Infineon at a glance

**Business Segments**

- **Automotive (ATV)**: 41%
- **Industrial Power Control (IPC)**: 17%
- **Power Management & Multimarket (PMM)**: 31%
- **Chip Card & Security (CCS)**: 11%

Revenue FY 2016

**Financials**

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,843</td>
<td>4,320</td>
<td>5,795</td>
<td>6,473</td>
</tr>
<tr>
<td>Segment Result</td>
<td>377</td>
<td>620</td>
<td>897</td>
<td>982</td>
</tr>
<tr>
<td>Margin</td>
<td>9.8%</td>
<td>14.4%</td>
<td>15.5%</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

**Employees**

More than **36,000** employees worldwide (as of Sep. 2016)

- **Europe**: 15,176 employees
- **Americas**: 3,691 employees
- **Asia/Pacific**: 17,432 employees

34 R&D locations
19 manufacturing locations

**Market Position**

- **Automotive**: #2
  - Strategy Analytics, April 2016
- **Power**: #1
  - IHS Markit, October 2016
- **Smart card ICs**: #2
  - IHS Markit, July 2016

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We make life easier, safer and greener – with technology that achieves more, consumes less and is accessible to everyone. Microelectronics from Infineon is the key to a better future.
Infineon enables eco-friendly, connected and safe mobility

Applications
Efficient powertrain for combustion, electric and hybrid vehicles, charging station for electric vehicles, car safety, assistance systems and safety systems, comfort electronics, authentication, mobile security, traction
Infineon enables efficient generation, transmission and conversion of electrical energy

Applications
Energy transmission and conversion, renewable energy generation, home appliances, power tools, power management (adapters, chargers, power supplies), LED lighting systems, mobile devices, industrial drives, industrial vehicles
Infineon enables security in the connected world

Applications

Internet of Things, Industry 4.0, mobile security, embedded security, trusted computing, machine to machine, (mobile) payment, SIM applications, transport ticketing, government identification
Top positions in all major product categories

**Automotive semiconductors**
- Total market in CY 2015: $27.4bn
- NXP: 14.2%
- Infineon: 10.4%
- Renesas: 10.3%
- STMicro: 7.7%
- Texas Instruments: 7.0%

Source: Strategy Analytics, April 2016

**Power semiconductors**
- Total market in CY 2015: $14.8bn
- Infineon (incl. IRF): 18.7%
- Mitsubishi: 6.3%
- Fairchild: 6.1%
- STMicro: 5.7%
- Vishay: 5.0%

**Smart card ICs**
- Total market in CY 2015: $2.72bn
- NXP: 30.5%
- Infineon: 24.8%
- Samsung: 16.2%
- STMicro: 15.1%
- Others: 13.3%

Source: IHS Markit, October 2016

Automotive semiconductors incl. semiconductor sensors

Microcontroller-based smart card ICs

Source: IHS Markit, July 2016
Our strategy is targeted at value creation through sustainable profitable growth

<table>
<thead>
<tr>
<th>Focus</th>
<th>Technology leadership</th>
<th>System understanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Focus on fastest growing segments of semi market&lt;br› Tackle global megatrends</td>
<td>› Leverage core competencies in different end markets to maximize ROI</td>
<td>› Create value for customers through system understanding</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Auto</th>
<th>Power</th>
<th>RF</th>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>System leader in automotive</td>
<td>#1; system and technology leader</td>
<td>Brodest RF technology portfolio</td>
<td>Leader in security solutions</td>
</tr>
</tbody>
</table>

Average-cycle financial targets

- ~8% Revenue growth
- ~17% Segment result margin
- ~13% Investment-to-sales (thereof capex*: ~11%)

* Infineon reports under IFRS
The outlook for the global semiconductor market is positive

Global semiconductor market in billion $

Source: WSTS for historical data. Forecast: ☑ of WSTS, IHS Markit, Gartner, IC Insights; last update 31 January 2017
Infineon benefits from industrial, auto and security, the by far fastest growing segments

CAGR 2015 – 2020 by Semiconductor Industry Segment

- **Industrial**: 8.2%, $42bn*
- **Chip Card ICs**: 7.3%, $3.4bn*
- **Automotive**: 6.5%, $29bn*
- **Data Processing**: 4.7%, $108bn*
- **Total Semi Market**: 4.6%, $347bn*
- **Consumer**: 3.4%, $41bn*
- **Communications**: 3.2%, $127bn*

* Market size in calendar year 2015
** Source: ABI Research, “Secure Smart Card & Embedded Security IC Technologies”, July 2016; smart card and embedded secure microcontroller ICs
Financial Year 2016: Revenue Split by Segment

FY 2016 Revenue: € 6,473m

Automotive

- € 2,651m (41%)
- € 1,073m (17%)
- € 698m (11%)
- OOS+C&E* (31%)

Chip Card & Security

- € 2,050m

Industrial Power Control

- € 1 m

Power Management & Multimarket

* Other Operating Segments; Corporate & Eliminations
Q1 FY2017: Infineon continues to grow

