



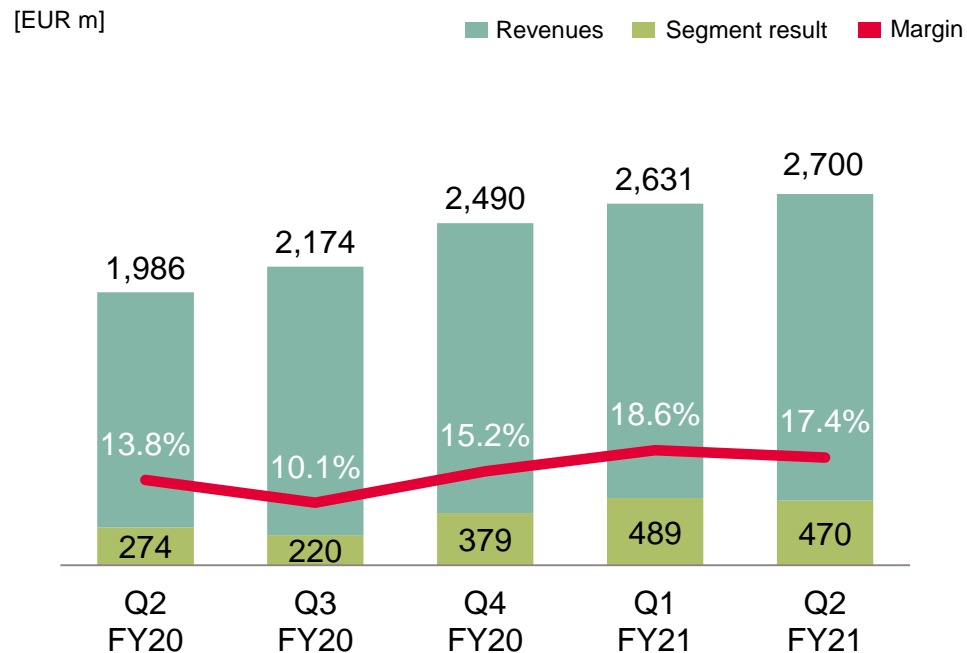
# Second Quarter FY 2021 Analyst Call

Infineon Technologies AG  
Investor Relations



# Group financial performance

## Revenues and segment result



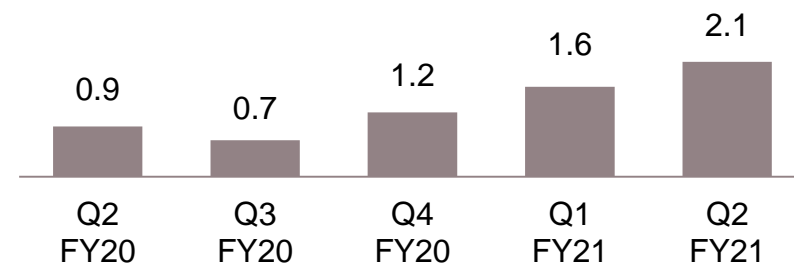
## USD exchange rate

### Average exchange rate

	<u>Q2</u> <u>FY20</u>	<u>Q1</u> <u>FY21</u>	<u>Q2</u> <u>FY21</u>
∅ USD/EUR	1.10	1.19	1.21

