

# First Quarter FY 2021 Analyst Call

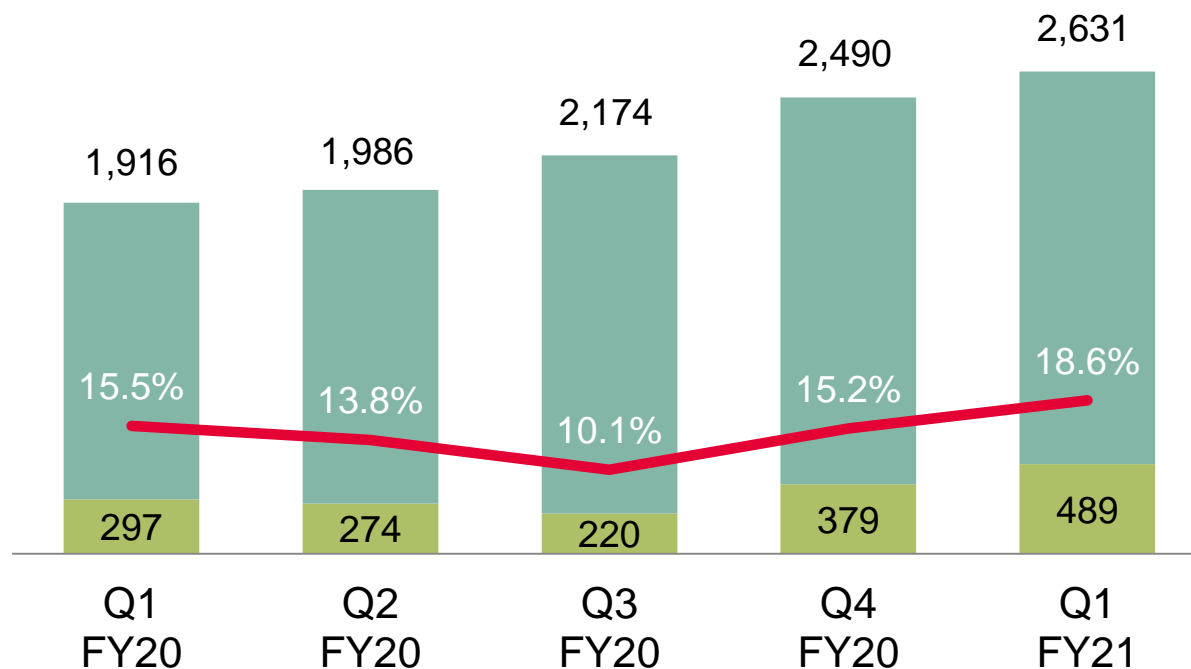
Infineon Technologies AG  
Investor Relations



# Group financial performance

## Revenues and segment result

[EUR m]      ■ Revenues   ■ Segment result   ■ Margin



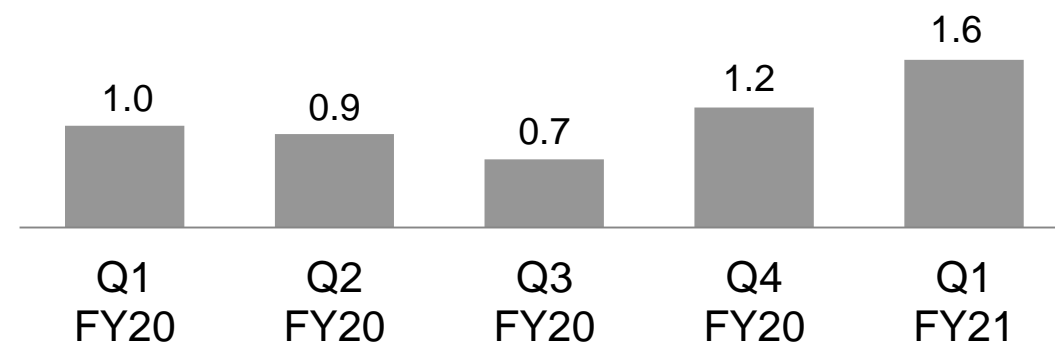
## USD exchange rate

### Average exchange rate

	<u>Q1</u> <u>FY20</u>	<u>Q4</u> <u>FY20</u>	<u>Q1</u> <u>FY21</u>
∅ USD/EUR	1.11	1.16	1.19

