STMicroelectronics
Q2 2026 Financial Results

July 23, 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.

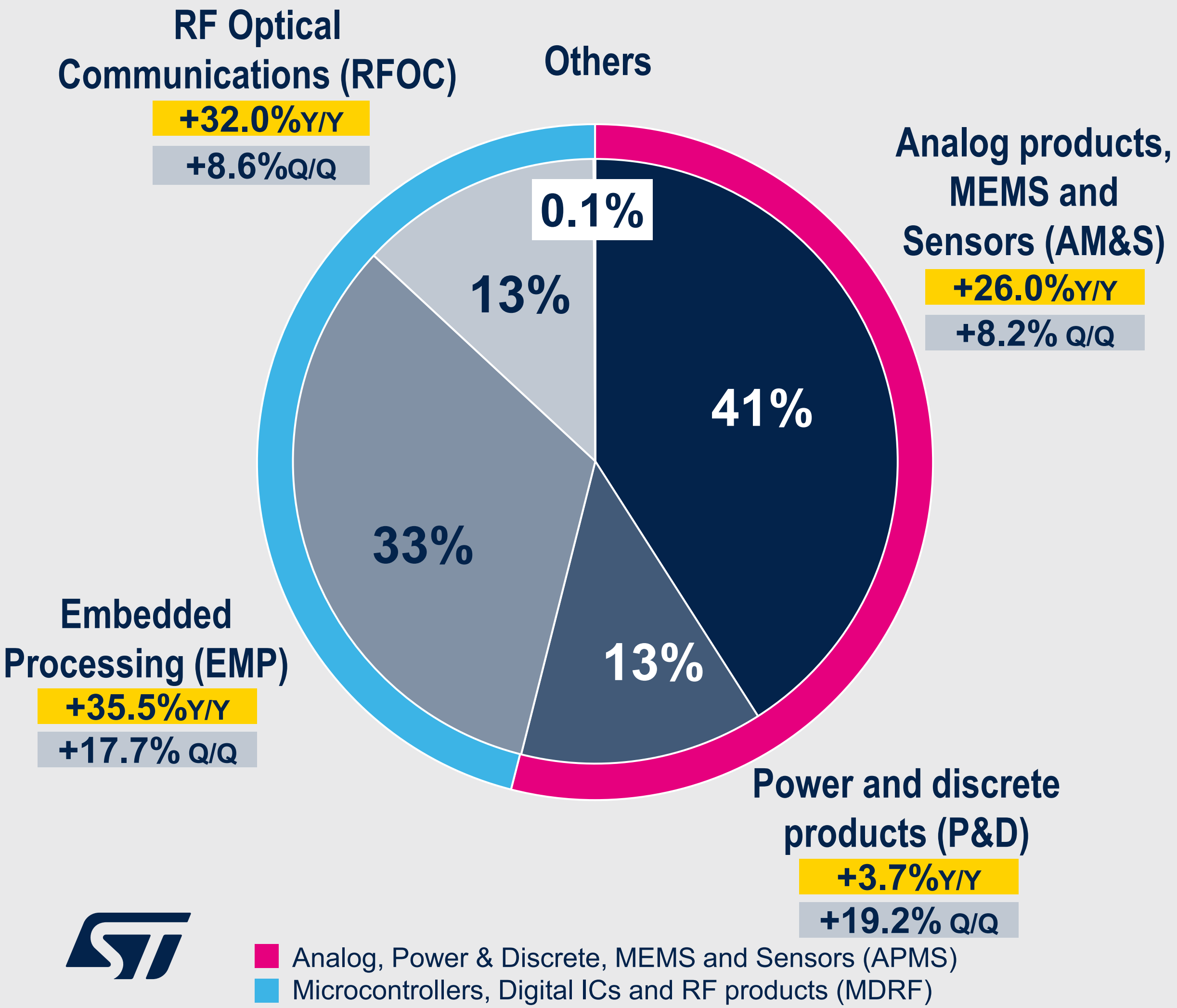
Highlights

Q2 2026	• Net revenues of $3.49B increased 26.0% Y/Y and 12.7% Q/Q. Revenues came above the mid-point of our business outlook range, driven by higher revenues in CECP and Automotive. • Gross margin was 34.8% and non-U.S. GAAP* gross margin was 35.2%; both in line with the mid-point of our business outlook range. • Operating margin was 5.4%, net income was $222M and EPS $0.24. On a Non-U.S. GAAP* basis, operating margin was 7.7%, net income was $291M and EPS $0.31.
	• During the quarter demand increased further, with strong bookings in all end markets. We saw improved visibility and signs of tight supply in several product categories. Inventory in distribution is now below our standard target.
Q3 2026	• Outlook at mid-point is for net revenues of $3.70B, increasing 16.2% Y/Y and 6.2% Q/Q. • Gross margin expected to be about 37.0% at the mid-point.
	• We anticipate a revenue growth acceleration in Q4, mainly driven by our engaged customer programs in AI datacenters and LEO satellite communication. We expect Q4 revenues above $4B, this translates into a H2 vs H1 growth above our normal 15% seasonality.
	• Driven by continued strong demand in AI datacenters, we are raising our revenue ambition for datacenters. Revenues are now expected above $1B in 2026 and, assuming the current dynamic continues and with the current engagements we have, well above $2B in 2027. This confirms ST's strong position in the evolving AI datacenters.

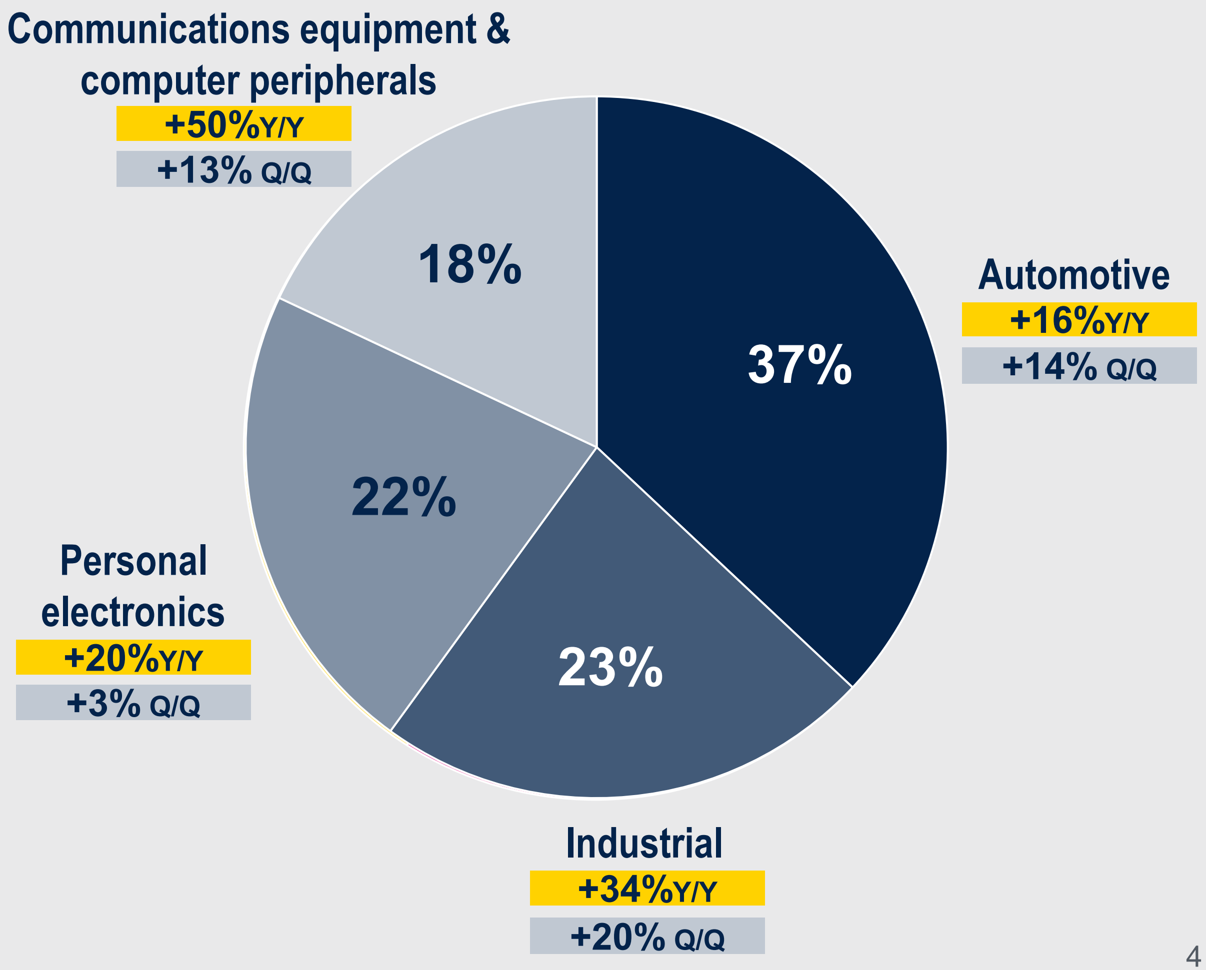
***Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.

