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The 1- Minute Brief

# STMicroelectronics Q3’26 Earnings

Announced on 29, Oct’26

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# Key Takeaways

- Q3’26 revenue reached $3.7B, up 17.9% YoY and 7.7% QoQ, driven by demand across industrial, automotive, AI data centers and low Earth orbit satellite communications
- Gross margin improved significantly during Q3, reflecting better product mix and lower unused capacity charges
- Demand strengthened across major end markets, with higher bookings, improved visibility, and a book-to-bill ratio >1 across all markets and >2 in communications, computer peripherals, and industrial

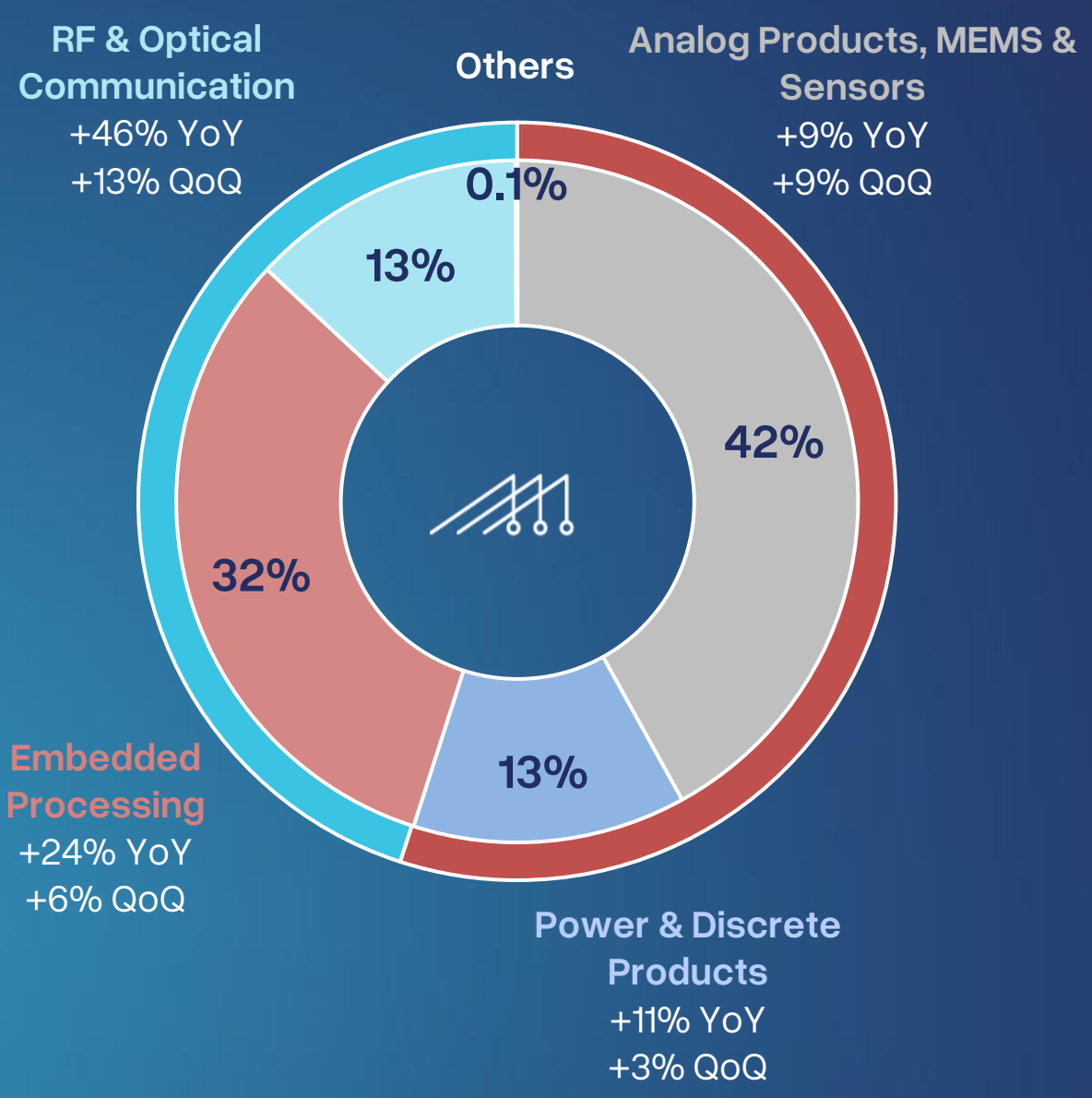
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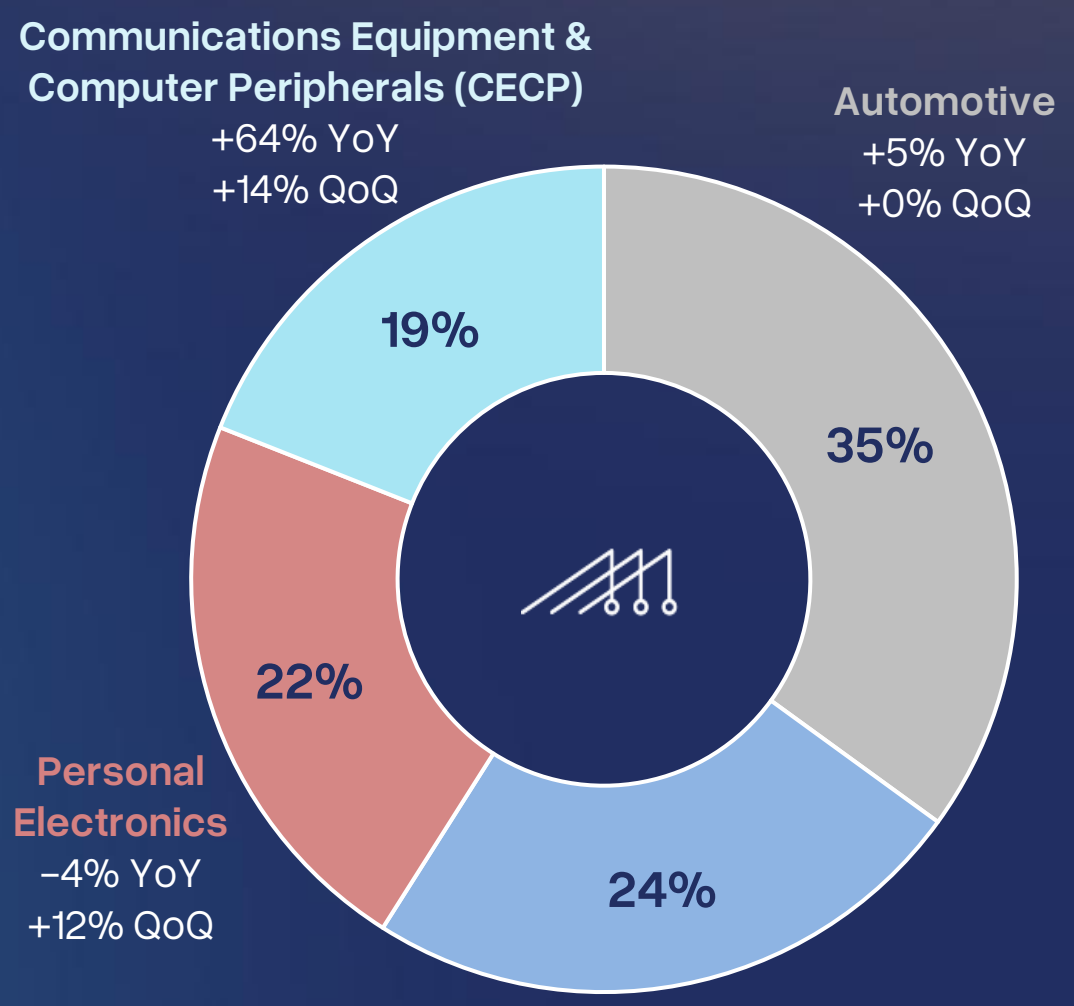
# Performance Breakdown

