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Annual Press Conference

Neubiberg, 15 November 2022

- The spoken word prevails -

Dear members of the press, dear viewers,

A record fiscal year completed, a new, even more ambitious set of business targets decided and plans for the largest single investment in the company's history. Infineon is shifting into higher gear. Our company is fully aligned with the two key trends of our time: decarbonization and digitalization. We provide the essential building blocks for a climate-neutral and digitalized world. As a market leader in power systems and IoT, we are driving the green and the digital transformations together with our partners. This is how we contribute to a livable future for us and for generations to come. We want to further increase the value our solutions create for our customers and Infineon, and we are making excellent progress. All the more reason for me to look forward to reporting to you on Infineon's progress and our ambitious targets today. Welcome to Infineon's annual press conference, here on site and in our livestream!

First, I would like to look back with you on the past fiscal year. I will then explain the two strategic decisions we announced yesterday afternoon: the upgrade of our long-term financial targets through the cycle, and the planned major investment in a new plant. This will be followed by several examples that will help you better understand where our technologies are applied and will thus make the market dynamics tangible. I will then look at the fiscal year that began in October and assess our outlook. After that, I will be happy to join my Management Board colleagues to answer your questions.

First, a look back:

Infineon closes record 2022 Fiscal Year

Infineon has completed a challenging 2022 fiscal year very successfully. The fourth quarter went excellently. Group revenues increased by 15 percent compared with the previous quarter, to around 4.1 billion euros. This development was supported by the stronger US dollar. Segment Result for a single quarter exceeded the 1-billion-euro threshold for the first time. Segment Result Margin improved to 25.5 percent, compared with 23.3 percent in the previous quarter.

The various submarkets paint a differentiated picture of demand, which remained strong in automotive, industrial applications and renewable energies. By contrast, demand in the application areas computing, consumer electronics and smartphones weakened because of lower consumer confidence levels.

The bottom line for the 2022 Fiscal Year is a jump in revenue of more than 3 billion euros to around 14.2 billion euros. This is an increase of 29 percent compared to the already strong fiscal 2021. Over half of this increase came from additional volume, in other words from expanding our manufacturing capacities and from additional supply from our contract manufacturers. Furthermore, tailwinds from a stronger US dollar and positive effects from pricing and product mix contributed to the revenue increase.

We were able to increase Segment Result to almost 3.4 billion euros. The Segment Result Margin reached 23.8 percent; more than 5 percentage points higher than in the previous fiscal year. An increasing share of system solutions, pricing and currency effects as well as high manufacturing capacity utilization helped us more than offset the burdens of sharply rising costs for materials, supplies from our contract manufacturers and for energy. Free Cash Flow also increased, to a level of significantly more than 1.6 billion euros at the end of the fiscal year.

These results are the outcome of remarkable performance. After all, the general conditions for our company are currently very challenging. Several factors are placing a heavy burden on the overall economic environment: The war in Ukraine is not only causing unspeakable human suffering, it is also leading to shortages and rising prices for energy and important raw materials. High inflation rates and increasing interest rates are weighing on consumer confidence. The Coronavirus pandemic persists and continues to place constraints on global supply chains. In short, Infineon faced a very challenging fiscal year.

The fact that we have achieved such good results in this environment is thanks to Infineon's employees, who now number around 56,000. On behalf of the Management Board, I would like to sincerely thank them for their outstanding commitment, great mutual support and the successes we have achieved together.

We want Infineon's shareholders to participate appropriately in the good results of the past fiscal year. The dividend for the 2021 fiscal year has already been increased by 5 eurocents per share. We will now propose a further increase of 5 eurocents per share to the Annual General Meeting in February 2023. The dividend for the 2022 fiscal year would thus increase to 32 cents per share.

Decarbonization and digitalization ensure structurally increasing semiconductor demand

We clearly see the increasing momentum of decarbonization and digitalization in our target markets. Applications, in particular in the sectors electromobility, renewable energy, automated driving, power for data centers and Internet of Things will continue to grow strongly and sustainably in the coming years. Structural semiconductor demand is increasing.

