Press Release

Infineon closes 2021 fiscal year with record quarter; outlook for 2022 confirmed: Revenue growth in mid-teen percentage range and continued improvement in profitability

- **Q4 FY 2021: Revenue €3.007 billion, up 10 percent on preceding quarter and 21 percent on previous year; Segment Result €616 million; Segment Result Margin 20.5 percent; free cash flow €378 million**
- **FY 2021: Revenue €11.060 billion, up 29 percent year on year; Segment Result €2.072 billion; Segment Result Margin 18.7 percent; free cash flow €1.574 billion**
- **Outlook for Q1 FY 2022: Based on an assumed exchange rate of EUR/US$1.20, revenue of around €3 billion predicted. On this basis, Segment Result Margin forecast at around 21 percent**
- **Outlook for FY 2022: Based on an assumed exchange rate of US$1.20 to the euro, revenue of €12.7 billion plus or minus €500 million forecast for 2022 fiscal year. At mid-point of guided revenue range, Segment Result Margin of about 21 percent predicted. Investments at about €2.4 billion planned. Free cash flow expected to reach €1 billion**
- **Dividend proposal for FY 2021: increase from €0.22 to €0.27 per share**

Neubiberg, Germany, 10 November 2021 – Today, Infineon Technologies AG is reporting results for the fourth quarter and for the full 2021 fiscal year, both of which ended on 30 September 2021.

“Infineon has closed the 2021 fiscal year with an outstanding fourth quarter. We are stronger than ever and report revenue of over €11 billion for a full fiscal year for the first time, with significantly higher profitability," said Dr. Reinhard Ploss, CEO of Infineon. "Our corporate strategy is fully focused on the key trends of electrification and digitalization. We have established a first-class position that is enabling us to shape both of these fields with innovative technologies. In light of the continued high demand for semiconductors needed for the energy-efficient, connected world, we expect the 2022 fiscal year to be a strong one. We are investing significantly more in order to take advantage of opportunities to grow. We

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are continuing to expand our manufacturing capacities – for silicon as well as for the compound semiconductors silicon carbide and gallium nitride."

€ in millions (unless otherwise stated)	**3 months ended 30 Sep 21**	sequential +/- in %	**3 months ended 30 Jun 21**	year-on-year +/- in %	**3 months ended 30 Sep 20**
Revenue	3,007	10	2,722	21	2,490
Segment Result	616	24	496	63	379
Segment Result Margin (in %)	20.5%		18.2%		15.2%
Profit (loss) from continuing operations	465	90	245	+++	112
Profit (loss) from discontinued operations, net of income taxes	(1)	---	-	67	(3)
Profit (loss) for the period	**464**	**89**	**245**	**+++**	**109**
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Basic earnings per share (in euro) from continuing operations	0.36	+++	0.18	+++	0.08
Basic earnings per share (in euro) from discontinued operations	–	-	–	-	–
Basic earnings per share (in euro)	**0.36**	**+++**	**0.18**	**+++**	**0.08**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Diluted earnings per share (in euro) from continuing operations	0.36	+++	0.18	+++	0.08
Diluted earnings per share (in euro) from discontinued operations	–	-	–	-	–
Diluted earnings per share (in euro)	**0.36**	**+++**	**0.18**	**+++**	**0.08**
Adjusted earnings per share (in euro) – diluted[1,2]	**0.41**	**52**	**0.27**	**+++**	**0.20**
Gross margin (in %)	**41.2%**		**39.1%**		**31.8%**
Adjusted gross margin[3] (in %)	**43.9%**		**41.8%**		**36.6%**

1 The calculation for earnings per share and adjusted earnings per share is based on unrounded figures.

2 The reconciliation of profit (loss) for the period to adjusted profit (loss) for the period and adjusted earnings per share is presented on page 12.

3 The reconciliation of cost of goods sold to adjusted cost of goods sold and adjusted gross margin is presented on page 11.

The Cypress Semiconductor Corporation ("Cypress") has been fully consolidated since 16 April 2020. The comparability of current figures with the same period of the previous year is therefore limited.

