The Big Picture

IFX Day 2021
virtual format, 5 October 2021
Since 1999, Infineon has grown by ~10% p.a., thereby consistently outperforming the semiconductor market

Revenues CAGR (FY99 – FY20): 9.8%

Semiconductor World Market CAGR (FY99 – FY20): 5.7%

**Profitability**

(3y-average Segment Result Margin)

<table>
<thead>
<tr>
<th></th>
<th>FY09 – FY11: 9.5%</th>
<th>FY12 – FY14: 12.6%</th>
<th>FY15 – FY17: 15.9%</th>
<th>FY18 – FY20: 16.0%</th>
</tr>
</thead>
</table>

1. **Strategic consolidation**
2. **Product-to-System**
3. **International Rectifier**
4. **Cypress**

**Technology provider**

**System provider**

**System Integrator**

**Solution provider**

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1. In FY09 Infineon's management changed the measure it uses to assess the operating performance of its operating segments to “Segment Result” | 2 Based on Infineon's portfolio (excl. Other Operating Segments and Corporate & Eliminations) per end of FY20 | 3 Source: WSTS (World Semiconductor Trade Statistics) in EUR adjusted for fiscal year, September 2020
Sustained market leadership based on key success factors – building the foundation of our future success

**System understanding & solution expertise**
- Early understanding of changing market demands
- Translating what is technologically possible into marketable products according to customer needs

**Differentiating inhouse manufacturing**
- Global 300 mm thin-wafer leader
- Outstanding manufacturing expertise

**Innovation drives differentiation**
- Outstanding history of turning inventions into business success
- Market-leading scale, broad and diversified R&D roadmap

**Creating Customer Value**

**Quality and technology leadership**
- Track record of a diligent development process with strict quality control
- Product portfolio with outstanding breadth and depth

**Outstanding customer relationships**
- Customer embeddedness – reach deep customer understanding
- Stickiness of customer relationships
Global megatrends lead to tectonic technology shifts; examples: xEV and renewable energies

- Climate change & resource scarcity
- Demographic & social change
- Urbanization
- Digital transformation

Number of BEV + PHEV sales¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>0</td>
<td>4m</td>
<td>36m</td>
</tr>
</tbody>
</table>

Installed PV power²

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power</td>
<td>40 GW</td>
<td>~800 GW</td>
<td>~4,200 GW</td>
</tr>
</tbody>
</table>

¹ Based on or includes content supplied by IHS Markit Automotive: Light Vehicle Alternative Propulsion Forecast. August 2021
Global megatrends lead to tectonic technology shifts; examples: assisted driving and IoT

Sales of cars equipped with ADAS (L1 or higher)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>ADAS Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>~9m</td>
</tr>
<tr>
<td>2020</td>
<td>37m</td>
</tr>
<tr>
<td>2030</td>
<td>69m</td>
</tr>
</tbody>
</table>

Number of new IoT connections p.a.\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>IoT Connections</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>~1bn</td>
</tr>
<tr>
<td>2020</td>
<td>6bn</td>
</tr>
<tr>
<td>2025</td>
<td>20bn</td>
</tr>
</tbody>
</table>

\(^1\) Based on or includes content supplied by IHS Markit Automotive: CFA Model – Autonomy – Production. September 2021; Infineon

\(^2\) ABI Research: IoT Market Tracker Worldwide Q3 2021 Update. September 2021; Infineon
Two secular themes: Electrification and Digitalization

Electrification
› CO₂ saving
› Energy efficiency
› Cost saving

Digitalization
› Productivity
› Comfort
› New use cases
Numerous applications are getting electrified and/or digitalized – creating a much bigger playing field for Infineon
Infineon is shaping Electrification and Digitalization by innovative technologies enabling advanced solutions.

**Digitalization**

- autonomous
- bright
- smart
- simple

**Electrification**

- mechanical, hydraulic
- simple electrified
- digitally controlled
- highest power density

- IGBT module
- multi-function
- SiC
- GaN

- neural network, AI capabilities
- edge IoT (sensor + MCU + NV memory + connectivity + security + software)
- 32-bit multi-core MCU
- Wi-Fi
- combo
- CMOS radar
- system-on-chip
- 32-bit single-core MCU
- BLE
- NFC
- system-in-package
- 16-bit MCU
- BT
- digital power management
- multi-function IGBT module
- 8-bit MCU
- driver ICs
- ultra-high-power IGBT module
- GaAs radar
- HV driver ICs
- HV IGBT
- HV MOSFET
- SiC
- SiGe radar
- CMOS radar
- combo
- edge IoT (sensor + MCU + NV memory + connectivity + security + software)
- neural network, AI capabilities
- edge IoT (sensor + MCU + NV memory + connectivity + security + software)
By continuously pushing technology limits, Infineon is uniquely positioned to shape Electrification and Digitalization

