Fourth Quarter FY 2023 Quarterly Update

Infineon Technologies AG
Investor Relations

Infineon at a glance

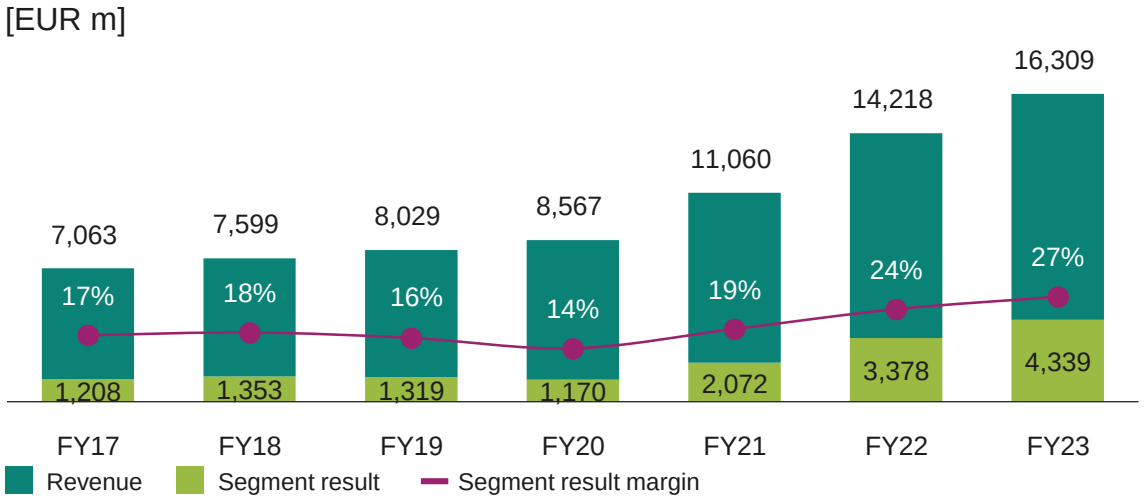
Addressing long-term high-growth trends

Energy
green and efficient

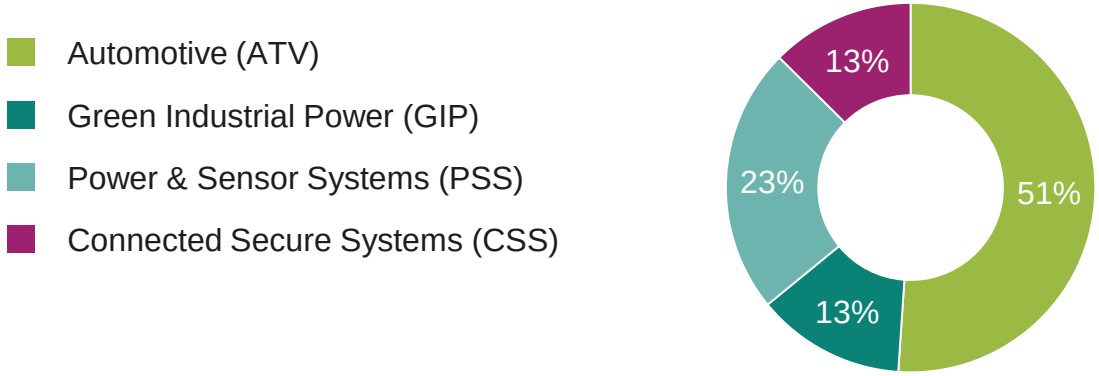
Mobility
clean and safe

IoT
smart and secure

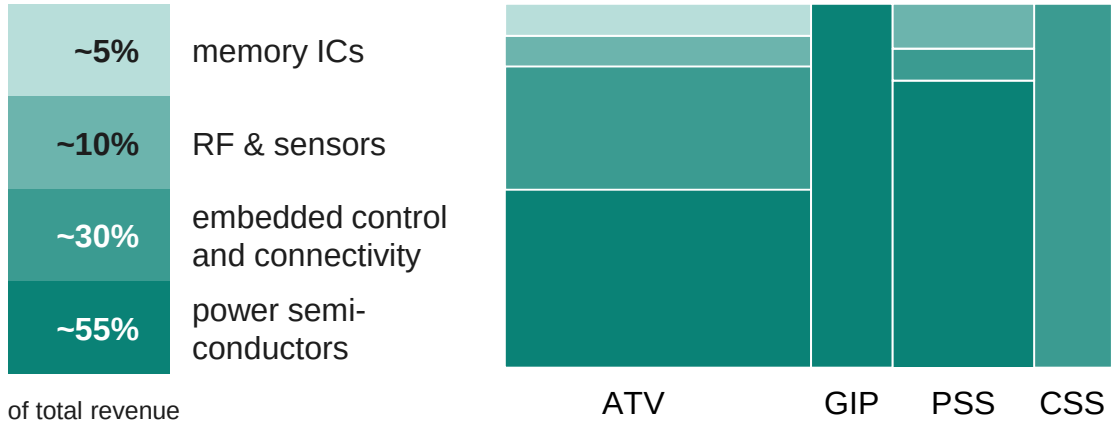
Financials



FY23 revenue by segment



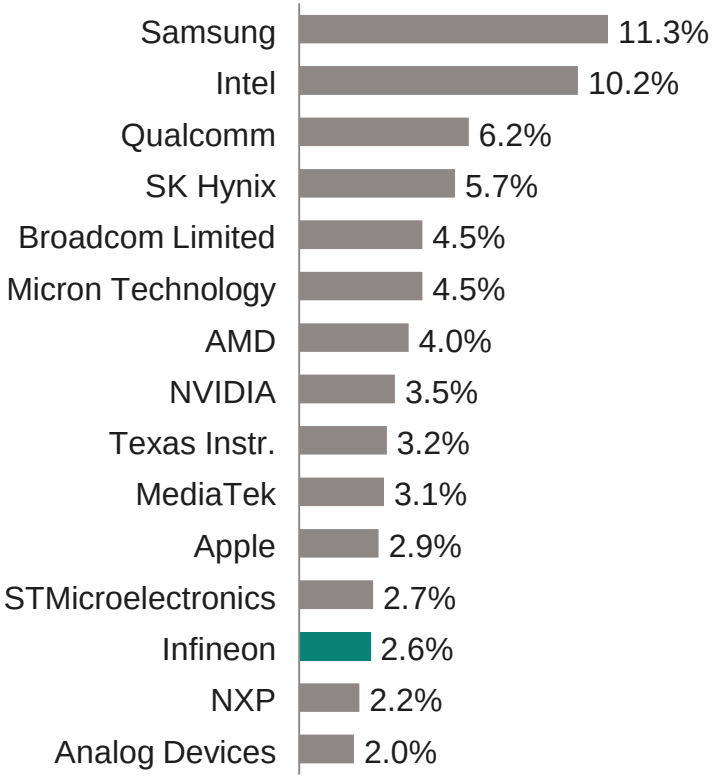
FY23 revenue by product category



Infineon is a global player, clear #1 in power semiconductors, and ranked #5 in the overall microcontroller market

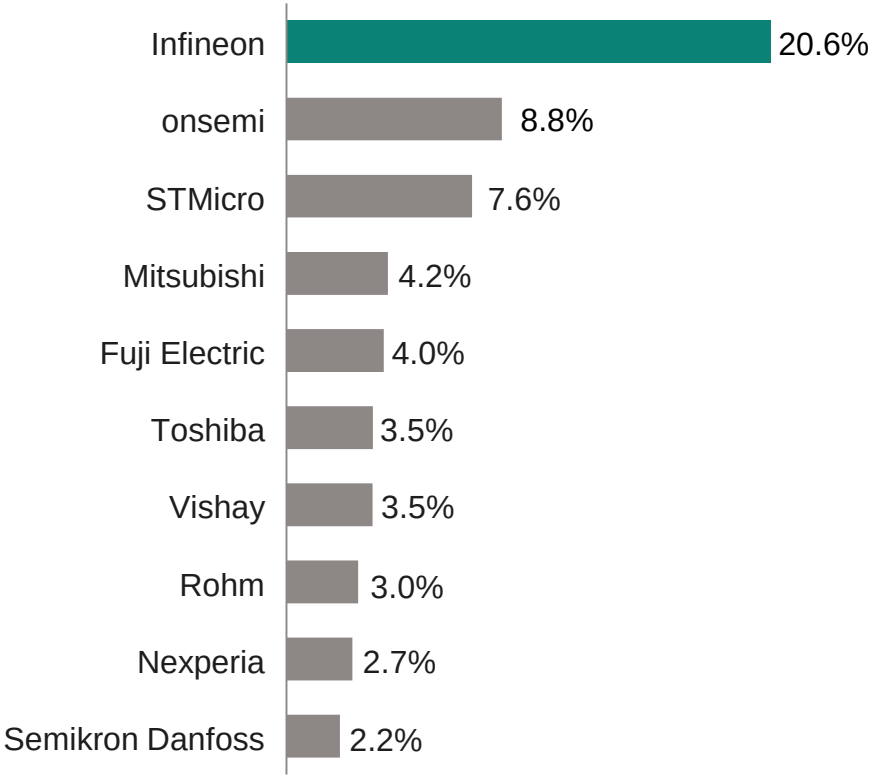
Semiconductor suppliers

2022 total market: USD 596bn[1]



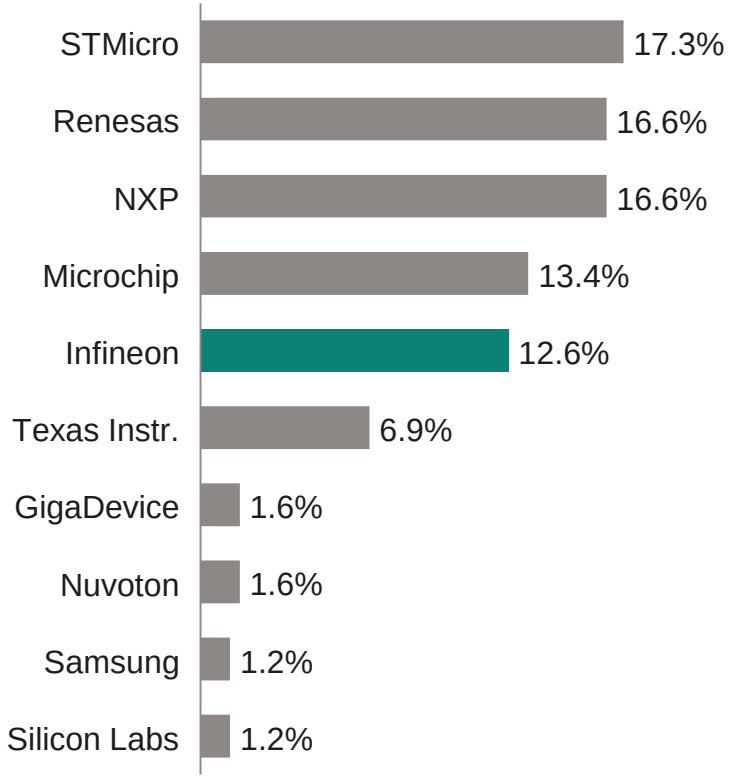
Power discretes and modules

2022 total market: USD 28.1bn[2]



MCU suppliers

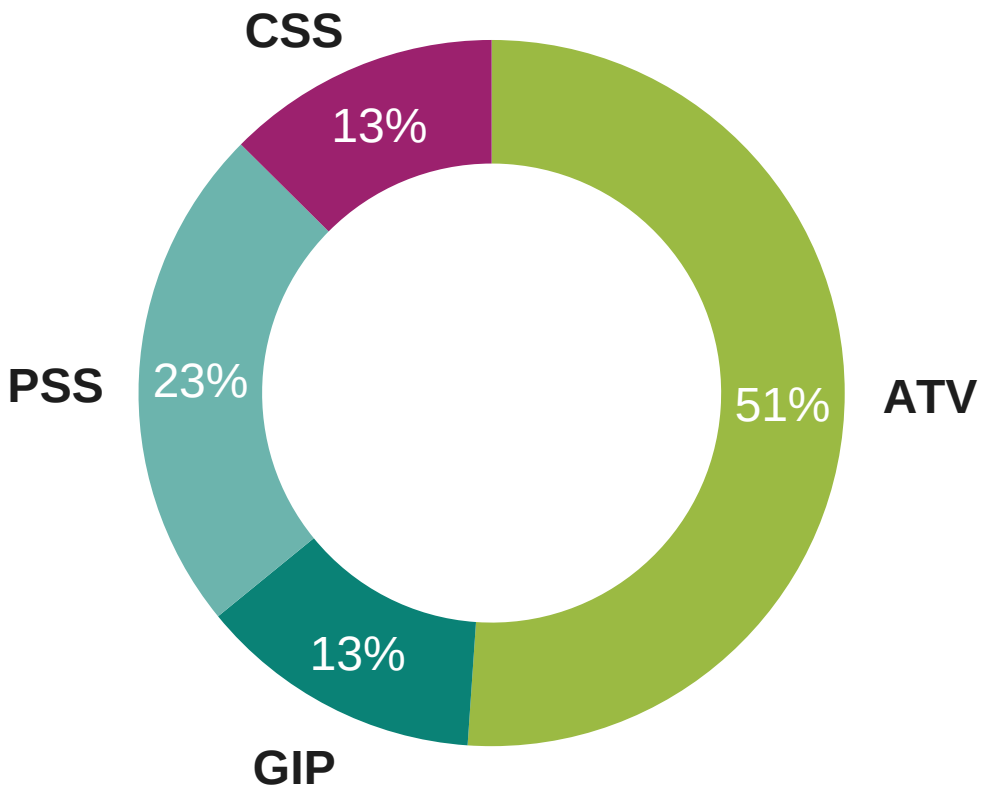
2022 total market: USD 26.9bn[1]

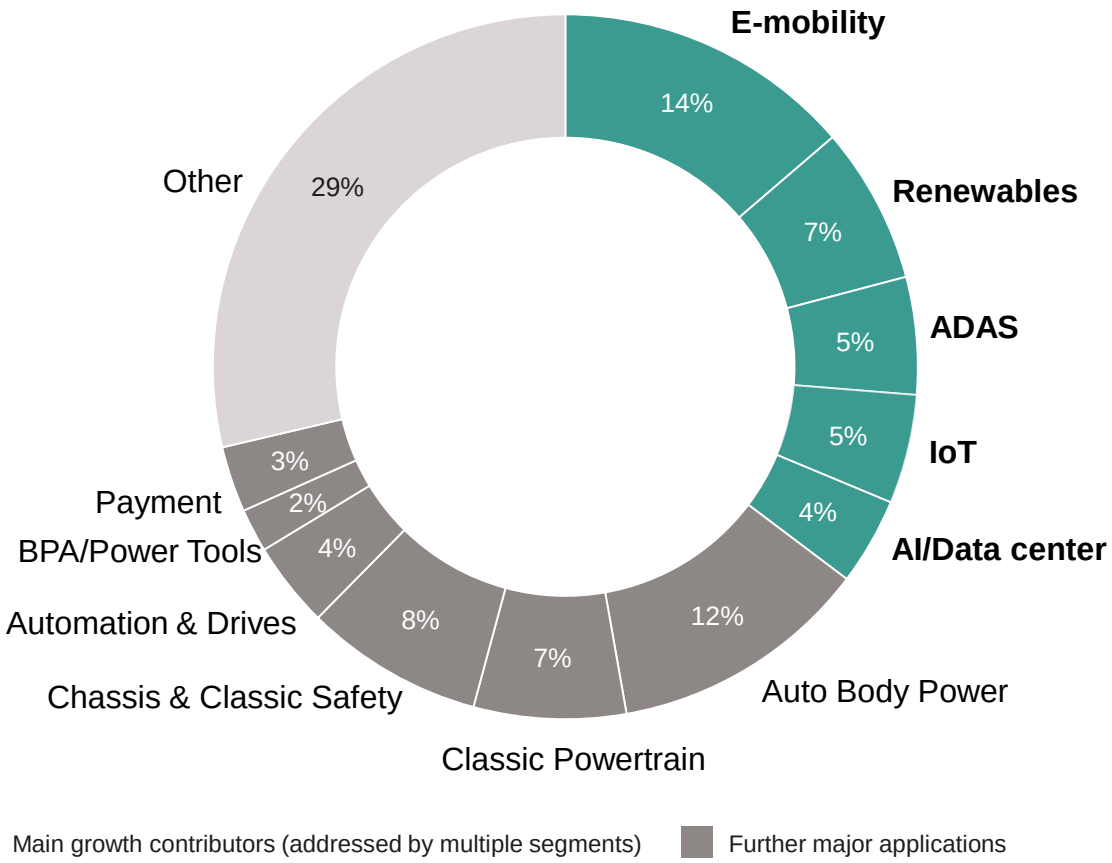


[1] Based on or includes research from Omdia: *Annual 2001-2022 Semiconductor Market Share Competitive Landscaping Tool – 1Q23.* May 2023.
[2] Based on or includes research from Omdia: *Power Semiconductor Market Share Database – 2022.* September 2023.
Results are not an endorsement of Infineon Technologies 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

FY23 revenue of €16,309m by segment and key application





Undisputed power systems leadership mastering all three key materials

- Reliable multi sourcing of raw materials
- World-scale fabs

Controller | **Driver IC** | **Power switch** (Si/SiC/GaN)

Software + Algorithms

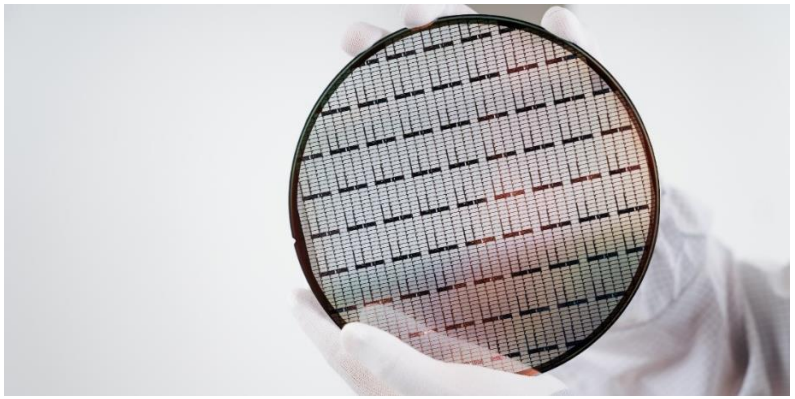
- Application understanding
- Packaging know-how and hybridization competence

Leadership in Power Systems across all materials and technologies

Silicon
Diode – MOSFET – IGBT – Driver – Controller

Silicon carbide
Diode – MOSFET

Gallium nitride
HEMT – Driver



GaN Systems acquisition successfully closed

Strengthening GaN portfolio, reinforcing global leadership in Power Systems

Addressing fast-growth applications with **highly complementary strengths** in IP, application understanding, customer access and project pipeline

Significant **roadmap acceleration** through unmatched R&D resources and application expertise

Leadership in Power Systems through mastery of all relevant power technologies – Si, SiC, GaN

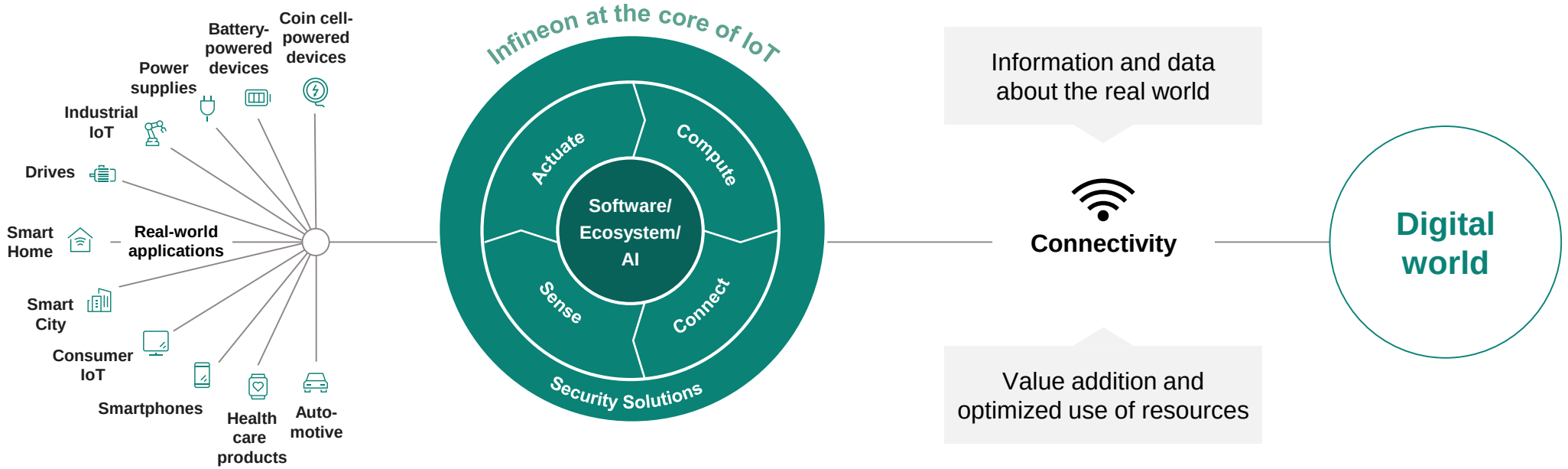
Infineon at the core of IoT – driving digitalization by serving strongly growing multi-application markets

Consumer IoT

Industrial IoT

Automotive IoT

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

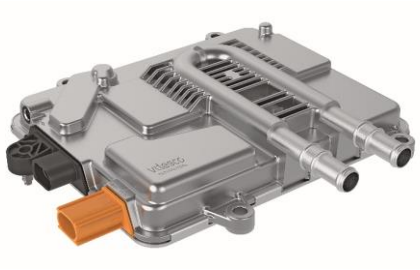
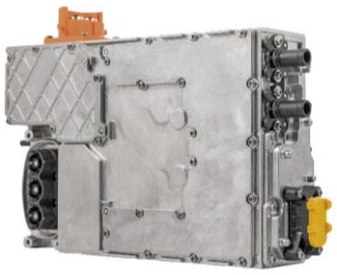


Infineon and Vitesco intensify long-term partnership: AURIX™ TC4x MCUs for E/E architecture to reach volume of > €1bn

AURIX™ TC4x MCU family in new E/E architectures

- The multi-year agreement takes effect starting in 2027 and will last until mid of next decade
- The high-performance AURIX™ TC4x MCUs combine power and performance enhancements for use in
  - next-generation master and zone controllers
  - next-generation software-defined vehicle
  - xEV: traction inverter, OBC, DC-DC converter, BMS
  - power distribution, cybersecurity, network functions

vitesco TECHNOLOGIES

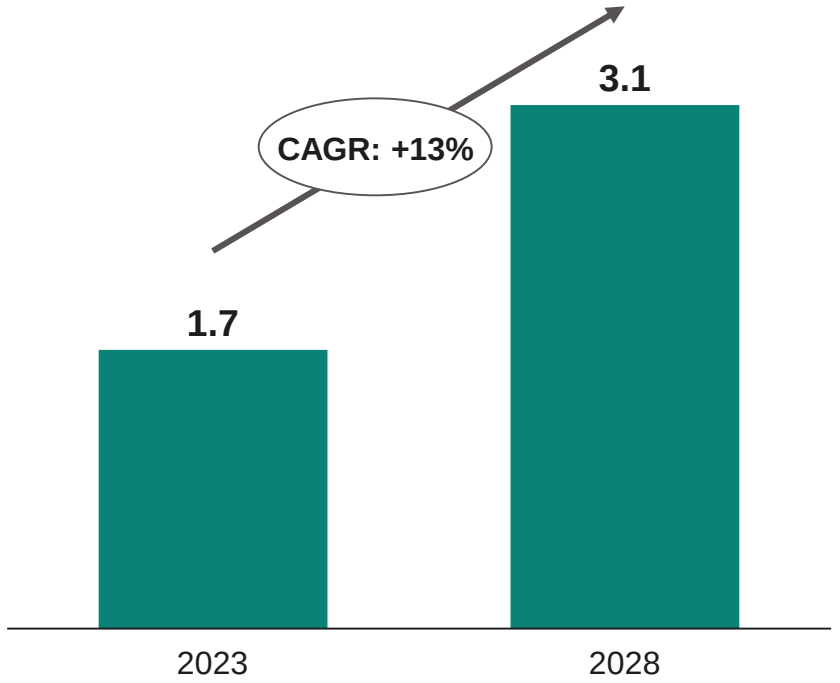
master controller unit	zone controller unit	DC-DC converter	High-voltage electronics	e-motor electronics
				

Infineon acquires Ultra-Wideband (UWB) pioneer 3db Access to further strengthen its connectivity portfolio

The acquisition of 3db Access enables Infineon to:

- add UWB to its connectivity range, including Wi-Fi, Bluetooth/Bluetooth Low Energy, and NFC solutions
- strengthen its portfolio for secured smart access, precise localization and enhanced sensing
- accelerate its IoT roadmap for leveraging the market opportunities of secured, connected devices
- create full system solutions with unique features that combine low-power consumption, enhanced physical layer security, feature-rich RF front-end configurations and localization-optimized hardware architecture

UWB Chipset Market Growth[1] [USD bn]



- Infineon's target applications in automotive, industrial and consumer IoT are expected to drive significant growth in the UWB market in the next years

[1]Source: ABI Research – Wireless Connectivity Technologies (Q3-2023)

Decarbonization and digitalization are accelerating structural growth of Infineon's target markets

Decarbonization **Digitalization**

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

Supported by …

From product thinking to system understanding

P2S

Software capability

Digital marketing and sales
Eye-level strategic partnerships

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

Target Operating Model
through cycle

Revenue growth	**>10%**
Segment Result Margin	**25%**
Adj. Free Cash Flow Margin[1]	**10-15%**

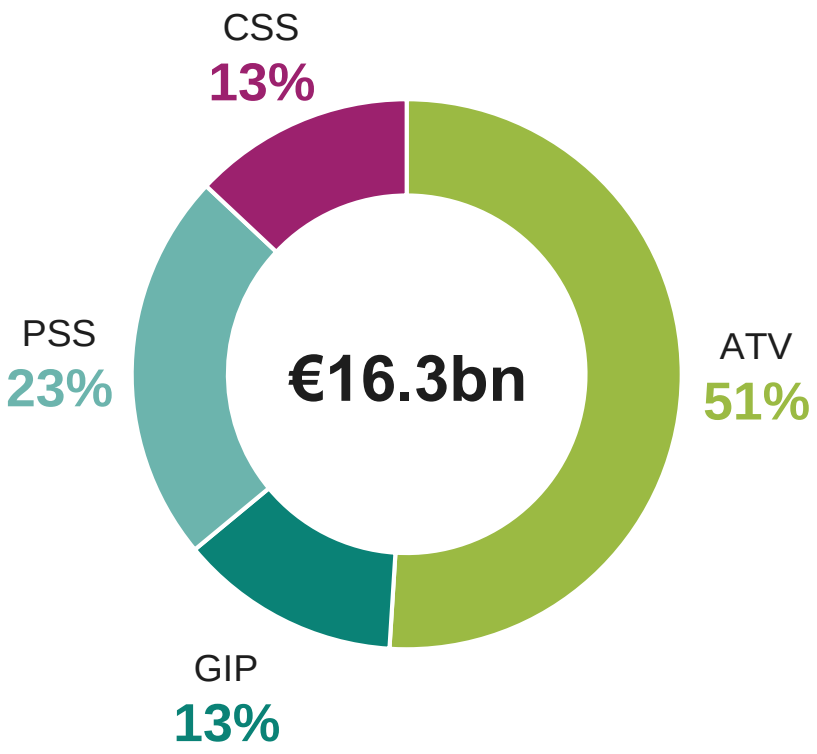
Sustainability leader
CO_2 neutrality 2030

[1] Excluding major frontend buildings

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

FY23

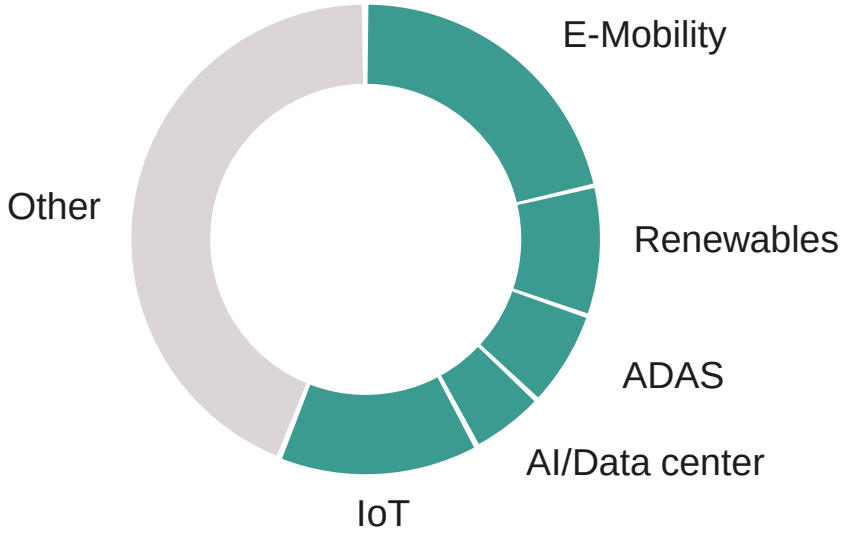
Revenue by division



>10%
CAGR

FY22-27e

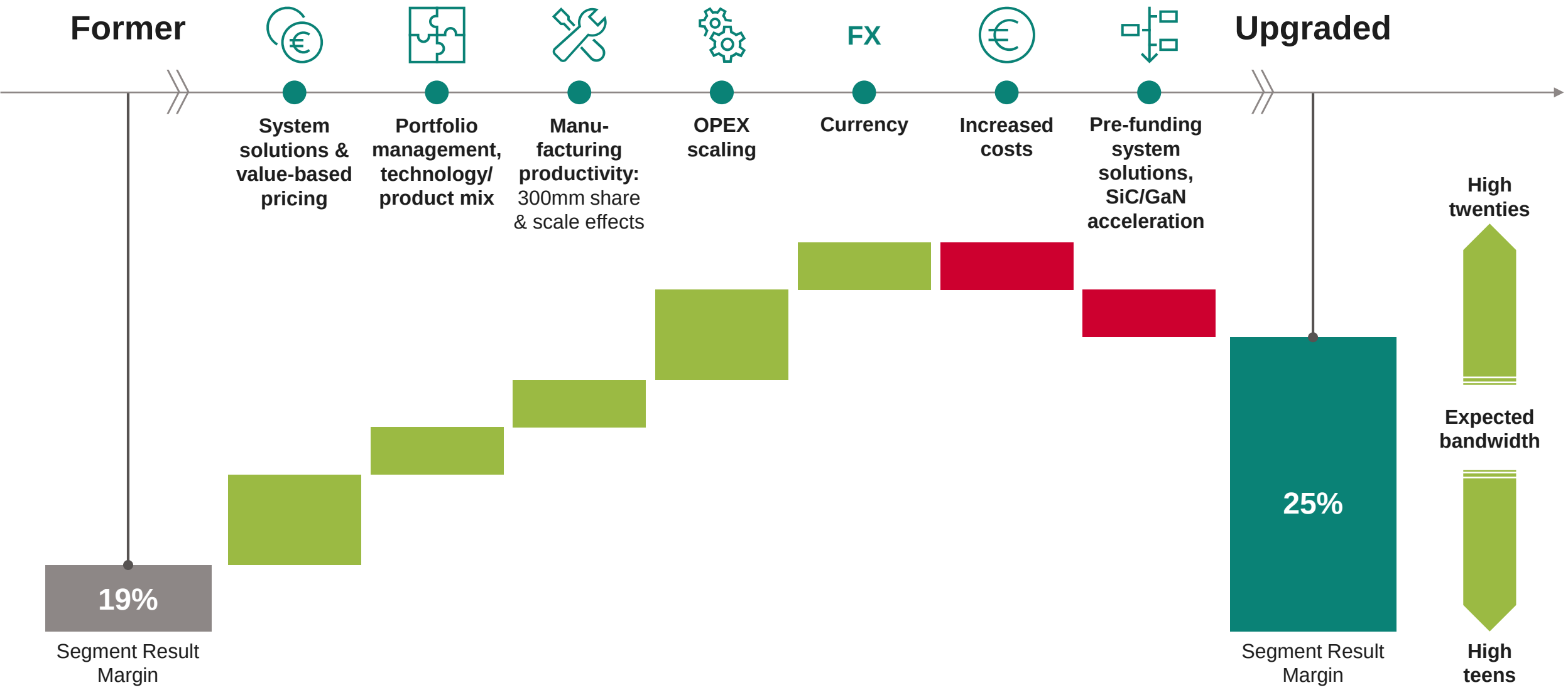
Revenue growth contribution by driver



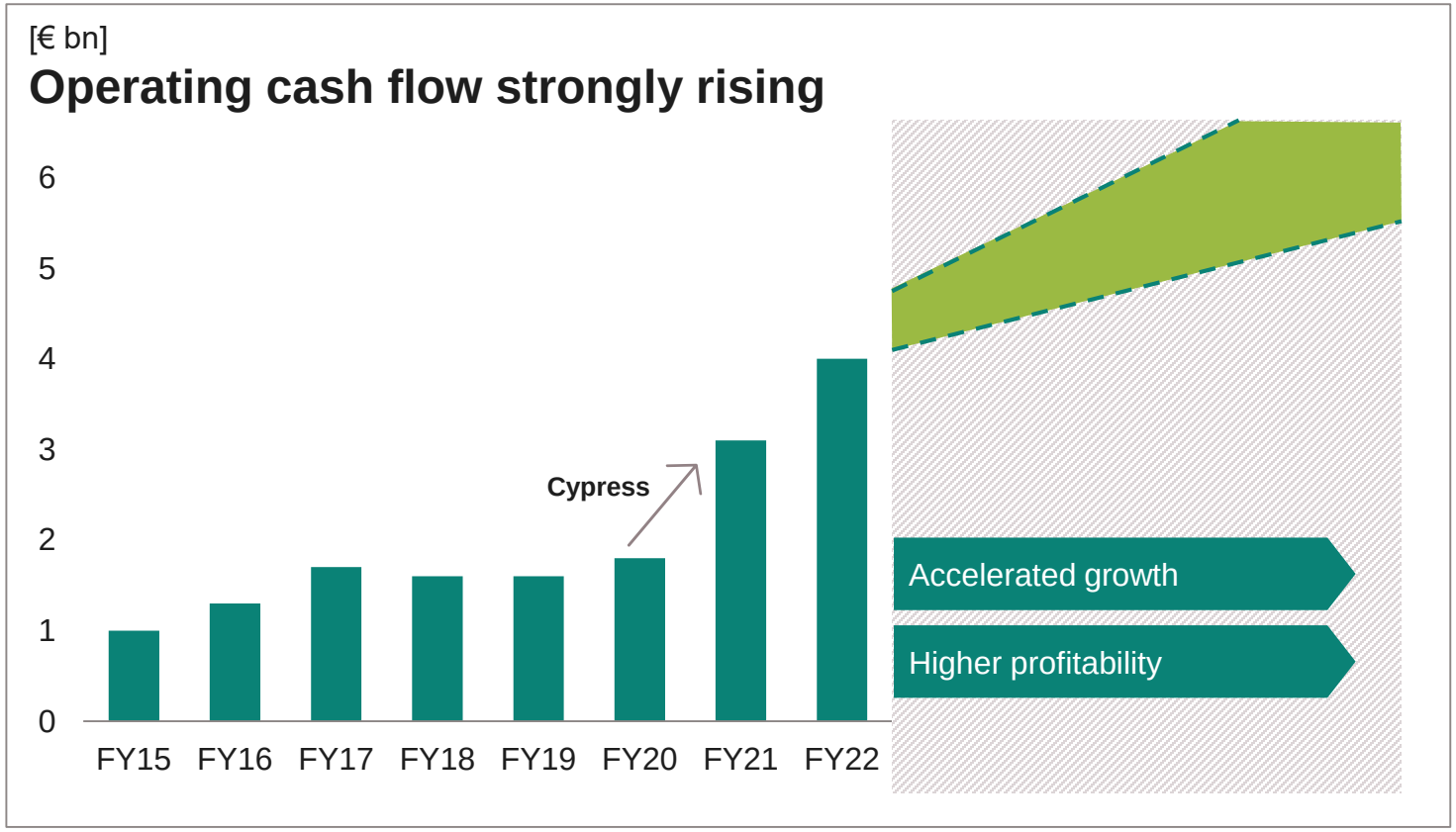
Through cycle growth rates by division

ATV	GIP	PSS	CSS
>10%	>10%	~10%	~10%

Our 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



- Accretive investments into high organic growth
- Operating cash flow expected to outgrow investments
- Differentiated in-house manufacturing complemented by ~40% outsourcing share over time
- FY24-28: ~€4.5bn cum. investments into major frontend buildings

