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STMicroelectronics Capital Markets Day – 2020 Strategic Update

December 9th, 2020

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;
- 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 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.



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Introduction

Jean-Marc Chery

President & CEO

Agenda

- | | | |
|---|---------------------------------|-----------------|
| 1 | Introduction | Jean-Marc Chery |
| 2 | Markets & end-market strategies | Marco Cassis |
| 3 | Manufacturing strategy | Orio Bellezza |
| 4 | Financial results & priorities | Lorenzo Grandi |
| 5 | Q&A | |

Our strategy stems from key long-term enablers

Smart Mobility



ST provides innovative solutions to help our customers make driving **safer, greener and more connected** for everyone

Power & Energy



ST technology and solutions enable customers to increase **energy efficiency** everywhere and support the use of renewable energy sources

Internet of Things & 5G



ST provides **sensors, embedded processing solutions, connectivity, security and power management**, as well as **tools and ecosystems** to make development fast and easy for our customers

We address four end markets

Automotive



Industrial



Personal electronics



Communications equipment, computers & peripherals



Our strategic objectives

Automotive



Lead in **car electrification**



Lead in **car digitalization**

Industrial



Lead in **embedded processing**



Accelerate growth in **analog & sensors**



Expand in **power & energy** management



Accelerate growth with **industrial OEMs**

Personal electronics



Lead in **selected** high-volume **smartphone** applications with differentiated products or custom solutions



Leverage **broad portfolio** to address high-volume applications

Communications Equipment, Computers & Peripherals



Address **selected** high-volume **applications** with differentiated products or custom solutions



Address selected applications in **cellular** and **satellite communication** infrastructure



Leverage **broad portfolio** to address high-volume applications

Our value proposition

For our shareholders



Return value in line with our sustainable, profitable growth objective

Sustainable and profitable growth

For our customers



Provide differentiating enablers

Independent, reliable & secure supply chain

For other stakeholders



Committed to sustainability

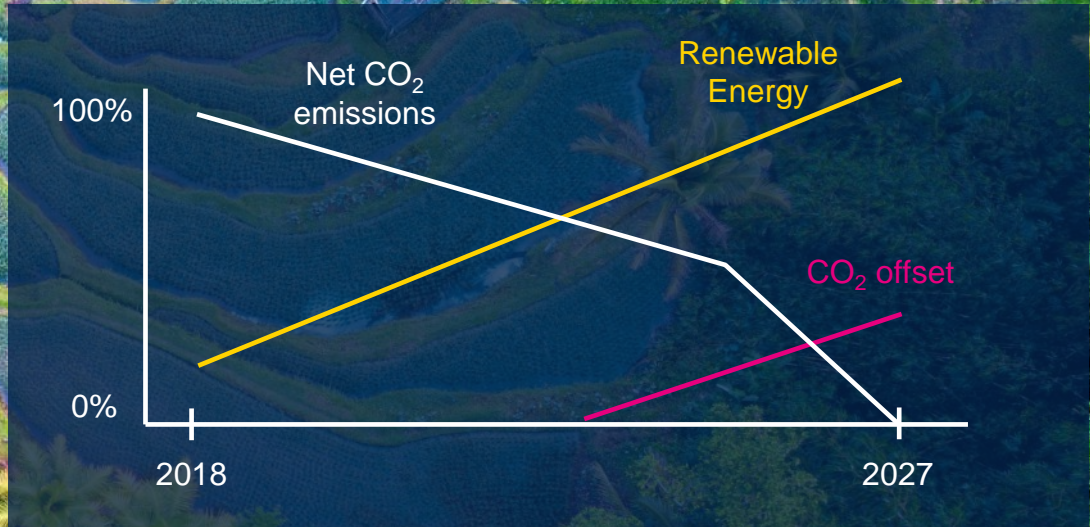
Our values: Integrity – People – Excellence

Sustainability Update

ST will be Carbon neutral by 2027



- ### Milestones
- Compliance with the 1.5°C scenario (Paris COP21) by 2025
 - Carbon neutral by 2027
 - Sourcing 100% renewable energy by 2027
 - Collaborative programs and partnerships for carbon neutrality throughout our ecosystems



New ST President of Human Resources and Corporate Social Responsibility

Rajita D'Souza



From January 2021



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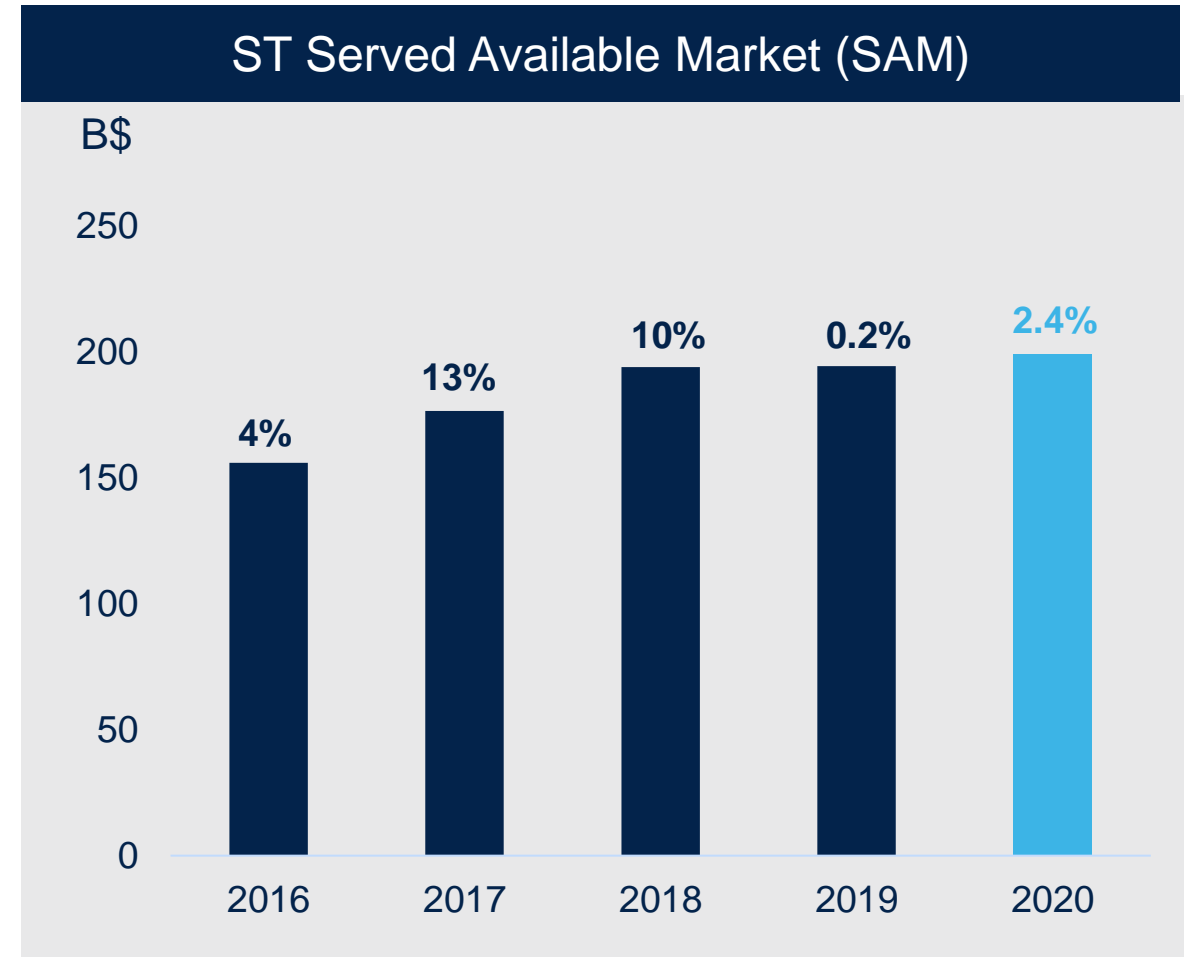
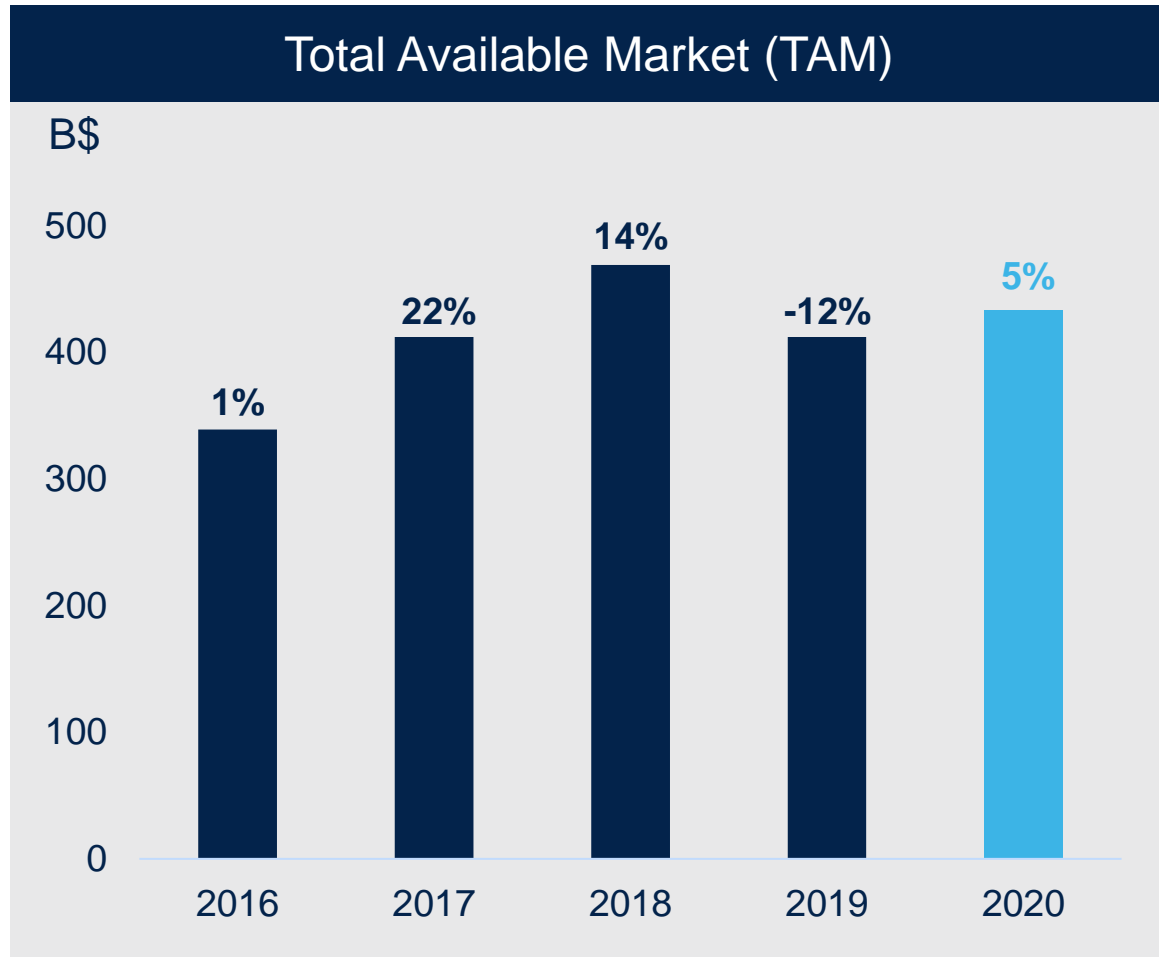
Markets and end-market strategies

Marco Cassis

President

Sales, Marketing, Communications and Strategy Development

Moderate SAM growth despite 2020 dynamics



ST SAM growth driven by automotive and industrial end markets

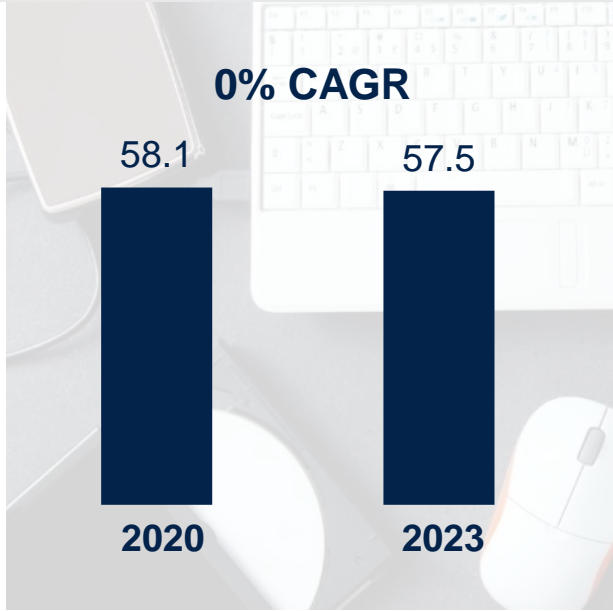
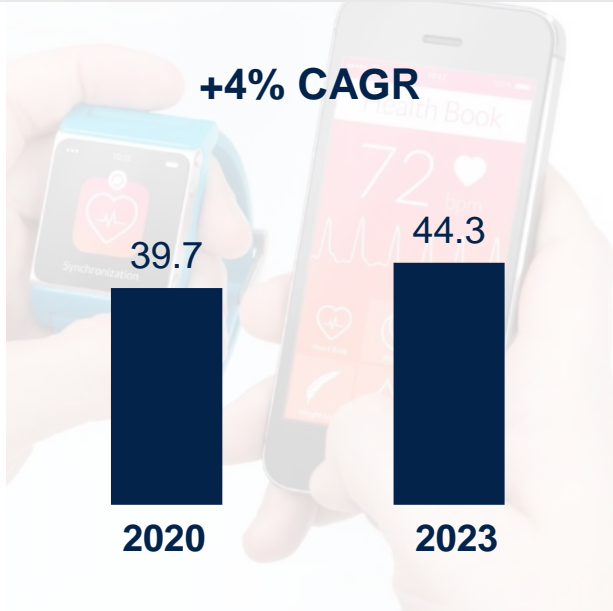
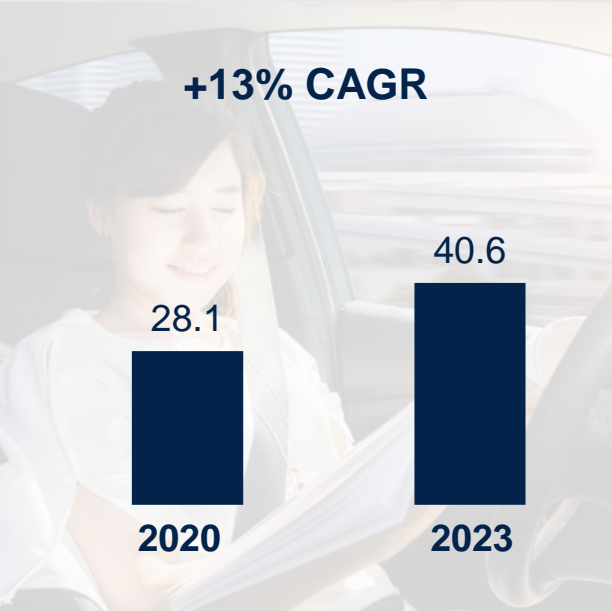
Automotive

Industrial

Personal Electronics

Communications
Equipment,
Computers & Peripherals

SAM \$B



....but at a lower level than expected one year ago

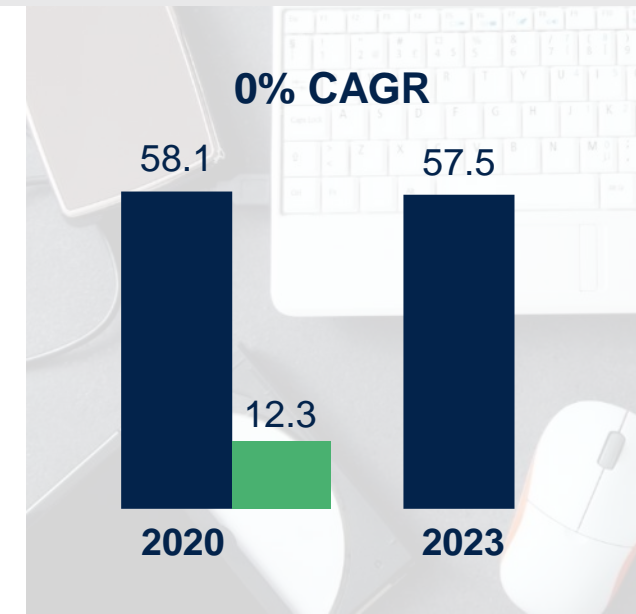
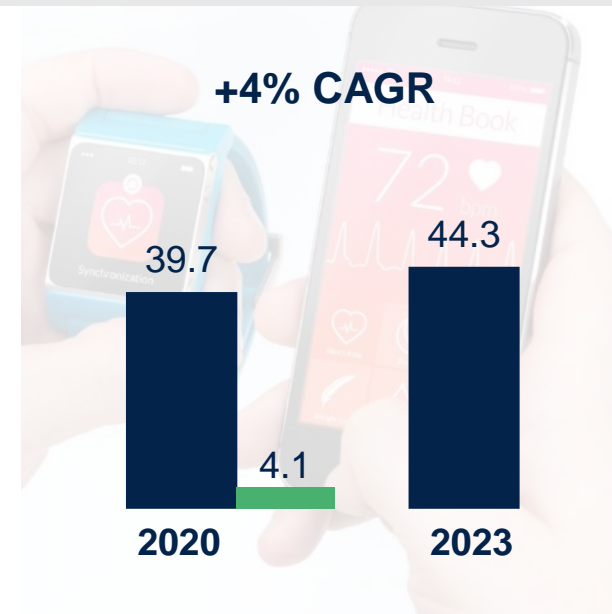
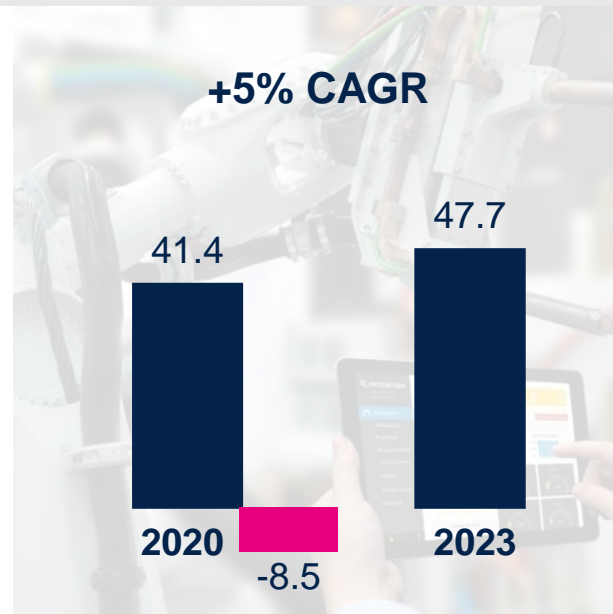
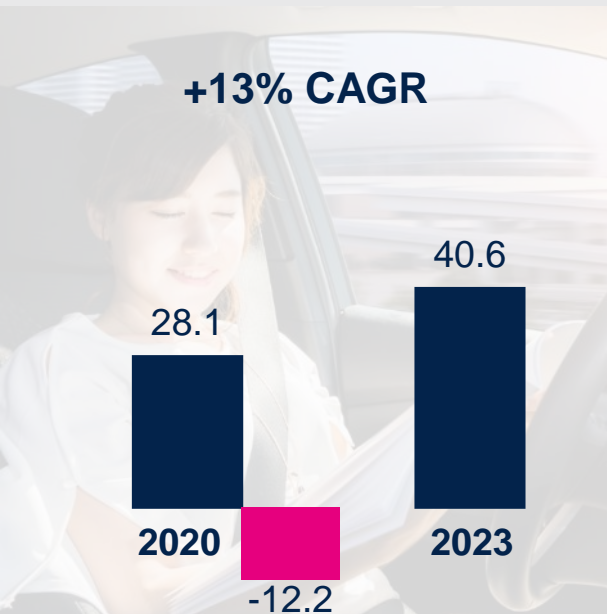
Automotive

