



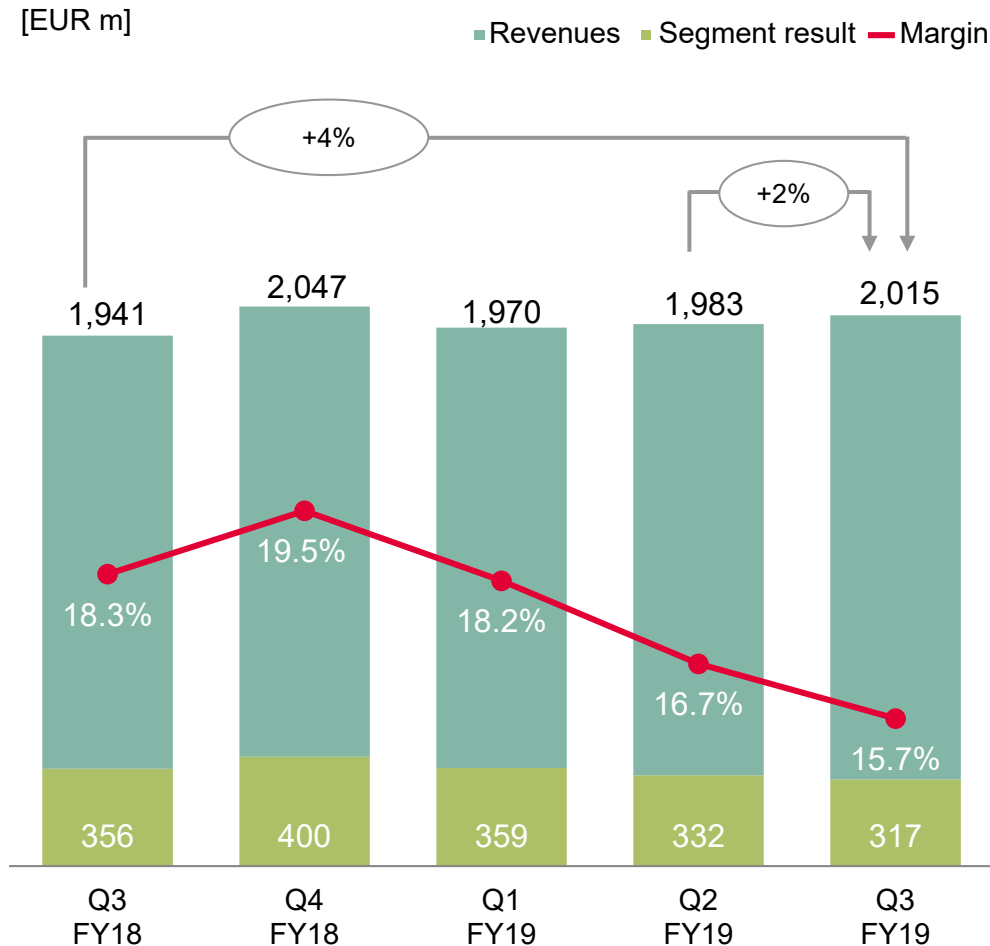
Third Quarter FY 2019 Analyst Call

Infineon Technologies AG
Investor Relations



Group financial performance

Revenues and segment result



*See appendix for definition

USD impact on revenue

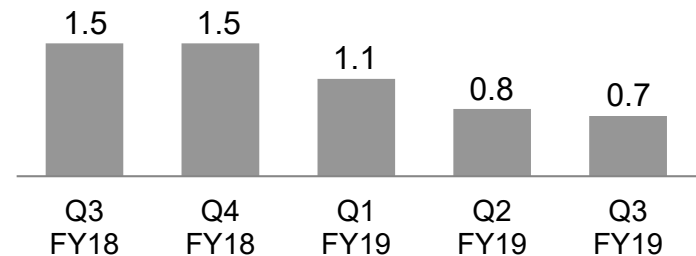
Average exchange rate

	Q3 FY18	Q2 FY19	Q3 FY19
∅ USD/EUR	1.19	1.14	1.12

Revenue development

