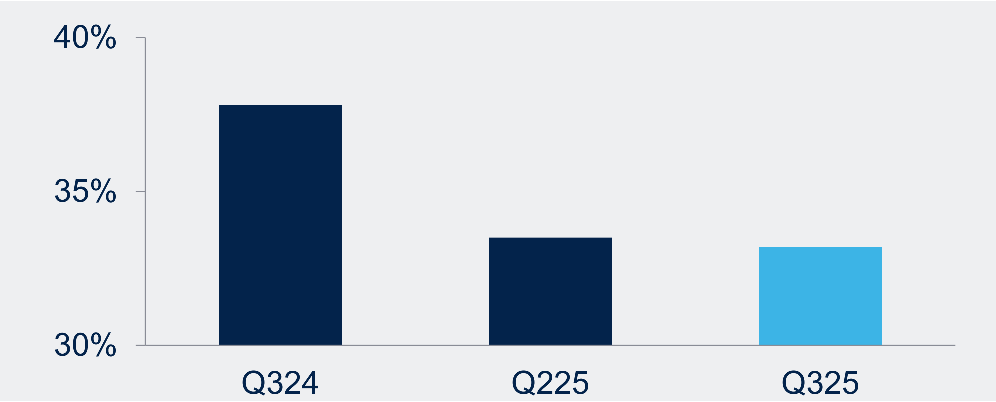
Revenues = $3.19B



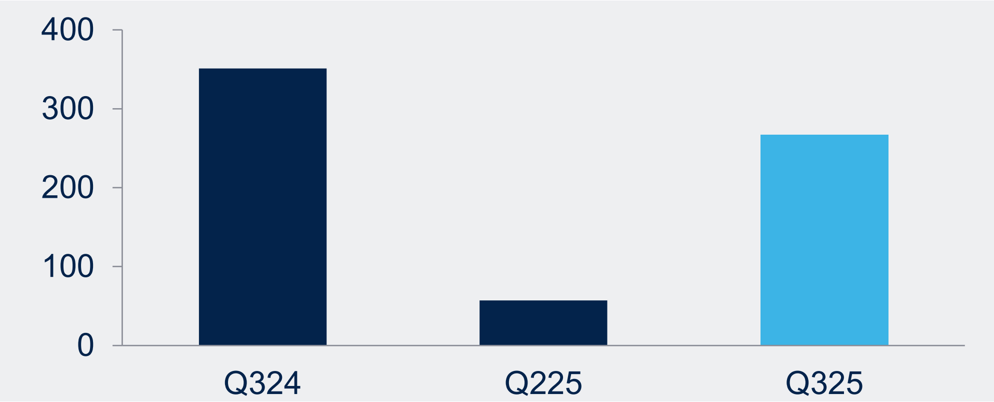
Non-U.S. GAAP Operating Margin* = 6.8%



Gross Margin = 33.2%



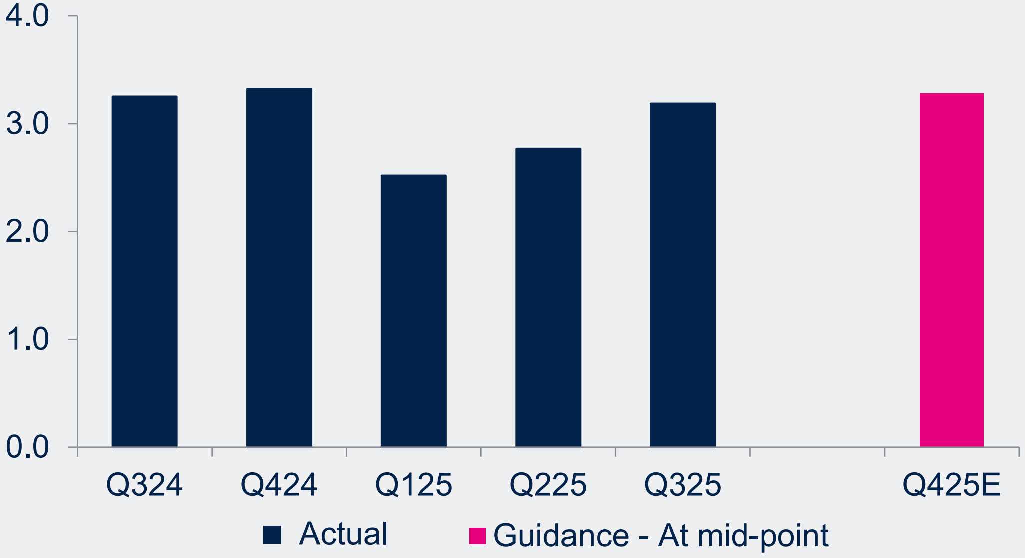
Non-U.S. GAAP Net Income* = $267M



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

Revenues

Q325 Revenues = $3.19B



Q325 revenues down 2.0% Y/Y

- AM&S up 7.0%, P&D down 34.3%, EMP up 8.7% and RF&OC down 3.4%,
- By end market, Automotive declined 17%, Industrial was up 13%, Personal Electronics 11% and CECP 7%,
- Revenues to OEMs and Distribution decreased 5.1% and increased 7.6%, respectively.

