



First Quarter FY 2023 Quarterly Update

Infineon Technologies AG
Investor Relations



Infineon at a glance

Addressing long-term high-growth trends

Decarbonization

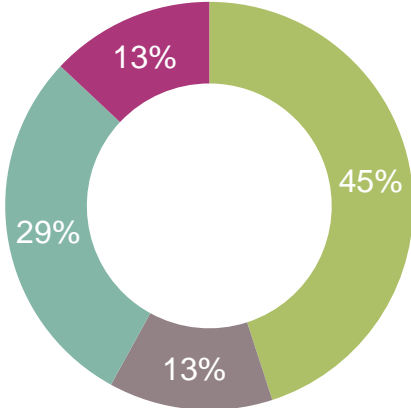
- › CO₂ saving
- › Energy efficiency
- › Sustainability

Digitalization

- › Productivity
- › Comfort
- › New use cases

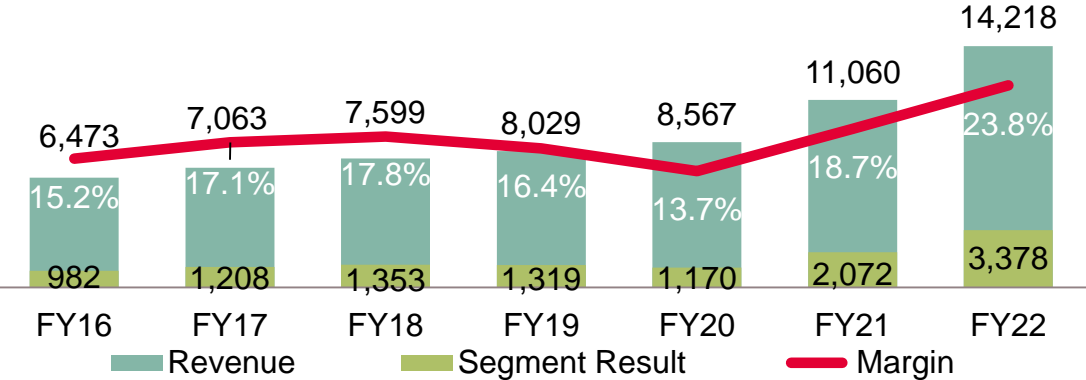
FY22 revenue by segment

- Automotive (ATV)
- Industrial Power Control (IPC)
- Power & Sensor Systems (PSS)
- Connected Secure Systems (CSS)



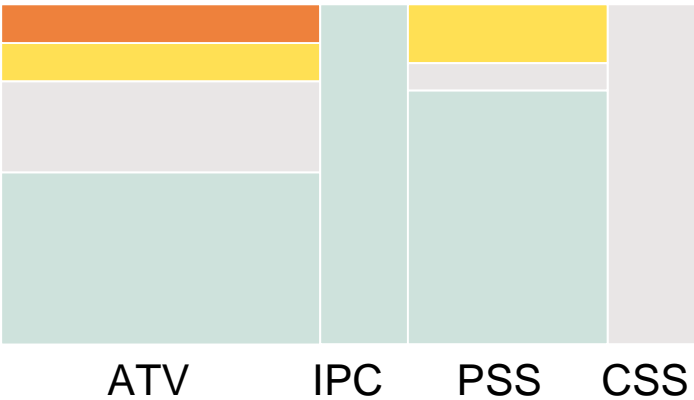
Financials

[EUR m]



FY22 revenue by product category

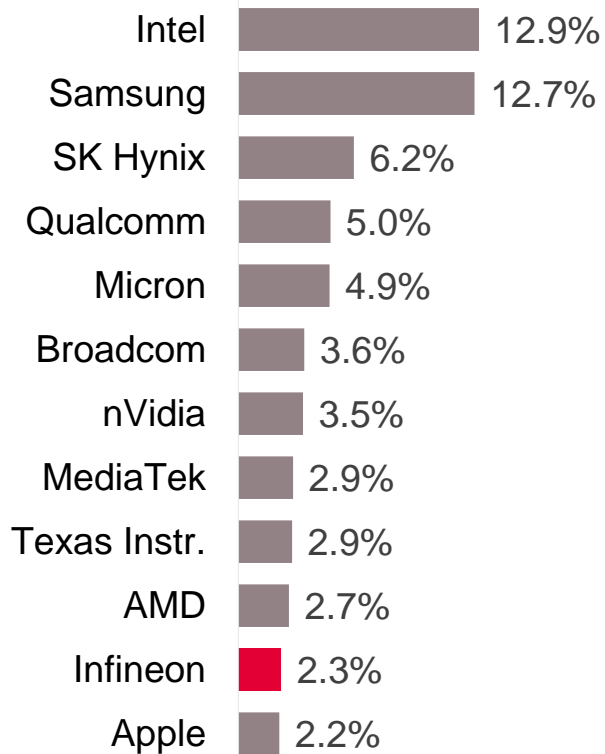
- ~5% memory ICs
 - ~10% RF & sensors
 - ~30% embedded control and connectivity
 - ~55% power semi-conductors
- of total revenue



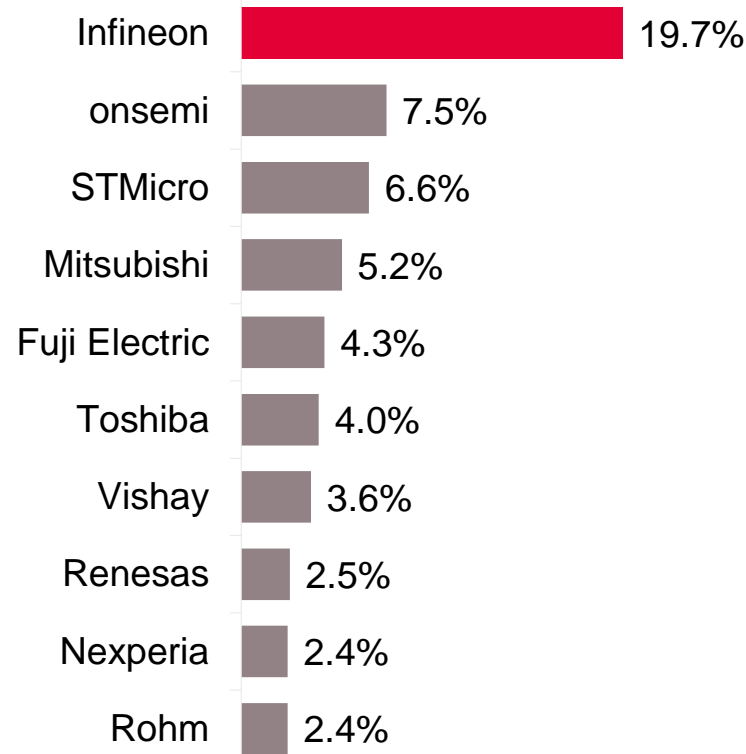
Infineon is a global player, clear #1 in power semiconductors, and ranked #4 in the overall microcontroller market



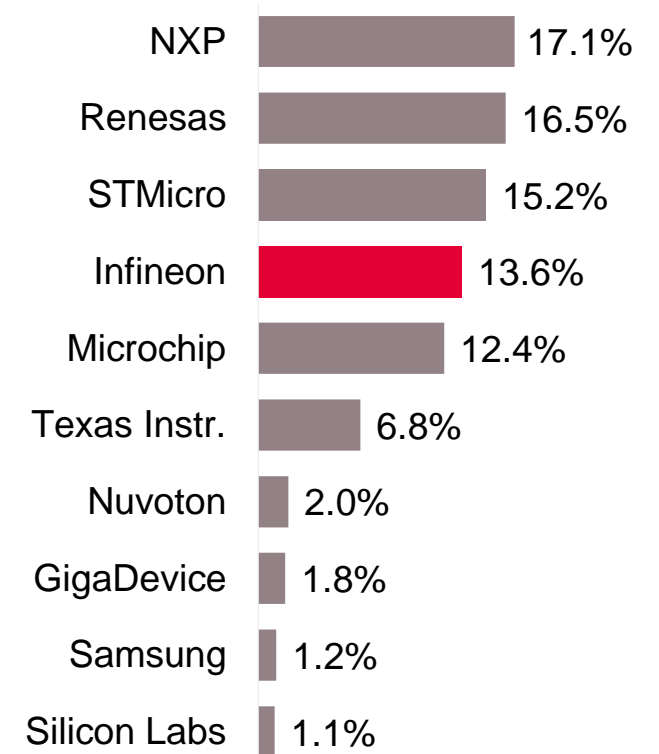
Semiconductor suppliers 2021 total market: USD 592bn¹



Power discretives and modules 2021 total market: USD 27.5bn²



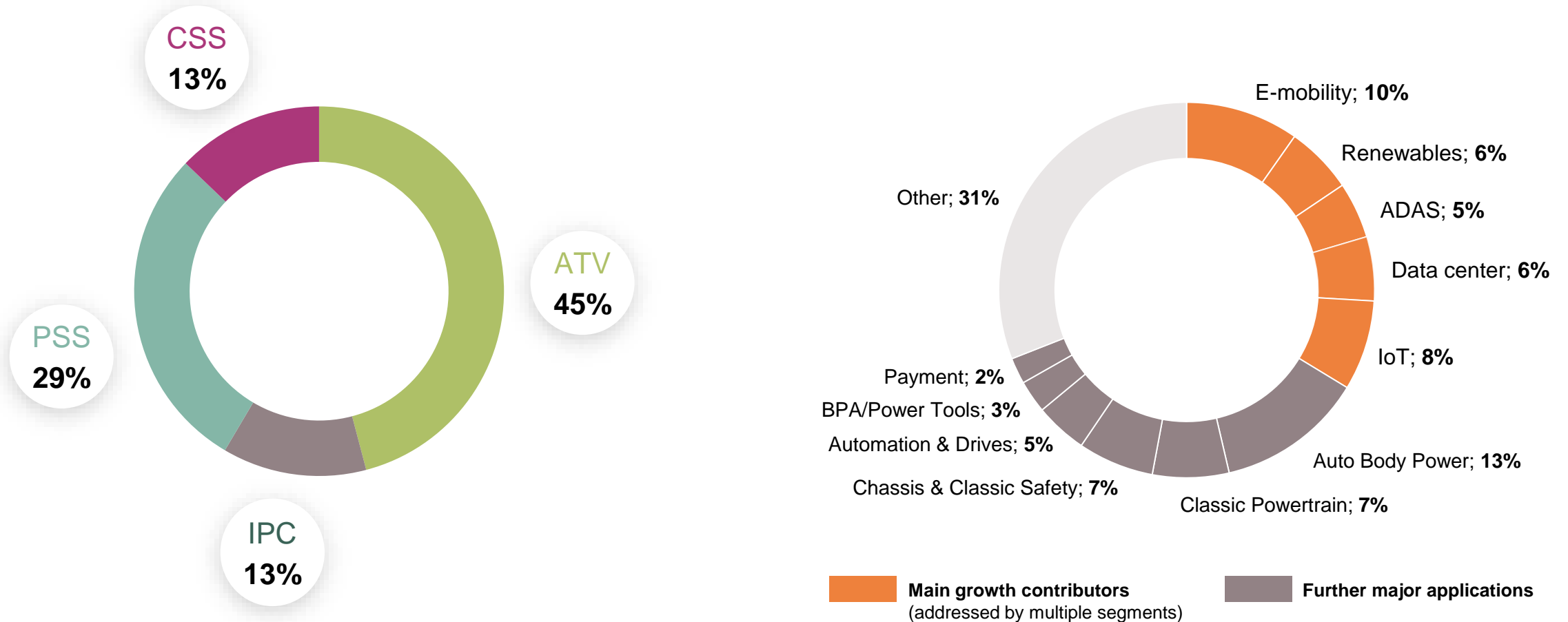
MCU suppliers 2021 total market: USD 22.2bn¹



¹ Based on or includes research from Omdia: *Annual 2001-2021 Semiconductor Market Share Competitive Landscaping Tool* – 3Q22. November 2022.
² Based on or includes research from Omdia: *Power Semiconductor Market Share Database – 2021 – Final V2*. October 2022.
 Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Well-balanced portfolio among segments and key applications, highest growth coming from Decarbonization and Digitalization

FY22 revenue of €14,218m by segment and key application



Infiniteon enables autonomous driving with its new CMOS 28 nm radar design-win for L4 truck platforms



Design-win details

- › 4D imaging radar for autonomous driving truck platform
- › Infineon's highest-resolution radar sensor ICs enable the next level of autonomous driving
- › Triple-digit million EUR design-win over lifetime

Key product information

- › CMOS 28 nm CTRX radar sensor family
- › 76 GHz – 81 GHz MMIC
- › Best-in-class RF performance
- › Zero-defect quality enables dependable systems
- › Scalability and cascading enable radar solutions for all SAE levels

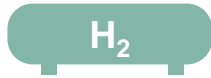


Expanding our portfolio towards H₂ (hydrogen) sensors to address battery protection and the entire fuel cell ecosystem

H₂ sensor key use cases



H₂ gas leakage sensor for fuel cell applications

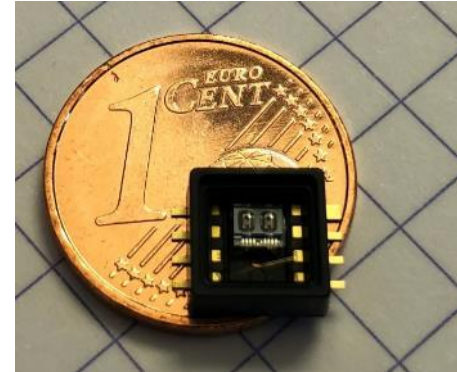


H₂ gas leakage sensor for infrastructure applications



H₂ outgassing sensor for battery thermal runaway detection

H₂ sensor details



Based on Infineon MEMS technology

H₂ sensor key target applications



Currently in evaluation with around 20 customers

DECARBONIZATION

DIGITALIZATION



... are accelerating structural growth of Infineon's target markets

Infineon serving all target markets as Leader in Power Systems and IoT

Supported by ...



From product thinking to
system understanding

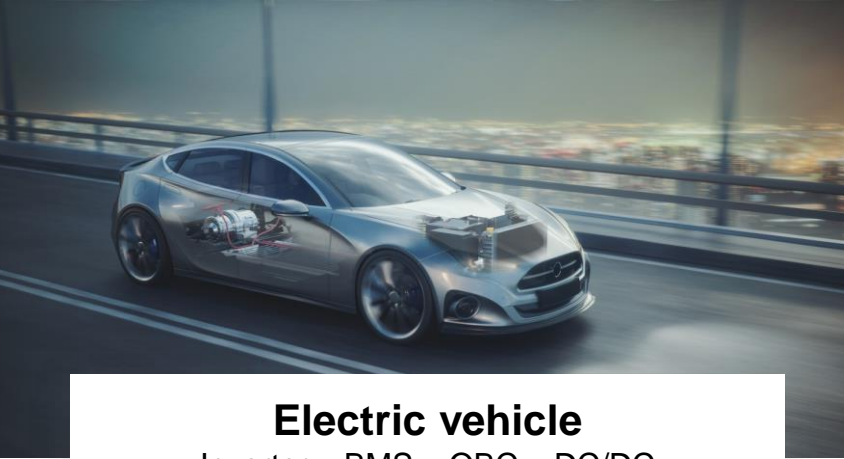


Software capability



Digital marketing and sales
Eye-level strategic partnerships

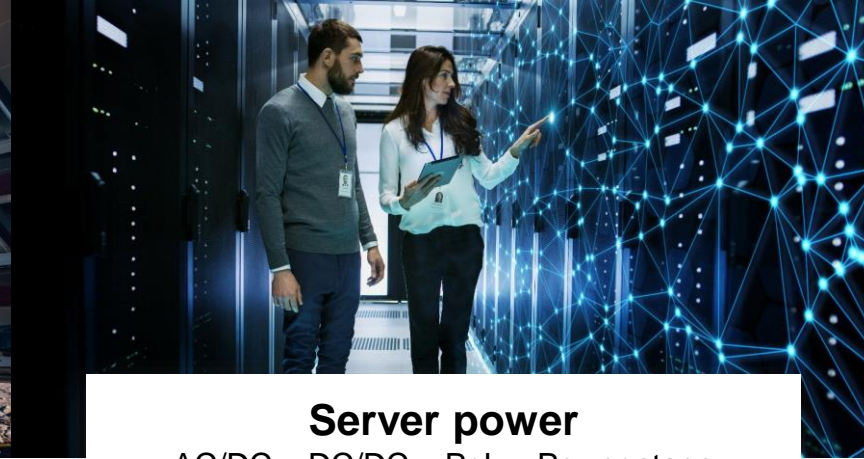
Leader in Power Systems: Infineon enabling decarbonization by delivering maximum value to customers with holistic system approach



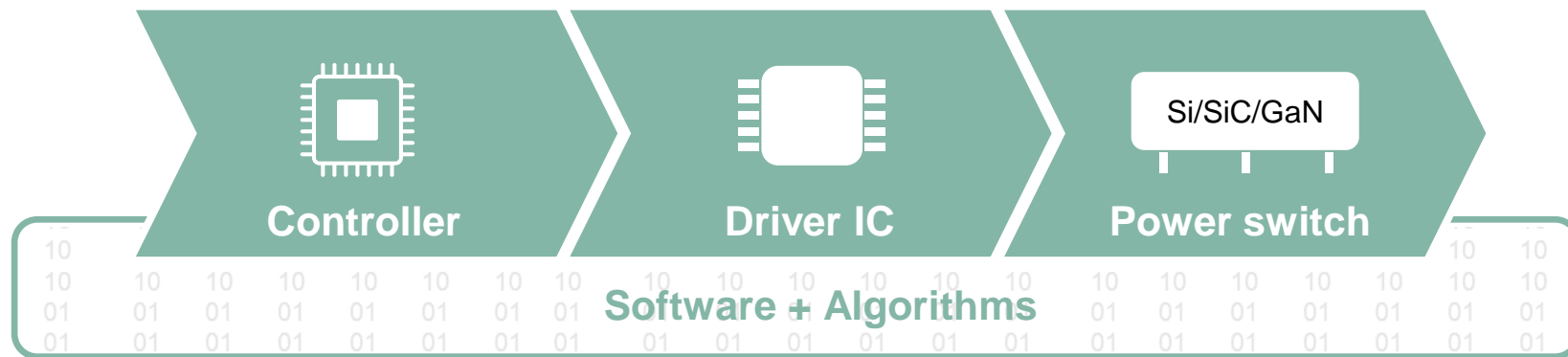
Electric vehicle
Inverter – BMS – OBC – DC/DC



Solar inverter
DC/DC – DC/AC



Server power
AC/DC – DC/DC – PoL – Power stage



PoL (point of load): PMIC + Driver IC + MOSFETs | Power stage: Driver IC + MOSFETs

Infineon at the core of IoT – driving digitalization by serving strongly growing multi-application markets



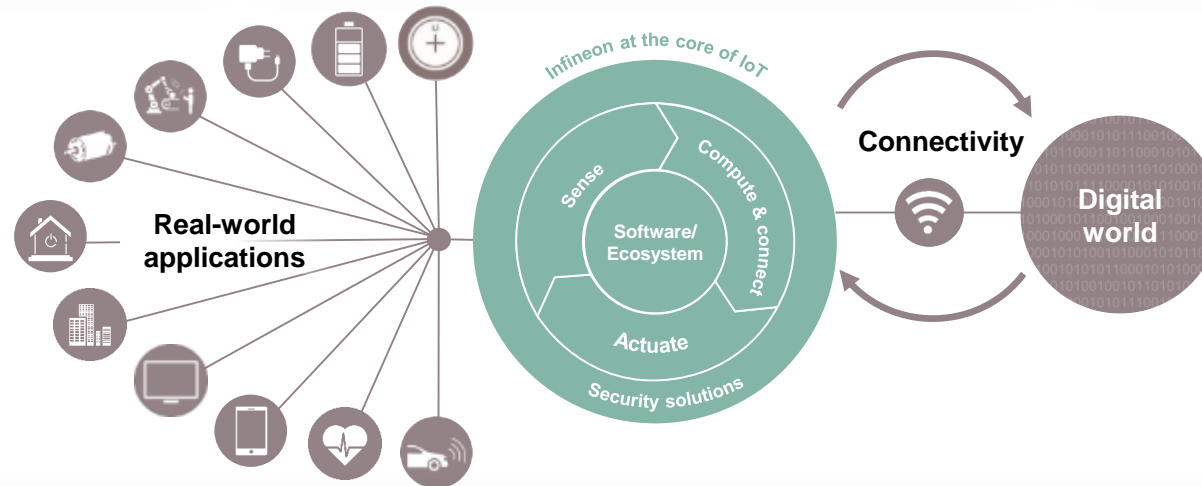
Consumer IoT



Industrial IoT



Automotive IoT



Products: MCU – Connectivity (Wi-Fi, BLE, NFC) – Sensors – Security – Power supply & switches

Upgraded Target Operating Model: committing to more ambitious financial goals and being the sustainability leader



Target Operating Model through cycle



Revenue growth

>10%

Previously

9%+



Segment Result Margin

25%

19%



Adj. Free Cash Flow
Margin¹

10-15%

Invest-to-sales

13%



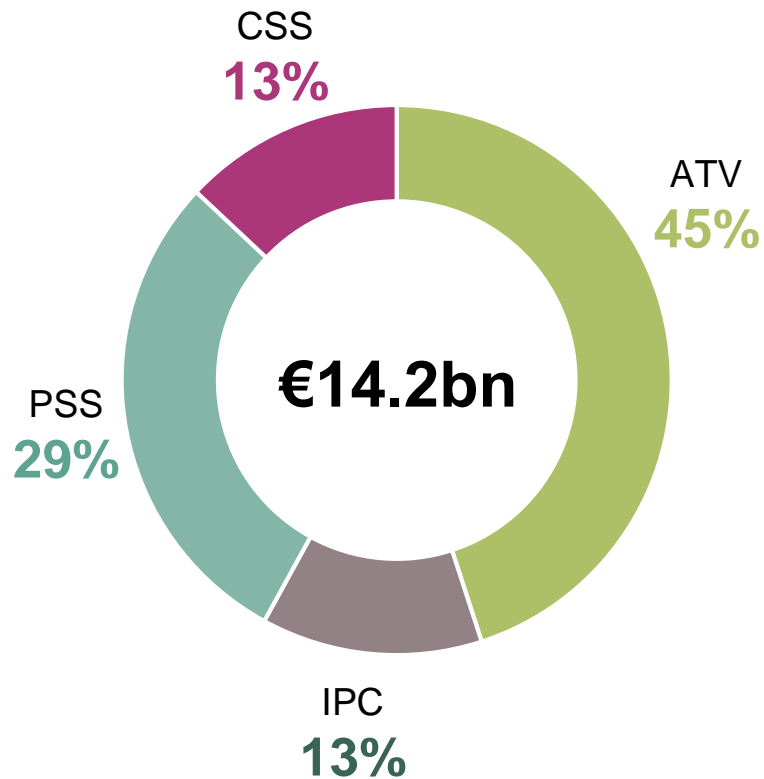
Sustainability leader – CO₂ neutrality 2030



¹ Excluding major frontend buildings

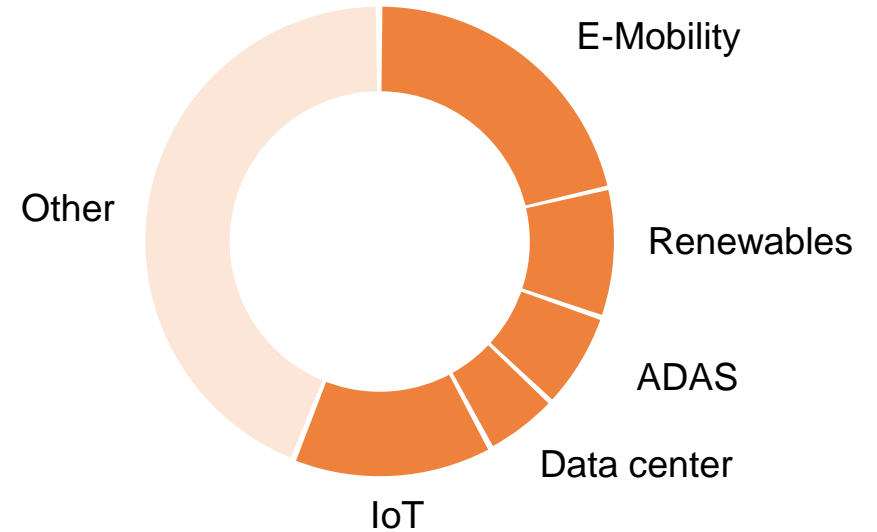
Double-digit growth ahead – five key applications account for ~60% of growth; well-diversified divisional split

FY22
Revenue by division



>10%
CAGR

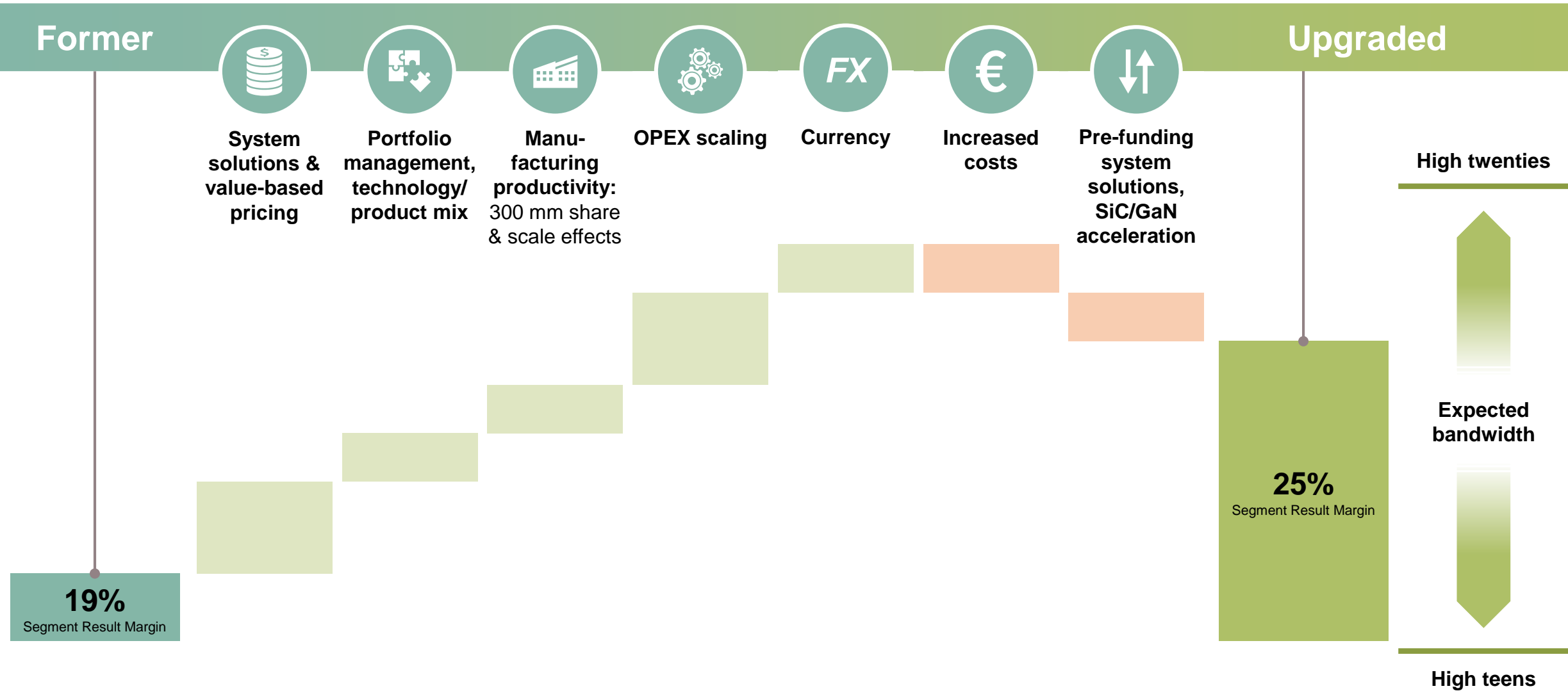
FY22-27e
Revenue growth contribution by driver



Through-cycle growth rates by division

ATV	IPC	PSS	CSS
>10%	>10%	~10%	~10%

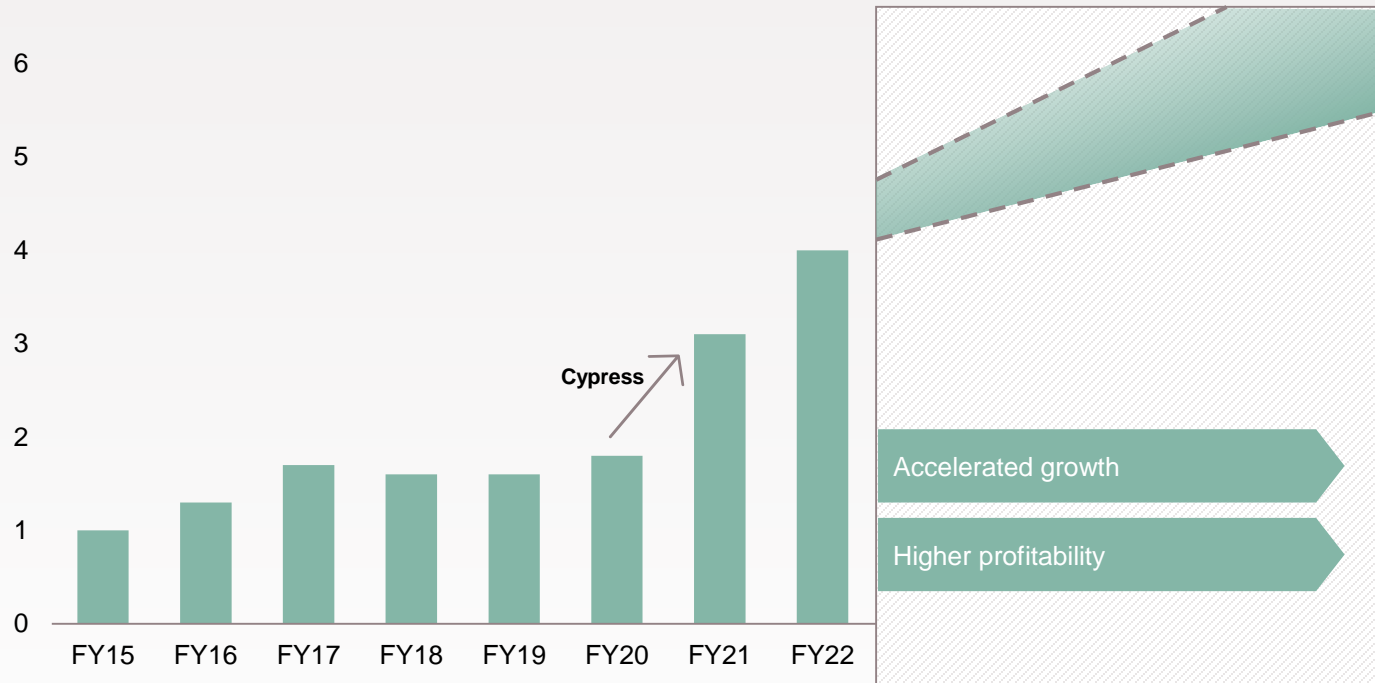
Upgraded Target Operating Model: Significant margin expansion through the cycle



Free Cash Flow generation increasing over the cycle, driven by profitable growth and better asset efficiency

[€ bn]

Operating cash flow strongly rising



- › Accretive investments into high organic growth
- › Operating cash flow expected to outgrow investments
- › Differentiated in-house manufacturing complemented by ~40% outsourcing share over time
- › FY23-27: ~€3.5bn cum. investments into major frontend buildings

