Infineon at a glance

**Business Segments**
- Digital Security Solutions (DSS)
- Power Management & Multi-market (PMM)
- Industrial Power Control (IPC)

**Employees**
- **40,100** employees worldwide (as of Sept. 2018)
- Europe: 17,400
- Americas: 3,900
- Asia/Pacific: 18,800
- 35 R&D locations
- 17 manufacturing locations

**Financials**

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,320</td>
<td>5,795</td>
<td>6,473</td>
<td>7,063</td>
<td>7,599</td>
</tr>
<tr>
<td>Segment Result</td>
<td>620</td>
<td>897</td>
<td>982</td>
<td>1,208</td>
<td>1,353</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>14.4%</td>
<td>15.5%</td>
<td>15.2%</td>
<td>17.1%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>

**Market Position**
- **Automotive**: #2
  - Strategy Analytics, April 2019
- **Power**: #1
  - IHS Markit, Technology Group, September 2018
- **Security ICs**: #1
  - ABI Research, October 2018

Further information in the Annual Report 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
Business growth in the semiconductor market is driven by four key trends:

- **Energy efficiency**
- **Mobility**
- **Security**
- **IoT & big data**
The challenges of rising demand for energy and growing depletion of fossil resources call for smarter, more efficient ways of generating, transmitting and consuming energy. Semiconductors reduce the energy consumed by electronic devices, enabling systems that make the way we live and work greener. As the global leader in power semiconductors, Infineon's products and solutions allow energy to be generated more efficiently and from renewable sources.

Application examples

› **Empowering the energy revolution**: Leading power devices and subsystems for renewables and efficient energy transmission and storage

› **Turning eMobility into reality**: Innovative IC solutions for xEVs, eBikes and eScooters

› **Ensuring uninterruptible power supplies**: Power components for reliable UPS systems

› **Optimizing performance**: MCUs and power semiconductors for smart motor controls / drives

› **Advancing the future of light**: LED driver ICs, MOSFETs and sensors for lighting applications
Megatrends like demographic shifts, social change and urbanization are accentuating the need to manage rising public and private traffic volumes while mitigating the environmental and climate impact of this traffic. Sustainable, smart mobility solutions are essential given the growing scarcity of natural resources.

Through its semiconductors, Infineon is building more intelligence, responsiveness and autonomy into transport systems – enabling mobility solutions ranging from eBikes through hybrid and fully electric vehicles to underground and high-speed trains.

**Application examples**

- **Making mobility clean**: Efficient semiconductors for electric drivetrains and CO₂ reduction
- **Making autonomous driving safe and reliable**: Chip solutions for automated driving applications (from ADAS to autonomous driving)
- **Making mobility smart**: Broad product portfolio of sensors and security ICs for individual convenience and connectivity
In an increasingly digital world with more and more connected devices, people want to interact and communicate in a secure way that protects their data against theft and misuse. Securing electronic devices and infrastructures is a number one priority. Addressing this need for security is one of Infineon's key competencies.

With more than 30 years of experience in the security market, Infineon offers tailored and ready-to-use security solutions serving a wide range of applications from smart cards, passports and cars to new and emerging use cases.

**Application examples**

- **Securing eGovernment**: Security solutions for electronic ID applications
- **Building trust in security**: Hardware-based security solutions for reliable device authentication and trusted computing
- **Protecting smart factories**: High-quality ICs and state-of-the-art encryption technologies for highly secure M2M communication
- **Safeguarding connected cars**: Advanced security solutions for connected mobility
IoT & big data

In today's digital world, more and more things are connected to the Internet. The volume of data generated, transferred and stored is rising day by day, so too is the need for high-speed and low-latency communication.

With its sensors, controllers, power devices and authentication products, Infineon enables smart, secure and power-efficient IoT solutions for smart devices, homes, cities, factories and vehicles. It provides cutting-edge power solutions for data centers and servers as well as leading RF chipsets supporting mission-critical infrastructures like 5G.