Thanks to its strategic orientation, Infineon will benefit exceptionally from this development. As a leading semiconductor manufacturer for power systems and IoT, our company has great potential. We are the clear No. 1 in power semiconductors, and we are an innovation driver in the field of power systems. We offer our customers intelligent, energy-efficient and secure IoT solutions from a single source.

Infineon raises long-term financial targets through the cycle significantly

We see sustainable strong growth drivers in our target markets. In addition, we are intensifying our focus on profitability. We can leverage the technological and financial potential of our company even better and can create greater value through accelerated and more profitable growth. That is why we are realigning our target operating model. We are committing ourselves to even more ambitious financial targets through the cycle.

In the future, we intend to achieve average revenue growth of more than 10 percent – based on an exchange rate of the US dollar to the euro of 1.00 – compared to at least 9 percent previously. In particular, electromobility, renewable energies, assisted driving, data centers and the Internet of Things will drive this growth. Taken together,

these five application areas will account for around 60 percent of Infineon's revenue growth over the next five years.

The higher growth will also be accompanied by significantly improved profitability. In the future, we expect the Segment Result Margin to average 25 percent of revenues through the cycle, compared with 19 percent to date. The main factors are as follows: Our "From product to system" approach, creates higher-value solutions and thus added value for our customers. A fair share of this added value will benefit Infineon. A higher-value product/technology mix based on consistent portfolio management, the increasing share of our highly efficient 300-millimeter manufacturing and the disproportionately low growth in research and development as well as administrative expenses thanks to digitalization and scaling effects are further important factors. In addition, compared to the previous target operating model we are benefiting from a foreign currency effect, in particular due to the increased strength of the US dollar against the euro.

Instead of the investment ratio used in the past, we are for the first time setting ourselves an explicit Free Cash Flow target. Adjusted for major investments in front-end buildings, the Free Cash Flow Margin is to be within a range of 10 to 15 percent of revenues over the cycle.

Raising our financial targets must not come at the expense of our environmental, societal and corporate governance goals. We remain clearly committed to these goals. We certainly want to keep customer and employee satisfaction at their current high levels. We were one of the first semiconductor companies to commit to a CO2 neutrality goal, and we will do what it takes to achieve it by 2030.

In addition to the right strategy, a success-oriented corporate culture is the decisive basis for achieving our goals. We are working intensively within the company to further develop our corporate culture. As part of the "Spirit" culture project, we have therefore defined three behaviors that we want to focus on even more strongly in the company: We want to set ourselves ambitious targets, assign clear responsibilities, and make timely decisions and implement them consistently.

Infineon plans major investment in new plant

Dear viewers,

A sturdy house stands on a strong foundation. We are systematically expanding our production capacities in order to widen the basis of our accelerated profitable growth course. In doing so, we are following our proven strategy. We manufacture in-house when it creates added value for our customers and differentiation potential for Infineon. On the other hand, we mainly work with contract chip manufacturers when it comes to standard technologies.

Demand for silicon-based semiconductor solutions is being driven in particular in the application areas data centers, automotive, IoT and renewable energies. The medium-term demand from our customers far exceeds our current 300-millimeter clean room capacities, which will be exhausted by the middle of the decade. Here external contract manufacturers are not a viable alternative to in-house production.

Yesterday we announced our plans to invest 5 billion euros in a new plant in Dresden. It would be the largest single investment ever in the history of our company. We want to use the additional capacities to serve our customers' increasing demand in the second half of the decade and to strengthen our position as a global leader in power systems.

We are pleased about the political support for an investment in Germany and are counting on adequate funding under the European Chips Act. The availability of public funding has a major influence on the implementation of the project, and we are in close contact with the relevant authorities.

