



# STMicroelectronics Q1 2026 Financial Results

April 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

Q1  
2026

Net revenues of \$3.10B increased 23.0% Y/Y and decreased 7.0% Q/Q. Excluding the contribution of our acquisition of NXP's MEMS sensor business, net revenues came above the mid-point of our business outlook range, driven mainly by higher revenues in our engaged customer programs in Personal electronics and CECP

Gross margin at 33.8%. Excluding the impact of the Purchase Price Allocation (PPA) following the acquisition of NXP's MEMS sensor business, non-U.S. GAAP\* gross margin at 34.1%

Operating margin was 2.3%, net income was \$37M and EPS \$0.04. On a Non-U.S. GAAP\* basis, operating margin was 5.5%, net income was \$122 million and EPS \$0.13.

In Q1, despite the macroeconomic uncertainty, we saw improving demand with strong booking and normalized inventory in distribution. We had strong booking momentum during the quarter, with book-to-bill well above 1 across all end markets and regions.

Q2  
2026

Outlook at mid-point is for net revenues of \$3.45B, increasing 24.9% Y/Y and 11.6% Q/Q.

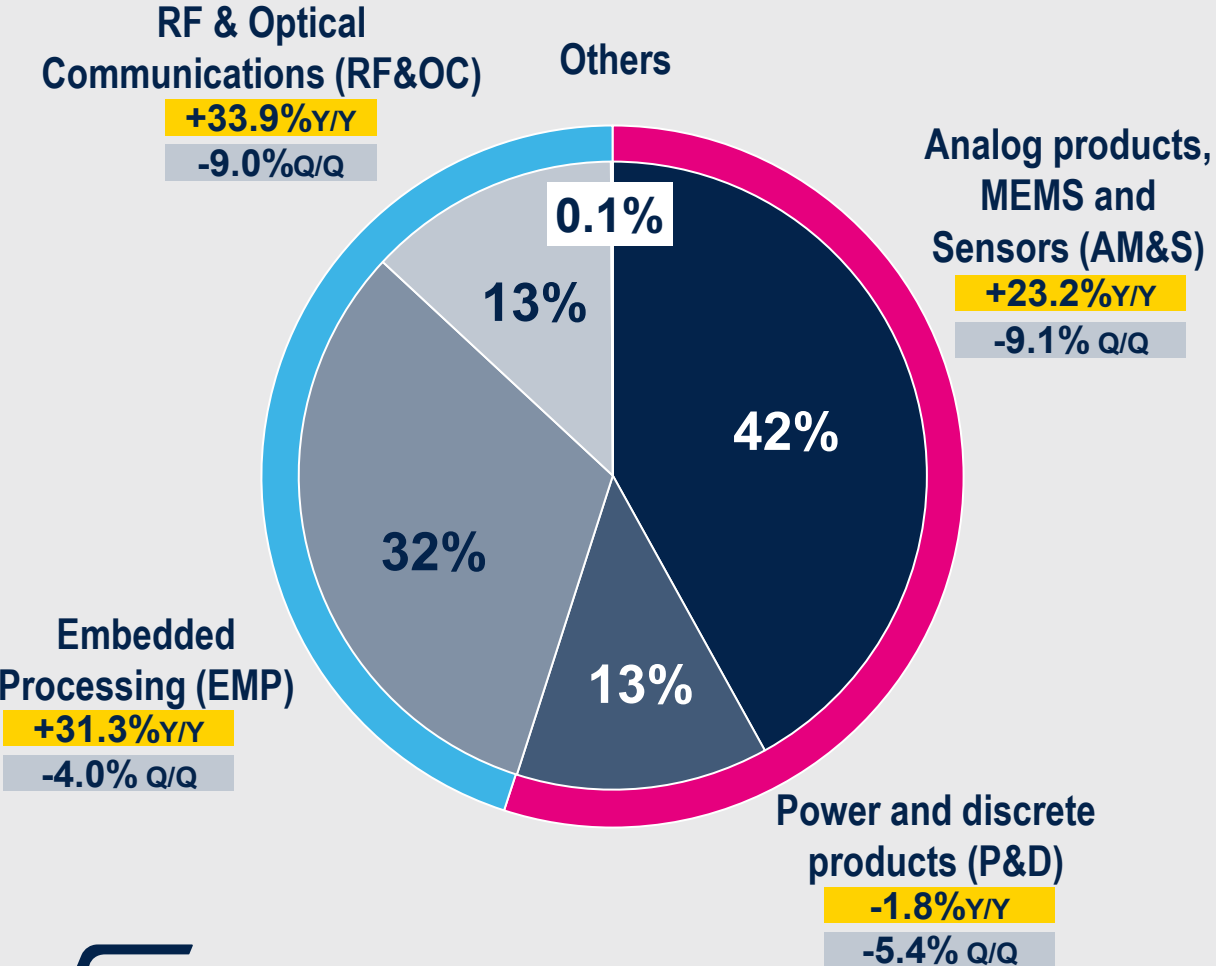
Gross margin expected to be about 34.8% at the mid-point. Non-U.S. GAAP\* gross margin is expected to be about 35.2%.

ST is now strategically positioned to capture upside from new AI driven programs, leveraging specialized technologies to enable the evolving AI infrastructure, confirming our datacenters revenue expectation nicely above \$500M for 2026 and well above \$1B for 2027.