Q325 revenues up 15.2% Q/Q

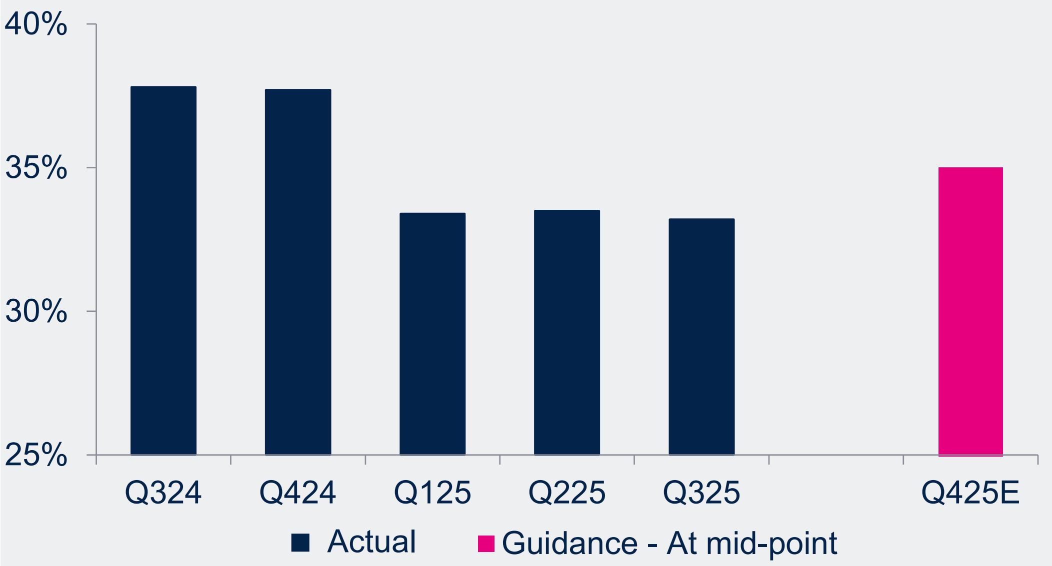
- 60 bps better than the mid-point of the Company’s guidance,
- AM&S up 26.6%, P&D declined 4.3%, EMP up 15.3% and RF&OC up 2.4%,
- By end market, Automotive was up 10%, Industrial 8%, Personal Electronics 40% and CECP 4%.

Q425 Outlook for net revenues of $3.28B

Up Q/Q by about 2.9% (+/- 350 bps)
Down Y/Y by about 1.2% at mid-point

Gross margin

Q325 Gross Margin = 33.2%



Q325 Gross Margin

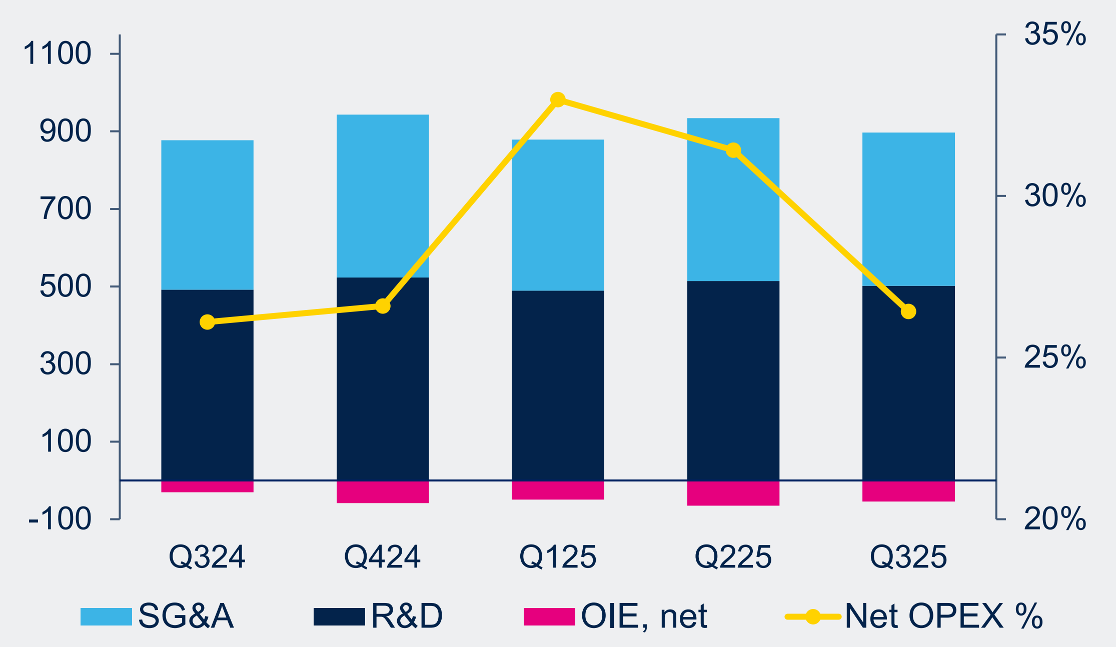
- Down 460 bps Y/Y, mainly due to lower manufacturing efficiencies, negative currency effect, lower level of capacity reservation fees and, to a lesser extent, the combination of sale price and product mix.
- Down 30 bps Q/Q,
- 30 bps below the mid-point of ST’s guidance.

Q425 Gross Margin Outlook

About 35.0% (+/- 200 bps)

Net operating expenses*

Q325 Net Operating Expenses = $842M



Q325 Combined SG&A and R&D at $897M

- 28.1% of revenues.

Q325 Net Operating Expenses at $842M

- 26.4% of revenues.