Industrial

Personal Electronics






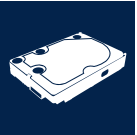



Communications
Equipment,
Computers & Peripherals

SAM \$B



2020 Delta vs. 2Q19 forecast

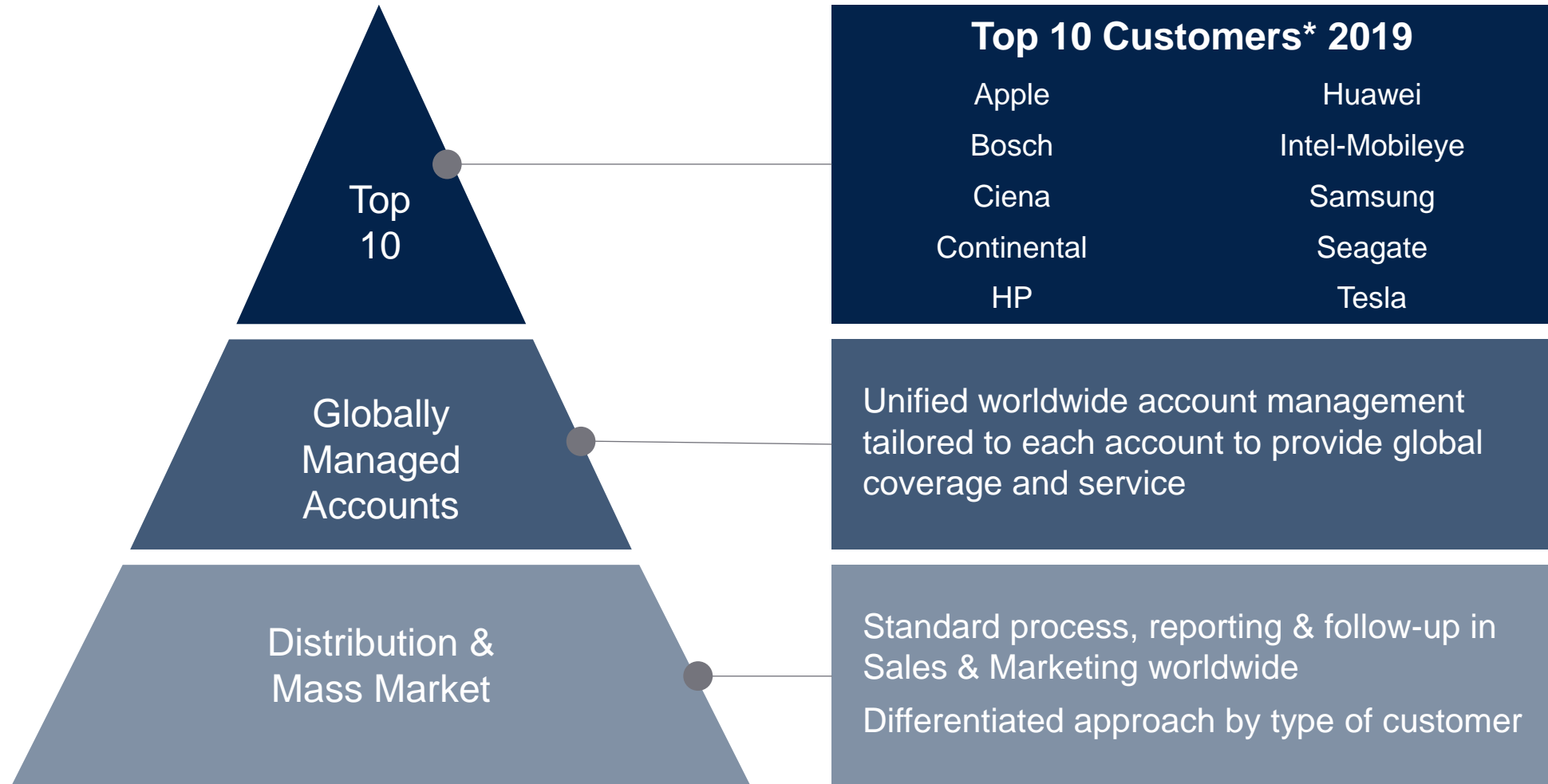
ST has strong positions across all end-markets

	General Purpose & Secure MCU	#2		Consumer & mobile MEMS	#1
	Analog	#4*		Consumer & mobile light sensors	#1
	All MCU	#4*		PMIC for mass storage	#1
	MEMS sensors & actuators	#4*		Silicon Carbide for industrial & automotive	#1
	Power discretes & modules	#4			

* preliminary 2020 ranking available - All others 2019

Source: Omdia 15

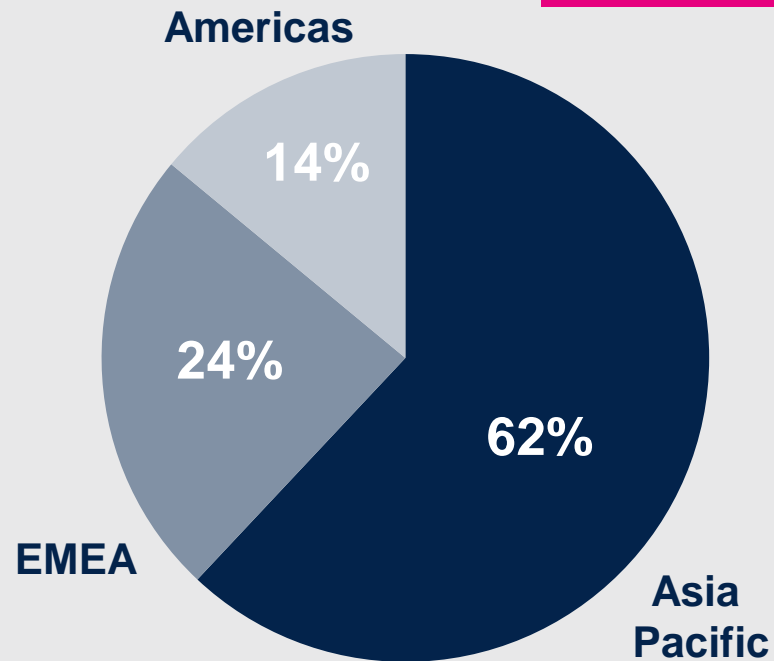
We serve more than 100,000 customers



Balanced sales across regions & channels

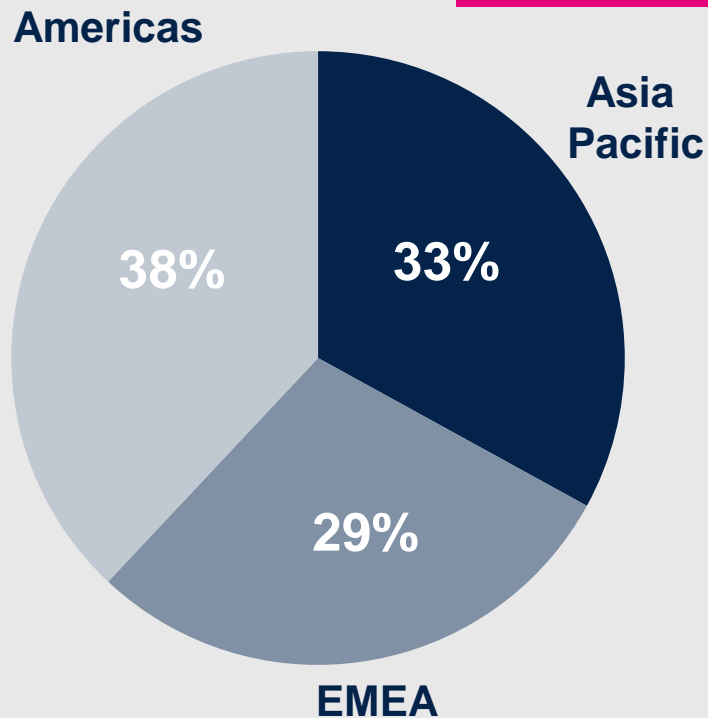
% by shipment location

FY2019



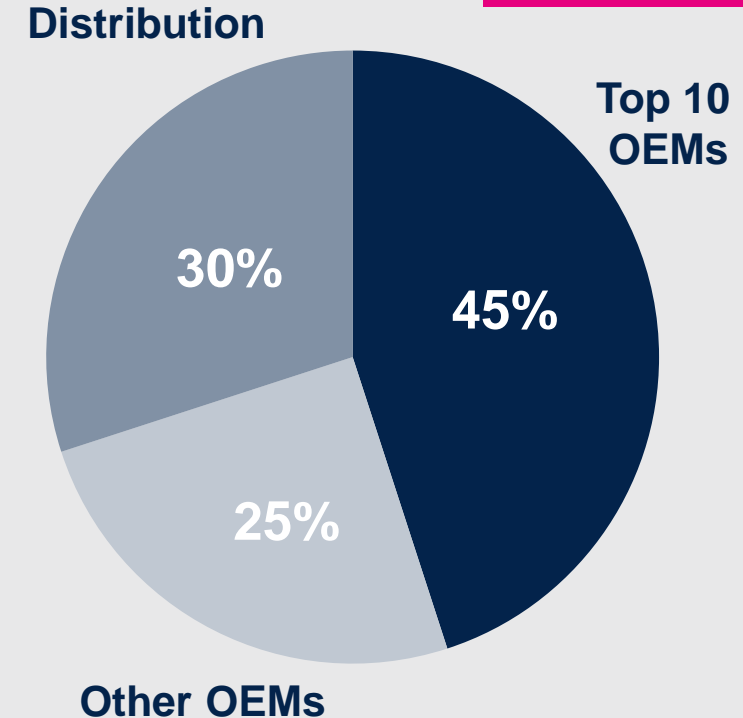
% by region of origin

FY2019



% by customer type

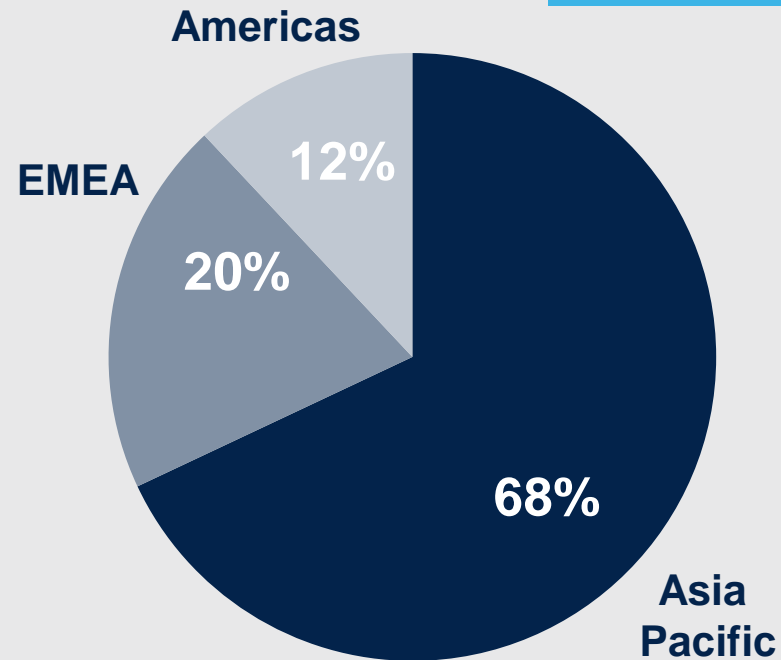
FY2019



2020 nine months showing different dynamics

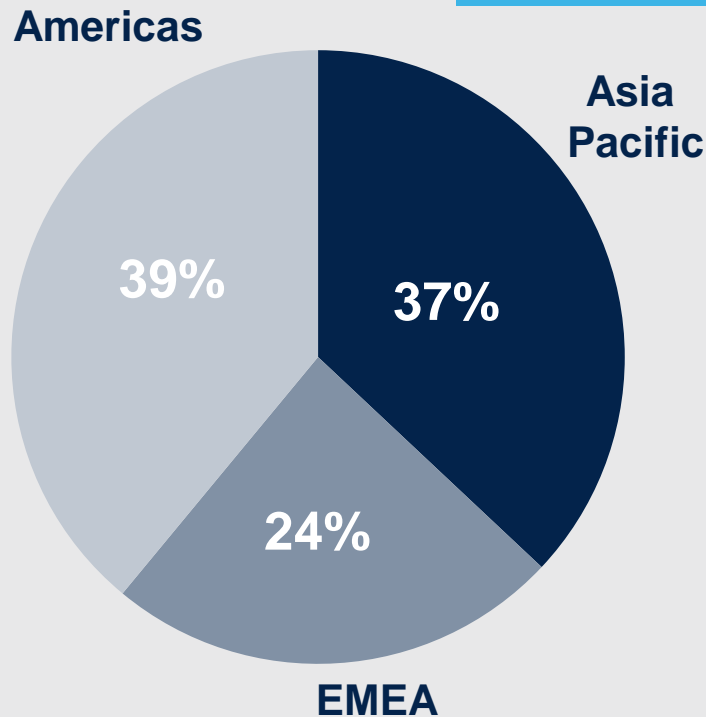
% by shipment location

9 months 2020



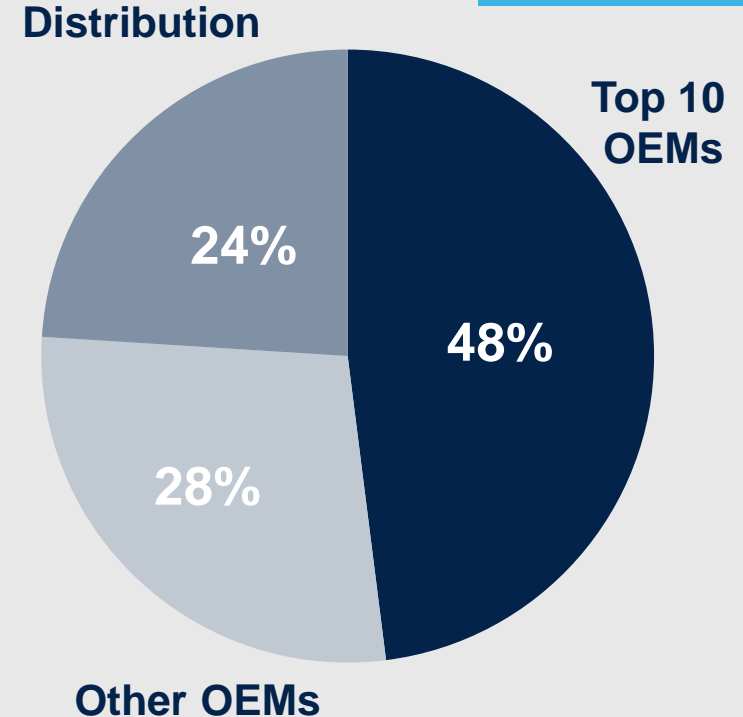
% by region of origin

9 months 2020



% by customer type

9 months 2020



Automotive



Lead in
car electrification



Lead in
car digitalization

Application Approach

Leverage broad and deep knowledge of automotive systems to develop solutions optimized for targeted vehicle subsystems

- Chassis & Safety
- ADAS
- Powertrain for ICE
- Electro-mobility
- Body & Convenience
- In-vehicle Infotainment
- Telematics & Networking
- Mobility Services

Market Approach

Partnerships with Car Manufacturers, Tier 1's and technology leaders



Partnerships with Distribution
Including full kit solutions



Partnerships for long-term success in China



Key developments in market and end market strategy

Automotive

Market

- Electrification and digitalization trends remains strong and semiconductor content continues to increase
- Vehicle electrification is now mainstream at all car makers around the globe
- Pandemic significantly depressed 2020 car sales
- Strong restart of automotive production in H2 2020 with electric car deployment acceleration
- Tailwinds in ADAS L2 and L2++ increasing adoption
- Full autonomous (L4, L5) driving projects postponed