Q2 2026 Revenues dynamic

% by reportable segments

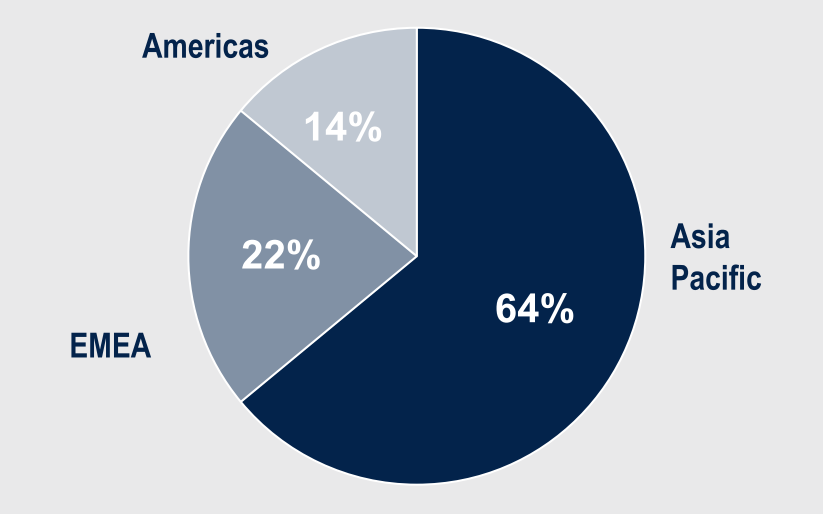


% by end market

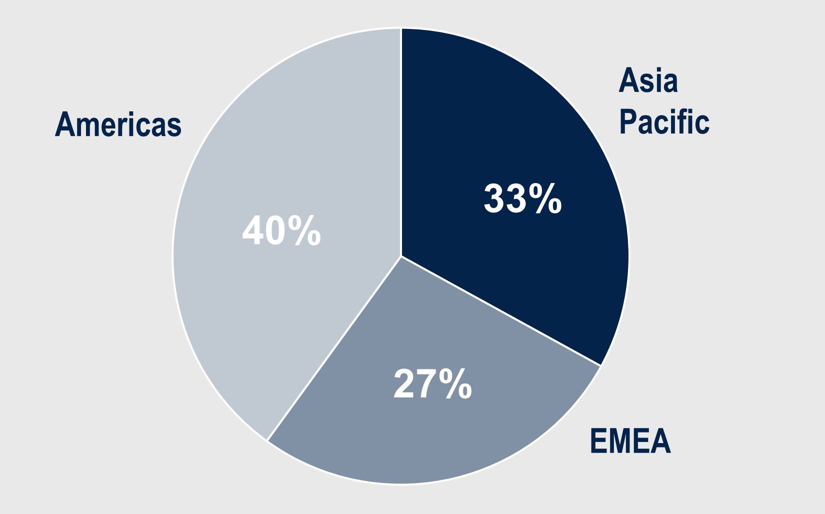


Q2 2026 Revenues

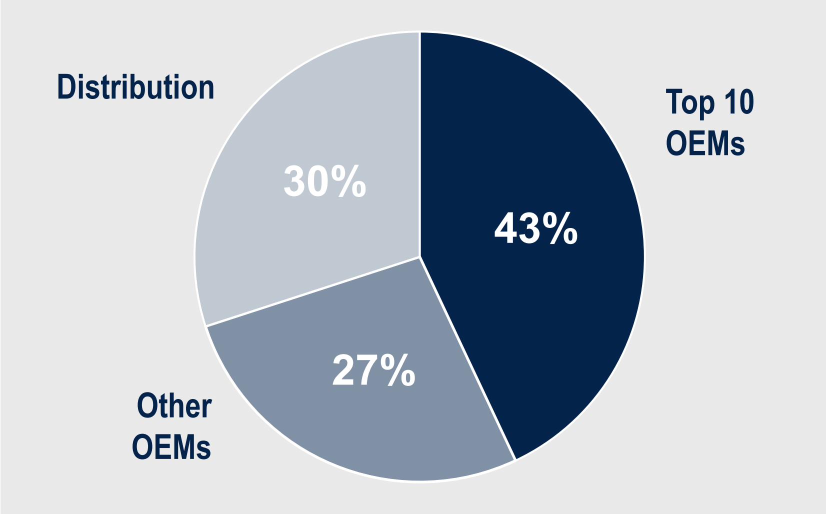
% by shipment location



% by region of origin

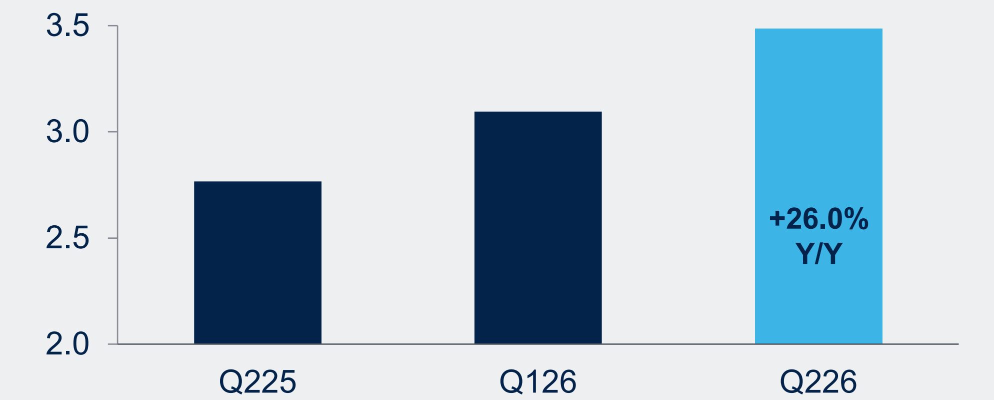


% by customer type

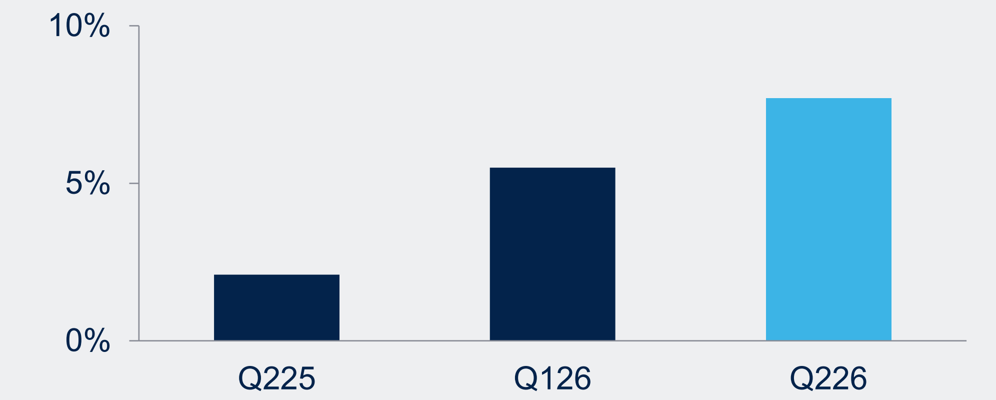


Q2 2026 Financial highlights

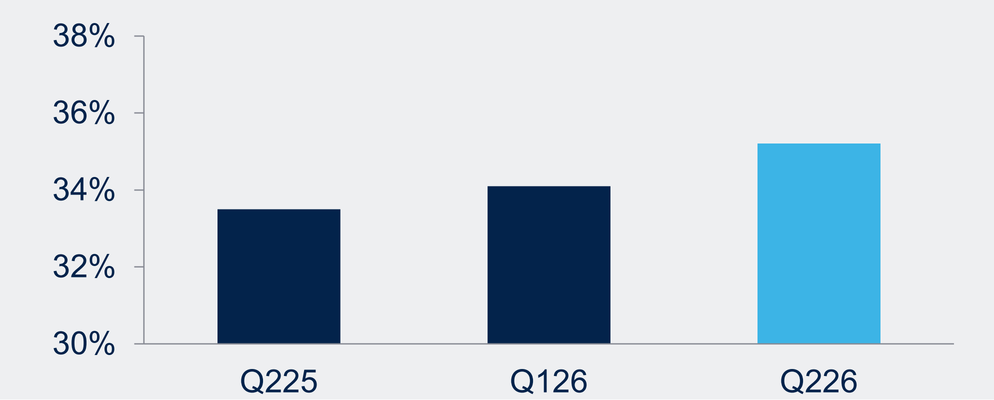
Revenues = $3.49B