- Revenue growth from Q1 FY16 to Q1 FY17: +6%
- Segment Result margin: +14%

**Revenue**
- Q1 FY16: 1,556 EUR m
- Q2: 1,611 EUR m
- Q3: 1,632 EUR m
- Q4: 1,675 EUR m
- Q1 FY17: 1,645 EUR m

**Segment Result**
- Q1 FY16: 220 EUR m
- Q2: 228 EUR m
- Q3: 254 EUR m
- Q4: 280 EUR m
- Q1 FY17: 246 EUR m

**Total semiconductor market**
- Q1 FY16: 75.7%
- Q2: 71.2%
- Q3: 16%
- Q4: 17%
- Q1 FY17: 15%

*Source: WSTS Monthly Bluebook, January 2017*
### Infineon Group Results for FY 2015* and FY 2016

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>5,795</td>
<td>6,473</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>634</td>
<td>743</td>
</tr>
<tr>
<td><strong>Segment Result (SR)</strong></td>
<td>897</td>
<td>982</td>
</tr>
<tr>
<td><strong>SR Margin</strong></td>
<td>15.5%</td>
<td>15.2%</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>785</td>
<td>826</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>-1,654</td>
<td>490</td>
</tr>
<tr>
<td><strong>Net Cash</strong></td>
<td>220</td>
<td>471</td>
</tr>
<tr>
<td><strong>Market capitalization</strong></td>
<td>~11,355</td>
<td>~17,987</td>
</tr>
</tbody>
</table>

* Since 13th January 2015 inclusive International Rectifier
** share price as of September 30th, 2015: 10.06 Euro; share price as of September 30th, 2016: 15.88 Euro
Tight customer relationships are based on system know-how and app understanding.

**ATV**

- Bosch
- Continental
- BYD
- Delphi
- HELLA
- Denso
- Hitachi
- Hyundai
- Lear
- Mitsubishi
- KEIHIN
- Tesla
- Valeo
- ZF

**IPC**

- ABB
- Alstom
- Bombardier
- Danfoss
- CSR
- Emerson
- Eaton
- Midea
- Goldwind
- Rockwell Automation
- Schneider Electric
- Siemens
- SunGrow
- Toshiba
- Yaskawa
- Vestas

**PMM**

- Artesyn Embedded Technologies
- Boeing
- Cisco
- Dell
- Delta
- Ericsson
- Hewlett Packard Enterprise
- Lenovo
- Liteon
- Nokia
- Osram
- Panasonic
- Samsung
- ZTE

**CCS**

- Gemalto
- GPO
- Lenovo
- HP
- Microsoft
- Microsoft
- Oberthur Technologies
- Samsung
- Safran
- Morpho
- Watchdata

**EMS partners**

- Flextronics
- Foxconn

**Distribution partners**

- Amkor
- Avnet
- JCT
- Macnica
- Rutronik
- S&G
- Tomen
- Weikeng
Automotive Segment – Making cars clean, safe and smart

Clean
› Clean combustion engines
› Efficient energy management
› Electrified Drivetrain

Safe
› Occupant and pedestrian protection
› Collision avoidance
› Advanced driver assistance

Smart
› Individual convenience
› Secure connectivity, data integrity and privacy
# Industrial Power Control Segment – Driving industry and much more

<table>
<thead>
<tr>
<th>Drives</th>
<th>Home Appliances</th>
<th>Renewables</th>
<th>Traction</th>
</tr>
</thead>
<tbody>
<tr>
<td>General purpose drives</td>
<td>Refrigerators</td>
<td>Wind power plants</td>
<td>(High speed) trains</td>
</tr>
<tr>
<td>Medium voltage drives</td>
<td>Air conditioners</td>
<td>Solar power plants</td>
<td>Locomotives</td>
</tr>
<tr>
<td>Servo drives</td>
<td>Washing machines</td>
<td>High-voltage direct current transmission (HVDC)</td>
<td>Subway</td>
</tr>
<tr>
<td>Elevators</td>
<td></td>
<td></td>
<td>Light rails</td>
</tr>
</tbody>
</table>

2017-02-02

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## Power Management & Multimarket Segment – Achieving more, consuming less

<table>
<thead>
<tr>
<th>Power Management</th>
<th>Radio Frequency &amp; Sensing</th>
<th>High Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computing</td>
<td>Mobile devices</td>
<td>Space</td>
</tr>
<tr>
<td>Lighting</td>
<td>Cellular infrastructure</td>
<td>Aviation/Defense</td>
</tr>
<tr>
<td>Charger</td>
<td>Sensing</td>
<td>Medical ICD</td>
</tr>
</tbody>
</table>

MOSFETs, Power ICs, RF switches, LNAs, Si-Mics, RF power, Radar ICs, Environmental Sensors
Chip Card & Security is enabling security for the connected world

### Smart Cards
- Smart card payment
- Electronic passports and ID documents
- SIM cards for mobile communication
- Transport ticketing

### Embedded Security
- Mobile device security and payment
- Information and communications technology (ICT) security
- Industrial and automotive security
- IoT connected device security
Product range