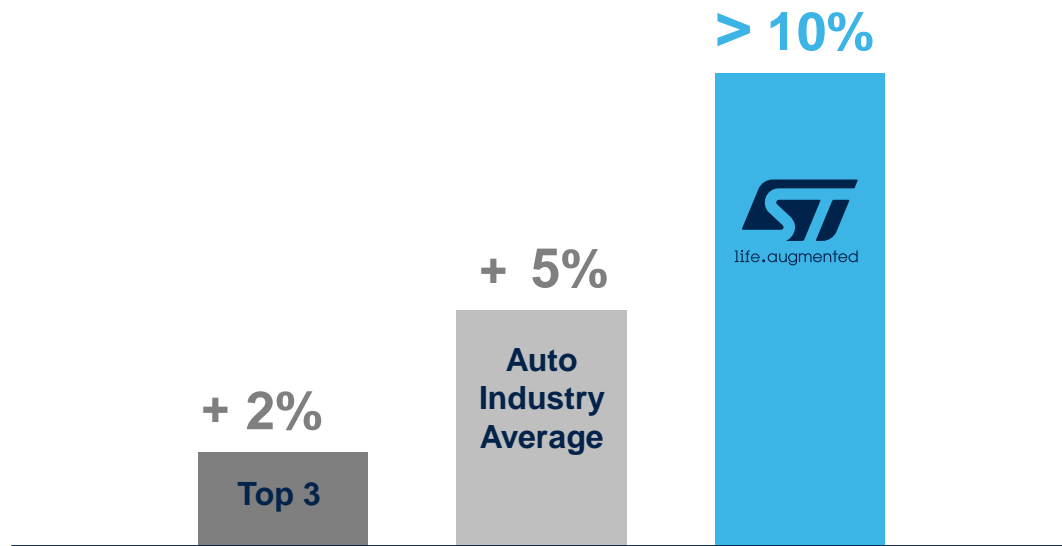
End market strategy

- Acceleration of the ongoing actions plan to better serve automotive macro-trends
- Expanded electrification programs based on SiC, IGBT, Microcontrollers, and Smart power solutions
- Accelerated partnerships in Asia for electrification
- Better ADAS volumes with pervasion of L2/L2++ more than compensating volume reduction
- Increased effort on GaN with acquisition to improve time-to-volume - complementing internal programs

ST outperforming the market

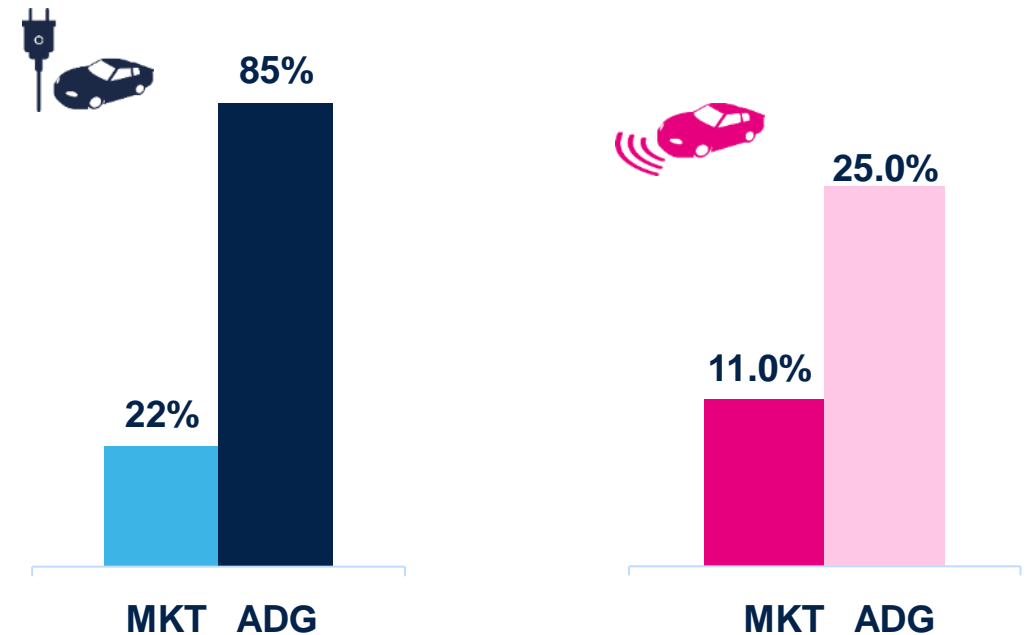
ST is the only top 5 player growing stably in the past 2 years

CAGR 2017-2019



ST outperformed the 2019 market in electrification & ADAS

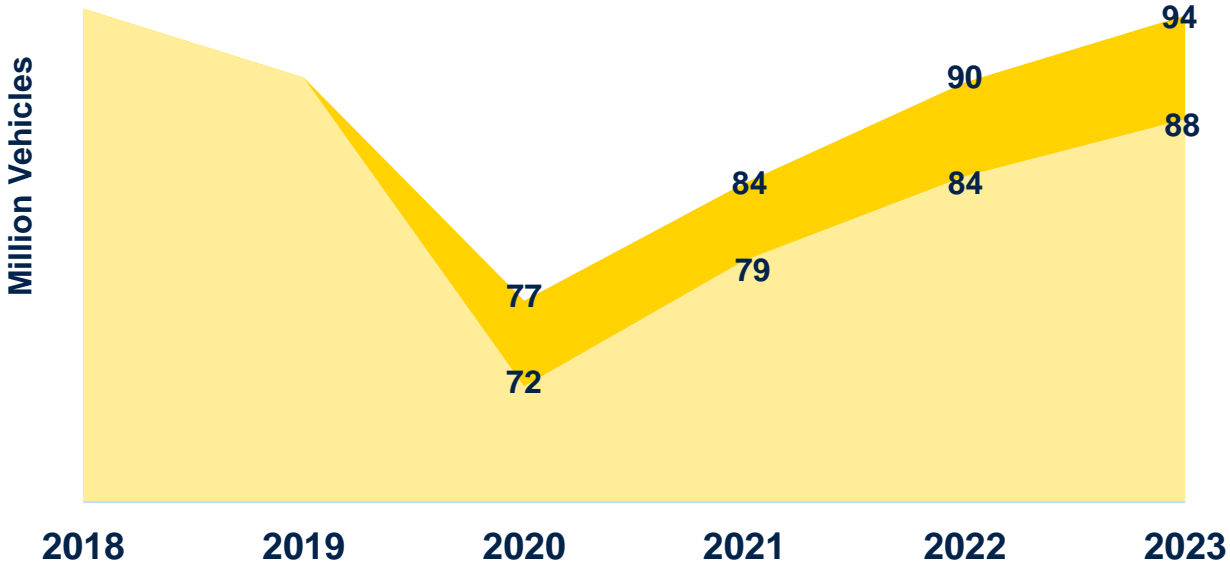
2019 Growth Rate



Automotive market recovering mid term

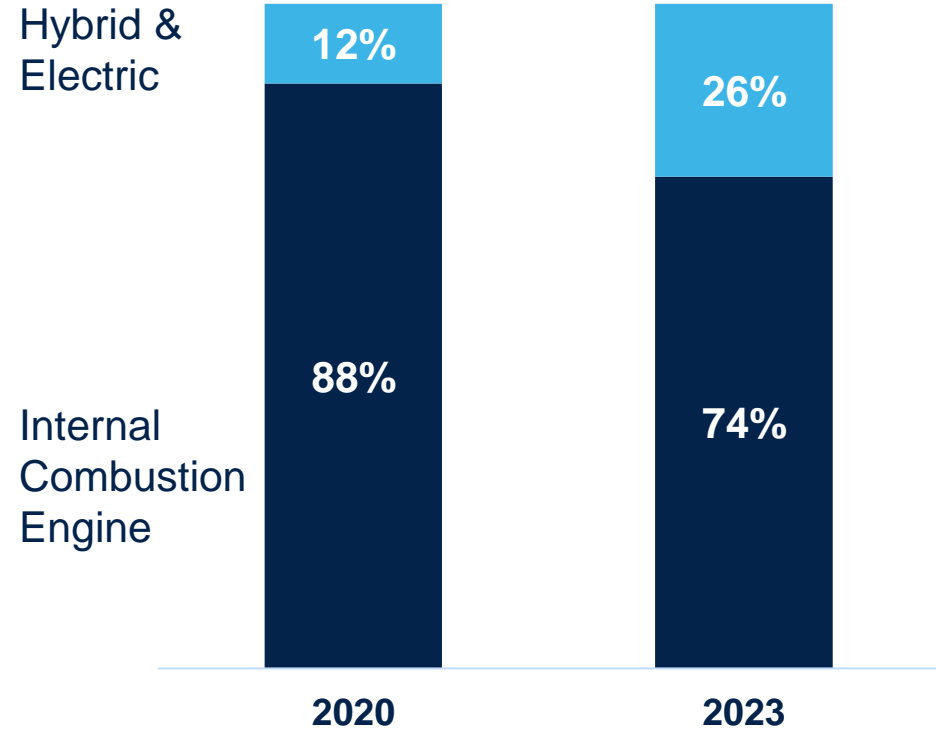
Hybrid & Electric vehicle acceleration

Light vehicle sales forecast



■ Analyst Mid case
 ■ Analyst Low case

Car production volumes



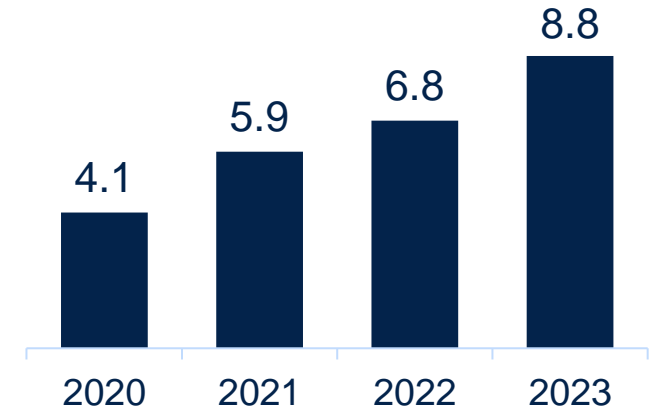
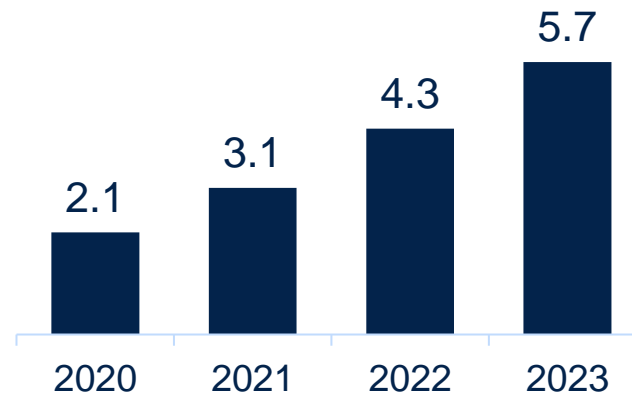
Automotive transformation boosting silicon value in the car

Automotive Semiconductor TAM

2023
\$45.1B



2020
\$29.2B



Industrial



Lead in **embedded processing**



Accelerate growth in **analog & sensors**



Expand in **power & energy management**



Accelerate growth with **industrial OEMs**

Application Approach

Use deep industrial knowledge to develop solutions optimized for specific applications, combined with a broad portfolio

- Factory Automation
- Motor Control
- Industrial Drives
- Industrial Power & Tools
- Energy Generation & Distribution
- Metering
- LED, General Lighting
- Home, Building & City Automation
- Appliances
- Power Supplies and Converters
- Point of Sales & Retail Logistics
- Medical & Healthcare
- Space, Avionics & Defense
- Smart Farming

Market Approach

Target industry leaders with leading-edge products adapted to their needs



Target wider market with broad portfolio mainly through distribution



Key developments in market and end market strategy

Industrial

Market

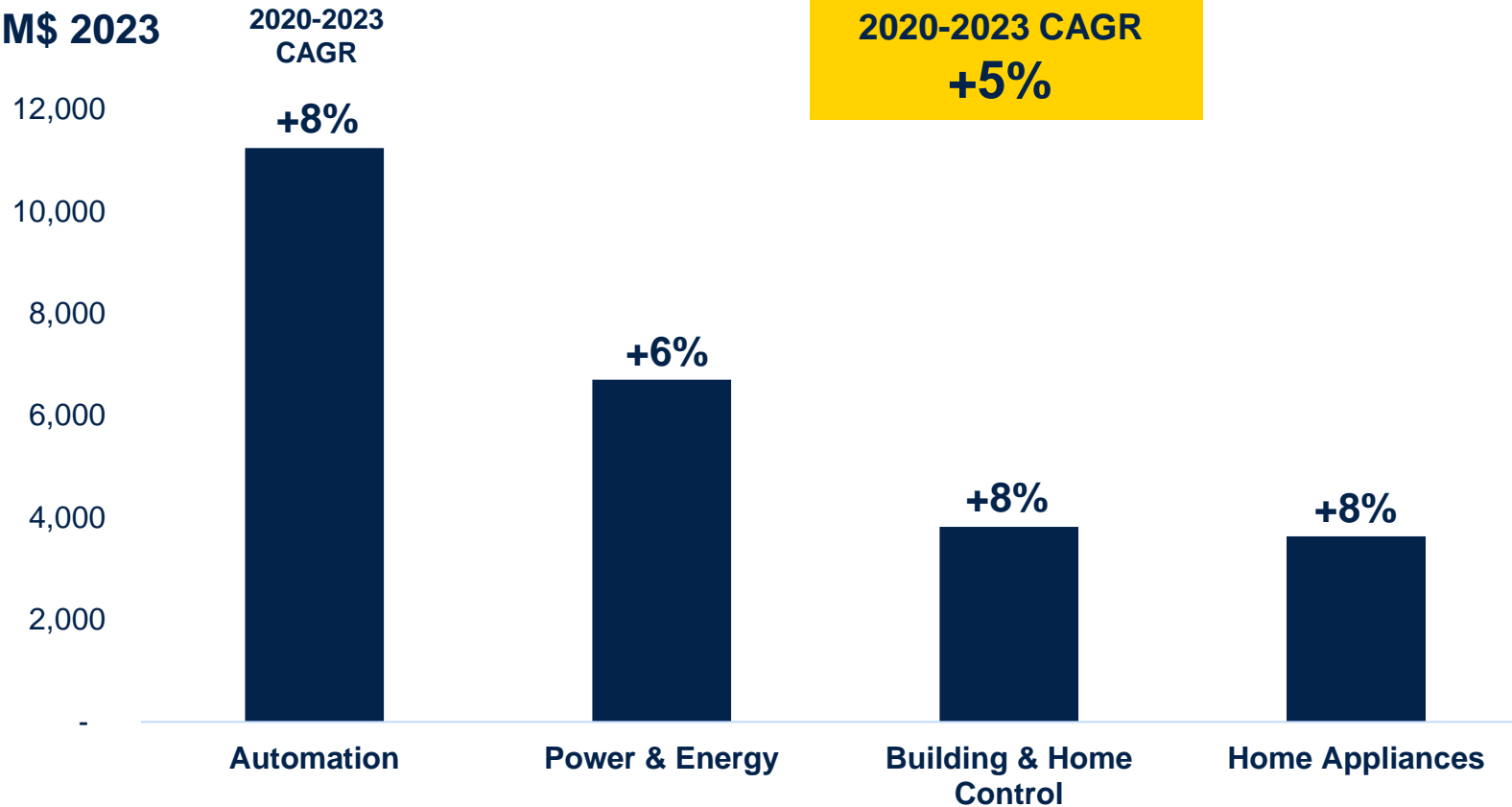
- Pandemic strongly impacted factory automation
- Significant industrial market forecast decline vs. previous expectations
- ST focus applications continue to be highest growth in the industrial market
- Growth driven by automation and motor electrification
- Need for higher power efficiency, battery charging, sensors and data-centric industrial IoT

End market strategy

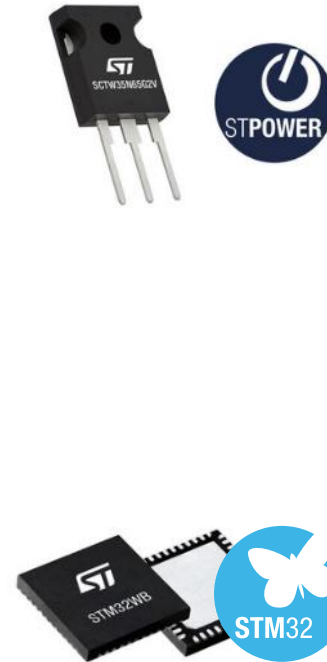
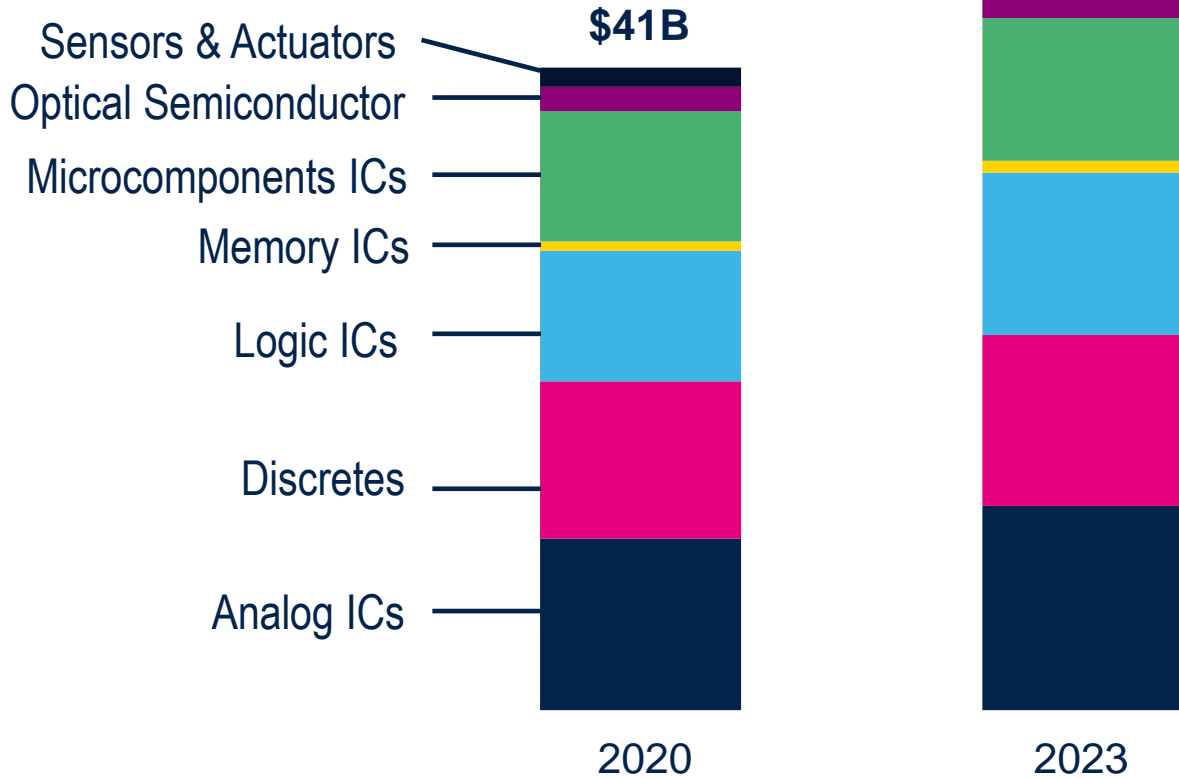
- Strengthened industrial embedded processing offering with portfolio extensions, ecosystem investments and connectivity acquisitions
- Strengthened power offering with SiC and GaN investments, agreements and acquisitions
- Added additional field resources and customer support structures – two new competence centers in China

