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# STMicroelectronics Q4 & FY 2024 Financial Results

January 30, 2025

# 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 (such as inflation and fluctuations in supply chains), which may impact production capacity and end-market demand for our products;
- customer demand that differs from projections which may require us to undertake transformation measures that may not be successful in realizing the expected benefits in full or at all;
- 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, geopolitical and 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;
- 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 (including increasing costs resulting from inflation);
- 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, suppliers, partners and providers of third-party licensed technology;
- theft, loss, or misuse of personal data about our employees, customers, or other third parties, and breaches of data privacy legislation;
- 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 or pandemics in locations where we, our customers or our suppliers operate;
- increased regulation and initiatives in our industry, including those concerning climate change and sustainability matters and our goal to become carbon neutral by 2027 on scope 1 and 2 and partially scope 3;
- epidemics or pandemics, which may negatively impact the global economy in a significant manner for an extended period of time, and could also materially adversely affect our business and operating results;
- 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, 2023 as filed with the Securities and Exchange Commission ("SEC") on February 22, 2024. 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 press 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.

Unfavorable changes in the above or other factors listed under "Item 3. Key Information — Risk Factors" from time to time in our Securities and Exchange Commission ("SEC") filings, could have a material adverse effect on our business and/or financial condition.

# Q4 2024 and FY 2024 Highlights

## Q4 2024

Q4 Net revenues decreased 22.4% year-over-year and increased 2.2% sequentially at \$3.32 billion.

Gross margin was 37.7%. Operating margin was 11.1% and net income was \$341 million.

Q4 net revenues were in line with the mid-point of our business outlook range driven by higher revenues in Personal Electronics offset by lower revenues in Industrial while Automotive and CECP performed as expected.

Q4 gross margin was broadly in line with the mid-point of our business outlook range.

## FY 2024

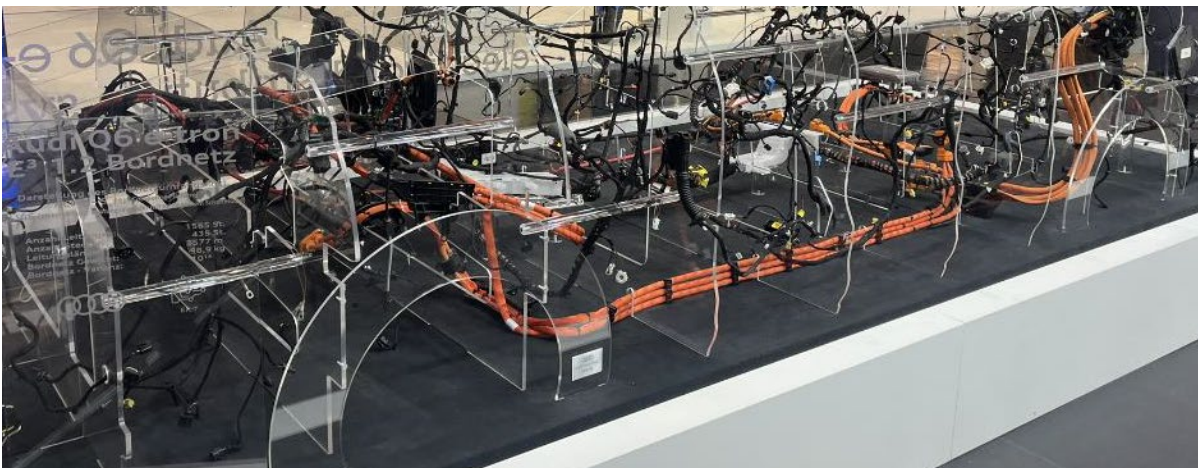
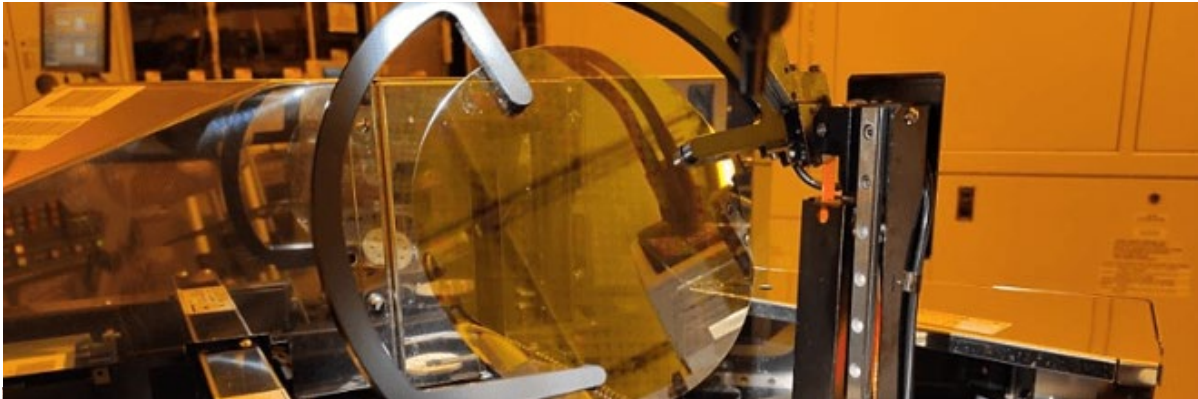
Net revenues decreased 23.2% to \$13.27 billion, mainly driven by a strong decrease in Industrial and, to a lesser extent, in Automotive.

Gross margin was 39.3% down from 47.9% in FY23. Operating margin was 12.6% compared to 26.7% in FY23 and net income decreased 63% to \$1.56 billion.

We invested \$2.53 billion in net CAPEX while delivering free cash flow of \$288 million.

**In a persisting challenging environment, we achieved Q424 financial results  
pretty much in line with the mid-point of our guidance**

## Car electrification



## Car digitalization

Arm®-based high-performance, multicore automotive MCUs



## Power & Energy



## Embedded processing



 **ST Edge AI Suite**

Accelerating AI-enabled product development



The first high-performance STM32 MCU with AI acceleration



First ST Wi-Fi 6 network coprocessor modules



eSIM ecosystem made easy for IoT cellular-enabled devices



# Personal electronics Communications equipment & computer peripherals



# ST Silicon Carbide Campus in Catania



World's first **fully integrated silicon carbide** facility for high-volume 200 mm silicon carbide power devices and modules, as well as test & packaging

**ST Catania Silicon Carbide Campus** integrates existing SiC wafer manufacturing facility for all steps in the production flow

## Commitments

Carbon neutral\* by 2027

Sourcing 100% renewable energy by 2027



Long-term **Power Purchase Agreements** for supply of energy from renewable sources



New solar farm  
21-year agreement  
for ST operations in Malaysia



New solar farm  
10-year agreement  
for ST operations in Italy

\*on scope 1 & 2 and focusing on product transportation, business travel and employee commuting emissions for scope 3

# Corporate development

Two **Product Groups** split in four Reportable Segments

Reappointment of **Jean-Marc Chery** as member and Chairman of the Managing Board till end of the 2027 AGM

**Lorenzo Grandi** added responsibilities for Supply Chain, Corporate Development and Integrated External Communication and was appointed as member of the Managing Board.

In October we announced the launch of a new company-wide program to **reshape our manufacturing footprint** accelerating our wafer fab capacity to 300mm Si and 200mm SiC and resizing our global cost base

This program should result in strengthening our capability to grow our revenues with an improved operating efficiency resulting in **annual cost savings in the high triple-digit million-dollar range exiting 2027**

Specifically in terms of operating expenses (SG&A and R&D), the program is now going to start\*, and we expect annual cost savings totaling **\$300 to 360 million**, exiting 2027, compared to the cost base of 2024

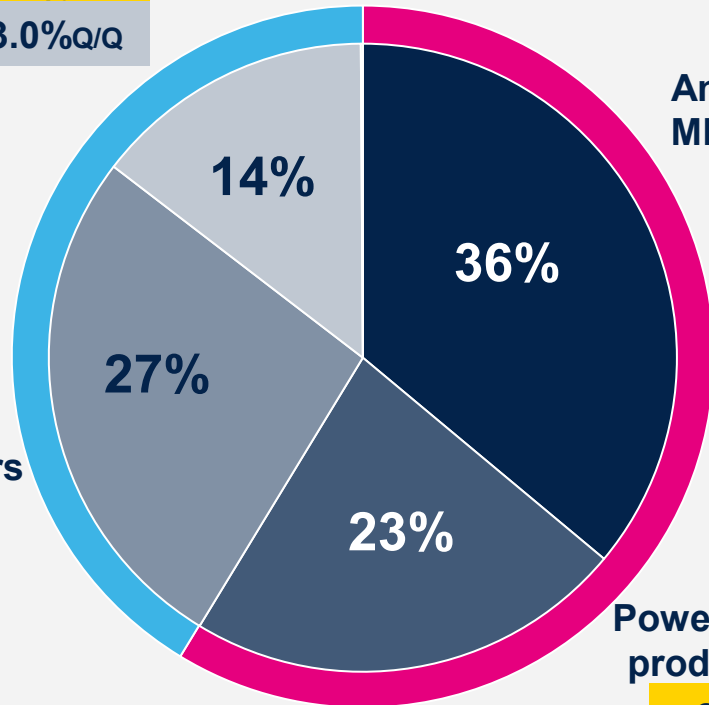
# Q4 2024 Revenues dynamics

## % by reportable segments

Digital ICs and RF Products (D&RF)