### Book-to-bill\*

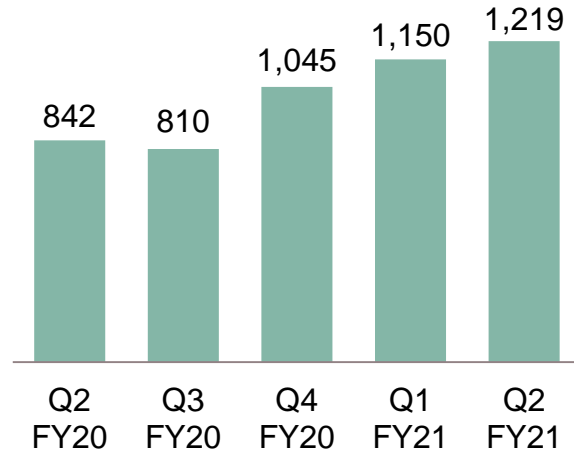
\*See notes for definition



# Automotive (ATV)

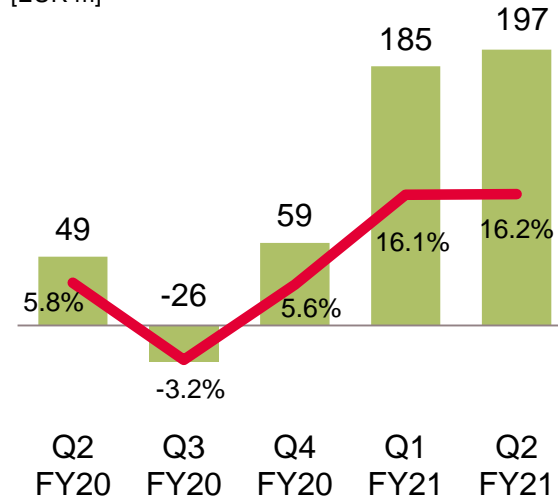
## Revenues\*

[EUR m]

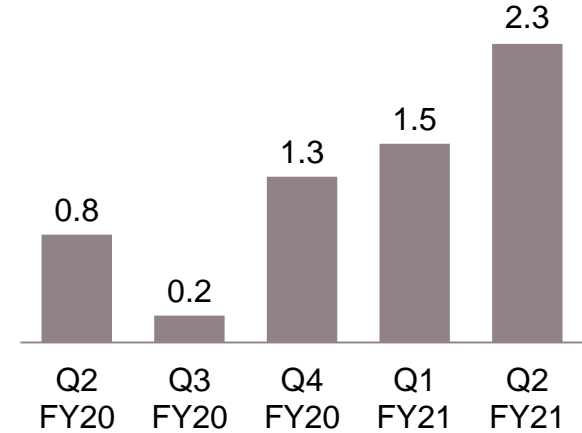


## Segment Result\*

[EUR m]



## Book-to-bill



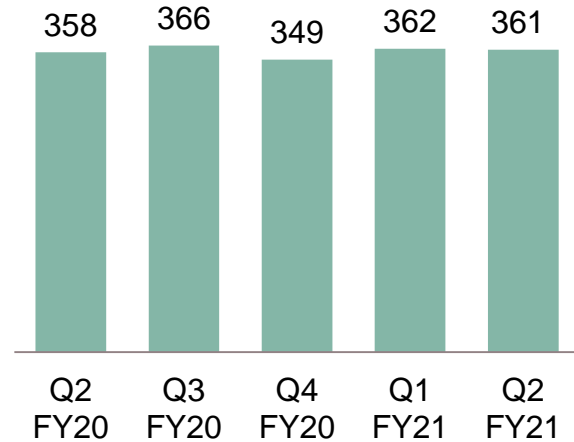
- › Positive revenue contribution from almost all areas - particular strong demand for electric vehicles components
- › Stable margin: negative impacts of Austin power outage and of annual price adjustments compensated by lower underutilization charges
- › Scarce manufacturing capacities, in particular at foundries and subcons, put a speed limit to the automotive recovery
- › EV and ADAS remain very robust structural trends

\* 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)

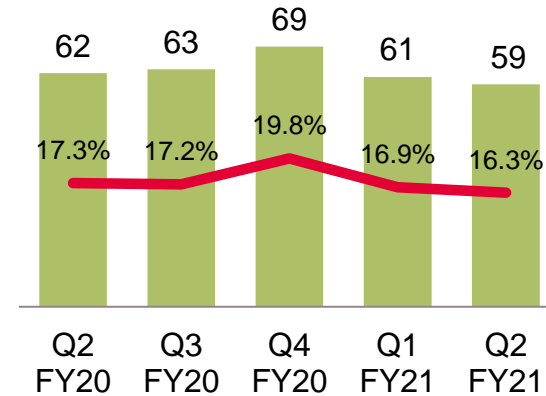
## Revenues

[EUR m]