ST focused on largest and highest growth industrial applications

ST SAM
M\$ 2023



ST has leading positions in focus areas in the industrial semiconductor market



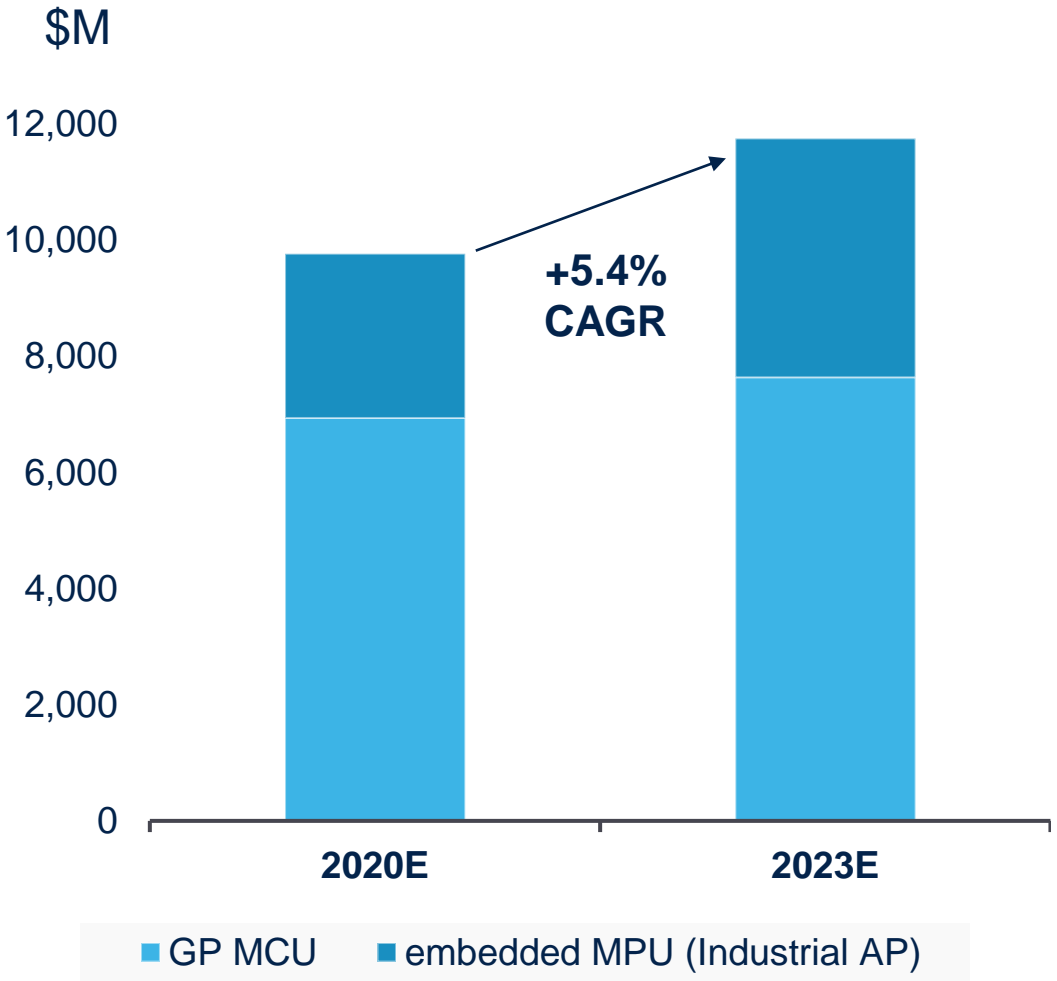
Rank	Discretes (Power)
1	Infineon
3	STMicroelectronics

Rank	Analog IC
1	Texas Instruments
5	STMicroelectronics

Rank	Microcomponents ICs (MCU+MPU)
1	Intel
5	STMicroelectronics

Rank	Sensors & Actuators
1	Analog Devices
10	STMicroelectronics

Embedded processing market trend



Industrial Growth Drivers



Wireless connectivity



End-to-end security



MCU



Ultra Low Power

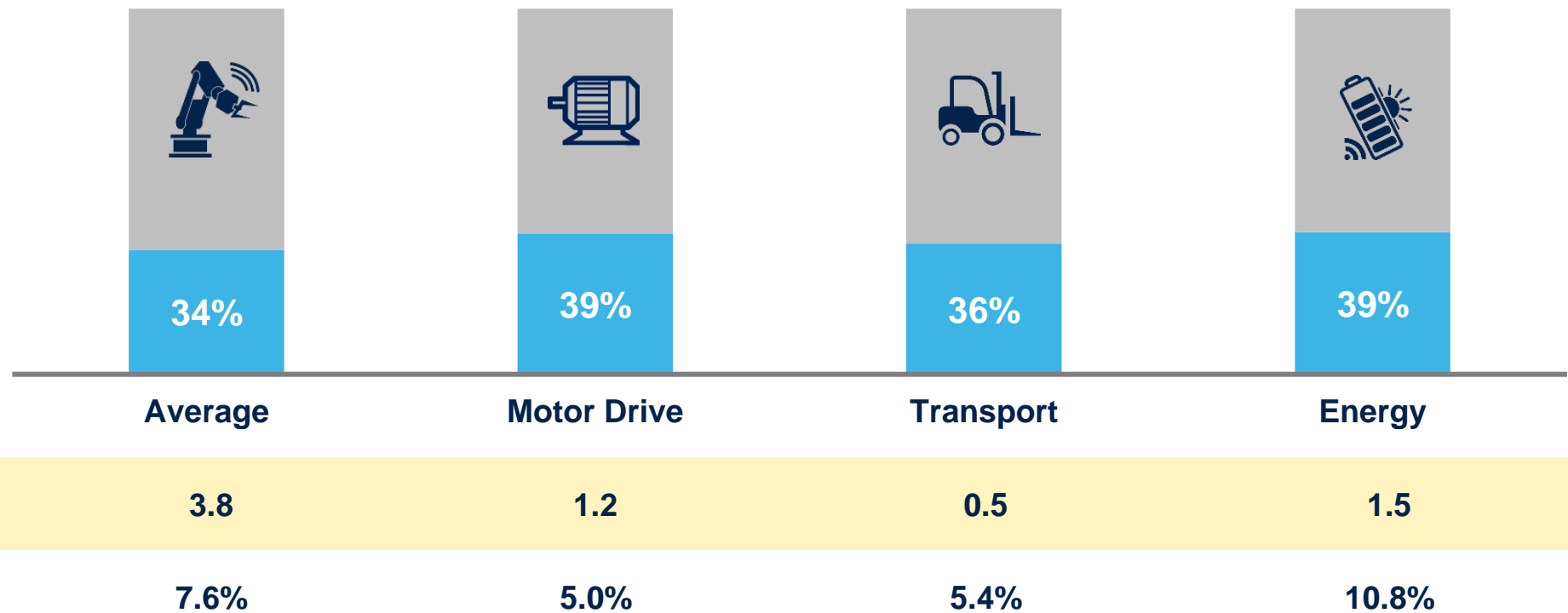


Motor control and power system digitalization



Power semiconductors pervasive in industrial

Power semiconductors represent over one third of the semiconductor content in key industrial applications with high growth



Smart connected devices enabling fast growing industrial applications

Smart connected industrial devices require increasing sensing and connectivity capabilities on top of embedded processing



Asset tracking



Predictive maintenance

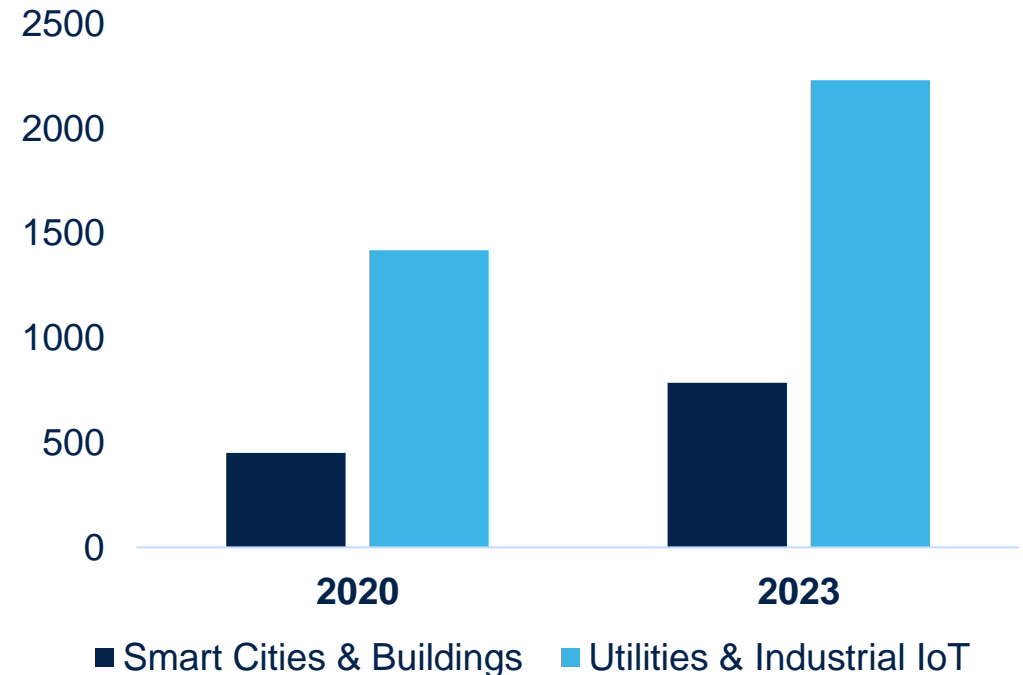


Real-time monitoring



Metering
Electricity,
Gas, Water

IoT connected devices
Million Units



Personal electronics

Personal electronics



Lead in **selected** high-volume **smartphone** applications with differentiated products or custom solutions



Leverage **broad portfolio** to address high-volume applications

Application Approach

- Smartphone application-specific products also suited for other personal devices
- General purpose portfolio for broader PE market

- Smartphones
- Tablets & eReaders
- Wearables
- Personal Care & Hygiene
- Gaming
- Drones
- True Wireless Stereo (TWS) headsets
- Augmented Reality

Market Approach

Dedicated products for top smartphone players



Broad portfolio offer for all smartphone & accessories players



Key developments in market and end market strategy

Personal Electronics

Market

- US-China Trade War
- Market share shift among smartphone players
- Weak first half 2020 smartphone sales and strong second half
- 5G smartphones sales taking off
- eSIM adoption
- “Work from home” effect positively affecting accessories and other personal electronics

End market strategy

- Development of next generation optical sensing solutions to consolidate our positions as leader
- Launch of open market wireless charging solutions
- Accelerate analog custom solutions
- Leveraging strong customer relationships to sell broad portfolio