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

Outlook for Q1 FY24 and FY24

	Outlook Q1 FY24[1]	Outlook FY24[1]
Revenue	~ €3.8bn	€17bn +/-500m
Adj. Gross Margin		~45%
Segment Result Margin	~22%	~24%[2]
FCF/adj. FCF		~€400m/~€2.2bn
Investments		~€3.3bn
D&A		~€2.1bn[3]

[1] Based on an assumed average exchange rate of $1.05 for €1.00
[2] At the mid-point of revenue guidance
[3] Including the amortization of around 400 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

CO_2 burden[1]

3 million tons of CO_2 equivalents

Ratio

~1:34

CO_2 savings[2]

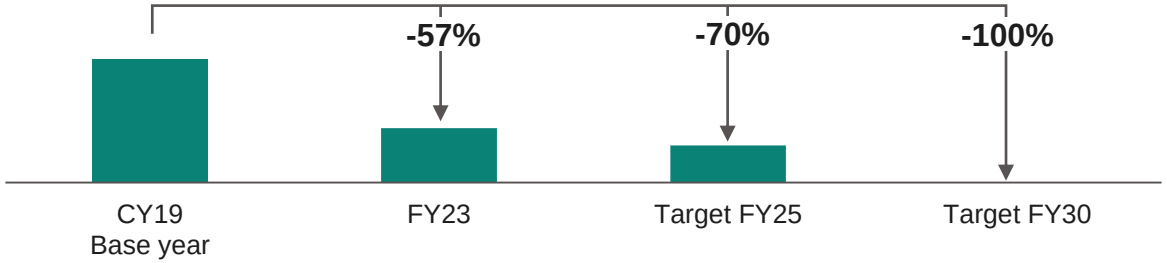
~100 million tons of CO_2 equivalents

On the road to carbon neutrality[3] we achieved significant milestones by

- Using green electricity in Europe and North America and our main sites Kulim and Melaka in Malaysia
- Installation start of PFC abatement system in Austin

Infineon's CO_2 target[3] by 2025 and 2030

Net CO_2 emissions in million tons of CO_2 equivalents



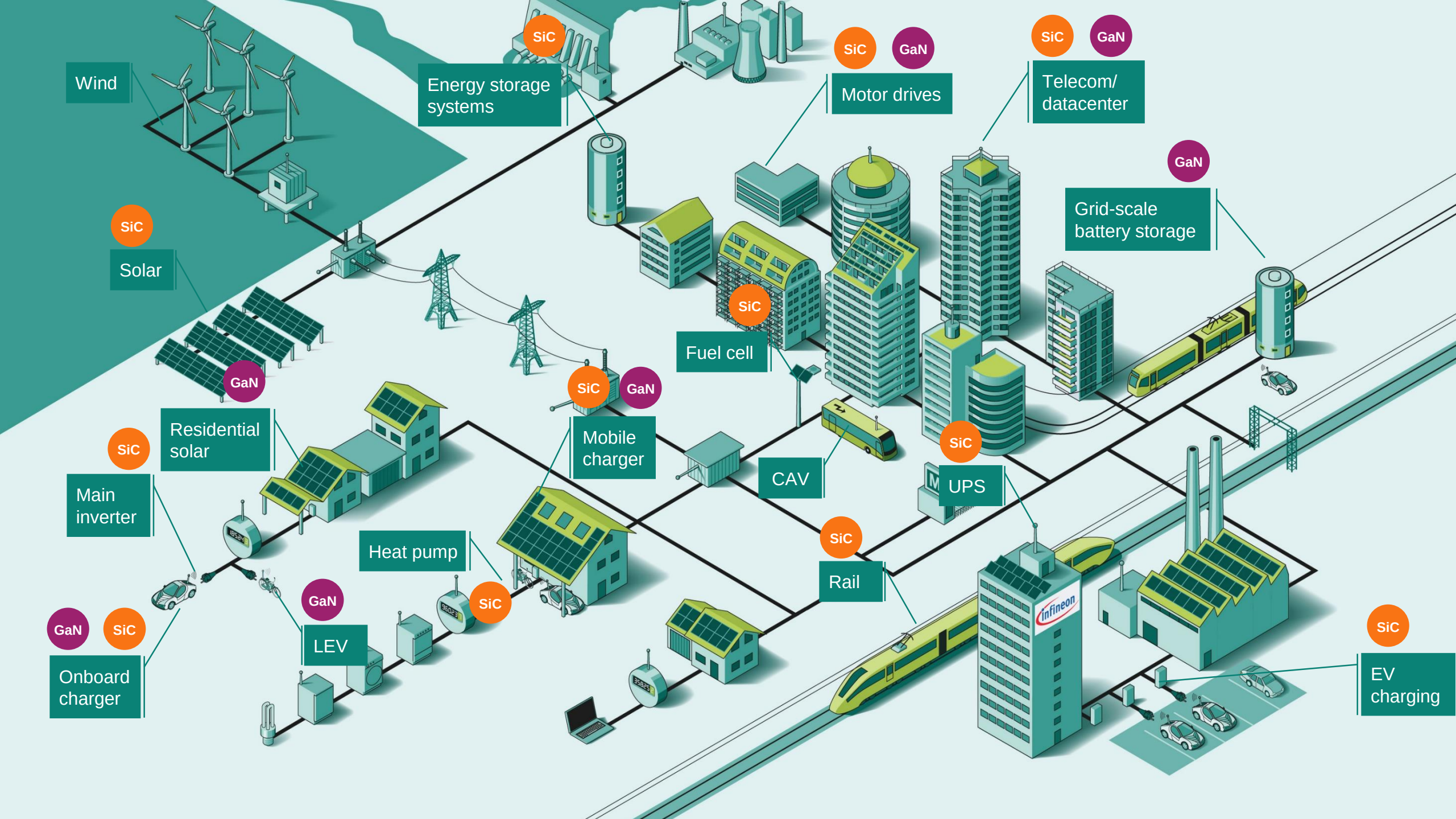
Net ecological benefit: **CO_2 emissions reduction of more than 113 million tons**

[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	05/2023
CDP	A- climate scoring B water scoring	F to A	12/2022
Ecovadis	99th percentile “Platinum” award	0 to 100	03/2023
Dow Jones Sustainability™ Index	83 Dow Jones Sustainability™ World and Europe Index listing	0 to 100	12/2022
ISS ESG Corporate Rating	Prime Status	D- to A+	03/2023
FTSE4Good Index	Index member	–	06/23

Infineon’s wide bandgap strategy


Wind
SiC
Energy storage systems
SiC
GaN
Motor drives
SiC
GaN
Telecom/ datacenter
GaN
Grid-scale battery storage
SiC
Solar
SiC
Fuel cell
GaN
SiC
GaN
Residential solar
SiC
Main inverter
SiC
Mobile charger
CAV
SiC
UPS
Heat pump
SiC
Rail
GaN
SiC
GaN
LEV
SiC
Onboard charger
SiC
EV charging
infineon

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

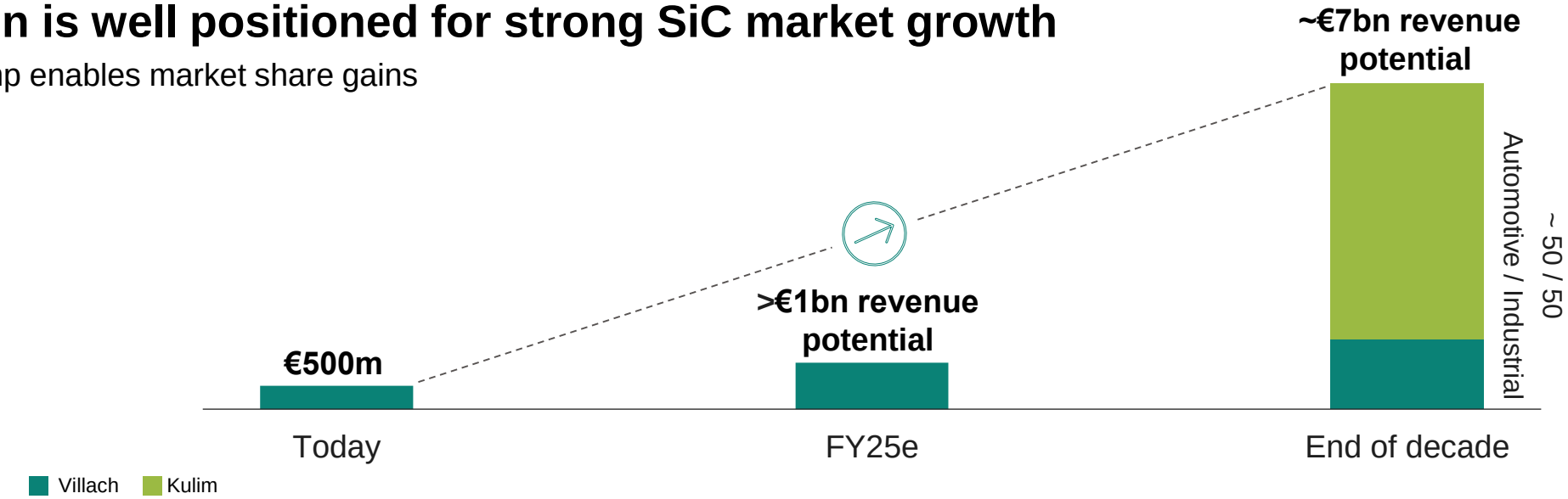
Villach

15x
Increase vs. FY23

Kulim

Infineon is well positioned for strong SiC market growth

Steep ramp enables market share gains



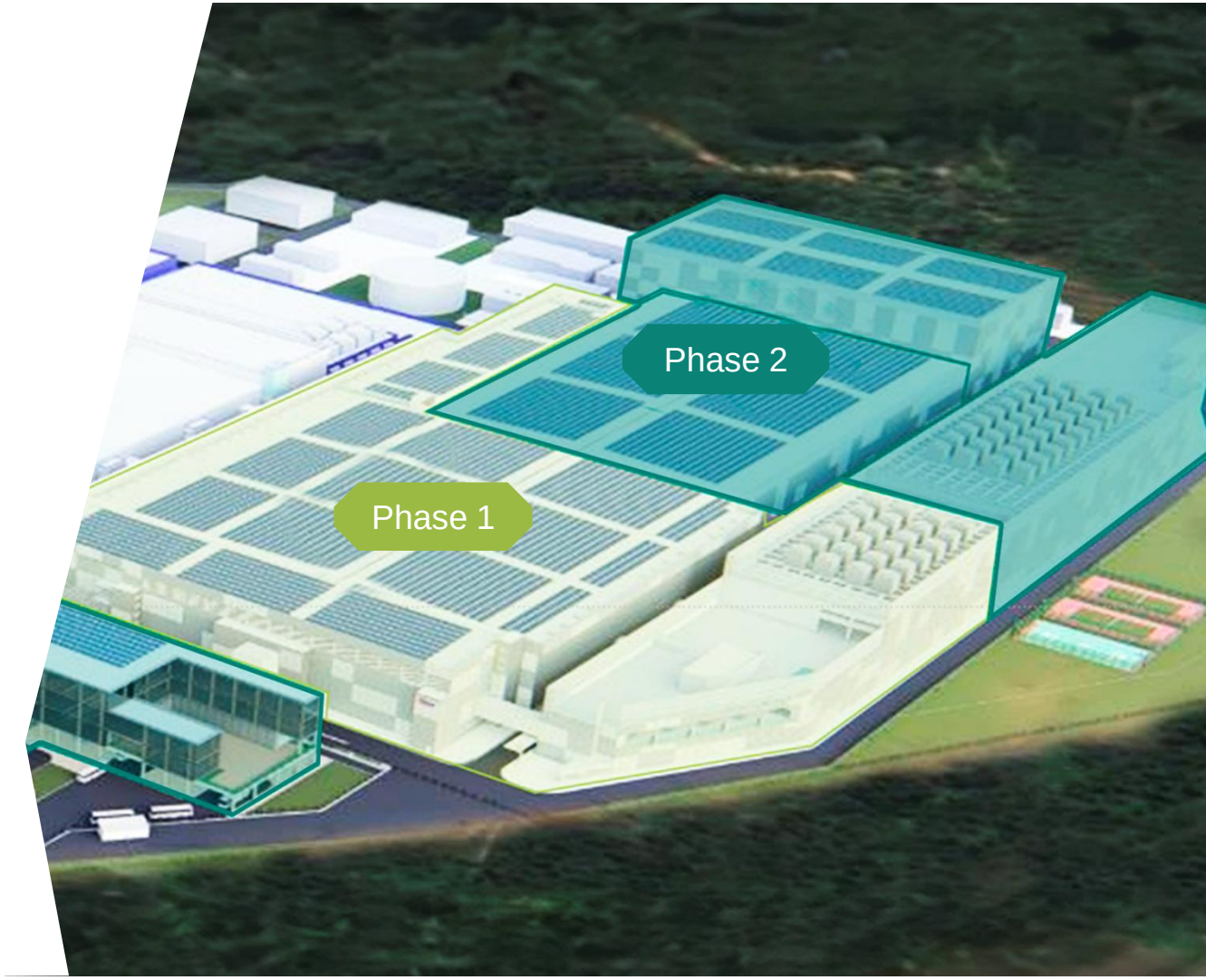
Building the world's largest and most competitive 200-millimeter SiC power fab

Rationale

- **Undisputed leadership** position in power systems across **all materials** based on technology and scale
- Expanding the third module at the existing site in Kulim offers significant advantages – **economies of scale, competitive local cost position, implementation speed** and reliability from existing employees and infrastructure
- **Modular setup** allows for flexibility in ramp-up phase

Kulim 3 phase 2 investment	up to €5bn
Related design-wins	~ €5bn
Customer pre-payments	~ €1bn
Start of production	Summer 2027

Total SiC revenue potential[1] end of decade: ~ €7bn

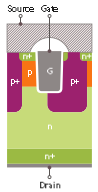


1 Total revenue potential comprises Villach, Kulim 3 phase 1 and phase 2 incl. 200-millimeter conversion

With a world-scale fab complementing existing strengths, Infineon will be the industry's most competitive provider of SiC technology

SiC raw material supply + Cold Split technology

- More than 5 qualified SiC wafer and boule suppliers
- Increased productivity through Cold Split



Superior trench technology

- 30% more chips per wafer than planar
- Unmatched reliability with zero field returns

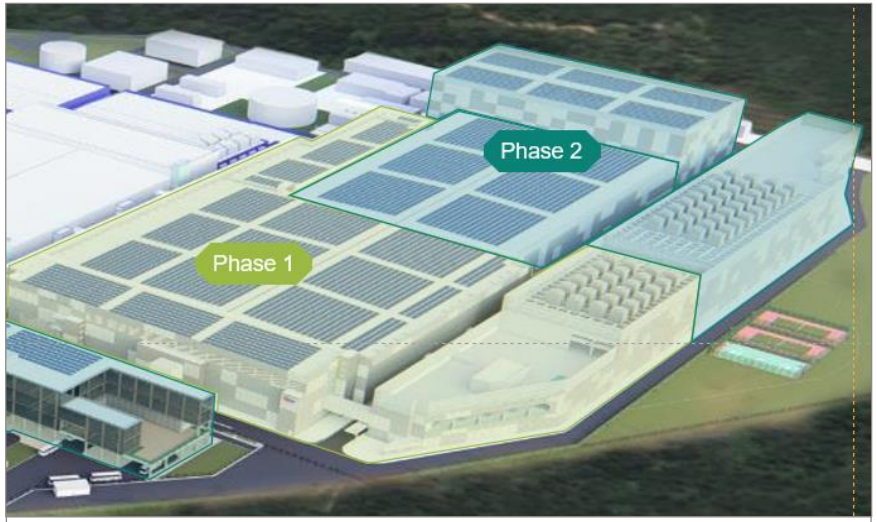
Packaging portfolio

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

P2S

Deep system understanding

- Decades of experience
- Broadest portfolio: off-the-shelf plus customized solutions



World-scale 200-millimeter fab with industry-leading cost position

Expansion of Kulim 3 backed by strong long-term customer commitments

Automotive

CHERY

SAIC

Ford

A total of **6** OEMs

Industrial (incl. PV and ESS)

solaredge

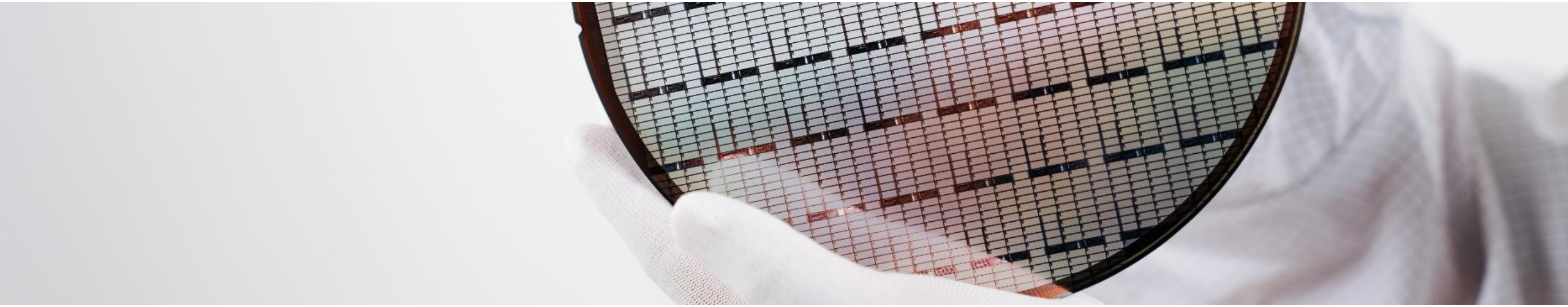
A total of **5** major customers

Design-wins: ~ €5bn

Related customer pre-payments: ~ €1bn

- Phase 2 of Kulim module 3 expansion is backed by numerous customer commitments
- Significant design-wins in automotive and renewable applications
- About €1bn of customer pre-payments contribute to our free cash flow in FY24 and FY25

GaN Systems acquisition positions Infineon to be a leading GaN player



Leading IP & strongest R&D force

Leading patent portfolio
for GaN – >350 patent families

~450 strong GaN team
high double-digit USD m GaN R&D p.a.

Best-in-class application under-standing
incl. automotive

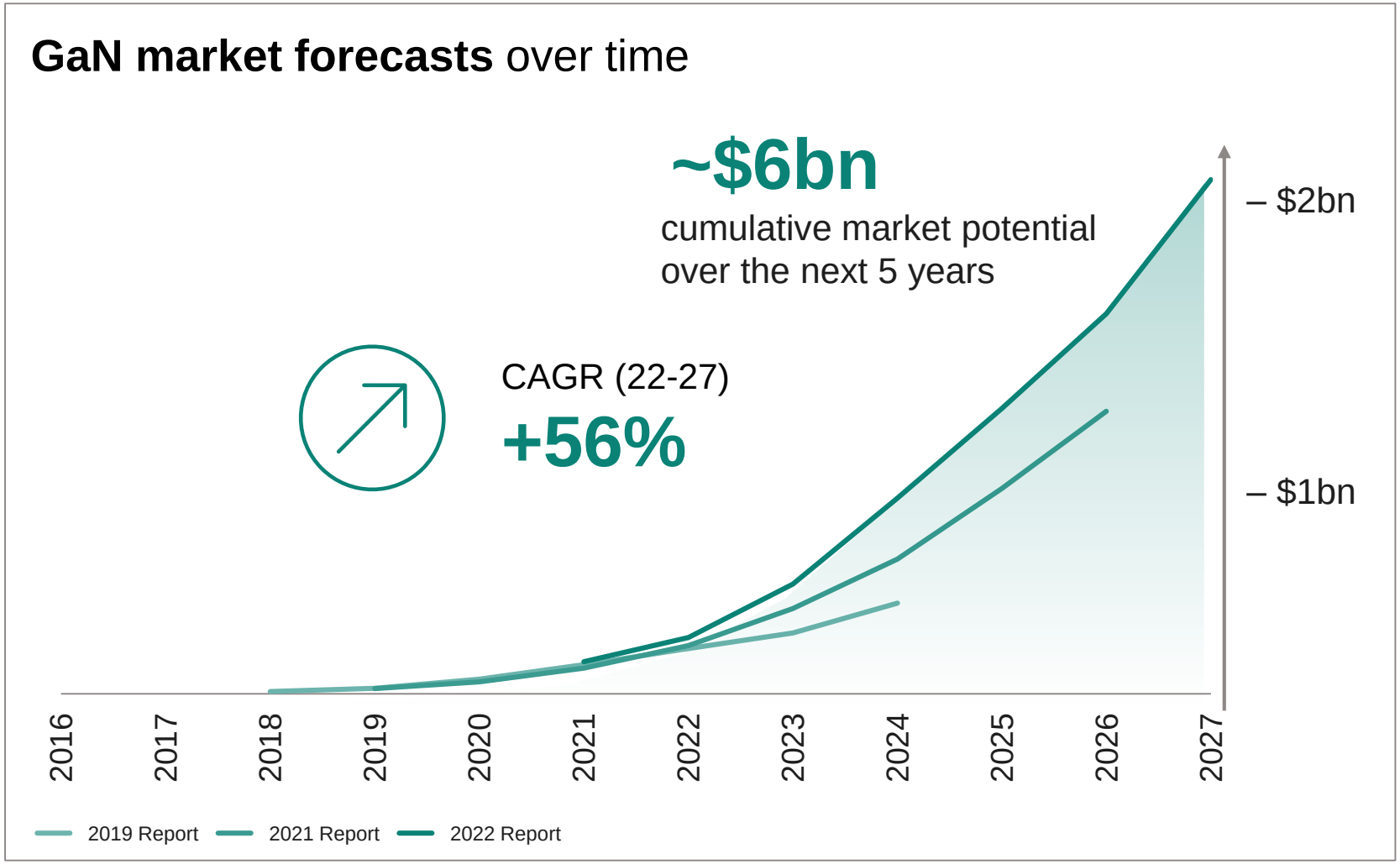
Leveraging foundry + IDM advantages

We own
key IP and all frontend process steps

We combine
foundry partner-ships and dual-site in-house production, ready for 200 mm

We target
a leading market position

GaN market accelerating, driven by key power applications



- Superior switching performance results in **higher efficiency** and **lower system cost**
- Applications with **tipping point** reached or in sight

Charger, adapter

Server (high voltage)

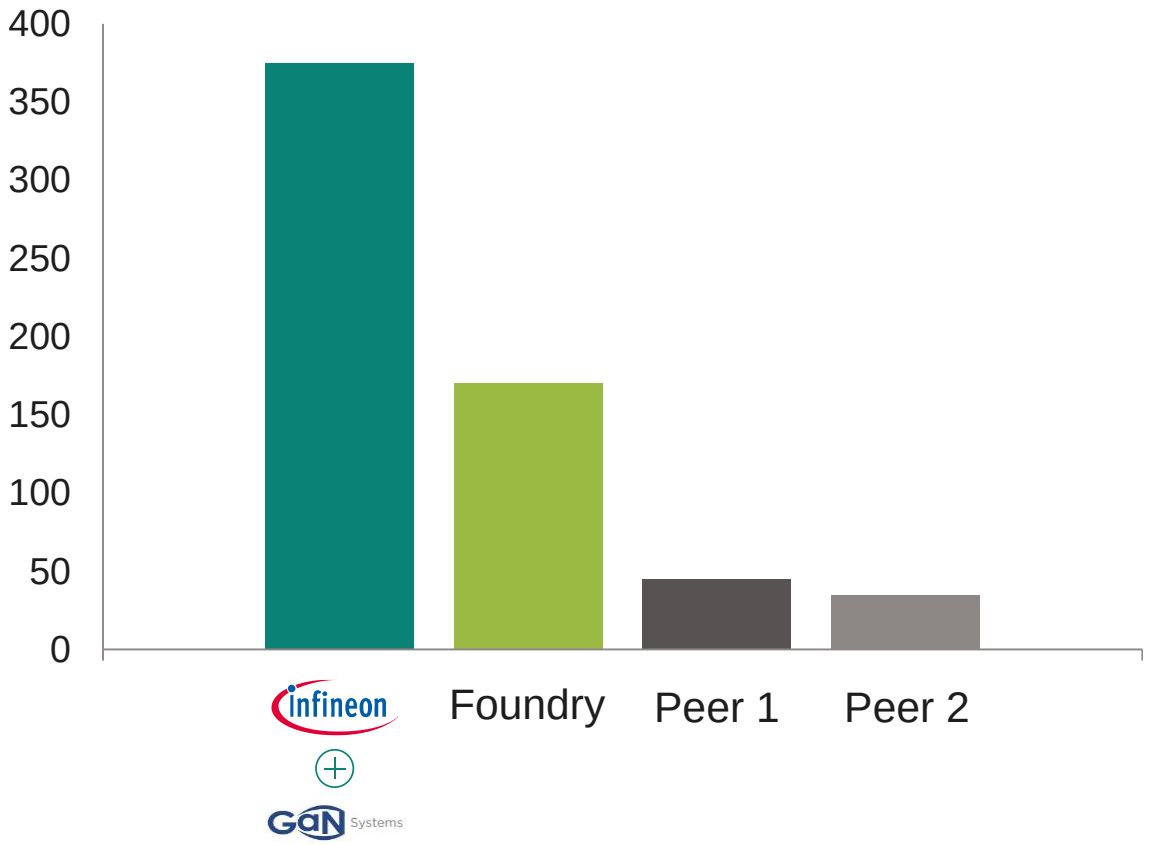
Residential solar

On-board charger

Yole: Power GaN Report 2022 & Compound Semiconductor Market Monitor-Module I Q4 2022.

Combined platform features leading GaN IP and the industry's strongest R&D force, to speed up time-to-market

No. of patent families in GaN power



Combined team
of **~450** GaN experts

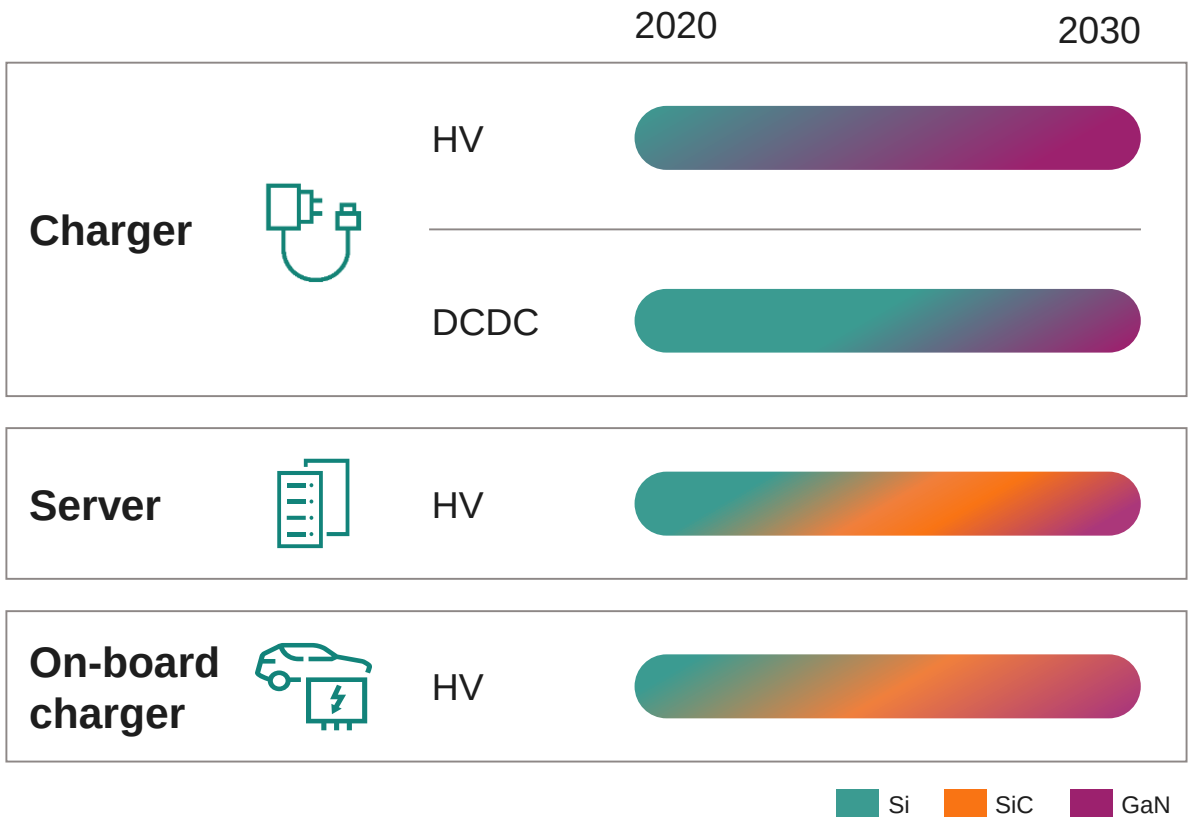
Combined R&D
budget high double-digit **USD m p.a.**

Leverage ability to scale learnings
and **significantly accelerate roadmap**
for shorter time-to-market

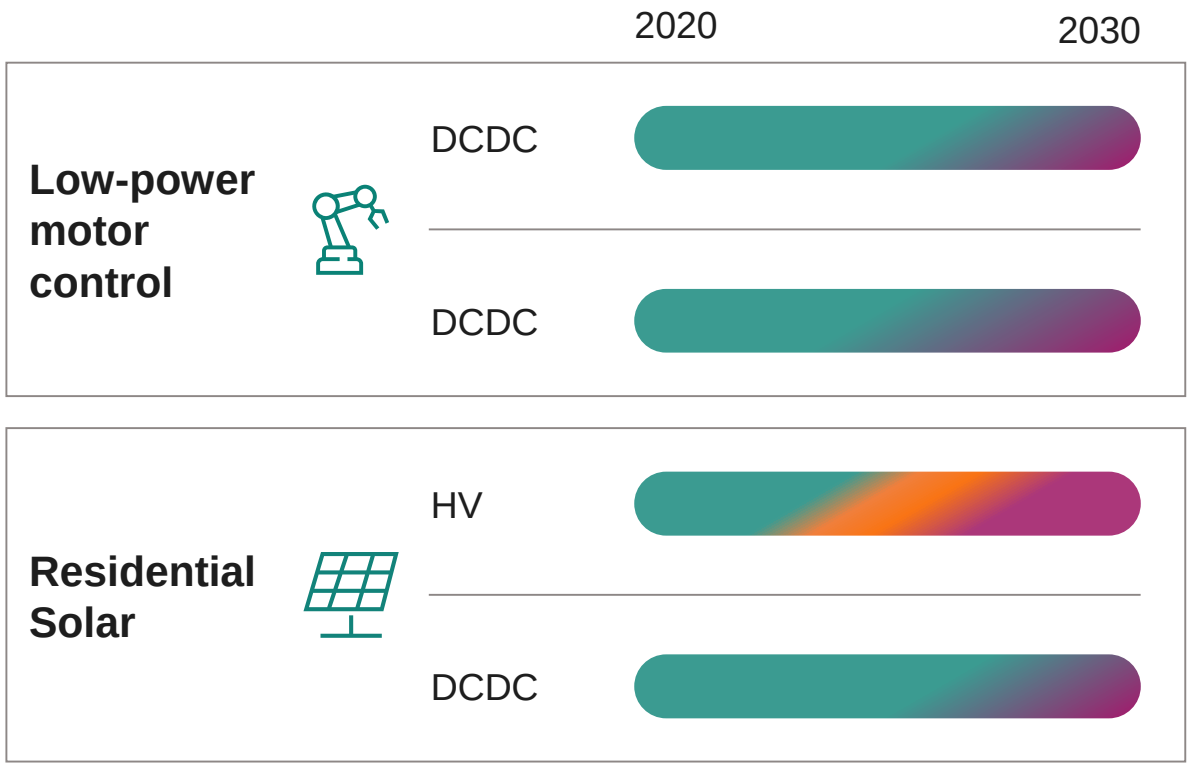
Source: Infineon analysis

GaN expected to be the preferred technology in multiple core applications by 2030, different transition paths shaping up

GaN tipping point reached/in sight



GaN transition coming up



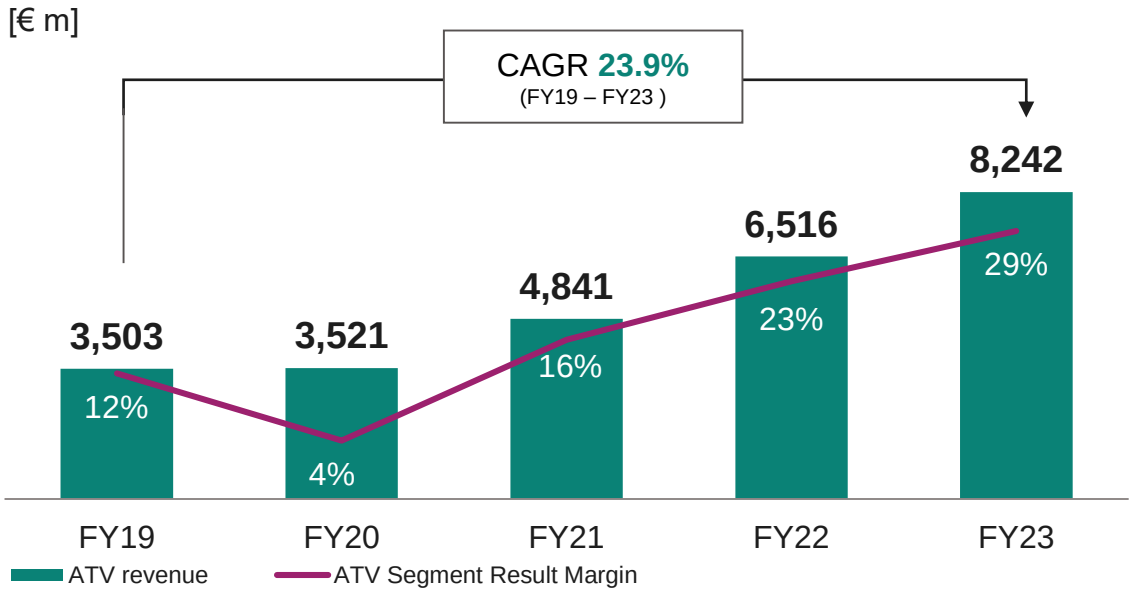
More applications likely to transition to GaN over time

Strong position to offer all relevant power semiconductor technologies creates clear customer benefits

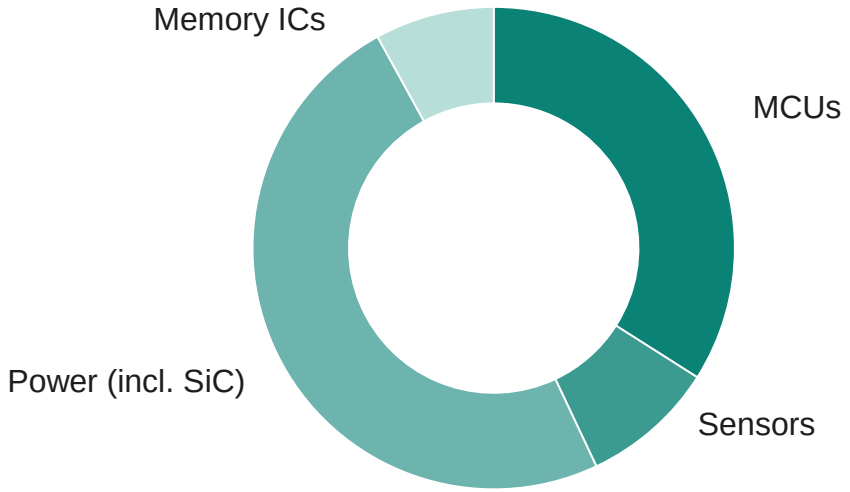
Automotive

ATV at a glance

ATV revenue and Segment Result Margin



FY23 revenue split by product group



Key customers

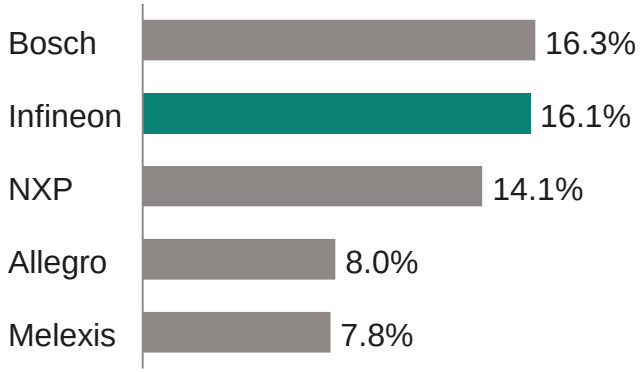
APTIV · Astemo · BOSCH · BYD · Continental · DENSO
FORVIA · HYUNDAI MOTOR GROUP · Valeo · veoneer · vitesco TECHNOLOGIES · ZF

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

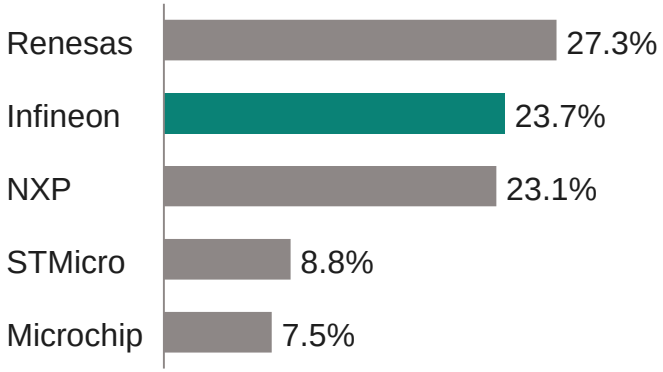
Automotive semiconductors (2022 total market: $59.4bn; +27.4% y-y)

- Total market grew by 27.4% y-y, reaching all-time-high of $59.4bn; market growth clearly supported by content-per-car growth
- #1 in power semiconductors due to high exposure in xEV
- #2 in MCUs for the first time ever, driven by outstanding success in AURIX™ design-win momentum
- Undisputed #1 in automotive NOR Flash memory ICs

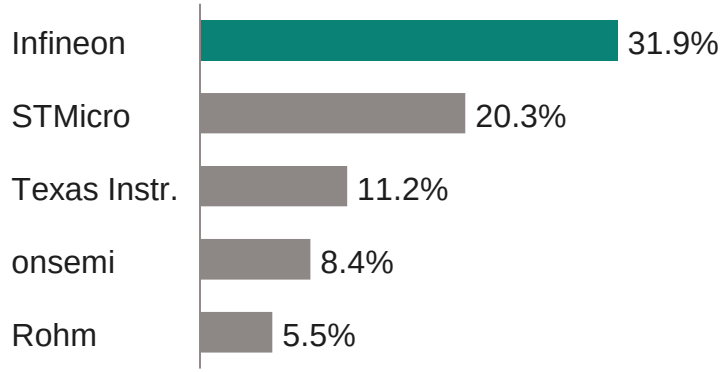
Sensors



MCUs



Power semiconductors



TechInsights (formerly Strategy Analytics): *Automotive Semiconductor Vendor Market Shares*. March 2023. Sensors: S&P Global: *Automotive Semiconductor Market Shares 2022*. May 2023.

