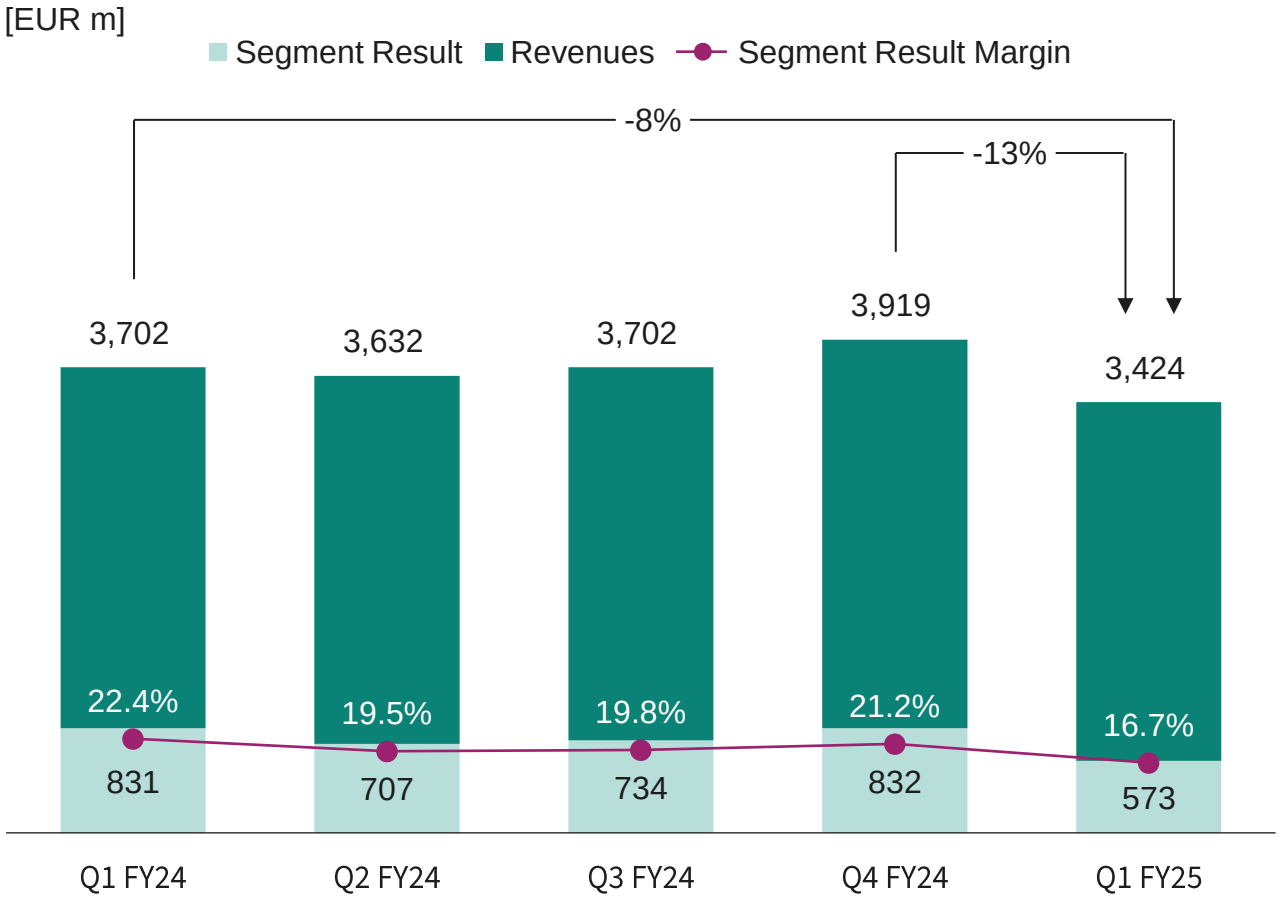


First Quarter FY 2025 Analyst Call

Infineon Technologies AG
Investor Relations

Group financial performance

Revenues and Segment Result

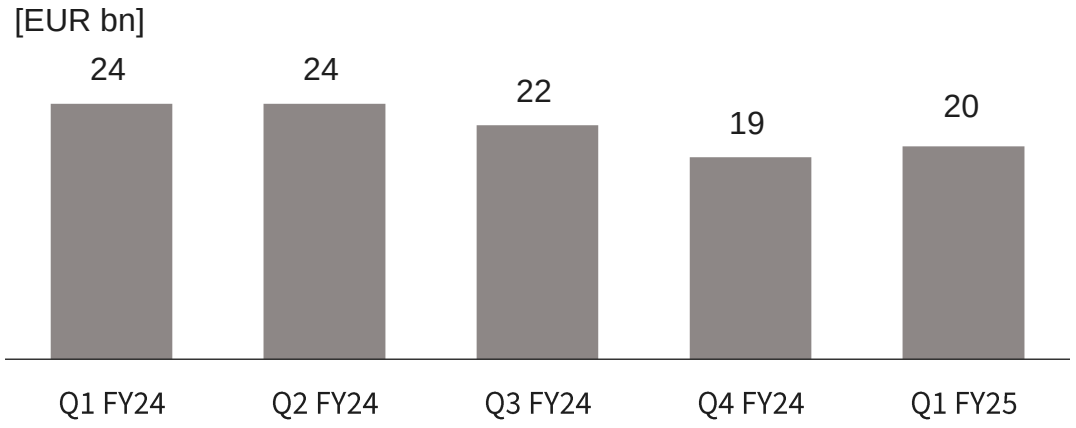


USD exchange rate

Average revenue exchange rate

	Q1 FY24	Q4 FY24	Q1 FY25
ø USD/EUR	1.08	1.10	1.07

Order backlog[1]