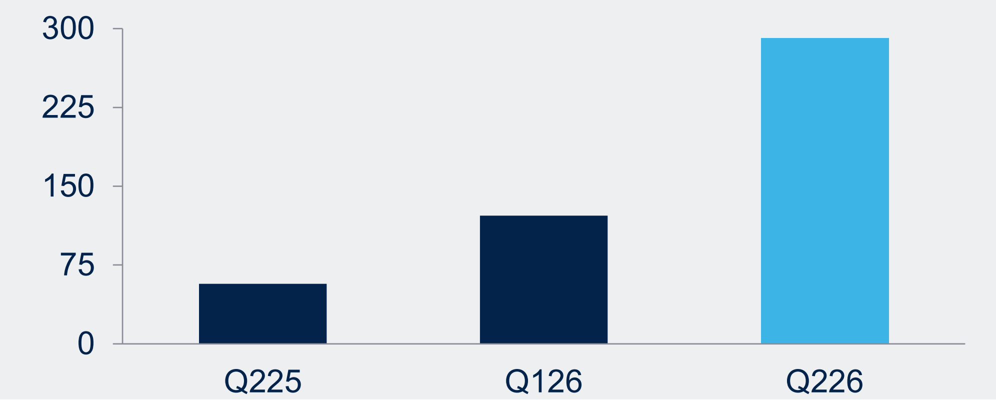
Non-U.S. GAAP Operating Margin* = 7.7%



Non-U.S. GAAP Gross Margin* = 35.2%

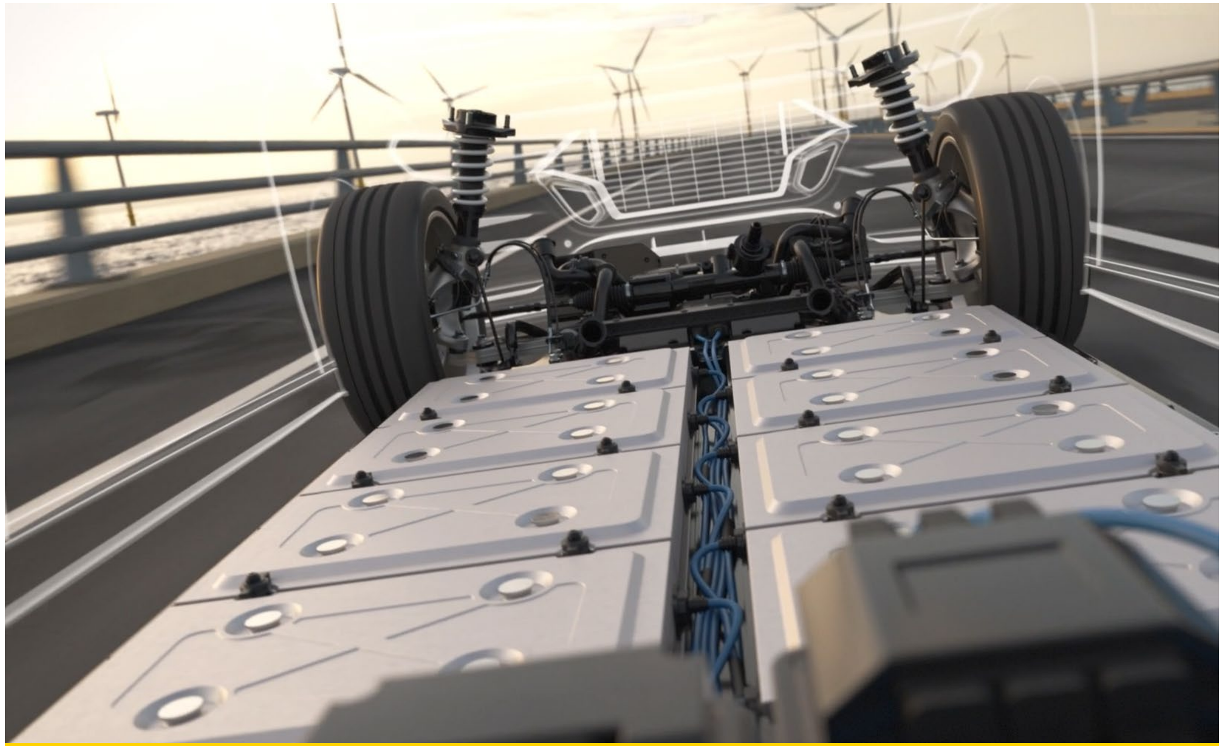


Non-U.S. GAAP Net Income* = $291M



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

Q2 2026 Business dynamics
Automotive

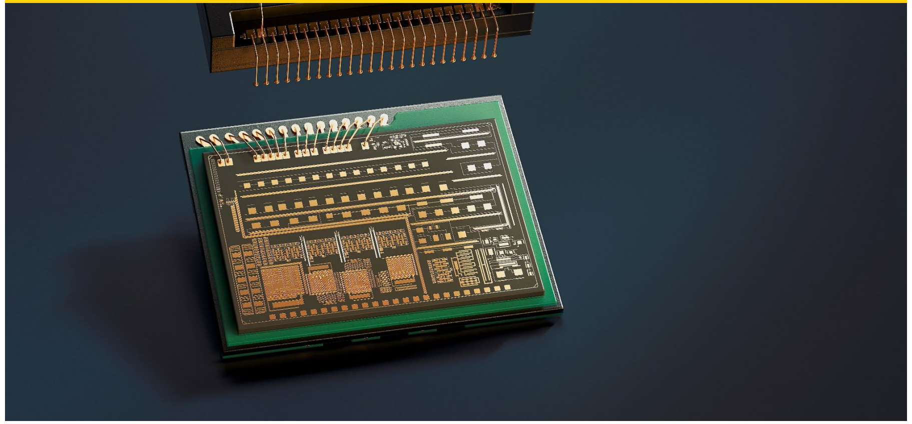


Design wins across hybrid, electric, and conventional vehicles

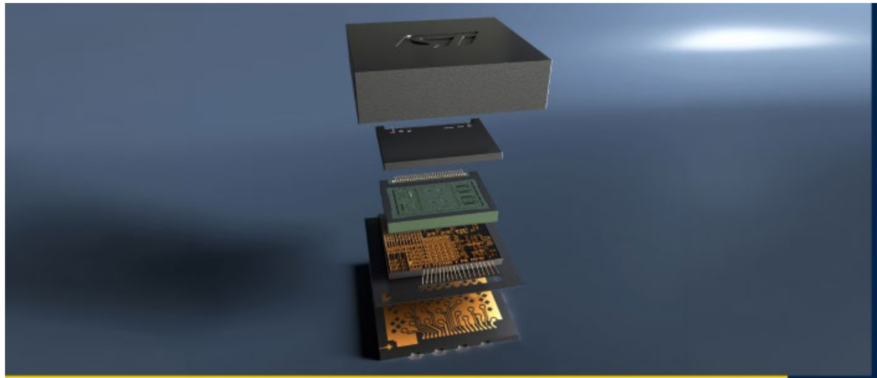
Onboard chargers, powertrain, and active suspension

