Press Release

Continued strong demand despite global uncertainties: Revenue and Segment Result both up in Q2 FY 2022, outlook for full fiscal year raised again

- **Q2 FY 2022: Revenue €3.298 billion, up 4 percent on preceding quarter and 22 percent year on year; Segment Result €761 million; Segment Result Margin 23.1 percent; Free Cash Flow €120 million**
- **Outlook for Q3 FY 2022: Based on an assumed exchange rate of US$1.10 to the euro, revenue of around €3.4 billion predicted. On this basis, Segment Result Margin expected at around 21 percent**
- **Outlook for FY 2022: Based on an assumed exchange rate of US$1.10 to the euro (previously US$1.15), revenue of €13.5 billion plus or minus €500 million (previously €13.0 billion) now forecast for 2022 fiscal year. At mid-point of guided revenue range, Segment Result Margin above 22 percent predicted (previously about 22 percent). Investments at around €2.4 billion still planned. Free Cash Flow expected to reach about €1.1 billion (previously about €1.0 billion)**

Neubiberg, Germany – 9 May 2022 – Today, Infineon Technologies AG is reporting results for the second quarter of its 2022 fiscal year (period ended 31 March 2022).

"Infineon continues to perform well within an increasingly challenging environment. Revenue and Segment Result both went up again in the second quarter. Global uncertainties, in particular the war in Ukraine and the further course of the corona-virus pandemic, are placing stress on supply chains. At the same time, demand for our products and solutions continues to exceed supply significantly," said Jochen Hanebeck, CEO of Infineon. "Decarbonization and digitalization will profoundly change the world we live in over the next decade. We are actively driving this change, while at the same time seizing these opportunities to generate profitable growth. We are closely monitoring short- and medium-term market and supply conditions in order to be able to respond in case of need."

For the Business and Trade Press: INFXX202205.078e

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

€ in millions (unless otherwise stated)	3 months ended 31 Mar 22	sequential +/- in %	3 months ended 31 Dec 21	year-on-year +/- in %	3 months ended 31 Mar 21
Revenue	3,298	4	3,159	22	2,700
Segment Result	761	6	717	62	470
Segment Result Margin (in %)	23.1%		22.7%		17.4%
Profit (loss) from continuing operations	469	2	461	+++	209
Profit (loss) from discontinued operations, net of income taxes	–	+++	(4)	+++	(6)
Profit (loss) for the period	**469**	**3**	**457**	**+++**	**203**
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	3	0.35	+++	0.15
Basic earnings per share (in euro) from discontinued operations	–	–	–	–	–
Basic earnings per share (in euro)	**0.36**	**3**	**0.35**	**+++**	**0.15**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Diluted earnings per share (in euro) from continuing operations	0.35	–	0.35	+++	0.15
Diluted earnings per share (in euro) from discontinued operations	–	–	–	–	–
Diluted earnings per share (in euro)	**0.35**	**–**	**0.35**	**+++**	**0.15**
Adjusted earnings per share (in euro) - diluted[1,2]	**0.44**	**7**	**0.41**	**83**	**0.24**
Gross margin (in %)	**42.9%**		**41.5%**		**36.0%**
Adjusted gross margin[3] (in %)	**45.4%**		**43.9%**		**39.3%**

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.

Group performance in second quarter of 2022 fiscal year

In the second quarter of the 2022 fiscal year, Group revenue grew by €139 million or 4 percent to €3,298 million, compared with €3,159 million in the previous three-month period. Revenue continued to grow in the Automotive (ATV), Industrial Power Control (IPC) and Connected Secure Systems (CSS) segments, while the Power & Sensor Systems (PSS) segment recorded a slight decrease.

The gross margin improved from 41.5 percent to 42.9 percent and the adjusted gross margin from 43.9 percent to 45.4 percent quarter on quarter.

The Segment Result increased to €761 million, compared with €717 million in the previous three-month period, with the Segment Result Margin improving slightly from 22.7 percent to 23.1 percent.

