

Fourth Quarter FY 2020 Quarterly Update

Infineon Technologies AG
Investor Relations



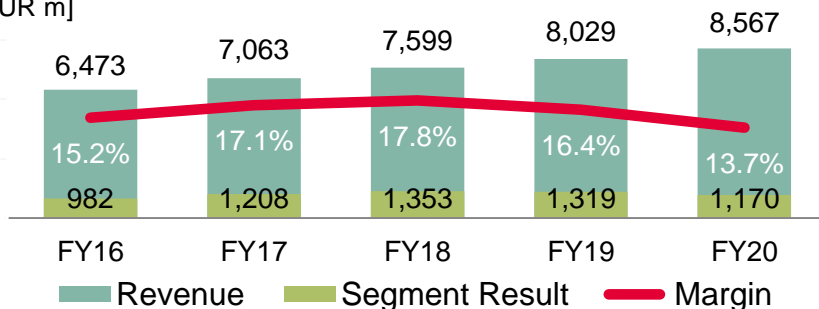
Infineon at a glance

Addressing long-term high-growth trends

- IoT (incl. data center, 5G, sensing, connectivity)
- electro-mobility
- assisted driving, autonomous driving
- energy efficiency, renewable energies
- security

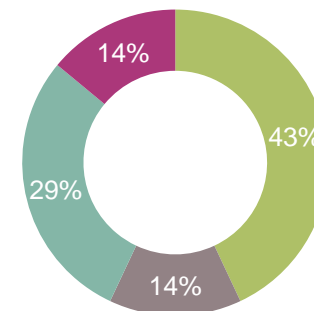
Financials

[EUR m]

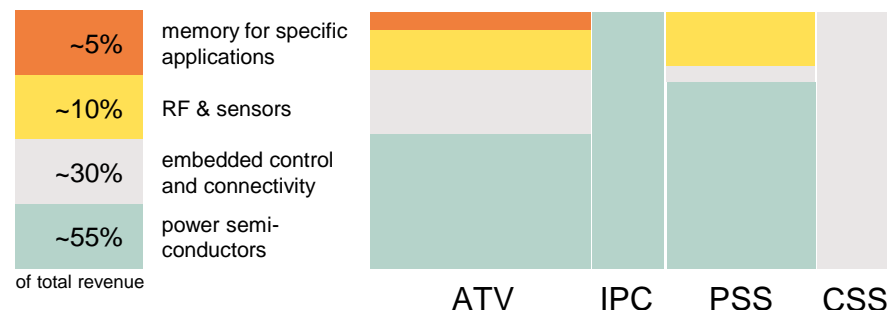


Illustrative aggregated FY20 revenue by segment

- Automotive (ATV)
- Industrial Power Control (IPC)
- Power & Sensor Systems (PSS)
- Connected Secure Systems (CSS)

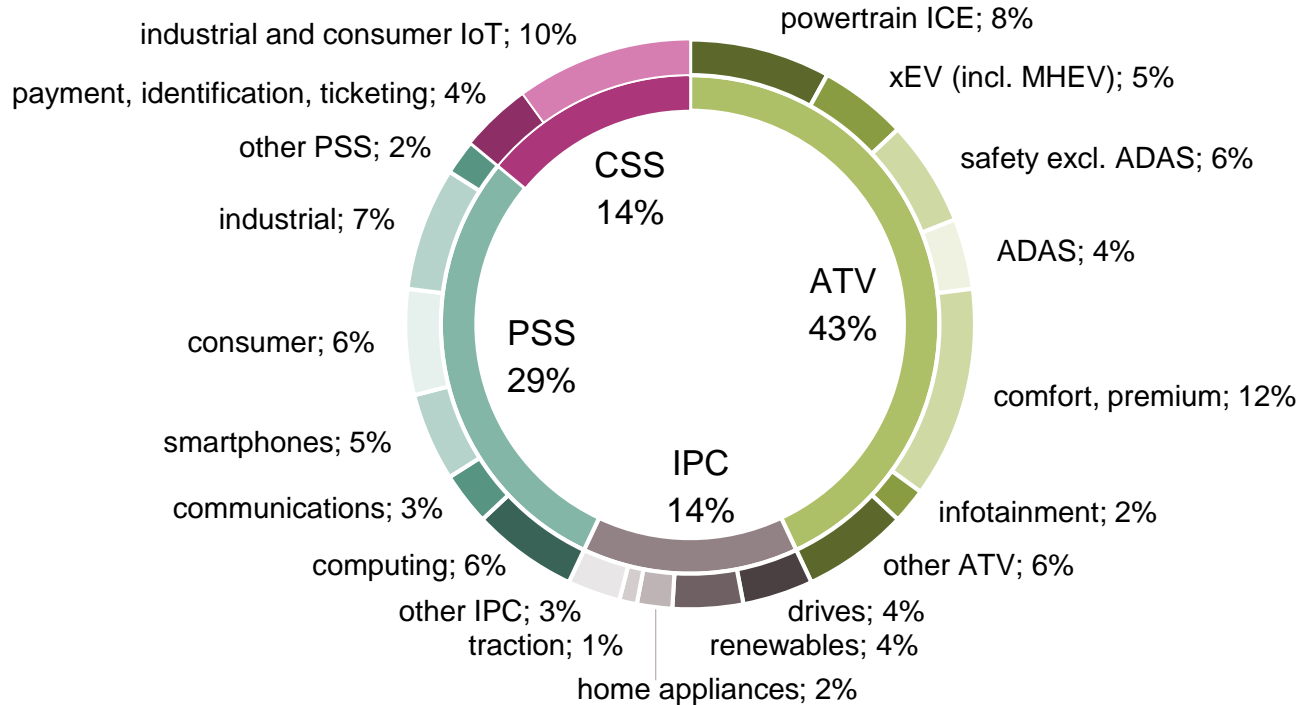


Illustrative aggregated FY20 revenue by product category

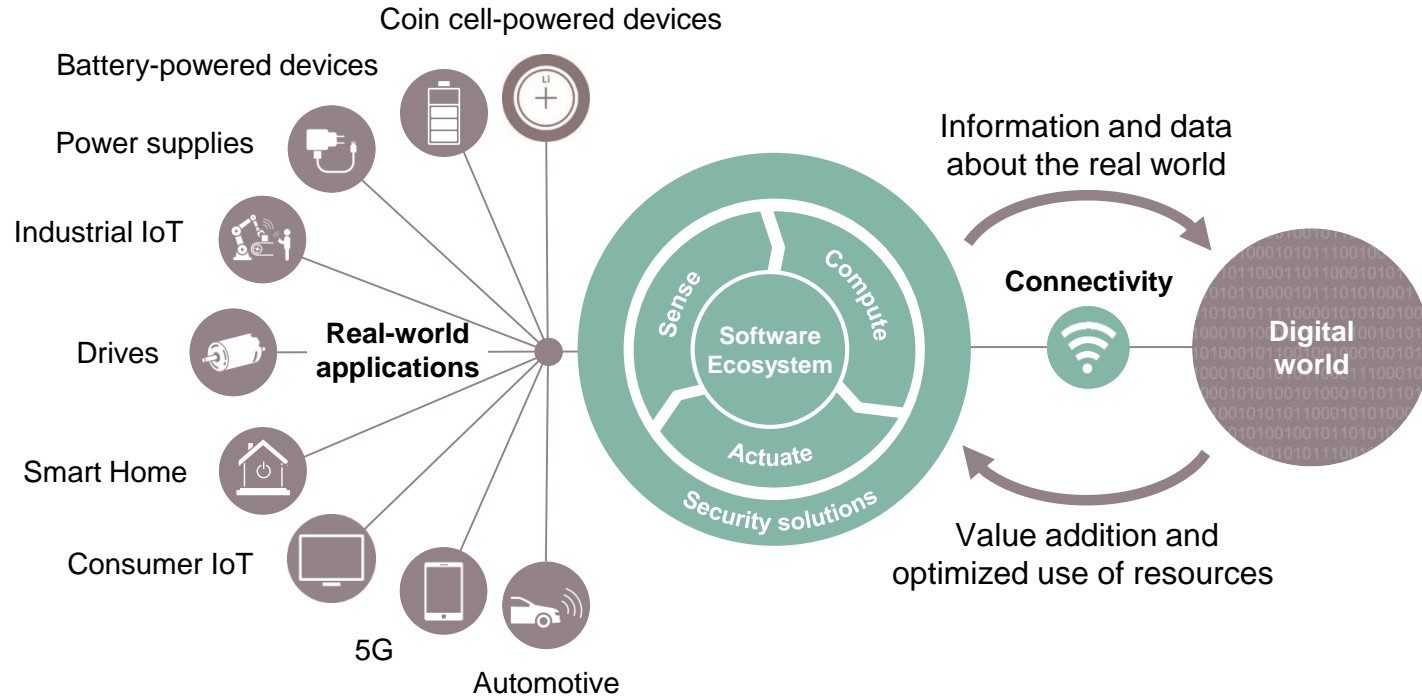


Illustrative aggregated FY20 revenue including contribution from Cypress of ~€1,900m from 1 Oct 2019 through 30 Sep 2020

Illustrative aggregated FY20 revenue of ~€9,600m by target application



Infinion offers a unique portfolio that links the real and the digital world



Sense: sensors

Compute: microcontrollers, memories

Actuate: power semiconductors

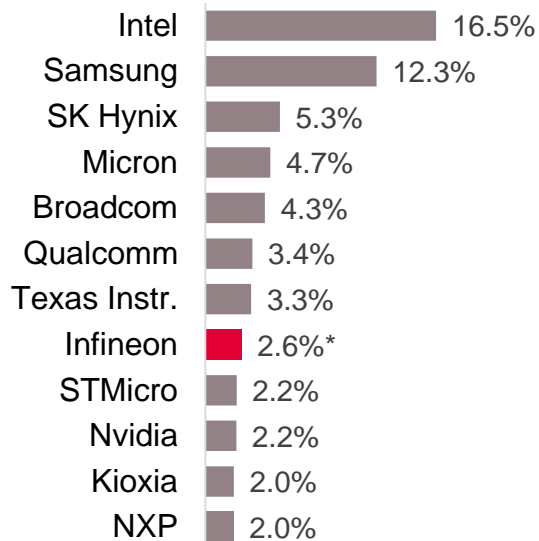
Connectivity: Wi-Fi, Bluetooth, USB

Infineon is a global top-10 player, #1 in power semiconductors, and ranked #3 in the overall microcontroller market



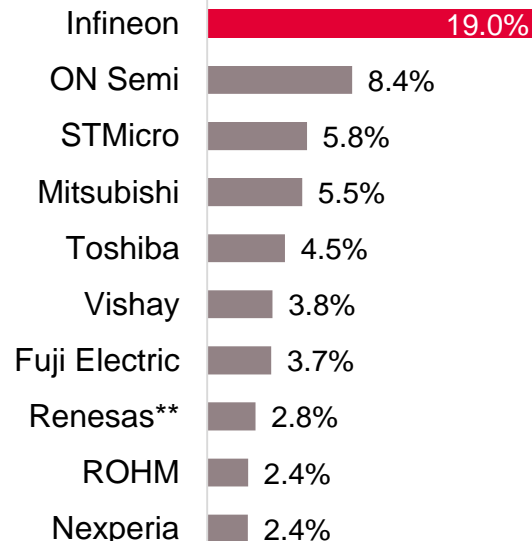
Semiconductor suppliers

2019 total market: \$428bn¹⁾



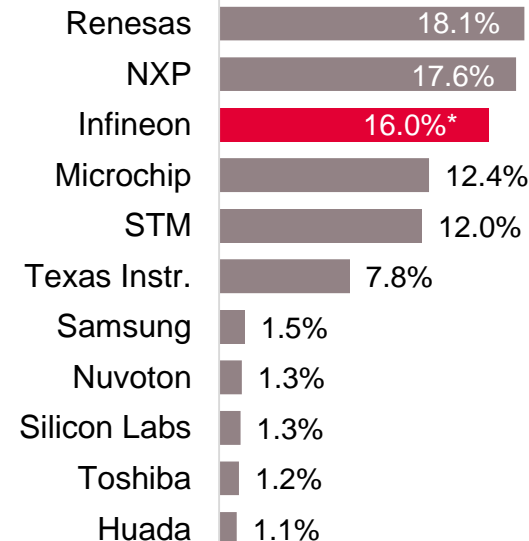
Power discretes and modules

2019 total market: \$21.0bn²⁾



MCU suppliers

2019 total market: \$17.5bn¹⁾



* including contribution from Cypress

** Renesas acquired Integrated Device Technology in March 2019. Both companies were combined as Renesas in the 2019 ranking.

1) Based on or includes research from Omdia: *Annual 2001-2019 Semiconductor Market Share Competitive Landscaping Tool – Q4 2019 v2*. March 2020

2) Based on or includes research from Omdia: *Power Semiconductor Market Share Database – 2020*. September 2020

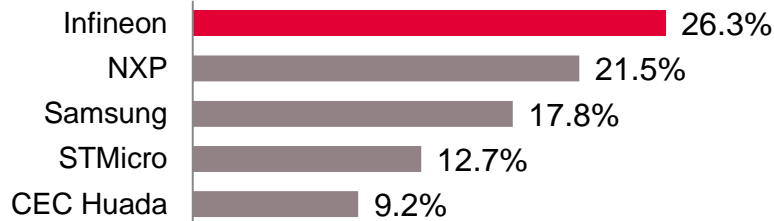
Results are not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Infinion remains top player in its target markets: security ICs, NOR Flash, and MEMS microphones



Security ICs (excl. NFC controller; excl. NFC eSE)

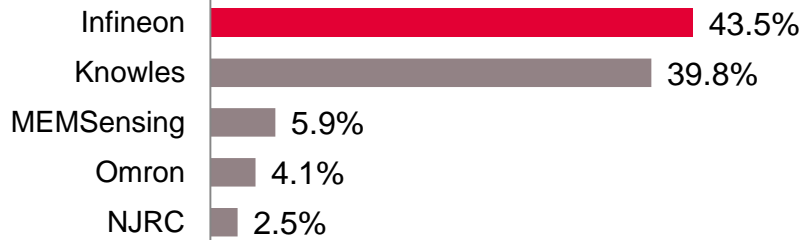
2019 total market: \$2.8bn



ABI Research: Smart Card and Embedded Security IC Technologies. October 2020

MEMS microphones die supplier

2019 total market: 5.4bn units



Based on or includes research from Omdia: MEMS Microphones Dice Market Shares 2020. October 2020.

Wi-Fi standalone ICs

2019 total market: 978m units

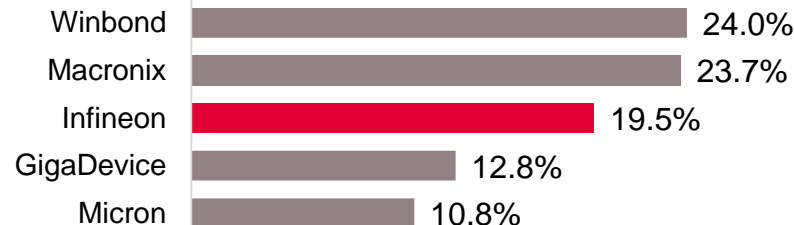
Infineon is focusing on wearables and IoT but not addressing routers, PCs, notebooks, tablets.



ABI Research: Wireless Connectivity Technology Segmentation and Addressable Markets – Q3 2020 Update. July 2020

NOR Flash

2019 total market: \$2.2bn



Based on or includes research from Omdia: Annual 2001-2019 Semiconductor Market Share Competitive Landscaping Tool – Q4 2019 v2. March 2020.

