

Dr. Sven Schneider

Annual General Meeting 2026

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www.infineon.com



Dr. Sven Schneider

Chief Financial Officer

- Check against delivery -

1. Welcome

Dear shareholders, I would also like to welcome you to Infineon's Annual General Meeting.
It is a pleasure to have you all with us today.

In my remarks, I would like to explore three key topics:

First, how we held our ground in a challenging environment during the 2025 fiscal year.

Second, what we have done to safeguard our profitability and position ourselves optimally for the next upswing.

And third, how we view the current 2026 fiscal year.

My core message up front: Infineon remains profitable and cost conscious, invests selectively in future oriented fields – and continues to strengthen its position in the fastest growing applications, particularly in the areas of software-defined vehicles and power supply for AI data centers.

2. Review: Fiscal year 2025 – headwinds, but course maintained

The 2025 fiscal year was not a year with tailwinds. Many of our target markets are going through a prolonged period of weakness. End customers and distribution partners significantly reduced their inventory levels in order to meet their own financial targets. In response to geopolitical tensions and tariffs, many of our customers acted cautiously. This was compounded by the weakening of the US dollar against the euro.

Infineon held up well in this environment.
We successfully completed the year in line with the externally communicated expectations.
Revenue declined only slightly, as expected.
We were able to maintain profitability at a solid level. This is also due to the fact that our structural improvement program "Step Up" took effect faster than anticipated.

This development confirms the success of our strategy and underscores the resilience of our business model: We benefit from a diversified product portfolio and strong positions in key world regions and target markets.

Here are three examples that illustrate this:

- We remained the global number one in automotive semiconductors for the fifth consecutive year.
- For the first time in our history, we rank among the top two automotive semiconductor suppliers in every major region.
- In the global microcontroller market, we have risen to the number one position: According to Omdia, Infineon increased its market share to 21.4 percent – with a gain of about 3.5 percentage points, the largest annual increase among all competitors. In automotive microcontrollers, we are clearly the world leader, with a 32 percent share.

And: In power supply solutions for AI data centers, we not only have a strong starting position – we are growing very dynamically and are fully on track to achieve our ambitious revenue target of 1.5 billion euros in the current fiscal year.

2a. Group results in fiscal 2025

Let us now take a look at the key financial figures for the 2025 fiscal year.

Infineon generated revenue of 14.662 billion euros. This is 2 percent less than the 14.955 billion euros recorded in the previous year. The main drivers were negative currency effects and price reductions. At the same time, we saw higher sales volumes. At constant exchange rates, our revenue would have remained almost stable year on year.

Gross profit amounted to 5.753 billion euros – 8 percent lower than the previous year – partly due to slightly increased cost of goods sold. The gross margin came in at 39.2 percent compared with 41.8 percent in the 2024 fiscal year.

Our operating expenses totaled 3.809 billion euros. The largest share of this was research and development expenses of 2.227 billion euros. This clearly reflects our priorities: We continue to invest consistently in the future and further strengthen our technological leadership through customer focused innovation.

Segment Result declined by 18 percent from 3.105 billion euros to 2.560 billion euros. The Segment Result Margin reached 17.5 percent compared to 20.8 percent in the previous year. What were the main reasons? The price reductions already mentioned, higher underutilization costs in manufacturing, and negative currency effects. Nevertheless, we remained within the high teens percentage range we had forecast – and thus within the lower end of our Target Operating Model.

Overall, Infineon achieved a profit of 1.015 billion euros in the 2025 fiscal year. Basic earnings per share amounted to 77 cents compared to 98 cents in the previous year. And adjusted earnings per share declined from 1.87 euros to 1.39 euros.

2b. Efficiency improvements: “Step Up” and divestitures

In an environment marked by many uncertainties, we are focusing on the areas we can influence ourselves. This means closely examining all controllable costs and processes and systematically leveraging potential. This also positions us well for an upswing in our end markets.

The structural improvement program Step Up is a decisive lever in this regard. It strengthens our cost competitiveness and our Target Operating Model.

Our measures focus on four areas: manufacturing productivity, portfolio management, pricing quality, and operating cost optimization.

Step Up will take full effect in the first half of the 2027 fiscal year. This translates into an annual improvement of the Segment Result amounting to a high three-digit million range. By the end of the 2025 fiscal year, we had already realized around half of this amount. And we are progressing faster than originally planned.