For the Business and Trade Press: INFXX202205.078e

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

The second-quarter non-segment result was a net loss of €143 million, compared to a net loss of €100 million in the first quarter. The non-segment result for the quarter included €82 million of cost of goods sold, €50 million of selling, general and administrative expenses and €6 million of research and development expenses. In addition, net other operating expenses amounted to €5 million in the second quarter.

Operating profit for the second quarter of the 2022 fiscal year amounted to €618 million, compared with €617 million in the previous three-month period.

The financial result amounted to minus €43 million, compared with minus €45 million one quarter earlier.

The tax expense went up slightly from €117 million to €121 million quarter on quarter.

Profit from continuing operations for the second quarter of the 2022 fiscal year improved to €469 million, compared with €461 million in the previous three-month period. The second-quarter result from discontinued operations came in at €0 million, following a loss of €4 million reported for the first quarter. The profit for the period amounted to €469 million, up from €457 million one year earlier.

Basic earnings per share from continuing operations edged up from €0.35 to €0.36 quarter on quarter, while diluted earnings per share from continuing operations were unchanged at €0.35. Adjusted earnings per share[1] (diluted) rose from €0.41 to €0.44 quarter on quarter.

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 €494 million in the second quarter of the current fiscal year, compared with €408 million in the preceding three-month period. Depreciation and amortization increased from €393 million to €405 million 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.

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

Free Cash Flow[2] totaled €120 million in the second quarter, down from €378 million in the previous three-month period. Net cash provided by operating activities from continuing operations amounted to €615 million, compared with €796 million one quarter earlier.

The gross cash position at the end of the second quarter stood at €3,205 million, down from €4,284 million at the end of December 2021. This was mainly due to the dividend payout in February amounting to €351 million as well as repayments of a convertible bond issued by Cypress amounting to US$382 million and a term loan amounting to US$555 million borrowed from banks in conjunction with the Cypress acquisition. The positive Free Cash Flow had an offsetting effect on the gross cash position. The debt repayments caused financial debt to decrease to €5,881 million as of 31 March 2022, compared with €6,657 million at the end of the first quarter. Net financial debt went up from €2,373 million to €2,676 million quarter on quarter.

Outlook for the third quarter of the 2022 fiscal year

Based on an assumed exchange rate of US$1.10 to the euro, Infineon expects to generate revenue of around €3.4 billion in the third quarter of the 2022 fiscal year. ATV segment revenue is forecast to grow by a mid-single-digit percentage. Revenue growth in the IPC and PSS segments is expected to be within the low single-digit percentage range, while CSS revenue is likely to be slightly down quarter on quarter. At the forecast level of revenue, the Segment Result Margin is expected to come in at about 21 percent.

Outlook for the 2022 fiscal year

Based on an assumed exchange rate of US$1.10 to the euro (previously US$1.15), revenue of €13.5 billion plus or minus €500 million (previously €13.0 million) is now forecast for the 2022 fiscal year. Revenue in the ATV and CSS segments is predicted to grow at a slightly faster percentage rate than Group revenue overall year on year. The revenue growth rate in the PSS segment is forecast to be similar to that of the Group. IPC segment revenue is expected to grow by around ten percent. At the mid-point of the guided revenue range, the Segment Result Margin is set to come in now at above 22 percent (previously about 22 percent).

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

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

Investments – which Infineon defines as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized development costs – are planned at around €2.4 billion for the 2022 fiscal year as a whole. The main focus is on expanding frontend 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, of which approximately €400 million is attributable to depreciation and amortization from purchase price allocations arising mainly in conjunction with the acquisition of Cypress and to a lesser extent with the acquisition of International Rectifier. Free Cash Flow is now forecast at about €1.1 billion (previously about €1.0 billion).

Predictability of revenue and earnings is currently strongly limited by various geopolitical and macroeconomic factors, including the war in Ukraine and its potential effects e.g on energy supply as well as current and future measures deployed to contain the spread of the coronavirus pandemic, particularly in Asia.