Application examples

› **Sensing the connected world**: Highly reliable and precise sensors for automotive, industrial and general applications

› **Implementing Industry 4.0**: Innovative IC solutions for digital automation and robotics

› **Driving hyper-scale data centers and cloud computing**: Cutting-edge power usage effectiveness (PUE) for server farms and reliable TPM solutions to secure data in the cloud

› **Enabling smart infrastructures**: Advanced semiconductor solutions for smart cities, smart grids and next-gen wireless communication
Our strategy is targeted at value creation through sustainable profitable growth

**Focus**
- Focus on fastest growing segments of semi market
- Tackle global megatrends

**Technology leadership**
- Leverage core competencies in different end markets to maximize ROI

**System understanding**
- Create value for customers through system understanding

**Average-cycle financial targets**
- ~9% p.a.
  - Revenue growth
- ~17%+
  - Segment Result margin
- ~15%
  - Investment-to-sales (thereof capex*: ~13%)

* Infineon reports under IFRS
Infineon has signed an agreement to acquire Cypress

![Infineon + Cypress](image)

**Strengthening the link between the real and the digital world**

<table>
<thead>
<tr>
<th>What has been decided?</th>
<th>What are next steps?</th>
</tr>
</thead>
<tbody>
<tr>
<td>› Infineon Technologies AG will acquire Cypress Semiconductor Corp. for €9.0 billion (US$23.85 per share)</td>
<td>› The acquisition is subject to Cypress shareholder and regulatory authorities approvals</td>
</tr>
<tr>
<td>› Cypress is a US-based, global chip manufacturer with ~5,800 employees, headquartered in San Jose, California</td>
<td>› Closing of the deal is expected by the end of calendar year 2019 / beginning of calendar year 2020</td>
</tr>
</tbody>
</table>
The deal will shape a portfolio that perfectly links the real and the digital world
The new Infineon after integration of Cypress

- Annual revenue: ca. €10bn
- Total addressable market: ca. €45bn
- Total Employees: 47,000+
- R&D Employees: 8,600+
- Patents: 30,000+
- 8th largest Semiconductor company
- #1 player in automotive semis, power discretes, and security ICs

Source: Company information and estimates
The global semiconductor market declines in 2019 but is forecasted to recover in 2020.

Global Semiconductor Market
Market size in billion US-Dollar

Source: WSTS for historical data. Forecast: © of WSTS, IHS Markit Technology Group, Gartner, IC Insights; last update July 29, 2019
Infineon holds a leading position in its target markets

### Automotive Semiconductors

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>NXP</td>
<td>12.0%</td>
</tr>
<tr>
<td>Infineon</td>
<td>11.2%</td>
</tr>
<tr>
<td>Renesas</td>
<td>8.9%</td>
</tr>
<tr>
<td>TI</td>
<td>8.2%</td>
</tr>
<tr>
<td>STMicro</td>
<td>7.6%</td>
</tr>
<tr>
<td>Bosch</td>
<td>5.4%</td>
</tr>
<tr>
<td>ON Semi</td>
<td>4.9%</td>
</tr>
<tr>
<td>Rohm</td>
<td>2.8%</td>
</tr>
<tr>
<td>ADI</td>
<td>2.6%</td>
</tr>
<tr>
<td>Toshiba</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Source: Strategy Analytics, "2018 Automotive Semiconductor Vendor Share", April 2019

### Power Discrete and Modules

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon</td>
<td>18.6%</td>
</tr>
<tr>
<td>ON Semi</td>
<td>9.0%</td>
</tr>
<tr>
<td>STMicro</td>
<td>5.1%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>4.9%</td>
</tr>
<tr>
<td>Toshiba</td>
<td>4.7%</td>
</tr>
<tr>
<td>Vishay</td>
<td>4.4%</td>
</tr>
<tr>
<td>Renesas</td>
<td>4.0%</td>
</tr>
<tr>
<td>Fuji</td>
<td>3.8%</td>
</tr>
<tr>
<td>Rohm</td>
<td>2.5%</td>
</tr>
<tr>
<td>Semikron</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Source: Based on or includes content supplied by IHS Markit, Technology Group, "Power Semiconductor Market Share Database 2017", September 2018

### Security ICs

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon</td>
<td>24.2%</td>
</tr>
<tr>
<td>NXP</td>
<td>23.8%</td>
</tr>
<tr>
<td>Samsung</td>
<td>12.9%</td>
</tr>
<tr>
<td>STMicro</td>
<td>10.4%</td>
</tr>
<tr>
<td>EM Micro</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Source: ABI Research, "Smart card & secure ICs", October 2018
Infineon is on a growth path
Revenue and result for Q3 FY 2018 to Q3 FY 2019

