IFX Day 2018
Dr. Reinhard Ploss
Chief Executive Officer

London, 12 June 2018

A world leader in semiconductor solutions

Our vision

We are the link between the real and the digital world.

Our values

We commit
We partner
We innovate
We perform

Our mission

We make life easier, safer and greener.

Part of your life. Part of tomorrow.

Global megatrends underline the increasing importance of microelectronics…

Demographic & social change

Climate change & resource scarcity

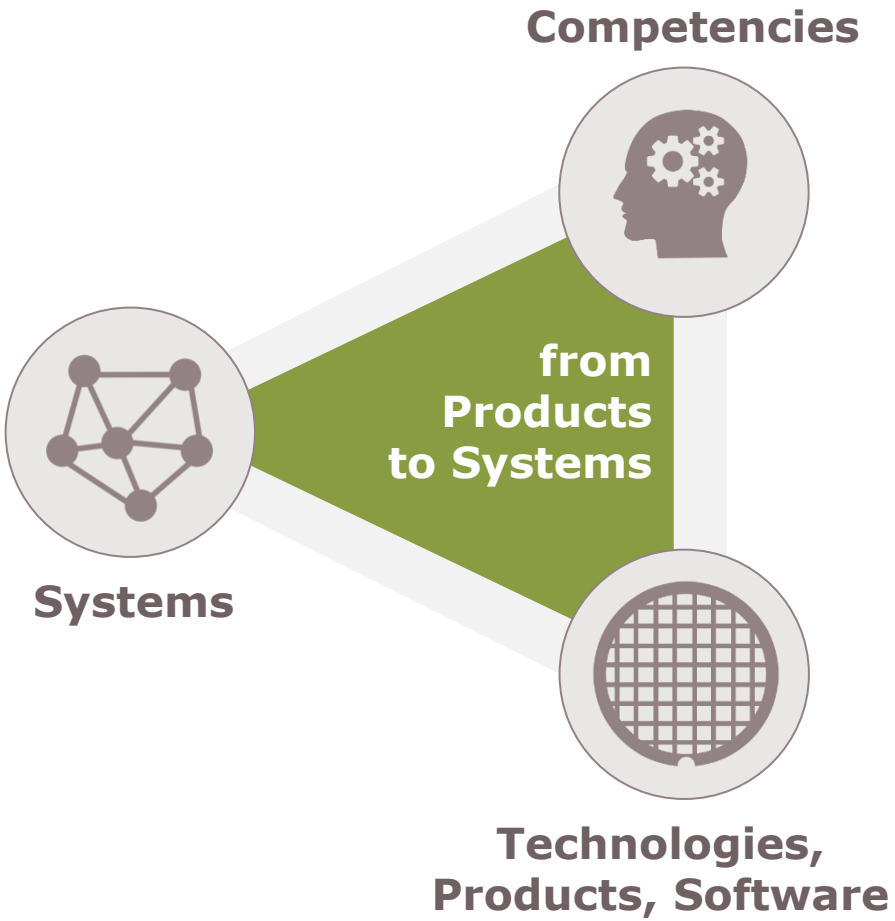
Urbanization

Digital transformation

…triggering superior growth in the markets successfully addressed by Infineon

- Energy efficiency