For the Business and Trade Press: INFXX202205.078e

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

Segment earnings in the second quarter of the 2022 fiscal year

€ in millions (unless otherwise stated)	in % of total revenue	**3 months ended 31 Mar 22**	sequen-tial +/- in %	**3 months ended 31 Dec 21**	year-on-year +/- in %	**3 months ended 31 Mar 21**
Infineon						
Revenue	100	3,298	4	3,159	22	2,700
Segment Result		761	6	717	62	470
Segment Result Margin (in %)		23.1%		22.7%		17.4%
Automotive (ATV)						
Segment Revenue	45	1,491	7	1,390	22	1,219
Segment Result		324	24	261	64	197
Segment Result Margin (in %)		21.7%		18.8%		16.2%
Industrial Power Control (IPC)						
Segment Revenue	13	430	13	382	19	361
Segment Result		93	27	73	58	59
Segment Result Margin (in %)		21.6%		19.1%		16.3%
Power & Sensor Systems (PSS)						
Segment Revenue	28	925	(3)	955	18	787
Segment Result		237	(17)	285	29	184
Segment Result Margin (in %)		25.6%		29.8%		23.4%
Connected Secure Systems (CSS)						
Segment Revenue	14	448	5	427	36	329
Segment Result		108	8	100	+++	30
Segment Result Margin (in %)		24.1%		23.4%		9.1%
Other Operating Segments (OOS)						
Segment Revenue	0	4	(20)	5	-	4
Segment Result		1	-	1	+++	-
Corporate and Eliminations (C&E)						
Segment Revenue	0	-	-	-	-	-
Segment Result		-2	33	-3	---	-

ATV segment revenue increased to €1,491 million in the second quarter of the current fiscal year, compared to €1,390 million in the previous three-month period. The 7 percent growth was primarily due to the expansion of manufacturing capacities as well as favorable pricing and currency effects. The second-quarter Segment Result rose to €324 million, up from €261 million in the previous three-month period, while the Segment Result Margin improved from 18.8 percent to 21.7 percent.

IPC segment revenue in the second quarter of the current fiscal year increased to €430 million, up 13 percent from €382 million in the preceding three-month period, mainly driven by revenue growth for home appliances and industrial drives. Demand for products relating to power infrastructure and renewable energy remained stable at a high level. The Segment Result rose to €93 million, compared with €73 million in the first quarter of the current fiscal year, with the Segment Result Margin improving from 19.1 percent to 21.6 percent.

For the Business and Trade Press: INFXX202205.078e

Bernd Hops (Headquarters) Tel.: +49 89 234 23888 media.relations@infineon.com
Judy Davies (Americas) Tel.: +1 408 621 6212 judy.davies@infineon.com
Chi Kang David Ong (Asia-Pacific) Tel.: +65 6876 3070 david.ong@infineon.com
Lin Zhu (Greater China) Tel.: +86 21 6101 9199 lin.zhu@infineon.com
Yasuyuki Kamiseki (Japan) Tel.: +81 3 5745 7544 yasuyuki.kamiseki@infineon.com

Investor Relations:
Tel.: +49 89 234 26655
investor.relations@infineon.com

PSS segment revenue totaled €925 million in the second quarter of the 2022 fiscal year, a 3 percent decline compared to €955 million in the preceding three-month period. While demand for components for the majority of applications covered by the segment remained high, disruptions to logistics as a result of China's measures to counter the spread of the coronavirus pandemic caused revenue to contract. The Segment Result decreased from €285 million to €237 million and the Segment Result Margin from 29.8 percent to 25.6 percent quarter on quarter.

CSS segment revenue climbed from €427 million in the first quarter to €448 million in the second quarter of the current fiscal year. The 5 percent increase was due to higher selling prices and favorable currency effects. The Segment Result improved from €100 million to €108 million and the Segment Result Margin from 23.4 percent to 24.1 percent quarter on quarter.