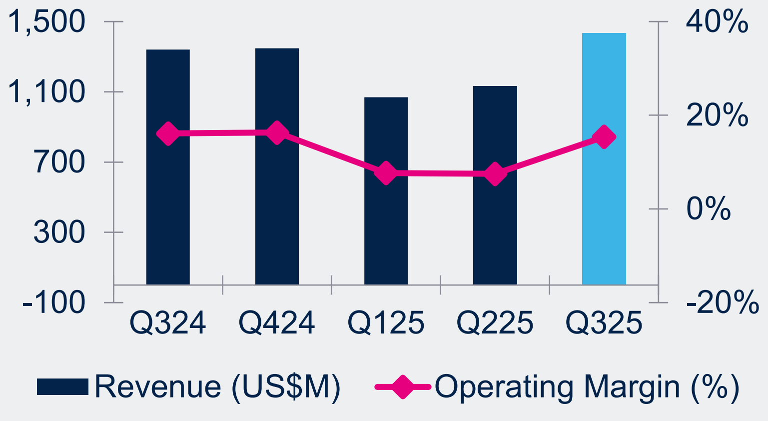
Q425 Net Operating Expenses expected at about $915M

* Net operating expenses: R&D + SG&A + Other expenses (- Other income). They exclude Impairment, restructuring charges and other related phase-out costs.

Q3 2025 Reportable segments results

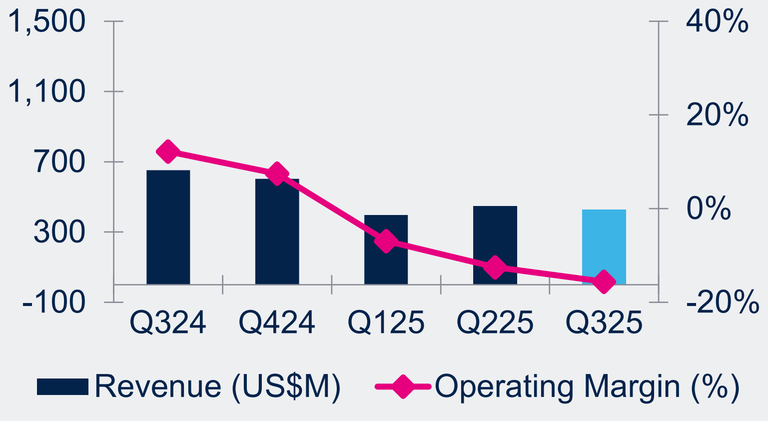
Analog products, MEMS and Sensors (AM&S)

Revenues = $1,434M
Operating Margin = 15.4%



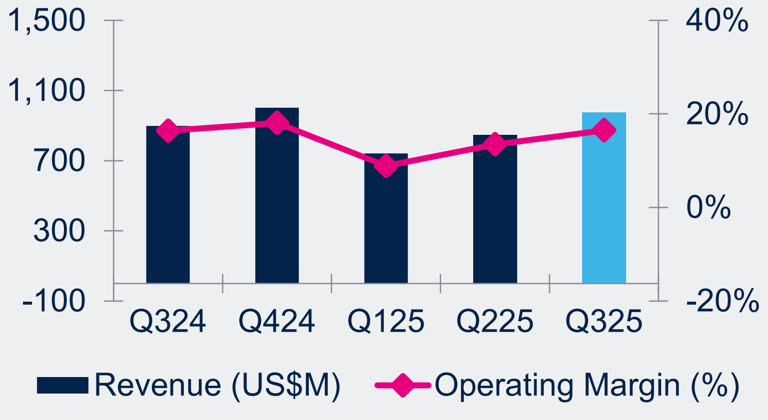
Power and discrete products (P&D)

Revenues = $429M
Operating Margin = -15.6%



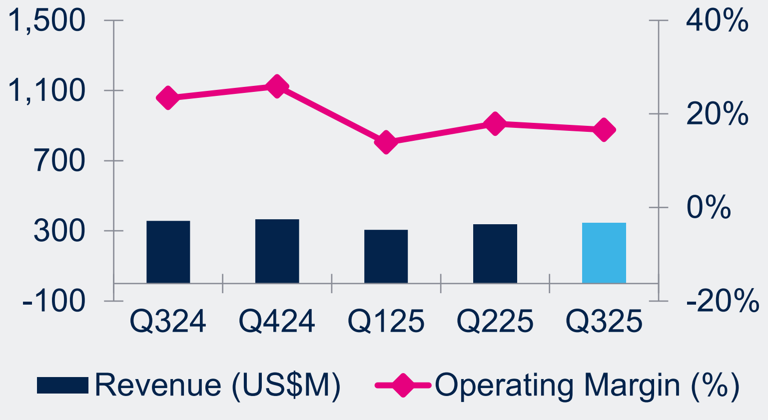
Embedded Processing (EMP)

Revenues = $976M
Operating Margin = 16.5%



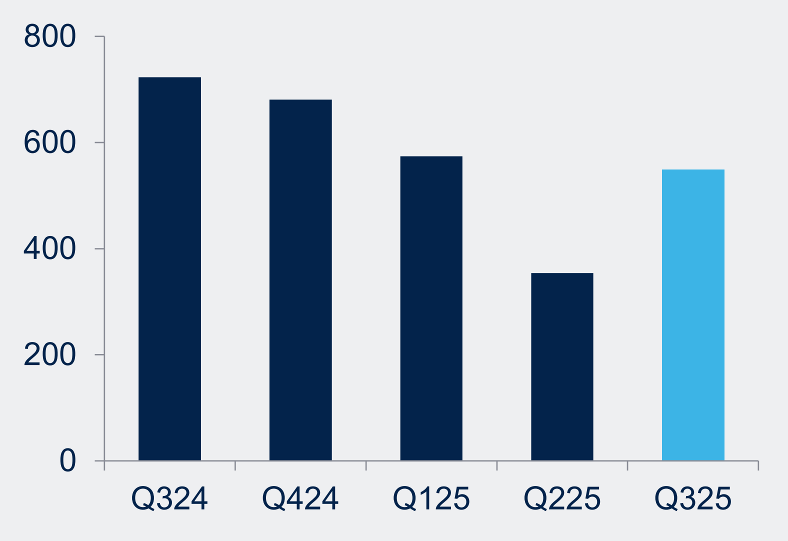
RF & Optical Communications (RF&OC)