Group performance in fourth quarter of the 2021 fiscal year

In the fourth quarter of the 2021 fiscal year, Group revenue grew by €285 million to €3,007 million, compared with €2,722 million in the previous three-month period. The main reason for the significant 10 percent growth in revenue was the seasonally strong upturn in demand in the Power & Sensor Systems (PSS) segment. The Automotive (ATV) and Connected Secure Systems (CSS) segments also reported higher revenue than in the previous quarter, while revenue in the Industrial Power Control (IPC) segment decreased slightly.

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The gross margin improved from 39.1 percent in the third quarter to 41.2 percent in the final three-month period. The adjusted gross margin came in at 43.9 percent, up from 41.8 percent one quarter earlier.

The Segment Result improved from €496 million to €616 million, with the Segment Result Margin rising accordingly from 18.2 percent to 20.5 percent.

The fourth-quarter non-segment result was a net loss of €138 million, compared with a net loss of €149 million in the previous three-month period. The non-segment result for the quarter included €83 million of cost of goods sold, €57 million of selling, general and administrative expenses and €6 million of research and development expenses. Net other operating income amounting to €8 million was also recorded in the fourth quarter.

Operating profit for the fourth quarter of the 2021 fiscal year rose to €478 million, compared with €347 million in the previous three-month period.

The financial result amounted to minus €37 million compared with minus €56 million in the previous quarter.

Tax income amounted to €16 million for the three-month period, compared with a tax expense of €49 million one quarter earlier. The tax income in the fourth quarter was influenced by the positive impact of the revaluation of deferred tax assets and the reduction of tax risk positions.

Profit from continuing operations increased to €465 million quarter on quarter, compared with €245 million in the preceding three-month period. Loss from discontinued operations in the fourth quarter was €1 million, compared with a break-even result for the previous three-month period. The profit for the period amounted to €464 million, up from €245 million in the third quarter.

Earnings per share from continuing operations increased to €0.36 (basic and diluted), compared to €0.18 one quarter earlier. Adjusted earnings per share[1] (diluted) improved from €0.27 to €0.41 quarter on quarter.

[1] Adjusted profit/loss for the period and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information to profit/loss for the period and earnings per share (diluted) determined in accordance with IFRS. The detailed calculation of adjusted earnings per share is presented on page 12.

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Investments – which Infineon defines as the sum of purchases of property, plant and equipment, purchases of other intangible assets and capitalized development costs – rose to €596 million in the fourth quarter of the 2021 fiscal year, compared with €285 million in the preceding three-month period. Depreciation and amortization increased from €380 million to €397 million quarter on quarter.

Due to the significantly higher level of investments in the fourth quarter, free cash flow[2] decreased to €378 million, compared with €477 million in the third quarter. Net cash provided by operating activities from continuing operations increased from €762 million to €971 million.

Despite the early partial repayment in September of borrowing amounting to €310 million taken out in connection with the acquisition of Cypress, the gross cash position increased to €3,922 million at the end of the fourth quarter, compared with €3,863 million at 30 June 2021. Financial debt decreased by only €223 million during the fourth quarter due to offsetting exchange rate effects and stood at €6,585 million as of 30 September 2021, compared with €6,808 million as of 30 June 2021. Net debt declined further from €2,945 million to €2,663 million over the course of the three-month period.

Outlook for first quarter of the 2022 fiscal year

Based on an assumed exchange rate of US$1.20 to the euro, Infineon expects to generate revenue of around €3 billion in the first quarter of the 2022 fiscal year. Revenue growth for the Automotive and Connected Secure Systems segments is forecast to be within a mid-to-high single-digit percentage range. By contrast, revenue generated by the Industrial Power Control and Power & Sensor Systems segments is expected to decrease by a low to mid-single-digit percentage. The Segment Result Margin should come in at around 21 percent if the forecast level of revenue is achieved.