Analyst telephone conference and telephone press conference

The Management Board of Infineon will host a telephone conference call including a webcast for analysts and investors (in English only) on 9 May 2022 at 9:30 am (CEST), 3:30 am (EDT). During the call, the Infineon Management Board will present the Company's results for the second quarter of the 2022 fiscal year as well as the outlook for the third quarter and the 2022 fiscal year. In addition, the Management Board will host a telephone press conference with the media at 11:00 am (CEST), 5:00 am (EDT). 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 **Q2 Investor Presentation** is available (in English only) at: https://www.infineon.com/cms/en/about-infineon/investor/reports-and-presentations/

For the Business and Trade Press: INFXX202205.078e

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

Infineon Financial Calendar (* preliminary)

➢ 11 May 2022	IPC Call along with PCIM trade show
➢ 16 May 2022	Equita 17th European Conference (virtual)
➢ 17 May 2022	J.P. Morgan European Technology, Media and Telecoms Conference, London
➢ 23 May 2022	J.P. Morgan Global Technology, Media and Communications Conference, Boston
➢ 24 May 2022	Berenberg Conference USA 2022, Tarrytown
➢ 25 May 2022	Deutsche Bank dbAccess German Corporate Conference, Frankfurt
➢ 25 May 2022	Erste Bank Erste CEE Technology & Innovation Conference 2022 (virtual)
➢ 31 May 2022	Kepler One Stop Shop Conference, Madrid
➢ 14-15 Jun 2022	Exane BNP CEO Conference, Paris
➢ 21 Jun 2022	BofA TMT Conference, London
➢ 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).

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

Follow us: Twitter - Facebook - LinkedIn

For the Business and Trade Press: INFXX202205.078e

Bernd Hops (Headquarters)	Tel.: +49 89 234 23888	media.relations@infineon.com	**Investor Relations:**
Judy Davies (Americas)	Tel.: +1 408 621 6212	judy.davies@infineon.com	Tel.: +49 89 234 26655
Chi Kang David Ong (Asia-Pacific)	Tel.: +65 6876 3070	david.ong@infineon.com	investor.relations@infineon.com
Lin Zhu (Greater China)	Tel.: +86 21 6101 9199	lin.zhu@infineon.com	
Yasuyuki Kamiseki (Japan)	Tel.: +81 3 5745 7544	yasuyuki.kamiseki@infineon.com	

FINANCIAL INFORMATION
According to IFRS – Unaudited

Consolidated Statement of Profit or Loss

Press release

€ in millions	3 months ended			6 months ended	
	31 Mar 22	31 Dec 21	31 Mar 21	31 Mar 22	31 Mar 21
Revenue	3,298	3,159	2,700	6,457	5,331
Cost of goods sold	(1,882)	(1,847)	(1,728)	(3,729)	(3,374)
Gross profit	**1,416**	**1,312**	**972**	**2,728**	**1,957**
Research and development expenses	(447)	(399)	(341)	(847)	(674)
Selling, general and administrative expenses	(369)	(330)	(328)	(699)	(639)
Other operating income	32	43	23	76	36
Other operating expenses	(14)	(9)	(12)	(23)	(34)
Operating profit	**618**	**617**	**314**	**1,235**	**646**
Financial income	2	1	-	3	18
Financial expenses	(45)	(46)	(42)	(91)	(85)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	15	6	(1)	20	(3)
Profit (loss) from continuing operations before income taxes	**590**	**578**	**271**	**1,167**	**576**
Income tax	(121)	(117)	(62)	(237)	(110)
Profit (loss) from continuing operations	**469**	**461**	**209**	**930**	**466**
Profit (loss) from discontinued operations, net of income taxes	-	(4)	(6)	(3)	(6)
Profit (loss) for the period	**469**	**457**	**203**	**927**	**460**
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Weighted average shares outstanding (in million) – basic	1,302	1,301	1,301	1,301	1,301
Basic earnings per share (in euro) from continuing operations	0.36	0.35	0.15	0.70	0.34
Basic earnings per share (in euro) from discontinued operations	-	-	-	-	-
Basic earnings per share (in euro)	**0.36**	**0.35**	**0.15**	**0.70**	**0.34**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Weighted average shares outstanding (in million) – diluted	1,303	1,304	1,303	1,303	1,303
Diluted earnings per share (in euro) from continuing operations	0.35	0.35	0.15	0.70	0.34
Diluted earnings per share (in euro) from discontinued operations	-	-	-	-	-
Diluted earnings per share (in euro)	**0.35**	**0.35**	**0.15**	**0.70**	**0.34**

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.