	q-q	y-y
As reported	+2%	+4%
At const. USD/EUR	+1%	+1%

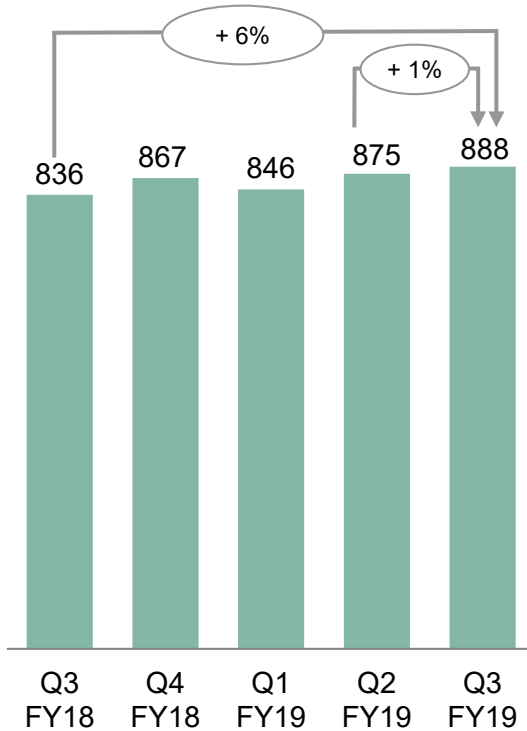
Book-to-bill*



Automotive (ATV)

Revenues

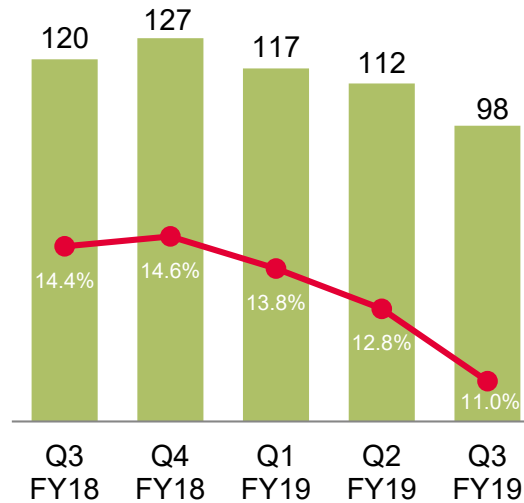
[EUR m]



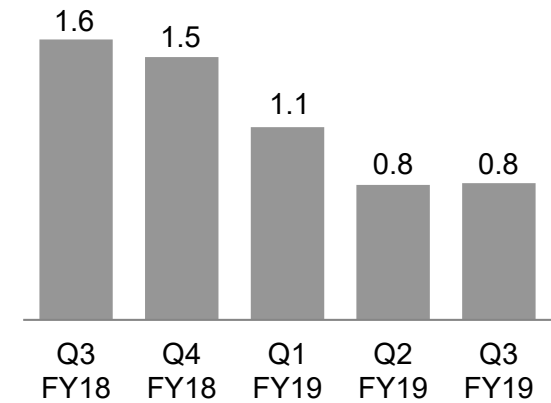
Segment Result

[EUR m]

— Margin



Book-to-bill



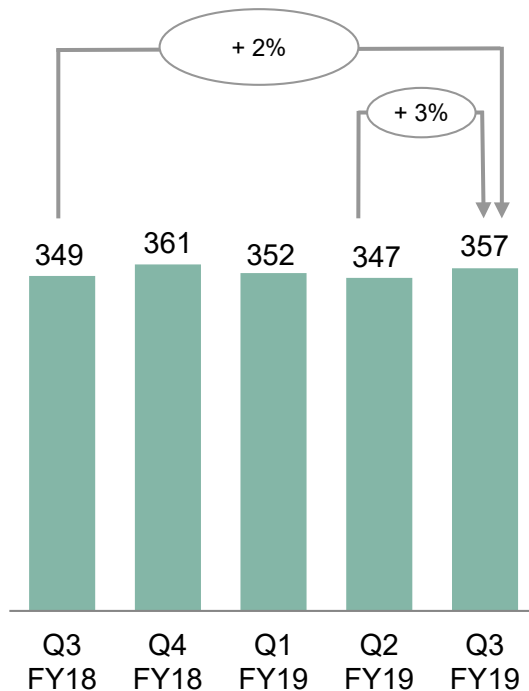
› Continued bifurcation of demand:

- › Power components for the electric drivetrain, sensors and microcontrollers for ADAS remained on a growth trajectory
- › Classic automotive applications declined, reflecting the lower number of cars produced

Industrial Power Control (IPC)

Revenues

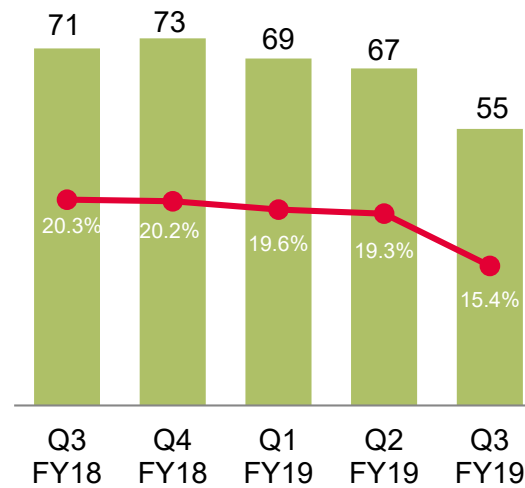
[EUR m]



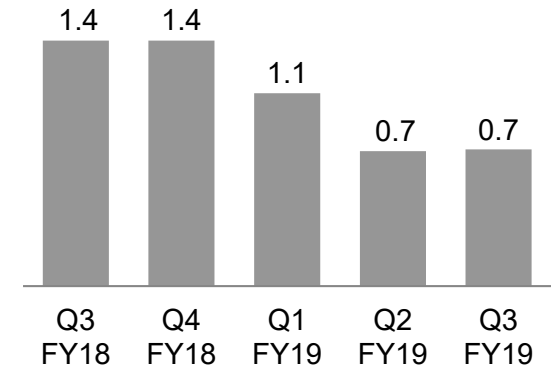
Segment Result

[EUR m]

— Margin



Book-to-bill

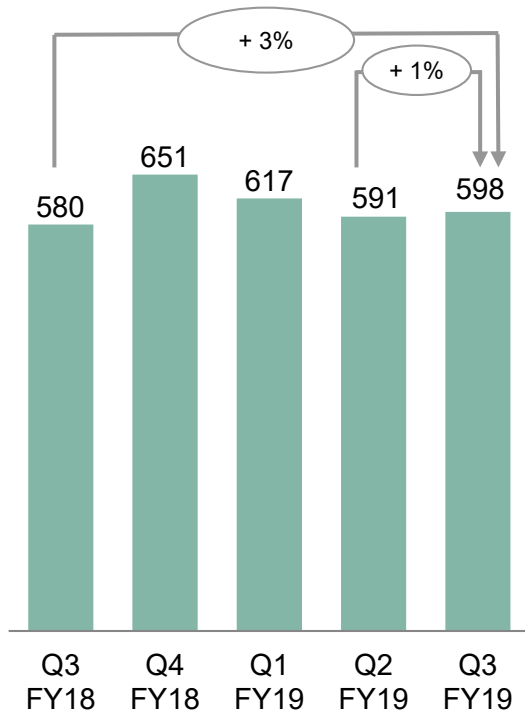


- > Wind and solar remained growth engines
- > Home appliances and industrial power supplies were weaker than anticipated by typical seasonality
- > Overall, slow momentum and cautious sentiment in many industrial applications

Power Management & Multimarket (PMM)