# Q1 2026 Revenues dynamic

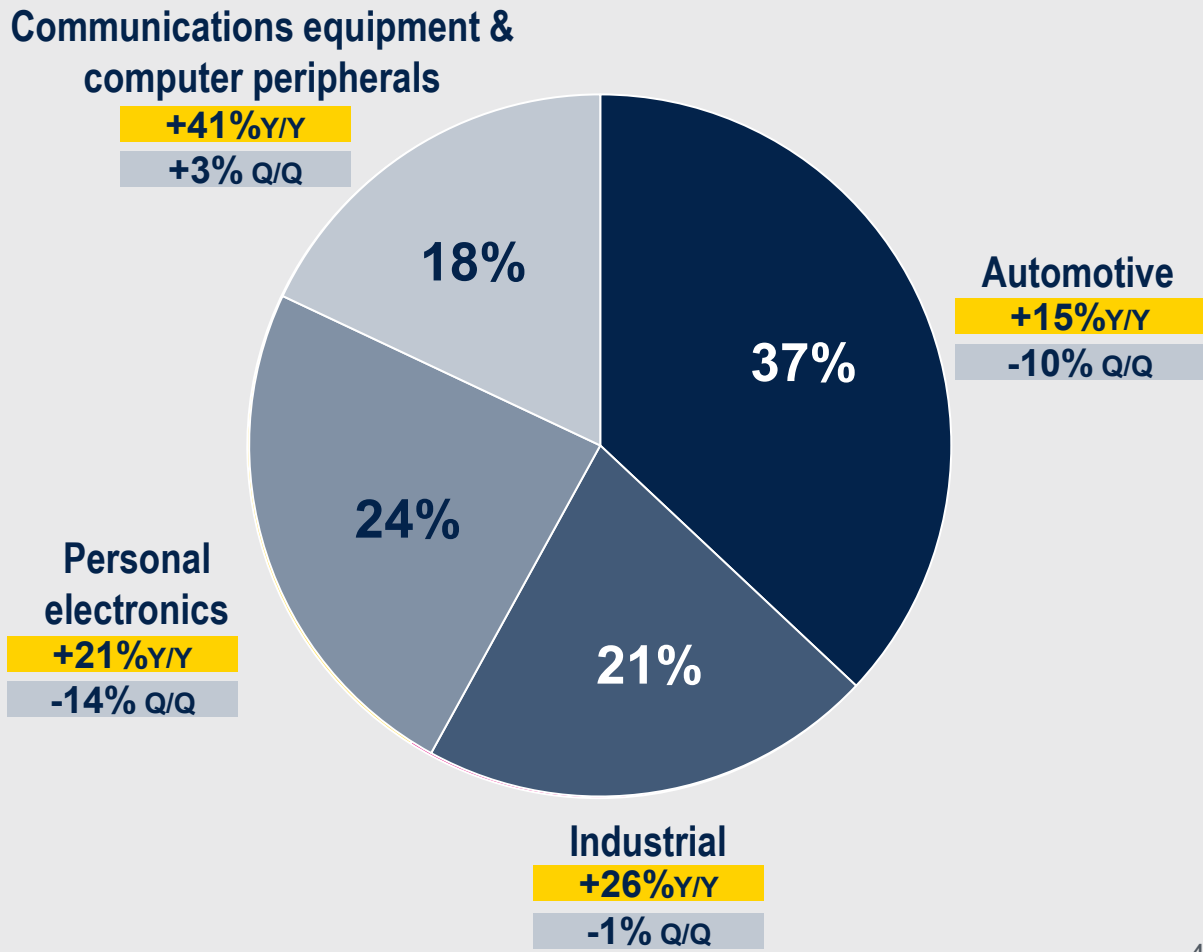
## % by reportable segments



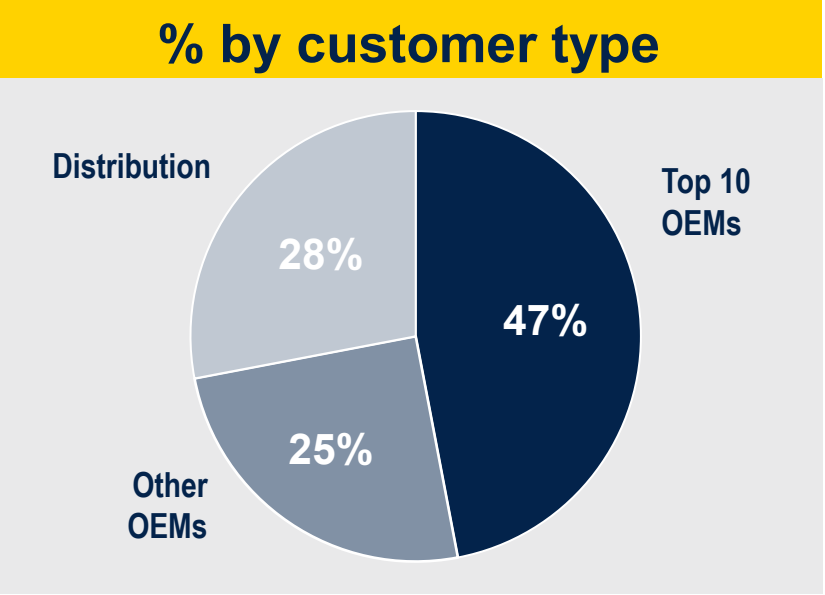
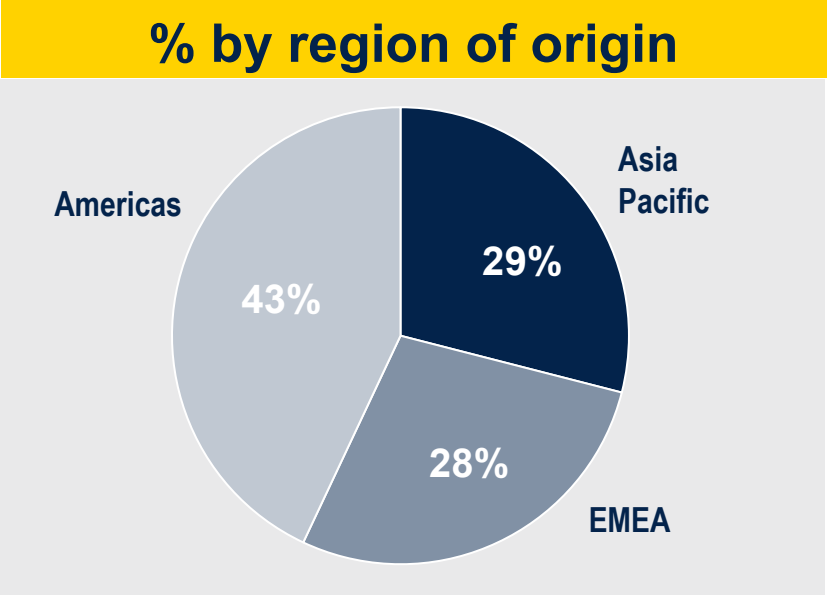
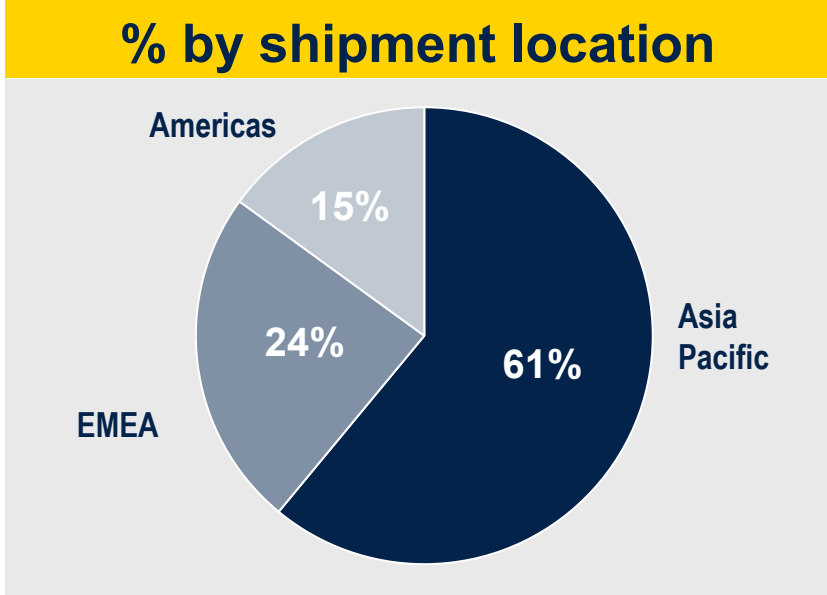
■ Analog, Power & Discrete, MEMS and Sensors (APMS)  
■ Microcontrollers, Digital ICs and RF products (MDRF)



