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- Check against delivery -

Dear members of the press, dear viewers,

Welcome to Infineon's Annual Press Conference. I am very pleased that you could join us today here at electronica and via livestream.

This year's electronica highlights a development that is transforming our markets for the long term: Artificial intelligence is reaching every area of our lives and increasingly becoming a part of physical systems. There's growing debate about expanding AI infrastructure. But one thing is clear: AI delivers real value. And its importance will only grow. Above all, this requires high-performance, energy-efficient, safe and secure semiconductor solutions. This is precisely where Infineon's strength lies.

At electronica, we are showing how Infineon translates semiconductor technologies into real-world applications – from power supplies for data centers to software-defined vehicles, robotics and edge AI.

These developments are also clearly reflected in our business performance.

2026 fiscal year: Growth accelerated, profitability increased

Infineon closed fiscal year 2026 with a record quarterly revenue. Our company generated annual revenue of 16 billion 353 million euros. This represents an increase of around 12 percent year on year. At constant exchange rates, growth was even higher, at 15 percent.

Two developments are behind this growth: The cyclical recovery in semiconductor markets gained strength and breadth. At the same time, demand in our structural growth areas increased sharply. The revenue gap between the first quarter, our weakest, and the fourth quarter, our strongest, exceeded 1 billion euros.

Artificial intelligence is spreading rapidly and opening up new applications all the time, thus increasing the need for computing power. New generations of AI processors require higher power densities and new data center architectures. At the same time, physical AI is emerging as an additional growth area. AI therefore remains a key driver of our growth and profitability – more on that later.

Industrial applications are experiencing a broader recovery. Power infrastructure remains the strongest structural growth driver. Demand is supported by the expansion and transformation of power grids, the integration of renewable energy and the expansion of AI-related infrastructure.

From our automotive customers, we are currently seeing solid order intake. The long-term trends driving semiconductor growth remain unchanged: Electric vehicles are gaining traction, especially in Europe, India and Southeast Asia. Rising gasoline prices and more affordable models are supporting this development. At the same time, automakers in all major regions of the world are bringing more advanced software-defined vehicle architectures to market.

With the significant increase in group revenue in the 2026 fiscal year, our profitability also improved over the course of the year. We achieved a Segment Result Margin of 19.7 percent, compared with 17.5 percent in the previous year.

Adjusted Free Cash Flow amounted to 1.9 billion euros. This figure adjusts for acquisitions and investments in large frontend buildings – in particular, the acquisition of the sensor portfolio of ams OSRAM and investments in buildings for our Smart Power Fab in Dresden. Adjusted Free Cash Flow represents 11.8 percent of group revenue and is therefore in line with our target operating model.

We owe these positive business results to the dedication of our teams worldwide. They consistently responded to market changes in a flexible manner while advancing our strategic development. On behalf of the entire Management Board, I would like to thank our employees around the world.

Outlook for 2027 fiscal year: Strong profitable growth

Infineon enters the new fiscal year with continued strong momentum. The market environment is favorable. Our structural growth drivers, such as data centers, power infrastructure and software-defined vehicles, are providing tailwinds. The ongoing cyclical recovery is adding further support.

We expect to increase revenue and profitability significantly. For the 2027 fiscal year, we forecast revenue of around 20 billion euros. This would represent an increase of more than 20 percent year on year. Revenue growth will be accompanied by a strong increase in profitability. We expect the Segment Result Margin to be in the mid-twenties percentage range. This would correspond to an increase in profitability of 5 percentage points.

We are also continuing to invest consistently in Infineon's future. In fiscal year 2027, we expect investments in our fabs of between 3 and 3.5 billion euros. In addition, we plan to spend around 2.8 billion euros on research and development.

The key point is that our profitable growth is not simply the result of changing market conditions. We have laid the groundwork ourselves. This includes a clear organizational structure, as well as targeted investments in our manufacturing and in the development of leading technologies for our most important growth areas.