-22.8%Y/Y

+13.0%Q/Q



Analog products, MEMS & Sensors (AM&S)

-15.5%Y/Y

+1.1% Q/Q

## % by end market

Communications equipment & computer peripherals

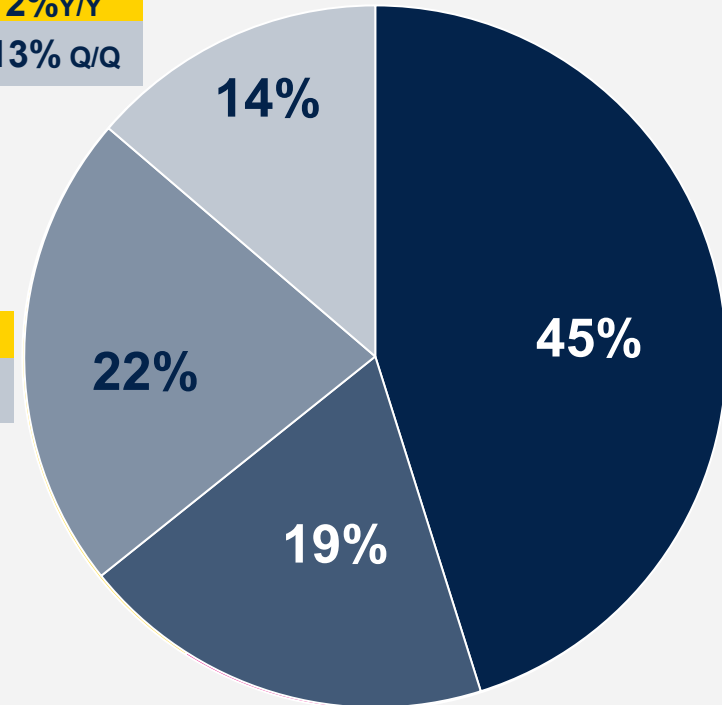
+ ~ 2%Y/Y

+ ~ 13% Q/Q

Personal electronics

- ~ 17%Y/Y

- ~ 8% Q/Q



Automotive

- ~ 20%Y/Y

+ ~ 1% Q/Q

Industrial

- ~ 41%Y/Y

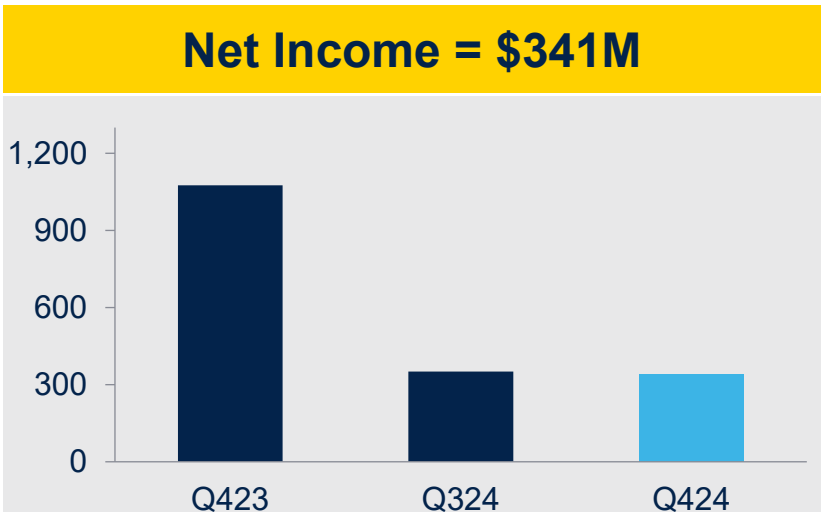
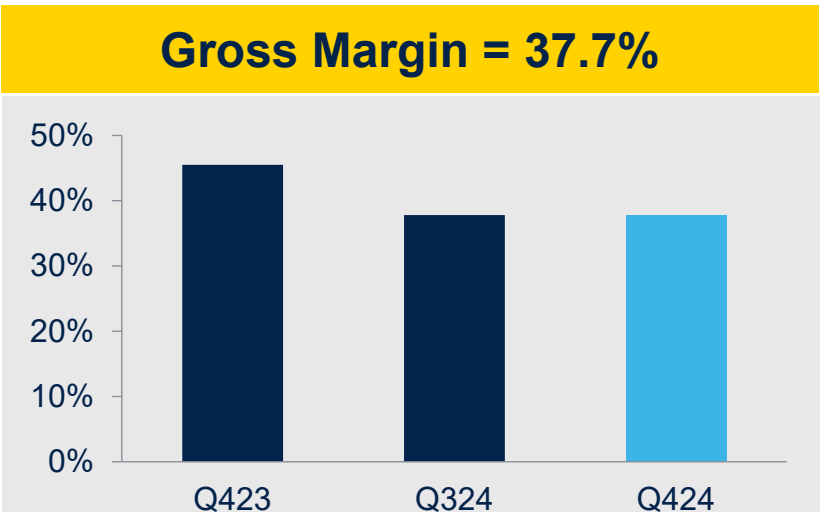
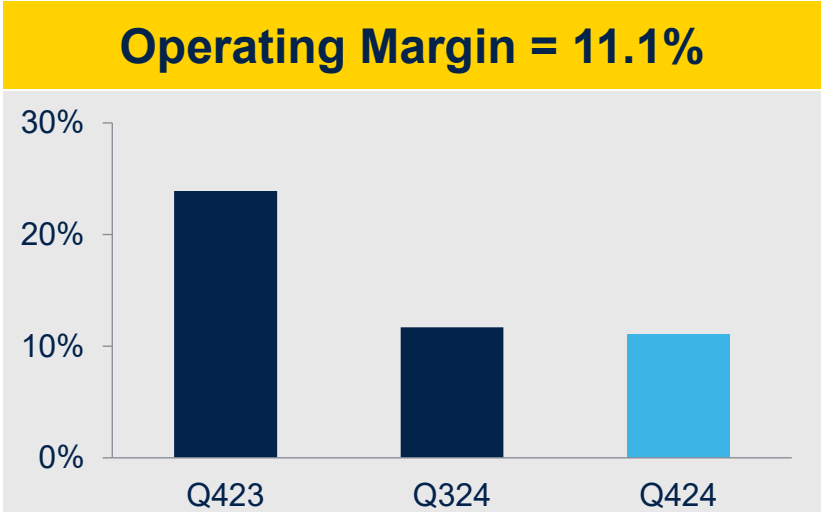
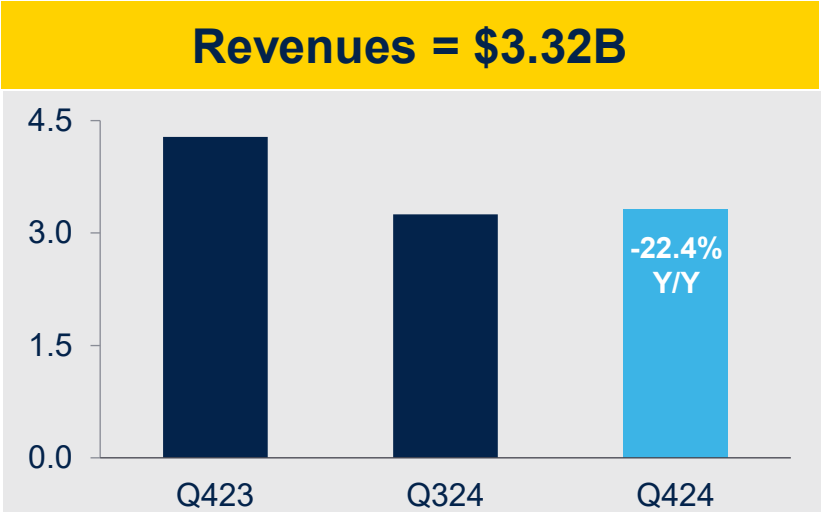
+ ~ 12% Q/Q