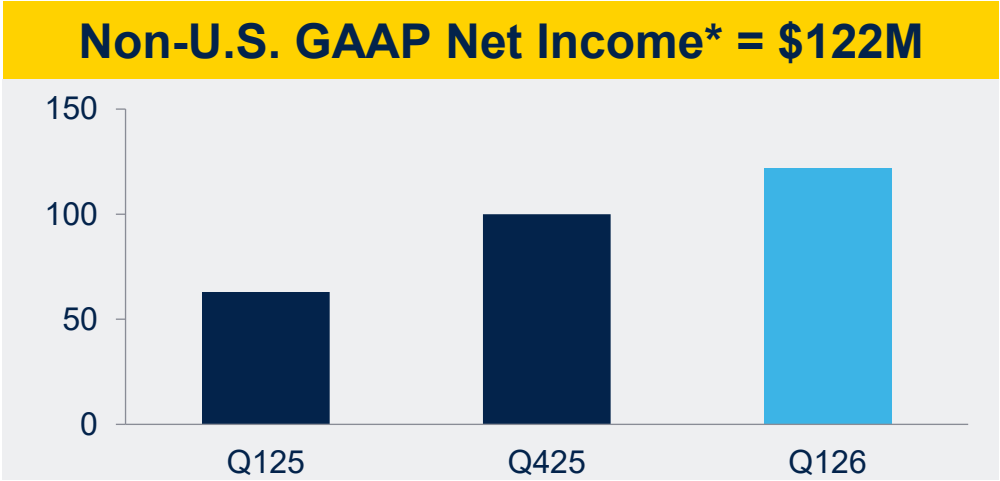
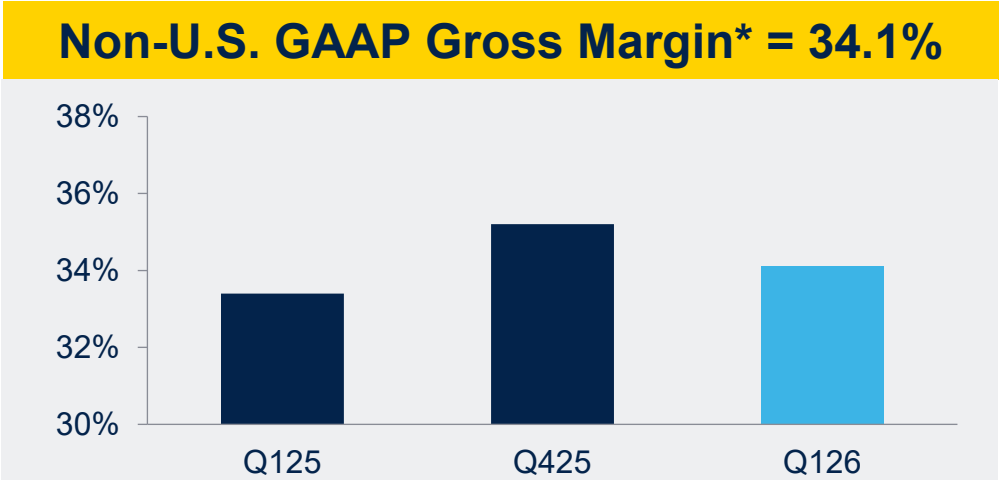
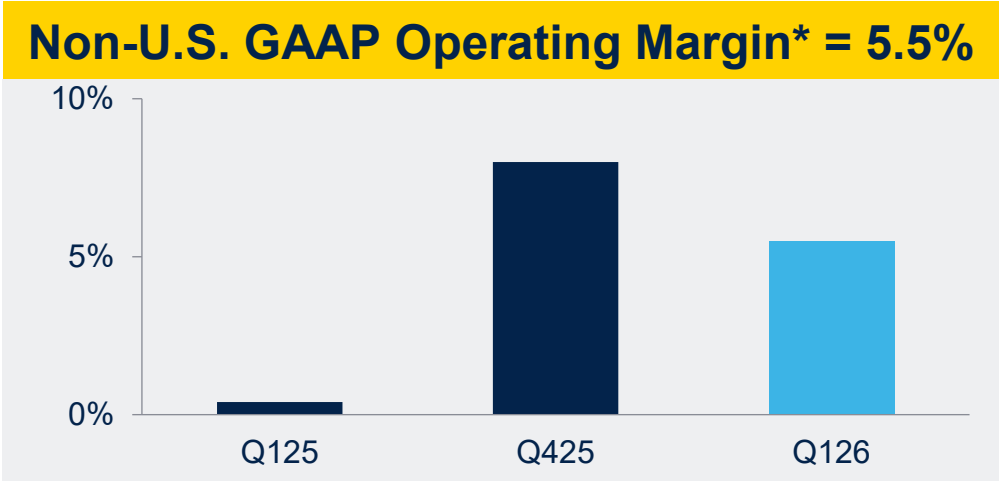
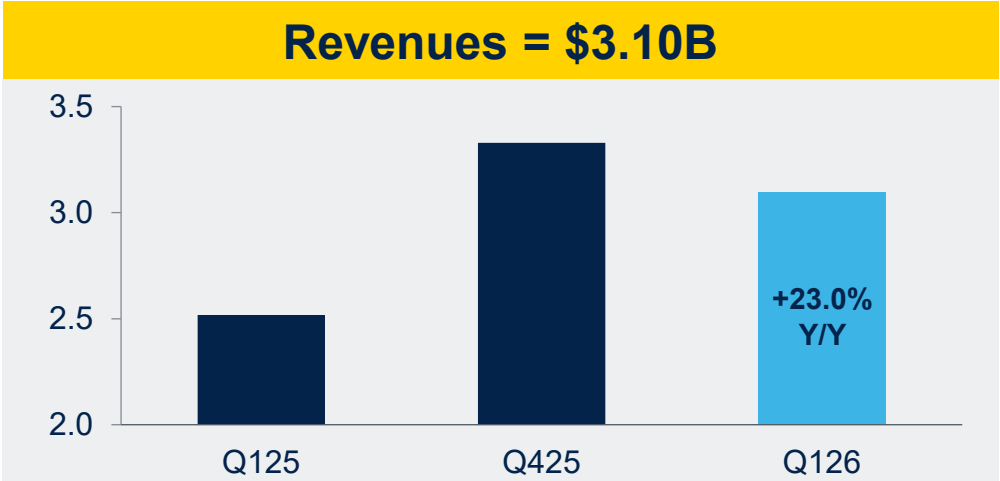
## % by end market