Revenues = $345M
Operating Margin = 16.6%

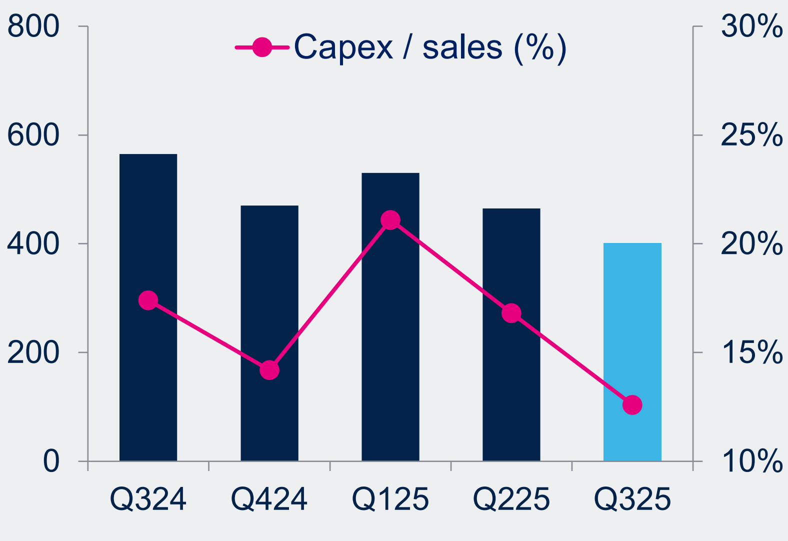


Q3 2025 Financial flexibility

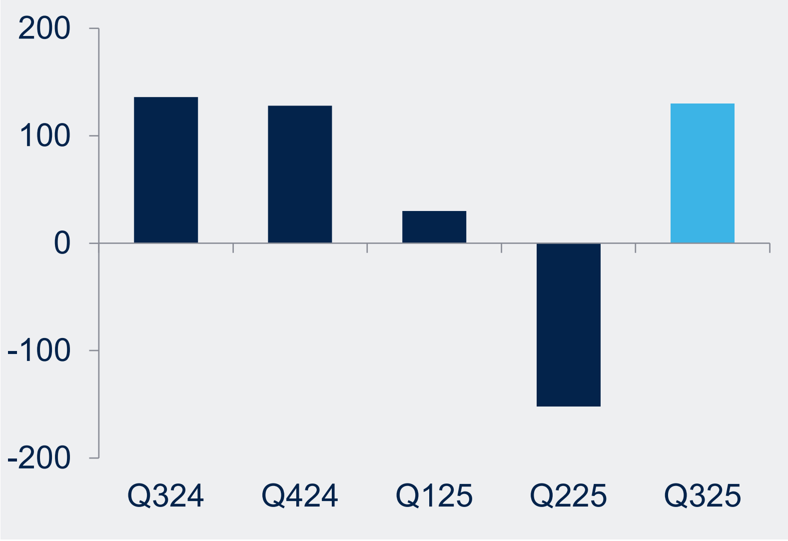
Net Cash From Operating Activities = $549M



