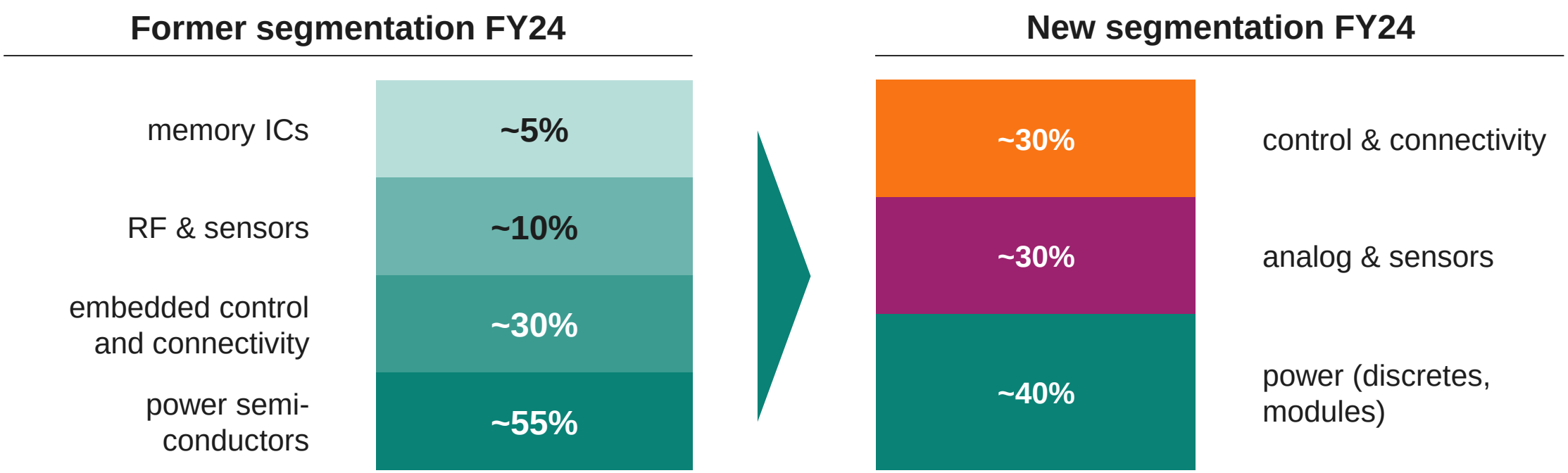


Third Quarter FY 2025 Analyst Call

Infineon Technologies AG
Investor Relations

Aligning our product category segmentation with market standards to better illustrate IFX' unmatched portfolio



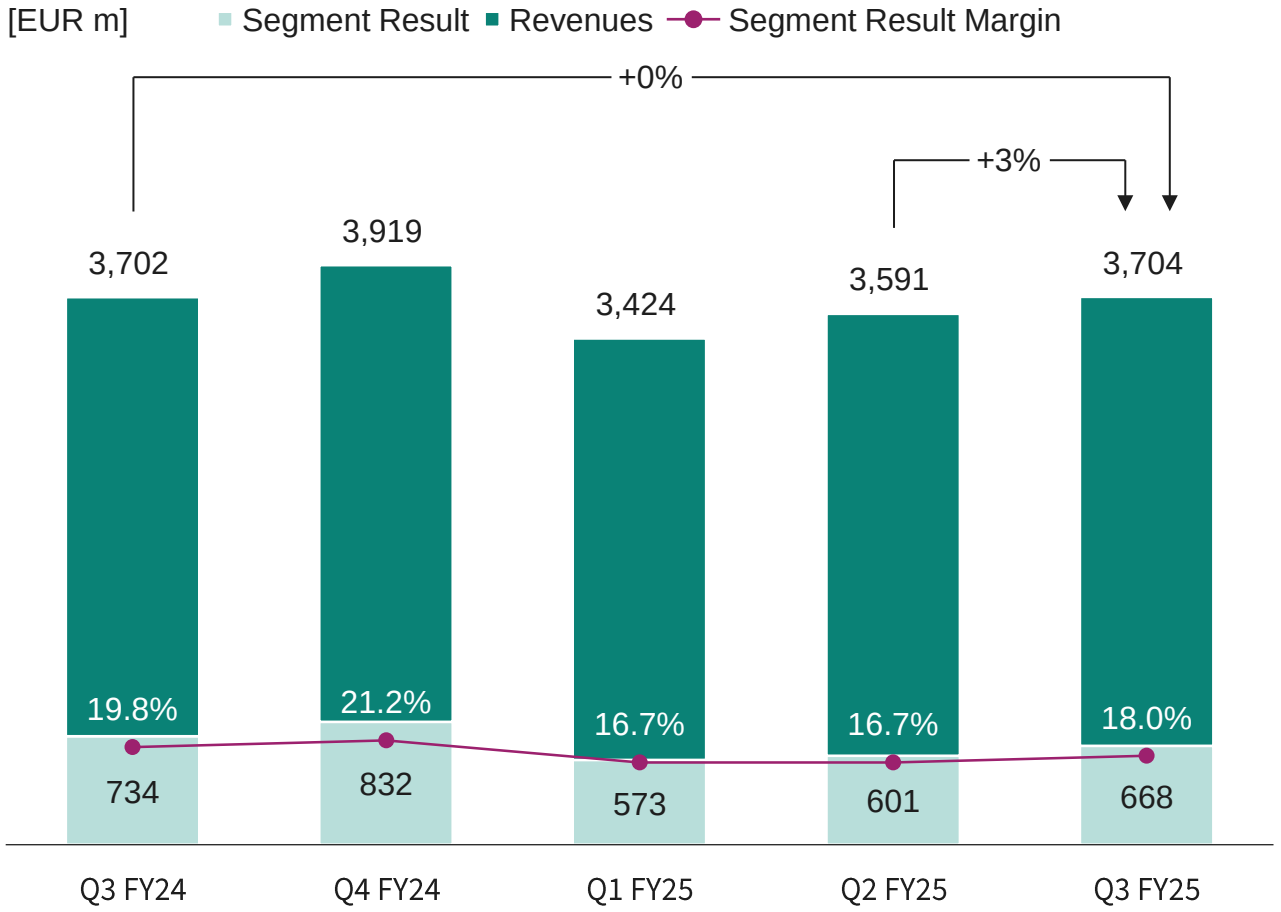
Overview of product category changes

power semiconductors (analog/mixed-signal), memory ICs	→	analog & sensors
power semiconductors (discretes, modules)	→	power (discretes, modules)
embedded control & connectivity	→	control & connectivity

