Infineon at a glance

Business Segments

- Digital Security Solutions (DSS) 30%
- Power & Sensor Systems (PSS) 18%
- Industrial Power Control (IPC) 8%

Automotive (ATV) 44%

Employees

- 41,400 employees worldwide (as of Sept. 2019)
- Europe 18,600
- Americas 3,900
- Asia/Pacific 18,900

- 37 R&D locations
- 17 manufacturing locations

Financials

- Revenue FY 2019:
  - Digital Security Solutions (DSS): 897 EUR m (FY 15), 982 EUR m (FY 16), 1,208 EUR m (FY 17), 1,353 EUR m (FY 18), 1,319 EUR m (FY 19)
- Segment Result:
  - Automotive: 6,473 EUR m (FY 15), 7,063 EUR m (FY 16), 7,599 EUR m (FY 17), 8,029 EUR m (FY 18), 8,029 EUR m (FY 19)
- Segment Result margin:
  - Automotive: 15.5% (FY 15), 15.2% (FY 16), 17.1% (FY 17), 17.8% (FY 18), 16.4% (FY 19)

Market Position

- Automotive: #2 (Strategy Analytics, April 2019)
- Power: #1 (Informa Tech (former IHS Markit Technology), September 2019)
- Security ICs: #2 (ABI Research, September 2019)
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
Mobility

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
On 3 June 2019, Infineon has announced to acquire Cypress

Infineon will acquire Cypress for €9.0 billion (US$23.85 per share)
Cypress is a US-based, global chip manufacturer with ~6,000 employees, headquartered in San Jose, California

Infineon becomes an even stronger system solution leader in high-growth markets automotive, industrial, IoT
Higher focus on structural growth, broader geographic footprint, more customers, greater revenue share in distribution, lower capital intensity
Top 10 global semiconductor player
Improved value creation

End of August 2019, Cypress shareholders accepted Infineon’s acquisition offer
Regulatory and antitrust approvals ongoing
Closing of the deal is expected at the beginning of the second calendar quarter 2020.

What has been decided?
What is the outcome?
What are the preconditions?
The deal shapes a portfolio that perfectly links the real and the digital world

- **Industrial IoT**
- **Consumer IoT**
- **Drives**
- **Power supplies**
- **5G**
- **Automotive**

- **Real-world applications**
- **Battery-powered devices**
- **Coin cell-powered devices**

**Sense:** sensors
**Compute:** microcontrollers, memories
**Actuate:** power semiconductors
**Connectivity:** Wi-Fi, Bluetooth, Bluetooth Low Energy, USB/USB-C

Infineon Cypress

2020-04-01 Copyright © Infineon Technologies AG 2020. All rights reserved.
As a combined company, Infineon will be a top 10 global semiconductor player

- ca. €10bn annual revenue
- top 10 semiconductor company
- ca. 47,400 total employees
- ca. 9,200 R&D employees

leading player
in automotive, power management, embedded control, security systems, differentiated memories, wireless combos

9%+ | 19% | 13%
new target operating model
Infineon gained market share in all target markets

### Automotive Semiconductors

- Total market in 2018: $37.7bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NXP</td>
<td>12.0%</td>
</tr>
<tr>
<td>Infineon</td>
<td>11.2% (+0.4-pt)</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 Discretes and Modules

- Total market in 2018: $21.0bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infineon</td>
<td>19.9% (+1.2-pt)</td>
</tr>
<tr>
<td>ON Semi</td>
<td>8.9%</td>
</tr>
<tr>
<td>STMicro</td>
<td>5.4%</td>
</tr>
<tr>
<td>Mitsubishi</td>
<td>4.8%</td>
</tr>
<tr>
<td>Vishay</td>
<td>4.5%</td>
</tr>
<tr>
<td>Toshiba</td>
<td>4.5%</td>
</tr>
<tr>
<td>Fuji</td>
<td>3.6%</td>
</tr>
<tr>
<td>Renesas</td>
<td>3.3%</td>
</tr>
<tr>
<td>Rohm</td>
<td>2.6%</td>
</tr>
<tr>
<td>Semikron</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Source: Based on or includes content supplied by Informa Tech (former IHS Markit Technology), "Power Semiconductor Market Share Database – 2018", September 2019

