

Fourth Quarter FY 2020 Analyst Call

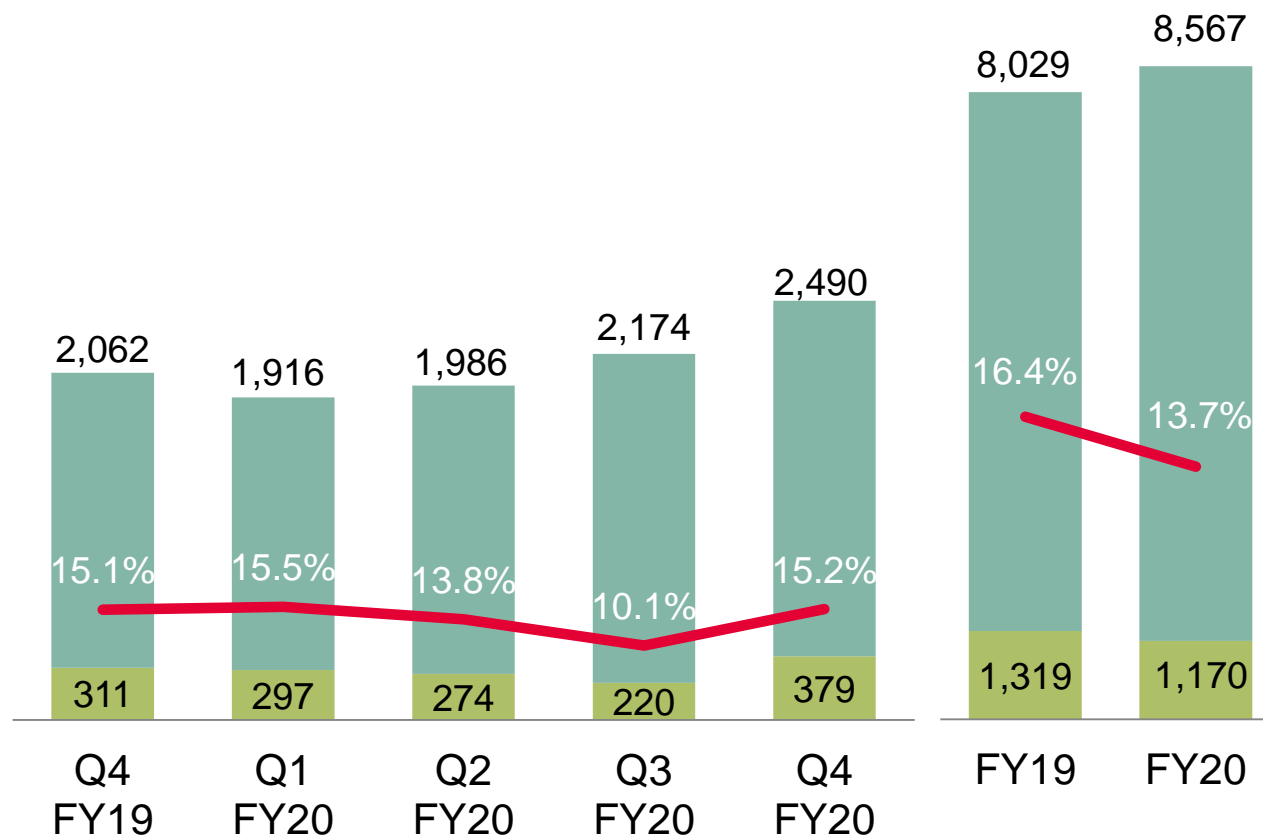
Infineon Technologies AG
Investor Relations



Group financial performance

Revenues and segment result

[EUR m] ■ Revenues ■ Segment result ■ Margin



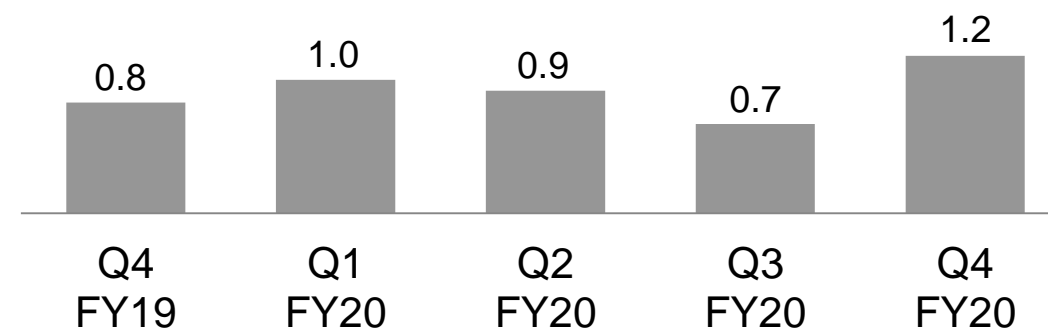
USD exchange rate

Average exchange rate

	<u>Q4</u> <u>FY19</u>	<u>Q3</u> <u>FY20</u>	<u>Q4</u> <u>FY20</u>	<u>FY20</u>
∅ USD/EUR	1.11	1.10	1.17	1.12

