

Good morning everyone and thank you for joining ST for our Q3 2026 earnings conference call.

I will start with an overview of the third quarter, including business dynamics, and I will hand over to Lorenzo for the detailed financial overview. I will then comment on the outlook and conclude before answering your questions.

So, starting with Q3:

- Our third quarter net revenues of \$3.76 billion came in above the mid-point of our business outlook range, mainly due to higher revenues in CECP, driven by AI datacenter and LEO satellite communications, and Personal Electronics.
- Gross margin was 37.3%, above the mid-point of our business outlook range. Non-U.S. GAAP Diluted Earnings Per Share was \$0.37.
- During the third quarter, inventory in our Balance Sheet increased slightly to support the expected increase in Q4 revenues. In distribution, inventory decreased and continued to track below our standard target.
- We generated positive Free-Cash-Flow of \$351 million.

Let's now discuss our business dynamics during Q3.

During the quarter, the ongoing recovery and secular growth across the end markets we serve continued to gain momentum. Demand strengthened further in Q3, with bookings increasing sequentially and book-to-bill remaining well above 2 overall. Book-to-bill was well above 1 in all end markets, and significantly above 2 in CECP and Industrial. Visibility improved, inventory in distribution continued to track below our standard target, and demand continued to outpace supply across multiple product categories.

Automotive revenues were stable sequentially and increased 5% year-over-year.

Our solid position in automotive continued to be driven by application-specific ICs and sensors for core applications, electrical powertrain, and ADAS.

We maintained our automotive design-win momentum with OEMs and Tier 1 suppliers across the portfolio of ST product families including microcontrollers and power and discrete. These wins covered hybrid, electric, and internal combustion engine vehicles, in areas including onboard charging, powertrain, and active suspension, as well as a first award for 48V electro-mechanical braking.

We made progress with our automotive MEMS business, supported by the successful integration of NXP's MEMS sensors, achieving several key customer awards in telematics, cockpit control, and tire-pressure monitoring.

We had another important design win with our in-cabin monitoring solutions, and we introduced a new automotive image sensor for infrared in-cabin sensing, designed to extend driver and occupant monitoring across more vehicle models.

Industrial revenues improved 12% sequentially and 40% year-over-year. This solid growth was mainly driven by our general-purpose microcontrollers, analog and power conversion products.

During Q3, the broad-based recovery in industrial continued, and inventory in distribution declined further, remaining below our standard target.

We had design wins across industrial automation, robotics, power systems, building automation, power tools, and home appliances.

Our portfolio combines intelligent sensing, real-time control, and efficient power management to support the transformation of factory automation, robotics, and power and energy infrastructure and the growing Physical AI market.

At the Embedded World North America event we had a demonstration together with NVIDIA illustrating our broad cooperation on robotics. We showed an integrated robotics development path from digital twin to deployed application, based on our inertial sensors, microcontrollers and imaging solutions.

We are continuing to strengthen these capabilities with new products. Our latest launch is a miniature 6-axis motion sensor with a machine learning core designed to improve accident alerts, robot teaching, drone stabilization, and structural monitoring. By bringing AI processing into the sensor, systems can reduce energy use and save resources.

In Embedded Processing, we continue to expand our STM32 offering with a strong pipeline of new products and software innovations. You will hear more about these at our STM32 Summit on November 3rd, followed by a dedicated STM32 analyst call on November 18th.

For **Personal Electronics**, third quarter revenues came in better than expected, up 12% sequentially and down 4% year-over-year.

During the quarter we had design wins with secure solutions, MEMS and imaging sensors and microcontrollers across a variety of devices including smartphones, gaming headsets, earbuds, and smart rings.

For **Communications Equipment and Computer Peripherals**, third quarter revenues were above expectations, increasing 14% sequentially

and 64% year-over-year.

This strong growth mainly reflected the contribution of our company-specific growth drivers in AI datacenters and LEO satellite communications.

For AI datacenters, we continued to see strong demand driven mainly by our silicon photonics ICs, electronic ICs, and microcontrollers, as well as power solutions. This supports our revenue expectation for 2026 of about \$1.3 billion and, assuming the current dynamic continues and with the current engagements we have, our revenue ambition of well above \$2 billion in 2027, and further growth beyond.