### Security ICs

- Total market in 2018: $3.2bn

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>NXP</td>
<td>24.8%</td>
</tr>
<tr>
<td>Infineon</td>
<td>24.3% (+0.1-pt)</td>
</tr>
<tr>
<td>Samsung</td>
<td>17.4%</td>
</tr>
<tr>
<td>STMicro</td>
<td>10.1%</td>
</tr>
<tr>
<td>CEC Huada</td>
<td>8.5%</td>
</tr>
</tbody>
</table>

Source: ABI Research, "Smart card & secure ICs", September 2019
Infineon’s business stays robust – even under challenging market conditions

Revenues and earnings in Q1 FY 2019 to Q1 FY 2020

[EUR m]

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue</th>
<th>Segment Result</th>
<th>Result margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY19</td>
<td>1,970 m</td>
<td>359</td>
<td>18.2%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>1,983 m</td>
<td>332</td>
<td>16.7%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>2,015 m</td>
<td>317</td>
<td>15.7%</td>
</tr>
<tr>
<td>Q4 FY19</td>
<td>2,062 m</td>
<td>311</td>
<td>15.1%</td>
</tr>
<tr>
<td>Q1 FY20</td>
<td>1,916 m</td>
<td>297</td>
<td>15.5%</td>
</tr>
</tbody>
</table>
Infineon is operating in all major regions of the world

Revenues per region FY 2019

- Americas: 13% (11% USA, 30% therein: Germany)
  - therein: China: 35%
  - Greater China: 27%
  - Asia / Pacific (without Japan, Greater China): 15%
  - Japan: 7%
- Europe, Middle East, Africa (EMEA): 15%
- Americas: 13%
Financial Year 2019
Revenue Split by Segment

FY 2019 Revenue: € 8,029 m

- Digital Security Solutions: € 642 m (8%)
- Power & Sensor Systems: € 2,445 m (30%)
- Automotive: € 3,503 m (44%)
- Industrial Power Control: € 1,418 m (18%)

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

Core applications:
Assistance systems and safety systems, Comfort electronics, Powertrain, Security

<table>
<thead>
<tr>
<th></th>
<th>Segment Result</th>
<th>Revenue [EUR m]</th>
<th>Segment Result margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY19</td>
<td>117</td>
<td>846</td>
<td>13.8%</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>112</td>
<td>875</td>
<td>12.8%</td>
</tr>
<tr>
<td>Q3 FY19</td>
<td>98</td>
<td>888</td>
<td>11.0%</td>
</tr>
<tr>
<td>Q4 FY19</td>
<td>78</td>
<td>893</td>
<td>8.7%</td>
</tr>
<tr>
<td>Q1 FY20</td>
<td>67</td>
<td>829</td>
<td>8.1%</td>
</tr>
</tbody>
</table>
Industrial Power Control empowers a world of unlimited energy

**Core applications:**

Energy generation, Energy transmission, Energy consumption (Home appliances, Industrial vehicles), Industrial drives, Traction, Industrial power supplies, Industrial Robotics

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>352 EUR m</td>
<td>347 EUR m</td>
<td>357 EUR m</td>
<td>362 EUR m</td>
<td>334 EUR m</td>
</tr>
<tr>
<td><strong>Segment Result</strong></td>
<td>69 EUR m</td>
<td>67 EUR m</td>
<td>55 EUR m</td>
<td>59 EUR m</td>
<td>62 EUR m</td>
</tr>
<tr>
<td><strong>Segment Result margin</strong></td>
<td>19.6%</td>
<td>19.3%</td>
<td>15.4%</td>
<td>16.3%</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

[Image of solar panels and robotic arm]
Power & Sensor Systems creates solutions for power management, sensing, data transmission

