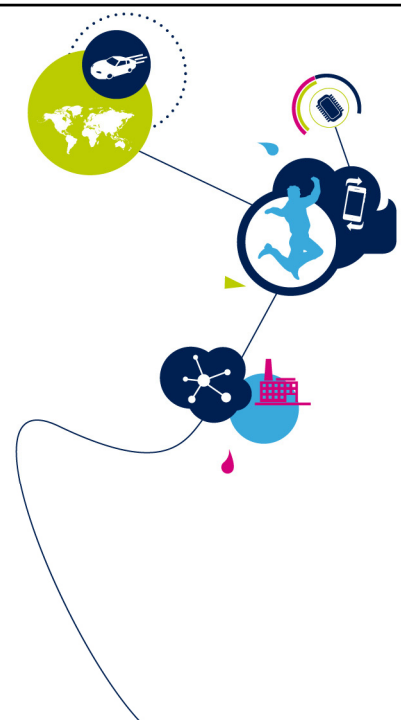


Financial Results & Priorities

Lorenzo Grandi

Chief Financial Officer
President, Finance, Infrastructure and Services



Sustainable Profitable Growth



ST Transformation – from FY15 to FY18

3

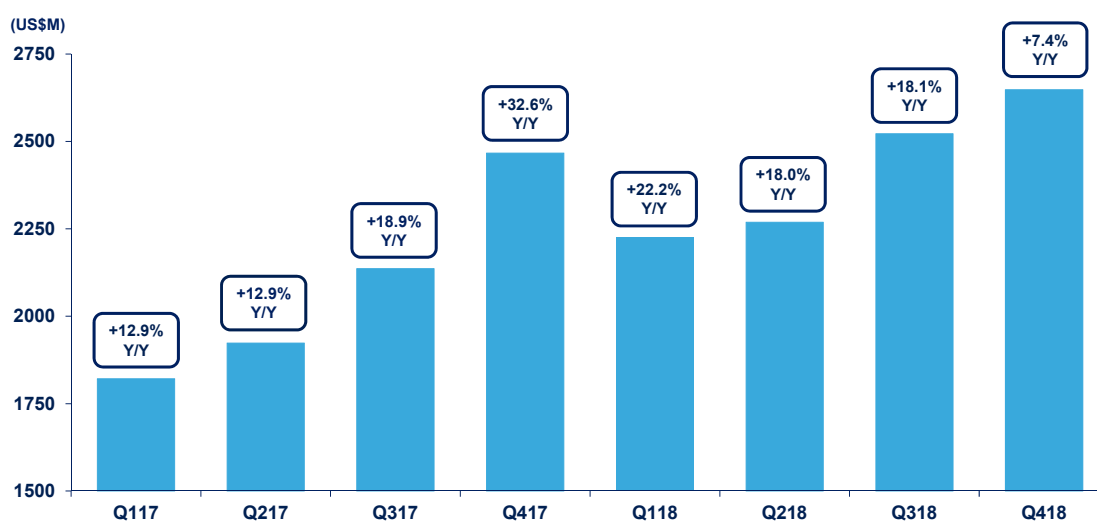
In US\$M	FY15	FY16	FY17	FY18	Δ FY18 vs FY15
ST Revenues	6,897	6,973	8,347	9,664	+ 40.1%
Served Market (SAM) Y/Y	-1%	4%	13%	10%	
ST Revenues Y/Y	-6.8%	1.1%	19.7%	15.8%	
Gross Margin	33.8%	35.3%	39.2%	40.0%	+ 620 bps
Operating Margin	1.6%	3.3%	12.0%	14.5%	+ 1290 bps
Net Income	104	165	802	1,287	+ \$1,183 M
Free Cash Flow*	327	316	308	533	+ 63.0%
Net Financial Position*	494	513	489	686	+ 38.9%