Now over to Lorenzo, who will present our key financial figures.

Thank you, Jean-Marc, and good morning, everyone.

Let's start with a detailed review of the third quarter. Starting with revenues, on a year-over-year basis.

By reportable segment,

- Analog products, MEMS and Sensors grew 8.8% mainly due to MEMS and, to a lesser extent, Analog and Imaging;
- Power and Discrete products increased 11.3%;
- Embedded Processing revenues were up 24.1%, mainly due to General Purpose MCU; and

- RF Optical Communications grew 46.2%.

By end-market, Communications Equipment and Computer Peripherals grew 64%, Industrial 40%, and Automotive 5%, while Personal Electronics decreased 4%.

Year-over-year, sales to OEMs and Distribution increased 10.2% and 38.8%, respectively.

On a sequential basis, by reportable segment, Analog Products, MEMS and Sensors increased by 9.4%, Power and Discrete by 2.8%, Embedded Processing by 5.7% and RF Optical Communications by 13.4%.

By end market, on a sequential basis, Communications Equipment and Computer Peripherals grew 14%, Industrial 12%, and Personal Electronics 12%, while Automotive was flat.

Turning now to profitability:

Gross profit in the third quarter was \$1.40 billion, increasing 32.2% on a year-over-year basis.

Gross margin was 37.3%, increasing 410 basis points year-over-year, mainly due to lower unused capacity charges and better product mix. On a sequential basis, gross margin increased by 250 basis points.

Q3 gross margin included about 60 basis points of unused capacity charges and about 40 basis points of negative impact resulting from non-recurring costs related to our manufacturing reshaping program.

Looking beyond these near-term effects, improving our gross margin remains a key priority. We remain committed to achieving the 44% to 46% gross margin of our intermediate financial model, once our manufacturing reshaping plan is completed.

Starting from the approximately 39.0% gross margin expected for Q426, we see a clear path to margin expansion.

- First, Q426 temporary headwinds, including approximately 40 basis points from unused capacity charges and approximately 30 basis points from non-recurring costs associated with our manufacturing reshaping program, are expected to largely disappear during the second half of 2027.
- Second, we continue to expect more than 400 basis points of structural gross margin improvement from the reshaping of our manufacturing footprint. This benefit is expected to materialize as a step function, either toward the end of 2027 or in early 2028, subject to the shutdown of legacy fabs and customers' qualification timing.
- Finally, we expect better mix and price to contribute to margin expansion over time, while input cost increase is expected to be a headwind. The timing and magnitude of these effects remain more difficult to assess.

Moving now to total net operating expenses: in the third quarter these amounted to \$979 million excluding restructuring. Non-U.S. GAAP Opex stood at \$972 million, better than the indication we gave in July, reflecting continuing cost discipline.

For the fourth quarter of 2026 we expect non-U.S. GAAP net Opex to stand at about \$1.035 billion. The sequential increase is mainly due to the calendar days effect net of vacation. This would lead to FY2026 non-U.S. GAAP net Opex slightly above \$3.8 billion, in line with our expectations.

In the third quarter we reported operating income of \$367 million which included \$55 million for impairment, restructuring charges and other related phase-out costs. These charges are related to the execution of our company-wide program to reshape our manufacturing footprint and resize our global cost base. Q3 operating income also included \$7 million in Purchase Price Allocation (PPA) effects from our acquisition of NXP's MEMS sensor business.

Excluding these items, Q3 non-US GAAP operating income stood at \$429 million and non-US GAAP operating margin was 11.4%, with Analog Products, MEMS and Sensors at 14.1%, Power and Discrete at -17.1%, Embedded Processing at 23.1% and RF Optical Communications at 26.2%.

Third quarter 2026 net income was \$291 million, compared to \$237

million in the year-ago quarter. Diluted Earnings per share were \$0.31 compared to \$0.26.

Non-US GAAP net income stood at \$344 million and non-US GAAP diluted Earnings Per Share stood at \$0.37.