Book-to-bill*

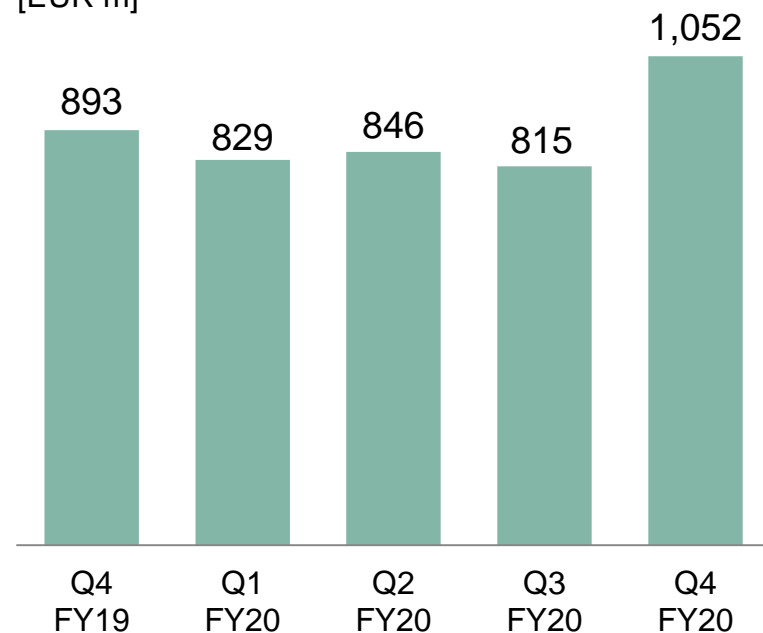
*See notes for definition



Automotive (ATV)

Revenues

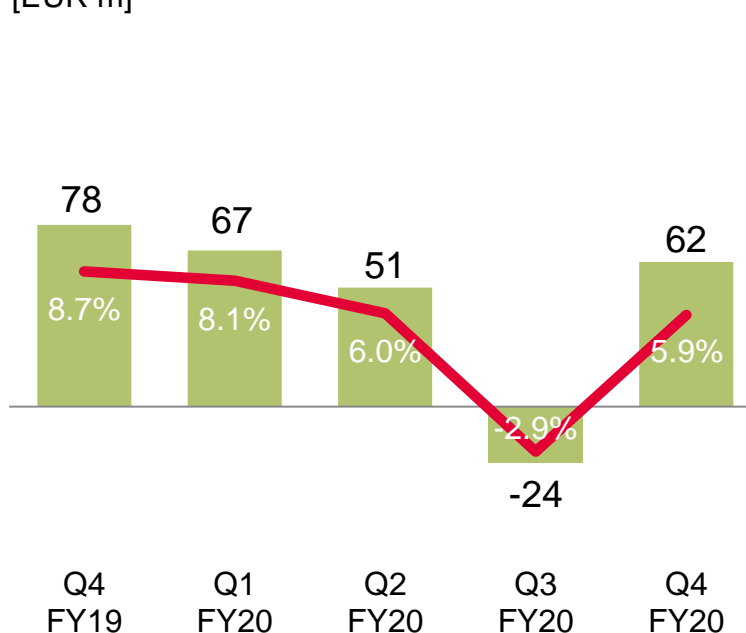
[EUR m]



