



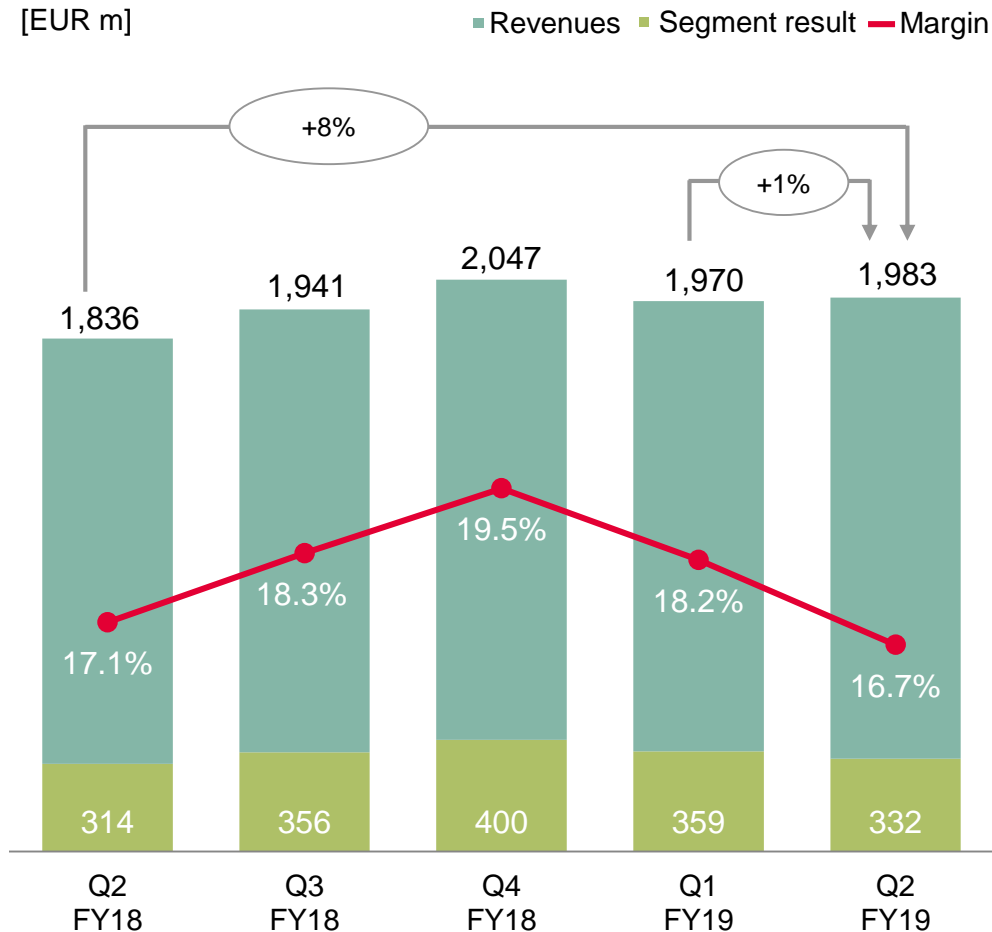
Second Quarter FY 2019 Analyst Call

Infineon Technologies AG
Investor Relations



Group financial performance

Revenues and segment result



*See appendix for definition

USD impact on revenue

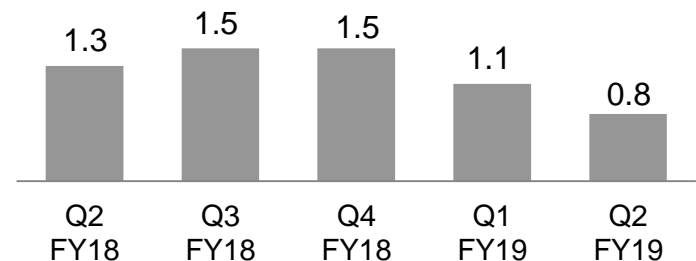
