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 adversely impact the demand for our products;
- Uncertain macro-economic and industry trends, which may impact end-market demand for our products;
- The Brexit vote and the perceptions as to the impact of the withdrawal of the U.K. may adversely affect business activity, political stability and economic conditions in the U.K., the Eurozone, the EU and elsewhere. While we do not have material operations in the U.K. and have not experienced any material impact from Brexit on our underlying business to date, we cannot predict its future implications;
- Customer demand that differs from projections;
- Changes in economic, social, 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, 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;
- 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 or suppliers;
- Theft, loss, or misuse of personal data about our employees, customers, or other third parties, and breaches of global and local privacy legislation, including the EU’s General Data Protection Regulation (“GDPR”);
- The impact of intellectual property (“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, health risks and epidemics in locations where we, our customers or our suppliers operate;
- Industry changes resulting from vertical and horizontal consolidation among our suppliers, competitors, and customers; and
- 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.

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, 2018, as filed with the SEC on February 28, 2019. 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 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.
Highlights

• **Q319**
  - We reported net revenues at $2.55 billion and gross margin at 37.9%, both above the mid-point of our guidance, driven by engaged customer programs and new products in, as expected, a soft legacy automotive and industrial market;
  - Operating margin was 13.1% and net income was $302 million.

• **9M19**
  - We delivered revenues of $6.80 billion, gross margin of 38.4%, operating margin of 10.9% and net income of $640 million.

• **Q419**
  - Outlook, at the mid-point, is for net revenues to grow sequentially about 5.0%;
  - Gross margin expected to be 38.2% at the mid-point, including about 120 basis points of unsaturation charges.

• **FY19**
  - Net revenues at the mid-point at about $9.48 billion, this confirms a strong H2 over H1 growth;
  - Accompanied by a double-digit operating margin performance.
Q319 Financial Highlights

**Revenues = $2.55B**

**Operating Margin = 13.1%**

**Gross Margin = 37.9%**

**Net Income = $302M**
Q3'19 Revenues

% by product group

- Analog, MEMS & Sensors (AMS): 38%
- Automotive & Discrete (ADG): 35%
- Microcontrollers & Digital ICs (MDG): 27%
- Others: 0.1%

% by shipment location

- Americas: 13%
- Asia Pacific: 66%
- EMEA: 21%

% by customer type

- Top 10 OEMs: 49%
- Other OEMs: 23%
- Distribution: 28%
Q319 Financial Flexibility

**Net Cash From Operating Activities = $429M**

**Capex = $244M**

**Free Cash Flow* = $170M**

*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.*
9M19 Financial Highlights

**Revenues = $6.80B**

<table>
<thead>
<tr>
<th></th>
<th>9M18</th>
<th>9M19</th>
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<tbody>
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<tr>
<td>7.5</td>
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</table>

**Gross Margin = 38.4%**

<table>
<thead>
<tr>
<th></th>
<th>9M18</th>
<th>9M19</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
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<tr>
<td>36%</td>
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<td>38%</td>
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<tr>
<td>40%</td>
<td>42%</td>
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<tr>
<td>42%</td>
<td>40%</td>
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**Operating Margin = 10.9%**

<table>
<thead>
<tr>
<th></th>
<th>9M18</th>
<th>9M19</th>
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<tbody>
<tr>
<td>0%</td>
<td>5%</td>
<td></td>
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<tr>
<td>5%</td>
<td>10%</td>
<td></td>
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<tr>
<td>10%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>15%</td>
<td>0%</td>
<td></td>
</tr>
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</table>

**Net Income = $640M**

<table>
<thead>
<tr>
<th></th>
<th>9M18</th>
<th>9M19</th>
</tr>
</thead>
<tbody>
<tr>
<td>400</td>
<td>550</td>
<td></td>
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<tr>
<td>550</td>
<td>700</td>
<td></td>
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<tr>
<td>700</td>
<td>850</td>
<td></td>
</tr>
<tr>
<td>850</td>
<td>1000</td>
<td></td>
</tr>
</tbody>
</table>
Net revenues expected to **increase about 5.0%** sequentially, plus or minus 350 basis points

Gross Margin of **about 38.2%**, plus or minus 200 basis points

- This outlook is based on an assumed effective currency exchange rate of approximately $1.12 = €1.00 for the 2019 forth quarter and includes the impact of existing hedging contracts
- The forth quarter will close on December 31, 2019
Q319 Automotive Highlights

Continued traction and additional design-in activities with Silicon Carbide for electric vehicles with multiple customers

Won important business with SiC MOSFETs for an on-board charger and for DC-DC Converter applications with an Asian Tier1

Announced that we will supply high-efficiency SiC devices to Renault-Nissan-Mitsubishi for advanced on-board chargers

Won a design with discrete IGBTs in a traction inverter application at a leading Japanese manufacturer

Awards for SPC5 MCUs for Body Control Modules and charging adapters a major EV manufacturer and for a standalone body gateway at a European Tier1
Announced first 8-pin STM32G0 microcontrollers, which combine performance, compactness, flexibility, and power efficiency