Tight customer relationships, based on system know-how and application understanding

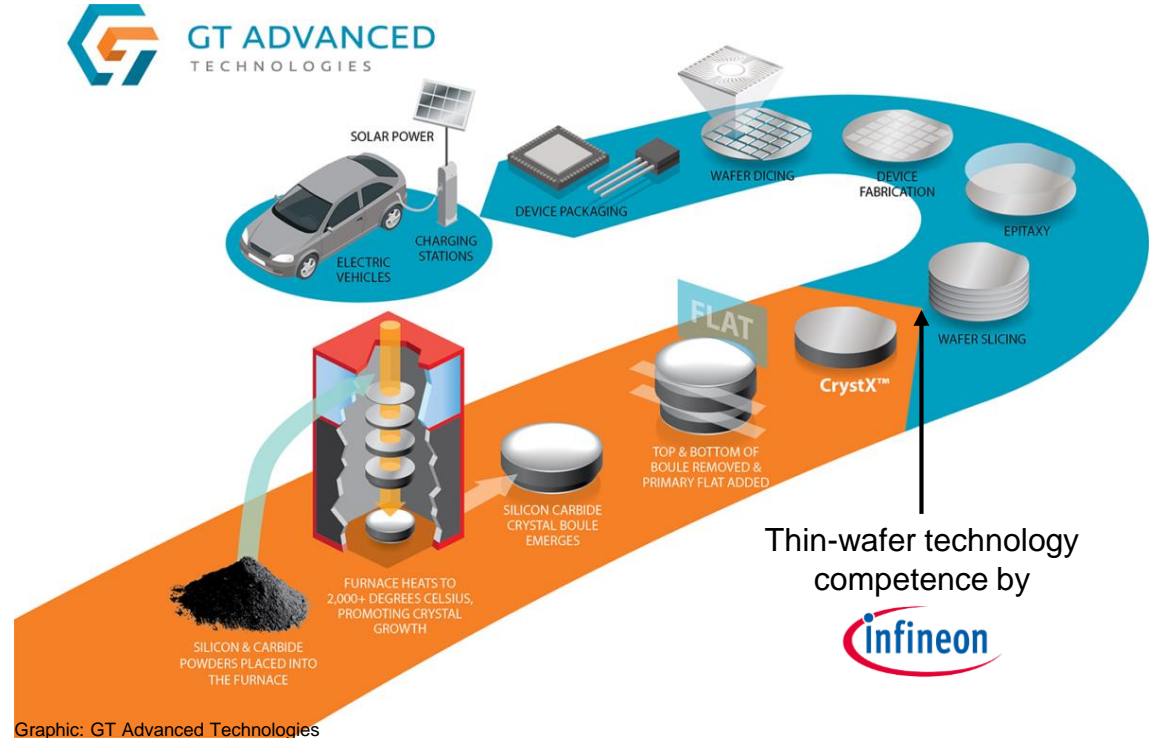
ATV	IPC	PSS	CSS	EMS partners
 	 	 	BANG & OLUFSEN 	flex Distribution partners

Infiniteon expands supply base for SiC boules with GT Advanced Technologies

Key facts of the deal

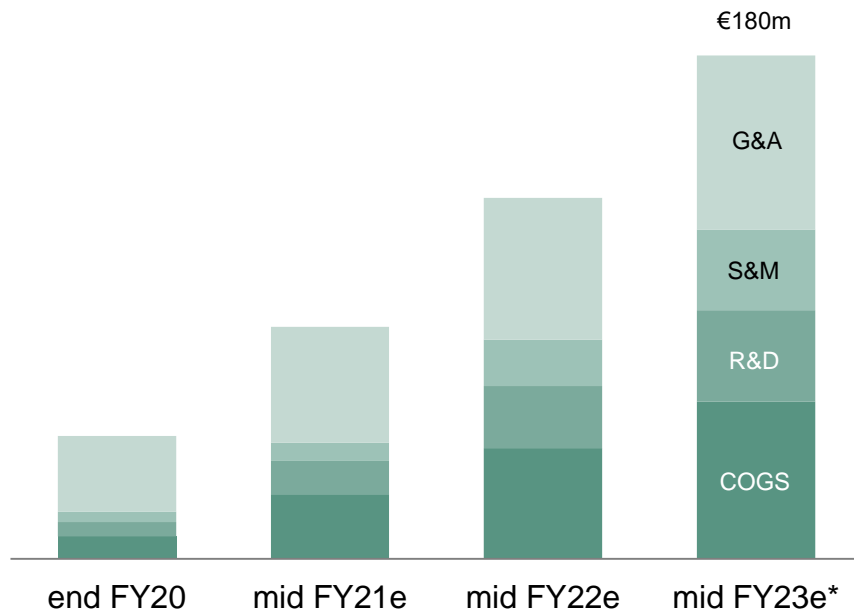
- › Based on GTAT's high-quality boules, Infineon is now enabling an additional source for competitive SiC wafers
- › Supply agreement for 150 mm SiC boules to secure growing base material demand
- › Contract has an initial term of five years

From powder to application: the main SiC process steps

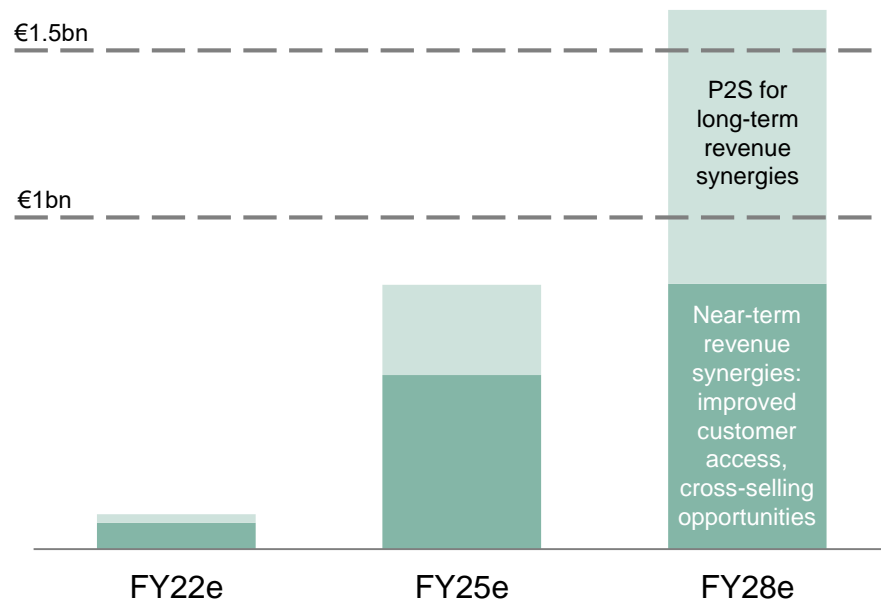


Reaping of synergies on track

Planned ramp-up of cost synergies



Planned ramp-up of revenue synergies



Expected integration and restructuring costs equivalent to ~1x cost synergies one-off over time.

* Expected cost synergies of €180m p.a. gradually ramping up over approximately three years after closing (16 April 2020).

Examples for revenue synergies across all divisions

Automotive Power Domain Controller



- › Customer: ATV joint account for intelligent multi-channel high-side switches
- › Revenue synergies: TRAVEO™ 2, SEMPER™ NOR Flash

Wireless Charging



- › Notebook customer for MOSFETs, GaN switch, driver ICs, voltage regulators, authentication, XMC microcontroller
- › Revenue synergies: Bluetooth, PSoC™, USB Type-C
- › Offering: „ready-to-use“ system solutions

Air conditioning



Haier




- › Strongly growing IPC customer for IPMs and IGBTs
- › Revenue synergies: PSoC™4 for inverterized fan control
- › Infineon considered as top player with excellent roadmap and global support

Gaming



- › Existing customer for BT/BLE and Wi-Fi
- › Security opportunities identified, e.g. authentication and secured communication
- › Combination of customer access and intimacy, plus security reputation

Further improvement of through-cycle target operating model

		Target Operating Model
		Infineon financial performance to approach targets as Cypress integration progresses
Revenue growth		9%+
Segment Result margin		19%
Investment-to-sales		13%

Outlook for Q1 FY21 and FY21

	Outlook Q1 FY21*	Outlook FY21*
Revenue	€2.4bn – €2.7bn	~ €10.5bn plus or minus 5%
Segment Result Margin	At the mid-point of the revenue guidance: ~16%	At the mid-point of the revenue guidance: ~16.5%
Investments in FY21		€1.4bn – €1.5bn
D&A in FY21		€1.5bn – €1.6bn**
Free cash flow in FY21		> €700 million

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

** Including the effects of the purchase price allocation for Cypress and, to a lesser extent, International Rectifier

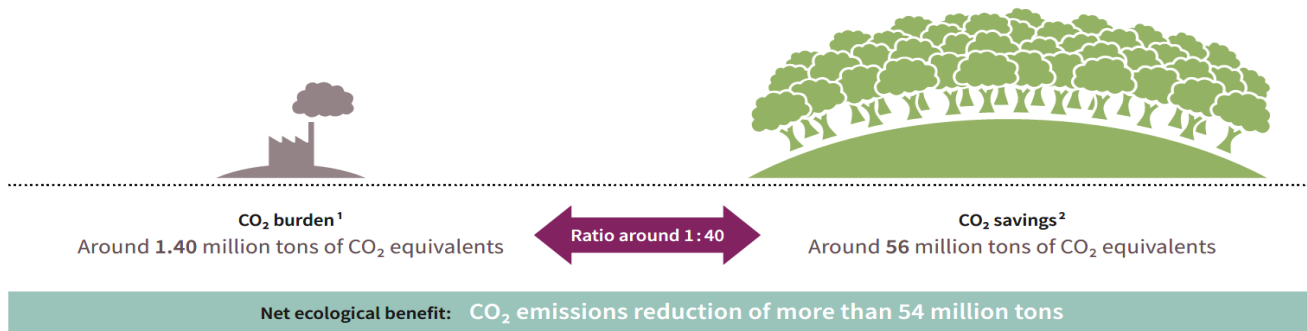


ESG: targets and achievements




Our products and innovations together with an efficient production are key elements to deal with climate change

We contribute a CO₂ reduction of more than 54 million tons*




* Updated figures will be available on 23 Nov 2020 – as part of the new sustainability report


Our net ecologic CO₂ benefit is equal to ...



The savings of a 1,795 km² photovoltaic powerplant.³⁾



The average annual electricity consumption of about 86 million people living in Europe.⁴⁾



48,700 fully occupied flights of an Airbus A380 from Munich to Singapore.⁵⁾

For footnotes please see page “ESG footnotes” in the appendix.

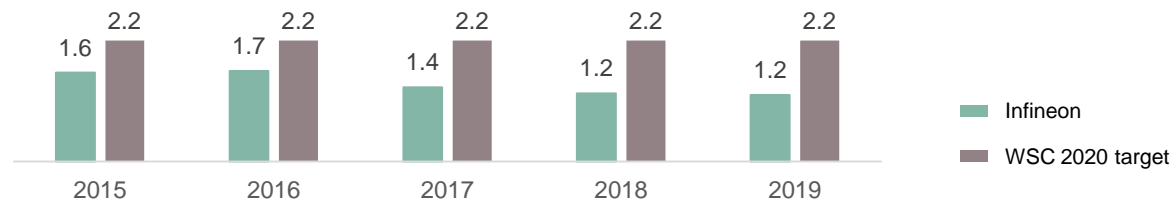
Infineon will become carbon-neutral by 2030

70% CO₂ emissions reduction target in 2025 (Scope 1 and 2 emissions)

1. Avoiding direct emissions and further reducing energy consumption
2. Purchasing green electricity with guarantees of origin for unavoidable emissions
3. Compensate the smallest part by certificates that combine development support and CO₂ abatement

Abatement of Perfluorinated Compounds (PFCs)¹ is one of the most important measures avoiding direct emissions.

Normalized PFC emissions rate in tons of CO₂ equivalent per m² wafer area²












Historically, Infineon's normalized emission rate has been below WSC 2020 target of 2.2 tons of CO₂ equivalent per m² wafer area.

1) Namely perfluorinated and polyfluorinated carbon compounds, sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃)

2) Updated figures will be available on 23 Nov 2020 – as part of the new sustainability report

External recognitions confirm our engagement in contributing to a sustainable society

		Rating/Score	Scale	Date
	MSCI ESG	AA	CCC to AAA	02/2020
	CDP	B climate scoring B- water scoring	F to A	02/2020
	Ecovadis	98 th percentile “Gold” award	0 to 100	11/2019
	Dow Jones Sustainability Index	79 DJ Sustainability™ World Index listing	0 to 100	09/2019
	Ethibel Sustainability Index Excellence Europe”	Index member	-	06/2020
	ISS ESG Corporate Rating	C+ Prime Status	D- to A+	06/2020
	FTSE4Good Index	Index member	-	07/2020
	Euronext Vigeo Eurozone 120 Index Euronext Vigeo Europe 120 Index	Indices member	-	06/2020
	Sustainalytics	77 “Outperformer” level	0 to 100	06/2020



Automotive



Mid-term market outlook for ATV division's target applications

Application (% of FY20 segment rev)

Market Outlook for CY21



- › Y-Y recovery with unit growth at mid-teens %
- › Continued uncertainties related to market development mainly due to COVID-19 pandemic



- › Incentives and CO₂ regulations should keep demand high; especially in Europe
- › Improving consumer sentiment around sustainability theme
- › Steady investments in EV charging infra-structure further lowering reservation towards EVs

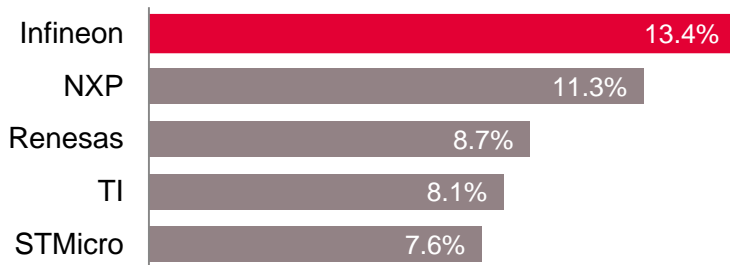


- › Further increase in L1 and L2 penetration expected
- › L2+ shipments still at the initial phase

Infiniteon's top market position is built on system competence based on an industry-leading product portfolio

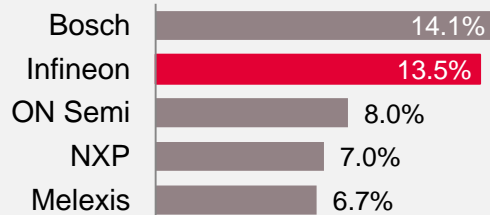


Automotive semiconductors (2019 total market: \$37.2bn)

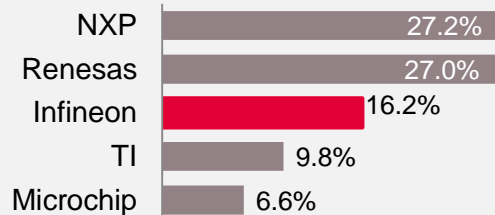


- › New #1 in the total market post acquisition of Cypress
- › Solid #1 in power despite xEV subsidies cut in China in H2 CY19
- › Undisputed #1 in automotive NOR Flash memory
- › Fostering #2 in sensors (from 10.4%_{CY12} to 13.5%_{CY19})
- › Significant market share gain in microcontroller – both organically (strong demand for AURIX™) and via Cypress acquisition

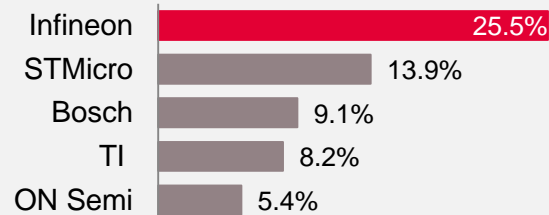
Sensors



Microcontrollers



Power semiconductors



Source: Strategy Analytics: *Automotive Semiconductor Vendor Market Shares v2*. May 2020. The market shares shown here are the combined market shares of Infineon and Cypress based on their individual figures.