Average exchange rate

	Q2 FY18	Q1 FY19	Q2 FY19
∅ USD/EUR	1.23	1.14	1.14

Revenue development

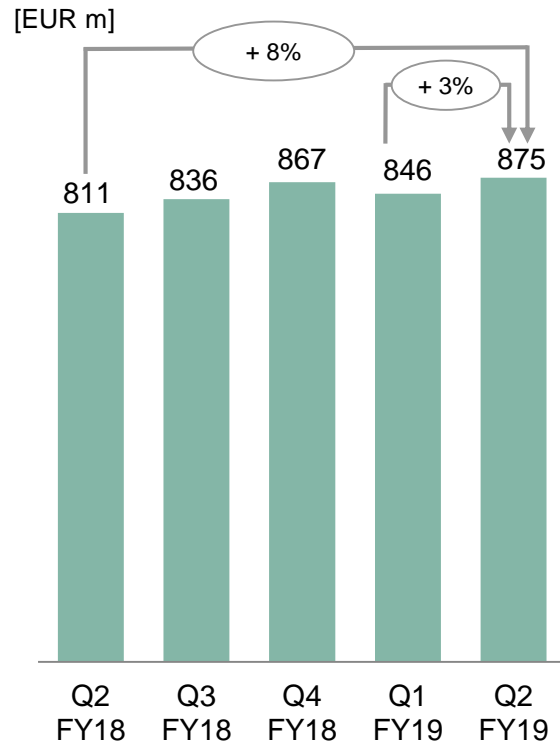
	q-q	y-y
As reported	+1%	+8%
At const. USD/EUR	~0%	+4%

Book-to-bill*

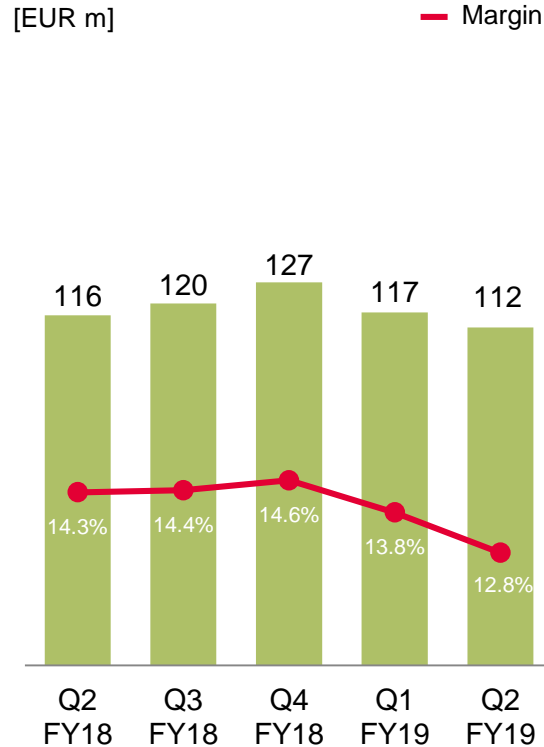


Automotive (ATV)