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

Solid and Consistent Revenue Growth

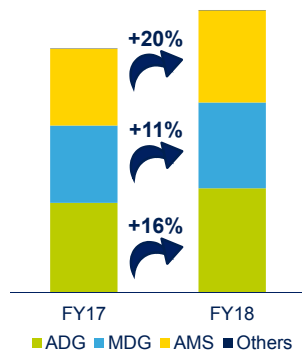
4



Balanced Revenue Growth

5

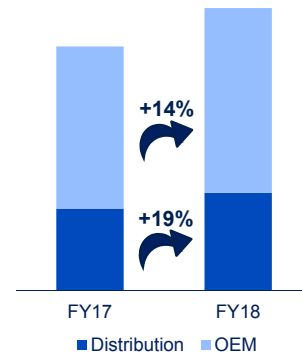
Product Group



Region of Origin



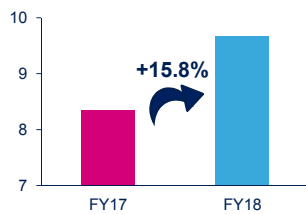
Customer Type



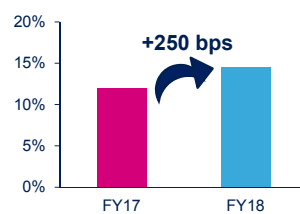
FY18 Financial Highlights

6

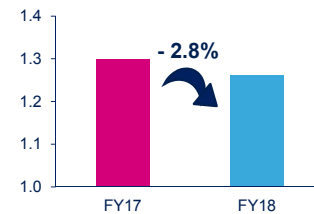
Revenues = \$9.66B



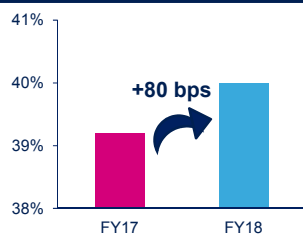
Operating Margin = 14.5%



Capex = \$1.26B



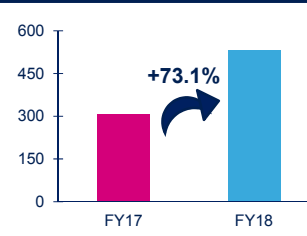
Gross Margin = 40.0%



Net Income = \$1.29B



Free Cash Flow* = \$533M



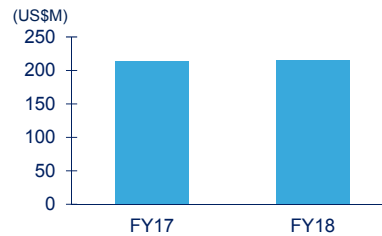
*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important

Solid Capital Structure 7

Net Financial Position*

End of period (US\$M)	Dec 31, 2018	Dec 31, 2017
Total Liquidity	2,596	2,190
Total Financial Debt	(1,910)	(1,701)
Net Financial Position*	686	489

Cash Dividend



Cash Dividend proposal to shareholders at 2019 AGM is stable at **\$0.24** per share.

On November 5, 2018, STMicroelectronics announced the launch of a share buy-back program of up to \$750 million to be executed within a 3 year period.

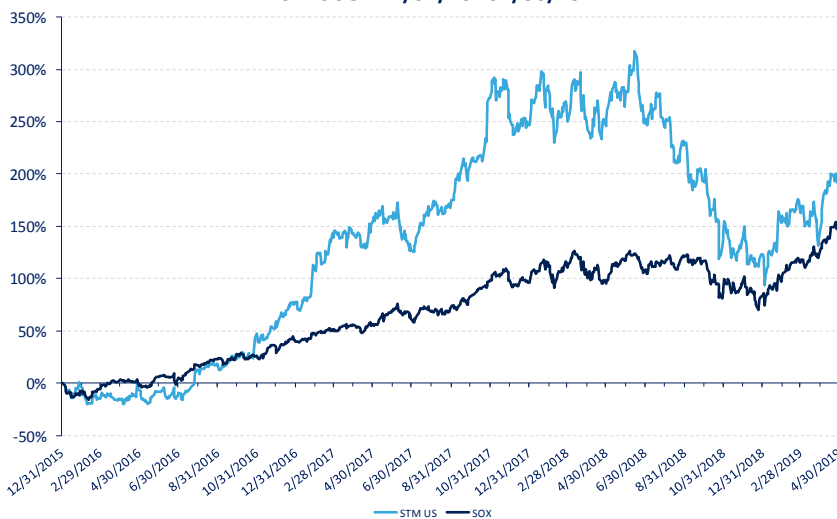
Period from	To	Shares Repurchased	Weighted Average Price	Total Amount Paid	Currency
5-Nov-18	10-May-19	10.4M	13.58	141.4M	EURO



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

Shareholder Returns 8

ST vs SOX 12/31/15 - 04/30/19



Range	12/31/2015 - 04/30/2019	
Security	Price Change	Total Return
STM	176%	196%
SOX Index	135%	149%