By expanding capacities, we want to strengthen our manufacturing base in both analog / mixed-signal technologies and power semiconductors. The planned new fab thus unites the two growth themes, decarbonization and digitalization. Analog / mixed-signal components are used in power supply systems, for example in energy-efficient chargers, in small engine control units for cars, in data centers and Internet of Things applications. The combination of power semiconductors and analog / mixed-signal components makes particularly energy-efficient and intelligent system solutions possible. MOSFET power transistors combine with chips based on analog / mixed-signal technology to enable, for example, highly efficient power supplies for processors. These are in particular needed for cloud computing and training systems for artificial intelligence. Power semiconductors combined with analog / mixed-signal components also play an important role in new vehicle architectures. The new "Smart Power Fab" can therefore make a significant contribution to driving the green and digital transformation in Europe and beyond.

The planned expansion of our 300-millimeter thin-wafer production at the existing Dresden site would enable a quick implementation of the project and offers significant economies of scale. We could start construction in fall 2023. Production could begin as early as fall 2026 and could be ramped up gradually depending on market developments. Hence, we can minimize risk during temporarily weaker market phases. We are already successfully implementing this approach at our factory in Villach, Austria, which we opened in late summer 2021. Once fully equipped, the new factory in Dresden would enable Infineon to generate additional annual revenues on the same order of magnitude as the planned investment amount.

Due to a high level of digitalization and automation, the new fab would set new benchmarks for manufacturing excellence and raise our virtual 300-millimeter factory in conjunction with the Villach site to a new level. This could make it possible for us to further increase efficiency, creating additional flexibility for our customers.

Finally, we would strengthen Europe's resilience in times of globally growing semiconductor demand. The new fab would be a significant contribution by Infineon to the European Commission's target of anchoring a 20 percent share of global semiconductor production within the EU by 2030. By supplying semiconductor solutions for industrial and automotive applications, the fab would contribute to secure future value chains in key European industries.

The new factory would be one of the most resource-efficient power semiconductor fabs in the world. State-of-the-art equipment and processes enable a lower consumption of resources per square centimeter of processed wafer area than is the case in existing fabs. Today, Infineon can already avoid 33 times more CO₂ over the lifetime of the applications than is generated in the production of the required semiconductors when our customers use our products and solutions. Our products and solutions therefore create a significant net ecological benefit. But we're not stopping there: We want to further reduce our own greenhouse gas footprint and further increase our contribution to avoiding CO₂. A new highly efficient fab for smart energy-saving chips would play a significant role in doing so.

We are strengthening our leading role across the entire spectrum of power semiconductors and are investing heavily in silicon carbide and gallium nitride

In many applications, silicon chips are and will remain the technically and economically best solution, for example in the area of low switching frequencies. In

addition to silicon, the semiconductor materials silicon carbide and gallium nitride are playing a growing role in our markets. This is because they complement and extend the possibilities of silicon-based solutions. Power semiconductors based on silicon carbide and gallium nitride enable particularly powerful and fast-switching system solutions with lower power consumption. We see growing demand for this, particularly in electric cars, charging stations and solar plants. We expect demand for silicon, silicon carbide and gallium nitride chips to increase strongly over the next few years. Often, a combination of the materials in system solutions makes good sense in terms of both technology and business.

We want to strengthen our leading role across the entire spectrum of power semiconductors. Therefore, we are increasing our investments in research and development and in volume production for silicon carbide and gallium nitride products. Development and manufacturing activities for silicon carbide and gallium nitride are being steadily expanded at the Villach site. We are ramping production of silicon carbide chips there and are confident that we will reach the first billion euros of silicon carbide revenue by 2025. At our site in Kulim, Malaysia, we laid the cornerstone of a third manufacturing module in early July. Work is progressing well, and we are fully on schedule. This new module will go into operation in the fall of 2024 and will increase our revenue capacity with silicon carbide ten-fold by 2027 compared with today, to 3 billion euros per year. We hope, those numbers give you an even better idea of the scale of the planned capacity expansions.