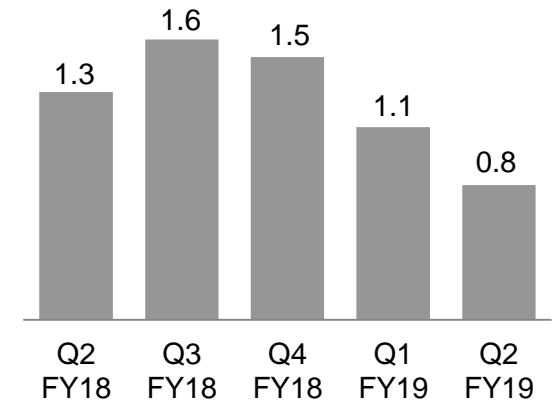
Revenues



Segment Result



Book-to-Bill

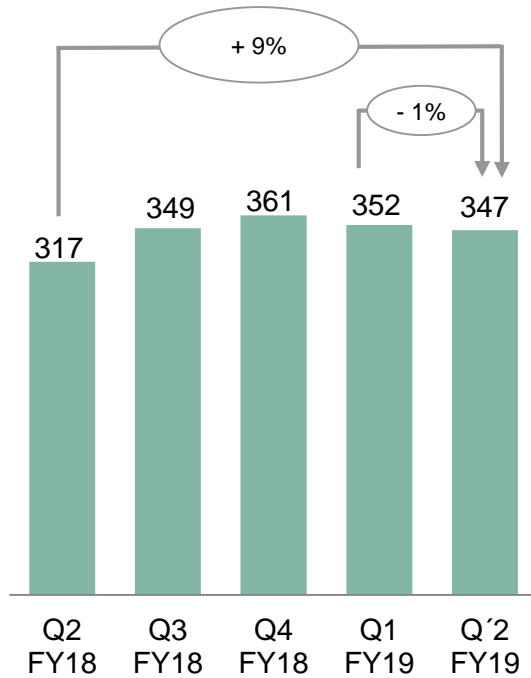


- > Revenue increased due to momentum in electric drivetrain components and continued ramp of the AURIX™ microcontroller
- > This positive development was offset by classic automotive applications stagnating in volume

Industrial Power Control (IPC)

Revenues

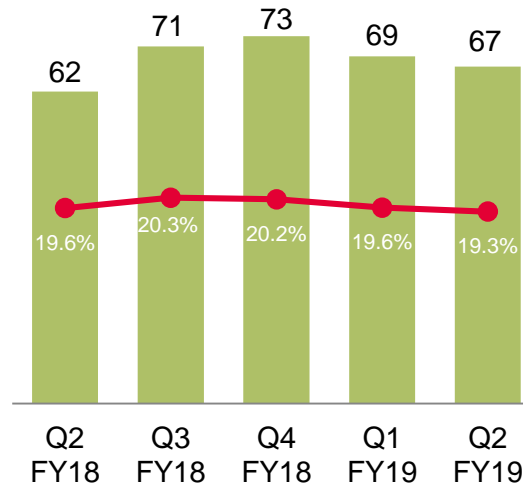
[EUR m]



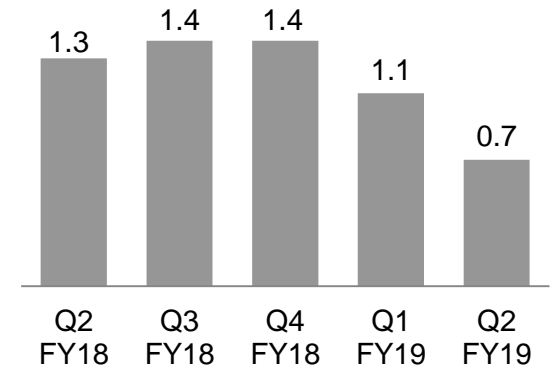
Segment Result

[EUR m]