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Group financial performance

Revenues and Segment Result

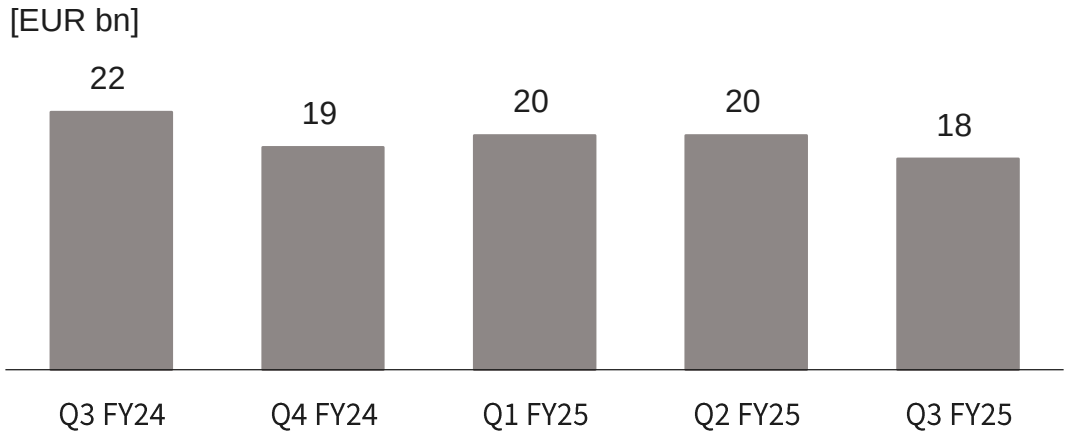


USD exchange rate

Average revenue exchange rate

	Q3 FY24	Q2 FY25	Q3 FY25
ø USD/EUR	1.08	1.05	1.14

Order backlog[1]

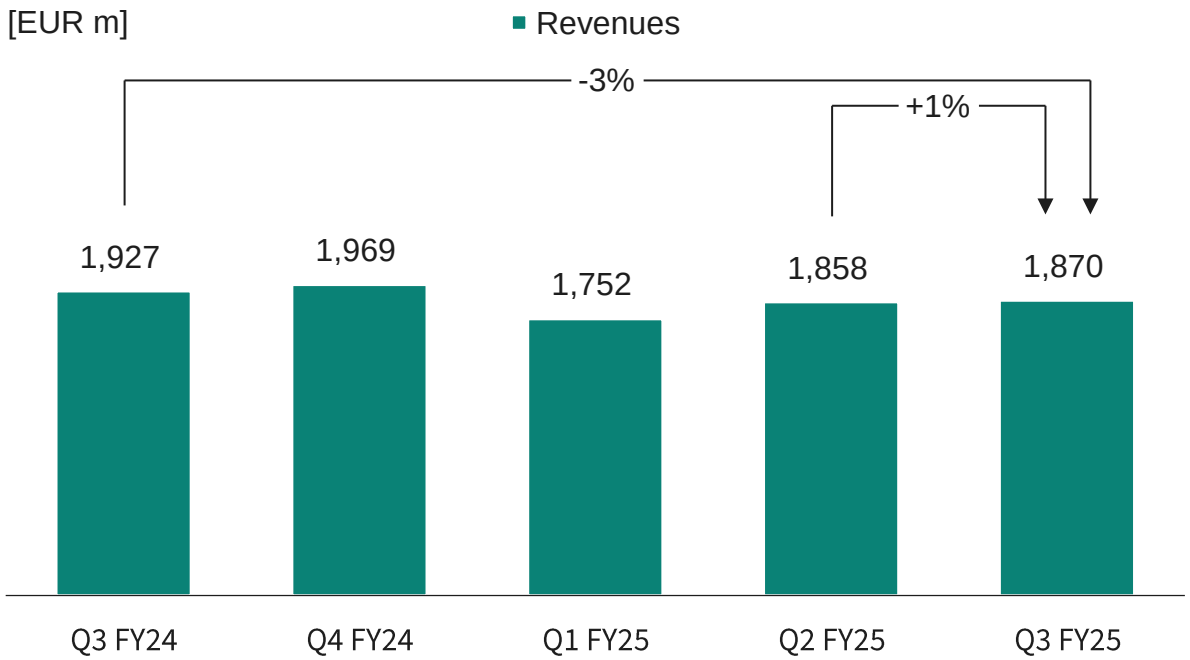


[1] See notes for definition

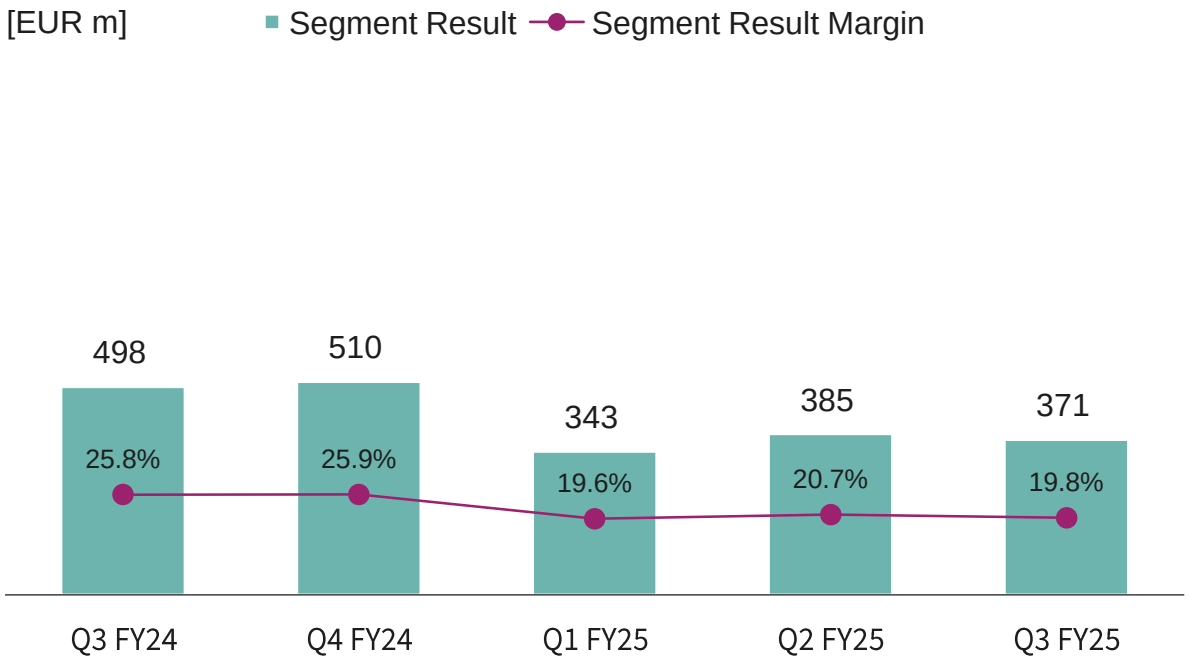
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Automotive (ATV)