+4%

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>[EUR m]</td>
<td>1,941</td>
<td>2,047</td>
<td>1,970</td>
<td>1,983</td>
<td>2,015</td>
</tr>
<tr>
<td>Revenue</td>
<td>356</td>
<td>400</td>
<td>359</td>
<td>332</td>
<td>317</td>
</tr>
<tr>
<td>Segment Result</td>
<td>18.3%</td>
<td>19.5%</td>
<td>18.2%</td>
<td>16.7%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Revenue split by regions
FY 2017 and FY 2018

- **USA** (FY 2017: 10%, FY 2018: 9%)
- **Germany** (FY 2017: 12%, FY 2018: 12%)
- **Mainland China** (FY 2017: 25%, FY 2018: 25%)
- **Asia / Pacific without Japan, Greater China** (FY 2017: 15%, FY 2018: 15%)
- **Greater China** (FY 2017: 34%, FY 2018: 34%)
- **Europe, Middle East, Africa (EMEA)** (FY 2017: 32%, FY 2018: 32%)

Japan (FY 2017: 7%, FY 2018: 7%)

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Financial Year 2018
Revenue Split by Segment

FY 2018 Revenue: € 7,599 m

Digital Security Solutions
€ 664 m

Power Management & Multimarket
€ 2,318 m

OOS+C&E*
€ 10 m

Automotive
€ 3,284 m

Industrial Power Control
€ 1,323 m

* Other Operating Segments; Corporate & Eliminations
Automotive shapes the future of mobility with cleaner, safer and smarter cars

**Core applications:**

Powertrain, Assistance systems and safety systems, Security, Comfort electronics

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>836</td>
<td>867</td>
<td>846</td>
<td>875</td>
<td>888</td>
</tr>
<tr>
<td>Segment Result</td>
<td>120</td>
<td>127</td>
<td>117</td>
<td>112</td>
<td>98</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>14.4%</td>
<td>14.6%</td>
<td>13.8%</td>
<td>12.8%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

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Industrial Power Control empowers a world of unlimited energy

Core applications:
- Energy generation (solar and photovoltaic)
- Energy transmission
- Energy consumption: Home appliances, Industrial drives, Traction, Robotics, Charging stations for electric vehicles, Industrial power supplies, Industrial vehicles

Revenue Segment Result Segment Result margin
[EUR m]

<table>
<thead>
<tr>
<th></th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>349</td>
<td>361</td>
<td>352</td>
<td>347</td>
<td>357</td>
</tr>
<tr>
<td>Segment Result</td>
<td>71</td>
<td>73</td>
<td>69</td>
<td>67</td>
<td>55</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>20.3%</td>
<td>20.2%</td>
<td>19.6%</td>
<td>19.3%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>
Power Management & Multimarket creates solutions for power management, sensing, data transmission

Core applications:

Battery-powered applications, Charging stations for electric vehicles. LED and conventional lighting systems, Power management, Internet of Things, Mobile devices, Cellular infrastructure, High Reliability Applications

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>137</td>
<td>181</td>
<td>155</td>
<td>132</td>
<td>145</td>
</tr>
<tr>
<td>Segment Result</td>
<td>580</td>
<td>651</td>
<td>617</td>
<td>591</td>
<td>598</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>23.6%</td>
<td>27.8%</td>
<td>25.1%</td>
<td>22.3%</td>
<td>24.2%</td>
</tr>
</tbody>
</table>
Digital Security Solutions delivers security for a connected world

Core applications:
Authentication, Automotive, Governmental identification documents, Internet of Things, Mobile communications, Ticketing, Access control, Trusted Computing, Payment systems

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q3 FY18</th>
<th>Q4 FY18</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>175</td>
<td>163</td>
<td>149</td>
<td>164</td>
<td>167</td>
</tr>
<tr>
<td>Segment Result</td>
<td>29</td>
<td>24</td>
<td>16</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>16.6%</td>
<td>14.7%</td>
<td>10.7%</td>
<td>11.6%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>
Close customer relationships are based on system know-how and app understanding.
Worldwide manufacturing sites frontend and backend

San José | Leominster | Warstein | Dresden | Kulim | Beijing
--- | --- | --- | --- | --- | ---
Mesa | Temecula | Tijuana | Regensburg | Villach | Cegléd | Melaka | Batam | Wuxi | Cheonan | Singapore
Our global Research and Development activities

11 percent

of Infineon’s annual revenue goes into Research and Development (R&D). In fiscal year 2018, R&D investments amounted to 836 million euros.