Net Capex* = $401M



Free Cash Flow* = $130M

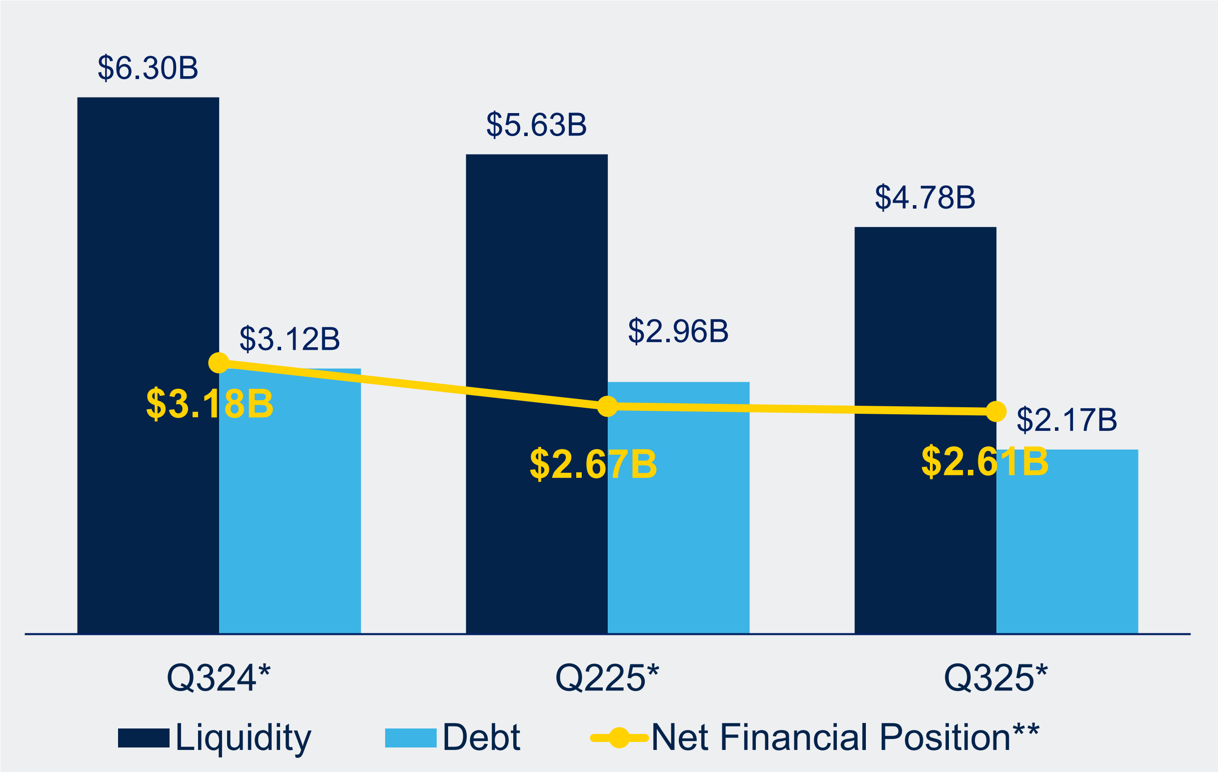


Cash dividends paid to stockholders totaled $81M in Q325.

In Q325 we repurchased shares totaling $91M.

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

Solid capital structure



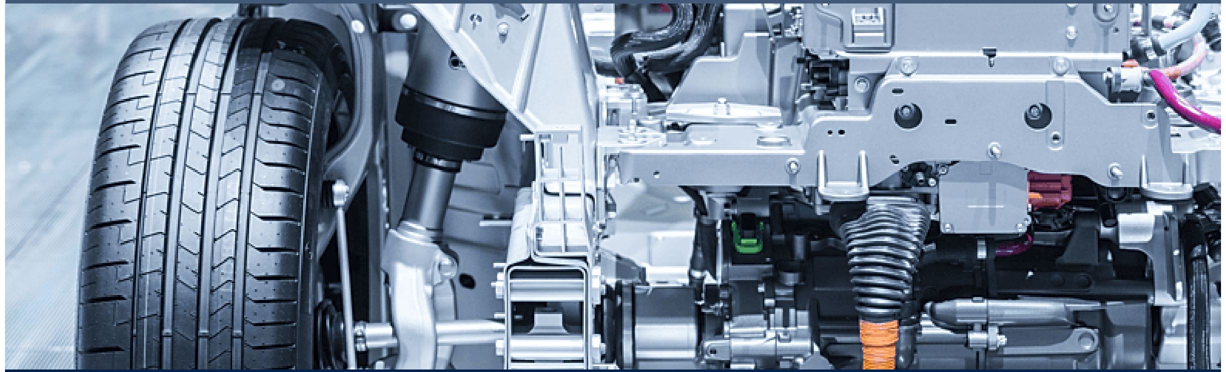
ST is in a very solid position from a capital, liquidity and balance sheet perspective.

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

*__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 $2.82B as of Sep 28, 2024, $2.31B as of Jun 28, 2025, and $2.27B as of Sep 27, 2025.
**__Non-U.S. GAAP measure__. See Appendix for additional information explaining why the Company believes these measures are important.

Automotive

Car electrification



Smart power

Car digitalization

Automotive sensors

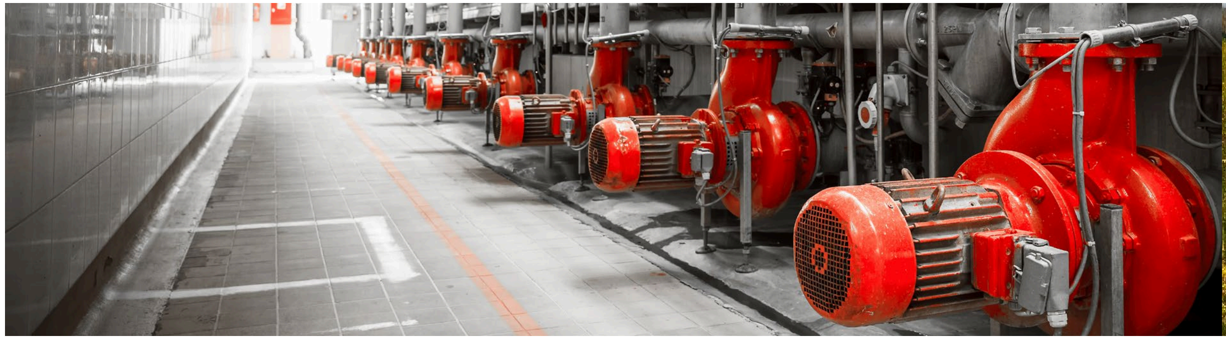
Acquisition of NXP’s MEMS sensor business

Definitive transaction agreement for the acquisition of **NXP’s MEMS sensor business** for a purchase price of up to $950M in cash

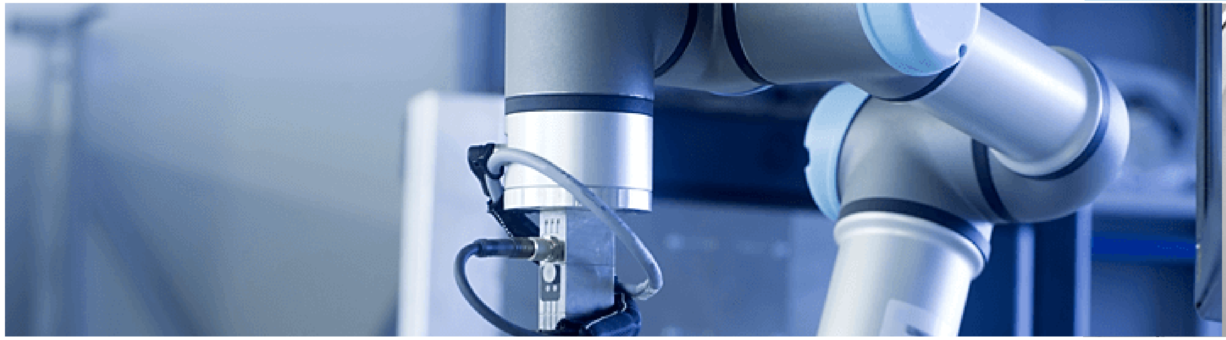
Complements and expands ST current leading MEMS sensors technology and product portfolio