Revenues[1]



Segment Result[1]



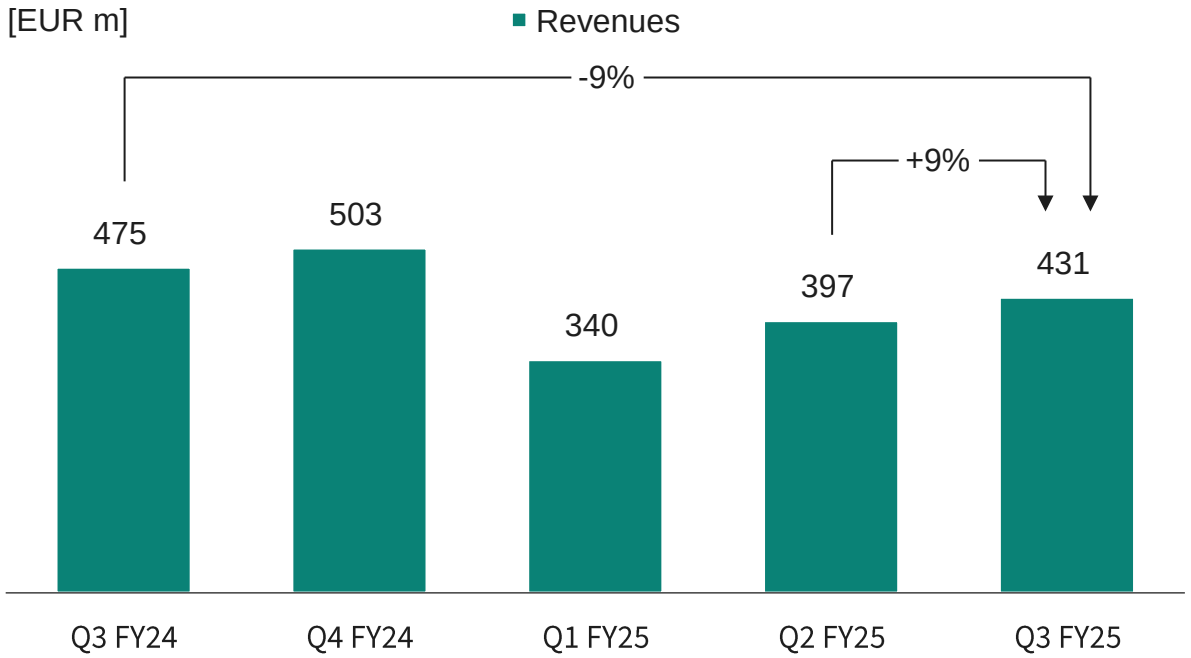
- Revenue slightly improved as customer destocking trends eased.
- Slight segment result decline due to currency and mix effects, overcompensating lower idle costs.
- Risk of customers lowering their inventory targets further due to financial constraints.

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

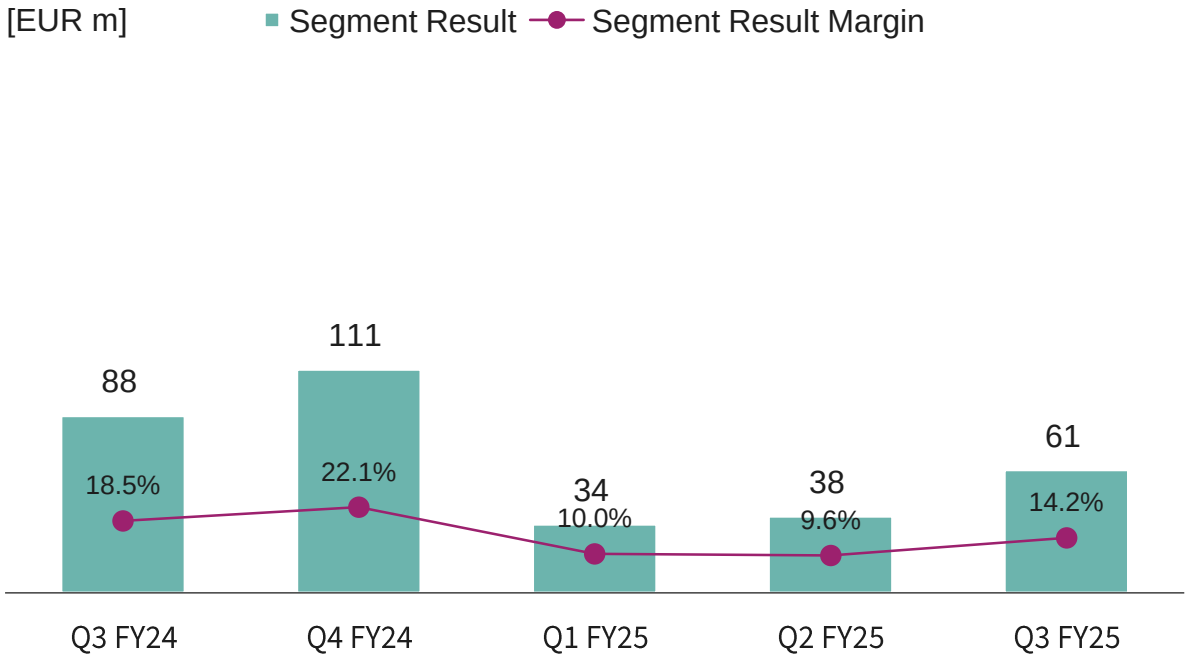
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Green Industrial Power (GIP)