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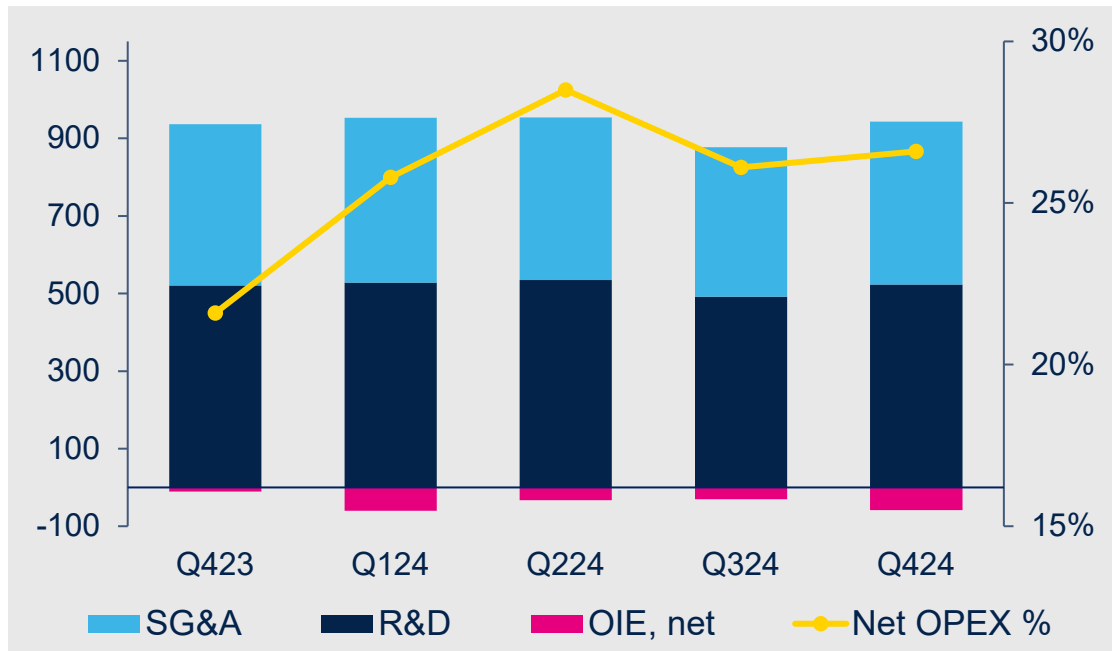
- Analog, Power & Discrete, MEMS and Sensors (APMS) Product Group
- Microcontrollers, Digital ICs and RF products (MDRF) Product Group

# Q4 2024 Financial highlights



# Net operating expenses\*

**Q424 Net Operating Expenses = \$884M**



**Q424 Combined SG&A and R&D at \$943M**

- 28.4% of revenues.

**Q424 Net Operating Expenses at \$884M**

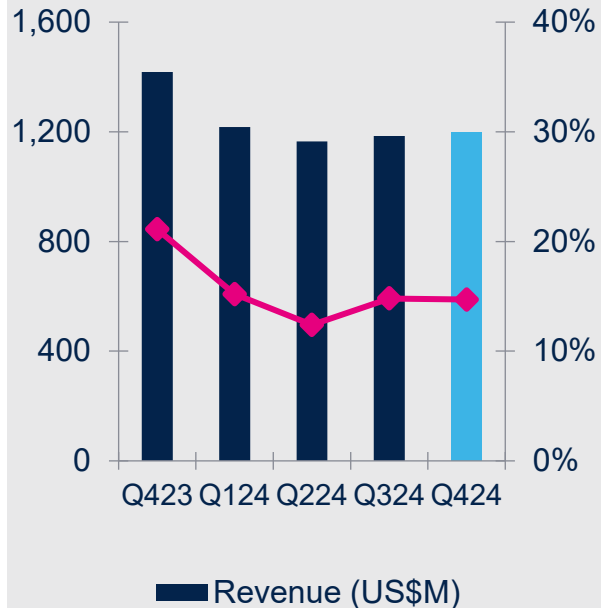
- 26.6% of revenues.

Net Opex expected to stand at about \$850m in Q1 2025

# Q4 2024 Reportable segments results

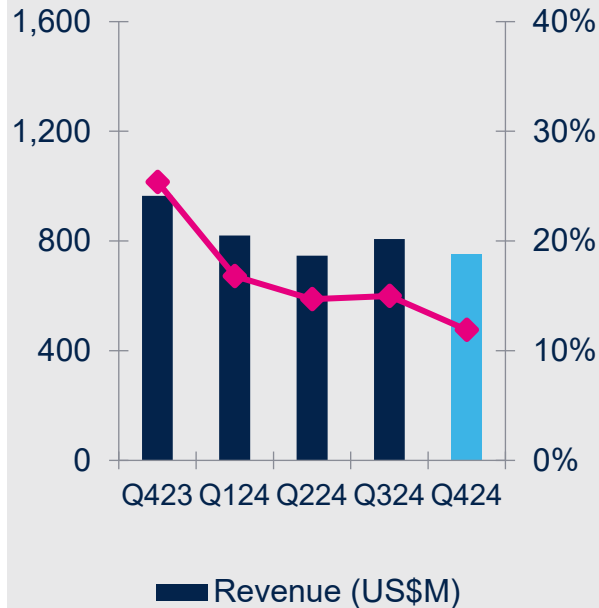
## Analog products, MEMS and Sensors (AM&S)

Revenues = \$1,198M  
Operating Margin = 14.7%



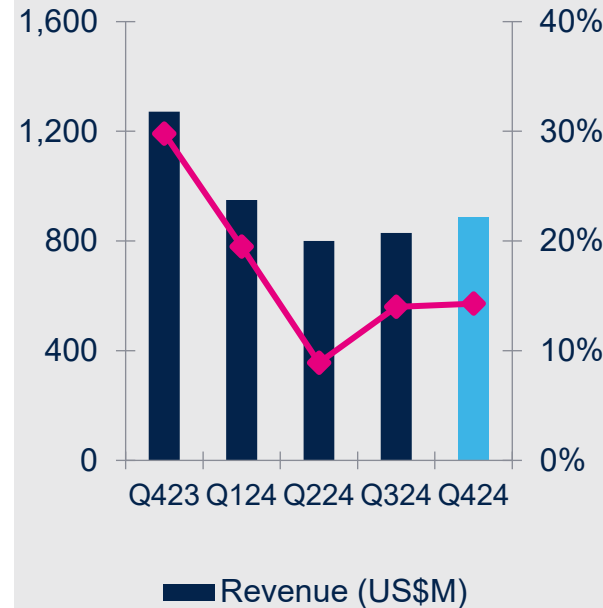
## Power and discrete products (P&D)

Revenues = \$752M  
Operating Margin = 11.9%



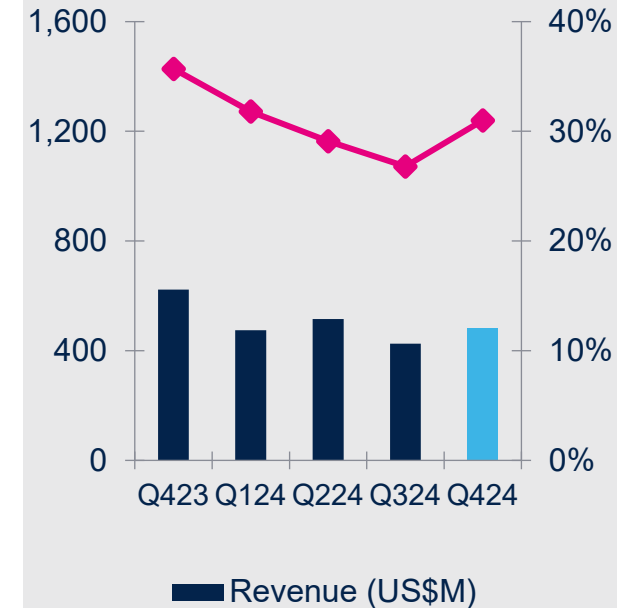
## Microcontrollers (MCU)