For the business and trade press
Release number INFXX202205-074e

Infineon Technologies AG
Media Relations:
Bernd Hops
Tel.: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Tel.: +49 89 234-26655
investor.relations@infineon.com

Regional Revenue Development

€ in millions, except percentages	3 months ended						6 months ended			
	31 Mar 22		31 Dec 21		31 Mar 21		31 Mar 22		31 Mar 21	
Revenue:										
Europe, Middle East, Africa	822	25%	754	24%	714	26%	1,576	24%	1,356	25%
therein: Germany	387	12%	360	11%	325	12%	747	12%	615	12%
Asia-Pacific (excluding Japan, Greater China)	559	17%	513	16%	425	16%	1,072	17%	828	15%
Greater China[1]	1,175	35%	1,187	38%	988	37%	2,362	37%	2,014	38%
therein: Mainland China, Hong Kong	897	27%	932	30%	747	28%	1,829	28%	1,534	29%
Japan	318	10%	324	10%	254	9%	642	10%	517	10%
Americas	424	13%	381	12%	319	12%	805	12%	616	12%
therein: USA	358	11%	316	10%	258	10%	674	10%	505	9%
Total	**3,298**	**100%**	**3,159**	**100%**	**2,700**	**100%**	**6,457**	**100%**	**5,331**	**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 six months ended 31 March 2022 and 2021

Revenue, € in millions (unless otherwise stated)	3 months ended			6 months ended		
	31 Mar 22	31 Mar 21	+/- in %	31 Mar 22	31 Mar 21	+/- in %
Automotive	1,491	1,219	22	2,881	2,369	22
Industrial Power Control	430	361	19	812	723	12
Power & Sensor Systems	925	787	18	1,880	1,566	20
Connected Secure Systems	448	329	36	875	664	32
Other Operating Segments	4	4	-	9	9	-
Corporate and Eliminations	-	-	-	-	-	-
Total	**3,298**	**2,700**	**22**	**6,457**	**5,331**	**21**

Segment Result, € in millions (unless otherwise stated)	3 months ended			6 months ended		
	31 Mar 22	31 Mar 21	+/- in %	31 Mar 22	31 Mar 21	+/- in %
Automotive	324	197	64	585	381	54
Industrial Power Control	93	59	58	166	121	37
Power & Sensor Systems	237	184	29	522	381	37
Connected Secure Systems	108	30	+++	208	75	+++
Other Operating Segments	1	-	+++	2	2	-
Corporate and Eliminations	(2)	-	---	(5)	-	---
Total	**761**	**470**	**62**	**1,478**	**960**	**54**
Segment Result Margin (in %)	23.1%	17.4%		22.9%	18.0%	

For the business and trade press
Release number INFXX202205-0xxe

Infineon Technologies AG
Media Relations:
Bernd Hops
Phone: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Phone: +49 89 234-26655
investor.relations@infineon.com

Reconciliation of Segment Result to Operating Income

€ in millions	3 months ended			6 months ended	
	31 Mar 22	31 Dec 21	31 Mar 21	31 Mar 22	31 Mar 21
Segment Result	761	717	470	1,478	960
Plus/minus:					
Reversal of impairments (impairments) (in particular on goodwill)	-	-	-	-	(8)
Share-based payment	(10)	(10)	(3)	(20)	(6)
Acquisition-related depreciation/amortization and other expenses	(126)	(118)	(148)	(244)	(285)
Gains (losses) on sales of businesses, or interests in subsidiaries, net	(1)	1	-	-	-
Other income and expense, net	(6)	27	(5)	21	(15)
Operating profit	**618**	**617**	**314**	**1,235**	**646**

