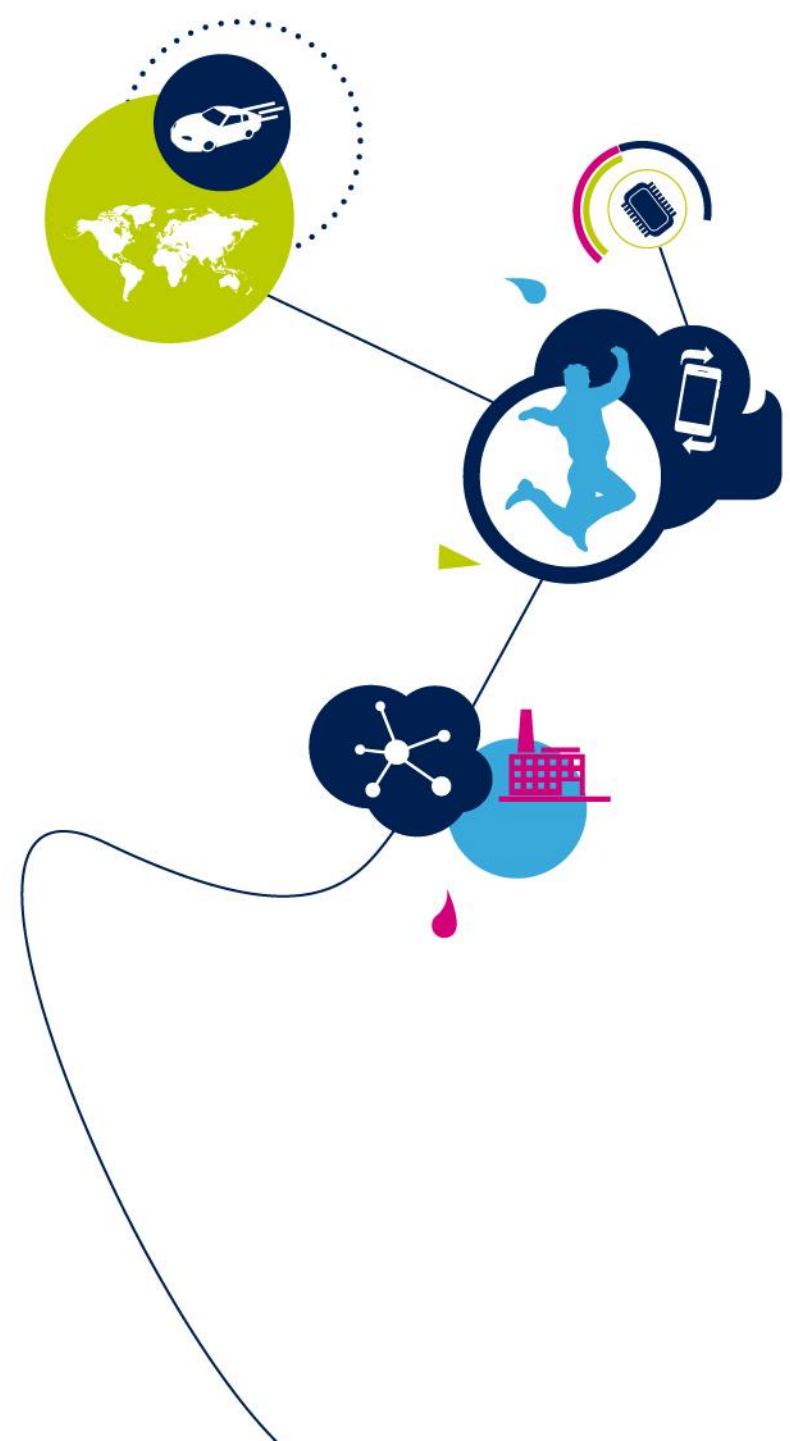


STMicroelectronics Q2 2018 Financial Results

July 25, 2018



Forward Looking Statements

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:

- Uncertain macro-economic and industry trends, which may impact end-market demand for our products;*
- Customer demand that differs from projections;*
- The ability to design, manufacture and sell innovative products in a rapidly changing technological environment;*
- 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;*
- 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;*
- 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;*
- The functionalities and performance of our IT systems, 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;*
- 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 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;*
- 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;*
- Availability and costs of raw materials, utilities, third-party manufacturing services and technology, or other supplies required by our operations;*
- 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*
- Theft, loss, or misuse of personal data about our employees, customers, or other third parties, and breaches of global privacy legislation, including the EU's General Data Protection Regulation ("GDPR").*

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, 2017, as filed with the SEC on March 1, 2018. 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.

Q2 2018 Highlights

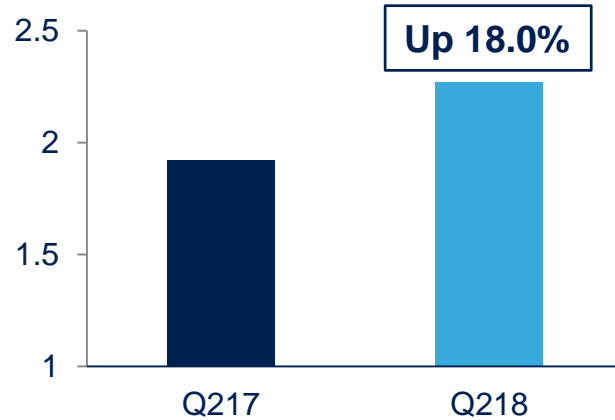
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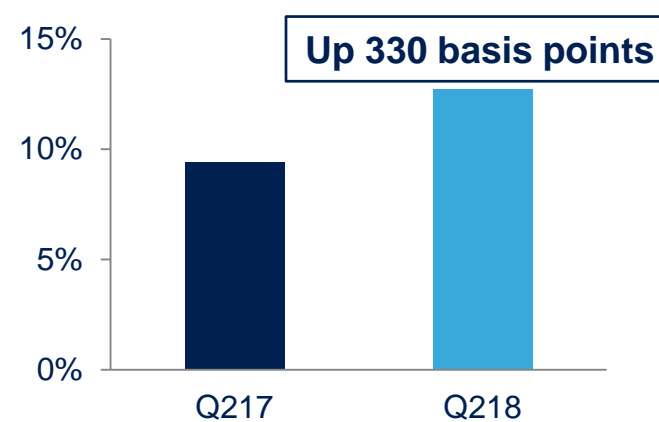
- Another quarter of double-digit, year-over-year revenue growth
 - Balanced across product groups, regions and markets
- Improved performance across key financial metrics

