



PR No: C3290C

## STMicroelectronics Reports 2024 Third Quarter Financial Results

- Q3 net revenues \$3.25 billion; gross margin 37.8%; operating margin 11.7%; net income \$351 million
- YTD net revenues \$9.95 billion; gross margin 39.9%; operating margin 13.1%; net income \$1.22 billion
- Business outlook at mid-point: Q4 net revenues of \$3.32 billion and gross margin of 38%
- Launch of a new company-wide program to reshape our manufacturing footprint accelerating our wafer fab capacity to 300mm Silicon and 200mm Silicon Carbide and resizing our global cost base

**Geneva, October 31, 2024 – STMicroelectronics N.V. (“ST”) (NYSE: STM),** a global semiconductor leader serving customers across the spectrum of electronics applications, reported U.S. GAAP financial results for the third quarter ended September 28, 2024. This press release also contains non-U.S. GAAP measures (see Appendix for additional information).

ST reported third quarter net revenues of \$3.25 billion, gross margin of 37.8%, operating margin of 11.7%, and net income of \$351 million or \$0.37 diluted earnings per share.

Jean-Marc Chery, ST President & CEO, commented:

- “Q3 net revenues were in line with the midpoint of our business outlook range. Our revenues, compared to our expectations, were higher in Personal Electronics, declined less in Industrial and were lower in Automotive. Q3 gross margin of 37.8% was broadly in line with the mid-point of our business outlook range.”
- “First nine months net revenues decreased 23.5% year-over-year across all reportable segments, particularly in Microcontrollers, which is impacted by a continuing weakness in the Industrial market. Operating margin was 13.1% and net income was \$1.22 billion.”
- “Our fourth quarter business outlook, at the mid-point, is for net revenues of \$3.32 billion, decreasing year-over-year by 22.4% and increasing sequentially by 2.2%; gross margin is expected to be about 38%, impacted by about 400 basis points of unused capacity charges.”
- “The midpoint of this outlook translates into full year 2024 revenues of about \$13.27 billion, representing a 23.2% year-over-year decrease, in the low-end of the range indicated in the previous quarter, and a gross margin slightly below that provided in such indication.”
- “Based on our current customer order backlog and demand visibility, we anticipate a revenue decline between Q4 2024 and Q1 2025 well above normal seasonality.”
- “We are launching a new company-wide program to reshape our manufacturing footprint accelerating our wafer fab capacity to 300mm Silicon (Agrate and Crolles) and 200mm Silicon Carbide (Catania) 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.”

### Quarterly Financial Summary (U.S. GAAP)

(US\$ m, except per share data)	Q3 2024	Q2 2024	Q3 2023	Q/Q	Y/Y
<b>Net Revenues</b>	<b>\$3,251</b>	<b>\$3,232</b>	<b>\$4,431</b>	<b>0.6%</b>	<b>-26.6%</b>
Gross Profit	\$1,228	\$1,296	\$2,109	-5.2%	-41.8%
<b>Gross Margin</b>	<b>37.8%</b>	<b>40.1%</b>	<b>47.6%</b>	<b>-230 bps</b>	<b>-980 bps</b>
Operating Income	\$381	\$375	\$1,241	1.8%	-69.3%
<b>Operating Margin</b>	<b>11.7%</b>	<b>11.6%</b>	<b>28.0%</b>	<b>10 bps</b>	<b>-1,630 bps</b>
Net Income	\$351	\$353	\$1,090	-0.6%	-67.8%
<b>Diluted Earnings Per Share</b>	<b>\$0.37</b>	<b>\$0.38</b>	<b>\$1.16</b>	<b>-2.6%</b>	<b>-68.1%</b>

### Third Quarter 2024 Summary Review

Reminder: On January 10, 2024, ST announced a new organization which implied a change in segment reporting starting Q1 2024. Prior year comparative periods have been adjusted accordingly. See Appendix for more detail.