Outlook for the 2022 fiscal year

Based on an assumed exchange rate of EUR/US$ 1.20, revenue of €12.7 billion (plus or minus 500 million) is forecast for the 2022 fiscal year. At the mid-point of the guided revenue range, Segment Result Margin is predicted to come in at about 21 percent. Automotive and Connected Secure Systems segments revenue is expected to increase at a higher percentage rate than Group revenue overall. The

[2] For definitions and the calculation of free cash flow and of the gross and net cash position, please see page 14.

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revenue growth rate in the Power & Sensor Systems segment is forecast to be at a similar level to that of the Group. Industrial Power Control segment revenue is expected to increase by a mid-to-high single-digit percentage.

Investments – which Infineon defines as the sum of purchases of property, plant and equipment, purchases of other intangible assets and capitalized development costs – are planned at around €2.4 billion for the 2022 fiscal year. The main focus is on expanding front-end manufacturing capacities with a view to enabling Infineon to continue meeting the expected growth in customer demand in the medium term.

Depreciation and amortization are predicted to be between €1.6 billion and €1.7 billion in the 2022 fiscal year. Approximately €400 million of that amount relates to depreciation and amortization resulting from purchase price allocations, mainly in connection with the acquisition of Cypress and, to a lesser degree, the acquisition of International Rectifier. Free cash flow is forecast at around €1 billion.

Proposed dividend for the 2021 fiscal year: €0.27 per share

Infineon’s dividend policy is aimed at allowing its shareholders to participate appropriately in the success of the business. However, due to the economic impact of the coronavirus pandemic, the risks that existed back then, and in order to maintain sufficient financial flexibility, a dividend of €0.22 was paid for the 2020 fiscal year, i.e. €0.05 lower than the amount distributed for the 2019 fiscal year. Due to Infineon's good economic performance in the 2021 fiscal year and its positive outlook for the current fiscal year, the dividend is now to be increased again by €0.05. Accordingly, a proposal is planned to be put forward at the Annual General Meeting in February 2022 to distribute a dividend of €0.27 per share for the 2021 fiscal year. The number of shares in issue totaled 1,305,921,137 as of 30 September 2021. The figure includes 4,545,602 shares owned by Infineon that are not entitled to a dividend. The total dividend available for distribution would therefore increase to €351 million, compared with €286 million in the previous fiscal year.

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Segment earnings for the fourth quarter of the 2021 fiscal year

€ in millions (unless otherwise stated)	in % of total revenue	**3 months ended 30 Sep 21**	sequential +/- in %	**3 months ended 30 Jun 21**	year-on-year +/- in %	**3 months ended 30 Sep 20**
Infineon						
Revenue	100	3,007	10	2,722	21	2,490
Segment Result		616	24	496	63	379
Segment Result Margin (in %)		20.5%		18.2%		15.2%
Automotive (ATV)[1]						
Segment Revenues	42	1,267	5	1,205	21	1,045
Segment Result		211	6	199	+++	59
Segment Result Margin (in %)		16.7%		16.5%		5.6%
Industrial Power Control (IPC)						
Segment Revenues	14	407	(1)	412	17	349
Segment Result		72	(12)	82	4	69
Segment Result Margin (in %)		17.7%		19.9%		19.8%
Power & Sensor Systems (PSS)						
Segment Revenues	31	945	25	757	25	759
Segment Result		276	65	167	32	209
Segment Result Margin (in %)		29.2%		22.1%		27.5%
Connected Secure Systems (CSS)[1]						
Segment Revenues	13	386	12	346	16	333
Segment Result		60	28	47	43	42
Segment Result Margin (in %)		15.5%		13.6%		12.6%
Other Operating Segments (OOS)						
Segment Revenue	0	2	-	2	(50)	4
Segment Result		-	-	-	---	1
Corporate and Eliminations (C&E)						
Segment Revenue	0	-	-	-	-	-
Segment Result		(3)	---	1	---	(1)

1 The business with the XMC™ family of industrial microcontrollers was transferred from the Automotive segment to the Connected Secure Systems segment with effect from 1 October 2020. The previous year's figures have been adjusted accordingly.

ATV segment revenue totaled €1,267 million in the fourth quarter of the 2021 fiscal year, compared to €1,205 million in the previous three-month period, with nearly all product areas contributing to the 5 percent growth. The Segment Result improved from €199 million to €211 million quarter on quarter. The Segment Result Margin for the fourth quarter came in at 16.7 percent, compared with 16.5 percent for the previous three-month period.