- **Automotive:** Revenue remained broadly stable, supported by demand for automotive MCUs, sensors, power and discrete products
  - Strong design wins across hybrid, electric, and conventional vehicles
- **Industrial:** Growth supported by strong demand for general-purpose MCUs, analog and power products, while channel inventories continued to decline and remained below target levels
- **Personal electronics:** QoQ growth driven by better demand across smartphones, gaming headsets and earbuds
- **CECP**: Strong growth was driven by increasing demand from AI data centers and LEO satellite communications

## Q3'26 % by Product Segment




## Q3'26 % by End Market




Analog, Power & Discrete, MEMS and Sensors (APMS)

Microcontrollers, Digital ICs, and RF products (MDRF)

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# Outlook

- **Q4’26 quarter midpoint guidance:**

  +24.7% YoY (vs. Q4’25) and +10.5% QoQ (vs. Q3’26)

- Outlook remains positive, supported by strong bookings, a growing backlog and demand exceeding supply across several product categories

**2026 & Long–term Outlook**:

- 2026 revenue guidance was raised to $14.5B, with 22.8% YoY growth and a ~36.4% gross margin expected
- AI data center revenue is expected to reach about $1.3B in 2026 and well above $2B in 2027, with silicon photonics and MCUs driving growth
- Industrial and Automotive markets continue to recover in 2027, driven by automation, electrification and power demand, while personal electronics remain weak
- STMicroelectronics targets a 44%–46% gross margin by 2028

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