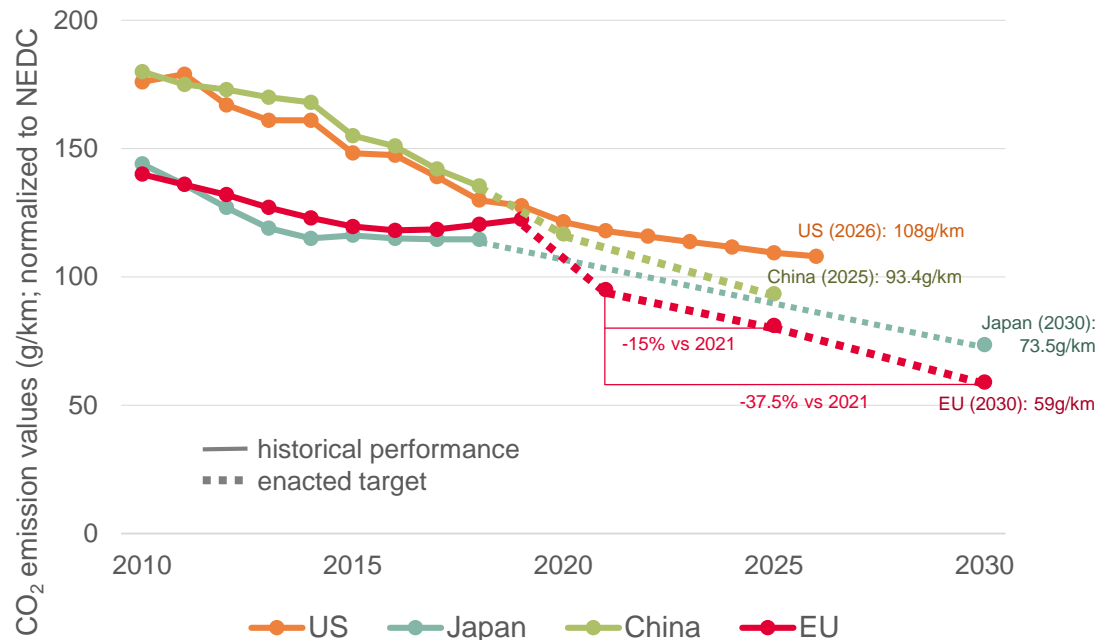


Electro-mobility



Trends toward electrification of cars remain unchanged; driven by more stringent legal guidelines

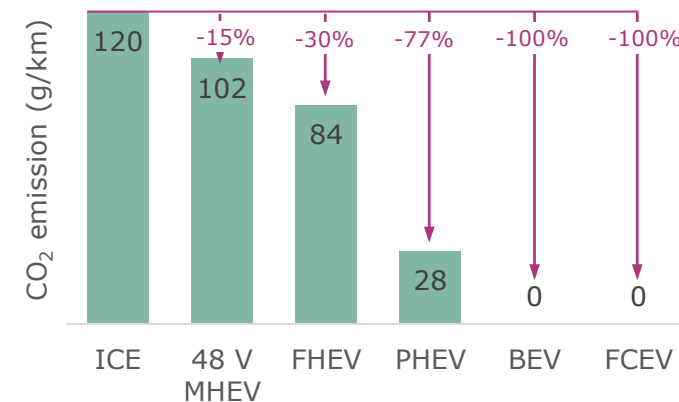
Passenger car CO₂ emission development and regional regulations



Source: The International Council on Clean Transportation (ICCT): *Passenger vehicle fuel economy*. May 2020.

CO₂ emission by degree of electrification

CO₂ emission: Tank-to-wheel

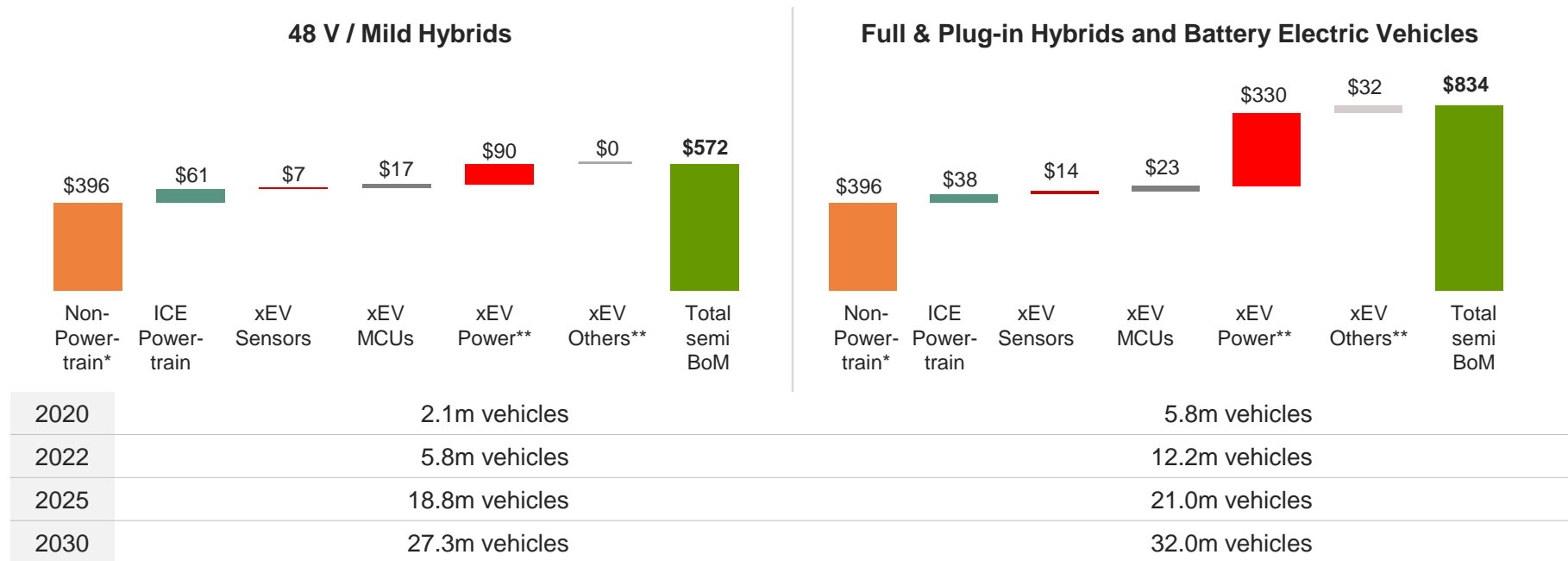


- › EU continues towards stringent emission standards
- › Recently, the governor of California signed an executive order mandating that all new cars to be sold in California from 2035 must be zero-emission vehicles

The incremental content of power semiconductors in xEV is a significant opportunity for Infineon



2020 average xEV semiconductor content by degree of electrification



* Non-Powertrain: average semiconductor content in body, chassis, safety and infotainment application segments

** "power" includes voltage regulators and ASIC; "others" include opto, small signal discretes, memory

Source: Infineon; based on or includes content supplied by IHS Markit, Automotive Group: *Alternative Propulsion Forecast*. July 2020;

Strategy Analytics: *Automotive Semiconductor Demand Forecast 2018-2027* and *Automotive Sensor Demand 2018-2027*. July 2020

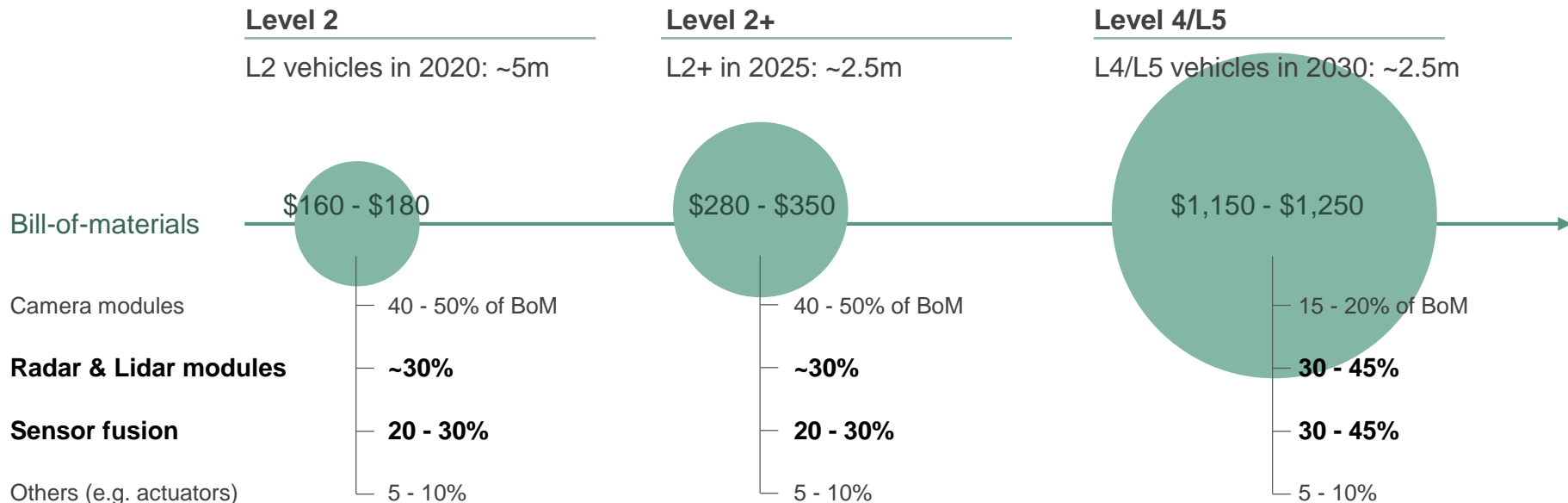


Automated Driving



Radar/Lidar modules and sensor fusion will grab the lion's share of semiconductor BoM in ADAS/AD-equipped cars

Incremental average semiconductor content per car by level of automation at the given years

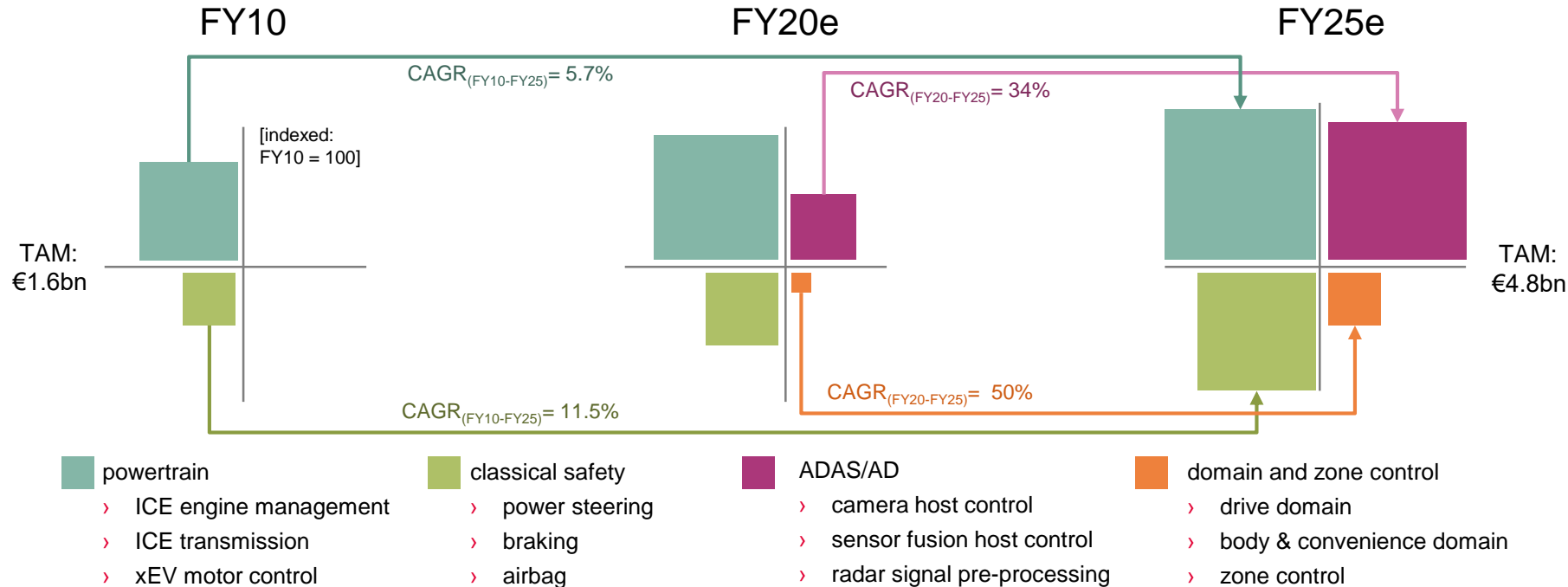


Source: Strategy Analytics: *Automated Driving Semiconductor Market Estimate*. August 2020; Infineon
BoM contains all type of semiconductors (e.g. radar modules include μ C); sensor fusion does not include memory.
BoM are projected figures for the respective time frame.

The Infineon AURIX™ μ C family has become the first-choice automotive architecture for high-growth and safety-critical applications



Infineon AURIX™ revenue development over time



Source: Infineon; Strategy Analytics: *Automotive Semiconductor Demand Forecast*. February 2020. Covering Infineon target markets; excl. body, comfort, infotainment.

Strong microcontroller footprint in next-generation high-volume platforms



OEM platform #1:

- › 14 MCUs (+ NOR Flash + Wi-Fi)
- › start of production: end of CY20

Engine control module AURIX™ TC38x	Braking AURIX™ TC39x	AD fusion standard AURIX™ TC39x	Instrument cluster NOR Flash S26KS512
Drivetrain control module AURIX™ TC23x	Airbag AURIX™ TC23x	AD fusion high-end AURIX™ TC39x	Infotainment module 89359 (Wi-Fi / Bluetooth)
Transmission control module AURIX™ TC27x	Electric power steering AURIX™ TC27x	Central AD decision module AURIX™ TC39x	Central AD module NOR Flash S70FL01G S25FL512 S25FS512
Automatic gear shifter module AURIX™ TC23x	Automatic sway bar AURIX™ TC23x	Secure gateway module AURIX™ TC39x	
Electronic slip differential AURIX™ TC23x	Map driver assistance AURIX™ TC39x		

OEM platform #2:

- › 20 MCUs
- › start of production: CY22

Engine management AURIX™ TC38x	Braking AURIX™ TC38x	AD fusion standard AURIX™ TC39x	Cluster TFT module FCR4 MB9DF125
Diesel engine management AURIX™ TC39x	Airbag AURIX™ TC37x	AD fusion high-end AURIX™ TC39x	8" rear-seat entertainment TrueTouch TMA78
Transmission control module AURIX™ TC38x	Electric power steering AURIX™ TC36x	Front camera AURIX™ TC37x	10" navigation module TrueTouch TMA1036
Inverter PHEV AURIX™ TC38x	Suspension CVC AURIX™ TC38x	Radar domain processing AURIX™ TC39x	Climate, gearshift MMI FR CY91xxx
Door module FR MB91520	Alarm system module FR MB91F520	Digital instrument cluster Traveo I S6J332	Head light module FR MB91F525

Infineon heritage

Cypress heritage



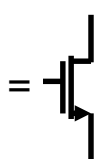
Infineon's Power Strategy



Infineon's portfolio covers the entire range of power and frequency

What is a power switch?