IPC segment revenue decreased from €412 million to €407 million quarter on quarter. Demand for products relating to renewable energy remained high. Revenue went down for transportation, but increased slightly for industrial drives and home appliances. Segment result amounted to €72 million in the fourth quarter compared to €82 million in the previous quarter, with the Segment Result Margin decreasing from 19.9 percent to 17.7 percent.

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PSS segment revenue increased significantly to €945 million in the fourth quarter, up from €757 million in the preceding three-month period. The 25 percent increase was driven primarily by the seasonal upswing in demand for smartphone-related components, but also by growth in other areas, such as power supply for data centers. The Segment Result climbed to €276 million in the fourth quarter, up from €167 million in the previous three-month period. The fourth-quarter Segment Result Margin improved to 29.2 percent, after a margin of 22.1 percent was reported for the previous quarter.

CSS segment revenue grew by 12 percent from €346 million to €386 million quarter on quarter. An increasing share of higher-value products, improvements in own manufacturing as well as additional solutions business helped generate higher revenue in the areas of contactless payment cards, authentication, microcontrollers and connectivity. The Segment Result rose from €47 million to €60 million quarter on quarter, with the Segment Result Margin improving from 13.6 percent to 15.5 percent.

Analyst telephone conference and press conference

The Management Board of Infineon will host a telephone conference call including a webcast for analysts and investors (in English only) on 10 November 2021 at 9:30 am (CET), 3:30 am (EST). During the call, the Infineon Management Board will present the Company's results for the fourth quarter and the 2021 fiscal year as well as the outlook for the first quarter and the 2022 fiscal year. In addition, the Management Board will host a press conference with the media at 11:00 am (CET), 5:00 am (EST). It can be followed over the Internet in both English and German. Both conferences will also be available live and for download on Infineon's website at www.infineon.com/investor.

The **Q4 Investor Presentation** is available (in English only) at: https://www.infineon.com/cms/en/about-infineon/investor/reports-and-presentations/

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Infineon Financial Calendar (* preliminary)

➢ 17 – 18 Nov 2021	Morgan Stanley TMT Conference, Barcelona (virtual)
➢ 19 Nov 2021	JPMorgan 9th Global TMT Conference Asia, Hong Kong (virtual)
➢ 29 Nov – 2 Dec 2021	Credit Suisse TMT Conference, Scottsdale (AZ, USA)
➢ 2 Dec 2021	Société Général Premium Review Conference, Paris (virtual)
➢ 7 Dec 2021	Berenberg European Conference, Pennyhill Park (Surrey, UK)
➢ 9 Dec 2021	Deutsche Bank Auto Tech Day, London
➢ 3 Feb 2022*	Earnings Release for the First Quarter of the 2022 Fiscal Year
➢ 17 Feb 2022	Annual General Meeting
➢ 9 May 2022*	Earnings Release for the Second Quarter of the 2022 Fiscal Year
➢ 3 Aug 2022*	Earnings Release for the Third Quarter of the 2022 Fiscal Year
➢ 15 Nov 2022*	Earnings Release for the Fourth Quarter and the 2022 Fiscal Year

About Infineon

Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon are the key to a better future. With around 50,280 employees worldwide, Infineon generated revenue of about €11.1 billion in the 2021 fiscal year (ending 30 September) and is one of the ten largest semiconductor companies 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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FINANCIAL INFORMATION
According to IFRS – preliminary and unaudited

Cypress Semiconductor Corporation has been fully consolidated since 16 April 2020. For this reason, comparability with prior-year periods is restricted.

