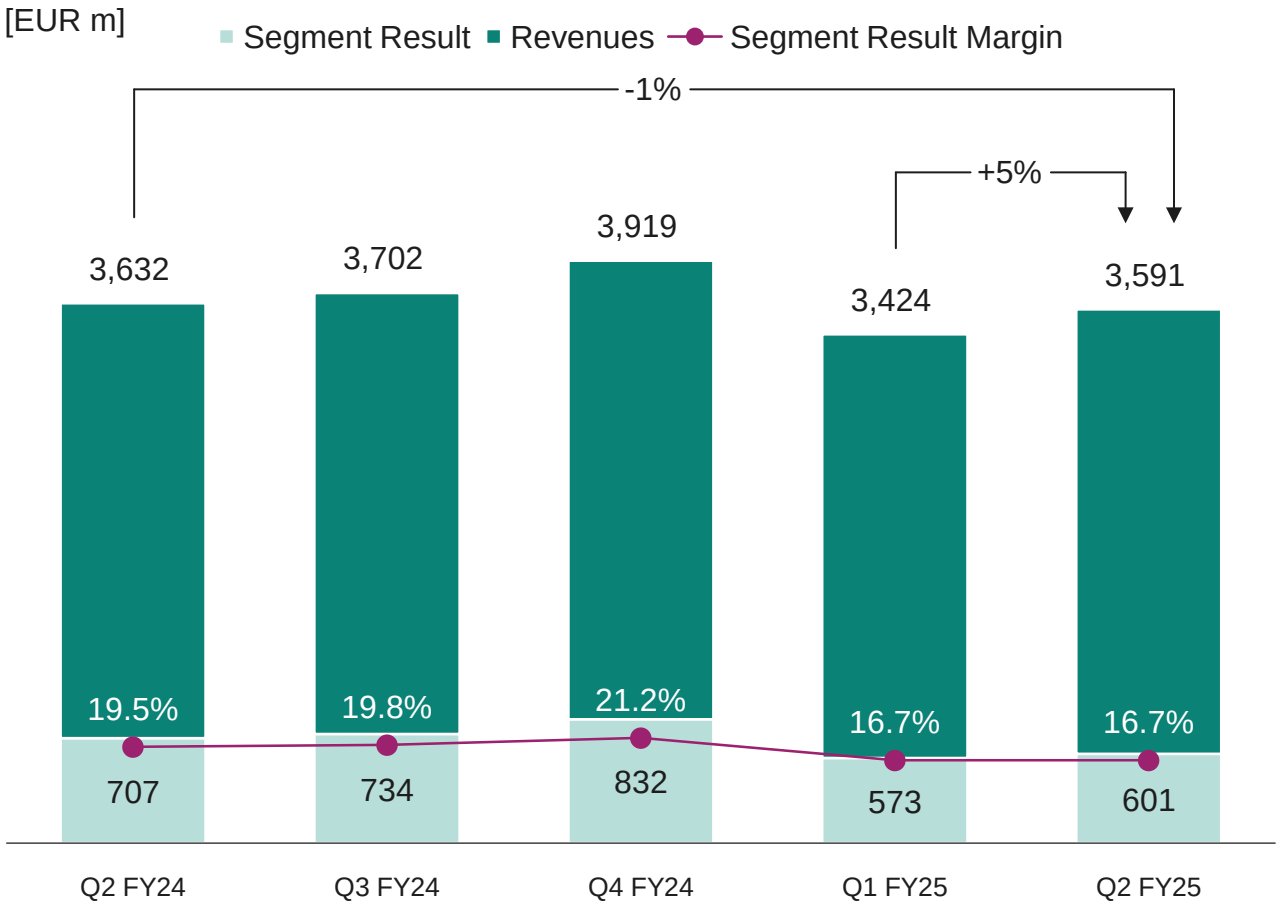


Second Quarter FY 2025 Analyst Call

Infineon Technologies AG
Investor Relations

Group financial performance

Revenues and Segment Result

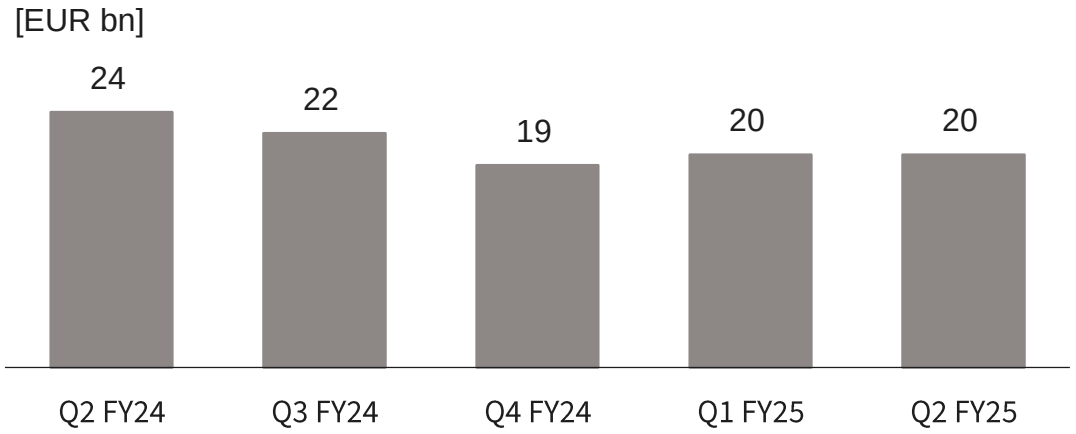


USD exchange rate

Average revenue exchange rate

	Q2 FY24	Q1 FY25	Q2 FY25
ø USD/EUR	1.09	1.07	1.05

Order backlog[1]



