Press Release

Infineon achieves record revenue and earnings in the 2023 fiscal year and expects further revenue growth to € 17 billion and a Segment Result Margin of 24 percent for 2024

- **Q4 FY 2023: Revenue €4.149 billion, Segment Result €1.044 billion, Segment Result Margin 25.2 percent, Free Cash Flow €614 million**
- **FY 2023: Revenue €16.309 billion, up 15 percent on the prior year; Segment Result €4.399 billion, up 30 percent year on year; Segment Result Margin 27.0 percent; adjusted earnings per share €2.65, up 35 percent on the prior year; Free Cash Flow €1.158 billion, adjusted Free Cash Flow €1.638 billion**
- **Outlook for FY 2024: Based on an assumed exchange rate of US$1.05 to the euro, revenue of around €17 billion (plus or minus €500 million) expected, with a Segment Result Margin of around 24 percent at the mid-point of the guided revenue range. Adjusted gross margin should be around 45 percent. Investments of approximately €3.3 billion planned. Free Cash Flow adjusted for investment in frontend buildings and the acquisition of GaN Systems should be around €2.2 billion and reported Free Cash Flow around €400 million**
- **Outlook for Q1 FY 2024: Based on an assumed exchange rate of US$1.05 to the euro, revenue of around €3.8 billion expected. On this basis, Segment Result Margin forecast to be around 22 percent**
- **Dividend proposal for FY 2023: Increase from €0.32 to €0.35 per share**

Neubiberg, 15 November 2023 – Today, Infineon Technologies AG is reporting results for the fourth quarter and the full fiscal year, both of which ended on 30 September 2023.

"In the 2023 fiscal year, Infineon has set new records for revenue and profitability. The results are an initial confirmation of our more ambitious course we embarked on as a company a year ago," says Jochen Hanebeck, CEO of Infineon. "Nevertheless, we find ourselves in an environment that continues to present challenges. We are seeing different trends in our target markets. Structural

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semiconductor growth in the areas of renewable energy, electromobility – especially in China – and microcontrollers for the automotive industry remains unabated. In contrast, consumer, communication, computing and IoT applications are experiencing a temporary period of low demand. Overall, we are expecting revenue growth to continue in the 2024 fiscal year but at a slower rate. We are reacting decisively to the market situation. At the same time, we are continuing to implement our strategy consistently with regard to structural growth opportunities and we are reinforcing our leading position in power systems and IoT with long-term investments."

€ in millions (unless otherwise stated)	**Q4 FY 2023**	**Q3 FY 2023**	Change vs. previous quarter in %	**Q4 FY 2022**	Change vs. previous year quarter in %
Revenue	4,149	4,089	1	4,143	0
Gross margin (in %)	43.6%	44.5%		44.4%	
Adjusted gross margin[1] (in %)	45.5%	46.2%		46.3%	
Segment Result	1,044	1,067	(2)	1,058	(1)
Segment Result Margin (in %)	25.2%	26.1%		25.5%	
Profit (loss) from continuing operations	748	835	(10)	730	2
Profit (loss) from discontinued operations, net of income taxes	5	(4)	+++	5	–
Profit (loss) for the period	**753**	**831**	**(9)**	**735**	**2**
Basic earnings per share (in euro)	**0.57**	**0.63**	**(10)**	**0.56**	**2**
Diluted earnings per share (in euro)	**0.57**	**0.63**	**(10)**	**0.56**	**2**
Adjusted earnings per share (in euro) – diluted[2,3]	**0.65**	**0.68**	**(4)**	**0.63**	**3**

1 The reconciliation of cost of goods sold to adjusted cost of goods sold and adjusted gross margin is presented on page 13.

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

3 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.

Group performance in the fourth quarter of the 2023 fiscal year

In the fourth quarter of the 2023 fiscal year, Group revenue was €4,149 million, an increase of 1 percent on the figure for the previous three-month period of €4,089 million. The Automotive (ATV), Green Industrial Power (GIP) and Connected Secure Systems (CSS) segments recorded an increase in revenue, while the Power & Sensor Systems (PSS) segment showed a slight decrease.