### Book-to-bill\*

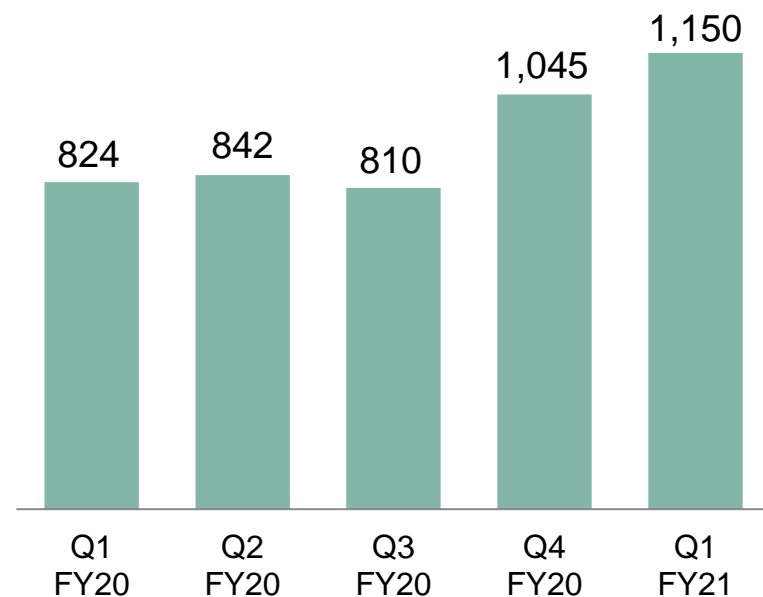
\*See notes for definition



# Automotive (ATV)

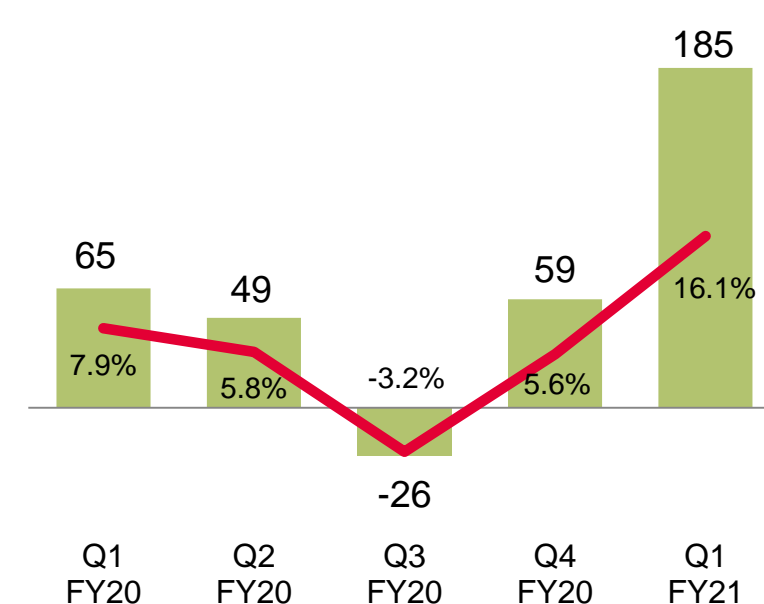
## Revenues\*

[EUR m]

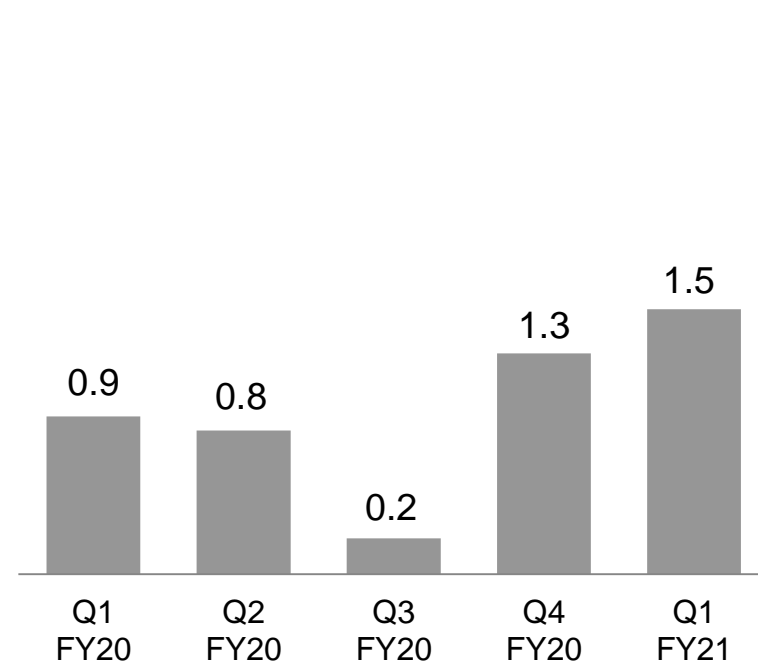


## Segment Result\*

[EUR m]