[1] See notes for definition

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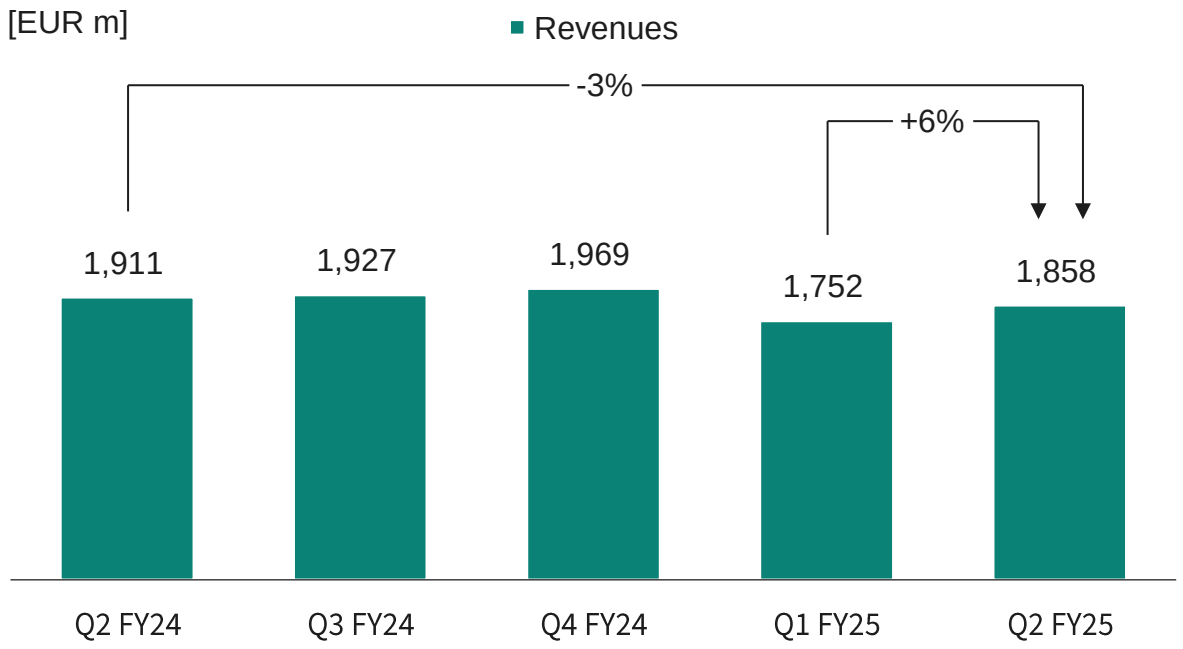
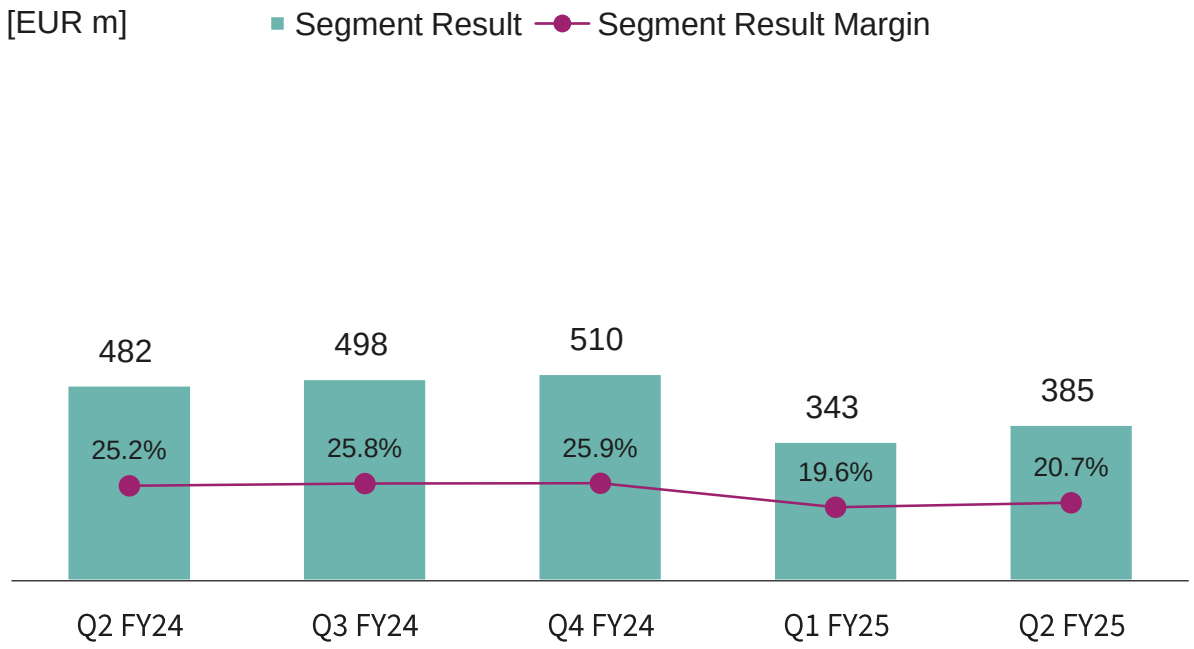
Automotive (ATV)

Revenues [1]



Segment Result [1]



- Revenue growth confirms underlying improvement in customer inventory digestion.
- Segment result improved due to higher volumes and favorable currency effects, more than offsetting annual price adjustments and slightly higher idle costs.
- Tariff uncertainties pose risks to global vehicle production.

[1] Figures have been historically restated to reflect "Sense & Control" business line transfer of from ATV to PSS