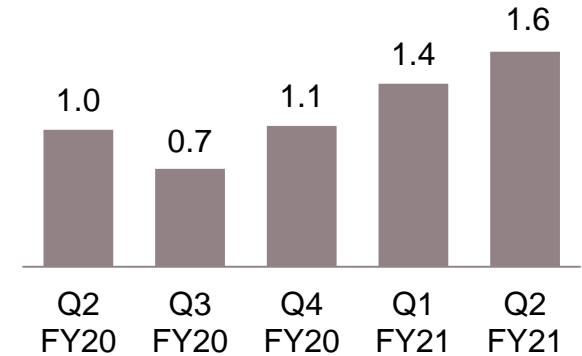
## Segment Result

[EUR m]



— Margin

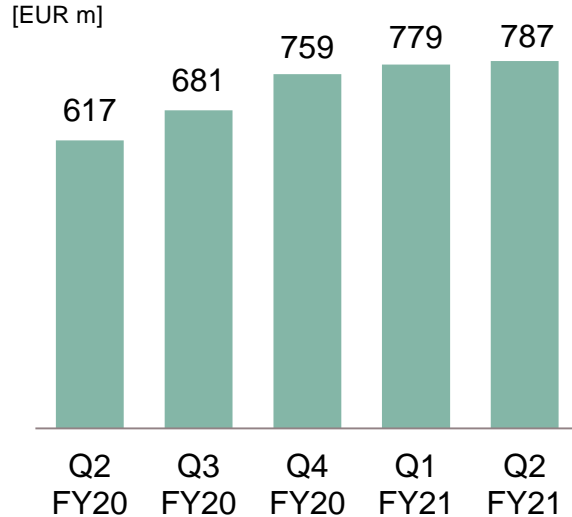
## Book-to-bill



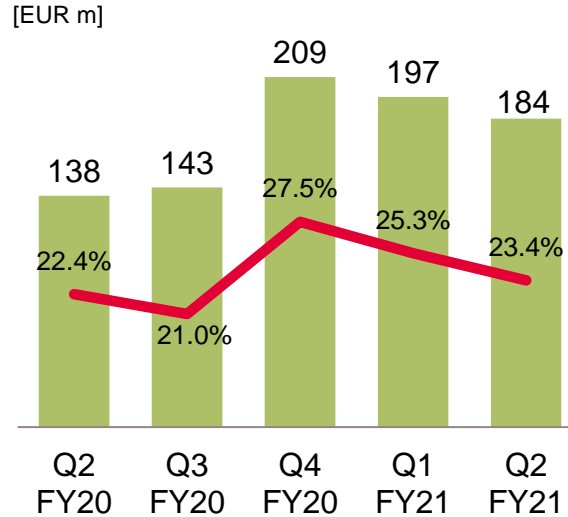
- > Sequential revenue decline in transportation compensated by revenue increases in all other application areas
- > Renewables - positive momentum continues
- > Market conditions for industrial applications continue to brighten
- > Home appliances remain strong, driven by pent-up demand and energy-saving regulations

