Group financial performance

Revenues and segment result

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Revenues</th>
<th>Segment result</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>1,941</td>
<td></td>
<td>18.3%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>2,047</td>
<td></td>
<td>19.5%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>1,970</td>
<td></td>
<td>18.2%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>1,983</td>
<td></td>
<td>16.7%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>2,015</td>
<td></td>
<td>15.7%</td>
</tr>
</tbody>
</table>

USD impact on revenue

Average exchange rate

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY18</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ø USD/EUR</td>
<td>1.19</td>
<td>1.14</td>
<td>1.12</td>
</tr>
</tbody>
</table>

Revenue development

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

Book-to-bill*

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.5</td>
<td>1.5</td>
<td>1.1</td>
<td>0.8</td>
<td>0.7</td>
</tr>
</tbody>
</table>

*See appendix for definition
Automotive (ATV)

Revenues

<table>
<thead>
<tr>
<th>Quarterly Revenues</th>
<th>[EUR m]</th>
<th>Revenues Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>836</td>
<td>+1%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>867</td>
<td></td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>846</td>
<td>+6%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>875</td>
<td></td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>888</td>
<td></td>
</tr>
</tbody>
</table>

Segment Result

<table>
<thead>
<tr>
<th>Quarterly Segment Result</th>
<th>[EUR m]</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>120</td>
<td>14.4%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>127</td>
<td>14.6%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>117</td>
<td>13.8%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>112</td>
<td>12.8%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>98</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Book-to-bill

<table>
<thead>
<tr>
<th>Quarterly Book-to-bill</th>
<th>Book-to-bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>1.6</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>1.5</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>1.1</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>0.8</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>0.8</td>
</tr>
</tbody>
</table>

› 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

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>349</td>
<td>361</td>
<td>352</td>
<td>347</td>
<td>357</td>
<td></td>
</tr>
</tbody>
</table>

Segment Result

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>73</td>
<td>69</td>
<td>67</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>20.3%</td>
<td>20.2%</td>
<td>19.6%</td>
<td>19.3%</td>
<td>15.4%</td>
<td></td>
</tr>
</tbody>
</table>

Book-to-bill

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4</td>
<td>1.4</td>
<td>1.1</td>
<td>0.7</td>
<td>0.7</td>
<td></td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>580</td>
<td>651</td>
<td>617</td>
<td>591</td>
<td>598</td>
</tr>
</tbody>
</table>

Segment Result

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>137</td>
<td>181</td>
<td>155</td>
<td>132</td>
<td>145</td>
</tr>
<tr>
<td>Margin</td>
<td>23.6%</td>
<td>27.8%</td>
<td>25.1%</td>
<td>22.3%</td>
<td>24.2%</td>
</tr>
</tbody>
</table>

Book-to-bill

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.8</td>
<td>1.7</td>
<td>0.9</td>
<td>0.7</td>
<td>0.5</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenues [EUR m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>175</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>163</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>149</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>164</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>167</td>
</tr>
</tbody>
</table>

Segment Result

<table>
<thead>
<tr>
<th>Period</th>
<th>Result [EUR m]</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>29</td>
<td>16.6%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>24</td>
<td>14.7%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>16</td>
<td>10.7%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>19</td>
<td>11.6%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>19</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

Book-to-bill

<table>
<thead>
<tr>
<th>Period</th>
<th>Book-to-bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>0.8</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>0.9</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>1.3</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>0.9</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>0.8</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th></th>
<th>Gross profit as reported [EUR m]</th>
<th>Gross margin as reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>742</td>
<td>38.2%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>814</td>
<td>39.8%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>779</td>
<td>39.5%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>749</td>
<td>37.8%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>735</td>
<td>36.5%</td>
</tr>
</tbody>
</table>

Therein non-segment result charges [EUR m]

|          | 18 | 18 | 16 | 15 | 14 |

Adjusted gross margin

|          | 39.2% | 40.6% | 40.4% | 38.5% | 37.2% |

#### R&D

<table>
<thead>
<tr>
<th></th>
<th>R&amp;D expenses [EUR m]</th>
<th>R&amp;D expenses as % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>218</td>
<td>11.2%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>223</td>
<td>10.9%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>236</td>
<td>12.0%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>236</td>
<td>11.9%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>243</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

Therein non-segment result charges [EUR m]

|          | 2 | 2 | 1 | 1 | 1 |

#### SG&A

<table>
<thead>
<tr>
<th></th>
<th>SG&amp;A expenses [EUR m]</th>
<th>SG&amp;A expenses as % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>210</td>
<td>10.8%</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>227</td>
<td>11.1%</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>218</td>
<td>11.1%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>212</td>
<td>10.7%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>214</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

Therein non-segment result charges [EUR m]

|          | 17 | 14 | 15 | 11 | 13 |

Adjusted SG&A expenses

|          | 39.2% | 40.6% | 40.4% | 38.5% | 37.2% |
Investments and D&A

## Investments

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Investments [EUR m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>280</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>417</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>408</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>349</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>344</td>
</tr>
</tbody>
</table>

## D&A

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Segment Result-related D&amp;A [EUR m]</th>
<th>Non-SR-related D&amp;A [EUR m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>219</td>
<td>193</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>226</td>
<td>201</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>230</td>
<td>204</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>233</td>
<td>212</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>238</td>
<td>217</td>
</tr>
</tbody>
</table>
## Cypress Financing: Important first steps accomplished

<table>
<thead>
<tr>
<th>STEP 1</th>
<th>Underwriting of full acquisition amount by 3 banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEP 2</td>
<td>Confirmation of investment grade rating by Standard &amp; Poor's</td>
</tr>
<tr>
<td>STEP 3</td>
<td>Equity de-risking: Raise of €1.5bn via ABB</td>
</tr>
<tr>
<td>STEP 4</td>
<td>Successful syndication of acquisition facility to 20 national and international banks</td>
</tr>
</tbody>
</table>
| NEXT    | - Refinancing of remaining bridge and term loan through capital markets  
          - Deleveraging – return to target level ≤ 2x Gross Debt EBITDA in 2023 |
FCF and RoCE

**FCF from continued operations**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FCF (EUR m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY18</td>
<td>192</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>227</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>-221*</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>-137</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>63**</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Outlook Q4 FY19* (compared to Q3 FY19)</th>
<th>Outlook FY19*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Increase of 1% +/- 2%-points</td>
<td>€8.0bn</td>
</tr>
<tr>
<td>Segment Result Margin</td>
<td>At the mid-point of the revenue guidance: ~14.5%</td>
<td>~16%</td>
</tr>
<tr>
<td>Investments in FY19</td>
<td></td>
<td>~€1.5bn</td>
</tr>
<tr>
<td>D&amp;A in FY19</td>
<td></td>
<td>~€1.0bn**</td>
</tr>
</tbody>
</table>

* 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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