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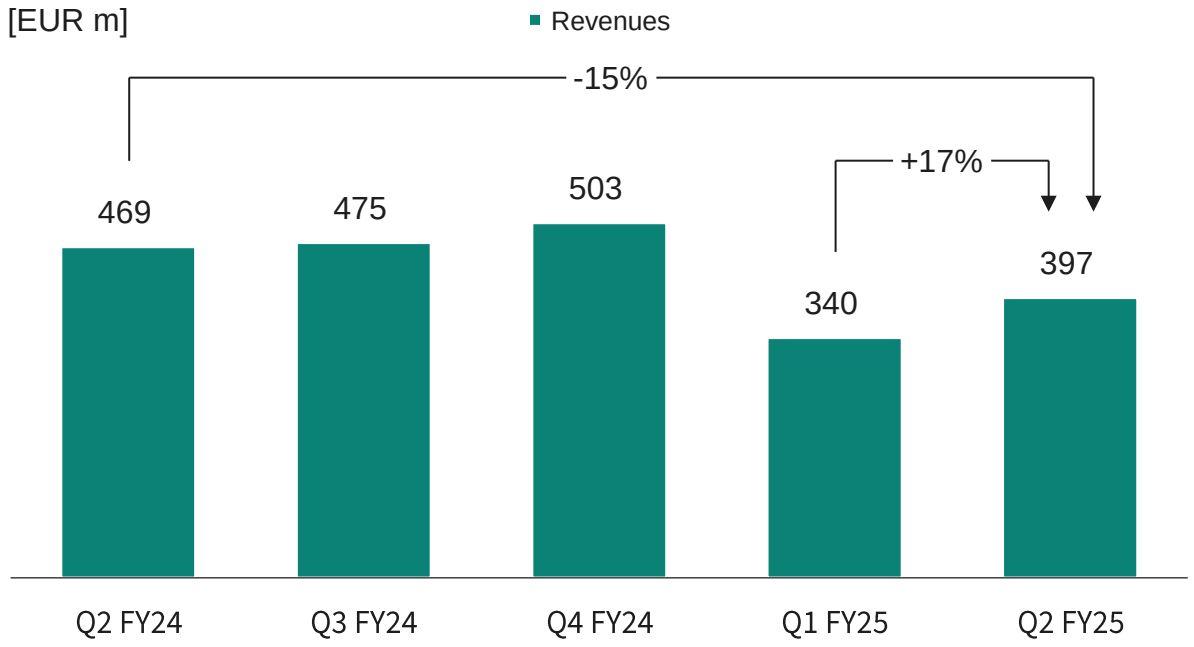
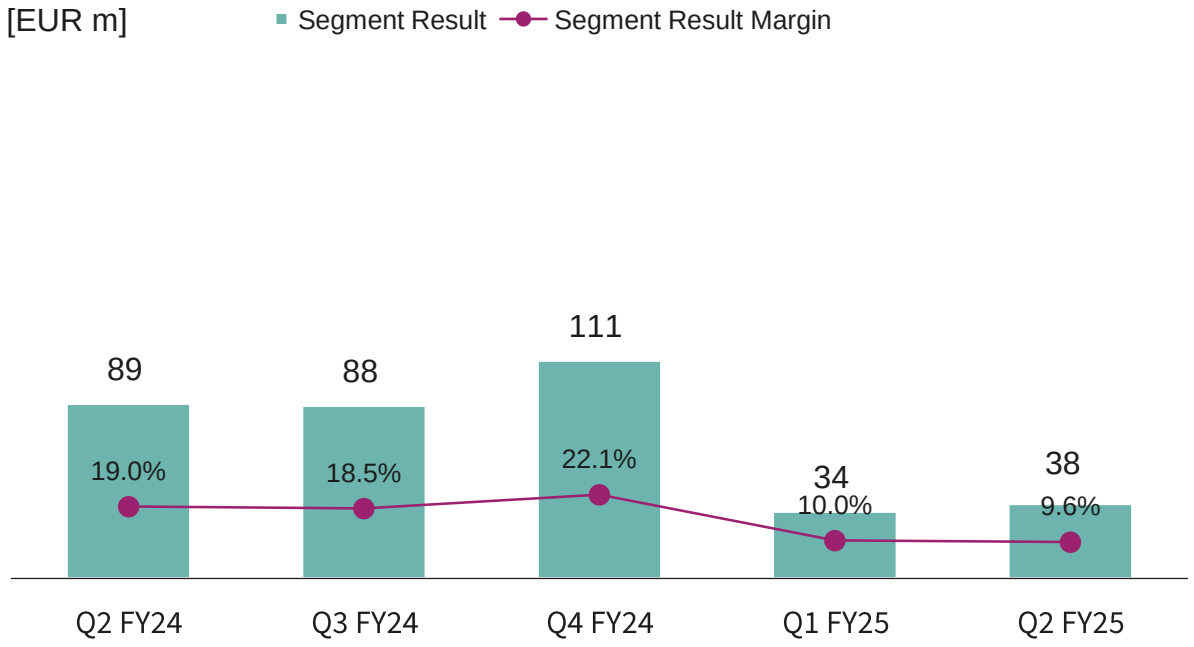
Green Industrial Power (GIP)

Revenues



Segment Result



- All applications contributed to sequential revenue increase.
- Segment result impacted by annual price declines offsetting volume increases, underutilization charges remain a burden.
- Industrial markets are at the early innings of a gradual recovery: customer inventories are trending downwards but have not yet normalized. Tariff uncertainties are a headwind.

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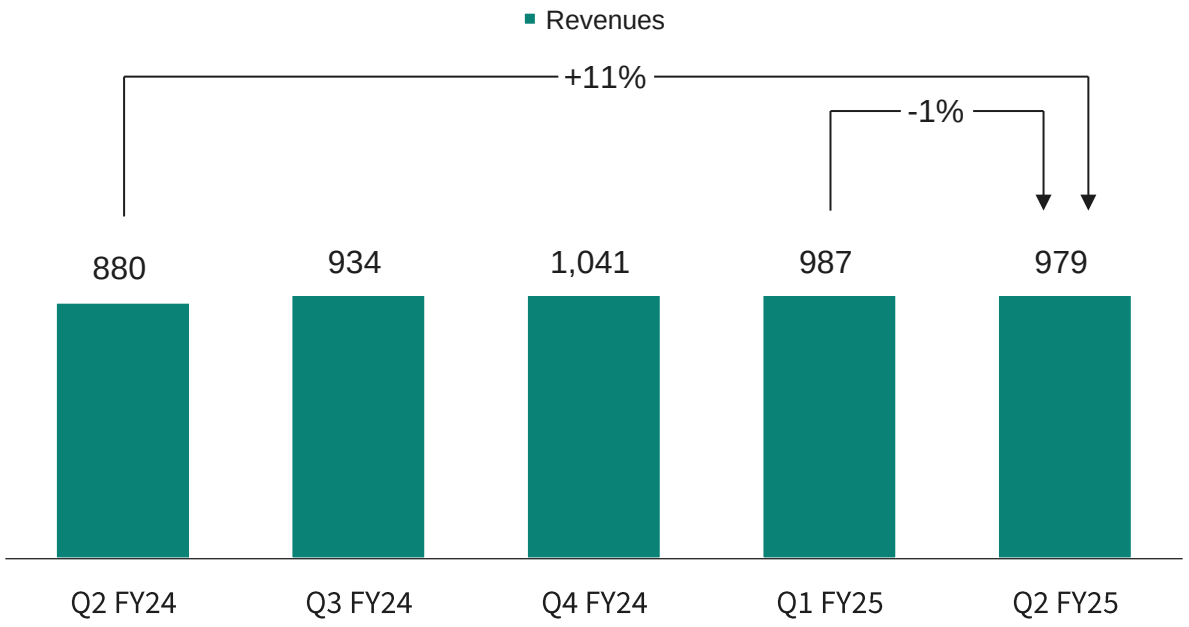
Power & Sensor Systems (PSS)