# Power & Sensor Systems (PSS)

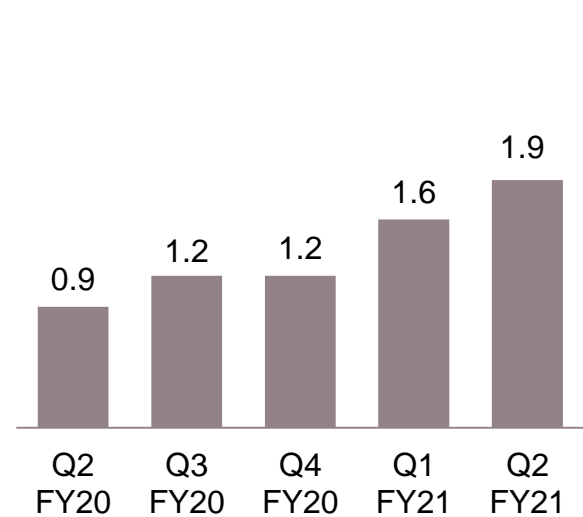
## Revenues



## Segment Result



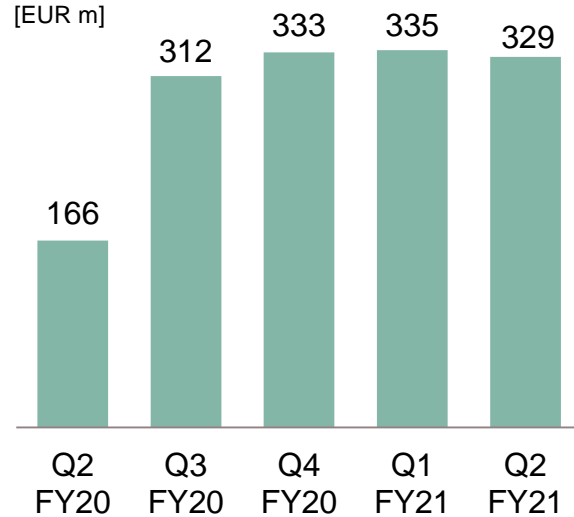
## Book-to-bill



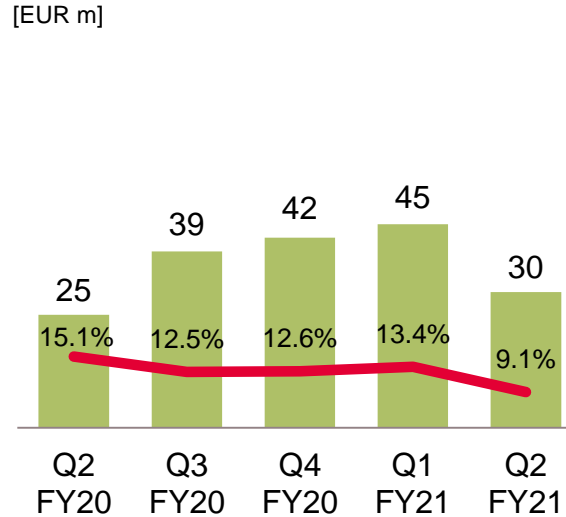
- › Strong demand in multiple end markets, from power tools to telecom servers, overcompensating the seasonal decline in smartphone
- › Supply constraints, in particular from foundries, capped further upside
- › Digitalization leads to disruptive innovations in consumer and industrial applications - smart and “sensorified” devices, edge computing, 5G networks and cloud data centers provide attractive growth opportunities