Net Revenues by Reportable Segment (US\$ m)	Q3 2024	Q2 2024	Q3 2023	Q/Q	Y/Y
Analog products, MEMS and Sensors (AM&S) segment	1,185	1,165	1,367	1.7%	-13.3%
Power and discrete products (P&D) segment	807	747	989	7.9%	-18.4%
<b>Subtotal: Analog, Power &amp; Discrete, MEMS and Sensors (APMS) Product Group</b>	<b>1,992</b>	<b>1,912</b>	<b>2,356</b>	<b>4.2%</b>	<b>-15.5%</b>
Microcontrollers (MCU) segment	829	800	1,466	3.6%	-43.4%
Digital ICs and RF Products (D&RF) segment	426	516	605	-17.4%	-29.7%
<b>Subtotal: Microcontrollers, Digital ICs and RF products (MDRF) Product Group</b>	<b>1,255</b>	<b>1,316</b>	<b>2,071</b>	<b>-4.6%</b>	<b>-39.4%</b>
Others	4	4	4	-	-
<b>Total Net Revenues</b>	<b>3,251</b>	<b>3,232</b>	<b>4,431</b>	<b>0.6%</b>	<b>-26.6%</b>

**Net revenues** totaled \$3.25 billion, representing a year-over-year decrease of 26.6%. Year-over-year net sales to OEMs and Distribution decreased 17.5% and 45.4%, respectively. On a sequential basis, net revenues increased 0.6%, in line with the mid-point of ST's guidance.

**Gross profit** totaled \$1.23 billion, representing a year-over-year decrease of 41.8%. **Gross margin** of 37.8%, 20 basis points below the mid-point of ST's guidance, decreased 980 basis points year-over-year, mainly due to product mix and, to a lesser extent, to sales price and higher unused capacity charges.

**Operating income** decreased 69.3% to \$381 million, compared to \$1.24 billion in the year-ago quarter. ST's **operating margin** decreased 1,630 basis points on a year-over-year basis to 11.7% of net revenues, compared to 28.0% in the third quarter of 2023.

By **reportable segment**<sup>1</sup>, compared with the year-ago quarter:

In Analog, Power & Discrete, MEMS and Sensors (APMS) Product Group:

Analog products, MEMS and Sensors (AM&S) segment:

- Revenue decreased 13.3% mainly due to decreases in Imaging and in Analog.
- Operating profit decreased by 41.2% to \$175 million. Operating margin was 14.8% compared to 21.8%.

Power and Discrete products (P&D) segment:

- Revenue decreased 18.4%.
- Operating profit decreased by 54.0% to \$121 million. Operating margin was 15.0% compared to 26.5%.

In Microcontrollers, Digital ICs and RF products (MDRF) Product Group:

Microcontrollers (MCU) segment:

- Revenue decreased 43.4% mainly due to a decrease in GP MCU.
- Operating profit decreased by 78.2% to \$116 million. Operating margin was 14.0% compared to 36.4%.

Digital ICs and RF products (D&RF) segment:

- Revenue decreased 29.7% mainly due to a decrease in ADAS (automotive ADAS and infotainment).
- Operating profit decreased by 49.5% to \$114 million. Operating margin was 26.8% compared to 37.3%.

**Net income** and **diluted Earnings Per Share** decreased to \$351 million and \$0.37 respectively compared to \$1.09 billion and \$1.16 respectively in the year-ago quarter.

<sup>1</sup> See Appendix for the definition of reportable segments.

## **Cash Flow and Balance Sheet Highlights**

(US\$ m)	Q3 2024	Q2 2024	Q3 2023	Trailing 12 Months		
				Q3 2024	Q3 2023	TTM Change
Net cash from operating activities	723	702	1,881	3,764	6,062	-37.9%
Free cash flow (non-U.S. GAAP) <sup>1</sup>	136	159	707	813	1,725	-52.9%

Net cash from operating activities was \$723 million in the third quarter compared to \$1.88 billion in the year-ago quarter.