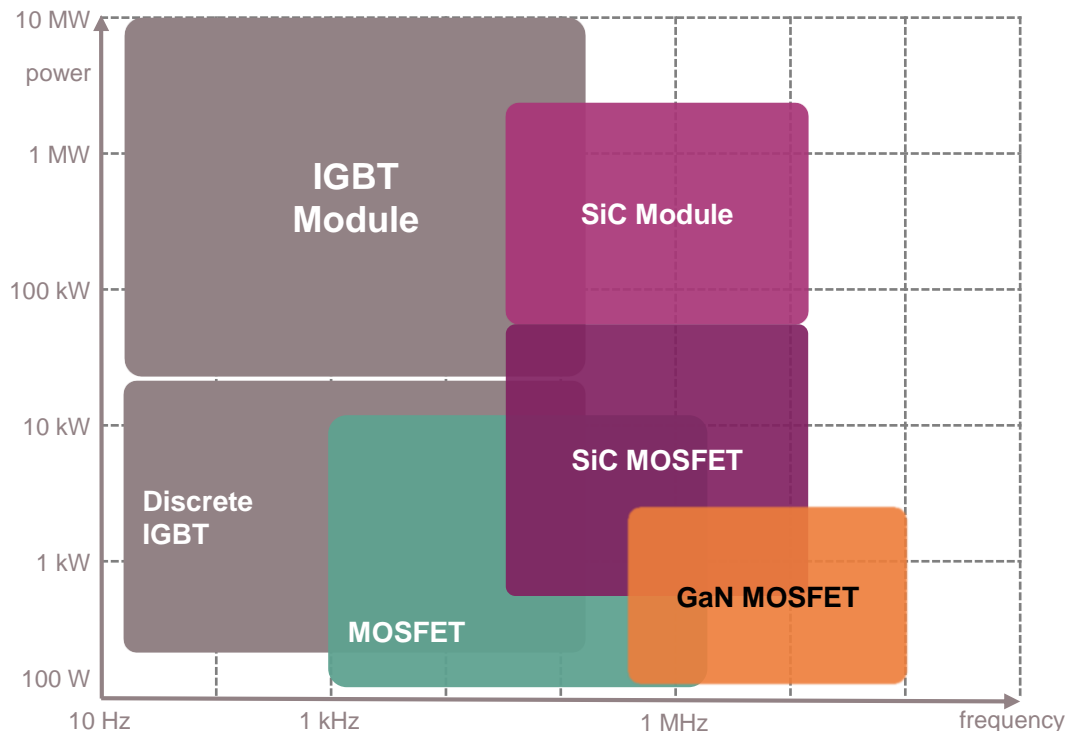



 When turned on
 → current flows
 When turned off
 → current is blocked

What counts?

- > Losses in on-state ($R_{DS(on)}$)
- > Heat dissipation
- > Max. switching frequency
- > Die size
- > Package size (form factor)

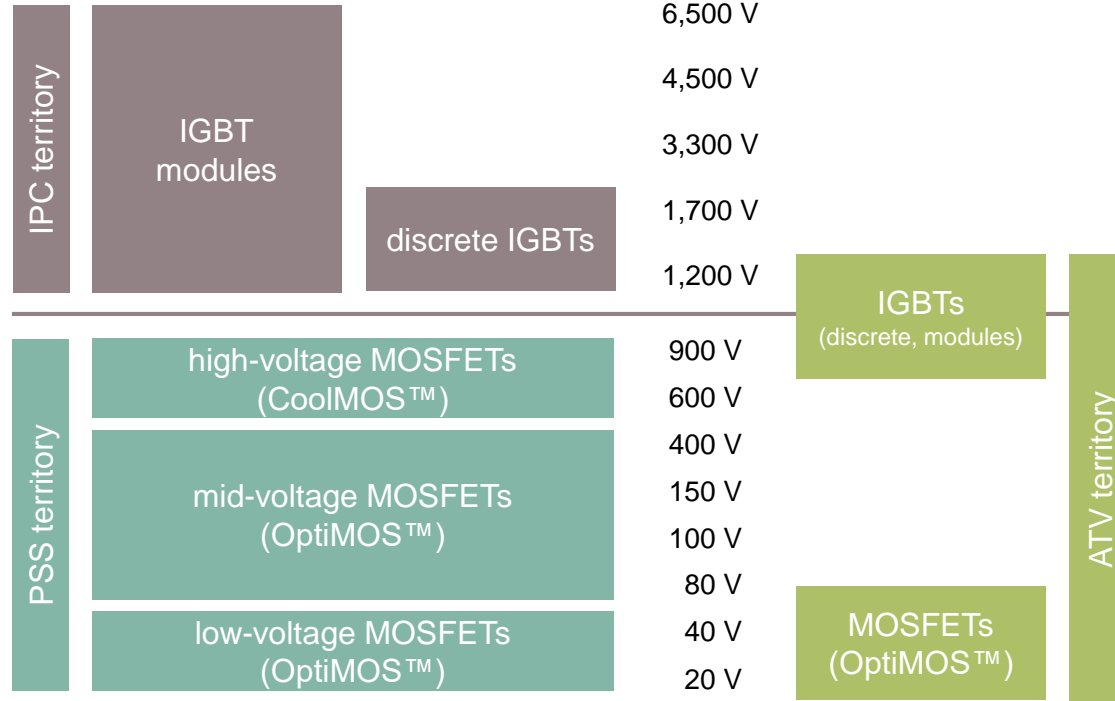
How are power switches categorized?



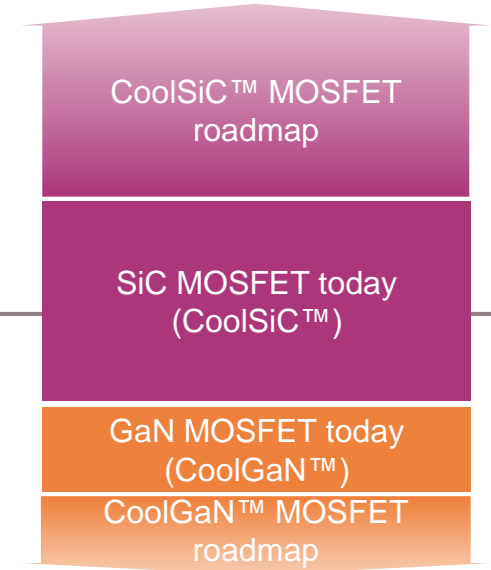
Infiniteon's discrete power portfolio* is basically separated by voltage classes



Silicon-based power switches



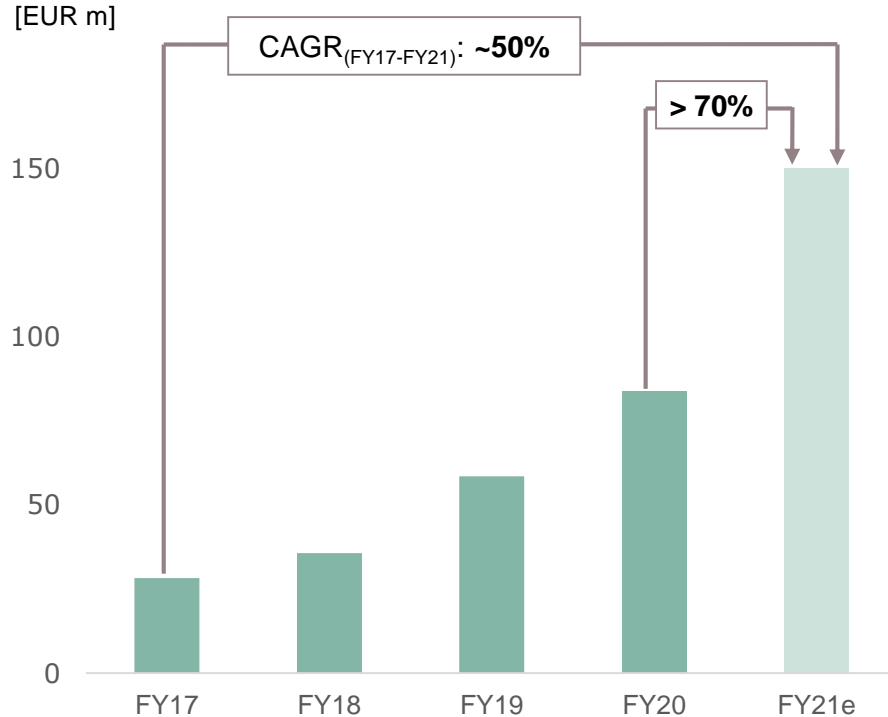
Compound semiconductors



* excluding drivers and control ICs

SiC is switching gears: industrial still holds the biggest share, but about half of the incremental revenue contributed by automotive

Industrial and automotive applications driving the growth







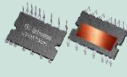




~150 different CoolSiC™ products as of today

~60 different customers with more than €10k revenue as of today



Strong CoolSiC™ portfolio expansion: by packages and by voltages

Broadest and best-in-class SiC portfolio

		Industrial					Automotive grade		
package options voltages	CoolSiC™ Diode	CoolSiC™ Hybrid		CoolSiC™ MOSFET			CoolSiC™ Diode	CoolSiC™ MOSFET	
	Discrete	Discrete	Module	Discrete	IPM	Module	Discrete	Discrete	Module
									
600 V									
650 V		Expected in 2020							
1200 V					Expected in 2020				Exp. in 2020
1700 V									
Continuous expansion of portfolio									

Second generation (2nd Gen.) CoolSiC™ Trench MOSFET will increase the addressable market

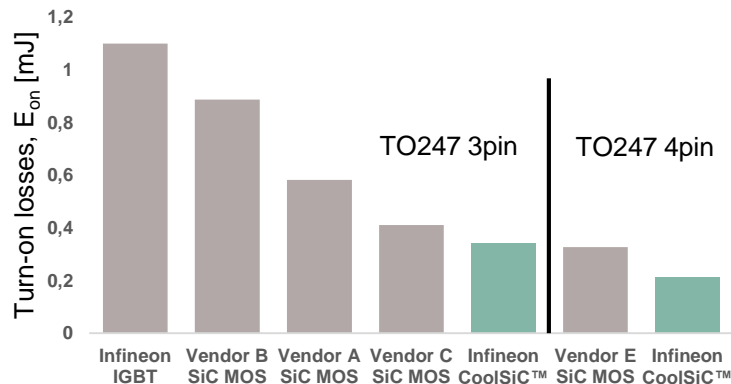


1st Gen. CoolSiC™ Trench MOSFET
is the leading technology today



2nd Gen. CoolSiC™ Trench MOSFET
is in advanced development phase

1st Gen. with lowest losses



Source: Infineon, datasheets on supplier web pages, September 2019.

1st Gen. CoolSiC™ Trench MOSFET
has set the industry benchmark

2nd Gen. will expand the lead

- › Enhanced power handling capability by 25% – 30%
- › Enhanced safe operating area without compromising quality
- › Enabling SiC in further high volume applications

2nd Gen. CoolSiC™ Trench MOSFET will significantly
enlarge the market size for SiC MOSFETs

Status of implementation of Cold Split technology

Process tools

- › Design and production of semi-automated process tool park completed in Dresden

Clean room

- › Clean room ready for manufacturing by end of calendar year 2020

Process flow

- › Integration of individual process steps into complete work flow

1/3 of the industrialization journey accomplished

Wafer splitting

- › Wafers for splitting are already available
- › Wafer splitting increases # of wafers up to a factor of 2

Boule splitting

- › Supply agreement for 150 mm boules signed
- › Boule splitting increases # of wafers by a factor of 2.0 in a first step, with potential for a factor of 2.6













Combining boule splitting and wafer splitting will make the most efficient process



Industrial Power Control



Mid-term market outlook for IPC division's target applications

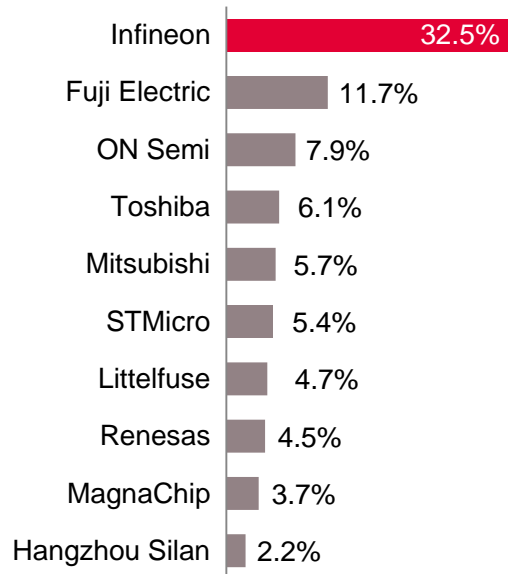
Application (% of FY20 segment rev)	Market Outlook for CY21	
<div data-bbox="226 277 334 390">  <p>Drives</p> </div> <div data-bbox="355 325 421 347">~30%</div>		<p>› Industrial drives expected to recover in low single digits</p>
<div data-bbox="226 397 334 511">  <p>Solar</p> </div> <div data-bbox="355 445 421 467">~14%</div>		<p>› Total installations forecasted close to pre-COVID levels with upside potential in China and Europe</p>
<div data-bbox="226 517 334 631">  <p>Wind</p> </div> <div data-bbox="355 565 421 587">~10%</div>		<p>› Self-sustainable growth due to long-term drivers and increasing competitiveness</p>
<div data-bbox="226 637 334 751">  <p>Home appliance</p> </div> <div data-bbox="355 685 421 707">~16%</div>		<p>› Catch-up of delayed purchases and energy efficiency incentive programs will drive growth</p>
<div data-bbox="226 757 334 871">  <p>Traction</p> </div> <div data-bbox="355 805 421 827">~9%</div>		<p>› Long-term drivers ensure stability, although growth depends on stimuli programs in China and Europe</p>
<div data-bbox="226 877 334 991">  <p>Others</p> </div> <div data-bbox="355 926 421 947">~21%</div>		<p>› Long-term positive outlook driven by infrastructure for further electrification and decarbonization</p>