Automotive semiconductor market expected to continue its growth journey even at flat light vehicle production growth

Applications	Market outlook for CY24
Automotive	– Macroeconomic weaknesses in some key markets may stall car production growth in 2024 – Vehicle affordability concerns persist, despite recent OEM price cuts – No major semiconductor shortage is expected
e-mobility	– Continued momentum for xEV expected – Availability of xEV models in different price and feature segments may alleviate some concerns about affordability – New or extension of existing incentives, e.g. in China will provide further tailwind to the xEVs
Autonomous driving	– Growth of ADAS/AD continues – also driven by higher xEV share which usually offer higher levels of car autonomy and more advanced E/E architecture platforms – Further small-scale robotaxi projects will take place, especially in China and the US

Several strong content growth drivers for Infineon, even at flat LV production

Several structural trends fueling our growth

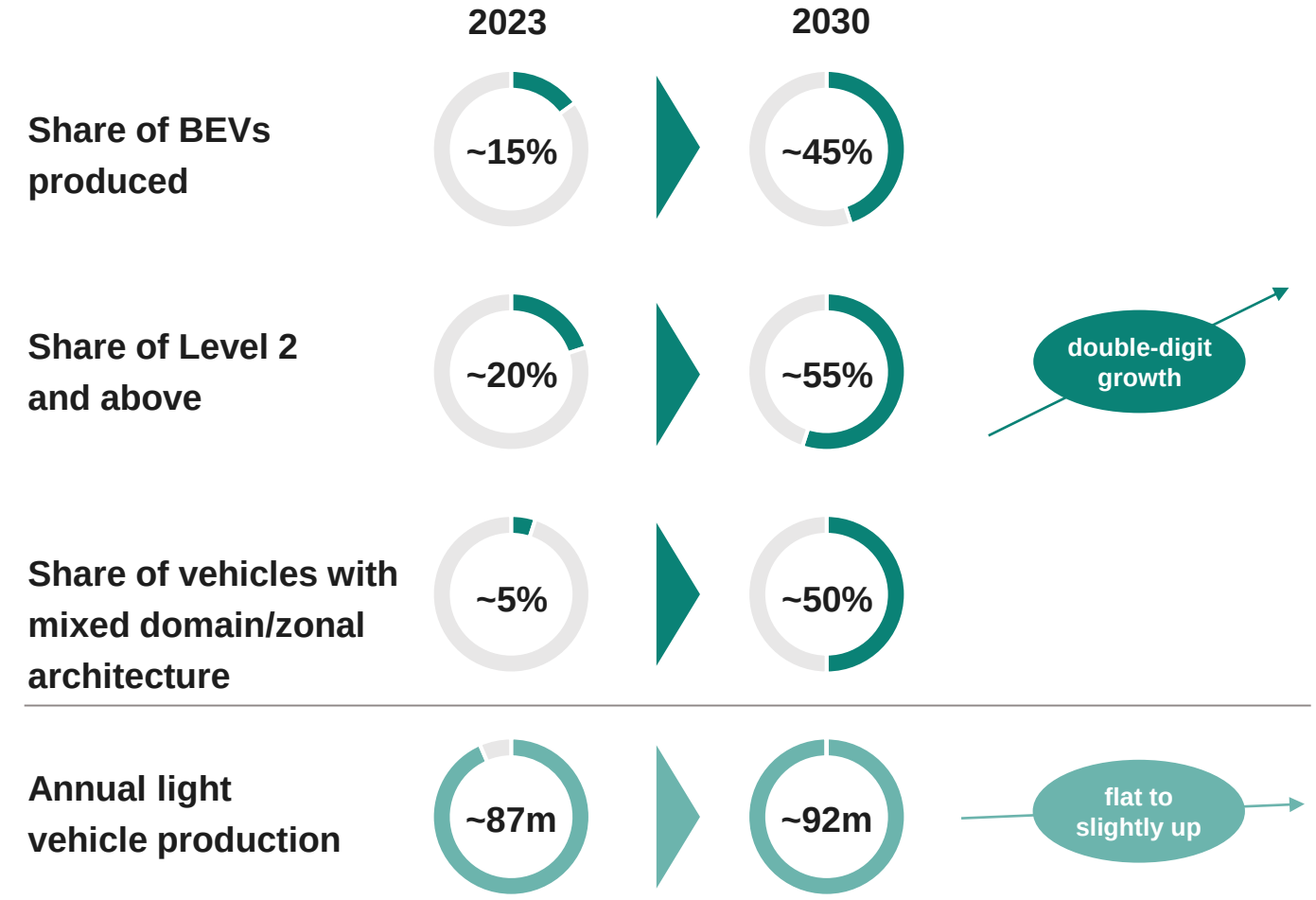
xEV
- Strong volume growth of BEVs and PHEVs
- Increasing share of SiC in traction inverters
- Larger batteries lead to higher BoM in BMS

ADAS/AD
- Need for functional safety, redundancy
- More sensors, more computing performance

E/E architecture
- SW-defined cars with higher need for connectivity
- Centralized signal processing by zone computers
- Smart switches for decentralized power distribution

Comfort and premium features
- More loads (motors, heating, cooling etc.)
- Elaborate interior and exterior lighting

Overview of growth vectors until 2030

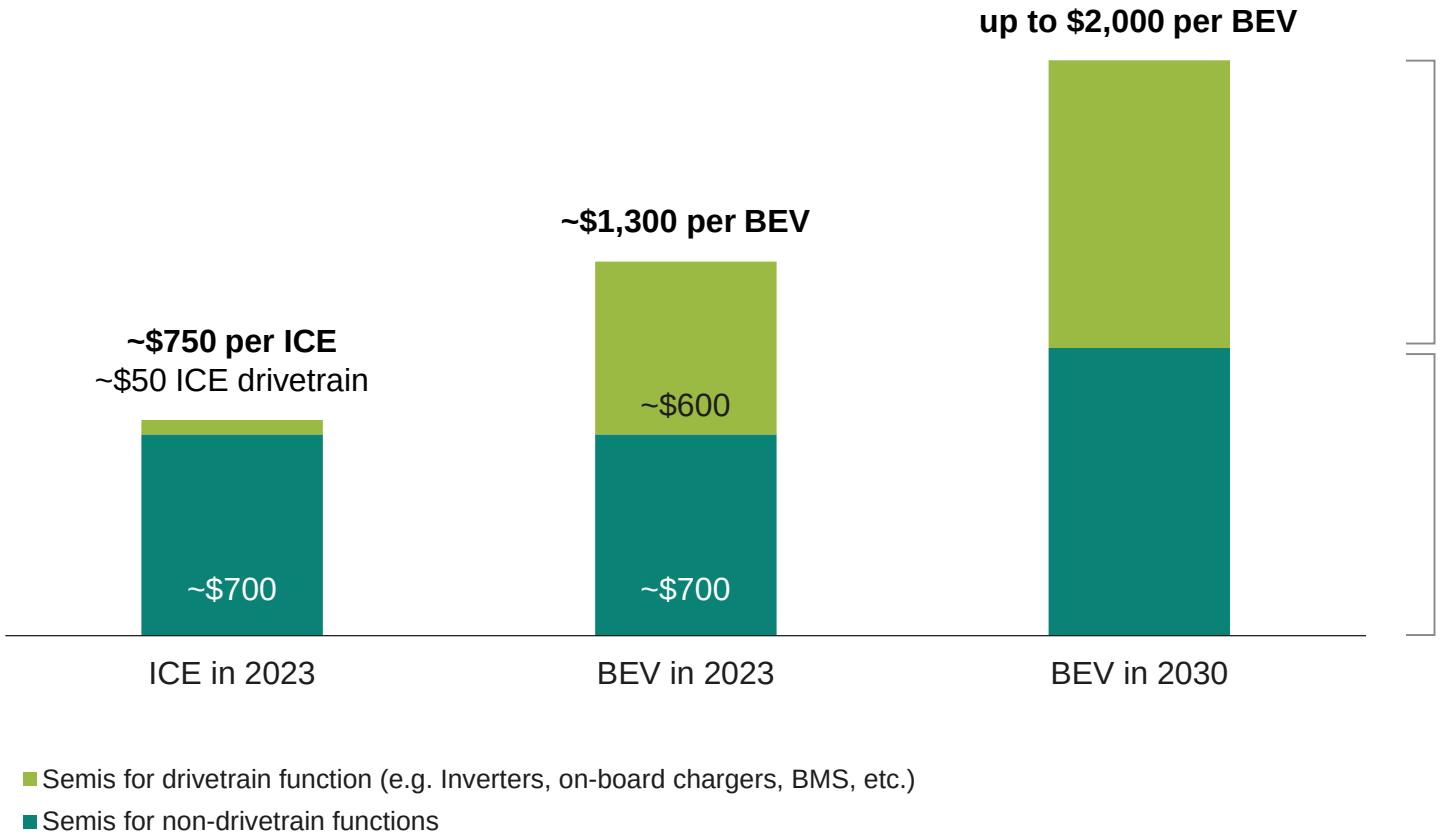


Infineon estimates

Infineon is the world leader in automotive semis, serving all key applications and benefiting strongly from content growth

Semiconductor bill-of-material in a car in 2023 and 2030

[USD]



Key applications for drivetrain semis:

- Inverter
- On-board charger (OBC)
- DC-DC converter
- Battery management system (BMS)
- Auxiliaries

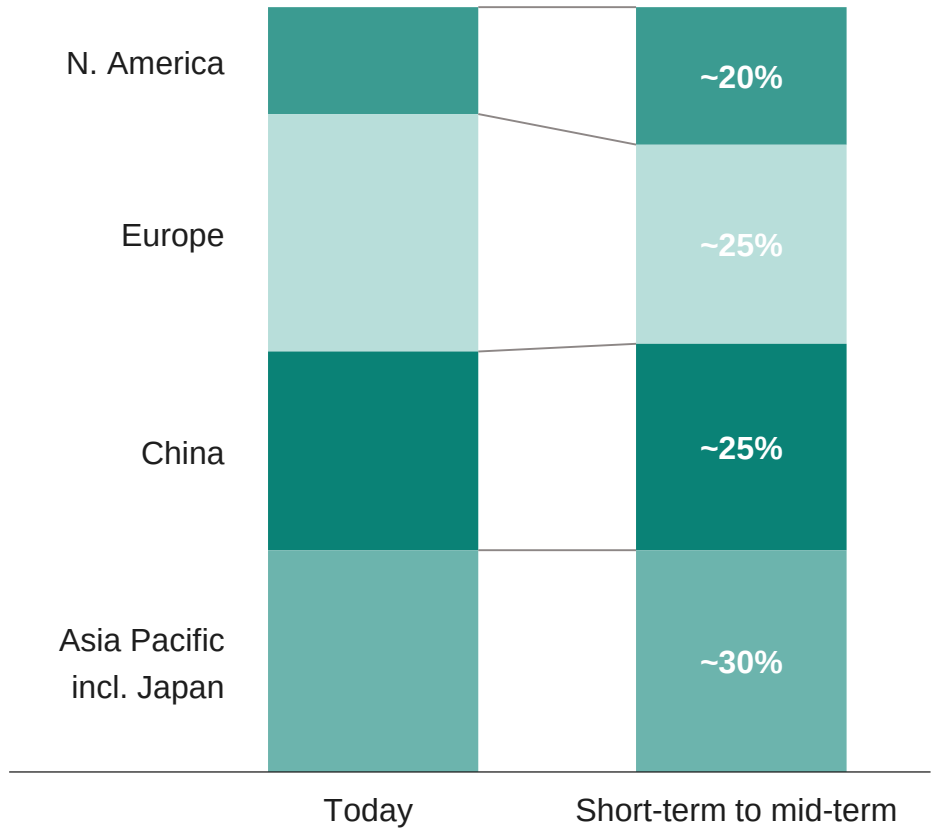
Key applications for non-drivetrain semis:

- Autonomous and automated driving (ADAS/AD)
- Safety and advanced security
- Comfort and premium
- Connectivity
- Infotainment

Based on TechInsights: *Global xEV System Semiconductor and Sensor Demand Forecast 2019-2028*. July 2023; Infineon

Infineon has the ideal footprint to participate in worldwide growth; revenue share of North America expected to grow

Infineon Automotive revenue split by region



- Infineon’s automotive business remains well-balanced across regions
- Infineon is ranked #1 in China and South Korea, and ranked #2 in Europe and Japan
- In the US market, new design-wins propel strong growth and will lead to higher share of revenue
- Decreasing relative share of European sales following re-location and off-shoring by market players
- Stable share of revenue in the fast-growing Chinese market

Infineon benefits disproportionally from Chinese OEMs, at the same time portfolio breadth, quality and innovation ensure stickiness

Infineon is present in a multitude of different applications

Exemplary Chinese OEM model

- **>40 different applications**, covering all segments: ADAS, traction inverter, BMS, standard safety, and comfort etc.
- **Hundreds of different products, incl. >20 MCUs incl. software**
- **System solution (P2S)** levering combined Infineon product advantages, e.g., motor control MCU + driver + MOSFETs; MCU for signal pre-processing + radar

– Infineon value: >€800/car

Infineon auto sales track record in China

FY	ATV y-y sales growth
FY22	+35%
FY23e	>25%

High innovation pace and at the same time platform stickiness of up to 10 years

High quality suppliers are key for Chinese export ambitions

Content growth even excluding power semis

A very broad portfolio with >300 product families is backing the market leadership of Infineon in Automotive

Infineon ATV division revenue by product families:

Major categories[1]: AURIX™ families, CoolSiC™, IGBT 750V, IGBT 1200V, MOSFETs, PROFET™, Radar, TRAVEO™ – none more than ~10%

Unmatched customer value creation and portfolio resilience

Leading technologies	System competence (P2S)	Broadest portfolio

1 In alphabetical order

Number of power MOSFETs per car continues to increase, and drives accelerated growth for the leading portfolio

Examples of MOSFET applications

Power door
Power lift gate
Brake booster
Electric power steering
HV-LV DC-DC conversion
BMS
Transmission control
Windshield wiper
Electric parking brake
HVAC blower
Sunroof
Side mirror
Seat adjustment
Thermal management
12 V battery switch
Power supply protection

Latest portfolio with constant innovation

Technologies, packages and voltages

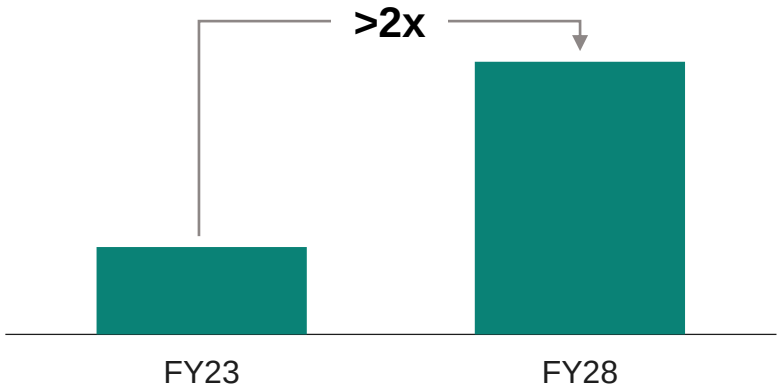
OptiMOS™ 7
OptiMOS™ 6
OptiMOS™ 5
OptiMOS™ T, T2, Gen 12.7

40 V
60 V
80 V
100 V
120 V

New **OptiMOS™ 7** family with outstanding technical performance

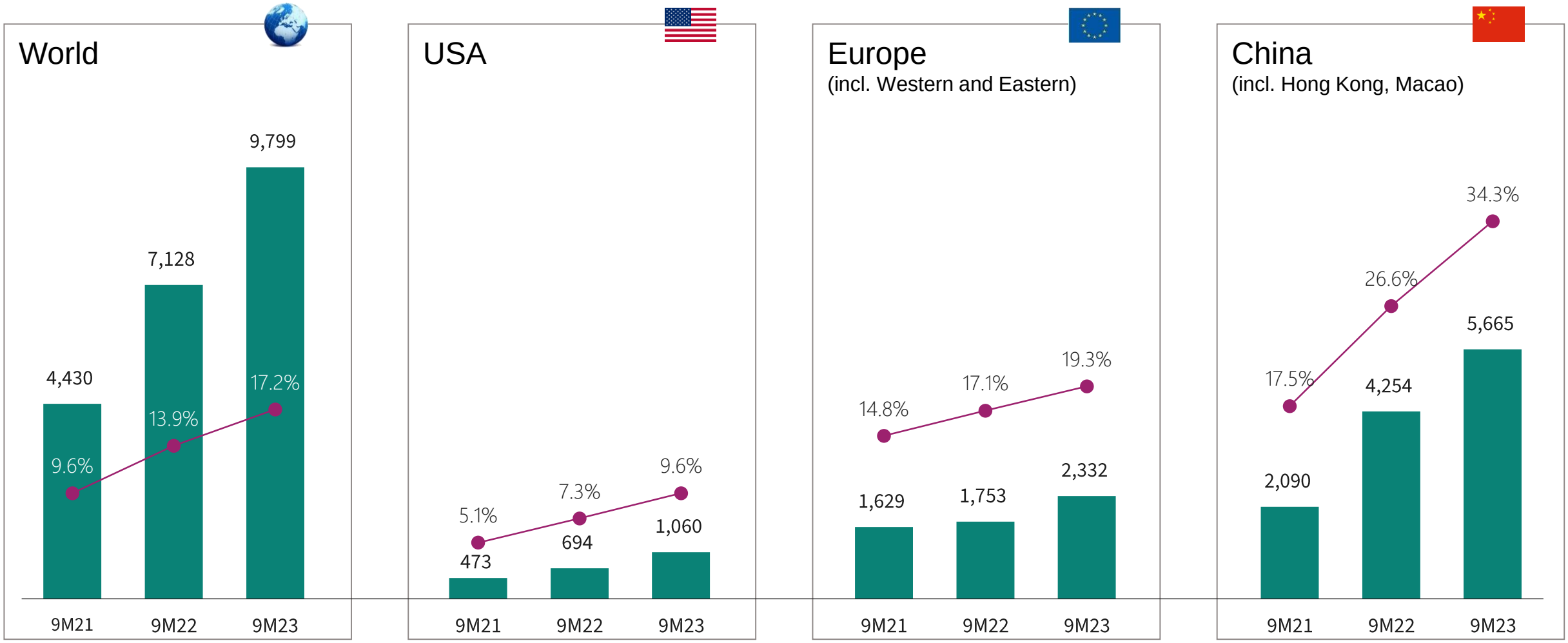
- 100 to 180 MOSFETs are used per vehicle in ~90 different applications in all segments: body, chassis, safety, ADAS/AD, powertrain
- Infineon offers broadest portfolio (>600 products) and eco-system to address specific and high-margin applications:
  - embedded control, gate driver, MOSFETs, software, P2S
  - entire eco-system with digital twins
  - simulation environment (esp. for motor control)

Infineon's revenue growth



Electromobility

xEV (PHEV + BEV) sales continuously strong driven by China; in Oct CY23, BEV sales crossed the monthly 1 million mark

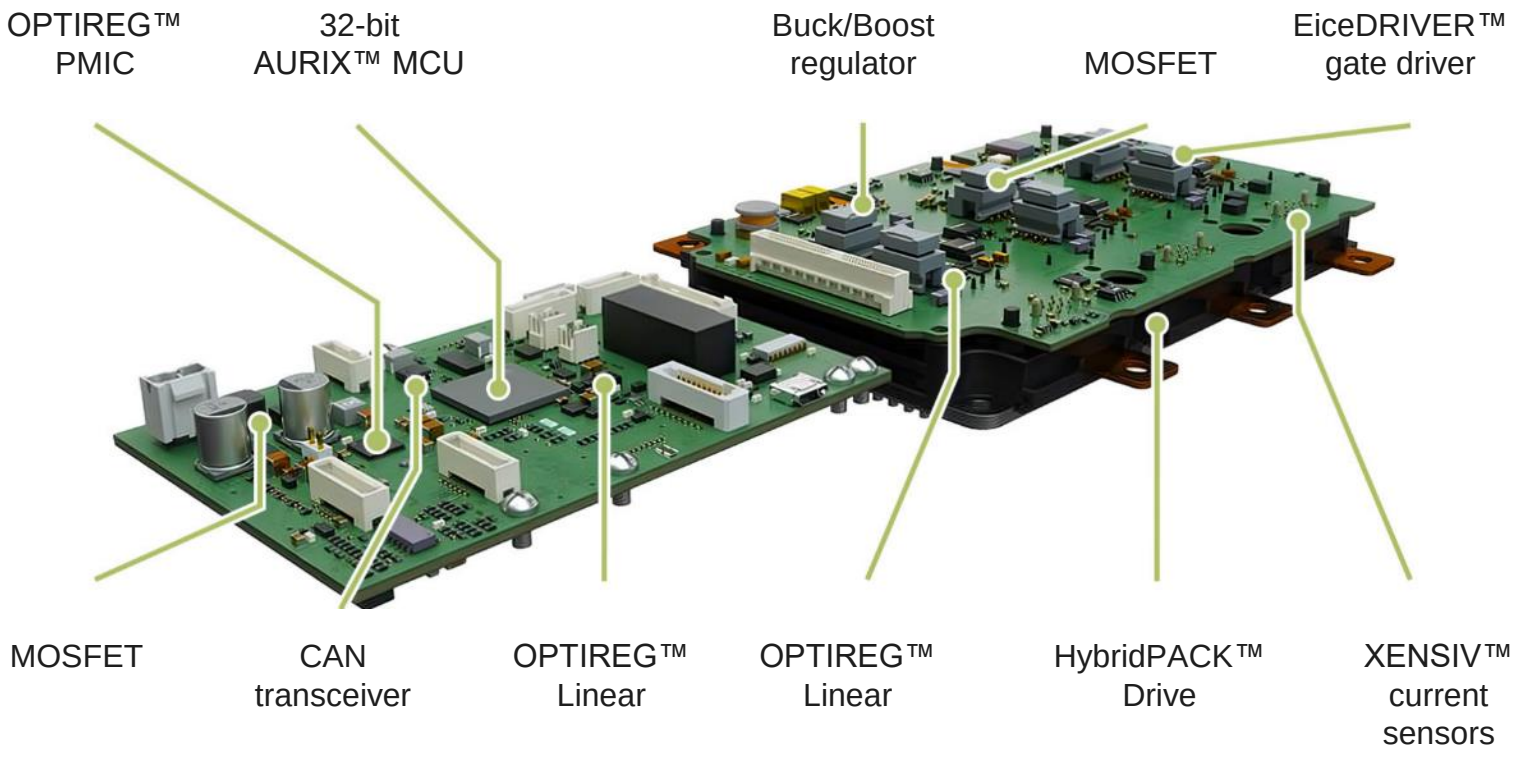


In units k — Penetration

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

Infineon’s broad product portfolio and system understanding enable higher BoM and allows for compact designs and fast T2M

Infineon inverter reference design, covering up to 95% of value



P2S (product-to-system approach)

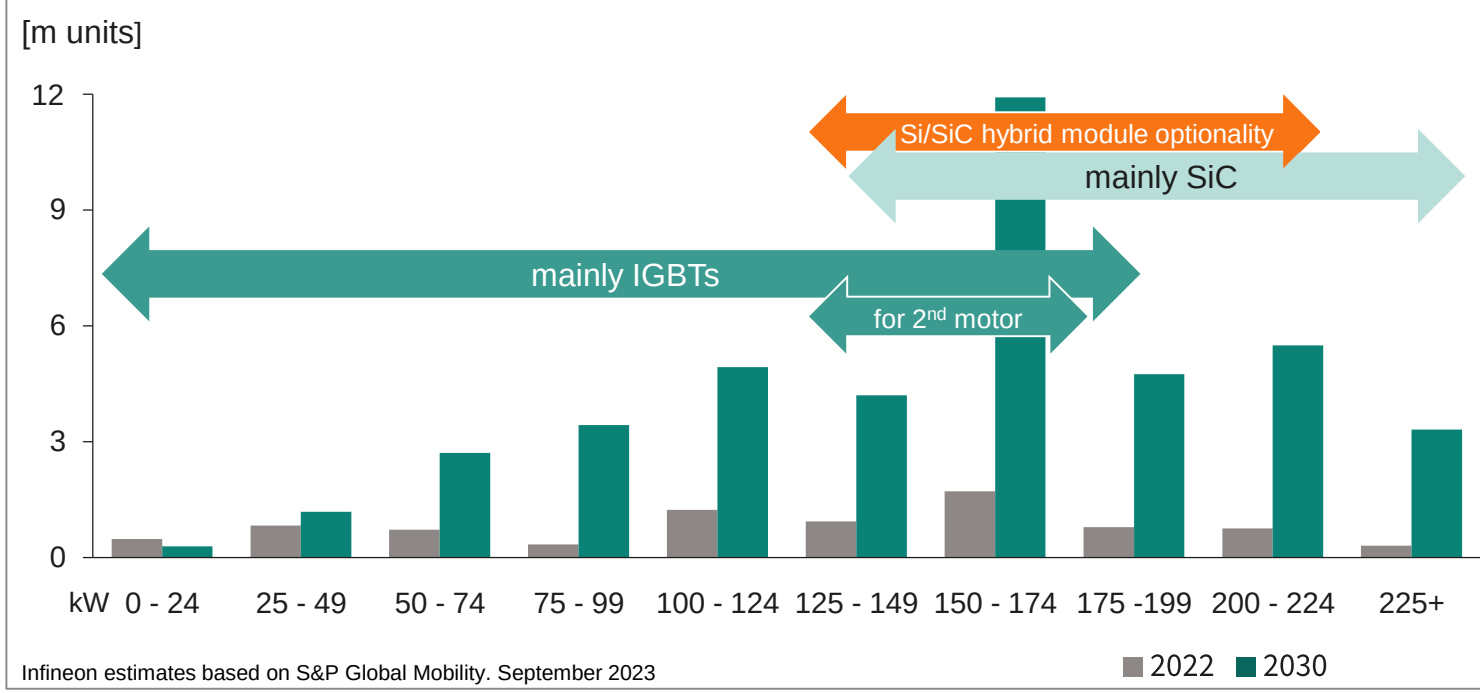
- Reference design for up to 300 kW, further customization possible
- System solution for easy implementation
- Fast time-to-market (T2M)

Freedom of choice

- IGBT and SiC in 750/1,200 V scale up to preferred power class
- HybridPACK™ Drive CoolSiC™ Gen2 continuous operation at 175°C
- EiceDRIVER™ gate driver Gen3 optimized for CoolSiC™
- Optimized 32-bit AURIX™ MCU

Leading the growth in IGBTs (bare die, discrete and modules) including Si/SiC hybrid designs

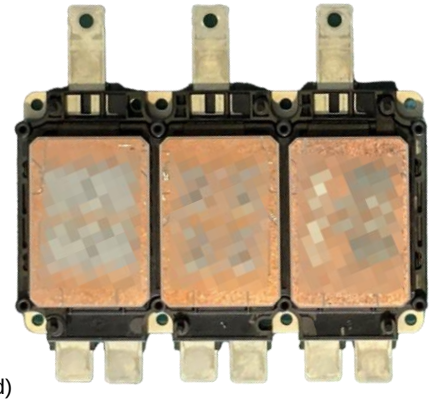
Electric motor power, grouped by 25 kW increments



Infineon estimates based on S&P Global Mobility. September 2023

- IGBTs will still account for ~40% of power semis in traction inverters in 2030; also benefitting from Si/SiC hybrid (fusion) solutions and modules
- IGBTs are essential for the growth of affordable electric cars
- Infineon can leverage scale effects in packaging R&D and S&M for SiC

First SiC-MOSFET/IGBT fusion module



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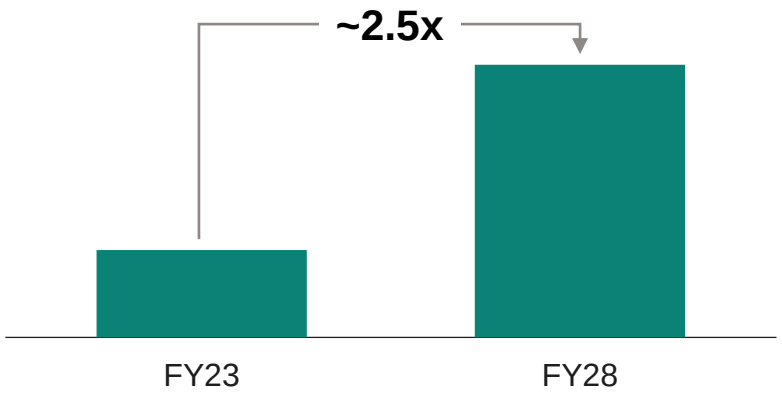
Infineon's revenue growth



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

World's leading IGBT supplier


Volkswagen


German Luxury OEM


Renault


Mini


Cadillac


SAIC


Nissan


NIO


Hyundai (front axle)


Genesis (front axle)


2 EU OEMs


US OEM

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


Stellantis


Hyundai


Xpeng


SAIC


Li Auto


Changan


Hozon


Zeekr


Japanese OEM


4 US OEMs


2 EU Tier 1s


3 Chinese Tier 1s


6 Distribution partners


Genesis

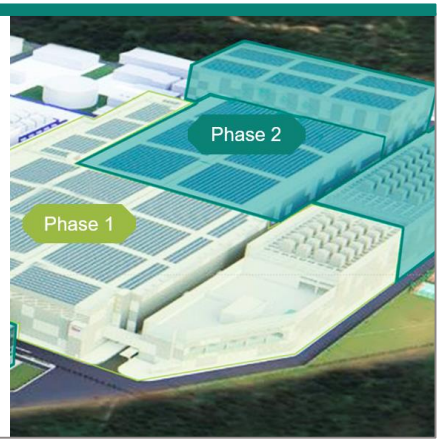

Ford


Chery

World-scale capacity, unmatched portfolio breadth and our worldwide customer base lead to accelerated growth in SiC

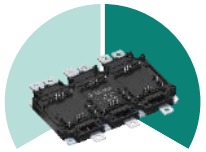
Leading SiC technology and production efficiency

- Unrivaled productivity with world-scale fab and most diversified supplier network
- Superior trench technology and highest reliability
- Extensive packaging portfolio and complete system competence

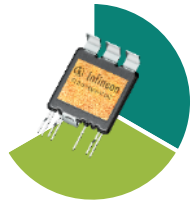


Most scalable SiC auto portfolio

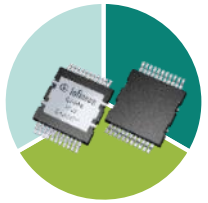
650 V | 750 V | 1,200 V



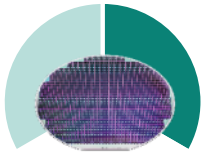
Module



DSC/SSC module



Discrete



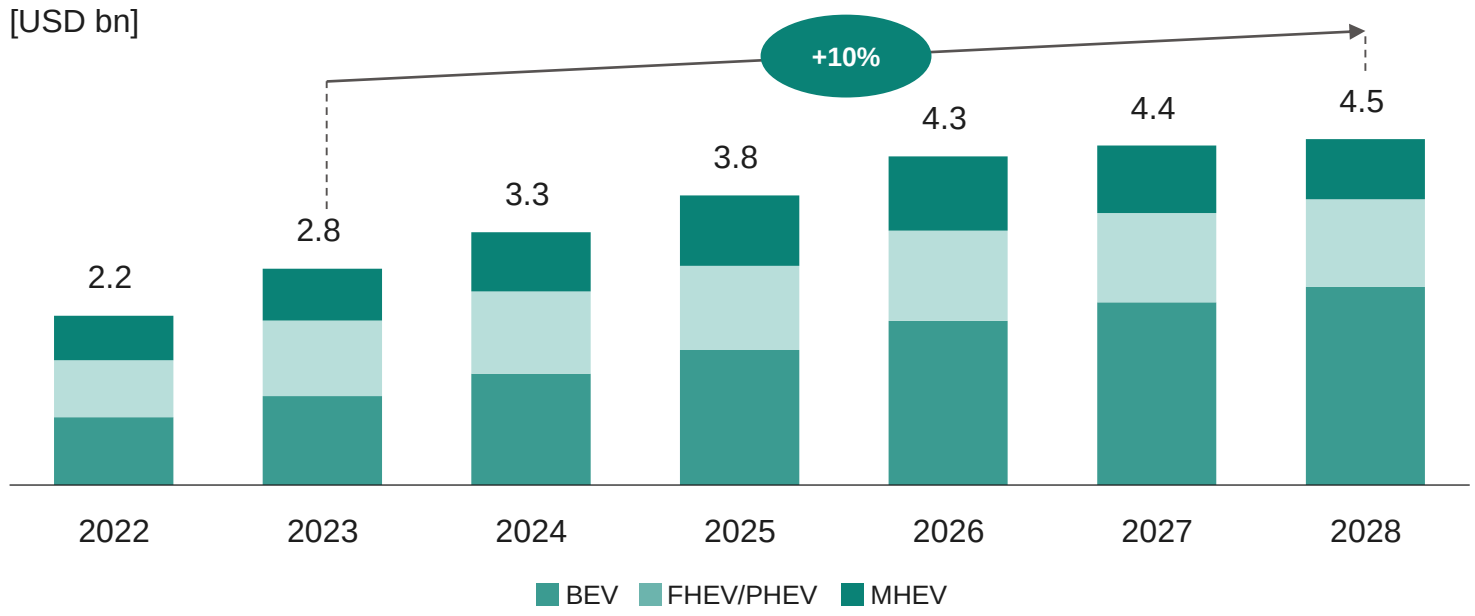
Bare die

Continued strong SiC design-win momentum

BMW, BOSCH, 长安汽车 CHANGAN, CHERY, CHRYSLER, DELTA, FIAT, Ford, GENESIS, HOZON 合众汽车, HYUNDAI, JOHN DEERE, KIA, LEAPMOTOR, LI, RAM, RIVIAN, SAIC, smart, STELLANTIS, US BEV OEM, TOYOTA, Valeo, vitesco TECHNOLOGIES, VW, XPENG