All rating agencies which report on ST on a solicited basis (Moody's, S&P and Fitch) are aligned in rating ST's credit profile well within investment grade and with Stable Outlook





2019 Market Dynamics 10

Volatile macroeconomic indicators, slowing economic growth and accelerating contraction of certain end markets

May

- **Q119** Eurozone economy grew 1.2% Y/Y, better-than-expected but lower compared to 2.4% Q118 Y/Y growth
 US economy grew 3.2% Y/Y, the first time since 2015 that Q1 GDP topped 3%
 Chinese economy grew 6.4% Y/Y, better than expected, but matching Q418 growth rate at the lowest level in nearly 30 years

April

- IMF's 2019 world economy forecast lowered to 3.3% from 3.5% forecasted in January. This growth rate is the weakest since 2009.

March

- ECB's 2019 Eurozone economic growth forecasts lowered to 1.1% from 1.7% forecasted in December.
- China set its 2019 economic growth target at 6.0 to 6.5%, the lowest since 1990.

Trade situation negatively impacting business and consumer confidence

- On May 10th the US introduced additional tariffs on Chinese goods
- Growth of China's manufacturing sector is slowing
- Negative impact on domestic and international supply chains
- Potential for US trade war with Europe

Lack of Growth Catalysts

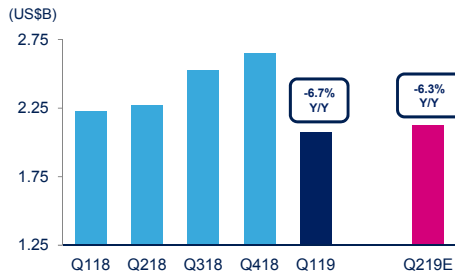
- Volatility in order rates
- Weak end markets
- High inventory levels

ST
life.augmented

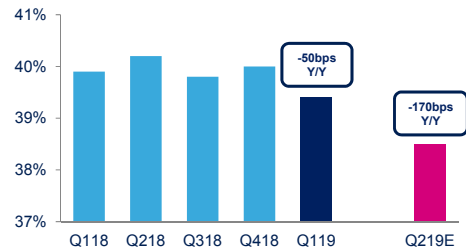
Sources: IMF, Eurostat, National Bureau of Statistics of China, US Bureau of Economic Analysis

Q119 Key Metrics & Q219 Outlook

Q119 Revenues = \$2.08B
Q219 Revenues Outlook = \$2.13B



Q119 Gross Margin = 39.4%
Q219 Gross Margin Outlook = 38.5%



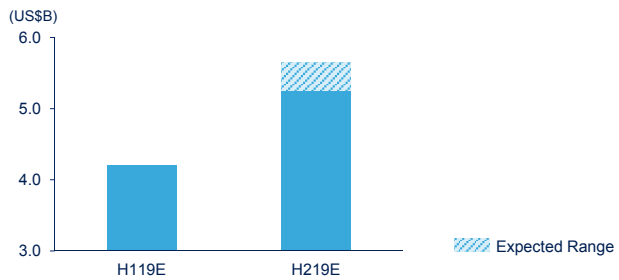
Q219 Revenue Outlook
 Up Q/Q by about 2.4% (+/- 350 bps)
 Down Y/Y by about 6.3% at mid-point

Q219 Gross Margin Outlook
 About 38.5% (+/- 200 bps)