Consolidated Statement of Profit or Loss

€ in millions	3 months ended			12 months ended	
	30 Sep 21	30 Jun 21	30 Sep 20	30 Sep 21	30 Sep 20
Revenue	3,007	2,722	2,490	11,060	8,567
Cost of goods sold	(1,769)	(1,657)	(1,697)	(6,800)	(5,791)
Gross profit	**1,238**	**1,065**	**793**	**4,260**	**2,776**
Research and development expenses	(399)	(376)	(308)	(1,448)	(1,113)
Selling, general and administrative expenses	(373)	(342)	(308)	(1,354)	(1,042)
Other operating income	17	11	24	64	76
Other operating expenses	(5)	(11)	(19)	(52)	(116)
Operating profit	**478**	**347**	**182**	**1,470**	**581**
Financial income	3	1	17	22	29
Financial expenses	(40)	(57)	(45)	(182)	(177)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	8	3	(9)	9	(9)
Profit (loss) from continuing operations before income taxes	**449**	**294**	**145**	**1,319**	**424**
Income tax	16	(49)	(33)	(144)	(52)
Profit (loss) from continuing operations	**465**	**245**	**112**	**1,175**	**372**
Profit (loss) from discontinued operations, net of income taxes	(1)	-	(3)	(6)	(4)
Profit (loss) for the period	**464**	**245**	**109**	**1,169**	**368**
Attributable to:					
Shareholders of Infineon Technologies AG	464	245	109	1,169	368
Basic earnings per share (in euro) attributable to shareholders and hybrid capital investors of Infineon Technologies AG:[1]					
Weighted average shares outstanding (in million) – basic	1,301	1,301	1,301	1,301	1,265
Weighted average shares outstanding (in million) – diluted	1,303	1,303	1,302	1,304	1,266
Earnings (loss) per share (in euro) from continuing operations - basic/diluted	0.36	0.18	0.08	0.88	0.26
Earnings (loss) per share (in euro) from discontinued operations - basic/diluted	-	-	-	(0.01)	-
Earnings per share (in euro) - basic/diluted	**0.36**	**0.18**	**0.08**	**0.87**	**0.26**

1 The calculation of earnings per share is based on unrounded figures. For the consideration of the compensation of hybrid capital investors when determining earnings per share, see “Reconciliation to adjusted earnings and adjusted earnings per share” on page 12.

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Regional Revenue Development

€ in millions, except percentages	3 months ended						12 months ended			
	30 Sep 21		30 Jun 21		30 Sep 20		30 Sep 21		30 Sep 20	
Revenue:										
Europe, Middle East, Africa	699	23%	718	26%	640	26%	2,773	25%	2,322	27%
Therein: Germany	336	11%	327	12%	283	11%	1,278	12%	1,056	12%
Asia-Pacific (excluding Japan, Greater China)	480	16%	437	16%	384	15%	1,744	16%	1,291	15%
Greater China[1]	1,194	40%	986	37%	935	37%	4,195	38%	3,174	37%
Therein: Mainland China, Hong Kong	903	30%	741	27%	726	29%	3,178	29%	2,472	29%
Japan	297	10%	280	10%	243	10%	1,094	10%	765	9%
Americas	337	11%	301	11%	288	12%	1,254	11%	1,015	12%
Therein: USA	274	9%	248	9%	237	10%	1,027	9%	845	10%
Total	**3,007**	**100%**	**2,722**	**100%**	**2,490**	**100%**	**11,060**	**100%**	**8,567**	**100%**

1 Greater China comprises Mainland China, Hong Kong and Taiwan.

Segment Revenues and Segment Results

Segment Result is defined as operating profit excluding the net of certain reversal of impairments and impairments (in particular on goodwill), impact on earnings of restructuring and closures, share-based payment, acquisition-related depreciation/amortization and other expenses, impact on earnings of sales of businesses, or interests in subsidiaries and other income (expense).

Revenues and Segment Result for the three and twelve months ended 30 September 2021 and 2020

The business with the XMC family of industrial microcontrollers was transferred from the Automotive segment to the Connected Secure Systems segment with effect from 1 October 2020. The previous year's figures have been adjusted accordingly.