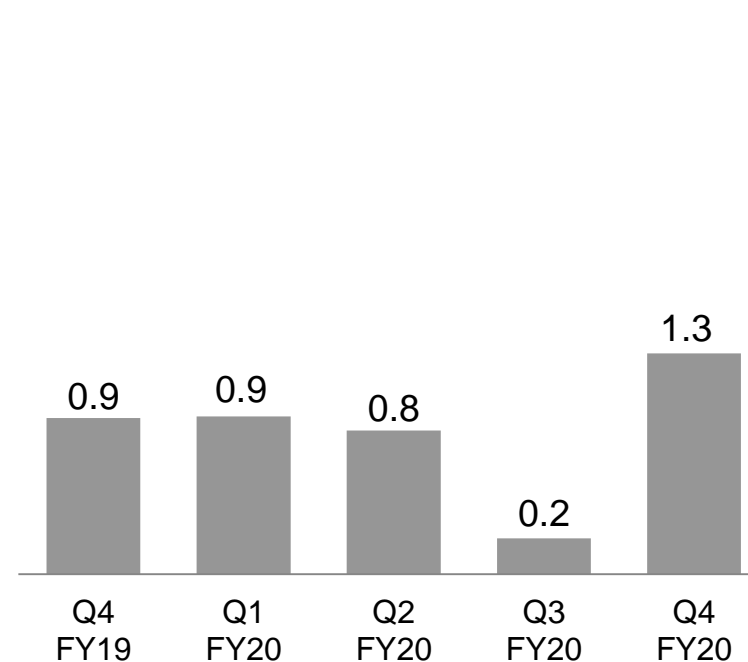
Segment Result

— Margin

[EUR m]



Book-to-bill

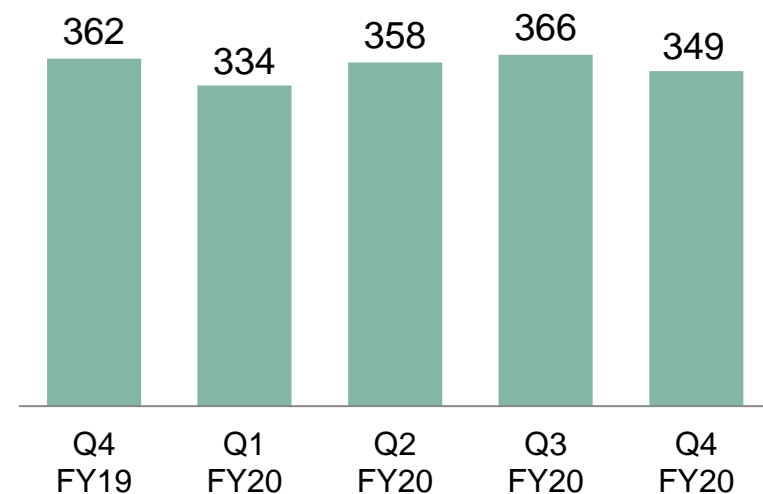


- › Revenue: FY20 €3,542m vs. FY19 €3,503m
- › Segment Result Margin: FY20 4.4% vs. FY19 11.5%
- › Most major car markets around the world saw strong recoveries since summer
- › Inventories were used to satisfy customer demand which dampened margin improvement
- › Acceleration of the long-term structural trend towards electro-mobility, especially in Europe

Industrial Power Control (IPC)

Revenues

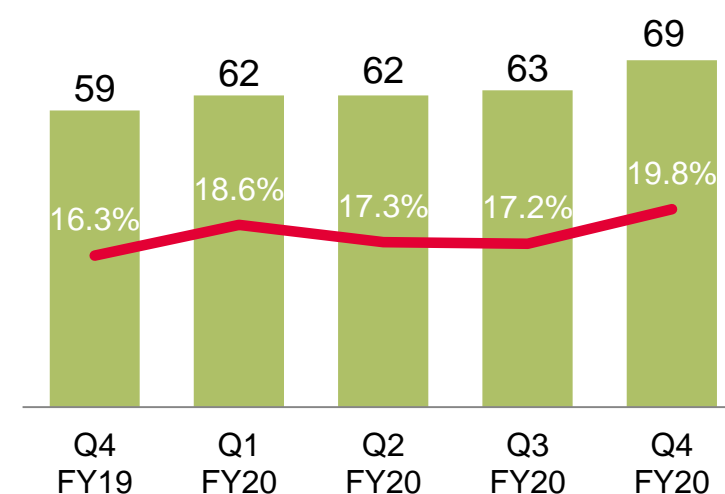
[EUR m]



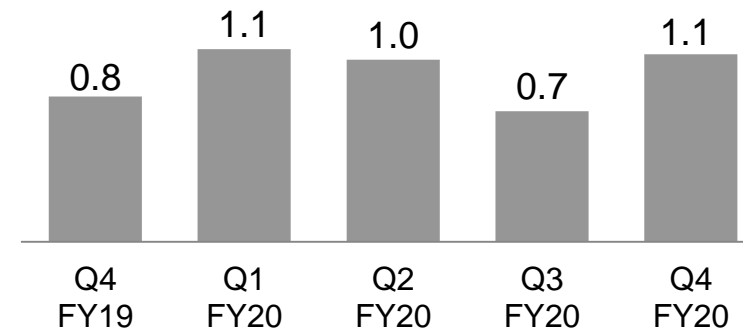
Segment Result

[EUR m]