Infineon's advanced semiconductor solutions make a substantial contribution to decarbonization and digitalization

Dear viewers,

The only way the world can still limit global warming and preserve livelihoods for future generations is by rigorously shifting from fossil fuels to renewable energy sources and transforming our energy system. Digital technologies can help us fundamentally change the way we live, work, produce and consume for the better. The Internet of Things, with its ever-increasing number of connected and intelligent devices, offers almost unlimited potential for this. The digital and green transformations are mutually reinforcing and can only succeed together. That's why policymakers now often use the term "twin transition".

To make a sustainable contribution to decarbonization, we as a society must think holistically. We can only achieve global climate targets if we rigorously use all three levers available to us along the entire energy chain:

- First: Generate electrical energy cleanly using renewable sources and create storage capacities.
- Second: Significantly increase efficiency in the generation, transmission and consumption of energy.
- Third: Electrify application areas that have been dominated by fossil fuels, such as cars.

Infineon is leveraging all three of these aspects. Our semiconductor solutions are at the heart of power generation using renewable energy sources. They make home appliances more energy efficient. They increase the energy efficiency of data centers. They pave the way for widespread electromobility. Hence, they contribute considerably to reducing the ecological footprint of our society.

We will be demonstrating what is possible with our semiconductor solutions at electronica, the world's leading electronics industry trade fair. electronica is currently taking place at the Munich trade fair center. Michael Schinke, head of our trade fair team, presented some of our highlights for you on site this morning. See for yourself!

[electronica video broadcast]

These are impressive examples. Many thanks to our energetic trade show team on site!

Infineon is paving the way to clean and smart mobility – together with strong partners. Yesterday, we announced a close partnership with the car manufacturer Stellantis. Stellantis is one of the global market leaders in electromobility.

The signed Memorandum of Understanding provides for a multi-year supply agreement for our silicon carbide chips to power more than 10 million battery electric vehicles from European and American Stellantis brands in the second half of the decade. Infineon is reserving the manufacturing capacity necessary for this. The potential sourcing volume and capacity reservation have a value of significantly more than 1 billion Euros. The agreement underscores Infineon's leading role as a semiconductor supplier to the automotive industry and a pioneer of widespread electromobility.

Many of our target applications are becoming increasingly complex – the car is the best example of this: electrification and digitalization are transforming vehicles. The number of electronic systems for driver assistance, infotainment and comfort applications is constantly increasing. At Infineon, we understand the vehicle as a system. Therefore, we can offer our customers the solutions they need to drive the mobility transformation. Our systems approach is one of our great strengths and has helped make us successful. We will continue to drive this approach forward to underpin our leadership in power systems and IoT.

Our technological expertise is and remains an important success factor in this context, as well as increasingly in the area of software – because with software, we can further expand our successful "From product to system" approach. The interaction of hardware and software makes it possible to optimize energy efficiency, performance and security at system level. This added value lets us bind existing customers more closely and at the same time gain new partners.

You have already seen how our solutions enable advanced cars and smart air conditioning. And we're helping our customers achieve more while using less energy in consumer electronics, too. There are more and more mobile devices and notebooks, offering more and more functions. As a result, the need for higher charging power for faster charging is growing. This trend presents a challenge to engineers, who must achieve higher and higher performance in smaller and smaller form factors while minimizing energy losses due to waste heat. Infineon has a solution that makes highly efficient chargers and adapters with higher power density possible.

Anker Innovations is a global leader in charging technologies with whom we at Infineon collaborate successfully. Anker has developed this charger. It uses our digital power controller and our gallium nitride-based power stage. The combination enables outstanding system-level efficiency. The architecture reduces energy losses by around one fifth compared with conventional charging solutions. Anker uses our solution for fast chargers with more than 100 watts, achieving market-leading power density. Thanks to the high power of this device, you fully charge certain smartphones that already support extra fast charging in less than 30 minutes – and without burning your fingers on the charger. Another advantage of this device: Thanks to multiple ports, you can charge several end devices at the same time with one charger, for example your smartphone and your notebook. A USB-C charger like this one, that works for multiple devices, helps us avoid electronic waste. The recently adopted Europe-wide charging standard USB-C will further fuel the demand for such solutions. As No. 1 in the market for charger and adapter system solutions, Infineon is in an excellent position to drive

and benefit from this development. By the way, USB chips would also be produced in the planned new factory in Dresden on analog/mixed-signal technology.