Adj. Free Cash Flow target: 10-15% of sales, excl. major frontend buildings



Putting it all together – Upgraded Target Operating Model leads to superior value creation

Target Operating Model through cycle



Revenue growth
>10%

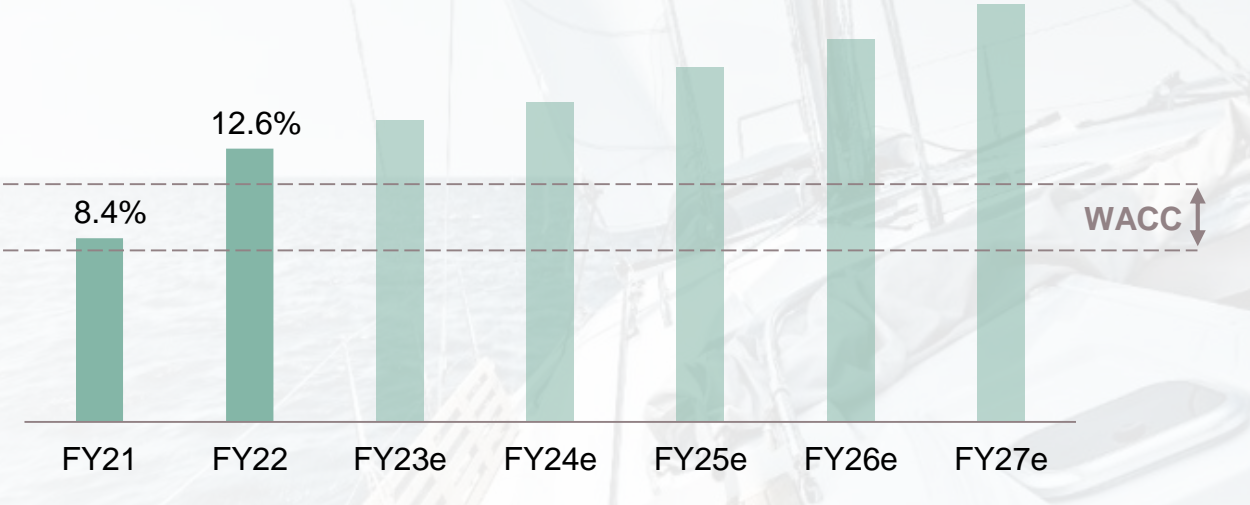


Segment Result Margin
25%



Adj. Free Cash Flow Margin¹
10-15%

Reported RoCE to reach 2x cost-of-capital level



¹ Excluding major frontend buildings

Outlook for Q2 FY23 and FY23

	Outlook Q2 FY23¹	Outlook FY23¹
Revenue	~ €3.9bn	€15.5bn +/- €500m
Adj. Gross Margin		~ 45%
Segment Result Margin	~ 25%	~ 25%
FCF/adj. FCF		~ €0.8bn / ~ €1.5bn
Investments		~ €3.0bn
D&A		~ €1.9bn ²

¹ Based on an assumed average exchange rate of \$1.05 for €1.00

² Including the amortization of around 450 million Euros from purchase price allocations



ESG: targets and achievements



Our 2030 carbon neutrality goal is aligned with the Paris Climate Agreement's 1.5 °C target



CO₂ burden¹

3 million tons of CO₂ equivalents

Ratio ~1:33

CO₂ savings²

~100 million tons of CO₂ equivalents



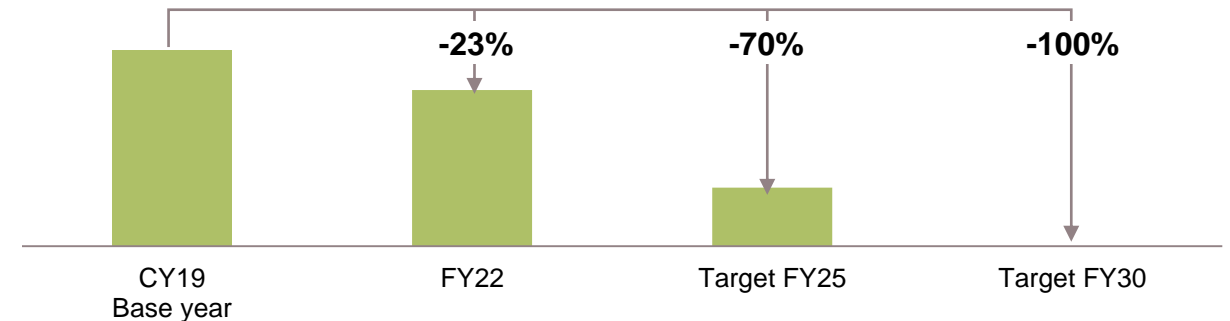
Net ecological benefit: **CO₂ emissions reduction of more than 97 million tons**

On the road to carbon neutrality³ we achieved significant milestones by

- › Using green electricity in Europe and North America
- › Completing abatement system in Kulim

Infineon's CO₂ target³ by 2025 and 2030










Net CO₂ emissions in million tons of CO₂ equivalents



1, 2, 3: For further explanation see "ESG footnotes" in the appendix

External recognitions confirm our engagement in contributing to a sustainable society



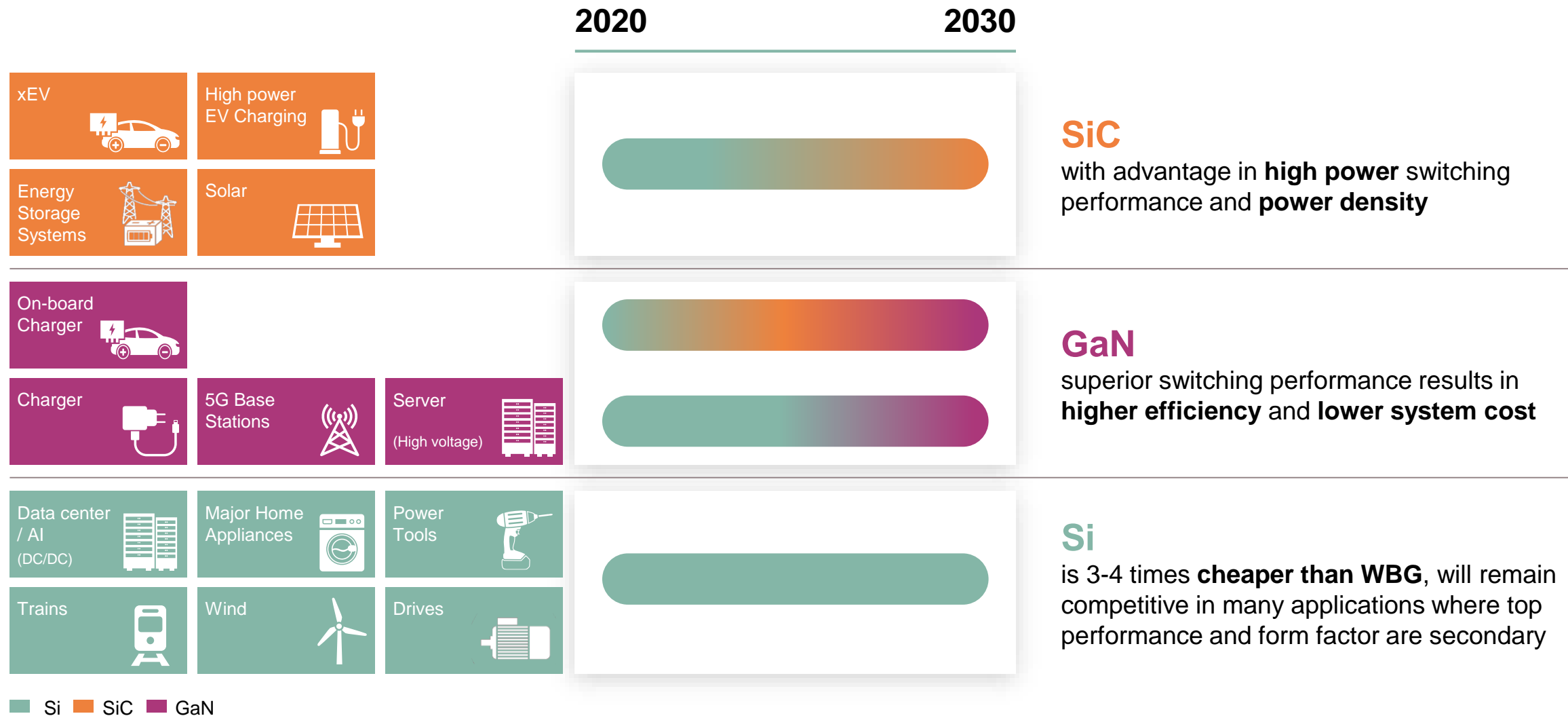
		Rating/Score	Scale	Date
	MSCI ESG	AA	CCC to AAA	05/2022
	CDP	A- climate scoring B water scoring	F to A	12/2022
	Ecovadis	99th percentile “Platinum” award	0 to 100	02/2022
	Dow Jones Sustainability™ Index	83 Dow Jones Sustainability™ World and Europe Index listing	0 to 100	11/2022
	Ethibel Sustainability Index “Excelece Europe”	Index member	-	05/2020
	ISS ESG Corporate Rating	B- Prime Status	D- to A+	01/2021
	FTSE4Good Index	Index member	-	03/2022
	Euronext Vigeo Eurozone 120 Index Euronext Vigeo Europe 120 Index	Indices member	-	05/2021
	Sustainalytics	Top ESG performer	-	01/2022



Infineon's wide bandgap strategy



Transition to WBG will vastly differ by application with Si expected to remain technology of choice for many of them



30% market share target in SiC by end of decade underpinned by significant capacity expansion



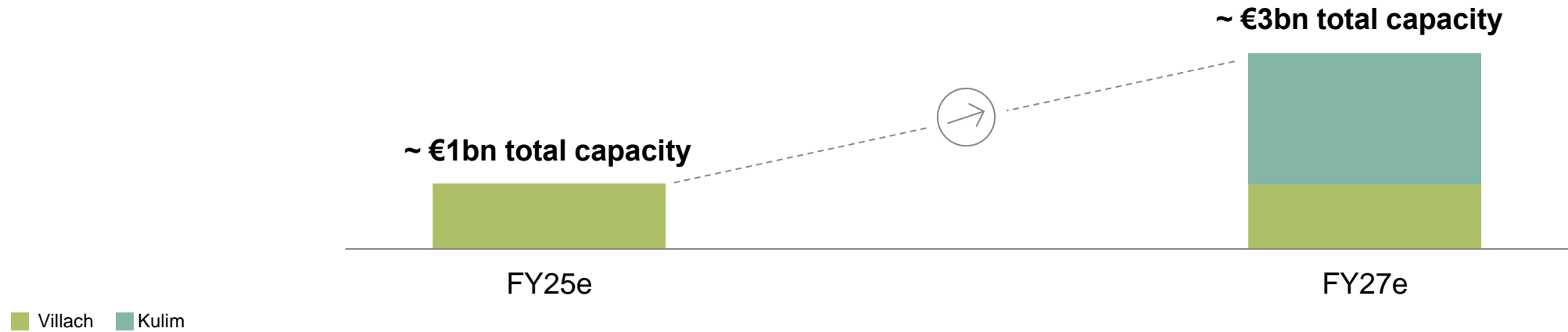
10x
Increase by
2027 vs.
today

Villach

Kulim

Infineon is well positioned for strong SiC market growth

Steep ramp enables market share gains



SiC momentum further accelerating: significant new design-wins in auto, continuous leadership in industrial applications



Most recent automotive SiC design-wins

Stellantis



US OEM



Japanese OEM



Most recent industrial SiC design-wins



Bloomenergy



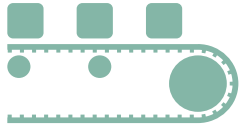
solar edge



Around **€3bn design-win** volume in recent months

More than **3,600 active customers** being served

With its comprehensive SiC strategy Infineon is mastering all key success factors



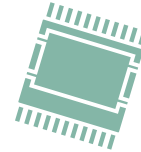
SiC raw material supply

- > 4 qualified SiC wafer and boule suppliers – more to come
- > Cold Split technology increases productivity, especially in 8 inch



Superior trench technology

- > 1 – 2 generations ahead of competition
- > 30% more chips per wafer than planar



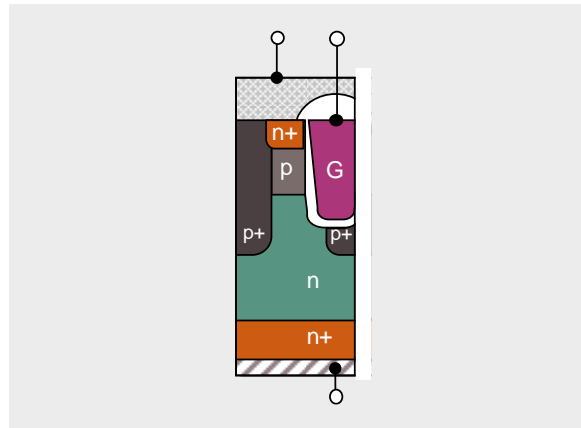
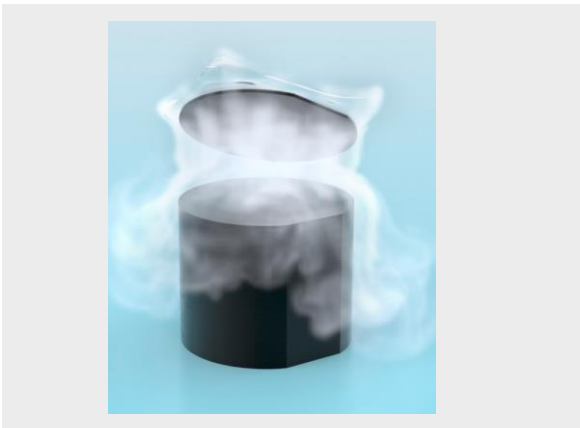
Packaging portfolio

- > Best-in-class in-house packaging solutions
- > New .XT technology for highest power density



Deep system understanding

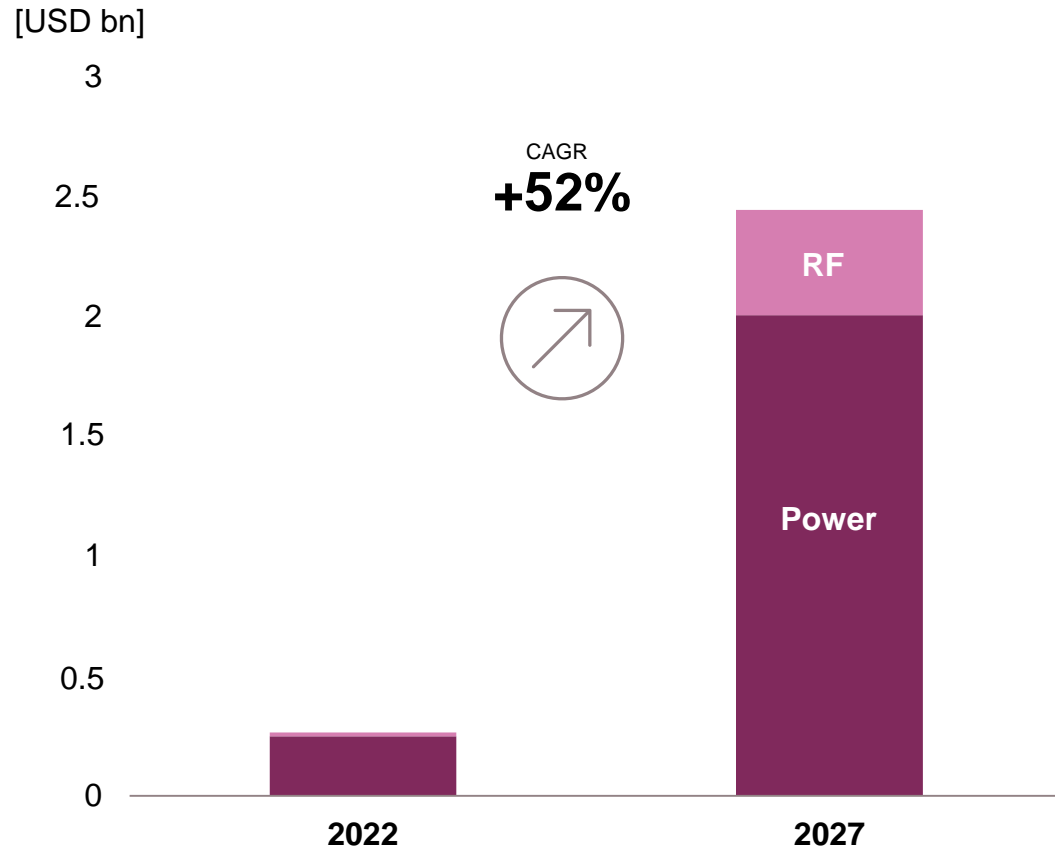
- > Decades of experience in automotive and industrial power
- > Broadest portfolio: off-the-shelf plus customized solutions



GaN: immense market opportunity with Infineon achieving significant design-wins across key power applications

GaN market overview

for power and RF (GaN-on-Si) applications



Yole Intelligence: *Compound Semiconductor Market Monitor-Module 1 Q3 2022.*

GaN design-wins of around €1.5bn

Strong design-win momentum for power and RF applications



Charger



Adapter



Power antennas
for 5G



Server
(High voltage)

Infineon key success factors

- › Integrated device manufacturer
- › #1 patent portfolio for GaN – around 300 patent families
- › Enable dual-site 8-inch in-house production

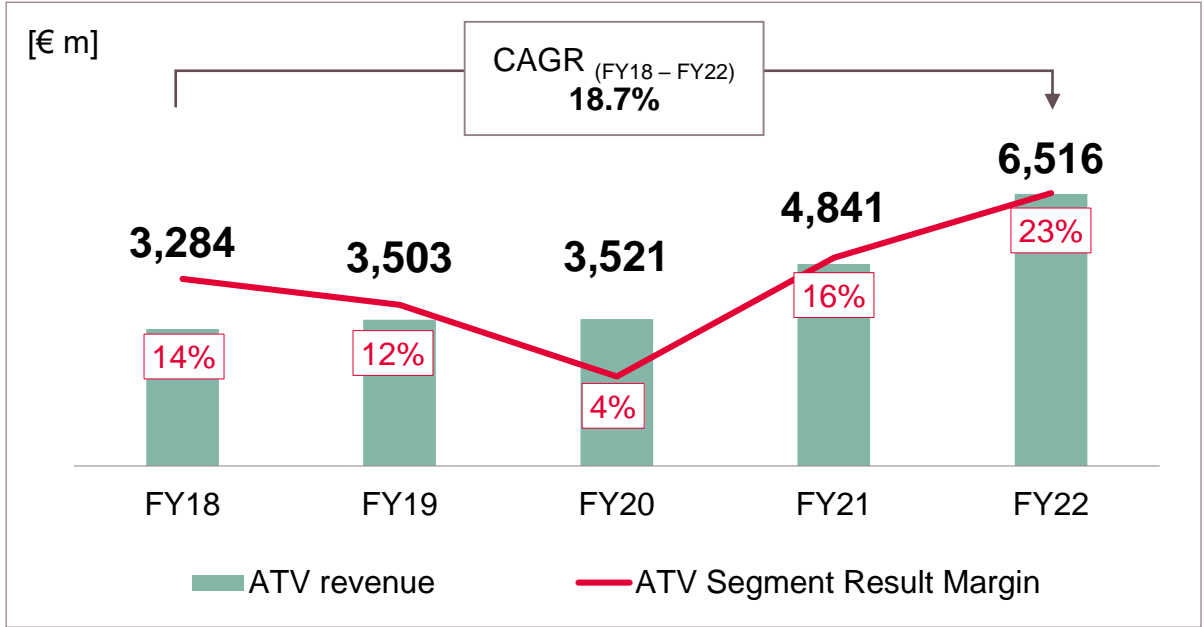


Automotive

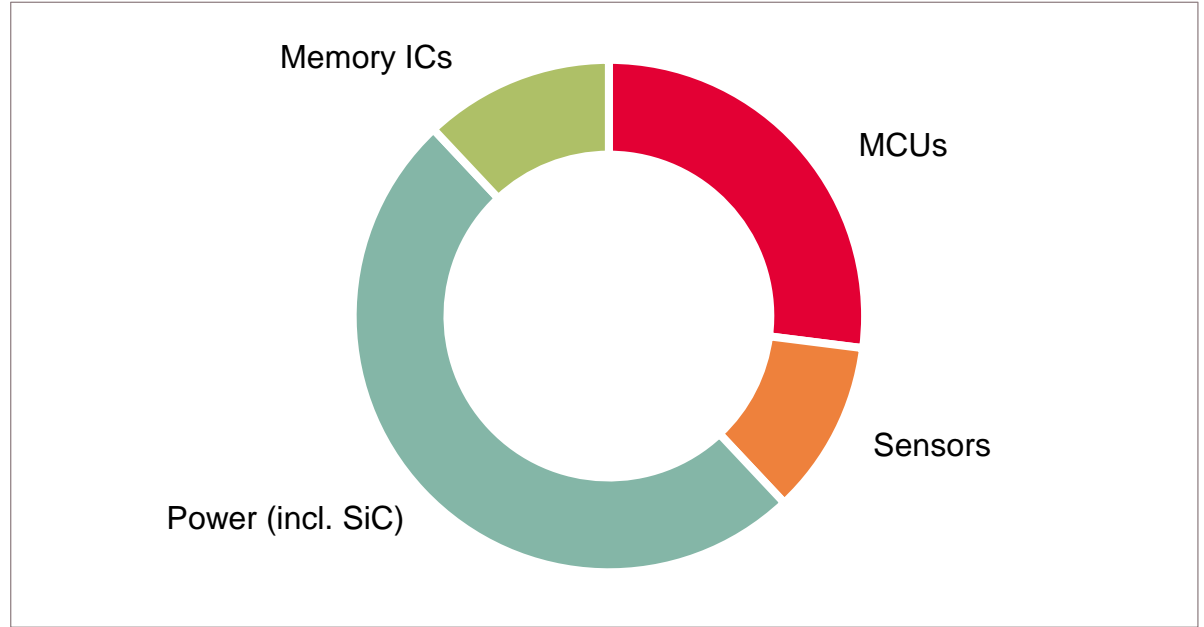


ATV at a glance

ATV revenue and Segment Result Margin



FY22 revenue split by product group



Key customers

• APTIV •	Astemo	BOSCH	Continental	DENSO
		veoneer	vitesc TECHNOLOGIES	

Automotive semiconductor market expected to continue its growth journey

Applications

Market Outlook for CY23



- › Ongoing risks of demand perturbations due to
 - a) macro-economic slowdown incl. COVID-19 break-outs
 - b) higher energy costs
 - c) weaker consumer confidence
- › However, demand overhang and OEM order backlog should stabilize car production
- › Semiconductor shortage expected to ease further leading to more balanced demand/supply condition



- › Positive Momentum for xEVs expected to continue: consumer demand, more non-premium models, build-up of battery capacities, denser charging infrastructure, regulations and incentives
- › More normalized pricing environment could increase BEV production and semi content growth
- › Potential Headwinds from higher energy prices in particular regions

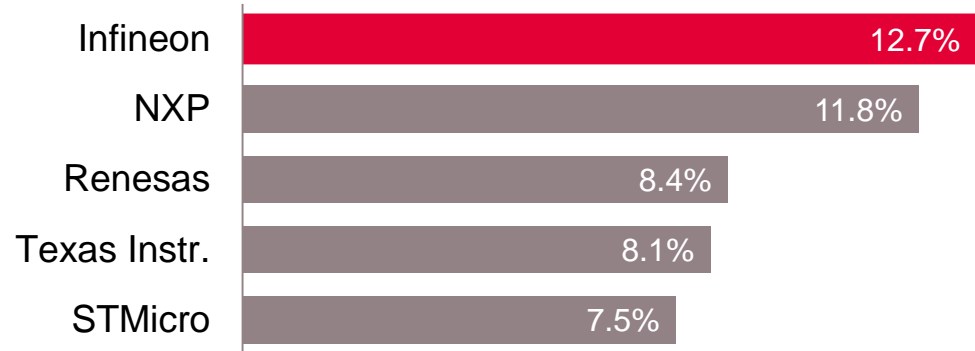


- › Growth of L1, L2 and L2+ expected to continue
- › L3 shipments will grow from a rather small base supported by additional L3 model launches
- › First small-scale commercial robotaxi projects in operation; roll-out in more and more cities

Infineon's top market position is built on system competence based on an industry-leading product portfolio

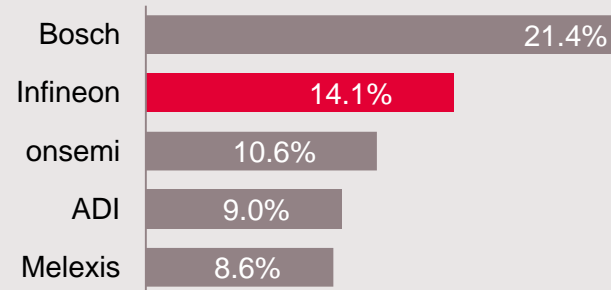


Automotive semiconductors (2021 total market: \$46.7 bn; +31.5% yoy)

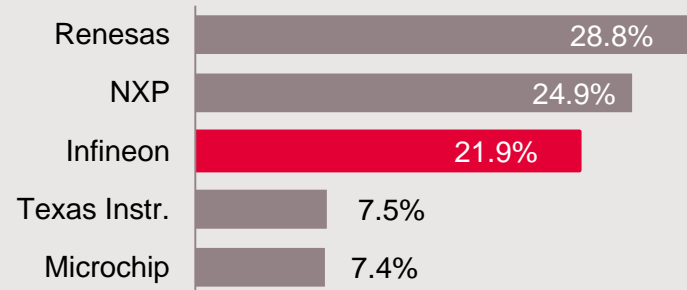


- › total market grew by 31.5% yoy, reaching all-time-high of \$46.7bn, exceeding previous high in 2018 of \$38.2bn
- › growth clearly supported by content-per-car growth
- › #1 in power semiconductors; gaining 1.3%-pt thanks to outstanding position in booming xEV business
- › Undisputed #1 in automotive NOR Flash memory ICs

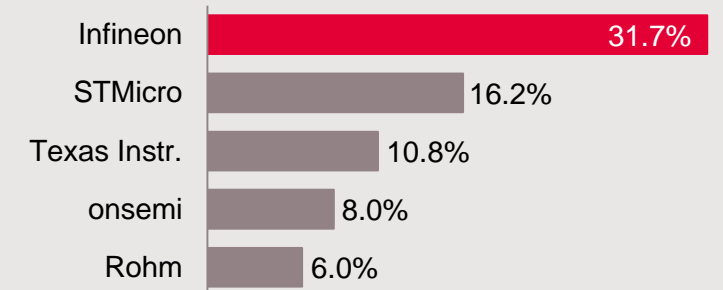
Sensors



MCUs



Power semiconductors





Electromobility

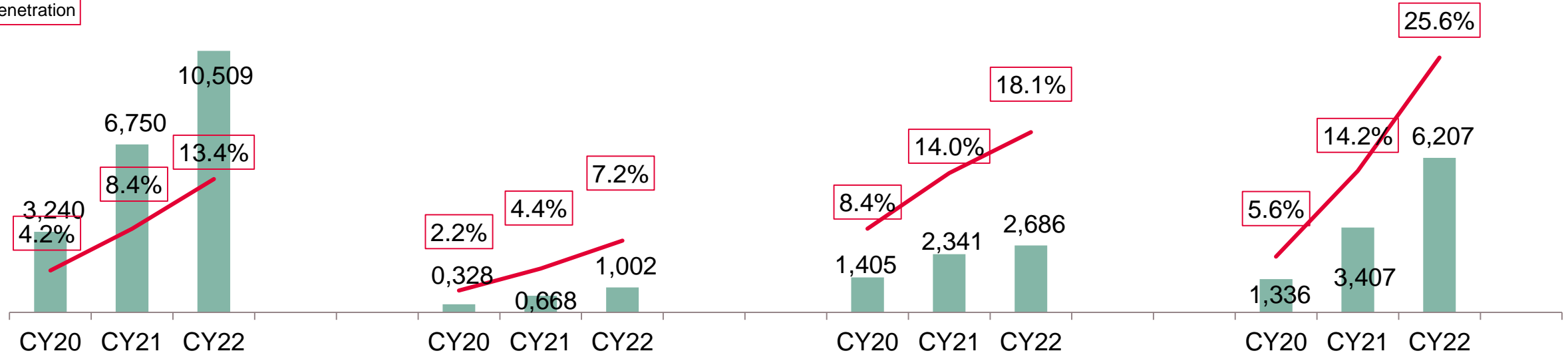


In CY22, xEV (PHEV + BEV) sales crossed the 10m mark driven by China with unit growth of 82% y-y; global monthly run rate now > 1m



[units k]

penetration

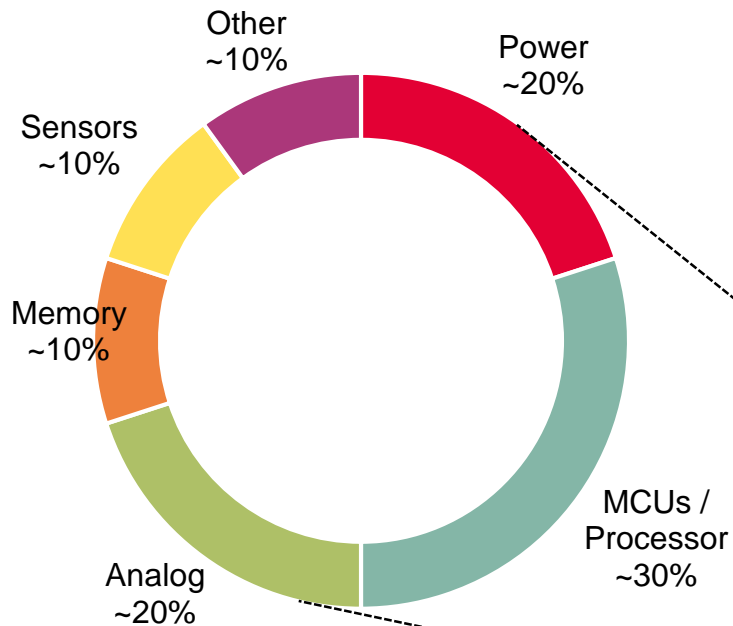


Based on or includes content supplied by S&P Global Mobility. January 2023; EV Volumes. January 2023.