- Mobility
- Security
- IoT & big data

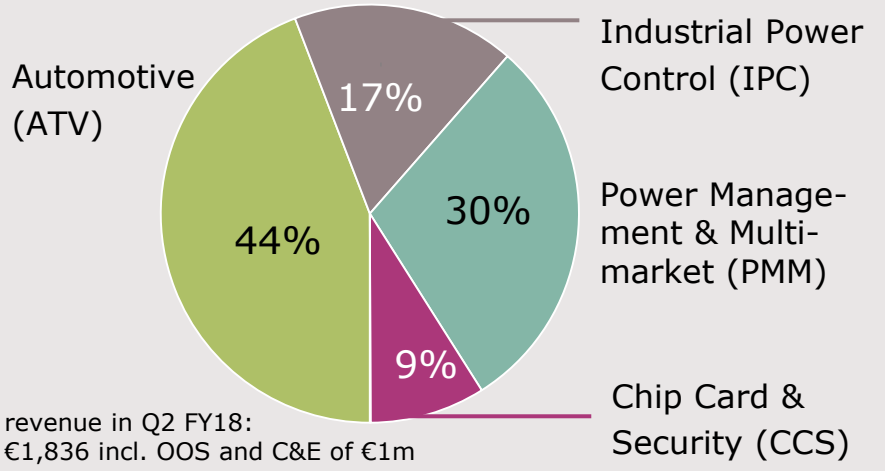
&



Success is based on differentiating strategies and competencies

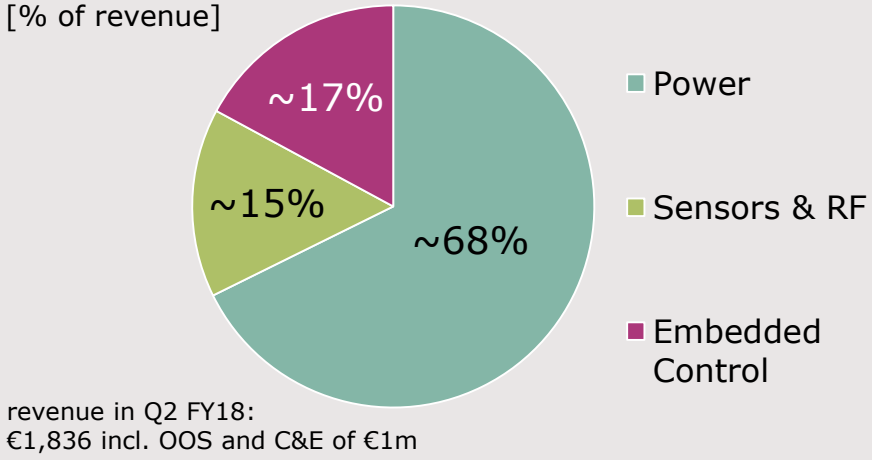
Power is our main business; sensors and embedded control are other important pillars

Q2 FY18 revenue split by segment



revenue in Q2 FY18:
€1,836 incl. OOS and C&E of €1m

Power represents ~2/3 of revenue



revenue in Q2 FY18:
€1,836 incl. OOS and C&E of €1m

Automotive

System leader in automotive

Power Management

#1 system and technology player in power

RF & Sensors

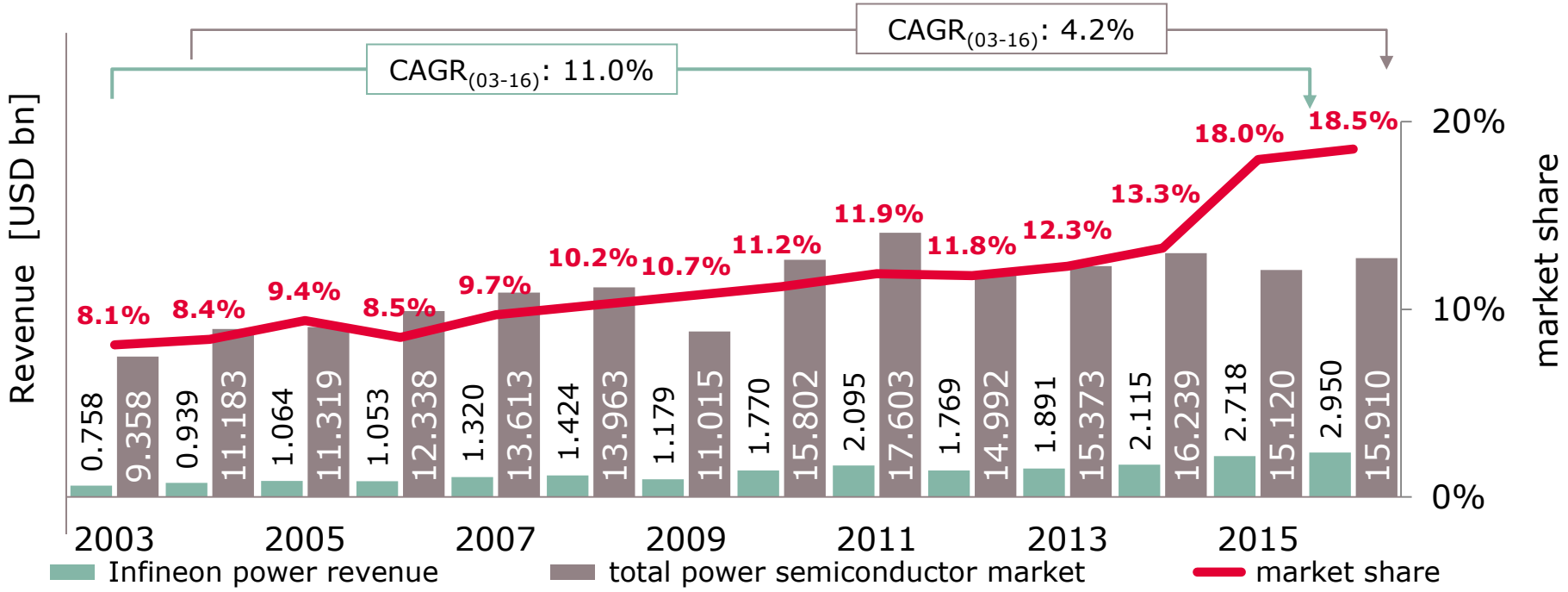
One of the leading companies in RF and #2 in sensors