Automotive sensor business

Awards for active safety applications and tire pressure monitoring



Q2 2026 Business dynamics
Industrial



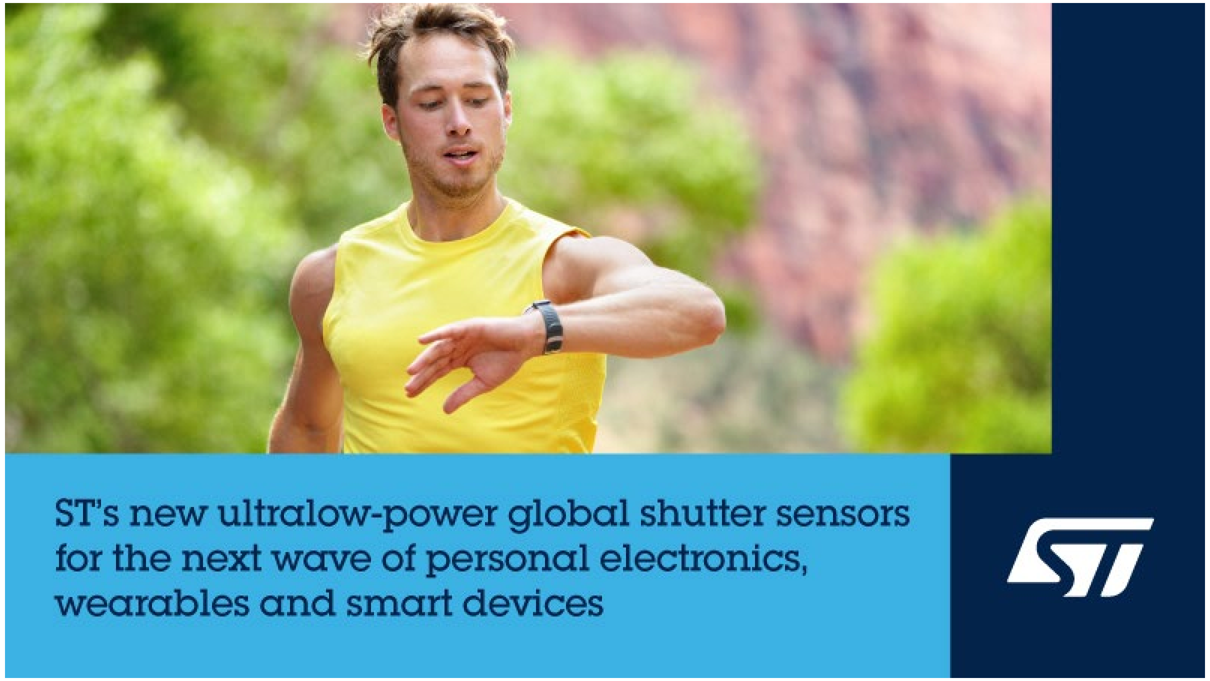
High-performance vibrometer with in-sensor AI for condition monitoring

ST FlightSense VL53L9: compact 3D sensor for edge AI

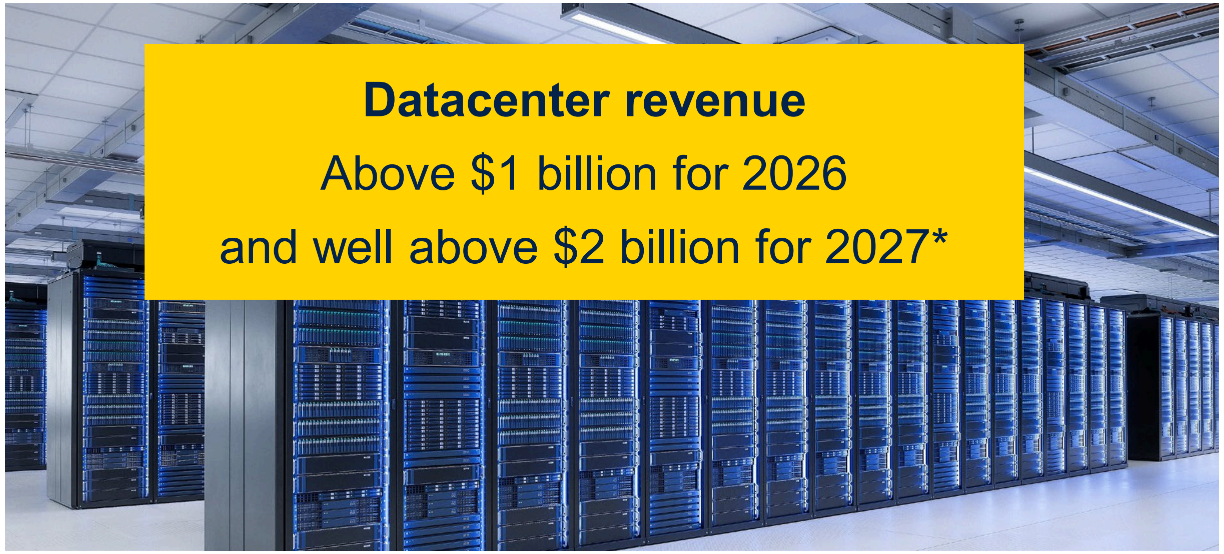
Support for **NVIDIA Halos for Robotics**
End-to-end functional safety system for industrial and humanoid robots