## Book-to-bill



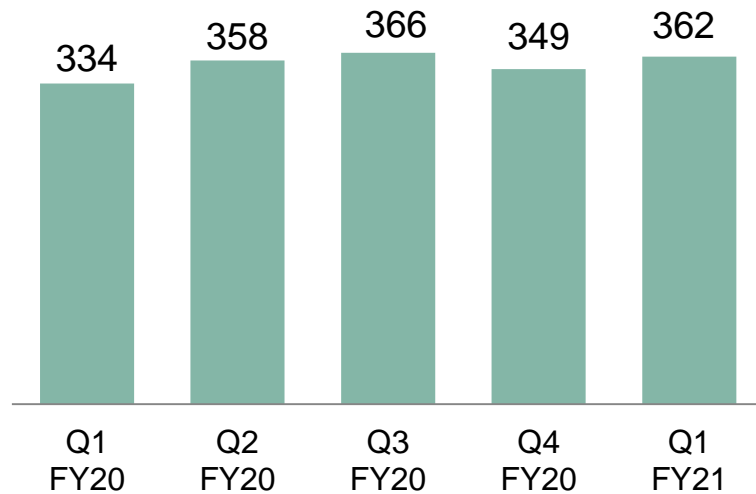
- > Global car markets continue to rebound, particular strength in components for electric vehicles
- > Current semiconductor shortage: foundry capacity, especially for microcontrollers is a limiting factor
- > Significant reduction in underutilization charges and non-recurring effects drive strong margin improvement

\* With effect from 1 Oct 2020, we transitioned a group of industrial microcontrollers with an annual sales volume of a low-double digit million Euros from ATV to CSS. Historical figures have been retroactively adjusted.

# Industrial Power Control (IPC)

## Revenues

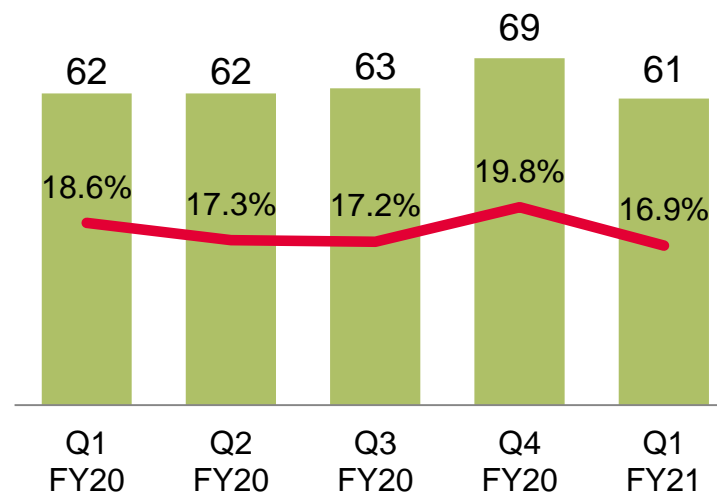
[EUR m]



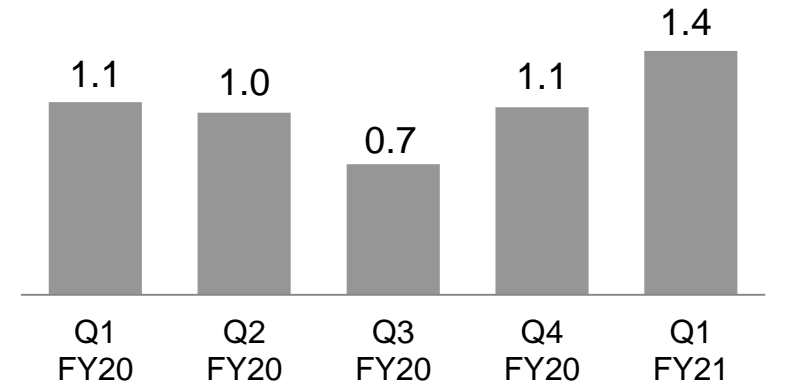
## Segment Result

[EUR m]