— Margin



Book-to-bill

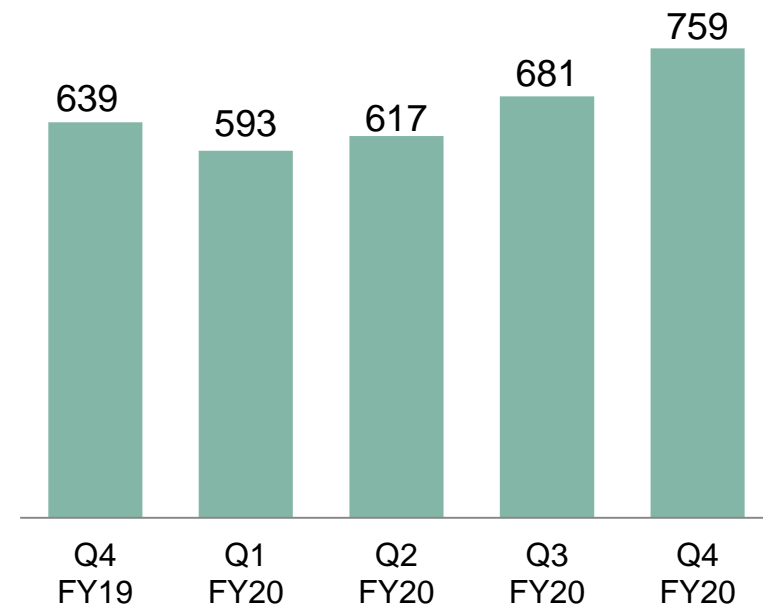


- › Revenue: FY20 €1,406m vs. FY19 €1,418m
- › Segment Result Margin: FY20 18.2% vs. FY19 17.7%
- › Revenue decline mainly driven by traction, partly offset by industrial drives
- › Macro data points rebounded – PMIs in all geographies are above or near pre-Covid levels
- › IPC continues to show crisis-resiliency

Power & Sensor Systems (PSS)

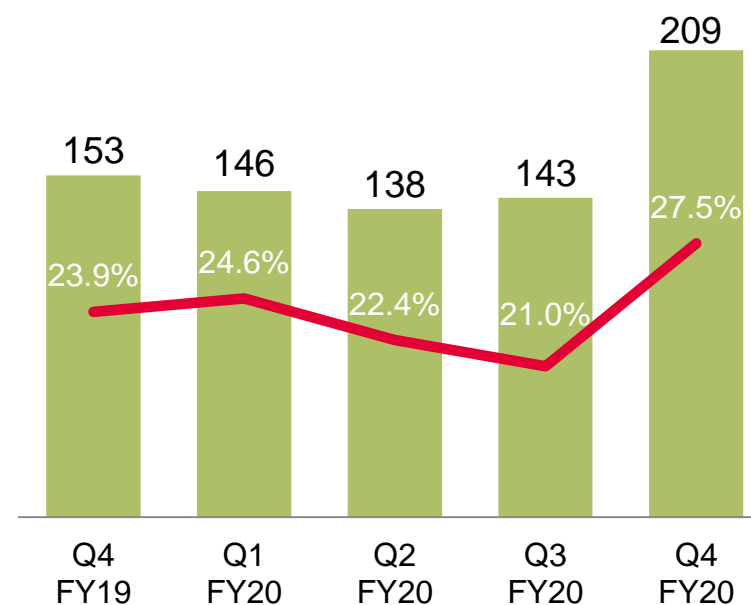
Revenues

[EUR m]