Economies of scale in manufacturing play a central role in our profitability. That is why we continuously review our manufacturing network and have sold two sites in recent months:

- In June 2025, we sold our 200 millimeter fab in Austin, Texas, to the US company SkyWater, while simultaneously signing a long term supply agreement. This secures a manufacturing base for Infineon in the US, while allowing us to be more cost competitive and flexible.
- In addition, we completed the sale of the former Cypress site in Bangkok to Malaysian Pacific Industries Berhad about two weeks ago. Long term supply agreements will ensure continued reliable capacity from this site as well. The transaction was successfully completed about two weeks ago.

3. Development of the segments

After looking at the Group as a whole, I would now like to discuss the development of our four business areas.

3a. Automotive – market leadership further strengthened

Automotive continues to be our largest segment in terms of revenue. In the 2025 fiscal year, roughly half of Group revenue was attributable to this area: 7.402 billion euros – 4 percent less than in the previous year. The Segment Result Margin was 20.7 percent compared with 26.2 percent previously. The main burdens were higher underutilization costs and price adjustments.

Nevertheless, we managed to grow in selected product groups – in particular outside North America. I would like to highlight our intelligent power switches of the PROFET™ family and our microcontroller families.

These are precisely the products that are in high demand for software-defined vehicles, an area on which we continue to place a clear strategic focus – as already mentioned. An important milestone in strengthening our market position was the acquisition of Marvell Technology's Automotive Ethernet business for 2.5 billion US dollars in the summer of last year. A strategically significant step, since Ethernet technology is highly complementary to our portfolio – and will become the central backbone for data communication in the vehicle of the future.

3b. Green Industrial Power (GIP) – temporary headwinds, long term trends intact

In the Green Industrial Power segment, we achieved revenue of 1.631 billion euros – 16 percent less than in the previous year. The Segment Result Margin was 12.3 percent compared with 21.6 percent.

Many of these developments can be traced back to the end markets: Many of our customers in the renewable energy sector had built up high inventory levels in previous years, particularly in the photovoltaic industry. They reduced these inventories only slowly in the 2025 fiscal year, and accordingly placed fewer orders with us. Demand for our wind turbines solutions also remained subdued. And investment activity in industrial applications was likewise restrained overall – for example in factory equipment and automation.

At the same time, the long term prospects remain strong: The global expansion of renewable energy is essential to enable affordable and environmentally friendly energy. And electrification in the transport sector continues to advance. Infineon has a powerful portfolio that is precisely aligned with these trends.

A recent example are our "solid state transformers" – semiconductor based transformers that will play a key role in future, highly efficient 800 volt direct current architectures for AI data centers. The technology offers many advantages, including a significant reduction in weight and size. We are seeing tremendous market momentum in this area – and for Infineon, this opens up a new submarket with strong growth potential.

3c. Power & Sensor Systems (PSS) – strongest growth driver thanks to AI data centers

Our Power & Sensor Systems segment was the strongest growth driver in the 2025 fiscal year. Revenue increased to 4.208 billion euros – up 11 percent year on year. The Segment Result Margin improved to 16.2 percent compared with 12.7 percent in the previous year.

Overall, we observed a slight general market recovery in this segment. End markets for traditional data centers and smartphones developed positively compared with the previous year. I would particularly like to highlight our business with silicon microphones, which our customers value for their excellent audio quality, low power consumption and long service life. Consumer oriented business areas developed steadily, while industrial applications declined.

The key growth driver, however, was power supply for AI data centers: in this application area, we nearly tripled our revenue – to more than 700 million euros. This is around 100 million euros more than forecast – despite negative currency effects.

3d. Connected Secure Systems (CSS) – inventories a burden, strategic application areas growing

In the Connected Secure Systems segment, we generated revenue of 1.418 billion euros – 6 percent less than in the previous year. The Segment Result Margin was 10.9 percent compared with 12.1 percent previously.

High inventory levels at our customers and a weaker consumer environment in many regions dampened demand in 2025 – particularly in Internet of Things applications and traditional security solutions. At the same time, there are clear growth areas: Demand for security solutions for data centers has increased significantly, driven by the expanding use of artificial intelligence in companies and public institutions, which raises requirements for data security and integrity.

Our business with embedded SIM solutions also grew noticeably – especially in the automotive and industrial sectors. And our revenues from newly secured projects for passports and ID documents developed steadily.

4. Financial condition and liquidity

Let us now turn to the financial condition and liquidity.

Our investments amounted to 2.094 billion euros in the 2025 fiscal year. In the previous year, they totaled 2.719 billion euros. Our investments are creating the foundation to capture current and future growth opportunities – in a targeted manner and with a long term perspective. At the same time, we are taking into account existing overcapacities in certain areas. In 2025, we placed particular focus on the construction of our Smart Power Fab in Dresden. This state of the art 300 millimeter facility will also help meet the enormous demand for AI data center power supply solutions. Additional investment priorities included the expansion of silicon carbide high volume manufacturing in Kulim and further investment in the Villach frontend facility.