Clear leader in discrete IGBTs and IGBT modules; fostering position in IPMs



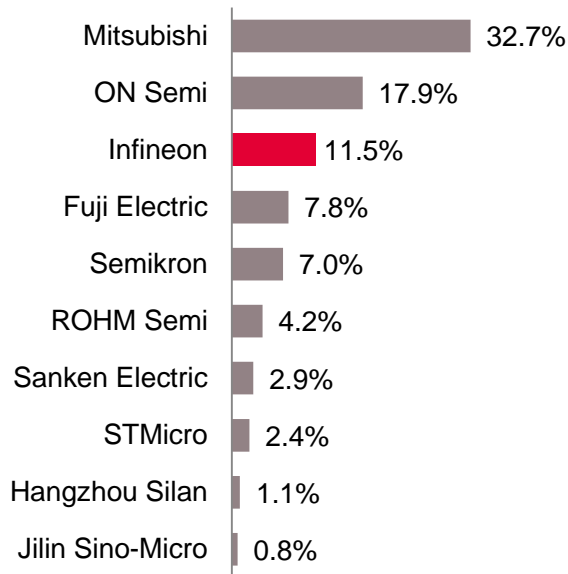
Discrete IGBTs

2019 total market: \$1.44bn



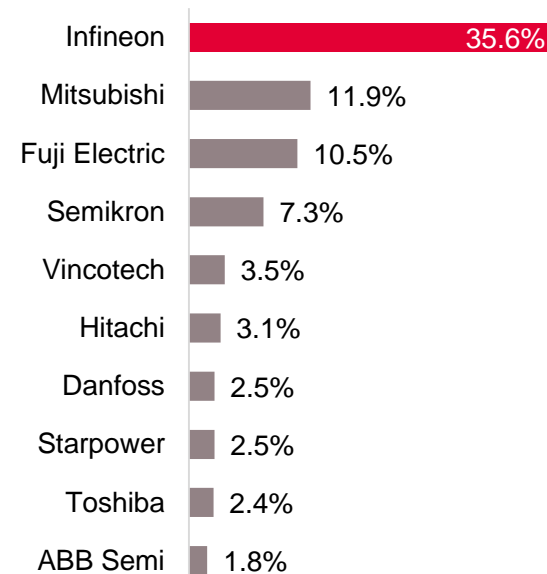
IPMs

2019 total market: \$1.59bn



IGBT modules¹⁾

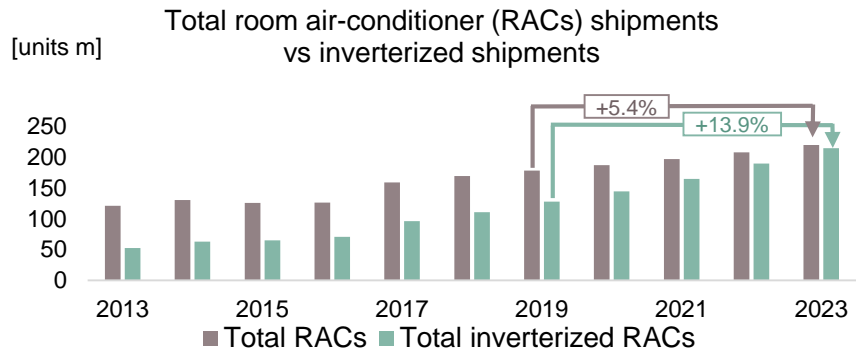
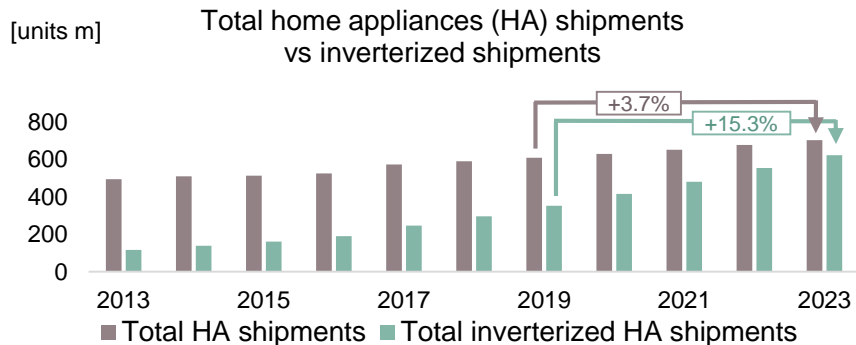
2019 total market: \$3.31bn



¹⁾ Including standard (non-integrated) IGBT modules and power integrated modules (PIMs) / converter inverter brake (CIB) modules

Source: Based on or includes research from Omdia: *Power Semiconductor Market Share Database 2020*. September 2020

Growth in home appliances supported by ongoing inverterization and sustained growth of overall number of RACs



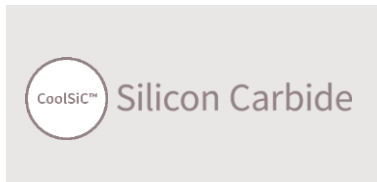
- › Inverterization of home appliances driven by energy efficiency regulations
- › Room air-conditioners accounting for roughly half of IPC's addressable HA market (based semiconductor TAM)
- › Room air-conditioners and washing machines currently stand at ~75% inverterization penetration rate
- › Growth of inverterized room air-conditioners also sustained by overall shipment figures (> 5% y-y) with demand expected to further increase due to ongoing population growth and urbanization in warmer climate zones
- › Inverterization of cooling appliances (fridges, freezers, coolers; third most-important appliances type for weighted semiconductor TAM) still < 50%

Source: Based on or includes research from Omdia, "Major Home Appliance Market Report 2019", August 2019

What comes next?

Mid- to long-term structural growth opportunities

Core



new material



EV charging



collaborative robots

Adjacent



Courtesy:
Shakti pumps

solar pumps



Courtesy: McKinsey

energy storage



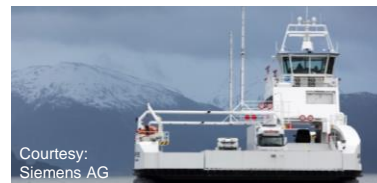
eDelivery vehicles

New area



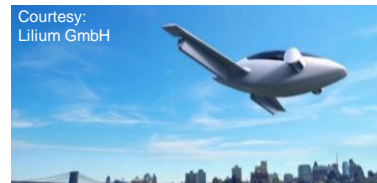
Courtesy: Alstom

fuel cell



Courtesy:
Siemens AG

eMarine



Courtesy:
Lilium GmbH











eAviation



Power & Sensor Systems



Mid-term market outlook for PSS division's target applications

Application (% of FY20 segment rev*)	Market Outlook for CY21	
<div><div>Computing</div><div></div></div> <div><div>~20%</div></div>	<div><div></div><div><div>></div><div>Acceleration towards cloud computing to continue</div></div></div>	
<div><div>Communication</div><div></div></div> <div><div>~9%</div></div>	<div><div></div><div><div>></div><div>In general, long-term drivers due to 5G still intact. However, trade tensions generate some uncertainty around speed of roll-out in China</div></div></div>	
<div><div>Smartphones</div><div></div></div> <div><div>~19%</div></div>	<div><div></div><div><div>></div><div>Strong rebound expected driven mainly by economic recovery and migration towards 5G phones</div></div></div>	
<div><div>Consumer</div><div></div></div> <div><div>~20%</div></div>	<div><div></div><div><div>></div><div>Catch-up of delayed purchases leading to market pick-up expected but depends on consumer confidence improving in the light of (potential) new lock-downs; gaming consoles clear beneficiaries from stay-at-home</div></div></div>	
<div><div>Industrial</div><div></div></div> <div><div>~23%</div></div>	<div><div></div><div><div>></div><div>Automotive and other industrial segments show signs of recovery; battery-powered tools continue to show strong momentum</div></div></div>	

* does not sum up to 100% due to other applications not shown here

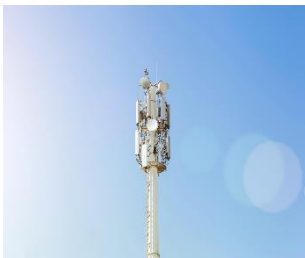
PSS's growth is built on many applications from different sectors in power and non-power

Computing



- › data center
- › enterprise server
- › PC, notebook
- › peripherals
- › chargers and adapters

Communications



- › base stations
- › backhaul cellular infrastructure
- › 5G massive MIMO
- › telecommunication servers

Smartphones



- › smartphones
- › mobile devices
- › wearables
- › USB Type-C, USB Type-C PD

Consumer



- › eBikes, eScooter
- › multicopter
- › LSEV
- › gaming
- › TV sets
- › smart home

Industrial



- › power supplies
- › EV on-board charger
- › charging infrastructure
- › PV inverter
- › power tools
- › lighting
- › Industry 4.0
- › space



PSS – Power

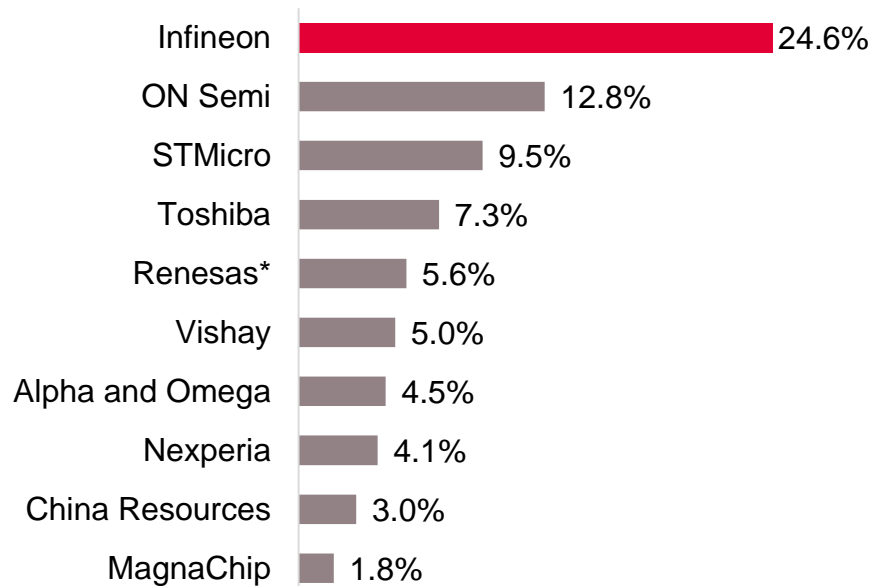


Infiniteon is the clear leader in MOSFETs; growth potential in power ICs



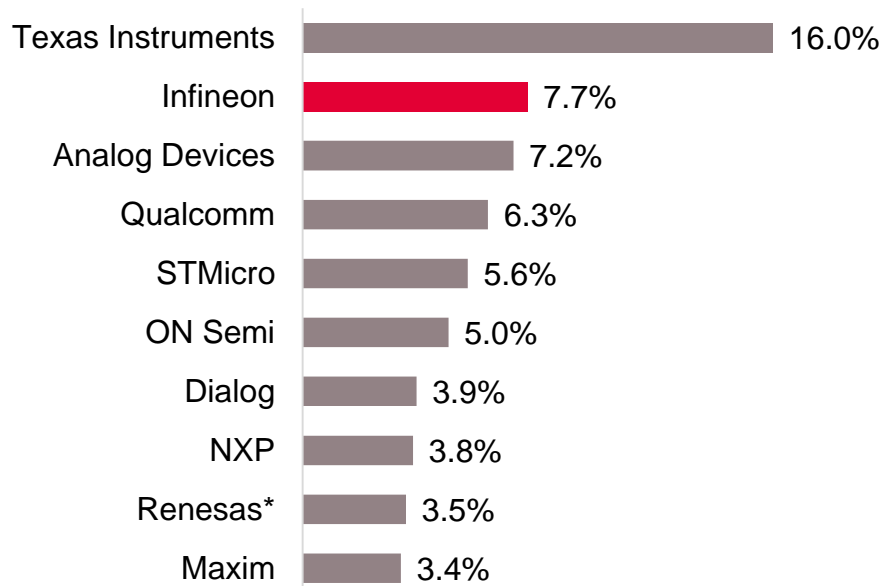
Discrete Power MOSFETs

2019 total market: \$8.10bn



Power ICs

2019 total market: \$24.4bn



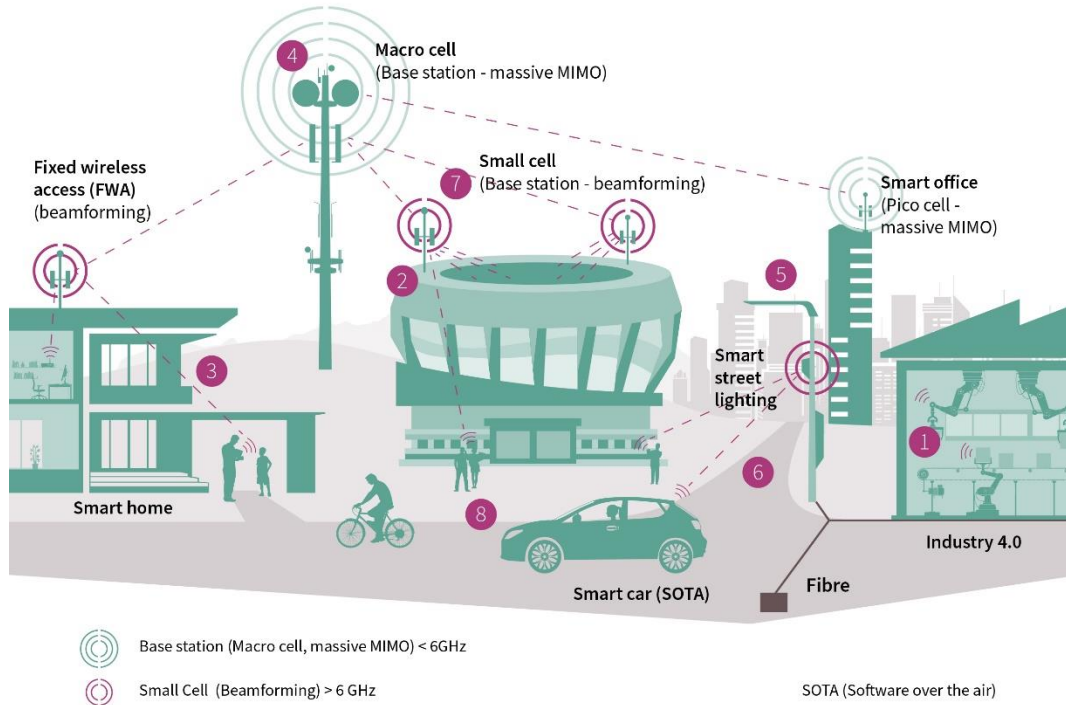
* Renesas acquired Integrated Device Technology in March 2019. Both companies were combined as Renesas in 2019.

Discrete Power MOSFET market includes automotive MOSFETs, protected MOSFETs, SiC MOSFETs and GaN power transistors. Power IC market includes automotive power ICs.

Source: Based on or includes research from Omdia: *Power Semiconductor Market Share Database 2020*. September 2020.

Transition from 3G/4G to 5G drives demand in power semis for antennas and power supplies

Smart and connected - the communication of tomorrow with 5G

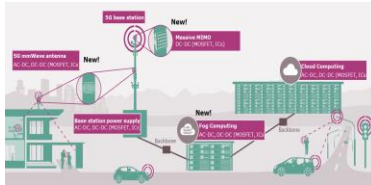


- **driver #1:** massive growth of data and computing power
- **driver #2:** higher number of base stations due to dense network
- **driver #3:** ~4x higher power semi content per radio board: from ~\$25 for MIMO antenna to ~\$100 for massive MIMO antenna array
- **driver #4:** fog computing data center as a completely new market

What comes next?