Smartphone opportunities

Differentiated products or custom solutions



Optical sensing solutions



Secure solutions



Custom analog & Power management



Sensors



5G RF

Broad portfolio



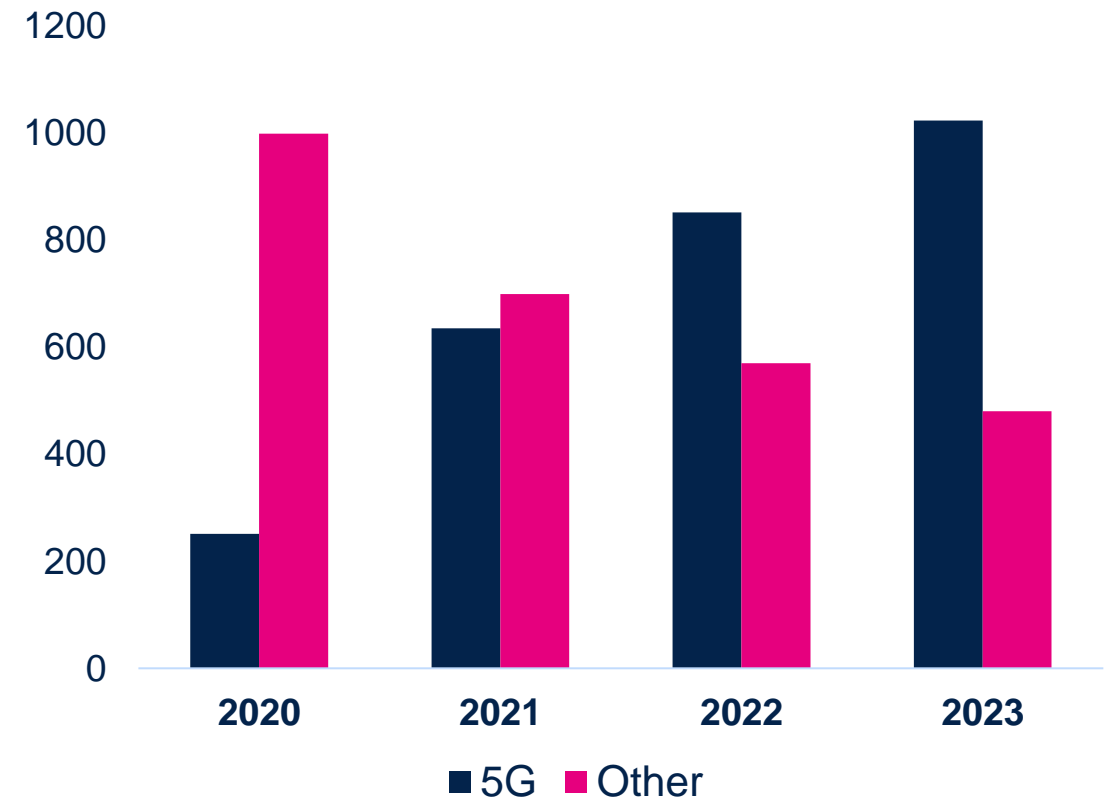
Microcontrollers



General purpose analog

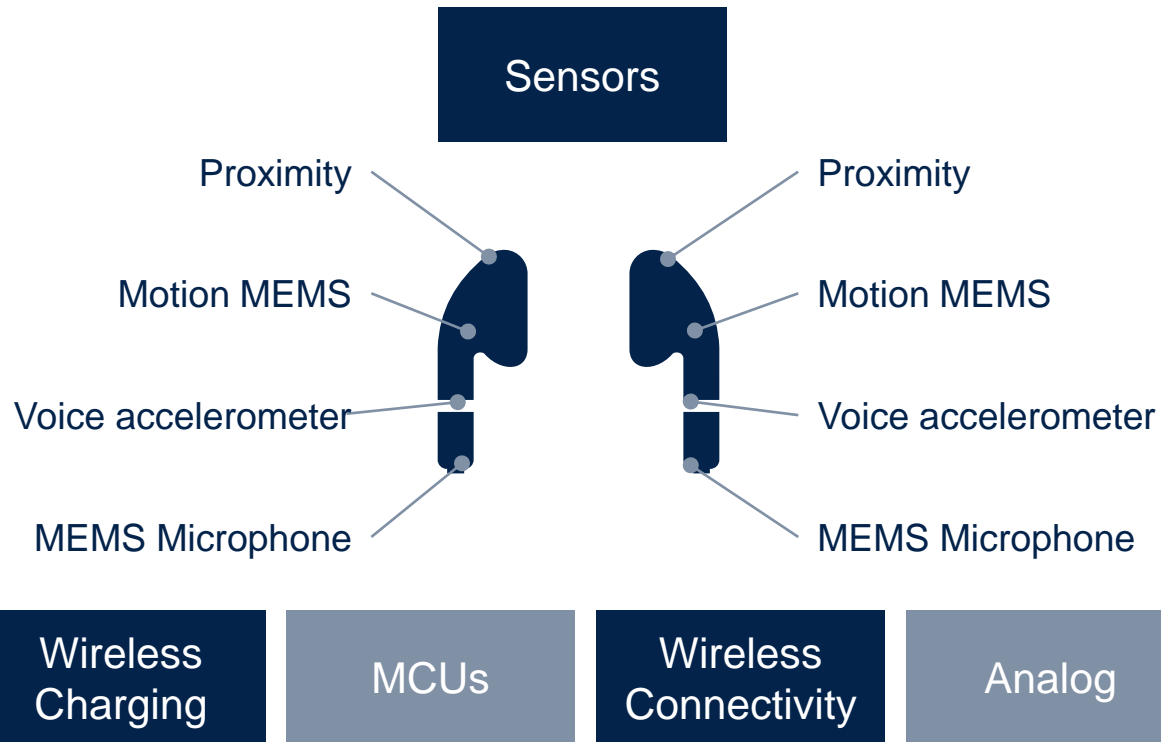


Smartphone sales Million Units

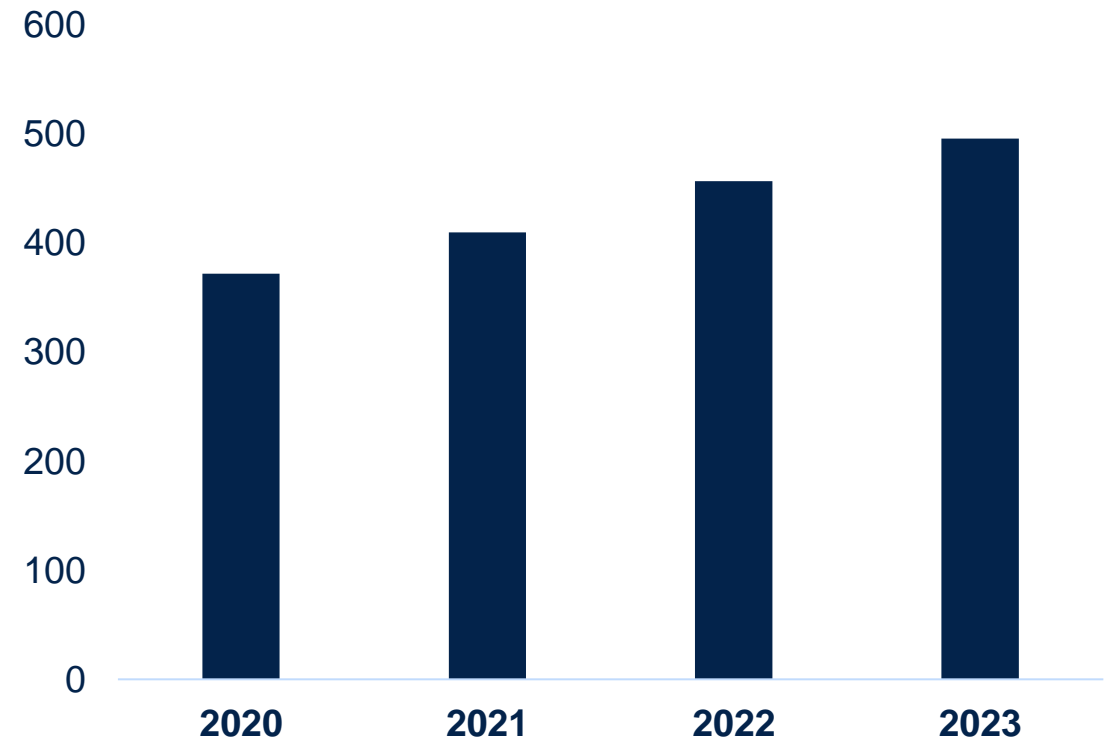


Accessories opportunities growing

True Wireless Stereo (TWS) Headset



In-ear headsets – Aftermarket sales Million Units



Communications equipment, computers & peripherals

Communications Equipment, Computers & Peripherals



Address **selected** high-volume **applications** with differentiated products or custom solutions



Address selected applications in **cellular** and **satellite communication** infrastructure



Leverage **broad portfolio** to address high-volume applications



Application Approach

Use deep knowledge of specific applications to develop dedicated products leveraging differentiated technology capabilities & IP portfolio

- LEO Satellite constellations
- Cellular (4G/5G) Infrastructure
- Advanced RF Amplifiers and Antennas
- Data Centers
- Enterprise Switching
- SOHO Servers
- Computers & Peripherals

Market Approach

Leverage long-standing relationships with networking & computer peripheral makers



Selected customer & product opportunities for networking and satellite communications



Key developments in market and end market strategy

Communications equipment, computers & peripherals

Market

- LEO satellite constellations deployment will drive ubiquitous internet access
- Accelerated demand related to COVID crisis for business continuity. Cloud & digitalization investment becomes business critical.
- US-China Trade War

End market strategy

- Capitalize on ST's know-how to develop and produce products dedicated to high data rate communication such as 5G and LEO satellite constellations
- Expand our portfolio offer in computers and peripherals

Conclusion

Smart Mobility



ST provides innovative solutions to help our customers make driving **safer, greener and more connected** for everyone

Power & Energy



ST technology and solutions enable customers to increase **energy efficiency** everywhere and support the use of renewable energy sources

Internet of Things & 5G



ST provides **sensors, embedded processing solutions, connectivity, security and power management**, as well as **tools and ecosystems** to make development fast and easy for our customers



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Manufacturing Strategy

Orio Bellezza

President

Technology, Manufacturing and Quality

Manufacturing strategy a key business enabler

Vision

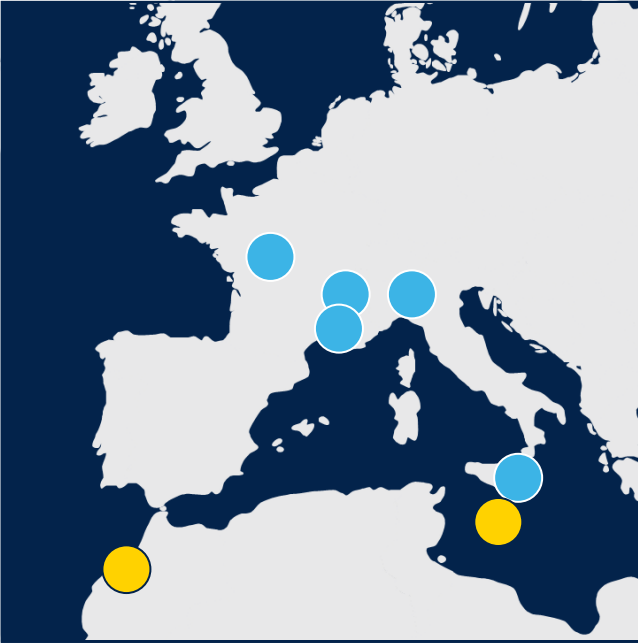
- Integrated internal manufacturing and R&D for differentiated technologies and packages
- Partnership with foundry and OSAT for standard technologies and packages & advanced FinFET
- Offering our customers multiple sources and integrated supply chain control
- Unwavering commitment to Technology R&D

Strategy update

- SiC and GaN Wide Bandgap technologies
- Power Modules packages
- 300 mm wafer fabs
- Outsourcing

France (Crolles, Rousset, Tours)

Italy (Agrate, Catania)



Morocco (Bouskoura)

Malta (Kirkop)

● Front-End
● Back-End

China (Shenzhen)

Philippines (Calamba)



Malaysia (Muar)

Singapore

Technology portfolio – Front End Aligned with strategic focus areas

Automotive



Industrial



Technologies enabling solutions

Smart Power:
BCD & VIP

Specialized Optical
Imaging Solutions

Power MOSFET & IGBT
SiC & GaN – Discrete

MEMS

Analog Mixed Signal

FD-SOI
FinFET through Foundry

embedded-NVM

RF CMOS &
BiCMOS

Personal electronics



Communications equipment, computers & peripherals



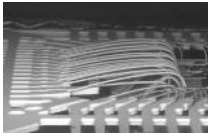
Technology portfolio – Back End Aligned with strategic focus areas

Packaging innovation focus on smart mobility, power & energy, IoT & 5G
Co-design silicon - package for optimized system solutions
Internal development and partnerships with subcontractors

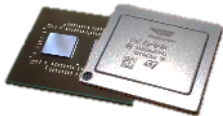
Smart Mobility



Power modules with SiC for EV

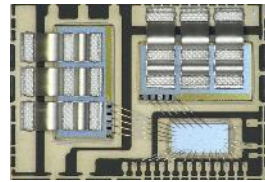


Low cost / Hi-Rel BGA/QFP for MCU

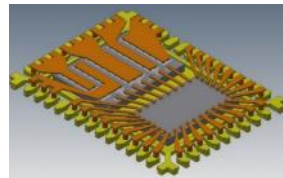


Advanced FCBGA for ADAS

Power & Energy



Power SiP for smart power solution (GaN, BCD, ViP)

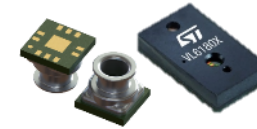


Direct Copper interconnect for low impedance

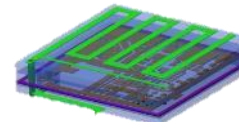
IoT & 5G



WLCSP pervasion for smartphone & wearable



Sensor package ultra miniaturization (ToF, MEMS)



Antenna integration for mmWave

Strategic manufacturing programs update

Wide Bandgap materials

Silicon Carbide

- Front-end capacity expanded in Catania and new line in Singapore
- Second back-end line in Bouskoura
- Integrated Norstel team and site
- New plant for internal substrate mass production designed

Gallium Nitride

- Internal Epitaxy capability installed
- Acquired Exagan
- Started collaboration with TSMC

Power Modules

- Capability installed at Shenzhen; Silicon and SiC production started in collaboration with OSAT

300 mm expansion

- Expanded Crolles 300 cleanroom and capacity, modular approach
- Progressed with construction of the new fab in Agrate

Outsourcing

- Foundry at ~ 25% and progressed in qualification of new processes

Silicon Carbide manufacturing

Device manufacturing

In volume production with 150 mm since 2017

- High yields and automotive-grade quality
- Capacity expanded almost 4X in 2020 vs 2017

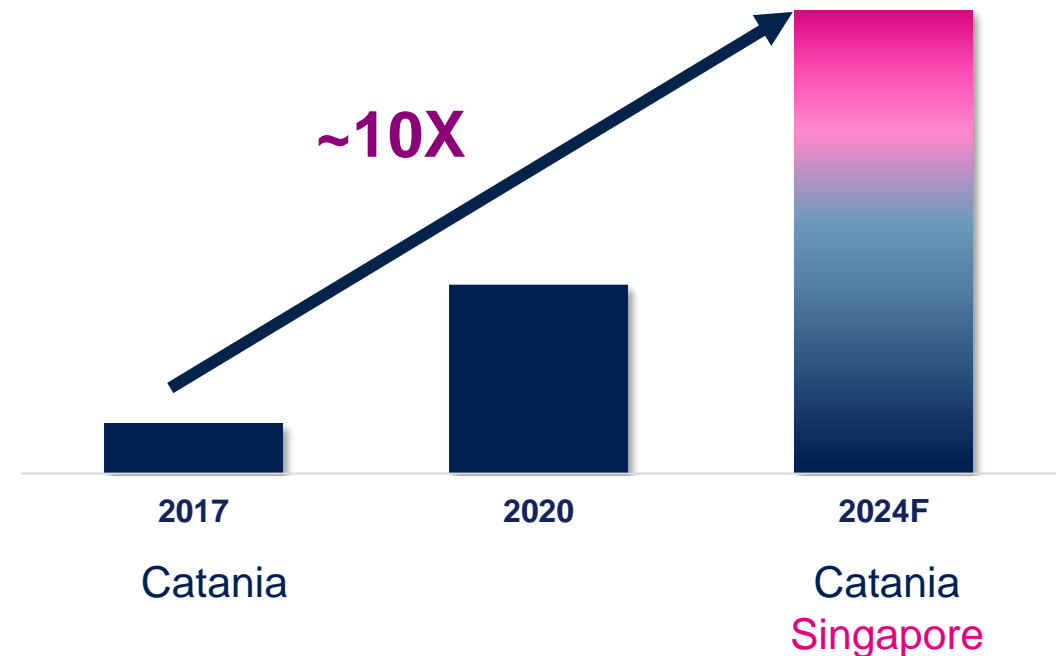
Further 2.5X expansion, 200 mm tools compatible

- Second fab in Singapore to be qualified in 2021
- Back-end at 2 sites: Shenzhen and Bouskoura

Substrates

- First internal supply of 150 mm from ST-Norstel, focus on 200 mm development
- Designing new plant to achieve >40% internal sourcing by 2024

Normalized F/E capacity evolution



SiC manufacturing strategy summary

Device Manufacturing	Today	2021 additions	Mid term
Power MOSFET technology	Gen2/Gen3	Gen4	Gen5 (trench)
Front-End fabs	Catania 150 mm	Singapore 150 mm	Evolution to 200 mm
Back-End plants	Shenzhen	Bouskoura	

Substrate Supply	Today	2021 additions	Mid term
External qualified suppliers	4 qualified suppliers		
External supply agreements	LTSA with CREE and SY		
Internal	ST-Norstel integration and development	ST-Norstel small scale production	New substrates plant Evolution to 200 mm



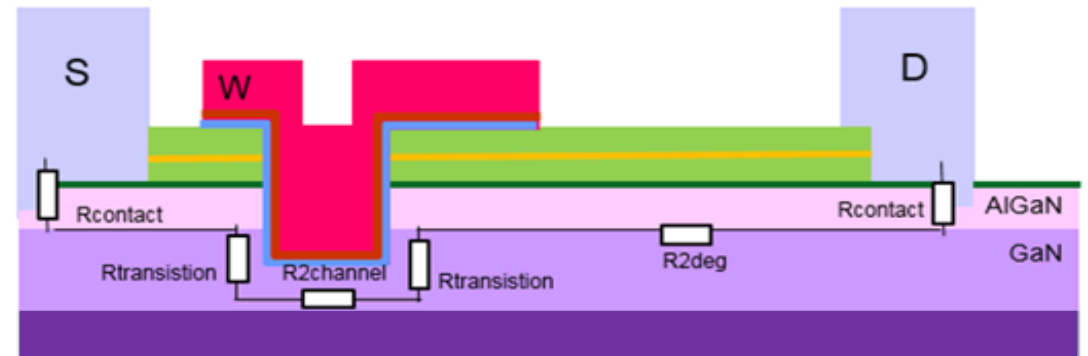
Gallium Nitride

RF GaN-on-Silicon

- Wafer fab 150 mm in Catania
- Plan to expand to 200 mm and migrate to tighter design rules

Power conversion GaN

- Pilot line in Tours in 200 mm
- Partnership with CEA LETI for technology development
- Exagan expertise in epitaxy and design
- TSMC partnership to accelerate product development



Power module manufacturing

- Development competence centers and prototyping capability in Catania and Shenzhen (Advanced Power Package Lab)
- Internal production in Shenzhen, supporting standard and customized solutions
- External source in production ramp-up

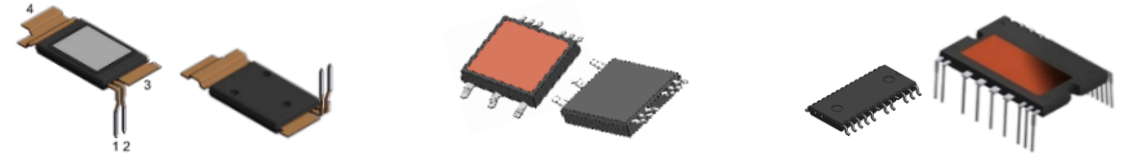
ACEPACK 1 & 2



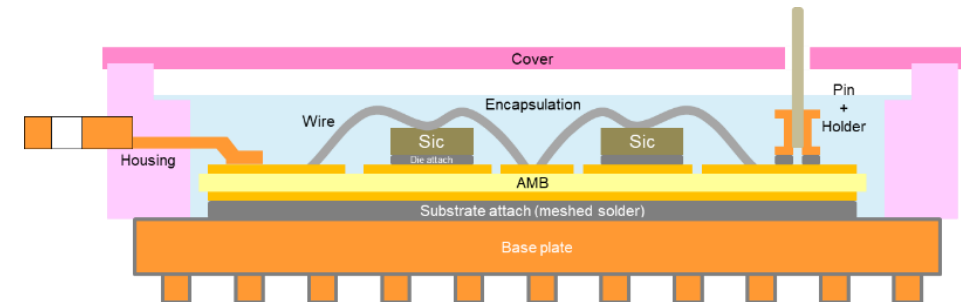
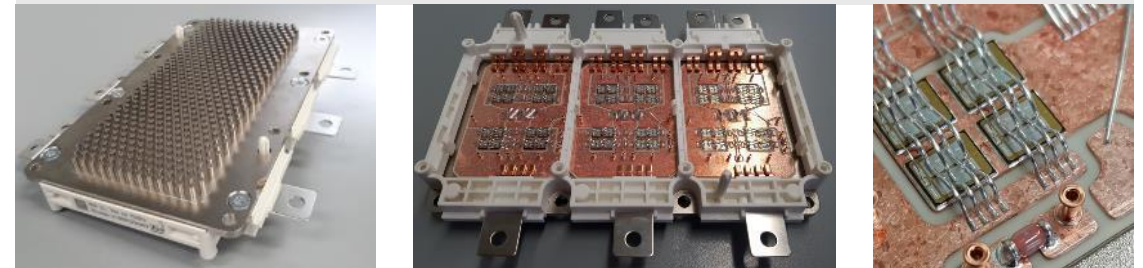
STPAK*

