

Annual General Meeting 2026

Key points speech Dr. Sven Schneider, Chief Financial Officer

- **Infineon successfully completed the 2025 fiscal year in a challenging market environment:** Infineon achieved revenue of 14.662 billion euros in the 2025 fiscal year. Higher sales volumes were offset by negative currency effects and price reductions, resulting in overall revenue being two percent below the previous year. At constant exchange rates, revenue would have remained almost stable year-on-year. Segment Result decreased to 2.560 billion euros. The Segment Result Margin fell to 17.5 percent but remained within the high-teens range we had expected. Basic earnings per share were 77 cents after 98 cents in the previous year. Adjusted earnings per share decreased from 1.87 euros to 1.39 euros.
- **Structural improvement program "Step Up" positively impacted results:** The objective of the structural improvement program "Step Up" is to achieve an annual improvement of the Segment Result amounting to a high three-digit million range. By the end of the 2025 fiscal year, we had already realized around half of this amount. "Step Up" will take full effect in the first half of the 2027 fiscal year.
- **In a challenging market environment, AI-related business was the strongest growth driver:**
  (1) The Automotive segment remained the largest by revenue at 7.402 billion euros. Segment Result Margin fell to 20.7 percent. The main burdens were higher underutilization costs as well as price adjustments. Nevertheless, we were able to grow in certain product groups. A milestone in strengthening our market position for software-defined vehicles was the acquisition of Marvell Technology's automotive Ethernet business for 2.5 billion US dollars.
  (2) Revenue in the Green Industrial Power segment reached 1.631 billion euros. Segment Result Margin decreased to 12.3 percent. Many customers in renewable energy only slowly reduced their elevated inventories. At the same time, it is clear that the expansion of renewable energy is essential

and electrification in the transport sector is progressing. Infineon has a portfolio precisely aligned with these trends.

(3) The Power & Sensor Systems segment was the strongest growth driver. Revenue increased to 4.208 billion euros, and Segment Result Margin improved to 16.2 percent. The key growth driver was power supply for AI data centers: we nearly tripled our revenue in this application area to more than 700 million euros. For the 2026 fiscal year, we expect approximately 1.5 billion euros in revenue – more than double the prior year.

(4) In the Connected Secure Systems segment, revenue declined to 1.418 billion euros, and Segment Result Margin decreased to 10.9 percent. High customer inventories and weaker consumer environments impacted demand. At the same time, demand for data center security solutions increased. Our business with embedded SIM solutions also grew noticeably, and our revenue from newly won passport and ID projects developed steadily.

- **Financial condition and liquidity:** Maintaining our Investment Grade rating remains at the core of our financing strategy. S&P Global Ratings confirmed our Investment Grade rating in February 2026 at "BBB+" with a stable outlook. Reported Free Cash Flow in fiscal 2025 was minus 1.051 billion euros due to the acquisition of Marvell's automotive Ethernet business. Adjusted Free Cash Flow amounted to 1.803 billion euros. This corresponds to around 12.3 percent of revenue and is therefore within the Target Operating Model. Investments amounted to 2.094 billion euros. Return on Capital Employed (RoCE) declined to 4.9 percent due to the expansion of manufacturing capacities and the acquisitions made.
- **Management Board and Supervisory Board once again propose a dividend of 35 cents per share:** The goal of our dividend policy is to enable Infineon's shareholders to participate appropriately in the company's economic development. At the same time, we want to maintain the financial leeway necessary to further develop the company. Therefore, the Management Board and the Supervisory Board are once again proposing a dividend of 35 cents per share for the 2025 fiscal year.
- **Outlook: Moderate growth expected despite macroeconomic uncertainties; AI data centers remain clear revenue drivers for Infineon:** For the 2026 fiscal year – assuming an exchange rate of 1.15 US dollars per euro – we expect a moderate rise in revenue compared with the previous year. Given this revenue forecast, the Segment Result Margin is expected to be in the high-teens percentage range. Power supply for AI data centers remains the key growth driver.
- **Infineon aligns manufacturing capacities with further increasing AI-related demand and brings investments forward:** Our planned investments in property, plant and equipment and other intangible assets therefore amount to 2.7 billion euros – originally 2.2 billion euros had been planned. Reported Free Cash Flow is expected to be around 1.0 billion euros (previously: 1.1 billion euros), and adjusted Free Cash Flow is expected to be around 1.4 billion euros (previously: 1.6 billion euros).