# Connected Secure Systems (CSS)

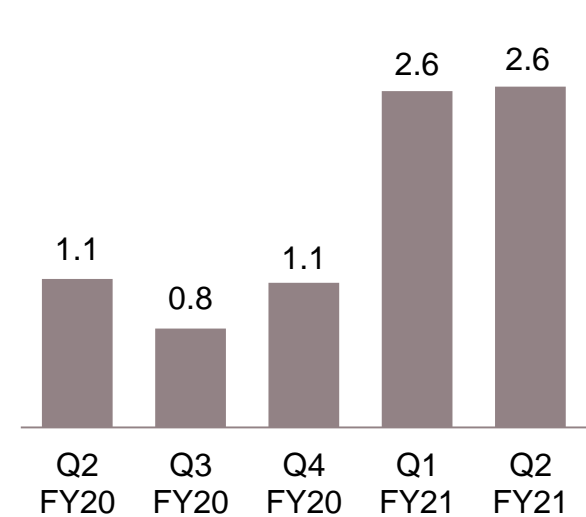
## Revenues\*



## Segment Result\*



## Book-to-bill

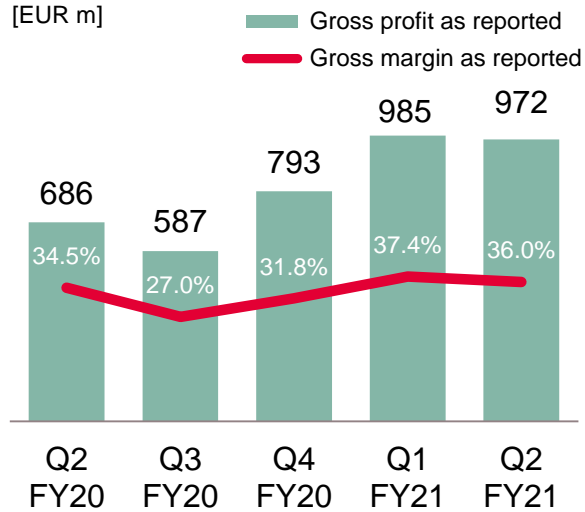


- › CSS severely affected by supply constraints - power outage in Austin adds further tightness to the scarce foundry capacities
- › Increased demand for security solutions e.g. contactless payment and device authentication, dampened revenue impact
- › Unabated secular trend towards smart connected devices - vibrant demand especially for general-purpose microcontrollers and connectivity (Wi-Fi/Bluetooth)

\* 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.

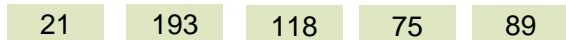
# Gross margin and Opex

## Gross profit



Therein non-segment result charges

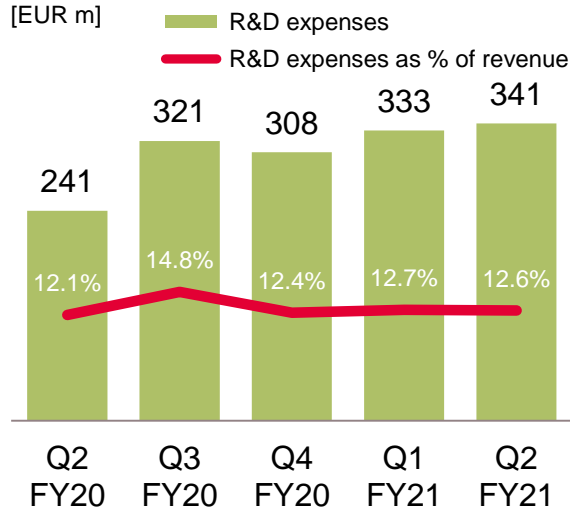
[EUR m]



Adjusted gross margin

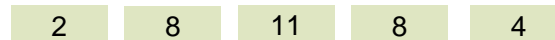


## R&D

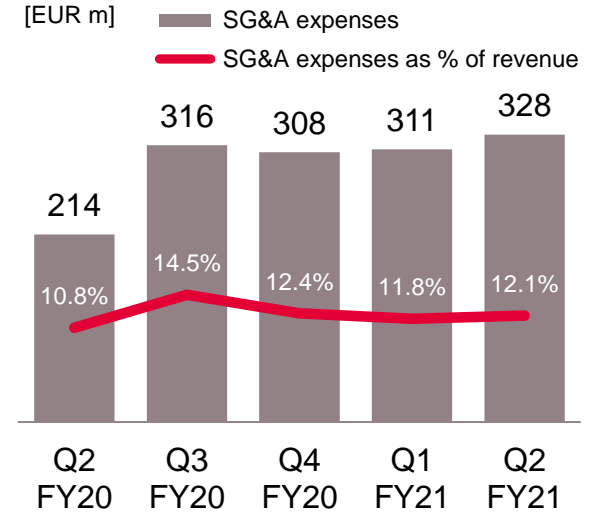


Therein non-segment result charges

[EUR m]



## SG&A



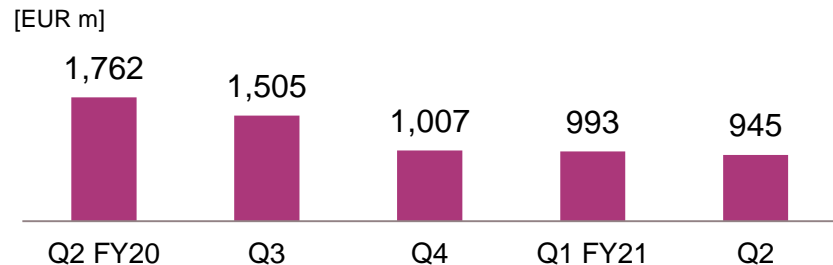
Therein non-segment result charges

[EUR m]