Revenues



Segment Result

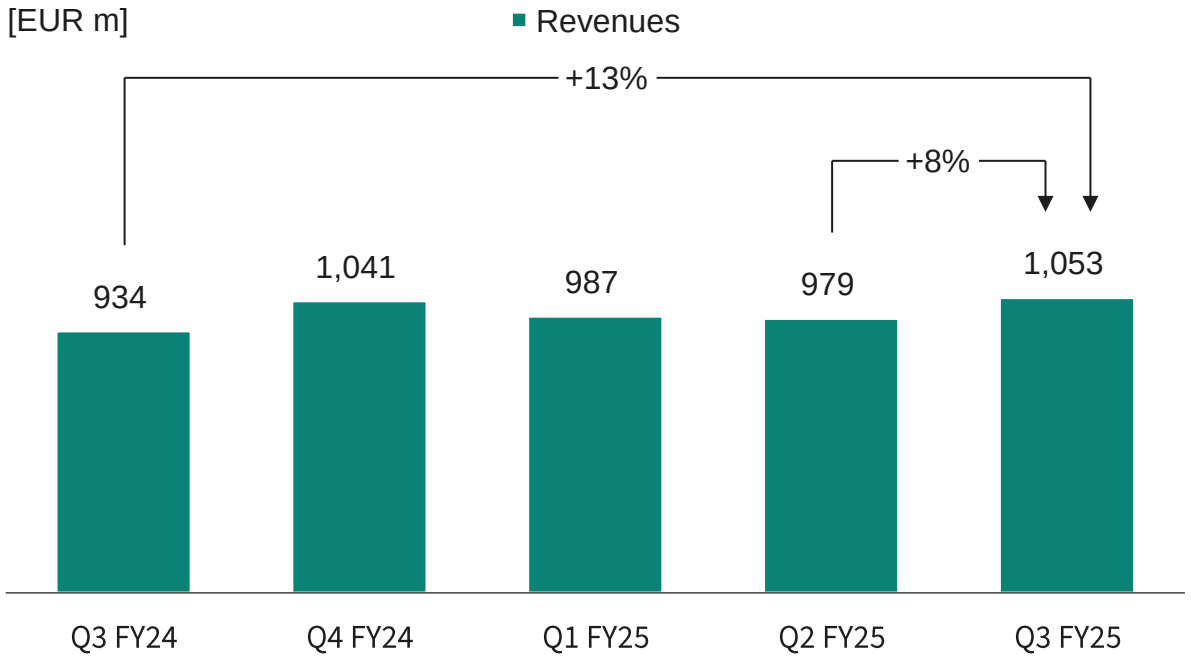


- Revenue increase, double digit at constant currency, driven by normalizing inventories and growth in key applications like power infrastructure
- Segment result increase due to volume growth and lower idle.
- Structural growth drivers continue to strengthen demand at more normalized inventory levels.

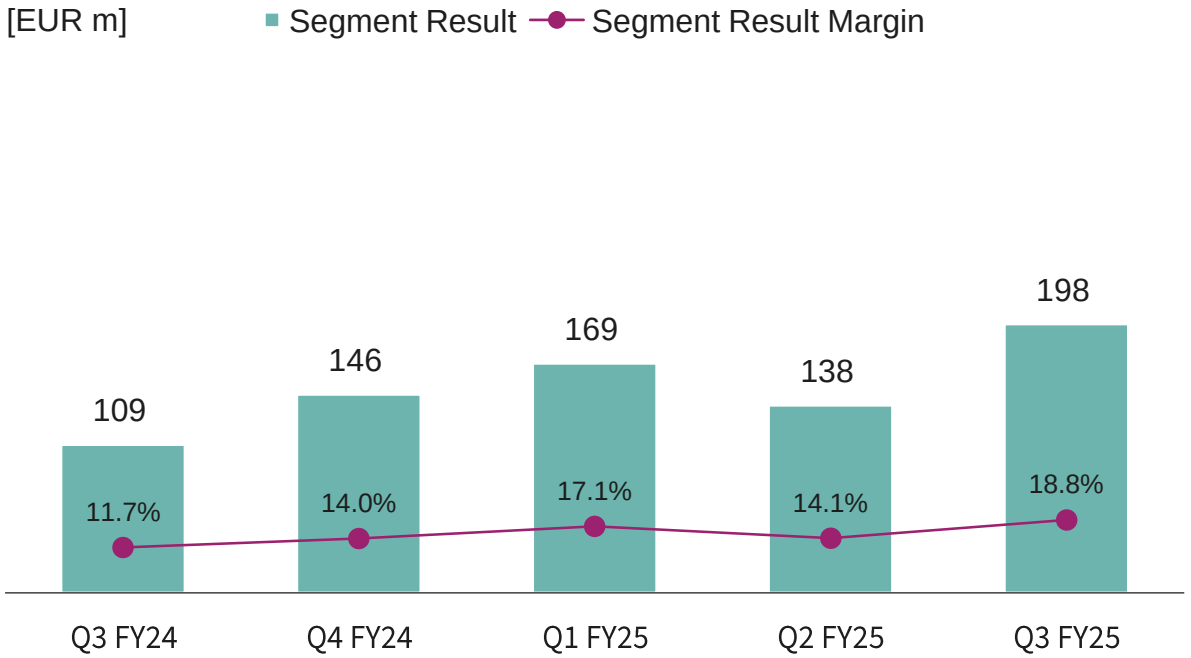
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Power & Sensor Systems (PSS)

Revenues[1]



Segment Result[1]



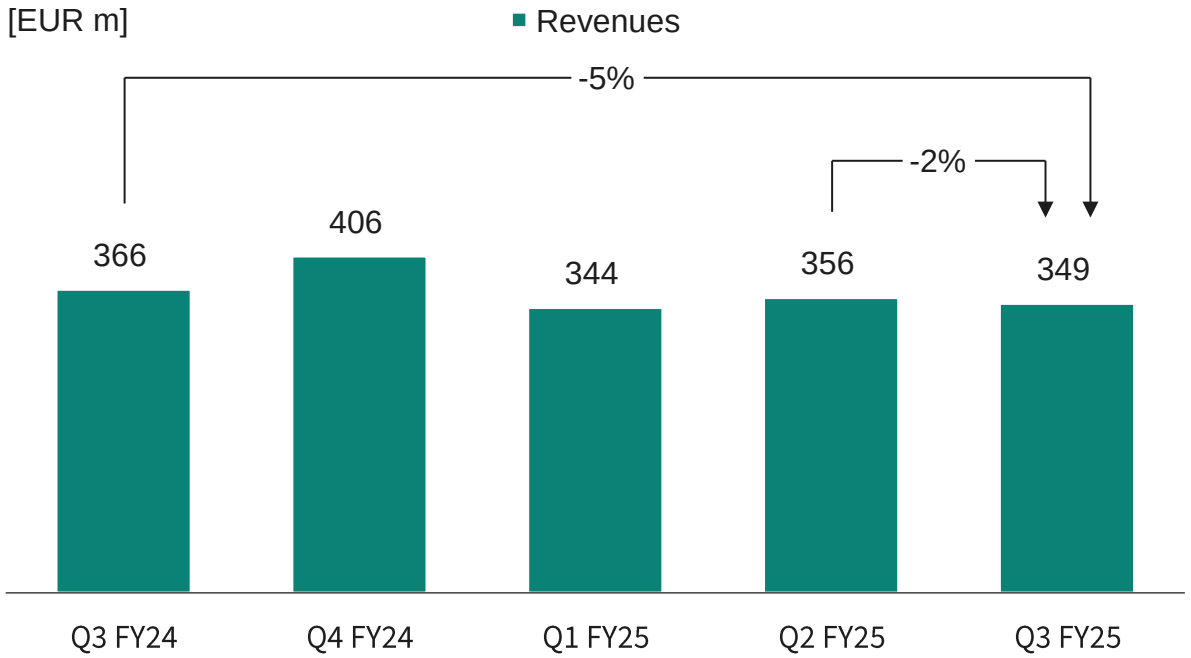
- Revenue growth momentum driven by the strength of power solutions for AI servers.
- Segment result margin increase due to higher volume and lower idle costs, offsetting the adverse currency effects.
- Strong growth in AI-related markets continues, demand for consumer related applications increased.

