

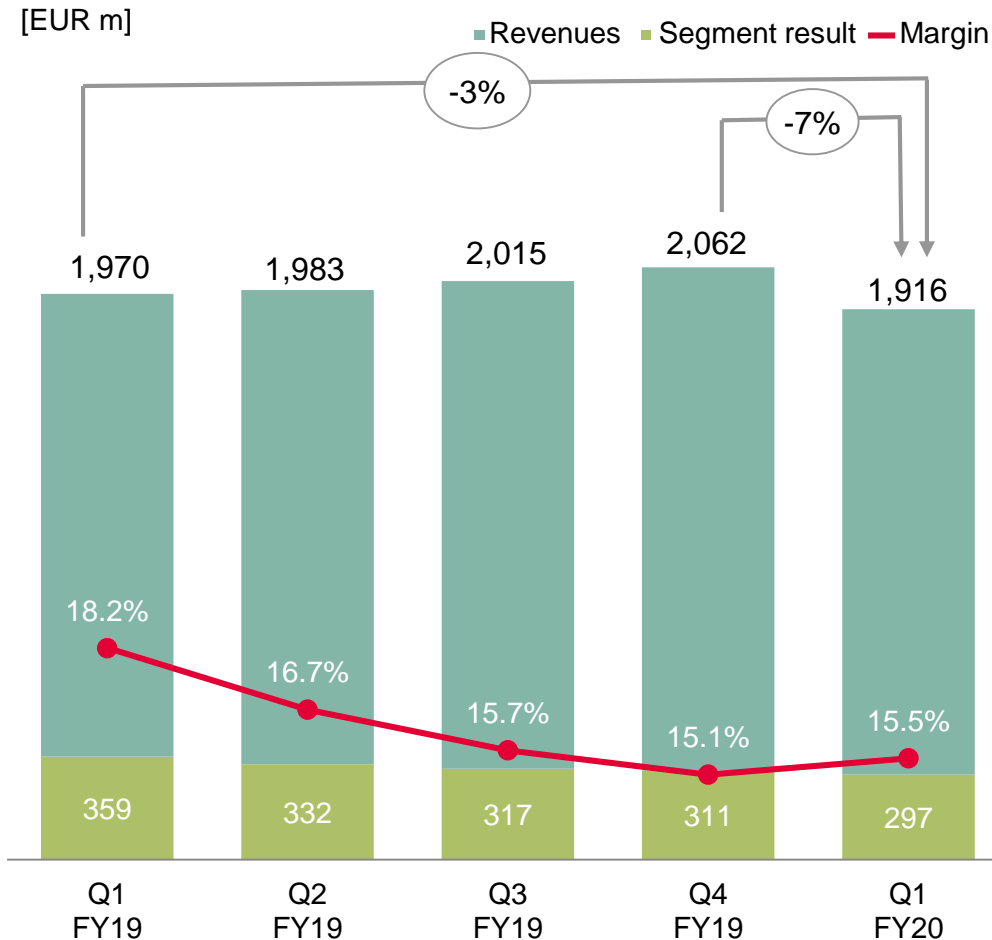
First Quarter FY 2020 Analyst Call

Infineon Technologies AG
Investor Relations



Group financial performance

Revenues and segment result



USD impact on revenue

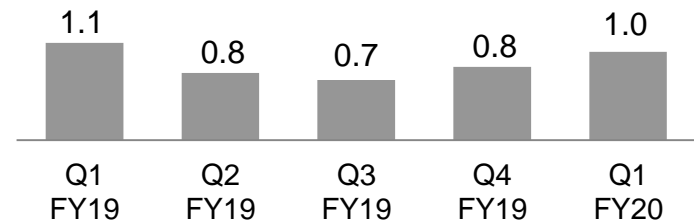
Average exchange rate