Security

#1 in security ICs and leader in security solutions

Outgrowing the power market leads to superior performance on group level

Success story of continuous market share gains in power

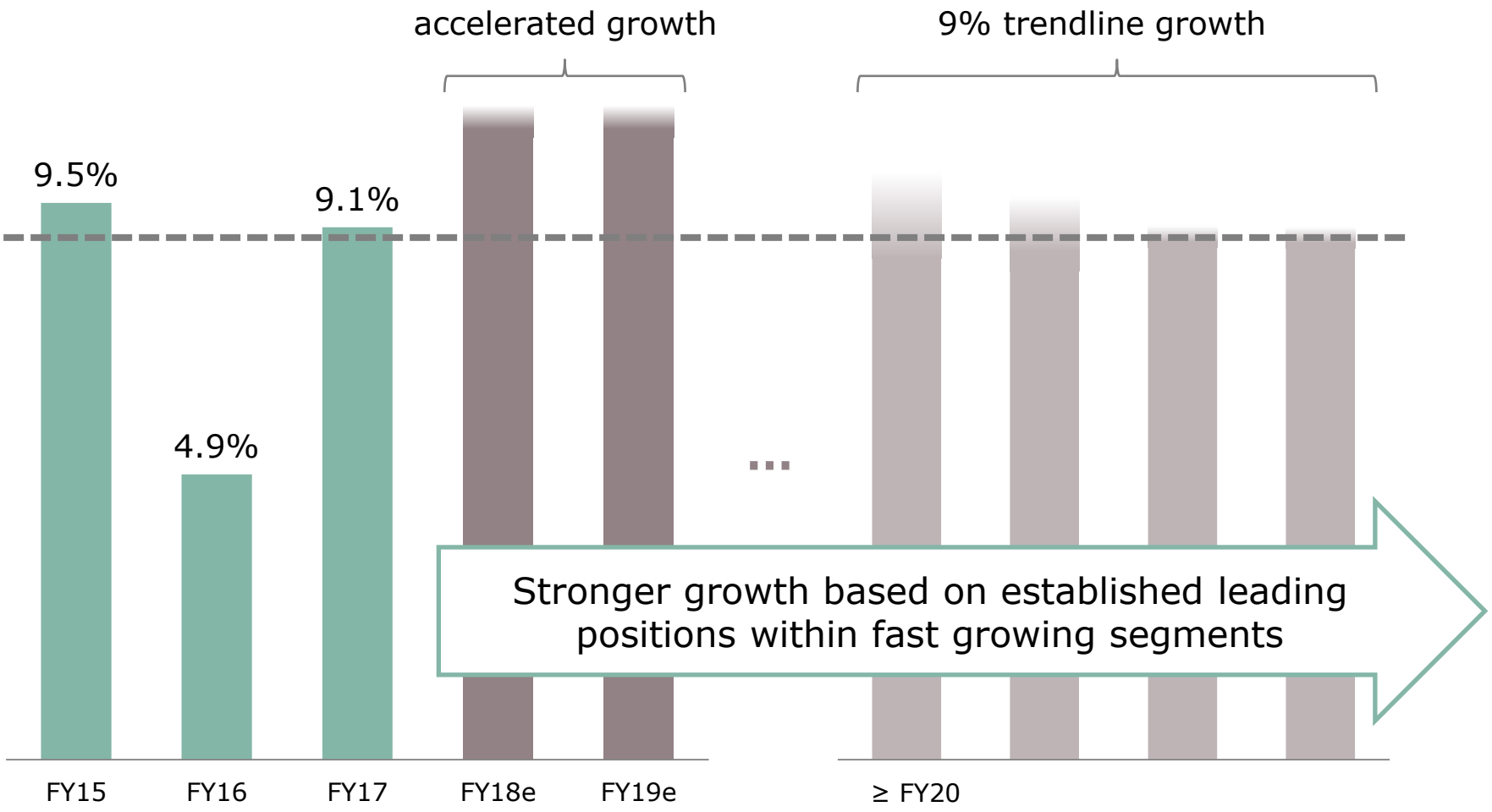


Source: Based on or includes content supplied by IHS Markit, Technology Group, several reports from 2004 through 2015 and 2017
Note: No backward revision of market shares and market sizes; except for year 2015