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

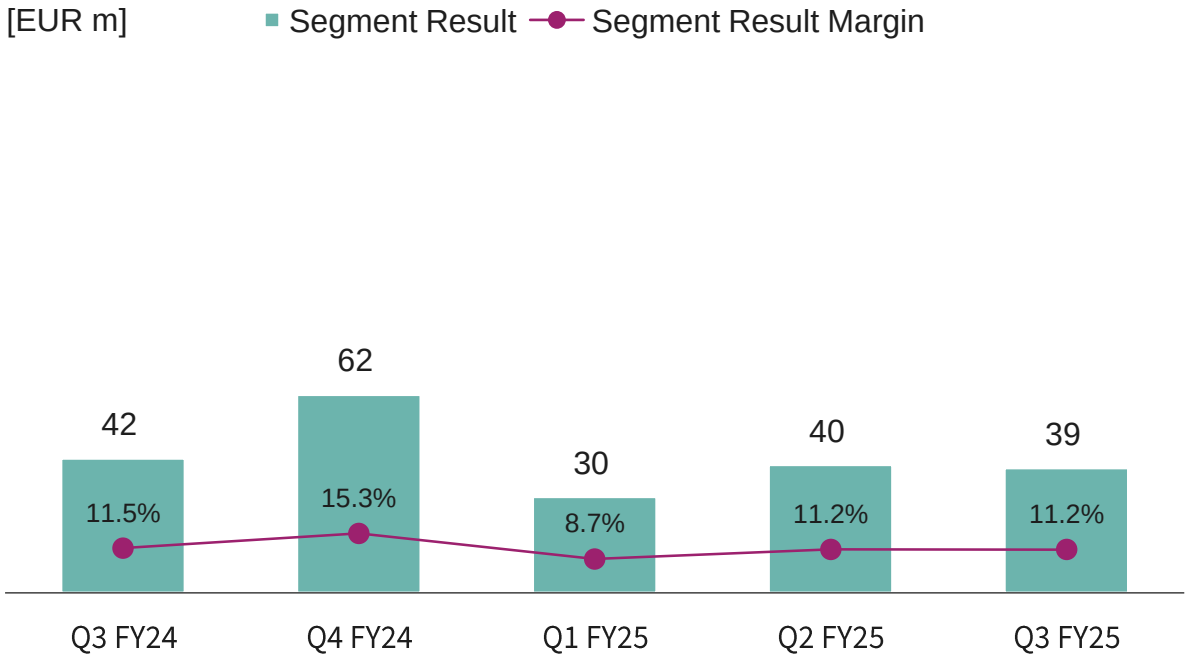
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Connected Secure Systems (CSS)

Revenues



Segment Result



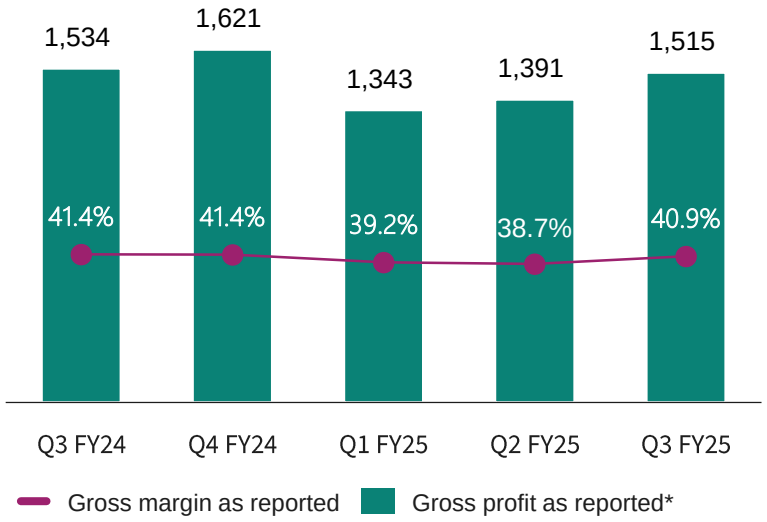
- Revenue decrease driven by adverse currency effects.
- Segment result margin stable.
- IoT and security markets move sidewards as macroeconomic uncertainties persist weighing on consumer sentiment.

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Gross margin and Opex

Gross profit[1]

[EUR m]



Therein Non-Segment Result charges
[EUR m]

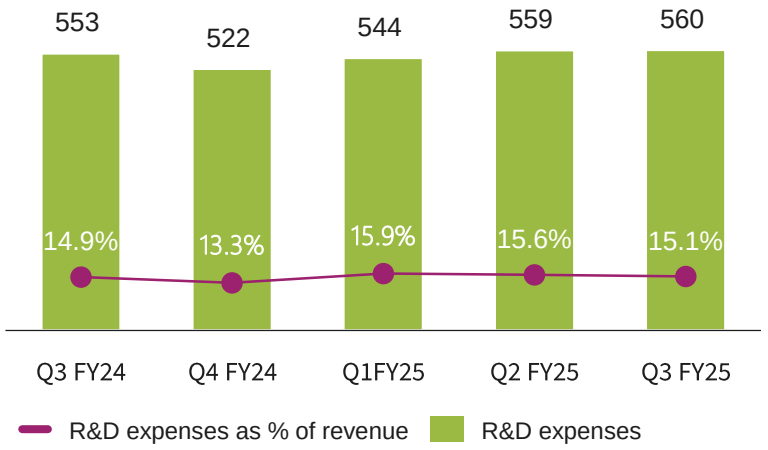
71	77	64	76	76

Adjusted gross margin [1]

43.4%	43.3%	41.1%	40.9%	43.0%

R&D[1]

[EUR m]