# Q1 2026 Revenues

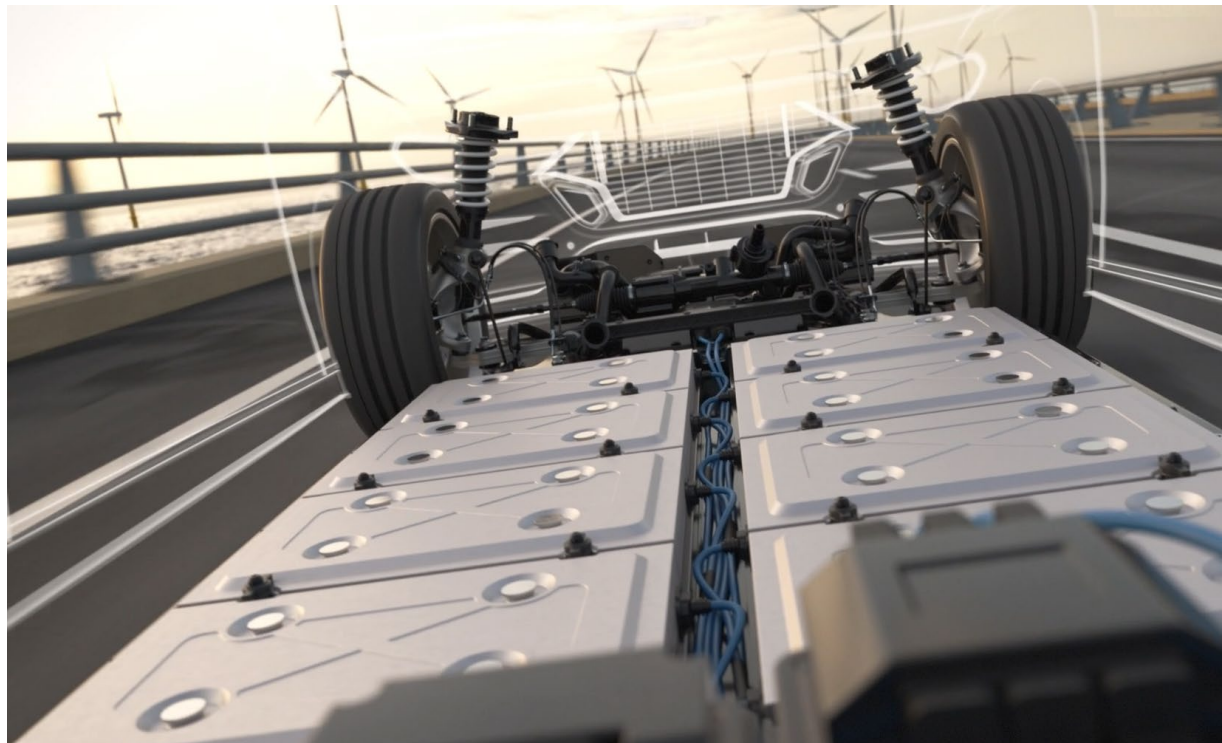


# Q1 2026 Financial highlights

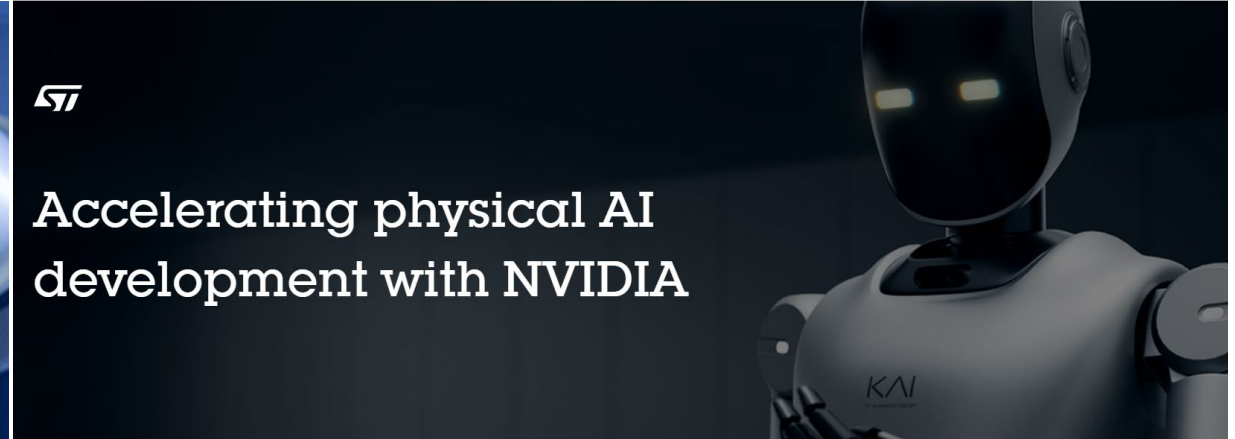


\*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.

# Q1 2026 Business dynamics Automotive



# Q1 2026 Business dynamics Industrial



# Q1 2026 Business dynamics

## Personal electronics



Qualcomm

Support for motion-sensing and secure wireless technologies on Qualcomm' Snapdragon Wear Elite



# Q1 2026 Business dynamics Communications Equipment & Computer Peripherals

## Datacenter revenue

Nicely above \$500 million for 2026  
and well above \$1 billion for 2027

In a **major development**, we expanded **strategic engagement with AWS** through multi-year, multi-billion USD commercial engagement

Expansion of **800 Volt DC AI datacenter power conversion** portfolio with new 12V and 6V architectures with NVIDIA

Start of high-volume production for **silicon photonics platform** used by hyperscalers for data centers and AI clusters optical interconnect

## LEO satellite business

New power amplifier controller based on BCD technology  
Ramping shipments to 2<sup>nd</sup> largest customer