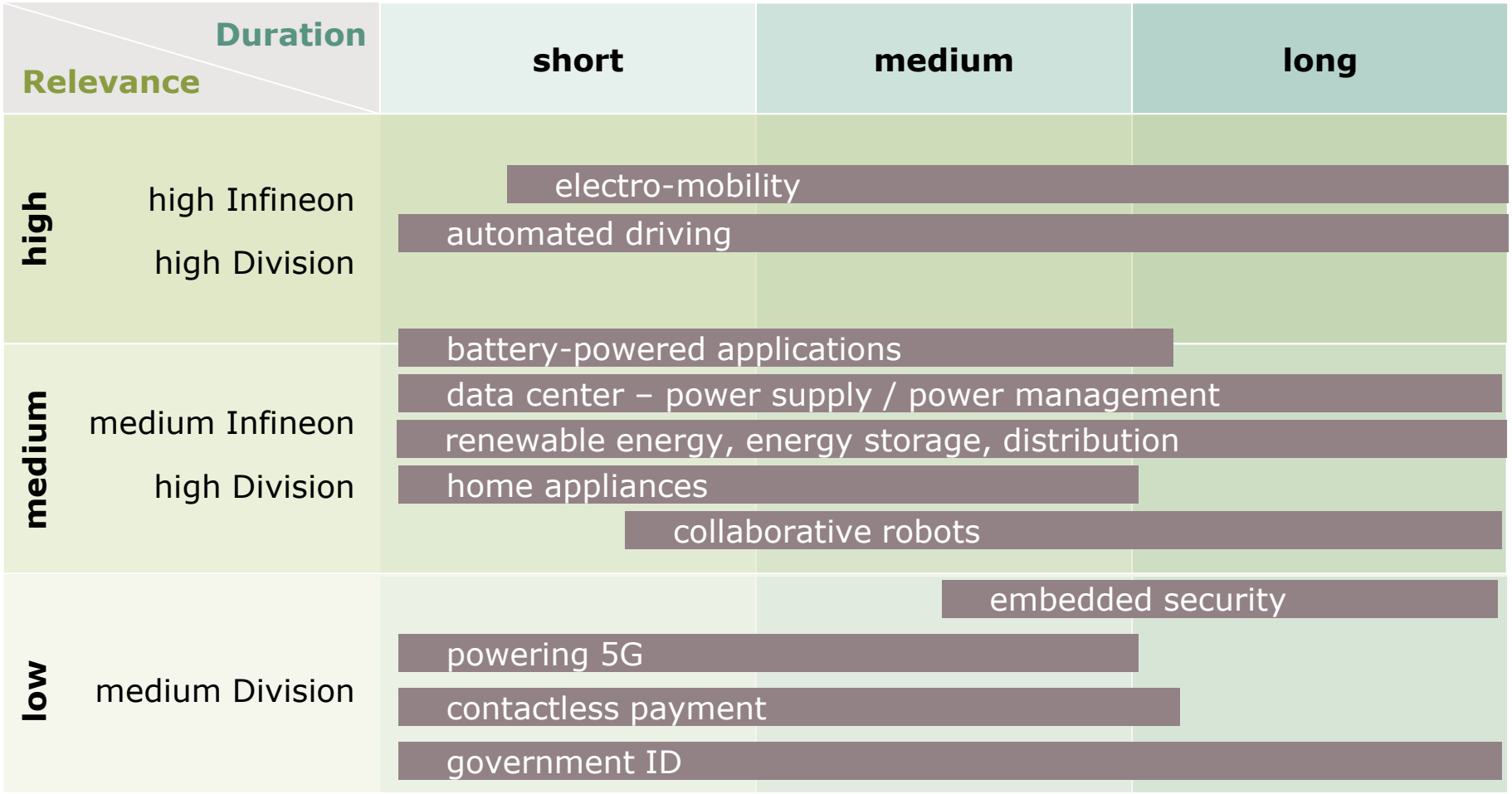
Strength in power was the major pillar of an impressive performance on group level: Infineon revenue $CAGR_{(99-17)}$ was ~9% organically and ~10% including M&A.

After temporary growth acceleration, target revenue growth assumed to revert to 9%

Revenue growth projection at constant currencies



Infineon is well positioned in areas providing significant structural growth even long-term



Other applications in our target markets are expected to show standard growth patterns.