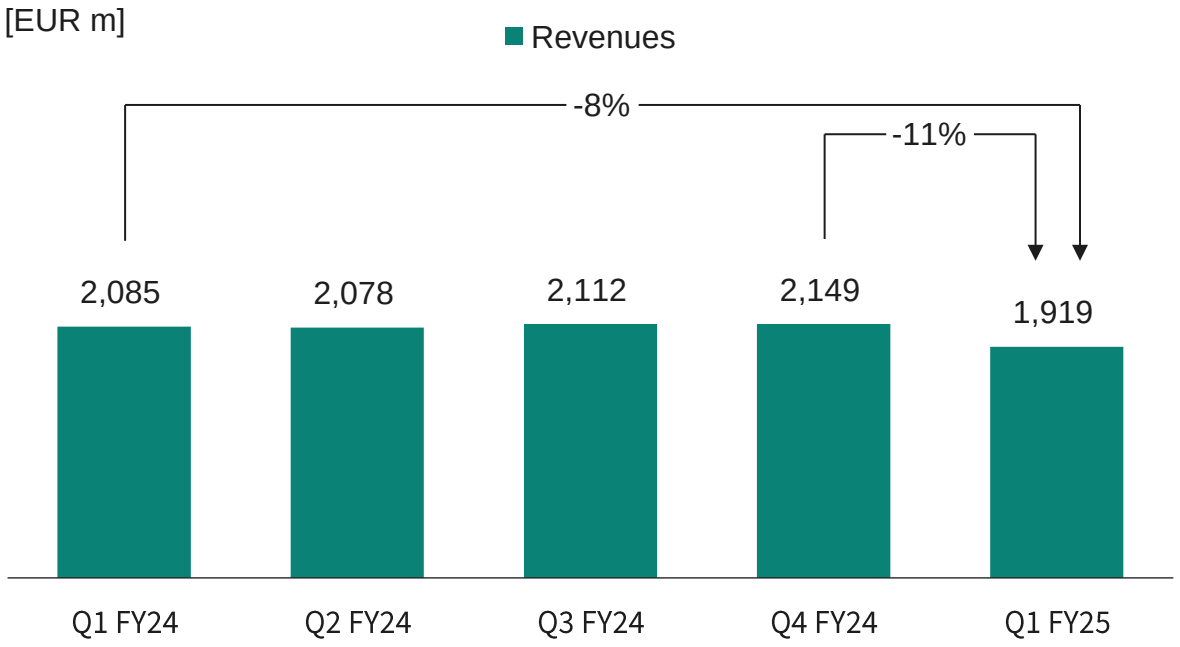


[1] See notes for definition

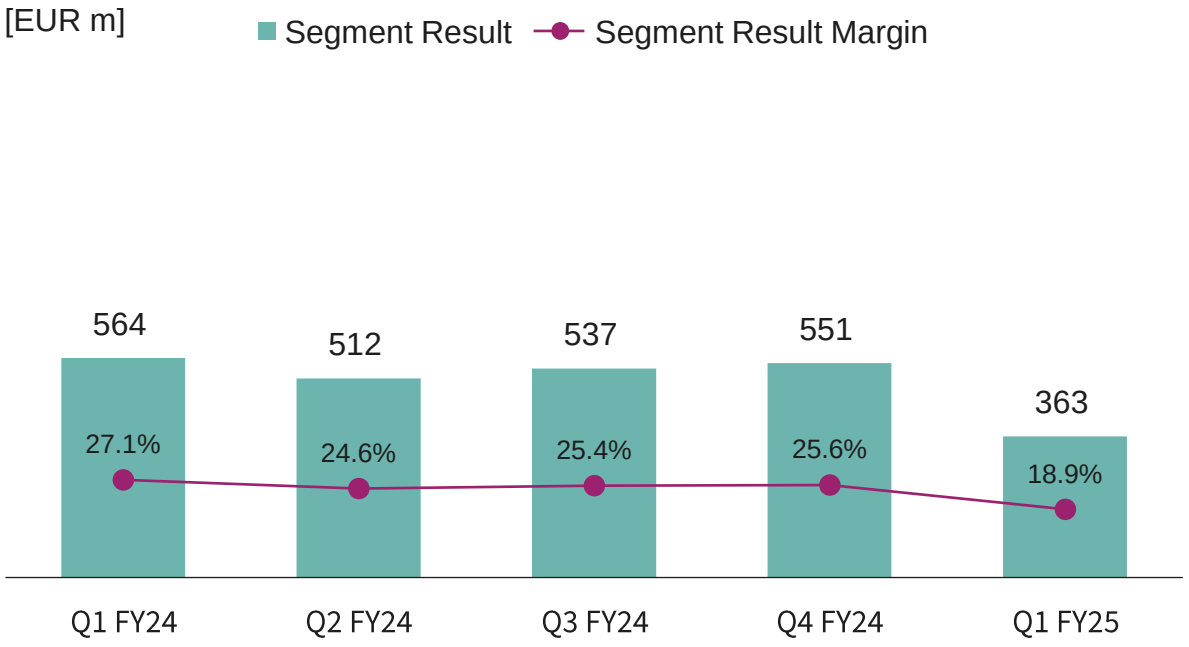
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Automotive (ATV)