## Key milestones

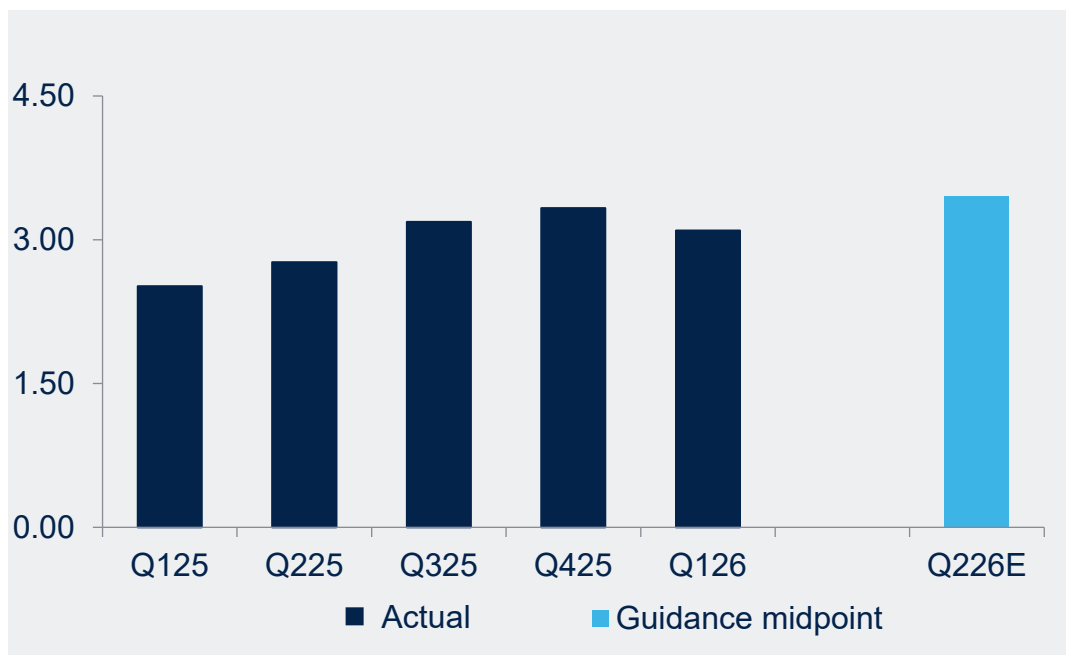


Carbon neutral\* by 2027

Sourcing 100% renewable electricity by 2027  
(86% in 2025)

\*on scope 1 & 2 and focusing on product transportation, business travel and employee commuting emissions for scope 3

## Q126 Revenues = \$3.10B



### Q126 revenues up 23.0% Y/Y

- AM&S increased 23.2%, P&D declined 1.8%, EMP increased 31.3% and RF&OC 33.9%.
- By end market, Automotive Increased 15%, Industrial 26%, Personal Electronics 21% and CECP increased 41%.
- Revenues to OEMs and Distribution increased 24.5% and 19.2%, respectively.

### Q126 revenues down 7.0% Q/Q

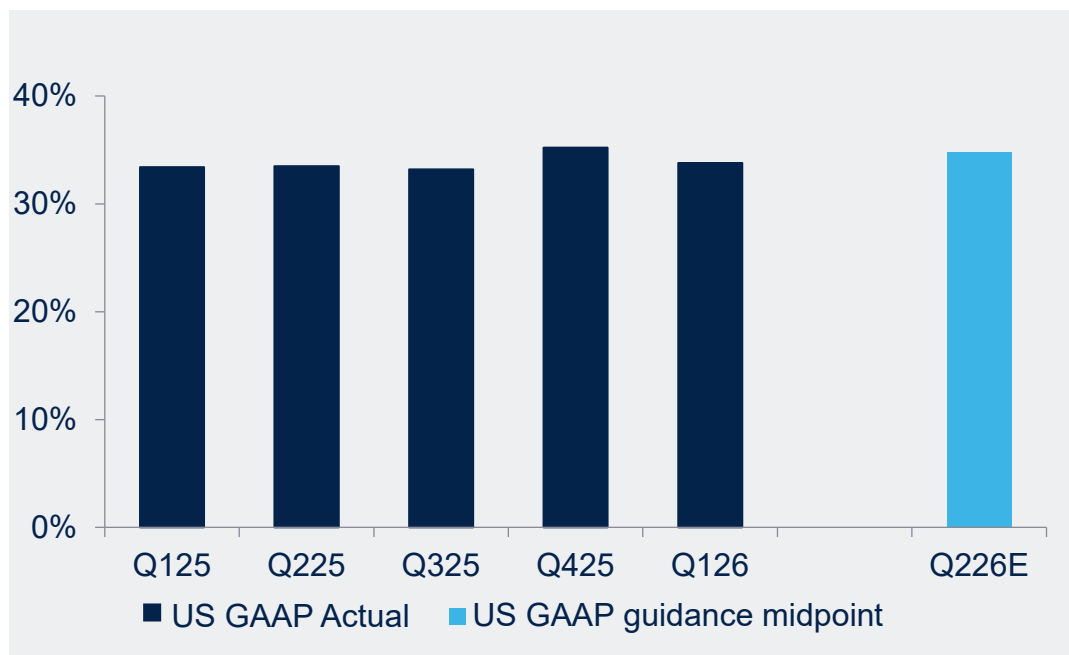
- 170 bps better than the mid-point of the Company's guidance.
- Decline of 9.1% in AM&S, 5.4% in P&D, 4.0% in EMP and 9.0% in RF&OC.
- By end market, Q/Q Automotive was down 10%, Industrial 1%, Personal Electronics 14% and CECP was up 3%.

### Q226 Revenues Outlook

Up Q/Q by about 11.6% (+/- 350 bps)  
Up Y/Y by about 24.9% at mid-point

# Gross margin

**Q126 Gross Margin = 33.8%**  
**Q126 Non-U.S. GAAP\* Gross Margin = 34.1%**



## Q126 Gross Margin

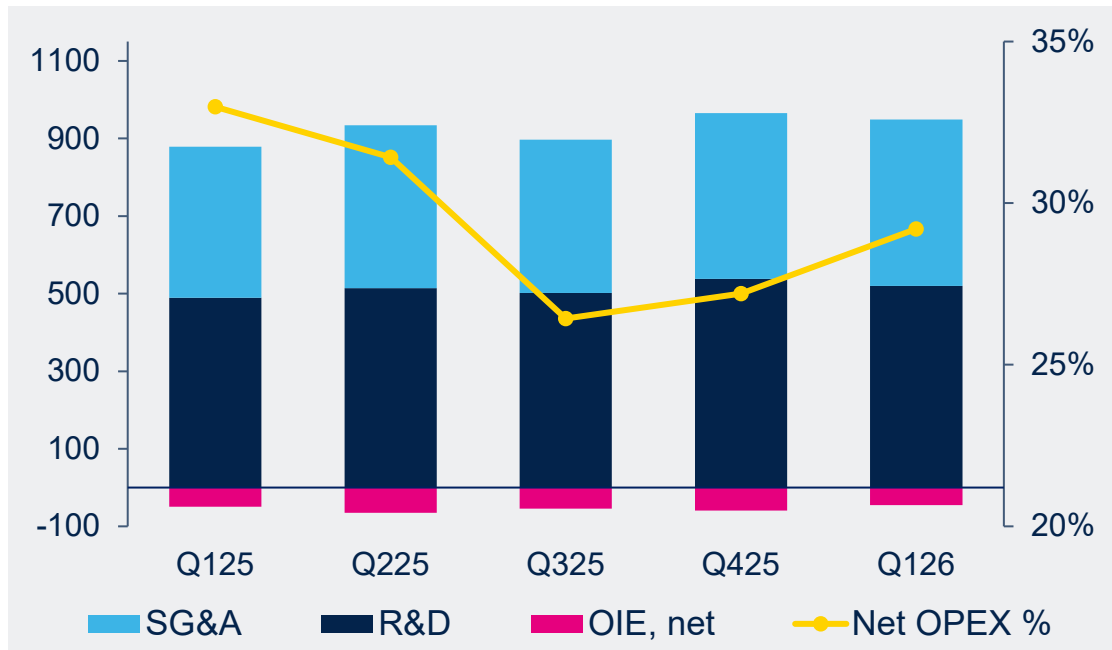
- Up 40 bps Y/Y, mainly due to lower unused capacity charges and better product mix. Q/Q gross margin decreased by 140 bps.
- Gross profit included \$11M PPA effects from the acquisition of NXP's MEMS sensor business. Non-U.S. GAAP\* Gross Margin, excluding this item, was 34.1%.
- Excluding the impact from NXP's MEMS sensor business and related PPA effects, gross margin stood at 33.9%, 20 bps better than the mid-point of ST's guidance.

