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;
- 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, public health, labor, political, or infrastructure conditions in the locations where we, our customers, or our suppliers operate, including as a result of macroeconomic 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;
- the Brexit vote and 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. The U.K. withdrawal from the EU took place on January 31, 2020 and the UK majority government is expected to complete Brexit even if no formal withdrawal agreement is in place with the EU by the end of the transition period running until December 31, 2020. The specific terms of the U.K. withdrawal from the EU are still uncertain and 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 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, the effects of climate change, health risks and epidemics such as the novel coronavirus COVID-19 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, 2019, as filed with the SEC on February 26, 2020. 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

Q1 2020

- Net revenues at $2.23B up 7.5% year-over-year with operating margin up to 10.4% and net income up 7.9% to $192M;
- On a sequential basis, revenues were 5% below the midpoint of our outlook: the COVID-19 outbreak and subsequent containment measures by governments brought challenges in our manufacturing operations and, especially in the last few days of the quarter, logistics;
- Gross margin of 37.9% largely in line with our midpoint;
- Free cash flow was $113M, including CAPEX of $266M;
- Stable net cash position of $668M, available liquidity of $2.7B and available credit facilities of $1.1B exiting the quarter.

Q2 2020

- Outlook at mid-point is for net revenues of $2.0B and gross margin of 34.6%, including 400 basis points of unsaturation charges;
- Our outlook is taking into account the declining demand environment, especially in Automotive, and the operational and logistics challenges due to current regulations.

FY 2020

- We will drive the Company based on a plan for revenues to be between $8.8B and $9.5B;
- We plan for growth in H2 over H1 in the range of $340M to $1.04B at the midpoint of our Q22O guidance, based on market evolution;
- As a consequence, we have reduced our CAPEX expectations from $1.5B to a range between $1.0B to $1.2B.
Q1 2020 Financial highlights

**Revenues = $2.23B**

- Q119: 1.0
- Q419: 1.5
- Q120: 2.0

**Operating Margin = 10.4%**

- Q119: 10
- Q419: 15
- Q120: 20

**Gross Margin = 37.9%**

- Q119: 34%
- Q419: 38%
- Q120: 36%

**Net Income = $192M**

- Q119: 0
- Q419: 100
- Q120: 300
Q1 2020 Revenues

% by product group
- Analog, MEMS & Sensors Group (AMS): 38%
- Automotive & Discrete Group (ADG): 34%
- Microcontrollers & Digital ICs Group (MDG): 28%
- Others: 0.1%

% by shipment location
- Americas: 65%
- EMEA: 22%
- Asia Pacific: 13%

% by region of origin
- Americas: 40%
- EMEA: 27%
- Asia Pacific: 33%

% by customer type
- Top 10 OEMs: 42%
- Other OEMs: 33%
- Distribution: 25%
Q120 Revenues = $2.23B

Q120 revenues up 7.5% Y/Y
- The Company recorded higher sales of Imaging, Analog, and Microcontrollers, partially offset by lower sales in Automotive, Power Discrete and Digital;
- Revenues to OEMs increased 22.5% and to Distribution decreased 21.4%.

Q120 revenues down 19.0% Q/Q
- 5% below the mid-point of our guidance as the COVID-19 outbreak and subsequent containment measures by governments around the world brought challenges in our manufacturing operations and, especially in the last few days of the quarter, logistics;
- All product group revenues declined.

Q220 Revenue Outlook
Down Q/Q by about 10.3% (+/- 350 bps)
Down Y/Y by about 7.9% at mid-point
Q120 Gross Margin = 37.9%

Q120 Gross Margin
- Down 150 basis points Y/Y mainly impacted by price pressure and unsaturation charges, including COVID-19 workforce related restrictions;
- Down 140 bps Q/Q;
- 10 bps below the mid-point of Company’s guidance as product mix and price evolution were better than expected;
- Includes 150 bps of unsaturation charges compared to our estimate of 80 basis points in our Q120 guidance.

Q220 Gross Margin Outlook
About 34.6% (+/- 200 bps)
Q120 Net Operating Expenses = $610M

Combined SG&A and R&D at $645M
• 28.9% of revenues.

Q120 Net Operating Expenses at $610M
• Net of Other Income & Expense;
• Below what we anticipated when entering the quarter;
• 27.3% of revenues.