Subject to customary closing conditions, including regulatory approvals – on track to close in H1 2026

Industrial







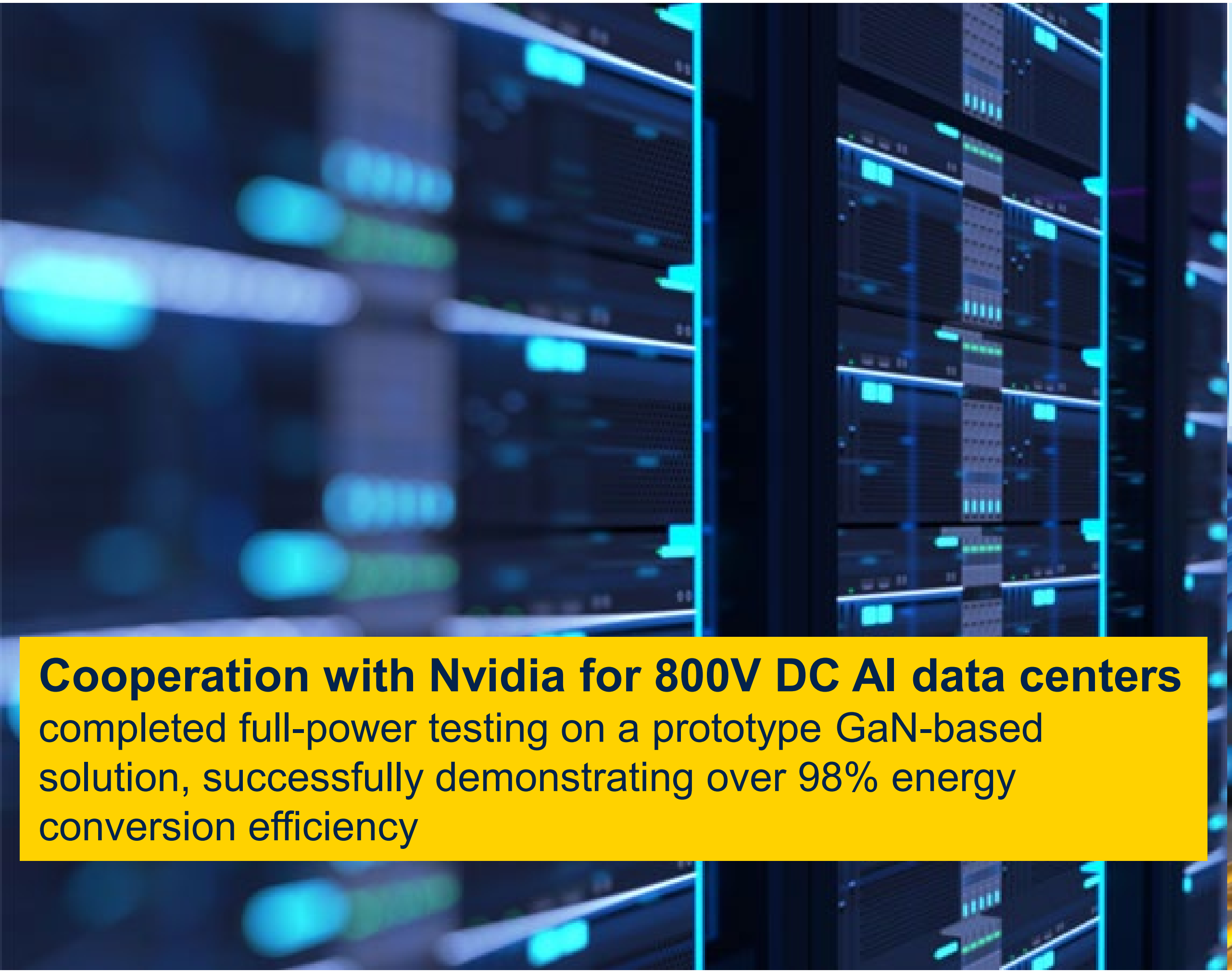

Personal electronics

New license agreement with Metalenz

Broadens our capability to produce advanced metasurface optics, leveraging ST's 300mm semiconductor and optics manufacturing

Enables new opportunities from smartphone applications like biometrics, LIDAR and camera assist, to robotics, gesture recognition, and object detection