Mid- to long-term structural growth opportunities

Core



5G infrastructure



hyperscale AI data center



new material

Adjacent



on-board charger



power tools



home appliances

New area



collaborative robots



smart speaker





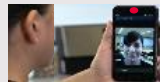
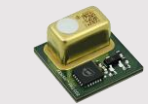
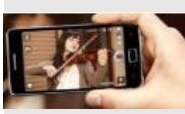
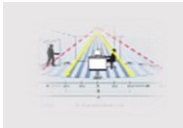


class D audio



PSS – RF and Sensing



Main applications addressed by PSS sensors portfolio

MEMS microphone	3D radar (24/60 GHz)	3D ToF image sensor	Environmental
			
Best audio performance	Ultra-low power consumption	Best price / performance	World's smallest form factor
			
Low power consumption	Presence detection	VR/AR, biometrics	Measure CO ₂

Main applications

- › Smartphone
- › True wireless stereo earbuds
- › Smart speaker
- › Tablet

- › Automotive
- › Smart home
- › TV
- › Security camera
- › Smart building

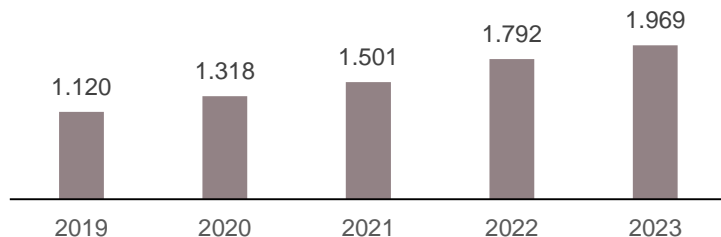
- › Smartphone: world-facing and user-facing
- › Robotics
- › Automotive in-cabin sensing
- › Payment terminals

- › Heating, ventilation, air conditioning (HVAC)
- › Air purifier
- › Smart thermostat

Sensor markets targeted by PSS

MEMS microphone market

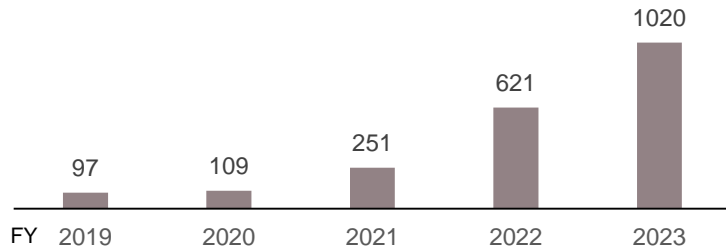
[US\$ m]



Source: Infineon estimates

3D ToF image sensor market

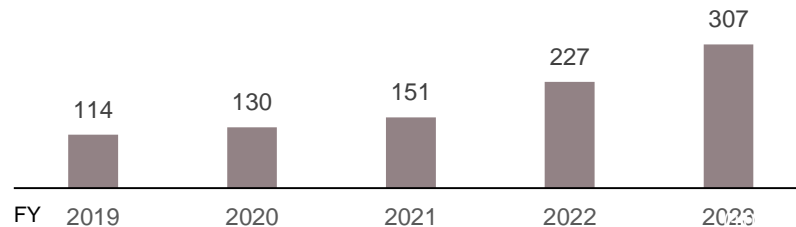
[EUR m]



Source: Infineon estimates

Radar IC market (24 GHz and 60 GHz only)

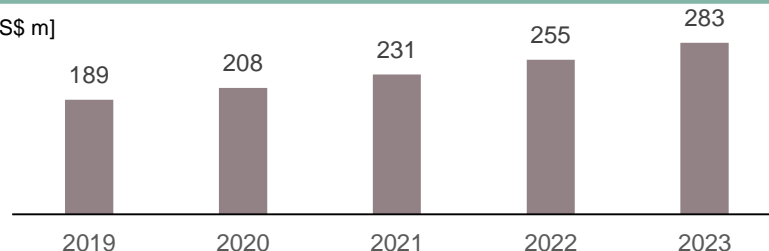
[EUR m]



Source: Infineon estimates

Environmental sensor market*

[US\$ m]



* Infineon is addressing gas sensors for HVAC, consumer, environment and air quality comfort for transportation only.

Source: Yole: *Gas and Particle Sensors Report 2018*. December 2018

Different market dynamics of selected PSS sensors

MEMS microphone

- › Market growth in MEMS microphones is mainly driven by hearables. New headset features like active noise cancellation or transparent hearing require 4 to 6 microphones. Traditional wired headsets had only one microphone.
- › Drop of microphone demand for flagship smartphones due to COVID-19 stopped and is starting to recover.

3D ToF image sensor

- › With its XENSIV™ REAL3™ 3D ToF image sensors, Infineon serves the mobile device market since 2016. AR use cases like instant AR expected to drive strong market growth from 2021 onwards.
- › The market for face authentication is expected to grow, and also the consumer market for robotics and vacuum cleaner.

Radar ICs (24 GHz and 60 GHz only)

- › In order to allow secure social distancing in public buildings Infineon has developed a smart entrance counter solution within three months. As the closed system with integrated software is based on our 60 GHz radar sensor instead of a camera it is 100% anonymous. Expected volume amounts to 90 million units globally.

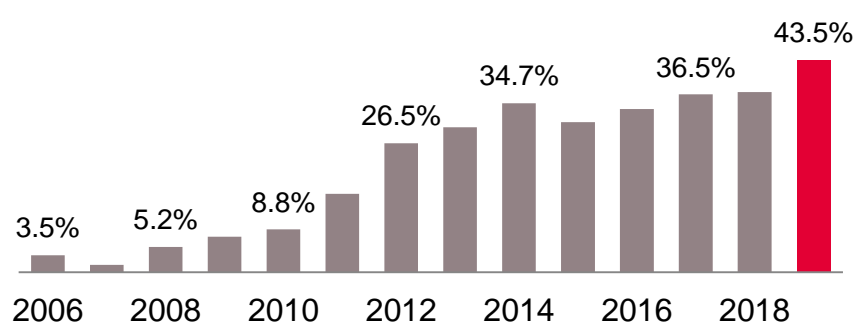
Environmental sensors

- › Market entry in CO₂ sensor market with first revenues expected in FY21.
- › XENSIV™ PAS CO₂ sensors support reducing the risk of virus transmission by enabling better and clean indoor air quality.

Sweeping success of our XENSIV™ MEMS microphones driven by unparalleled audio characteristics catapulted Infineon to new #1

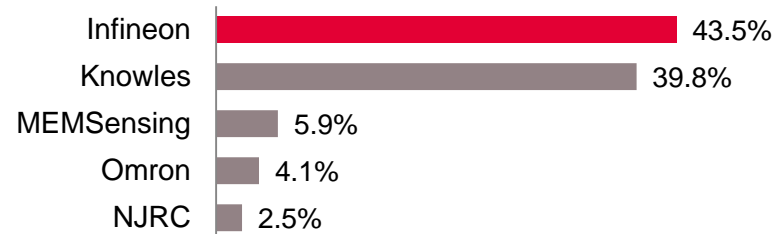


Infineon's market share development in MEMS microphones (by units)



2019 MEMS die market share

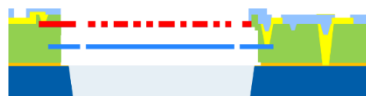
total market: 5.4bn units



Based on or includes research from Omdia: *MEMS Microphones Dice Market Shares 2020*. October 2020

Technological progression of Infineon XENSIV™ MEMS microphones

1 Single-back plate



SNR = 62 – 65 dB(A)

2 Dual-back plate



SNR = 65 – 69 dB(A)

2014

3 Sealed dual-membrane



SNR = 68 – 75 dB(A)

2019

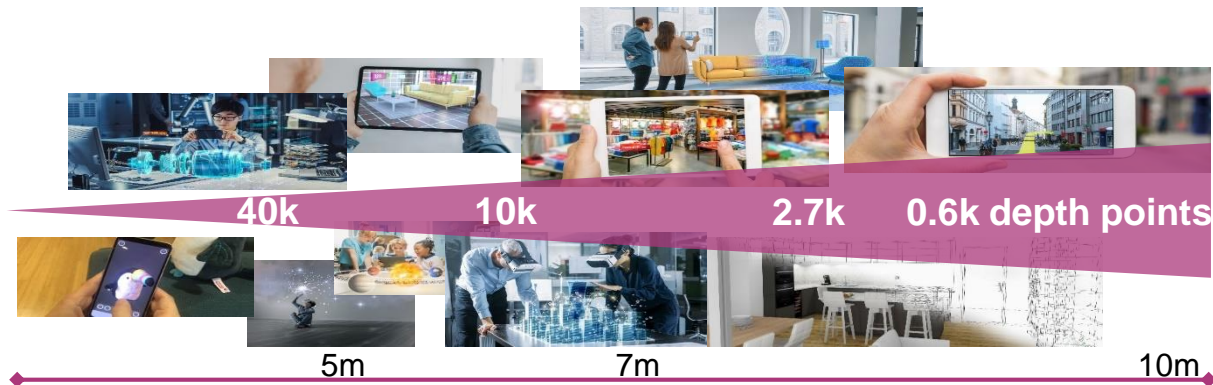
New 3D ToF image sensor with improved long range to be launched in Q3 FY21

- › Enables functionalities like real-time augmented reality, long range scanning, small object reconstruction, fast low-power autofocus and picture segmentation.
- › Serves applications like gaming, virtual e-Commerce, 3D online education, facial recognition.

Characteristics:

- › Long range up to 10 meters
- › High resolution up to 40k depth points
- › Lowest power, reduction of 40% at the imager
- › Accurate and robust depth data under all light conditions
- › Smallest 3D camera; 35% smaller footprint
- › Lowest system BoM due to high integrated CMOS image sensor and Infineon VCSEL driver component

Adaptive resolution depending on distance





Connected Secure Systems



Connected Secure Systems – comprehensive systems for a secure, connected world



Positioned to benefit from major growth trends

- › Security, connectivity and compute are the essential ingredients for IoT
- › Digitalization unlocks new opportunities
- › CSS supports other divisions with the integration of security, connectivity, and compute

Payment, identification, ticketing



- › Payment (credit and debit cards)
- › Electronic passports & ID cards
- › Transport tickets
- › Access cards

Industrial and consumer IoT



- › Industrial application
- › Consumer electronics
- › Infrastructure
- › Mobility and connected cars
- › Home appliances



- › Notebooks, PCs and servers
- › Smartphones and accessories
- › Smart home
- › Consumer electronics, e.g. games consoles

Top player in key markets

1 in security ICs^{1,2}

5 in Wi-Fi standalone ICs³

1 in payment¹

3 in Bluetooth Standalone³

1) ABI Research: *Smart Card and Embedded Security IC Technologies*. October 2020.

2) excl. NFC Controllers; excl. NFC embedded Secure Element

3) ABI Research: *Wireless Connectivity Technology Segmentation and Addressable Markets*. November 2019.

CSS owns the key ingredients to address the high-growth IoT market: security solutions, wireless connectivity and processing



Applications

Payment



Identification



Industrial IoT



Consumer IoT



Connected Cars



Smart Watch



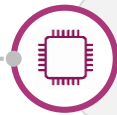
Security solutions

SECORA™ family, OPTIGA™ family, CL / DIF and embedded security controllers



Wireless Connectivity

Wi-Fi / Bluetooth combos, Wi-Fi standalone, BT/BLE standalone

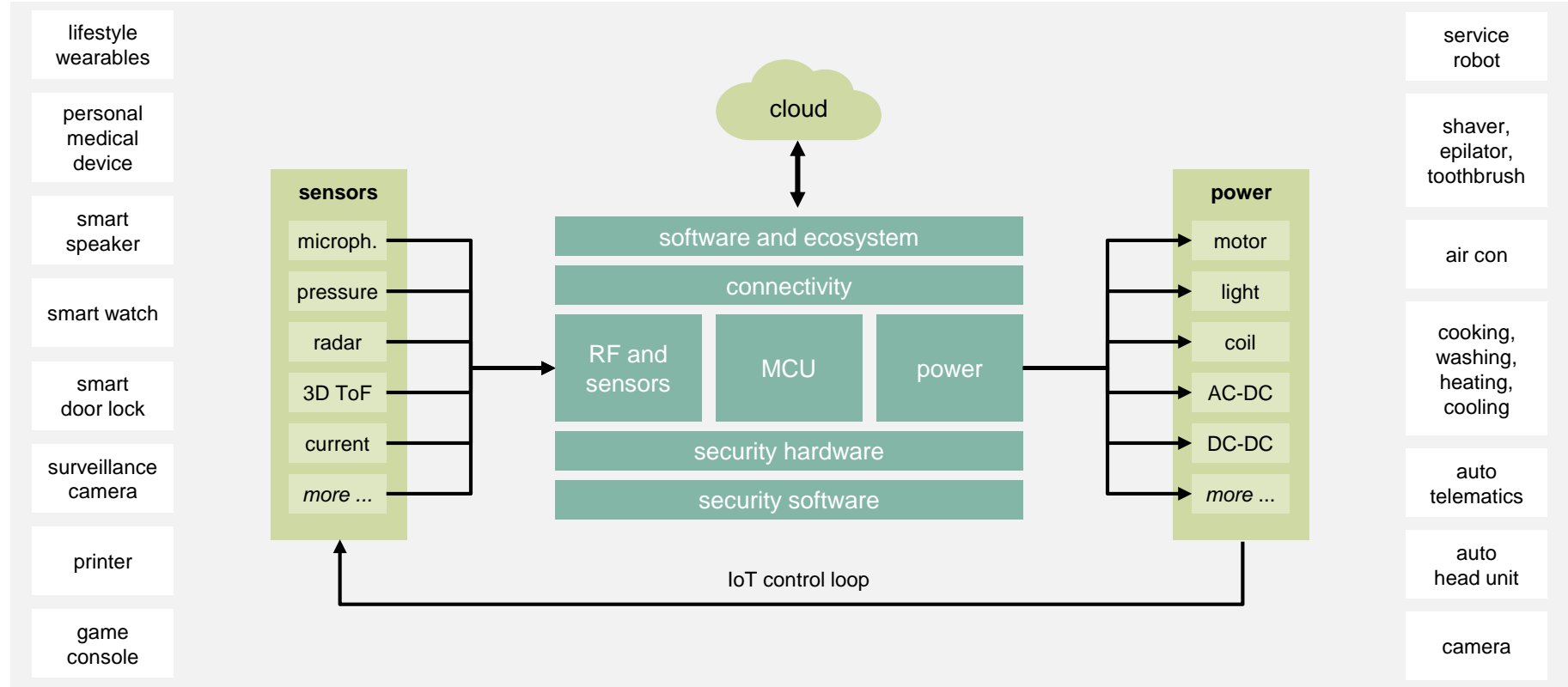


Processing







PSoC™ family, XMC™ family, general-purpose MCUs

CSS portfolio

Infinion offers the entire system for IoT – unlocking new markets and applications



Mid-term market outlook for CSS division's target applications

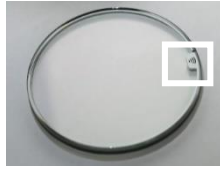
Application (% of FY20 segment rev)	Market Outlook for CY21	
Payment, ID, Ticketing ~30% <div> <div>Payment</div> <div>Identification</div> </div>	<div>  <ul style="list-style-type: none"> > Momentum in contactless payments expected to continue </div> <hr/> <div>  <ul style="list-style-type: none"> > Prolonged restrictions on international travel expected to further affect especially the issuance of passports </div>	<div> <div>Smart Home</div> <div>Automotive</div> <div>Gaming</div> <div>Wearables</div> </div>
Industrial and Consumer IoT ~70%	<div>  <ul style="list-style-type: none"> > Return to growth, however lower level than previously expected > New features and technologies enter production and proliferate across models </div>	
	<div>  <ul style="list-style-type: none"> > Increasing penetration rate of eSIM Automotive driven by <ul style="list-style-type: none"> > increasing connectivity requirements, and > connectivity technologies to improve in-car user experience </div>	
	<div>  <ul style="list-style-type: none"> > Launch of new console models expected to be offset by overall market saturation </div>	
	<div>  <ul style="list-style-type: none"> > New product launches expected to boost demand. > Further implementation of low-power processing and connectivity technologies across new models </div>	

Sapphire crystal with payment chip from Infineon turns every watch into a contactless payment device – potential for new opportunities

- › Swiss-based company Winwatch and Infineon developed a contactless payment function for traditional wristwatches



Chip module with antenna and security feature



Terminal

Differentiating electrical characteristics enable application

- › Terminal generates electromagnetic field, powers the chip and starts payment process
- › At a distance of a few centimeters, the chip uses the energy field to calculate, encrypt and transmit the data
- › NFC-based communication allows for fast and secured payment
- › Transaction completes within milliseconds