Revenues



Segment Result

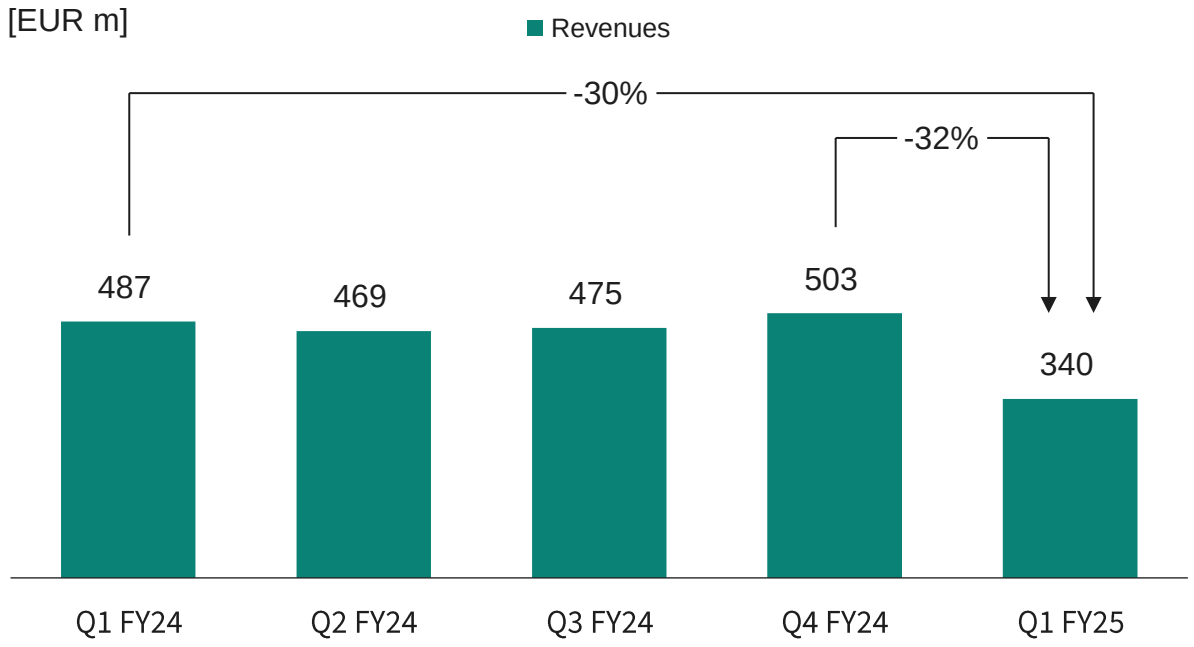


- Revenue decrease due to significant inventory adjustment by customers, compounding seasonal effects. Sales volumes in China were more resilient than forecast.
- Segment result decline due to lower volumes, underloading charges and some adverse mix effects.
- Inventory de-stocking will remain a major drag on revenues in the near term.

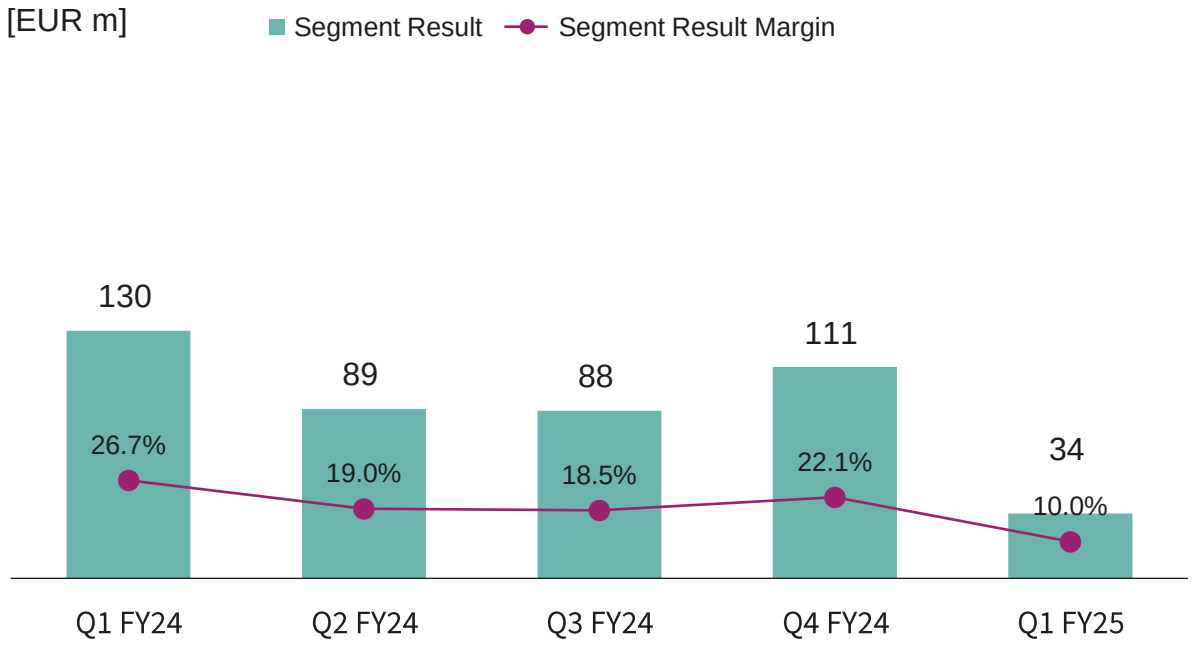
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Green Industrial Power (GIP)

Revenues



Segment Result

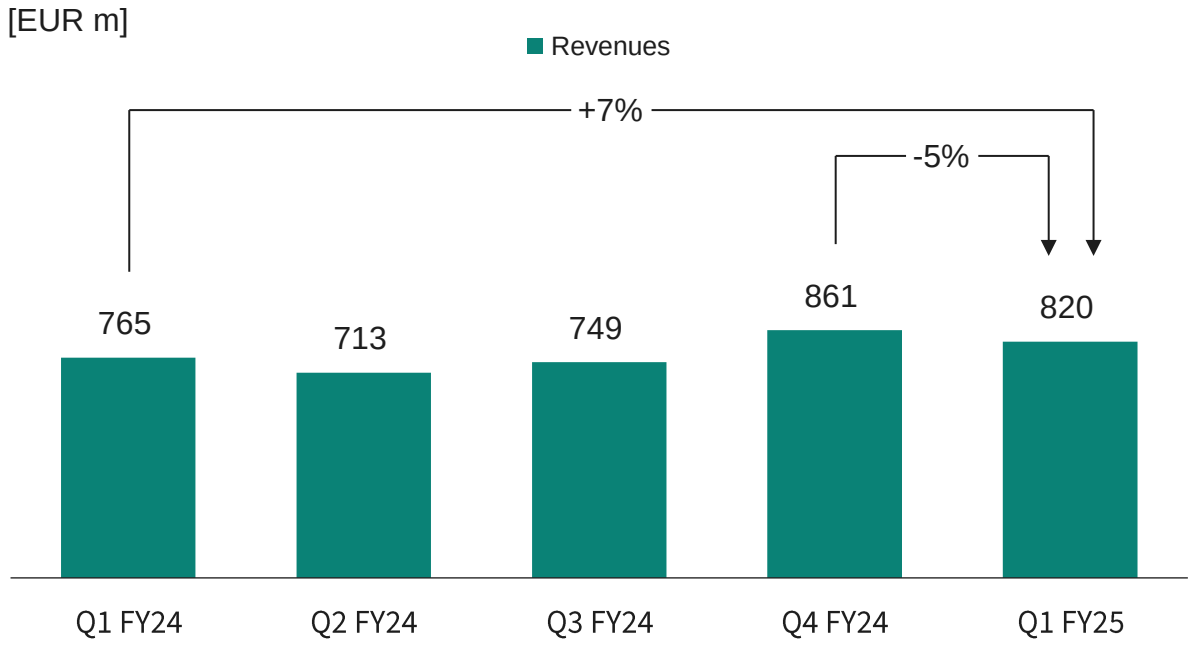


- A weak market environment, coupled with ongoing inventory correction, exacerbated the usual seasonal revenue decline.
- Segment result impacted by lower volumes and unfavorable price changes.
- Industrial applications continue to be affected by cyclical market weakness into 2025. Renewables demand remains intact, driven by global power and efficiency needs.