7,161 R&D employees

worldwide develop new products, technologies and platforms as well as new manufacturing technologies.

26,850 patents in the overall portfolio

show a high level of innovative strength and long-term competitiveness. In fiscal year 2018 alone, Infineon registered 1,550 new patents.

Numerous innovative ecosystems

with tech companies, universities and research institutes are of great importance to Infineon.

35 sites in 15 countries:

<table>
<thead>
<tr>
<th>Americas</th>
<th>Chandler, El Segundo, Leominster, Mesa, Milpitas, San José, Tewksbury and Warwick (all USA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>Beijing and Xi’an (both China); Bangalore (India); Tokyo (Japan); Seoul (Korea); Ipoh, Kulim, Melaka (all Malaysia); Muntinlupa (Philippine); Singapore</td>
</tr>
<tr>
<td>Europe</td>
<td>Graz, Linz and Villach (all Austria); Herlev (Denmark); Augsburg, Dresden, Duisburg, Erlangen, Karlsruhe, Neubiberg near Munich, Regensburg and Warstein (all Germany); Le Puy-Sainte-Réparate (France); Bristol and Reigate (both Great Britain); Padua and Pavia (both Italy); Nijmegen (The Netherlands); Bucharest (Romania)</td>
</tr>
</tbody>
</table>
Our competitive advantage: differentiating as quality leader

Our path
We do what we promise.
That’s quality made by Infineon.

Our aspiration
Zero defect regarding the committed
› functionality
› reliability
› time
› volume & cost

Our foundation
International standards such as ISO 9001, IATF 16949, AS 9100, IEC 17025
Responsible action, sustainable profitable growth

Infineon ranks among the 10% most sustainable companies in the world

› Sustainability at Infineon includes social, ecological and economic values

› Infineon was the first semiconductor company to commit to the 10 Principles of the UN Global Compact

› Infineon meets global societal challenges such as climate protection, energy efficiency and resource management with innovative products

› External evaluation of the commitment:
  – Included in the Sustainability Yearbook for the ninth time in a row
  – Included in the Dow Jones Sustainability Index Europe™ since 2010 and in the Dow Jones Sustainability World Index™ for the fourth time
  – Received "Gold Status" of the rating agency EcoVadis for the forth time

Further information in the Sustainability Report
Corporate Social Responsibility
We create a net ecological benefit

Emission Reduction enabled by our products and solutions

- **CO₂ burden**
  - around 1.46 million tons CO₂ equivalents

- **CO₂ savings**
  - around 56.1 million tons CO₂ equivalents

**Net ecological benefit:**
**CO₂ emissions reduction of more than 54 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 2018 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 2017 and considers the following fields of application: automotive, LED, induction cookers, PC power supply, renewable energy (wind, photovoltaic), mobile phones’ chargers as well as drives.

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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Business Continuity
Integrated management

Real Estate & Facility Management
Loss & Fraud Investigations
Environmental Affairs, Sustainability & Energy Management
Business & Operations Support

Asset Protection

Corporate Social Responsibility
Information/IT Security & Data Protection
Business Continuity Planning
Export Compliance

**Business Continuity**
ISO 27001*
ISO 14001*
OHSAS 18001*
ISO 50001**

*ISO 27001/14001/OHSAS 18001 worldwide certification scheme; ** ISO 50001 certified at EU sites
Infineon’s employees create a better future together

Andreas Dorfner
Application Engineer

“It’s exciting to see how a traditional technology like radar can make life easier by turning lights on when someone enters a room.”

Avni Bildhaiya
Digital Design Engineer

“Our AURIX™ Microcontroller helps save lives and prevent accidents by activating a car’s breaks in emergency situations.”

Thomas Indlekofer
Quality Manager

“Being part of Infineon means working at the forefront of green technologies like electromobility.”

At Infineon, more than 40,100 people from over 100 countries work together at more than 70 sites around the world (as of Sept. 2018) toward one mission: to make life easier, safer and greener.

For more information please visit www.infineon.com/career
Part of your life. Part of tomorrow.
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