New divisional structure: Sharper focus, closer customer relationships and greater speed

Let’s start with our organization. Our customers are increasingly thinking in terms of systems – and that’s exactly how we are aligning Infineon. Since July 1, we have therefore organized our business into three divisions:

- Automotive focuses on software-defined vehicles and electromobility as growth drivers.
- Edge Systems connects the physical and digital worlds – in areas such as robotics, edge AI and Smart Living.
- And Power Systems addresses the growing need for efficient power supplies – from power infrastructure and AI data centers to industrial applications.

The new structure brings us even closer to our customers. We are combining expertise, accelerating decisions and bringing innovations to market even faster.

Innovations alone, however, are not enough. What matters is that we can also deliver new products reliably, at the required scale and in the best quality.

Global manufacturing network: Scaling at the right time

We are making targeted enhancements in our global manufacturing network so that we can continue to meet our customers’ growing demand reliably. Our investments in Dresden, Villach and Bangkok show what this means in practice.

- In Dresden, we opened our Smart Power Fab this summer. It provides large additional capacity for applications with long-term growth potential – from power supplies for AI data centers to software-defined vehicles and renewable energy. Once fully built out, it will double our production capacity at the site.
- In Villach, we are investing approximately 1.1 billion euros in our global center of excellence for power semiconductors. The site will host the world’s first high-volume production of gallium nitride power semiconductors on 300-millimeter wafers. This will allow us to manufacture gallium nitride much more efficiently and at greater scale. And it will enable us to meet rapidly growing demand for particularly high-performance power

supply solutions, including for AI data centers, power infrastructure, electromobility and robotics.

In addition, yesterday we announced another technological milestone from Villach: Our colleagues there have successfully processed 300-millimeter silicon carbide wafers into functional power semiconductors. Infineon is the first company in the world to reach this innovation milestone in a full-scale semiconductor fab using existing manufacturing equipment. This further strengthens our leadership in power systems.

- Our new backend hub near Bangkok strengthens the resilience and regional flexibility of our production network. It focuses on assembly and test – putting chips into protective packages and then testing them.

The key point is that our investments follow clear logic. We consistently align our capacity and manufacturing network with our structural growth areas and that gives us ever greater economies of scale.

I would now like to take a closer look at three of these growth areas: power supplies for data centers, software-defined vehicles and robotics for industrial applications.

Powering AI: From power grid to AI processor

Let’s begin with power supplies for data centers. This is a particularly clear example of how a structural growth driver translates into tangible business. Demand for our power supply solutions is growing rapidly. We significantly expanded this business in the 2026 fiscal year by ramping up production – even though we were unable to meet all customer requests.

Revenue from power supply solutions for AI data centers rose to 1.7 billion euros in the 2026 fiscal year. This means we more than doubled revenue once again in this area. It now accounts for slightly more than 10 percent of group revenue. In addition, our power supply business for classical data centers – those not focused on AI training and deployment – generated around 500 million euros in revenue. For 2027, we expect revenue from our power supply solutions for AI and classical data centers to grow from 2.2 billion euros to reach close to 4 billion euros. We thus anticipate another year of tremendous growth.

Leading customers across the ecosystem are entering into multiyear supply agreements and capacity reservations with us. The combined revenue volume of these agreements – both those already signed and those currently under negotiation – has now exceeded 10 billion euros. This shows that our customers’ demand is not only strong, but also long-term.

The next generation of AI data centers is reaching power levels in the gigawatt range. Each new generation makes one question more and more important: How do we deliver ever larger amounts of energy to the AI processor as efficiently as possible?

One key is a high-performance 800-volt direct-current architecture. It reduces power losses, takes up less space and enables more efficient power delivery as power requirements increase. In addition to efficiency, reliability is critical. AI data centers have to operate around the clock, without interruption. This requires solutions that detect faults quickly and protect the hardware.

Here you can see a semiconductor circuit breaker from Siemens featuring Infineon technology.

[Jochen Hanebeck speaks off script about Siemens' semiconductor circuit breaker]

In addition to ensuring reliable data center operation, we face the challenge of delivering more and more power in as little space and with as little loss as possible.

Infineon collaborates with NVIDIA on gallium nitride-based power conversion systems. GaN enables higher power density with lower loss – a decisive advantage for the next generation of 800-volt AI data centers. By expanding in Villach, we are creating the production capacity needed to meet growing demand for GaN solutions.