— Margin



## Book-to-bill

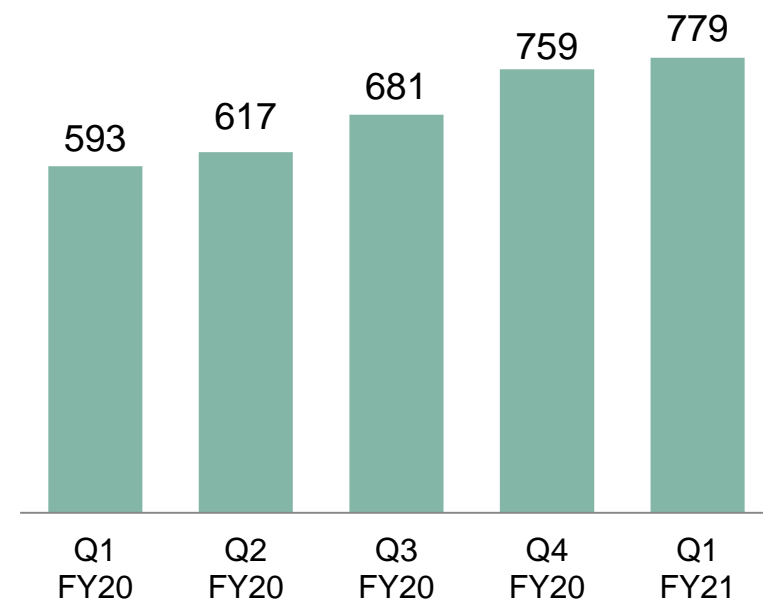


- › Renewables - positive momentum continues
- › Home appliances remain strong, driven by pent-up demand and energy-saving regulations
- › Industrial drives moved sideways, transportation continues to be hampered by low travel activities
- › Segment Result Margin decline reflects adverse currency movements and unfavorable product mix

# Power & Sensor Systems (PSS)

## Revenues

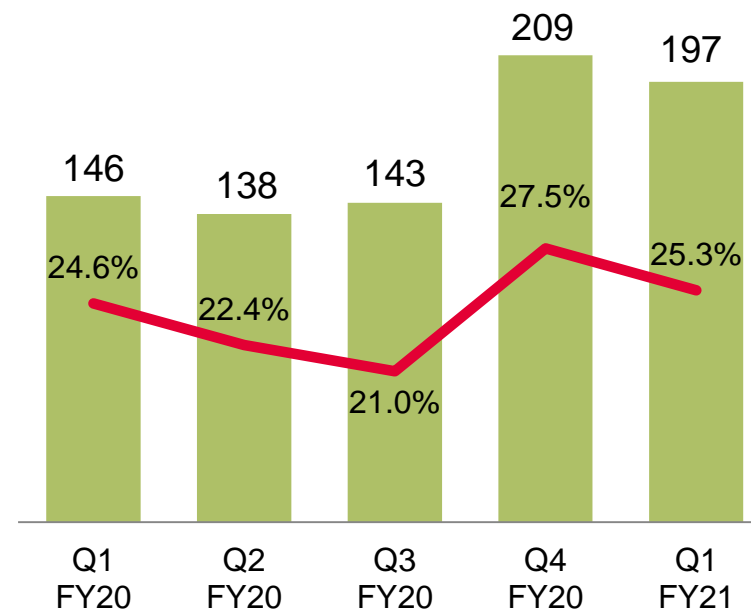
[EUR m]