— Margin



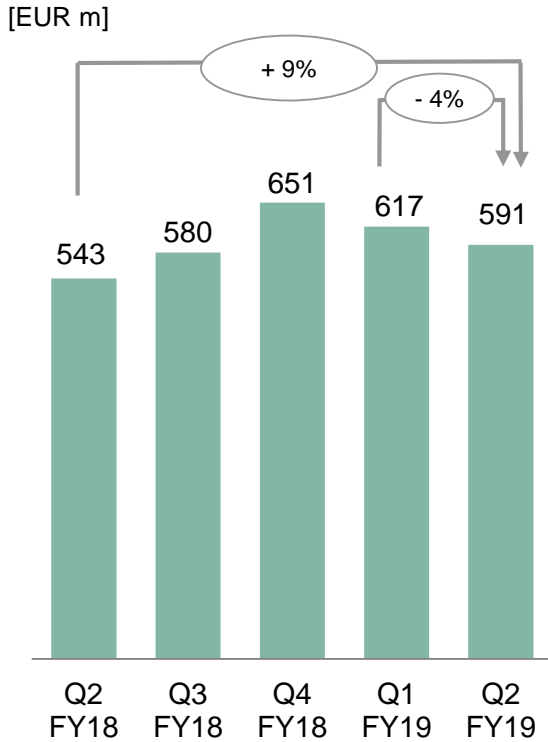
Book-to-Bill



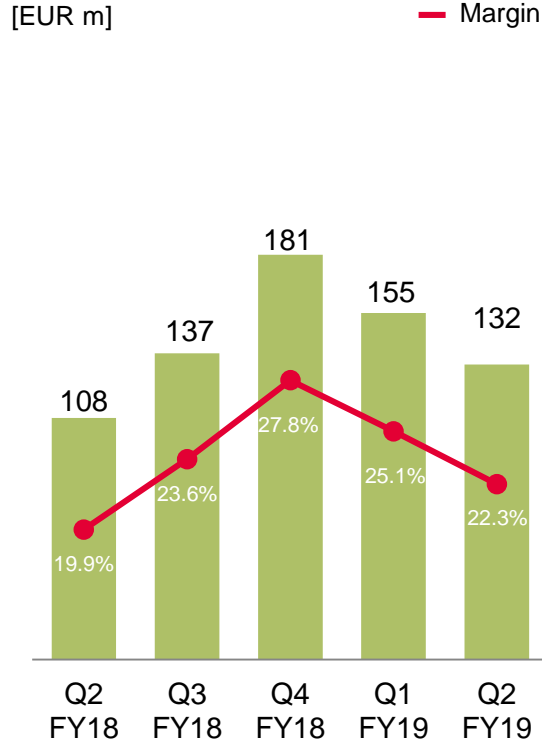
- > Muted demand for discretes, gate drivers and low-power IGBT modules
- > Resilient demand for IGBT high-power applications
- > Overall, market sentiment remained cautious

Power Management & Multimarket (PMM)