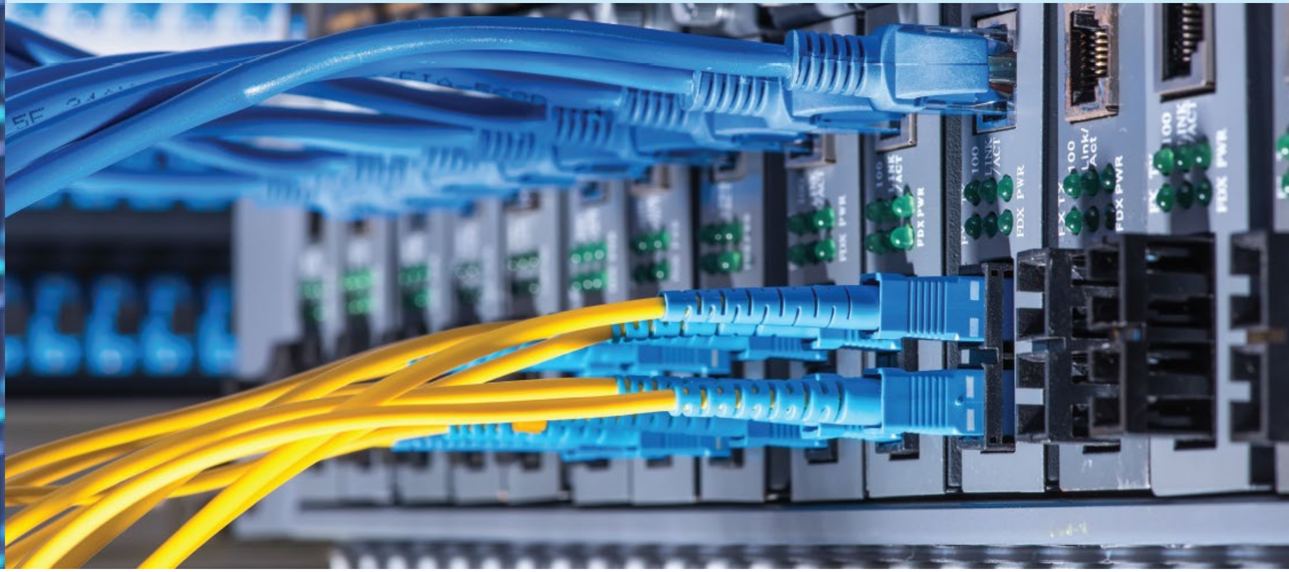
Communications Equipment and Computer Peripherals
AI data centers



Cooperation with Nvidia for 800V DC AI data centers
completed full-power testing on a prototype GaN-based solution, successfully demonstrating over 98% energy conversion efficiency

STARLight consortium

driven by ST, more than 20 top tech companies and universities unite to pioneer next-gen silicon photonics on 300 mm wafers



Communications Equipment and Computer Peripherals
Low earth orbit satellites

Q4 2025 Outlook

Net Revenues

Q425 outlook, at the mid-point, is for net revenues of **$3.28B**, increasing Q/Q by 2.9%, plus or minus 350 bps.

Gross Margin

Gross margin is expected to be about 35%, +/- 200 bps, incl. about 290 bps of unused capacity charges.

Q425 will close on December 31, 2025.

This outlook is based on an assumed effective currency exchange rate of approximately $1.15 = €1.00 for Q425 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 2025

The mid-point of Q4 outlook translates into **FY25 revenues of about $11.75B**. This represents a 22.4% growth in the second half compared to the first half, confirming signs of market recovery.

Gross margin for the full year is expected to be about **33.8%**.

To optimize our investments in the current market conditions, we have reduced our **Net Capex plan, now slightly below $2B** for FY25 compared to a $2B to $2.3B range previously.

Takeaways

In Q4 we expect to report further Q/Q revenue improvement, with revenues now broadly stabilized on a Y/Y basis, as well as an increased gross margin, while continuing to decrease inventories in distribution.

We are on the right path to improving our gross margin in the medium-term through the reduction of unused capacity charges, the reshaping of our manufacturing footprint and product mix improvement.

In a context marked by signs of market recovery, our strategic priorities remain clear:

- accelerating innovation;
- executing our company-wide program to reshape our manufacturing footprint and resize our global cost base, which remains on schedule to deliver the targeted savings;
- and strengthening free cash flow generation.

Appendix

Historical financial performance

Effective Exchange Rate €/$	1.09	1.08	1.08	1.08	1.09	1.08	1.06	1.09	1.08	1.14
U.S. GAAP *US$M, except EPS*	**Q124**	**Q224**	**H124**	**Q324**	**Q424**	**FY24**	**Q125**	**Q225**	**H125**	**Q325**
Net Revenues	3,465	3,232	6,697	3,251	3,321	13,269	2,517	2,766	5,283	3,187
Gross Margin	41.7%	40.1%	40.9%	37.8%	37.7%	39.3%	33.4%	33.5%	33.5%	33.2%
Operating Income	551	375	925	381	369	1,676	3	(133)	(130)	180
Operating Margin	15.9%	11.6%	13.8%	11.7%	11.1%	12.6%	0.1%	-4.8%	-2.5%	5.6%
Net Income	513	353	865	351	341	1,557	56	(97)	(41)	237
EPS Diluted ($/share)	0.54	0.38	0.92	0.37	0.37	1.66	0.06	(0.11)	(0.05)	0.26

Non-U.S. GAAP* *US$M, except EPS*	**Q124**	**Q224**	**H124**	**Q324**	**Q424**	**FY24**	**Q125**	**Q225**	**H125**	**Q325**
Operating Income	551	375	925	381	369	1,676	11	57	68	217
Operating Margin	15.9%	11.6%	13.8%	11.7%	11.1%	12.6%	0.4%	2.1%	1.3%	6.8%
Net Income	513	353	865	351	341	1,557	63	57	120	267
EPS Diluted ($/share)	0.54	0.38	0.92	0.37	0.37	1.66	0.07	0.06	0.13	0.29
Free Cash Flow	(134)	159	24	136	128	288	30	(152)	(122)	130
Net Financial Position	3,126**	3,199**	3,199**	3,181**	3,231**	3,231**	3,082**	2,672**	2,672**	2,610**

*__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 $2,775M as of March 30, 2024, at $2,797M as of June 29, 2024, at $2,815M as of September 28, 2024, at $2,846M as of December 31, 2024, $2,705M as of March 29, 2025, $2,311M as of June 28, 2025 and $2,265 as of September 27, 2025.