Net Capex (non-U.S. GAAP) was \$565 million in the third quarter compared to \$1.15 billion in the year-ago quarter.

Free cash flow (non-U.S. GAAP) was \$136 million in the third quarter, compared to \$707 million in the year-ago quarter.

Inventory at the end of the third quarter was \$2.88 billion, compared to \$2.81 billion in the previous quarter and \$2.87 billion in the year-ago quarter. Days sales of inventory at quarter-end was 130 days, similar to the previous quarter, and compared to 114 days in the year-ago quarter.

In the third quarter, ST paid cash dividends to its stockholders totaling \$80 million and executed a \$92 million share buy-back, as part of its current share repurchase program.

ST's net financial position (non-U.S. GAAP) was \$3.18 billion as of September 28, 2024, compared to \$3.20 billion as of June 29, 2024 and reflected total liquidity of \$6.30 billion and total financial debt of \$3.12 billion. Adjusted net financial position (non-U.S. GAAP), taking into consideration the effect on total liquidity of advances from capital grants for which capital expenditures have not been incurred yet, stood at \$2.82 billion as of September 28, 2024.

## **Corporate developments**

Since the beginning of 2024, ST has made significant changes in the way it is structured and operates, including the re-organization of its Product Groups. Since October 1, 2024, Lorenzo Grandi, President and CFO, has taken additional responsibilities, with a perimeter now also covering Supply Chain, Corporate Development and Integrated External Communication in addition to Finance, Global Procurement, Digital Transformation and Information Technology, Enterprise Risk Management and Resilience. ST's Executive Committee remains unchanged and continues to report to Jean-Marc Chery, ST President and CEO.

## **Business Outlook**

ST's guidance, at the mid-point, for the 2024 fourth quarter is:

- Net revenues are expected to be \$3.32 billion, an increase of 2.2% sequentially, plus or minus 350 basis points.
- Gross margin of 38%, plus or minus 200 basis points.
- This outlook is based on an assumed effective currency exchange rate of approximately \$1.11 = €1.00 for the 2024 fourth quarter and includes the impact of existing hedging contracts.
- The fourth quarter will close on December 31, 2024.

## **Conference Call and Webcast Information**

ST will conduct a conference call with analysts, investors and reporters to discuss its third quarter 2024 financial results and current business outlook today at 9:30 a.m. Central European Time (CET) / 4:30 a.m. U.S. Eastern Time (ET). A live webcast (listen-only mode) of the conference call will be accessible at ST's website, <https://investors.st.com>, and will be available for replay until November 15, 2024.

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<sup>1</sup> Non-U.S. GAAP. See Appendix for reconciliation to U.S. GAAP and information explaining why ST believes these measures are important.

## **2024 Capital Markets Day**

ST will conduct a live webcast of its 2024 Capital Markets Day meeting from Paris, France, on Wednesday, November 20, 2024, from 9:00 a.m. to 1:15 p.m. Central European Time (CET) / 3:00 a.m. to 7:15 a.m. U.S. Eastern Time (ET). The live webcast featuring video, audio and presentation slides will be accessible at ST's website, <https://investors.st.com>. Copies of the presentations and a recording of the event will be made available at <https://investors.st.com>.

## **Use of Supplemental Non-U.S. GAAP Financial Information**

This press release contains supplemental non-U.S. GAAP financial information.

Readers are cautioned that these measures are unaudited and not prepared in accordance with U.S. GAAP and should not be considered as a substitute for U.S. GAAP financial measures. In addition, such non-U.S. GAAP financial measures may not be comparable to similarly titled information from other companies. To compensate for these limitations, the supplemental non-U.S. GAAP financial information should not be read in isolation, but only in conjunction with ST's consolidated financial statements prepared in accordance with U.S. GAAP.