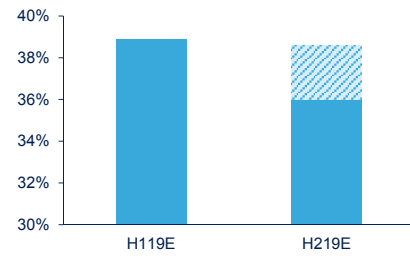


H219 Growth Drivers

Revenues H119 to H219



Gross Margin H119 to H219



Evolution from H119 to H219

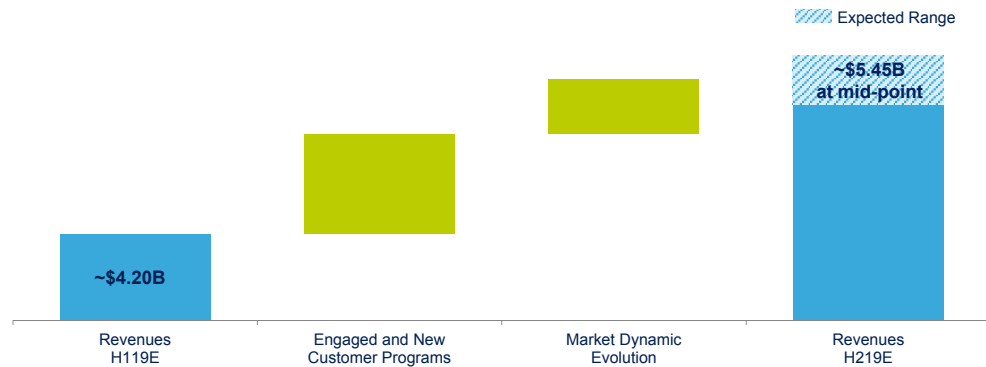
Strong growth planned in H219 compared to H119 across several end markets:

- Automotive
- Industrial
- Personal Electronics



ST Revenue Drivers – H119 to H219

13



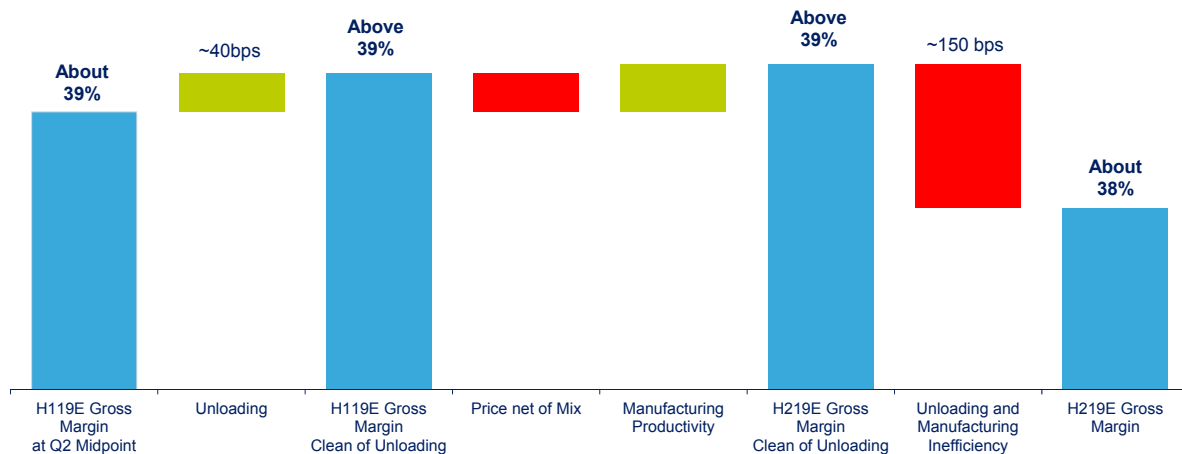
Main Drivers

- Personal electronics (Specialized Imaging Sensors, Secure Solutions, Power Management and RF Front-End Modules)
- Satellite communications deployment
- Silicon Carbide devices to benefit from additional capacity available in H219
- Microcontrollers, Analog and Power Discrete driven by expected improved market conditions