	Q1 FY19	Q4 FY19	Q1 FY20
Ø USD/EUR	1.14	1.11	1.11

Revenue development

	q-q	y-y
As reported	-7%	-3%
At const. USD/EUR	-7%	-4%

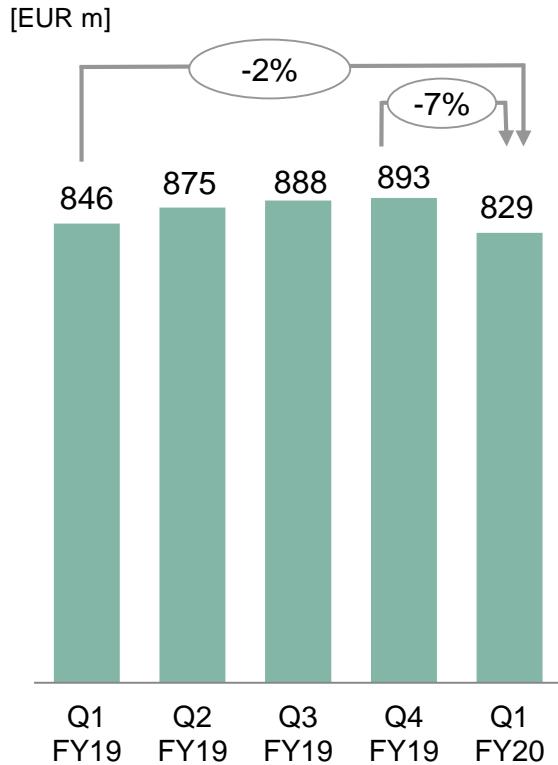
Book-to-bill*



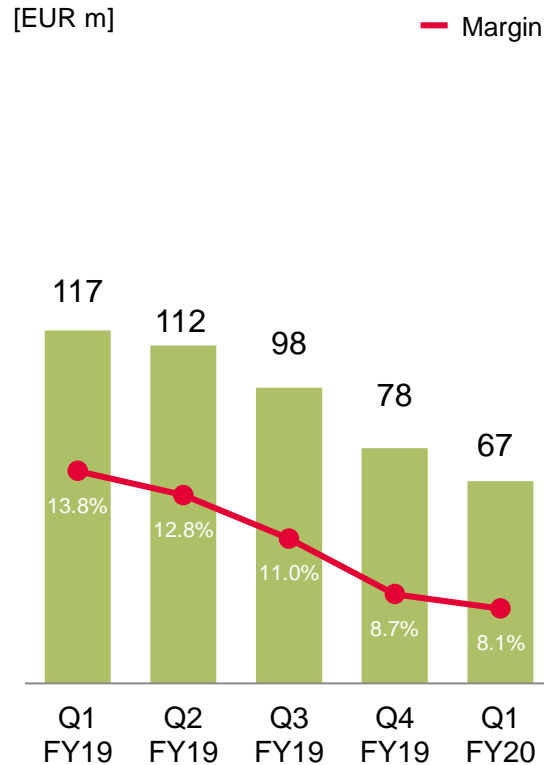
*See appendix for definition

Automotive (ATV)