Revenues

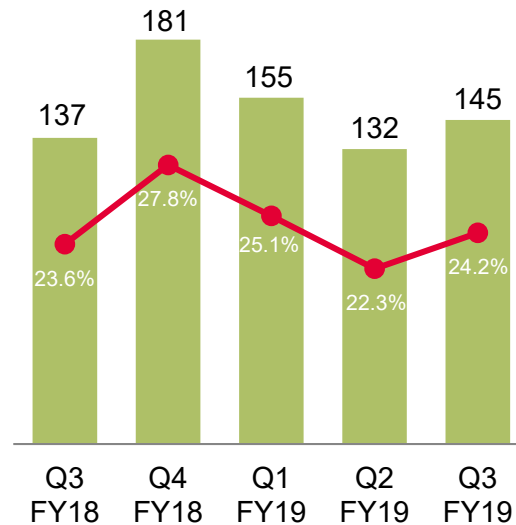
[EUR m]



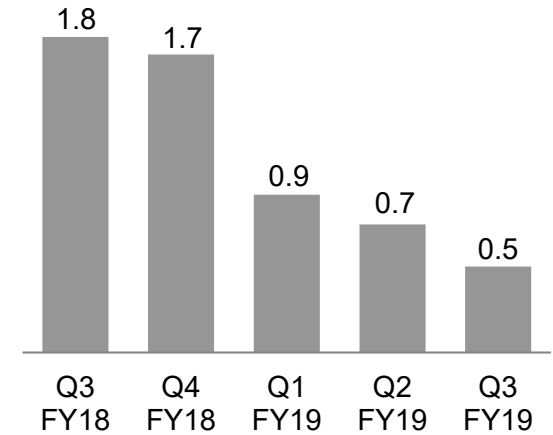
Segment Result

[EUR m]

— Margin



Book-to-bill

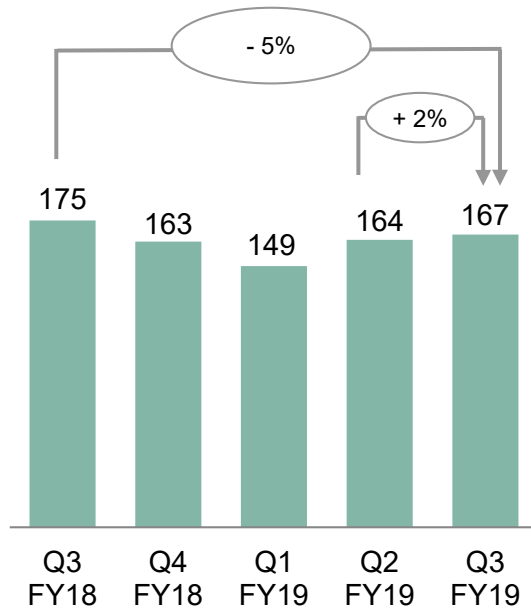


- > Challenging environment, markets for most business lines stabilized on current weak levels:
 - > Demand for low- and mid-voltage MOSFETs remained subdued
 - > Digital controlled power stages displayed a continued weakness due to sluggishness in the data center market
- > Positive momentum for innovative solutions like the sealed dual-membrane silicon microphone

Digital Security Solutions (DSS)

Revenues

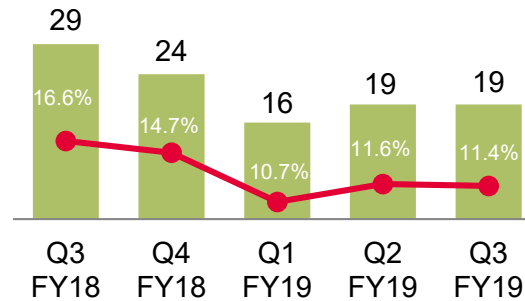
[EUR m]



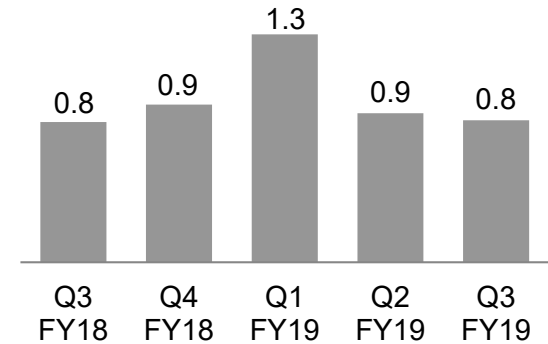
Segment Result

[EUR m]