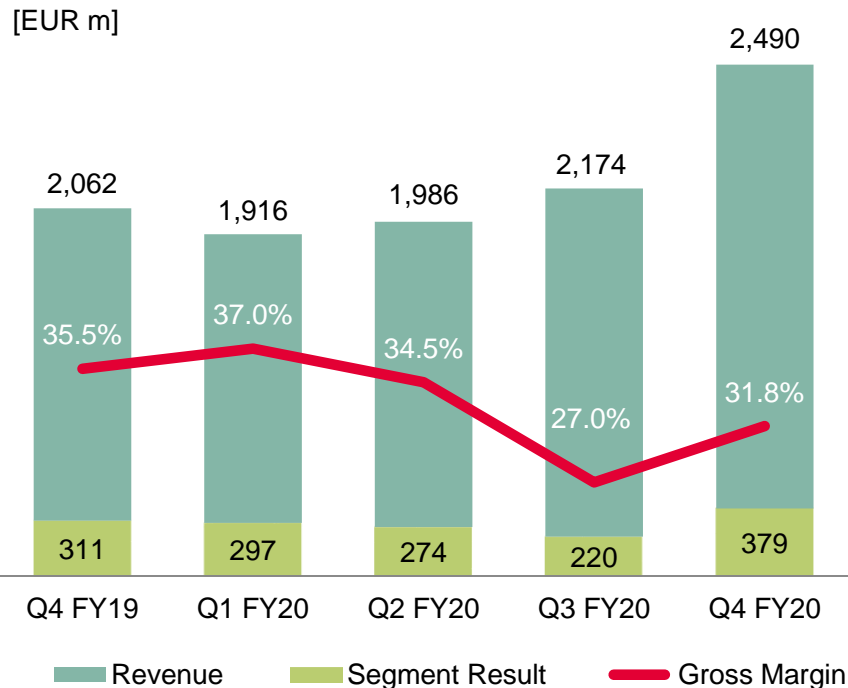
8140	57.230	0.57	+0.83▲	587.451	0.007%	250,000
4NA5	81.053	4.35	-2.09▼	158.037	1.581%	375,000
3V17	62.985	2.07	+1.17▲	916.598	5.032%	621,000
7RE3	37.278	1.14	+0.72▲	634.270	3.984%	369,000
S421	94.107	0.73	-0.51▼	538.014	2.416%	743,000
YT64	21.744	5.63	+3.16▲	692.360	0.657%	405,000
1857	13.361	1.82	-1.23▼	237.981	0.103%	882,000



Selected financial figures



Revenue and segment result development



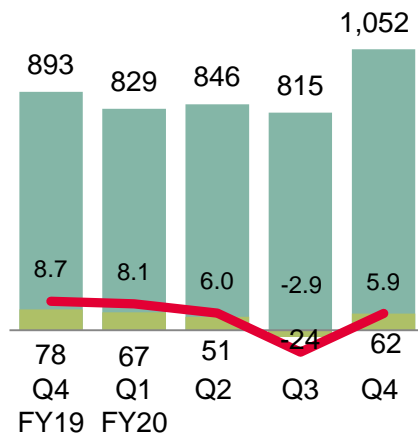
- > Strong fourth quarter
- > Brightened picture in several key target markets
- > Ongoing demand recovery and improving supply dynamics
- > Accelerating adoption rates for structural drivers like electro-mobility and IoT
- > Integration of Cypress on track

* Consolidation of Cypress revenue as of 16 April 2020.

Q4 FY20 division performance

ATV

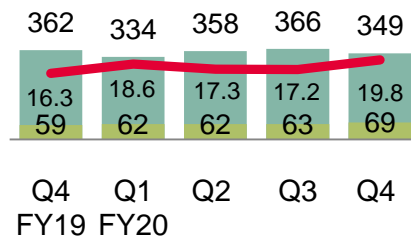
[EUR m]



- › Q4 FY20: Revenue grew across all areas. Upturn in demand particularly in xEV, MCUs for classical vehicle applications and driver assistance systems.

IPC

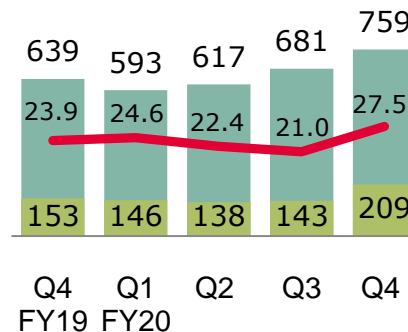
[EUR m]



- › Q4 FY20: Weaker demand for wind power turbines, home appliances and trains. Demand for photovoltaic marginally weaker. Demand for industrial drives increased.

PSS

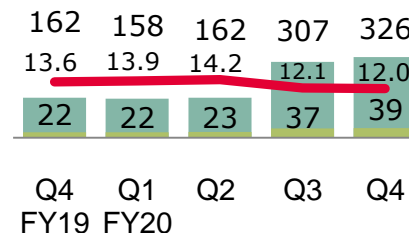
[EUR m]



- › Q4 FY20: DC-DC power supply, mobile devices, USB controllers with significant revenue growth. AC-DC power supplies came in weaker.

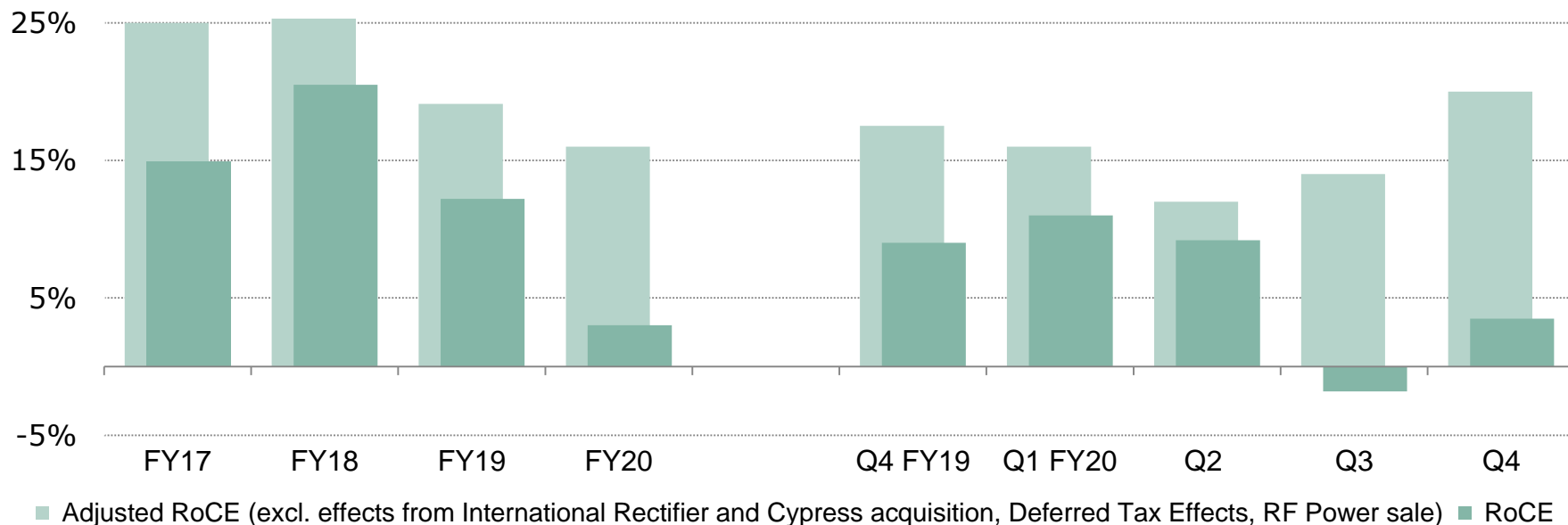
CSS

[EUR m]



- › Q4 FY20: Revenue for industrial microcontrollers, connectivity, IoT security and authentication increased. Government identification products declined.

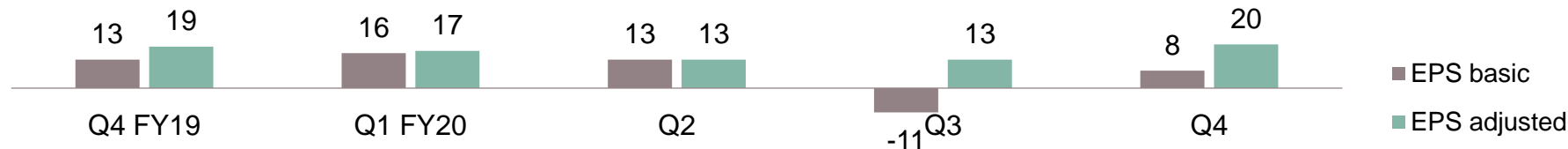
RoCE and adjusted RoCE



Earnings-per-share and total cash return

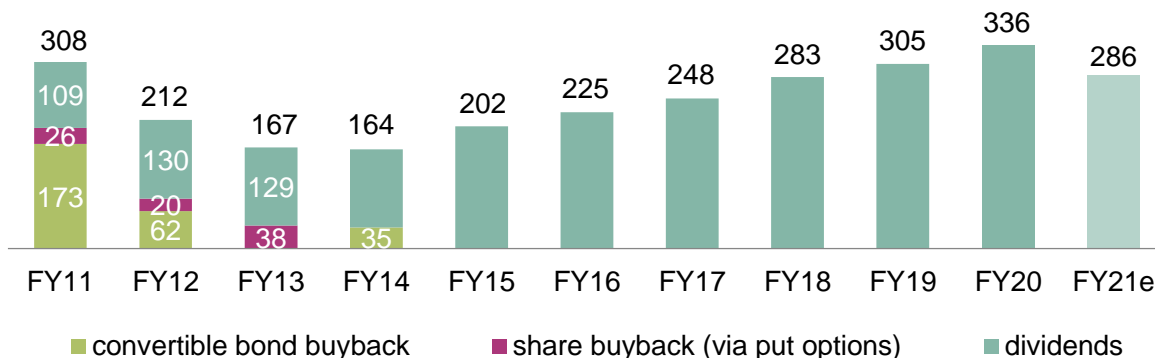
Development of earnings-per-share (EPS) from continuing operations

[EUR cent]



Total cash return to shareholders

[EUR m]



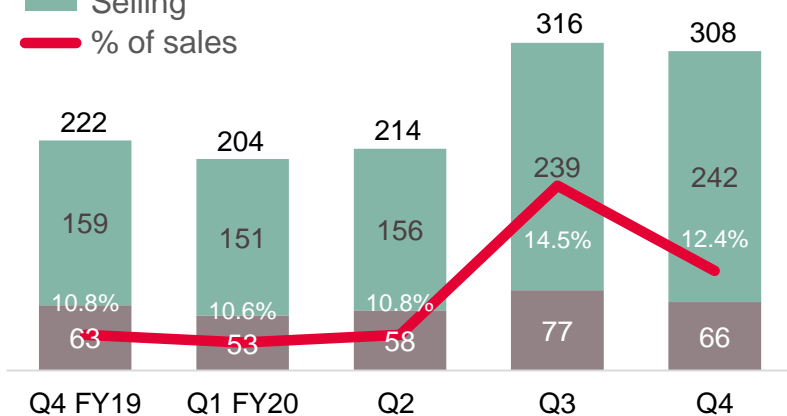
- › Dividend proposal for FY20: €0.22 per share
- › Proposed total dividend payout of €286m for FY20

Opex development

Selling, General & Administration

[EUR m]

General & Administration
Selling
% of sales



Therein non-segment result charges

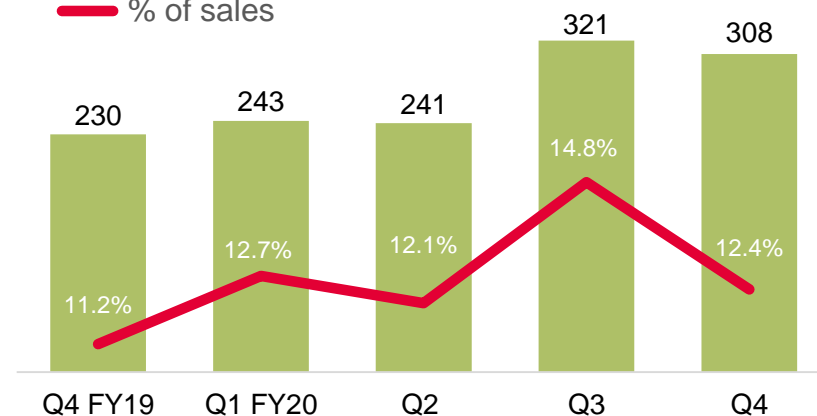
[EUR m]

12	13	18	79	68
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Research & Development

[EUR m]

R&D
% of sales



Therein non-segment result charges

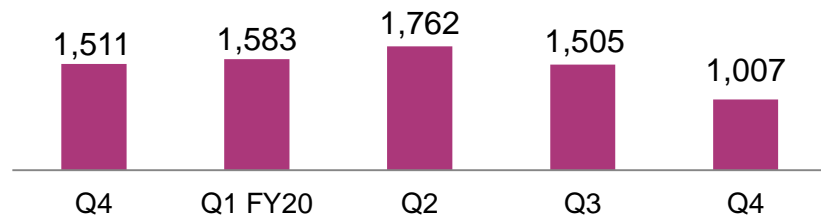
[EUR m]

1	1	2	8	11
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Trade working capital components

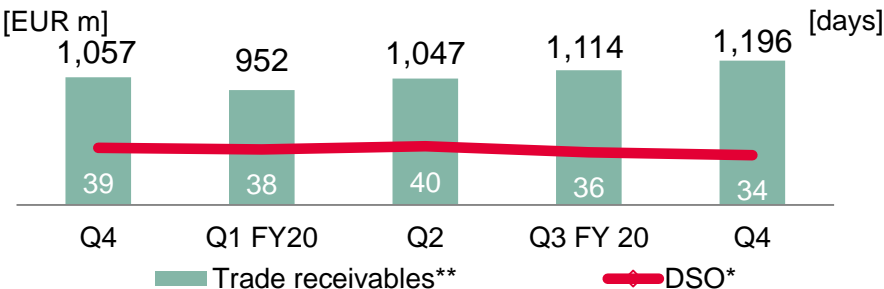
Working capital*

[EUR m]



Trade receivables

[EUR m]

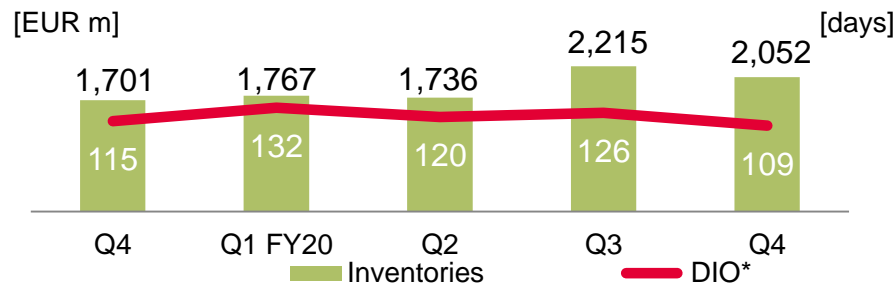


* For definition please see page "Notes".

** Along with the integration of Cypress refund liabilities to customers are presented under "other current liabilities" instead of "trade receivables". Prior quarters' figures were adjusted accordingly for better comparability.