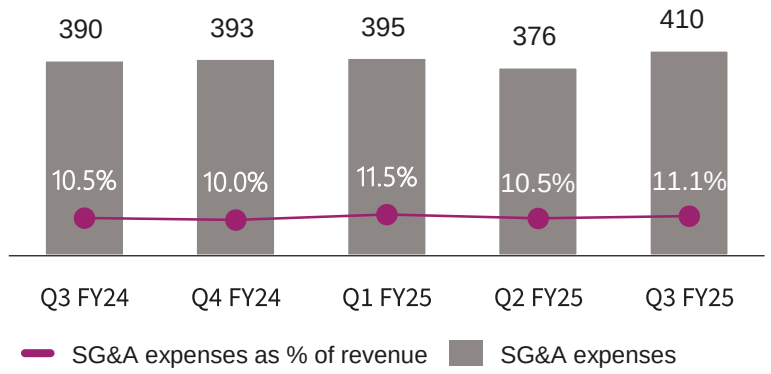


Therein Non-Segment Result charges
[EUR m]

15	14	18	14	18

SG&A

[EUR m]



Therein Non-Segment Result charges
[EUR m]

54	48	56	53	50

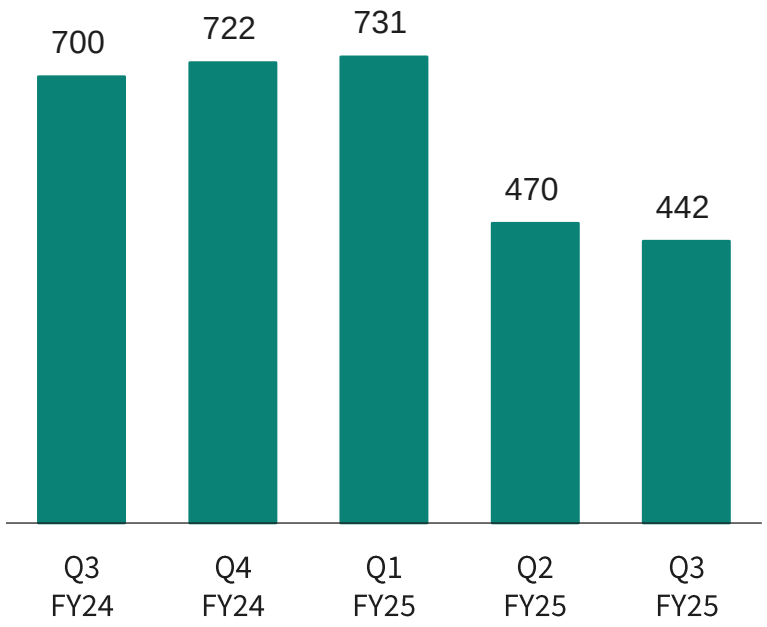
[1] To provide more meaningful information, Infineon changed its accounting policy on the allocation of certain expenses with effect from 1 October 2024. This resulted in expenses that were previously included in cost of goods sold being reclassified as research and development expenses. The prior-year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

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Investments, Depreciation & Amortization and Free Cash Flow

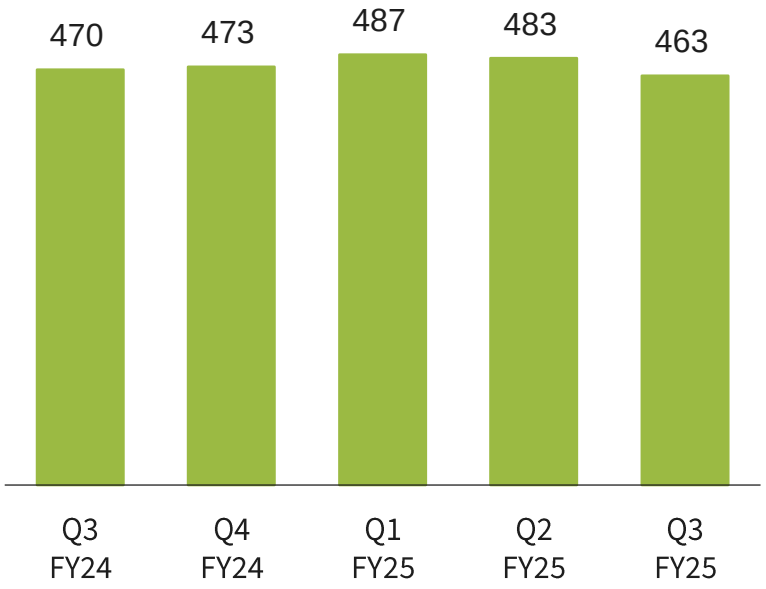
Investments

[EUR m]



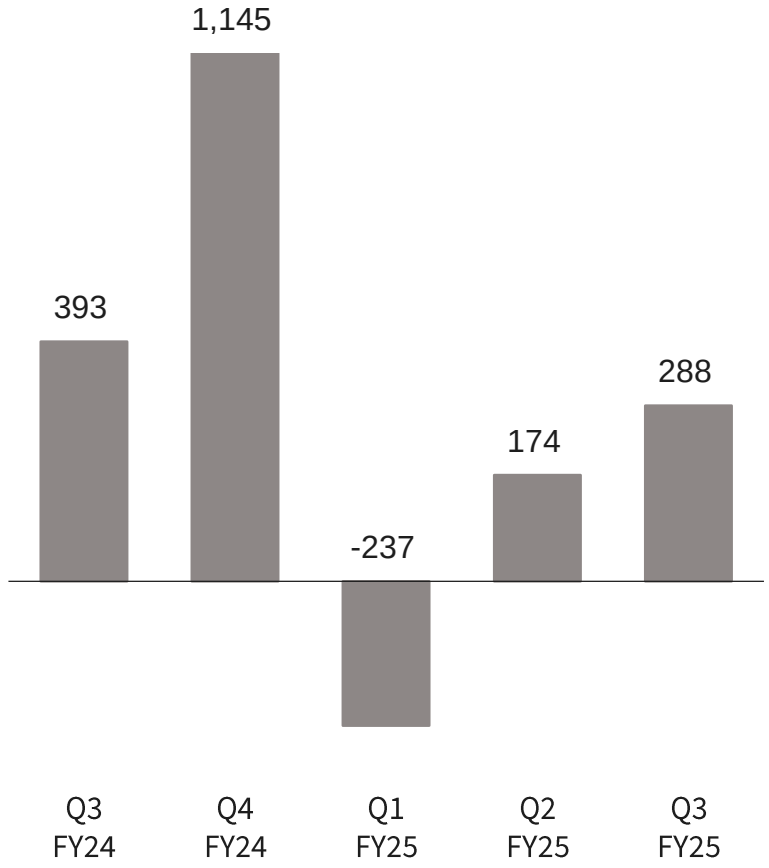
Depreciation & Amortization

[EUR m]