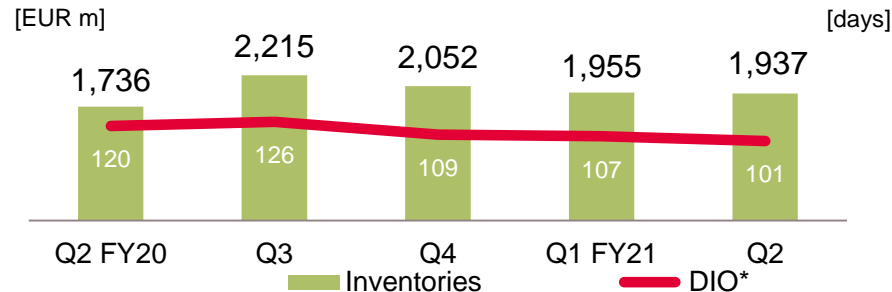


# Working Capital, in particular trade working capital components

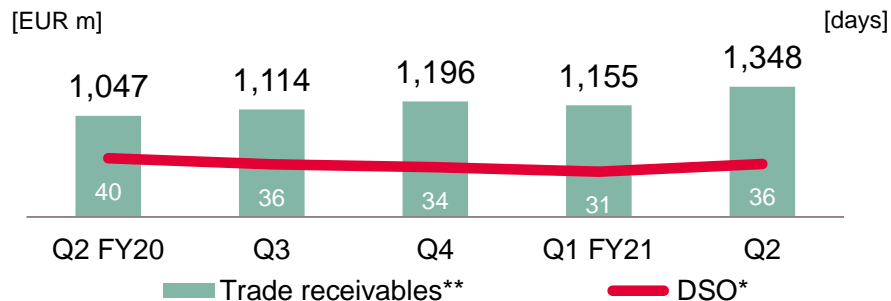
## Working capital\*



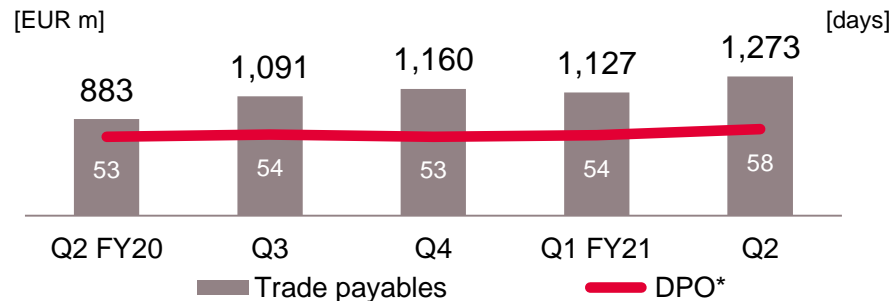
## Inventories



## 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 Q3 FY21 and FY21

	Outlook Q3 FY21*	Outlook FY21*
Revenue	€2.6bn – €2.9bn	~ €11.0bn +/- 3% (prev.: ~ €10.8bn +/- 5%)
Segment Result Margin	At the mid-point of the revenue guidance: ~ 18%	At the mid-point of the revenue guidance: ~ 18% (prev.: ~17.5%)
Investments in FY21		~ €1.6bn
D&A in FY21		€1.5bn – €1.6bn**
Free cash flow in FY21		> €1.2bn (prev.: > €800m)

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

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

# Questions & Answers



# Key points

## **Infineon concluded a strong first half of its 2021 fiscal year**

Q2: Revenue of €2.7bn; Segment Result margin: 17.4%

## **Cyclical dynamics coinciding with a structural upturn**

- › Demand is outstripping supply in almost all semiconductor areas
- › Many products are on allocation and inventories are lean
- › Accelerating adoption rates for structural drivers like electro-mobility and IoT

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

- › Revenue of €11.0bn\*, Segment Result margin of ~18%\*, Free Cash Flow > €1.2bn\*
- › Infineon is in excellent health to continue its profitable growth journey

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

# 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

## 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.

# 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



Part of your life. Part of tomorrow.