ACEPACK SMIT

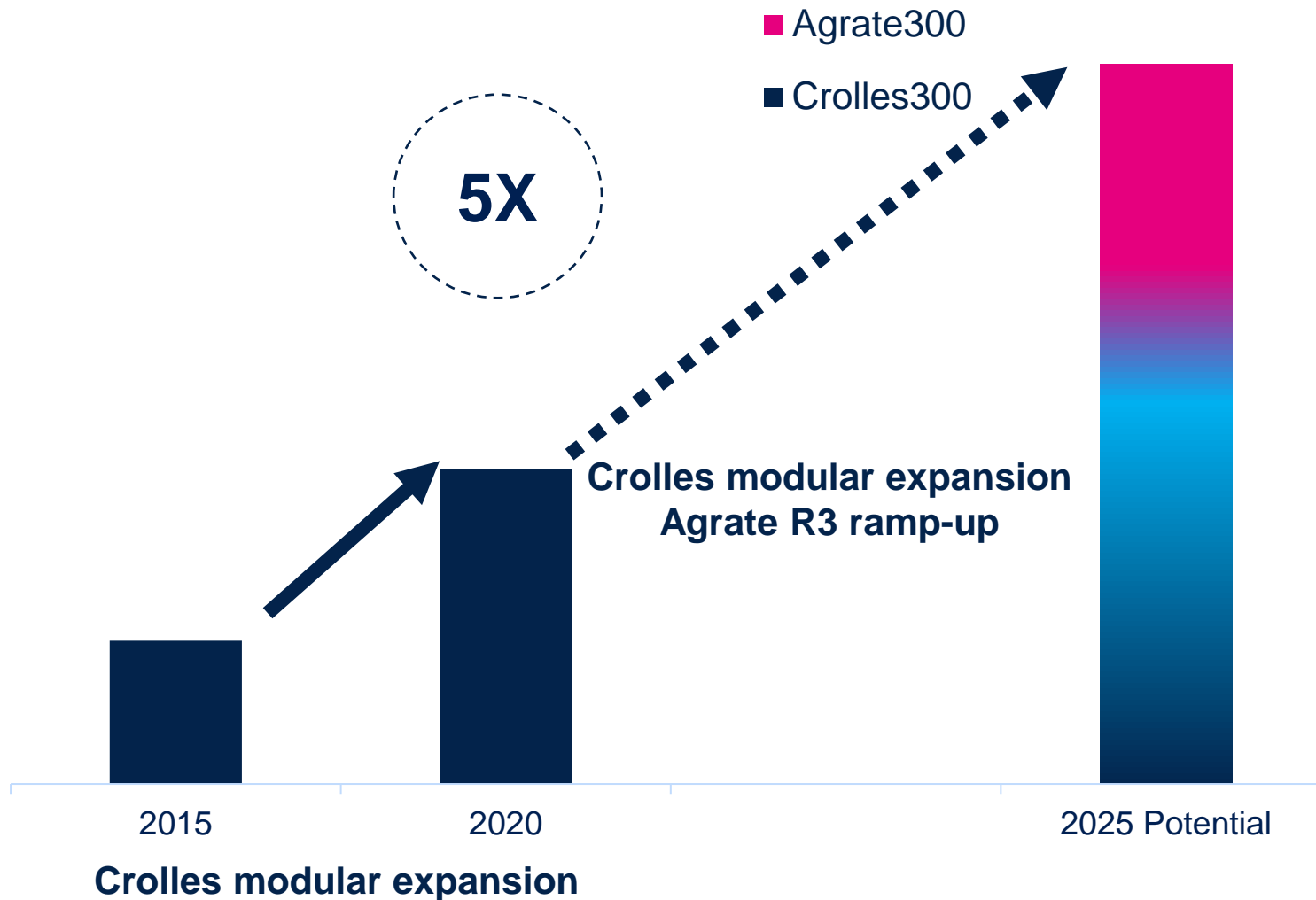
SLLIMM* IPM



ACEPACK* DRIVE

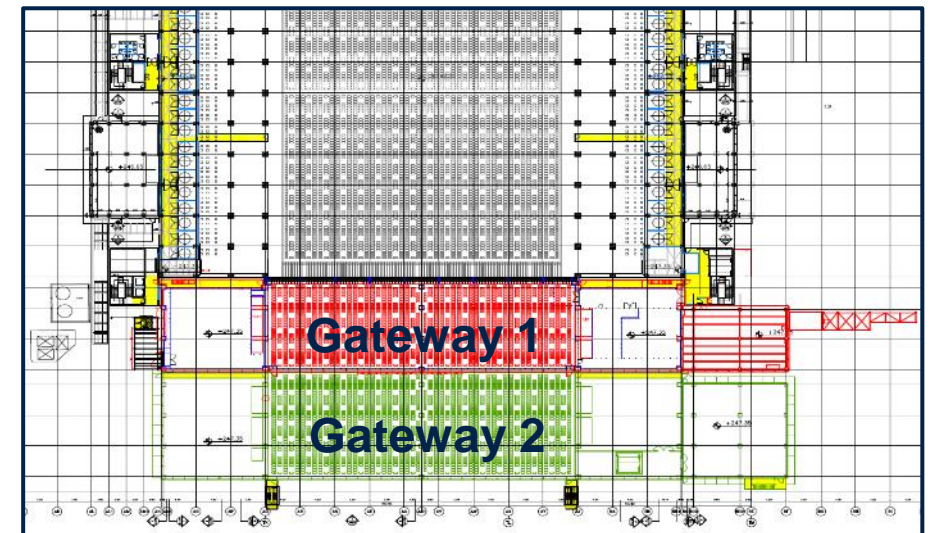


300 mm internal capacity



Crolles 300

- Modular expansion of building and facilities
- Fast implementation cycle
- Adding 1-1.5 Kwpw capacity, in each step



Agrate 300 mm Smart Power, Power and mixed tech Fab



Mission and Size

- Smart Power, IGBT, Power MOS and mixed technologies
- About 68,000 m² total covered building space
- About 13,000 m² total clean room, at full build out



Status and planning

- Building completed - clean room ready by 2021
- Qualified for production by 2022
- Modular expansion of facilities and clean room, according to market demand

Agrate – Crolles synergy

- BCD and IGBT under pre-development in Crolles to accelerate fab qualification and ramp-up
- Full alignment of toolset
- Designed-in inter-fab manufacturing flexibility

Outsourcing

Outsourcing level at about 30%.

Y2020: ~ 25% F/E Foundry, ~35% B/E OSAT

Key technology partnerships to fuel future expansion

- FinFET 7 / 5 nm
- FD-SOI 28 / 18 nm (w/ eNVM)
- Power GaN 100 V and 650 V
- Power MOS Low Voltage
- Power Modules
- BGA, CSP for microcontrollers and ADAS

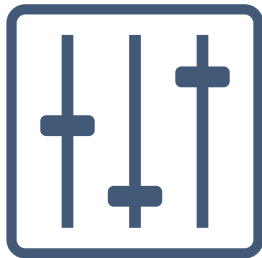
Technology	Sources	
eNVM 180 nm	Foundry	
eNVM 90 nm	Crolles Rousset	Foundry
eNVM 40 nm	Crolles 300	Foundry
CMOS FD-SOI	Crolles 300	Foundry
FinFET 16 / 7 / 5 nm	Foundry	
Power MOS LV	Catania Singapore	Foundry
IGBT	Catania Singapore	Foundry
BCD 160 nm	Agrate Catania	Foundry
Analog CMOS 130 nm	Crolles Rousset	Foundry
GaN	Tours Catania	Foundry

ST fabs in blue

2020 capital spending

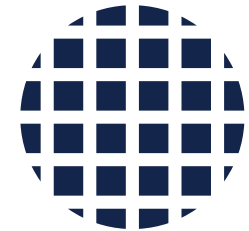
Mix change, R&D, others

- Smart power evolution to BCD8/9 for automotive and industrial
- Technology development
- Fab automation, quality, digitalization, equipment obsolescence



Strategic initiatives

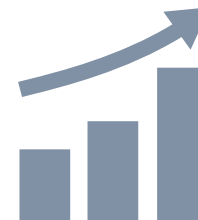
- Agrate 300 mm buildings
- GaN in Catania and Tours
- New MEMS labs in Singapore



About \$1.2B

Capacity growth

- SiC 150 mm in Catania
- Capacity expansion in NVM and Analog CMOS in Crolles300
- Assembly and Test



Takeaways

Manufacturing is a key enabler to achieve our strategic objectives in balanced make-or-buy strategy

2020 capital investment plan supports ongoing business and strategic programs

Key programs update

- SiC - continuous expansion; progress in vertical integration and 200 mm substrates
- GaN internal capability, foundry ramp-up and Exagan acquisition
- Power modules ramp-up internally and at OSAT
- 300 mm expansion in Crolles and new Agrate fab
- Expanding foundries and OSAT collaboration





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STMicroelectronics financial results & priorities

Lorenzo Grandi

Chief Financial Officer

President, Finance, Infrastructure and Services

ST transformation: growth and resilience



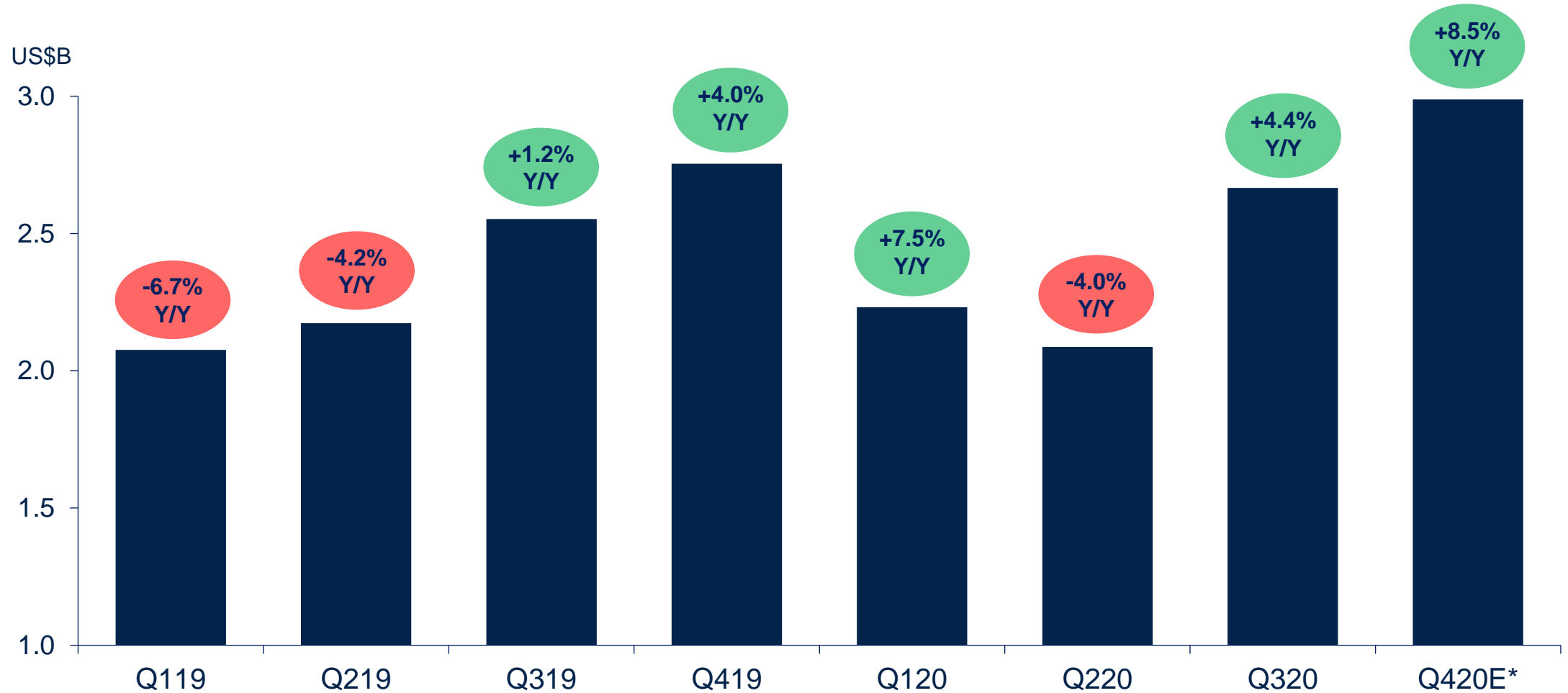
ST transformation: growth and resilience

US\$M	Growth				Resilience	
	FY15	FY16	FY17	FY18	FY19	FY20E*
ST Revenues	6,897	6,973	8,347	9,664	9,556	9,970
Served Market (SAM) Y/Y	-1%	4%	13%	10%	Flat	+2.4%**
ST Revenues Y/Y	-6.8%	1.1%	19.7%	15.8%	-1.1%	+4.3%
Gross Margin	33.8%	35.3%	39.2%	40.0%	38.7%	37.0%
Operating Margin	1.6%	3.3%	12.0%	14.5%	12.6%	>12.0%
EBITDA Margin	12.3%	13.1%	19.7%	22.7%	21.5%	~21.5%
Net Income	104	165	802	1,287	1,032	>900
Free Cash Flow***	327	316	308	533	497	~500
Net Financial Position***	494	513	489	686	672	>>700