Revenues = \$887M  
Operating Margin = 14.3%



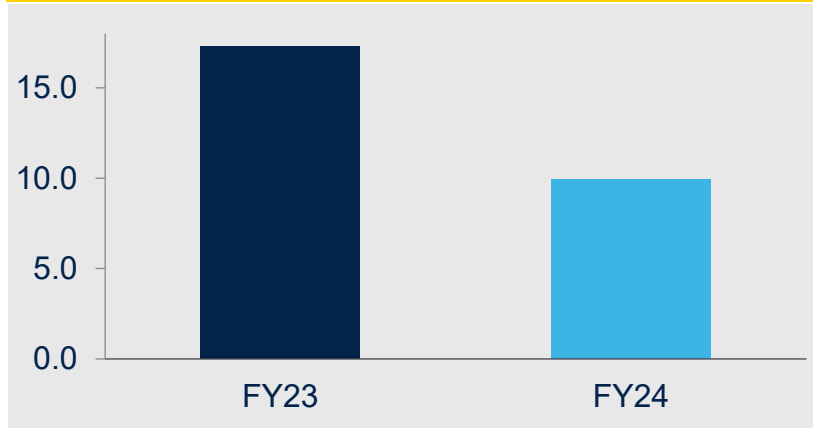
## Digital ICs and RF Products (D&RF)