See the Appendix of this press release for a reconciliation of ST's non-U.S. GAAP financial measures to their corresponding U.S. GAAP financial measures.

## **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.*

## **About STMicroelectronics**

At ST, we are over 50,000 creators and makers of semiconductor technologies mastering the semiconductor supply chain with state-of-the-art manufacturing facilities. An integrated device manufacturer, we work with more than 200,000 customers and thousands of partners to design and build products, solutions, and ecosystems that address their challenges and opportunities, and the need to support a more sustainable world. Our technologies enable smarter mobility, more efficient power and energy management, and the wide-scale deployment of cloud-connected autonomous things. We are committed to achieving our goal to become carbon neutral on scope 1 and 2 and partially scope 3 by 2027. Further information can be found at [www.st.com](http://www.st.com).

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**STMicroelectronics N.V.**
**CONSOLIDATED STATEMENTS OF INCOME**
**(in millions of U.S. dollars, except per share data (\$))**

	<b>Three months ended</b>	
	September 28,	September 30,
	2024	2023
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Net sales	3,245	4,416
Other revenues	6	15
<b>NET REVENUES</b>	<b>3,251</b>	<b>4,431</b>
Cost of sales	(2,023)	(2,322)
<b>GROSS PROFIT</b>	<b>1,228</b>	<b>2,109</b>
Selling, general and administrative expenses	(385)	(407)
Research and development expenses	(492)	(519)
Other income and expenses, net	30	58
Total operating expenses	(847)	(868)
<b>OPERATING INCOME</b>	<b>381</b>	<b>1,241</b>
Interest income, net	55	44
Other components of pension benefit costs	(4)	(5)
<b>INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTEREST</b>	<b>432</b>	<b>1,280</b>
Income tax expense	(71)	(188)
<b>NET INCOME</b>	<b>361</b>	<b>1,092</b>
Net income attributable to noncontrolling interest	(10)	(2)
<b>NET INCOME ATTRIBUTABLE TO PARENT COMPANY STOCKHOLDERS</b>	<b>351</b>	<b>1,090</b>
<b>EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO PARENT COMPANY STOCKHOLDERS</b>	<b>0.39</b>	<b>1.20</b>
<b>EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO PARENT COMPANY STOCKHOLDERS</b>	<b>0.37</b>	<b>1.16</b>
<b>NUMBER OF WEIGHTED AVERAGE SHARES USED IN CALCULATING DILUTED EPS</b>	<b>938.6</b>	<b>943.8</b>

**STMicroelectronics N.V.**

**CONSOLIDATED STATEMENTS OF INCOME**

(in millions of U.S. dollars, except per share data (\$))

	<b>Nine months ended</b>	
	September 28, 2024	September 30, 2023
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Net sales	9,915	12,977
Other revenues	32	27
<b>NET REVENUES</b>	<b>9,947</b>	<b>13,004</b>
Cost of sales	(5,980)	(6,666)
<b>GROSS PROFIT</b>	<b>3,967</b>	<b>6,338</b>
Selling, general and administrative expenses	(1,229)	(1,215)
Research and development expenses	(1,554)	(1,579)
Other income and expenses, net	123	44
Total operating expenses	(2,660)	(2,750)
<b>OPERATING INCOME</b>	<b>1,307</b>	<b>3,588</b>
Interest income, net	166	114
Other components of pension benefit costs	(12)	(14)
Loss on financial instruments, net	(1)	-
<b>INCOME BEFORE INCOME TAXES AND NONCONTROLLING INTEREST</b>	<b>1,460</b>	<b>3,688</b>
Income tax expense	(231)	(547)
<b>NET INCOME</b>	<b>1,229</b>	<b>3,141</b>
Net income attributable to noncontrolling interest	(13)	(6)
<b>NET INCOME ATTRIBUTABLE TO PARENT COMPANY STOCKHOLDERS</b>	<b>1,216</b>	<b>3,135</b>
<b>EARNINGS PER SHARE (BASIC) ATTRIBUTABLE TO PARENT COMPANY STOCKHOLDERS</b>	<b>1.35</b>	<b>3.47</b>
<b>EARNINGS PER SHARE (DILUTED) ATTRIBUTABLE TO PARENT COMPANY STOCKHOLDERS</b>	<b>1.29</b>	<b>3.32</b>
<b>NUMBER OF WEIGHTED AVERAGE SHARES USED IN CALCULATING DILUTED EPS</b>	<b>940.2</b>	<b>944.7</b>