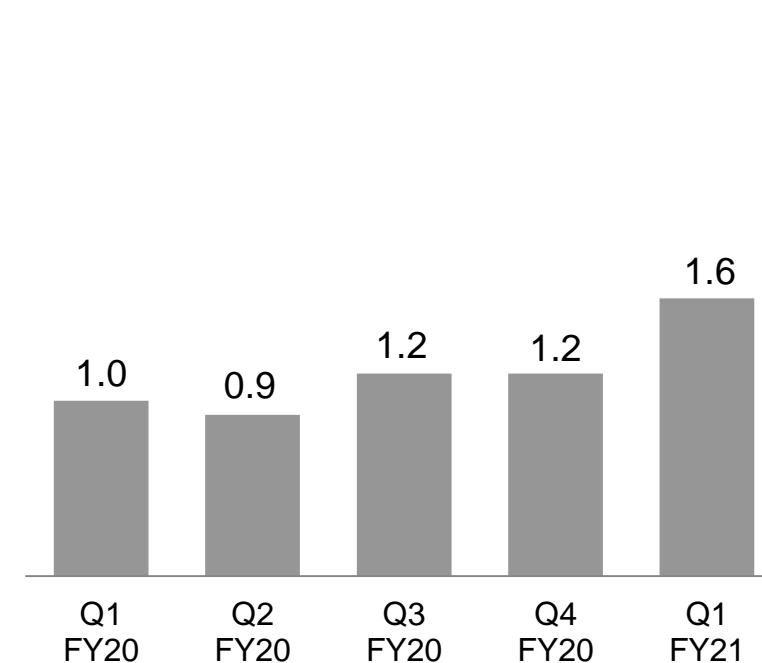
## Segment Result

— Margin

[EUR m]



## Book-to-bill

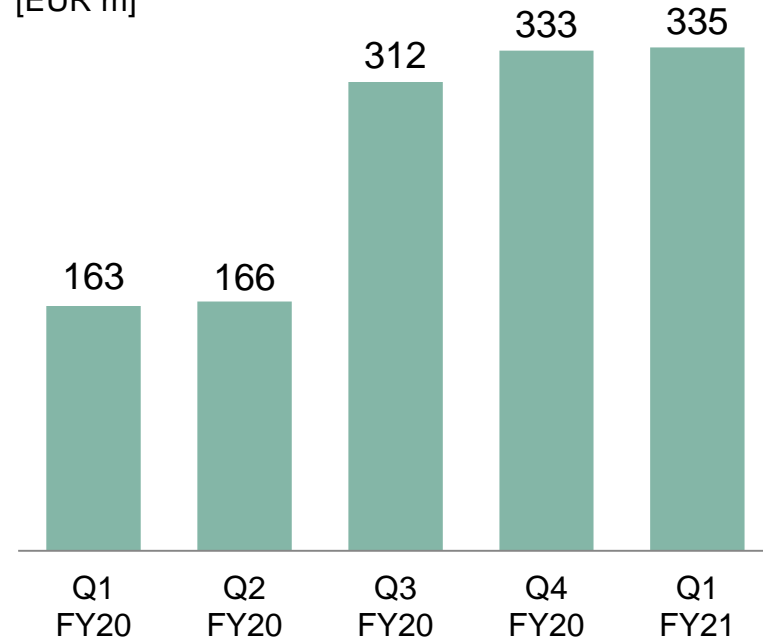


- › Remote workforce and stay-at-home regulations continue to boost demand
- › Strong demand for low-voltage switches (power tools) and MEMS microphones (smartphones & accessories)
- › Demand for the server components remains flat, but at high levels

# Connected Secure Systems (CSS)

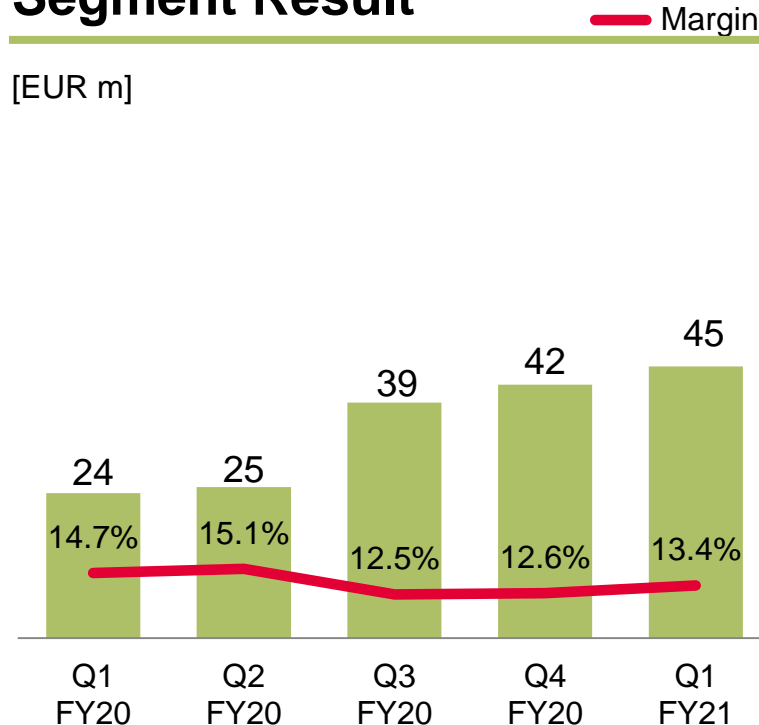
## Revenues\*

[EUR m]