Revenues = \$481M  
Operating Margin = 31.0%

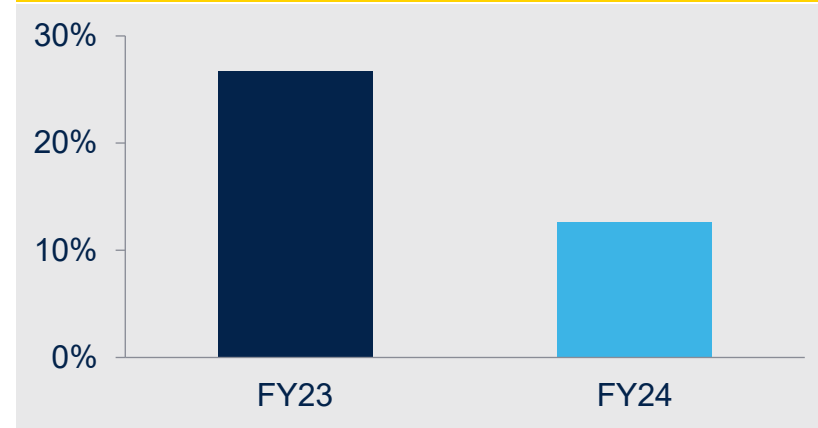


# FY 2024 Financial highlights

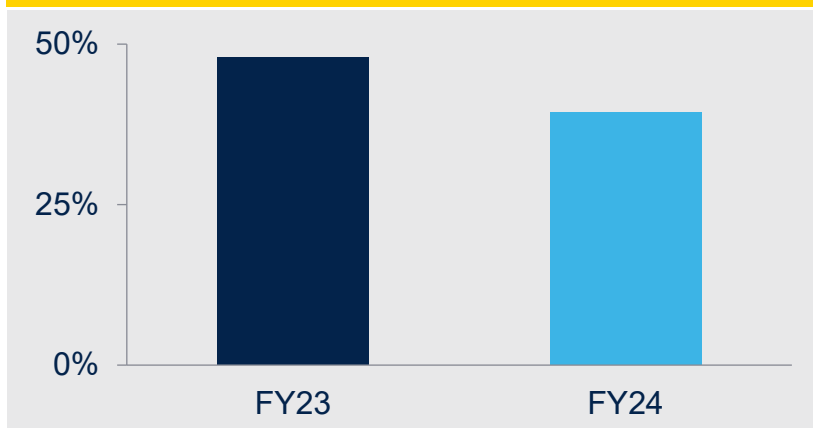
## Revenues = \$13.27B



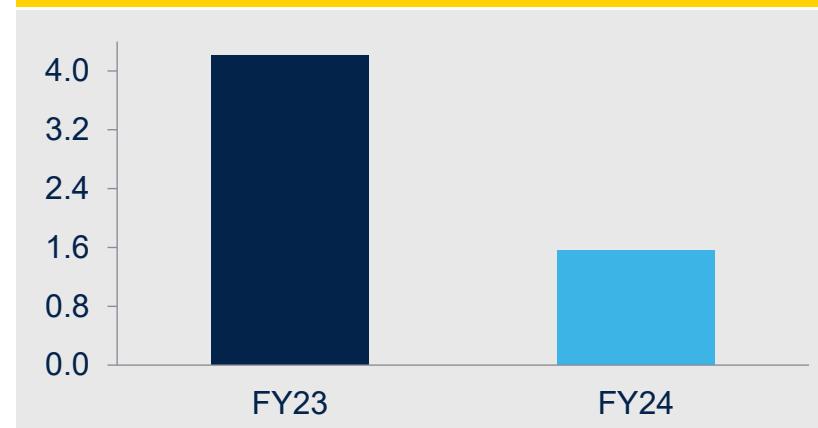
## Operating Margin = 12.6%



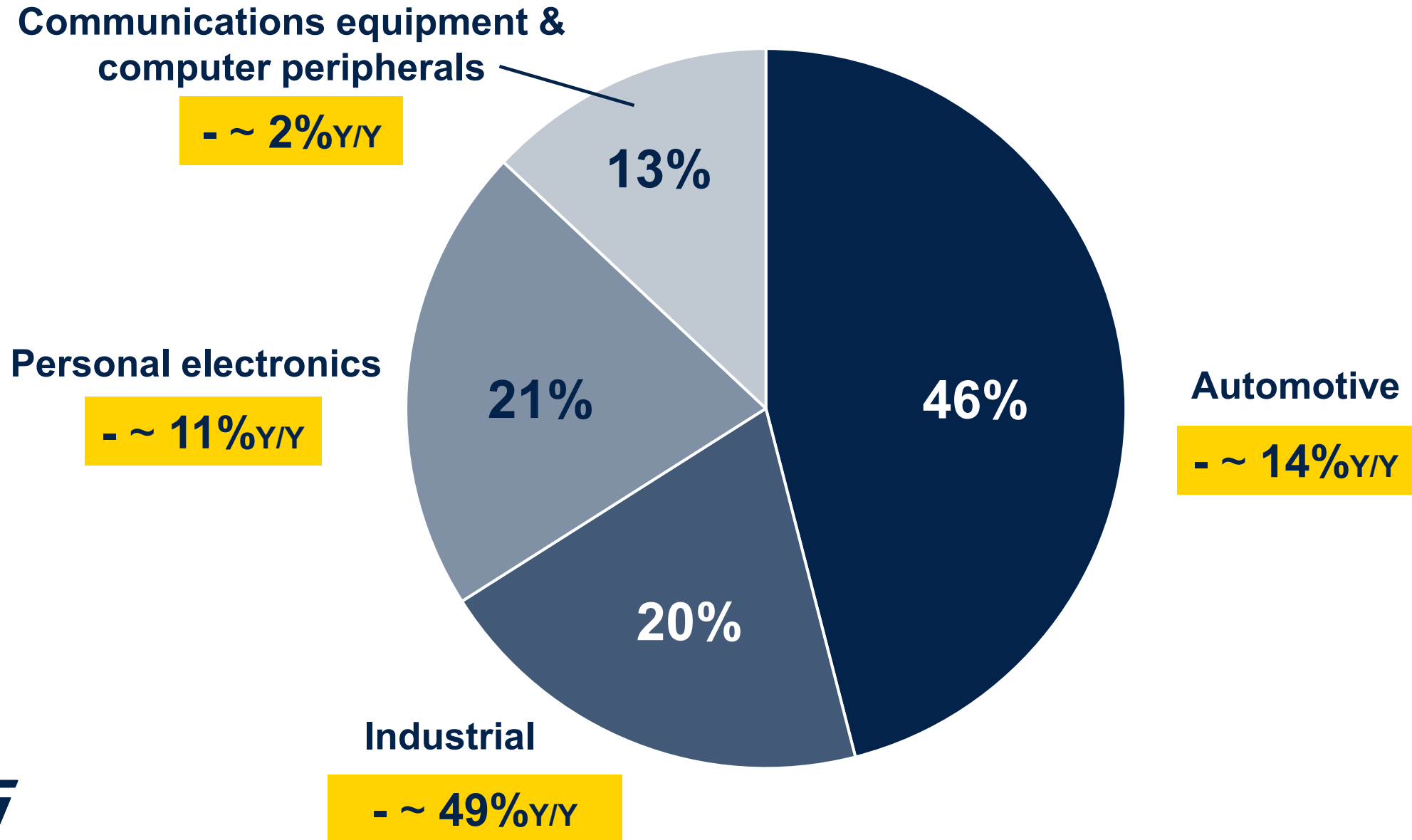
## Gross Margin = 39.3%



## Net Income = \$1.56B

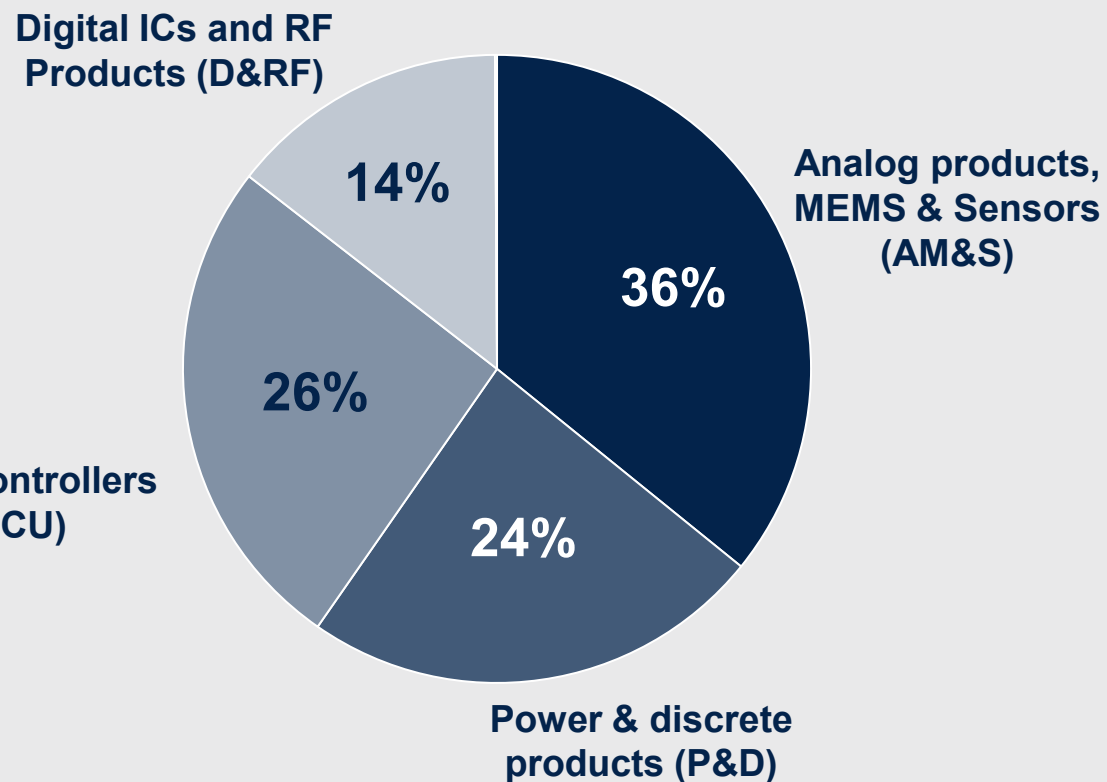


# FY 2024 Revenues by end market

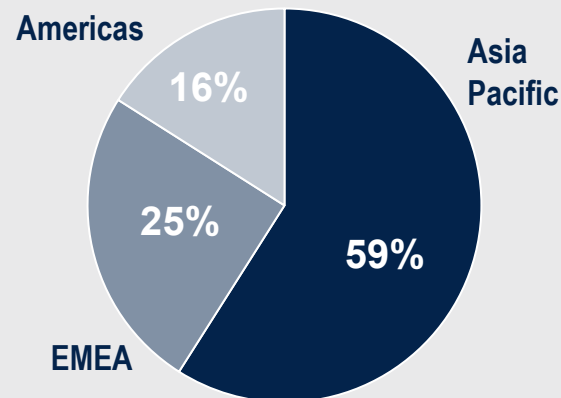


# FY 2024 Revenues

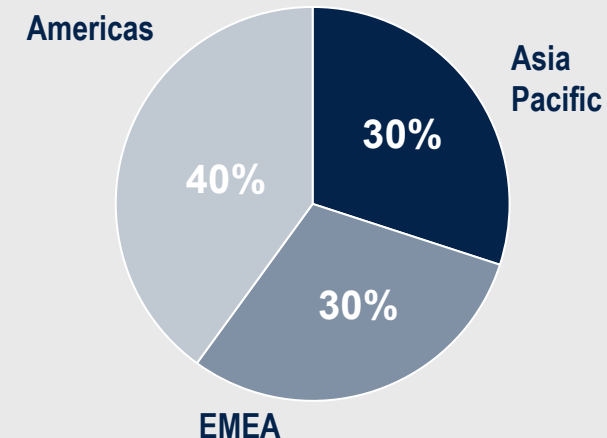
## % by reportable segments



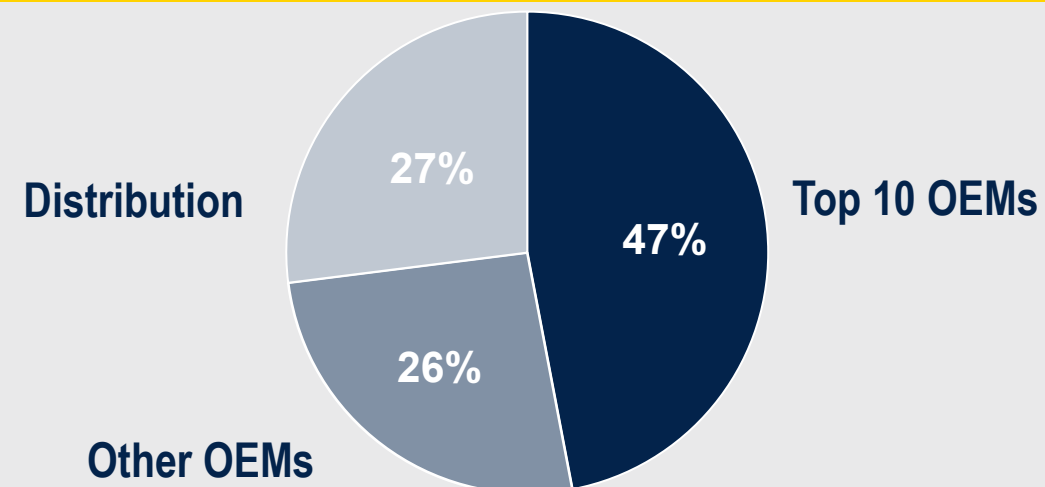
## % by shipment location



## % by region of origin



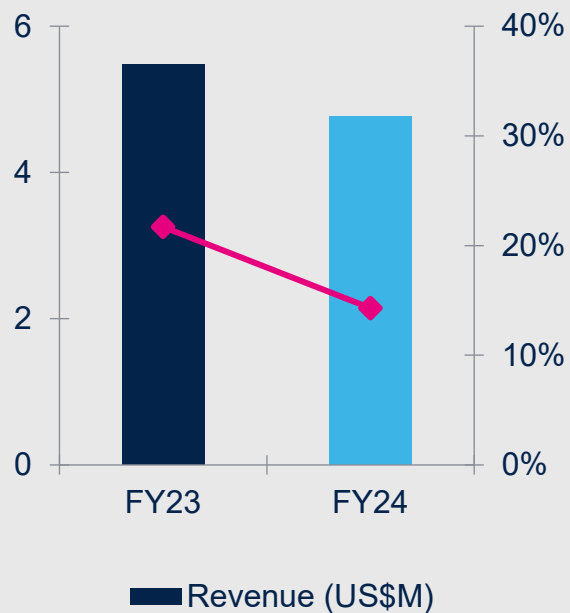
## % by customer type



# FY 2024 Reportable segments results

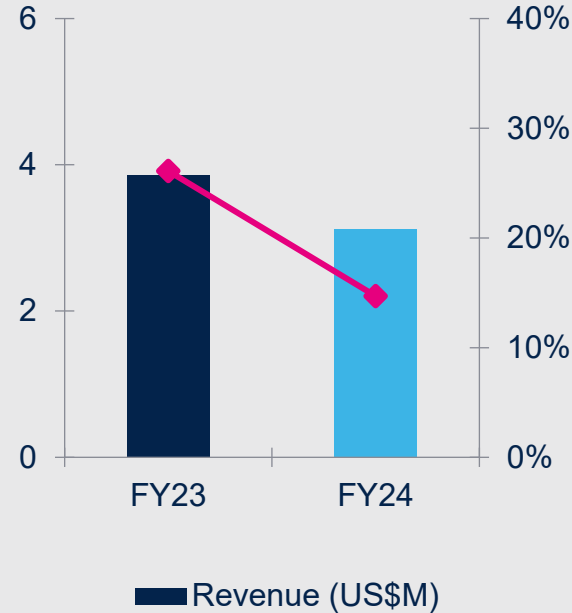
## Analog products, MEMS and Sensors (AM&S)