* Net Operating Expenses: R&D + SG&A + Other Expenses (- Other Income)
Q1 2020 Product Group results

**Automotive & Discrete (ADG)**
- Revenues = $753M
- Operating Margin = 3.0%

**Analog, MEMS & Sensors (AMS)**
- Revenues = $852M
- Operating Margin = 20.8%

**Microcontrollers & Digital ICs (MDG)**
- Revenues = $623M
- Operating Margin = 11.5%
Q1 2020 Financial flexibility

Net Cash From Operating Activities = $399M

Free Cash Flow* = $113M

Capex = $266M

• Cash dividends of $0.06 per share per quarter: $53M distributed in Q120
• Repurchase of common stock of $62M in Q120 as part of ST’s ongoing program

*Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important.
### ST is in a solid position from a capital, liquidity and balance sheet perspective

<table>
<thead>
<tr>
<th>End of period (US$M)</th>
<th>March 28 2020</th>
<th>December 31 2019</th>
<th>March 30 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liquidity</td>
<td>2,710</td>
<td>2,744</td>
<td>2,698</td>
</tr>
<tr>
<td>Total Financial Debt</td>
<td>(2,042)</td>
<td>(2,072)</td>
<td>(2,188)</td>
</tr>
<tr>
<td>Net Financial Position*</td>
<td>668</td>
<td>672</td>
<td>510</td>
</tr>
</tbody>
</table>

- New €500M facility with the European Investment Bank (EIB) signed in Q120, the line is currently undrawn;
- Unutilized committed medium-term credit facilities of $565M on the top of the new EIB facility;
- Long-term debt contains standard conditions but does not impose minimum financial ratios.

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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.*
In Q1 2020, all countries where we operate decided to apply lockdown measures, creating operational & logistic challenges impacting revenues and resulting in higher unsaturation charges.

- We managed to keep all our manufacturing sites operational, at reduced workforce levels, keeping the most stringent health and safety measures;
- In coordination with local authorities, we have been able to limit the temporary assembly and test site closures;
- We did not close any wafer fab.

Our business continuity plans enabled us to continue to support our customers, and to continue to execute our R&D programs.
Q1 2020 Automotive highlights

- Won several sockets for automotive-grade ultrafast, Schottky & Silicon Carbide diodes for on-board-chargers at major Tier1s and OEMs
- Won designs for high-voltage silicon MOSFETs for inverters and charging stations and two programs for Battery Management Systems
- Announced collaboration with TSMC to develop Gallium Nitride (GaN) process technology and on April 7th, acquired a majority stake in French GaN innovator Exagan
- Won designs with our 32-bit Automotive microcontrollers in car access, switching, braking, and steer-by-wire applications
- Received awards for a power management IC in an ADAS system and, through our partner Autotalks, for a V2X (Vehicle-to-Everything) communications application
Q1 2020 Industrial highlights

Announced many additions to the STM32 microcontroller portfolio: new products in our low power and high performance MCU families and the world’s first LoRa® System on Chip

Wins with high- and low-voltage silicon MOSFETs and Intelligent Power Modules for power supplies, solar-power converters, home appliances and power tools from many manufacturers

Won several new designs with multiple metering customers for smart power and ASIC products

Won designs with home appliance makers for power conversion and motion-control products

Received awards from machine manufacturers for vibration and environmental monitoring with industrial-grade MEMS sensors
Q1 2020 Personal Electronics highlights

- **AMS**
  - Won designs in flagship smartphones with time-of-flight ranging sensors, ambient-light, MEMS motion and water-proof pressure sensors

- **AMS**
  - Won designs with key market players for MEMS motion sensors for True Wireless Stereo applications, including sports applications

- **MDG**
  - Ramped production of eSIM and secure element products at a major smartphone maker

- **AMS**
  - Won designs at top-tier smartphone manufacturers with analog solutions such as smart-power, touch, display, and charging products

- **MDG**
  - Received awards for several 5G switch and antenna tuner designs with our RF mixed signal technologies
Q1 2020 Communications Equipment, Computers & Peripherals highlights

- Received design wins with industrial grade 6-axis motion sensors at major European and Asian customers for mobile infrastructure applications
- Won designs at multiple top PC manufacturers with time-of-flight sensors for presence detection and MEMS motion sensors
Net revenues are expected to be $2.0B, a decrease of 10.3% sequentially, plus or minus 350 basis points.

Gross Margin of 34.6%, plus or minus 200 basis points.

Our Q220 outlook is taking into account the declining demand environment, especially in Automotive, as well as the ongoing operational and logistics challenges due to current governmental regulations.

We anticipate that all of our manufacturing sites will be operational. Some of them will run at reduced capacity, leading to about 400 basis points of unsaturation charges embedded in the gross margin guidance.

This outlook is based on an assumed effective currency exchange rate of approximately $1.11 = €1.00 for the 2020 second quarter and includes the impact of existing hedging contracts.

The second quarter will close on June 27, 2020.
FY 2020 Business Continuity Plan

FY20 sales and operating plan is based on our current view of the market, as well as on continuous customer interaction. In the framework of an already solid financial situation, it aims at further increasing our financial flexibility, acknowledging the short-term global challenges while also supporting our unchanged long-term strategy and its objectives.