Free Cash Flow

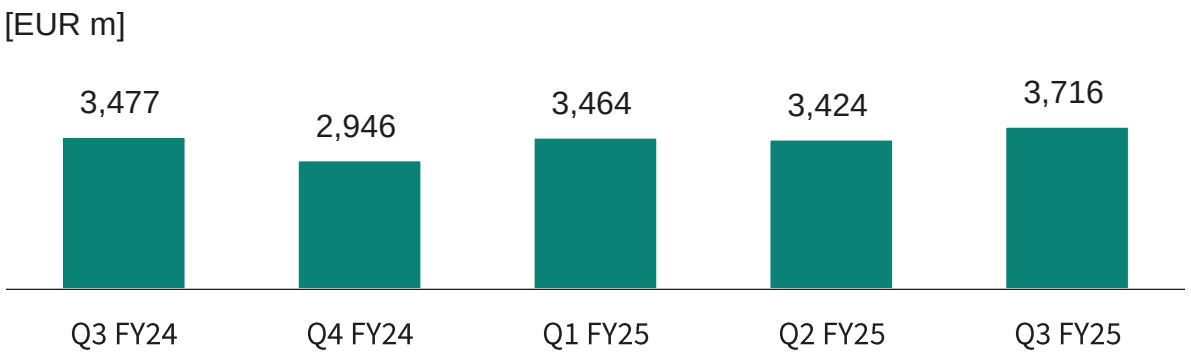
[EUR m]



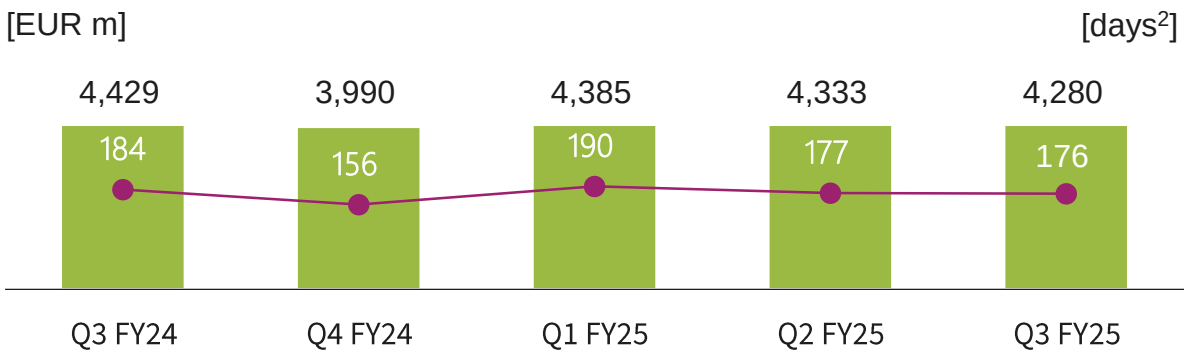
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Working capital, in particular trade working capital components

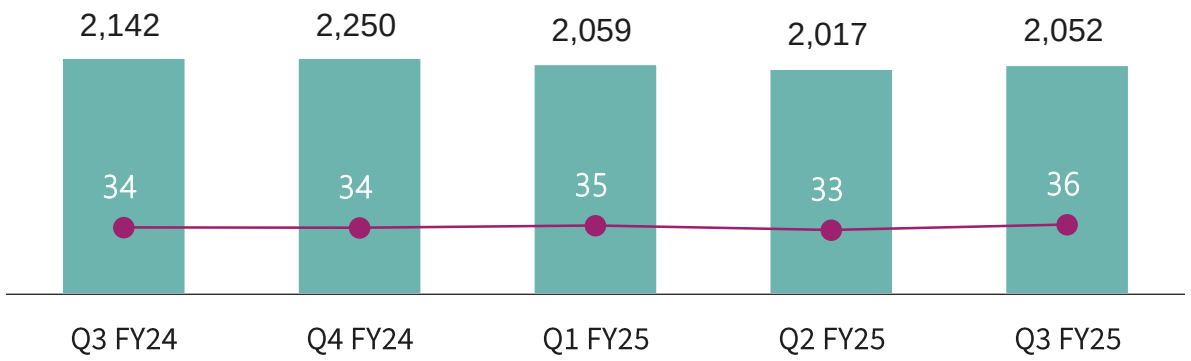
Working capital[1]