Infineon's extended BMS (battery management system) product portfolio paves the way for an exceptional growth story

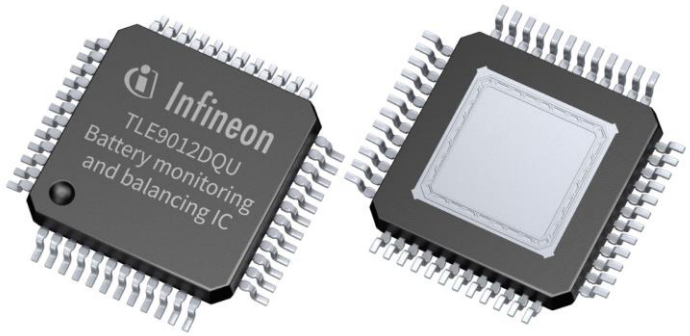
BMS semi market growth is driven by xEV unit and battery capacity



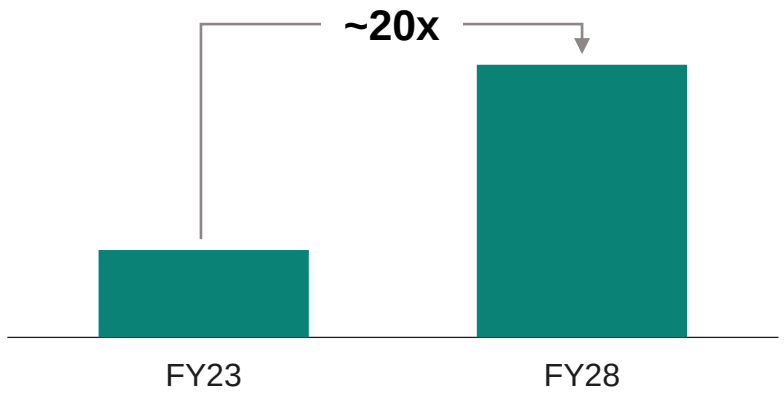
Source: S&P Global Mobility. July 2023

- Drivers for BoM: increasing battery capacity, more cells, more channels
- Triple-digit million € design-win in pipeline
- Additional upside from non-automotive markets: ESS, street lighting, forklifts

BMS analog frontend IC



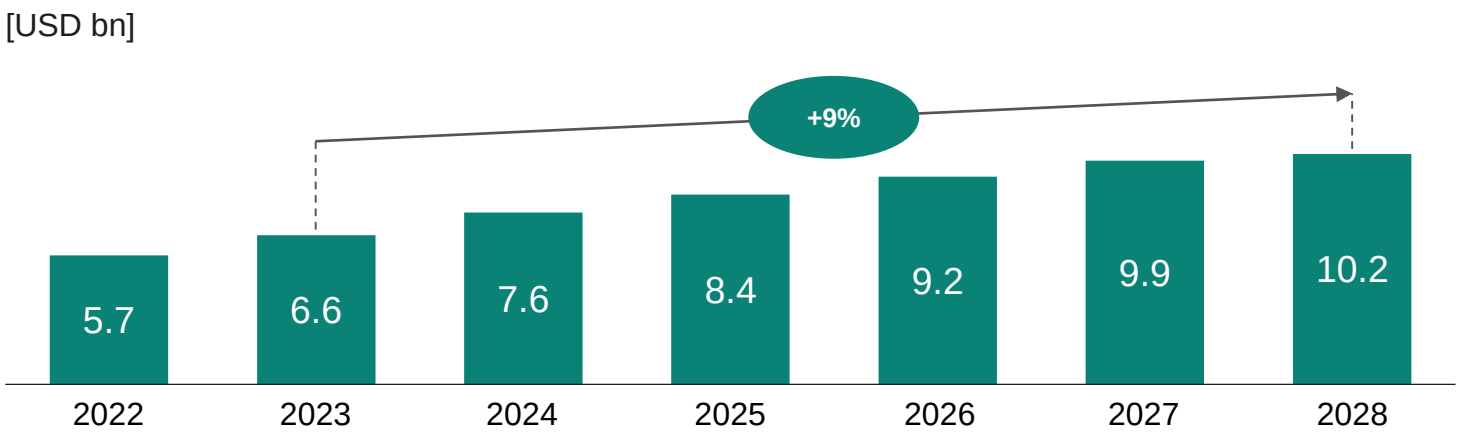
Infineon's revenue growth



Automated Driving

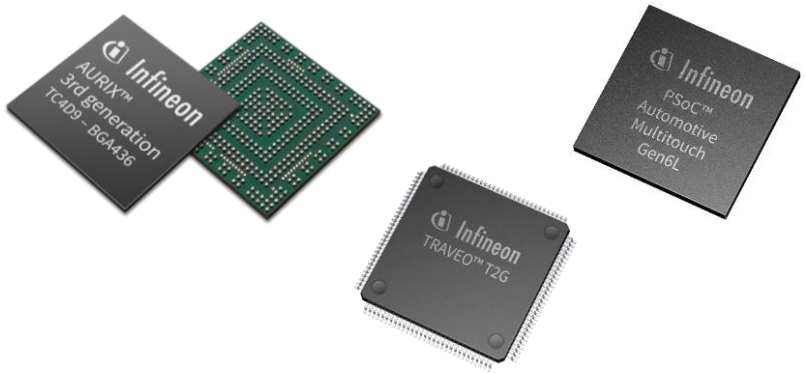
AURIX™ MCU is the gold standard for ADAS/AD, control, safety, and high-speed in-vehicle network

Total automotive MCU market development, excl. MPUs and SoCs



TechInsights: *Automotive Semiconductor Demand Forecast*. April 2023

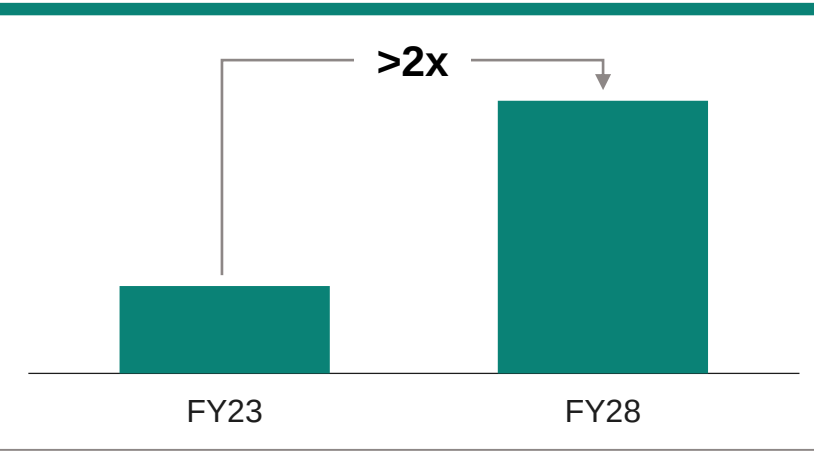
AURIX™, TRAVEO™, and PSoC™ families



€19bn MCU design-win volume secured

- Total automotive MCU design-win volume in the last four years exceeded €19bn
- Design-wins covering current and next decade ensuring robust and long lasting growth
- Up to 40 MCUs per vehicle awarded to Infineon
- Strongest momentum in essential MCUs for E/E architecture, ADAS/AD, and xEV
- Around €3bn of revenues already in 2023

Infineon's revenue growth



The new 28nm CMOS radar from Infineon enables autonomous truck driving for L4 truck platforms

Design-win details

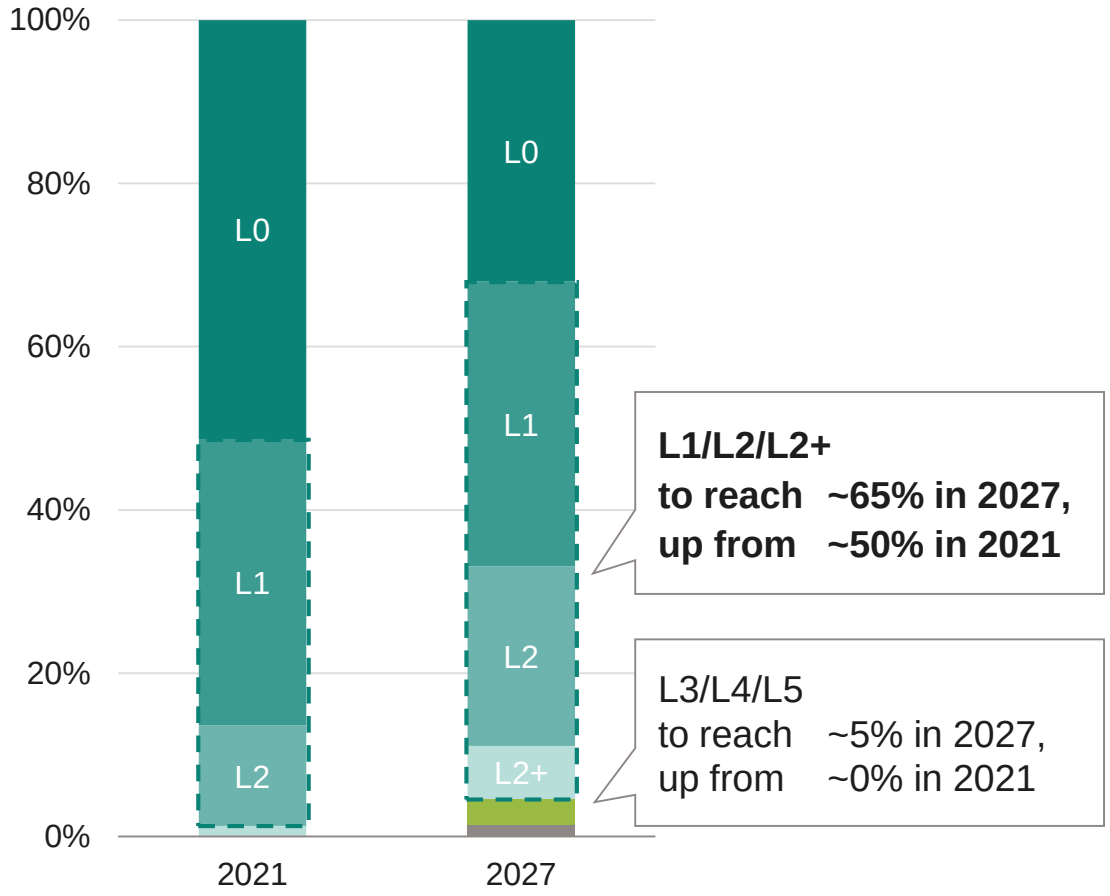
- 4D imaging radar for autonomous driving truck platform
- Infineon’s highest-resolution radar sensor ICs enable the next level of autonomous driving
- Triple-digit million € design-win over lifetime

Key product information

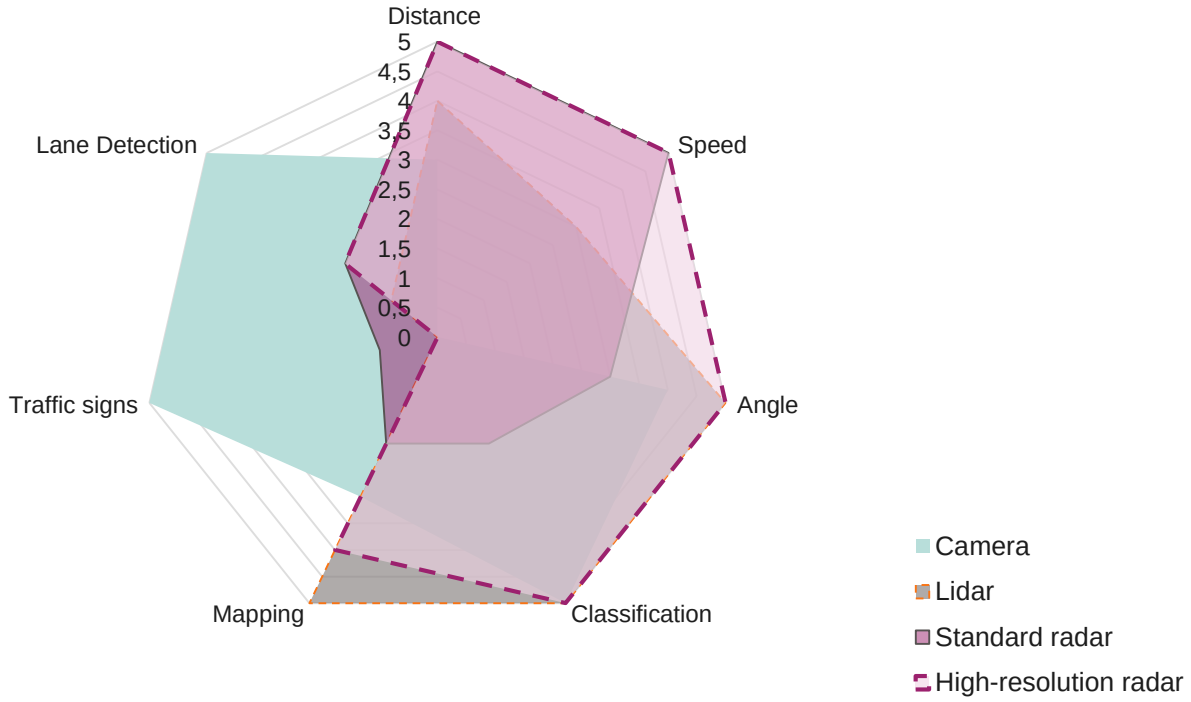
- CMOS 28 nm CTRX radar sensor family
- 76 GHz – 81 GHz MMIC
- Best-in-class RF performance
- Zero-defect quality enables dependable systems
- Scalability and cascadability enable radar solutions for all SAE levels

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

Market research companies; Infineon

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

Today

Total: **55m systems**

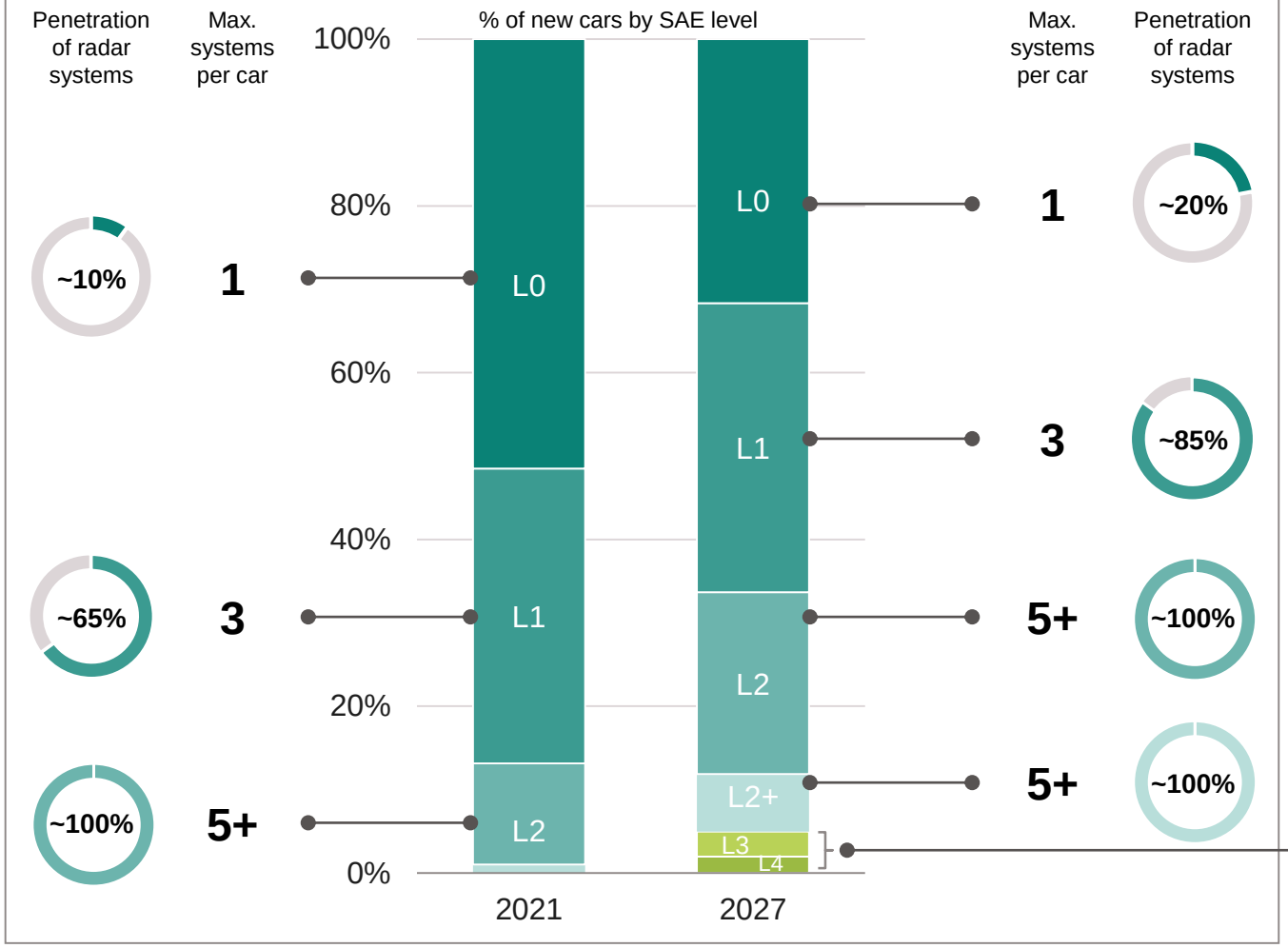
- AEB
- 3m systems

- AEB
- Low-speed ACC
- Blind spot detection
- 21m systems

- AEB
- High-speed ACC
- Blind spot detection
- 26m systems

Market research companies; Infineon

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%

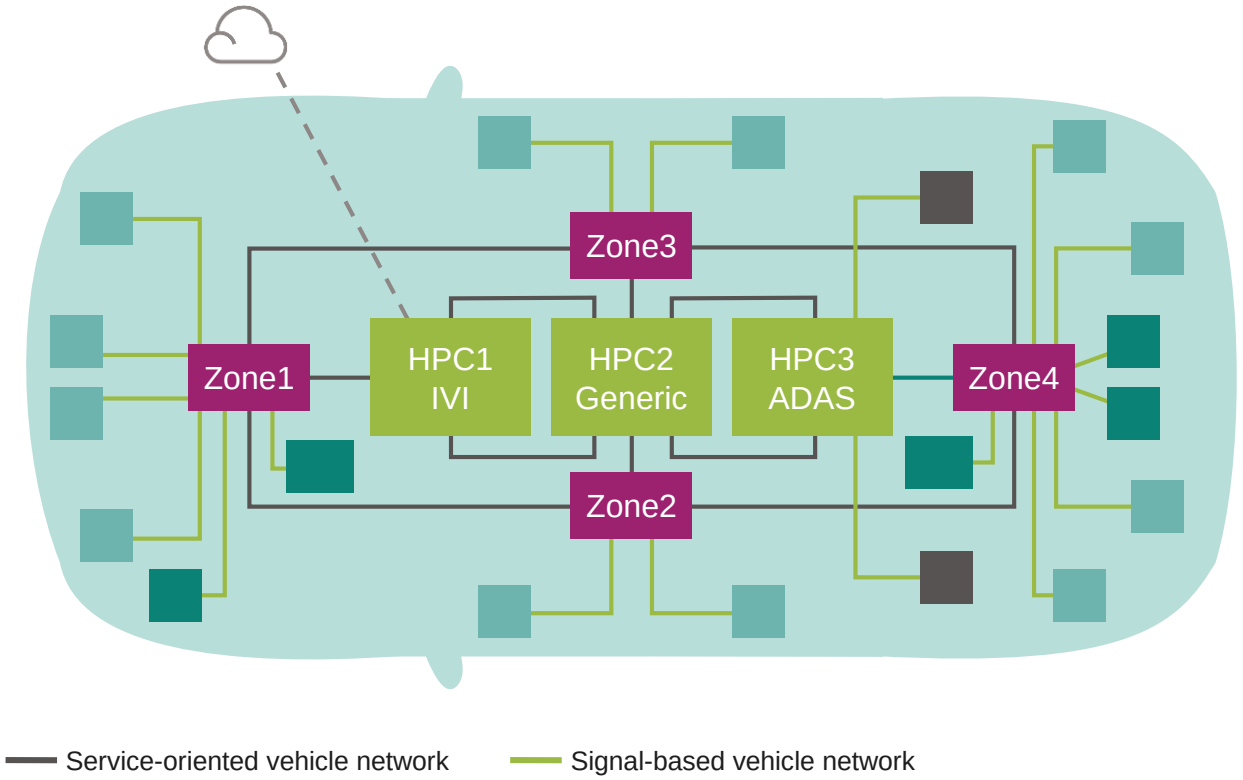
- In addition to L2: lane change assist
- 30m systems; CAGR(21-27) = 38%

- 24m systems; CAGR(21-27) = 133%

E/E architecture

Infineon strongly benefits from new E/E architectures that drive centralization of data and decentralization of power distribution

E/E architecture in a software-defined vehicle

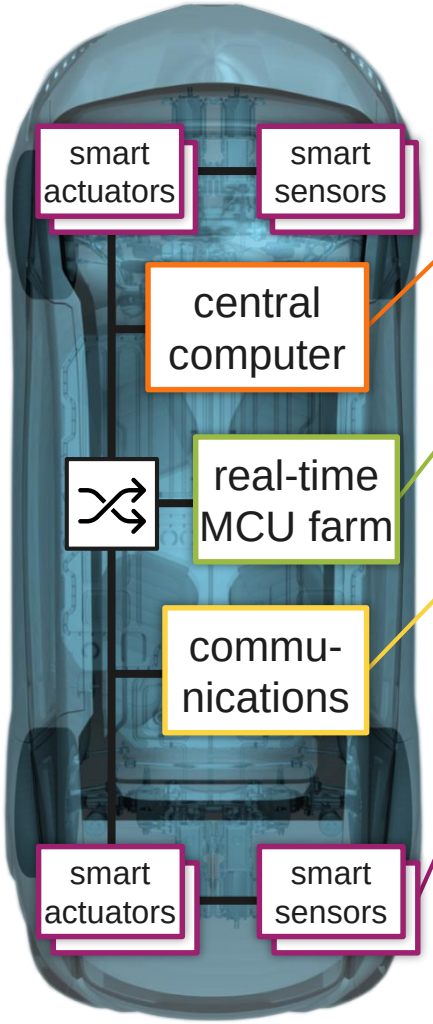


New E/E architectures lead to more centralized processing of data and signal while more decentralized power distribution.

Components of E/E architecture and corresponding applications addressed by Infineon

High Performance Computing (HPC)	Safety companion MCU for service-oriented SoCs, secure trust anchor, fail-safe power supply
Zone	Zone controller, gateway controller, incl. protocol translation, smart power distribution
Control	Smart real-time mechatronics (e.g. transmission, motor control, power steering, braking), BMS
Complex sensors and actuators	Radar, incl. signal pre-processing, bus connections, dedicated AI accelerators, camera
Simple sensors and actuators	Smart functional ECU (e.g. seat adjustment, power window, central lock, wiper), touch pad

~€800m NOR flash memory design-win in new E/E architecture for software-defined vehicle platform of North American OEM



OEM domain/zone	Infineon NOR Flash memories
› central computer › ADAS/AD, in-vehicle infotainment	› 256 Mbit SEMPER™ xSPI
› real-time farm with MCUs and MPUs	› 1 Gbit SEMPER™ xSPI
› communications, e.g. 5G modem	› 1 Gbit SEMPER™ Quad SPI
› smart sensors › smart actuators	› 128 Mbit Quad SPI

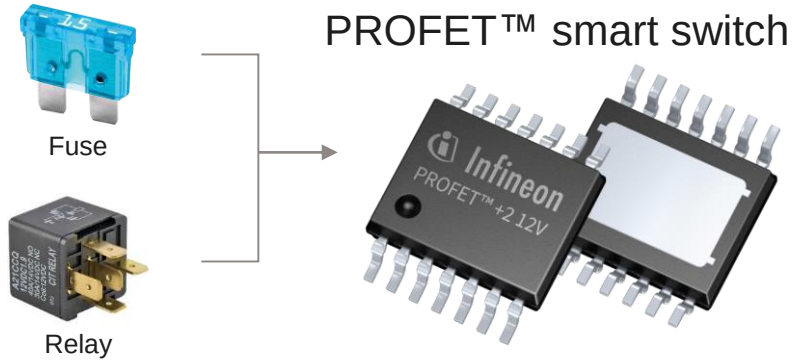
- Largest NOR flash design-win ever
- > 20 NOR Flash components per vehicle on average
- NOR flash memory designated a “key component” by OEM

SPI: Serial Peripheral Interface

Power distribution becomes a critical aspect of the E/E architecture and the SW-defined vehicle

New applications for intelligent power distribution ...

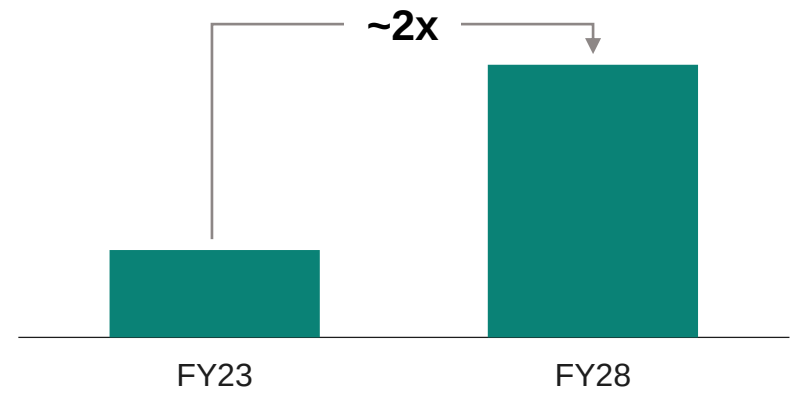
... are driving replacement of fuses/relays



Smart switches are mandatory for SAE L3 and above

- Superiority of semiconductors over fuses and relays:
  - Fast failure isolation (< 500 µs) and activation of an alternative supply
  - Configurable wire protection
  - Diagnosis and non-destructive recovery
- Mandatory for SAE levels L3, L4 and L5
- Growth of smart switches per car:
  - Volume OEMs: from today's ~50 pieces/car towards ~200 pieces/car by 2028+
  - Innovator OEMs: already ~200 pieces/car today

Infineon's revenue growth

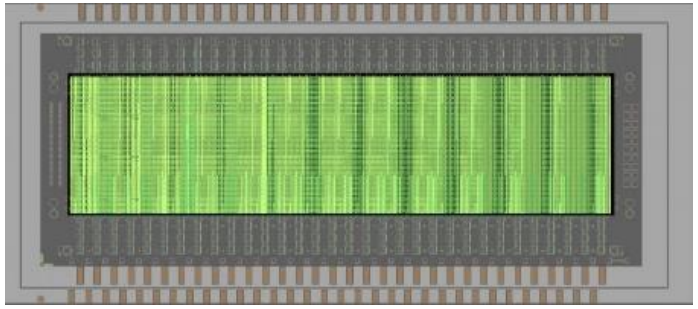


Industry-leading, premium lighting technology offers enhanced user experience on the road

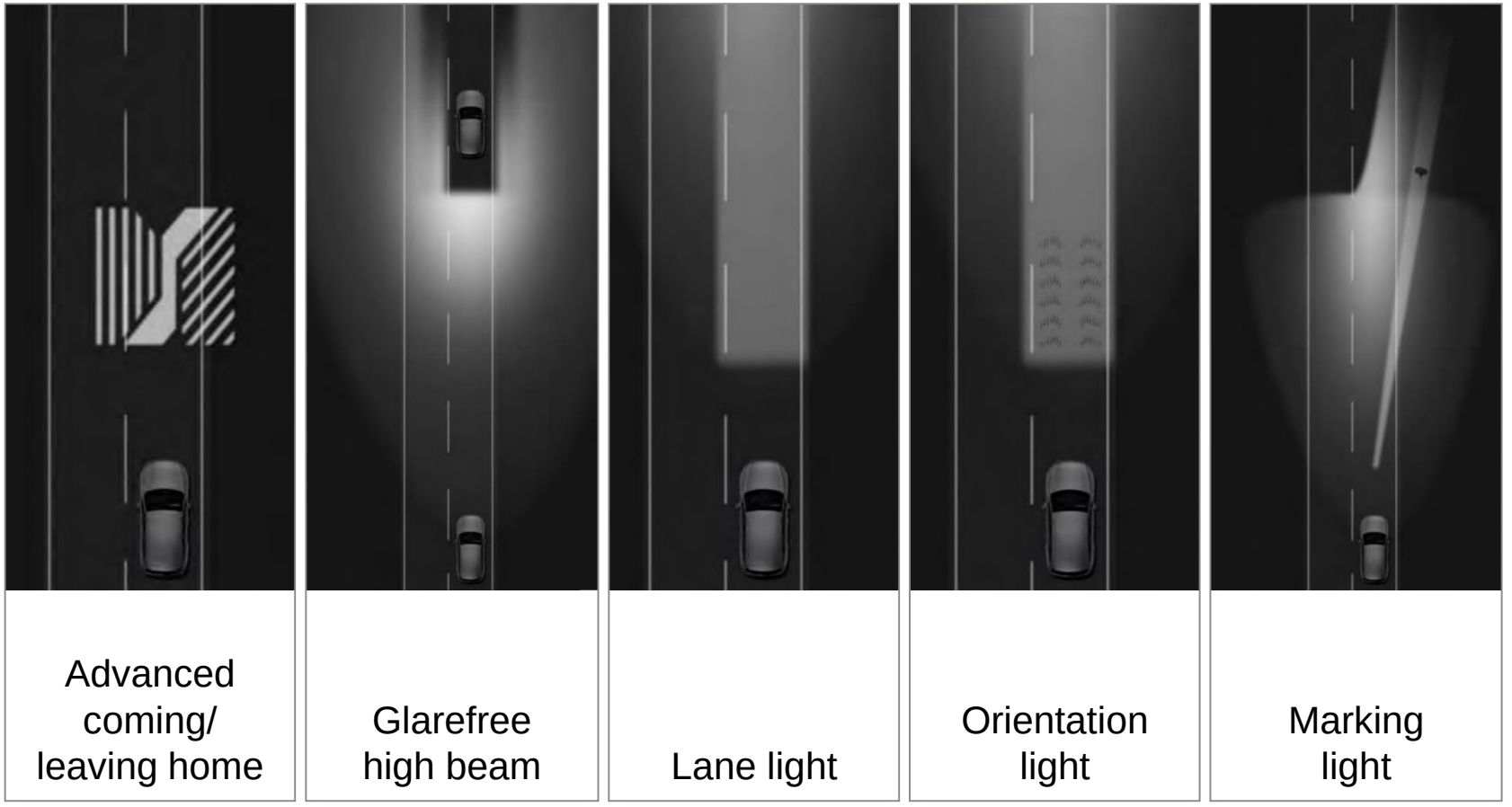
Key facts

- Infineon driver IC controls each of the 16K µLEDs individually with outstanding luminous intensity
- Lead customer:
  German premium OEM
- Next-generation lighting technology under development

Nichia high-definition micro-pixel light source (HD µPLS)



Courtesy: Nichia



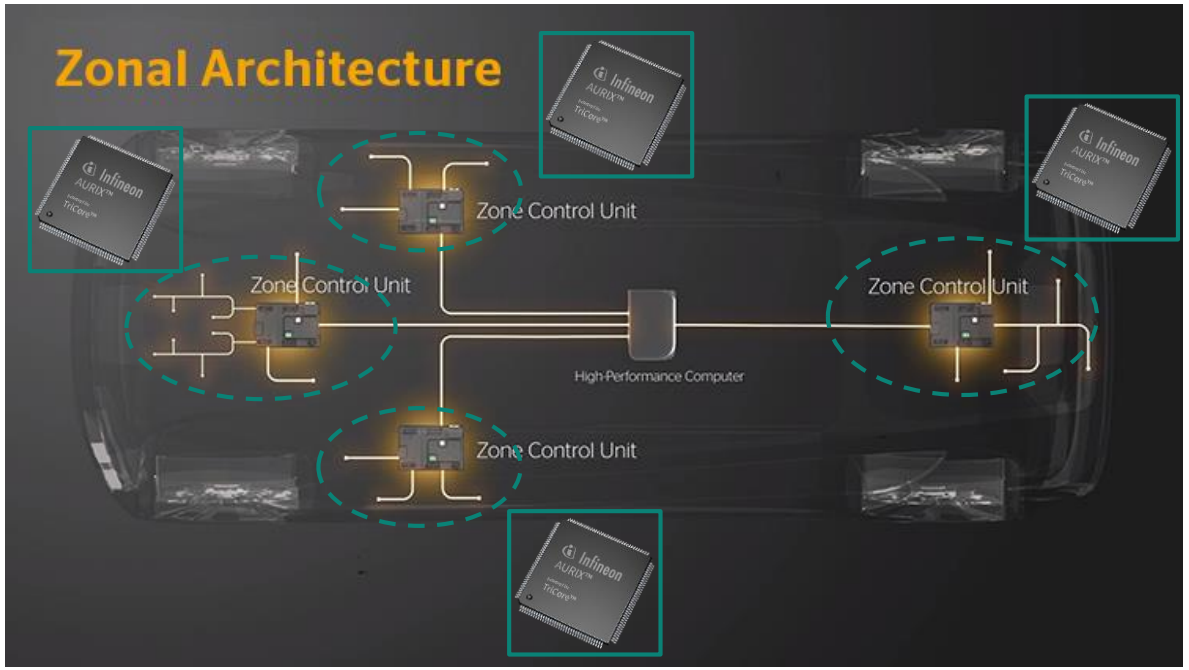
» **Advantages:** Enhanced driving experience, higher safety, more energy efficient

Courtesy: Audi AG

Infineon and Continental to cooperate in the development of server-based vehicle E/E (electrical/electronic) architectures

Continental using Infineon's AURIX™ TC4x MCU for its zonal platform

- Organized and efficient E/E architecture with central high-performance computers (HPC) and a few, powerful zone control units (ZCU) instead of up to a 100+ individual control units
- The AURIX™ TC4x was designed for usage in ZCUs and as support unit in HPCs
- Architecture allows essential software programs to be almost constantly on stand-by
- State-of-the-art cybersecurity functions, developed according to the ISO/SAE 21434-certified process
- RRAM (Resistive Random Access Memory) technology allows performance expansion, power consumption reduction, and cost improvement



- In the E/E architecture of the future, a ZCU bundles all electronic and electrical connections in a local section of the vehicle
- Bundling the software components centrally will thereby increase cybersecurity and updatability

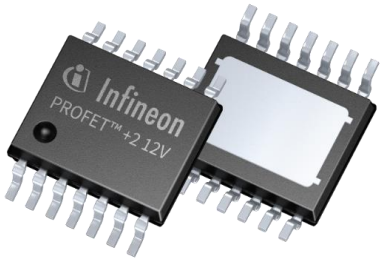
Infineon awarded for BYD's new E/E architecture based on zonal platform