STM32 iNEMO STDRIVE STSPIN STSECURE

Q2 2026 Business dynamics
Personal electronics



Q2 2026 Business dynamics
Communications Equipment & Computer Peripherals



Datacenter revenue

Above $1 billion for 2026

and well above $2 billion for 2027*

LEO satellite business

Addressable market to reach ~$3 billion by 2030, about 4x vs 2025

ST targets **well above $3 billion** in cumulative revenue 2026–2028

Webcast

ST: The LEO Opportunity

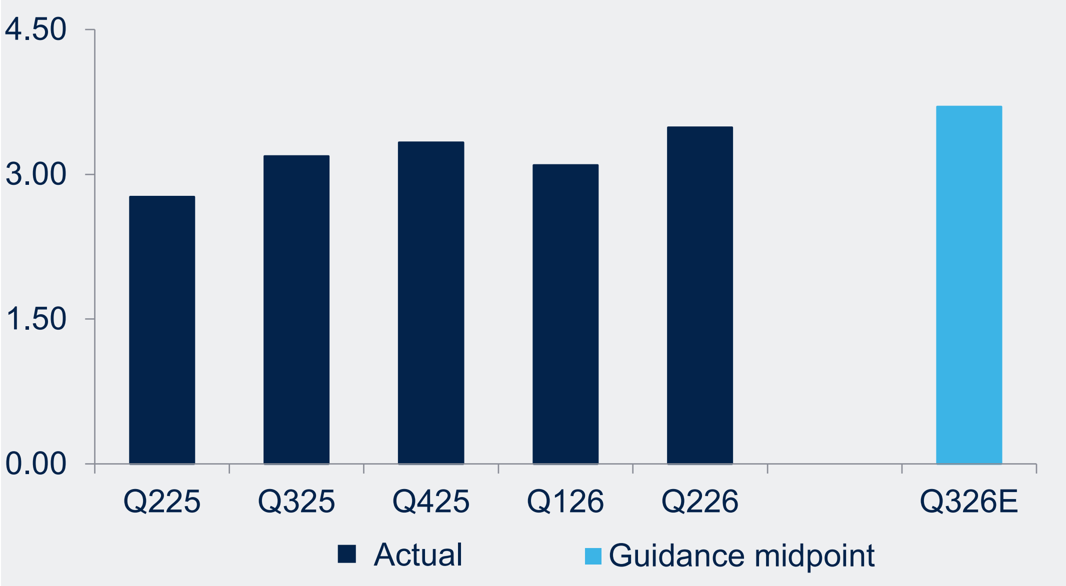
May 4th, 2026

Available at: https://investors.st.com/events-and-presentations

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

Revenues

Q226 Revenues = $3.49B



Q226 revenues up 26.0% Y/Y

- AM&S increased 26.0%, P&D 3.7%, EMP 35.5% and RFOC 32.0%.
- By end market, Automotive Increased 16%, Industrial 34%, Personal Electronics 20% and CECP 50%.
- Revenues to OEMs and Distribution increased 23.3% and 33.1%, respectively.

Q226 revenues up 12.7% Q/Q

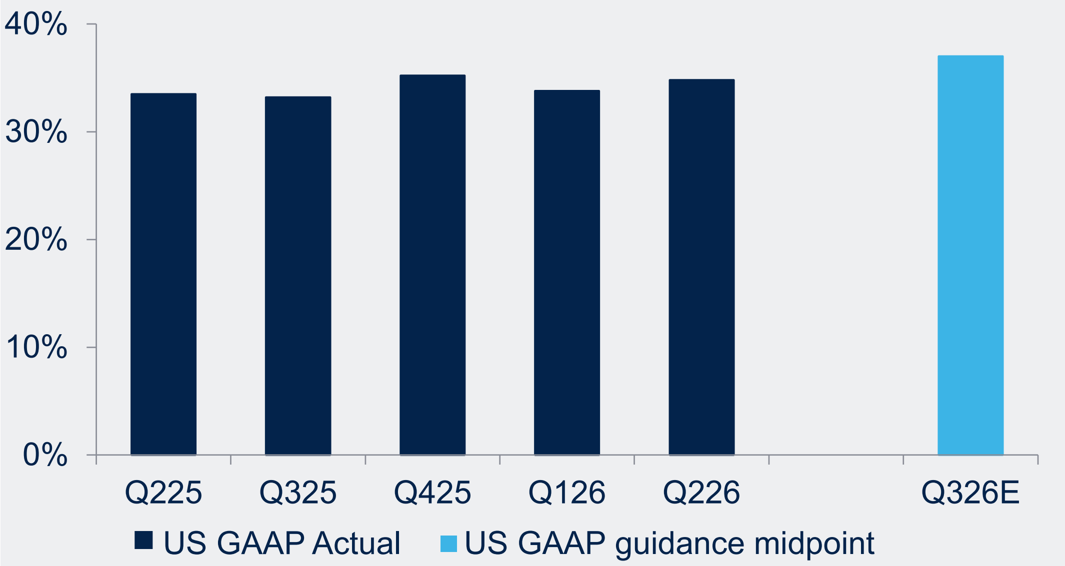
- 110 bps better than the mid-point of the Company's guidance.
- Increase of 8.2% in AM&S, 19.2% in P&D, 17.7% in EMP and 8.6% in RFOC.
- By end market, Q/Q Automotive was up 14%, Industrial 20%, Personal Electronics 3% and CECP 13%.

Q326 Revenues Outlook

Up Q/Q by about 6.2% (+/- 350 bps)
Up Y/Y by about 16.2% at mid-point

Gross margin

Q226 Gross Margin = 34.8%
Q226 Non-U.S. GAAP* Gross Margin = 35.2%



Q226 Gross Margin

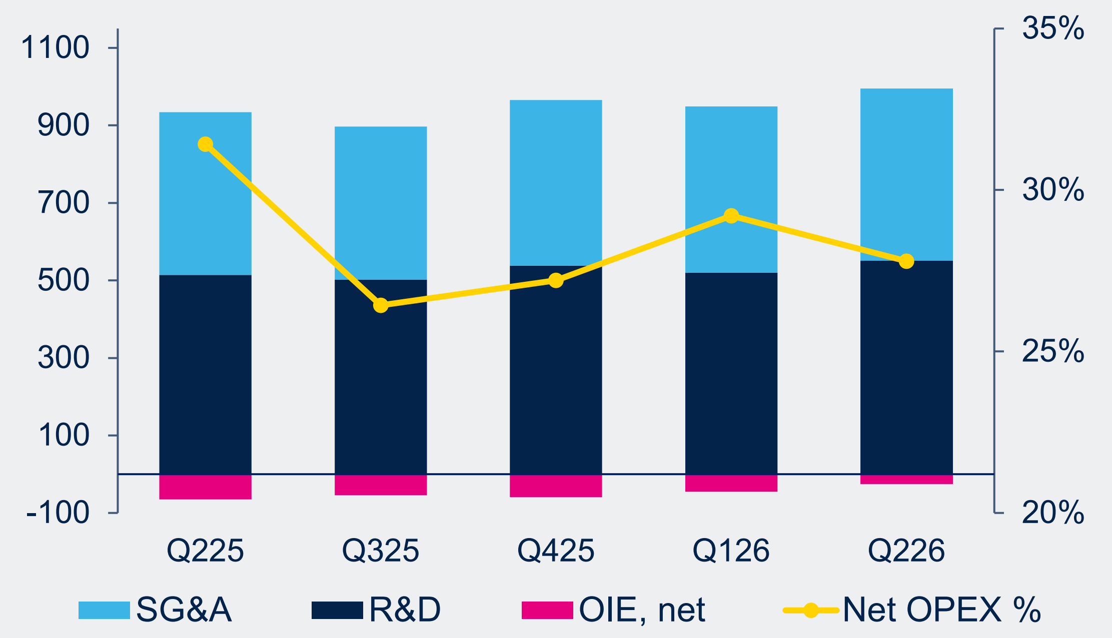
- Up 130 bps Y/Y, mainly due to lower unused capacity charges and better product mix.
- Up 100 bps Q/Q
- In line with the mid-point of ST’s guidance.

