Good morning and thank you for joining ST on our conference call. First of all, I hope you, your families and your colleagues are all safe and healthy.

Also, I would like to highlight the extraordinary efforts of our employees and to thank them again for their dedication and professionalism to overcome the challenges this pandemic has created.

Now to ST’s results and plans, let me begin with some opening comments.

Starting with Q1:

- Year-over-year, net revenues grew 7.5% to $2.23 billion. Our operating margin increased to 10.4% and our net income rose 7.9% to $192 million.
- On a sequential basis, net revenues came in about 5% below the mid-point of our outlook when entering the quarter. The COVID-19 outbreak and subsequent containment measures by
governments around the world brought challenges in our manufacturing operations and, especially in the last few days of the quarter, logistics. Our Q1 gross margin of 37.9% was largely in line with our mid-point target.

• Our free cash flow during the first quarter was $113 million, including CAPEX of $266 million.
• We exited the first quarter with a stable net cash position of $668 million, available liquidity of $2.7 billion and available credit facilities of $1.1 billion.

On Q2 2020:
At the midpoint of our guidance, we expect net revenues in the second quarter to be about $2.0 billion, leading to a gross margin of about 34.6% that includes about 400 basis points of unsaturation charges. Our guidance is taking into account the declining demand environment, especially in Automotive, as well as the operational and logistics challenges due to current regulations.

For the full year 2020:
• We will drive the company based on a plan for FY20 revenues between $8.8 billion and $9.5 billion. We plan for growth in the second half, over the first half of the year, to be in the range of
$340 million to $1.04 billion at the midpoint of our Q2 guidance, based on the evolution of the market.

- As a consequence, we have reduced our CAPEX expectations for 2020 from $1.5 billion to between $1.0 billion to $1.2 billion.

Now, let’s move to a detailed review of the first quarter.

Net revenues increased 7.5% year-over-year, with higher sales of Imaging, Analog and Microcontrollers, in part offset by lower sales in Automotive, Power Discrete and Digital. Year-over-year sales to OEMs increased 22.5% and to Distribution decreased 21.4%.

On a sequential basis, net revenues decreased 19.0%, about 5% below the midpoint of our guidance. The COVID-19 outbreak and subsequent containment measures by governments around the world brought challenges in our manufacturing operations and, especially in the last few days of the quarter, logistics. All product group revenues declined on a sequential basis.

Our gross profit totaled $846 million, representing a year-over-year increase of 3.5%.
The gross margin of 37.9% decreased 150 basis points year-over-year, mainly impacted by price pressure and unsaturation charges, including the ones associated with the COVID-19 workforce related restrictions. More specifically, unsaturation charges were 150 basis points in Q120, compared to zero in Q119 and to our estimate of 80 basis points in our Q120 guidance. Our first quarter gross margin was 10 basis points below the mid-point of our guidance, as product mix and price evolution were better than expected.

Our first quarter operating margin was 10.4%, increasing 20 basis points on a year-over-year basis, with the improvement of AMS operating margin compensating the decrease in MDG and ADG. Net operating expenses, at $610 million, were below what we anticipated when entering the quarter.

Our net income increased 7.9% to $192 million on a year-over-year basis and our diluted earnings per share were $0.21.

Looking at the product group revenue performance on a year-over-year basis:
• ADG revenues decreased 16.6%, mostly due to supply constraints and, particularly in Automotive, to a weaker than expected demand.
• AMS revenues increased 54.3%, on higher Imaging and Analog sales mainly for Personal Electronics applications, while MEMS sales were essentially flat.

• MDG revenues increased 1.0%, with growth in microcontrollers mainly driven by distribution in Asia, partially offset by lower digital IC sales.

By product group on a year-over-year basis:
• ADG operating margin decreased to 3.0% from 10.6%.
• AMS operating margin increased to 20.8% from 7.8%.
• and MDG operating margin decreased to 11.5% from 13.4%.

Net cash from operating activities increased 17.0% to $399 million in Q1, compared to $341 million in the year-ago period. Free cash flow was positive $113 million, including $266 million of CAPEX, compared to negative $67 million in the year-ago quarter.