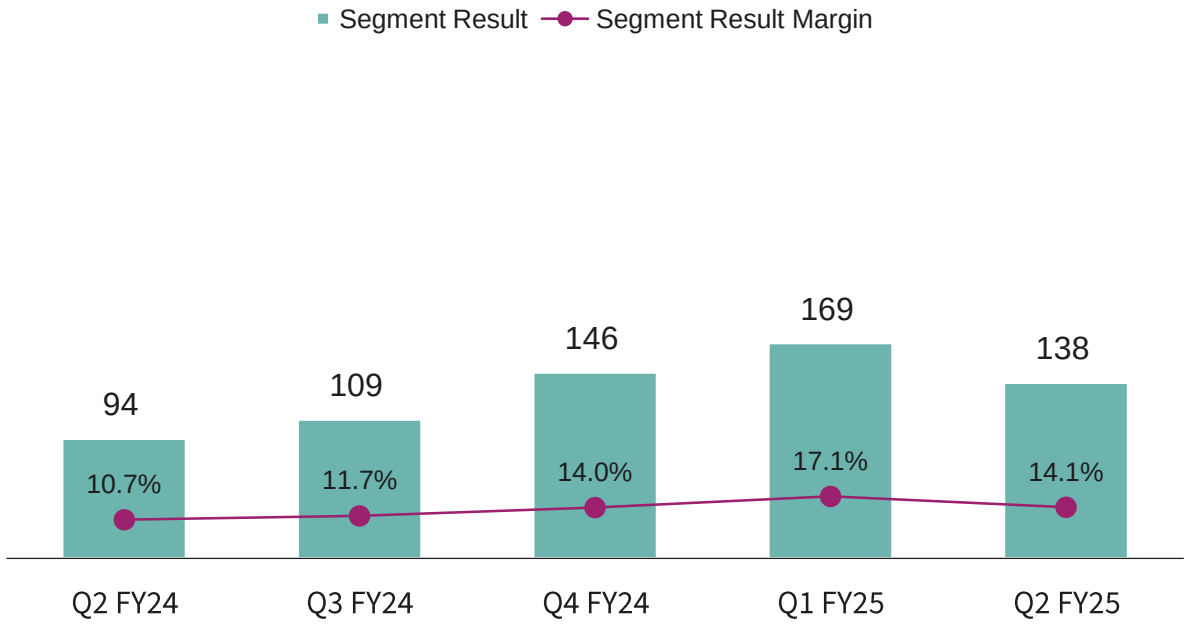
Revenues [1]

[EUR m]



Segment Result [1]

[EUR m]



- Growth momentum for power solutions for AI servers unabated, consumer-related applications facing expected price declines
- Segment result margin increased slightly, correcting for the mid-double-digit million euro customer compensation recorded in the previous quarter.
- Recovery in consumer, computing, and communications supported by rising orders and low cancellations; however, tariff uncertainties burdening.

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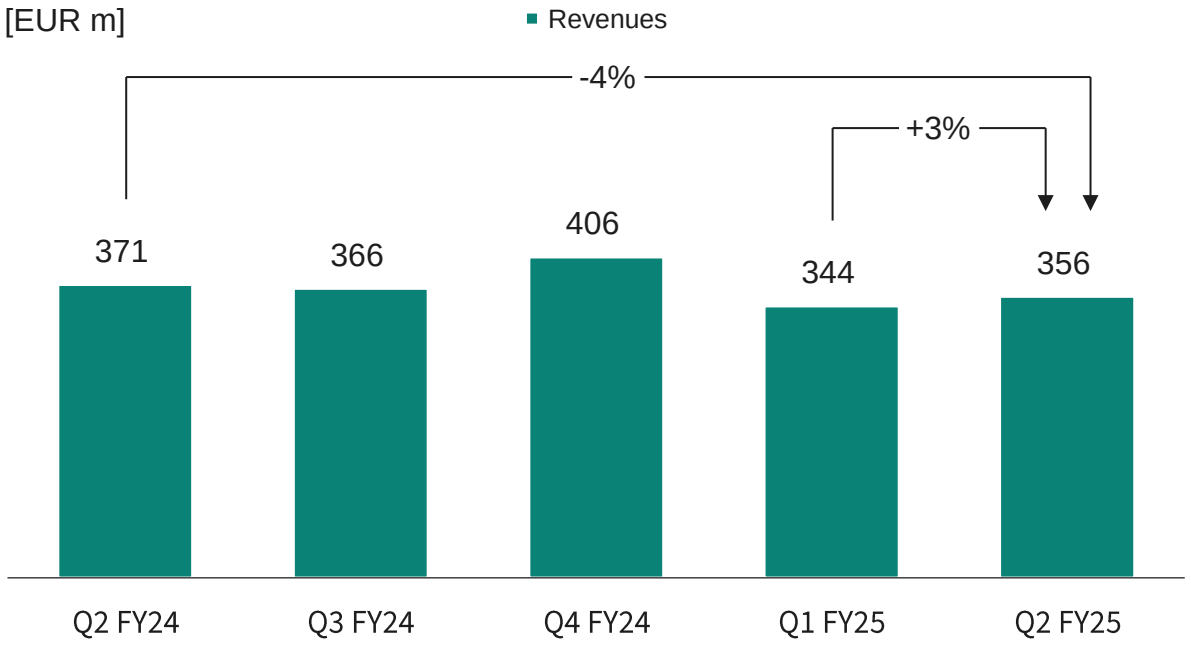
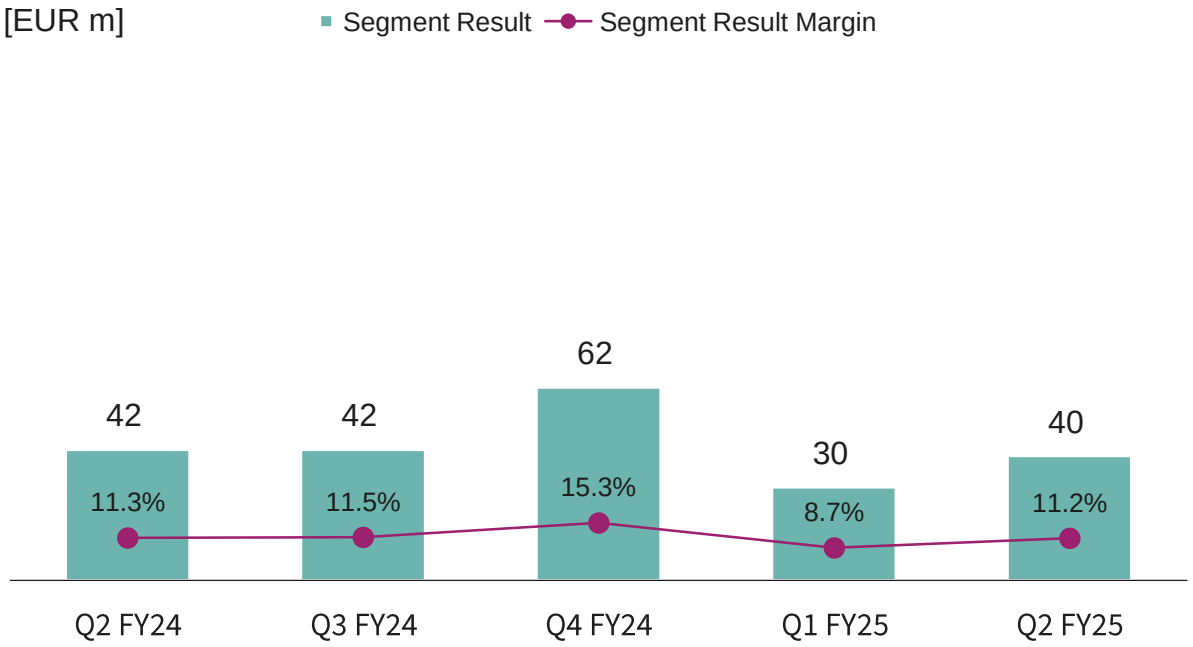
Connected Secure Systems (CSS)