The gross margin in the fourth quarter was 43.6 percent, compared with 44.5 percent in the third quarter of the 2023 fiscal year. The adjusted gross margin was 45.5 percent, compared with 46.2 percent in the previous quarter.

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The Segment Result in the fourth quarter of the 2023 fiscal year was €1,044 million, compared with €1,067 million in the previous quarter. The Segment Result Margin reached 25.2 percent, compared with 26.1 percent in the third quarter.

The fourth-quarter Non Segment Result was a net loss of €132 million, compared with a net loss of €71 million in the previous three-month period. The Non Segment Result for the fourth quarter comprised €79 million relating to cost of goods sold, €57 million relating to selling, general and administrative expenses and €12 million relating to research and development expenses. Also included in the total for the fourth quarter was a net figure for other operating income of €16 million. As in the third quarter, this includes part of the gain on the sale of the Temecula site (USA), although the amount included in the fourth quarter is smaller.

Operating profit for the fourth quarter of the 2023 fiscal year was €912 million, compared with €996 million in the third quarter.

The financial result in the fourth quarter was a net financial loss of €6 million, compared with a net financial loss of €5 million in the third quarter.

The tax expense in the fourth quarter of the 2023 fiscal year was €163 million, compared with €167 million in the preceding quarter.

Profit from continuing operations in the fourth quarter of the 2023 fiscal year was €748 million, compared with €835 million in the previous three-month period. The result from discontinued operations in the fourth quarter was a profit of €5 million (third quarter: loss of €4 million). The profit for the period in the fourth quarter of the 2023 fiscal year was €753 million. In the third quarter, the profit for the period was €831 million.

Earnings per share from continuing operations stood at €0.57 at the end of the fourth quarter of the 2023 fiscal year, compared with €0.63 one quarter earlier (basic and diluted in each case). Adjusted earnings per share[1] (diluted) stood at

[1] Adjusted profit/loss for the period and adjusted earnings per share (diluted) should not be seen as a replacement or as superior performance indicators, 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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€0.65 at the end of the fourth quarter of the 2023 fiscal year, compared with €0.68 one quarter earlier.

Investments – which Infineon defines as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized development costs – increased in the fourth quarter of the 2023 fiscal year to €1,057 million, up from €786 million in the preceding three-month period. Depreciation and amortization in the fourth quarter was €450 million, compared with €441 million in the third quarter of the 2023 fiscal year.

The Free-Cash-Flow[2] in the fourth quarter of the 2023 fiscal year was €614 million, compared to €326 million in the preceding quarter. Cash flows from operating activities from continuing operations rose to €1,652 million, compared with €1,033 million in the third quarter of the 2023 fiscal year.

The gross cash position at the end of the fourth quarter of the 2023 fiscal year was €3,590 million, up from €2,986 million as of 30 June 2023. Financial debt at 30 September 2023 stood at €4,733 million, compared with €4,679 million as of 30 June 2023. The net cash position was a negative amount of €1,143 million, compared with a negative amount of €1,693 million at the end of the third quarter.

Proposed dividend for the 2023 fiscal year: €0.35 per share

Infineon's dividend policy is aimed at allowing its shareholders to participate appropriately in the success of the business. The dividend distributed for the 2022 fiscal year of €0.32 per share was €0.05 higher than the figure for the previous year. It is planned to put forward a proposal to the Annual General Meeting in February 2024 to increase the dividend again by €0.03 per share to reflect the successful 2023 fiscal year, while at the same time retaining the financial headroom of the Company for profitable growth. Should the Annual General Meeting approve the planned proposal, the dividend payment for the 2023 fiscal year would rise to €0.35. The number of shares issued remained unchanged as of 30 September 2023 at 1,305,921,137. This figure now includes 2,171,026 shares owned by the Company that are not entitled to a dividend. The total amount to be distributed to shareholders is therefore anticipated to rise to €456 million, compared with €417 million one year earlier.

[2] For definitions and the calculation of Free Cash Flow and of the gross and net cash positions, see page 15.