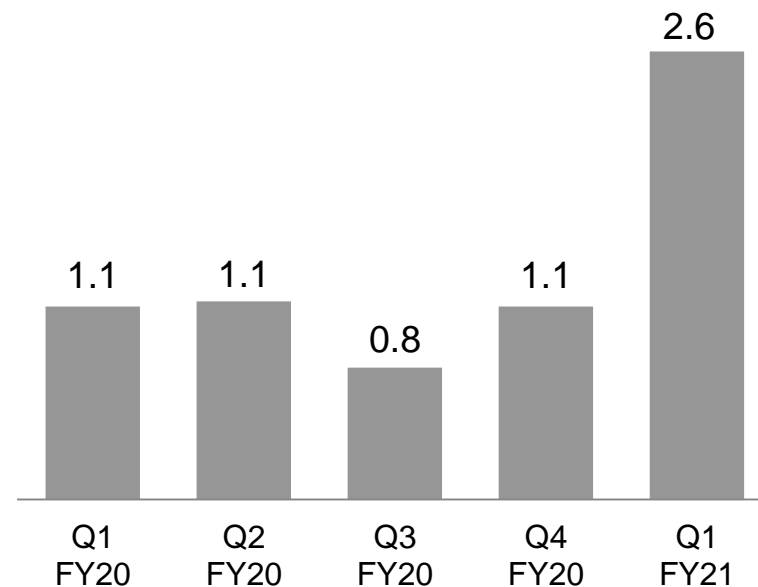


## Segment Result\*

[EUR m]



## Book-to-bill



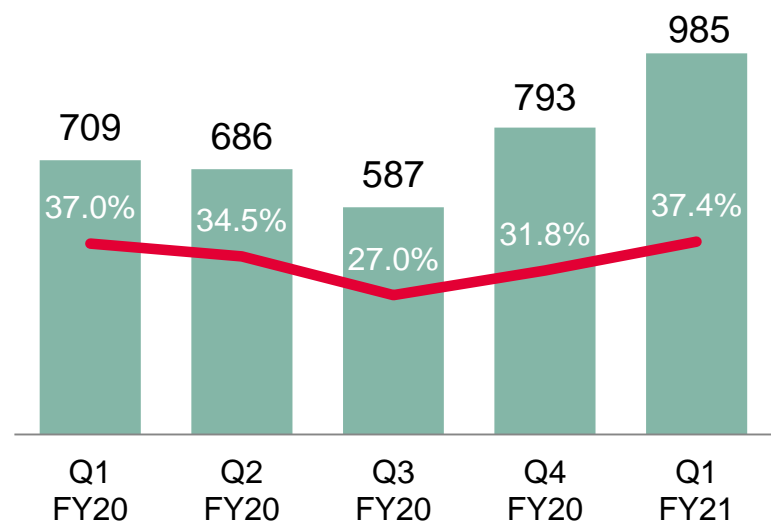
- > CSS affected by supply constraints on the foundry side
- > Vibrant demand especially for general-purpose microcontrollers and Wi-Fi components
- > Secular trend towards connected devices continues to be unabated

\* With effect from 1 Oct 2020, we transitioned a group of industrial microcontrollers with an annual sales volume of a low-double digit million Euros from ATV to CSS. Historical figures have been retroactively adjusted.

# Gross margin and Opex

## Gross profit

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



Therein non-segment result charges

[EUR m]

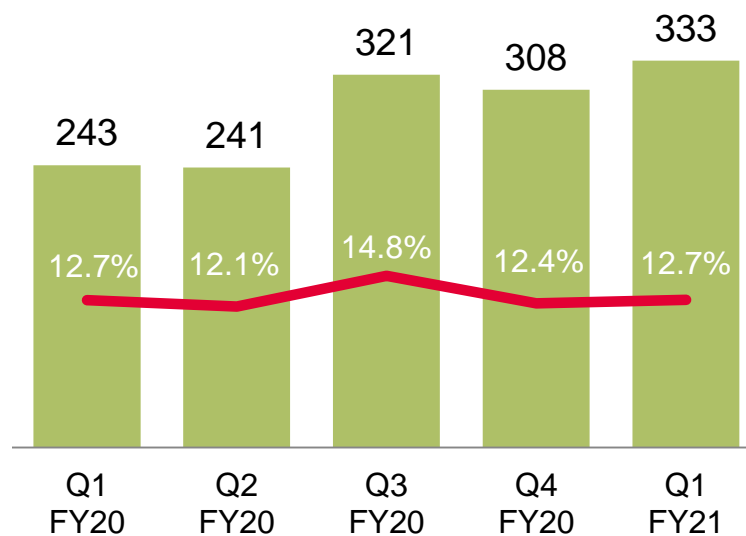
18	21	193	118	75
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Adjusted gross margin