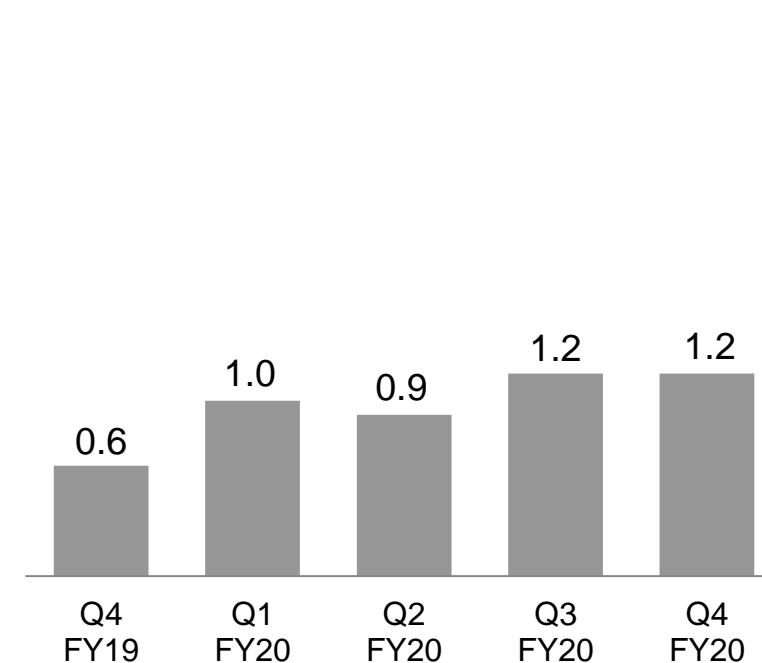


Segment Result

[EUR m]



Book-to-bill

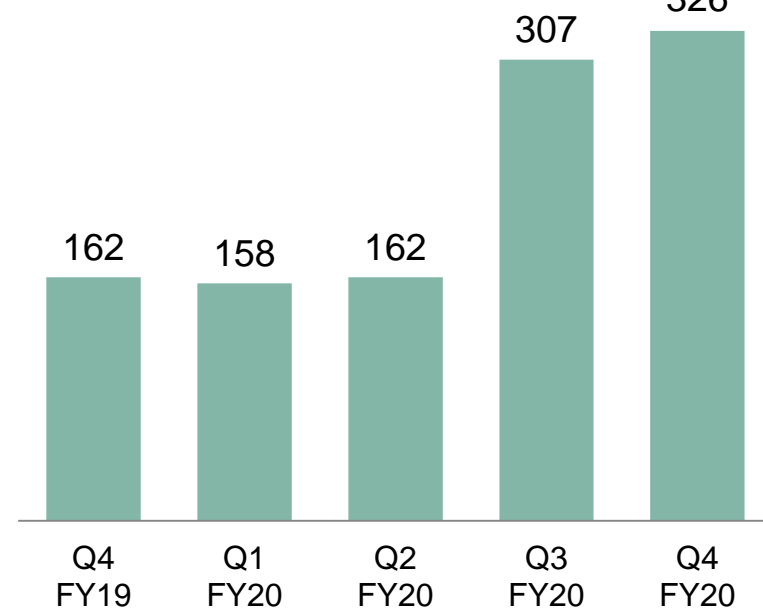


- › Revenue: FY20 €2,650m vs. FY19 €2,445m,
- › Segment Result Margin: FY20 24.0% vs. FY19 23.9%
- › Strong positive momentum for smartphones, accessories and wearable components including MEMS microphones
- › Server products: AC-DC demand slowed down, DC-DC components grew again
- › The increased speed of digitalization will provide further tailwinds

Connected Secure Systems (CSS)

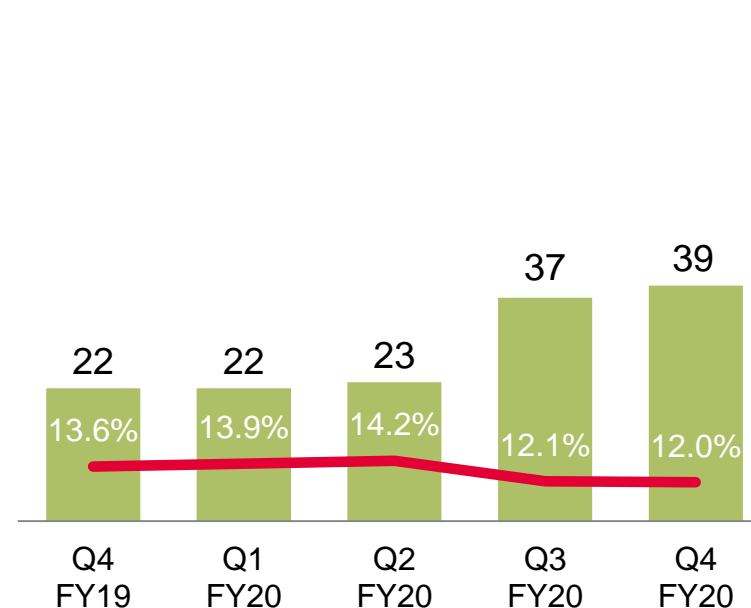
Revenues

[EUR m]