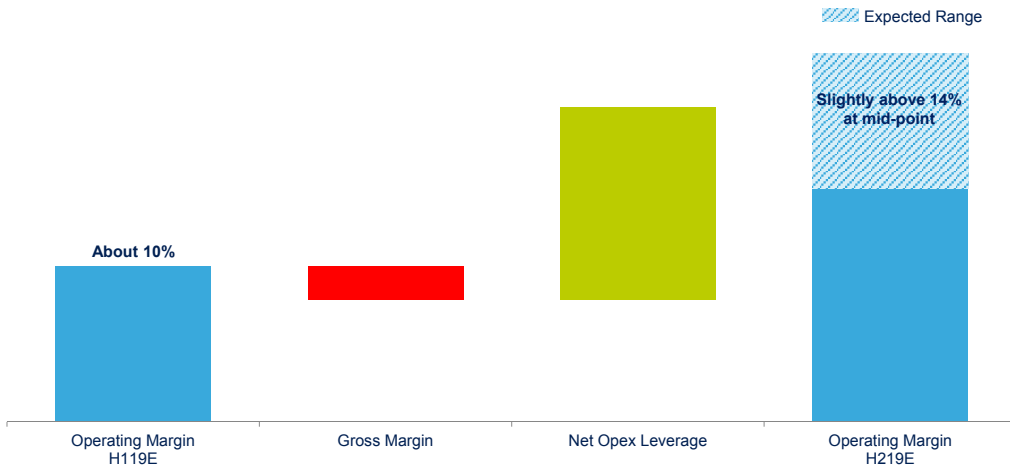


Gross Margin Evolution

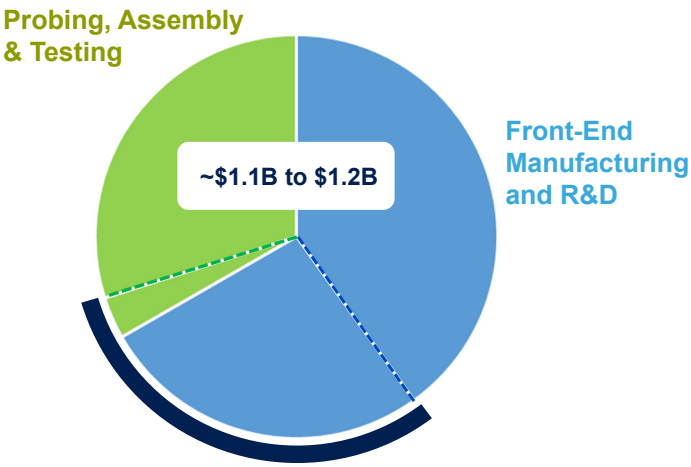
14



Operating Margin - H119 to H219



2019 Capital Spending



Investment and Strategic Initiatives to prepare future business growth

Maintenance, R&D and capacity additions in some of our existing technologies

Plus 3 Key Strategic Initiatives

- New 300mm fab in Agrate for BCD, IGBT and Power technologies
- Expansion of installed capacity for Silicon Carbide and start of production ramp-up for Gallium Nitride for RF devices
- Next generation Imaging sensor technologies



FY19 Scenarios

17

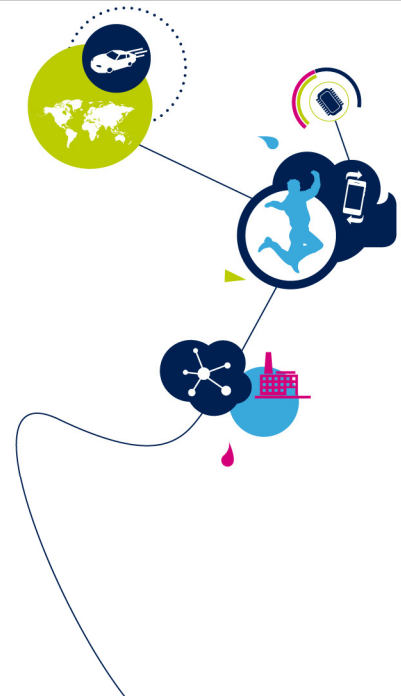
Served Market (SAM) *	~ -3.0% / +1.3%	Slight Decline to Slight Growth
ST Revenues	\$9.45 / 9.85B	
ST Revenue Evolution	-2% / +2%	
Gross Margin	>37% / around 39%	
Average quarterly Net Opex	\$620 / 630M	
Tax rate	14 / 17%	

Strong discipline in protecting the balance sheet and capital spending for key strategic initiatives



(*) ST Internal Market Estimates

Financial Model



ST Growth Catalysts 19



Automotive

- Car Digitalization
 - ADAS and MCU
- Car Electrification
 - SiC MOSFET and IGBT

Industrial

- Embedded processing solutions
 - MPU, Connectivity and Security
- Analog & Power
 - Applications specific



Personal electronics

- Sensors
- Secure solutions
- Analog
 - Application specific (power management)
- RF Mixed Signal for Front-End modules