Revenues = \$4.76B  
Operating Margin = 14.3%



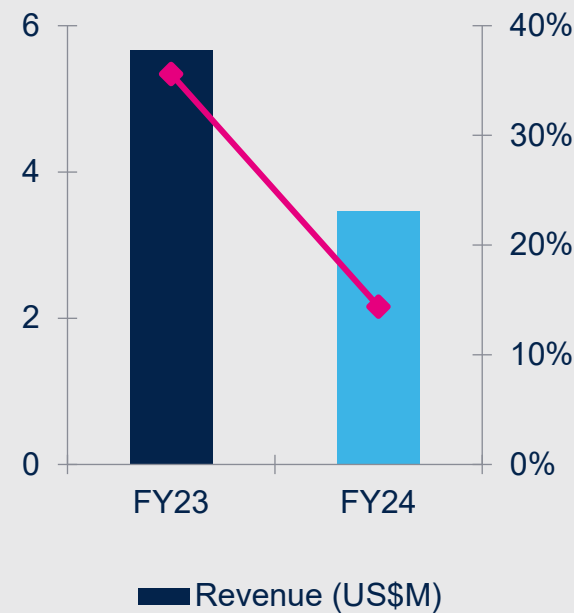
## Power and discrete products (P&D)

Revenues = \$3.13B  
Operating Margin = 14.7%



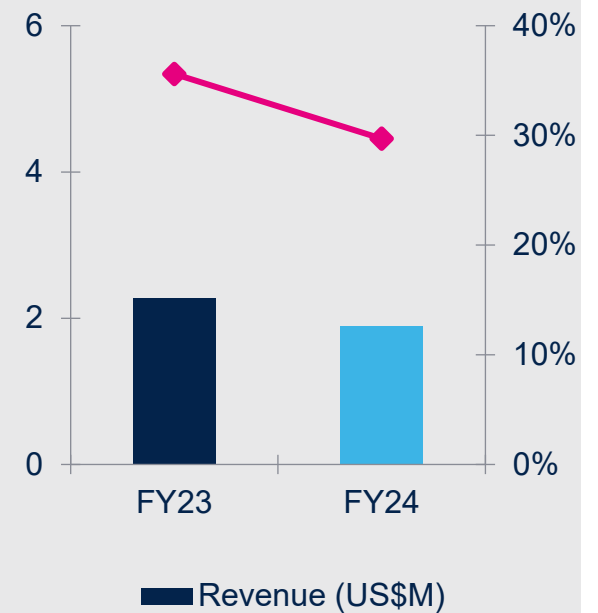
## Microcontrollers (MCU)

Revenues = \$3.47B  
Operating Margin = 14.4%



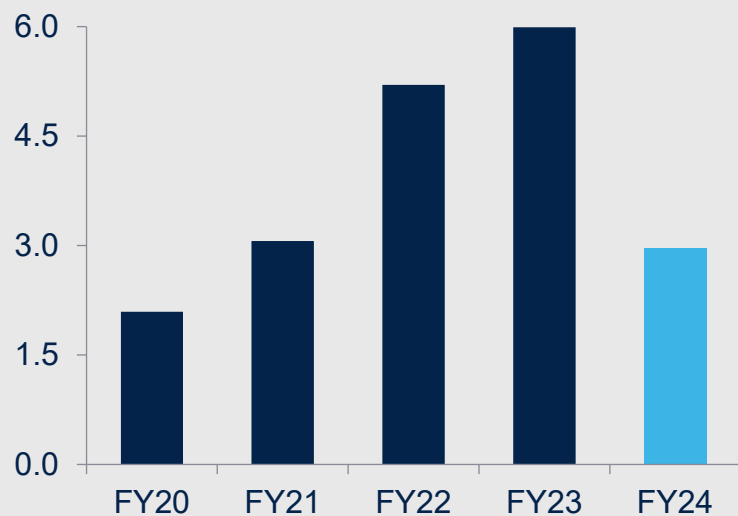
## Digital ICs and RF Products (D&RF)

Revenues = \$1.90B  
Operating Margin = 29.7%

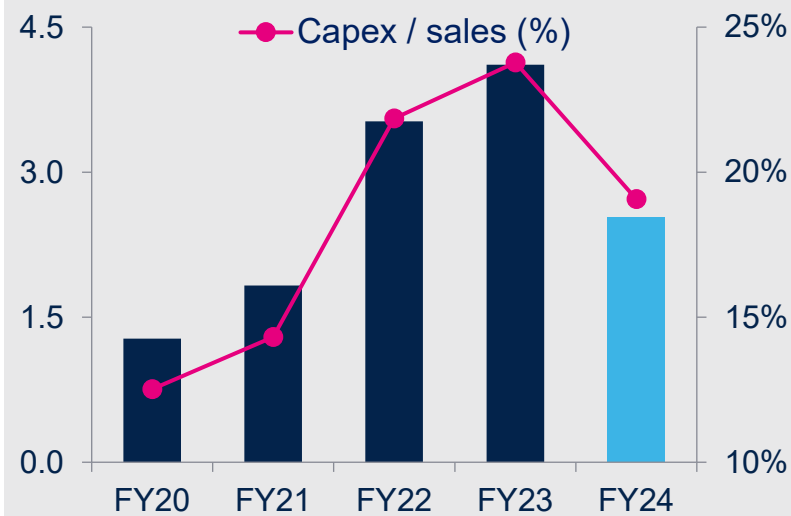


# FY 2024 Financial flexibility

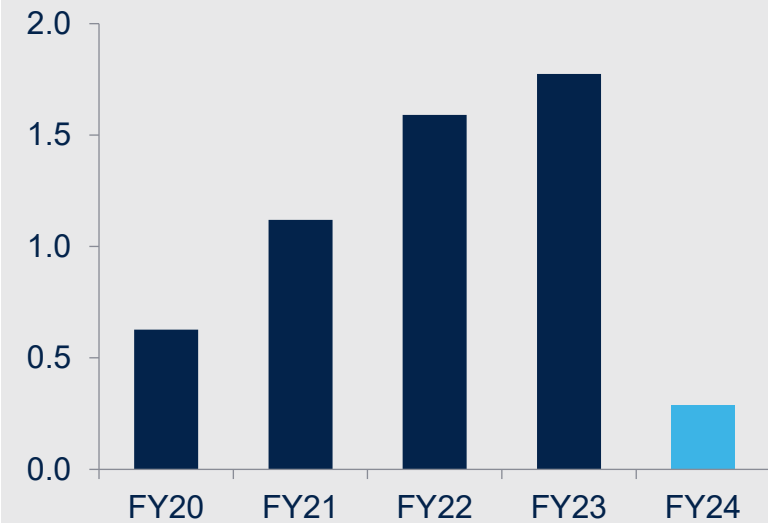
## Net Cash From Operating Activities = \$2.97B



## Net Capex\* = \$2.53B



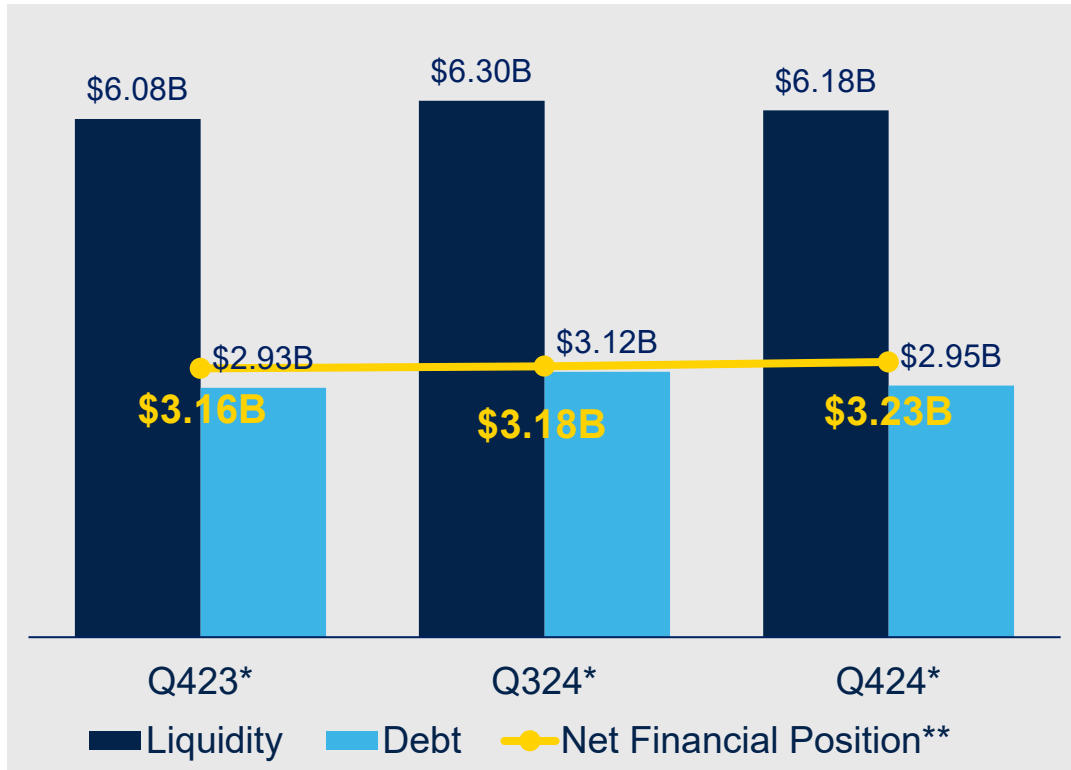
## Free Cash Flow\* = \$0.29B



Cash dividends paid to stockholders totaled \$288M in FY24.