Net cash from operating activities totaled \$1.02 billion in the third quarter, compared to \$549 million in the year-ago quarter.

Net Capex was \$643 million in the third quarter compared to \$401 million in the year-ago quarter.

Free cash flow was positive at \$351 million in the third quarter compared to positive \$130 million in Q3 2025.

Inventory at the end of the quarter was \$3.25 billion, compared to \$3.19 billion in Q226 and \$3.17 billion in Q325. Days sales of inventory at quarter end were 126 days, better than our expectation, unchanged from the previous quarter and compared to 135 days in the year-ago quarter.

Cash dividends paid to stockholders in the third quarter of 2026 totaled \$83 million. In addition, ST executed share buy-backs of \$91 million.

ST maintained its financial strength with a net financial position that remained solid at \$2.11 billion as of September 26, 2026, reflecting total liquidity of \$5.31 billion and total financial debt of \$3.21 billion.

Following the exercise of the call option for the early redemption of ST's convertible debt due in 2027, bondholders exercised their conversion rights on the total of \$750 million convertible bonds. ST settled the bonds on a net-share basis, delivering \$750 million in cash and about 4.2 million shares from treasury stock.

Finally, while we are not providing quarterly indications for 2027, for modelling purposes, please note that 2027 will have 86 calendar days in Q1, 91 in Q2, 91 in Q3 and 97 in Q4.

Now back to Jean-Marc, who will comment on our outlook.

Thank you, Lorenzo.

Now, let's move to our business outlook for Q4 2026:

- We are expecting Q4 revenues of \$4.15 billion +/- 350 basis points. At the mid-point, our Q426 net revenues will increase 10.5% sequentially and 24.7% year-over-year.
- We expect our gross margin to be at about 39.0% +/- 200 basis points, including about 40 basis points of unused capacity charges.
- This business outlook does not include any impact of potential further changes to global trade tariffs compared to the current situation.

For 2026:

- The mid-point of this outlook translates into full year 2026 revenues

of about \$14.5 billion, representing a 22.8% year-over-year increase. Beyond the cyclical recovery across our end markets, the year-over-year growth is supported by ST's company specific growth drivers, including AI datacenters and LEO satellite communications.

- Gross margin is expected to be about 36.4%. Non-U.S. GAAP gross margin is expected to be about 36.6%, representing an improvement of 270 basis points versus FY25.

To conclude:

We continue to see a very strong demand for our AI datacenters and LEO satellite communications products and technologies, alongside an ongoing cyclical recovery in automotive and industrial. With demand across many of the markets we serve exceeding available supply, we are expanding capacity in line with ST's strategic roadmap and growth opportunities.

At the same time, improving profitability remains a key priority as we progress toward our intermediate financial model. As mentioned earlier by Lorenzo, this is supported by our company-specific growth drivers, combined with the execution of our company-wide program to reshape our manufacturing footprint and resize our global cost base.

Before handing over to Jerome, I would like to mention a few corporate developments.

Earlier this month, the Supervisory Board asked me to be reappointed

in my current role for an additional year. I was honored and pleased to accept the proposal. My reappointment as Chairman of the Managing Board and ST's President and CEO will be proposed for shareholder approval at ST's 2027 Annual General Meeting of Shareholders.

Finally, earlier today, we announced updates to ST's organization aimed at better aligning our vision and business objectives with evolving market dynamics. This will strengthen the coordination between our strategy, technology and product roadmaps, accelerate innovation and time-to-market, ultimately supporting our long-term growth opportunities.

Rémi El-Ouazzane is confirmed as President, member of the Executive Committee and Head of Microcontrollers, Digital ICs, RF and Optical Communication Products. He will also take on leadership of the Imaging Sensors Sub-Group and be appointed ST Chief Technology Officer.

Marco Cassis is confirmed as President, member of the Executive Committee and Head of Analog, Power & Discrete and MEMS Products. He will also take on leadership of R&D for Analog, Power & Discrete and MEMS technologies and be appointed ST Chief Strategic Officer.

The new organization and the related adjustment to our reportable segments will take effect on January 1, 2027, with implementation of the changes to be completed by the end of March 2027.

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