— Margin



Book-to-bill

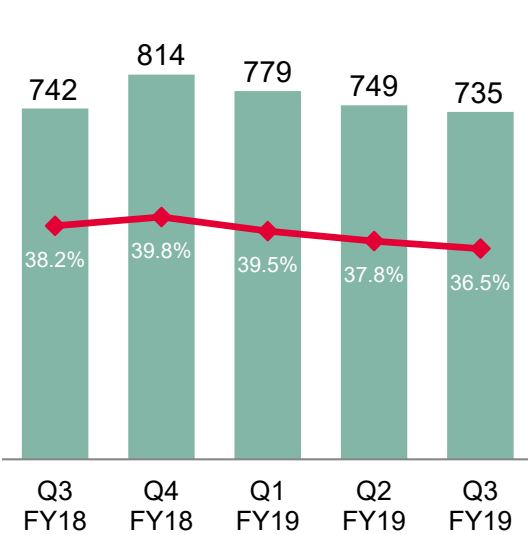


- > Positive quarterly revenue development mainly due to payment solutions, often bundled with software
- > Embedded security products are experiencing good traction - with project wins in both consumer and enterprise device markets

Gross margin and Opex

Gross profit

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



Therein non-segment result charges [EUR m]

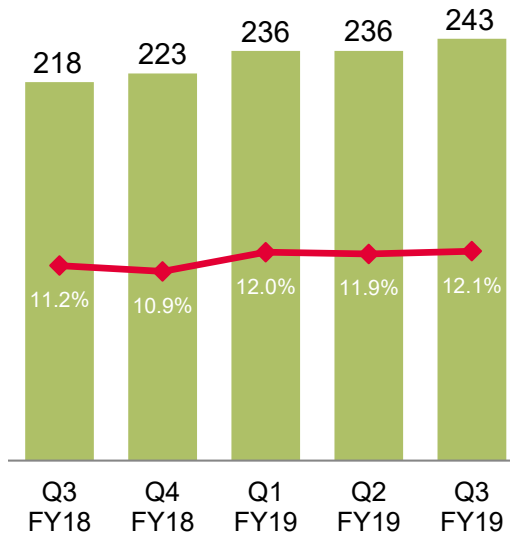
18	18	16	15	14
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Adjusted gross margin

39.2%	40.6%	40.4%	38.5%	37.2%
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R&D

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

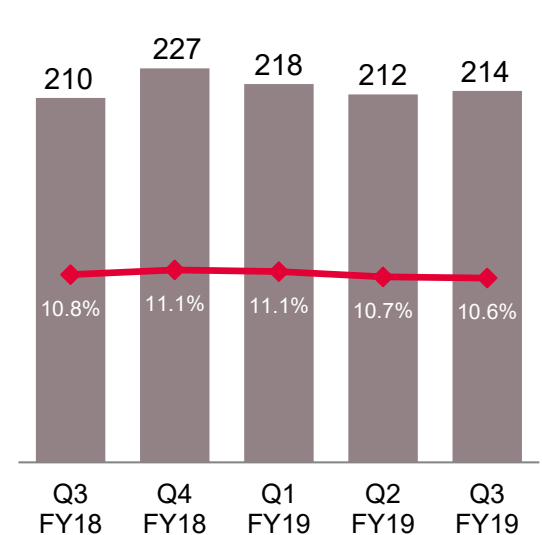


Therein non-segment result charges [EUR m]