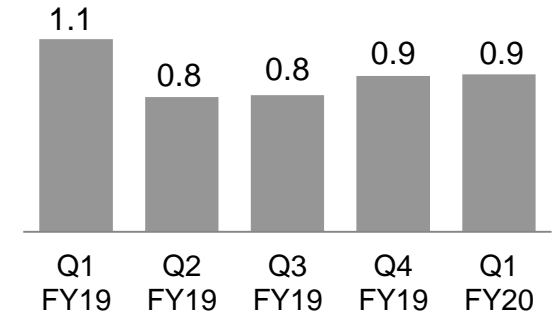
Revenues



Segment Result



Book-to-bill

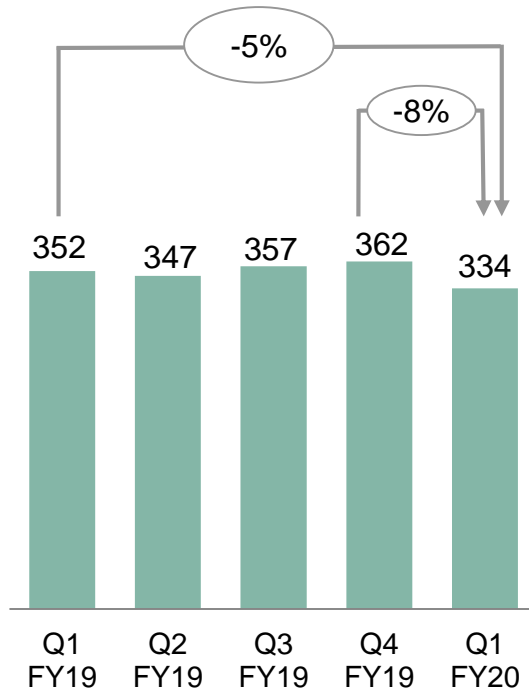


- › Practically all applications affected by global decline in car production; China having the biggest impact
- › Segment Result continues to be burdened by underutilization charges; impact of lower revenues partly compensated by a one-off inventory valuation effect and cost containment

Industrial Power Control (IPC)

Revenues

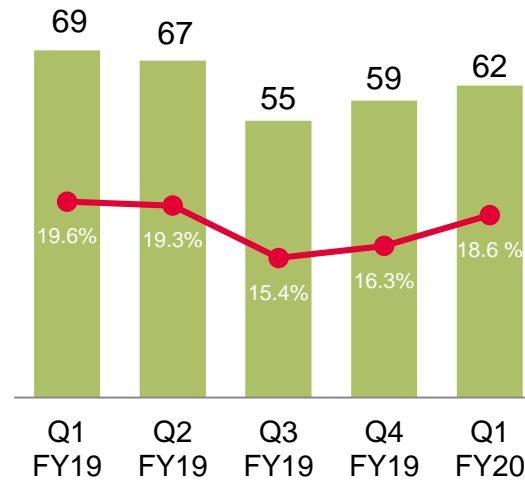
[EUR m]



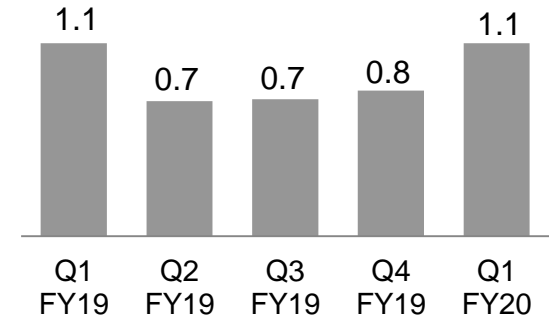
Segment Result

[EUR m]

— Margin



Book-to-bill

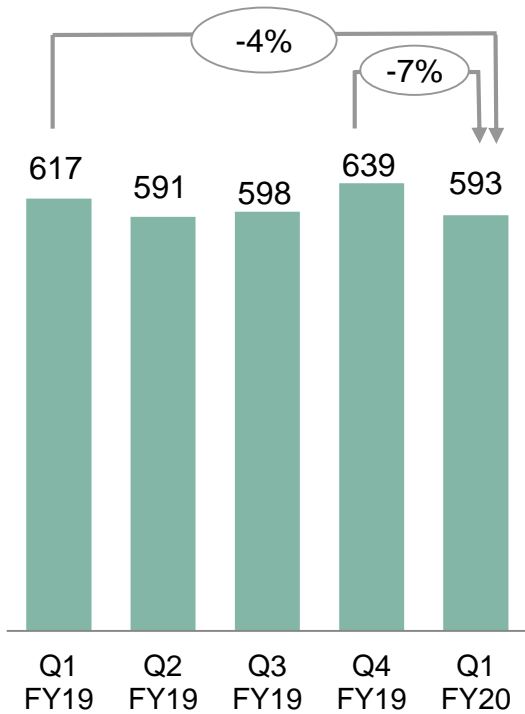


- › Solar remains resilient, positive development for traction and power transmission
- › Industrial drives still sluggish, wind and home appliances faced seasonal weakness
- › Margin increase despite lower revenue due to non-recurring inventory valuation effect and cost saving

Power Management & Multimarket (PMM)

