Good morning and thank you for joining ST for our Q4 and Full Year 2021 earnings conference call.

Let me begin with some opening comments.

Starting with Q4:

- As announced on January 7th, net revenues and gross margin came in better than expected, primarily due to better than anticipated operations in an ongoing dynamic market.
- Q4 net revenues of $3.56 billion were up 9.9% year-over-year and 11.2% sequentially, coming in 140 basis points above the high-end of our business outlook.
- Q4 gross margin was 45.2%, 20 basis points above the high-end of our guidance.
- Our operating margin was 24.9% and our net income was $750 million.

Looking at our full year 2021:

- Net revenues increased 24.9% to $12.76 billion in 2021, reflecting a strong performance across all the end markets we address and our engaged customer programs throughout the year. This performance
progressively strengthened versus the expectations we provided during the year, despite the challenges faced by the global semiconductor industry supply chain. All three product groups achieved double-digit growth in 2021.

- Our profitability further increased: FY21 gross margin was 41.7% and operating margin was 19.0%, compared to 37.1% and 12.9%, respectively, in FY20. Our net income nearly doubled to $2.0 billion.
- Free cash flow for the year was $1.12 billion, and CAPEX was $1.83 billion. Our net financial position was $977 million at December 31st, 2021, compared to $1.1 billion at year-end 2020.

On Q1 2022:

- At the mid-point, our first quarter business outlook is for net revenues of $3.50 billion, representing an increase of 16.1% year-over-year; gross margin is expected to be about 45.0%.

For the full year 2022:

- We will accelerate the execution of our strategy and value proposition. A strategy, which stems from three long-term enablers:
  - Smart mobility
  - Power & energy management
  - IoT & 5G
- And a value proposition based on:
  - Sustainable and profitable growth;
• Providing differentiating enablers to customers, supporting them with an independent, reliable and secure supply chain; and
• Committing to sustainability for the benefit of all our stakeholders.
• We plan to invest about $3.4 billion to $3.6 billion in CAPEX to further increase our production capacity and to support our strategic initiatives. This includes the first industrialization line of our new 300mm wafer fab in Agrate, Italy.
• Based on our strong customer demand and increased capacity, we will drive the Company based on a plan for FY22 revenues in the range of $14.8 billion to $15.3 billion.

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

On a sequential basis, Q4 net revenues increased 11.2%. This growth was driven by both ADG and MDG, up 22.0% and 15.4%, respectively, while AMS revenues were substantially flat.

On a year-over year basis, net revenues increased 9.9%, with ADG and MDG growing 28.6% and 23.7%, respectively, and AMS decreasing 11.2%.

Gross profit was $1.61 billion, increasing 28.3% on a year-over-year basis.

Gross margin increased to 45.2% from 38.8% in the year-ago quarter and was 20 basis points above the high-end of the Company’s guidance,
principally driven by improved product mix, favorable pricing, and manufacturing efficiencies.

Net operating expenses in Q4 were $720 million.

Q4 operating margin was 24.9%, up from 20.3% in Q420, with ADG at 17.6%, AMS at 26.6% and MDG at 29.9%.

Net income and diluted earnings per share increased about 30% in comparison to Q420, with net income of $750 million versus $582 million, and diluted earnings per share of $0.82, versus $0.63.

Let’s look now in more detail at our full year results, starting with a recap of the market and business dynamics we saw during 2021: a year marked by strong market demand but still impacted by the pandemic and global semiconductor supply chain constraints.

Here I would like to take the opportunity to thank all the ST employees who worked tirelessly throughout the year to support our customers, drive our increased manufacturing efficiency, and create innovative new products. All this in the context of the ongoing challenges of the pandemic, where we continued to support our employees across the globe ensuring the most stringent health and safety measures in every site where we operate.

For 2021 in Automotive, we saw unprecedented demand across all
geographies, as the industry continued to rebound from the difficult environment in 2020. The rebound was broad-based, across all customers and regions; it was driven by the volume of vehicles produced, the replenishment of inventories across the automotive supply chain and, most importantly, an accelerated transformation of the vehicle industry towards more electrification and digitalization.

Bookings remained strong throughout the year. Backlog visibility is now about 18 months and well above our current and planned 2022 manufacturing capacity.

In Industrial we saw throughout the year very strong demand, both in high-end and consumer industrial. Electrification and digitalization are the main trends driving semiconductor content increase also in this end market.

In terms of demand, factory automation was one of the main drivers, together with power-related applications -including renewable energy-, motion control, power tools and home appliances.

Demand was strong both with Distribution as well as OEMs, in line with our approach to be broad in the highly fragmented industrial market.

Throughout 2021, inventories of our products at distributors remained lean across all product families, with high inventory turns. Also, point-of-sales were strong across all products and geographies.
In Personal Electronics, smartphones continued to be an essential source of social connection and streaming services for entertainment, fitness, gaming, and music. Smartphone volumes returned to growth in 2021, about 3% year-over-year, driven by 5G adoption. Demand for accessories was strong throughout the year, with healthy dynamics related to other connected devices such as wearables, tablets, hearables, True Wireless Stereo headsets and game consoles.