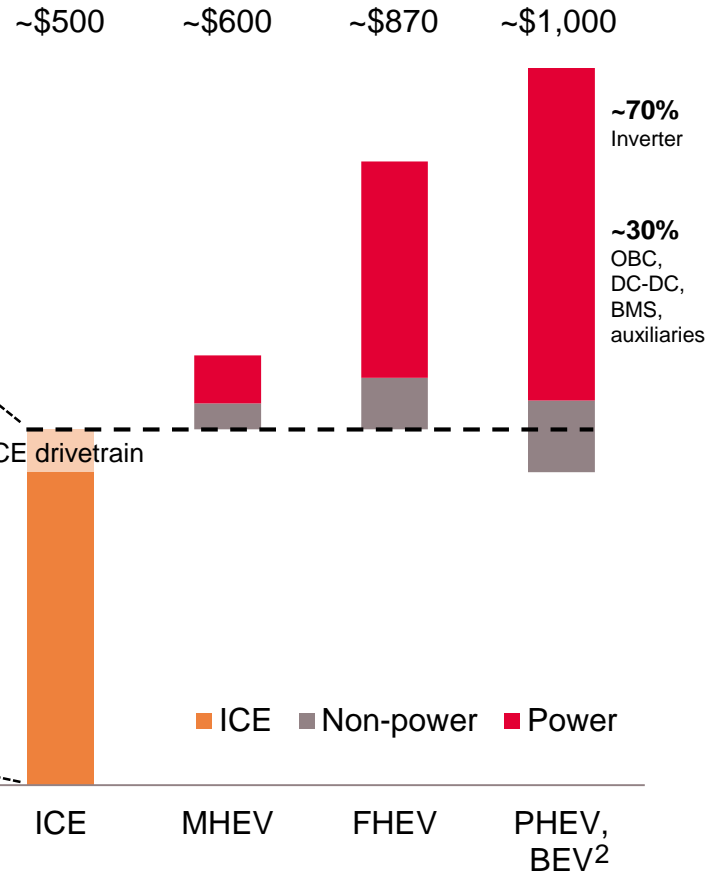
Infineon addresses 100% of power semiconductors for all drivetrains; BEV semi content expected to grow from ~\$1,000 to ~\$1,500 by 2027



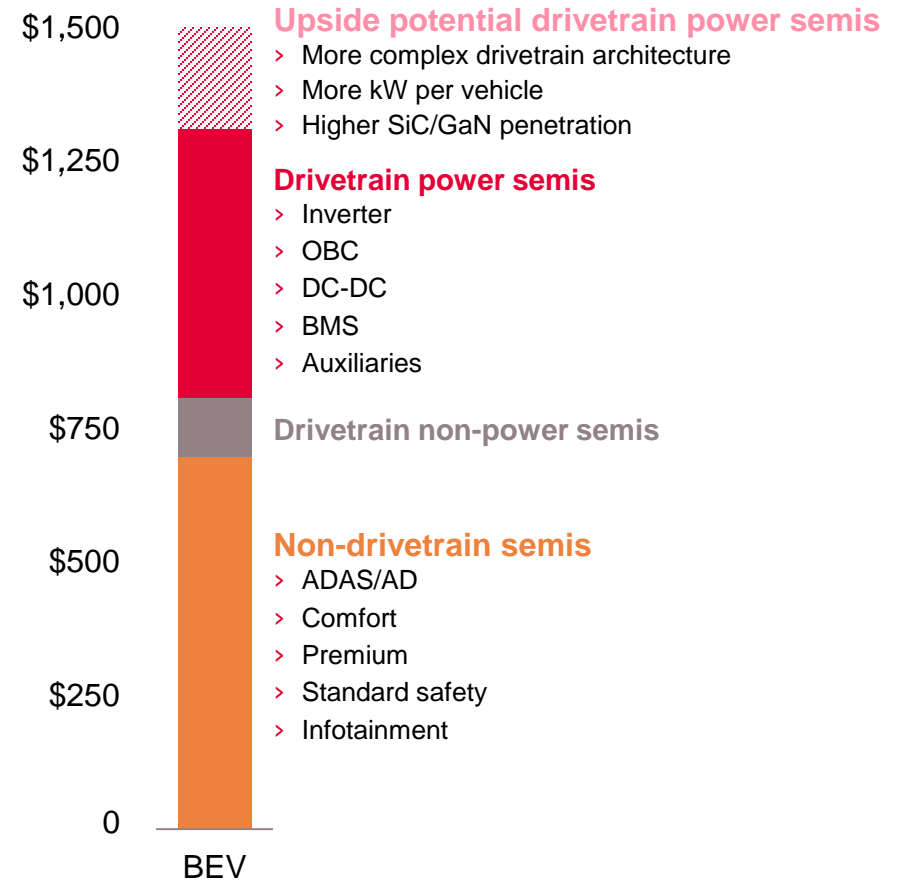
2021 ICE semi content by product¹



2021 average vehicle semi content¹



2027 BEV semi content scenario



¹ Based on Strategy Analytics: *Automotive Semiconductor Demand Forecast 2019 - 2028*. July 2022; Infineon. "power" includes voltage regulators, ADCs and ASICs.

² Due to missing ICE engine in BEV the weighted incremental semiconductor content for PHEV and BEV starts below the "~\$500" line.

Infineon offers the most comprehensive system solutions addressing all xEV segments: pure EV and all types of hybrids

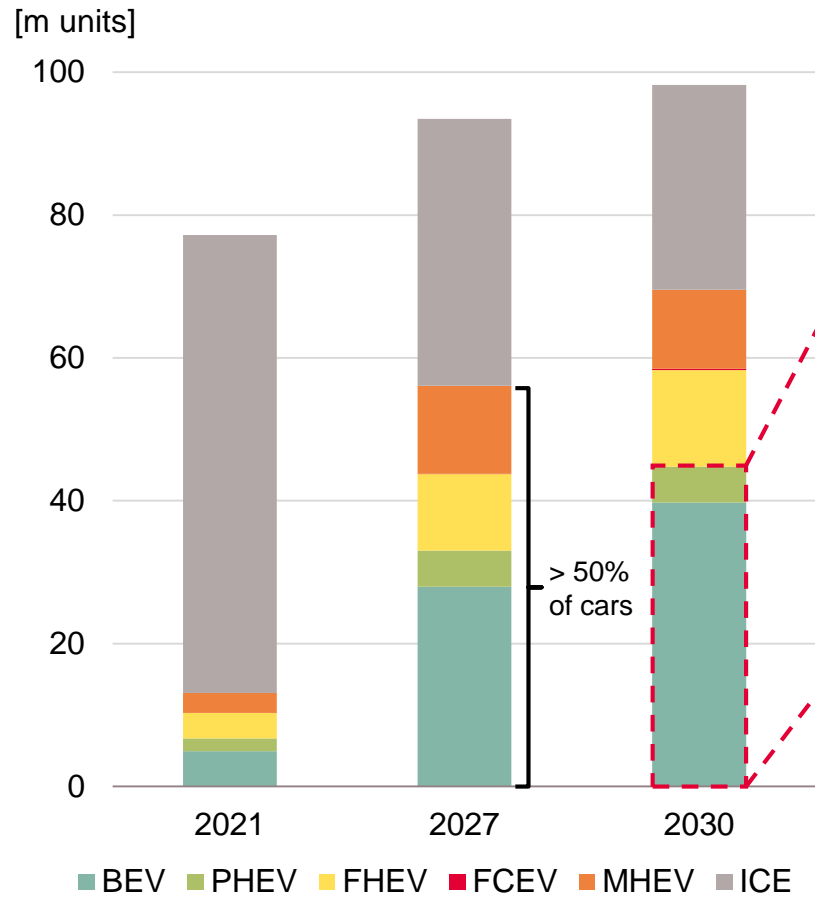


Infineon offers a full portfolio for the control loop of an electric car

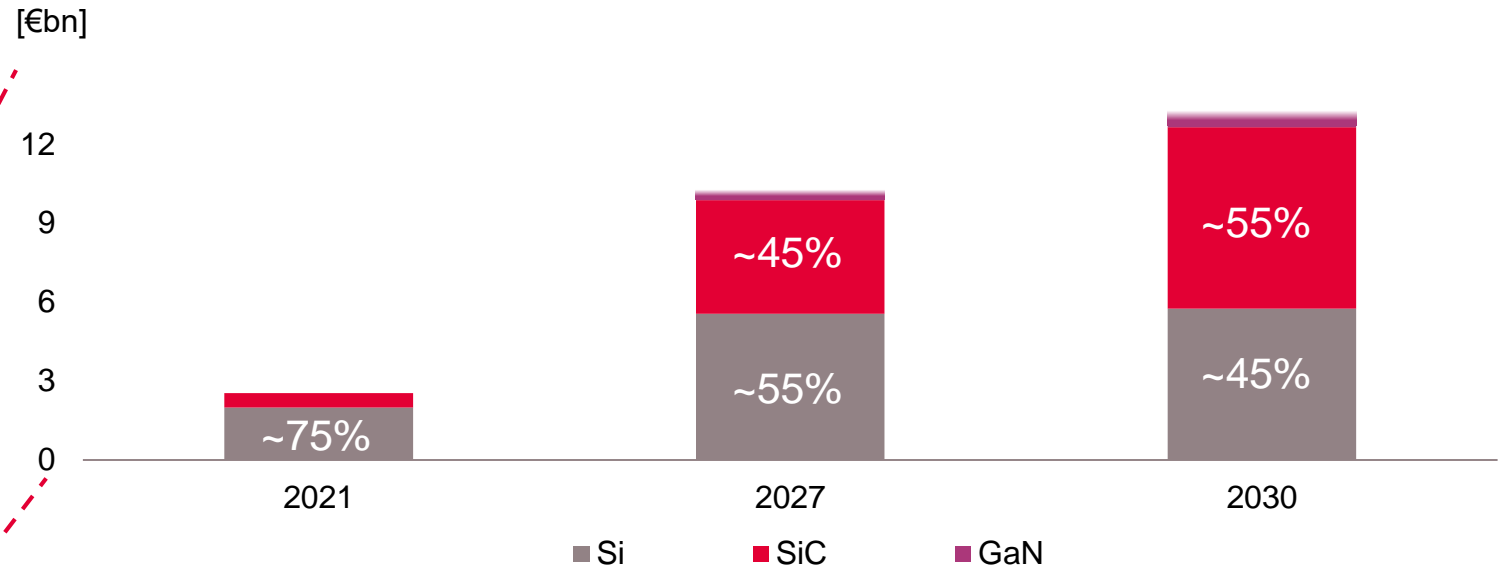


In 5 years, every second car will be fully or partially electrified; SiC to take lead over silicon in the 2027-2030 period

Car production by fuel type



xEV drivetrain power semiconductor TAM by technology



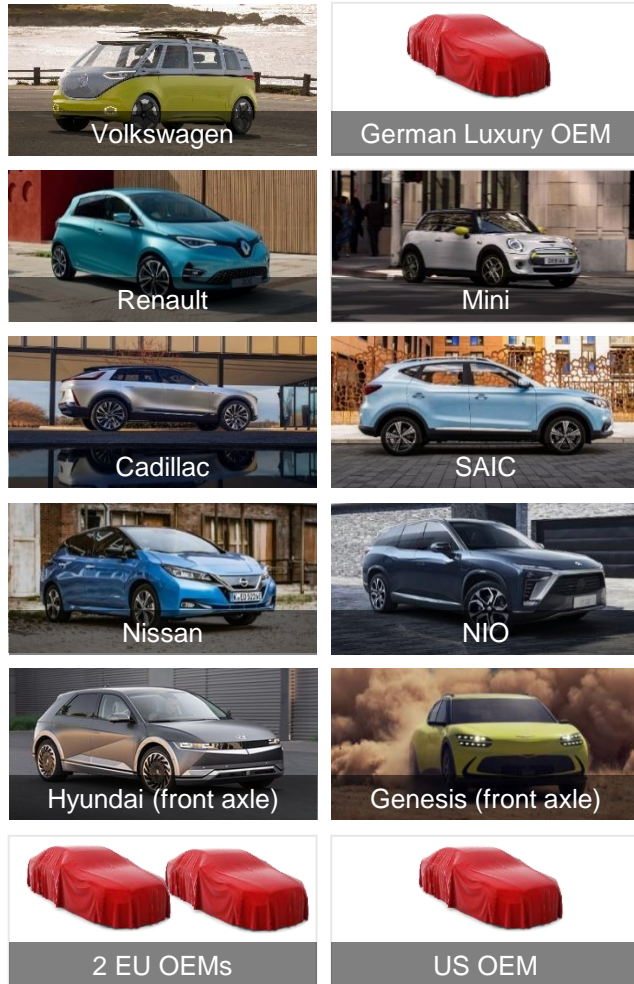
- › By mid-2022, global BEV + PHEV penetration reached 12.4%, led by China (26.5%) and followed by Europe (15.8%) and the US (6.8%)
- › Inverter, OBC, and DC-DC are the three main power semiconductor applications in drivetrains for BEVs and PHEVs; 48 V MOSFETs and DC-DC are the key applications in MHEVs
- › By 2030, SiC will own the lion share; GaN to gain traction in OBC/DC-DC

Based on or includes content supplied by S&P Global Mobility. September 2022; Infineon

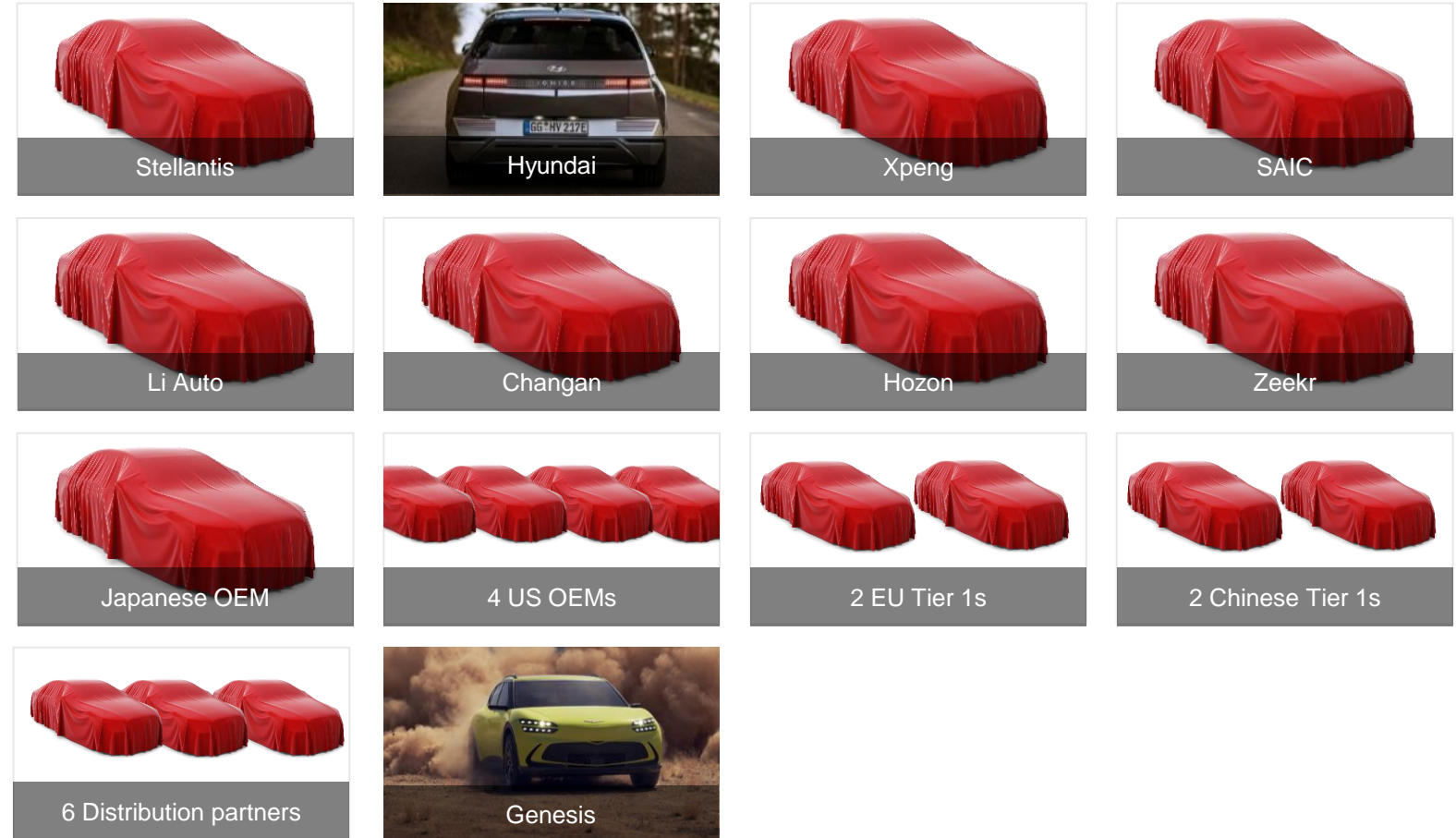
Around 20 design-wins in SiC across all auto applications: traction inverter, OBC, DC-DC



World's leading IGBT supplier



Latest CoolSiC™ design-wins including traction inverter, OBC, DC-DC



Rapid execution of our BMS strategy showing great success

Infineon's comprehensive BMS portfolio

PMIC	Wireless communications ICs		
Transceiver	Battery monitoring ICs		
MCU			
F-RAM			
Power switch			
Pressure sensor			
Gas sensor			
Current sensor			
Auxiliaries for thermal management (e.g., fan, pump etc.)			
MOSFET			Motor control IC

Selected balancing IC customers

	High-volume OEM
	Premium car OEM
	NETA Auto
	Chinese bus OEM
	Japanese OEM

BMS BoM of ~€100 per vehicle

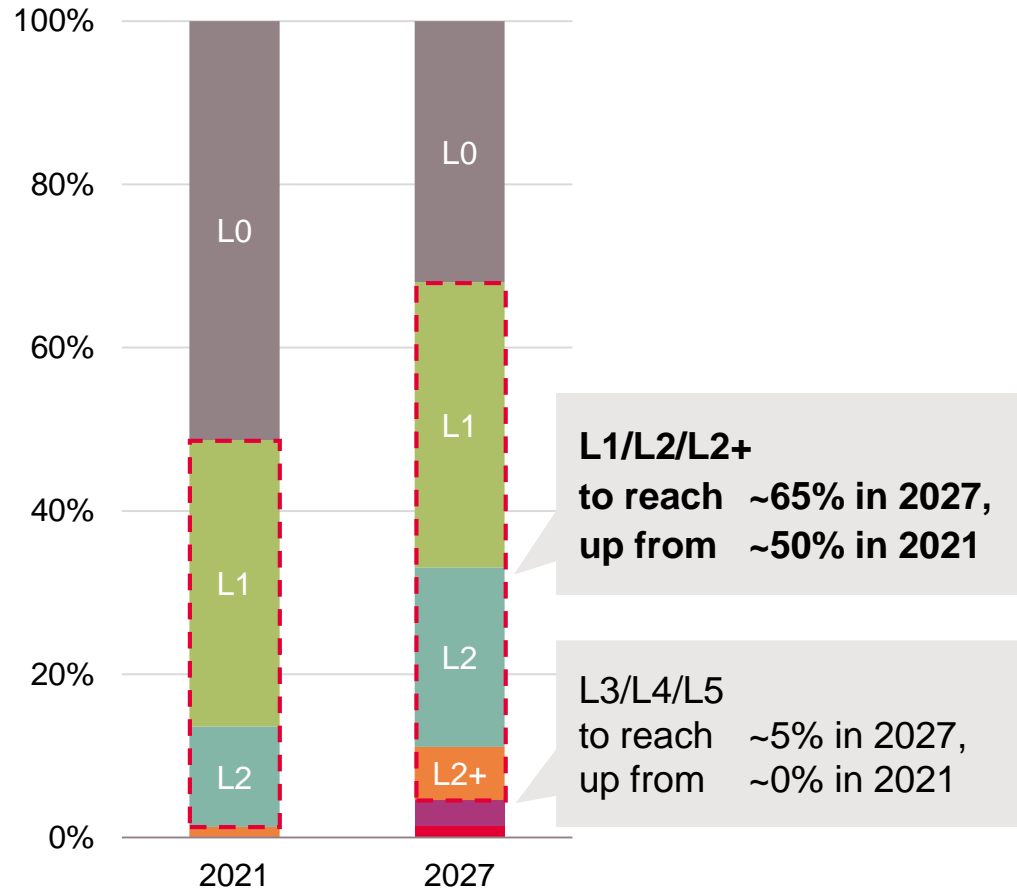


Automated Driving

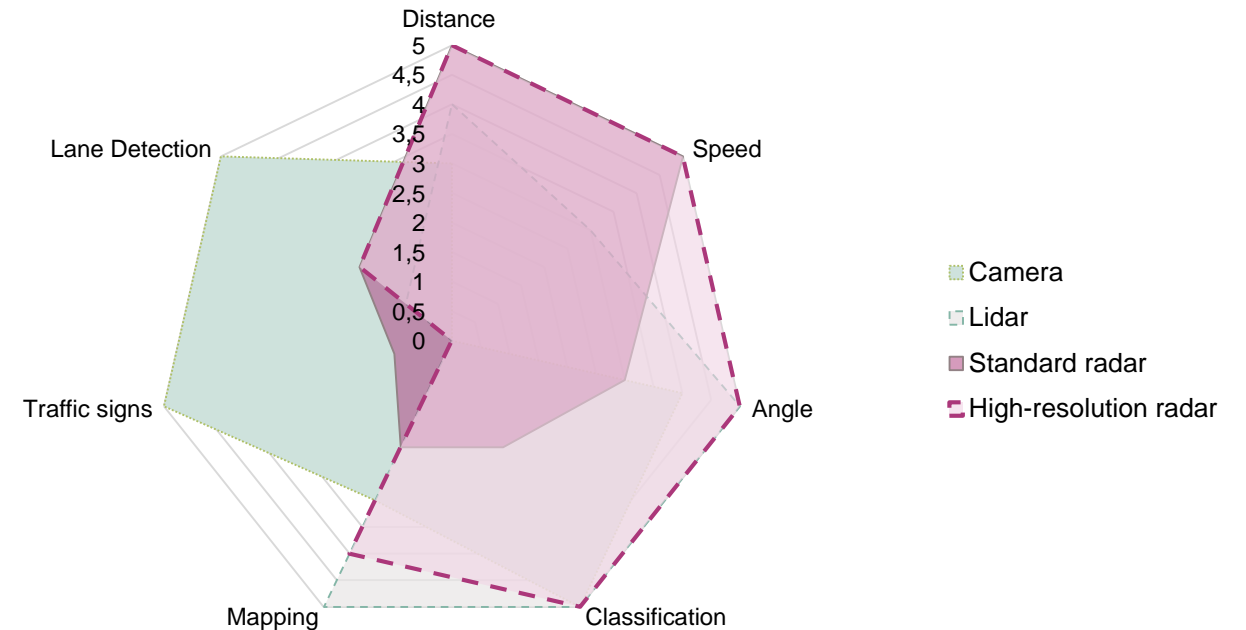


Growth of L1/L2/L2+ is the main driver of ADAS semiconductor content until 2027

Car production by degree of automation (SAE level)



Radar is essential to meet decisive requirements of ADAS/AD



- > Standard radar is **the** technology to detect distance and speed
- > High-resolution radar significantly improves angle and classification

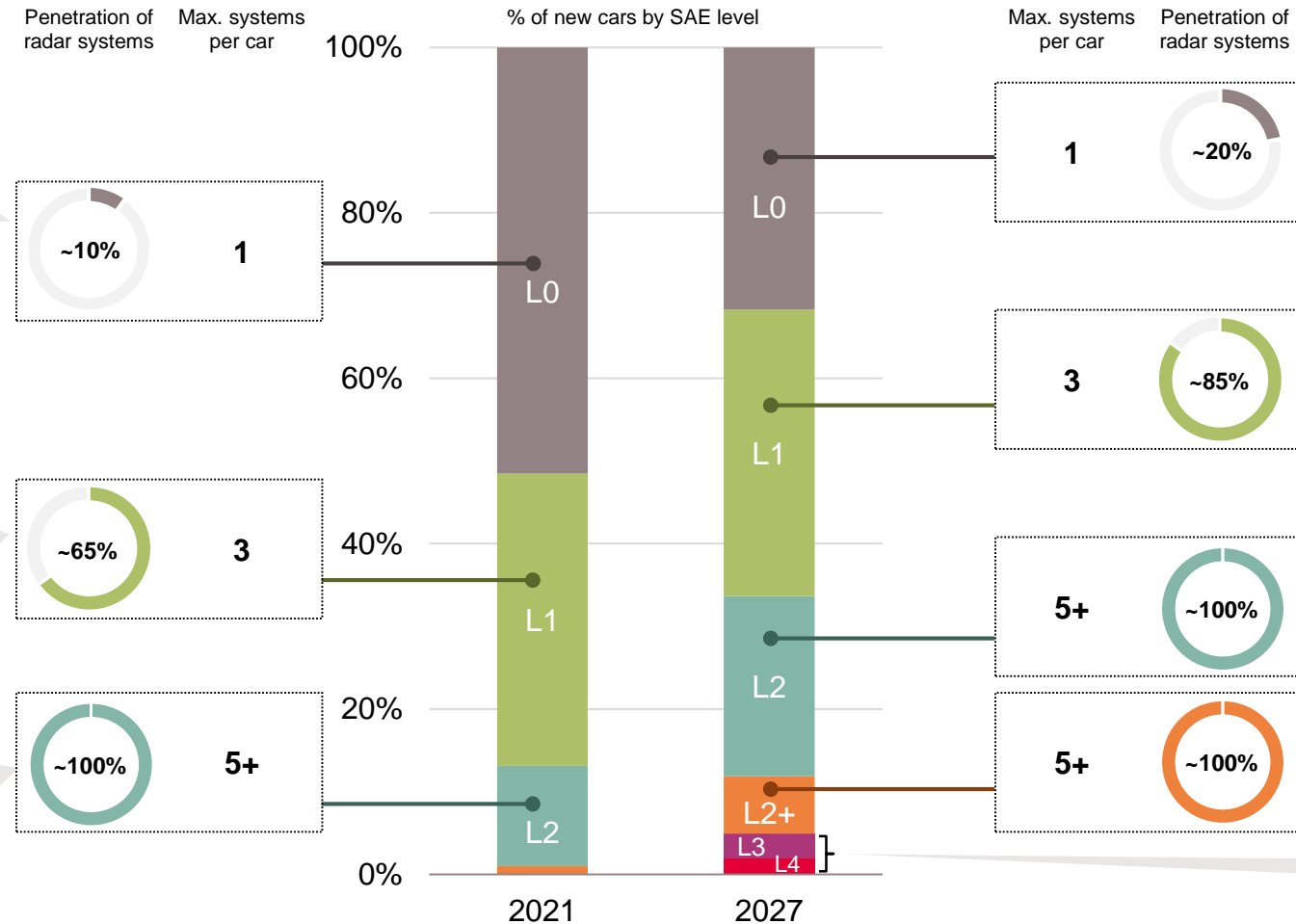
The number of radar systems is expected to grow by 24% annually, driven by new applications and increasing penetration



Today

- Total: 55m systems
- > AEB
> 3m systems
- > AEB
> Low-speed ACC
> Blind spot detection
> 21m systems
- > AEB
> High-speed ACC
> Blind spot detection
> 26m systems

Penetration of radar systems per SAE level



Future

- Total: 200m systems; CAGR₍₂₁₋₂₇₎ = 24%
- > AEB
> 8m systems; CAGR₍₂₁₋₂₇₎ = 18%
- > AEB
> ACC
> Blind spot detection
> 70m systems; CAGR₍₂₁₋₂₇₎ = 22%
- > AEB
> High-speed ACC
> Vulnerable road users detection
> 70m systems; CAGR₍₂₁₋₂₇₎ = 18%
- > In addition to L2: lane change assist
> 30m systems; CAGR₍₂₁₋₂₇₎ = 38%
- > 24m systems; CAGR₍₂₁₋₂₇₎ = 133%

Market research companies; Infineon

User experience meets electrical/electronic (E/E) architecture

Software-defined car

E/E architecture | MCUs | sensors | actuators



Digital cockpit

MEMS sensor technology | MEMS microphones



Car of the future



Premium Matrix light



Comfort

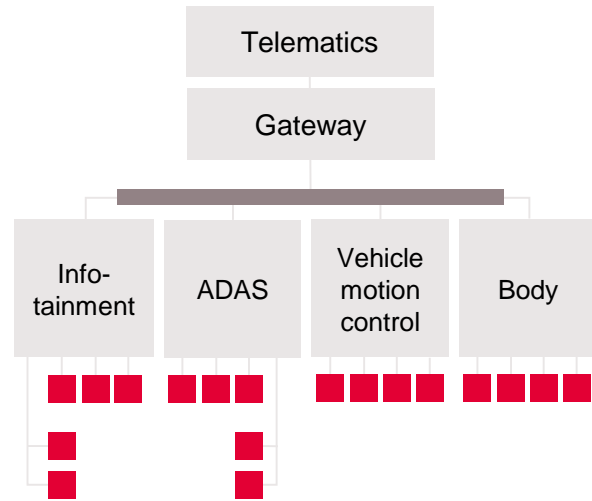
Motor control ICs | MOSFETs



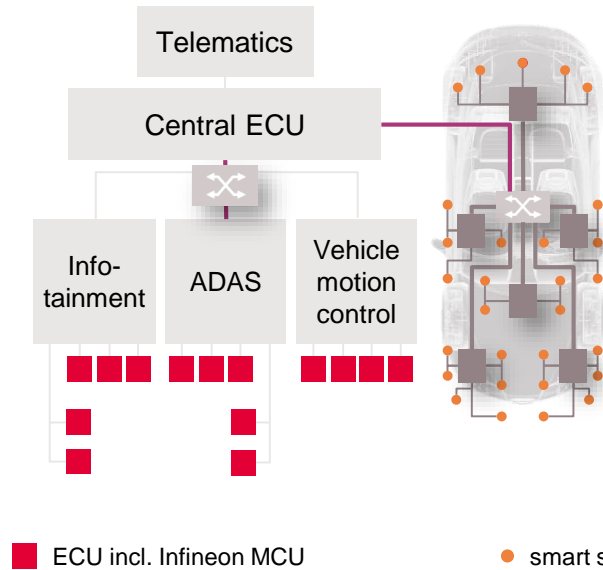
Software-defined cars will become a reality through architectural transformation; Infineon's MCUs to win big here



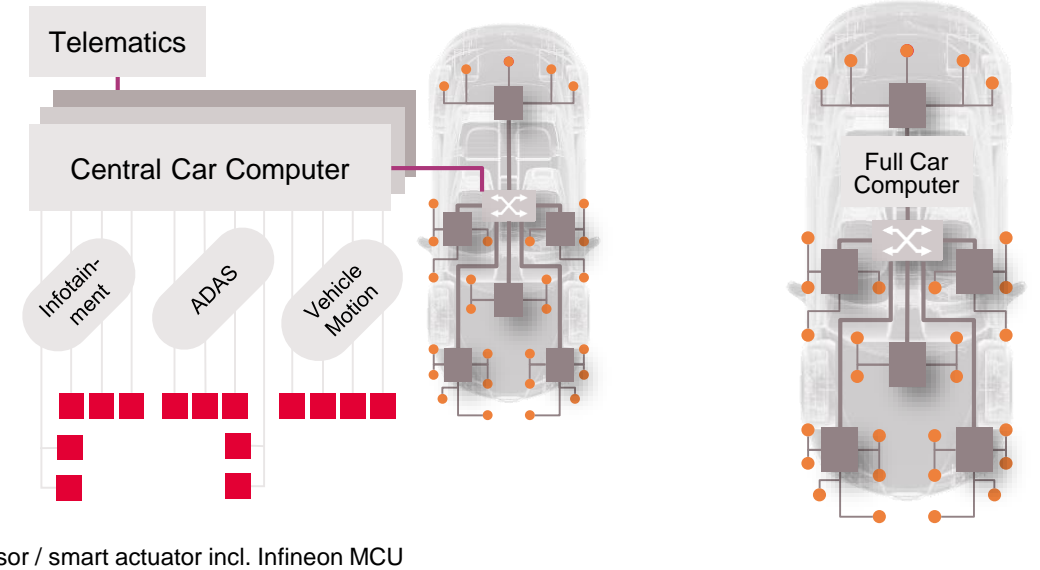
Domain architecture



Mixed domain/zone architecture



Full car computer



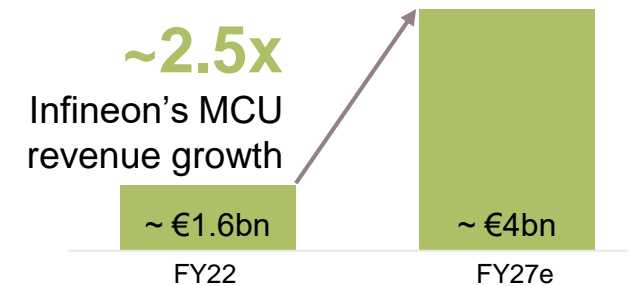
New E/E architectures offer benefits of

- › Hierarchical software
- › Fail-operational power distribution
- › Optimized power management
- › Reduced wiring harnesses