**STMicroelectronics N.V.**  
**CONSOLIDATED BALANCE SHEETS**

As at  
In millions of U.S. dollars

	September 28, 2024	June 29, 2024	December 31, 2023
	(Unaudited)	(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	3,077	3,092	3,222
Short-term deposits	977	975	1,226
Marketable securities	2,242	2,218	1,635
Trade accounts receivable, net	1,730	1,708	1,731
Inventories	2,875	2,810	2,698
Other current assets	1,062	1,066	1,295
<b>Total current assets</b>	<b>11,963</b>	<b>11,869</b>	<b>11,807</b>
Goodwill	303	296	303
Other intangible assets, net	354	353	367
Property, plant and equipment, net	11,258	10,869	10,554
Non-current deferred tax assets	547	575	592
Long-term investments	20	20	22
Other non-current assets	1,071	924	808
<b>Total assets</b>	<b>25,516</b>	<b>24,906</b>	<b>24,453</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Short-term debt	1,003	236	217
Trade accounts payable	1,585	1,577	1,856
Other payables and accrued liabilities	1,327	1,344	1,525
Dividends payable to stockholders	177	257	54
Accrued income tax	116	131	78
<b>Total current liabilities</b>	<b>4,208</b>	<b>3,545</b>	<b>3,730</b>
Long-term debt	2,112	2,850	2,710
Post-employment benefit obligations	397	375	372
Long-term deferred tax liabilities	60	37	54
Other long-term liabilities	935	951	735
<b>Total liabilities</b>	<b>7,712</b>	<b>7,758</b>	<b>7,601</b>
Commitment and contingencies			
<b>Equity</b>			
Parent company stockholders' equity			
Common stock (preferred stock: 540,000,000 shares authorized, not issued; common stock: Euro 1.04 nominal value, 1,200,000,000 shares authorized, 911,281,920 shares issued, 901,550,639 shares outstanding as of September 28, 2024)	1,157	1,157	1,157
Additional Paid-in Capital	3,032	2,985	2,866
Retained earnings	13,118	12,813	12,470
Accumulated other comprehensive income	657	421	613
Treasury stock	(400)	(354)	(377)
Total parent company stockholders' equity	17,564	17,022	16,729
Noncontrolling interest	240	126	123
<b>Total equity</b>	<b>17,804</b>	<b>17,148</b>	<b>16,852</b>
<b>Total liabilities and equity</b>	<b>25,516</b>	<b>24,906</b>	<b>24,453</b>



**STMicroelectronics N.V.****SELECTED CASH FLOW DATA**

<b>Cash Flow Data (in US\$ millions)</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q3 2023</b>
Net Cash from operating activities	723	702	1,881
Net Cash used in investing activities	(601)	(628)	(1,756)
Net Cash from (used in) financing activities	(142)	(112)	(223)
Net Cash decrease	(15)	(41)	(100)
<b>Selected Cash Flow Data (in US\$ millions)</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q3 2023</b>
Depreciation & amortization	440	439	396
Net payment for Capital expenditures	(601)	(546)	(1,152)
Dividends paid to stockholders	(80)	(73)	(58)
Change in inventories, net	(17)	(136)	147

**Appendix  
ST  
New organization**

On January 10, 2024, ST announced a new organization to deliver enhanced product development innovation and efficiency, time-to-market as well as customer focus by end market. This new organization implies a change in segment reporting which is applied from January 1, 2024.