Quarterly revenue trend

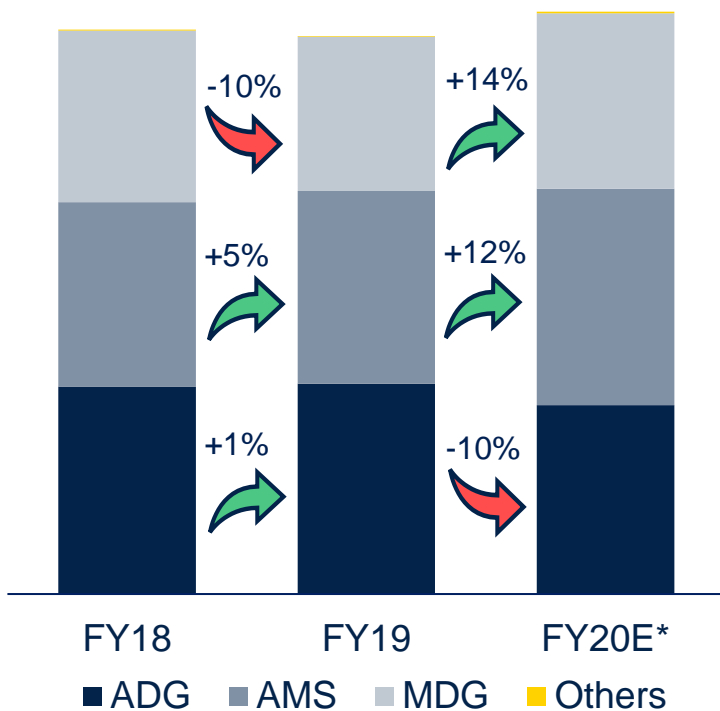
ST FY19 -1.1% Y/Y
SAM flat Y/Y

ST FY20E* +4.3% Y/Y
SAM** +2.4% Y/Y

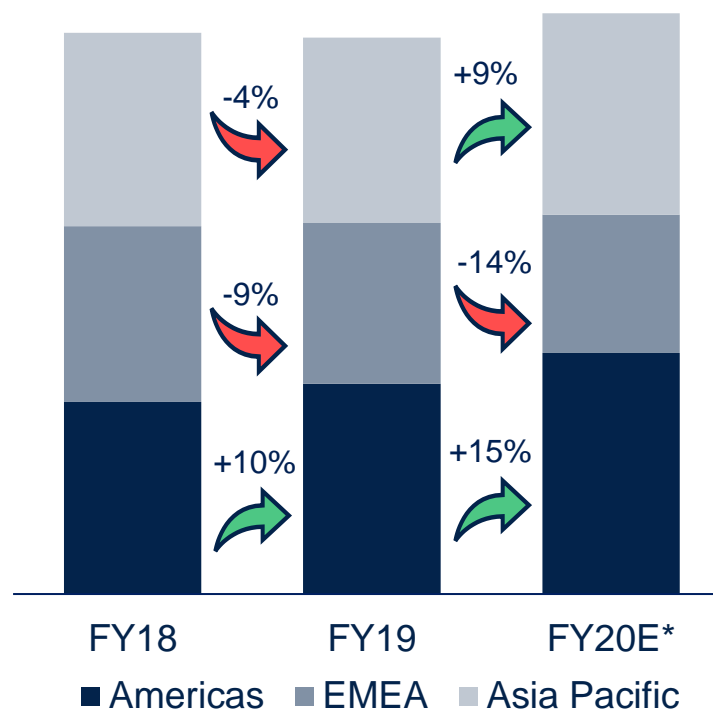


Revenue dynamics

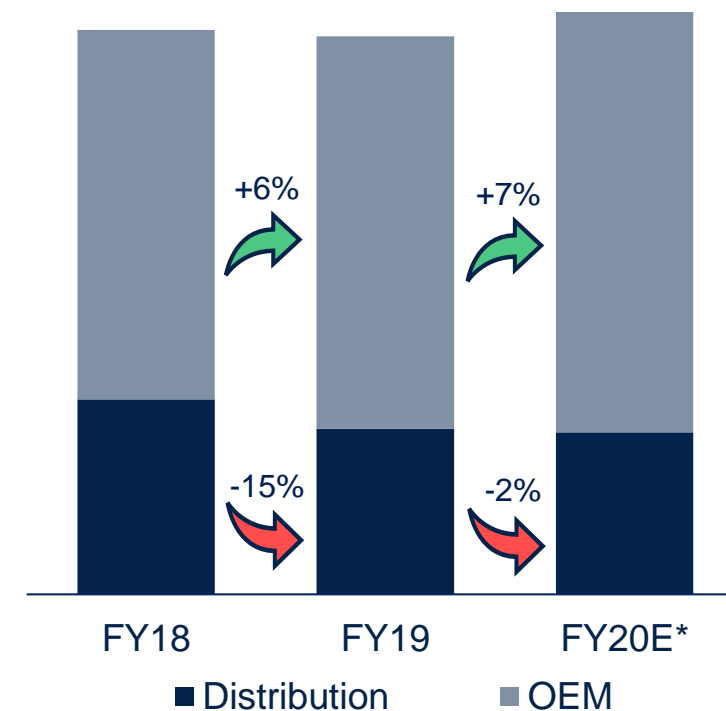
Product Group



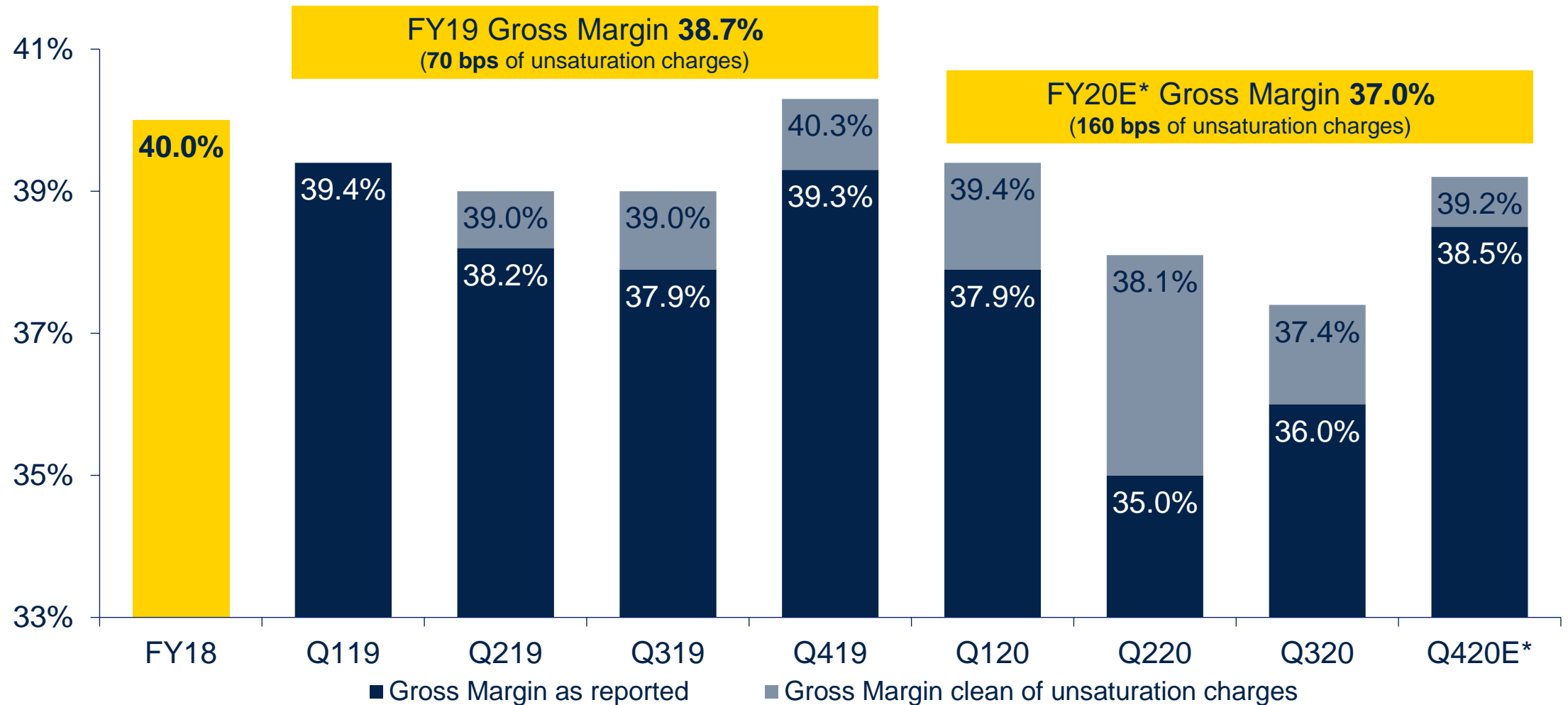
Region of Origin



Customer Type

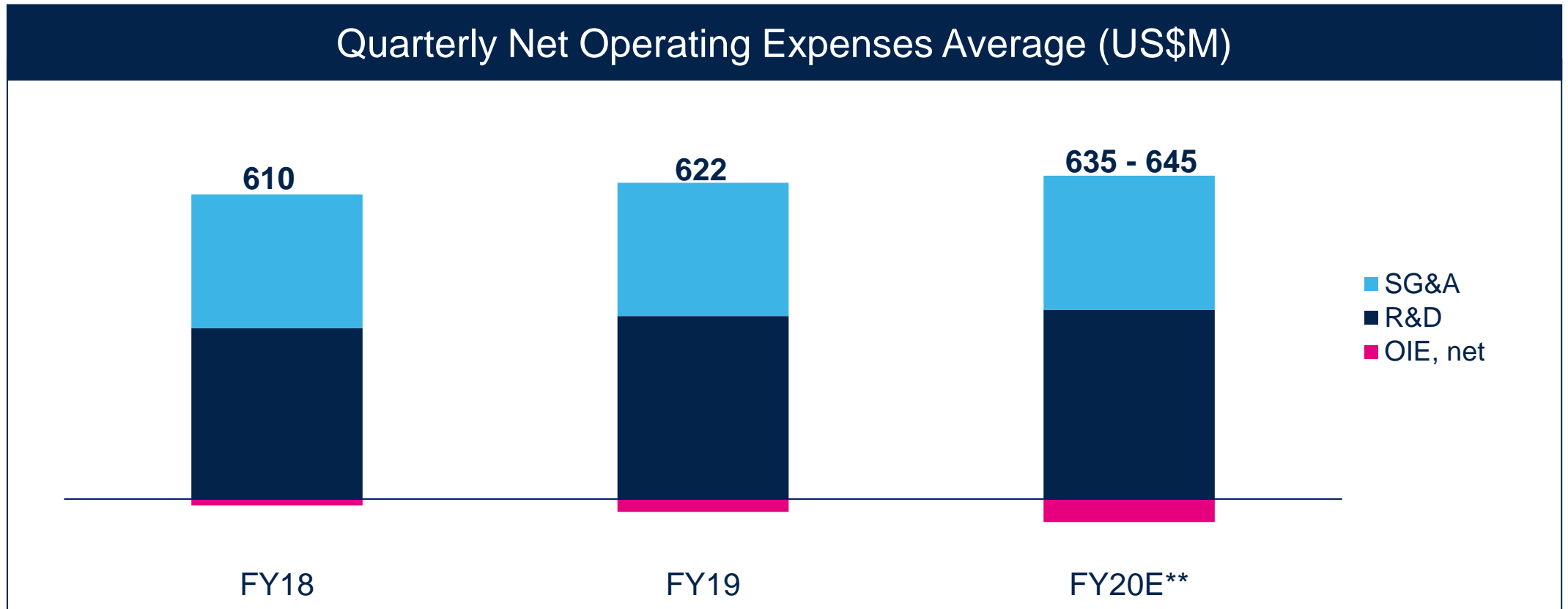


Gross margin trend



*At midpoint of Q420 guidance

Net operating expenses evolution*



Maintaining strong focus on innovation and digital transformation of the company

Strong commitment to innovation and growth

Achievements in the last 3 years (2018 – 2020*)

Cumulated R&D expenses ~ **\$4.5B** (15.2% of revenues)

Focused and specialized R&D **acquisitions** to **accelerate innovation** and **reinforce product portfolio**.
Total consideration of **< \$300M**

Wide Bandgap Materials



Norstel → Silicon Carbide
Exagan → Gallium Nitride

Connectivity / STM32 Ecosystem



Riot Micro → LTE Cat-M
BeSpoon → UWB
Somos → RFFE Modules

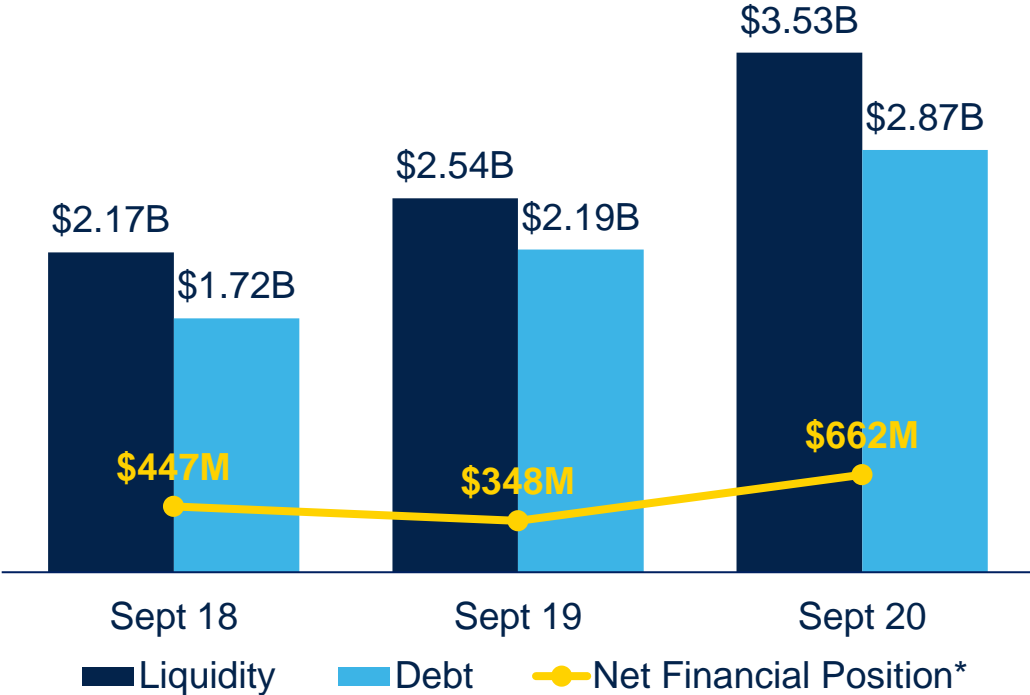
CAPEX spending ~ \$3.6B (12.4% of revenues), of which:

\$2.4B for **capacity, mix change, R&D and maintenance**

\$1.2B for **strategic initiatives** (300mm fab in Agrate, GaN and SiC)

Maintaining a solid capital structure

ST is in a solid position from a capital, liquidity and balance sheet perspective



- \$1.2B of unutilized committed medium-term credit facilities;
- Long-term debt contains standard conditions but does not impose minimum financial ratios.

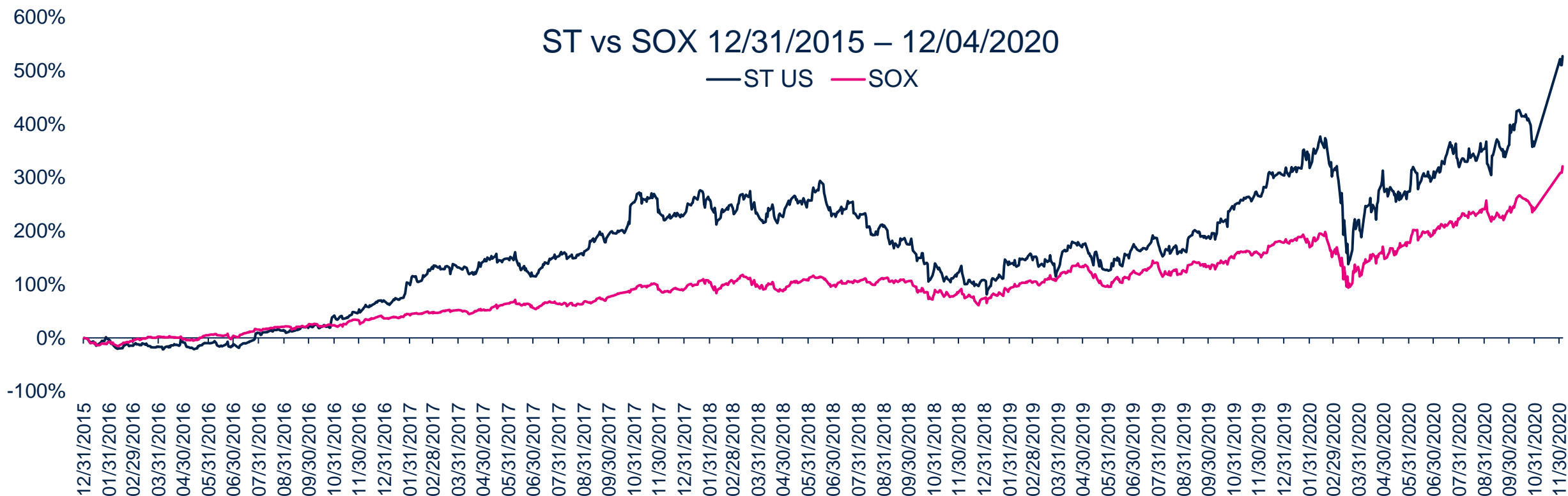
- On July 28 ST announced:
- \$1.5B dual-tranche offering of New Convertible Bond;
 - The early redemption of the outstanding \$750M Convertible Bond due 2022.

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



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

Shareholder returns



Range	12/31/2015	12/04/2020
Security	Price Change	Total Return
STM	527%	584%
SOX Index	321%	361%

Last 3 years (2018 – 2020):

- Cumulated **dividend** return **\$596M***
- Cumulated **share buy-back** **\$437M***

*FY20 estimated

Company model



Main variations compared to our May 2019 CMD

Market

2020 – 2023 Cumulative size expectations for ST SAM* decreased by a low single digit percentage with significant differences by end-market:

- Automotive and Industrial decreased about 20%
- Personal Electronics increased in the low teens
- Communications Equipment, Computers & Peripherals increased about 25%

Trade War

Increased commercial tension among main economic blocks: China, US and Europe

Technology

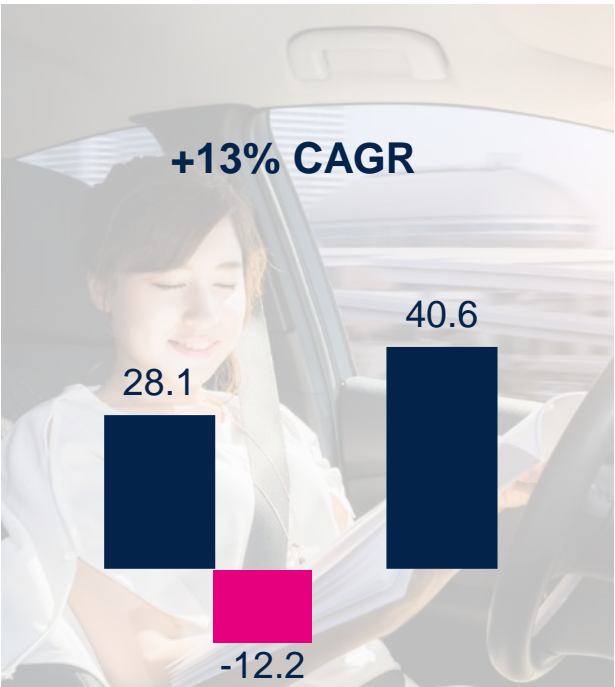
Strong acceleration of technology evolution, particularly in Automotive where the decline of legacy technology is happening faster than expected