Q326 Gross Margin Outlook about 37.0% (+/- 200 bps)

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

Net operating expenses*

Q226 Net Operating Expenses = $970M
Q226 Non-U.S. GAAP Net Operating Expenses = $960M.**



- Q226 Non-U.S. GAAP** net Opex at $960M (27.5% of revenues).
- Q226 Non-U.S. GAAP** net Opex in line with expectations given in April.

Q326 Non-U.S. GAAP Net Operating Expenses Outlook about $980M**

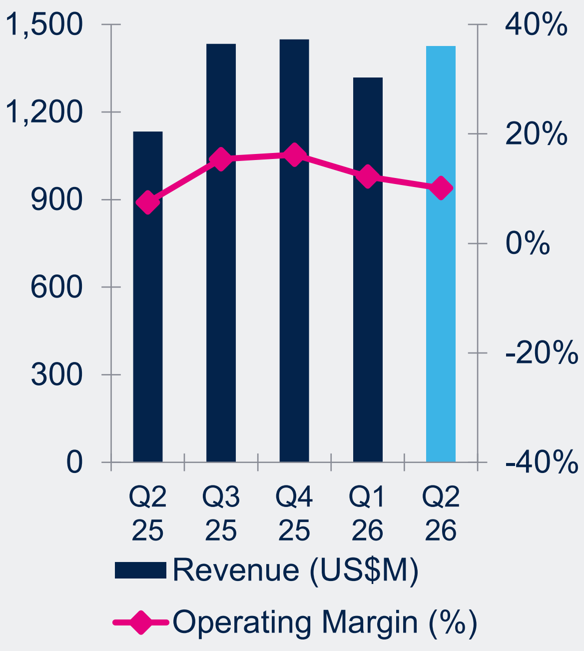
FY26 non-U.S. GAAP Net Operating Expenses expected to be slightly above $3.8B**

*Net operating expenses: R&D + SG&A + Other expenses (- Other income). They exclude Impairment, restructuring charges and other related phase-out costs.
****Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.

Q2 2026 Reportable segments results

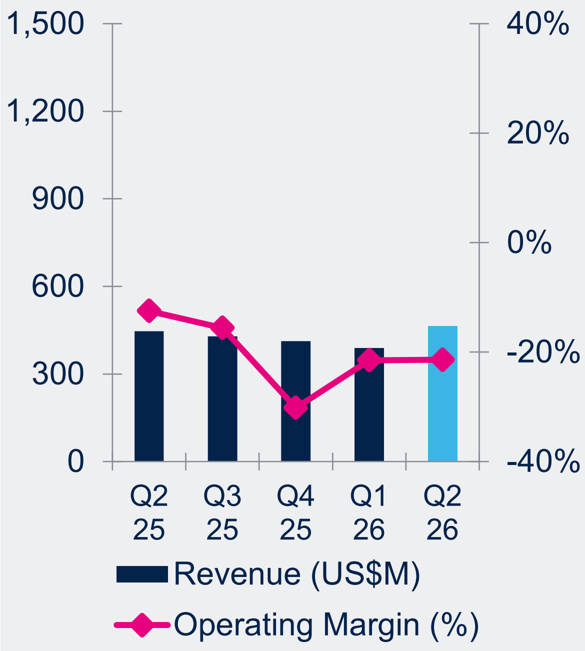
Analog products, MEMS and Sensors (AM&S)

Revenues = $1,426M
Operating Margin = 10.1%



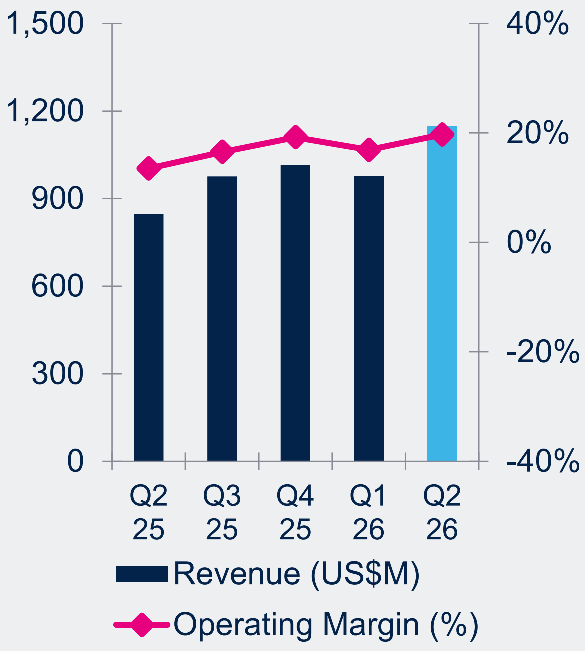
Power and discrete products (P&D)

Revenues = $464M
Operating Margin = -21.4%



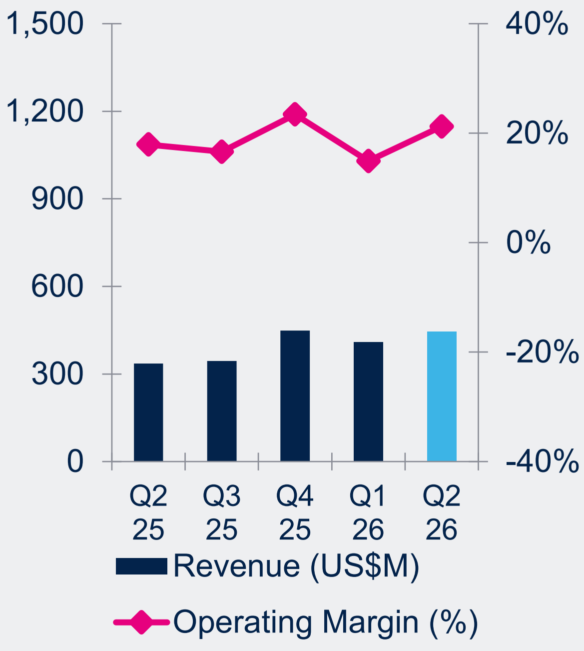
Embedded Processing (EMP)

Revenues = $1,147M
Operating Margin = 19.7%



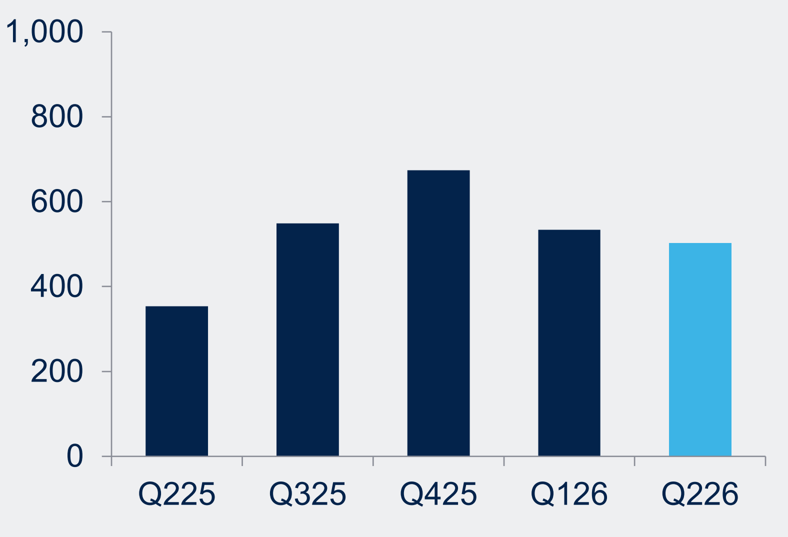
RF Optical Communications (RFOC)