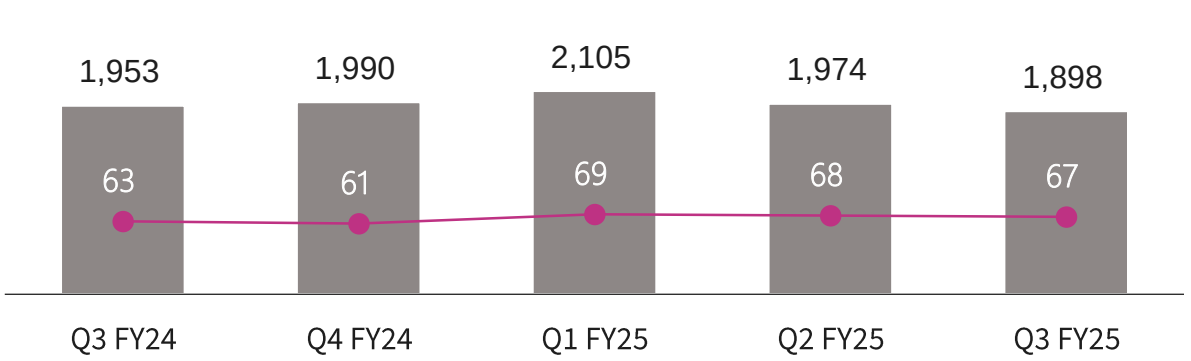
Inventories



Trade receivables



Trade payables



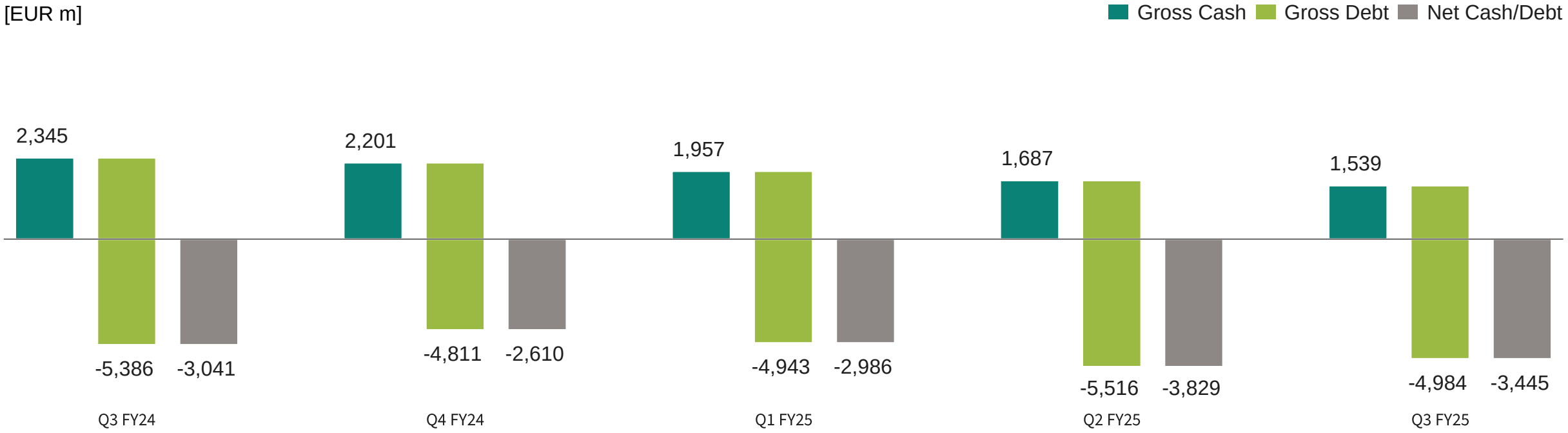
[1] See notes for definition

[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 Q4 FY25 and FY25

	Outlook Q4 FY25[1]	Outlook FY25[1]
Revenue	~€3.9bn	~€14.6bn
Adj. Gross Margin		at least 40%
Segment Result Margin	high-teens %	high-teens %
FCF **Adj. FCF**		~€1.0bn / ~€-1.2bn[2] ~€1.7bn
Investments		~€2.2bn
D&A		~€1.9bn[3]

[1] Based on an assumed average exchange rate of $1.15 for €1.00
[2] Considering the upcoming completion of the acquisition of the Automotive Ethernet business of Marvell Technology, Inc, USA
[3] Including the amortization of approximately 400 million Euros from purchase price allocations

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Key points

Q3: Revenue in line with expectations, SRM slightly above

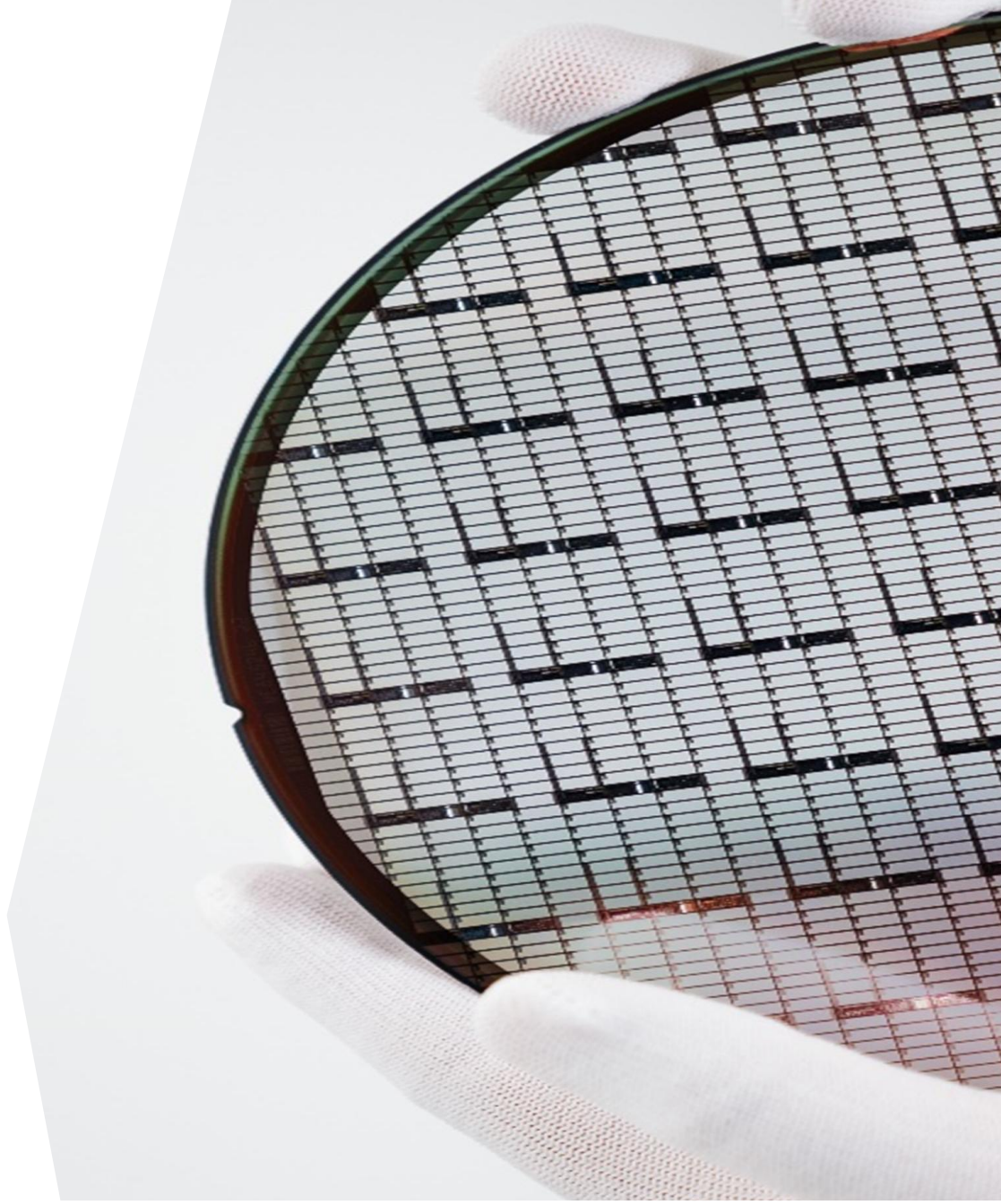
– €3.7bn revenue, 18.0% Segment Result Margin

Inventory correction has largely run its course

– Cyclical dynamics overlaid by geopolitical/macro headwinds, customers “driving on sight”
– Customer and distributor inventories are now at fairly healthy levels
– Tariff impact in Q4 less pronounced than previously guesstimated, offset to a degree by the incrementally weaker US-Dollar

Outlook FY25

– Revenue of ~€14.6bn
– Segment Result Margin in the 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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