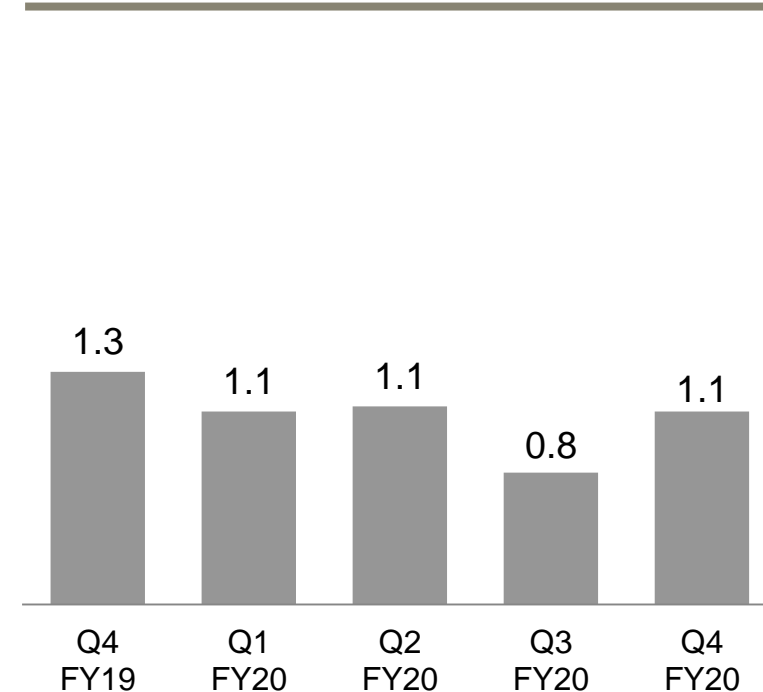


Segment Result

[EUR m]



Book-to-bill

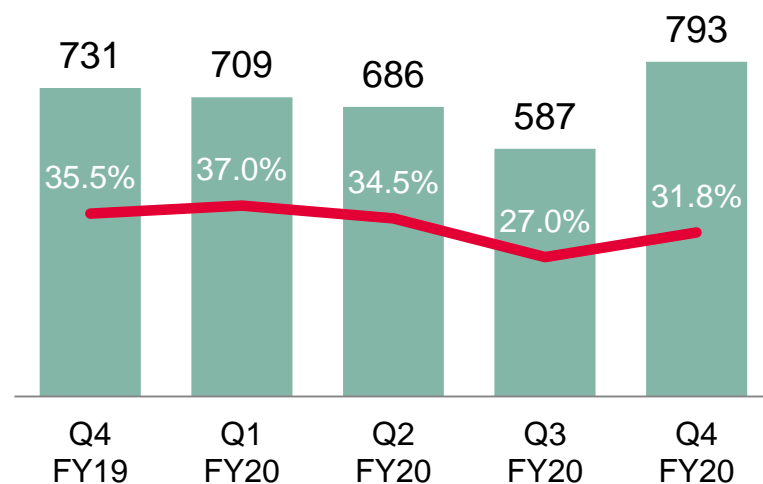


- > Revenue: FY20: €953m vs. FY19 €642m
- > Segment Result Margin: FY20 12.8% vs. FY19 12.0%
- > Increasing demand for applications like home health and fitness, remote controls, gaming consoles and contactless payment
- > Secular trend towards connected devices continues unabated - connectivity is becoming a core competency
- > End-markets like identification documents or ticketing continue to suffer from travel bans

Gross margin and Opex

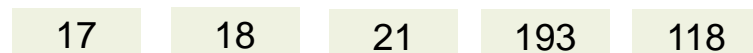
Gross profit

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



Therein non-segment result charges

[EUR m]