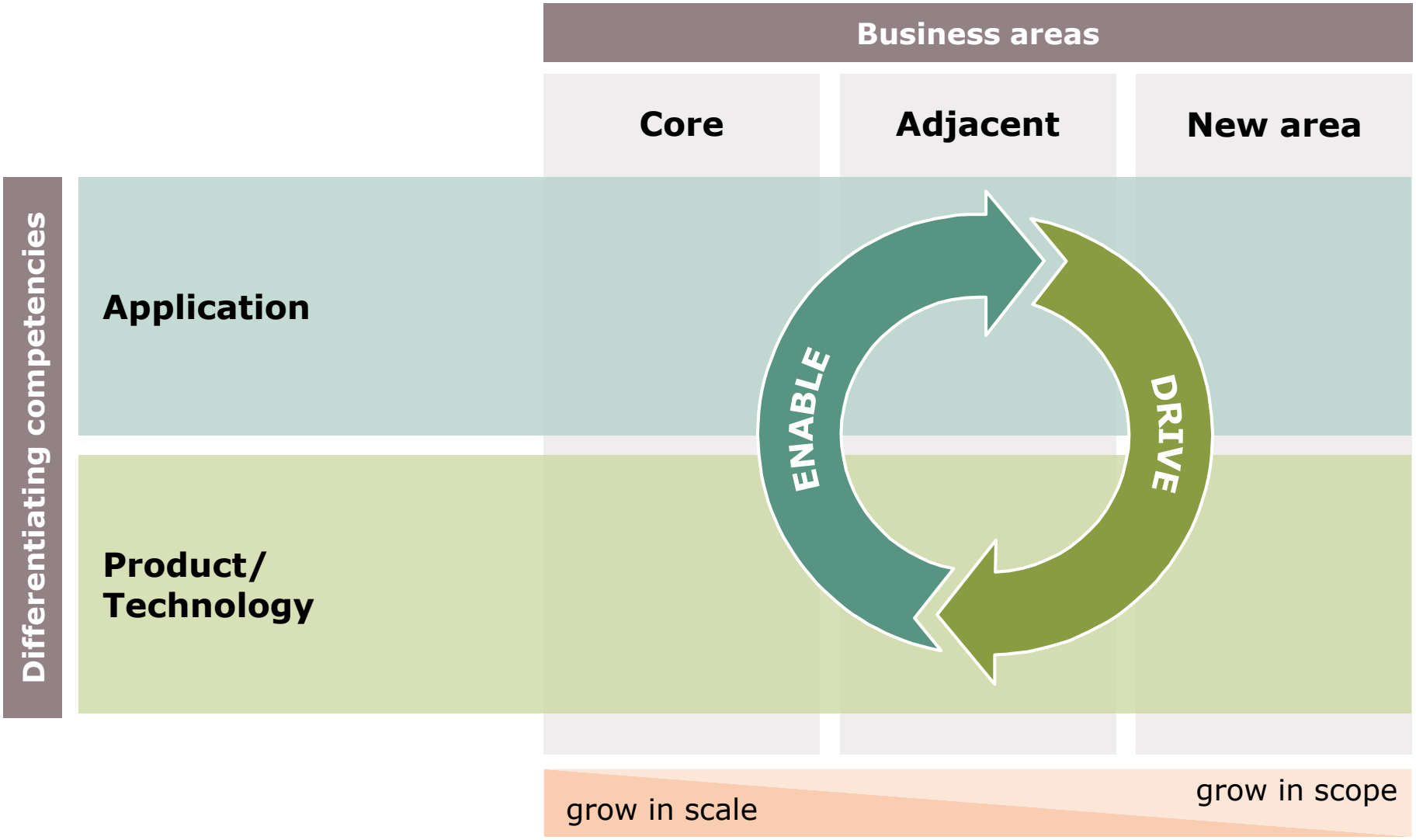
Infineon is able to cover the entire market but is focusing on areas of higher profitability

Cost optimized **Performance optimized**

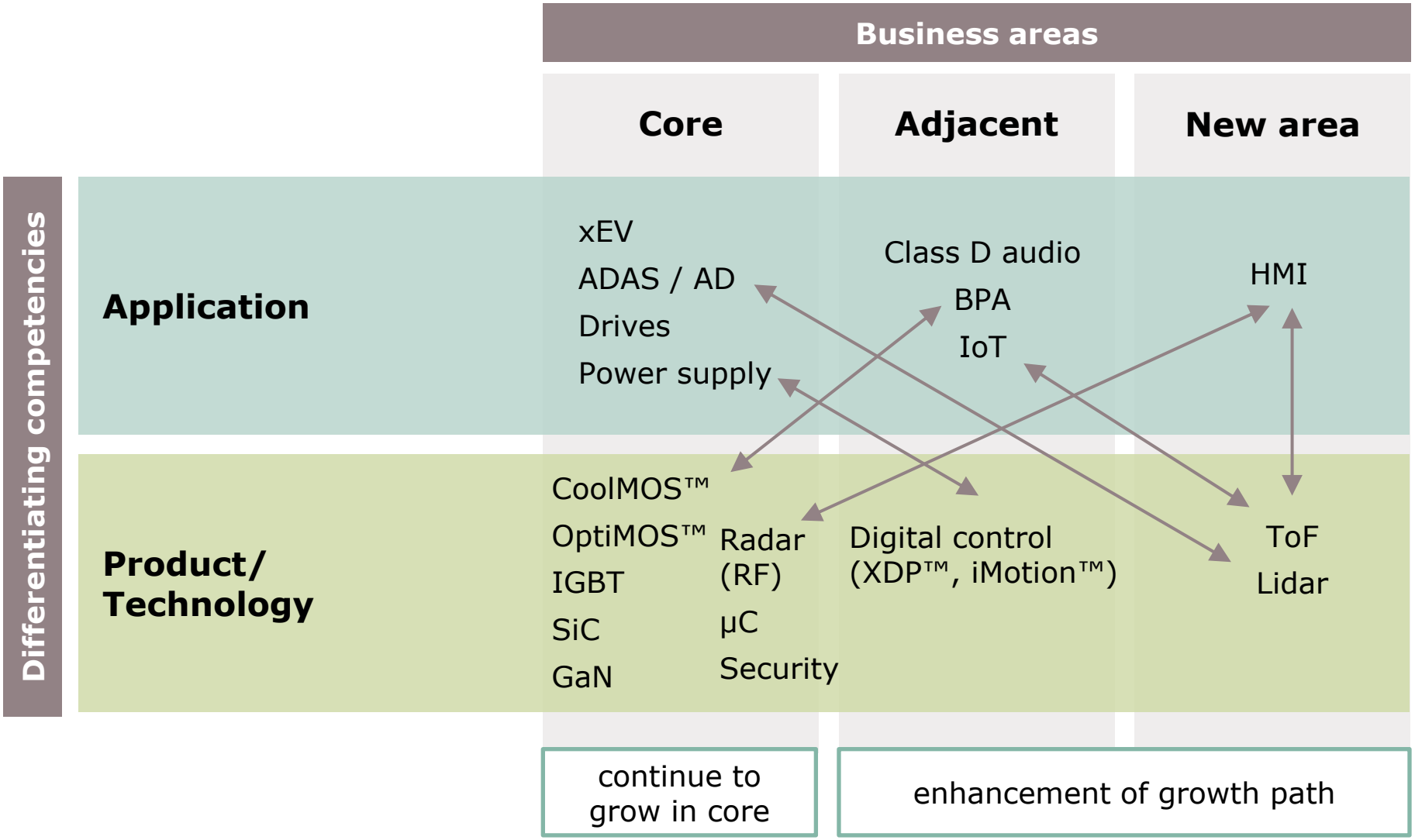
Infineon is able to address all these areas in its core markets based on differentiating competencies in …