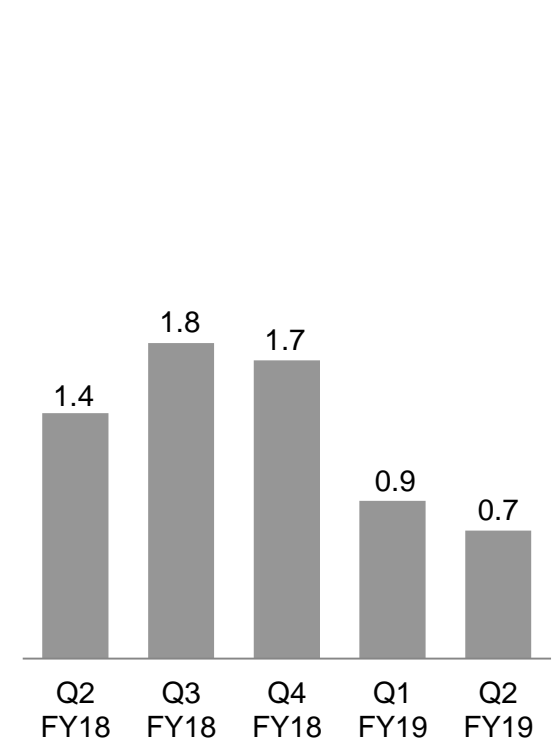
Revenues



Segment Result



Book-to-Bill

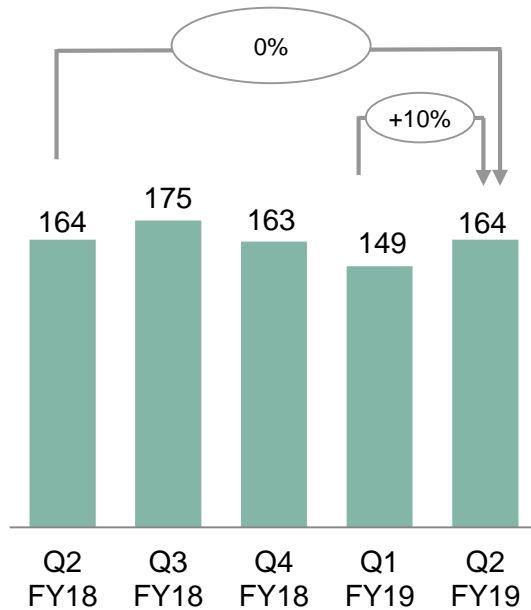


- › Challenging market environment:
 - › Demand for low- and mid-voltage MOSFETs remains subdued
 - › Digital controlled power stages displayed a continued weakness due to sluggishness in the data center market
- › High-voltage MOSFETs showed a brighter picture driven by market trends, e.g. 5G

Digital Security Solutions (DSS)

Revenues

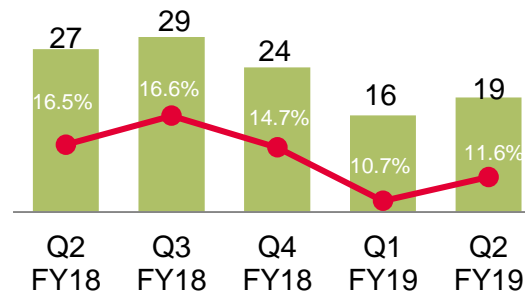
[EUR m]



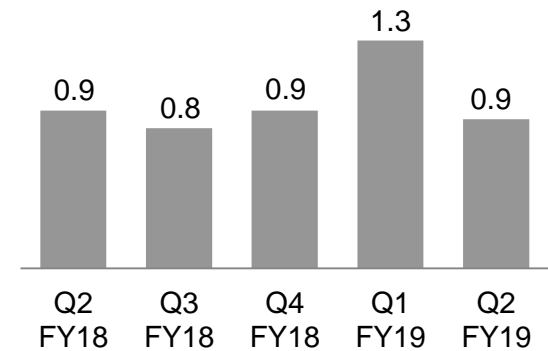
Segment Result

[EUR m]

— Margin



Book-to-Bill

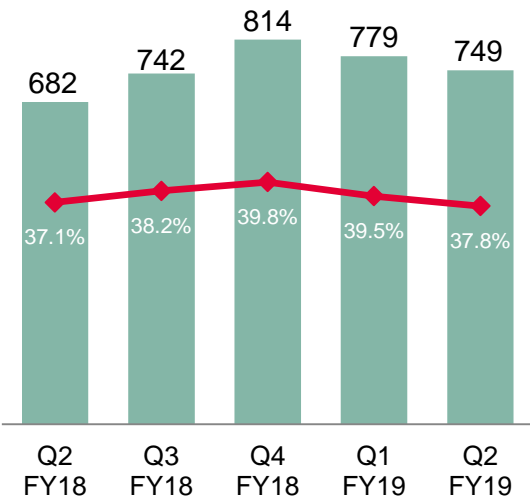


- › Positive quarterly revenue development mainly due to two areas
 - › Mobile security, e.g. automotive eSIMs
 - › Payment solutions, often bundled with software

Gross margin and Opex

Gross profit

— Gross profit as reported [EUR m] — Gross margin as reported



Therein non-segment result charges [EUR m]

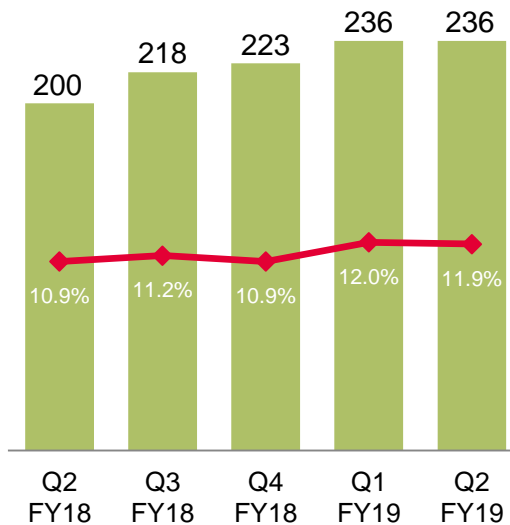
16	18	18	16	15
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Adjusted gross margin