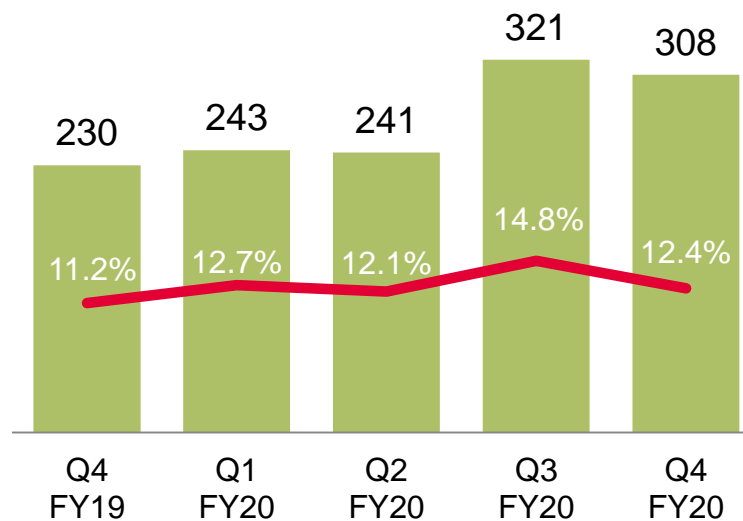


Adjusted gross margin



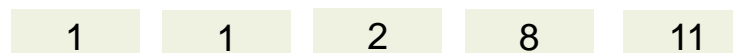
R&D

[EUR m]
■ R&D expenses



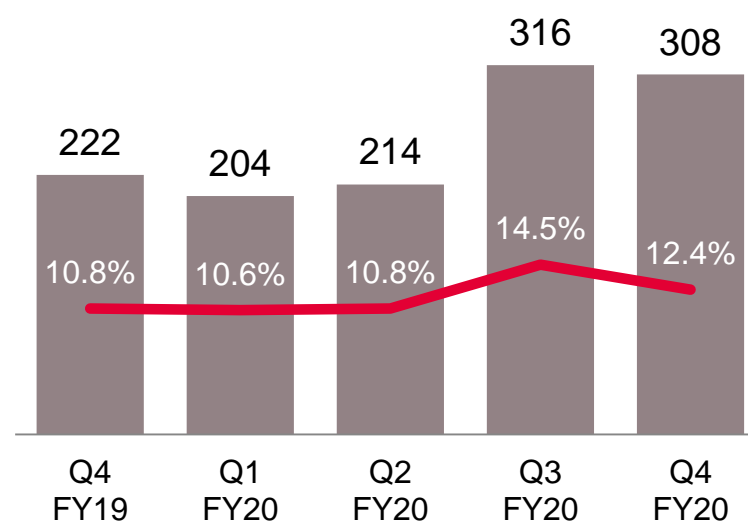
Therein non-segment result charges

[EUR m]



SG&A

[EUR m]
■ SG&A expenses



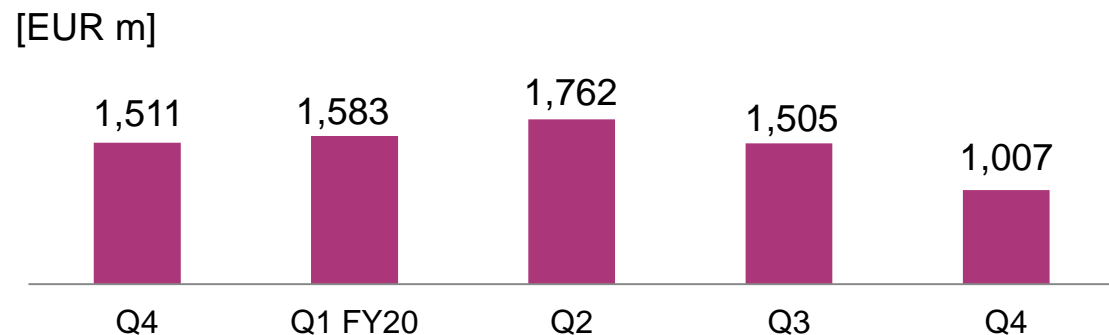
Therein non-segment result charges

[EUR m]