Design-win for three zones

– New E/E architecture enabling efficient MCU setup and smart power distribution

– MCU: TRAVEO™ 2G
(2 MB to 8 MB on-chip memory)

– Intelligent power devices (IPDs):
PROFET™ +2 high-side switch



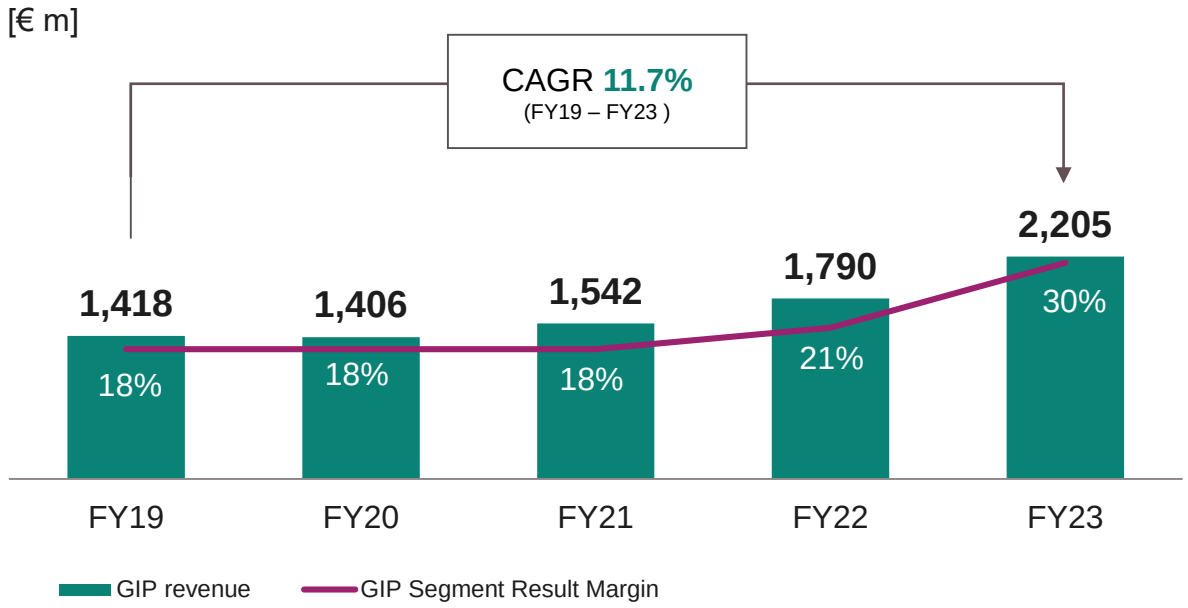
Superior solution by combining MCU and IPD for new zonal E/E architecture

» P2S solution levering combined Infineon product advantages

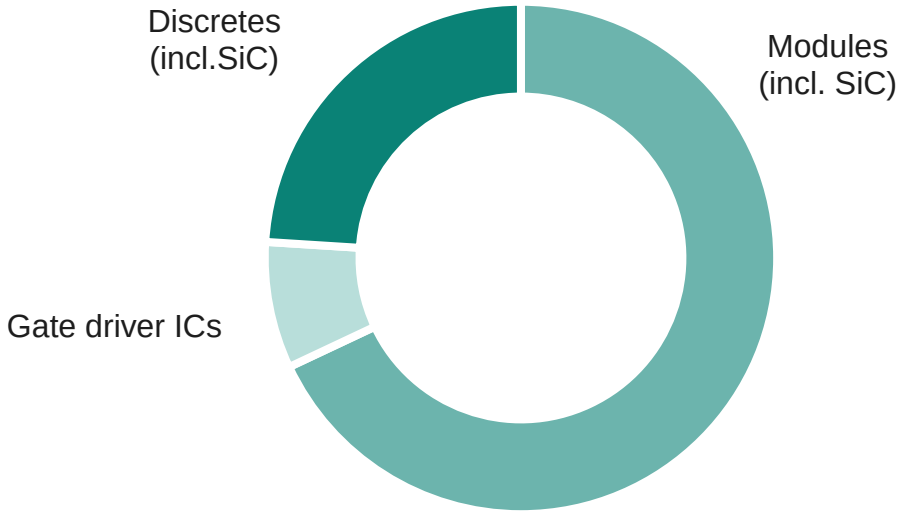
Green Industrial Power

GIP at a glance

GIP revenue and Segment Result Margin



FY23 revenue split by product group

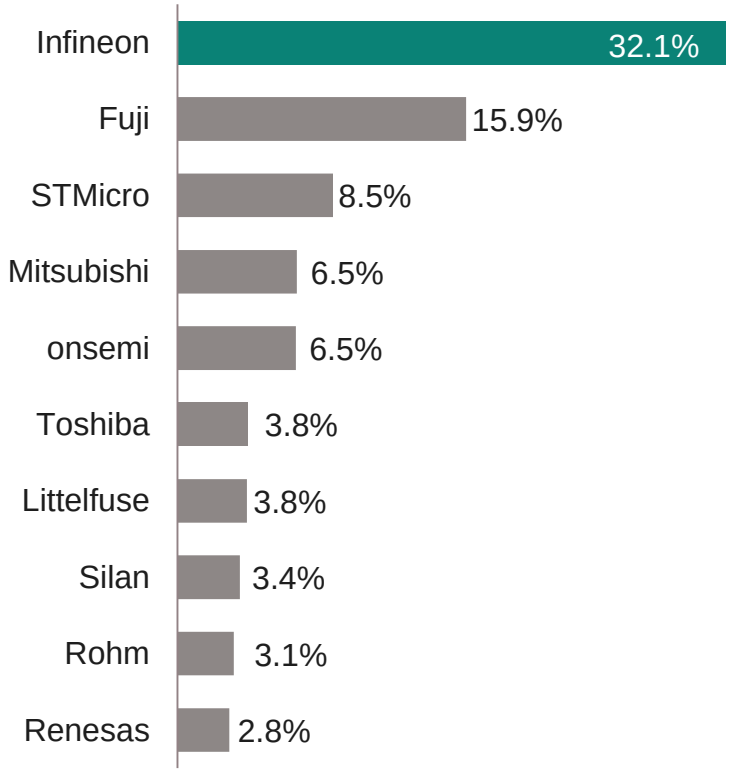


Key customers

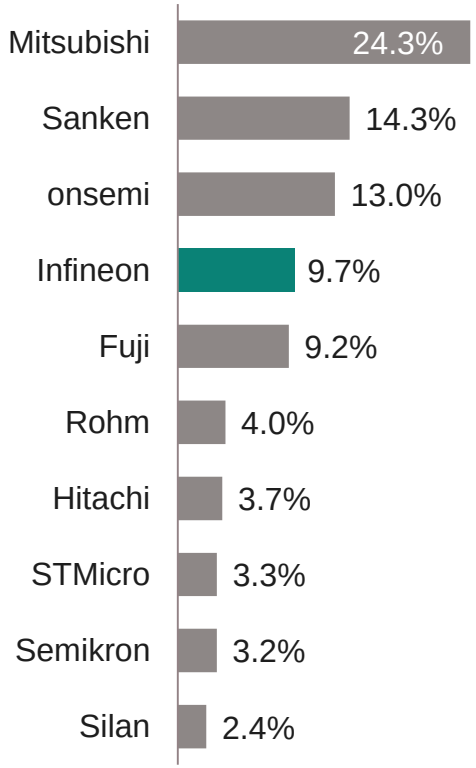
ABB, Aalpitronic, ALSTOM, Bloomenergy, 中国中车 CRRC, GOLDWIND, INOVANCE, LG, Midea, OMRON, Rockwell Automation, Schneider Electric, SEMIKRON DANFOSS, SIEMENS, SMA, SUNGROW, Vestas, YASKAWA

Clear leader in discrete IGBTs and IGBT modules

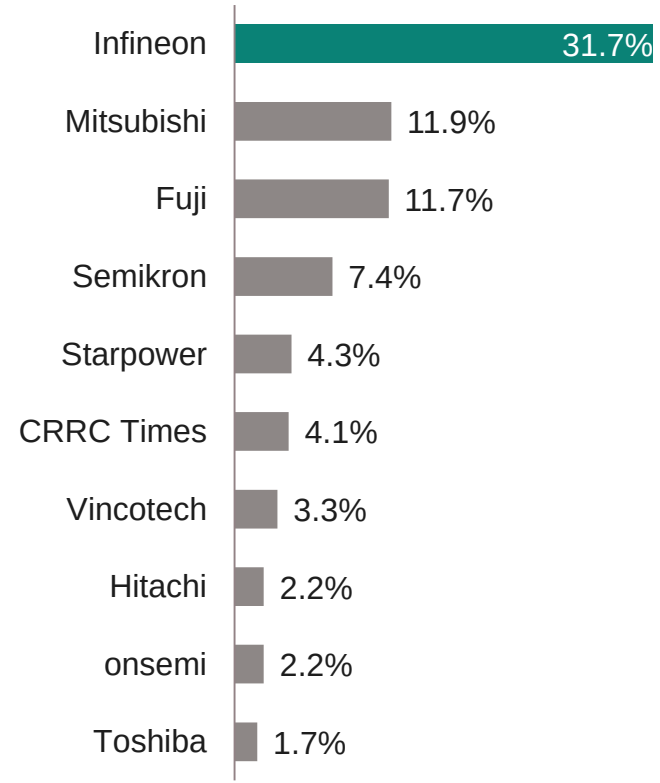
Discrete IGBTs
2022 total market: $2.5bn



IPMs[1]
2022 total market: $2.1bn



IGBT modules[2]
2022 total market: $4.4bn



[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 content supplied by Omdia, "*Power Semiconductor Market Share Database 2022*", Final Version V2 September 2023.
Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

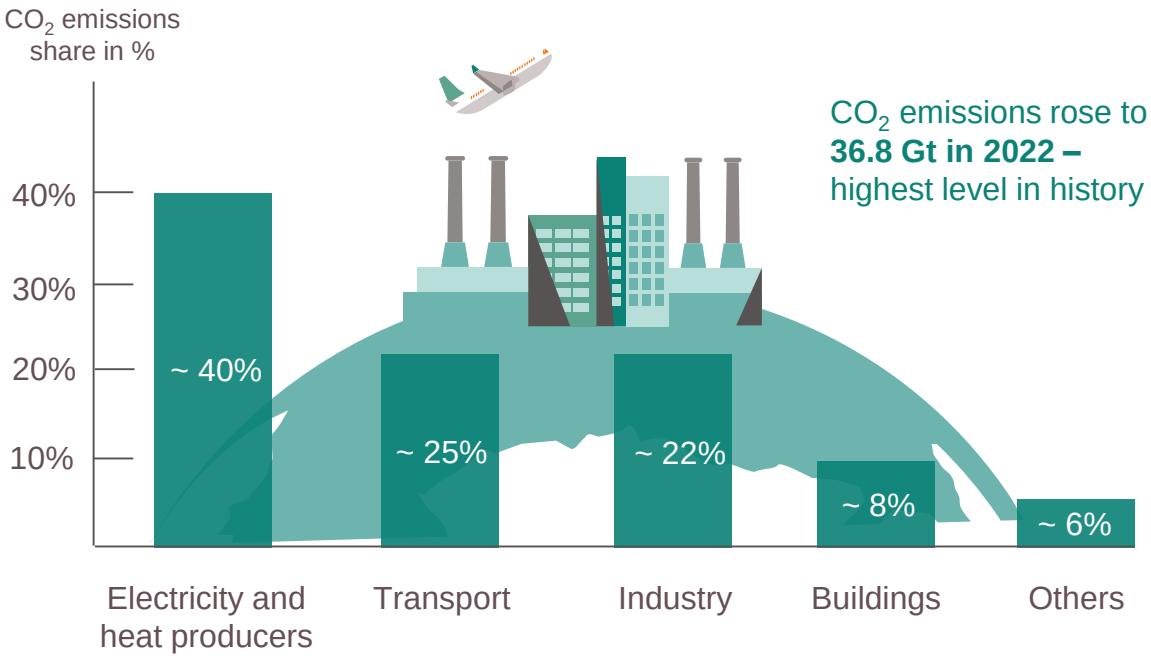
Positive outlook in Green & Efficient Energy applications and moderate growth in Drives confirm positive GIP market outlook

Applications % of FY23 segment revenue[1]	Market outlook for CY24
~26% Renewable Energy Generation	↗ – Photovoltaic installations continue to grow supported by demand for green hydrogen – Growth in wind installations mainly relies on onshore projects (85% onshore, 15% offshore)
~11% Power Infrastructure	↗ – Growth in EV charging infrastructure is further fueled by government programs – Grid requirements for expansion, modernization and flexibility drive growth in Transmission & Distribution as well as storage solutions
~12% Transportation	↗ – Rail transportation units expected to grow high single digits – E-bus outpacing EV adoption rate and rapid improvement in economics of e-trucks
~28% Automation & Drives	↘ – Market research expects to enter a period of adjustment with drives demand bottoming in H2 CY24 – Global diversification of manufacturing operations support midterm growth
~11% Heating, Ventilation, Air condition	↗ – Steady residential and commercial demand growth for air condition expected, government support for the housing in China would be an additional stimulus – Focused policies in several countries support heat pump demand
~6% Home Appliance	→ – Limited visibility for a recovery overall – Green shoots in selected areas such as smart appliances

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

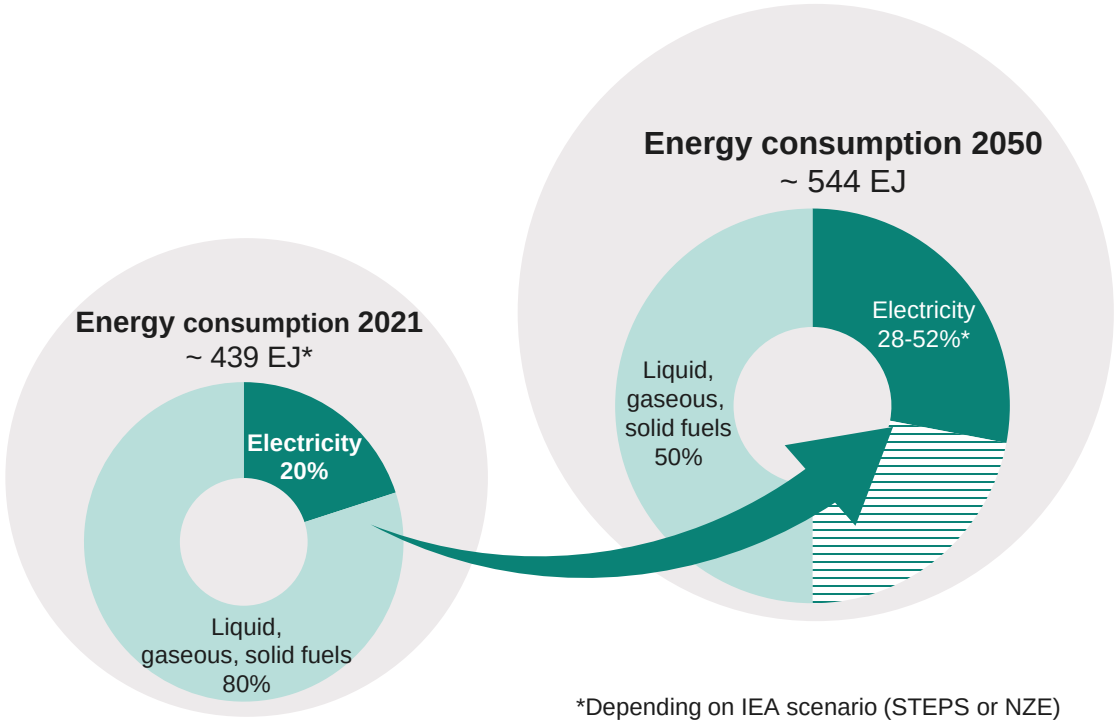
Decarbonization & Digitalization are the driving forces for

Cutting CO_2 emissions in all sectors



CO_2 emissions rose to **36.8 Gt in 2022 –** highest level in history

Increasing electricity demand



*Depending on IEA scenario (STEPS or NZE)

IEA, Global energy-related CO2 emissions by sector, IEA, Paris https://www.iea.org/data-and-statistics/charts/global-energy-related-co2-emissions-by-sector, IEA. License: CC BY 4.0 (Status: 26 October 2022), https://www.iea.org/news/global-co2-emissions-rose-less-than-initially-feared-in-2022-as-clean-energy-growth-offset-much-of-the-impact-of-greater-coal-and-oil-use (Status: 2 March 2023)

* EJ (Exajoule) = 278 TWh
IEA (2022), World Energy Outlook 2021, IEA, Paris https://www.iea.org/reports/world-energy-outlook-2022, p 414 for STEPS and p 447 for NZE by 2050 scenario.

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

Generation

Photovoltaic	**+4,200 GW**
Wind power	**+2,400 GW**

Infrastructure

Grid network	**$600bn annual investments**
Grid storage	**+660 GW**
EV Charging	**+32m chargers**
Electrolysis	**+720 GW (pipeline: 240 GW)**

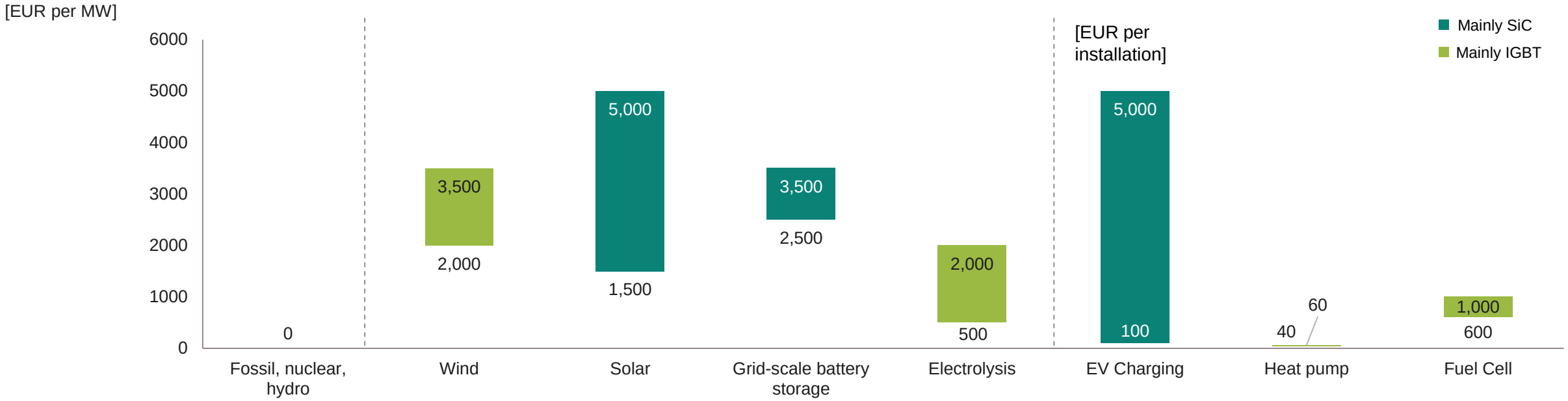
Consumption

Heat pump	**+420m units**
H_2 Fuel Cell[1]	**+200k FC EV +200k FC Trucks**
eAviation | eMarine	

Note: Based on Net Zero Scenario (IEA) | **Source:** IEA, [1]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

GIP markets accelerate growth – enabling green energy and driving decarbonization

Key facts

Growth

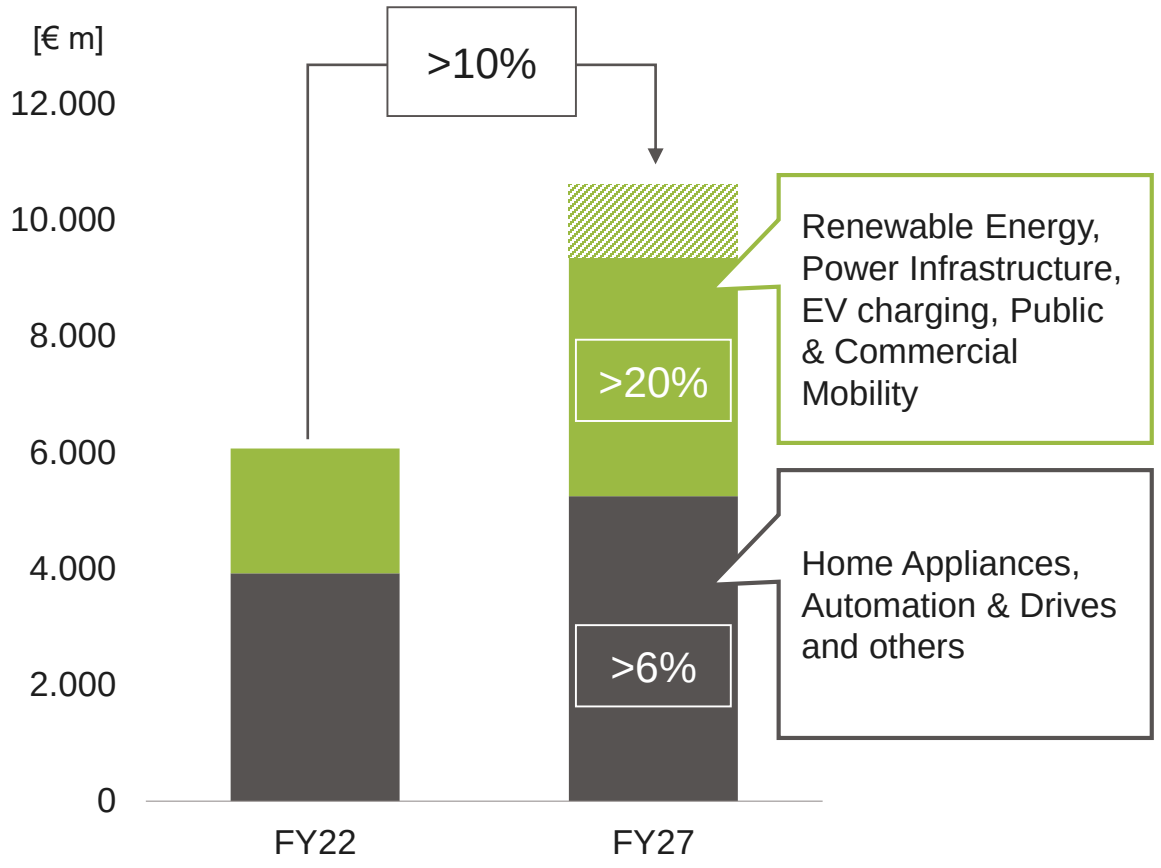
SiC

Profitability

– The **acceleration of the energy transition** drives GIP markets

– **SiC penetration accelerates**

– **SiC** is a key point of **differentiation** and drives GIP **profitability**



Infineon analysis

x% CAGR FY22–27e

Decarbonization of heating

Heat pump

– Heat pumps play a crucial role in the decarbonization of heating. EU objective: 60m heat pumps by 2030 (15m current installed base). This translates to a **22% CAGR**.

– Infineon offers full solution
  Power: Modules, discretes, IPMs Si and SiC
  Control: MCU, sensors
  Usability: HMI
  Connectivity and Security

Major design-win in Europe:
Low-power modules using SiC and IGBT8
for different power classes.

DIEHL Controls

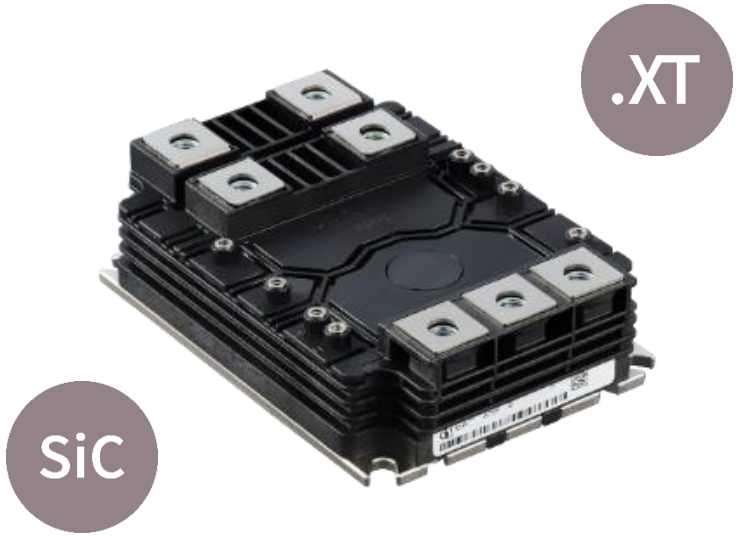
Energy efficient and reliable rail transport is key to reducing the greenhouse gas emissions

Traction application – Key requirements

– Energy efficiency
– High power density
– Long lifetime (> 30 years) with demanding mission profiles

3.3 kV CoolSiC™ MOSFET XHP™ 2

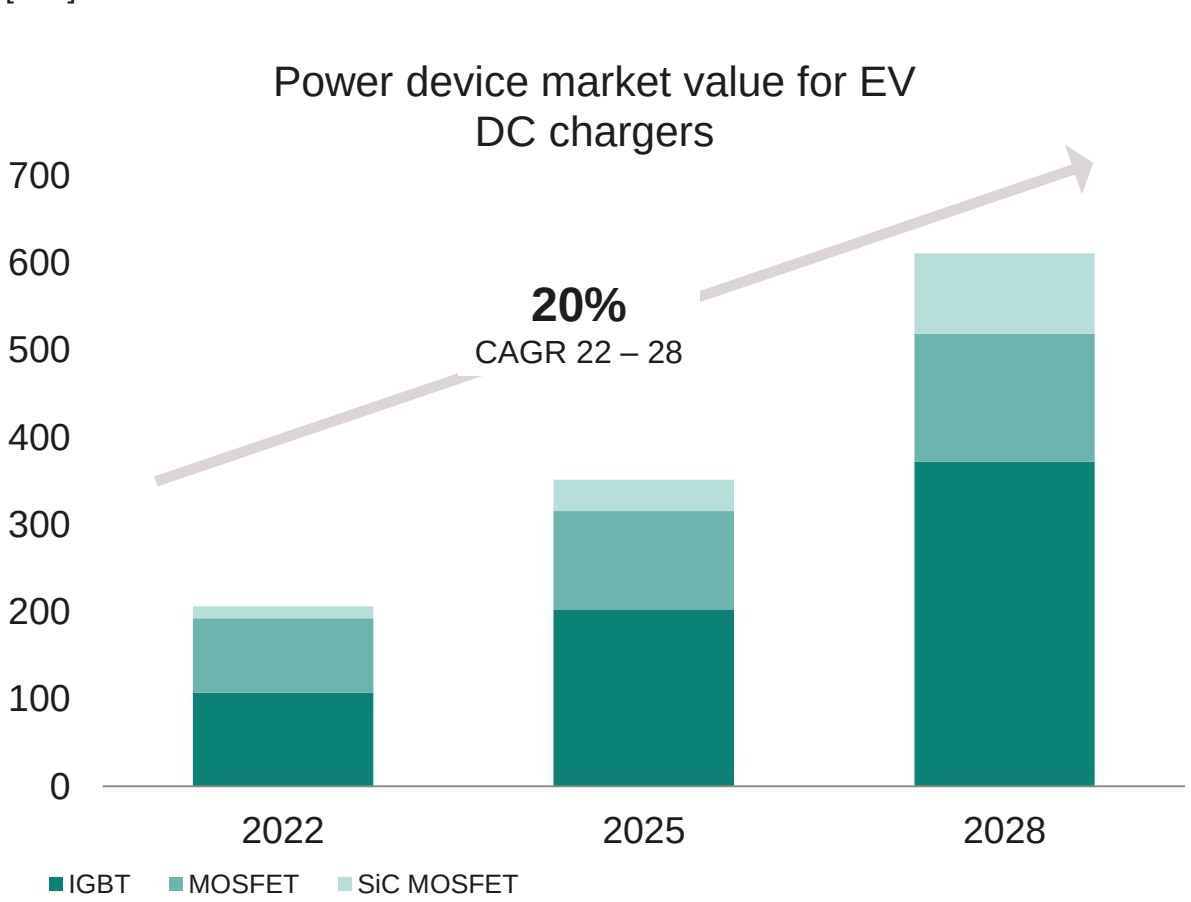
– 10% overall losses reduction
– 10% to 25% system volume reduction
– Robust modules with high cycling capabilities
– Less noise



Enjoy the silence

We have a complete system solution for the fast growing EV Charger market

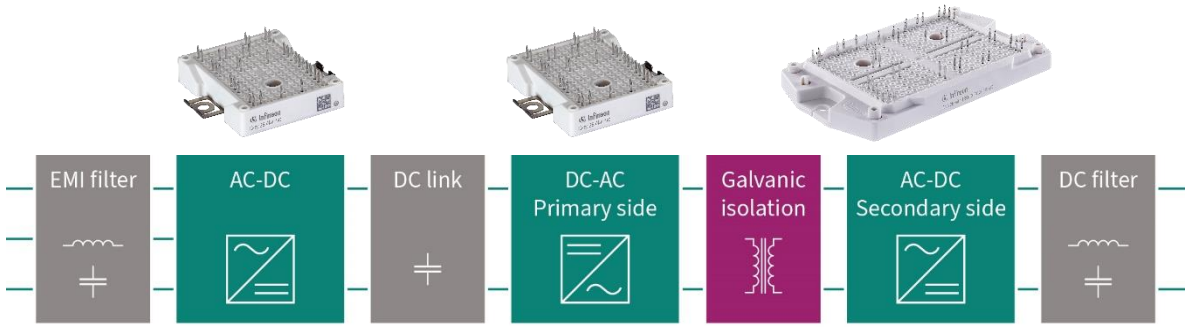
EV charging is an attractive business opportunity



Yole, DC Charging for Automotive 2023

Infineon extends its market leadership

- Significant CRA signed for EASY 3B SiC-modules
- Infineon offers the full solution for power conversion, control and connectivity



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 **~€5bn**[1]

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

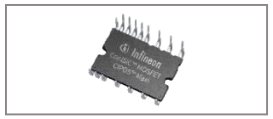
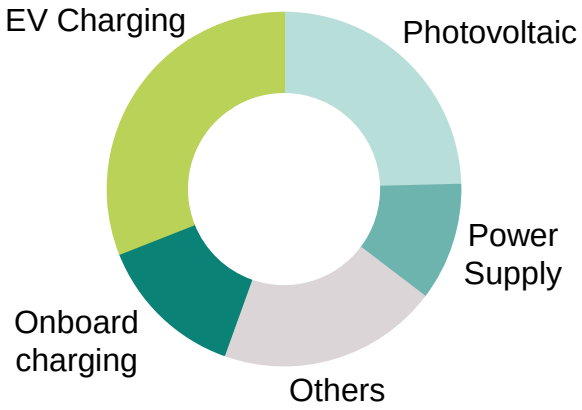
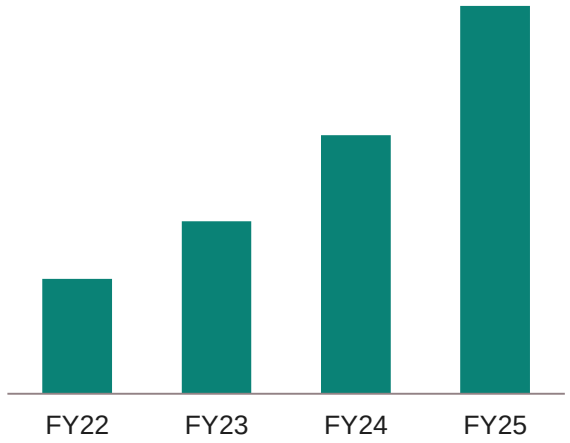







ABB
Alpitronic
中国中车 CRRC
LG
LITEON
Schneider Electric
SIEMENS
SMA
solaredge
TRITIUM



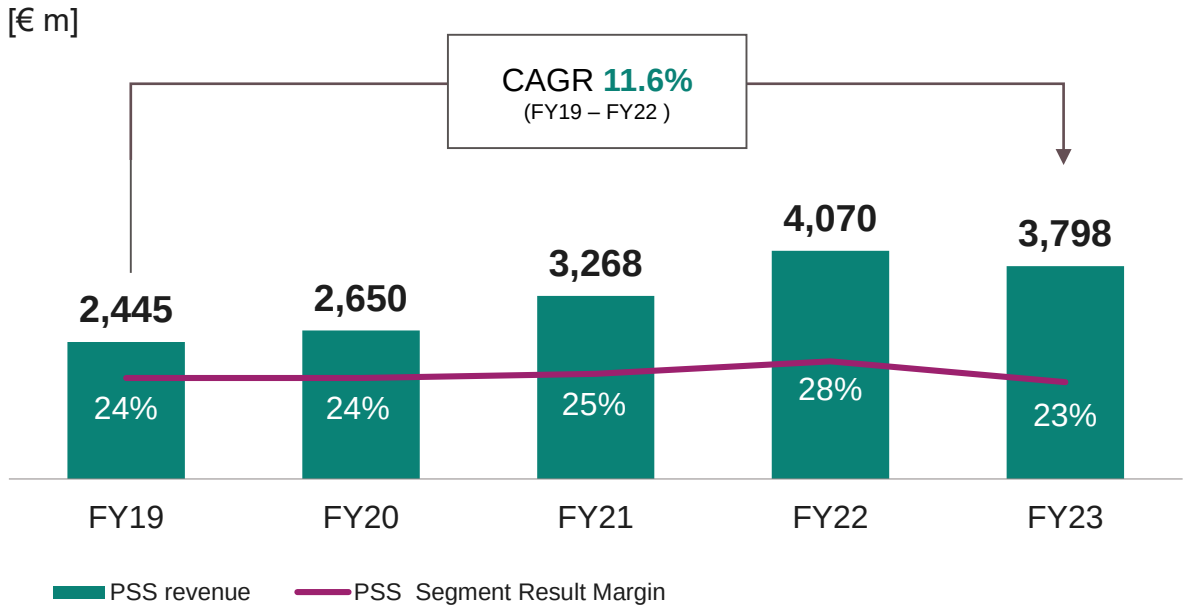


[1] Excluding Auto Drivetrain

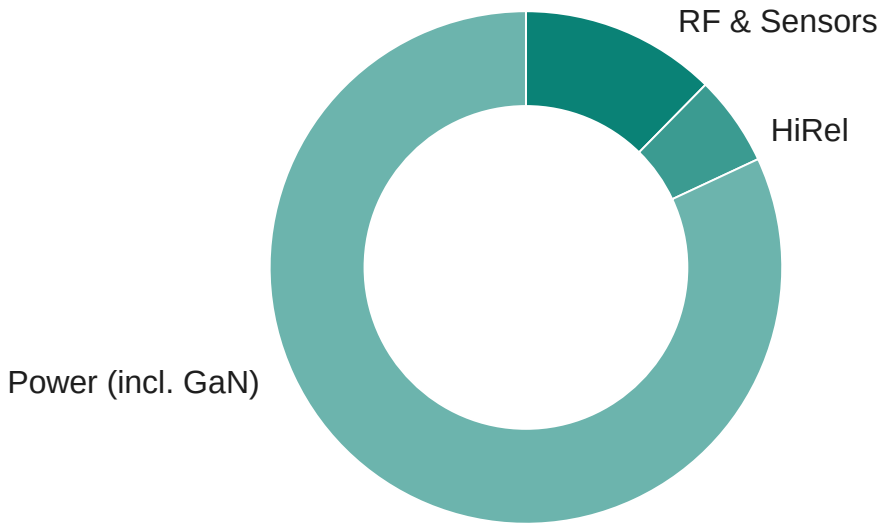
Power &
Sensor Systems

PSS at a glance

PSS revenue and Segment Result Margin



FY23 revenue split by product group



Key customers

amazon · cisco · DELL · DELTA · ERICSSON · ENPHASE · Google
hp · LITEON · Makita · Panasonic · SAMSUNG · solaredge · ZTE

Weakness in most verticals to persist with expected improvement during the course of CY 2024

Applications % of FY23 segment revenue[1]	Market outlook for CY24
~15% Computing	→ – Server weakness continues in H1 CY24 with potential recovery in H2 – benefits from AI opportunities due to increasing semi content – PC market shipments are expected to recover in course of CY24, but to remain below pre-pandemic levels
~10% Communications	→ – Total telco capex is forecasted to be flattish and slightly negative in wireless – Demand in H1 CY24 expected to be weak with some upside potential in H2
~7% Smartphones	↗ – In CY24 y-o-y growth in smartphone shipments expected, recovery should increase momentum in in H2
~24% Consumer	→ – Weak macro environment and related inventory digestion expected to persist in H1 CY24, return to growth possible in H2
~35% Industrial	→ – Flattish y-o-y development expected as weakness in residential solar and automotive markets occurred towards end of CY23. This leads to a reduction in growth prospects

