Press Release

Infineon withdraws outlook for FY20; economic impact resulting from coronavirus pandemic can currently not be reliably assessed

Neubiberg, Germany – 26 March 2020 – The more and more pronounced coronavirus pandemic worldwide is causing severe disruptions to global supply chains, endmarkets and economies. Developments around the coronavirus are very dynamic and result in low visibility. In view of this, Infineon Technologies AG (FSE: IFX / OTCQX: IFNNY) is withdrawing its outlook for the 2020 fiscal year. Originally the company had anticipated to grow revenues by 5 percent year-over-year (plus or minus 2 percentage points). The impact of the coronavirus pandemic can result in a deviation from this expectation and can lead to a noticeable decline in revenue compared to the last fiscal year. The anticipated reduction in revenue will weigh on Infineon's profitability in the 2020 fiscal year, as underutilization charges will go up further compared to the original assessment. At the same time, existing cost containment measures will be continued and actions to safeguard profitability and strengthen cash-flow generation will have high priority. Over the long run, however, structural growth drivers such as electro-mobility, IoT or renewable energy remain intact, or might even be accelerated as a consequence of an overcome coronavirus crisis. At this point in time, given the uncertainty regarding the severity and the length of the pandemic`s economic impact, the specific implications on sales and earnings for the 2020 fiscal year can not be reliably assessed or quantified.

Protecting the health and safety of employees and business partners continues to be of highest priority for Infineon. The quick and decisive implementation of precautionary measures with respect to hygiene and social distancing has helped to ensure business continuity. All major worldwide manufacturing sites of Infineon are currently operational, some at reduced loading levels. This includes fabs in jurisdictions where government-imposed lockdown regulations are especially strict, such as Malaysia or California. At the moment, sufficient procurement of raw materials is in place. Logistic chains including alternative freight routes have been

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set up for continuous deliveries to customers. Also, research and development, marketing, sales and administrative areas stay functional, largely by working remotely from home offices.

For the current quarter ending on 31 March, revenue is expected to come in around the lower end of the guided range.

The second half of the 2020 fiscal year will be impacted by the negative economic consequences of disruptions caused by virus containment measures across several of Infineon's key endmarkets and regions. The number of cars produced and sold is predicted by market researchers to decline considerably in all major markets compared to 2019, caused by a combined supply and demand shock: several leading automotive OEMs and Tier-1s have announced temporary shutdowns of their production facilities in Europe and in the U.S. The situation in China appears to normalize slowly. Furthermore, automotive customer demand is negatively affected by stay-at-home regulations in a multitude of countries. Also market expectations for several industrial applications are being meaningfully reduced. In contrast to this, certain areas of Infineon's business are holding up comparatively well amid current turbulences. This applies to products for datacenters and communications, driven by the surge in online collaboration and data traffic. In general, fiscal and monetary responses by governments and central banks will take time to show effect.

The management of Infineon is monitoring the situation closely, has implemented a coronavirus crisis management and is prepared to react in an agile way. Infineon expects to be able to give a comprehensive business update in its next quarterly earnings call on 5 May, 2020.

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 2019 fiscal year (ending 30 September), the Company reported sales of €8.0 billion with around 41,400 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).

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D I S C L A I M E R

This announcement 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 announcement and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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