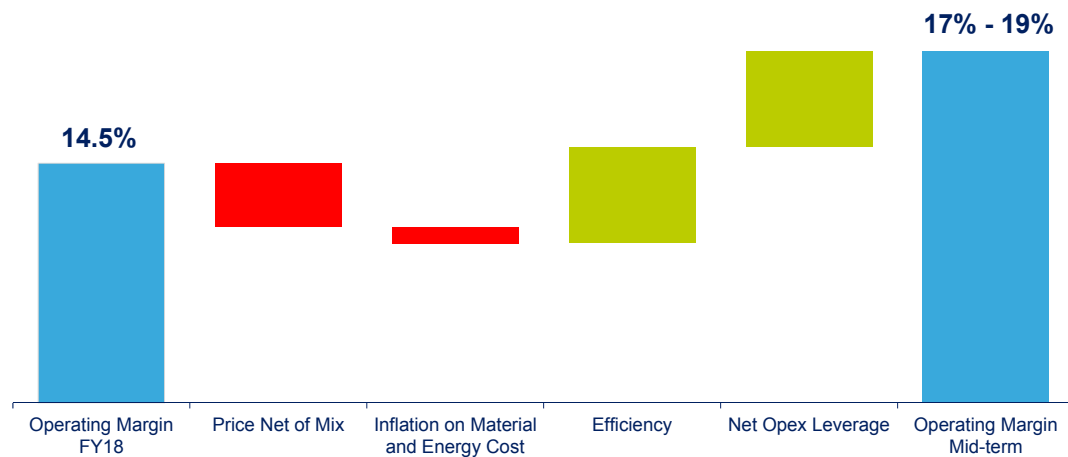
Communications Equipment, Computers & Peripherals

- Power management
- RF Mixed Signal for satellite constellation



Operating Margin Drivers 20

Mid-term Model



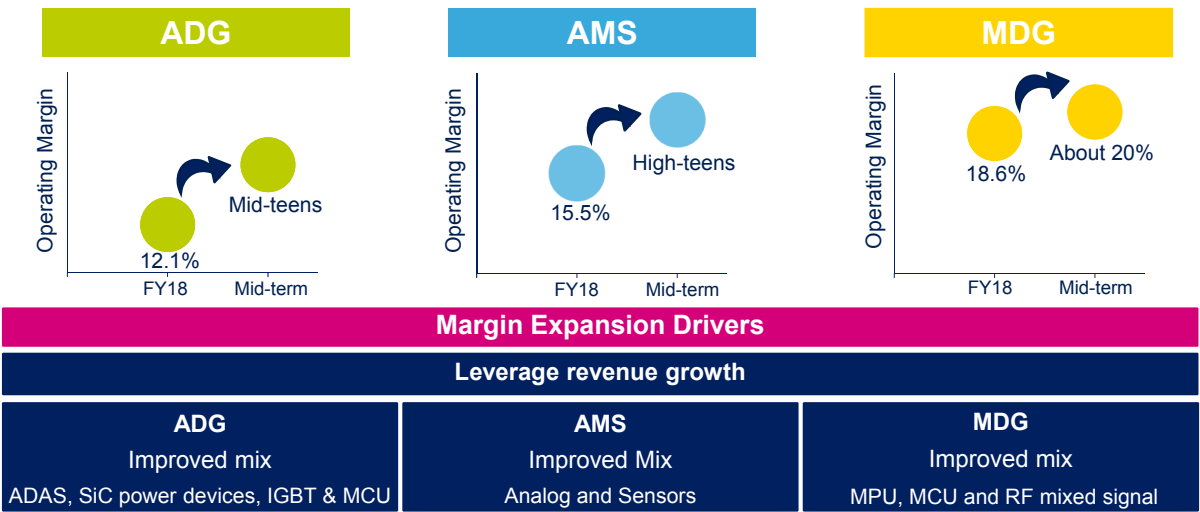
Path to Mid-Term Financial Model*

	<i>Mid - Term Model*</i>
ST Revenues	\$12.0B
Gross Margin	40% - 41%
Operating Margin	17% - 19%
Net Income	\$1.7 - 1.9B
Free Cash Flow	> \$1B



* See Forward Looking Information for full disclosure. Such information is 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 Information.

Product Group Profitability Evolution



Capital Allocation Plan 23

Sustain Growth

Capex

- Average yearly Capex of ~ \$1.1 – \$1.5B over the near/mid-term horizon
- Mitigate spending via higher outsourcing

Acquisition

Focused on:

- Organic growth
- Small and targeted strategic acquisitions

Shareholder Return

Dividend

- Dividend payment at \$0.24 per share in 2019
- Dividend consistent with our planned cash generation

Share Repurchase

- In Q418, we announced the launch of a share buy-back program of up to \$750 million to be executed within a 3 year period



Value Proposition for Shareholders

ST Value Proposition for Shareholders

25



Commitment to organic and self-financed growth



Strong focus on Long-term value creation



Significant opportunity to increase profitability



Capability to increase shareholder value



Appendix

26

- **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:

(US\$ Million)	Q118	Q218	Q318	Q418	FY2018	Q119
Unused Capacity Charges	1	-	-	-	1	1
Impairment & Restructuring Charges	21	-	-	2	21	-