Revenue, € in millions (unless otherwise stated)	3 months ended			12 months ended		
	30 Sep 21	30 Sep 20	+/- in %	30 Sep 21	30 Sep 20	+/- in %
Automotive	1,267	1,045	21	4,841	3,521	37
Industrial Power Control	407	349	17	1,542	1,406	10
Power & Sensor Systems	945	759	25	3,268	2,650	23
Connected Secure Systems	386	333	16	1,397	974	43
Other Operating Segments	2	4	(50)	12	16	(25)
Corporate and Eliminations	-	-	-	-	-	-
Total	**3,007**	**2,490**	**21**	**11,060**	**8,567**	**29**

Segment Result, € in millions (unless otherwise stated)	3 months ended			12 months ended		
	30 Sep 21	30 Sep 20	+/- in %	30 Sep 21	30 Sep 20	+/- in %
Automotive	211	59	+++	792	147	+++
Industrial Power Control	72	69	4	275	256	7
Power & Sensor Systems	276	209	32	823	636	29
Connected Secure Systems	60	42	43	182	130	40
Other Operating Segments	-	1	---	2	3	(33)
Corporate and Eliminations	(3)	(1)	---	(2)	(2)	-
Total	**616**	**379**	**63**	**2,072**	**1,170**	**77**
Segment Result Margin (in %)	20.5%	15.2%		18.7%	13.7%	

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Reconciliation of Segment Result to Operating Income

€ in millions	3 months ended			12 months ended	
	30 Sep 21	30 Jun 21	30 Sep 20	30 Sep 21	30 Sep 20
Segment Result	616	496	379	2,072	1,170
Plus/minus:					
Reversal of impairments (impairments) (in particular on goodwill)	9	-	11	1	11
Impact on earnings of restructuring and closures, net	-	-	(20)	-	(20)
Share-based payment	(10)	(11)	(4)	(27)	(14)
Acquisition-related depreciation/amortization and other expenses	(130)	(129)	(182)	(544)	(540)
Gains (losses) on sales of businesses, or interests in subsidiaries, net	-	(1)	-	(1)	1
Other income and expenses, net	(7)	(8)	(2)	(31)	(27)
Operating profit	**478**	**347**	**182**	**1,470**	**581**

Reconciliation to adjusted cost of goods sold and gross margin

The cost of goods sold and the gross margin in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular Cypress and International Rectifier) as well as by other exceptional items. To enable better comparability of operating performance over time, Infineon computes the adjusted gross margin as follows:

€ in millions (unless otherwise stated)	3 months ended			12 months ended	
	30 Sep 21	30 Jun 21	30 Sep 20	30 Sep 21	30 Sep 20
Cost of goods sold	1,769	1,657	1,697	6,800	5,791
Plus/minus:					
Share-based compensation expense	(1)	(2)	-	(4)	(2)
Acquisition-related depreciation/amortization and other expenses	(76)	(68)	(111)	(295)	(316)
Other income and expense, net	(6)	(4)	(7)	(21)	(32)
Adjusted cost of goods sold	1,686	1,583	1,579	6,480	5,441
Adjusted gross margin (in %)	43.9%	41.8%	36.6%	41.4%	36.5%

Adjusted cost of goods sold and the adjusted gross margin should not be seen as a replacement or superior performance indicator, but rather as additional information to cost of goods sold and the gross margin determined in accordance with IFRS.

Employees

	30 Sep 21	30 Jun 21	30 Sep 20
Infineon	50,288	48,866	46,665
Thereof: Research and development	10,372	10,022	9,262

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Reconciliation to adjusted earnings and adjusted earnings per share – diluted

Earnings per share in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular Cypress and International Rectifier), one-time effects in the financial result in connection with the acquisition of Cypress as well as by other exceptional items. To enable better comparability of operating performance over time, Infineon computes adjusted earnings per share (diluted) as follows:

€ in millions (unless otherwise stated)	3 months ended			12 months ended	
	30 Sep 21	30 Jun 21	30 Sep 20	30 Sep 21	30 Sep 20
Profit (loss) from continuing operations – diluted	**465**	**245**	**112**	**1,175**	**372**
Compensation of hybrid capital investors[1]	(2)	(8)	(8)	(26)	(35)
Profit (loss) from continuing operations, attributable to shareholders of Infineon Technologies AG – diluted	**463**	**237**	**104**	**1,149**	**337**
Plus/minus:					
Impairments (reversal of impairments) (in particular on goodwill)	(9)	-	(11)	(1)	(11)
Impact on earnings of restructuring and closures, net	-	-	20	-	20
Share-based payment	10	11	4	27	14
Acquisition-related depreciation/amortization and other expenses	130	129	182	544	540
Losses (gains) on sales of businesses, or interests in subsidiaries, net	-	1	-	1	(1)
Other income and expense, net	7	8	2	31	27
Acquisition-related expenses within financial result	2	1	22	7	49
Tax effects on adjustments	(34)	(26)	(48)	(131)	(126)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	(30)	(8)	(13)	(64)	(35)
Adjusted profit (loss) for the period from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**539**	**353**	**262**	**1,563**	**814**
Weighted-average number of shares outstanding (in million) – diluted	1,303	1,303	1,302	1,304	1,266
Adjusted earnings per share (in euro) – diluted[2]	0.41	0.27	0.20	1.20	0.64

1 Including the cumulative tax effects.

2 The calculation of the adjusted earnings per share is based on unrounded figures.

Adjusted profit (loss) for the period and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information to the profit (loss) for the period and earnings per share (diluted) determined in accordance with IFRS.

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Consolidated Statement of Financial Position

€ in millions	30 Sep 2021	30 Jun 2021	30 Sep 2020
ASSETS			
Cash and cash equivalents	1,749	1,920	1,851
Financial investments	2,173	1,943	1,376
Trade receivables	1,483	1,237	1,196
Inventories	2,181	2,053	2,052
Current income tax receivables	57	40	77
Contract assets	82	82	97
Other current assets	518	596	530
Assets classified as held for sale	9	-	-
Total current assets	**8,252**	**7,871**	**7,179**
Property, plant and equipment	4,443	4,139	4,110
Goodwill	5,962	5,812	5,897
Other intangible assets	3,349	3,360	3,621
Right-of-use assets	336	310	286
Investments accounted for using the equity method	71	62	87
Non-current income tax receivables	1	1	1
Deferred tax assets	695	590	627
Other non-current assets	225	202	191
Total non-current assets	**15,082**	**14,476**	**14,820**
Total assets	**23,334**	**22,347**	**21,999**
LIABILITIES AND EQUITY			
Short-term financial debt and current portion of long-term financial debt	833	825	505
Trade payables	1,569	1,277	1,160
Current provisions	815	640	436
Current income tax payables	288	312	340
Current leasing liabilites	66	62	59
Other current liabilities	872	862	950
Total current liabilities	**4,443**	**3,978**	**3,450**
Long-term financial debt	5,752	5,983	6,528
Pensions and similar commitments	617	662	739
Deferred tax liabilities	324	299	293
Other non-current provisions	319	303	313
Non-current leasing liabilities	265	243	235
Other non-current liabilities	213	223	222
Total non-current liabilities	**7,490**	**7,713**	**8,330**
Total liabilities	**11,933**	**11,691**	**11,780**
Equity:			
Ordinary share capital	2,612	2,612	2,612
Additional paid-in capital	6,513	6,481	6,462
Retained earnings	1,407	907	435
Other reserves	(306)	(509)	(460)
Own shares	(28)	(28)	(33)
Hybrid capital	1,203	1,193	1,203
Total equity	**11,401**	**10,656**	**10,219**
Total liabilities and equity	**23,334**	**22,347**	**21,999**

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Consolidated Statement of Cash Flows

Gross and Net Cash Position

The following table reconciles the gross cash position and net cash position (i.e. after deduction of financial debt). Since some liquid funds are held in the form of financial investments, which for IFRS purposes are not considered to be “cash and cash equivalents”, Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of Infineon’s overall liquidity. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	30 Sep 21	30 Jun 21	30 Sep 20
Cash and cash equivalents	1,749	1,920	1,851
Financial investments	2,173	1,943	1,376
Gross cash position	**3,922**	**3,863**	**3,227**
Less:			
Short-term financial debt and current portion of long-term financial debt	833	825	505
Long-term financial debt	5,752	5,983	6,528
Total financial debt	**6,585**	**6,808**	**7,033**
Net cash position	**(2,663)**	**(2,945)**	**(3,806)**