... leading to

- › More smart actuators
- › More smart sensors
- › Higher redundancy
- › Dependable electronics

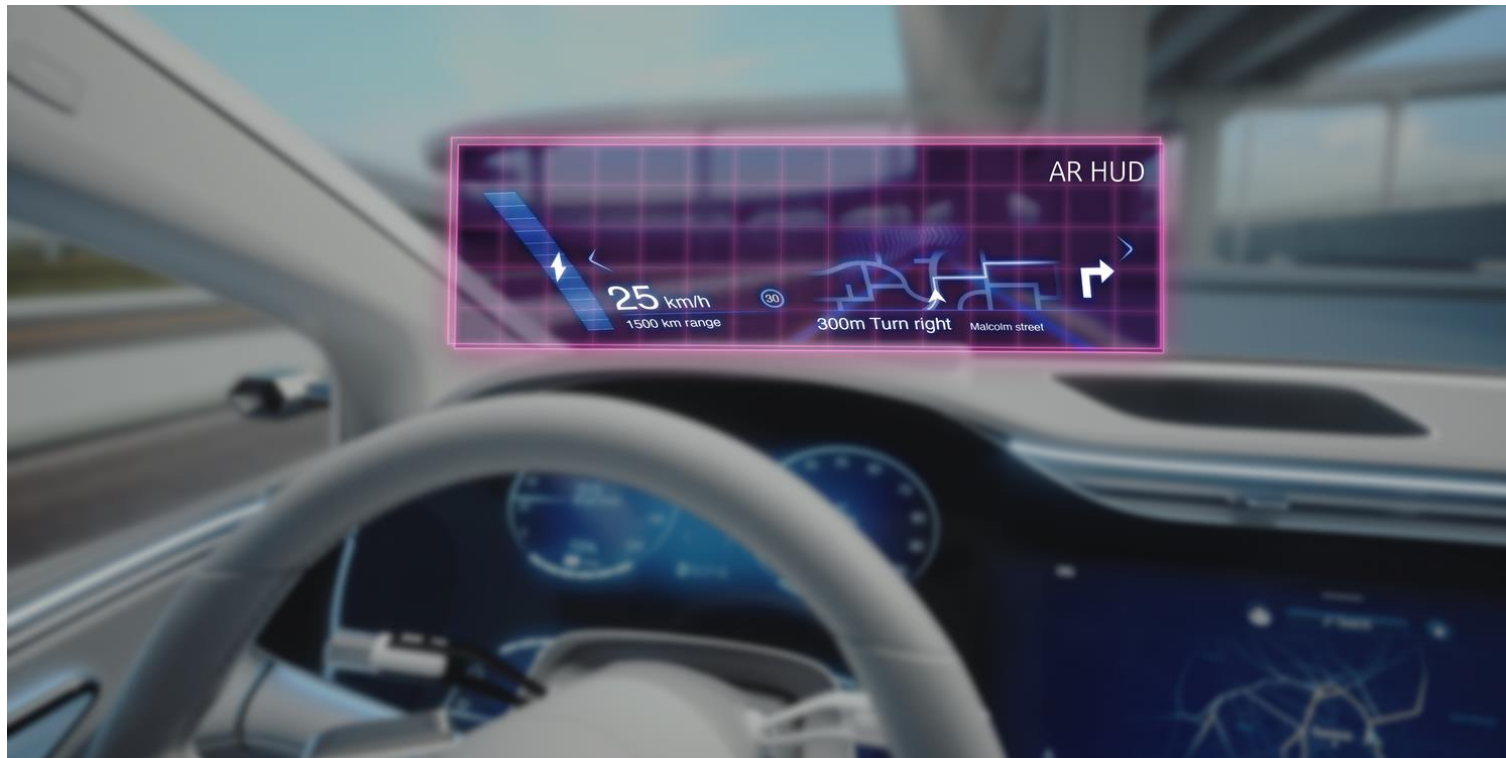
... further fueling Infineon's MCU growth



Game changing innovations from Infineon are defining the digital cockpit of tomorrow



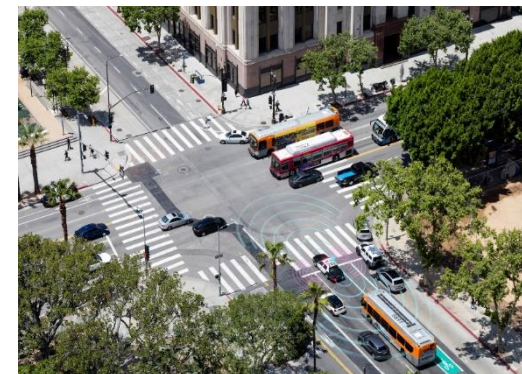
Augmented head-up display based on MEMS mirrors



Internal and external MEMS microphones



Example #1
Active noise cancellation



Example #2
Emergency vehicle detection

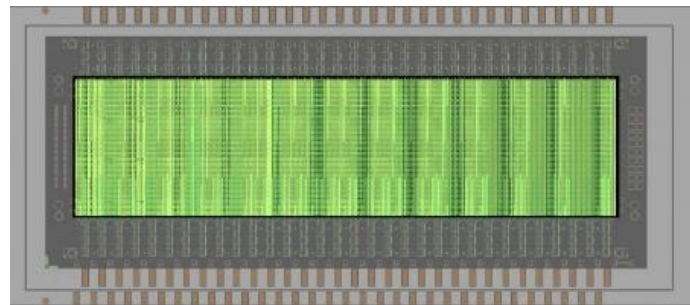
Industry-leading, premium lighting technology offers enhanced user experience on the road



Key facts

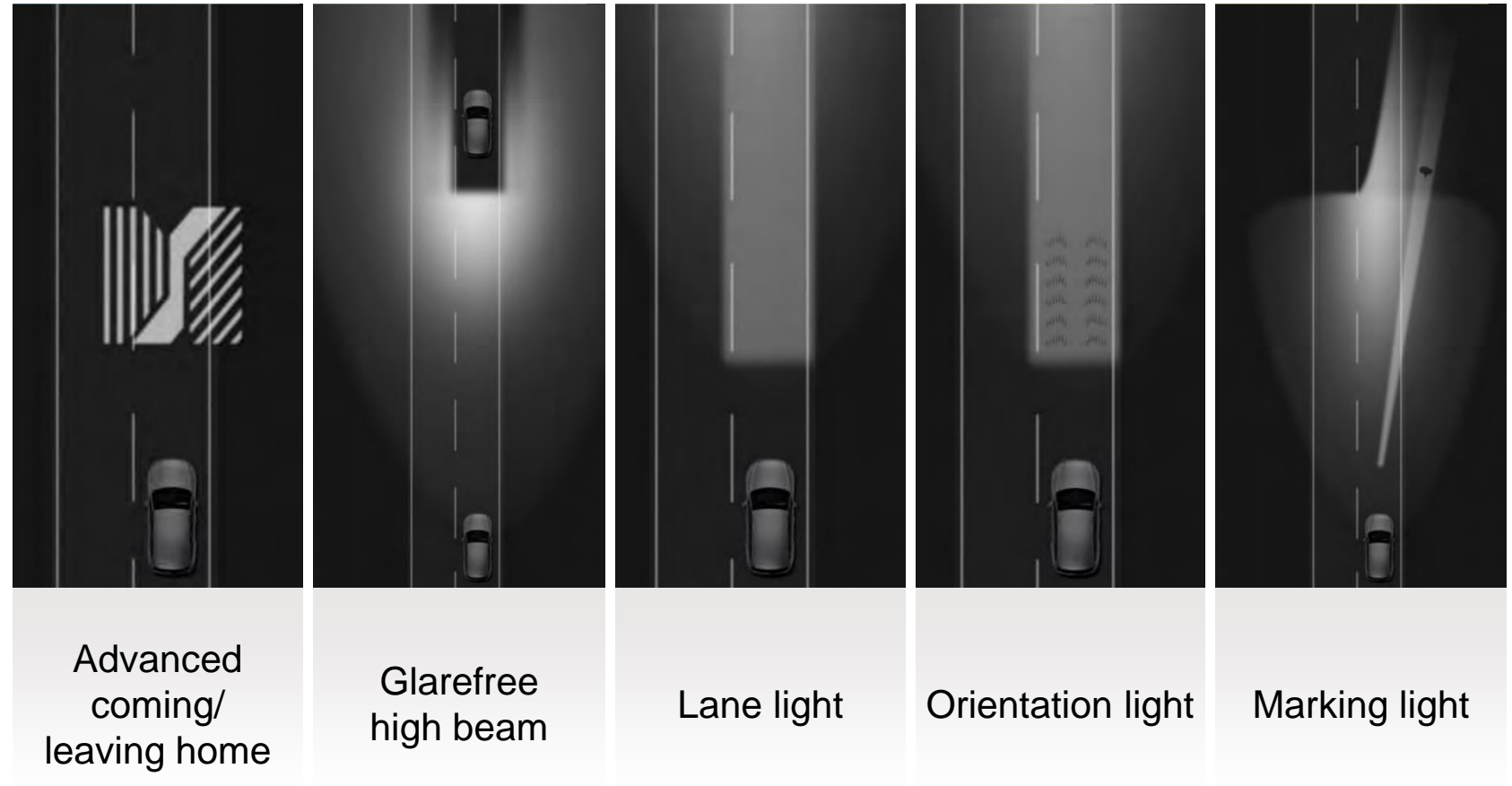
- › Infineon driver IC controls each of the 16K μ LEDs individually with outstanding luminous intensity
- › Lead customer: EU premium OEM (“Best light ever!”)
- › Start of production: early 2023

Nichia high-definition micro-pixel light source (HD μ PLS)



Courtesy: Nichia

Advantages: Enhanced driving experience, higher safety, more energy efficient



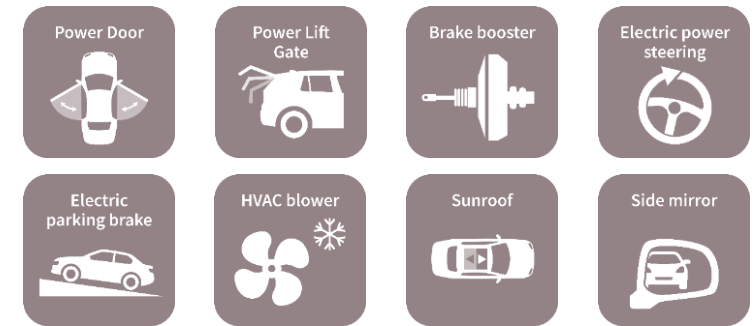
Courtesy: Audi AG

Infineon's suite of motor control ICs lead the way to address fast-growing comfort features

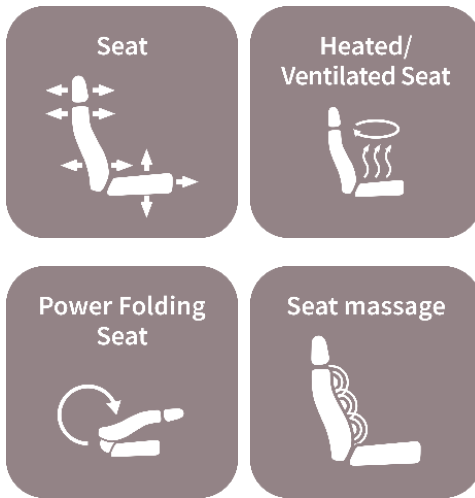
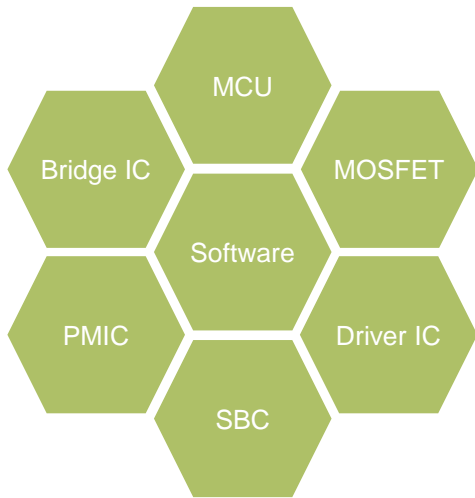


- › Comfort features making further inroads into cars; e.g., seats in a mid-range car feature about seven motors today
- › Up to ~€80 semiconductor BoM per vehicle for comfort features
- › Infineon's leading suite of motor control ICs fits ideally for all comfort applications

Application examples



Infineon's suite of motor control ICs On average ~7 motors per seat



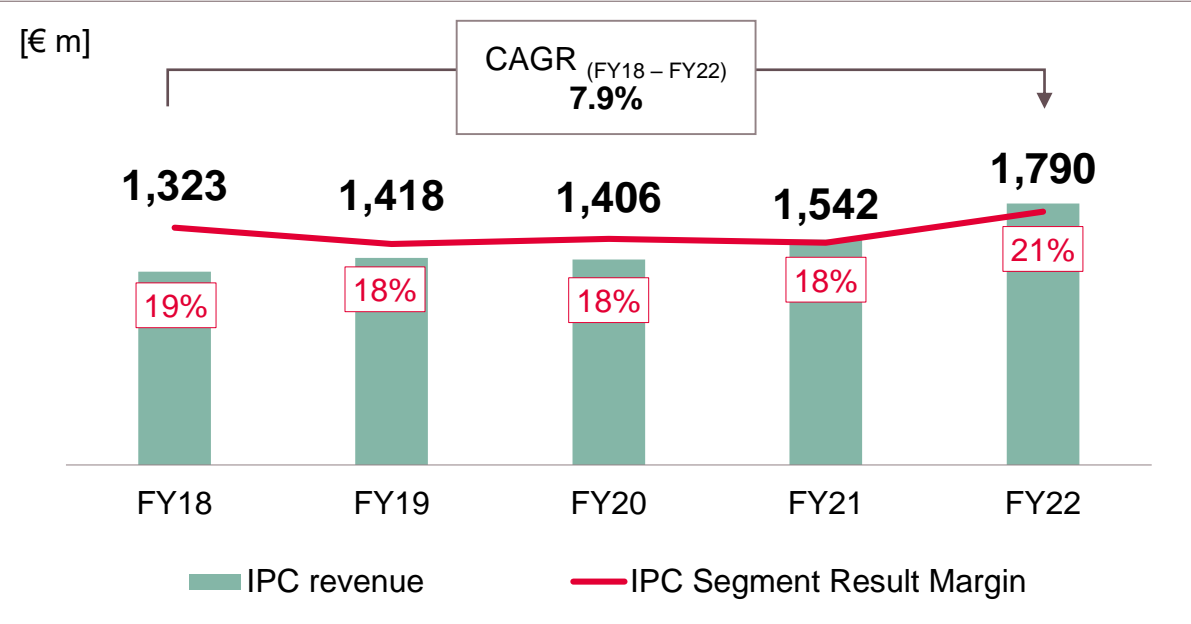


Industrial Power Control

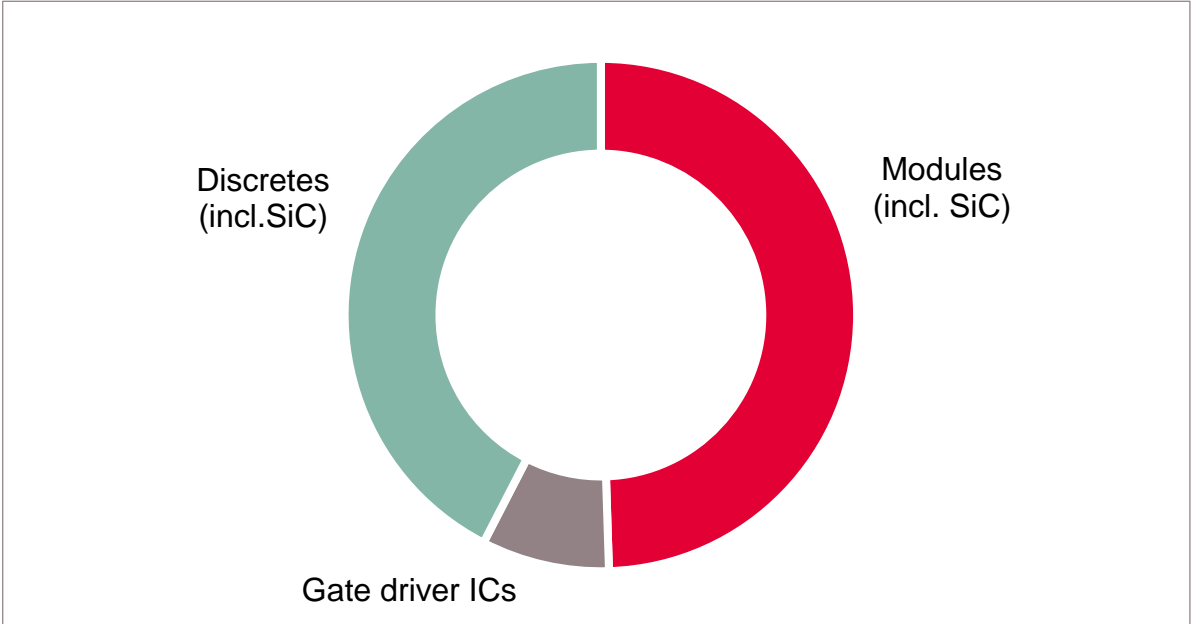


IPC at a glance

IPC revenue and Segment Result Margin















FY22 revenue split by product group



Key customers



Demand for Decarbonization applications remains strong, Automation & Drives with still high backlog and less new orders

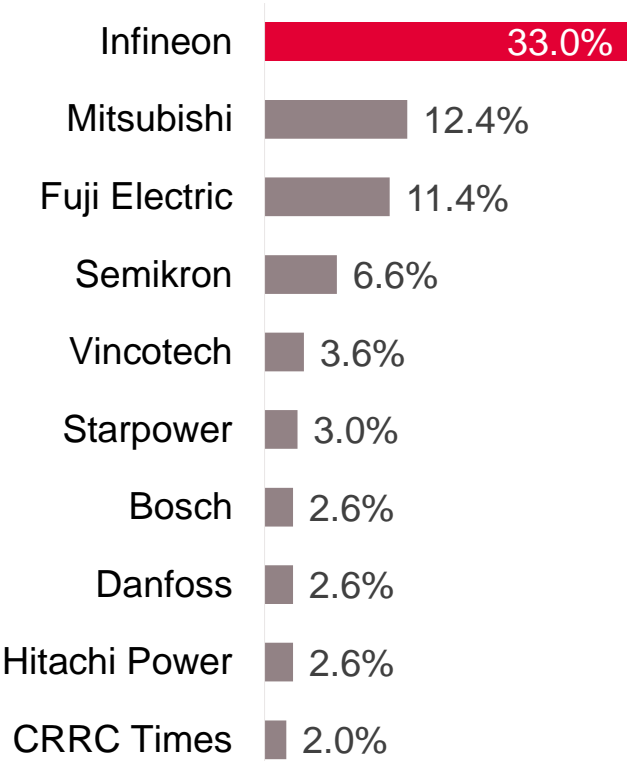
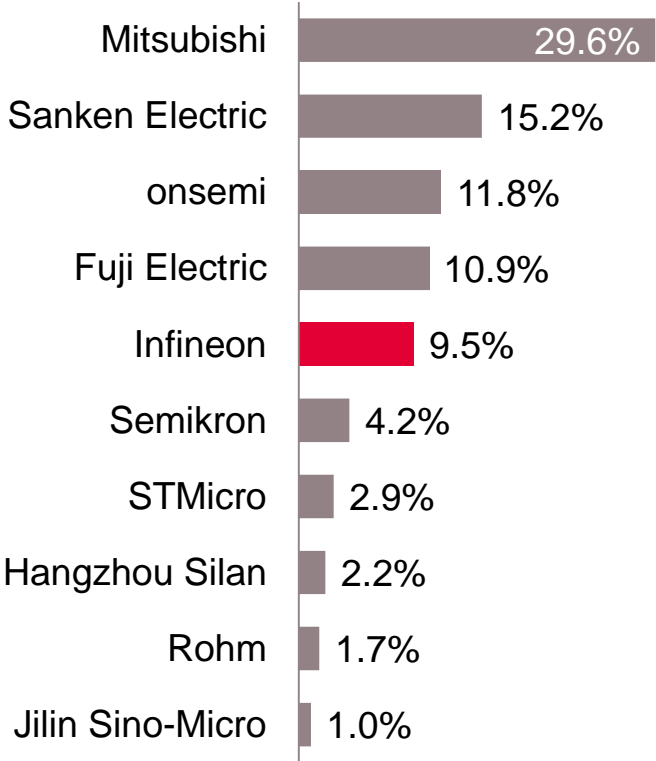
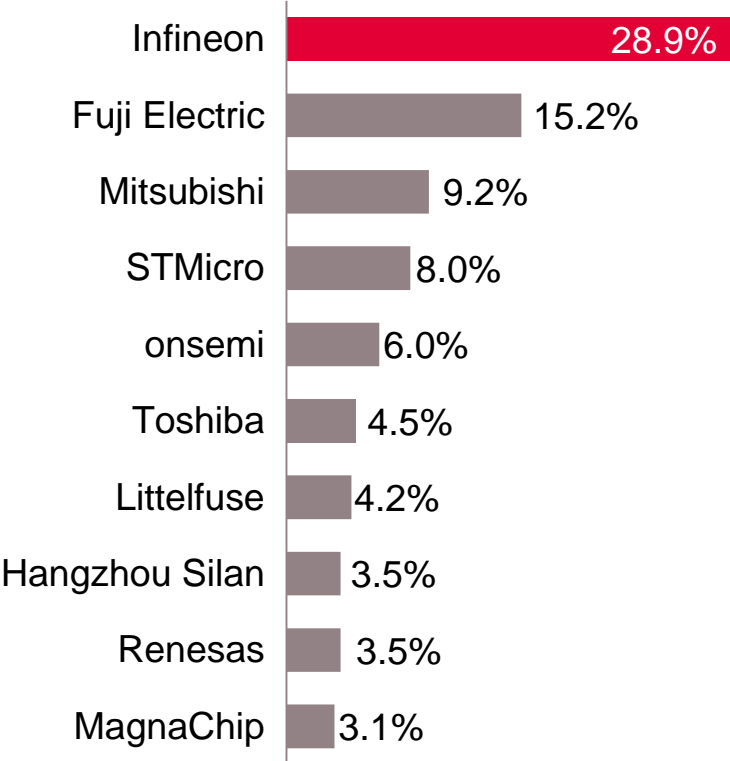
Applications (% of FY22 segment revenue)	Market Outlook for CY23	
 <p>Automation and Drives</p> <p>~35%</p>		<ul style="list-style-type: none"> Analysts expect market pullback in 2H/2023 due to decline in demand (slowdown in new order growth currently cushioned by still strong backlog), key sectors (e.g. related to sustainability) remain strong Customers remain optimistic for 2023 due to high backlog while new orders are declining
 <p>Renewable Energy Generation</p> <p>~26%</p>		<ul style="list-style-type: none"> Growth rates remain strong for global PV installations, demand for green hydrogen boost outlook For wind, project push outs in Europe and project delays in China impair growth in 2023
 <p>Power Infrastructure</p> <p>~10%</p>		<ul style="list-style-type: none"> Growth in EV charging infrastructure is expected to remain strong, supported by government push programs Further growth of ESS and Transmission & Distribution required to capture renewable energy generated
 <p>Home appliance</p> <p>~17%</p>		<ul style="list-style-type: none"> Heat pump demand remains strong, supported by policy (e.g. US HEATR act) Although overall market is softening, due to increasing inverterization rate stable growth expected
 <p>Transportation</p> <p>~5%</p>		<ul style="list-style-type: none"> Strong growth opportunities for CAV and OBC (electrification) expected Traction: growth for locomotives & metro expected to stay flat, demand for highspeed-trains remains weak
 <p>Others</p> <p>~7%</p>		<ul style="list-style-type: none"> Long-term positive outlook driven by general trend of electrification in emerging applications (e.g. eAviation, eMarine)

Clear leader in discrete IGBTs and IGBT modules

Discrete IGBTs
2021 total market: \$2.2bn

IPMs¹
2021 total market: \$2.0bn

IGBT modules²
2021 total market: \$4.2bn



¹ Including MOSFET-based IPMs and IGBT-based IPMs | ² Including standard (non-integrated) IGBT modules and power integrated modules (PIMs) / converter inverter brake (CIB) modules.
Based on or includes research from Omdia: *Power Semiconductor Market Share Database 2021 – Final V2*. October 2022.
Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Infineon is the key enabler for Power Systems that are needed at every step of the entire power transformation chain



Renewable energy generation

#1 semi enabler

powering ~50% of currently installed wind/solar capacity

Energy infrastructure

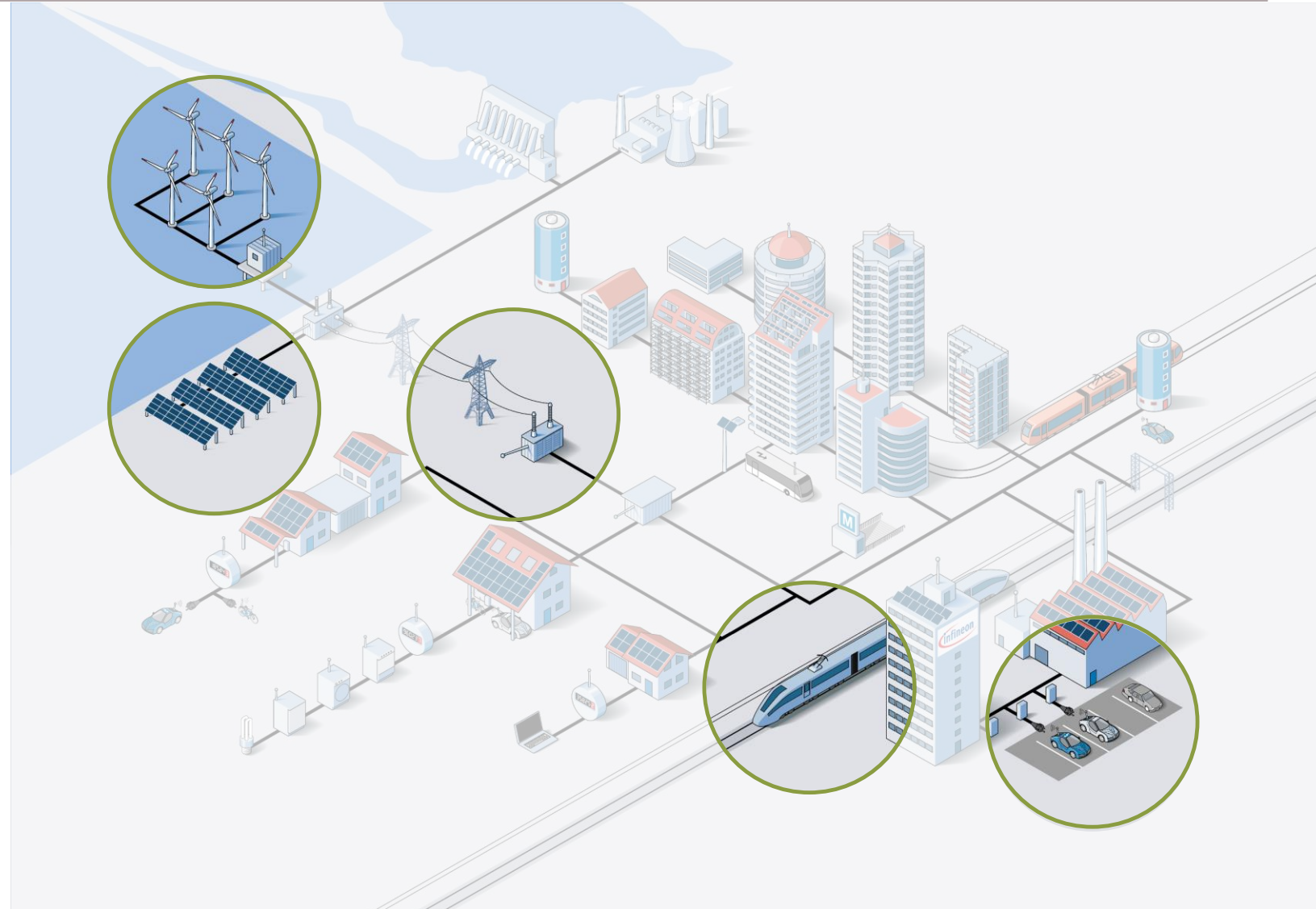
#1 semi enabler

for ~2/3 of grid infrastructure incl. EV charging

Energy conversion and usage

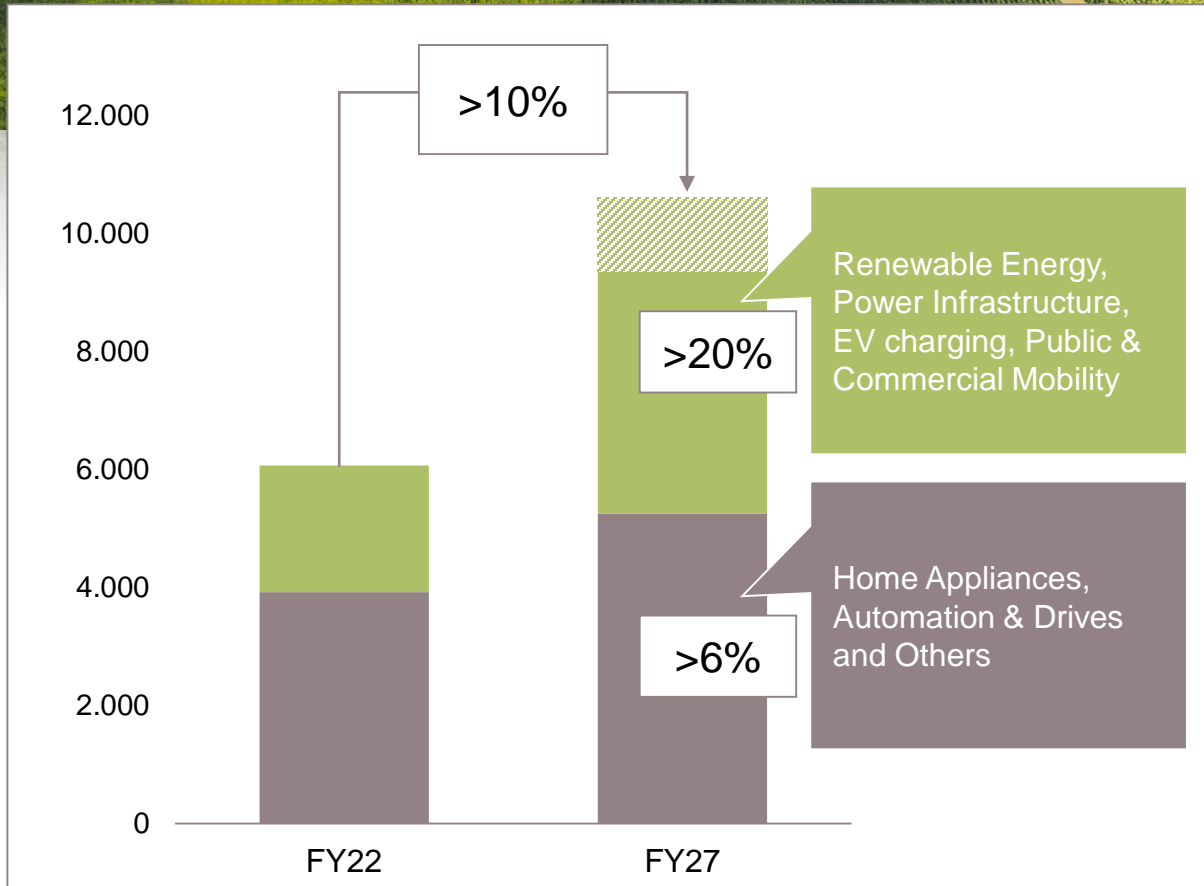
#1 semi enabler

broadest portfolio covering all verticals
leader in power density and efficiency
#1 in vehicle electrification



Based on or includes research from Omdia: *Power Discrete and Module Market Tracker* – 2021. September 2022. Infineon market model.