Q2 2018 Financial Highlights

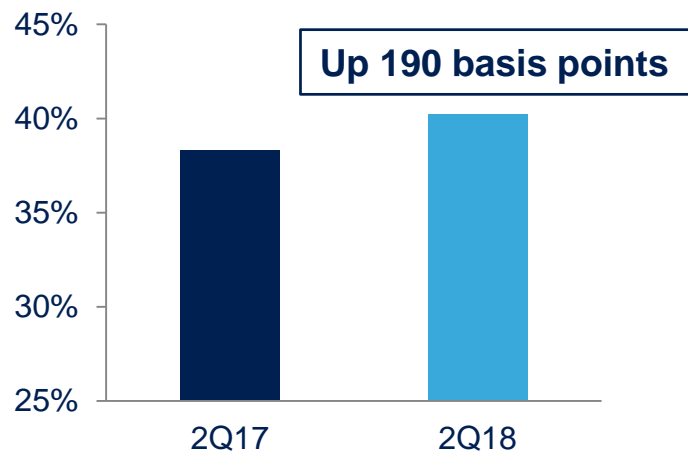
Revenues = \$2.27B



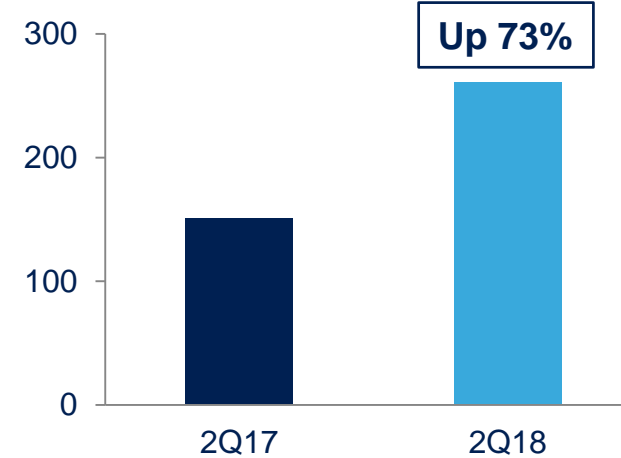
Operating Margin = 12.7%



Gross Margin = 40.2%

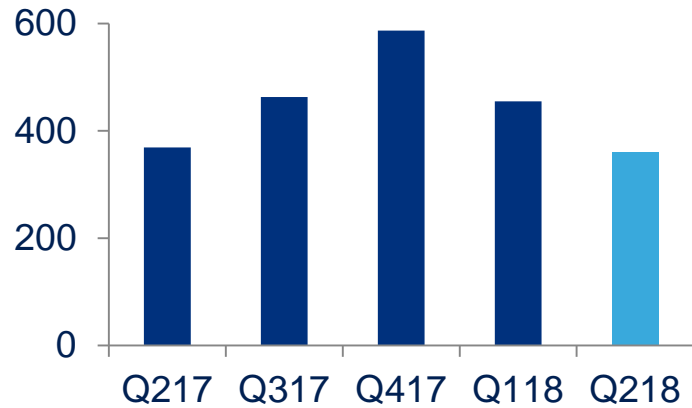


Net Income = \$261M

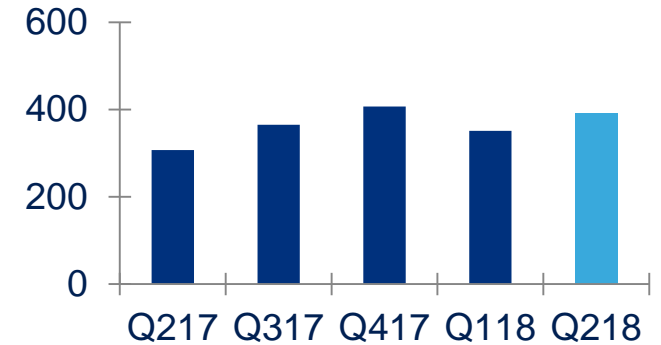


Financial Flexibility

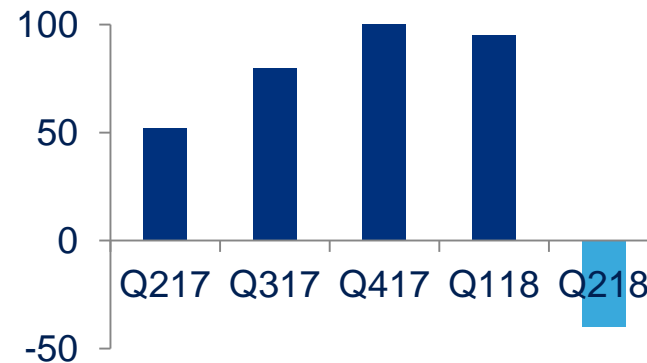
Q218 Net Cash From Operating Activities = \$360M