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Outlook for the 2024 fiscal year

Based on an assumed exchange rate of US$1.05 to the euro, revenue of around €17 billion (plus or minus €500 million) is forecast for the 2024 fiscal year, equivalent to a growth rate of around 4 percent compared with the 2023 fiscal year. Revenue growth in the ATV segment is expected to be in the low double-digit percentage range. Revenue in the GIP segment should remain more or less stable compared with the previous year. The PSS segment and the CSS segment are each forecast to see a decline in revenue in the high single-digit percentage range. With expected revenue in the 2024 fiscal year of around €17 billion, the adjusted gross margin should be around 45 percent and the Segment Result Margin around 24 percent.

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 €3.3 billion for the 2024 fiscal year. The focus here will be on the completion of Phase 1 of the third manufacturing module on the Kulim site (Malaysia), which is designed to produce compound semiconductors, and the commencement of Phase 2. Furthermore, a large proportion of the funds will be invested in the construction of the fourth manufacturing module in Dresden (Germany), designed to produce analog/mixed-signal components and power semiconductors. Considerable funds are also being invested in the machinery to manufacture products based on silicon carbide and gallium nitride.

Depreciation and amortization are anticipated to be about €2.1 billion in the 2024 fiscal year, of which approximately €400 million is attributable to amortization of purchase price allocations arising mainly from the acquisition of Cypress. Adjusted Free Cash Flow, which has been adjusted for investment in frontend buildings and the purchase of GaN Systems, is expected to be about €2.2 billion, which is around 13 percent of the forecast revenue for the year of €17 billion. Reported Free Cash Flow should be around €400 million.

Outlook for the first quarter of the 2024 fiscal year

Based on an assumed exchange rate of US$1.05 to the euro, Infineon expects to generate revenue of around €3.8 billion in the first quarter of the 2024 fiscal year. Revenue in the ATV segment is forecast to stay at the same level as in the previous quarter. In the GIP, PSS and CSS segments, revenue in the first quarter

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is forecast to decrease by a mid-teens percentage range. Based on this revenue forecast for the group, the Segment Result Margin should be around 22 percent.

Segment earnings for the fourth quarter of the 2023 fiscal year

ATV segment revenue continued to increase in the fourth quarter of the 2023 fiscal year to €2,162 million, up from €2,129 million in the third quarter. The improvement in revenue of 2 percent was driven by demand in the areas of electromobility and driver assistance systems. The Segment Result increased in the fourth quarter of the 2023 fiscal year to €617 million, compared with €583 million in the preceding quarter. The Segment Result Margin rose from 27.4 percent in the third quarter to 28.5 percent in the fourth quarter.

GIP segment revenue grew from €565 million in the third quarter of 2023 to €582 million in the fourth quarter. The increase of 3 percent was the result of rising demand in the application areas renewable energy, energy infrastructure as well as automation and industrial drives. The Segment Result in the fourth quarter of the 2023 fiscal year was €166 million, compared with €171 million in the third quarter. The Segment Result Margin was 28.5 percent, compared with 30.3 percent in the preceding quarter.

PSS segment revenue decreased slightly by 1 percent, from €917 million in the third quarter of the 2023 fiscal year to €912 million in the fourth quarter. The positive trend in demand continued for products in the areas of microinverters for roof-top solar systems, charging stations for electric vehicles and onboard chargers. In other areas, demand continued to be weak. The Segment Result in the fourth quarter of the 2023 fiscal year was €172 million, compared with €191 million in the preceding quarter. The Segment Result Margin was 18.9 percent, compared with 20.8 percent in the third quarter.

CSS segment revenue improved from €474 million in the third quarter of 2023 to €490 million in the fourth quarter. The increase of 3 percent was due to higher revenue in the areas of government identification, payment and authentication, which more than offset the decline in revenue in IoT applications. The Segment Result was €90 million, compared with €119 million in the preceding quarter. The Segment Result Margin was 18.4 percent, compared with 25.1 percent in the third quarter.