IPC markets accelerate growth – Enabling green energy and driving decarbonization



Source: Infineon analysis x% CAGR FY22–27e

Key facts

MORE
Growth






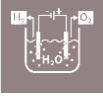



MORE
SiC

MORE
Profitability

- › The **acceleration of the energy transition** drives IPC markets
- › **SiC penetration accelerates**
- › **SiC** is a key point of **differentiation** and drives IPC **profitability**

Huge potential

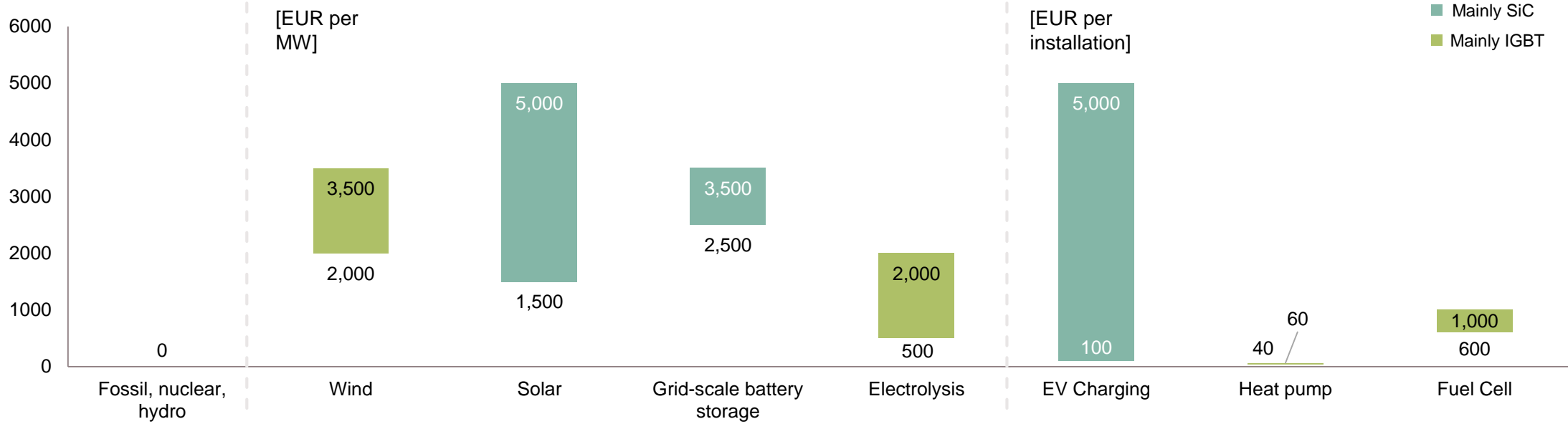
along entire green energy chain until 2030 according to **IEA Net Zero scenario**

Generation		Infrastructure		Consumption		
	Photovoltaic	+4,200 GW		Grid network	\$600bn annual investments	
	Wind power	+2,400 GW		Grid storage	+660 GW	
				EV Charging	+32m chargers	
				Electrolysis	+720 GW (pipeline: 240 GW)	
					Heat pump	+420m units
					H ₂ Fuel Cell*	+200k FC EV +200k FC Trucks
					eAviation eMarine ?	

Note: Based on Net Zero Scenario (IEA)
Source: IEA, *Internal Analysis

Green energy generation provides large business opportunities

Power semiconductor content by application



Additions in 2021 ¹	94 [GW]	150 [GW]	6 [GW]	<1 [GW]	<1m [inst.]	20m [inst.]	5k [inst.]
CAGR 2022 – 30	19%	22%	50%	77% ²	33%	16%	42%

¹ IEA: Net Zero by 2050 – A Roadmap for the Global Energy Sector. May 2021; Sector Tracking reports September 2022; internal Analysis | ² Based on 240 GW pipeline, >100% based on NZE requirements

Infineon is manifesting its leading position in the industrial SiC market with above market 5y CAGR and strong outlook



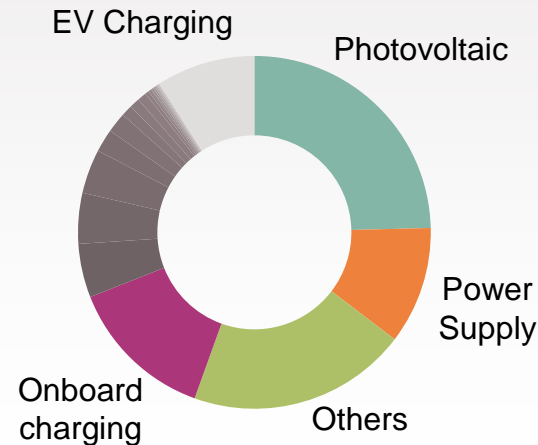
>300
Industrial SiC
products available



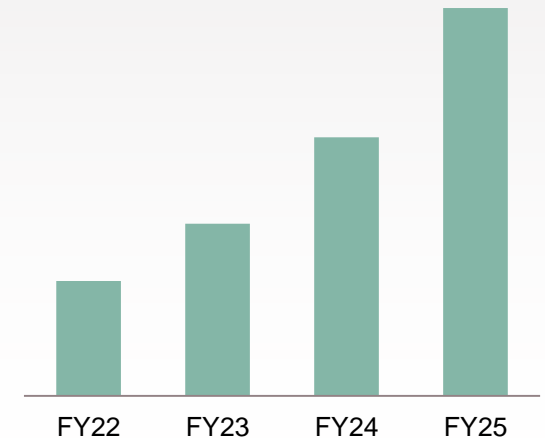
More than
3,600 active customers
being served



Design opportunity
pipeline of
~€5bn¹



Industrial revenue
CAGR >40% –
cum. Design-Wins
almost €2bn
on track for revenue of
>€500m in 2025



¹ Excluding Auto Drivetrain

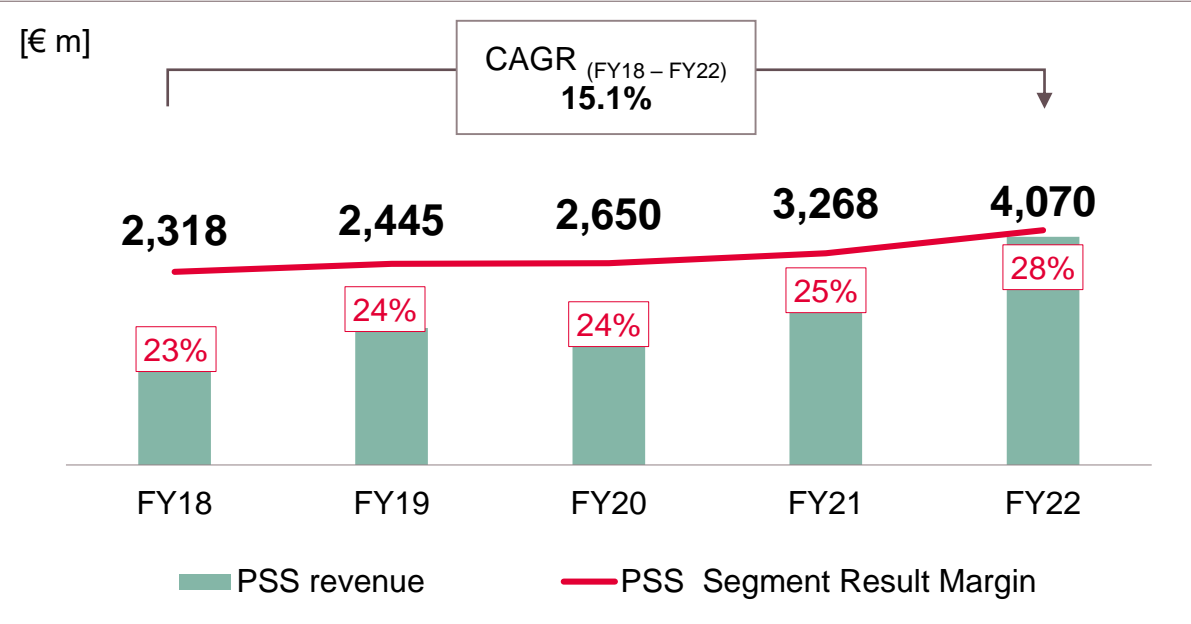


Power & Sensor Systems

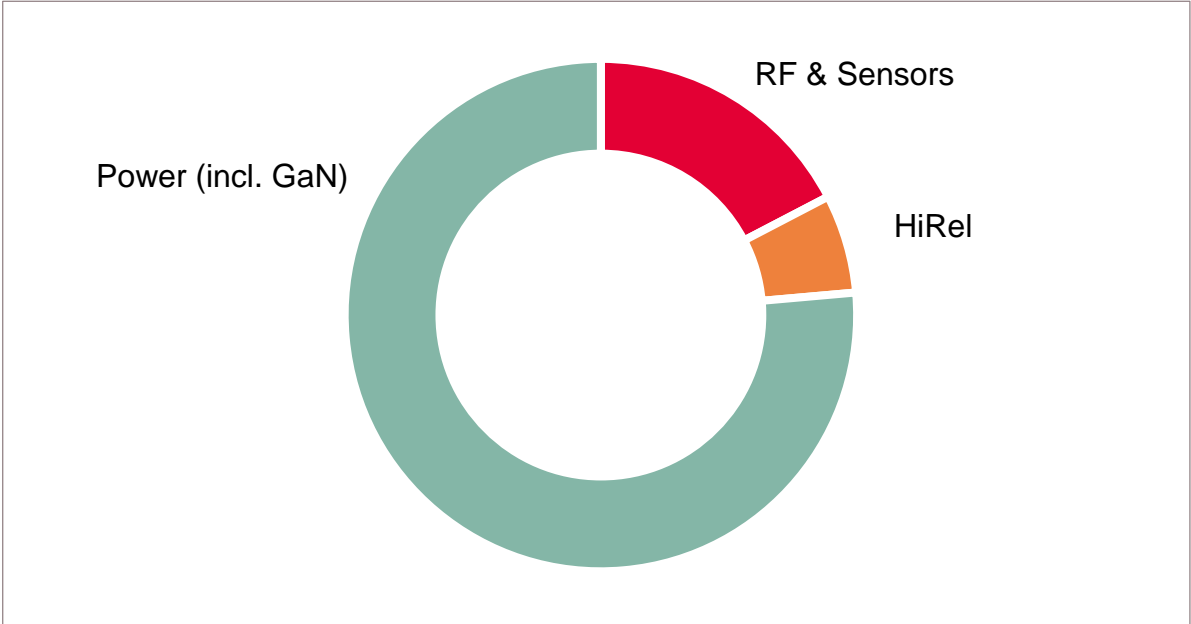


PSS at a glance

PSS revenue and Segment Result Margin



FY22 revenue split by product group













Key customers



Weakness in all verticals except industrial persists in 2023

Applications (% of FY22 segment revenue)¹ | Market Outlook for CY23

Applications (% of FY22 segment revenue) ¹	Market Outlook for CY23
 <p>Computing</p> <p>~18%</p>	 <ul style="list-style-type: none"> > Enterprise server in slowdown, deceleration in hyperscaler capex > PC market expected to further slow down
 <p>Communications</p> <p>~9%</p>	 <ul style="list-style-type: none"> > While slowing down in China and North America, EU and India to continue 5G roll-out > Mobile network operator (MNO) capex may be negatively impacted by macro
 <p>Smartphones</p> <p>~12%</p>	 <ul style="list-style-type: none"> > Risk of continued weak smartphone market remains on the back of deteriorating macro environment with limited signs of recovery
 <p>Consumer</p> <p>~25%</p>	 <ul style="list-style-type: none"> > Global decline in consumer confidence continues to create headwinds for consumer spending
 <p>Industrial</p> <p>~32%</p>	 <ul style="list-style-type: none"> > Demand in renewable energy, EVs and EV charging expected to further accelerate > Stimuli packages for renewables and respective infrastructure to support growth in CY23

¹ Does not sum up to 100% due to other applications not shown here

PSS's growth is built on many applications from different sectors in power and non-power

Computing



- › data center
- › enterprise server
- › PC, notebook
- › peripherals
- › chargers and adapters

Communications



- › base stations
- › backhaul cellular infrastructure
- › 5G massive MIMO
- › telecommunication servers

Smartphones



- › smartphones
- › mobile devices
- › wearables
- › USB Type-C, USB Type-C PD

Consumer



- › eBikes, eScooter
- › multicopter
- › gaming
- › TV sets
- › smart home

Industrial



- › power supplies
- › EV on-board charger
- › charging infrastructure
- › PV inverter
- › power tools
- › lighting
- › Industry 4.0
- › aerospace



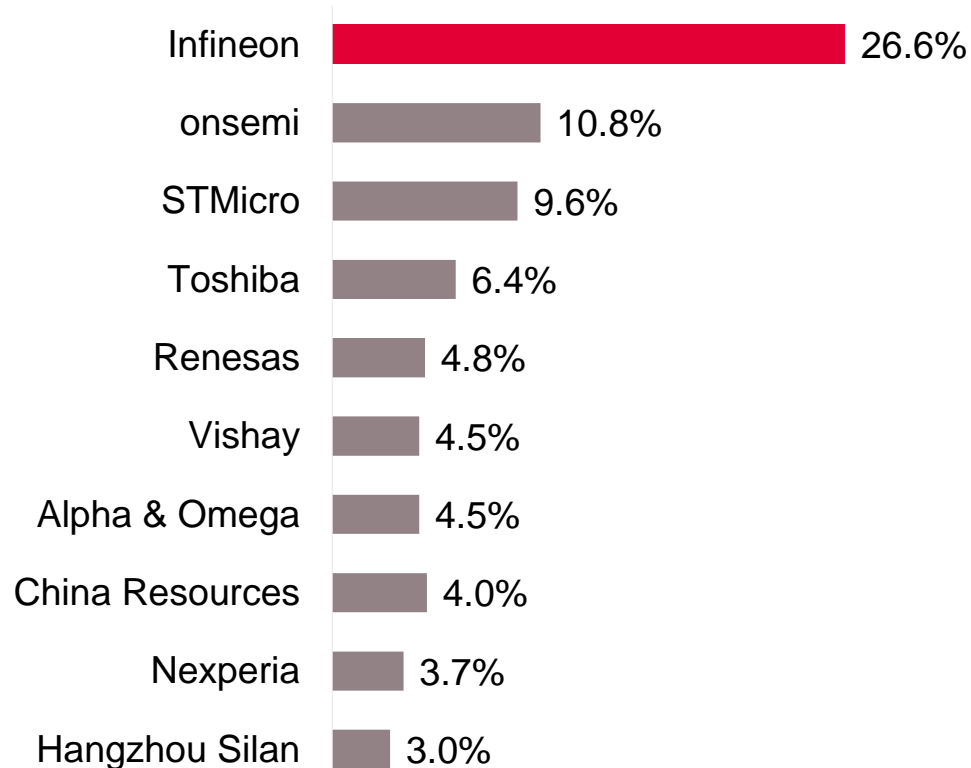
PSS – Power



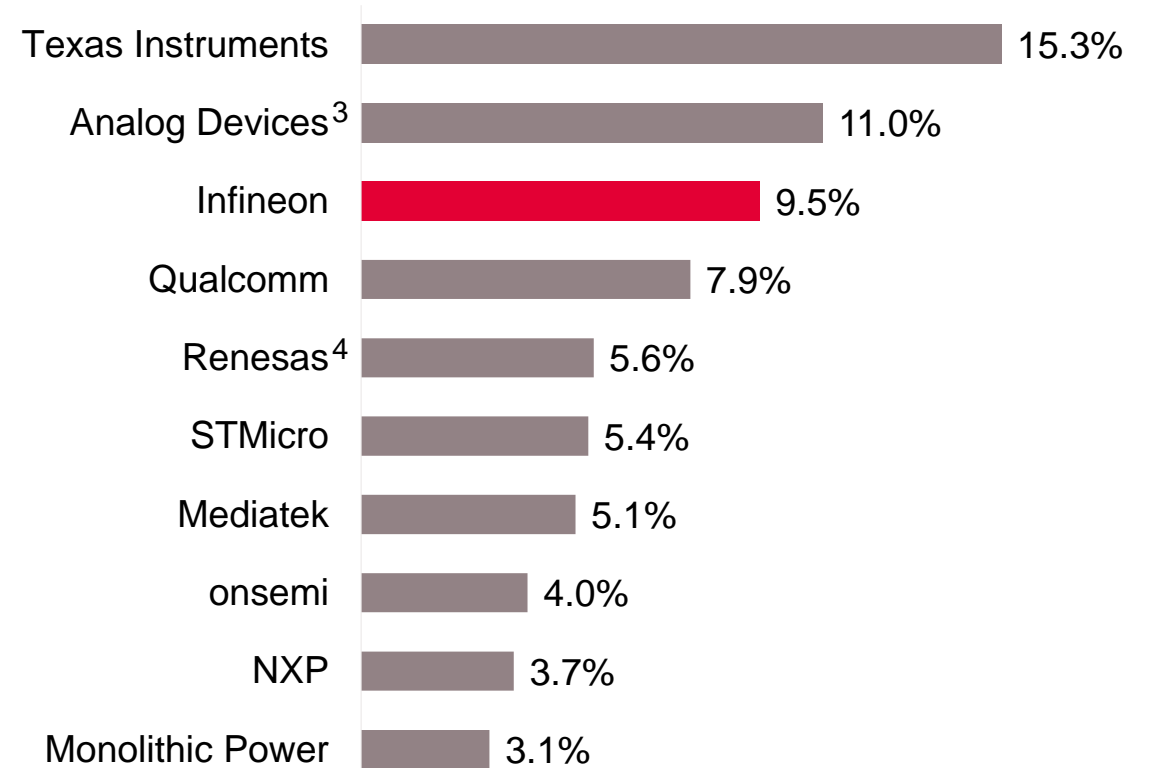
Infineon is the clear leader in MOSFETs; market share gains in MOSFETs as well as in power ICs, further growth potential in power ICs



Discrete Power MOSFETs¹ 2021 total market: \$11.1bn



Power ICs² 2021 total market: \$30.9bn



¹ Discrete Power MOSFET market includes automotive MOSFETs, Si Power MOSFETs, SiC Power MOSFETs, Si Protected MOSFETs and GaN Power Transistors | ² Power IC market includes automotive power ICs.

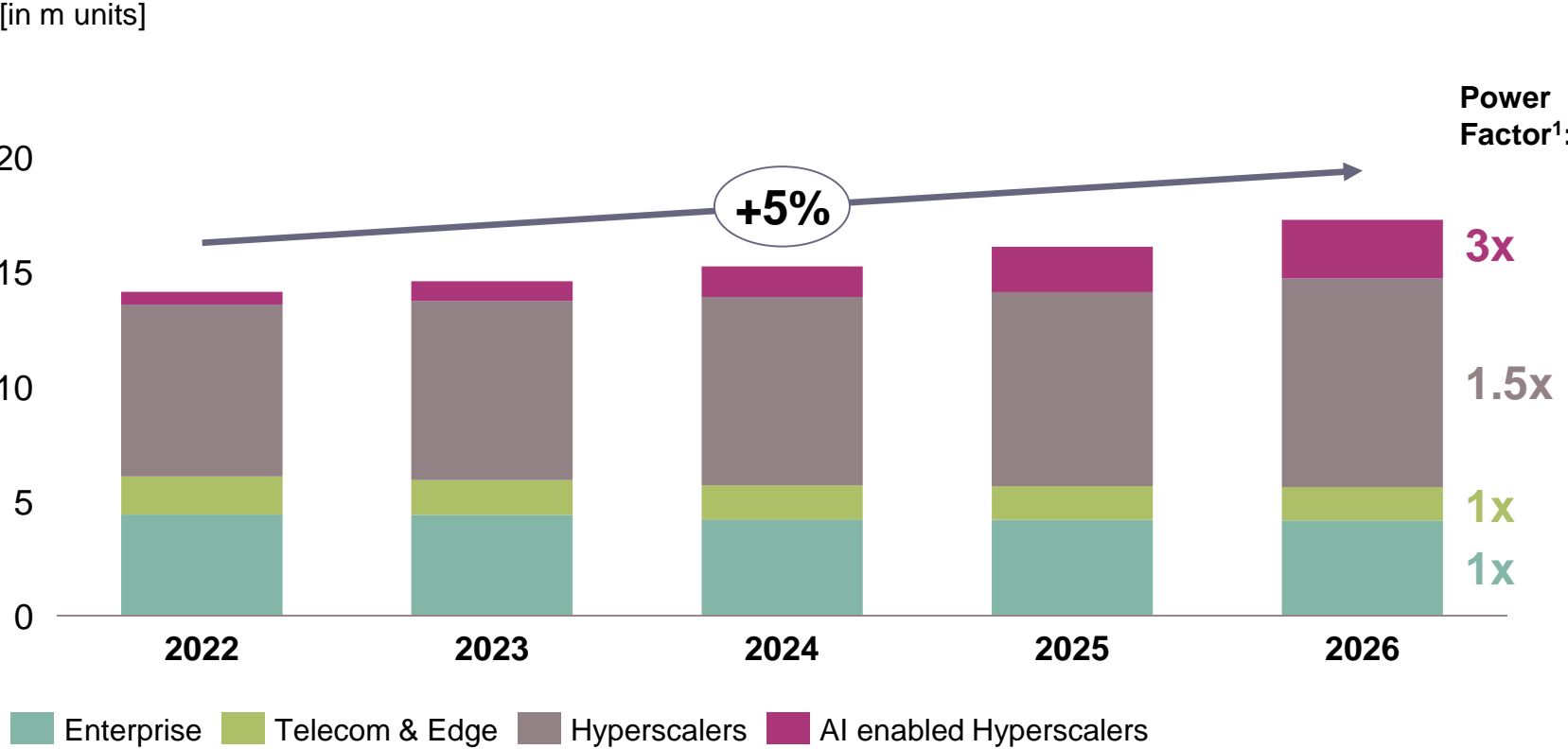
³ Analog Devices acquired Maxim in August 2021 | ⁴ Renesas acquired Dialog Semiconductor in August 2021.

Based on or includes research from Omdia: *Power Semiconductor Market Share Database 2021 – Final V3*. December 2022.

Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Server market including AI Hyperscalers offers attractive growth potential

Server market units as well as BoM expected to grow



Exponential increase in **AI Training & Networking** power level requires cutting-edge innovation in Device & Packaging technologies to solve power efficiency and density challenges

→ **The bill of material is outpacing unit growth by a factor of ~1.3x**

¹ Normalized overall power requirement per server board for x-comparison
 Based on or includes research from Omdia: *Data Center Server Tracker – 3Q22 Database*. September 2022
 Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Infineon components enable best power usage effectiveness for data centers

Supermicro collaborates with Infineon on green computing

Supermicro MicroBlade servers contain ...

28 digital multi-phase controllers

112 power stages

28 point-of-load controllers

- › Infineon's power stages provide the best power efficiency in the industry
- › Infineon's power IC's high temperature tolerance and excellent reliability enables operations at high ambient temperature → less energy-intensive external cooling needed

Example

In one use case¹, the end customer of Supermicro's MicroBlade server saved **56% in data center space utilization, 45% in capex and \$13m/year in electricity**. This led to customer's **data center power usage effectiveness (PUE) of 1.061**

An ideal PUE value is 1.0, which means that all the power required for a data center is **in the actual computing devices**, not in overhead costs such as cooling or power conversion. According to recent research², **IT and data center managers** reported an **average annual PUE ratio of 1.57** at their largest data centers.



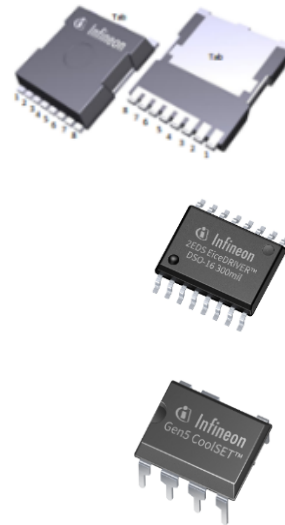
¹ Source: https://www.supermicro.com/CaseStudies/CaseStudy_Fortune100.pdf

² Statista Research Department: *Data center average annual power usage effectiveness (PUE) worldwide 2007-2021*. July 21, 2022.

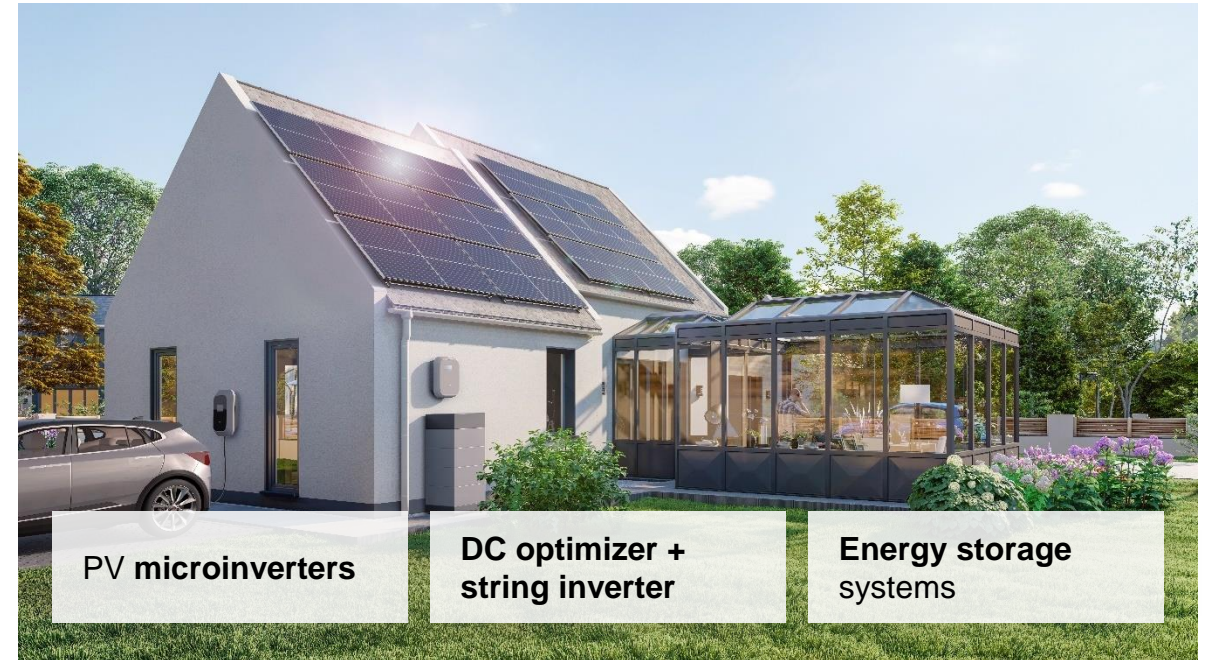
PSS is a key enabler for residential solar systems

Full portfolio breadth for solar

- > **Innovative MOSFET transistors**
for MV & HV applications in all technologies:
OptiMOS™, CoolMOS™, CoolSiC™, CoolGaN™
- > **Isolated gate driver and GaN driver ICs**
for high system level efficiencies, excellent power density and consistent system robustness
- > **Coolset integrated power stages**
for auxilliary power supply
- > **Digital isolaters** enables safe signal transfer



Enabling residential solar energy systems



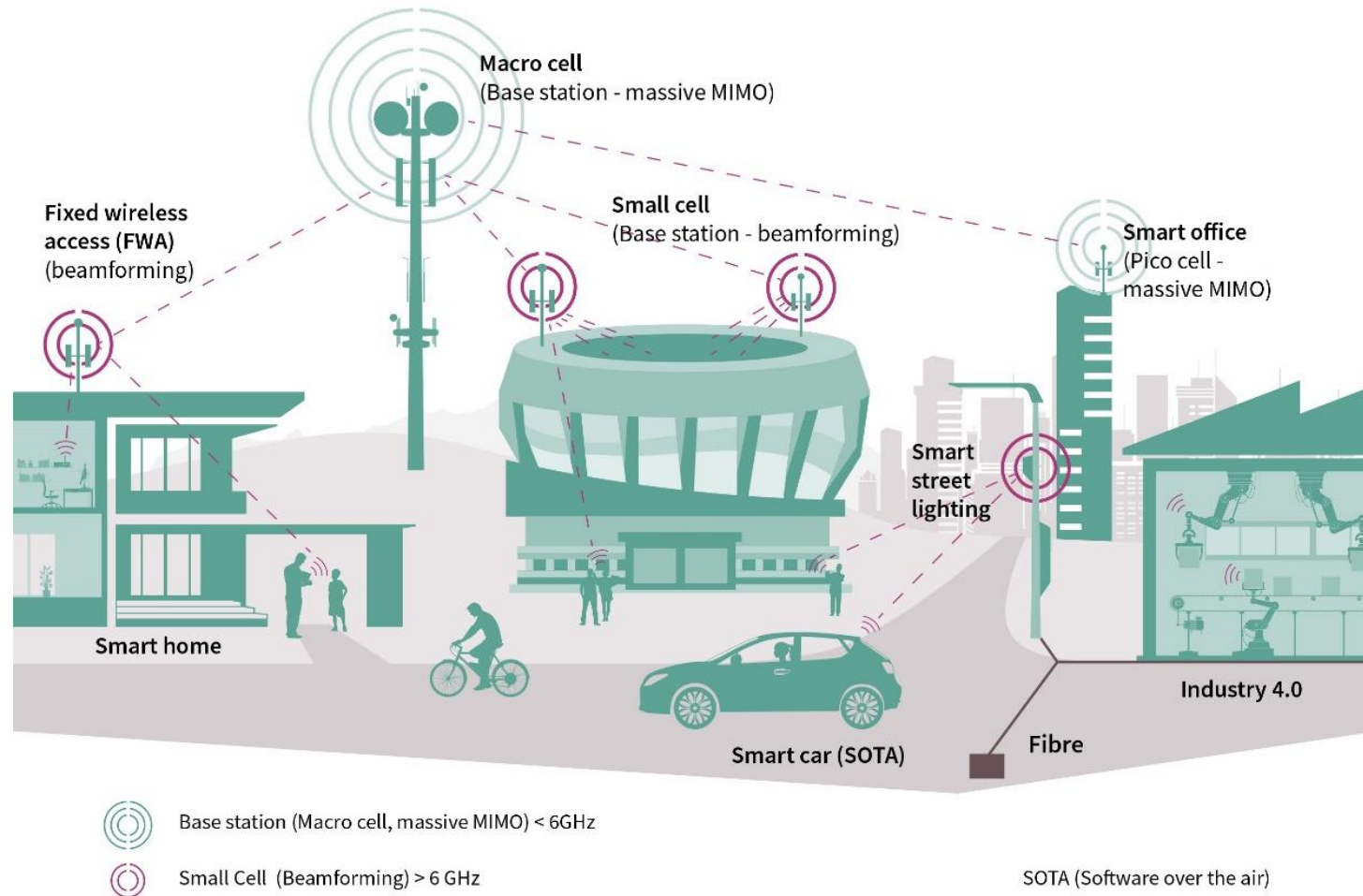
Partnering with leading customers of the industry

Securing customer and market growth
by entering into long-term strategic agreements