Q218 Capex = \$390M



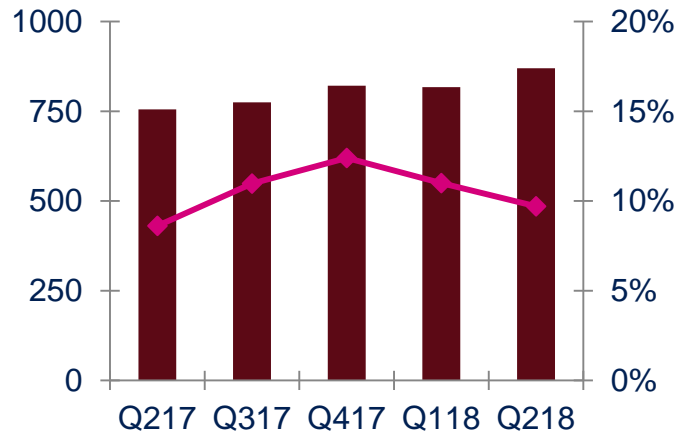
Q218 Free Cash Flow* = \$(40)M



Q2 2018 Product Group Results

Automotive & Discrete (ADG)

Revenues **\$870M**
Operating Margin **9.7%**



■ Revenue (US\$M) ◆ Operating Margin (%)

Analog, MEMS & Sensors (AMS)

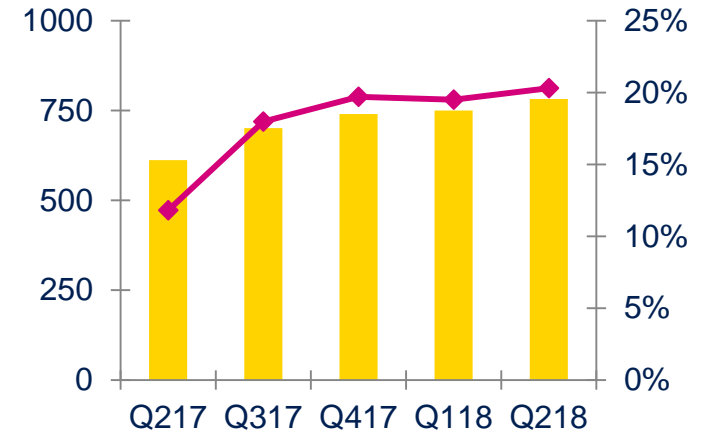
Revenues **\$613M**
Operating Margin **10.5%**



■ Revenue (US\$M) ◆ Operating Margin (%)

Microcontrollers & Digital ICs (MDG)

Revenues **\$782M**
Operating Margin **20.3%**



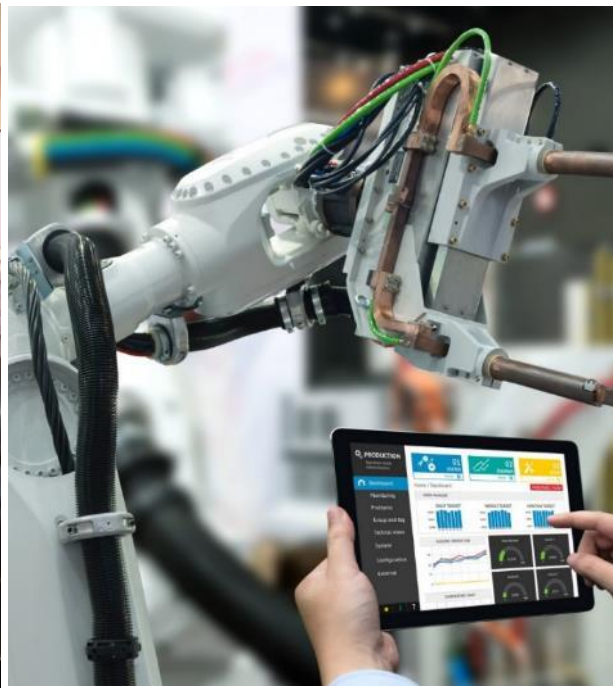
■ Revenue (US\$M) ◆ Operating Margin (%)

Automotive

Industrial

Personal Electronics

Communications
Equipment,
Computers & Peripherals



Q2 2018 Automotive Highlights



Design-wins for 3rd generation SiC MOSFETs and SiC diodes for car electrification in Asia and Europe

ADG



Important design win for a custom galvanic isolation gate driver for an electric vehicle

AMS



Award for a chipset for braking applications from a European market leader

ADG



Awards for ICs integrating system functions for engine management for Japanese & Korean customers