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			6 months ended	
	31 Mar 22	31 Dec 21	31 Mar 21	31 Mar 22	31 Mar 21
Cost of goods sold	1,882	1,847	1,728	3,729	3,374
Plus/minus:					
Share-based compensation expense	(1)	(2)	-	(3)	(1)
Acquisition-related depreciation/amortization and other expenses	(76)	(70)	(84)	(145)	(152)
Other income and expense, net	(5)	(4)	(5)	(10)	(11)
Adjusted cost of goods sold	1,800	1,771	1,639	3,571	3,210
Adjusted gross margin (in %)	45.4%	43.9%	39.3%	44.7%	39.8%

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

	31 Mar 22	31 Dec 21	31 Mar 21
Infineon	53,599	52,403	48,150
thereof: Research and development	11,028	10,823	9,791

For the business and trade press
Release number INFXX202205-0xxe

Infineon Technologies AG
Media Relations:
Bernd Hops
Phone: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Phone: +49 89 234-26655
investor.relations@infineon.com

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			6 months ended	
	31 Mar 22	31 Dec 21	31 Mar 21	31 Mar 22	31 Mar 21
Profit (loss) from continuing operations – diluted	**469**	**461**	**209**	**930**	**466**
Compensation of hybrid capital investors[1]	(7)	(7)	(8)	(15)	(16)
Profit (loss) from continuing operations, attributable to shareholders of Infineon Technologies AG – diluted	**462**	**454**	**201**	**915**	**450**
Plus/minus:					
Impairments (reversal of impairments) (in particular on goodwill)	-	-	-	-	8
Share-based payment	10	10	3	20	6
Acquisition-related depreciation/amortization and other expenses	126	118	148	244	285
Losses (gains) on sales of businesses, or interests in subsidiaries, net	1	(1)	-	-	-
Other income and expense, net	6	(27)	5	(21)	15
Acquisition-related expenses within financial result	3	-	3	4	4
Tax effects on adjustments	(32)	(21)	(37)	(53)	(72)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	(1)	(1)	(15)	(2)	(25)
Adjusted profit (loss) for the period from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**575**	**532**	**308**	**1,107**	**671**
Weighted-average number of shares outstanding (in millions) – diluted	1,303	1,304	1,303	1,303	1,303
Adjusted earnings per share (in euro) – diluted[2]	0.44	0.41	0.24	0.85	0.52

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.

For the business and trade press
Release number INFXX202205-0xxe

Infineon Technologies AG
Media Relations:
Bernd Hops
Phone: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Phone: +49 89 234-26655
investor.relations@infineon.com

Consolidated Statement of Financial Position

€ in millions	31 Mar 2022	31 Dec 2021	30 Sep 2021
ASSETS			
Cash and cash equivalents	1,284	1,996	1,749
Financial investments	1,921	2,288	2,173
Trade receivables	1,609	1,418	1,483
Inventories	2,540	2,319	2,181
Current income tax receivables	67	72	57
Contract assets	109	98	82
Other current assets	535	461	518
Assets classified as held for sale	-	-	9
Total current assets	**8,065**	**8,652**	**8,252**
Property, plant and equipment	4,779	4,588	4,443
Goodwill	6,221	6,101	5,962
Other intangible assets	3,296	3,330	3,349
Right-of-use assets	351	337	336
Investments accounted for using the equity method	90	75	71
Non-current income tax receivables	2	2	1
Deferred tax assets	633	673	695
Other non-current assets	239	240	225
Total non-current assets	**15,611**	**15,346**	**15,082**
Total assets	**23,676**	**23,998**	**23,334**
LIABILITIES AND EQUITY			
Short-term financial debt and current portion of long-term financial debt	2	839	833
Trade payables	1,777	1,682	1,569
Current provisions	583	393	815
Current income tax payables	399	347	288
Current leasing liabilites	69	68	66
Other current liabilities	941	1,090	872
Total current liabilities	**3,771**	**4,419**	**4,443**
Long-term financial debt	5,879	5,818	5,752
Pensions and similar commitments	525	619	617
Deferred tax liabilities	338	332	324
Other non-current provisions	274	276	319
Non-current leasing liabilities	279	266	265
Other non-current liabilities	197	226	213
Total non-current liabilities	**7,492**	**7,537**	**7,490**
Total liabilities	**11,263**	**11,956**	**11,933**
Equity:			
Ordinary share capital	2,612	2,612	2,612
Additional paid-in capital	6,536	6,526	6,513
Retained earnings	2,051	1,856	1,407
Other reserves	16	(137)	(306)
Own shares	(25)	(28)	(28)
Hybrid capital	1,223	1,213	1,203
Total equity	**12,413**	**12,042**	**11,401**
Total liabilities and equity	**23,676**	**23,998**	**23,334**