In FY24 we repurchased shares totaling \$359M.

# Solid capital structure



ST has a track record of maintaining a solid net financial position and a strong liquidity throughout the industry cycle.

ST credit rating is currently BBB+ with Stable Outlook from S&P and Baa1 with Stable Outlook from Moody's.

\*Adjusted net financial position, taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not been incurred yet, stood at \$3.00B as of December 31, 2023, at \$2.82B as of September 28, 2024, and \$2.85B as of December 31, 2024.

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

# Q1 2025 Outlook

Our business environment remains challenging as we continue to face a delayed recovery and inventory correction in Industrial and a slowdown in Automotive, both particularly in Europe. As a result, we ended up 2024 with a Book-to-Bill still below parity.

As we indicated during our Q324 results we were expecting our Q125 revenues quarterly decline compared to Q424 to be well above our normal seasonality, partly due to a lower number of calendar days as Q125 will have six less days than Q424. We are confirming this trend.

## Net Revenues

Q125 outlook, at the mid-point, is for net revenues of \$2.51B, decreasing Y/Y by 27.6% and decreasing Q/Q by 24.4%, plus or minus 350 bps.

## Gross Margin

Gross margin is expected to be about 33.8%, +/- 200 bps

## Net Capex\*

We plan to invest about \$2.0 to \$2.3B in Net Capex\*

# Conclusion

2024 turned out to be one of the worst years in many decades for the industries we serve, particularly in Industrial and Automotive. It was characterized by unexpectedly weaker end demand and higher level of inventories which significantly impacted ST.

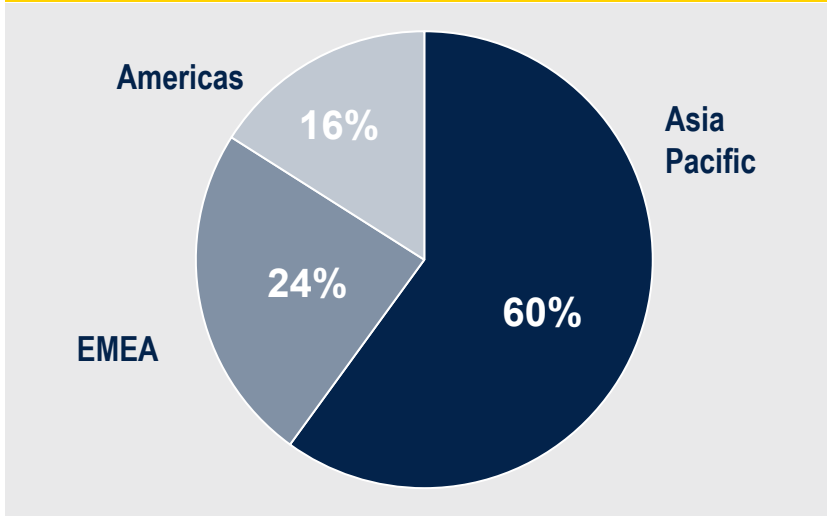
Coping with this reality, we had to postpone our \$20B+ revenue ambition plan to 2030 during our Capital Markets Day last November and we set a new intermediate financial model for 2027/2028.

We are already engaged and determined to execute our manufacturing reshaping and cost saving program to restore profitability compatible with our model and investing in innovation to capture the revenues growth from the secular trends we are addressing.

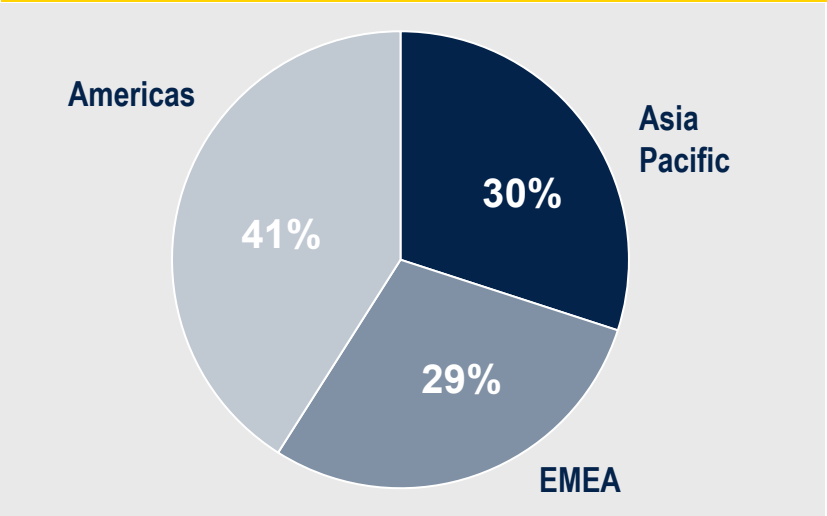
# Appendix

# Q4 2024 Revenues

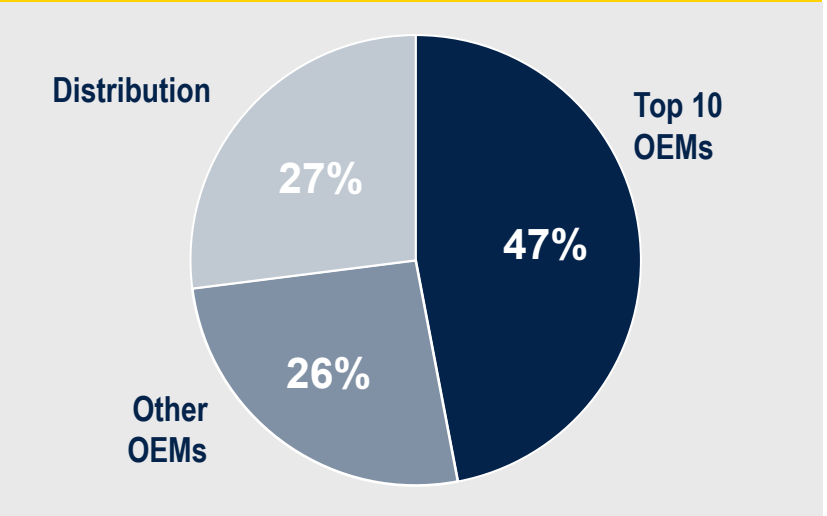
**% by shipment location**



**% by region of origin**

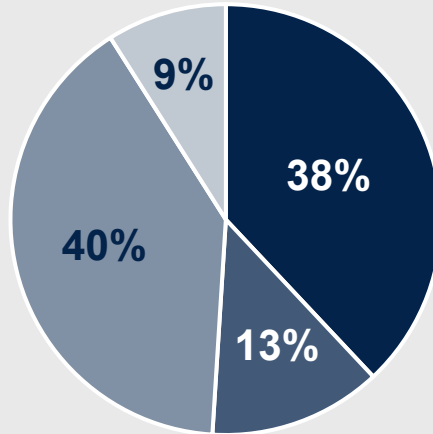


**% by customer type**

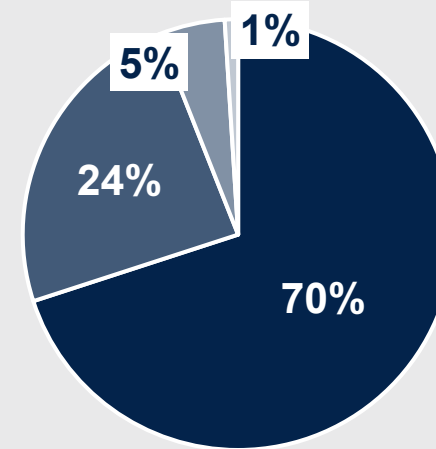


# FY 2024 Reportable segment revenues by end market

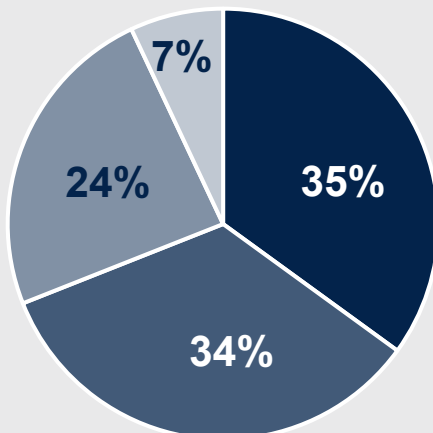
## Analog products, MEMS and Sensors (AM&S)