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, as well as operating earnings of other products. Others includes:

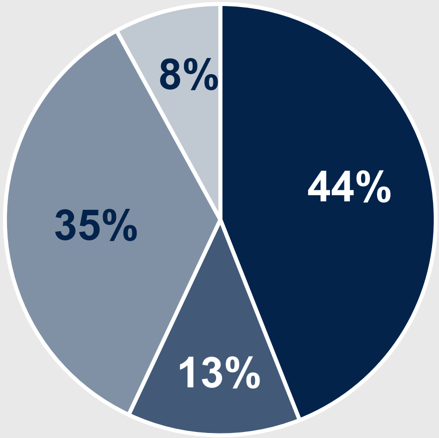
US$M	Q124	Q224	H124	Q324	Q424	FY24	Q125	Q225	H125	Q325
Unused Capacity Charges	63	84	147	104	118	370	123	103	226	102
Impairment, restructuring charges and other related phase-out costs	-	-	-	-	-	-	8	190	198	37

Historical Revenues and Operating Margin by Product Groups and Reportable Segments

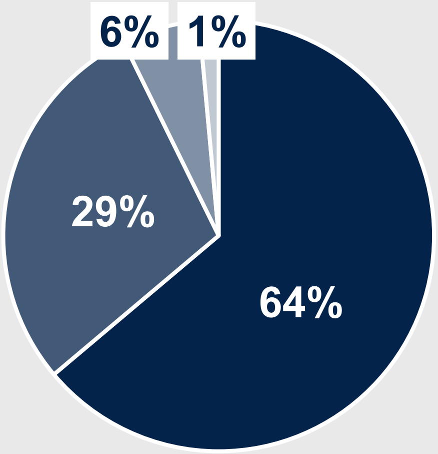
US$M	Q124	Q224	Q324	Q424	FY24	Q125	Q225	Q325
Analog products, MEMS and Sensors (AM&S)								
Revenue	1,406	1,336	1,340	1,348	5,429	1,069	*1,133*	*1434*
Operating Margin	*17.5%*	*14.5%*	*16.1%*	*16.3%*	*16.1%*	*7.7%*	*7.5%*	*15.4%*
Power and discrete products (P&D)								
Revenue	631	576	652	602	2,461	397	*447*	*429*
Operating Margin	*12.1%*	*10.6%*	*12.2%*	*7.5%*	*10.6%*	*-6.9%*	*-12.5%*	*-15.6%*
Analog, Power & Discrete, MEMS and Sensors (APMS)								
Revenue	**2,037**	**1,912**	**1,992**	**1,950**	**7,890**	**1,466**	***1,580***	***1,863***
Operating Margin	***15.8%***	***13.3%***	***14.9%***	***13.6%***	***14.4%***	***3.7%***	***1.9%***	***8.3%***
Embedded Processing (EMP)								
Revenue	1,047	906	898	1,002	3,853	742	*847*	*976*
Operating Margin	*22.2%*	*13.8%*	*16.4%*	*18.1%*	*17.8%*	*8.9%*	*13.5%*	*16.5%*
RF & Optical Communications (RF&OC)								
Revenue	378	410	357	366	1,511	306	*336*	*345*
Operating Margin	*27.4%*	*23.4%*	*23.4%*	*25.9%*	*25.0%*	*13.9%*	*17.9%*	*16.6%*
Microcontrollers, Digital ICs and RF products (MDRF)								
Revenue	**1,425**	**1,316**	**1,255**	**1,368**	**5,364**	**1,048**	***1,183***	***1,321***
Operating Margin	***23.6%***	***16.8%***	***18.3%***	***20.2%***	***19.8%***	***10.4%***	***14.8%***	***16.5%***

FY 2024 Reportable segment revenues by end market

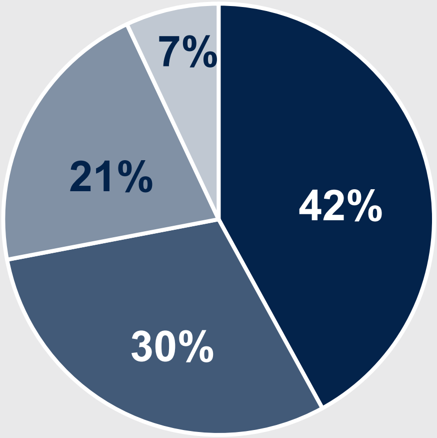
Analog products, MEMS and Sensors (AM&S)



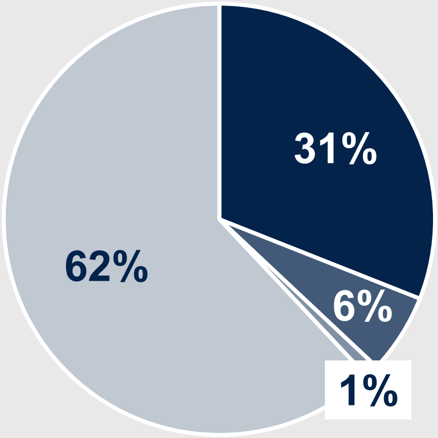
Power and discrete products (P&D)



Embedded Processing (EMP)



RF & Optical Communications (RF&OC)



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

Our technology starts with You

© 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.