Revenues = $445M
Operating Margin = 21.2%

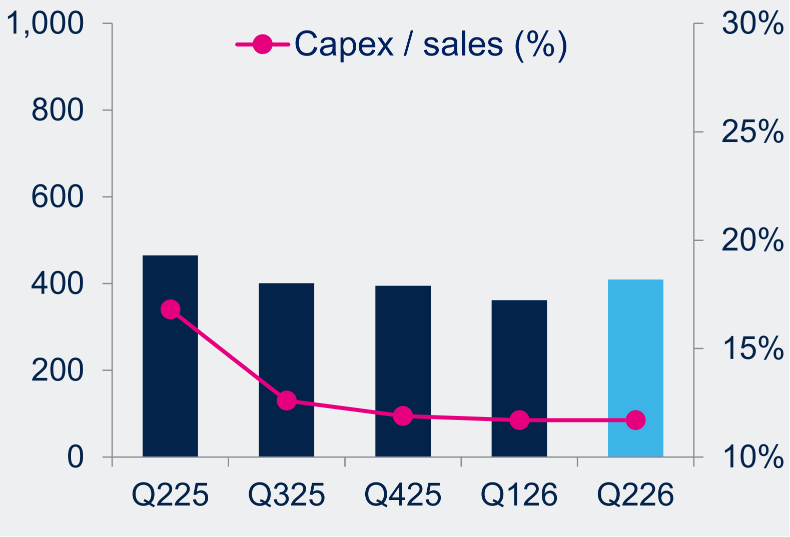


Q2 2026 Financial flexibility

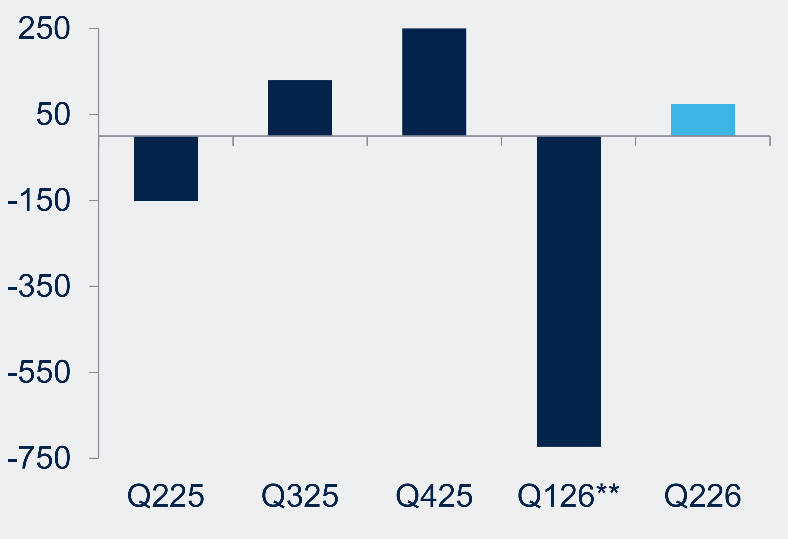
Net Cash From Operating Activities = $502M



Net Capex* = $409M



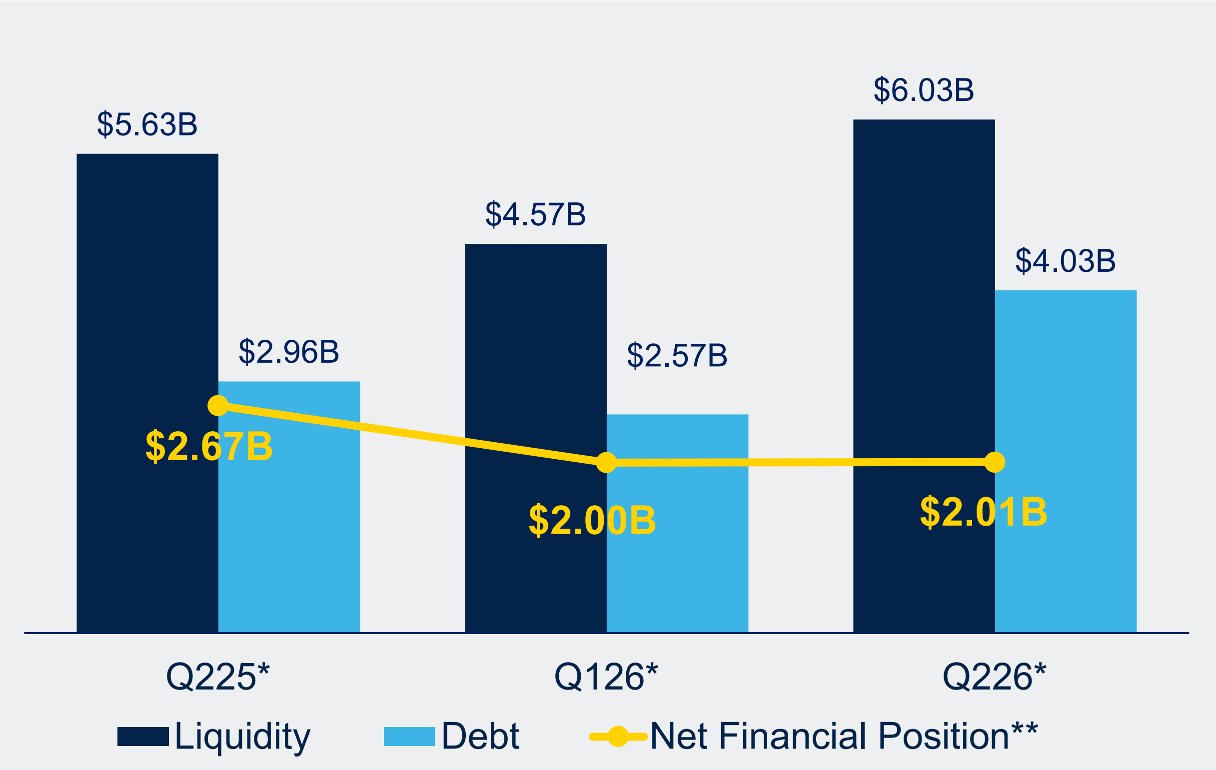
Free Cash Flow* = $75M



Cash dividends paid to stockholders totaled $75M in Q226.

***Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.
** Q126 Free cash flow includes $895 million 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 currently BBB+ with Negative Outlook from S&P and Baa1 with Stable Outlook from Moody's.

In Q2 ST issued a new $1.5B dual-tranche senior unsecured convertible bond (Tranche A and Tranche B for $750M each due 2031 and 2033) and announced the early redemption of its $750M convertible bond due in 2027.

*__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 $2.31B as of June 28, 2025, $1.69B as of March 28, 2026, and $1.70B as of June 27, 2026.

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

Q3 2026 Outlook

Net Revenues

Q326 outlook, at the mid-point, is for net revenues of **$3.70B**, increasing Y/Y by 16.2% and Q/Q by 6.2%, plus or minus 350 bps.

Gross Margin

Gross margin is expected to be **about 37.0%**, +/- 200 bps.

The third quarter will close on September 26, 2026.

This outlook is based on an assumed effective currency exchange rate of approximately $1.14 = €1.00 for Q326 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.

Takeaways

In Q2 we saw demand further accelerating, strong bookings in all end-markets and improved visibility.

Q3 revenues expected to continue to grow Q/Q and Y/Y; and gross margin to continue to improve. Personal Electronics seasonality this year is different vs previous years. Revenue growth for Personal Electronics expected to be below normal seasonality in Q3, moderating ST's sequential growth in Q3.

In Q4 we anticipate revenue growth acceleration, mainly driven by AI datacenters and LEO satellite communication. Q4 revenues expected above $4B, representing a Q/Q improvement better than normal seasonality, translating into a H2/H1 growth above our normal 15% seasonality.