2	2	1	1	1
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SG&A

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



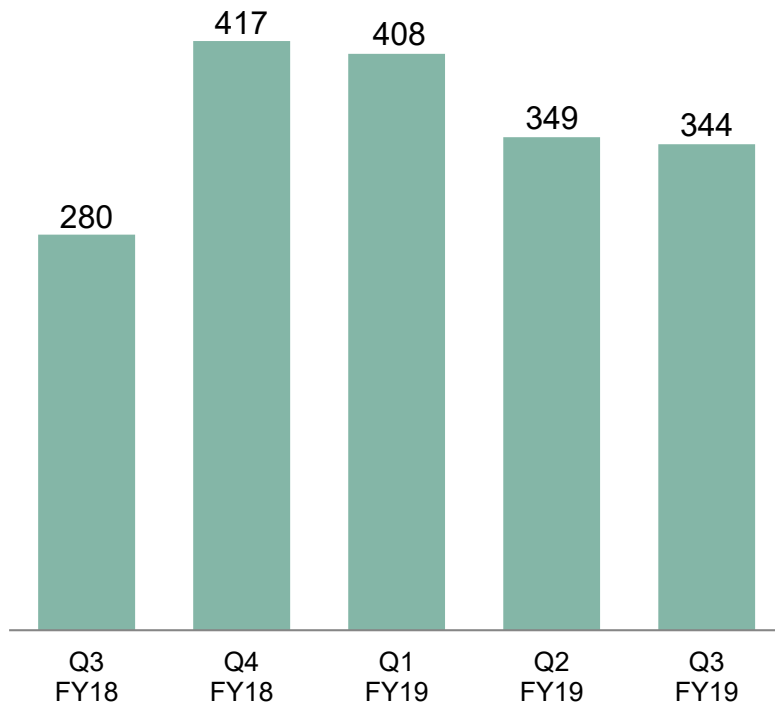
Therein non-segment result charges [EUR m]

17	14	15	11	13
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Investments and D&A

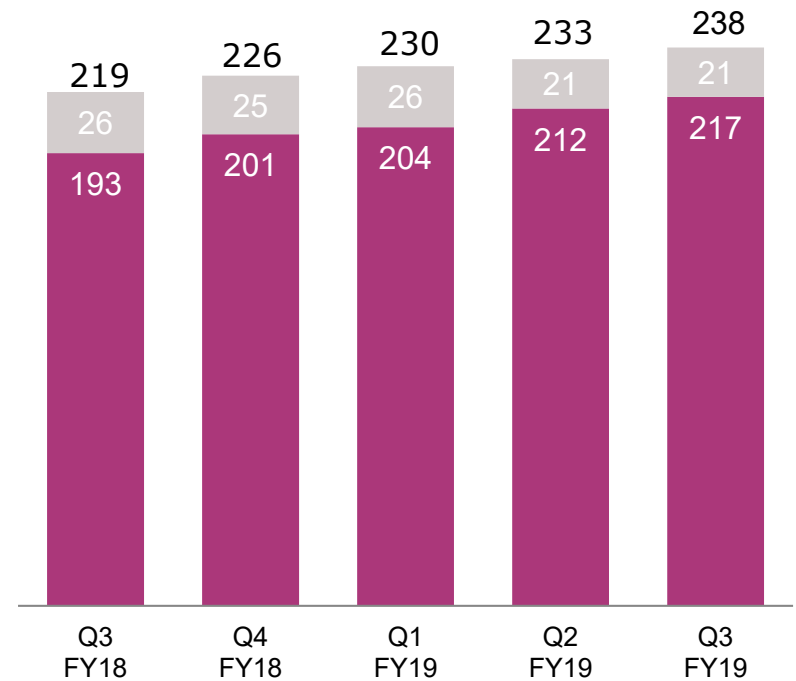
Investments

[EUR m]







D&A

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



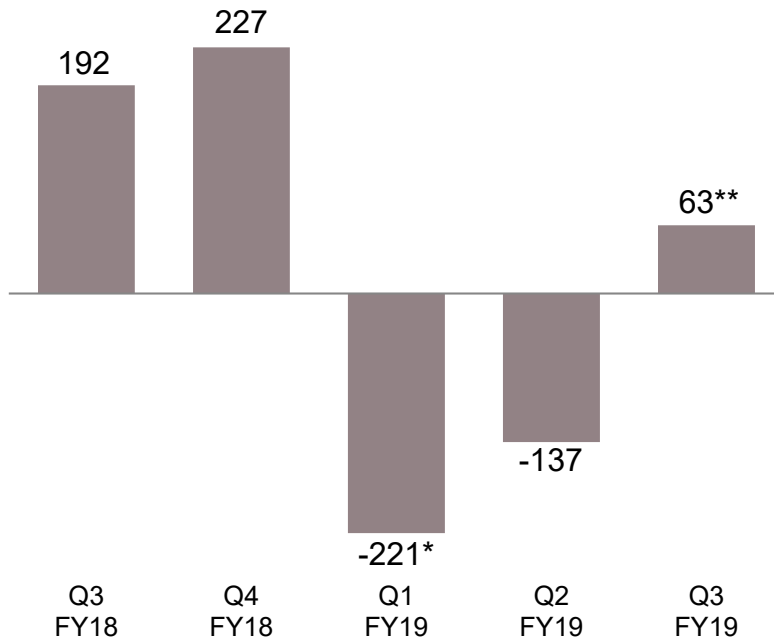
Cypress Financing: Important first steps accomplished