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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 15 November 2023 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 of the 2023 fiscal year as well as the outlook for the first quarter and the 2024 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/

Infineon Financial Calendar (* preliminary)

➢ 16 – 17 Nov 2023	Morgan Stanley European TMT Conference, Barcelona
➢ 27 – 28 Nov 2023	Power presentation (GIP, PSS) and roadshow with Peter Wawer, Head of GIP and Adam White, Head of PSS, Paris
➢ 28 – 29 Nov 2023	UBS TMT Conference, Scottsdale
➢ 30 Nov 2023	Société Générale The Premium Review, Paris
➢ 4 Dec 2023	Stifel Roadshow, Frankfurt
➢ 6 Dec 2023	Berenberg European Conference, Pennyhill Park
➢ 6 Feb 2024*	Earnings Release for the First Quarter of the 2024 Fiscal Year
➢ 23 Feb 2024*	Annual General Meeting
➢ 7 May 2024*	Earnings Release for the Second Quarter of the 2024 Fiscal Year
➢ 5 Aug 2024*	Earnings Release for the Third Quarter of the 2024 Fiscal Year
➢ 12 Nov 2024*	Earnings Release for the Fourth Quarter and the 2024 Fiscal Year

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About Infineon

Infineon Technologies AG is a global semiconductor leader in power systems and IoT. Infineon drives decarbonization and digitalization with its products and solutions. The Company has around 58,600 employees worldwide and generated revenue of about €16.3 billion in the 2023 fiscal year (ending 30 September). Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the OTCQX International over-the-counter market (ticker symbol: IFNNY). Further information is available at https://www.infineon.com/

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FINANCIAL INFORMATION
According to IFRS – preliminary and unaudited

The following financial data relates to the fourth quarter and the entire 2023 fiscal year ended 30 September 2023 and the corresponding prior quarter and prior year periods.

Consolidated Statement of Profit or Loss

€ in millions	Q4 FY 2023	Q3 FY 2023	Q4 FY 2022	FY 2023	FY 2022
Revenue	4,149	4,089	4,143	16,309	14,218
Cost of goods sold	(2,342)	(2,268)	(2,304)	(8,896)	(8,087)
Gross profit	**1,807**	**1,821**	**1,839**	**7,413**	**6,131**
Research and development expenses	(518)	(496)	(486)	(1,985)	(1,798)
Selling, general and administrative expenses	(399)	(396)	(452)	(1,599)	(1,565)
Other operating income	32	79	36	192	129
Other operating expenses	(10)	(12)	(17)	(73)	(52)
Operating profit	**912**	**996**	**920**	**3,948**	**2,845**
Financial income	36	32	5	105	7
Financial expenses	(42)	(37)	(38)	(159)	(168)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	5	11	9	27	39
Profit (loss) from continuing operations before income taxes	**911**	**1,002**	**896**	**3,921**	**2,723**
Income taxes	(163)	(167)	(166)	(782)	(537)
Profit (loss) from continuing operations	**748**	**835**	**730**	**3,139**	**2,186**
Profit (loss) from discontinued operations, net of income taxes	5	(4)	5	(2)	(7)
Profit (loss) for the period	**753**	**831**	**735**	**3,137**	**2,179**
Attributable to:					
Shareholders and hybrid capital investors of Infineon Technologies AG	753	831	735	3,137	2,179
Earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Weighted average shares outstanding (in million) – basic	1,304	1,304	1,302	1,303	1,302
Basic earnings per share (in euro) from continuing operations	0.57	0.64	0.56	2.39	1.66
Basic earnings (loss) per share (in euro) from discontinued operations	-	(0.01)	-	(0.01)	(0.01)
Basic earnings per share (in euro)	**0.57**	**0.63**	**0.56**	**2.38**	**1.65**
Weighted average shares outstanding (in million) – diluted	1,308	1,308	1,304	1,306	1,304
Diluted earnings per share (in euro) from continuing operations	0.57	0.63	0.56	2.38	1.65
Diluted earnings per share (in euro) from discontinued operations	-	-	-	-	-
Diluted earnings per share (in euro)	**0.57**	**0.63**	**0.56**	**2.38**	**1.65**

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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Revenues, Results and Margins of the Segments

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

With effect from 1 April 2023, the "Industrial Power Control" segment was renamed "Green Industrial Power". Decarbonization, electrification and energy efficiency are important drivers of the business in this segment. This focus and the significant contribution made by this segment to CO2 reduction are now also reflected in the new name. The change of name has no impact on the organizational structure, strategy or scope of the business.