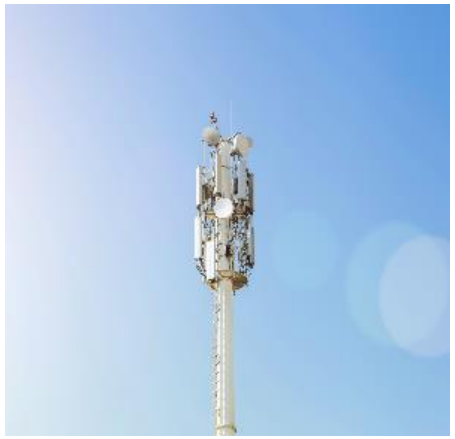
[1] Does not sum up to 100% due to other applications not shown here

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

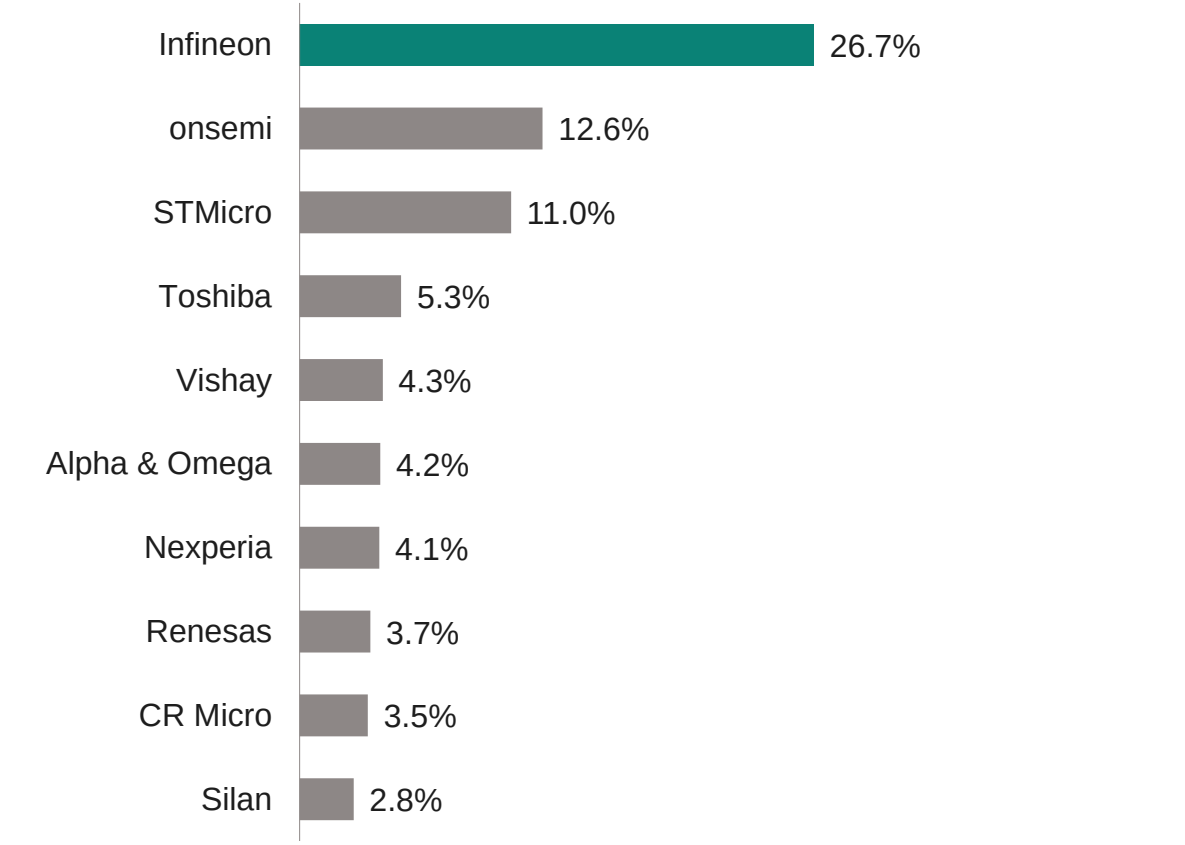
- Power supplies
- EV on-board charger
- Charging infrastructure
- PV inverter
- Power tools
- Lighting
- Industry 4.0
- Aerospace

PSS – Power

Infineon is the clear leader in MOSFETs, additional growth potential in power ICs

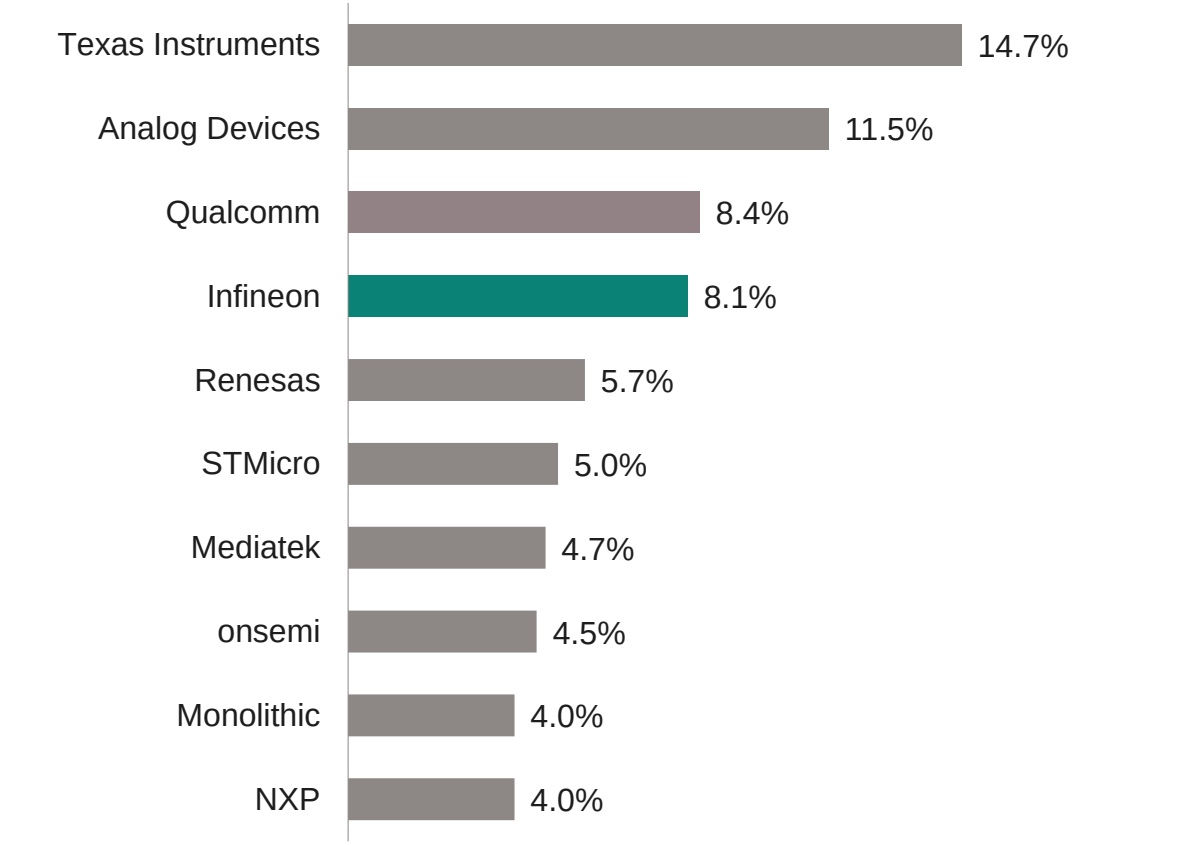
Discrete Power MOSFETs[1]

2022 total market: USD 13.1bn



Power ICs[2]

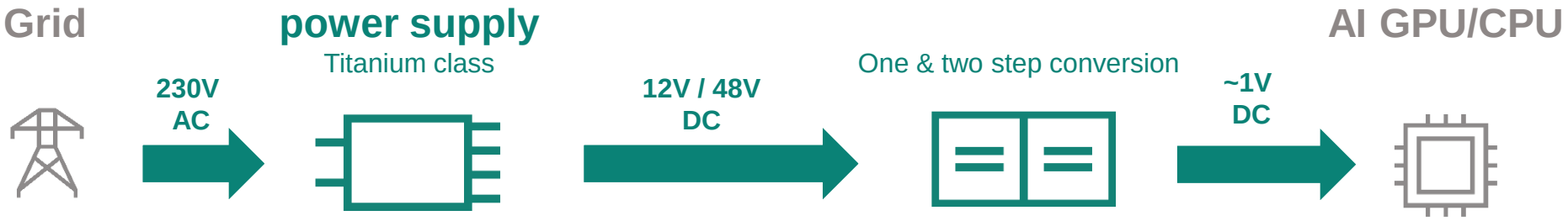
2022 total market: USD 32.3bn



[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. Based on or includes research from Omdia: *Power Semiconductor Market Share Database 2022.* September 2023. | Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Industry-leading solutions and technology partnerships in AI and hyperscale

Infineon with full system offering from grid to GPU/CPU enabling best-in-class system performance and total cost of ownership for high performance computing platforms



Infineon offer:
Transistors
Drivers and isolators
Controllers

Infineon offer:
Smart power stages & modules
Integrated point-of-load multiphase controllers
Hotswap controllers

Per AI board our potential BOM lies between US$50 and US$200
depending on architecture of customer system and products designed in

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-intense external cooling needed

Example

In one use case[1], 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**

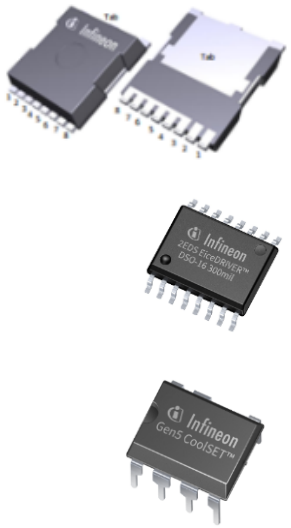
An ideal PUE value is 1.0, which means that all the power required for a data center is **in the actual computing devices**, not in overhead costs such as cooling or power conversion. According to recent research[2], **IT** and **data center managers** reported an **average annual PUE ratio of 1.57** 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

PV **microinverters**

DC optimizer + string inverter

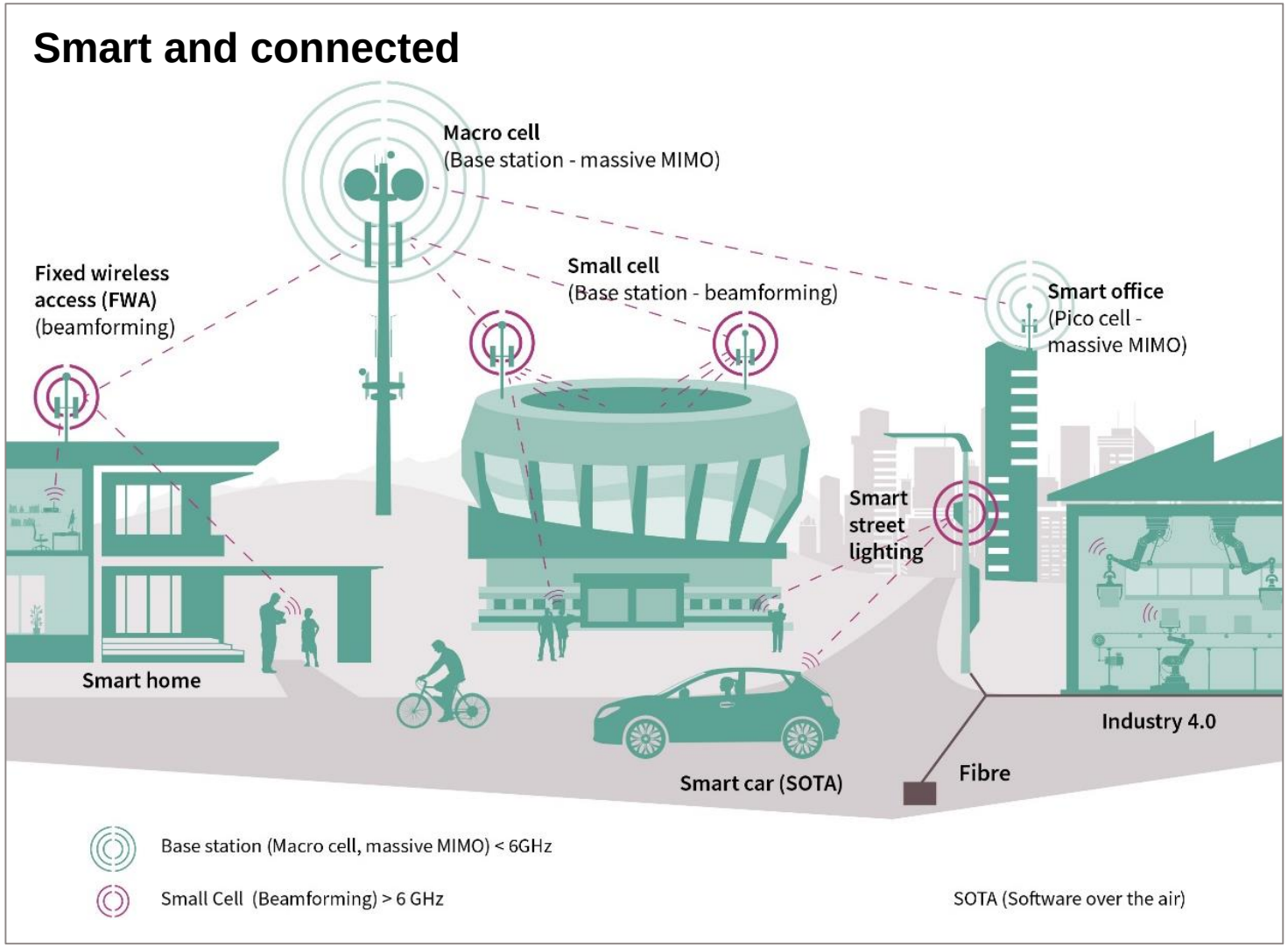
Energy storage systems

» 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



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

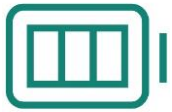
Main applications addressed by PSS sensors portfolio

MEMS microphone

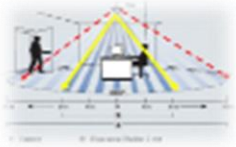
Best audio performance

Low power consumption

3D radar (24/60 GHz)



Ultra-low power consumption



Presence detection/ Vital Sensing

3D ToF image sensor

Best price/- performance

Face ID (biometrics), VR/AR

Environmental

High precision and Small form factor

Measure CO_2

Main applications

- Smartphone
- True wireless stereo headsets
- Smart speaker
- Laptop & tablet

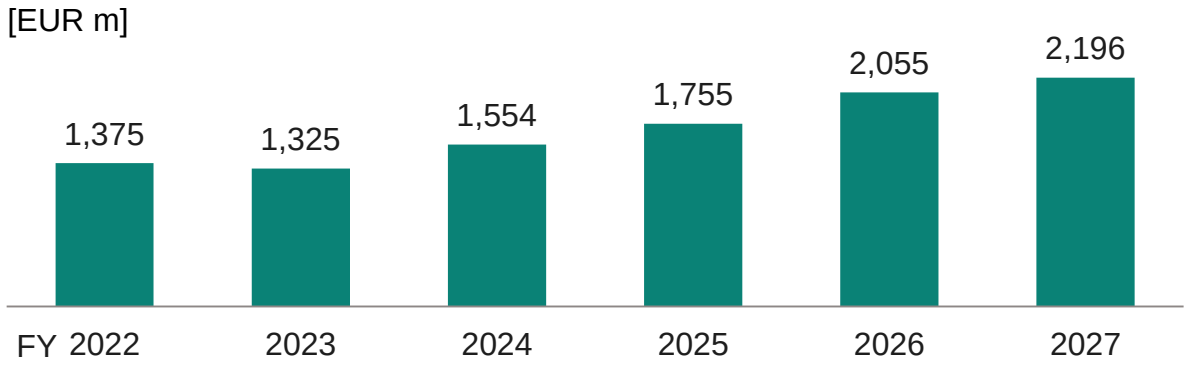
- Automotive
- Smart home
- TV
- Security camera
- Smart building

- Smartphone: World-facing and user-facing
- Robotics
- Automotive in-cabin sensing
- Payment terminals

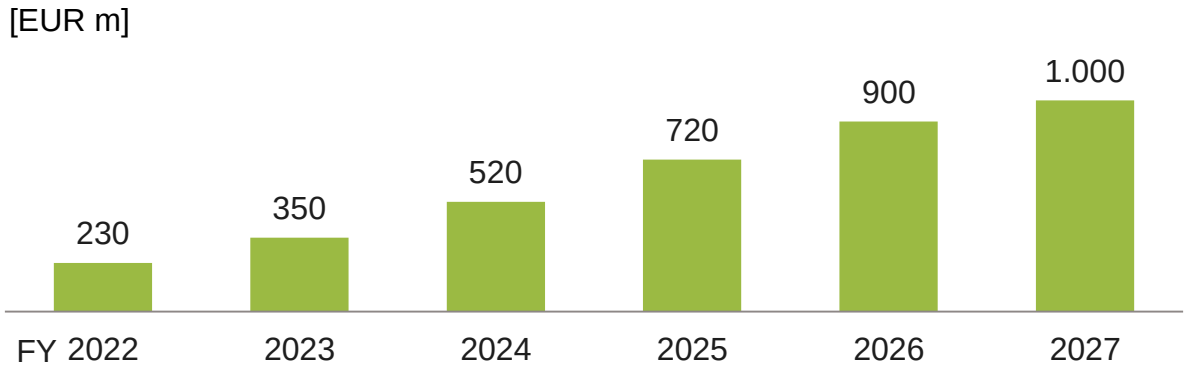
- Heating, ventilation, air conditioning (HVAC)
- Air purifier
- Smart thermostat
- CO_2/virus risk reduction

Sensor markets targeted by PSS offer attractive growth potential

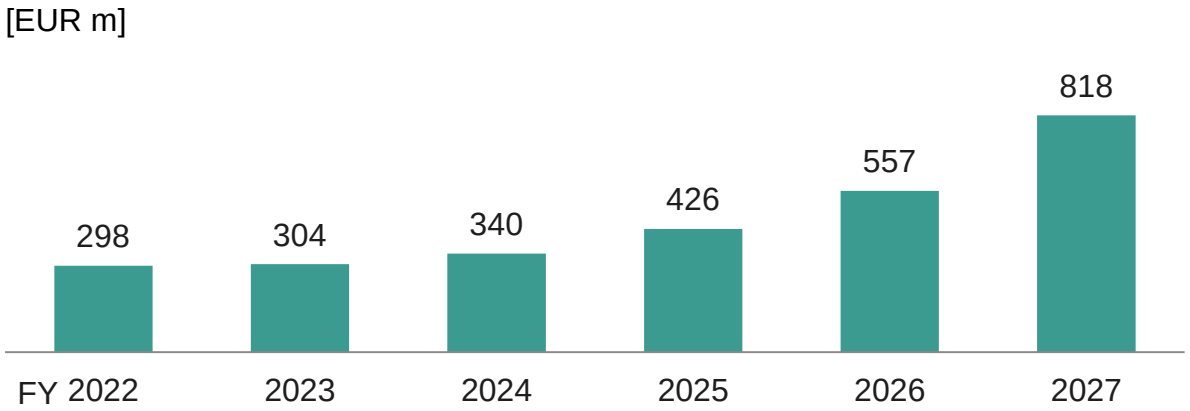
MEMS microphone market



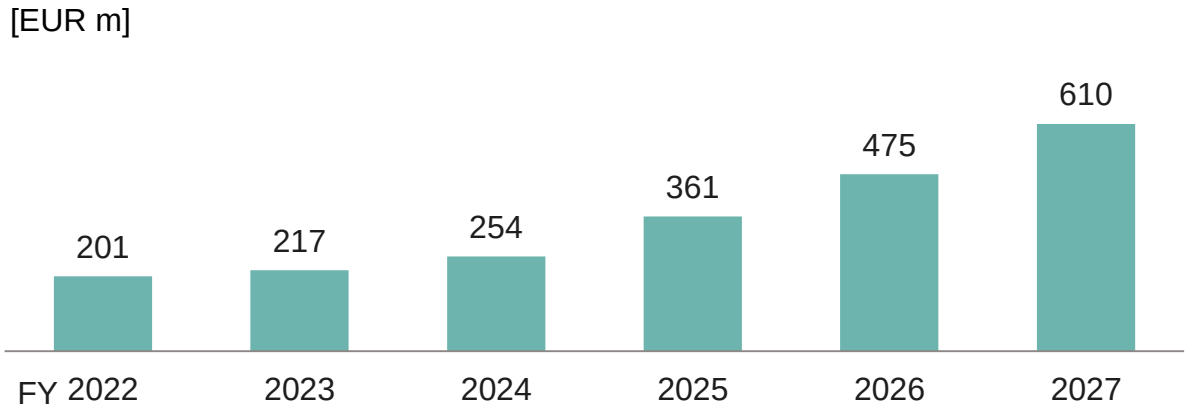
Radar IC market (24 GHz and 60 GHz only)



3D ToF image sensor market



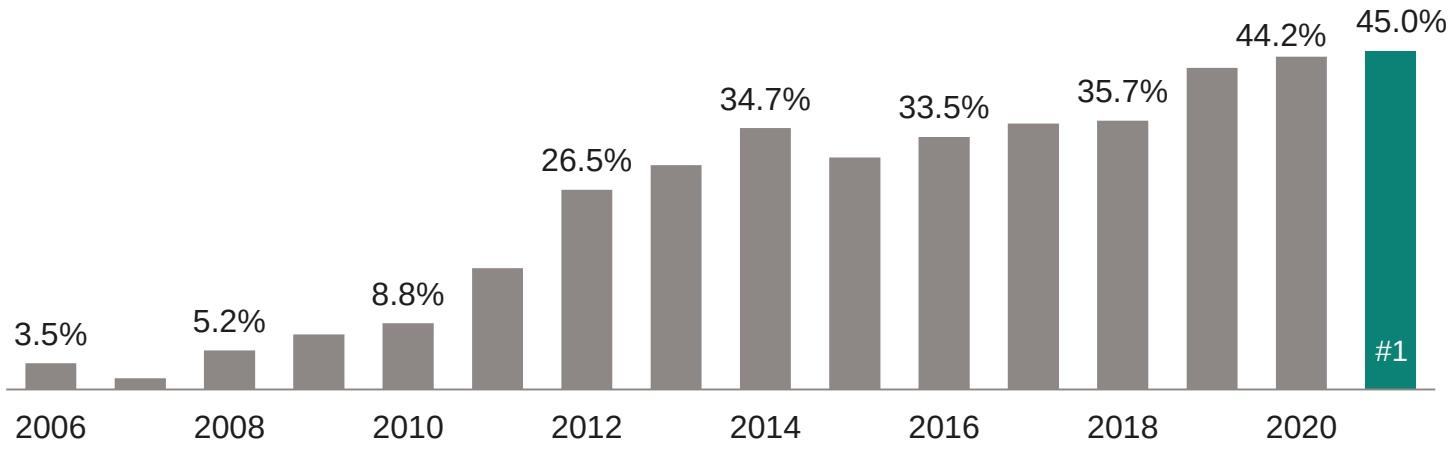
Environmental sensor market[1]



[1] Infineon is addressing smart building, smart home, smart appliances, consumer IoT devices and automotive.
Source: Infineon estimates

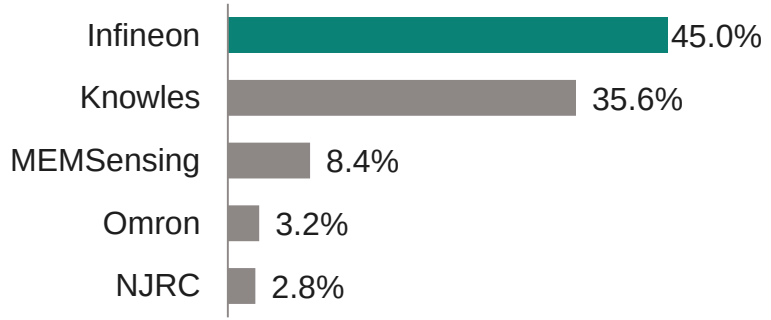
Infineon as market leader has significantly increased the distance to #2

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



2021 MEMS die market share

total market: 6.7bn 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.

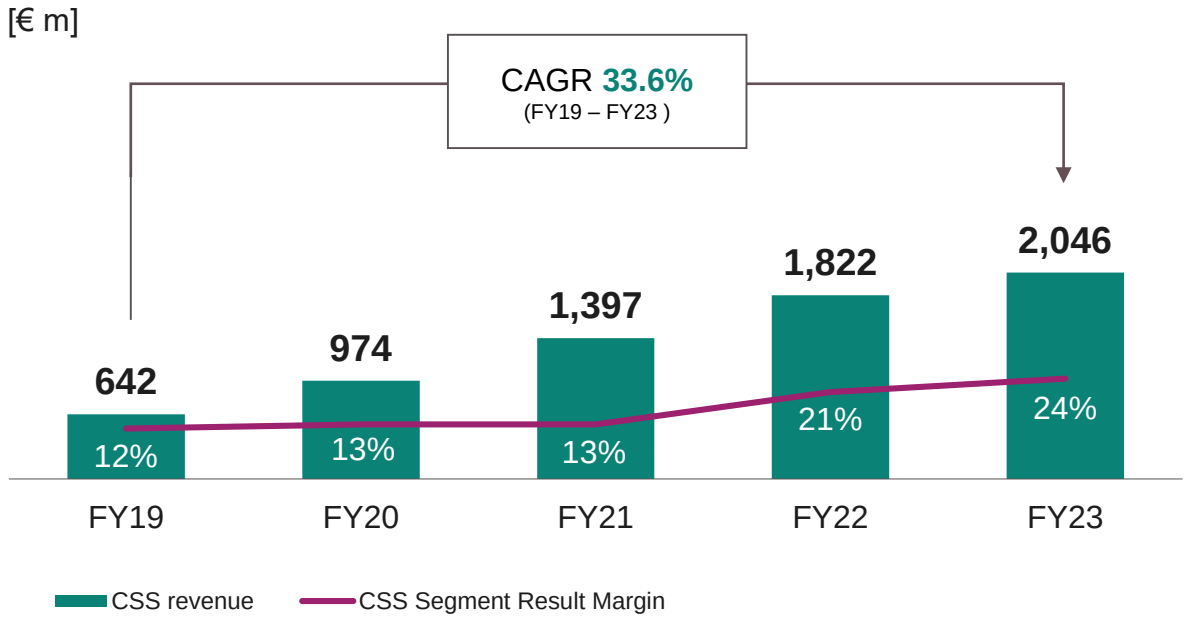
New XENSIV™ MEMS microphone with very low power consumption

- New PDM (pulse density modulation) microphone is based on Infineon's latest Sealed Dual Membrane MEMS technology
- Offers unmatched SNR of 69 dB(A) that enables crystal-clear audio experience
- Needs **half of current consumption** compared with available models on the market with similar performance
- This leads to a **long battery life** and is therefore **perfect suited for hearable** applications like true wireless earbuds, over-ear headsets, and hearing enhancement devices

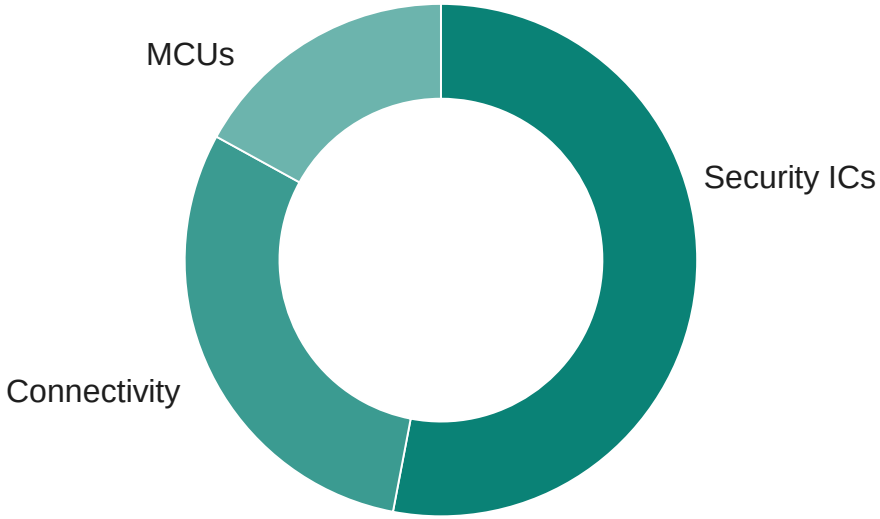
Connected Secure Systems

CSS at a glance

CSS revenue and Segment Result Margin



FY23 revenue split by product group



Key customers

amazon, arlo, cpi card group, fitbit, GPO, Haier, HARMAN, hp, IDEMIA, Midea, PERFECT Plastic, Raspberry Pi, SAMSUNG, SONY, THALES

Market outlook is affected by macroeconomic conditions; risks continue especially for consumer segments

Applications
% of FY23 segment revenue

~63%
Industrial and Consumer IoT

~37%
Smart cards

Applications	Market outlook for CY24
Industrial IoT	– Continued macro economic risks limit growth, while trends of Industry 4.0 and Industrial IoT remain
Home Appliances	– Although penetration of smart appliances increases, potential deterioration of consumer sentiment limits growth
Smart Home	– Stabilization of macroeconomic environment could trigger growth in smart home segments, while risks related to consumer spending prevail
Health & Lifestyle	– Stabilization of macroeconomic environment could support growth in devices like smartwatches, while risks related to consumer spending prevail
Media, Game & Compute	– Main consumer markets are projected to recover later in FY24 as the macroeconomic environment and consumer sentiment improve; however no sharp rebound expected
Automotive	– Overall automotive market might slow down after more positive development expected in 2023, while risks due to macroeconomic conditions persist
Payment	– Stabilization of market as capacities catch up with demand and signals of inventory restocking to historical levels
Identification	– Stabilization of market growth after post-Covid peak in ePassports, while demand remains high

CSS empowers the world to easily connect through smart and trusted solutions

Applications

Industrial and Consumer IoT

Industrial

Automotive

Smart Home

Gaming

Wearables

Payment, ID, Ticketing

Payment

Identification

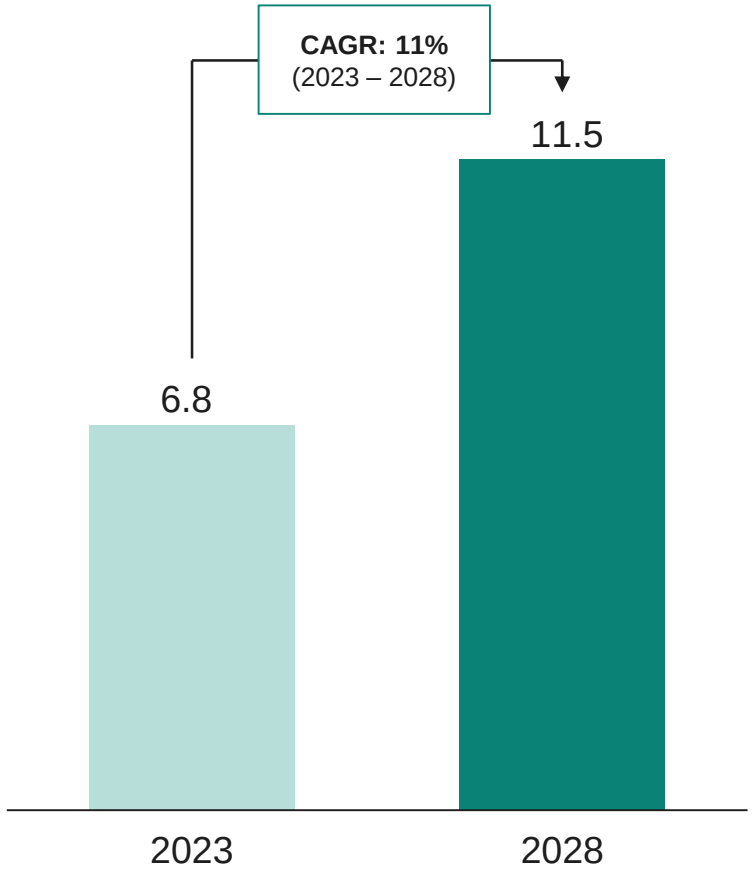
CSS capabilities

- **Compute**
- **Wireless Connectivity**
- **Security**
- **Software**

Infineon’s USP to capture the IoT market potential

IoT market growth

[units bn]



Four success factors to differentiate

Ecosystem Development

Product to System
(Product innovation incl. AI)

Focus on Security

Broader Markets

ABI Research: *Wireless Connectivity Technology Segmentation and Addressable Markets* – Q2 23 June 2023; excluding Chromebooks, desktop PCs, feature phones, media tablets, netbooks, smartphones, white box tablets.