37.9%	35.6%	35.9%	36.6%	40.3%
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## R&D

[EUR m]   
■ R&D expenses



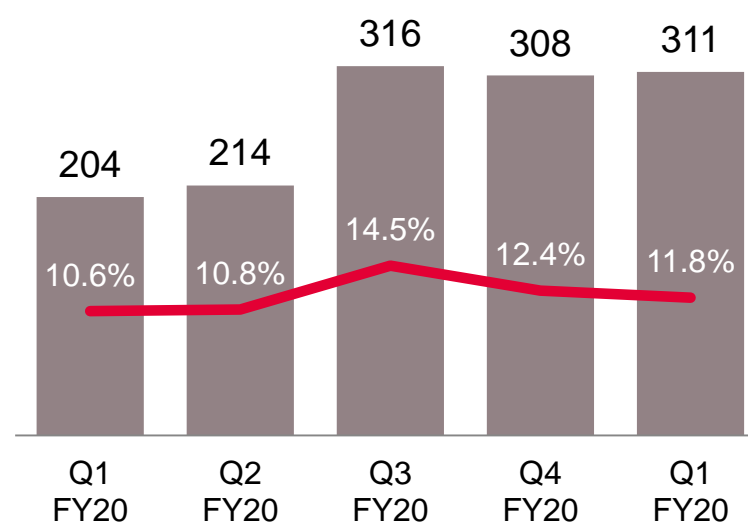
Therein non-segment result charges

[EUR m]

1	2	8	11	8
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## SG&A

[EUR m]   
■ SG&A expenses



Therein non-segment result charges

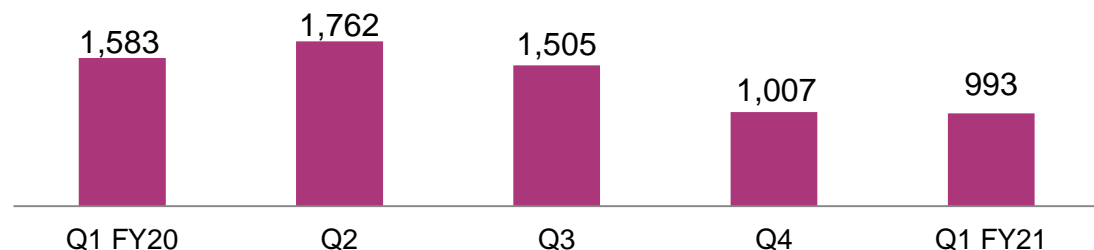
[EUR m]

13	18	79	68	60
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# Trade working capital components

## Working capital\*

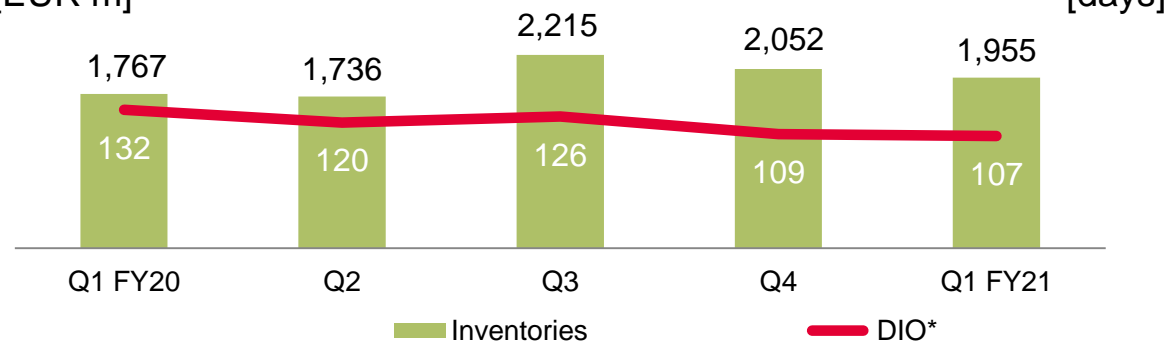
[EUR m]