Revenues



Segment Result



- Revenue increase resulting from higher volumes in Security ICs and MCUs.
- Segment Result increase driven by higher revenue.
- IoT and security markets remain close to the bottom as macroeconomic and tariff uncertainties continue to weigh on consumer sentiment and corporate spending.

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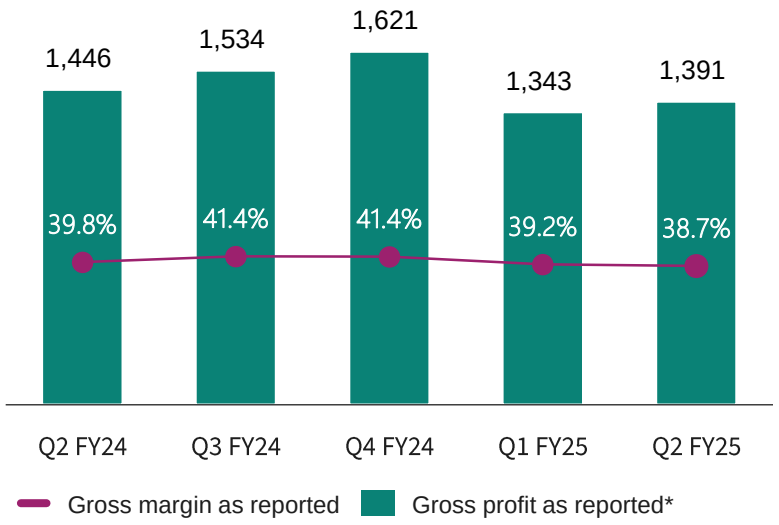
Gross margin and Opex

Gross profit [1]

[EUR m]



Therein Non-Segment Result charges

[EUR m]

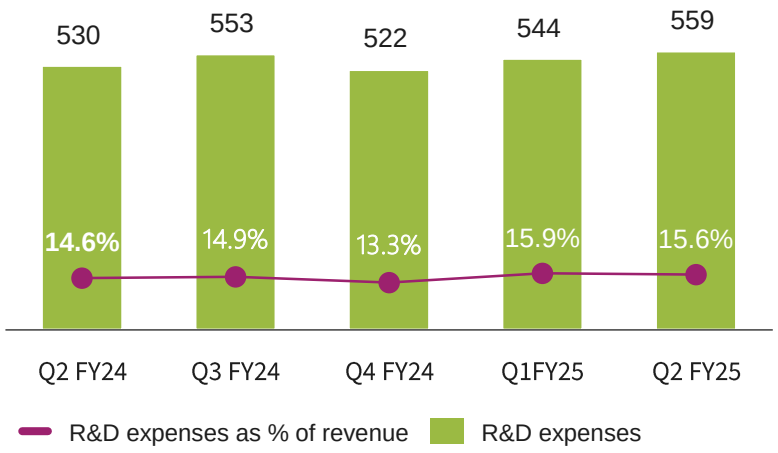
91	71	77	64	76

Adjusted gross margin [1]

42.3%	43.4%	43.3%	41.1%	40.9%

R&D [1]

[EUR m]



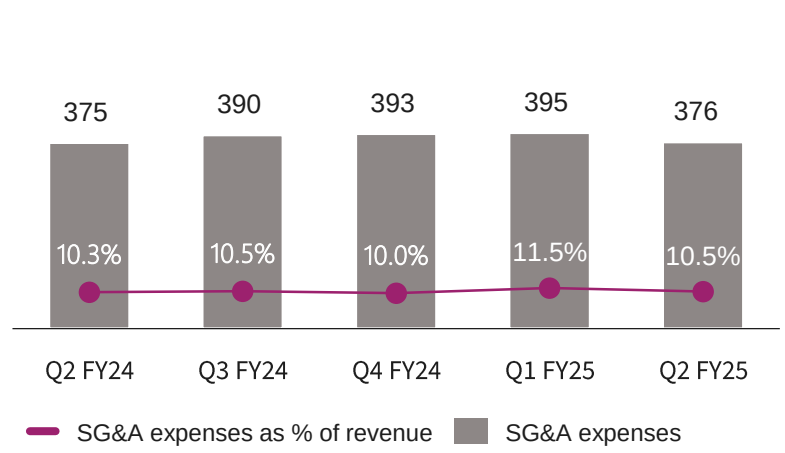
Therein Non-Segment Result charges

[EUR m]