38.0%	39.2%	40.6%	40.4%	38.5%
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R&D

— R&D expenses [EUR m] — R&D expenses as % of revenue

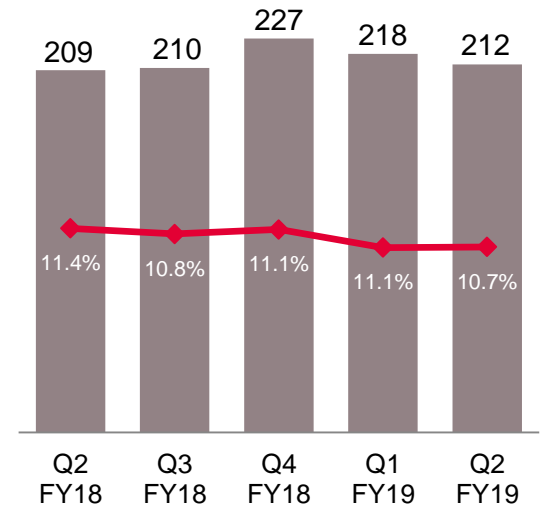


Therein non-segment result charges [EUR m]

2	2	2	1	1
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SG&A

— SG&A expenses [EUR m] — SG&A expenses as % of revenue



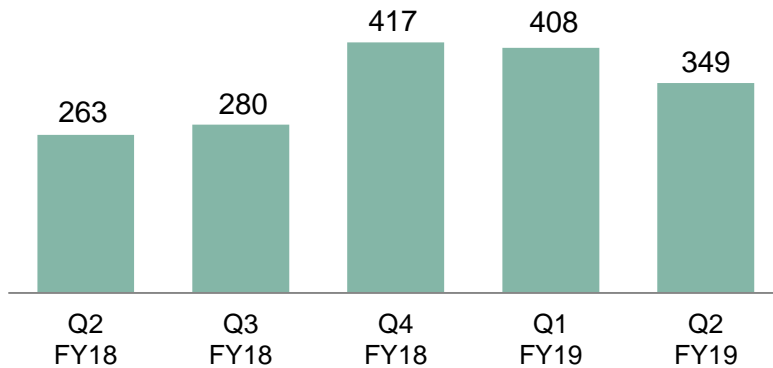
Therein non-segment result charges [EUR m]

21	17	14	15	11
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Investments, D&A, FCF and RoCE

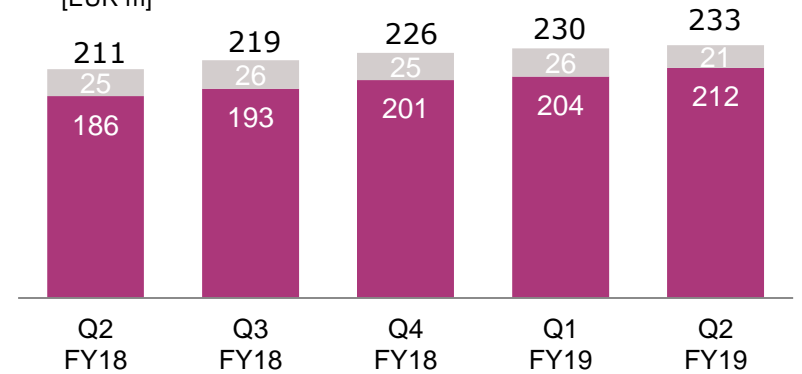
Investments

[EUR m]