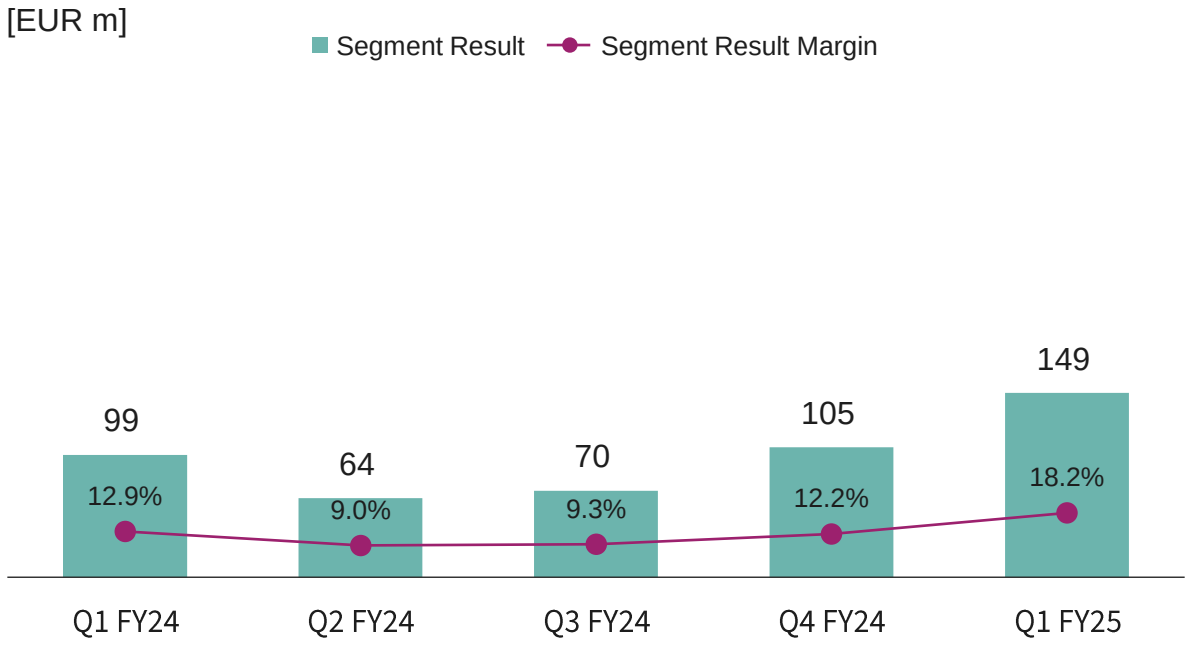
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Power & Sensor Systems (PSS)

Revenues



Segment Result

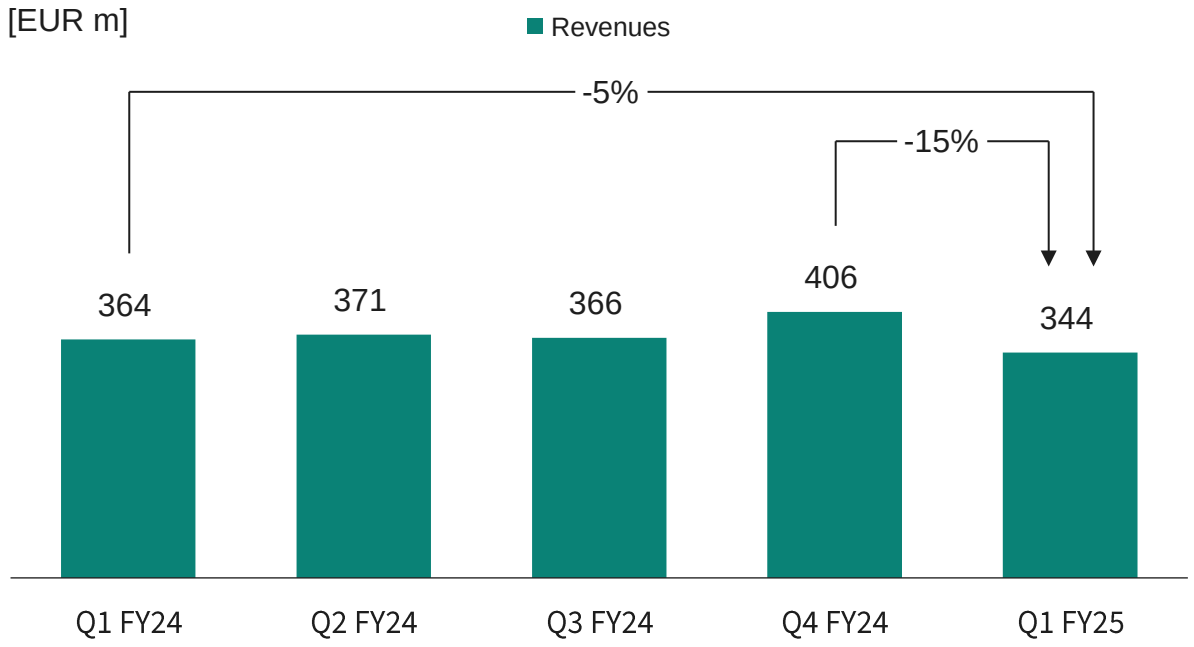


- Revenue decline as the consumer and smartphone businesses experienced usual seasonality. AI server power solutions continued to thrive.
- Segment result includes a mid-double-digit million compensation payment from a customer as a one-off.
- Consumer, computing and communications have bottomed and show first signs of recovery. Inventory adjustments continue to hinder growth near-term.
- For FY25, we anticipate to reach ~€600m in AI power-related revenue.