Growing above industry CAGR with
the leading customers of the industry

Transition to 5G drives demand in power semis for antennas and power supplies

Smart and connected





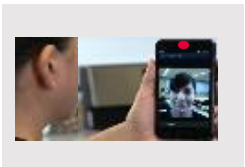

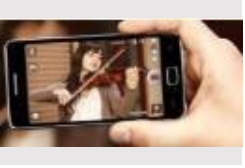
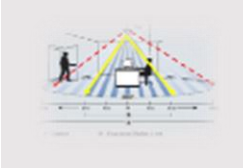


- > **driver #1:** massive growth of data and computing power
- > **driver #2:** higher number of base stations due to dense network
- > **driver #3:** ~4x higher power semi content per radio board: from ~\$25 for MIMO antenna to ~\$100 for massive MIMO antenna array
- > **driver #4:** fog computing data center as a completely new market



PSS – RF and Sensing



Main applications addressed by PSS sensors portfolio

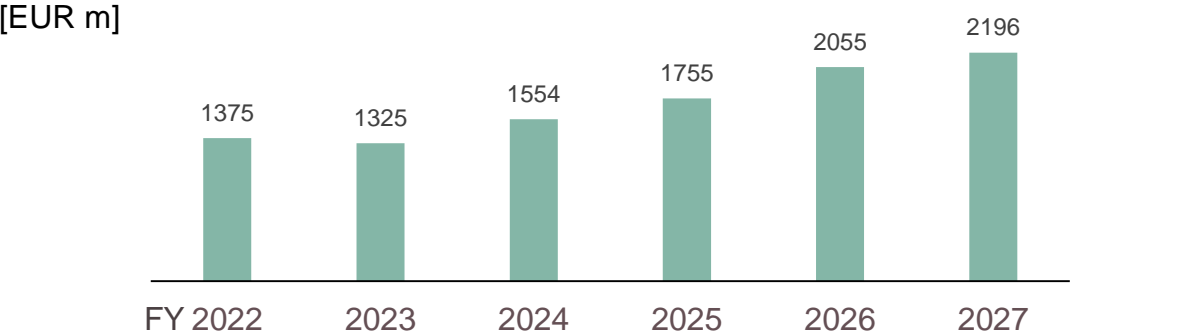
MEMS microphone		3D radar (24/60 GHz)		3D ToF image sensor		Environmental	
	Best audio performance		Ultra-low power consumption		Best price / performance		High precision and Small form factor
	Low power consumption		Presence detection/ Vital Sensing		Face ID (biometrics), VR/AR		Measure CO ₂

Main applications

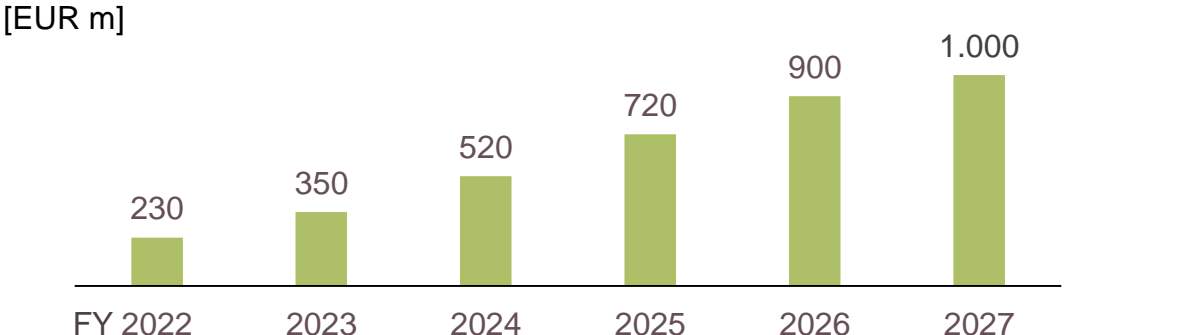
<ul style="list-style-type: none"> > Smartphone > True wireless stereo headsets > Smart speaker > Laptop & tablet 	<ul style="list-style-type: none"> > Automotive > Smart home > TV > Security camera > Smart building 	<ul style="list-style-type: none"> > Smartphone: world-facing and user-facing > Robotics > Automotive in-cabin sensing > Payment terminals 	<ul style="list-style-type: none"> > Heating, ventilation, air conditioning (HVAC) > Air purifier > Smart thermostat > CO₂/virus risk reduction
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Sensor markets targeted by PSS offer attractive growth potential

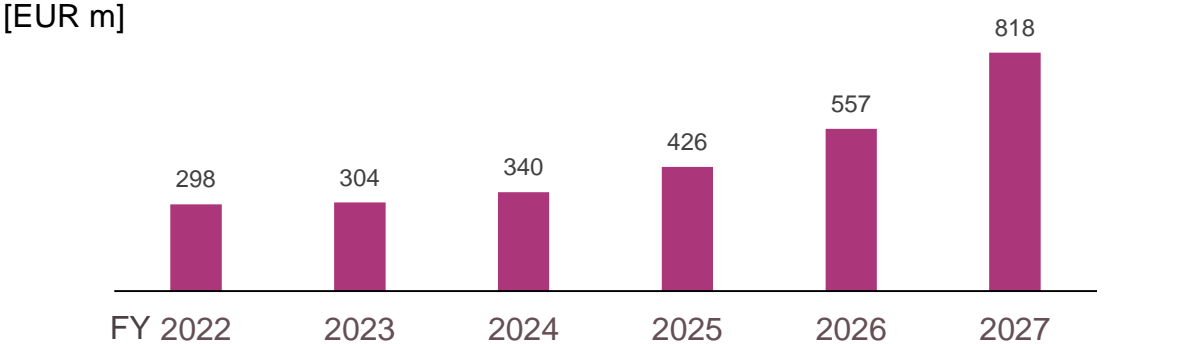
MEMS microphone market



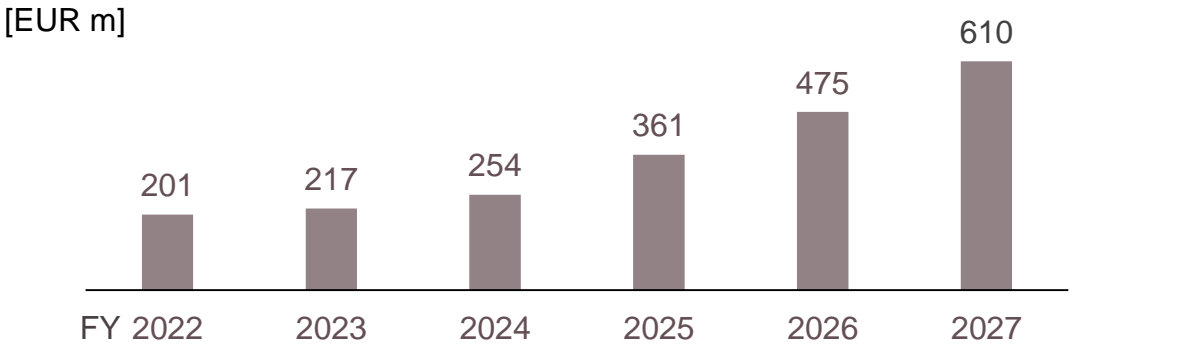
Radar IC market (24 GHz and 60 GHz only)



3D ToF image sensor market



Environmental sensor market¹

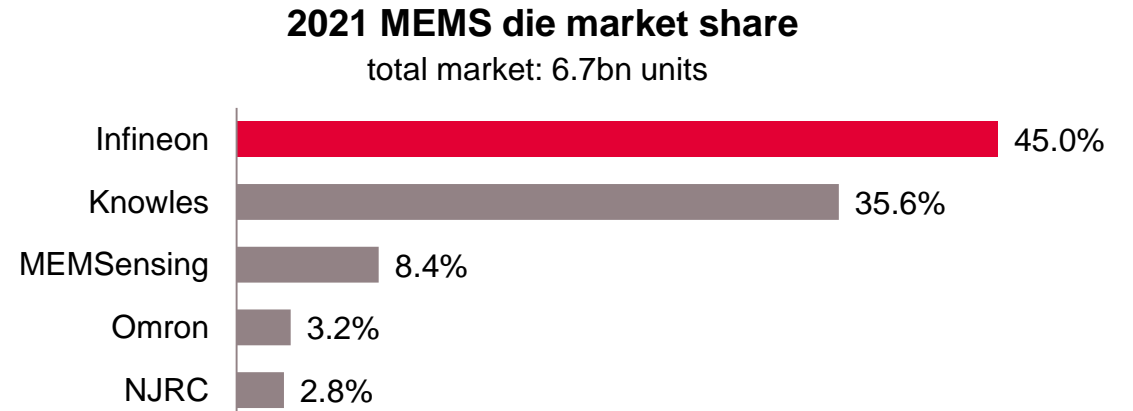
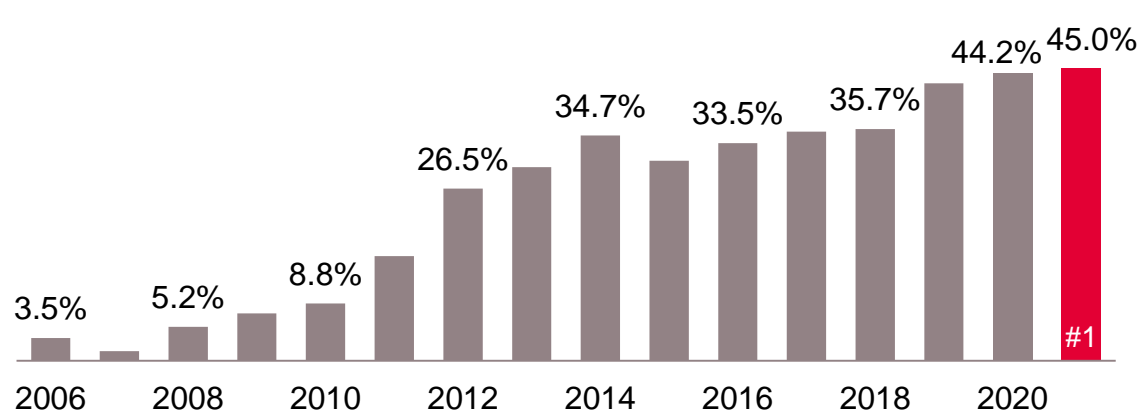


Source: Infineon estimates

¹ Infineon is addressing smart building, smart home, smart appliances, consumer IoT devices and automotive.

Infineon as market leader has significantly increased the distance to #2

Infineon's market share development in MEMS microphones (by units)



Based on or includes research from Omdia: *MEMS Microphones Report Dice Market Shares 2022*. October 2022. Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Technological progression of Infineon XENSIV™ MEMS microphones

1 Single-back plate



SNR = 62 – 65 dB(A)

2 Dual-back plate



SNR = 65 – 69 dB(A)

3 Sealed dual-membrane



SNR = 68 – 75 dB(A)

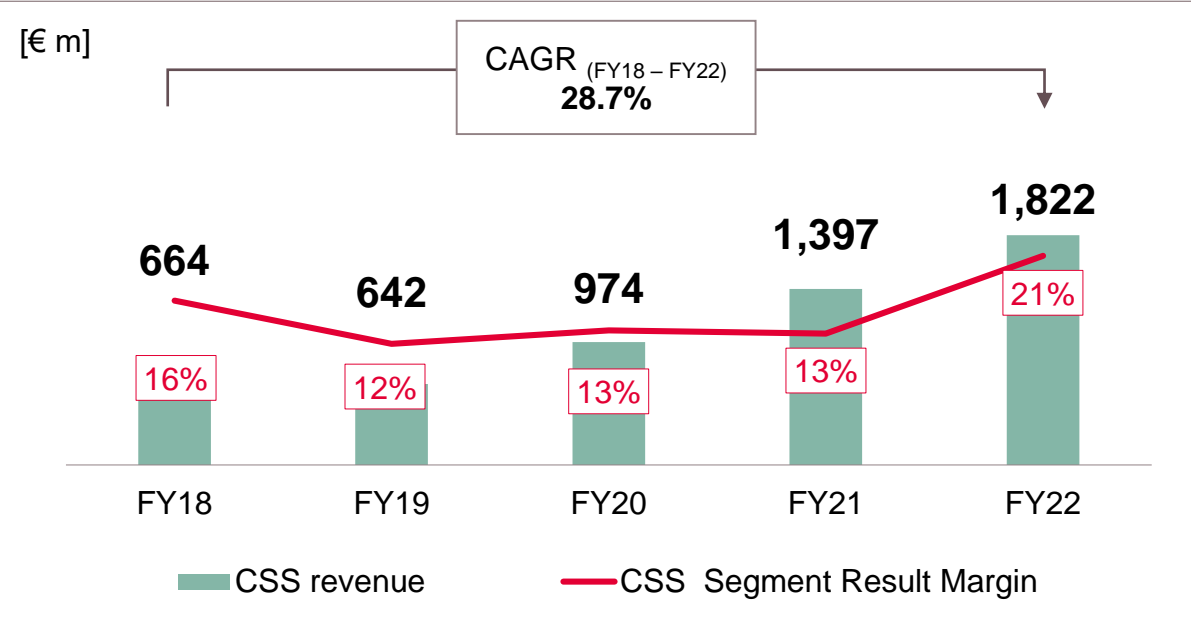


Connected Secure Systems

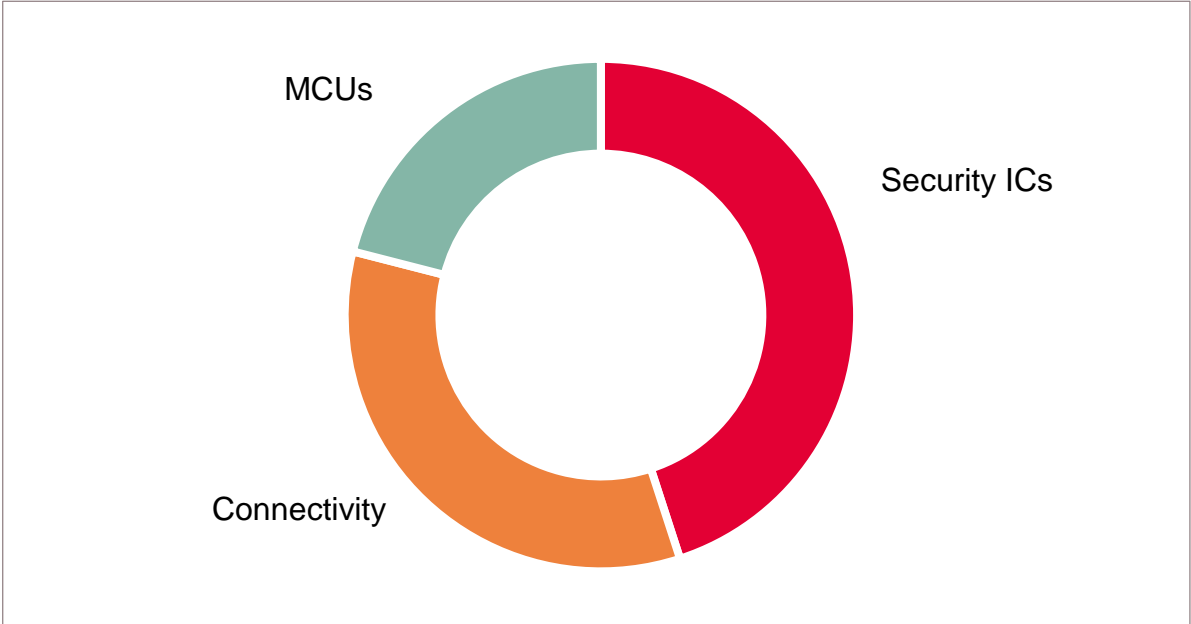


CSS at a glance

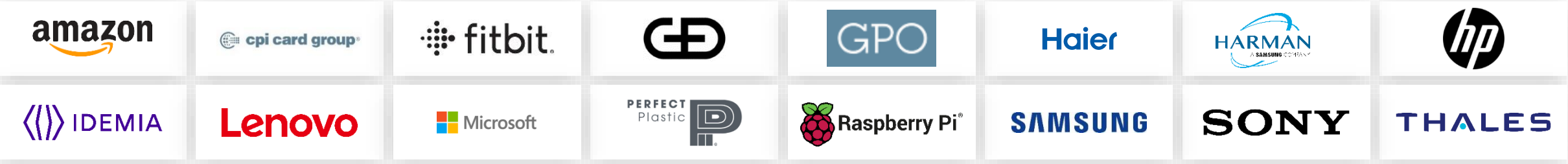
CSS revenue and Segment Result Margin



FY22 revenue split by product group



Key customers

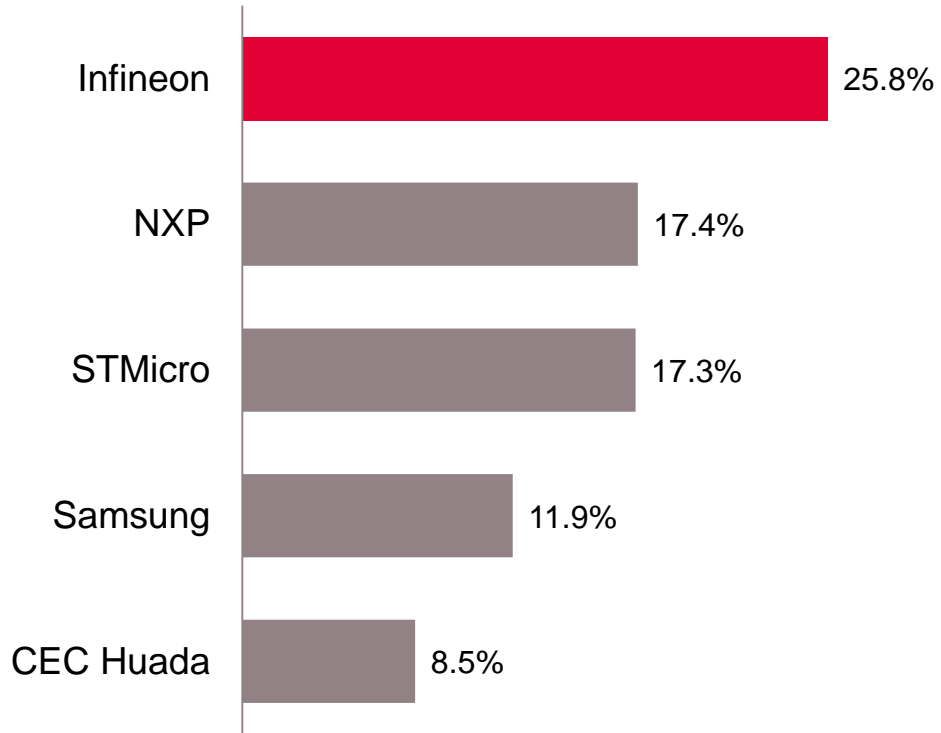


Uncertain macroeconomic conditions and persisting supply constraints in some areas; risks especially for consumer segments

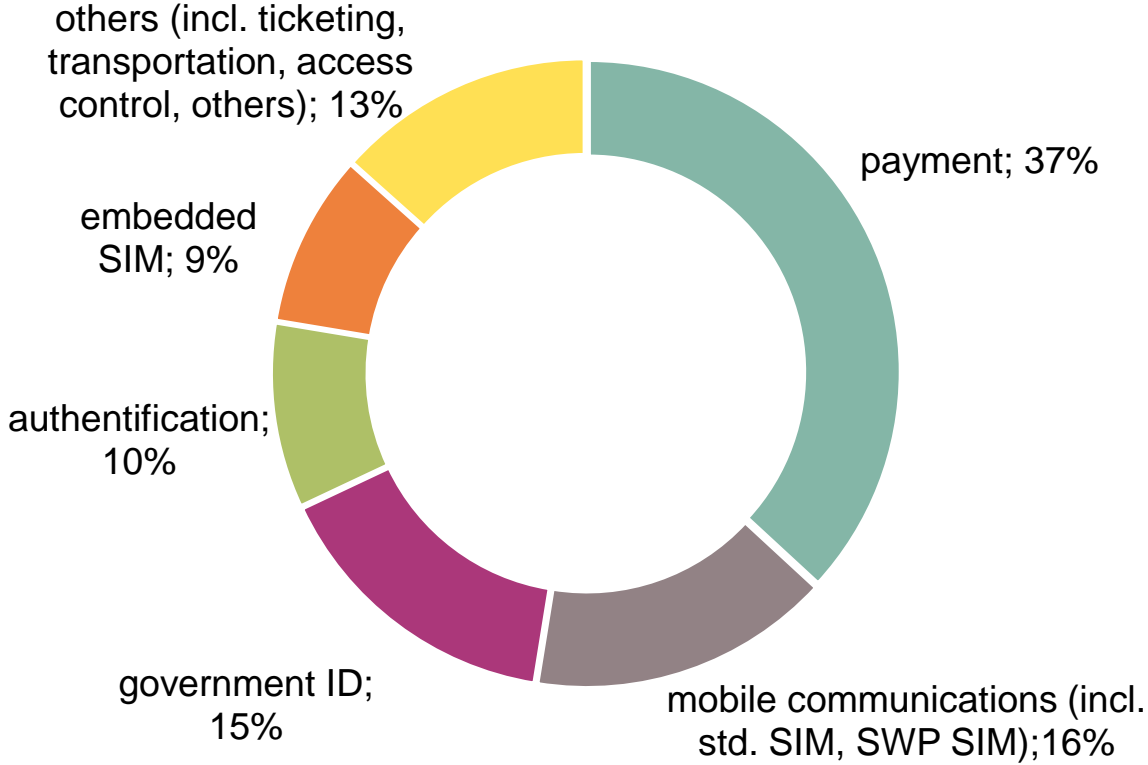
Applications (% of FY22 segment revenue)		Market Outlook for CY23	
Industrial & Consumer IoT ~67%	Industrial IoT		› Although growth in industrial IoT is expected to stretch in CY23, Industrial Automation Equipment is decreasing owing to multiple unfavorable factors, like energy prices, high industrial commodity prices, supply chain disruption
	Home Appliance		› Overall demand slowing down and returning to prepandemic levels › Although penetration of smart appliances increases, deterioration of customer sentiment might limit growth
	Smart Home		› Launch of Matter 1.0 standard and focus on energy management systems counteracted by risks driven by overall consumer sentiment
	Health & Lifestyle		› Market risks driven by overall consumer sentiment might outweigh potential growth in areas like smartwatches, AR/VR glasses
	Media, Gaming & Compute		› Main consumer markets are continuing their downward trends due to overall macroeconomic environment and reduced consumer sentiment, while enterprise product categories remain rather flat
	Automotive		› Market is assumed to grow at more limited rates than previously assumed due to weaker macroeconomic conditions and demand construction
Smart Cards ~33%	Payment		› The market is assumed to grow driven by sustained demand and supply constraint improvements
	Identification		› Positive trend is expected driven by recovery in passports issuance as well as project roll-out for other eDocuments

Infineon remains top player in security ICs

Security ICs (excl. NFC controllers; excl. NFC eSE)
2021 total market: \$3.2bn

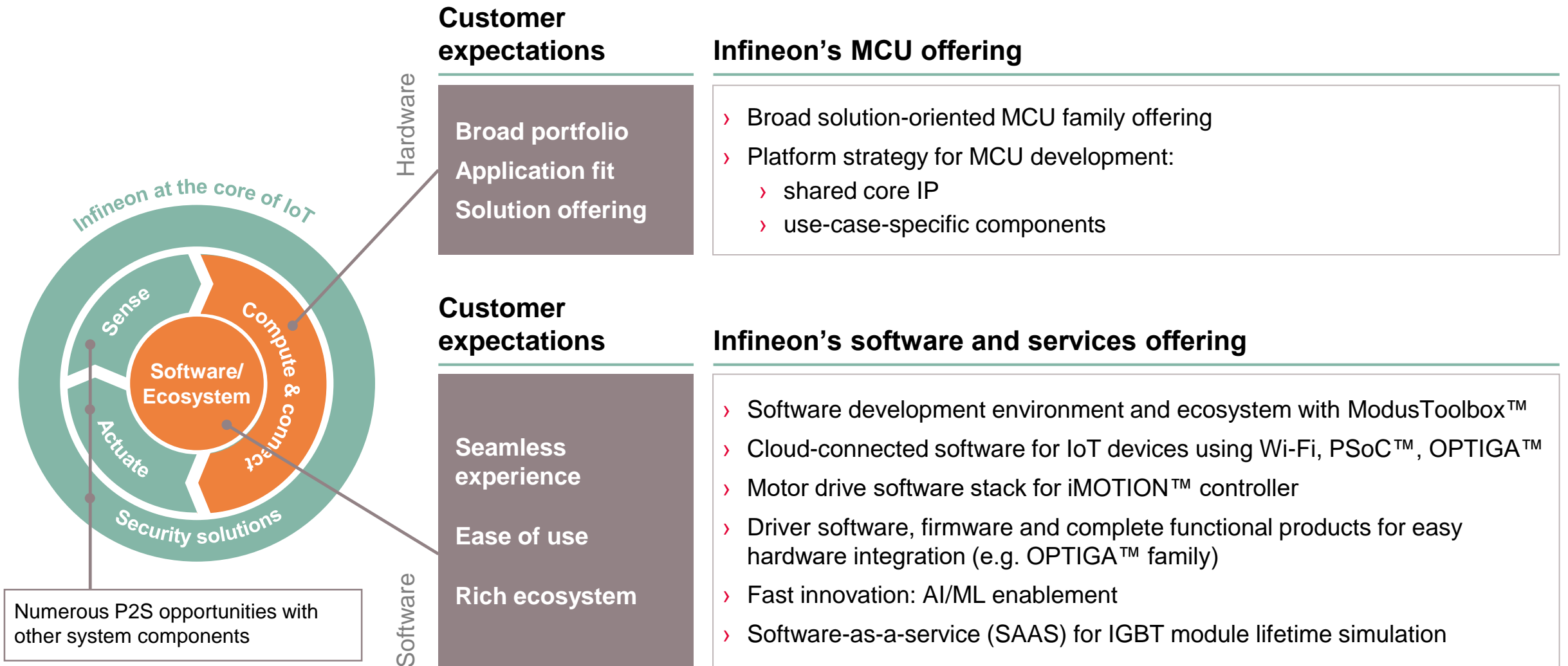


Security ICs (excl. NFC controllers; excl. NFC eSE)
2021 by application



ABI Research: Smart Card and Embedded Security IC Technologies. October 2022.

MCU and software are key for the success in IoT as they define the functionality and time-to-market of the device



Infineon is enabling the 'IoT at a fingertip' with robust and reliable touch solutions and reconfirming Cypress revenue synergies



Infineon as the leader¹ in Touch-HMI inherited through Cypress acquisition

>6 Billion
conventional
buttons replaced

>100 Patents
filed for touch
solutions

5th generation of CAPSENSE™ controller in advanced analog/mixed-signal technology available

Infineon CAPSENSE™ technology in volume production in a wide range of applications



Capacitive sense buttons



Metal proximity



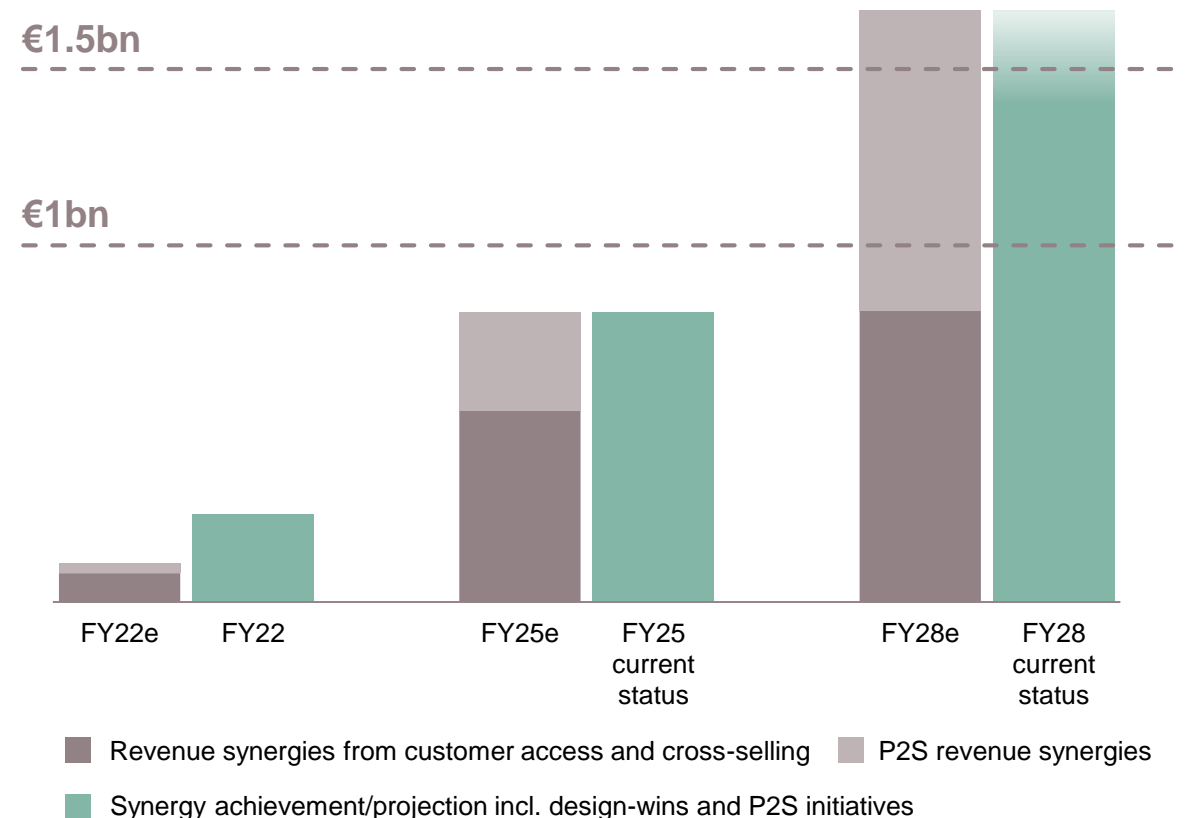
Capacitive sense slider



Touchless gesture control

¹ Infineon estimate

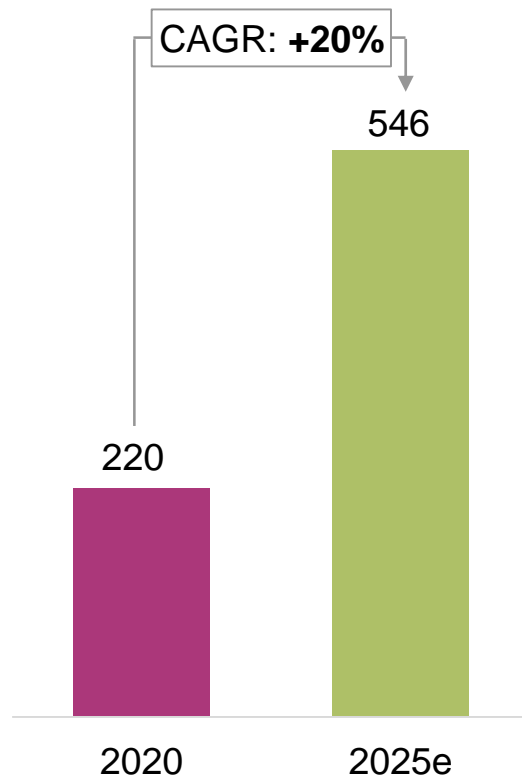
We are fully on track to reach or even overachieve the announced Cypress revenue synergy targets











With a broad set of key enabling technologies, Infineon is well positioned to capture growth opportunities

Market: Home Automation Devices¹

[units m]



Leading competencies to provide full system solutions

-  **Application understanding**
-  **Ease-of-use**
-  **Software**
-  **Sense**
-  **Compute**
-  **Actuate**
-  **Security**
-  **Connectivity**



smart door lock



wireless smart camera



Energy harvesting lock

Customer ex. for wireless smart cameras and smart door locks



ASSA ABLOY



Google



Kaadas



¹ ABI Research: *Wireless Connectivity Technology Segmentation and Addressable Markets*. July 2021; excluding Chromebooks, desktop PCs, feature phones, media tablets, netbooks, smartphones, white box tablets.