During the first quarter we paid $53 million of cash dividends and we repurchased shares in the total amount of $62 million as part of our existing programs.

Our net financial position was $668 million at March 28, 2020, stable compared to $672 million at December 31, 2019. It reflected
total liquidity of $2.71 billion and total financial debt of $2.04 billion. We also have committed credit facilities for $1.1 billion equivalent which are currently undrawn, including a new €500 million long-term line with the European Investment Bank.

Let me now address the supply chain situation during the first quarter.

During Q1, all countries where we operate decided to apply lockdown measures. In coordination with local authorities, we have been able to limit the temporary assembly and test site closures to: 14 days in Shenzhen (7 days above what was already planned), 2 days in Muar (Malaysia) and 1 day in Calamba (Philippines). We did not close any wafer fab.

During this period, we managed to keep all our manufacturing sites operational, at reduced workforce levels, keeping the most stringent health and safety measures. Our business continuity plans enabled us to continue to support our customers, and to continue to execute our R&D programs.
However, this unprecedented situation created logistic challenges as well, impacted revenues and resulted in higher unsaturation charges.

Let’s now discuss the market and business dynamics.

In Automotive, during March we started to see signs of slowdown in demand, especially for legacy automotive in Europe and in the US, as a consequence of the shutting down of many carmakers and Tier-1s production lines around the world. However, we are now starting to see some early signs of recovery in China.

In the meantime, we continued to support the electrification and digitalization trends of our customers’ designs for smart mobility applications.

In car electrification, during the quarter we won several sockets for automotive-grade diodes for On Board Chargers at major Tier1s and OEMs, as well as projects with high-voltage silicon MOSFETs for inverters and charging stations. We also earned wins for two programs for Battery Management Systems.
We had important developments in our wide bandgap technology strategy, key for our Automotive business and also for other end markets. For Silicon Carbide (SiC), we are progressing with our technology, manufacturing and portfolio roadmap, and with customer programs. As of today we are engaged with 56 customers in 62 ongoing key programs. These programs are split around 50/50 between automotive customers and industrial customers. The SiC awarded projects count for a total of $2.8 billion in the 2020-2024 period.

The next wide bandgap technology we are investing in is Gallium Nitride (GaN). On April 7th, we closed the acquisition of a majority stake in French GaN innovator Exagan. Exagan’s expertise in epitaxy, product development and application know-how will broaden and accelerate our power GaN roadmap and business for automotive, industrial and consumer applications.

We also announced that we are collaborating with TSMC to accelerate the development of Gallium Nitride process technology and the supply of both discrete and integrated GaN devices to market.
Moving to car digitalization, here we had wins in a variety of applications. These included our 32-bit Automotive MCUs in car access, switching, braking, and steer-by-wire applications, a major win for a power management IC in an ADAS system, and an award through our partner Autotalks for a V2X communications application.

Moving now to Industrial.

The dynamics in the quarter were mixed, with some applications already showing signs of demand slowdown (appliances, lighting), while others, such as healthcare, as could be expected, but also automation, remained healthy.

The situation in the distribution channel is showing some recovery in China, after a restart of operations, but a slowdown in Europe and in the US. On a year-over-year basis, point of sales at distributors remained stable, with an improvement in Asia offset by Europe and the US.

One of our objectives in Industrial is leadership in embedded processing solutions. To support this, we are continuously strengthening our offer in terms of hardware, software and
ecosystem around our microcontroller and microprocessor families. During the quarter we announced many additions to the STM32 microcontroller portfolio: new products in our low power and high performance MCU families and the world’s first LoRa® System-on-Chip.

With our power discrete products for industrial applications we had wins with high- and low-voltage silicon MOSFETs and Intelligent Power Modules for power supplies, solar-power converters, home appliances and power tools from many manufacturers.

We also won several new designs with our analog products for industrial applications. For example, we received awards from multiple metering customers for smart power and ASIC products, by home appliance makers for power conversion and motion-control products, and by machine manufacturers for vibration and environmental monitoring with industrial-grade MEMS sensors.