Product/Technology	power, sensors, microcontroller and security
Application	power control, power supply, drives
System	electro-mobility, automated driving, drives, security
Go-to-Market	focus on growth applications, win with winners, go wider
Manufacturing	300 mm thin wafer production

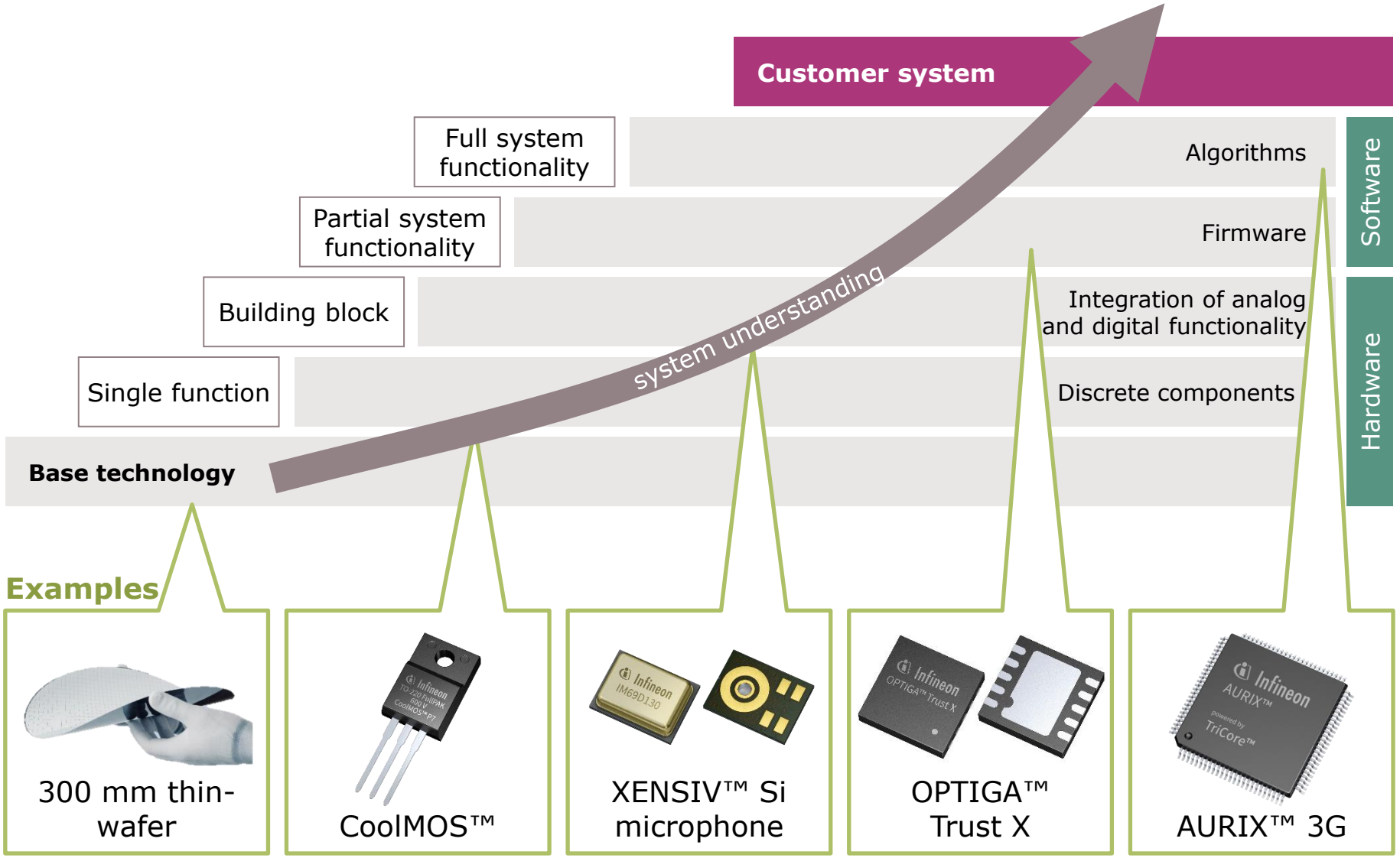
Our strategy systematically covers growth in scale and in scope