€ in millions (unless otherwise stated)	Q4 FY 2023	Q3 FY 2023	Change vs. previous quarter in %	Q4 FY 2022	Change vs. previous year quarter in %
Automotive					
Segment Revenue	2,162	2,129	2	1,934	12
Segment Result	617	583	6	506	22
Segment Result Margin (in %)	28.5%	27.4%		26.2%	
Green Industrial Power					
Segment Revenue	582	565	3	542	7
Segment Result	166	171	(3)	136	22
Segment Result Margin (in %)	28.5%	30.3%		25.1%	
Power & Sensor Systems					
Segment Revenue	912	917	(1)	1,169	(22)
Segment Result	172	191	(10)	338	(49)
Segment Result Margin (in %)	18.9%	20.8%		28.9%	
Connected Secure Systems					
Segment Revenue	490	474	3	492	0
Segment Result	90	119	(24)	86	5
Segment Result Margin (in %)	18.4%	25.1%		17.5%	
Other Operating Segments					
Segment Revenue	3	4	(25)	6	(50)
Segment Result	-	1	(100)	2	---
Corporate and Eliminations					
Segment Revenue	-	-	-	-	-
Segment Result	(1)	2	---	(10)	90
Infineon total					
Segment Revenue	**4,149**	**4,089**	**1**	**4,143**	**0**
Segment Result	**1,044**	**1,067**	**(2)**	**1,058**	**(1)**
Segment Result Margin (in %)	**25.2%**	**26.1%**		**25.5%**	

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€ in millions (unless otherwise stated)	FY 2023	FY 2022	Change vs. previous year in %
Automotive			
Segment Revenue	8,242	6,516	26
Segment Result	2,380	1,490	60
Segment Result Margin (in %)	28.9%	22.9%	
Green Industrial Power			
Segment Revenue	2,205	1,790	23
Segment Result	662	384	72
Segment Result Margin (in %)	30.0%	21.5%	
Power & Sensor Systems			
Segment Revenue	3,798	4,070	(7)
Segment Result	861	1,137	(24)
Segment Result Margin (in %)	22.7%	27.9%	
Connected Secure Systems			
Segment Revenue	2,046	1,822	12
Segment Result	488	378	29
Segment Result Margin (in %)	23.9%	20.7%	
Other Operating Segments			
Segment Revenue	18	20	(10)
Segment Result	5	5	-
Corporate and Eliminations			
Segment Revenue	-	-	-
Segment Result	3	(16)	+++
Infineon total			
Segment Revenue	**16,309**	**14,218**	**15**
Segment Result	**4,399**	**3,378**	**30**
Segment Result Margin (in %)	**27.0%**	**23.8%**	

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Reconciliation of Segment Result to operating profit

€ in millions	Q4 FY 2023	Q3 FY 2023	Q4 FY 2022	FY 2023	FY 2022
Segment Result:	1,044	1,067	1,058	4,399	3,378
Plus/minus:					
Certain reversal of impairments (impairments) (in particular on goodwill)	-	-	6	-	6
Gains (losses) on earnings of restructuring and closures	-	4	-	4	-
Share-based payment	(29)	(29)	(19)	(92)	(62)
Acquisition-related depreciation/amortization and other expenses	(114)	(106)	(117)	(464)	(484)
Gains (losses) on sales of businesses, or interests in subsidiaries	-	-	-	30	-
Other income and expenses	11	60	(8)	71	7
Total Non Segment Result	**(132)**	**(71)**	**(138)**	**(451)**	**(533)**
Operating profit	**912**	**996**	**920**	**3,948**	**2,845**

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), 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)	Q4 FY 2023	Q3 FY 2023	Q4 FY 2022	FY 2023	FY 2022
Profit (loss) from continuing operations – diluted	**748**	**835**	**730**	**3,139**	**2,186**
Compensation of hybrid capital investors[1]	(7)	(7)	(7)	(29)	(29)
Profit (loss) from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**741**	**828**	**723**	**3,110**	**2,157**
Plus/minus:					
Non Segment Result[2]	132	71	138	451	533
Acquisition-related expenses within financial result	(2)	1	-	-	4
Tax effect on adjustments	(25)	(13)	(32)	(95)	(116)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	-	-	(12)	-	(15)
Adjusted profit (loss) for the period from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**846**	**887**	**817**	**3,466**	**2,563**
Weighted-average number of shares outstanding (in millions) – diluted	1,308	1,308	1,304	1,306	1,304
Adjusted earnings per share (in euro) – diluted[3]	0.65	0.68	0.63	2.65	1.97

1 Including the cumulative tax effect.

2 The calculation of the Non Segment Result can be found in the table "Reconciliation of Segment Result to operating profit".