**Q226 Gross Margin Outlook about 34.8% (+/- 200 bps)**  
**Q226 Non-U.S. GAAP\* Gross Margin Outlook about 35.2% (+/- 200 bps)**



# Net operating expenses\*

**Q126 Net Operating Expenses = \$904M**  
**Q126 Non-U.S. GAAP\*\* Net Operating Expenses = \$885M.**



- **Q126 Net Opex \$904M** (29.2% of revenues).
- Excluding the PPA effects from the acquisition of NXP's MEMS sensor business, **non-U.S. GAAP\*\* Net Opex at \$885M.**
- Non-U.S. GAAP\*\* net Opex included NXP's MEMS sensor business Opex, and a one-off impact related to a settlement with a supplier. Excluding these two items, non-U.S. GAAP\*\* net Opex broadly in line with expectations given in January.

**Q226 Non-U.S. GAAP\*\* Net Operating Expenses** to stand between \$950 and \$960 million

**FY26 like-for-like Net Opex up mid to high single-digit Y/Y**, as we are accelerating investments in new business opportunities

Including NXP's MEMS sensor business acquisition and FX impact, **FY26 Net Opex to be up low-double digit Y/Y**



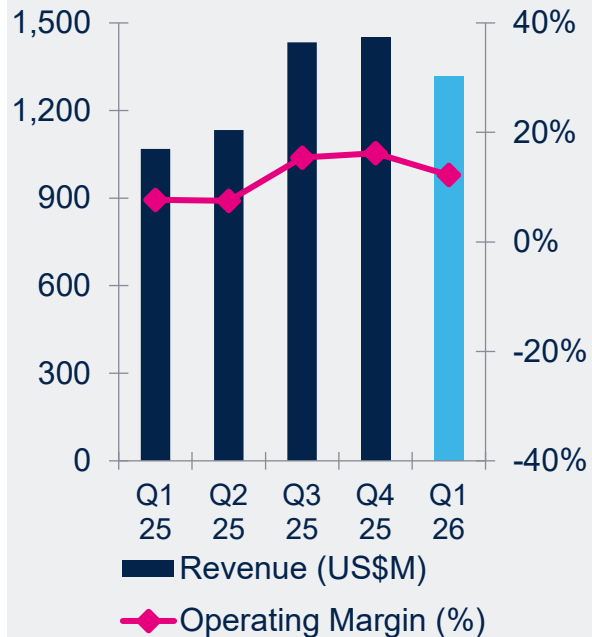
\*Net operating expenses: R&D + SG&A + Other expenses (- Other income). They exclude Impairment, restructuring charges and other related phase-out costs.

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

# Q1 2026 Reportable segments results

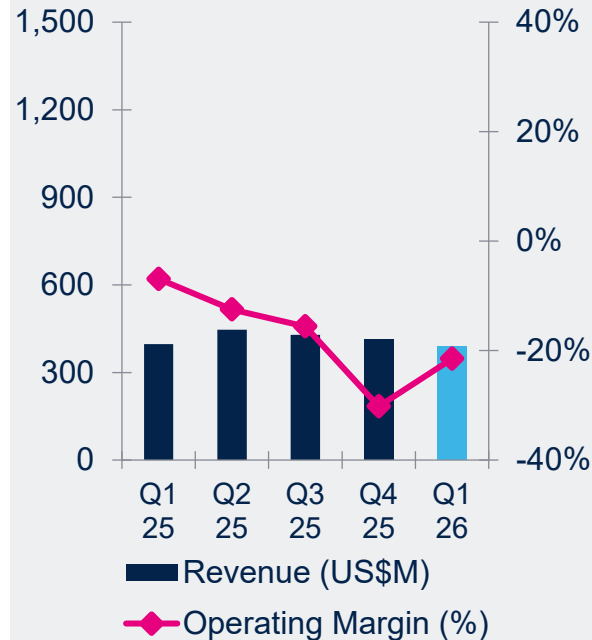
## Analog products, MEMS and Sensors (AM&S)

Revenues = \$1,318M  
Operating Margin = 12.2%



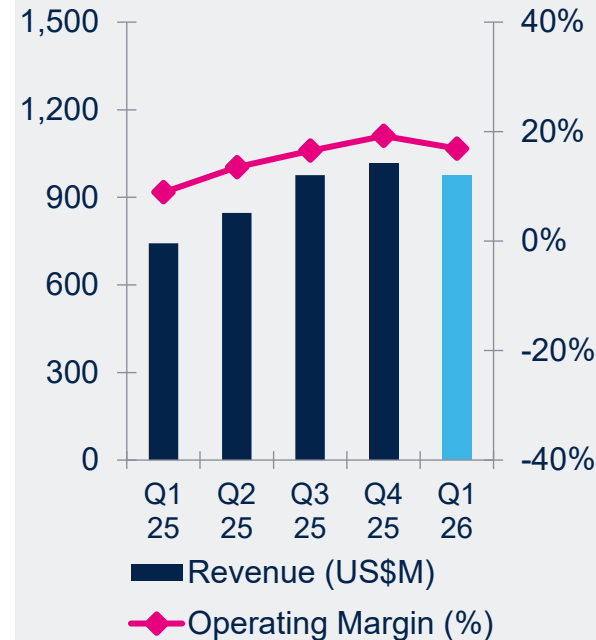
## Power and discrete products (P&D)