18	15	14	18	14

SG&A

[EUR m]



Therein Non-Segment Result charges

[EUR m]

54	54	48	56	53

[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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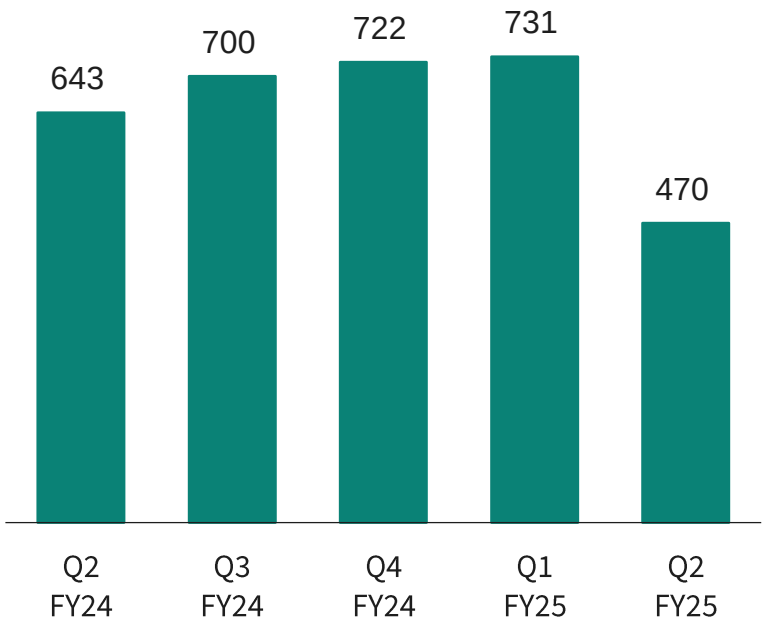
Investments, Depreciation & Amortization and Free Cash Flow

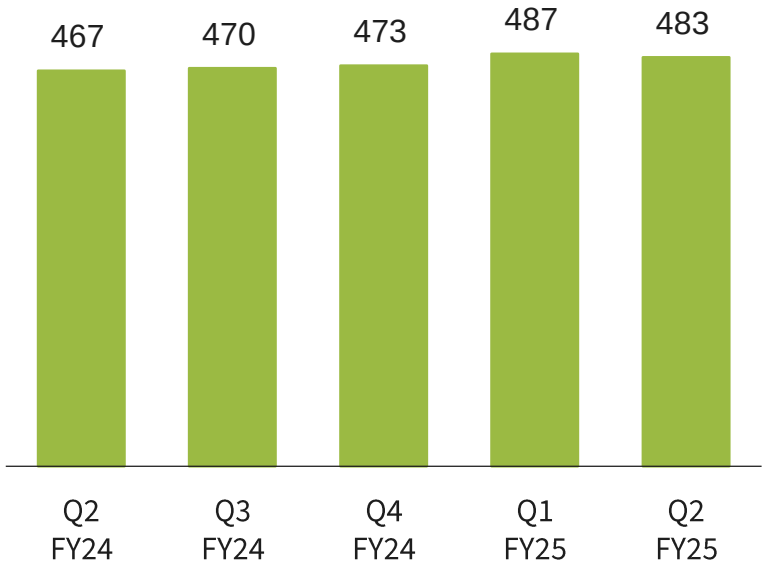
Investments

[EUR m]



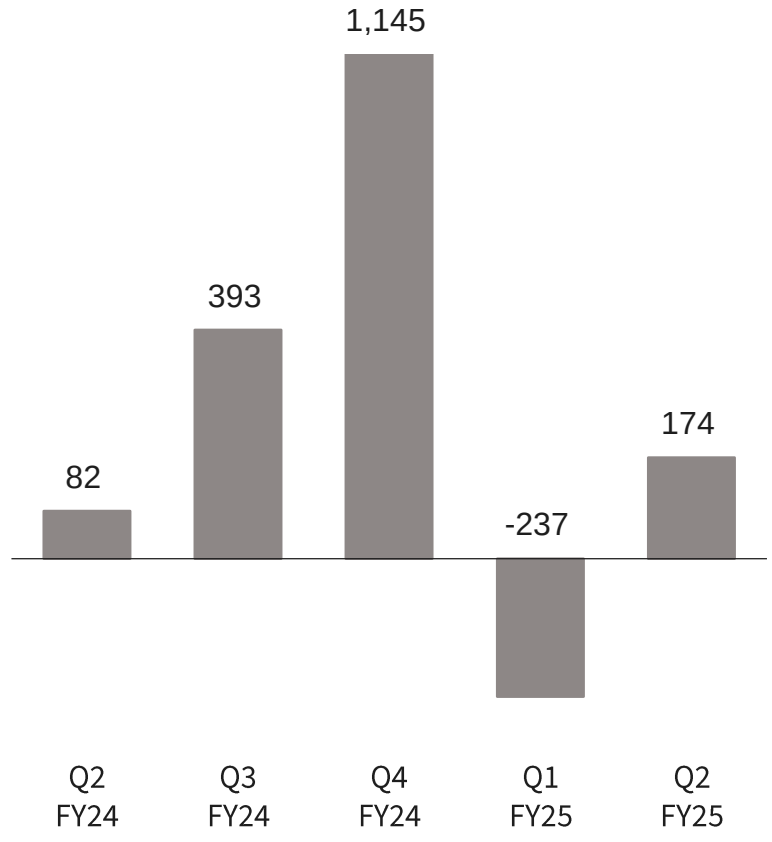
Depreciation & Amortization

[EUR m]



Free Cash Flow

[EUR m]