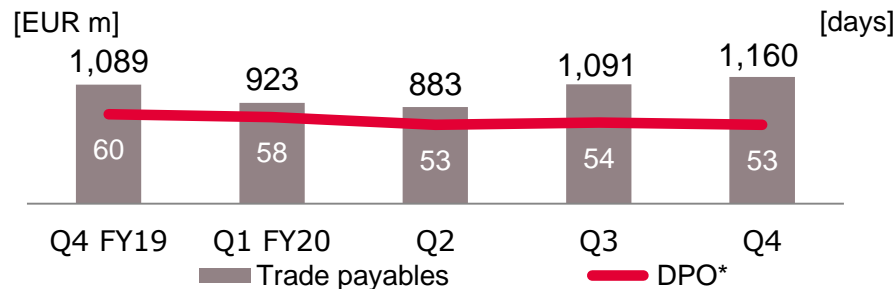
Inventories

[EUR m]



Trade payables

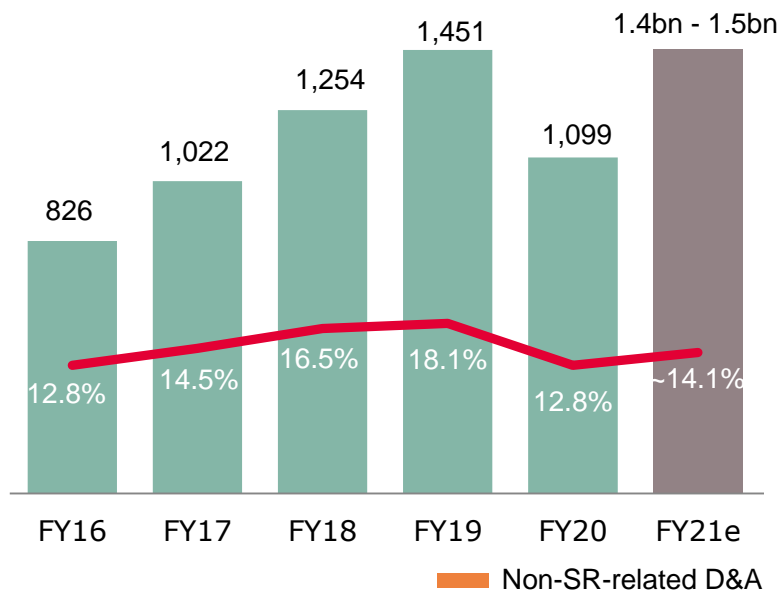
[EUR m]



D&A impacted by Cypress consolidation and PPA

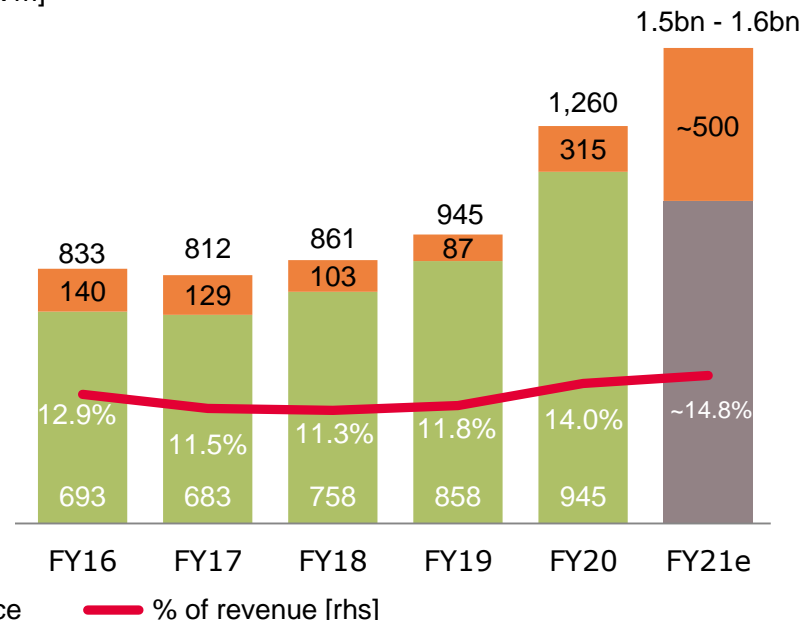
Investments*

[EUR m]



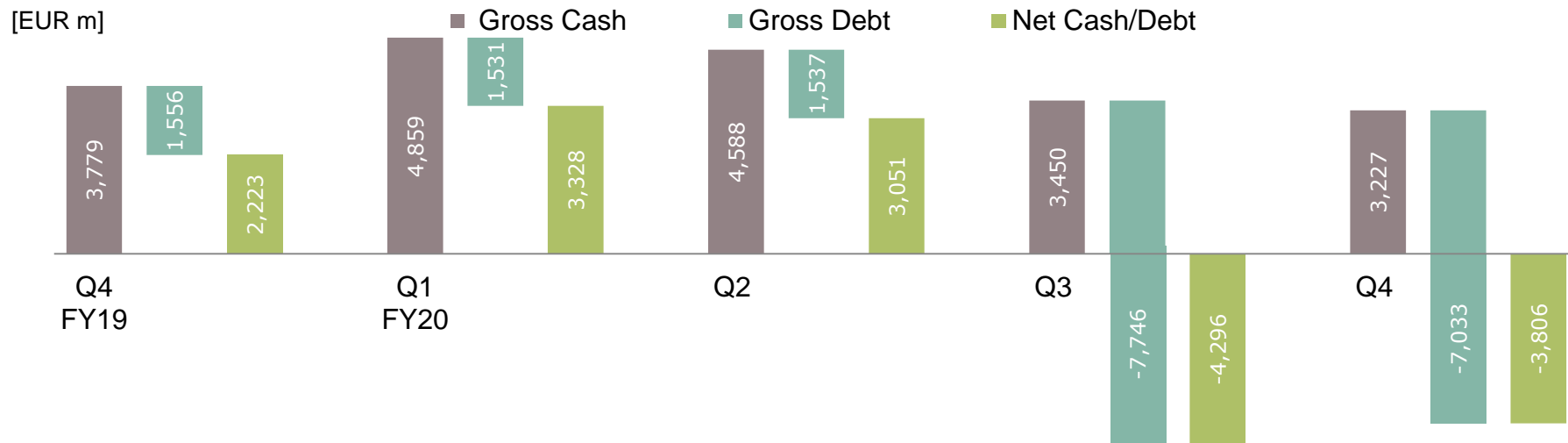
Depreciation & Amortization

[EUR m]



* For definition please see page "Notes".

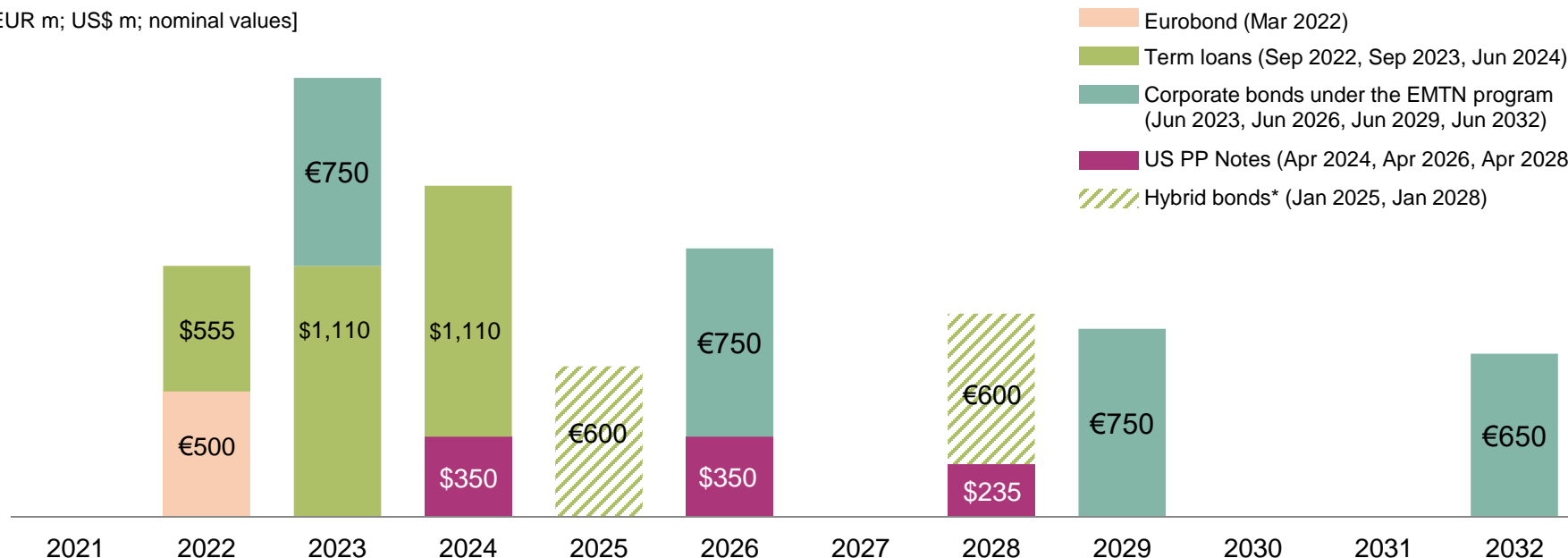
Liquidity development



- › Q3 FY20:
 - Closing of the acquisition of Cypress; entire acquisition financing facility drawn
 - Raising €1.0bn via ABB and €2.9bn via bond issuance
 - Repayment of the entire bridge facility; term loans remaining outstanding
- › Q4 FY20: Early repayment first term loan of €476m (\$555m)

Maturity profile

[EUR m; US\$ m; nominal values]



Note: Graph excludes pre-existing Cypress convertibles of ~\$382m repayment value, maturing latest 2022, and additional debt with maturities between 2020 and 2023 totaling €11m.

Final Campeon repayment of €171m in Oct 2020.

* On 1 Oct 2019, Infineon issued a perpetual hybrid bond with two tranches: €600m with first call date in 2025 and €600m with first call date in 2028; both are accounted as equity under IFRS.



Part of your life. Part of tomorrow.

Glossary (1 of 2)

ABB	accelerated book building
AC	alternating current
AC-DC	alternating current - direct current
AD	automated driving
ADAS	advanced driver assistance system
AEB	automatic emergency braking
AFS	advanced frontlight system
AI	artificial intelligence
AR	augmented reality
ASP	average selling price
BEV	battery electric vehicle
BGA	ball grid array
BLE	Bluetooth Low Energy
BoM	bill of material
BT	Bluetooth
CL	contactless
CPU	central processing unit
CRC	cyclical redundancy check
DC	direct current
DC-DC	direct current - direct current
DIF	dual-interface (contact-based and contactless)
DIY	do it yourself
DPM	digital power management
eCall	emergency call

ECC	error correction code
ECU	electronic control unit
EPS	electric power steering
eSIM	embedded subscriber identity module
EV	electric vehicle
FHEV	full hybrid electric vehicle
FPGA	field programmable gate array
G2M	go-to-market
GaN	gallium nitride
GPS	global positioning system
GPU	graphics processing unit
HEV	mild and full hybrid electric vehicle
HMI	human machine interaction
HSM	hardware security module
HST	high-speed train
HVAC	heating, ventilation, air conditioning
HW	hardware
IC	integrated circuit
ICE	internal combustion engine
IGBT	insulated gate bipolar transistor
IoT	Internet of Things
IPM	intelligent power module
IVN	in-vehicle networking
iPol	image processing line

Glossary (2 of 2)

IRF	International Rectifier
IVN	in-vehicle networking
LCD	liquid crystal display
LDO	low dropout voltage regulator
LED	light-emitting diode
LSEV	low-speed electric vehicle
LSPS	LS Power Semitech Co. Ltd.
μC	microcontroller
Mb	megabit
MCU	microcontroller unit
MEMS	micro electro-mechanical systems
MHA	major home appliances
MHEV	mild hybrid electric vehicle
MIMO	multiple input, multiple output
micro-hybrid	vehicles using start-stop systems and limited recuperation
mild-hybrid	vehicles using start-stop systems, recuperation, DC-DC conversion, e-motor
MOSFET	metal-oxide silicon field-effect transistor
MPU	microprocessor unit
OBC	on-board charger
OEM	original equipment manufacturer
P2S	Infineon's strategic product-to-system approach
PAS	photoacoustic spectroscopy
PFC	power factor correction
PHEV	plug-in hybrid electric vehicle
PMIC	power management IC

Pol	point-of-load
PSoC	programmable system-on-chip
PV	photovoltaic
RF	radio frequency
rhs	right-hand scale
Si	silicon
SiC	silicon carbide
SiGe	silicon germanium
SMPS	switch-mode power supply
SNR	signal-to-noise ratio
SoC	system-on-chip
SOTA	software over-the-air
SPI	serial peripheral interface
SRAM	static random access memory
SW	software
TAM	total addressable memory
TCO	total cost of ownership
ToF	time-of-flight
TPM	trusted platform module
UPS	uninterruptible power supply
USB	universal serial bus
V2X	vehicle-to-everything communication
VR	virtual reality
VSD	variable speed drive
Wi-Fi	wireless fidelity
xEV	all degrees of vehicle electrification (EV, HEV, PHEV)

Disclaimer

Disclaimer

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Financial calendar

Date	Location	Event
10 Nov 2020	London → virtual	UBS European Conference
17 Nov 2020	Hong Kong → virtual	JPM Global TMT Conference
17 Nov 2020	Bus Tour → virtual	Cowen Virtual Silicon Valley Bus Tour
18 - 19 Nov 2020	Barcelona → virtual	Morgan Stanley TMT Conference
23 Nov 2020	Frankfurt → virtual	DZ Bank 11 th Equity Conference
30 Nov – 1 Dec	London → virtual	Infineon Power Roadshow and Call (30 Nov) – Peter Wawer, Division President IPC – Andreas Urschitz, Division President PSS
2 Dec 2020		Morgan Stanley Sustainability Call
2 – 3 Dec 2020	Scottsdale → virtual	Credit Suisse 24 th Annual Technology Conference
3 Dec 2020	Paris → virtual	Société Générale Virtual Premium Review 2020
7 – 8 Dec 2020	New York → virtual	UBS Global TMT Conference
7 Jan 2021	Lyon → virtual	Oddo BHF Forum 24 th Edition
4 Feb 2021*		Q1 FY21 Results
25 Feb 2021	Munich → virtual	Annual General Meeting

* preliminary

ESG footnotes

- 1) This figure considers manufacturing, transportation, function cars, flights, materials, chemicals, water/waste water, direct emissions, energy consumption, waste, etc. and is based on internally collected data and externally available conversion factors. All data relate to the 2019 fiscal year. Manufacturing service providers are not included.
- 2) This figure is based on internally established criteria, which are explained in the explanatory notes. The figure relates to the calendar year 2018 and considers the following fields of application: automotive, LED, induction cookers, server, renewable energy (wind, photovoltaic), mobile phone chargers as well as drives. CO₂ savings are calculated on the basis of potential savings of technologies in which semiconductors are used. The CO₂ savings are allocated on the basis of Infineon market share, semiconductor content and lifetime of the technologies concerned, based on internal and external experts' estimations.
- 3) Calculation based on average polycrystalline photovoltaic cells and the average yearly solar radiation of central Germany.
- 4) Based on the average electricity consumption of private households in Germany and official energy conversion factors.
- 5) Calculation based on average passenger capacity and direct flight route using externally available data and conversion factors.

Notes

Investments = 'Purchase of property, plant and equipment' + 'Purchase of intangible assets and other assets' incl. capitalization of R&D expenses

Capital Employed = 'Total assets' – 'Cash and cash equivalents' – 'Financial investments' – 'Assets classified as held for sale' – ('Total Current liabilities' – 'Short-term debt and current maturities of long-term debt' – 'Liabilities classified as held for sale')

RoCE = NOPAT / Capital Employed
= ('Income from continuing operations' – 'financial income' – 'financial expense') / Capital Employed

Working Capital = ('Total current assets' – 'Cash and cash equivalents' – 'Financial investment' – 'Assets classified as held for sale') – ('Total current liabilities' – 'Short term debt and current maturities of long-term debt' – 'Liabilities classified as held for sale')

DIO (days inventory outstanding; quarter-to-date) = ('Net Inventories' / 'Cost of goods sold') x 90

DPO (days payables outstanding; quarter-to-date) = ('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment']) x 90

DSO (days sales outstanding; quarter-to-date) = ('Trade receivables - 'reimbursement obligations')* / 'revenue' x 90

*without debtors with credit balances

For further reading

IPC Business Update
Dr. Peter Wawer, Dr. Peter Friedrichs
7 May 2020



https://www.infineon.com/pcim_presentation

ATV Call
Peter Schiefer
5 October 2020



<https://www.infineon.com/2020atvcall>

Sustainability Report 2020
23 November 2020

coming soon

IFX Day 2018
Capital Markets Day
London, 12 June 2018



https://www.infineon.com/ifxday_2018

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