Financial synergy success marked by our journey to becoming a leading IoT solution provider

STEP 1	STEP 2	STEP 3	STEP 4
Product Sell	**Synergy Sell**	**System Sell**	**Solution Sell**
Products: **Sensors** **Power**	**Products:** **Sensors** **Power** **MCU**	**Products:** **Wireless and MCU** **Hardware Security** **Power** **Memory** **Radar** **3D ToF** **NFC Energy Harvesting**	**Additional offering:** **Performance** Advanced sensing algorithms **Integration** Highly integrated system **AI / ML** First stage motion discrimination, acoustic event detection **Services**
IFX content per unit: **Up to €2**	**IFX content per unit:** **Up to €3.5**	**IFX content per unit:** **Up to €10**	**IFX content per unit:** **> €10**
2021	2022	2023	2024+

CSS offers a compelling product portfolio and roadmap for IoT

Microcontrollers (PSoC™ and XMC™)

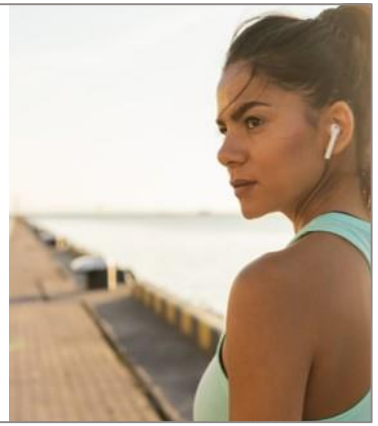
- PSoC™ family for general purpose, XMC™ family for industrial
- Strength in low power, high performance, and capacitive touch sensing
- Compelling roadmap focused on AI, security, and integrated connectivity

AIROC™ Wi-Fi and Combos

- Wi-Fi standalone and Wi-Fi & Bluetooth® Combo chips for end devices
- Focus on innovation for IoT applications: reliability and power
- Strong leader for battery-operated Wi-Fi
- Recent new product introduced Wi-Fi 6 & 6E – the first IoT-focused product in the brand new 6 GHz band

AIROC™ Bluetooth®

- Portfolio of standalone and PSoC™-integrated Bluetooth® and Bluetooth® Low Energy products
- Strong position in wearables, gaming, remote controls, HID, and automotive
- Introducing new products to support the newest smart-home industry standard: Matter



ModusToolbox™ and Software

- ModusToolbox™ is a rich embedded software development toolset to accelerate and simplify development for Infineon MCUs, and the core development platform for Infineon software
- Strong set of SW features in MCU and connectivity SDK's
- CIRRENT™ is a cloud services platform for data-driven improvement of connectivity and delivery of innovative IoT services

Intelligence moves into devices - Edge-AI is a key enabler of IoT and beyond, offering a significant market opportunity

Edge-AI and benefits

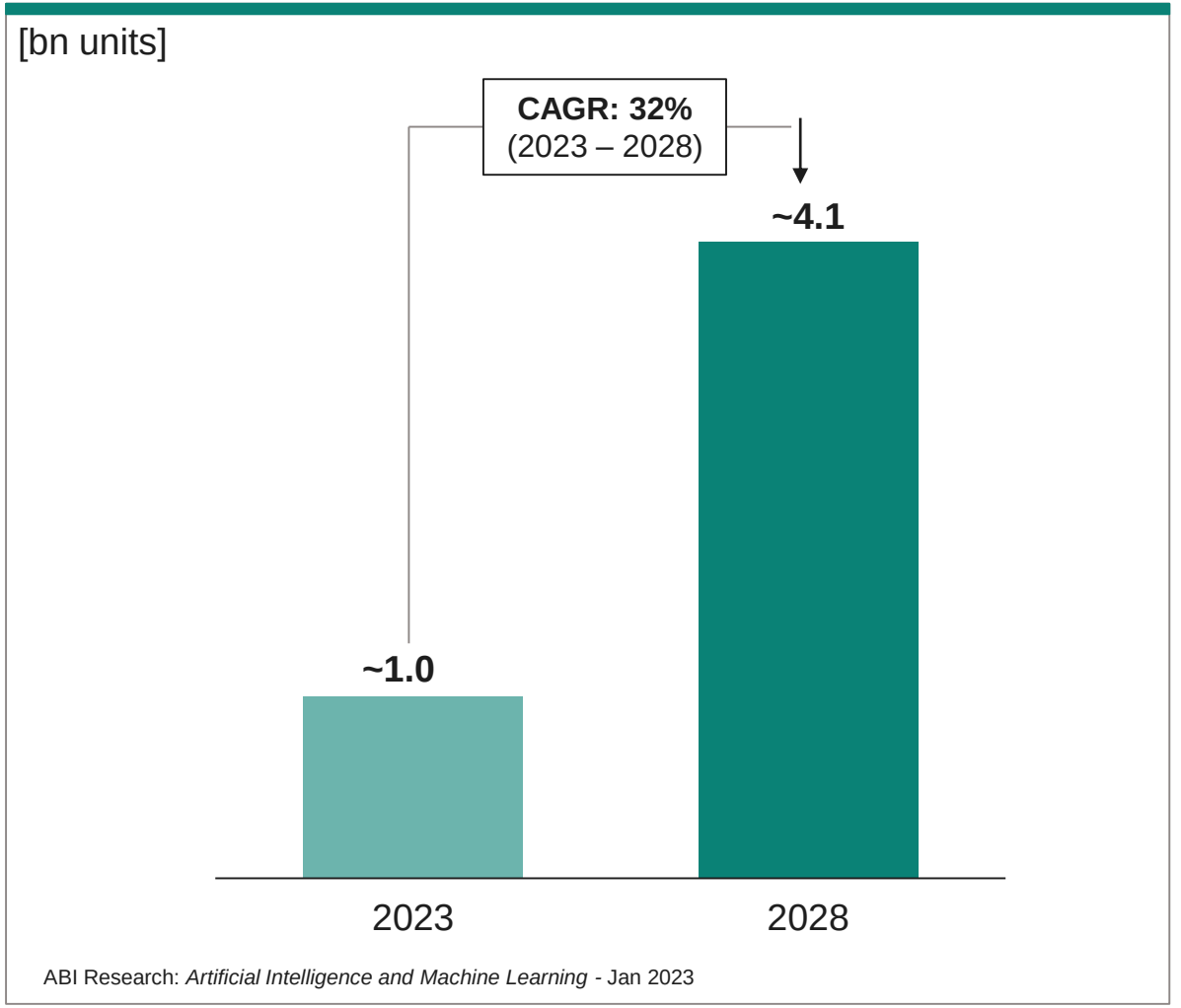
- Intelligent IoT devices require substantial processing at the edge
- Edge-AI ensures optimal use of network, computing, and energy resources
- Key benefits to enable IoT are:

Low latency and deterministic response

Higher power efficiency

Improved security and data privacy

Tiny ML worldwide device shipment



ABI Research: *Artificial Intelligence and Machine Learning* - Jan 2023

Infineon‘s Edge-AI enabling ecosystem allows for portfolio expansion to offer differentiated solutions for smarter IoT devices

Edge-AI optimized hardware products from Infineon

- MCU
- Connectivity
- Sensors
- Additional Infineon products

+

Infineon‘s ecosystem as an enabler for Edge-AI

- Infineon‘s software ecosystem — ModusToolbox™
- End-to-end machine learning toolchain — imagimob
- AI partners — EDGE IMPULSE, SensiML™, Micro.ai, Cyberon Leading Speech Solution Provider
- Digital services — CIRRENT™, INDUSTRIAL ANALYTICS

=

Differentiated Edge-AI based solutions for a broad selection of use cases

Going forward, we will capture value through differentiated Edge-AI based solutions to enable new use cases for our customers

Examples for Infineon's differentiated Edge-AI based solutions

MCU connectivity sensors +

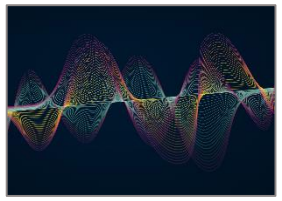
Infineon AI tools in ModusToolbox™

ModusToolbox™

imagimob

Edge compute model deployment

Audio classification



Predictive maintainence

Fall detection

PSoC™ AIROC™ XENSIV™ sensors +

Infineon AI tools in ModusToolbox™

ModusToolbox™

SensiML™

Seamless data capturing and Machine Learning models deployment for IoT devices

XENSIV™ sensors and edge implementation +

Infineon AI tools in ModusToolbox™

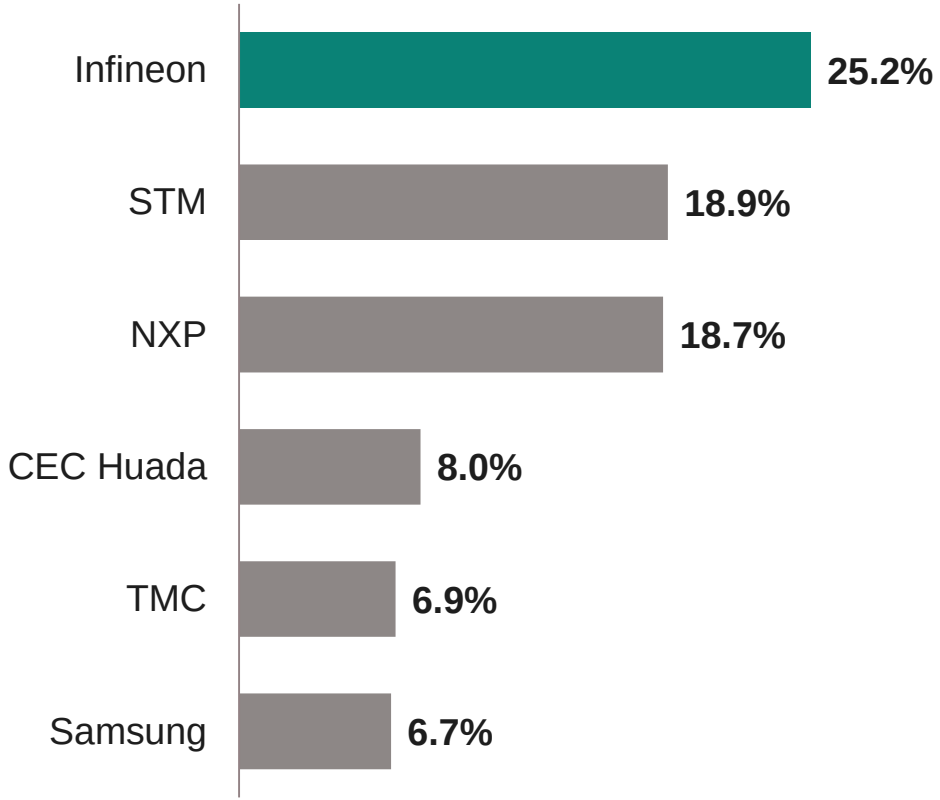
ModusToolbox™

INDUSTRIAL ANALYTICS

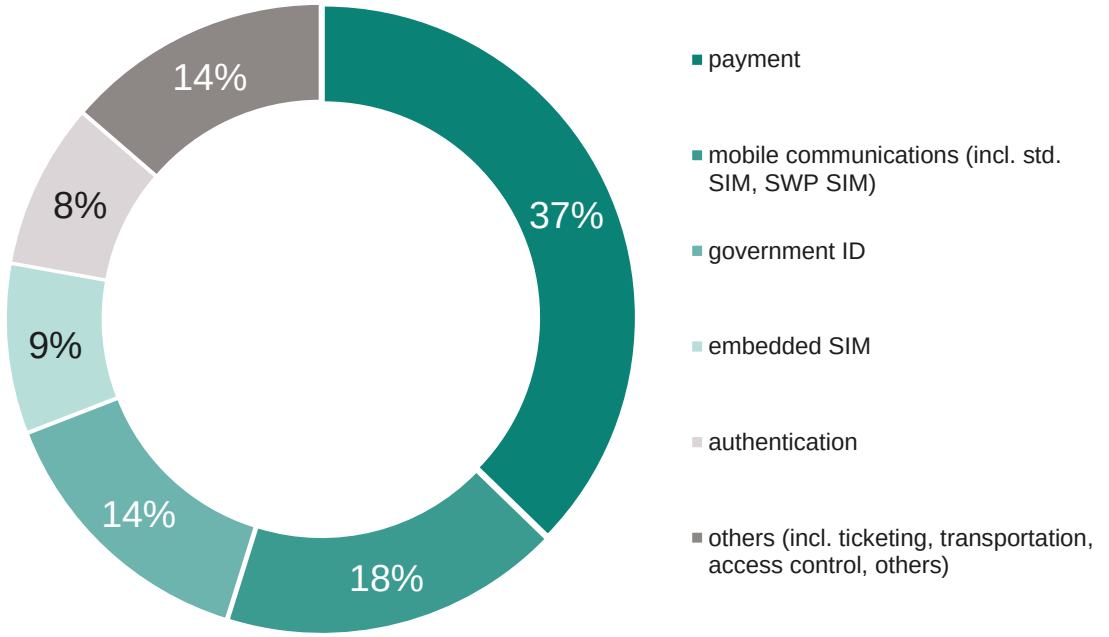
Digital-twin and predictive analytics services for industrial compressors

Infineon remains top player in security ICs

Security ICs (excl. NFC controllers; excl. NFC eSE)
2022 total market: $3.6bn



Security ICs (excl. NFC controllers; excl. NFC eSE)
2022 by application



ABI Research: *Smart Card and Embedded Security IC Technologies*. October 2023.

Security solutions: Wide-spanning offering for trusted contactless transactions, trusted identities, and authentication

Device Authentication

- Battery authentication
- Printer authentication
- Smart inhaler
- Wireless charging
- Customized authentication solutions

IoT Security

- Automotive Security
- Cellular IoT Nodes
- Industrial Security
- IoT Security
- Security in PC, Laptop & Tablets
- Smart Home

Payment Solutions

- Credit and debit cards
- Dual Interface biometric cards
- Smart wearables & accessories
- Tickets for public transport
- Smart connected systems

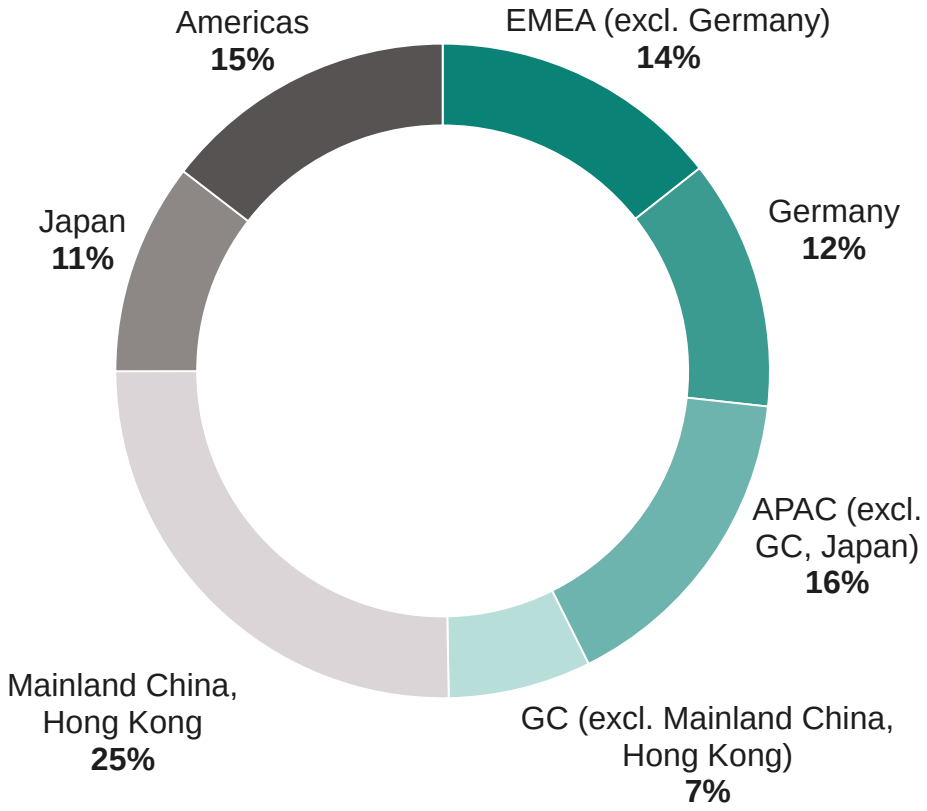
Identity Solutions

- Electronic passports
- ID cards
- Blockchain
- NFC tags

Selected financial figures

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

FY23 revenue by region



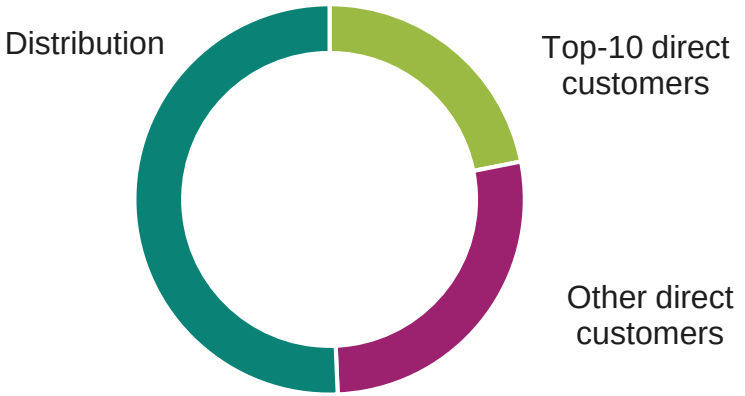
Revenue by sales channel

Distribution partners[1]

Arrow, Avnet, Future Electronics, intron 英恒, Jingchuan, Macnica, Marubun, NEXTY Electronics, 威健 WEIKENG, wpg

Top-10 direct customers[1]

APTIV, BOSCH, Continental, DELTA, DENSO, HYUNDAI MOTOR GROUP, SIEMENS, Valeo, vitesco TECHNOLOGIES, ZF



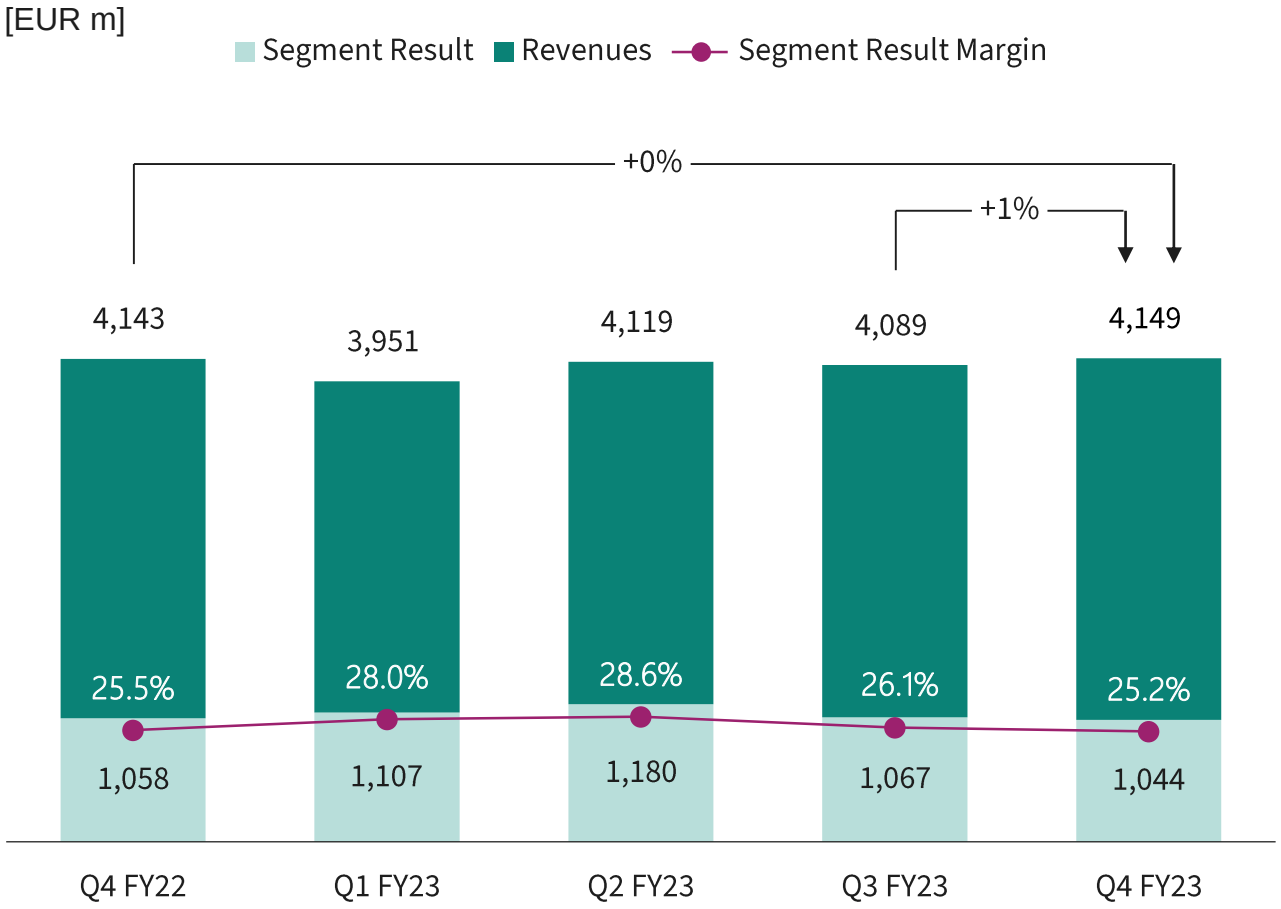
EMS partners[1]

flex, JABIL

1 In alphabetical order

Group financial performance

Revenues and Segment Result

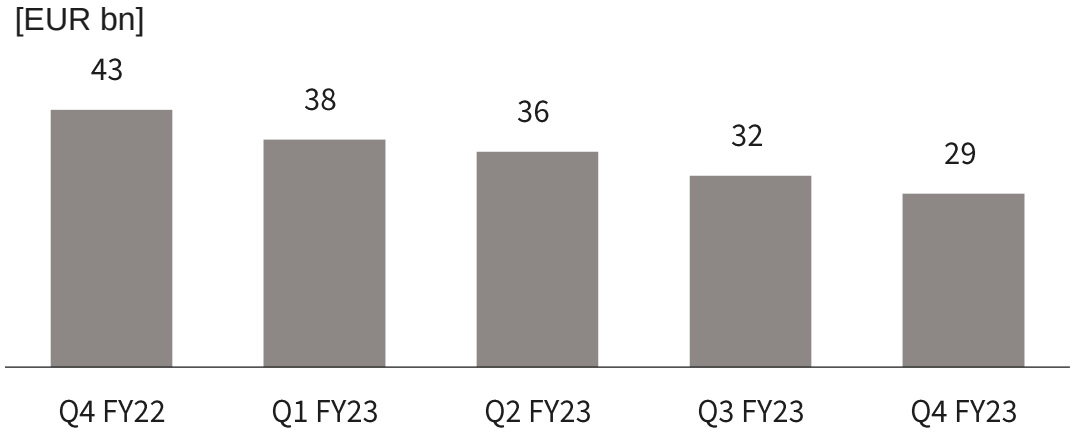


USD exchange rate

Average revenue exchange rate

	Q4 FY22	Q3 FY23	Q4 FY23
ø USD/EUR	1.01	1.09	1.09

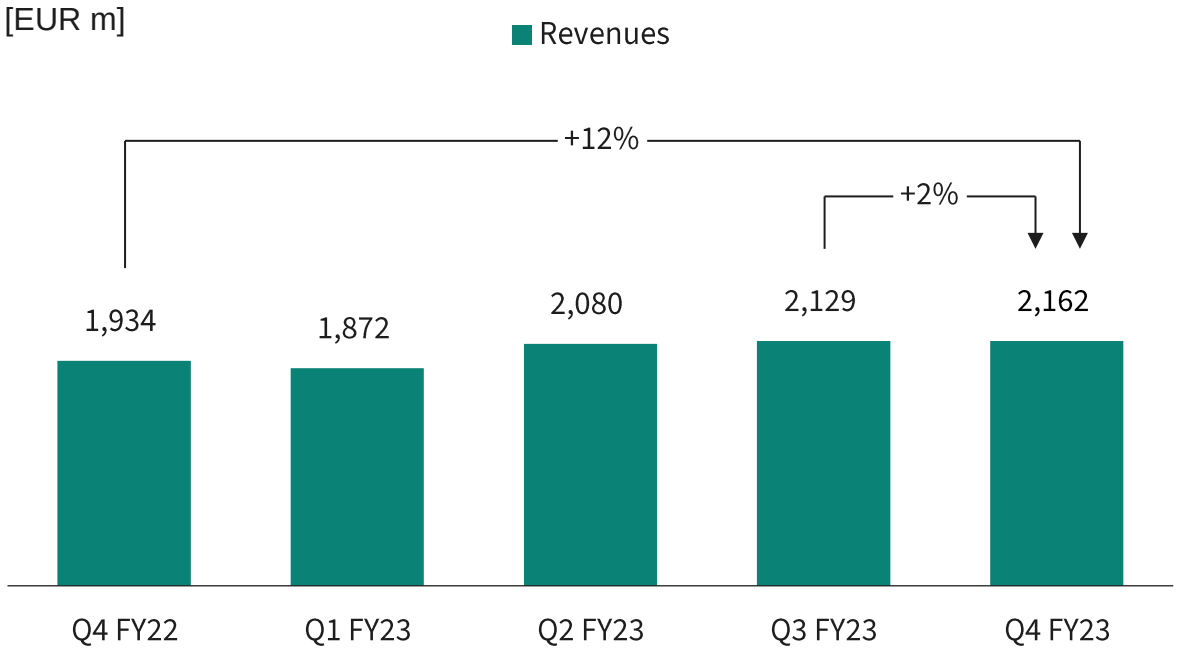
Order backlog[1]



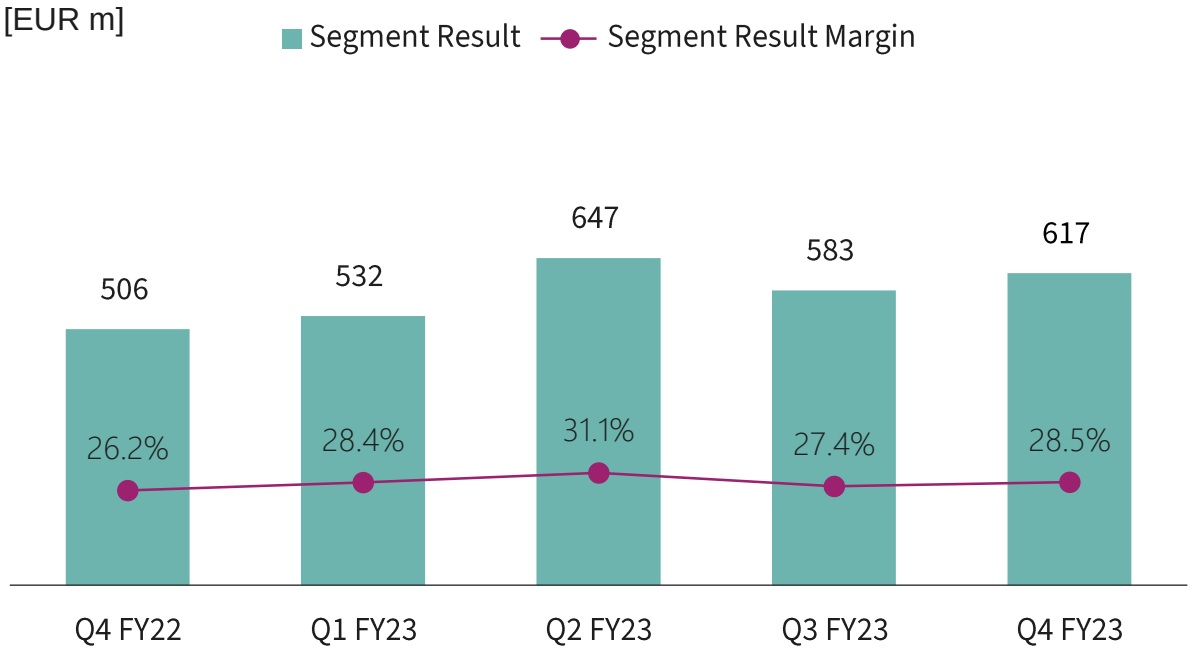
[1] See notes for definition

Automotive (ATV)

Revenues



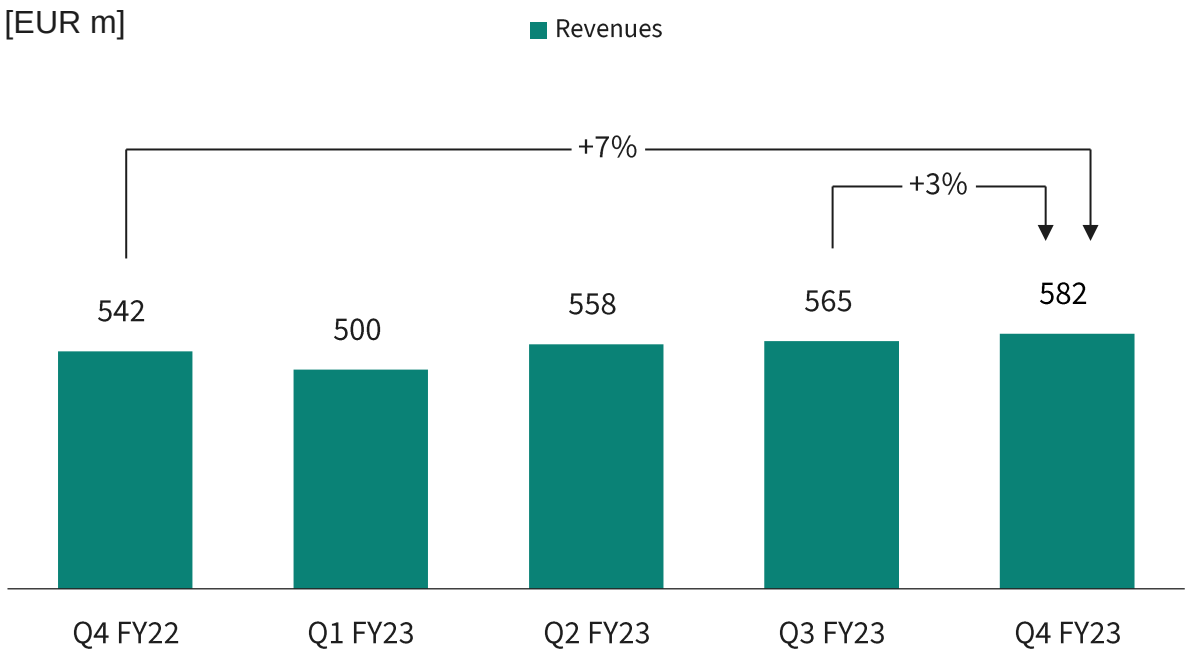
Segment Result



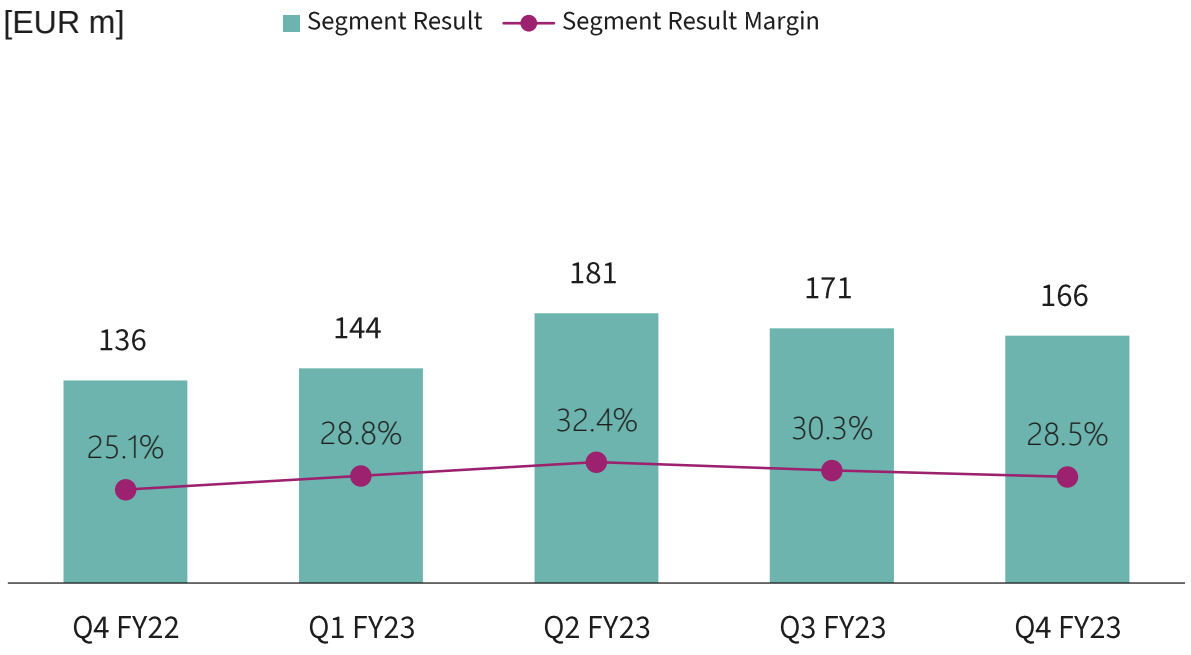
- Further revenue increase driven by broad-based demand and market share gains in microcontrollers
- Incremental margin increase due to continuous growth trajectory, positive mix effects and stable pricing
- For FY24 we expect low double-digit sales growth and a segment result margin between 25% and 28%
- €40bn design-win volume in last 3 years – exceeding expectations

Green Industrial Power (GIP)

Revenues



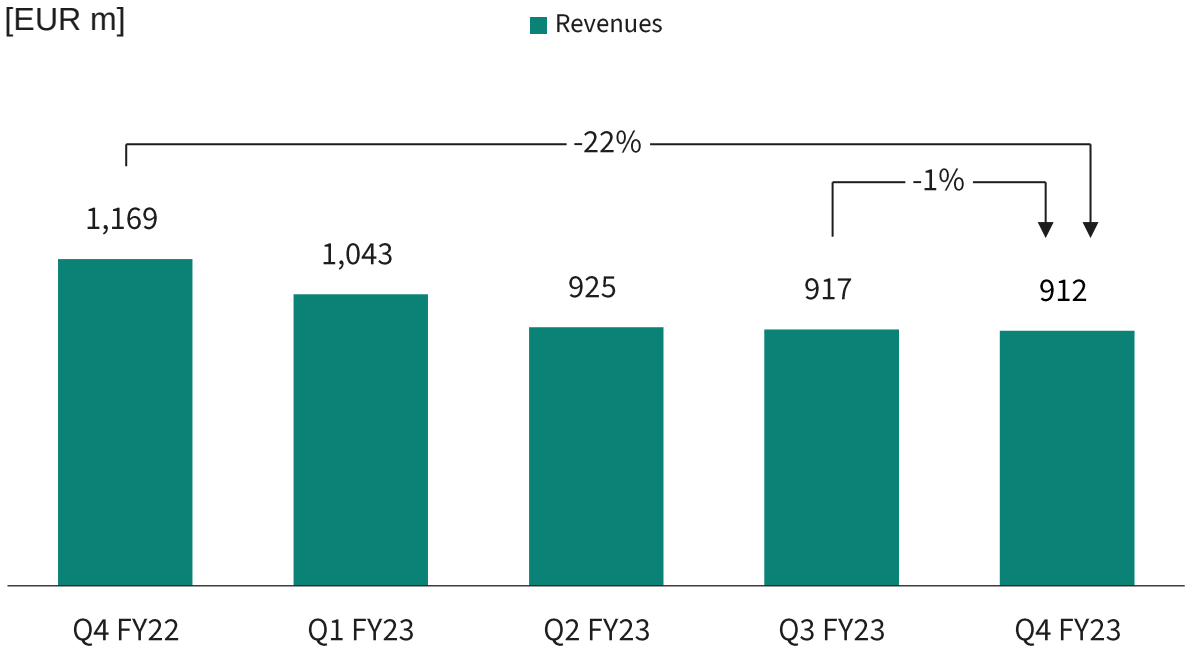
Segment Result



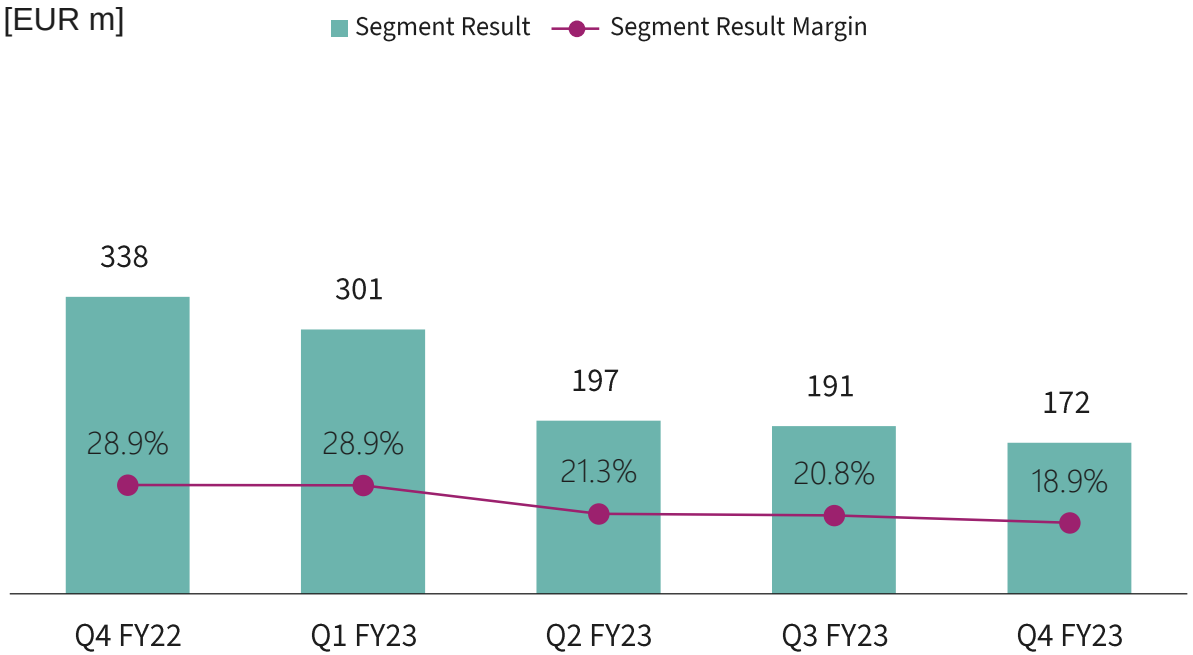
- Revenue growth driven by renewable energy, power infrastructure, automation and drives
- Continued strong demand for applications related to decarbonization, energy storage systems, grid and charging infrastructure
- Fully confirming our SiC targets with 50% growth in FY24 both from industrial and automotive customers

Power & Sensor Systems (PSS)