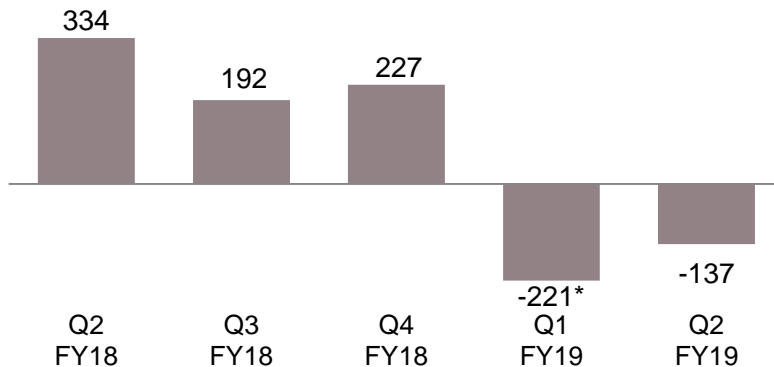
D&A

— Segment Result-related D&A [EUR m] — Non-SR-related D&A [EUR m]



FCF from continued operations

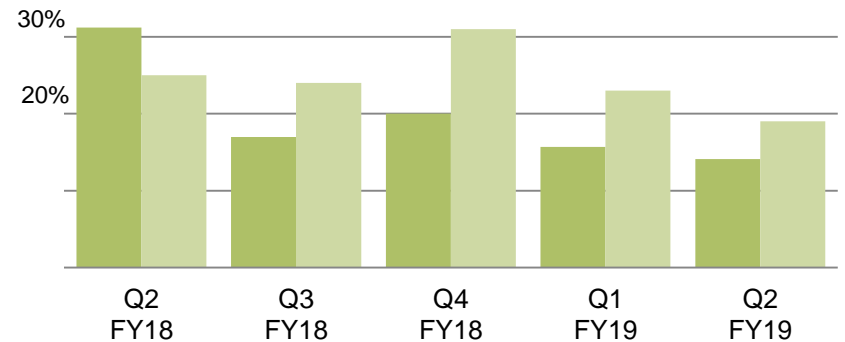
[EUR m]



* Including the acquisition of Sillectra of €123m

RoCE

— RoCE as reported — RoCE (excl. PPA, Deferred Tax Effects, and RF Power sale)



Outlook for Q3 FY19 and FY19

	Outlook Q3 FY19* (compared to Q2 FY19)	Outlook FY19* (compared to FY18)
Revenue	Increase of 1% +/- 2%-points	€8.0bn +/- 2% (prev.: Increase of ~9%)
Segment Result Margin	At the mid-point of the revenue guidance: 15%	At the mid-point of the revenue guidance: ~16% (prev.: ~17.5%)
Investments in FY19		~€1.5bn
D&A in FY19		~€1.0bn**

* Based on an assumed average exchange rate of \$1.15 for €1.00

** Including D&A on tangible and intangible assets from purchase price allocation of about €90m

Key points

Q2 FY19 came in as anticipated:

- › Revenue of €1,983bn: +8% y-y / +1% q-q
- › Segment result margin: 16.7%

Short-term headwinds likely to persist...

- › Reassessment of our business outlook for FY19 at the end of March

...but structural drivers fully intact

- › Infineon is poised to benefit from secular trends (xEV, ADAS, renewables etc.)
- › Our investments and R&D expenses provide the basis to outgrow the industry

Questions & Answers



Appendix: Book-to-bill ratio - Definition

Book-to-bill = Orders received / Revenue in Euro per quarter

- Orders received contains order backlog and external customer forecast
External customer forecast includes consignment stock forecast by customers
Not included are internal consignment replenishment orders
- Orders received does not include unconfirmed orders received
Unconfirmed demand will be reported as orders received and in book-to-bill when it gets confirmed
- Orders received may not coincide with the IFRS 15 definition of a contract with a customer

Disclaimer

Disclaimer:

This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected.

Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.



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