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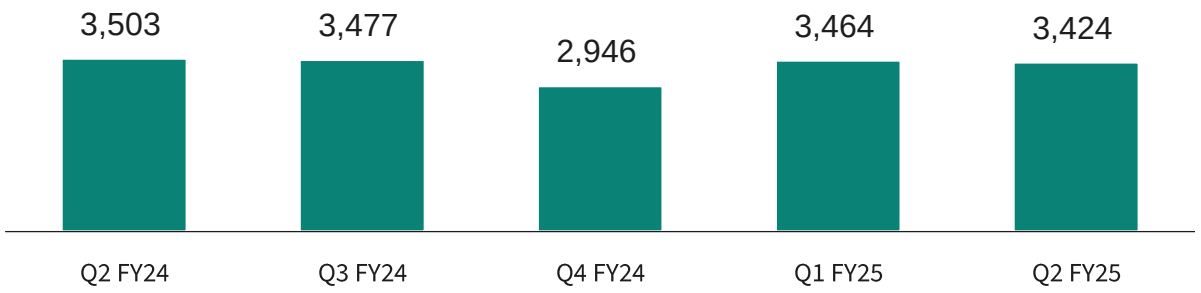
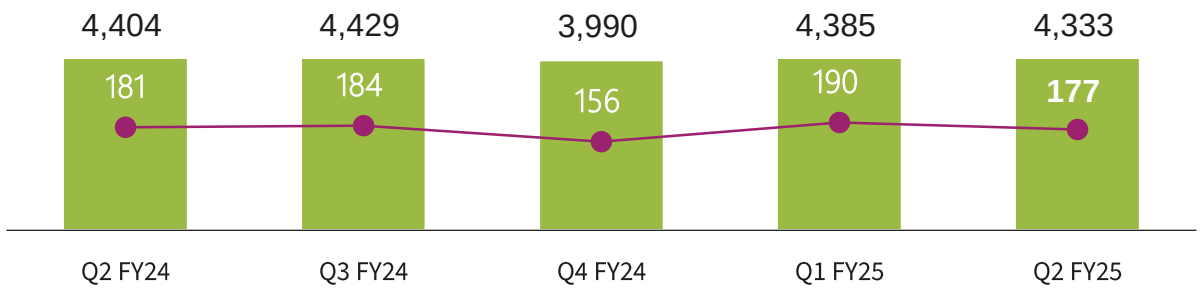
Working capital, in particular trade working capital components

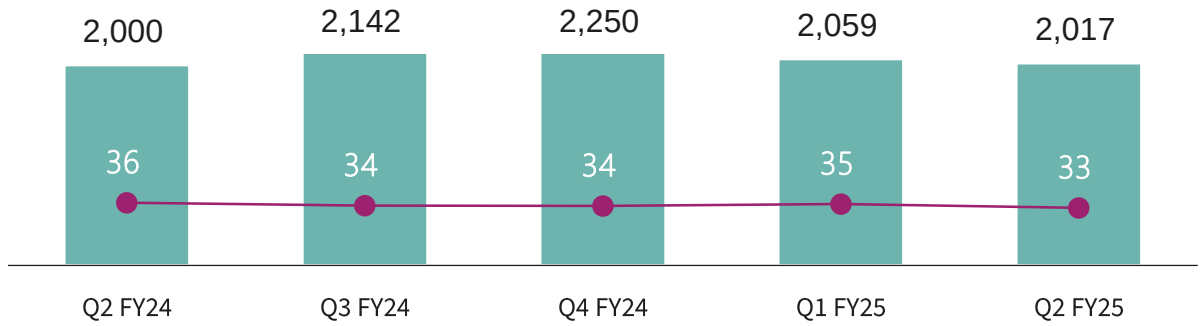
Working capital[1]



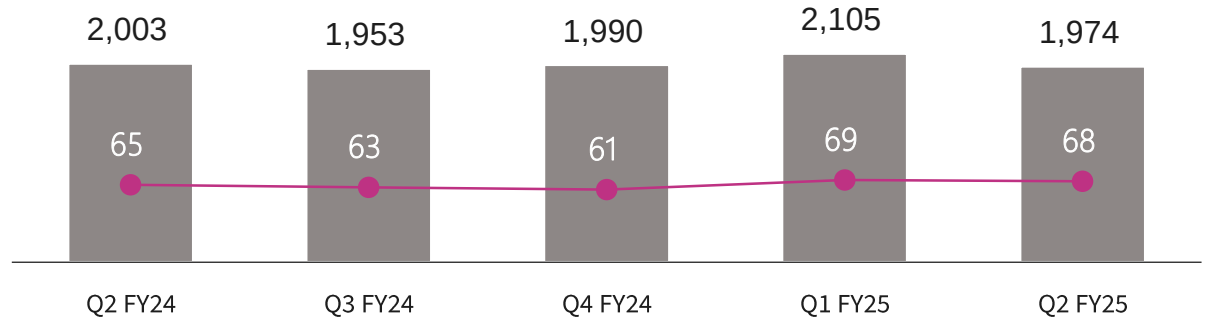
Inventories



Trade receivables



Trade payables



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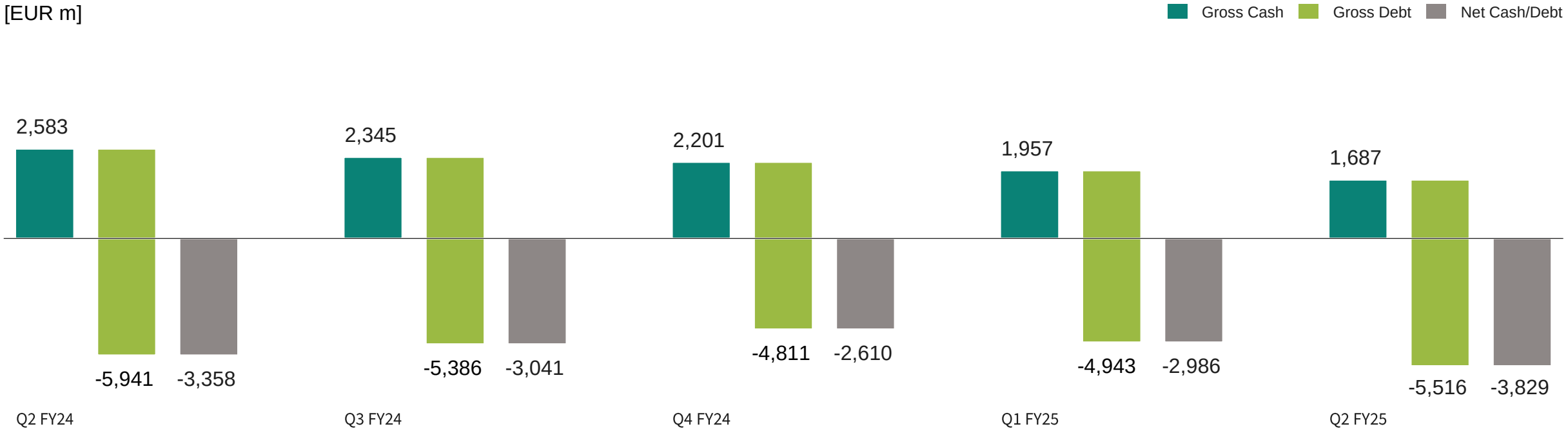
Development of liquidity and debt