In Communications Equipment and Computer Peripherals we saw continued adoption of 5G-related products as well as a sustained demand for PCs, and especially notebooks, throughout the year. The hard disk drive market recovered somewhat from its decline in 2020. We also saw Low-Earth-Orbit Satellite programs launch or ramp up in a number of countries.

Looking now at our full year financial results in greater detail:

Net revenues were $12.76 billion for 2021, increasing 24.9% year-over-year, reflecting a strong performance across all the end markets we address and our engaged customer programs throughout the year.

Sales to OEMs and Distribution returned to a more balanced split in 2021, representing, respectively, 66% and 34% of total revenues. This compares with a 73% and 27% split in 2020, influenced by the first phase of the pandemic affecting the industrial end market.
By region of origin, 41% of our 2021 revenues were from the Americas, 34% from Asia Pacific, and 25% from EMEA.

In terms of revenues by Product Group on a year-over-year basis:

ADG revenues increased 32.5%.
- Both sub-groups, Automotive and Power Discrete, recorded double-digit growth.

AMS revenues grew 18.8%.
- Analog and MEMS recorded double-digit growth for 2021, supported by continued growth in Imaging product sales.

MDG revenues increased 24.3%.
- Microcontrollers, our largest sub-group, reported double-digit growth, partially offset by the expected decrease in RF Communications revenues.

Gross margin increased to 41.7% for 2021, expanding from 37.1% for 2020, reflecting manufacturing efficiencies and loading improvements, favorable pricing and product mix, partially offset by negative currency effects, net of hedging.

Our operating margin also significantly increased during 2021 to 19.0%, from 12.9% in 2020. The increase in the Company’s operating margin was well supported by all three Product Groups:
• ADG operating margin expanded to 11.8% from 5.5%;
• AMS operating margin increased to 21.9% from 20.8%; and
• MDG operating margin increased to 24.3% from 16.6%.

Net income increased 80.8% to $2.0 billion for 2021 from $1.1 billion in 2020. Diluted earnings per share were $2.16, from $1.20.

Moving now to other financial indicators:

Net cash from operating activities increased about 46% to $3.0 billion for 2021.

CAPEX was $1.83 billion compared with a 2020 CAPEX of $1.28 billion. Our 2021 investments were about $300 million lower than we had planned, mainly due to later than planned equipment deliveries.

Our full year free cash flow was $1.12 billion compared to $627 million in 2020, up almost 80%.

Cash dividends paid to stockholders in 2021 totaled $205 million. During 2021 we repurchased shares totaling $485 million under our prior and new share repurchase programs.

Our net financial position was $977 million at December 31st, 2021, reflecting total liquidity of $3.52 billion and total financial debt of $2.54 billion.
Now, let’s move to our 2022 first quarter outlook and our plans for the full year 2022.

For the first quarter, we expect net revenues to be about $3.50 billion at the mid-point, representing a year-over-year growth of 16.1% and a sequential decrease of 1.6%.

Gross margin in Q1 is expected to be about 45.0% at the mid-point, up 600 basis points year-over-year, and sequentially flat compared with Q421.

For the full year:
• We will accelerate the execution of our strategy and value proposition. A strategy, which stems from three long-term enablers:
  • smart mobility
  • power & energy management
  • IoT & 5G
• And a value proposition based on:
  • sustainable and profitable growth
  • providing differentiating enablers to customers, supporting them with an independent, reliable and secure supply chain
  • committing to sustainability for the benefit of all our stakeholders.

We plan to invest about $3.4 billion to $3.6 billion in CAPEX to further increase our production capacity and to support our strategic initiatives.

Looking in greater detail, our CAPEX plans include:
• Approximately $2.1 billion for capacity additions and mix change in our manufacturing footprint, in particular for our wafer fabs (digital 300mm in Crolles, analog 200mm in Singapore, SiC 150mm in Catania and Singapore), as well as assembly and test operations.

• About $900 million for strategic investments. These include the first industrialization line of our new 300mm wafer fab in Agrate, Italy, as well as GaN technology and SiC raw material initiatives.

• The remaining part of the CAPEX plan covers the overall maintenance and efficiency improvements of our manufacturing operations and infrastructure, as well as our Carbon Neutrality execution program.

• On this latter topic, a key element of our sustainability strategy, we are moving ahead in our environmental roadmap to be carbon neutral by 2027. In 2021, we improved our total Greenhouse gas emissions efficiency (-27% versus 2020) and our use of renewable energy reached about 51%.

Based on the strong customer demand and our planned investments to increase capacity, we will drive the Company based on a 2022 revenue plan of $14.8 billion to $15.3 billion, representing revenue growth of about 16% to 20%.

To conclude:

In 2021, ST delivered strong revenue growth and increased profitability. We worked alongside our customers, continuing to adapt our supply
chain to support their strong demand.

For 2022:

We continue to work on making ST stronger. We are convinced that we have the right strategy and resources in place: our balanced end-market focus and position; our solid product/IP technology portfolio; our Integrated Device Manufacturer model; our transformation programs; and our focus on high-growth applications that continue to accelerate their strong, positive dynamics.

We are investing significantly to support this acceleration in order to capture new opportunities, working alongside our customers, and to prepare our growth for the years to come.

Before we take your questions, a Save the Date: we will be hosting our Capital Markets Day on May 12th in Paris. We hope to be able to have an in-person event and will also webcast live.

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