7RE3	37.278	1.14	+0.72▲	634.270	3.984%	369,000
S421	94.107	0.73	-0.51▼	538.014	2.416%	743,000
YTB4	21.744	5.63	+3.18▲	692.380	0.657%	405,000
I897	13.361	1.82	-1.23▼	237.981	0.103%	882,000



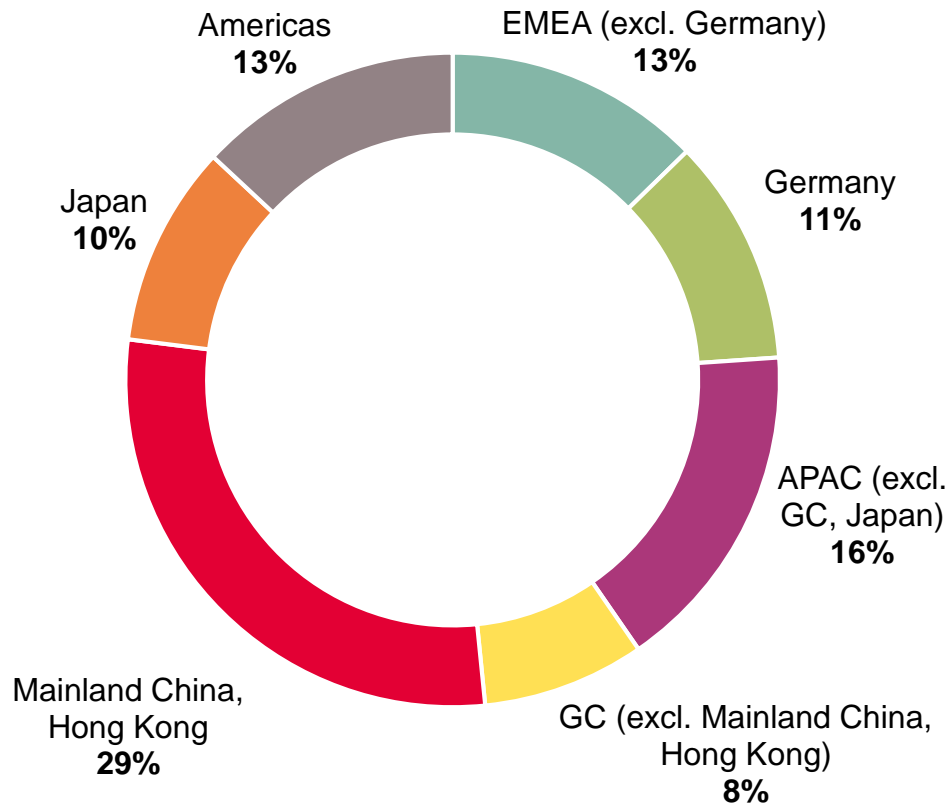
Selected financial figures



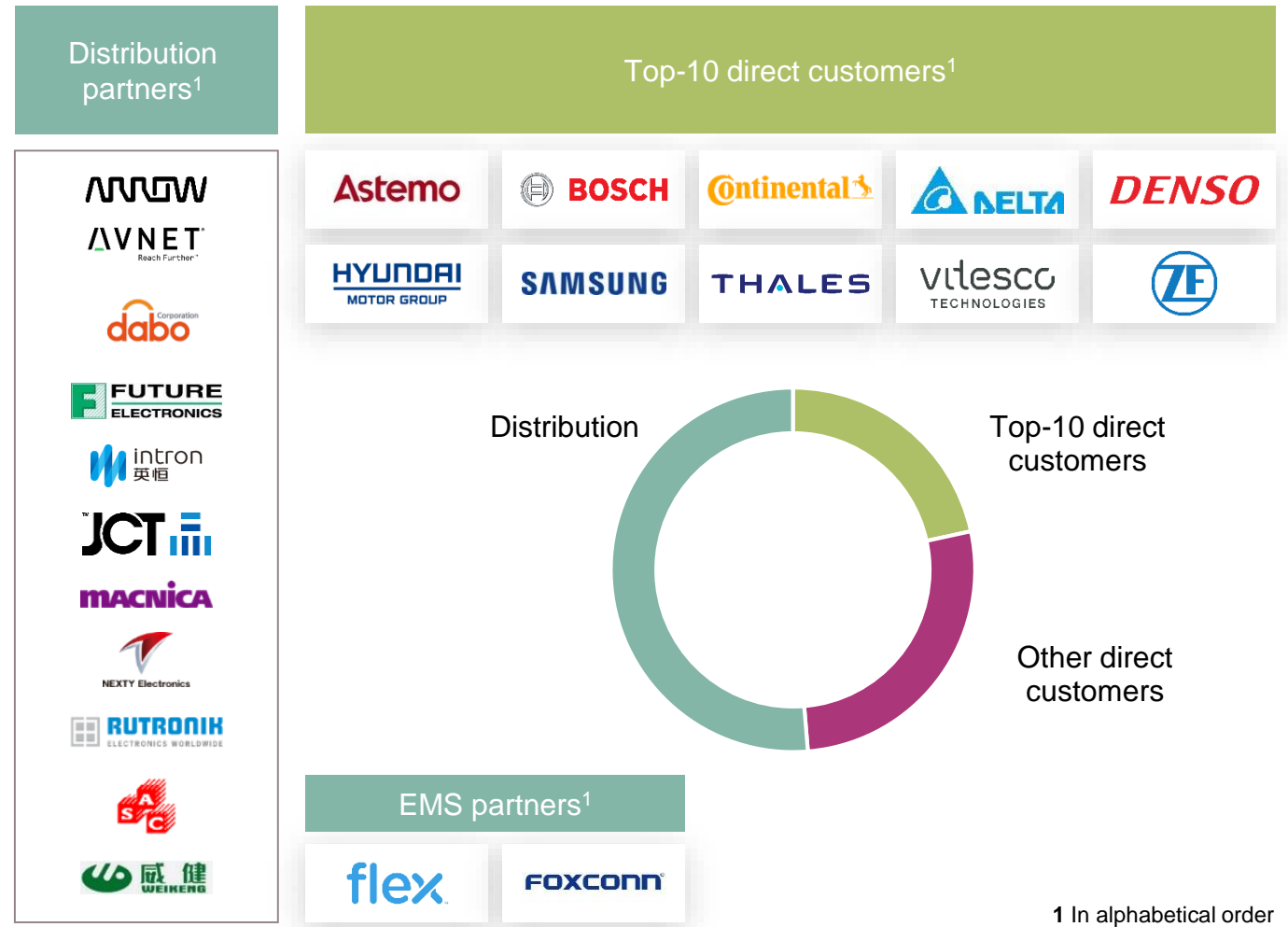
Strong presence in all regions; well-balanced customer portfolio; no customer represents more than 10% of total sales



FY22 revenue by region



Revenue by sales channel

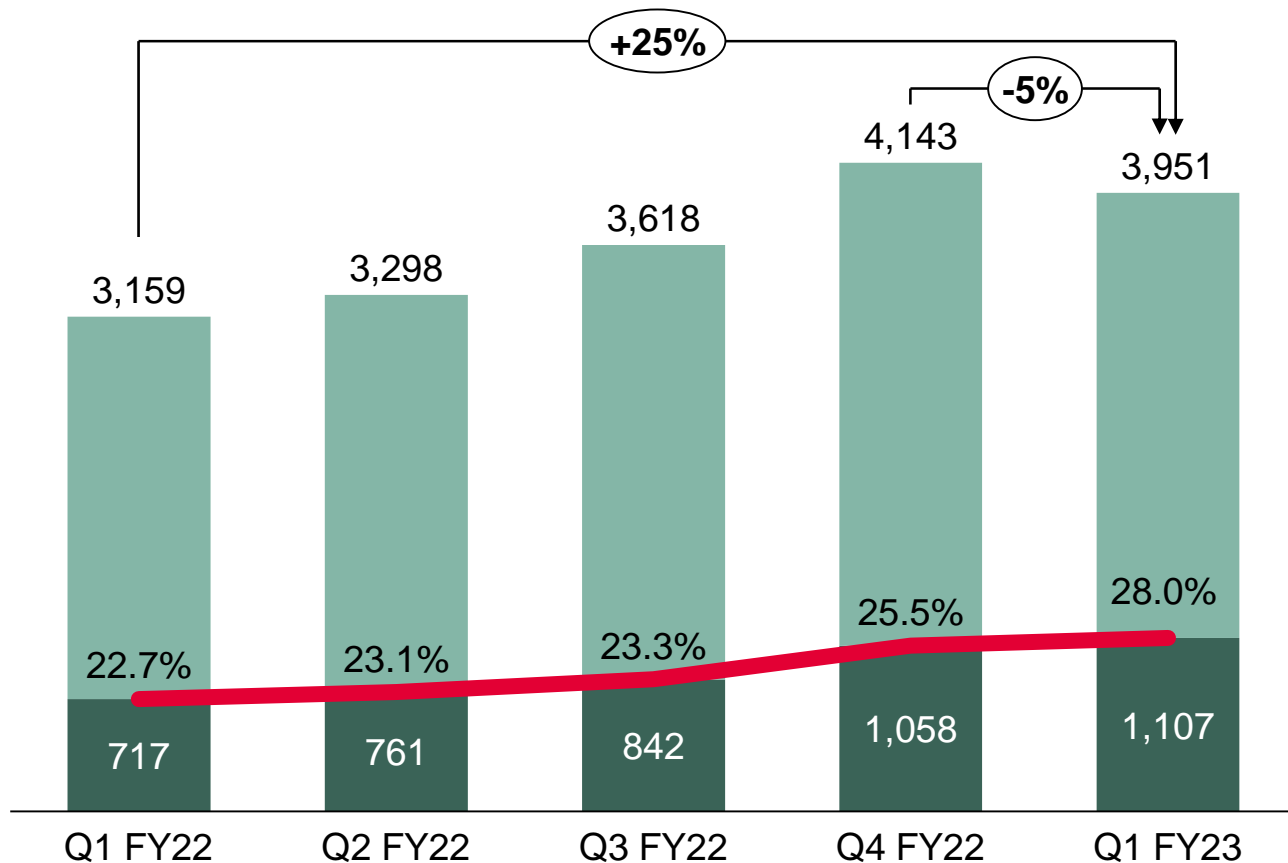


¹ In alphabetical order

Group financial performance

Revenues and segment result

[EUR m] ■ Revenues ■ Segment result ■ Margin



¹ See notes for definition

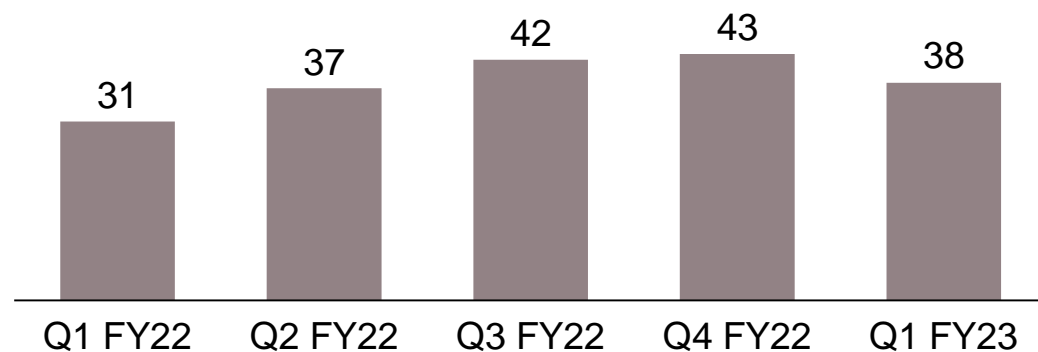
USD exchange rate

Average exchange rate

	<u>Q1</u> <u>FY22</u>	<u>Q4</u> <u>FY22</u>	<u>Q1</u> <u>FY23</u>
∅ USD/EUR	1.14	1.01	1.02

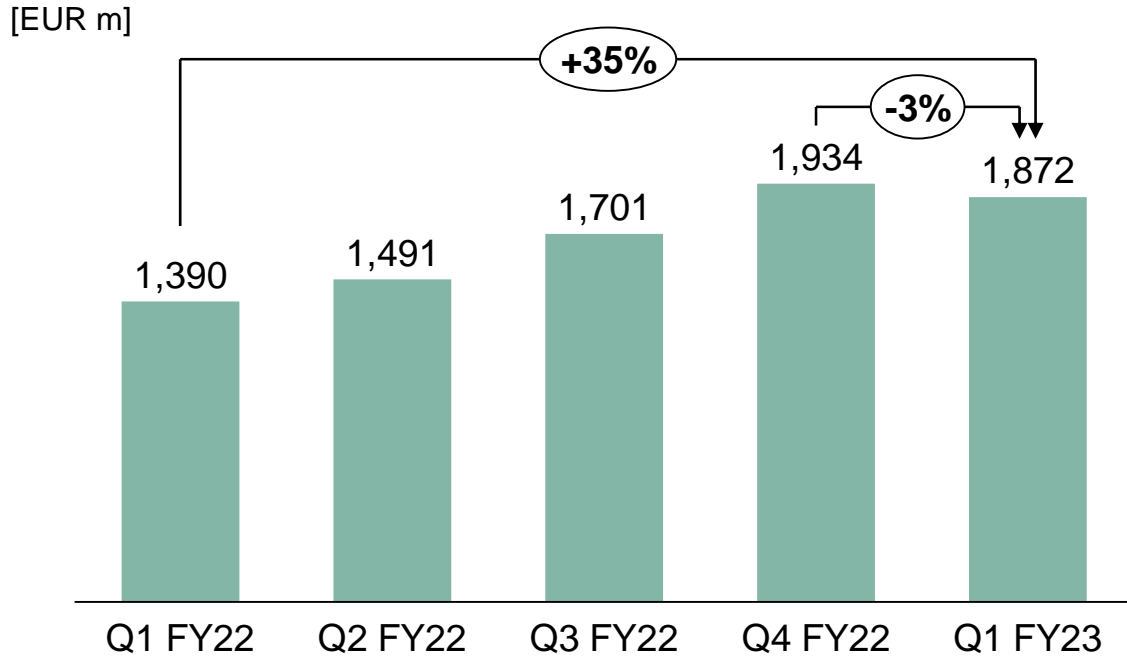
Order backlog¹

[EUR bn]

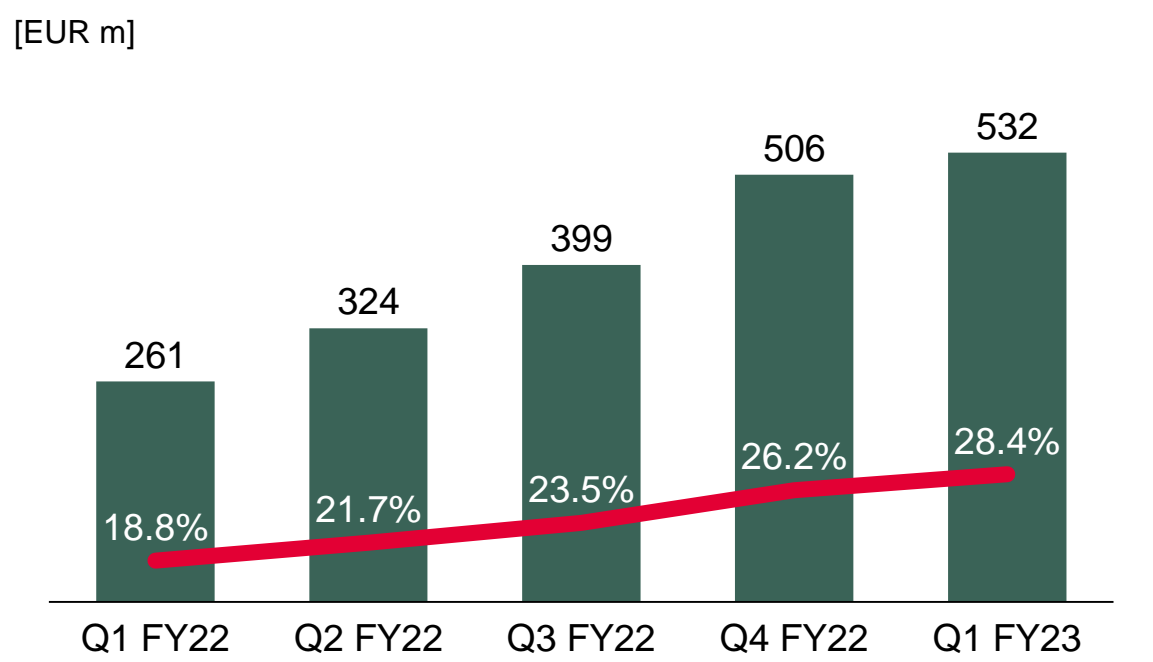


Automotive (ATV)

Revenues



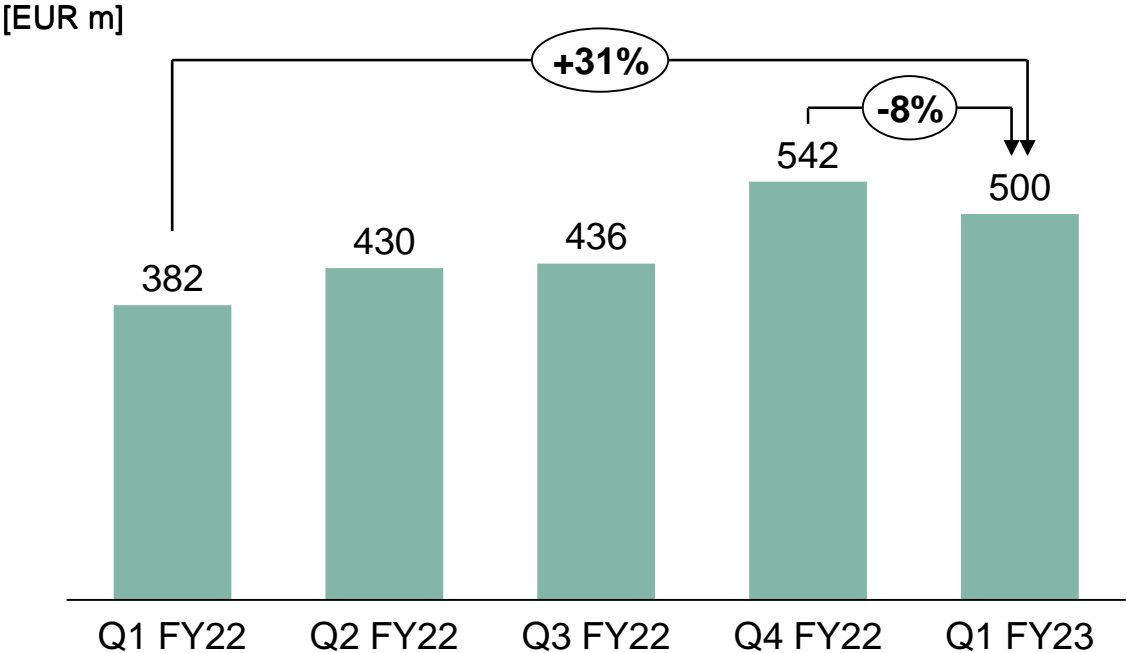
Segment Result



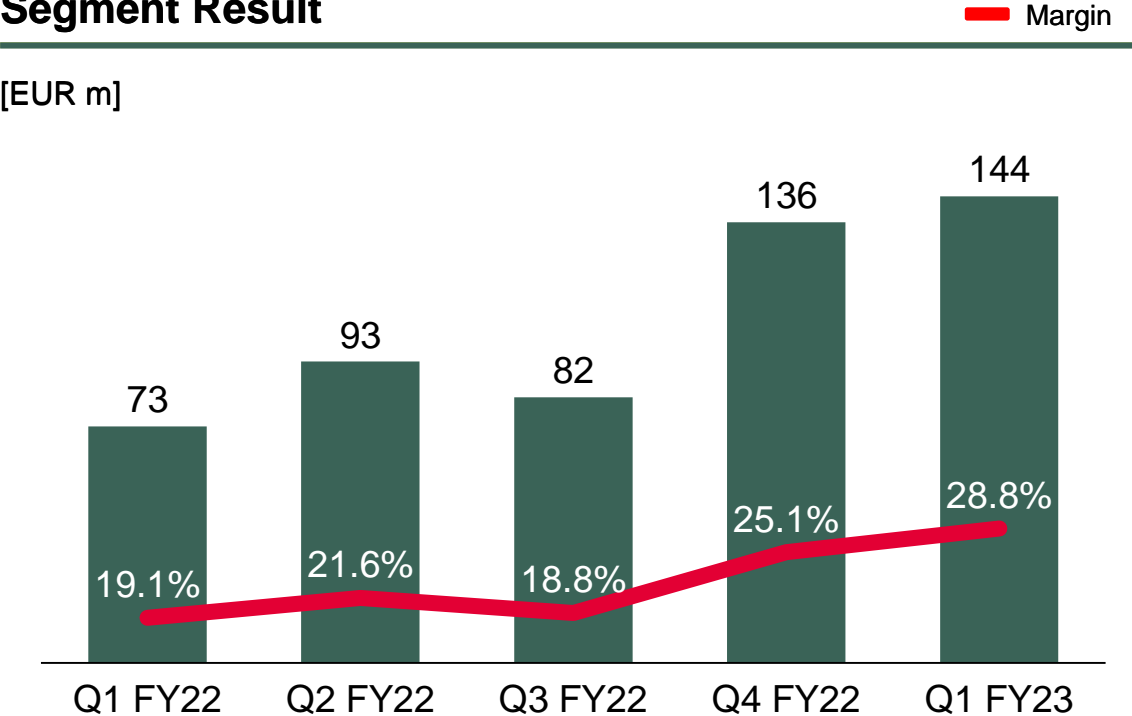
- > Secular content growth trends xEV and ADAS intact and irreversible, slight negative currency impact on quarterly revenue
- > Positive profitability development driven by favorable product mix and pricing impact
- > Supply-demand imbalance overall improving, however, automotive MCUs and power devices remaining tight

Industrial Power Control (IPC)

Revenues



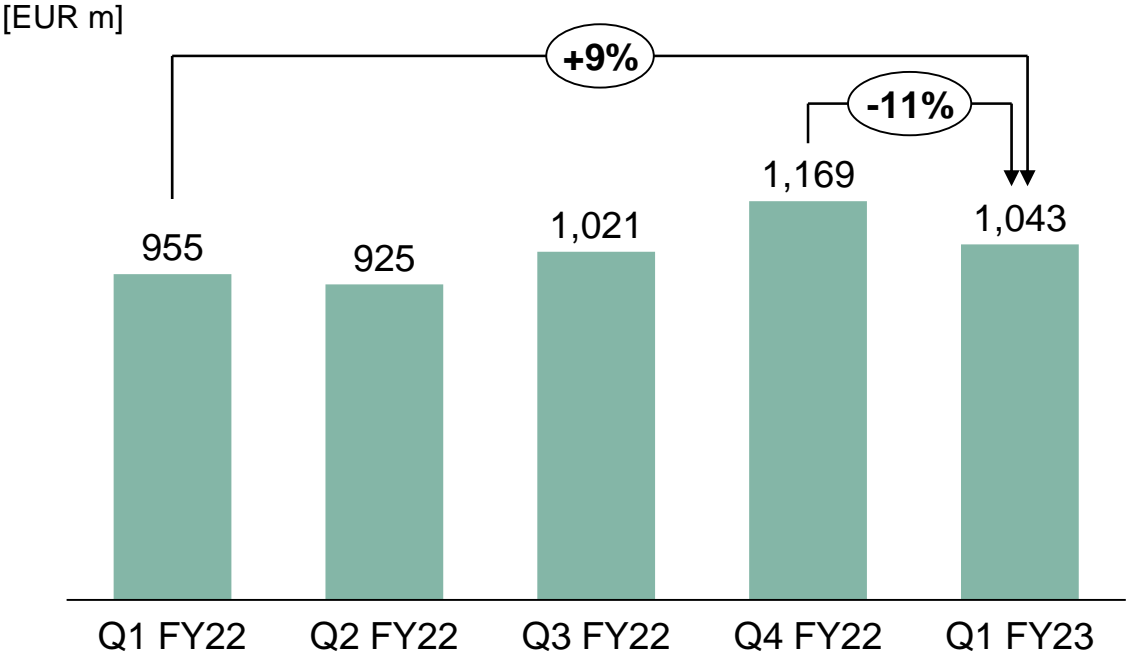
Segment Result



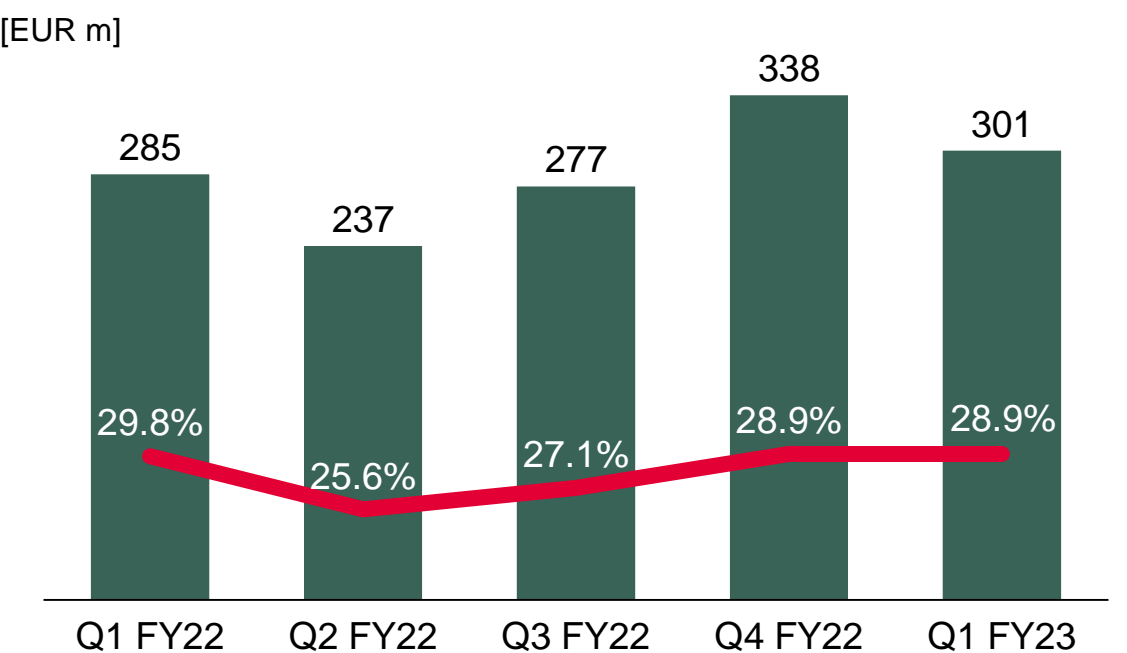
- › Seasonal decline after record FQ4 in most applications, except transportation
- › Margin expansion driven by pricing and mix effects
- › Renewable energy-related applications robust, driven by decarbonization and energy autarky

Power & Sensor Systems (PSS)

Revenues



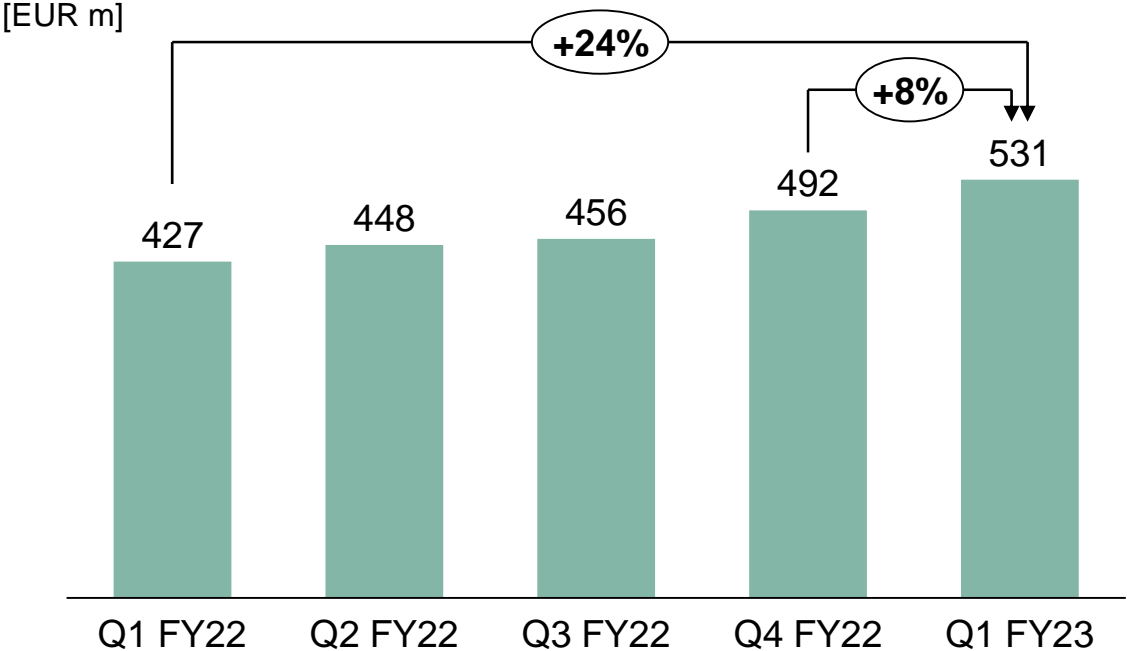
Segment Result



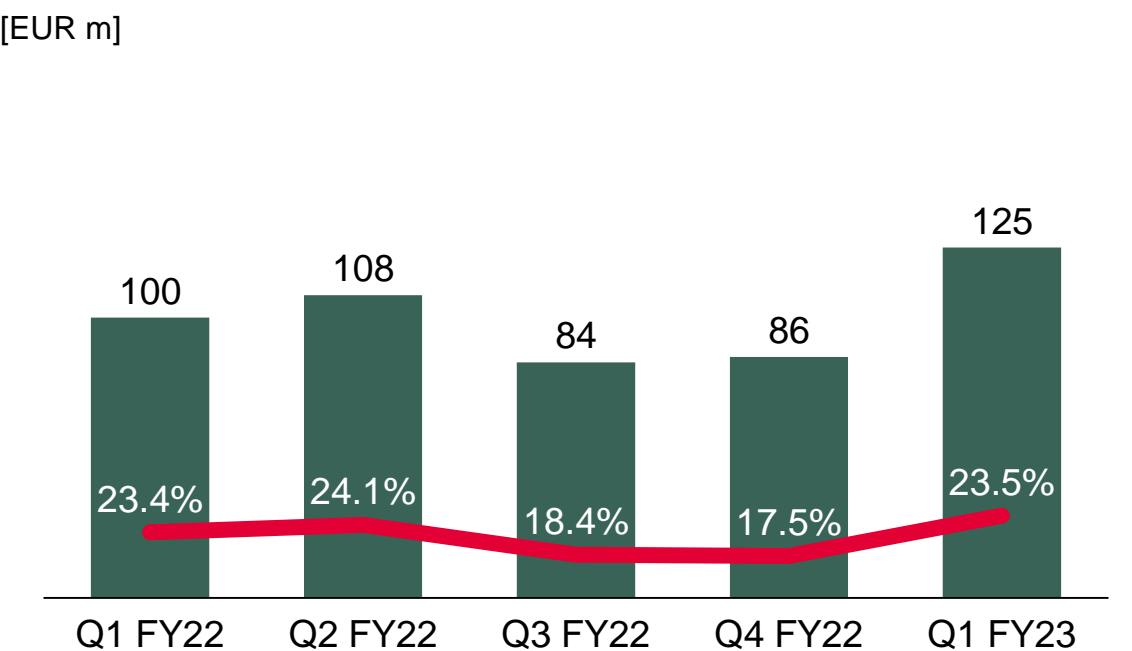
- > Strong margin level retained for this quarter despite notable softness in consumer, computing and communication
- > Sluggish demand across majority of target applications becoming visible, near-term revenue and margin decline expected
- > Good momentum for applications linked to decarbonization, like residential solar installations and automotive charging