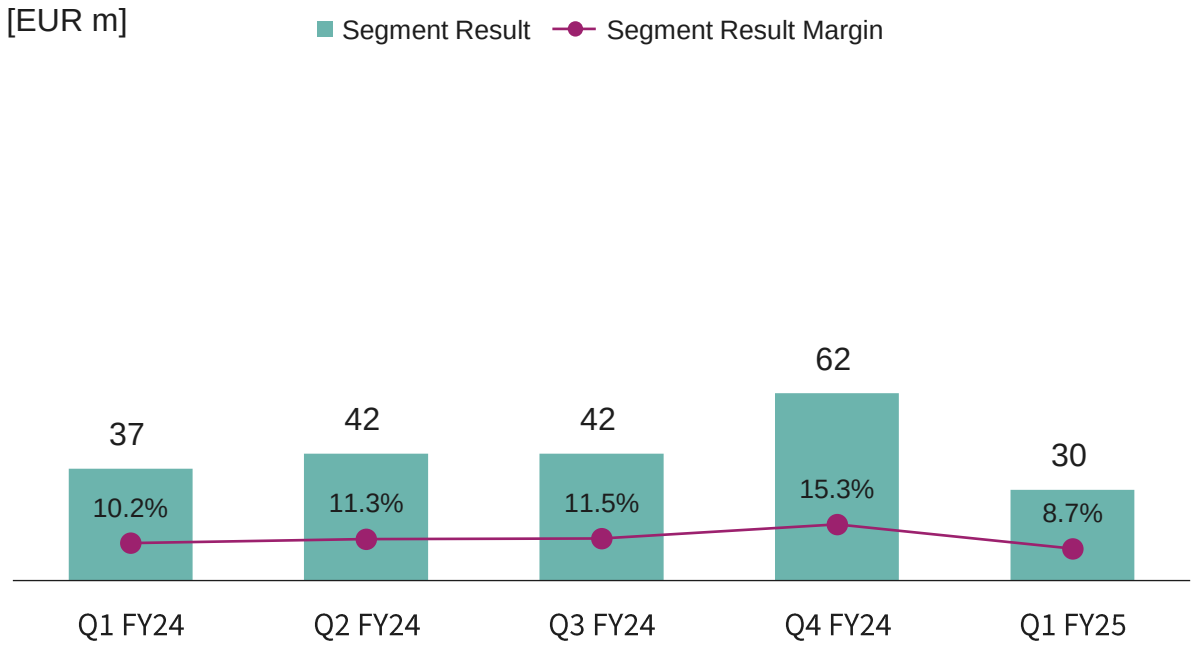
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Connected Secure Systems (CSS)

Revenues



Segment Result



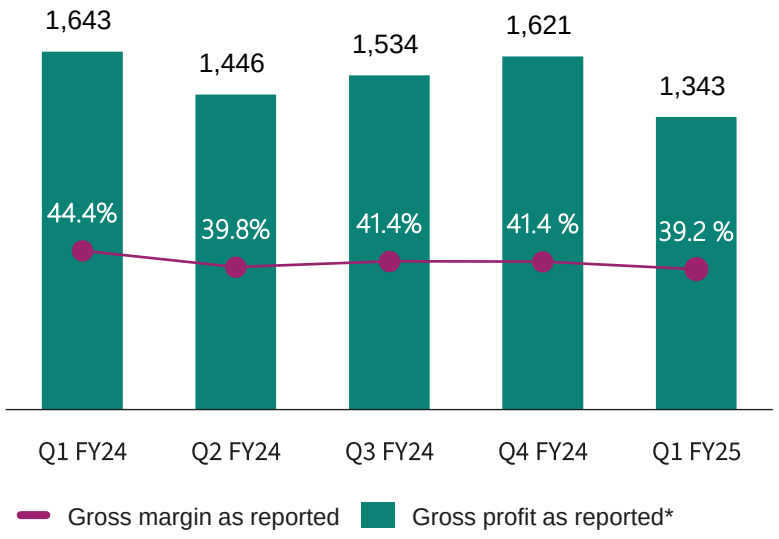
- All application areas declined sequentially due to ongoing weakness in consumer and IoT markets.
- The margin decline resulted mainly from lower volumes.
- IoT and security markets are trending around the bottom, inventories are normalizing. Bookings showing slight signs of improvement.

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Gross margin and Opex

Gross profit [1]

[EUR m]



Therein Non-Segment Result charges
[EUR m]

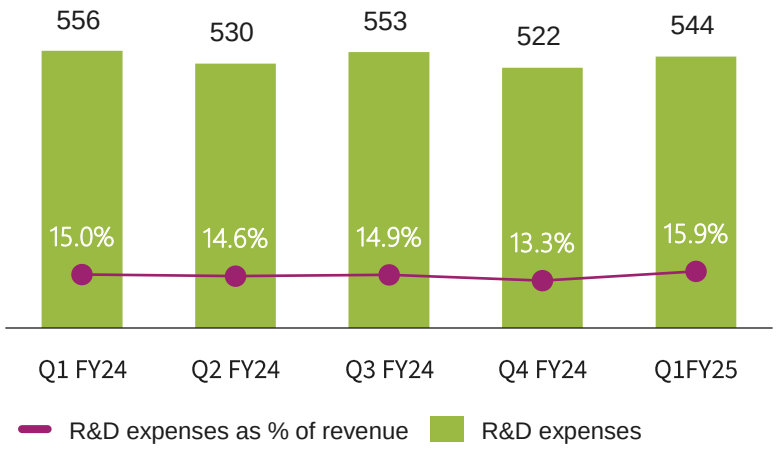
65	91	71	77	64

Adjusted gross margin [1]

46.1%	42.3%	43.4%	43.3%	41.1%

R&D [1]

[EUR m]

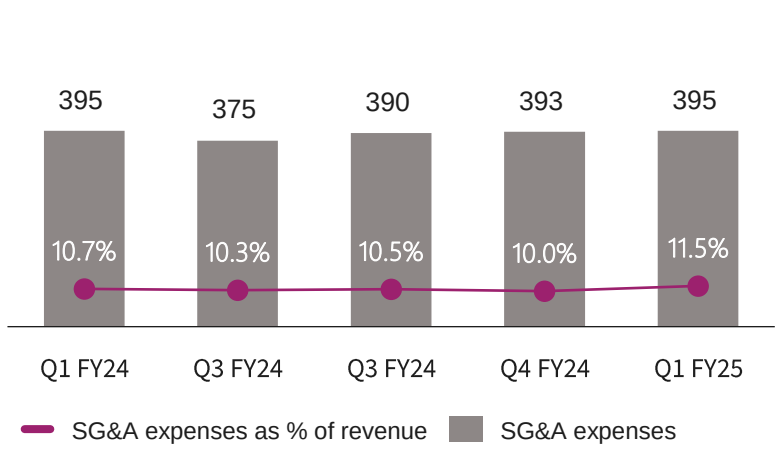


Therein Non-Segment Result charges
[EUR m]

16	18	15	14	18

SG&A

[EUR m]