Revenues = \$389M  
Operating Margin = -21.5%



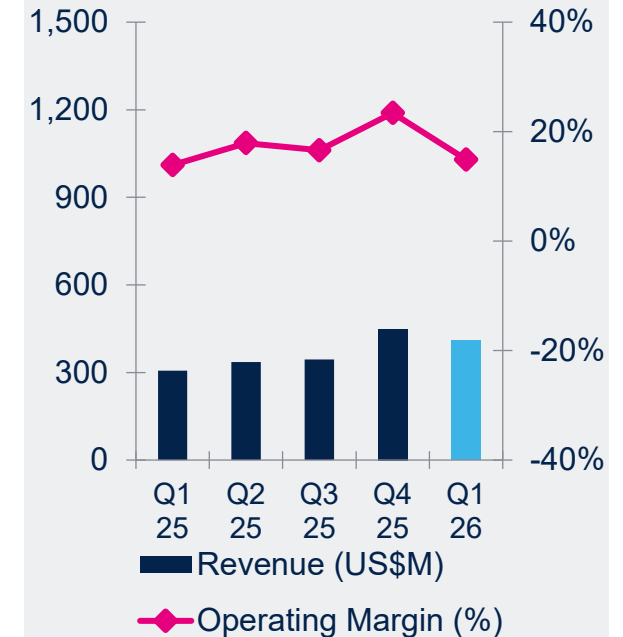
## Embedded Processing (EMP)

Revenues = \$975M  
Operating Margin = 16.9%



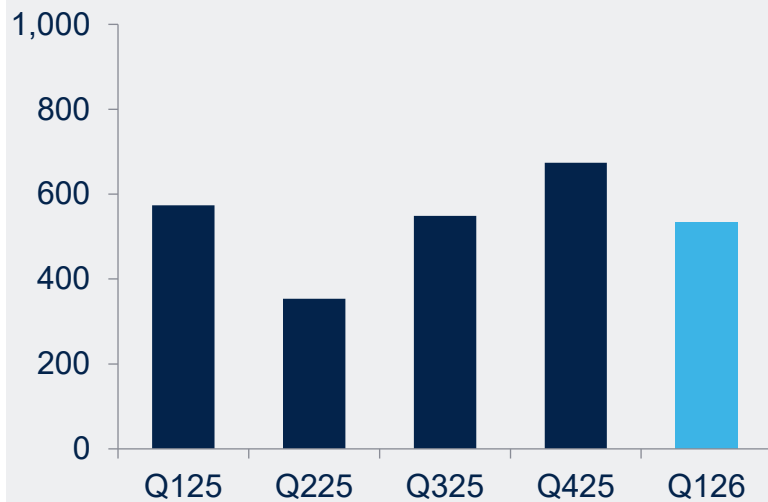
## RF & Optical Communications (RF&OC)

Revenues = \$409M  
Operating Margin = 14.9%

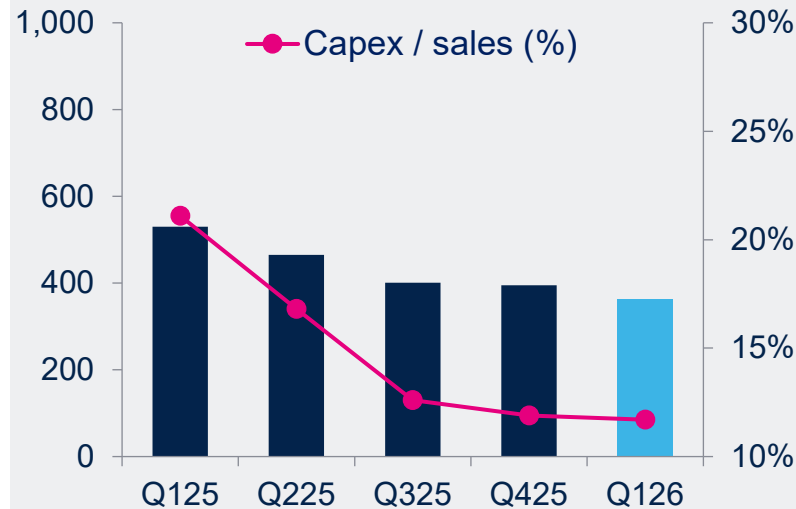


# Q1 2026 Financial flexibility

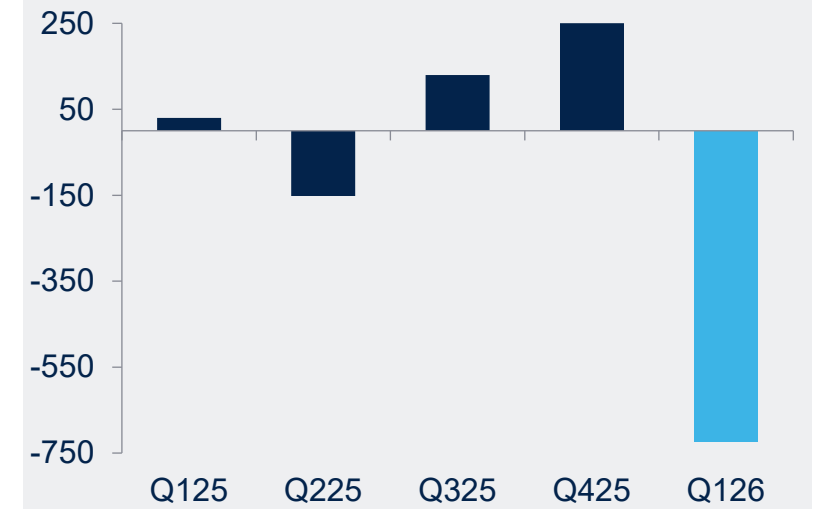
## Net Cash From Operating Activities = \$534M



## Net Capex\* = \$362M



## Free Cash Flow\* = \$-723M\*\*



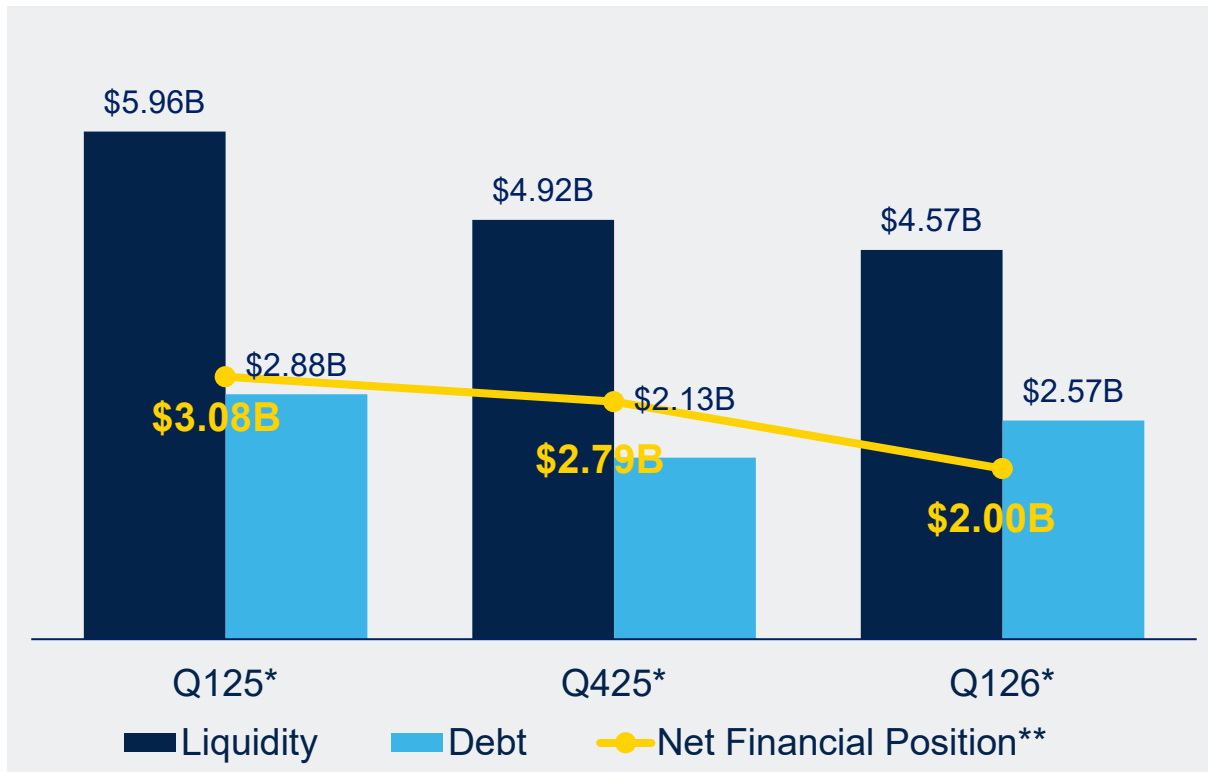
Cash dividends paid to stockholders totaled \$71M in Q126.