Enhanced the STM32 ecosystem with a new Debug Probe, STM32Trust Ecosystem, MadeForSTM32 Quality Label, and new STM32CubeG4 software

Won sockets for Smart Metering SoCs and multiple design wins for Powerline communication ICs

Awarded an Industrial 6-axis IMU socket for cordless power-tool models from a major professional tool supplier

Won IGBTs for induction heating and two projects for Power Modules in industrial compressors
Multiple design wins for Time-of-Flight ranging sensors and for motion and pressure sensors at a number of leading smartphone manufacturers

Won new business with wireless charging, touch and display products for smartphones applications

Gained design win and ramped shipments for motor drivers and display products for portable game consoles

Achieved a number of wins for secure solutions - eSIM and STSAFE - at a leading smartphone manufacturer

Wins for digital and mixed-signal ASICs for RF-SOI designs to be used in 5G smartphones
Q319 Communications Equipment, Computers & Peripherals Highlights

High voltage MDmesh for 5G high-efficiency telecom and data center power solutions

Design with our latest generation of GNSS (Global Navigation Satellite System) ICs for an important provider of global internet access

Gained a win for a magnetometer for a high-end notebook to implement on-table detection

Won sockets for STM32L4 in a tablet keyboard at a major OEM
Takeaways

• During **Q319** we reported strong sequential growth, double-digit operating margin, a strong increase in net income and a return to positive free cash flow;

• **Q419** outlook, at the mid-point, is for net revenues to grow sequentially about 5.0%, and gross margin to improve. We expect further improvement in our operating profitability and free cash flow generation;

• For **FY19**, we expect revenues at the mid-point to be about $9.48 billion, we are in line with our expectations of a strong sequential growth H2 over H1, with an uplift in revenues close to $1 billion;

• **Engaged customer programs** and **new product introductions** are well on track and based on important secular electronic demand drivers: smart mobility; power and energy; and the IoT. This enables us to better navigate the macro-economic and market dynamics, both short and long-term.
Q319 Financial Performance
Q319 Revenues = $2.55B

Q319 revenues up 1.2% Y/Y
- AMS up 7.7%
- ADG down 0.8%
- MDG down 4.3%

Q319 revenues up 17.5% Q/Q
- 220 bps above mid-point of guidance
- Performance driven by engaged customer programs and new products in, as expected, a soft legacy automotive and industrial market

Q419 Revenue Outlook
Up Q/Q by about 5.0% (+/- 350 bps)
Up Y/Y by about 1.2% at mid-point
Q319 Gross Margin = 37.9%

**Q319 Gross Margin**
- Includes 110 bps of unsaturation charges
- 40 bps above the mid-point of guidance, mainly due to a lower level of unsaturation charges
- Down 190 bps Y/Y mainly impacted by price pressure and unsaturation charges
- Down 30 bps Q/Q

**Q419 Gross Margin Outlook**
About 38.2% (+/- 200 bps)
Q319 Net Operating Expenses: $631M

Q319 Combined SG&A and R&D at $629M
- 24.6% of revenues

Q319 Net Operating Expenses at $631M
- Net of Other Income & Expense
- 24.7% of revenues

Net Operating Expenses: R&D + SG&A + Other Expenses (- Other Income)
Q319 Product Group Results

Automotive & Discrete (ADG)
Revenues = $894M
Operating Margin = 8.5%

Analog, MEMS & Sensors (AMS)
Revenues = $968M
Operating Margin = 20.5%

Microcontrollers & Digital ICs (MDG)
Revenues = $688M
Operating Margin = 15.7%
### Solid Capital Structure

<table>
<thead>
<tr>
<th>End of period ($M)</th>
<th>September 28 2019</th>
<th>June 29 2019</th>
<th>September 29 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liquidity</td>
<td>2,538</td>
<td>2,512</td>
<td>2,171</td>
</tr>
<tr>
<td>Total Financial Debt</td>
<td>(2,190)</td>
<td>(2,204)</td>
<td>(1,724)</td>
</tr>
<tr>
<td>Net Financial Position*</td>
<td>348</td>
<td>308</td>
<td>447</td>
</tr>
</tbody>
</table>

- Cash dividends of $0.06 per share ($54M) distributed in Q319
- Repurchase of common stock of $62M in Q319 as part of ST’s ongoing program

Moody’s, S&P and Fitch are aligned in rating ST’s credit profile well within investment grade and with Stable Outlook