Revenues

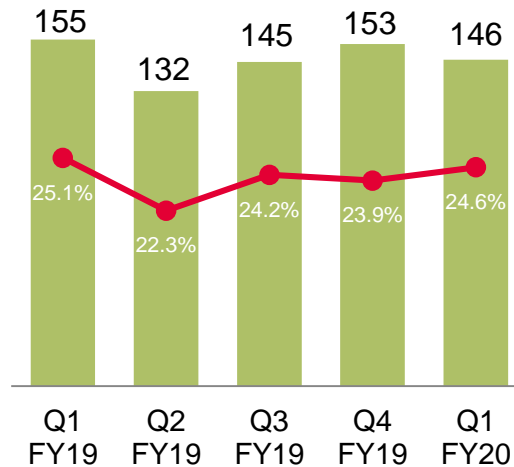
[EUR m]



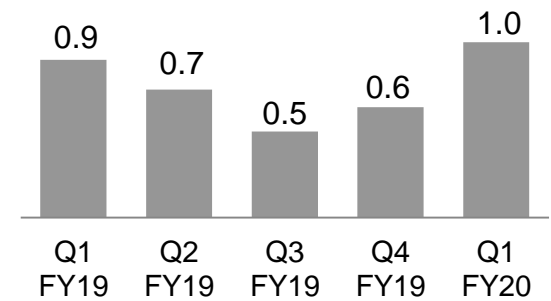
Segment Result

[EUR m]

— Margin



Book-to-bill

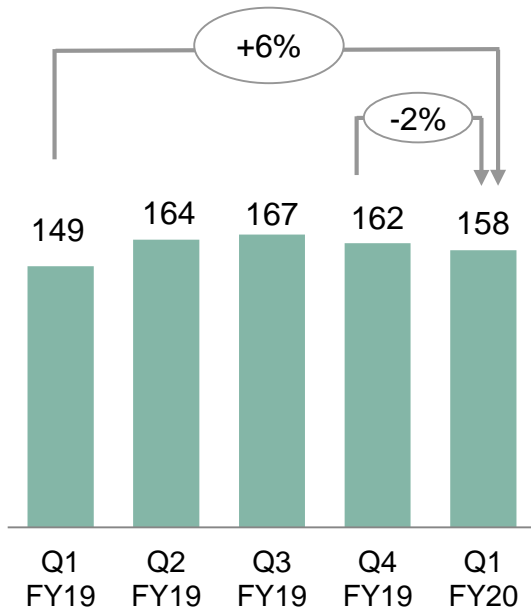


- › Strong market uptake of silicon microphones cushioned seasonality in mobile handsets
- › Stock depletion by distributors across many product areas is building the foundation for future growth
- › Margin improvement related to inventory effects and cost containment measures

Digital Security Solutions (DSS)

Revenues

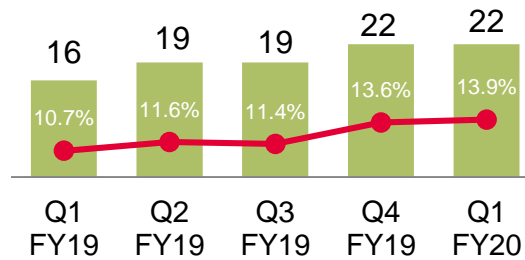
[EUR m]



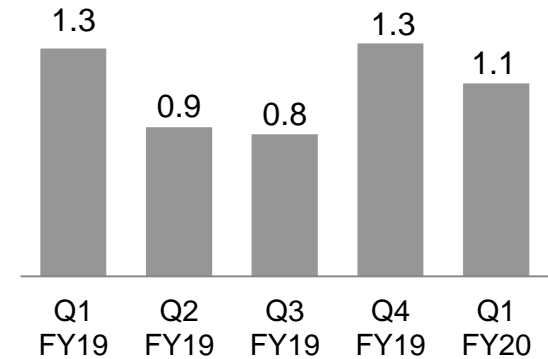
Segment Result

[EUR m]