\***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 BBB+ with Negative 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 \$2.71B as of March 29, 2025, \$2.46B as of Dec 31, 2025, and \$1.69B as of March 28, 2026.

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

# Q2 2026 Outlook

## Net Revenues

Q226 outlook, at the mid-point, is for net revenues of **\$3.45B**, increasing Y/Y by 24.9% and Q/Q by 11.6%, plus or minus 350 bps.

## Gross Margin

Gross margin is expected to be **about 34.8%**, +/- 200 bps

Non-U.S. GAAP\* Gross margin is expected to be **about 35.2%**, +/- 200 bps

*The second quarter will close on June 27, 2026.*

*This outlook is based on an assumed effective currency exchange rate of approximately \$1.15 = €1.00 for Q226 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.*

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



# Takeaways

In Q1, despite the macroeconomic uncertainty, we saw improving demand with strong booking and normalized inventory in distribution.

In Q2 we expect revenues well above average seasonality, as well as an increased gross margin. We have a clear path to improve gross margin while staying at the forefront of innovation.

We expect 2026 revenues to show double-digit growth. Beyond our addressable market dynamics and our already engaged customer programs, this will be driven by new AI programs, for which we leverage our specialized technologies to enable the evolving AI infrastructure.

# Call “ST: The LEO opportunity”

As we did in March for Cloud AI and for Intelligent Sensing, on May 4 we will host a dedicated call on ST’s LEO satellites, explaining how we are going to achieve our ambition of well above \$3B cumulative revenues over the period 2026-2028 for this opportunity.

# Appendix

# Historical financial performance

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

\***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, and \$1,686M in Q126.

\*\*\***Q126 Free cash flow** includes \$895 million cash-out related to the acquisition of NXP MEMS sensor business.



# 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, 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
Unused Capacity Charges	123	103	102	88	416	69
Impairment, restructuring charges and other related phase-out costs	8	190	37	141	376	71
PPA effects from the acquisition of NXP's MEMS sensor business	-	-	-	-	-	30

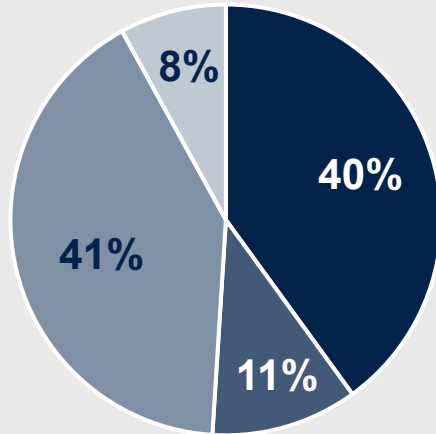


# Historical Revenues and Operating Margin by Product Groups and Reportable Segments

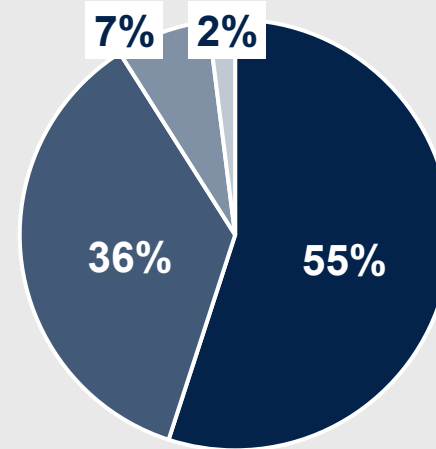
<i>US\$M</i>	<b>Q125</b>	<b>Q225</b>	<b>Q325</b>	<b>Q425</b>	<b>FY25</b>	<b>Q126</b>
<b>Analog products, MEMS and Sensors (AM&amp;S)</b>						
Revenue	1,069	1,133	1,434	1,449	5,085	1,318
<i>Operating Margin</i>	7.7%	7.5%	15.4%	16.2%	12.3%	12.2%
<b>Power and discrete products (P&amp;D)</b>						
Revenue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

# FY 2025 Reportable segment revenues by end market

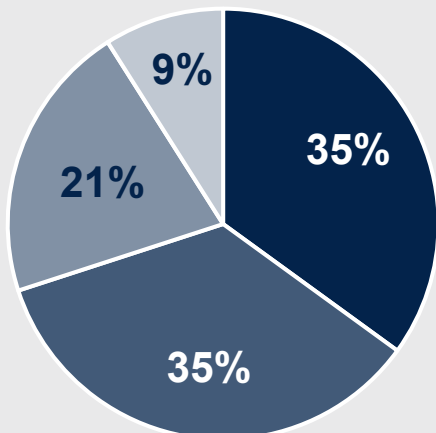
Analog products, MEMS and Sensors (AM&S)



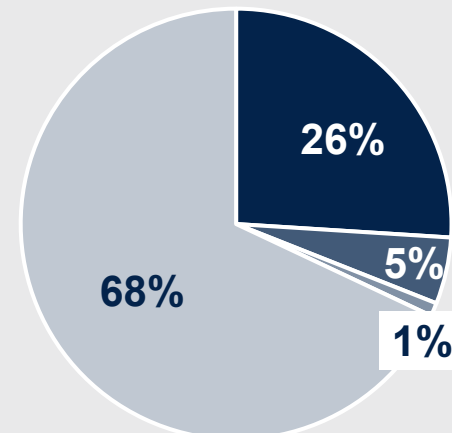
Power and discrete products (P&D)



Embedded Processing (EMP)



RF & Optical Communications (RF&OC)



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



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