Therein Non-Segment Result charges
[EUR m]

54	54	54	48	56

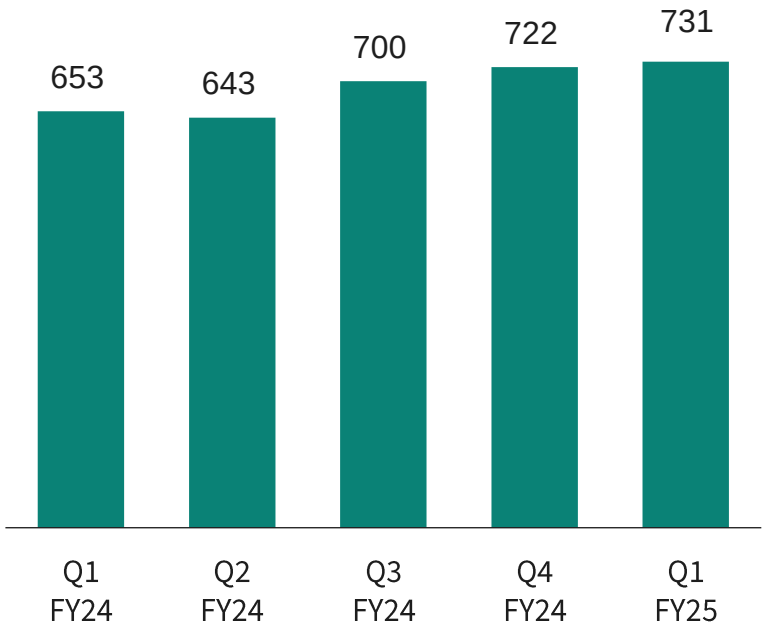
[1] To provide more meaningful information, Infineon changed its accounting policy on the allocation of certain expenses with effect from 1 October 2024. This resulted in expenses that were previously included in cost of goods sold being reclassified as research and development expenses. The prior-year figures have been adjusted accordingly

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Investments, Depreciation & Amortization and Free Cash Flow

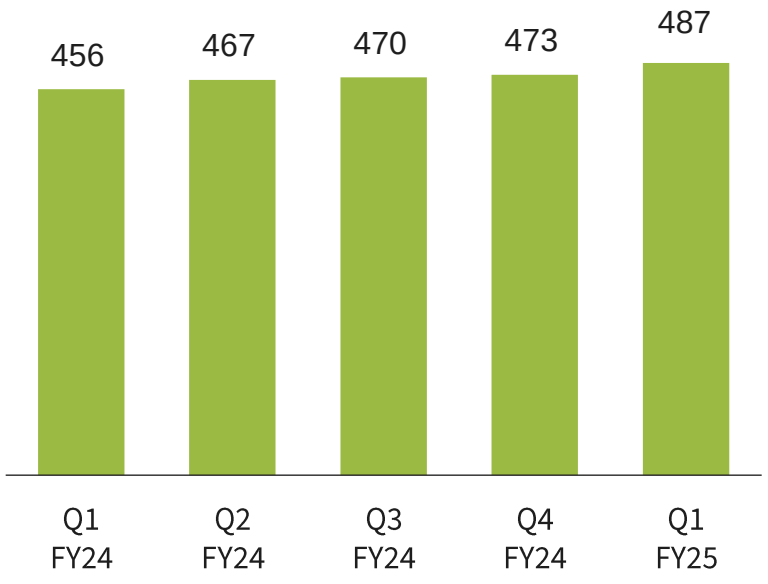
Investments

[EUR m]



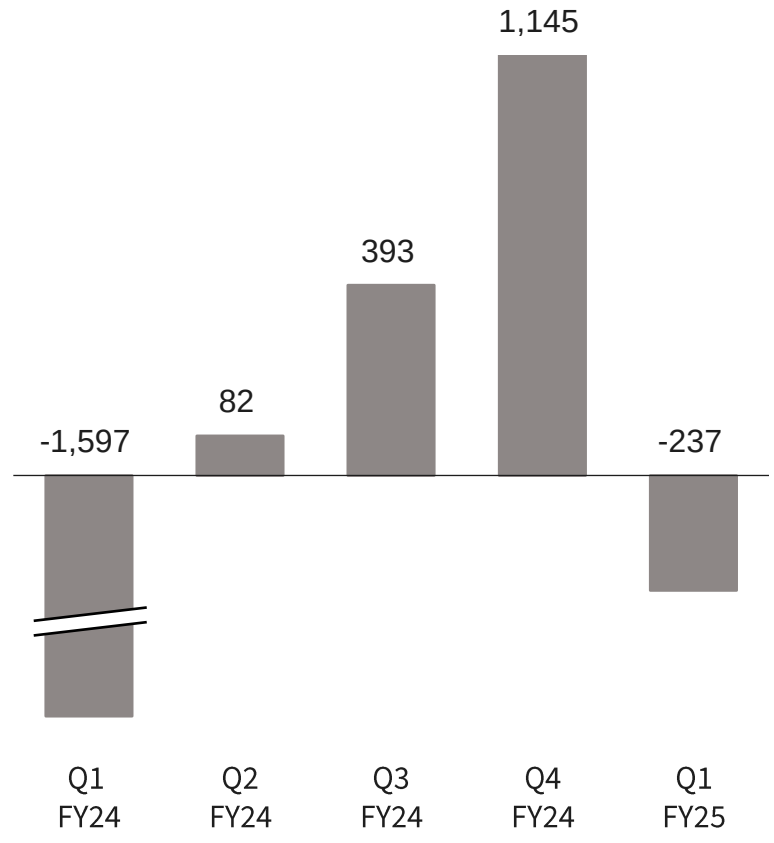
Depreciation & Amortization

[EUR m]



Free Cash Flow

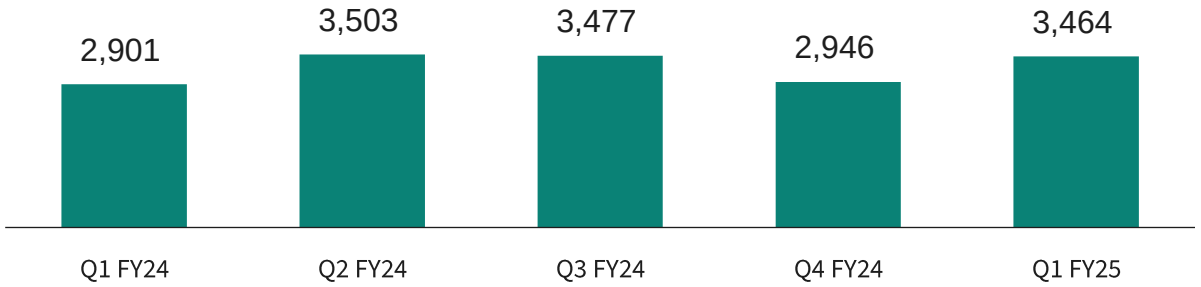
[EUR m]