ST moved from three reportable segments (ADG, AMS and MDG) to four reportable segments as follows:

- In Analog, Power & Discrete, MEMS and Sensors (APMS) Product Group:
  - Analog products, MEMS and Sensors (AM&S) segment, comprised of ST analog products, MEMS sensors and actuators, and optical sensing solutions.
  - Power and Discrete products (P&D) segment comprised of discrete and power transistor products.

In this Press Release, “Analog” refers to ST analog products, “MEMS” to MEMS sensors and actuators and “Imaging” to optical sensing solutions.

- In Microcontrollers, Digital ICs and RF products (MDRF) Product Group:
  - Microcontrollers (MCU) segment, comprised of general-purpose and automotive microcontrollers, microprocessors and connected security products (including EEPROM).
  - Digital ICs and RF Products (D&RF) segment, comprised of automotive ADAS, infotainment, RF and communications products.

In this Press release, “Auto MCU” refers to Automotive microcontrollers and microprocessors, “GP MCU” to general purpose microcontrollers and microprocessors, “Connected Security” to connected security products (including EEPROM), “ADAS” to automotive ADAS and infotainment, “RF Communications” to RF and communications products.

Prior year quarters comparative information has been adjusted accordingly.

**(Appendix – continued)**  
**ST**  
**Supplemental Financial Information**

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Net Revenues By Market Channel (%)</b>					
Total OEM	76%	73%	70%	70%	67%
Distribution	24%	27%	30%	30%	33%
<b>€/€ Effective Rate</b>	1.08	1.08	1.09	1.08	1.09
<b>Reportable Segment Data (US\$ m)</b>					
Analog products, MEMS and Sensors (AM&S) segment					
- Net Revenues	1,185	1,165	1,217	1,418	1,367
- Operating Income	175	144	185	300	298
Power and Discrete products (P&D) segment					
- Net Revenues	807	747	820	965	989
- Operating Income	121	110	138	245	262
<b>Subtotal: Analog, Power &amp; Discrete, MEMS and Sensors (APMS) Product Group</b>					
- Net Revenues	<b>1,992</b>	<b>1,912</b>	<b>2,037</b>	<b>2,383</b>	<b>2,356</b>
- Operating Income	<b>296</b>	<b>254</b>	<b>323</b>	<b>545</b>	<b>560</b>
Microcontrollers (MCU) segment					
- Net Revenues	829	800	950	1,272	1,466
- Operating Income	116	72	185	378	534
Digital ICs and RF Products (D&RF) segment					
- Net Revenues	426	516	475	623	605
- Operating Income	114	150	150	223	226
<b>Subtotal: Microcontrollers, Digital ICs and RF products (MDRF) Product Group</b>					
- Net Revenues	<b>1,255</b>	<b>1,316</b>	<b>1,425</b>	<b>1,895</b>	<b>2,071</b>
- Operating Income	<b>230</b>	<b>222</b>	<b>335</b>	<b>601</b>	<b>760</b>
<b>Others <sup>(a)</sup></b>					
- Net Revenues	4	4	3	4	4
- Operating Income (Loss)	(145)	(101)	(107)	(123)	(79)
<b>Total</b>					
- Net Revenues	<b>3,251</b>	<b>3,232</b>	<b>3,465</b>	<b>4,282</b>	<b>4,431</b>
- Operating Income	<b>381</b>	<b>375</b>	<b>551</b>	<b>1,023</b>	<b>1,241</b>

<sup>(a)</sup> Net revenues of Others include 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)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
<b>Unused capacity charges</b>	<b>104</b>	<b>84</b>	<b>63</b>	<b>57</b>	<b>46</b>

**(Appendix – continued)**  
**ST**  
**Supplemental Non-U.S. GAAP Financial Information**  
**U.S. GAAP – Non-U.S. GAAP Reconciliation**