## Inventories

[EUR m]

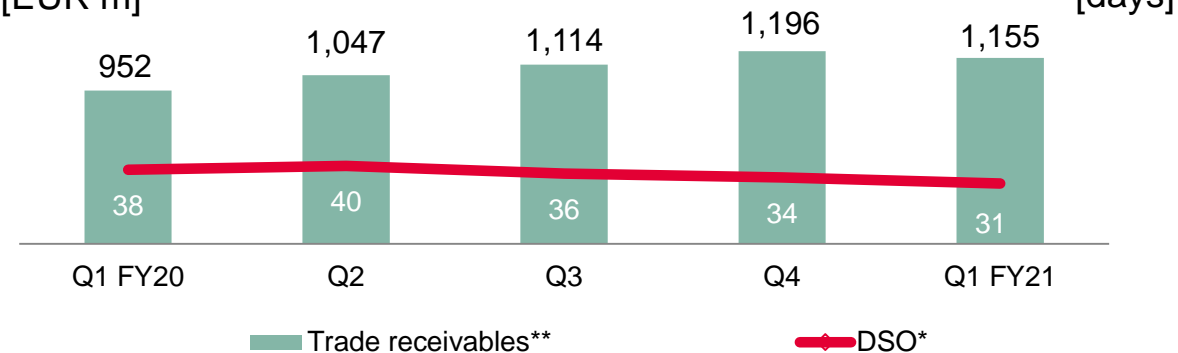
[days]



## Trade receivables

[EUR m]

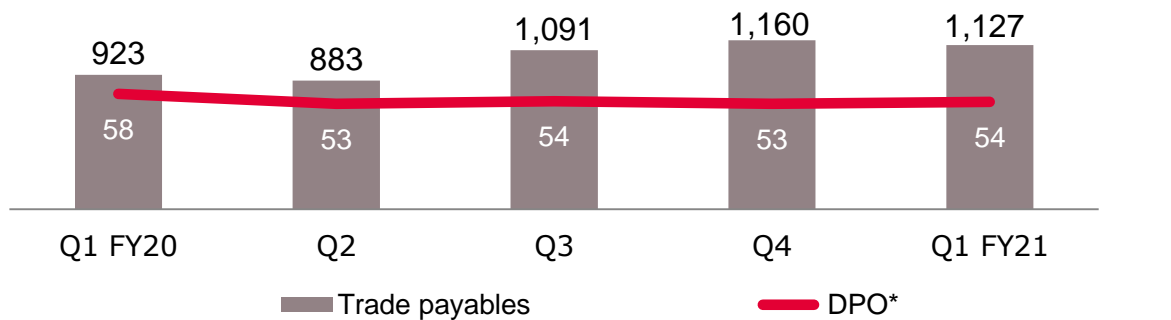
[days]



## Trade payables

[EUR m]

[days]



\* 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 Q2 FY21 and FY21

	Outlook Q2 FY21*	Outlook FY21*
Revenue	€2.5bn – €2.8bn	~ €10.8bn +/- 5% (prev.: ~ €10.5bn +/- 5%)
Segment Result Margin	At the mid-point of the revenue guidance: ~ <b>16.5%</b>	At the mid-point of the revenue guidance: ~ <b>17.5%</b> (prev.: ~16.5%)
Investments in FY21		~ €1.6bn (prev.: €1.4bn – €1.5bn)
D&A in FY21		€1.5bn – €1.6bn**
Free cash flow in FY21		> €800m (prev.: > €700m)

\* Based on an assumed average exchange rate of \$1.20 for €1.00; previously \$1.15 for €1.00

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

# Key points

## **Infineon had a strong start into its 2021 fiscal year**

Revenue of €2,631m; Segment Result margin: 18.6%

## **Preparing for the structural upturn**

- › Demand in several of our key end-markets, most notably the automotive sector, is outstripping supply
- › Accelerating adoption rates for structural drivers like electro-mobility and IoT

## **Outlook – turning more confident for FY21**

- › Revenue of €10.8bn\*, Segment Result margin of ~17.5%
- › Strong business momentum will overcompensate the currency burden

\*Based on an assumed average exchange rate of \$1.20 for €1.00; previously \$1.15 for €1.00

# Questions & Answers



# Notes

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## Book-to-bill ratio - Definition

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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

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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.

# Notes

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**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



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