— Margin



Book-to-bill

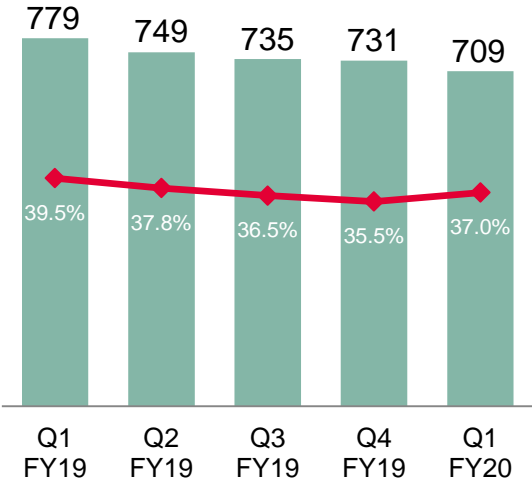


- › Increasing sales for authentication solutions and embedded SIM for automotive and industrial applications
- › Payment bare die and module business declined
- › Slight margin uptick due to shift in product mix and cost-saving measures

Gross margin and Opex

Gross profit

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



Therein non-segment result charges [EUR m]

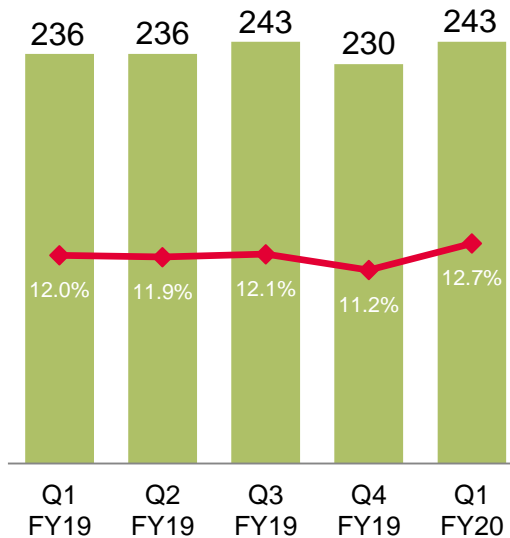
16	15	15	17	18
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Adjusted gross margin

39.5%	38.5%	37.2%	36.3%	37.9%
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R&D

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

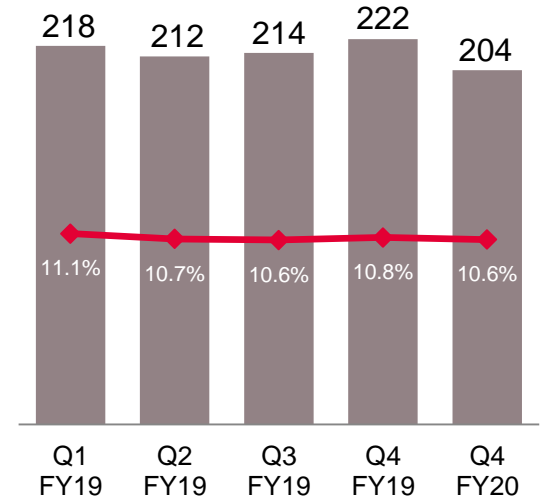


Therein non-segment result charges [EUR m]

1	1	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]

15	11	12	12	13
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Outlook for Q2 FY20 and FY20

	Outlook Q2 FY20* (compared to Q1 FY20)	Outlook FY20*
Revenue	Increase of 5% +/- 2%-points	Increase of 5% +/- 2%-points
Segment Result Margin	At the mid-point of the revenue guidance: ~14%	At the mid-point of the revenue guidance: ~16%
Investments in FY20		~€1.3bn**
D&A in FY20		~€1.0bn***

* Based on an assumed average exchange rate of \$1.13 for €1.00

** Includes ~€400m for cleanroom, office buildings and structural changes

*** Including D&A on tangible and intangible assets from purchase price allocation of about €60m

Key points

Q1 FY20: Anticipated revenue decline, better segment result from one-off effects & cost saving:

- › Revenue of €1,916m: -3% y-y / -7% q-q
- › Segment result margin: 15.5%

FY20: In a stabilizing market...

- › Cyclical pressures are easing, demand is normalizing
- › Broad market recovery not yet in sight

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

- › Structural growth drivers intact
- › Well positioned to benefit from any resurgence of demand
- › FY20 guidance confirmed, assuming no major impact from Coronavirus situation

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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