The supplemental non-U.S. GAAP information presented in this press release is unaudited and subject to inherent limitations. Such non-U.S. GAAP information is not based on any comprehensive set of accounting rules or principles and should not be considered as a substitute for U.S. GAAP measurements. Also, our supplemental non-U.S. GAAP financial information may not be comparable to similarly titled non-U.S. GAAP measures used by other companies. Further, specific limitations for individual non-U.S. GAAP measures, and the reasons for presenting non-U.S. GAAP financial information, are set forth in the paragraphs below. To compensate for these limitations, the supplemental non-U.S. GAAP financial information should not be read in isolation, but only in conjunction with our consolidated financial statements prepared in accordance with U.S. GAAP.

ST believes that these non-U.S. GAAP financial measures provide useful information for investors and management because they offer, when read in conjunction with ST's U.S. GAAP financials, (i) the ability to make more meaningful period-to-period comparisons of ST's on-going operating results, (ii) the ability to better identify trends in ST's business and perform related trend analysis, and (iii) to facilitate a comparison of ST's results of operations against investor and analyst financial models and valuations, which may exclude these items.

**Net Financial Position and Adjusted Net Financial Position (non-U.S. GAAP measures)**

Net Financial Position, a 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. Starting Q4 2023, 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.

(US\$ m)	<b>Sep 28 2024</b>	<b>June 29 2024</b>	<b>Mar 30 2024</b>	<b>Dec 31 2023</b>	<b>Sep 30 2023</b>
Cash and cash equivalents	3,077	3,092	3,133	3,222	3,011
Short term deposits	977	975	1,226	1,226	506
Marketable securities	2,242	2,218	1,880	1,635	1,537
<b>Total liquidity</b>	<b>6,296</b>	<b>6,285</b>	<b>6,239</b>	<b>6,083</b>	<b>5,054</b>
Short-term debt	(1,003)	(236)	(238)	(217)	(173)
Long-term debt <sup>(a)</sup>	(2,112)	(2,850)	(2,875)	(2,710)	(2,418)
<b>Total financial debt</b>	<b>(3,115)</b>	<b>(3,086)</b>	<b>(3,113)</b>	<b>(2,927)</b>	<b>(2,591)</b>
<b>Net Financial Position</b>	<b>3,181</b>	<b>3,199</b>	<b>3,126</b>	<b>3,156</b>	<b>2,463</b>
Advances received on capital grants	(366)	(402)	(351)	(152)	-
<b>Adjusted Net Financial Position</b>	<b>2,815</b>	<b>2,797</b>	<b>2,775</b>	<b>3,004</b>	<b>2,463</b>

<sup>(a)</sup> Long-term debt contains standard conditions but does not impose minimum financial ratios. Committed credit facilities for \$701 million equivalent, are currently undrawn.

(Appendix – continued)

**Net Capex and Free Cash Flow (non-U.S. GAAP measures)**

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.

(US\$ m)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Payment for purchase of tangible assets, as reported	(669)	(690)	(1,145)	(1,076)	(1,158)
Proceeds from sale of tangible assets, as reported	2	1	2	-	1
Proceeds from capital grants and other contributions, as reported	66	143	149	278	5
Advances from capital grants allocated to property, plant and equipment	36	18	27	-	-
<b>Net Capex</b>	<b>(565)</b>	<b>(528)</b>	<b>(967)</b>	<b>(798)</b>	<b>(1,152)</b>

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.

(US\$ m)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net cash from operating activities	723	702	859	1,480	1,881
Net Capex	(565)	(528)	(967)	(798)	(1,152)
Payment for purchase of intangible assets, net of proceeds from sale	(20)	(15)	(26)	(28)	(22)
Payment for purchase of financial assets, net of proceeds from sale	(2)	-	-	(2)	-
<b>Free Cash Flow</b>	<b>136</b>	<b>159</b>	<b>(134)</b>	<b>652</b>	<b>707</b>