**Automotive (ATV)**
- 32-bit automotive microcontrollers for powertrain, safety and driver assistance systems
- Discrete power semiconductors
- Magnetic and pressure sensors
- IGBT modules
- Power ICs
- Radar
- Transceiver (CAN, LIN, Flex Ray™)*
- Voltage regulators

**Industrial Power Control (IPC)**
- Bare die business
- Discrete IGBTs
- Driver ICs
- IGBT modules (high-power, medium-power, low-power)
- IGBT module solutions incl. IGBT stacks

**Power Management & Multimarket (PMM)**
- Control ICs
- Customized chips (ASICs)
- Discrete low-voltage and high-voltage power transistors
- GPS low-noise amplifier
- Low-voltage and high-voltage driver ICs
- MEMS and ASICs for silicon microphones
- RF antenna switches
- RF power transistors
- TVS (transient voltage suppressor) diode

**Chip Card & Security (CCS)**
- Smart card (contactless and contact-based) and embedded security ICs
- Turnkey security solutions e.g. OPTIGA™ Trust, OPTIGA™ TPM
- Packaging and service portfolio
- CIPURSE™ open standard based solutions
- Innovative solutions from basic security RFID and memories to high-end security controllers
- Leading technologies e.g. SOLID FLASH™, Integrity Guard, Coil on Module

*FlexRay is a trademark licensed by FlexRay Consortium GbR
Our global R&D network

Leominster
Warwick
Tewksbury
El Segundo
San José
Morgan Hill
Torrance
Chandler
Mesa

Duisburg
Bristol
Augsburg

Pavia
Le Puy Sainte Réparade

Neubiberg (Munich)
Padua

Reigate
Skovlunde

Warstein
Dresden
Linz
Graz
Bucharest
Villach

Regensburg
Karlsruhe
Beijing
Seoul
Shanghai
Manila
Singapore
Malacca
Ipoh

Status: 30 September 2016
Our global sales network

- Lebanon
- Livonia
- Milpitas
- Kokomo
- São Paulo
- Leominster
- El Segundo
- Hayward
- Durham
- Raleigh
- Rotterdam
- Bristol
- Reigate
- Dublin
- Paris
- Madrid
- Barcelona
- Frankfurt
- Stuttgart
- Warstein
- Marseille
- Milan
- Stockholm
- Duisburg
- Hanover
- Erlangen
- Neubiberg (Munich)
- Karlsruhe
- Vienna
- Villach
- Istanbul
- Zurich
- Moscow
- Espoo
- Beijing
- Xi’an
- Shanghai
- Hong Kong
- Shenzhen
- Taipei
- Seoul
- Tokyo
- Nagoya
- Singapore
- Osaka
- Bangalore
- Blackburn (Melbourne)

Status: 30 September 2016
Corporate Social Responsibility (CSR)

- CSR comprises our **voluntary commitment** in: Human Resources Management and Human Rights, Environmental Sustainability, Occupational Safety and Health, Corporate Citizenship*, CSR Supply Chain Management as well as Business Ethics.

- Infineon entered the **UN Global Compact** as one of the first semiconductor companies already in 2004 and is voluntarily committed to the 10 Principles.

- Infineon is for the 7th time listed in the **Sustainability Yearbook**.

- Infineon is continuously listed in the **Dow Jones Sustainability Index** since 2010 and for the second time in the **Dow Jones Sustainability World Index** in 2016 and thus is among the top **10% of the most sustainable companies** in the world.

- Infineon does not compromise in **human rights and business ethics**.

- Infineon's products and solutions as well as our efficient resources management enable a significant **net ecological benefit**.

*social engagement of companies.
Corporate Social Responsibility
We are excellent in resources efficiency

At Infineon, less is more

About **45% less** electricity consumed per square centimeter manufactured wafer than the global average.

About **33% less** water consumed per square centimeter manufactured wafer than the global average.

About **47% less** waste generated per square centimeter manufactured wafer than the global average.

We use resources much more efficient in our production processes than the global average of the semiconductor industry.

Basis for the calculations are the square centimeters processed wafer area in the front-end production and consumptions according to WSC definition.
Corporate Social Responsibility
We create a net ecological benefit

Emission Reduction enabled by our products and solutions

around 1.8 million tons CO₂ equivalents

CO₂ burden¹)

Ratio around 1:30

around 52.4 million tons CO₂ equivalents

CO₂ savings²)

Net ecological benefit:
CO₂ emissions reduction around 50 million tons

¹) This figure considers manufacturing, transportation, function cars, flights, materials, chemicals, water/wastewater, direct emissions, energy consumption, waste, etc. and is based on internally collected data and externally available conversion factors. All data relate to the 2016 fiscal year.

²) This figure is based on internally established criteria, which are explained in the explanatory notes. The figure relates to the calendar year 2015 and considers the following fields of application: automotive, LED, PC power supply, renewable energy (wind, photovoltaic), drives as well as induction cookers. CO₂ savings are calculated on the basis of potential savings of technologies in which semiconductors are used. The CO₂ savings are allocated on the basis of the Infineon market share, semiconductor content and lifetime of technologies concerned, based on internal and external experts' estimations. Despite the fact that CO₂ footprint calculations are subject to imprecision due to the complex issues involved, the results are nevertheless clear.
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