From the power grid to the AI processor: Infineon provides the critical technologies along the entire energy chain – for efficient power delivery and safe, reliable operation.

Software-defined vehicles: From computing power to safe vehicle functions

Ladies and gentlemen,

the benefits of AI extend beyond the data center. It is increasingly being deployed in physical systems in the real world. This is particularly evident in software-defined vehicles, where AI is becoming more and more important in processing sensor data for driver assistance, in-cabin sensing and automated driving. It can also help improve vehicle dynamics, range and battery life, and identify maintenance needs at an early stage.

Functions previously distributed across numerous electronic control units are gradually migrating to centralized zonal computers. Software updates allow new functions to be added and improved throughout a vehicle's lifecycle.

Turning AI into reliable vehicle functions, however, takes much more than computing power. Power supply, real-time control, connectivity, safety and security have to work together seamlessly. This interplay is crucial in making modern vehicle architectures possible – and Infineon makes a decisive contribution. Our semiconductors turn raw computing power into safe and reliable vehicle functions. They supply power to the central high-performance computers, provide safe real-time control, connect systems and protect them against failures.

At our trade fair booth, we are demonstrating how this works in practice with a Mercedes-AMG GT 63. All-electric. Accelerating from zero to 100 kilometers per hour in 2.4 seconds. Central computers control the vehicle's key functions. Infineon semiconductors provide safety, reliability

and real-time control. Our AURIX™ microcontroller handles vehicle dynamics control. Driver assistance functions use AURIX™ as a safety companion alongside our BRIGHTLANE™ Ethernet solution. Our OPTIREG™ chips ensure a reliable power supply to the systems. The Mercedes-AMG is a tangible example of how Infineon is accelerating the transition to software-defined vehicles.

Infineon is the global number one in automotive microcontrollers. Our market share was 36 percent in 2025. We are building on this strong position. Our AURIX™ RC1 platform is an important building block for next-generation software-defined vehicles. Here, we are introducing an entirely new microcontroller platform based on the open RISC-V standard. The platform combines safe, energy-efficient real-time control with a common, scalable microcontroller foundation for different vehicle functions.

We are redefining real-time computing and control for software-defined vehicles with this platform. But our capabilities extend beyond the car: Our broad product portfolio for automotive and industrial applications also lets us contribute decisively to robotics.

Robotics: Physical AI in industrial applications

Few fields currently demonstrate more clearly how AI is moving into real-world applications than robotics does. Robots have to perceive their surroundings, process information and execute movements precisely.

Many of the technologies we've developed for automotive and industrial applications can also be used in robotics. Our portfolio of sensing, computing, power supply, connectivity and security solutions enables us to support all of these functions. Together with customers and partners, we are bringing these solutions into industrial applications.

At electronica 2026, Infineon and Agile Robots – two technology leaders, both based in Munich – are demonstrating how semiconductors and physical AI are transforming the future of industrial manufacturing.

I am very pleased to welcome Dr. Zhaopeng Chen, founder and CEO of Agile Robots, to the stage today. We will conduct our conversation in English. Zhaopeng, a warm welcome to you. Please join me on stage.

[Onstage dialogue with Dr. Zhaopeng Chen, founder and CEO of Agile Robots]

Ladies and gentlemen,

This example shows that physical AI emerges when different technologies and areas of expertise come together. Our broad portfolio and strong partners let us shape the robotics ecosystem. In doing so, we are opening up new growth opportunities for Infineon. And that is exactly what

Infineon is focused on: bringing our technologies into real-world applications and turning them into growth.

Summary

Let me close with three points.

First: In the 2026 fiscal year, Infineon benefited from a broader market recovery and structural growth drivers. We accelerated revenue growth and increased profitability over the course of the year.

Second: We enter the 2027 fiscal year with tailwinds and expect a strong increase in revenue and profitability.

Third: Our company has everything it needs to further expand its leading position in promising markets of the future – from data centers and energy infrastructure to software-defined vehicles, edge AI and robotics.

Thank you very much for listening. My fellow Management Board members and I will now be happy to take your questions.