Free Cash Flow

Infineon reports the free cash flow figure defined as net cash provided by and/or used in operating activities and net cash provided by and/or used in investing activities, both from continuing operations, after adjusting for cash flows related to the purchase and sale of financial investments. Free cash flow serves as an additional performance indicator, since Infineon holds part of its liquidity in the form of financial investments. This does not mean that the free cash flow calculated in this way is available to cover other disbursements, since dividend, debt-servicing obligations and other fixed disbursements are not deducted. Free cash flow should not be seen as a replacement or superior performance indicator, but rather as an additional useful piece of information over and above the disclosure of the cash flow reported in the Consolidated Statement of Cash Flows, and as a supplementary disclosure to other liquidity performance indicators and other performance indicators derived from the IFRS figures. Free cash flow includes only amounts from continuing operations, and is derived as follows from the Consolidated Statement of Cash Flows:

€ in millions	3 months ended			12 months ended	
	30 Sep 21	30 Jun 21	30 Sep 20	30 Sep 21	30 Sep 20
Net cash provided by operating activities from continuing operations	971	762	747	3,063	1,817
Net cash used in investing activities from continuing operations	(822)	(659)	(735)	(2,284)	(7,172)
Purchases of (proceeds from sales of) financial investments, net	229	374	375	795	(1,372)
Free Cash Flow	**378**	**477**	**387**	**1,574**	**(6,727)**

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Condensed Consolidated Statement of Cash Flows

€ in millions	3 months ended			12 months ended	
	30 Sep 21	30 Jun 21	30 Sep 20	30 Sep 21	30 Sep 20
Profit (loss) for the period	**464**	**245**	**109**	**1,169**	**368**
Plus: profit (loss) from discontinued operations, net of income taxes	1	-	3	6	4
Adjustments to reconcile to net cash provided by operating activities:					
Depreciation and amortization	397	380	379	1,513	1,260
Other expenses and income	11	104	68	310	201
Change in assets, liabilities and equity	188	149	250	390	164
Interest received and paid	(9)	(72)	(22)	(145)	(112)
Income tax paid	(81)	(44)	(40)	(180)	(68)
Net cash provided by operating activities from continuing operations	**971**	**762**	**747**	**3,063**	**1,817**
Net cash provided by (used in) operating activities from discontinued operations	(1)	4	(1)	2	(6)
Net cash provided by operating activities	**970**	**766**	**746**	**3,065**	**1,811**
Proceeds from sales/purchases of financial investments	(229)	(374)	(375)	(795)	1,372
Acquisitions of businesses, net of cash acquired	(2)	(3)	(29)	(19)	(7,433)
Purchases of other intangible assets and other assets	(58)	(53)	(57)	(229)	(184)
Purchases of property, plant and equipment	(538)	(232)	(275)	(1,268)	(915)
Other investing activities	5	3	1	27	(12)
Net cash used in investing activities	**(822)**	**(659)**	**(735)**	**(2,284)**	**(7,172)**
Proceeds from issuance/repayment of short-/long-term financial debt	(310)	(3)	(539)	(486)	4,443
Proceeds from hybrid capital/cash outflow to hybrid capital investors	-	(39)	-	(39)	1,164
Proceeds from issuance of ordinary shares	-	-	(1)	-	1,043
Dividend payments	-	-	-	(286)	(336)
Other financing activities	(19)	(18)	(26)	(74)	(40)
Net cash provided by (used in) financing activities	**(329)**	**(60)**	**(566)**	**(885)**	**6,274**
Net change in cash and cash equivalents	(181)	47	(555)	(104)	913
Effect of foreign exchange rate changes on cash and cash equivalents	10	-	(43)	2	(83)
Cash and cash equivalents at beginning of period	1,920	1,873	2,449	1,851	1,021
Cash and cash equivalents at end of period	**1,749**	**1,920**	**1,851**	**1,749**	**1,851**

DISCLAIMER

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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