**Major milestones in Electrification**

- Launch of CoolMOS™ and IGBT trench architecture technologies
- Acquisition of International Rectifier and Siltegra
- Ramp of 2\textsuperscript{nd} 300 mm power semiconductor fab
- Development of world’s first 300 mm thin-wafer technology
- Launch of SiC trench MOSFET and GaN HEMT

**Major milestones in Digitalization**

- Development of radar sensor ICs (24/60/77 GHz)
- Launch of CO\textsubscript{2} and 3D ToF sensors
- Acquisition of Cypress
- Development of MEMS microphones
- Development of MCU families (AURIX™, TRAVEO™, PSoC™, XMC™)

**Areas of differentiation**

- Best-in-class Si
- Pioneer in 300 mm power
- Innovator in SiC and GaN
- Best driver ICs
- Deep system understanding
- Broad MCU portfolio
- Wi-Fi/BT/BLE combos
- HMI sensor competence
- Software, AI
- Leading integration capabilities
What we achieved in the past two decades in the field of power semiconductors

› Global leader in power systems

› 2x as big as number two in the total power semiconductor market

› Unmatched portfolio of modules and packaging technologies

› Quality leadership

› Broad portfolio in innovative wide-bandgap materials
Product-to-System (P2S): our overarching strategic approach for profitable growth and for making our customers more successful

- **Applications**
  - IoT & Consumer
  - Industrial
  - Automotive
  - Computing

- **Services**
  - IoT platforms
  - Development networks
  - Partnerships
  - Industrial associations

- **Full system functionality**
  - Development environment
  - Firmware
  - Operating system
  - Additional SW features

- **Base technology**
  - Connectivity
  - Compute
  - Security
  - Power, sensors, memory ICs

- **Ecosystem**
  - IoT platforms
  - Development networks
  - Partnerships
  - Industrial associations

- **Software**
  - Development environment
  - Firmware
  - Operating system
  - Additional SW features

- **Hardware**
  - Connectivity
  - Compute
  - Security
  - Power, sensors, memory ICs
Infineon is exposed to an increasing number of structural, long-duration growth drivers for the coming decade.

From IFX Day 2018

- **Significance for Infineon**
  - **High Division**
    - Electromobility xEV
    - HMI (human-machine interaction)
    - ADAS/automated driving
    - Industrial IoT
    - Renewable energy
    - RF power
    - Automation & drives
    - Transportation
    - Telecom power management
    - Home appliances
    - Car infotainment
    - Contactless payment/biometric payment

- **Medium Division**

- **Low Division**
  - Other applications in our target markets are expected to show standard growth patterns.

Growth derived mainly from Electrification
Growth derived mainly from Digitalization
The intelligent world is arriving – the fusion of present, new and emerging technologies promises new possibilities and opportunities.

- **Urban Mobility**
- **Data Security**
- **Human Machine Interaction**
- **Smart and autonomous systems incl. AI**
- **Network of green energies**
- **Smart Health**
- **Blockchain**
- **Ubiquitous IoT**
- **Quantum Computing**
Profitable growth journey since 1999 – from technology to solution provider

Unique position to shape Electrification and Digitalization
› Global leader in power systems
› Transformational Cypress acquisition to drive IoT

Product-to-System (P2S) is the foundation of our future success

Multitude of long-duration structural growth drivers for the coming decade+
Infineon’s value creation is crystallized in a resilient through-cycle Target Operating Model

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target Operating Model</th>
</tr>
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<tbody>
<tr>
<td>Revenue growth</td>
<td>9%+</td>
</tr>
<tr>
<td>Segment Result Margin</td>
<td>19%</td>
</tr>
<tr>
<td>Investment-to-sales</td>
<td>13%</td>
</tr>
</tbody>
</table>

1 Infineon financial performance to approach targets as Cypress integration progresses
Preliminary figures for FY21\(^1\) and indicative outlook for FY22\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Preliminary FY21(^1)</th>
<th>Indicative outlook FY22(^2)</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>~ €11.0bn</td>
<td>mid-teens % increase</td>
</tr>
<tr>
<td>Segment Result Margin</td>
<td>&gt; 18%</td>
<td>~ 20%</td>
</tr>
<tr>
<td>Investments</td>
<td>~ €1.6bn</td>
<td>~ €2.4bn</td>
</tr>
<tr>
<td>D&amp;A(^3)</td>
<td>€1.5bn - €1.6bn</td>
<td>~ €1.7bn</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>~ €1.5bn</td>
<td>~ €1.0bn</td>
</tr>
</tbody>
</table>

1 Preliminary unaudited figures
2 Based on an assumed average exchange rate of $1.20 for €1.00; for FY22 based on expected supply capacity
3 Including the effects of the purchase price allocation for Cypress and, to a lesser extent, International Rectifier
Part of your life. Part of tomorrow.