Capital structure



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Outlook for Q3 FY25 and FY25

	Outlook Q3 FY25[1]	Outlook FY25[1]
Revenue	~€3.7bn	slightly down vs. prior year
Adj. Gross Margin		~40%
Segment Result Margin	mid-teens %	mid-teens %
FCF/adj. FCF		~€900m/~€1.6bn
Investments		~€2.3bn
D&A		~€1.9bn[2]

[1] Based on an assumed average exchange rate of $1.125 for €1.00
[2] Including the amortization of approximately 400 million Euros from purchase price allocations

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Key points

Q2: Revenue and SRM fully in line with expectations

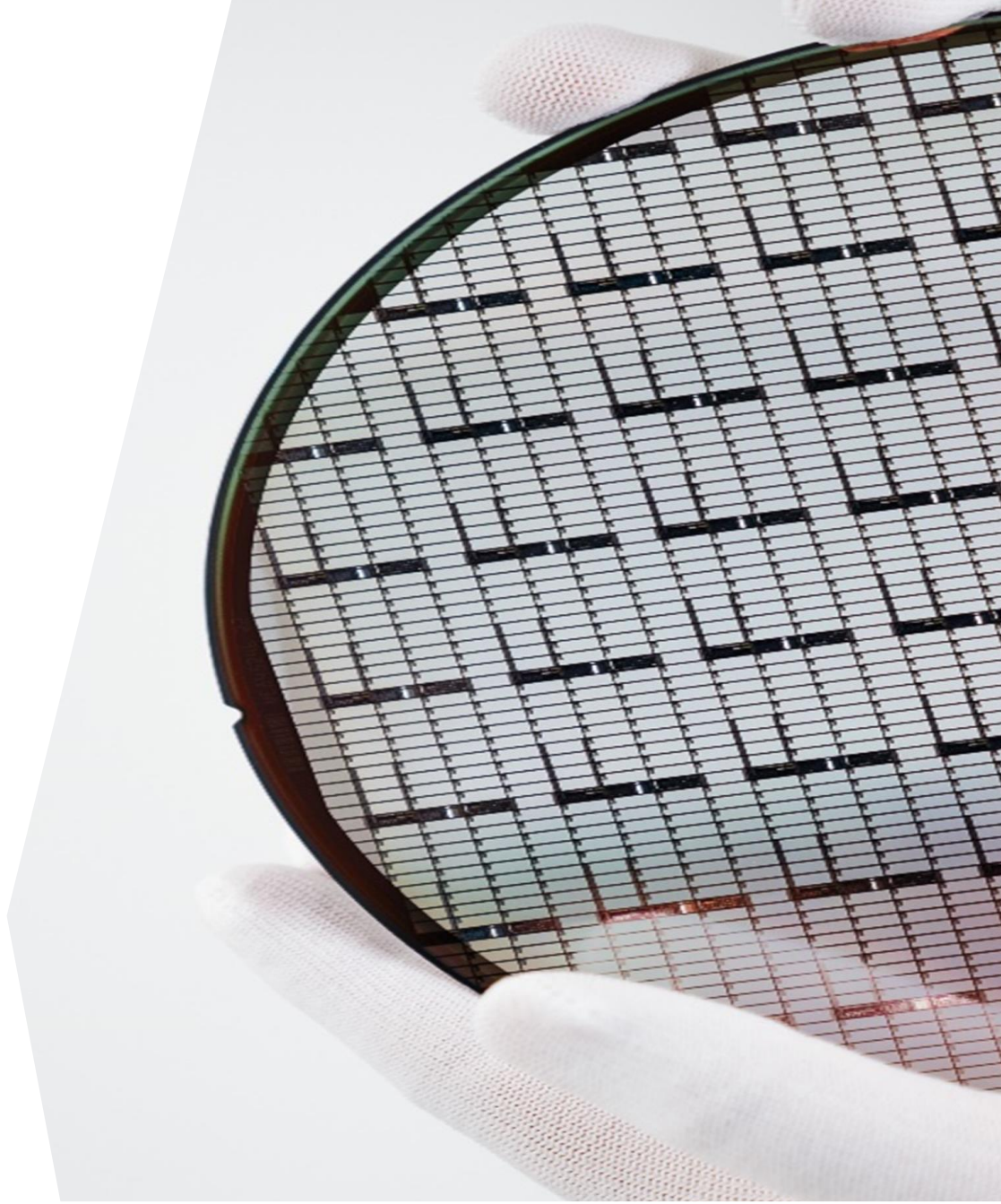
– €3.6bn revenue, 16.7% Segment Result Margin

Outlook revision due to tariff disputes

– Our markets have bottomed, inventory levels mostly normalized. From a purely cyclical perspective, pre-conditions for the envisaged recovery are in place.
– Demand headwinds from tariff uncertainties are not yet visible but appear likely. We account for those prudently with a guesstimate.

Outlook FY25

– Revenue slightly down in comparison to FY24
– Segment Result Margin in the mid-teens %
– Adj. Free Cash Flow ~ €1.6bn
– We focus on controllable factors to navigate the near term while strengthening innovation and leveraging structural improvements to drive long-term profitable growth.



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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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