New technologies strengthen our core, while current technologies find new applications



System understanding requires right mindset, complemented by differentiating capabilities



Infineon is bringing innovation to the market – yesterday, today and tomorrow

Routine innovation

Broaden and maintain portfolio

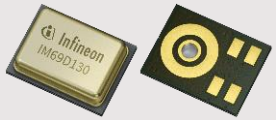
Trench IGBT
next generation

~1998

CoolMOS™
next generation

~2001

XENSIV™ Si microphone
next generation



~2008

Integrity Guard

~2008

Breakthrough innovation

Prepare to address the new demands

Gesture Sensing
(Soli)

3D imaging
REAL3™ ToF

Post-quantum
cryptography

CoolSiC™
MOSFET

Safe & secure
MultiCore MCU
AURIX™

Voice HMI
(XMOS)

Lidar

Leverages **existing** technical competences

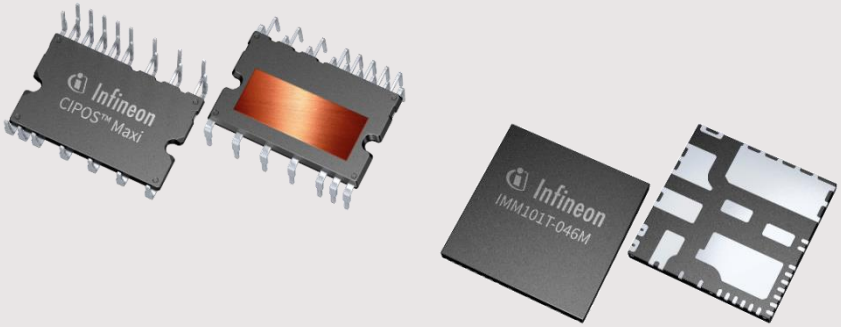
New technical competences

Strong #1 position in power allows driving of key areas of differentiation and innovation

Unique 300 mm thin wafer power semiconductor manufacturing

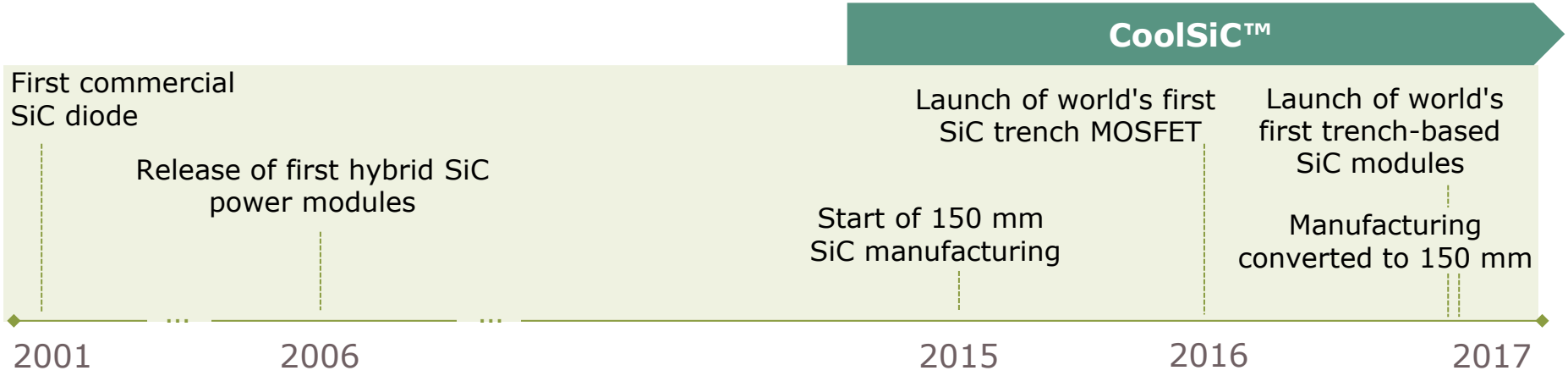
Compound semiconductors SiC and GaN

Digitalization of the power control loop



Functional integration in IGBT

CoolSiC™: Great potential but a long way to go to large-scale success



Why SiC will enter the market quickly

System performance, e.g.

- PV: smaller, lower losses, cheaper
- UPS: smaller, lower losses
- xEV drivetrain: more mileage, less cooling effort
- xEV charging: smaller, lower losses

Advantage

Challenge

Why SiC will take longer

Significant **technical challenges**

- Defect density of substrates
- Reliability of devices
- Redesign of application