For the business and trade press
Release number INFXX202205-0xxe

Infineon Technologies AG
Media Relations:
Bernd Hops
Phone: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Phone: +49 89 234-26655
investor.relations@infineon.com

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	31 Mar 22	31 Dec 21	31 Mar 21
Cash and cash equivalents	1,284	1,996	1,873
Financial investments	1,921	2,288	1,571
Gross cash position	**3,205**	**4,284**	**3,444**
Less:			
Short-term financial debt and current portion of long-term financial debt	2	839	831
Long-term financial debt	5,879	5,818	6,028
Total financial debt	**5,881**	**6,657**	**6,859**
Net cash position	**(2,676)**	**(2,373)**	**(3,415)**

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			6 months ended	
	31 Mar 22	31 Dec 21	31 Mar 21	31 Mar 22	31 Mar 21
Net cash provided by operating activities from continuing operations	615	796	742	1,411	1,330
Net cash used in investing activities from continuing operations	(130)	(529)	(465)	(659)	(804)
Purchases of (proceeds from sales of) financial investments, net	(365)	111	130	(253)	193
Free Cash Flow	**120**	**378**	**407**	**499**	**719**

For the business and trade press
Release number INFXX202205-0xxe

Infineon Technologies AG
Media Relations:
Bernd Hops
Phone: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Phone: +49 89 234-26655
investor.relations@infineon.com

Condensed Consolidated Statement of Cash Flows

€ in millions	3 months ended		
	31 Mar 22	31 Dec 21	31 Mar 21
Profit (loss) for the period	**469**	**457**	**203**
Plus: profit (loss) from discontinued operations, net of income taxes	-	4	6
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	405	393	368
Other expenses and income	162	161	103
Change in assets, liabilities and equity	(366)	(132)	139
Interest received and paid	(22)	(36)	(39)
Income tax paid	(33)	(51)	(38)
Net cash provided by operating activities from continuing operations	**615**	**796**	**742**
Net cash used in operating activities from discontinued operations	(1)	(1)	(1)
Net cash provided by operating activities	**614**	**795**	**741**
Proceeds from sales/purchases of financial investments	365	(111)	(130)
Acquisitions of businesses, net of cash acquired	(2)	(17)	(5)
Purchases of other intangible assets and other assets	(46)	(53)	(68)
Purchases of property, plant and equipment	(448)	(355)	(264)
Other investing activities	1	7	2
Net cash used in investing activities	**(130)**	**(529)**	**(465)**
Proceeds from issuance/repayment of short-/long-term financial debt	(828)	(5)	-
Dividend payments	(351)	-	(286)
Other financing activities	(20)	(18)	(20)
Net cash used in financing activities	**(1,199)**	**(23)**	**(306)**
Net change in cash and cash equivalents	(715)	243	(30)
Effect of foreign exchange rate changes on cash and cash equivalents	3	4	9
Cash and cash equivalents at beginning of period	1,996	1,749	1,894
Cash and cash equivalents at end of period	**1,284**	**1,996**	**1,873**

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 unaudited.

For the business and trade press
Release number INFXX202205-0xxe

Infineon Technologies AG
Media Relations:
Bernd Hops
Phone: +49 89 234-23888
bernd.hops@infineon.com

Investor Relations:

Phone: +49 89 234-26655
investor.relations@infineon.com