STEP 1	Underwriting of full acquisition amount by 3 banks	
STEP 2	Confirmation of investment grade rating by Standard & Poor's	
STEP 3	Equity de-risking: Raise of €1.5bn via ABB	
STEP 4	Successful syndication of acquisition facility to 20 national and international banks	
NEXT	<ul style="list-style-type: none">➤ Refinancing of remaining bridge and term loan through capital markets➤ Deleveraging – return to target level $\leq 2x$ Gross Debt EBITDA in 2023	

FCF and RoCE

FCF from continued operations

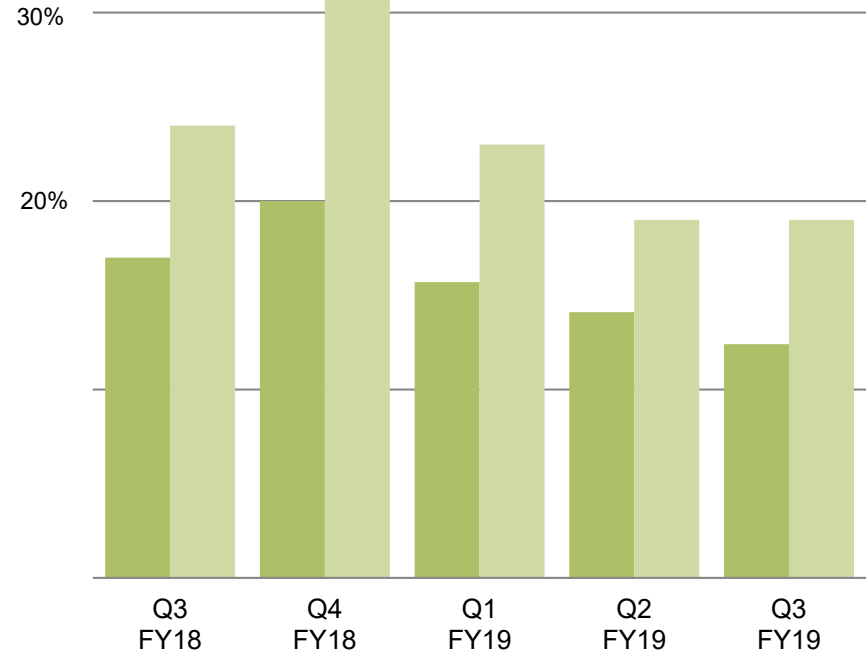
[EUR m]



RoCE

RoCE as reported

RoCE (excl. PPA, Deferred Tax Effects, RF Power sale, Cypress acquisition)



- Including the acquisition of Sillectra of €123m
- ** Including -12m related to the Cypress acquisition and its financing

Outlook for Q4 FY19 and FY19

	Outlook Q4 FY19* (compared to Q3 FY19)	Outlook FY19*
Revenue	Increase of 1% +/- 2%-points	€8.0bn
Segment Result Margin	At the mid-point of the revenue guidance: ~14.5%	~16%
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

Q3 FY19 came in as anticipated, slightly better in terms of segment result:

- › Revenue of € 2,015m: +4% y-y / +2% q-q
- › Segment result margin: 15.7%

In a stabilizing market...

- › Full year guidance confirmed
- › Another quarter of a small positive revenue development ahead

... we are balancing cycle management with enabling sustainable growth

- › Dampening negative margin impacts and safeguarding profitability

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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