ST's growth drivers remain solid. We continue to see strong demand in AI datacenters and now expect revenues above $1B in 2026 and, assuming the current dynamic continues and with the current engagements we have, well above $2B in 2027.

Historical data

Historical financial performance

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

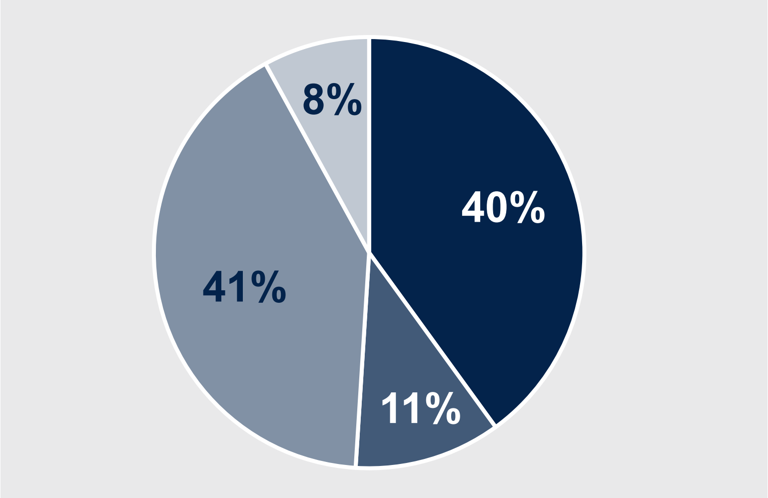
***Non-U.S. GAAP measure**. See Appendix for additional information explaining why the Company believes these measures are important.
****Adjusted net financial position**, taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not 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 and $1,701M in Q226
*****Q126 Free cash flow** includes $895 million cash-out related to the acquisition of NXP MEMS sensor business.

Historical Revenues and Operating Margin by Product Groups and Reportable Segments

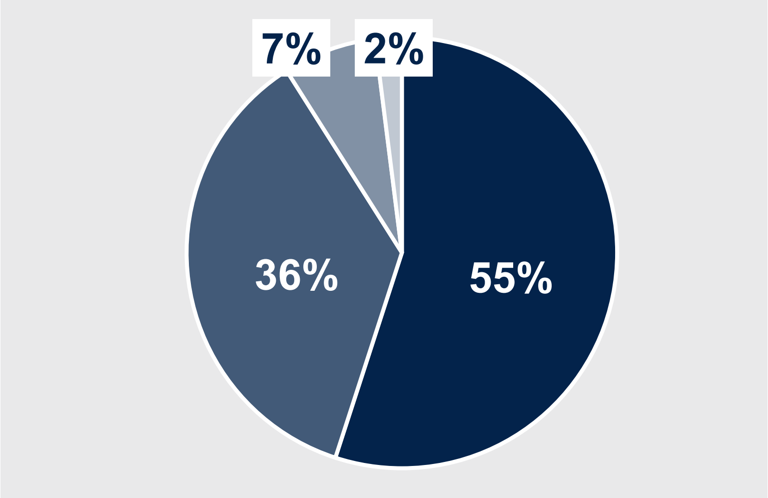
US$M	Q125	Q225	Q325	Q425	FY25	Q126	Q226
Analog products, MEMS and Sensors (AM&S)							
Revenue	1,069	1,133	1,434	1,449	5,085	1,318	1,426
Operating Margin	7.7%	7.5%	15.4%	16.2%	12.3%	12.2%	10.1%
Power and discrete products (P&D)							
Revenue	397	447	429	412	1,685	389	464
Operating Margin	-6.9%	-12.5%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

FY 2025 Reportable segment revenues by end market

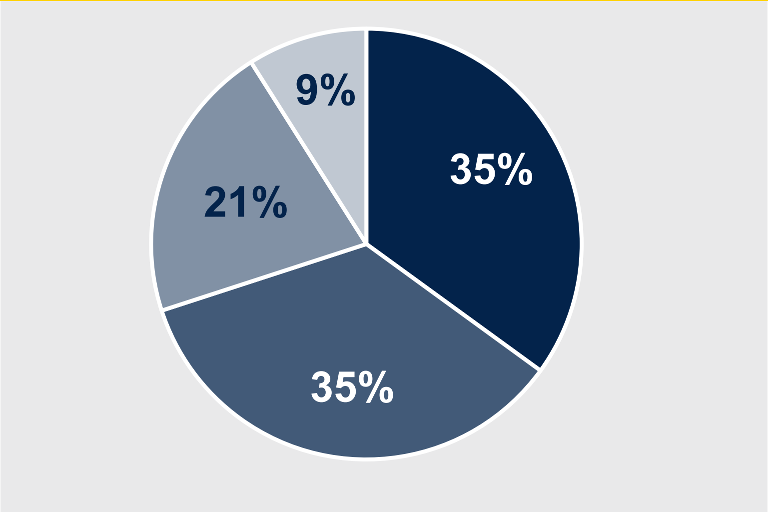
Analog products, MEMS and Sensors (AM&S)



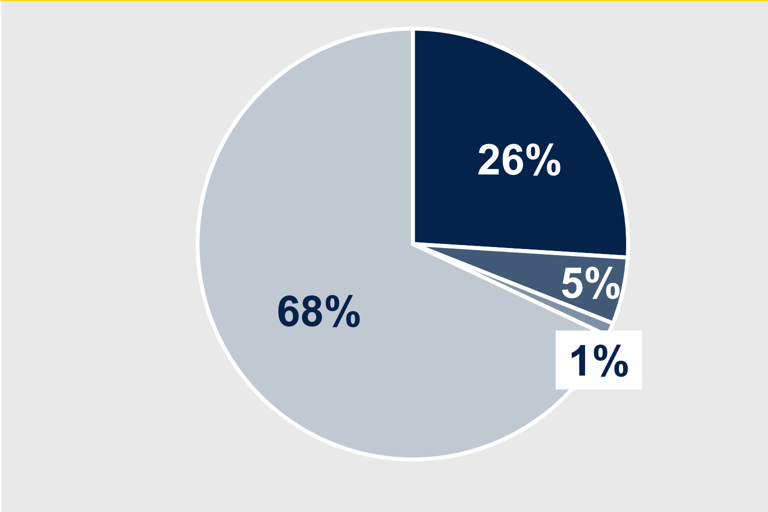
Power and discrete products (P&D)



Embedded Processing (EMP)



RF Optical Communications (RFOC)



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

Appendix

Appendix

- **Non-U.S. GAAP Gross Profit, Non-U.S. GAAP Operating Income, Non-U.S. GAAP Net Income and Non-U.S. GAAP Diluted Earnings Per Share (non-U.S. GAAP measures):** Operating income before impairment, restructuring charges and other related phase-out costs, and other certain items, is used by management to help enhance an understanding of ongoing operations and to communicate the impact of the excluded items, such as impairment, restructuring charges and other related phase-out costs, and PPA effects. Non-U.S. GAAP gross profit is also used by management to communicate the impact of PPA effects on gross margin. Adjusted net earnings and earnings per share (EPS) are used by management to help enhance an understanding of ongoing operations and to communicate the impact of the excluded items like impairment, restructuring charges and other related phase-out costs and other certain items, such as PPA effects, net of the relevant tax impact.
- **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, and therefore, comparability may be limited.

Appendix

<u>Net revenues of Others:</u> 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**
Unused Capacity Charges	123	103	102	88	416	69	37
Impairment, restructuring charges and other related phase-out costs	8	190	37	141	376	71	58
PPA effects from the acquisition of NXP's MEMS sensor business	-	-	-	-	-	30	24

Our technology starts with You