Moving now to Personal Electronics.

While short-term smartphone consumer demand is clearly impacted by retail lockdowns and the inability to purchase devices, we observed sustained semiconductor demand during the quarter.
This is also driven by increased demand for tablets and gaming devices, as well as accessories. Importantly, customer demand for innovation-driven content is still solid.

In this end market we are leading in very specific high-volume smartphone applications as well as in wearables, accessories and gaming devices. During the first quarter, we continued to win designs and ramp production in flagship customer devices.

Some examples include: a variety of sensors – time-of-flight ranging sensors, ambient-light, motion and water-proof pressure sensors -, secure solutions such as eSIM and secure elements, and analog solutions such as smart-power, touch, display, and charging products.

A number of the smartphones in which we won designs were 5G models. We were awarded several 5G designs with our RF mixed signal technologies – this is in line with another of our stated market objectives.

In our last end market, Communications Equipment and Computer Peripherals, we had many design wins ranging from time of flight
and motion sensors for PCs to industrial inertial sensors in mobile infrastructure with multiple leading manufacturers.

In this market during the quarter, we saw a stable situation for hard-disk drives and enterprise servers, as well as demand for 5G-related products in China.

Now, let’s move to a discussion of the second quarter and some comments on the full year 2020.

For the second quarter, we expect net revenues to be about $2.0 billion and a gross margin at about 34.6%. This outlook is taking into account the declining demand environment, especially in Automotive, as well as the ongoing operational and logistics challenges due to current governmental regulations. We anticipate that all our manufacturing sites will continue to be operational. However, some of them will run at reduced capacity, leading to about 400 basis points of unsaturation charges embedded in the gross margin guidance.

For the full year:
We are driving our company with a clear plan. It is a sales and operating plan based on our current view of the market, as well as
on continuous customer interaction. It is also a plan that, in the framework of an already solid financial situation, aims at further increasing our financial flexibility, acknowledging the short-term global challenges while also supporting our unchanged long-term strategy and its objective.

We will drive the company based on a plan for 2020 full year revenues between $8.8 billion and $9.5 billion.

With Q2 expected to be the most challenging quarter, our plan anticipates growth in the second half over the first half to be in the range of $340 million to $1.04 billion.

This growth will be driven by already engaged customer programs and by the removal of supply constraints. The growth range is linked to the evolution of the market.

As a consequence, we have reduced our CAPEX plan from $1.5 billion to a range between $1.0 billion to $1.2 billion, related to reduced additional capacity needs. Our strategic initiatives are all confirmed, although with some short-term schedule adjustments.
While we are protecting our R&D, sales & marketing programs and transformation initiatives, we will keep a strict discipline on controlling operating expenses. However, as the company is taking up non-recurring expenses for solidarity initiatives (donations both in cash and equipment/materials) or for exceptional incentives for our employees at work, we have also launched an internal initiative whereby the management team will reduce their base salary for the next two quarters as their own contribution.

In order to further increase our financial flexibility, we will not execute any transaction on our current share buy-back program in the second half of the year.

To conclude:

- In response to the global COVID-19 pandemic, we will continue to ensure the health and safety of all our employees and to execute our business continuity plans, working with our customers, partners and the communities where we operate.
- We have a sales and operational plan for this challenging year, targeting growth in the second half over the first half.
- ST is in a solid position from a capital, liquidity and balance sheet perspective. We will maintain our financial strength.
• We will also continue to advance our long-term strategy and objectives, together with our employees: for the benefit of our customers, partners, communities and for our shareholders.

Now, before starting the Q&A session, I would also like to mention the other press release we have issued this morning. Taking into account the increasing global societal and economic turmoil caused by the COVID-19 outbreak, ST’s Supervisory Board is now proposing a decrease in the 2019 dividend from US$0.24 to US$0.168 per share, with the authorization to consider, during September 2020, to increase such dividend up to a maximum of US$0.24 per share. The updated dividend resolution will be proposed at the 2020 AGM which is now postponed to June 17, 2020.

Thank you, and we are now ready to answer your questions.