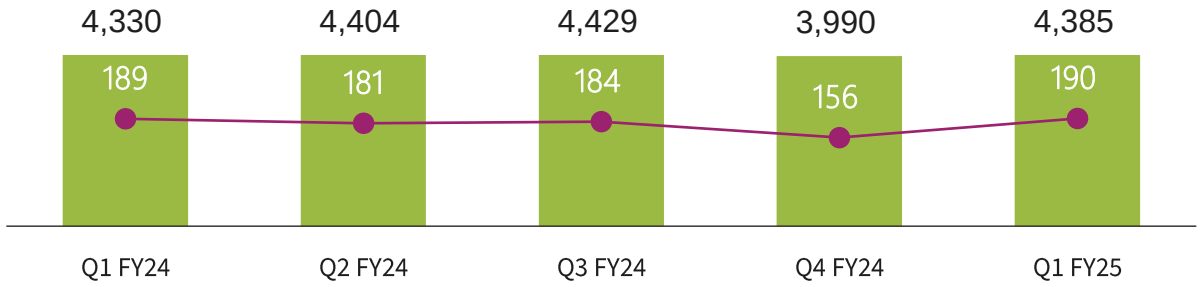
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Working capital, in particular trade working capital components

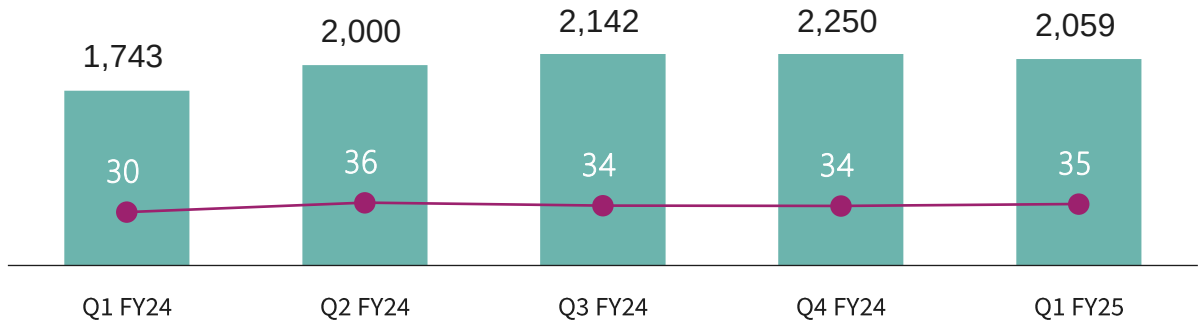
Working capital[1]



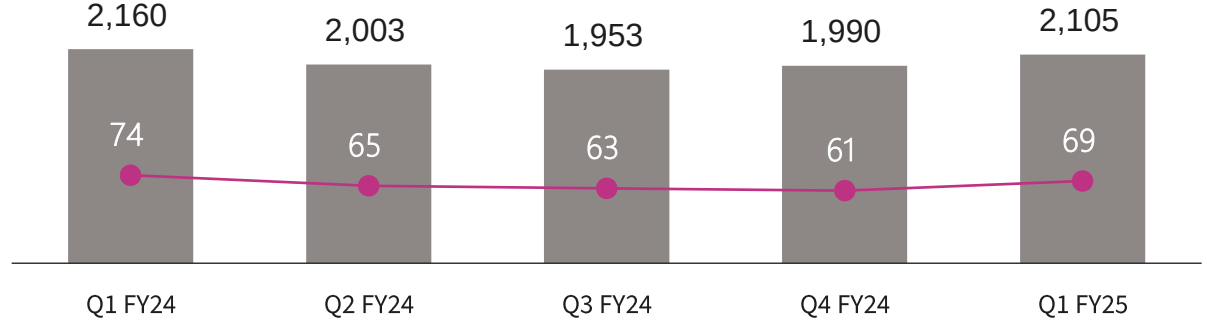
Inventories



Trade receivables



Trade payables



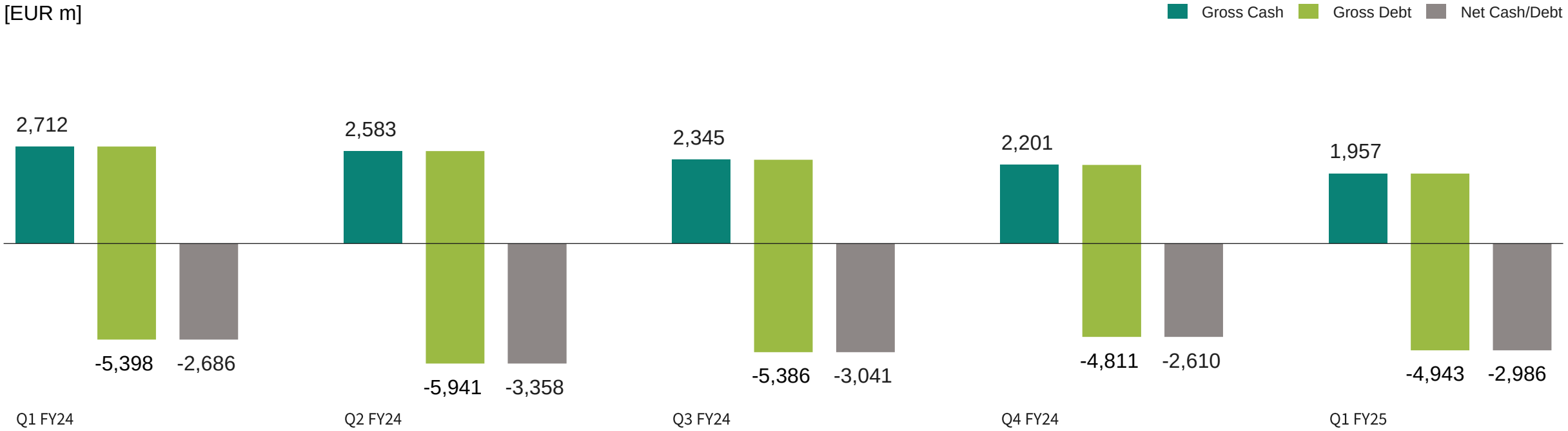
[1] See notes for definition

[2] To provide more meaningful information, Infineon changed its accounting policy on the allocation of certain expenses with effect from 1 October 2024. This resulted in expenses that were previously included in cost of goods sold being reclassified as research and development expenses. The prior-year figures have been adjusted accordingly