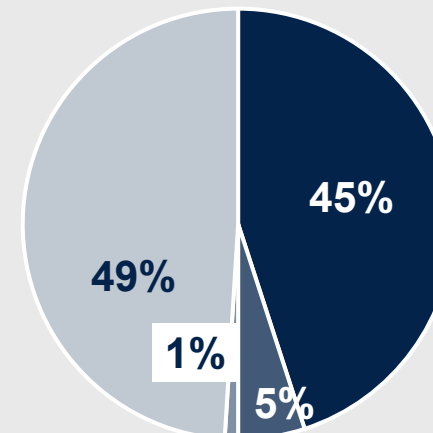
## Power and discrete products (P&D)



## Microcontrollers (MCU)



## Digital ICs and RF Products (D&RF)



- Automotive
- Industrial
- Personal electronics
- Communications equipment & computer peripherals

# Historical financial performance

<i>US\$M, except EPS</i>	Q123	Q223	Q323	Q423	FY23	Q124	Q224	Q324	Q424	FY24
Net Revenues	4,247	4,326	4,431	4,282	17,286	3,465	3,232	3,251	3,321	13,269
Gross Margin	49.7%	49.0%	47.6%	45.5%	47.9%	41.7%	40.1%	37.8%	37.7%	39.3%
Operating Income	1,201	1,146	1,241	1,023	4,611	551	375	381	369	1,676
Operating Margin	28.3%	26.5%	28.0%	23.9%	26.7%	15.9%	11.6%	11.7%	11.1%	12.6%
Net Income – Reported	1,044	1,001	1,090	1,076	4,211	513	353	351	341	1,557
EPS Diluted (\$/share)	1.10	1.06	1.16	1.14	4.46	0.54	0.38	0.37	0.37	1.66
Free Cash Flow*	206	209	707	652	1,774	-134	159	136	128	288
Net Financial Position*	1,855	1,914	2,463	3,156**	3,156**	3,126**	3,199**	3,181**	3,231**	3,231**
Effective Exchange Rate €/€	1.06	1.08	1.09	1.08	1.08	1.09	1.08	1.08	1.09	1.08

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

\*\***Adjusted net financial position**, taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not been incurred yet, stood at \$3,004M as of December 31, 2023, at \$2,775M as of March 30, 2024, at \$2,797M as of June 29, 2024, at \$2,815M as of September 28, 2024, and at \$2,846M as of December 31, 2024.

# Historical Revenues and Operating Margin by Product Groups and Reportable Segments

US\$M		Q123	Q223	Q323	Q423	FY23	Q124	Q224	Q324	Q424	FY24
<b>Analog products, MEMS and Sensors (AM&amp;S)</b>	Revenue <i>Operating Margin</i>	1,400 23.9%	1,293 20.0%	1,367 21.8%	1,418 21.1%	5,478 21.7%	1,217 15.2%	1,165 12.4%	1,185 14.8%	1,198 14.7%	4,764 14.3%
<b>Power and discrete products (P&amp;D)</b>	Revenue <i>Operating Margin</i>	909 26.0%	989 26.4%	989 26.5%	965 25.4%	3,852 26.1%	820 16.8%	747 14.7%	807 15.0%	752 11.9%	3,126 14.7%
<b>Analog, Power &amp; Discrete, MEMS and Sensors (APMS)</b>	Revenue <i>Operating Margin</i>	<b>2,309</b> <b>24.7%</b>	<b>2,282</b> <b>22.8%</b>	<b>2,356</b> <b>23.8%</b>	<b>2,383</b> <b>22.9%</b>	<b>9,330</b> <b>23.5%</b>	<b>2,037</b> <b>15.8%</b>	<b>1,912</b> <b>13.3%</b>	<b>1,992</b> <b>14.9%</b>	<b>1,950</b> <b>13.6%</b>	<b>7,890</b> <b>14.4%</b>
<b>Microcontrollers (MCU)</b>	Revenue <i>Operating Margin</i>	1,448 38.3%	1,482 37.2%	1,466 36.4%	1,272 29.8%	5,668 35.6%	950 19.5%	800 8.9%	829 14.0%	887 14.3%	3,466 14.4%
<b>Digital ICs and RF Products (D&amp;RF)</b>	Revenue <i>Operating Margin</i>	486 33.9%	558 35.2%	605 37.3%	623 35.7%	2,272 35.6%	475 31.8%	516 29.1%	426 26.8%	481 31.0%	1,898 29.7%
<b>Microcontrollers, Digital ICs and RF products (MDRF)</b>	Revenue <i>Operating Margin</i>	<b>1,934</b> <b>37.2%</b>	<b>2,040</b> <b>36.6%</b>	<b>2,071</b> <b>36.7%</b>	<b>1,895</b> <b>31.7%</b>	<b>7,940</b> <b>35.6%</b>	<b>1,425</b> <b>23.6%</b>	<b>1,316</b> <b>16.8%</b>	<b>1,255</b> <b>18.4%</b>	<b>1,368</b> <b>20.2%</b>	<b>5,364</b> <b>19.8%</b>

# Appendix

- **Net financial position and Adjusted Net Financial Position (non-U.S. GAAP measure)**: represents the difference between our total liquidity and our total financial debt. Our total liquidity includes cash and cash equivalents, restricted cash, if any, short-term deposits, and marketable securities, and our total financial debt includes short-term debt and long-term debt, as reported in our Consolidated Balance Sheets. ST also presents adjusted net financial position as a non-U.S. GAAP measure, to take into consideration the effect on total liquidity of advances received on capital grants for which capital expenditures have not been incurred yet. Reporting periods prior to Q4 2023 are not impacted. ST believes its Net Financial Position and Adjusted Net Financial Position provide useful information for investors and management because they give 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, if any, short-term deposits and marketable securities and the total level of our financial debt. Our definitions of Net Financial Position and Adjusted Net Financial Position may differ from definitions used by other companies, and therefore, comparability may be limited.
- **Net Capex and Free Cash Flow (non-U.S. GAAP measure)**: ST presents Net Capex as a non-U.S. GAAP measure, which is reported as part of our Free Cash Flow (non-US GAAP measure), to take into consideration the effect of advances from capital grants received on prior periods allocated to property, plant and equipment in the reporting period. Net Capex, a non-U.S. GAAP measure, is defined as (i) Payment for purchase of tangible assets, as reported plus (ii) Proceeds from sale of tangible assets, as reported plus (iii) Proceeds from capital grants and other contributions, as reported plus (iv) Advances from capital grants allocated to property, plant and equipment in the reporting period. ST believes Net Capex provides useful information for investors and management because annual capital expenditures budget includes the effect of capital grants. Our definition of Net Capex may differ from definitions used by other companies. Free Cash Flow, which is a non-U.S. GAAP measure, is defined as (i) net cash from operating activities plus (ii) Net Capex plus (iii) payment for purchase (and proceeds from sale) of intangible and financial assets and (iv) net cash paid for business acquisitions, if any. ST believes 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 reconciles with the total cash flow and the net cash increase (decrease) by including the payment for purchases of (and proceeds from matured) marketable securities and net investment in (and proceeds from) short-term deposits, the net cash from (used in) financing activities and the effect of changes in exchange rates, and by excluding the advances from capital grants received on prior periods allocated to property, plant and equipment in the reporting period. Our definition of Free Cash Flow may differ from definitions used by other companies.
- **Net revenues of Others**: revenues from sales assembly services and other revenues. Operating income (loss) of Others include items such as unused capacity charges, including incidents leading to power outage, impairment and restructuring charges, management reorganization costs, start-up and phase out costs, and other unallocated income (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 reportable segments, as well as operating earnings of other products. Others includes:

US\$M	Q123	Q223	Q323	Q423	FY23	Q124	Q224	Q324	Q424	FY24
Unused Capacity Charges	1	15	46	57	120	63	84	104	118	370

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