Free Cash Flow amounted to minus 1.051 billion euros, primarily due to the acquisition of Marvell's Automotive Ethernet business, which I mentioned earlier. Adjusted Free Cash Flow – excluding investments in frontend buildings and major acquisitions – was a positive 1.803 billion euros. This corresponds to around 12.3 percent of revenue and is in line with our Target Operating Model.

Return on Capital Employed, or RoCE, declined from 8.5 percent to 4.9 percent. This reflects the lower profitability in the 2025 fiscal year and at the same time the significant increase in invested capital resulting from the expansion of manufacturing capacities and recent acquisitions.

Maintaining our investment grade rating continues to be at the core of our financing strategy. This ensures that we always have access to relevant capital markets and financing sources – and enables us to finance profitable growth under good conditions.

S&P Global Ratings reaffirmed our rating just a few weeks ago at "BBB+" with a stable outlook, reflecting the strength of our business profile and our conservative financial policy.

In the 2025 fiscal year, we issued a bond with a volume of 750 million euros under our European Medium Term Note program. We also repaid a maturing bond of 500 million euros as scheduled. To finance the acquisition of Marvell's Automotive Ethernet business, we concluded acquisition financing in April, comprising two tranches of 1 billion euros and 1 billion US dollars. Both facilities were utilized in full at the time of completion of the acquisition in August and have had a term of up to two years since then.

In addition, Infineon signed a committed revolving credit facility of 2 billion euros in the 2025 fiscal year. The undrawn, syndicated credit line has a maturity of five years, with the option to extend it twice by one year each, subject to lender approval.

And although this technically relates to the current 2026 fiscal year, I would like to note that just a few days ago we successfully placed additional bonds with a total volume of 2 billion euros at attractive conditions.

This transaction primarily supports the financing and refinancing of upcoming maturities and our recent acquisitions. It extends our maturity profile and further strengthens our financial resilience.

5. Infineon share

Let us now turn to the Infineon share.

First, let us take a look at the share price performance.

We started the 2025 fiscal year at around 31 euros. The announcement of new tariffs in the United States led to significant declines in stock markets worldwide during the spring. At the beginning of April, the Infineon share therefore reached its lowest level of the fiscal year, at around 24 euros. Afterwards, the share price recovered.

Particularly in the second half of 2025, we were able to expand our lead over competitors in the field of artificial intelligence. This was clearly reflected in the share price performance. Yesterday evening, the Infineon share closed at 46.09 euros – marking the all-time high of our market capitalization. In other words: your company has never been as valuable as it is today!

Between 1 October 2024 and 18 February 2026, this corresponds to an increase of nearly 51 percent. While we did not quite match the performance of the US benchmark index SOX, the Infineon share performed significantly better than those of our competitors. A strong development we can be proud of.

The number of Infineon shares issued as of 30 September 2025 remained unchanged at exactly 1,305,921,137.

Of these, currently 2,421,478 shares are owned by the company and therefore are not entitled to dividends.

The number of the company's own shares initially increased between September and November 2025 as a result of share buybacks. From 15 September to 14 November 2025, we acquired 750,000 own shares under a limited share buyback program – of which 304,800 were purchased by the end of the fiscal year on 30 September 2025. The total purchase price amounted to 25 million euros – 10 million euros of which were paid by the end of September. After completion of the program on 14 November 2025, the number of own shares stood at 4,226,590.

Since the proposal for the appropriation of unappropriated profit put forward by the Management Board in November 2025, the number of own shares has changed as follows:

- In December 2025, 1,494,387 own shares were transferred under the Bonus to Share Plan.
- In addition, following the convocation of today's Annual General Meeting, a scheduled settlement of our Restricted Stock Unit Plan – short: RSUP – took place in January 2026, and a further 310,725 own shares were transferred.

As a result, the number of own shares has fallen to the approximately 2.4 million already mentioned above. For this reason, the original proposal for the appropriation of unappropriated profit of November 2025 was adjusted. Due to the slightly higher number of dividend entitled shares, the total distribution amount increased only marginally; the proposed dividend per share naturally remains unchanged – more on this in just a moment.

The shares acquired under the aforementioned share buyback program are used exclusively for transfer to employees, managers, and members of the Management Board under existing employee participation programs.

