Infineon Technologies AG

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Neubiberg, 27 March 2019 – In view of continued global economic uncertainties and weaker endmarket demand Infineon Technologies AG is adjusting its outlook for the 2019 fiscal year revenue and earnings downward.

Revenue is now expected to come in at 8.0 billion Euro, up from 7.6 billion Euro in the 2018 fiscal year, plus or minus 2 percent. The assumed USD exchange rate going forward continues to stand at 1.15. The growth rate of the Automotive and Industrial Power Control divisions should come in above group average, whereas the Power Management & Multimarket division is expected to grow slightly less. For the Digital Security Solutions division revenue is still assumed to decline by a mid-single digit percent rate compared to the previous year.

Business indicators point to a slower demand recovery than expected thus far. A number of endmarkets continue to be sluggish; in particular, the trend of declining vehicle sales in China has accelerated in February, causing dealer inventories to increase sharply. Also, inventories in the broader distribution channel, in particular for Power Management & Multimarket in China have increased.

In the midpoint of the guided revenue range, the segment result margin should be 16 percent, versus 17.5 percent before. This figure includes idle costs resulting from reduced production volumes, only partially compensated by short-term measures aimed at stabilizing profitability.

In the current quarter ending on 31 March, revenue and segment result should come in as expected, i.e. constant revenue compared to the first fiscal quarter, plus or minus 2 percent, with

a segment result margin of 16 percent. Despite a continued strong structural growth, we now expect a lower than normal seasonal revenue increase in the second half of the 2019 fiscal year. Investments will be kept for the time being at the projected level of about 1.5 billion Euros. This is predominantly due to business areas where current production capacity continues to be insufficient to satisfy demand, like electro-mobility.

Analyst telephone conference
Infineon will host a telephone conference call for analysts and investors (in English only) today, on 27 March 2019 at 4:00 pm (CET), 3:00 pm (UK), 11:00 am (EDT). During the call, the Infineon Management Board will discuss the adjusted outlook for the 2019 fiscal year.

About Infineon
Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon is the key to a better future. In the 2018 fiscal year (ending 30 September), the Company reported sales of EUR7.6 billion with about 40.100 employees worldwide. Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).

Further information is available at www.infineon.com
This press release is available online at www.infineon.com/press

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D I S C L A I M E R

This press release contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected.

Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Due to rounding, numbers presented throughout this press release and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

All figures mentioned in this press release are preliminary and unaudited.

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