3 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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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) 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)	Q4 FY 2023	Q3 FY 2023	Q4 FY 2022	FY 2023	FY 2022
Cost of goods sold	2,342	2,268	2,304	8,896	8,087
Plus/minus:					
Impact on earnings of restructuring and closures, net	-	4	-	4	-
Share-based payment	(5)	(4)	(3)	(15)	(10)
Acquisition-related depreciation/amortization and other expenses	(69)	(62)	(73)	(275)	(288)
Other income and expenses, net	(5)	(5)	(5)	(18)	(19)
Adjusted cost of goods sold	2,263	2,201	2,223	8,592	7,770
Adjusted gross margin (in %)	45.5%	46.2%	46.3%	47.3%	45.4%

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.

Number of employees

	30 Sep 23	30 Jun 23	30 Sep 22
Infineon	58,590	57,888	56,194
Thereof: Research and development	12,830	12,638	12,005

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Consolidated Statement of Financial Position

€ in millions	30 Sep 2023	30 Jun 2023	30 Sep 2022
ASSETS			
Cash and cash equivalents	1,820	1,521	1,438
Financial investments	1,770	1,465	2,279
Trade receivables	1,991	2,014	1,887
Inventories	3,974	3,754	3,081
Current income tax receivables	63	44	58
Contract assets	115	107	85
Other current assets	959	923	625
Total current assets	**10,692**	**9,828**	**9,453**
Property, plant and equipment	7,045	6,353	5,545
Goodwill	6,547	6,389	7,083
Other intangible assets	2,977	2,985	3,483
Right-of-use assets	405	389	405
Investments accounted for using the equity method	114	107	100
Non-current income tax receivables	2	1	2
Deferred tax assets	268	327	527
Other non-current assets	389	389	314
Total non-current assets	**17,747**	**16,940**	**17,459**
Total assets	**28,439**	**26,768**	**26,912**
LIABILITIES AND EQUITY			
Short-term financial debt and current portion of long-term financial debt	330	322	752
Trade payables	2,765	2,193	2,260
Current provisions	799	710	983
Current income tax payables	418	491	356
Current lease liabilities	72	69	76
Other current liabilities	1,285	1,308	1,161
Total current liabilities	**5,669**	**5,093**	**5,588**
Long-term financial debt	4,403	4,357	4,910
Pensions and similar commitments	268	285	297
Deferred tax liabilities	254	226	371
Other non-current provisions	300	298	289
Non-current lease liabilities	309	300	310
Other non-current liabilities	192	202	203
Total non-current liabilities	**5,726**	**5,668**	**6,380**
Total liabilities	**11,395**	**10,761**	**11,968**
Equity:			
Ordinary share capital	2,612	2,612	2,612
Additional paid-in capital	6,684	6,640	6,579
Retained earnings	6,204	5,448	3,506
Other reserves	354	127	1,067
Own shares	(13)	(13)	(23)
Hybrid capital	1,203	1,193	1,203
Total equity	**17,044**	**16,007**	**14,944**
Total liabilities and equity	**28,439**	**26,768**	**26,912**

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Consolidated Statement of Cash Flows

Gross and Net Cash Position

The following table shows the gross cash position and the net cash position. Since some liquid funds are held in the form of financial investments which for IFRS purposes are not classified as cash and cash equivalents, Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of its overall liquidity situation. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	30 Sep 23	30 Jun 23	30 Sep 22
Cash and cash equivalents	1,820	1,521	1,438
Financial investments	1,770	1,465	2,279
Gross cash position	**3,590**	**2,986**	**3,717**
Minus:			
Short-term financial debt and current portion of long-term financial debt	330	322	752
Long-term financial debt	4,403	4,357	4,910
Gross financial debt	**4,733**	**4,679**	**5,662**
Net cash position	**(1,143)**	**(1,693)**	**(1,945)**

Free Cash Flow

Infineon reports the Free Cash Flow figure, defined as cash flows from operating activities and cash flows from investing activities, both from continuing operations, after adjusting for cash flows from 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, because dividends, debt-servicing obligations and other fixed disbursements have not been deducted.