At Infineon, we have for some time relied on share based remuneration for managers and selected employees. For this purpose, we use the Performance Share Plan and the already mentioned RSUP. Since the 2025 fiscal year, the Bonus to Share Plan has been added to involve even more employees in the company. Under this plan, a defined percentage of the annual Short Term Incentive is converted into Infineon shares.

Expenses for these programs amounted to 188 million euros in the 2025 fiscal year.

6. Dividend proposal

This brings me to the dividend proposal.

Our intention with our dividend policy is to ensure our shareholders adequately participate in Infineon's economic success. Even in the event of stagnating or declining earnings, our aim is to pay out at least a dividend that is unchanged from the previous year.

In connection with agenda item 2, the Management Board and Supervisory Board are therefore proposing – as in the past two years – a dividend of 35 cents per share for the 2025 fiscal year. This proposal takes into account the declining business performance and, at the same time, secures our financial flexibility for further profitable growth in the years ahead.

The expected total distribution amounts to around 456 million euros.

7. Capital market communication

Dear shareholders, the trust of the capital market is of utmost importance, especially in times of geopolitical uncertainty and dynamic market developments. We strengthen this trust through continuous, transparent, and professional dialog with investors and analysts. Of course, our relationship with the capital market is not a one way street. We value this exchange and take feedback very seriously.

Our Investor Relations team therefore once again held numerous meetings with investors and analysts during the 2025 fiscal year – often together with members of the Management Board. We participated in capital market conferences, met with institutional investors, financial analysts, and capital market participants from around the world, conducted roadshows and organized information events to provide deeper insights into technological developments, operational progress, and strategic priorities.

Our IR team received significant recognition for this work last year – including three European prizes at the IR Impact Awards: "Best Overall Investor Relations", "Best Investor Relations Officer", and the "Best in Sector Award" in the technology category. In addition, the German Investor Relations Association (DIRK) ranks Infineon second among DAX companies in capital market communication. In ESG communication, we rank first.

I am very pleased about this recognition – and I would like to thank the team for the outstanding performance behind it!

8. Outlook: fiscal year 2026

To conclude, let us look ahead.

The economic environment will continue to be characterized by a high degree of uncertainty in the 2026 fiscal year. In the global semiconductor market, we see AI data centers as clear revenue drivers. At the same time, we expect only weak development in automotive and industrial applications. However, the long term trends remain intact: decarbonization and digitalization continue to drive structural demand for semiconductors.

Against this backdrop, we expect a moderate rise in revenue for Infineon in the current fiscal year, despite currency headwinds. This outlook is based on an assumed EUR/USD exchange rate of 1.15.

Compared with the Group average, we expect weaker growth in the Automotive segment. In the Power & Sensor Systems segment, by contrast, we anticipate significantly stronger growth – driven by the very dynamic demand for AI data center power supply solutions. In Green Industrial Power, revenue is expected to increase slightly, while revenue in Connected Secure Systems should stay flat.

Given this revenue forecast, the Segment Result Margin is expected to be in the high-teens percentage range.

We had initially planned investments in property, plant and equipment and other intangible assets of around 2.2 billion euros. However, we decided to accelerate the expansion of our AI related manufacturing capacities even further – and to provide the best possible support for the strong growth expected in this area during the year to come. Therefore, as communicated in early February, we will bring forward an additional 500 million euros of AI related investments. We are now planning to invest a total of 2.7 billion euros during the current fiscal year. A large portion of these investments will flow into a faster ramp up of our new Smart Power Fab in Dresden.

Reported Free Cash Flow is expected to amount to 1 billion euros – slightly below the previously expected 1.1 billion euros, reflecting the fact that a share of the accelerated investments will be paid in the current fiscal year. Adjusted Free Cash Flow – excluding major investments in frontend buildings and acquisitions – is expected to reach around 1.4 billion euros, compared with the prior expectation of 1.6 billion euros.

9. Conclusion

Dear shareholders, this brings me to the end of my remarks.

2025 was challenging – and at the same time a year in which we stayed on course and did our homework. First, we invested selectively in our future. Second, we further developed our technological foundation. And third, we improved our structural competitiveness – thereby strengthening our ability to actively shape the key transformations of our time.

I would like to join Jochen Hanebeck in expressing my sincere thanks to all our employees. Your strong commitment and expertise make Infineon's success possible.

And I would also like to thank you, our shareholders, for your trust and long term support. You provide us with the backing needed to pursue ambitious goals and invest in future technologies.

I look forward to creating sustainable value for Infineon and its shareholders in the years to come together with a strong team. I would also like to thank the Supervisory Board for the renewed confidence it has placed in me.

I look forward to continuing our dialog and to your questions. Thank you very much for your attention.

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