Revenues



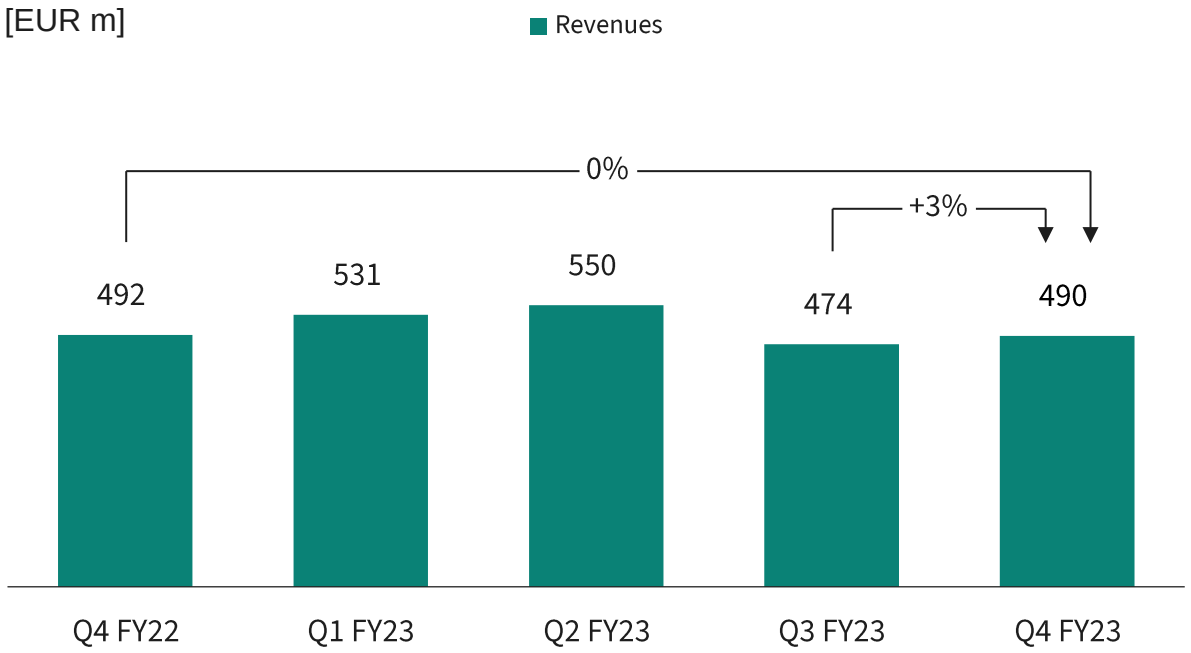
Segment Result



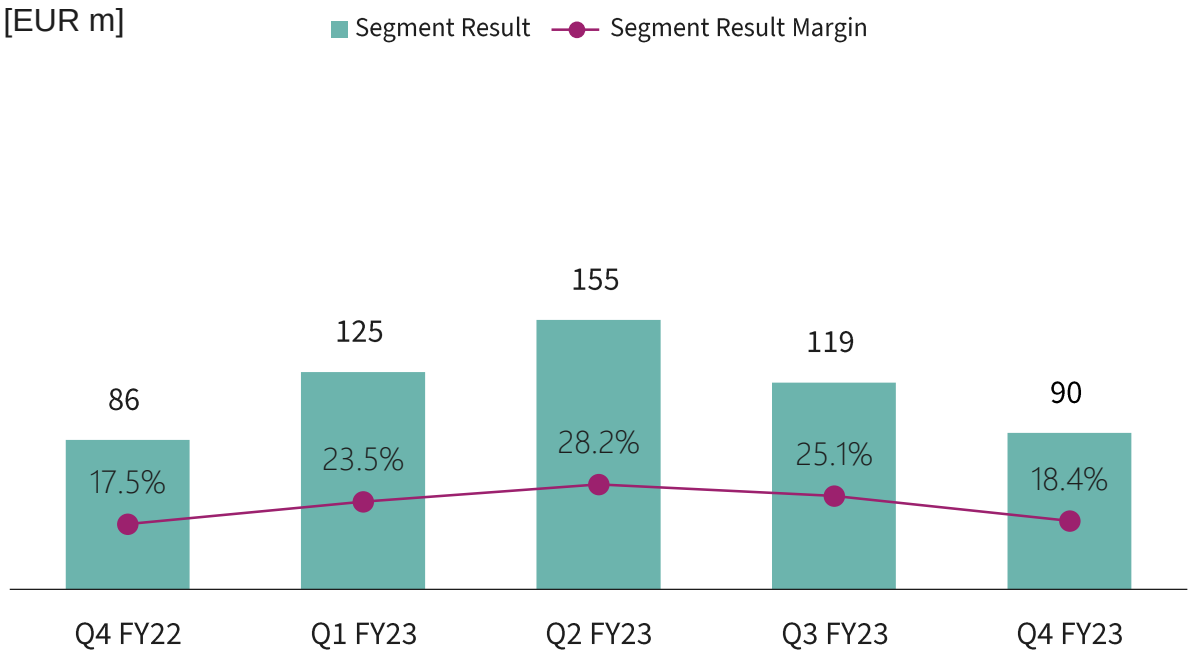
- Revenue development reflecting a downswing in consumer, computing and communications markets
- Marco environment for end market applications remains weak – we do not expect sales volumes to pick up before second half of FY24, following inventory digestion
- Successful completion of GaN Systems acquisition – accelerating our GaN roadmap and further enhancing our leadership in power systems

Connected Secure Systems (CSS)

Revenues



Segment Result

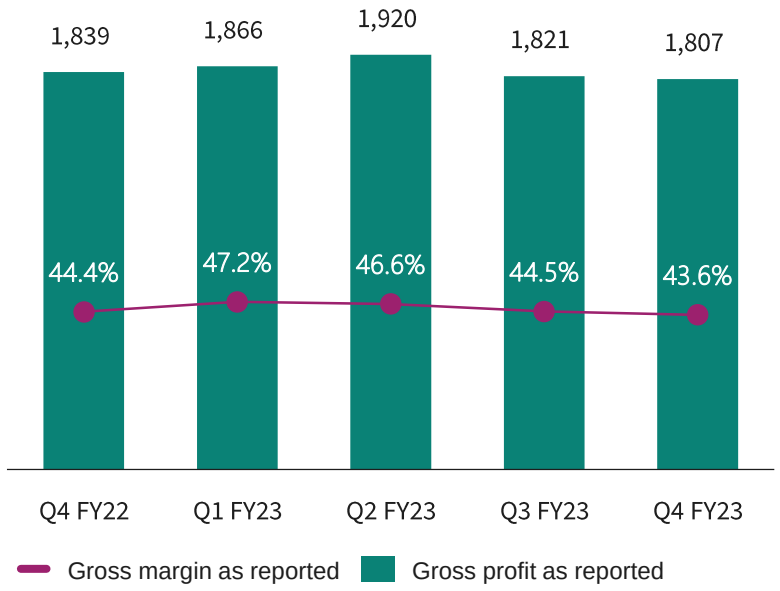


- Robust demand for security solutions offsetting a weaker development of connectivity components and general purpose microcontrollers for IoT applications
- Segment result margin step-down due to negative ship and debit effects, indirect effects from manufacturing cost and slightly higher OPEX from R&D projects
- Strong growth potential in IoT remains undiminished, successful acquisition of 3db Access complements our wireless portfolio with UWB

Gross margin and Opex

Gross profit

[EUR m]



Therein non-segment result charges
[EUR m]

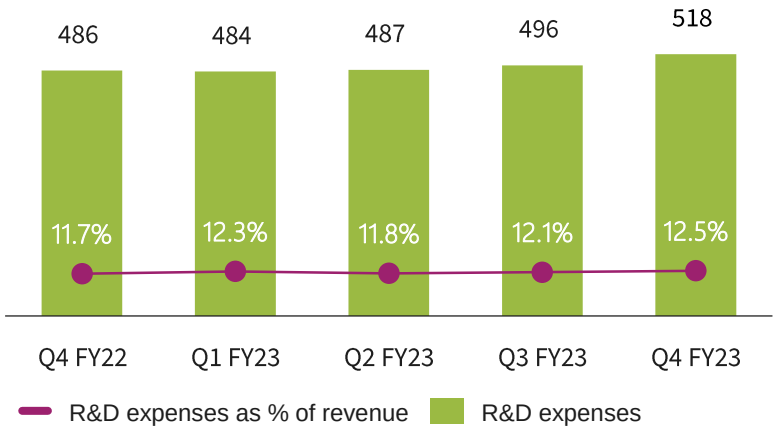
81	76	81	67	79

Adjusted gross margin

46.3%	49.2%	48.6%	46.2%	45.5%

R&D

[EUR m]

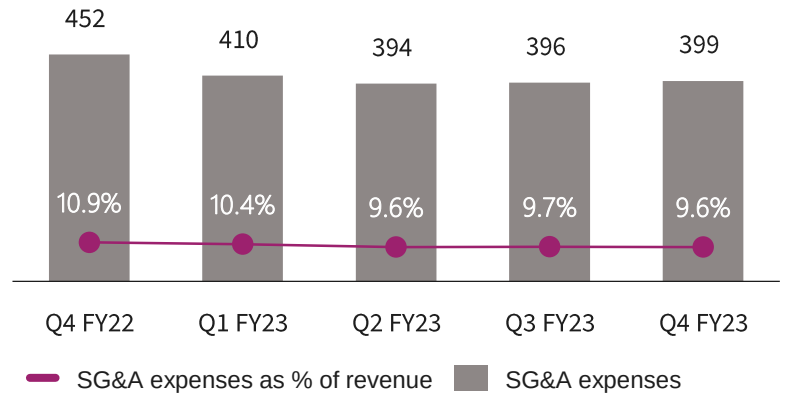


Therein non-segment result charges
[EUR m]

12	10	8	12	12

SG&A

[EUR m]



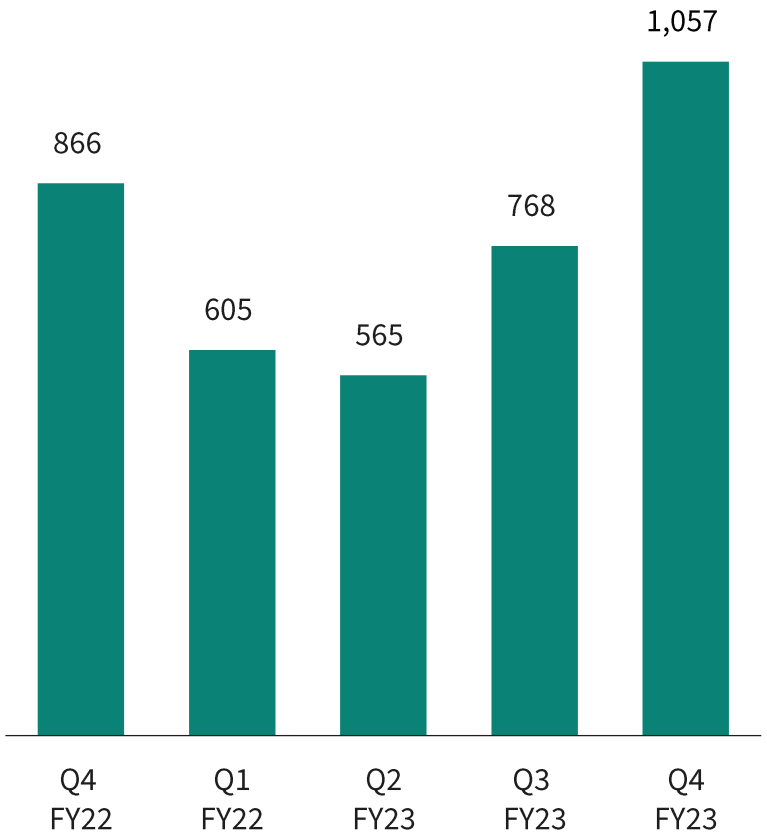
Therein non-segment result charges
[EUR m]

56	53	54	55	57

Investments, Depreciation & Amortization and Free Cash Flow

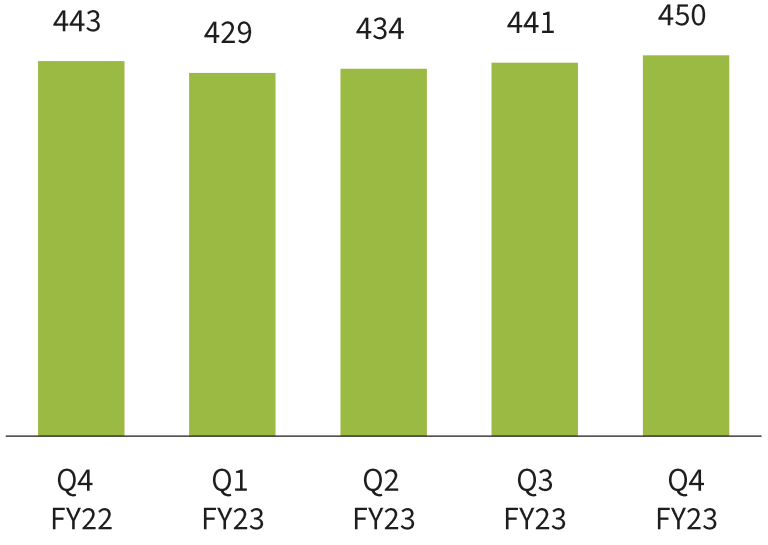
Investments

[EUR m]



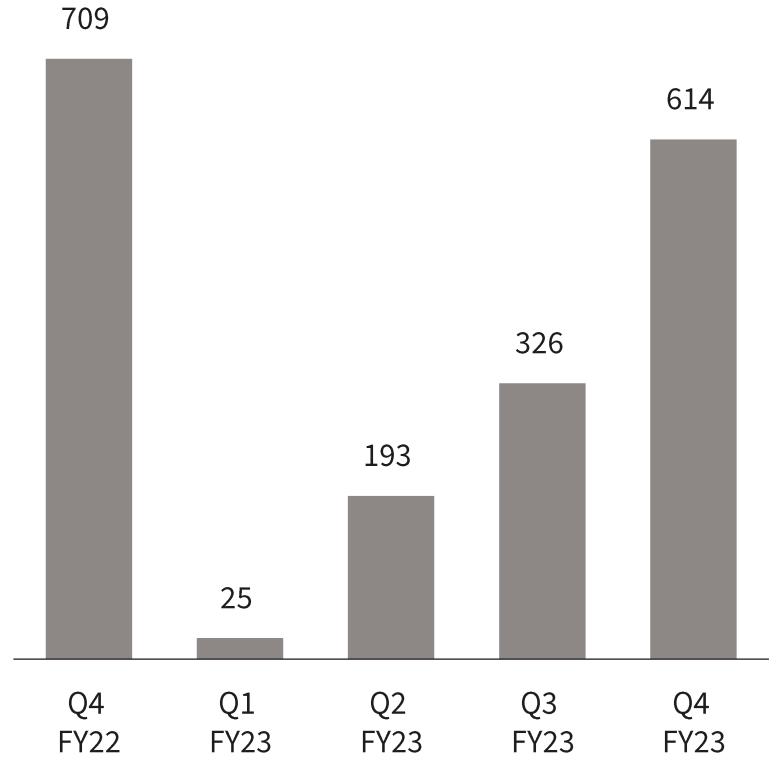
Depreciation & Amortization

[EUR m]



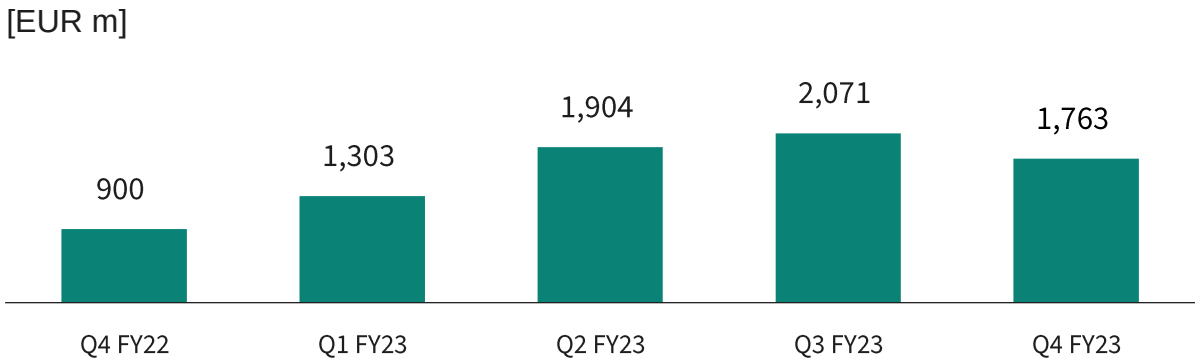
Free Cash Flow

[EUR m]

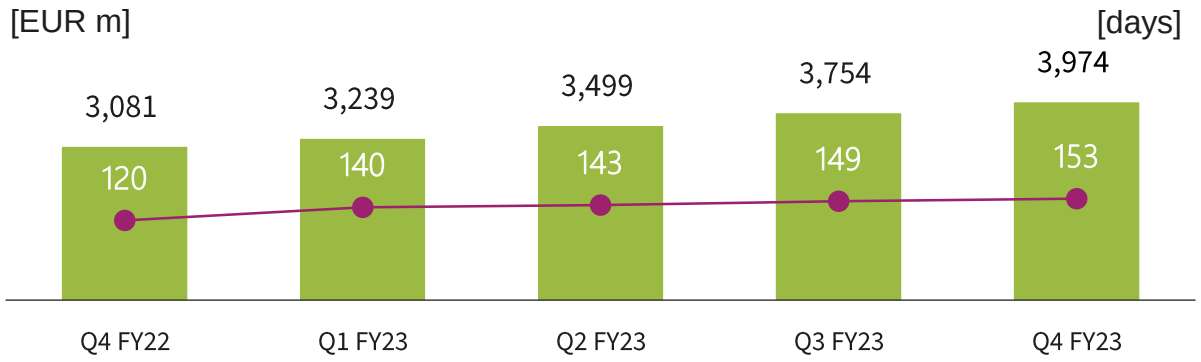


Working Capital, in particular trade working capital components

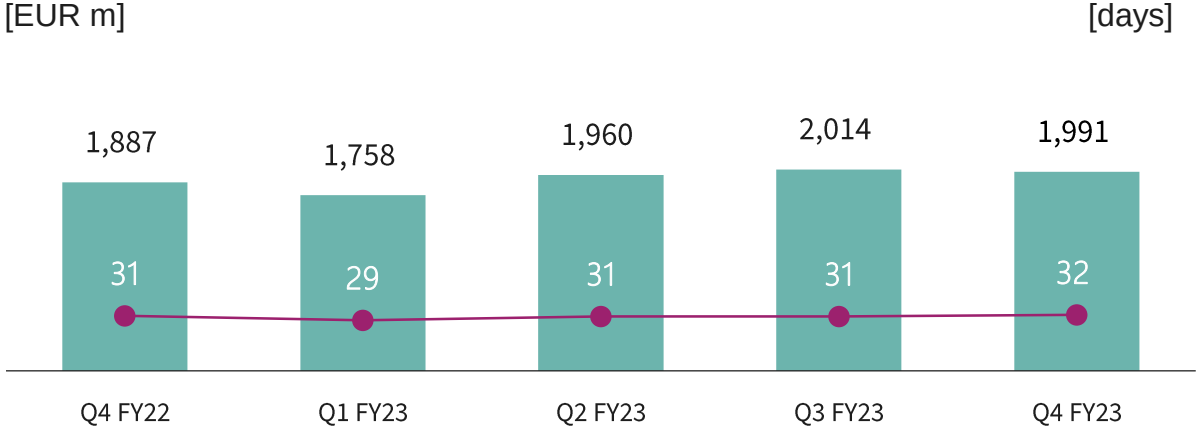
Working capital[1]



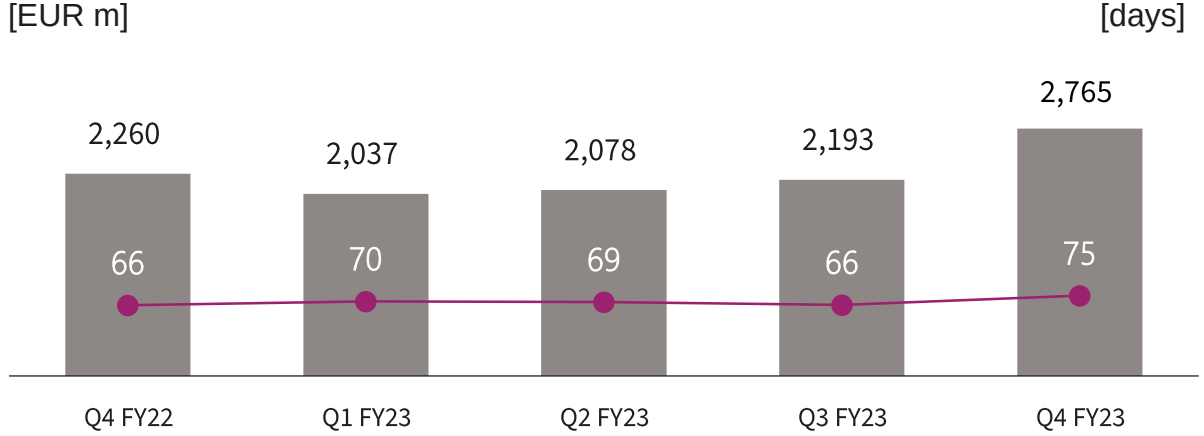
Inventories



Trade receivables



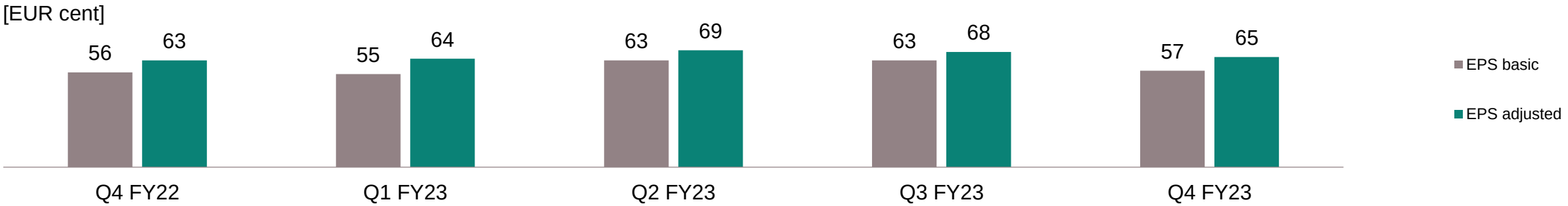
Trade payables



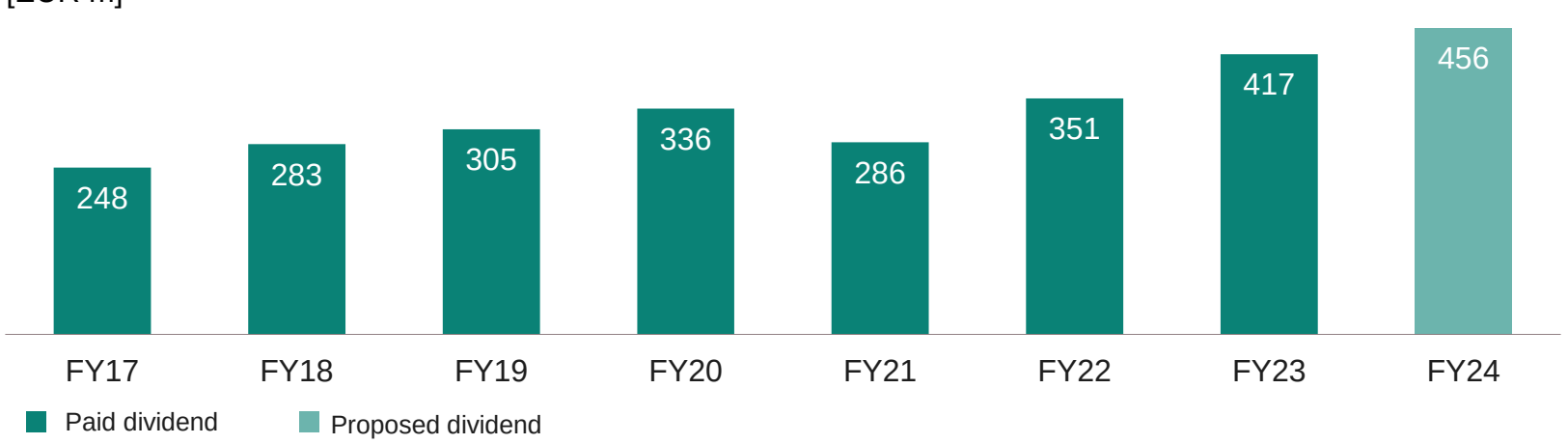
[1] See notes for definition

Earnings-per-share and total cash return

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



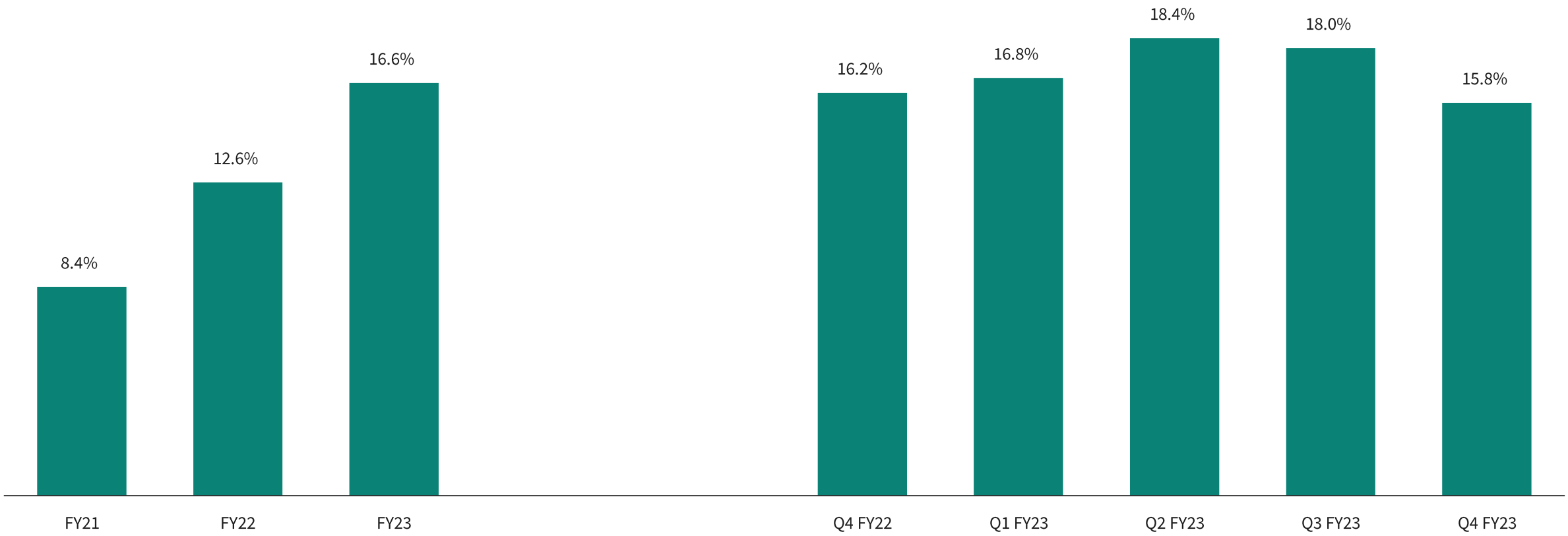
Total cash return to shareholders via dividends



- Proposed dividend for FY23: €0.35 per share
- Proposed dividend payout of €456m for FY23

Return on capital employed

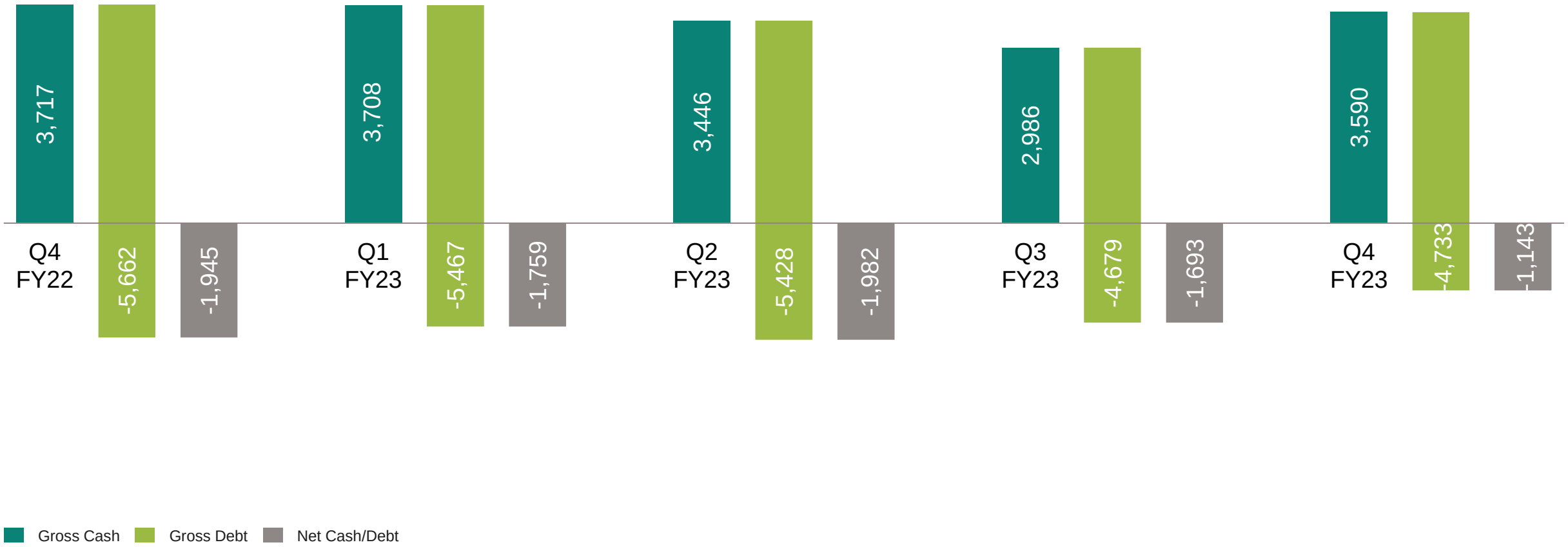
Historical development



Liquidity development

Historical liquidity development

[EUR m]



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

	Financial Policy Targets	Status Quo (LTM 30 September 2023)
Gross Cash[1]	€1bn + at least 10% of revenues → **€2.6bn**	€1bn + 16% of revenues → **€3.6bn**
Gross Debt[2]	**≤ 2.0x** EBITDA	**0.8x** EBITDA

Comfortable liquidity position	– Flexibility for financing operating activities and investments through the cycle – Cushion for net pension liabilities and contingent liabilities
Balanced debt position	– Gross debt target commensurate with investment-grade rating – Successful de-leveraging offers ample headroom

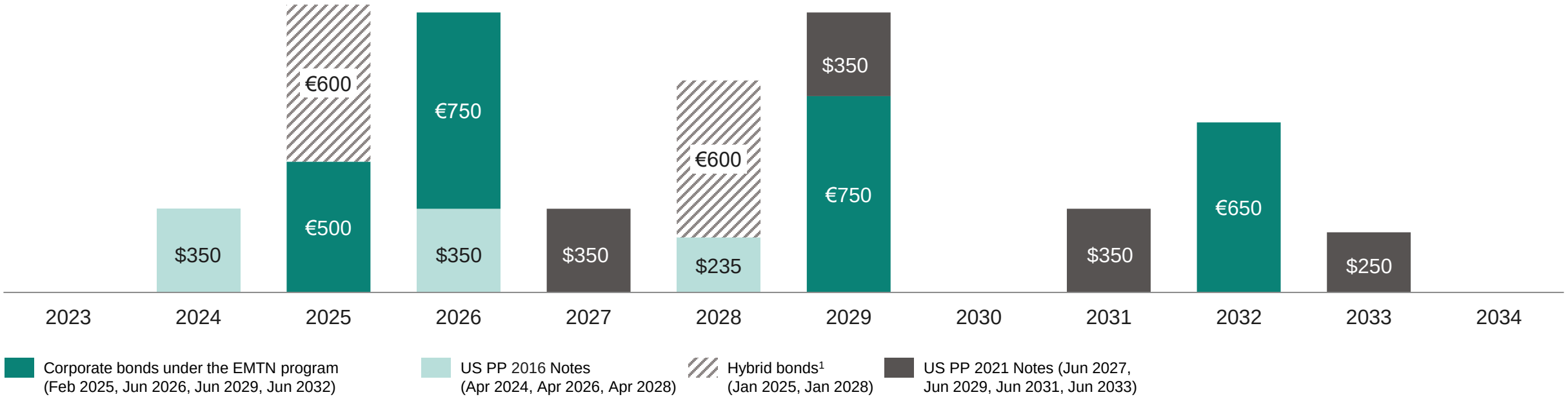
Rating	Investment grade	**BBB** positive outlook (by S&P Global Ratings)

[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

Maturity profile

Maturity profile from 2023 to 2034

[EUR m; US$ m; nominal values]



[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.


Infineon

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Glossary

AC	alternating current
ACC	adaptive cruise control
AD	automated driving
ADAS	advanced driver assistance system
AEB	autonomous emergency braking
AI	artificial intelligence
AR/VR	augemented/virtual reality
BEV	battery electric vehicle
BLE	bluetooth low energy
BMS	battery management system
BoM	bill of materials
BPA	bisphenol A
CAV	commercial, construction and agricultural vehicles
CMOS	complementary metal-oxide-semiconductor
DC	direct current
DSC/SSC	double/single sided cooling
E/E	electrical/electronic architecture
ECU	electronical control unit
eSE	embedded secure module
eSIM	embedded subscriber identity module
EMS	electronics manufacturing service
ESS	energy storage system
EV	electric vehicle
FCEV	full cell electric vehicle
FHEV/MHEV	full/mild hybrid electric vehicle
FoM	figure of merit
F-RAM	ferroelectric memory
GaN	gallium nitride
HEMT	high-electron-mobility transistor
HID	human interface device
HMI	human machine interaction
HV	high voltage
HVAC	heating, ventilation, air conditioning
IC	integrated circuit
ICE	internal combustion engine
IGBT	insulated gate bipolar transistor
IoT	internet of things
IPM	intelligent power module
LED	light-emitting diode
MCU	microcontroller uni
MEMS	micro electro-machanical systems
MHA	major home appliances
MIMO	multiple input, multiple output
ML	machine learning
MNO	mobile network operator
MOSFET	metal-oxide silicon field-effect transistor
MV	medium voltage
NFC	near-field communication
OBC	on-board charger
OEM	original equipment manufacturer
P2S	Infineon's strategic product-to-system approach
PD	power delivery
PHEV	plug-in hybrid electric vehicle
PMIC	power management integrated circuits
PoL	point of load
PSoC	programmable system-on-chip
PUE	power usage effectiveness
PV	photovoltaic
RAM	random access memory
RF	radio frequency
SAE	Society of Automotive Engineers
SDK	software development kit
Si	silicon
SiC	silicon carbide
SNR	signal-to-noise ratio
ToF	time-of-flight
UWB	ultra-wideband
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’)[1]/'revenue' x 90

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. CO_2 savings are calculated based on the potential savings generated by technologies in which semiconductors are used. The CO_2 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.
3) Carbon neutrality is defined in terms of Scope 1 and Scope 2 emissions.

[1] Without debtors with credit balances

Financial calendar

Date	Event	Location
16 - 17 Nov 2023	Morgan Stanley European TMT Conference	Barcelona
27 - 28 Nov 2023	Power presentation (GIP, PSS) and roadshow with Peter Wawer, Head of GIP and Adam White, Head of PSS	Paris
28 - 29 Nov 2023	UBS TMT Conference	Scottsdale
30 Nov 2023	Société Générale The Premium Review	Paris
4 Dec 2023	Stifel Roadshow	Frankfurt
6 Dec 2023	Berenberg European Conference	Pennyhill Park
6 Feb 2024[1]	Earnings Release for the First Quarter of the 2024 Fiscal Year	
23 Feb 2024[1]	Annual General Meeting	
7 May 2024[1]	Earnings Release for the Second Quarter of the 2024 Fiscal Year	
5 Aug 2024[1]	Earnings Release for the Third Quarter of the 2024 Fiscal Year	
12 Nov 2024[1]	Earnings Release for the Fourth Quarter of the 2024 Fiscal Year	

[1] Preliminary

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