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

### In US$M, except EPS

<table>
<thead>
<tr>
<th></th>
<th>Q118</th>
<th>Q218</th>
<th>Q318</th>
<th>9M18</th>
<th>Q418</th>
<th>FY18</th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>9M19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenues</strong></td>
<td>2,226</td>
<td>2,269</td>
<td>2,522</td>
<td>7,016</td>
<td>2,648</td>
<td>9,664</td>
<td>2,076</td>
<td>2,173</td>
<td>2,553</td>
<td>6,802</td>
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<tr>
<td><strong>Gross Margin</strong></td>
<td>39.9%</td>
<td>40.2%</td>
<td>39.8%</td>
<td>39.9%</td>
<td>40.0%</td>
<td>40.0%</td>
<td>39.4%</td>
<td>38.2%</td>
<td>37.9%</td>
<td>38.4%</td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>269</td>
<td>289</td>
<td>398</td>
<td>956</td>
<td>443</td>
<td>1,400</td>
<td>211</td>
<td>196</td>
<td>336</td>
<td>743</td>
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<tr>
<td><strong>Operating Margin</strong></td>
<td>12.1%</td>
<td>12.7%</td>
<td>15.8%</td>
<td>13.6%</td>
<td>16.8%</td>
<td>14.5%</td>
<td>10.2%</td>
<td>9.0%</td>
<td>13.1%</td>
<td>10.9%</td>
</tr>
<tr>
<td><strong>Net Income – Reported</strong></td>
<td>239</td>
<td>261</td>
<td>369</td>
<td>869</td>
<td>418</td>
<td>1,287</td>
<td>178</td>
<td>160</td>
<td>302</td>
<td>640</td>
</tr>
<tr>
<td><strong>EPS Diluted ($/share)</strong></td>
<td>0.26</td>
<td>0.29</td>
<td>0.41</td>
<td>0.95</td>
<td>0.46</td>
<td>1.41</td>
<td>0.20</td>
<td>0.18</td>
<td>0.34</td>
<td>0.71</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong>*</td>
<td>95</td>
<td>(40)</td>
<td>114</td>
<td>170</td>
<td>363</td>
<td>533</td>
<td>(67)</td>
<td>(67)</td>
<td>170</td>
<td>36</td>
</tr>
<tr>
<td><strong>Net Financial Position</strong>*</td>
<td>522</td>
<td>411</td>
<td>447</td>
<td>447</td>
<td>686</td>
<td>686</td>
<td>510</td>
<td>308</td>
<td>348</td>
<td>348</td>
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<tr>
<td><strong>Effective Exchange Rate €/$</strong></td>
<td>1.18</td>
<td>1.19</td>
<td>1.18</td>
<td>1.19</td>
<td>1.17</td>
<td>1.18</td>
<td>1.16</td>
<td>1.14</td>
<td>1.14</td>
<td>1.15</td>
</tr>
</tbody>
</table>

*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.*
## Pre-Tax Items to Adjusted Earnings

<table>
<thead>
<tr>
<th>In US$M, except EPS</th>
<th>Q118</th>
<th>Q218</th>
<th>Q318</th>
<th>9M18</th>
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<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>9M19</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GAAP Net Earnings</td>
<td>239</td>
<td>261</td>
<td>369</td>
<td>869</td>
<td>418</td>
<td>1,287</td>
<td>178</td>
<td>160</td>
<td>302</td>
<td>640</td>
</tr>
<tr>
<td>U.S. GAAP Diluted Earnings Per Share</td>
<td>0.26</td>
<td>0.29</td>
<td>0.41</td>
<td>0.95</td>
<td>0.46</td>
<td>1.41</td>
<td>0.20</td>
<td>0.18</td>
<td>0.34</td>
<td>0.71</td>
</tr>
</tbody>
</table>
• **Net financial position (non-U.S. GAAP measure)**: resources (debt), represents the balance between our total liquidity and our total financial debt. Our total liquidity includes cash and cash equivalents, restricted cash, short-term deposits and marketable securities, and our total financial debt includes short-term borrowings, current portion of long-term debt and long-term debt, all as reported in our consolidated balance sheet. We believe our net financial position provides useful information for investors and management because it gives evidence of our global position either in terms of net indebtedness or net cash position by measuring our capital resources based on cash and cash equivalents, restricted cash, short-term deposits and marketable securities and the total level of our financial indebtedness.

• **Free cash flow (non-U.S. GAAP measure)** is defined as net cash from operating activities minus net cash from (used in) investing activities, excluding payment for purchases (proceeds from the sale of) marketable securities, short-term deposits and restricted cash. We believe 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 operating activities. Free cash flow does not represent total cash flow since it does not include the cash flows generated by or used in financing activities. In addition, our definition of free cash flow may differ from definitions used by other companies.

• **Net revenues of Others** includes revenues from sales assembly services and other revenue. Operating income (loss) of Others includes items such as unused capacity charges, impairment, restructuring charges and other related closure costs, management reorganization costs, phase out and start-up costs, and other unallocated 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 product groups, as well as operating earnings of other products. Others includes:

<table>
<thead>
<tr>
<th></th>
<th>Q118</th>
<th>Q218</th>
<th>Q318</th>
<th>9M18</th>
<th>Q418</th>
<th>FY18</th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
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<tr>
<td>Unused Capacity Charges</td>
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<td>1</td>
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<td>7</td>
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<tr>
<td>Impairment &amp; Restructuring Charges</td>
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<td>21</td>
<td>-</td>
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