Since the 2023 fiscal year, adjusted Free Cash Flow has become part of Infineon's target operating model and is defined as Free Cash Flow adjusted for cash outflows for investments in large frontend buildings, for cash inflows for related investment subsidies and for major M&A transactions (acquisitions and disposals) after deducting cash acquired or divested.

Both figures should not be seen as a replacement or as superior performance indicators, but rather as useful information in addition to 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 determined in accordance with IFRS. Free Cash Flow and adjusted Free Cash Flow are derived as follows from the Consolidated Statement of Cash Flows:

€ in millions	Q4 FY 2023	Q3 FY 2023	Q4 FY 2022	FY 2023	FY 2022
Cash flows from operating activities[1]	1,652	1,033	1,580	3,962	3,986
Cash flows from investing activities[1]	(1,335)	(141)	(1,175)	(2,264)	(2,441)
Purchases of (proceeds from sales of) financial investments, net	297	(566)	304	(540)	103
Free Cash Flow	**614**	**326**	**709**	**1,158**	**1,648**
Plus:					
Cash outflows for investments in large front-end buildings after deduction of cash inflows for related investment subsidies				480	
Adjusted Free Cash Flow				**1,638**	
Percentage of revenue				10.0%	

1 From continuing operations.

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Condensed Consolidated Statement of Cash Flows

€ in millions	Q4 FY 2023	Q3 FY 2023	Q4 FY 2022	FY 2023	FY 2022
Profit (loss) for the period	**753**	**831**	**735**	**3,137**	**2,179**
Plus: profit (loss) from discontinued operations, net of income taxes	(5)	4	(5)	2	7
Adjustments to reconcile to cash flows from operating activities:					
Depreciation and amortization	450	441	443	1,754	1,664
Other expenses and income	188	131	205	822	703
Change in assets, liabilities and equity	421	(215)	408	(1,149)	(78)
Interests received and paid	14	(59)	(5)	(71)	(139)
Income taxes paid	(169)	(100)	(201)	(533)	(350)
Cash flows from operating activities from continuing operations	**1,652**	**1,033**	**1,580**	**3,962**	**3,986**
Cash flows from operating activities from discontinued operations	(1)	-	(4)	(2)	(6)
Cash flows from operating activities	**1,651**	**1,033**	**1,576**	**3,960**	**3,980**
Proceeds from sales of (purchases of) financial investments, net	(297)	566	(304)	540	(103)
Acquisitions of businesses, net of cash acquired	(2)	(20)	-	(22)	(36)
Purchases of other intangible assets and other assets	(74)	(63)	(91)	(255)	(257)
Purchases of property, plant and equipment	(983)	(705)	(775)	(2,739)	(2,053)
Other investing activities	21	81	(5)	212	8
Cash flows from investing activities	**(1,335)**	**(141)**	**(1,175)**	**(2,264)**	**(2,441)**
Proceeds from issuance of (repayment of) short-/long-term financial debt	-	(752)	(558)	(753)	(1,393)
Proceeds from hybrid capital (cash outflow to hybrid capital investors)	-	(39)	-	(39)	(39)
Dividend payments	-	-	-	(417)	(351)
Other financing activities	(22)	2	(27)	(92)	(86)
Cash flows from financing activities	**(22)**	**(789)**	**(585)**	**(1,301)**	**(1,869)**
Net change in cash and cash equivalents	294	103	(184)	395	(330)
Effect of foreign exchange rate changes on cash and cash equivalents	5	(5)	28	(13)	19
Cash and cash equivalents at beginning of period	1,521	1,423	1,594	1,438	1,749
Cash and cash equivalents at end of period	**1,820**	**1,521**	**1,438**	**1,820**	**1,438**

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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