• We have reduced our CAPEX plan for 2020 from $1.5B to a range between $1.0B to $1.2B, related to reduced additional capacity needs. Our strategic initiatives are all confirmed, although with some short-term schedule adjustments;

• While we are protecting our R&D, sales & marketing programs and transformation initiatives, we will keep a strict discipline on controlling operating expenses. However, as the Company is taking up non-recurring expenses for solidarity initiatives or exceptional incentives for our employees at work, the management team will reduce their base salary for the next two quarters as their own contribution; and

• In order to further increase our financial flexibility, we will not execute any transaction on our current share buy-back program in the second half of the year.
In response to COVID-19 pandemic, we will continue to ensure the health and safety of all our employees and to execute our business continuity plans, working with our customers, partners and the communities where we operate.

We have a sales and operational plan for this challenging year, targeting growth in H2 over H1 driven by already engaged customer programs and by the removal of supply constraints. The growth range is linked to the evolution of the market.

ST is in a solid position from a capital, liquidity and balance sheet perspective. We will maintain our financial strength.

We will continue to advance our long-term strategy and objectives, together with our employees: for the benefit of our customers, partners, communities and for our shareholders.

ST’s Supervisory Board is now proposing a decrease in the 2019 dividend from US$0.24 to US$0.168 per share, with the authorization to consider, during September 2020, to increase such dividend up to a maximum of US$0.24 per share. This resolution will be proposed at the 2020 AGM which is now postponed to June 17, 2020.
### Historical Financial Performance

<table>
<thead>
<tr>
<th>In US$M, except EPS</th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q419</th>
<th>FY19</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>2,076</td>
<td>2,173</td>
<td>2,553</td>
<td>2,754</td>
<td>9,556</td>
<td>2,231</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>39.4%</td>
<td>38.2%</td>
<td>37.9%</td>
<td>39.3%</td>
<td>38.7%</td>
<td>37.9%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>211</td>
<td>196</td>
<td>336</td>
<td>460</td>
<td>1,203</td>
<td>231</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>10.2%</td>
<td>9.0%</td>
<td>13.1%</td>
<td>16.7%</td>
<td>12.6%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Net Income – Reported</td>
<td>178</td>
<td>160</td>
<td>302</td>
<td>392</td>
<td>1,302</td>
<td>192</td>
</tr>
<tr>
<td>EPS Diluted ($/share)</td>
<td>0.20</td>
<td>0.18</td>
<td>0.34</td>
<td>0.43</td>
<td>1.14</td>
<td>0.21</td>
</tr>
<tr>
<td>Free Cash Flow*</td>
<td>(67)</td>
<td>(67)</td>
<td>170</td>
<td>461</td>
<td>497</td>
<td>113</td>
</tr>
<tr>
<td>Net Financial Position*</td>
<td>510</td>
<td>308</td>
<td>348</td>
<td>672</td>
<td>672</td>
<td>668</td>
</tr>
<tr>
<td>Effective Exchange Rate €/$</td>
<td>1.16</td>
<td>1.14</td>
<td>1.14</td>
<td>1.12</td>
<td>1.14</td>
<td>1.11</td>
</tr>
</tbody>
</table>

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

- **Net financial position (non-U.S. GAAP measure):** represents the difference between our total liquidity and our total financial debt. Our total financial resources include cash and cash equivalents, marketable securities, restricted cash and short-term deposits, and our total financial debt includes short-term debt, including bank overdrafts, and long-term debt, as represented in our Consolidated Balance Sheets. 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 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. In addition, our definition of Net Financial Position may differ from definitions used by other companies and therefore comparability may be limited.

- **Free cash flow (non-U.S. GAAP measure):** is defined as (i) net cash from operating activities plus (ii) net cash used in investing activities, excluding payment for purchases (and proceeds from matured) of marketable securities and net investment in short-term deposits, which are considered as temporary financial investments. The result of this definition is ultimately net cash from operating activities plus payment for purchase and proceeds from sale of tangible, intangible and financial assets, proceeds received in the sale of businesses and cash paid for business acquisitions. 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 operations. Free Cash Flow does not represent total cash flow since it does not include the cash flows generated by or used in financing activities. Free Cash Flow reconciles with the total cash flow and the net cash increase (decrease) by including the payment for purchases (and proceeds from the matured) of marketable securities and net investment in short-term deposits, the net cash from (used in) financing activities and the effect of changes in exchange rates. 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, reduced manufacturing activity due to COVID-19, 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>(US$ Million)</th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q419</th>
<th>FY19</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unused Capacity Charges</td>
<td>1</td>
<td>7</td>
<td>28</td>
<td>29</td>
<td>65</td>
<td>34</td>
</tr>
<tr>
<td>Impairment &amp; Restructuring Charges</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>3</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Thank you