ADG



SPC58 32-bit MCU win for a body control module with a leading European leading Tier 1 for a US car maker

ADG

Q2 2018 Industrial Highlights



Designs in factory automation applications & sensor campaign focused on machine condition monitoring

AMS



Multiple design wins for voltage converters and power modules for industrial applications

AMS



Award for a new satellite tolling module from a top European player

AMS



Custom Power Line Modem from a major European manufacturer & a design for the STM32H7 in a 3-phase metering platform at a major European OEM

AMS

MDG



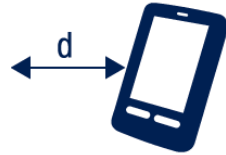
Industrial Wireless Connectivity designs with Bluetooth Low Energy, Sub-1GHz RF & dynamic NFC/RFID tags

AMS

MDG

Q2 2018 Personal Electronics Highlights

10



Designs with FlightSense Time-of-Flight proximity & ranging sensors in smartphones & other applications

AMS



Wins for touchscreen controllers in smartphones across multiple customers and models

AMS



6-axis sensor for UI & Optical Image Stabilization in a top Chinese manufacturer's flagship smartphone model

AMS



Awarded multiple ESD protection sockets from several key smartphone manufacturers

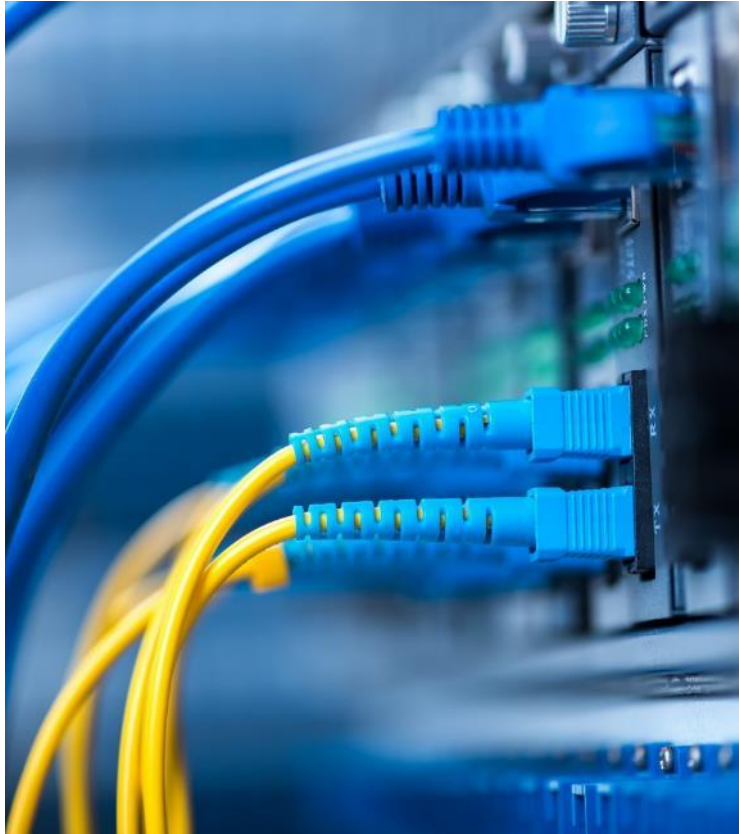
ADG



Designed the STM32F7 in a high-end 4K TV at a key Japanese OEM

MDG

Q2 2018 Communications Equipment, Computers & Peripherals Highlights



Two ASIC designs in BiCMOS 55nm technology from a market leader in optical communication and two others from a China telecom leader