Connected Secure Systems (CSS)

Revenues



Segment Result

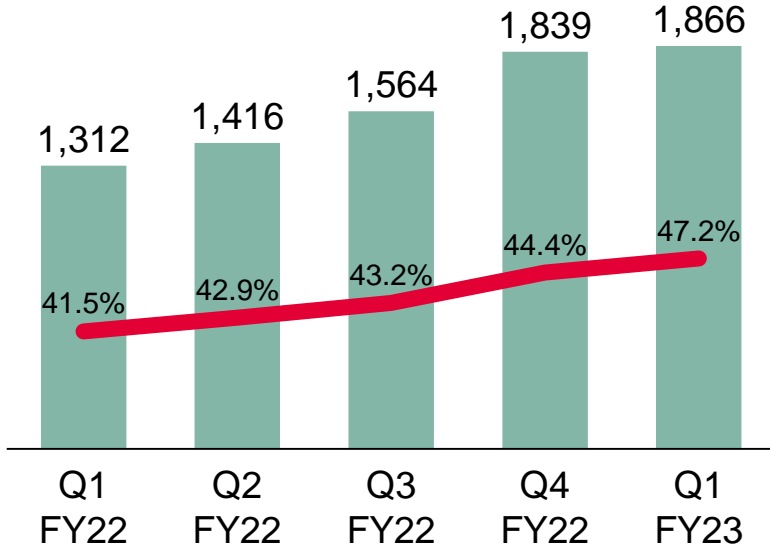


- > Record-level quarterly revenue supports 600bps sequential increase in profitability
- > Security solutions for payment and government ID showing high resilience, demand for Bluetooth® rebounded
- > Slowdown in consumer applications cushioned by solid order backlog

Gross margin and Opex

Gross profit

[EUR m] █ Gross margin as reported
█ Gross profit as reported



Therein non-segment result charges

[EUR m]

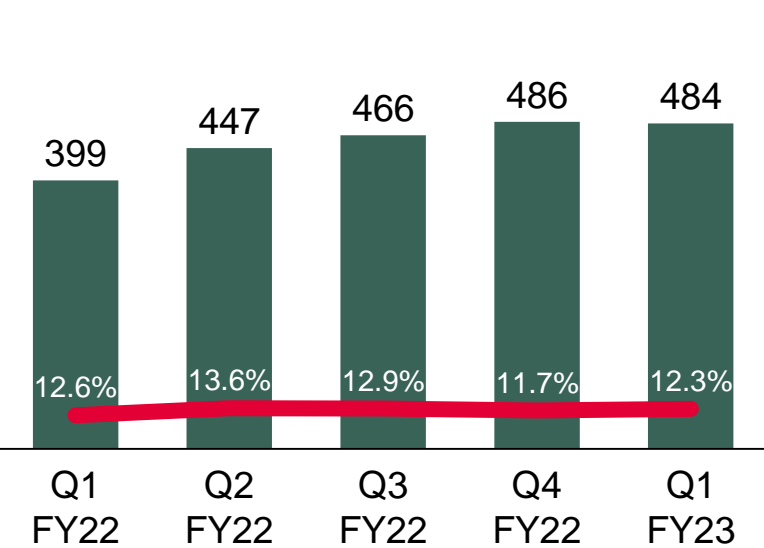
76	82	78	81	76
----	----	----	----	----

Adjusted gross margin

43.9%	45.4%	45.4%	46.3%	49.2%
-------	-------	-------	-------	-------

R&D

[EUR m] █ R&D expenses as % of revenue
█ R&D expenses



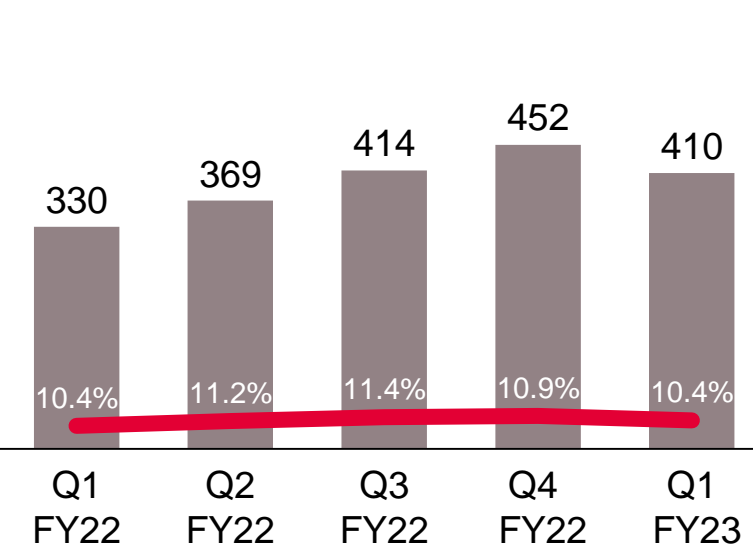
Therein non-segment result charges

[EUR m]

6	6	7	12	10
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SG&A

[EUR m] █ SG&A expenses as % of revenue
█ SG&A expenses



Therein non-segment result charges

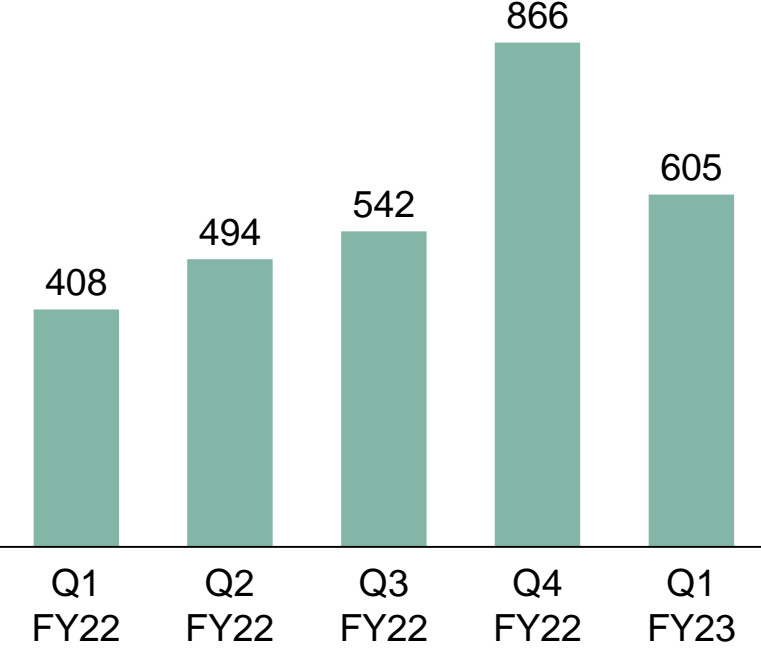
[EUR m]

47	50	62	56	53
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Investments, Depreciation & Amortization and Free Cash Flow

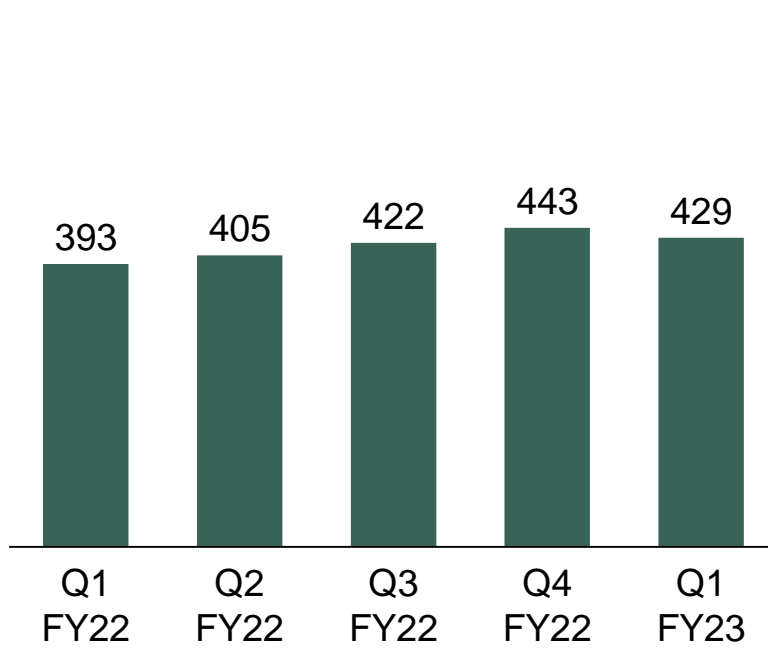
Investments

[EUR m]



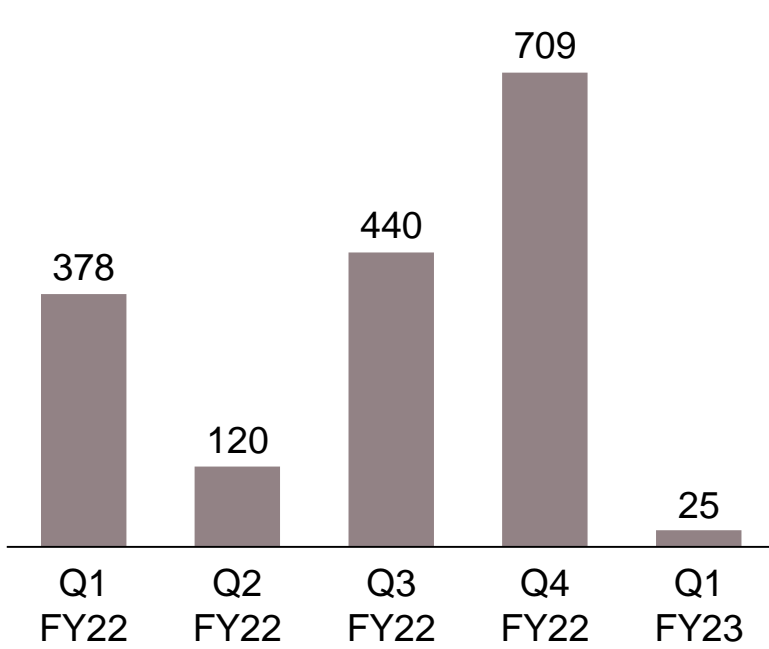
Depreciation & Amortization

[EUR m]



Free Cash Flow

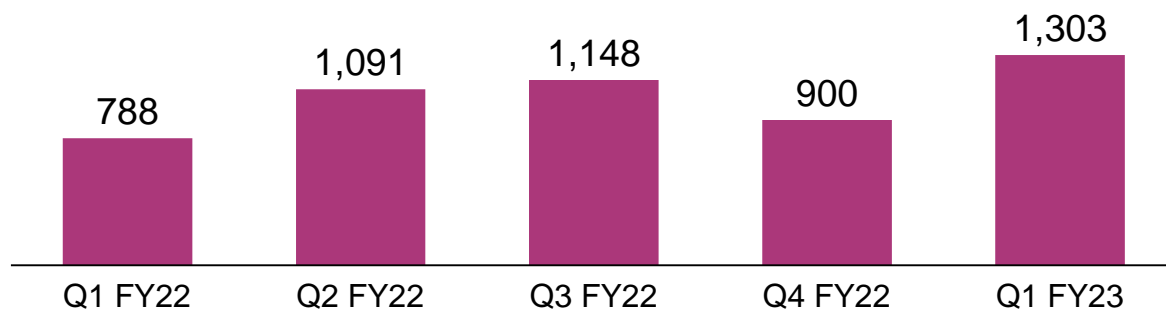
[EUR m]



Working Capital, in particular trade working capital components

Working capital¹

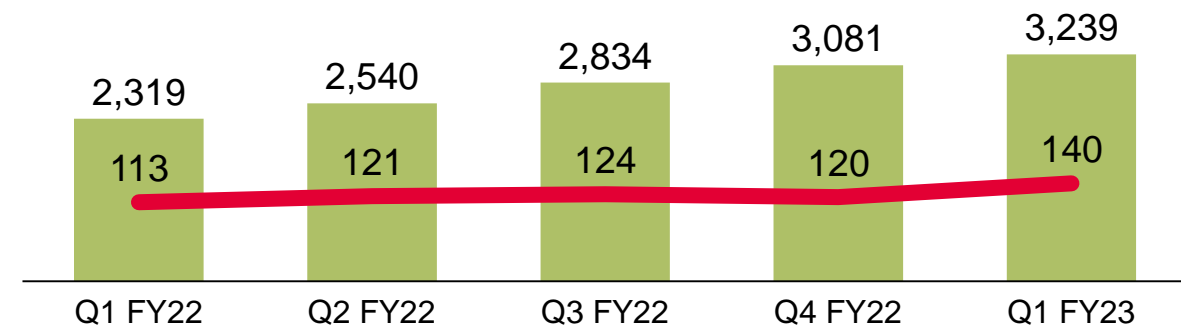
[EUR m]



Inventories

[EUR m]

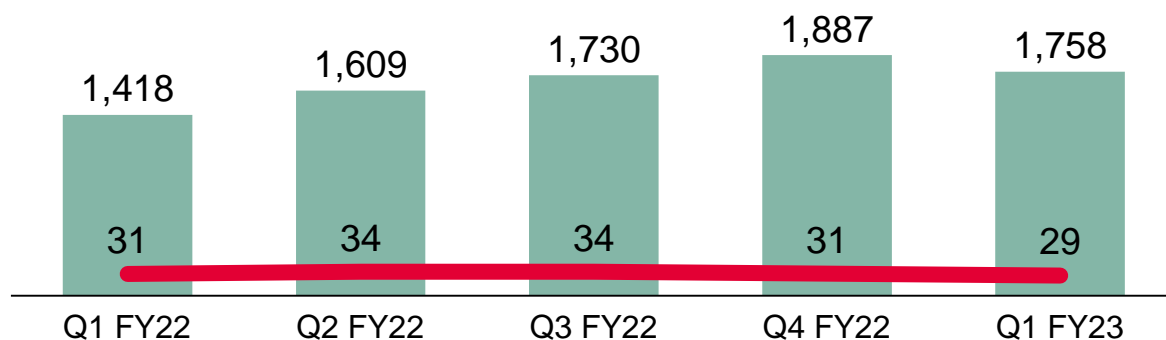
[days]



Trade receivables

[EUR m]

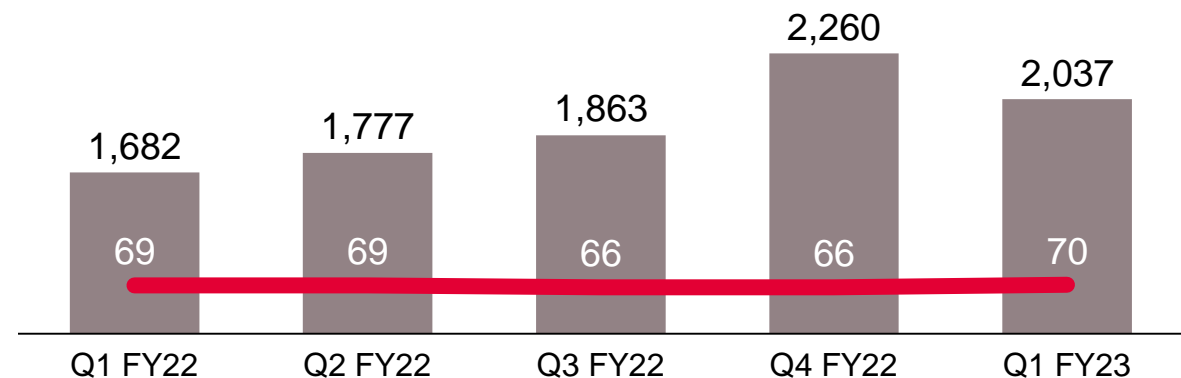
[days]



Trade payables

[EUR m]

[days]

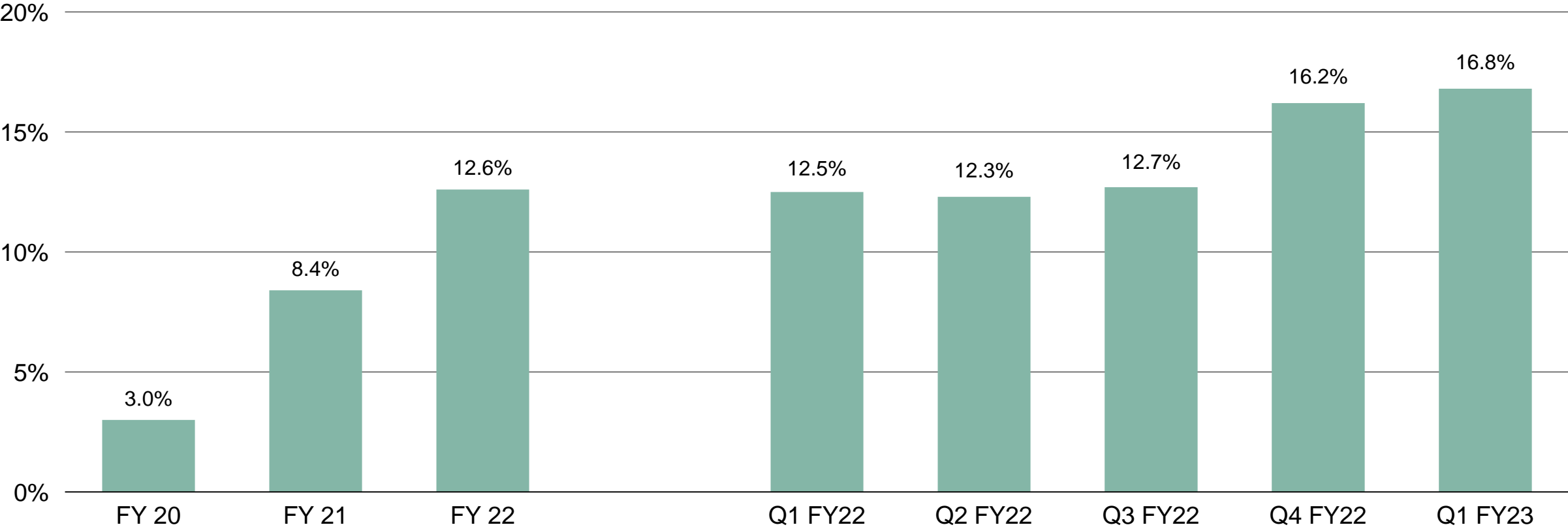


¹ For definition please see page "Notes"

² Along with the integration of Cypress refund liabilities to customers are presented under "other current liabilities" instead of "trade receivables". Prior quarters' figures were adjusted accordingly for better comparability.

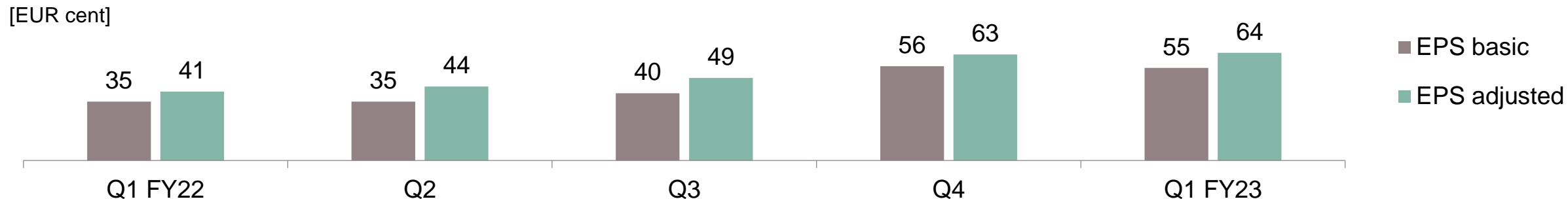
Return on capital employed

Historical development

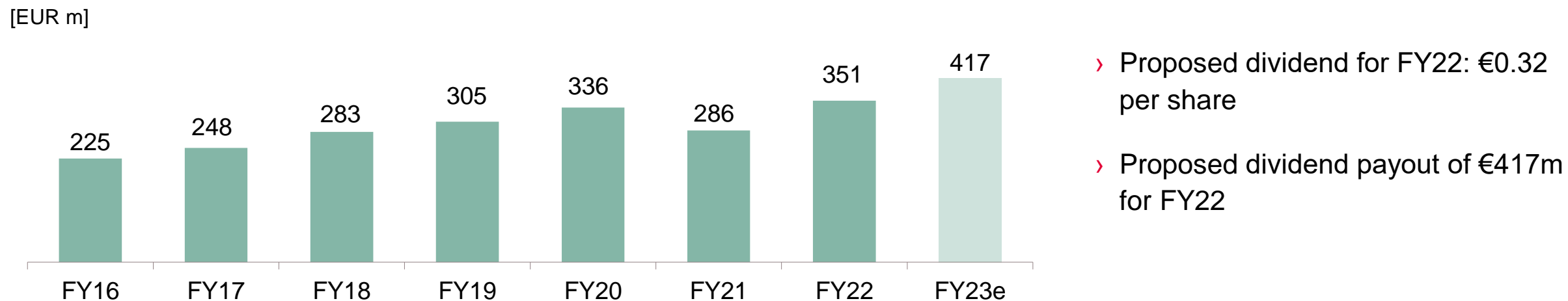


Earnings-per-share and total cash return

Development of earnings-per-share (EPS) from continuing operations



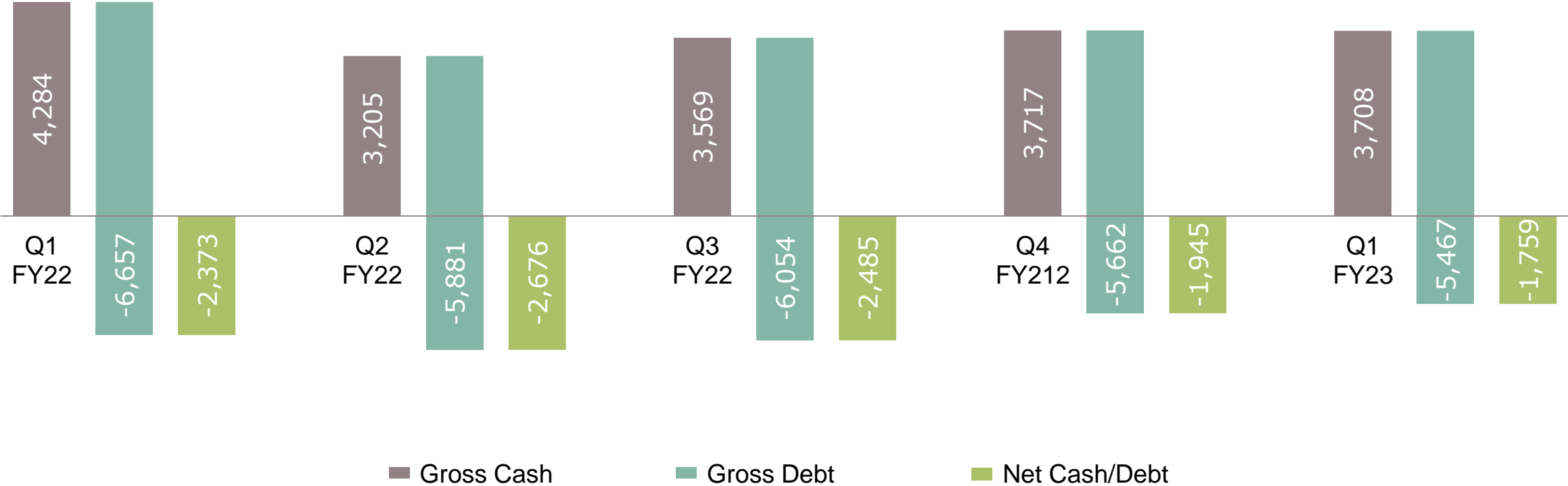
Total cash return to shareholders via dividends



Liquidity development

Historical liquidity development

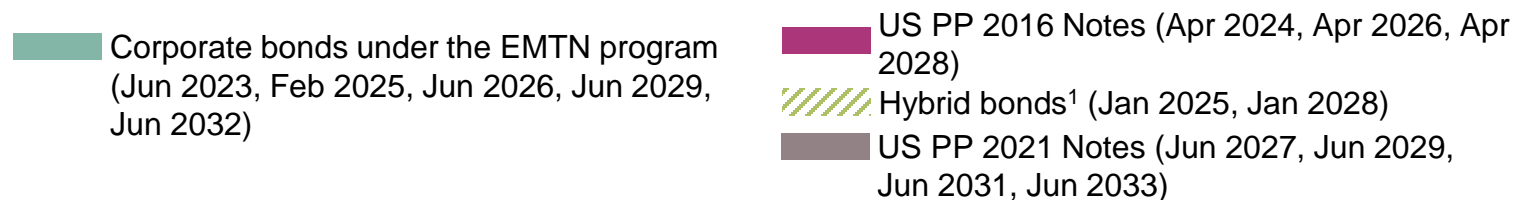
[EUR m]



Maturity profile

Maturity profile from 2023 to 2034

[EUR m; US\$ m; nominal values]



Graph excludes additional debt totaling €3m maturing in 2023.

1) On 1 Oct 2019, Infineon issued a perpetual hybrid bond with two tranches: €600m with first call date in 2025 and €600m with first call date in 2028; both are accounted as equity under IFRS.

Conservative financial policy and strict commitment to investment-grade rating are the basis for through-cycle flexibility



	Financial Policy Targets	Status Quo (LTM 31 December 2022)
Gross Cash¹	€1bn + at least 10% of revenues → €2.5bn	€1bn + 18% of revenues → €3.7bn
Gross Debt²	≤ 2.0x EBITDA	1.1x EBITDA
Comfortable liquidity position	<ul style="list-style-type: none"> › Flexibility for financing operating activities and investments through the cycle › Cushion for net pension liabilities and contingent liabilities 	
Balanced debt position	<ul style="list-style-type: none"> › Gross debt target commensurate with investment-grade rating › De-leveraging and refinancing after Cypress acquisition completed ahead of schedule 	
Rating	Investment grade	BBB stable outlook (by S&P Global)

¹ Gross cash position is defined as cash and cash equivalents plus financial investments | ² Gross debt is defined as short-term debt and current maturities of long-term debt plus long-term debt. EBITDA is calculated as the total of earnings from continued operations before interest and taxes plus scheduled depreciation and amortization



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Disclaimer

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Glossary

AC	alternating current	IGBT	insulated gate bipolar transistor
ACC	adaptive cruise control	IoT	internet of things
AD	automated driving	IPM	intelligent power module
ADAS	advanced driver assistance system	LED	light-emitting diode
ADC	analog-to-digital converter	MCU	microcontroller unit
AEB	autonomous emergency braking	MEMS	micro electro-mechanical systems
AI	artificial intelligence	MHA	major home appliances
AR/VR	augmented/virtual reality	MIMO	multiple input, multiple output
ASIC	application-specific integrated circuit	ML	machine learning
BEV	battery electric vehicle	MNO	mobile network operator
BLE	bluetooth low energy	MOSFET	metal-oxide silicon field-effect transistor
BMS	battery management system	MV	medium voltage
BoM	bill of Materials	OBC	on-board charger
BPA	bisphenol A	OEM	original equipment manufacturer
CAV	commercial, construction and agricultural vehicles	P2S	Infineon's strategic product-to-system approach
CMOS	complementary metal-oxide-semiconductor	PD	power delivery
DC	direct current	PHEV	plug-in hybrid electric vehicle
E/E	electrical/electronic architecture	PMIC	power management integrated circuits
ECU	electrical control unit	PoL	point of load
eSE	embedded secure element	PSoC	programmable system-on-chip
eSIM	embedded subscriber identity module	PUE	power usage effectiveness
ESS	energy storage systems	PV	photovoltaic
EV	electric vehicle	RAC	risk-adjusted capital
FCEV	full cell electric vehicle	RAM	random-access memory
FHEV/MHEV	full/mild hybrid electric vehicle	RF	radio frequency
FoM	figure of merit	SBC	system basis chip
F-RAM	ferroelectric memory	Si	silicon
GaN	gallium nitride	SiC	silicon carbide
HMI	human machine interaction	SiGe	silicon-germanium
HV	high voltage	SNR	signal-to-noise ratio
HVAC	heating, ventilation, air conditioning	SWP	single wire protocol
IC	integrated circuit	ToF	time-of-flight
ICE	internal combustion engine	WBG	wide band gap, specifically referring to SiC and GaN based devices

Notes and ESG footnotes

Investments =	'Purchase of property, plant and equipment' + 'Purchase of intangible assets and other assets' incl. capitalization of R&D expenses
Capital Employed =	'Total assets' – 'Cash and cash equivalents' – 'Financial investments' – 'Assets classified as held for sale' – ('Total Current liabilities' – 'Short-term debt and current maturities of long-term debt' – 'Liabilities classified as held for sale')
RoCE =	Operating profit from continuing operations after tax / Capital Employed = ('Operating profit' – 'Financial result excluding interest result' – 'Share of profit (loss) of associates and joint ventures accounted for using the equity method'-'Income tax') / Capital Employed
Working Capital =	('Total current assets' – 'Cash and cash equivalents' – 'Financial investment' – 'Assets classified as held for sale') – ('Total current liabilities' – 'Short term debt and current maturities of long-term debt' – 'Liabilities classified as held for sale')
DIO (days inventory outstanding; quarter-to-date) =	('Net Inventories' / 'Cost of goods sold') x 90
DPO (days payables outstanding; quarter-to-date) =	('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment']) x 90
DSO (days sales outstanding; quarter-to-date) =	('Trade receivables' - 'reimbursement obligations')* / 'revenue' x 90 *without debtors with credit balances
Order backlog =	The total amount of orders received regardless of their current status

ESG footnotes:

- 1) This figure takes into account manufacturing, transportation, own vehicles, travel, raw materials and consumables, chemicals, water/waste water, direct emissions, energy consumption, waste, etc. as well as direct and indirect energy-related emissions by manufacturing service providers. It is based on data collected internally and publicly available conversion factors and relates to the 2021 fiscal year.
- 2) This figure is based on internally established criteria, which are described in the explanatory notes. The figure relates to the 2020 calendar year and takes into account the following application areas: automotive, LED, induction cookers, servers, renewable energy (wind, photovoltaic) and cell phone chargers as well as drives. CO2 savings are calculated based on the potential savings generated by technologies in which semiconductors are used. The CO2 savings are allocated based on Infineon's market share, semiconductor share, and the lifetime of the technologies concerned, based on internal and external experts' estimations. Despite the fact that carbon footprint calculations are subject to imprecision due to the complex issues involved, the results are nevertheless clear.

Financial calendar

Date	Event	Location
16 February 2023	Annual General Meeting	
22 February 2023	Goldman Sachs European Technology Conference	London
27 Feb - 1 March 2023	Mobile World Congress	Barcelona
3 March 2023	Susquehanna Technology Conference	virtual
6-7 March 2023	Morgan Stanley, Technology, Media and Telecom Conference	San Francisco
9-10 March 2023	Oddo BHF TMT Forum	Paris
15-16 March 2023	Citi TMT Conference	London
30 March 2023	Stifel German Corporate Conference	Copenhagen
4 May 2023 ¹	Q2 FY23 results	
3 August 2023 ¹	Q3 FY23 results	
15 November 2023 ¹	Q4 FY23 and FY 2023 results	

¹ preliminary

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