The market for silicon carbide and gallium nitride solutions is growing strongly. As the technology leader in silicon carbide and gallium nitride, we also want to become the market leader – as we have been for many years in silicon-based power semiconductors. That's why we're expanding our portfolio for different application areas and massively increasing our production capacities for compound semiconductors, as already mentioned. We have a clear strategy for value creation with silicon carbide and gallium nitride and are very confident that we will have great success with them in the years to come.

Infineon is off to a good start in the 2023 fiscal year

This brings us to the outlook:

Microelectronics can do big things. Decarbonization and digitalization will strongly drive structural semiconductor demand and thus Infineon's sustainable growth. We expect the positive market dynamics to continue in the long term. That is why we are moving forward at full speed.

We are off to a good start in the new fiscal year. However, the predictability of further revenue and earnings developments is severely impaired by the geopolitical and macroeconomic factors already mentioned at the beginning: developments in connection with the war in Ukraine, the further development of the Coronavirus pandemic, particularly in Asia, as well as persistently high inflation rates and rising interest rates. On top of that, geopolitical tensions are creating additional imponderables.

The challenging business environment will remain demanding in the coming quarters. Our key markets follow different drivers and have different business cycles. On the one hand, application areas such as electromobility, assisted driving and renewable energy continue to develop well. On the other hand, several, mostly consumer related markets, such as Smartphones or battery-powered devices, but also various computing applications, are currently weak.

At Infineon, we therefore remain vigilant. We are keeping a constant and very close eye on the early indicators for our business. We are prepared and will act quickly and

flexibly if demand weakens in submarkets. Infineon is capable of staying on course, even in rough seas.

In the first quarter of fiscal 2023, assuming an exchange rate of 1.00 for the euro against the US dollar, we expect revenues of around 4.0 billion euros. The expected slight decline in revenues compared to the September quarter reflects the typical seasonal pattern. The Segment Result Margin is expected to come in at around 25 percent.

For fiscal 2023, we forecast revenues of around 15.5 billion euros plus or minus 500 million euros. This corresponds to year-on-year growth of 9 percent. Infineon's key applications mostly still show robust dynamics. This robustness also includes pricing, in particular in areas with structural growth and ongoing shortages, such as automotive and renewable energy. In our base case scenario, we expect overall growth to become more moderate in later quarters and consumer-related weakness to persist.

In the middle of the revenue range, we expect a Segment Result Margin of around 24 percent. We expect that positive and negative influences on profitability will by and large balance out. We expect favorable currency and price effects. On the other hand, we expect cost increases for energy, materials and wages.

We plan to invest around 3.0 billion euros in property, plant and equipment and other intangible assets. The focus will be on the construction of the third manufacturing module for compound semiconductors at the Kulim site, the continuous expansion of capacities in front-end production, particularly at the Villach and Dresden sites, and the planned start of the new fab there.

Free Cash Flow is expected to be around 0.8 billion euros. Adjusted Free Cash Flow excluding investments in large front-end buildings is expected to be around 1.5 billion euros, or about 10 percent of forecast annual revenue of 15.5 billion Euros.

Dear viewers, I would like to summarize:

First: After an excellent fourth quarter, Infineon has closed the 2022 fiscal year very successfully and set new records for revenues and earnings.

Second: The long-term growth opportunities for our company are better than ever. We are setting ourselves even more ambitious long-term financial targets through the

cycle and are expanding our manufacturing capacity significantly to take advantage of the huge market potential and create more sustainable value.

Third: We are off to a good start in the new fiscal year. The challenging conditions will continue to place heavy demands on us. However, given the high structural demand in our key markets, we are confident.

As the market leader in power systems and IoT, we are driving decarbonization and digitalization and expect profitable and sustainable growth.

Thank you for watching.

Together, the five of us [*Management Board*] are now available to answer your questions.