MDG



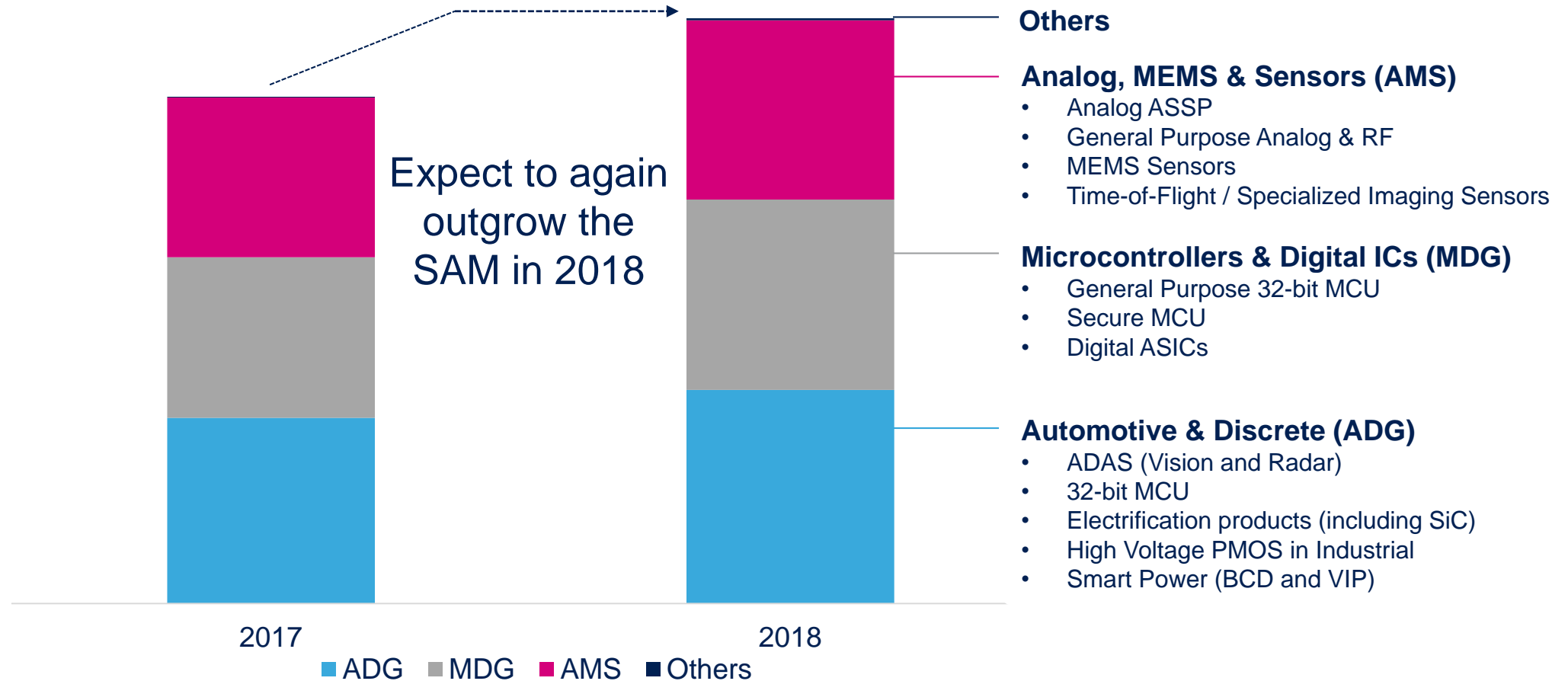
ASIC design for an RF switch in H9SOI from a top Chinese telecom player

MDG

- Net revenue is expected to increase about 10.0% on a sequential basis, plus or minus 350 basis points
- Gross margin of about 40.0%, plus or minus 200 basis points
- This outlook is based on an assumed effective currency exchange rate of approximately $\$1.19 = \text{€}1.00$ for the 2018 third quarter and includes the impact of existing hedging contracts
- The third quarter will close on September 29, 2018

2018 Revenue Goal: On Track

YoY revenue growth expected between about 14% and 17%*



* See Forward Looking Statement for full disclosure. Such 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.



- On track with our 2018 goal in terms of revenue growth and operating leverage
- Leveraging leading positions to broadly address Automotive and Industrial end markets; targeting selected opportunities in Personal Electronics and Communications Infrastructure
- Focus on continuing to create value for all stakeholders by delivering sustainable and profitable growth

Questions & Answers



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