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Development of liquidity and debt

Capital structure



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Outlook for Q2 FY25 and FY25

	Outlook Q2 FY25[1]	Outlook FY25[1]
Revenue	~€3.6bn	flat to slightly up vs. prior year
Adj. Gross Margin		~40%
Segment Result Margin	mid-teens %	mid-to-high-teens %
FCF/adj. FCF		~€900m/~€1.7bn
Investments		~€2.5bn
D&A		~€2.0bn[2]

[1] Based on an assumed average exchange rate of $1.05 for €1.00
[2] Including the amortization of approximately 400 million Euros from purchase price allocations

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Key points

Revenue and SRM slightly ahead of expectations

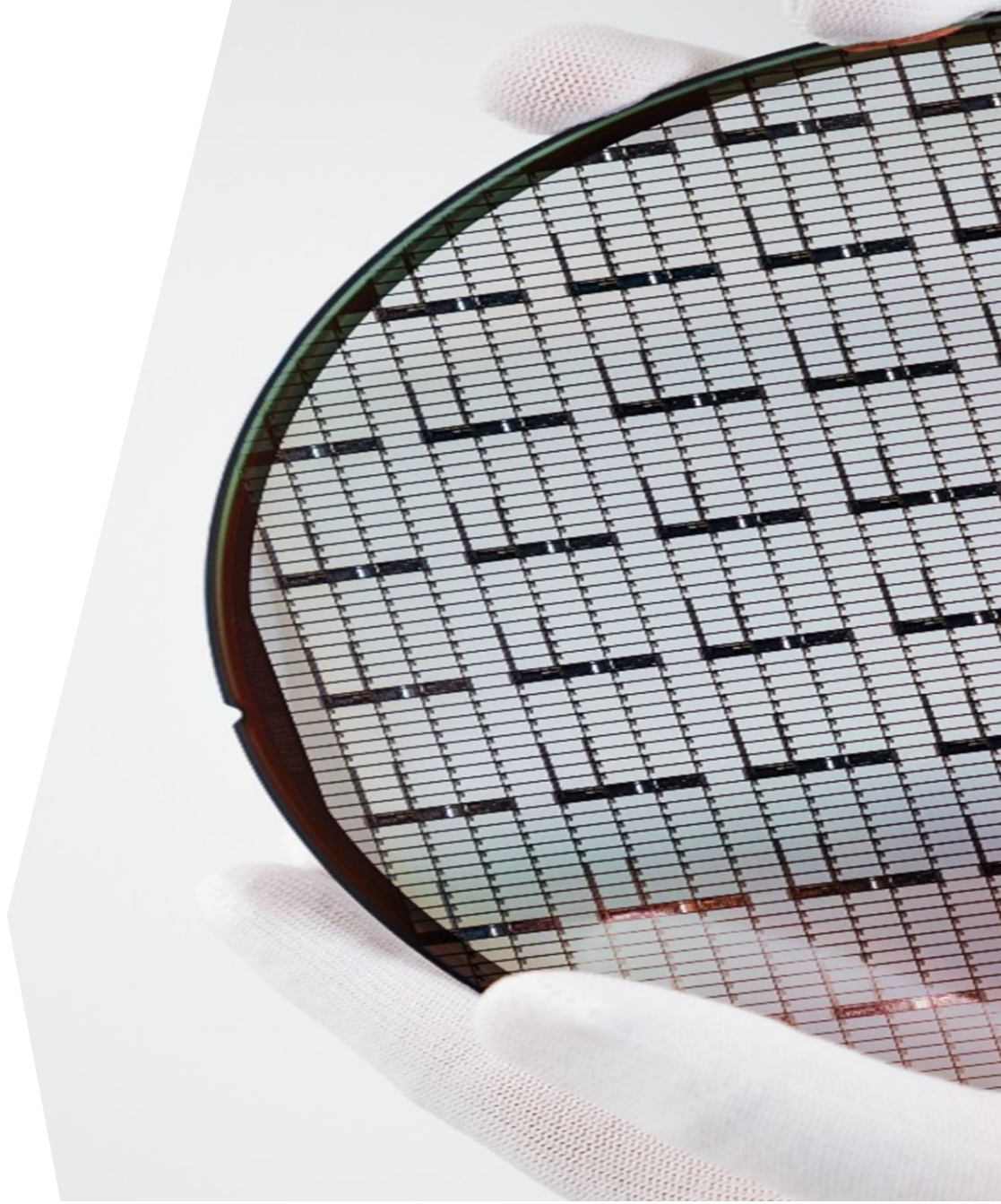
Q1 FY25 – €3.4bn revenue, 16.7% Segment Result Margin

Our assumptions for FY25 prove to be correct

- End markets have bottomed, inventory correction is progressing
- Positive exceptions include AI power and xEV in China
- End of de-stocking and modest recovery in the second half of FY25 expected
- Growth prospects beyond cyclical recovery remain promising, as Infineon is highly indexed to attractive secular trends

Outlook FY25

- Revenue flat to slightly up in comparison to FY24
- Segment Result Margin in the mid to high teens %
- Adj. Free Cash Flow ~ €1.7bn



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Questions & Answers




Infineon

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Notes

Order backlog = The total amount of orders received regardless of their current status

Working Capital = ('Total current assets' – 'Cash and cash equivalents' – 'Financial investment' – 'Assets classified as held for sale') – ('Total current liabilities' – 'Short term debt and current maturities of long-term debt' – 'Liabilities classified as held for sale')

DIO (days inventory outstanding; quarter-to-date) = ('Net Inventories' / 'Cost of goods sold') x 90

DPO (days payables outstanding; quarter-to-date) = ('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment']) x 90

DSO (days sales outstanding; quarter-to-date) = ('Trade receivables' / 'revenue')[1] x 90

1 without debtors with credit balances

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