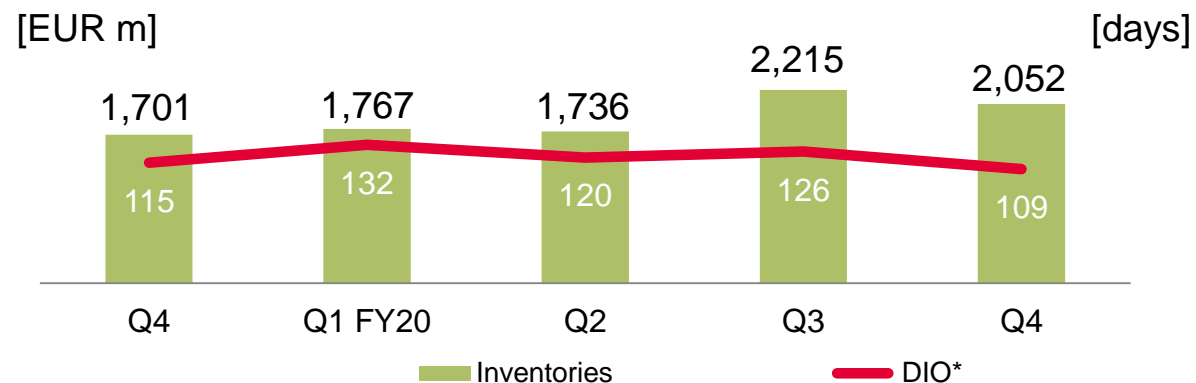


Trade working capital components

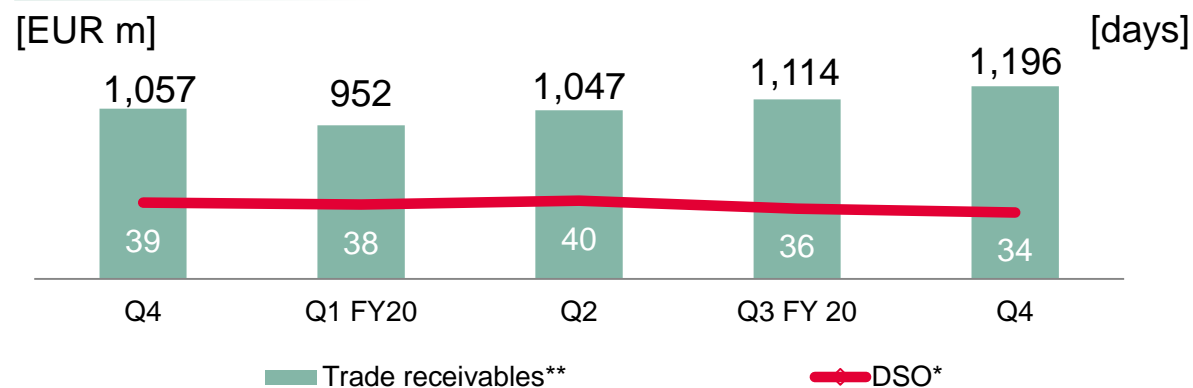
Working capital*



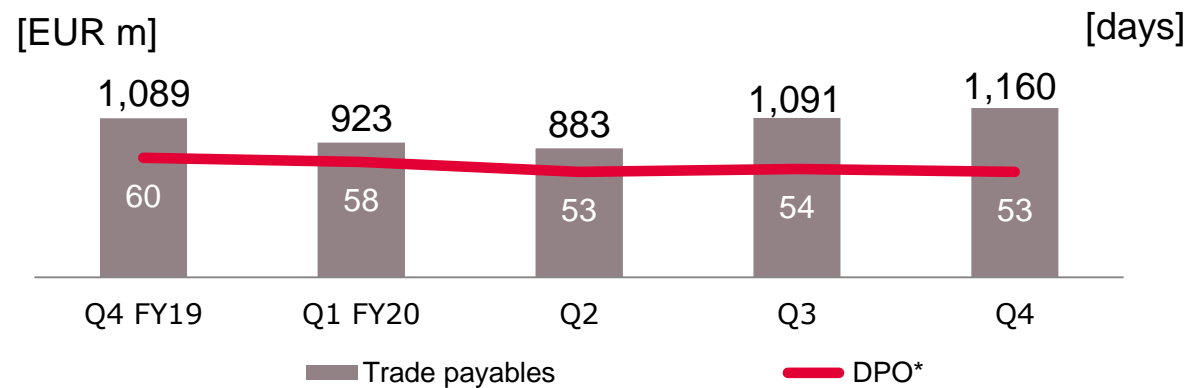
Inventories



Trade receivables



Trade payables



* 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.

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

Key points

FY20: A historical year for Infineon with the acquisition of Cypress

- › Revenue of €8,567m; Segment Result margin: 13.7%; Organic FCF of €911m

Well positioned to perform under challenging conditions

- › Proven business resilience
- › Cypress integration on track
- › Accelerating adoption rates for structural drivers like electro-mobility and IoT

Outlook - turning cautiously optimistic

- › Revenue of €10.5bn, Segment Result margin of ~16.5%
- › Margin expansion from lower idle cost and synergies, partially offset by reversal of cost containment
- › Macro risks could call for fast and agile response

Questions & Answers



Notes

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

Notes

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' / 'revenue')* x 90

*without debtors with credit balances

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.



Part of your life. Part of tomorrow.