Significant **cost challenges**

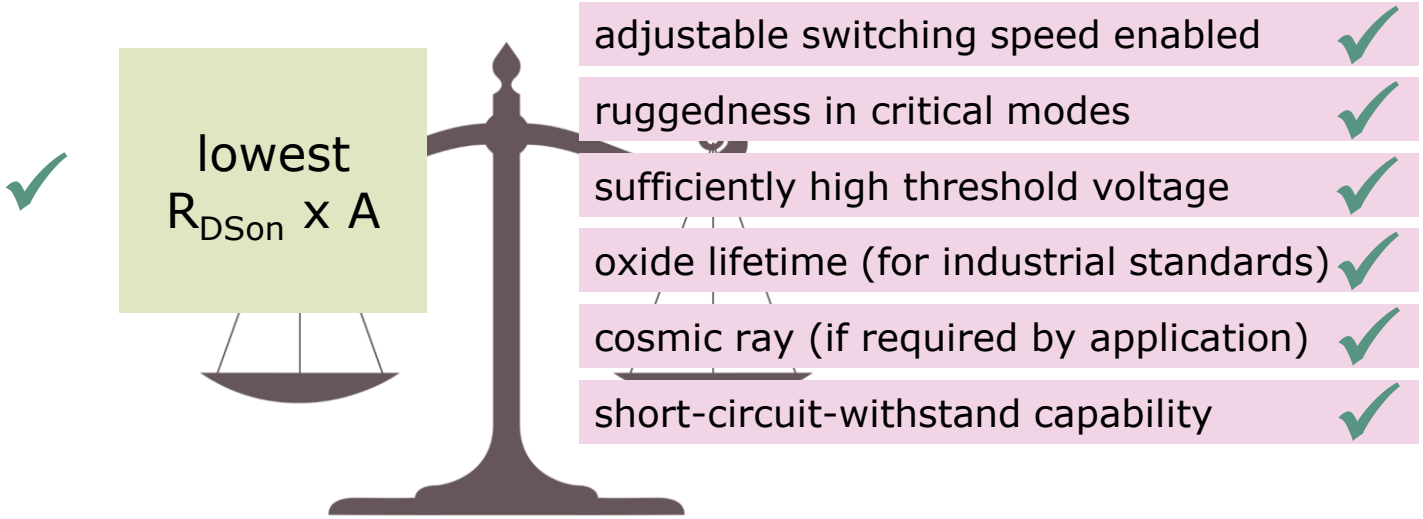
- Cost and capacity of substrates
- Production investment and cost

As a long-term player in SiC Infineon is set to become a leader based on substantial competencies in power technologies and applications

Challenge in the SiC MOSFET world: Trade-off between performance and robustness

Performance
The Advantage

Robustness and ease-of-use
The Challenge



- SiC trench concept offers significantly better shrink potential compared to planar SiC MOSFETs.
- Mastering the challenging manufacturing process is key.
- Further details will be provided during the ATV and IPC sessions.

Key take-aways

Infineon is **well set-up to continue to outgrow** the market based on strong differentiation and structural growth drivers.

We enhance our **core competencies** and add new ones to enable future growth.

Going forward, after accelerated growth of 10%+ at least in 2019, we **increase our through-cycle revenue growth target** from 8 to 9% per year.

Part of your life. Part of tomorrow.

Infineon

Glossary

AD	autonomous driving
ADAS	advanced driver assistance system
BPA	battery-powered application
C&E	corporate and eliminations
GaN	gallium nitride
HMI	human machine interaction
IC	integrated circuit
ID	identification
IGBT	insulated gate bipolar transistor
IoT	Internet of things
lidar	light detection and ranging
µC	microcontroller
MCU	microcontroller unit
MOSFET	metal oxid semiconductor field effect transistor
OOS	other operating segments
RF	radio frequency
Si	silicon
SiC	silicon carbide
Soli	Google project
ToF	time-of-flight
xEV	all degrees of vehicle electrification (EV, MHEV, FHEV, PHEV)

Dr. Reinhard Ploss
Chief Executive Officer

- since 2012: CEO, responsible for Divisions, Group Strategy, Communications & Government Relations, Human Resources, Legal, Research & Development
- 2007: Member of the Mgmt Board
- 2005: Head of Development and Manufacturing as well as Operational Management in the Automotive, Industrial & Multimarket (AIM) Division
- 2000: President of the AIM Division

- Dr. Reinhard Ploss was born in Bamberg, Germany, in 1955. He holds a Diploma in Process Engineering from the Technical University of Munich, Germany, where he also received his PhD.
- He joined Infineon (Siemens AG until 1999) in 1990.

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.

Specific disclaimer for IHS Markit reports, data and information referenced in this document:

The IHS Markit reports, data and information referenced herein (the "IHS Markit Materials") are the copyrighted property of IHS Markit Ltd. and its subsidiaries ("IHS Markit") and represent data, research, opinions or viewpoints published by IHS Markit, and are not representations of fact. The IHS Markit Materials speak as of the original publication date thereof and not as of the date of this document. The information and opinions expressed in the IHS Markit Materials are subject to change without notice and neither IHS Markit nor, as a consequence, Infineon have a duty or responsibility to update the IHS Markit Materials or this presentation. Moreover, while the IHS Markit Materials reproduced herein are from sources considered reliable, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses which are based upon it. IHS Markit and the trademarks used in the data, if any, are trademarks of IHS Markit. Other trademarks appearing in the IHS Markit Materials are the property of IHS Markit or their respective owners.