Currency

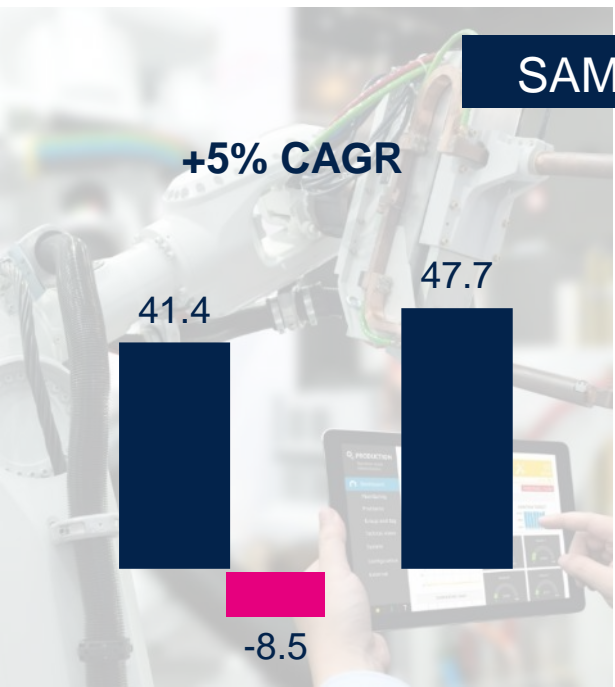
USD weakening vs EURO

ST SAM growth driven by automotive and industrial end markets

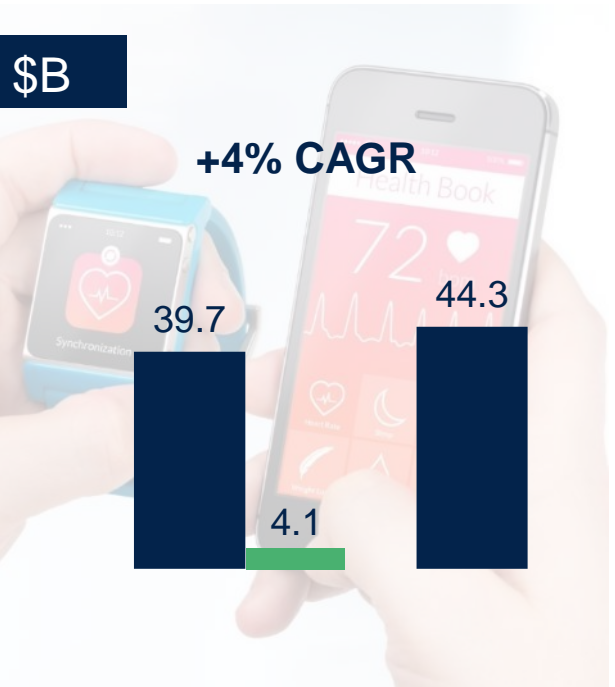
Automotive



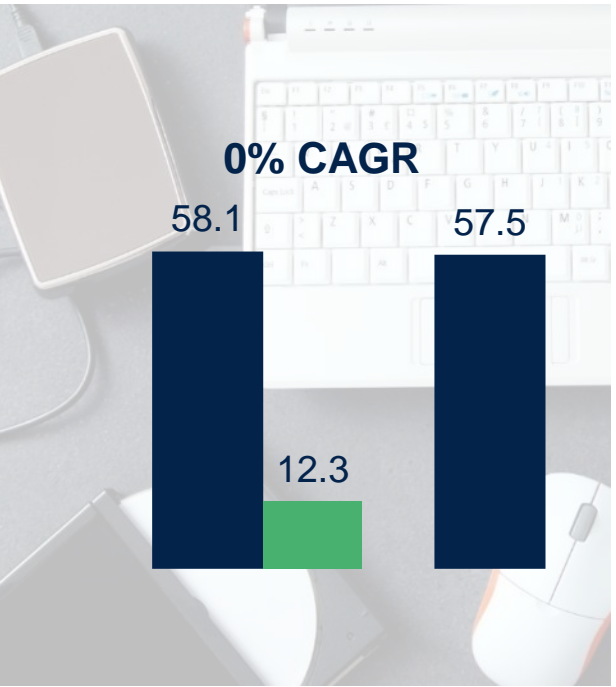
Industrial



Personal Electronics



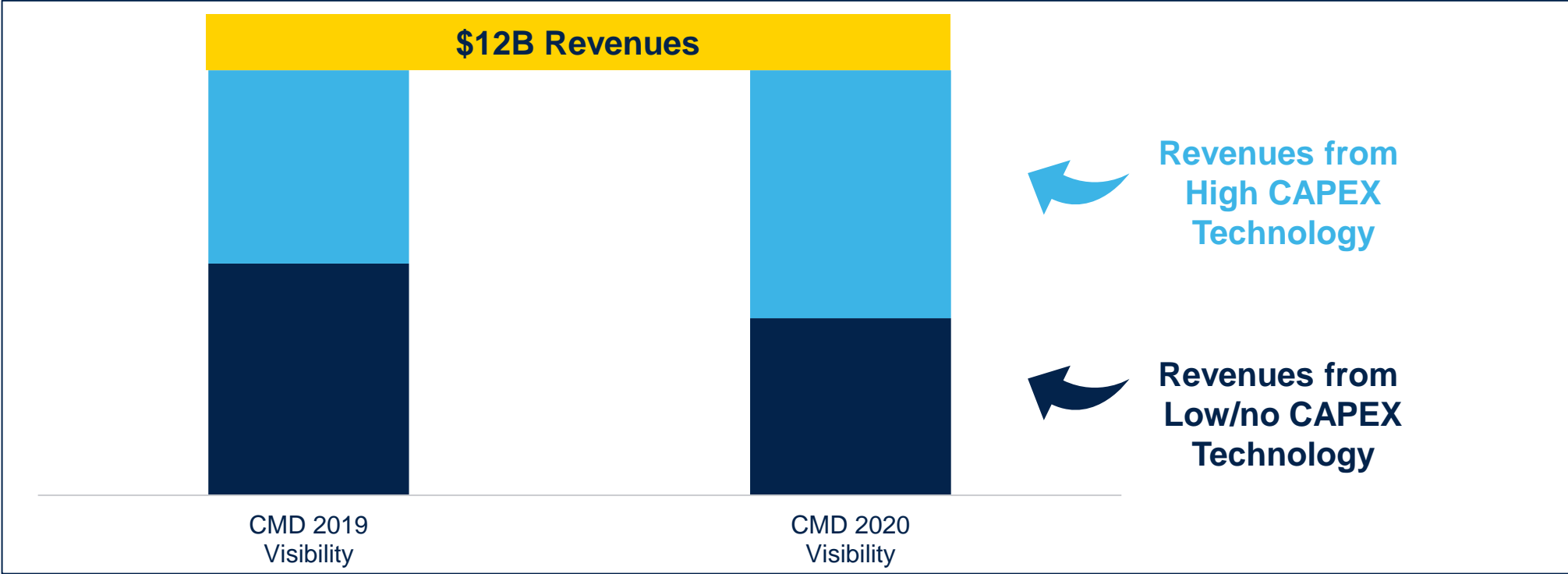
Communications Equipment, Computers & Peripherals



SAM \$B

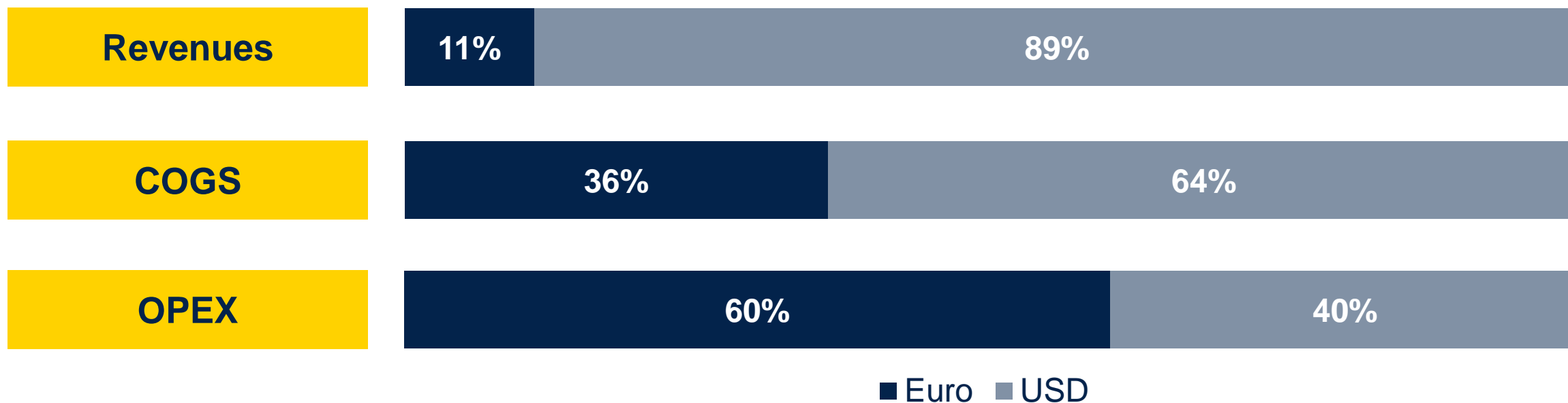
Technology evolution

Revenues at \$12B by Technology Category



CAPEX for capacity and mix change to sustain growth in new technologies

Currency impact



Quarterly effect of +/-1% change of €/\$: -/+ \$8M to \$10M on Operating Income

Path to mid-term financial model*

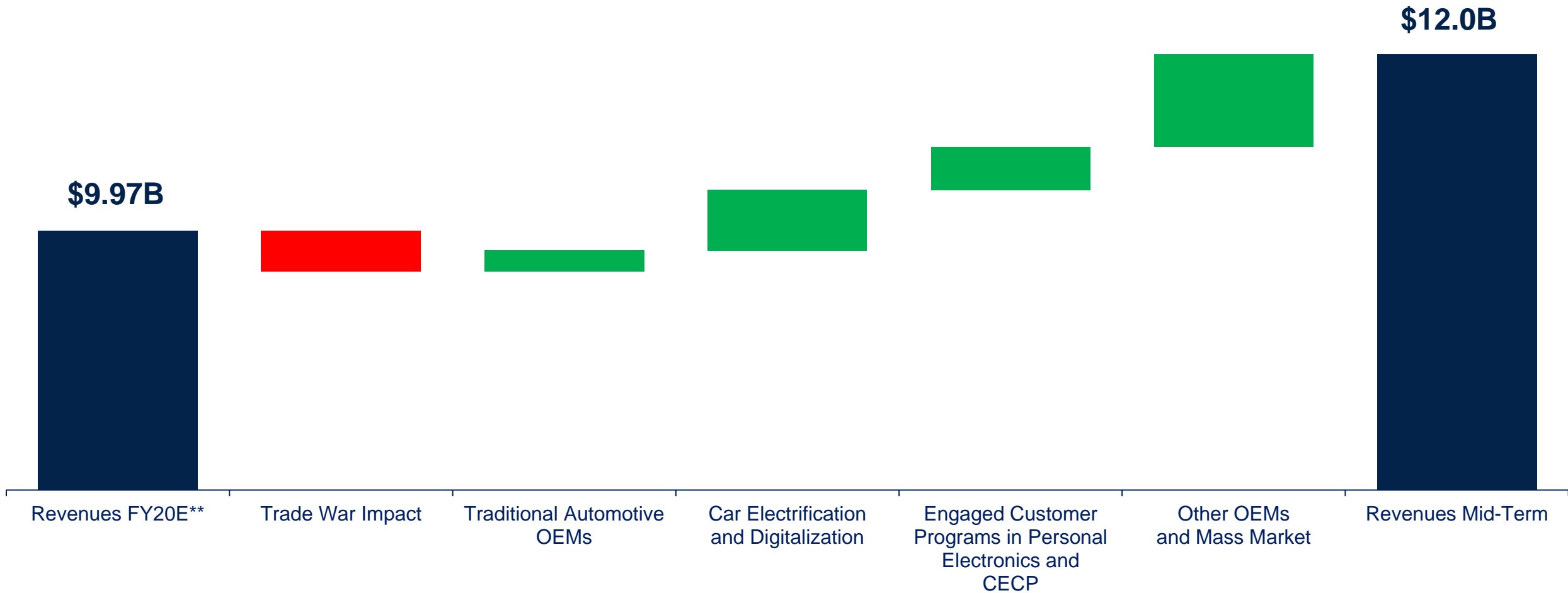
	FY19	FY20E**	Mid-Term Model
ST Revenues	\$9.56B	\$9.97B	\$12.0B
Gross Margin	38.7%	37.0%	39% - 40%
Operating Margin	12.6%	>12.0%	15% - 17%
CAPEX	\$1.17B	\$1.2B	\$1.5 – 1.7B
EBITDA Margin	21.5%	~21.5%	25% - 26%
Free Cash Flow***	\$497M	~\$500M	> \$1B

* **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.

** At midpoint of Q420 guidance

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

Mid-term revenue dynamics*

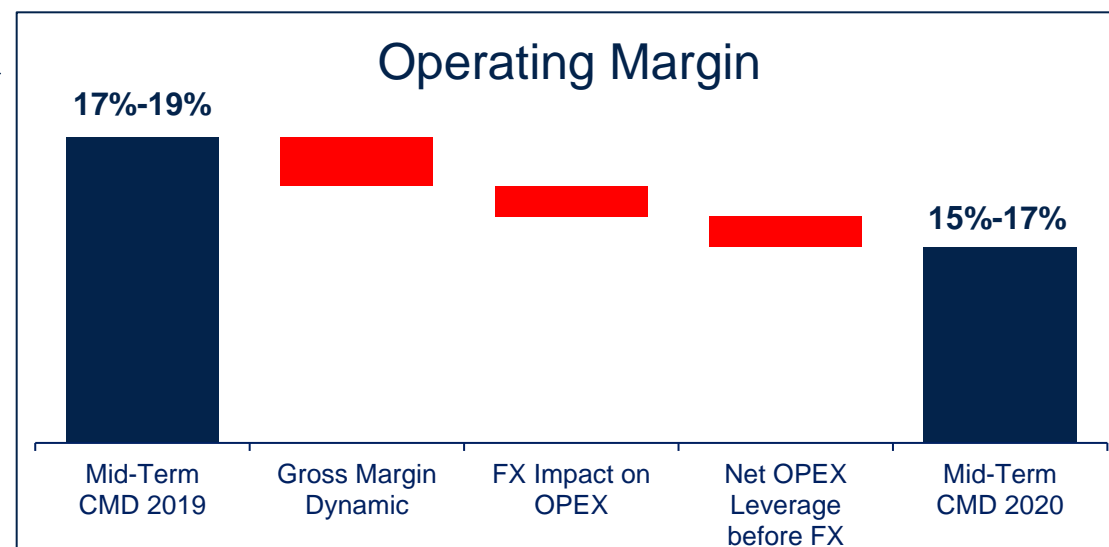
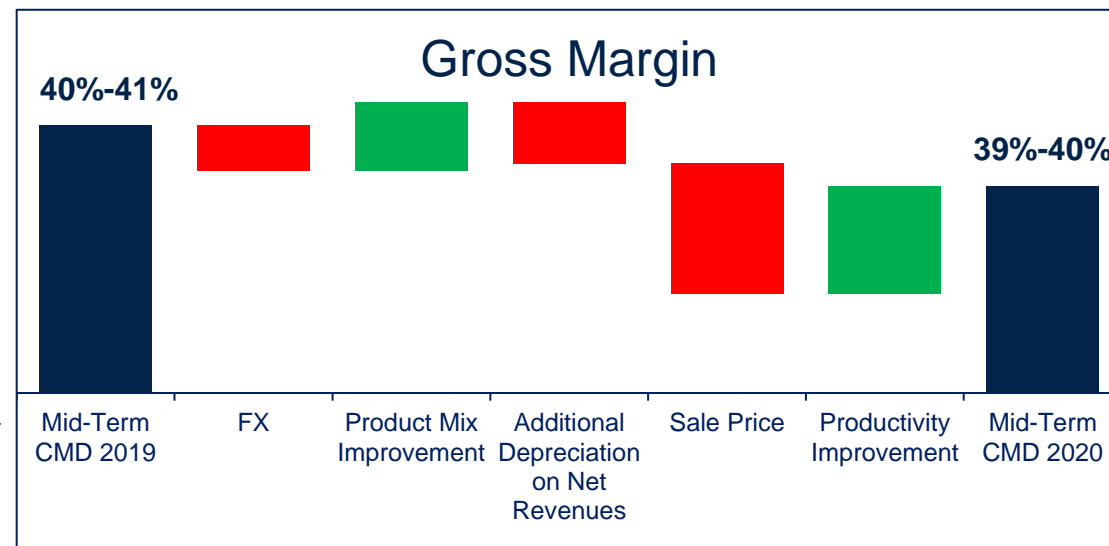


Mid-term Operating Margin Dynamics*



Focus on mid-term*

	€/\$ 1.12	€/\$ 1.16
	Mid-Term CMD 2019 view	Mid-Term CMD 2020 view
Revenues	\$12.0B	\$12.0B
Gross Margin	40% - 41%	39% - 40%
Operating Margin	17% - 19%	15% - 17%
EBITDA Margin	26% - 27%	25% - 26%
Free Cash Flow**	> \$1B	> \$1B

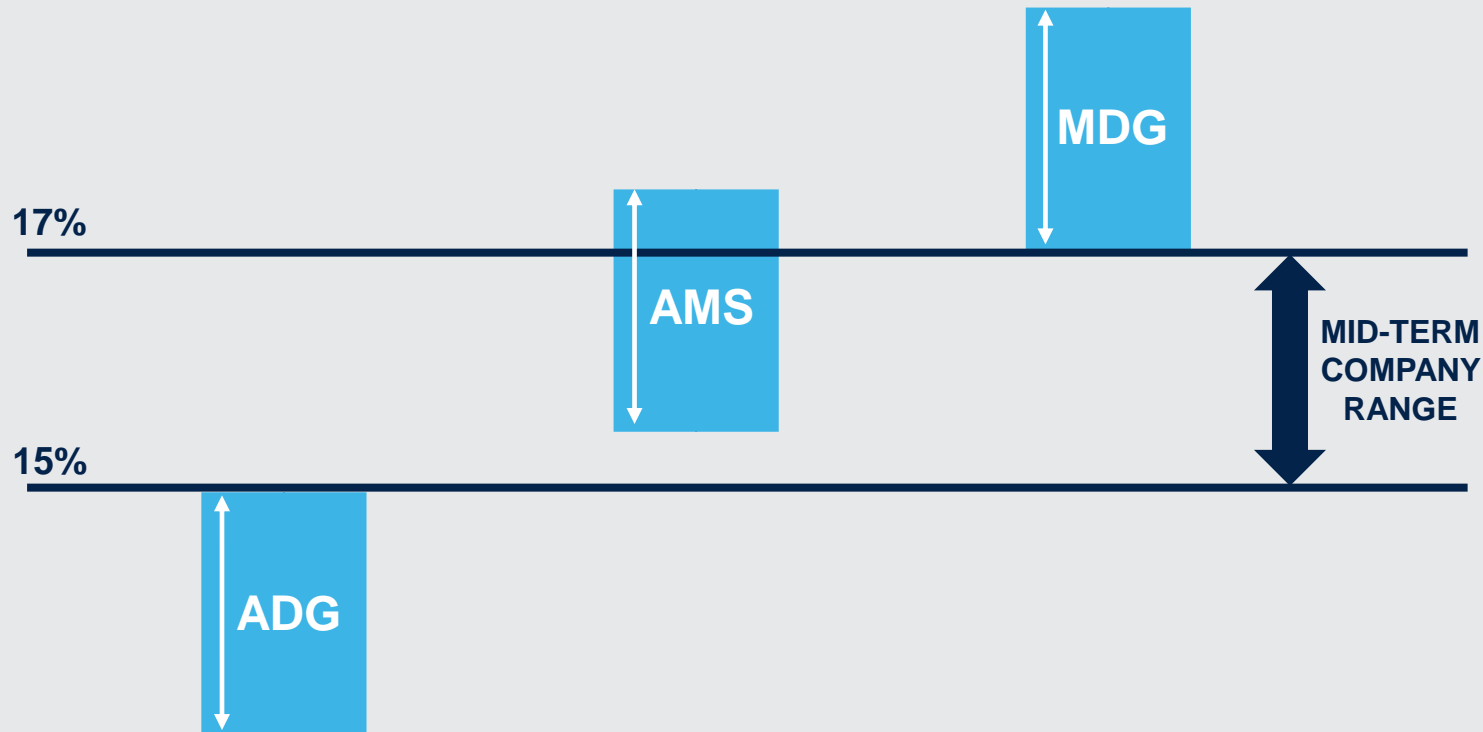


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** Non-U.S. GAAP measure. See Appendix for additional information explaining why the Company believes these measures are important

Product group profitability evolution*

Product Group Mid-Term Operating Margin



Margin Expansion Drivers

ADG

- Focus on growing business in smart mobility applications driven by electrification and digitalization
- Move skills and R&D resources to enlarge product portfolio and market coverage
- Improved loading/manufacturing efficiency

AMS

- Portfolio of MEMS and optical sensing solutions expanding through diversification
- General purpose and application specific analog addressing all markets served by ST
- Innovation DNA: technology and application knowhow

MDG

- Reinforce our Embedded Processing leadership position
- Consolidate Leadership position for secure solutions
- Directly address RF communication infrastructure and IoT, capitalizing on proprietary technologies

Capital allocation plan

Sustain Growth



Capex



Mitigate spending via outsourcing



Targeted strategic acquisition

Shareholder Return



Dividend



Share buyback

Value proposition



ST value proposition for shareholders



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

- **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, including 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:

(US\$M)	Q119	Q219	Q319	9M19	Q419	FY19	Q120	Q220	Q320	9M20
Unused Capacity Charges	1	7	28	36	29	65	34	64	38	136
Impairment & Restructuring Charges	-	2	-	2	3	5	5	4	2	12

Thank you

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