Core applications:
Audio amplifiers, Brushless direct current motor, Cellular communications infrastructure, Charging stations for electric vehicles, HiRel, Internet of Things, LED and conventional lighting systems, Mobile devices, Power management

<table>
<thead>
<tr>
<th>[EUR m]</th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>155</td>
<td>132</td>
<td>145</td>
<td>153</td>
<td>146</td>
</tr>
<tr>
<td>Segment Result</td>
<td>617</td>
<td>591</td>
<td>598</td>
<td>639</td>
<td>593</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>25.1%</td>
<td>22.3%</td>
<td>24.2%</td>
<td>23.9%</td>
<td>24.6%</td>
</tr>
</tbody>
</table>
Digital Security Solutions delivers security for a connected world

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

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q2 FY19</th>
<th>Q3 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue [EUR m]</td>
<td>149</td>
<td>164</td>
<td>167</td>
<td>162</td>
<td>158</td>
</tr>
<tr>
<td>Segment Result [EUR m]</td>
<td>16</td>
<td>19</td>
<td>19</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Segment Result margin</td>
<td>10.7%</td>
<td>11.6%</td>
<td>11.4%</td>
<td>13.6%</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

2020-04-01 Copyright © Infineon Technologies AG 2020. All rights reserved.
Close customer relationships are based on system know-how and app understanding.
Worldwide manufacturing sites frontend and backend

San José      Leominster      Warstein      Dresden      Kulim
   Frontend            Backend

Mesa

Temecula      Tijuana      Regensburg      Villach      Cegléd      Melaka      Batam
   Frontend            Backend

As of September 2019
Our global Research and Development activities

**About 12 percent**

of Infineon's annual revenue goes into Research and Development (R&D). In fiscal year 2019, R&D investments amounted to 945 million euros.

**7,755 R&D employees**

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

**26,570 patents in the overall portfolio**

show a high level of innovative strength and long-term competitiveness. In fiscal year 2019 alone, Infineon registered 1,760 new patents.

**Numerous innovative ecosystems**

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

---

### 37 sites in 15 countries:

<table>
<thead>
<tr>
<th>Americas</th>
<th>Chandler, El Segundo, Leominster, Mesa, Milpitas, San José, Andover 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-Réparade (France); Bristol and Reigate (both Great Britain); Padua and Pavia (both Italy); Nijmegen (The Netherlands); Bucharest (Romania)</td>
</tr>
</tbody>
</table>

As of September 2019
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 one of the first semiconductor companies to voluntarily commit to the Ten 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:
  – MSCI ESG Research rates Infineon with AA
  – Included in the Dow Jones Sustainability™ World Index for the fifth time
  – Received "Gold Status" of the rating agency EcoVadis for the fifth time
Corporate Social Responsibility
We create a net ecological benefit

Our products and solutions enable a net ecological benefit, equal to the average annual CO₂ emissions from electricity consumption of about 86 million people living in Europe¹)

CO₂ burden²) of around 1.40 million tons CO₂ equivalents

CO₂ savings³) of around 56 million tons CO₂ equivalents

Ratio around 1:40

Net ecological benefit: CO₂ emissions reduction of more than 54 million tons

---

¹) Based on the average electricity consumption of private households in Germany and official energy conversion factors.
²) 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 2019 fiscal year. Manufacturing service providers are not included.
³) This figure is based on internally established criteria, which are explained in the explanatory notes. The figure relates to the calendar year 2018 and considers the following fields of application: automotive, LED, induction cookers, servers, renewable energy (wind, photovoltaic), mobile phone 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 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.
For the first time, Infineon sets binding targets for CO₂ reduction

1. CO₂ neutrality by 2030 - primarily by avoiding emissions

2. Realization of 70 percent of the required savings and compensations by 2025
Business Continuity Integrated management

- Real Estate & Facility Management
- Loss & Fraud Investigations
- Environmental Protection, Sustainability & Energy Management
- Business & Operations Support
- Asset Protection
- Business Continuity
  - ISO 27001*
  - ISO 14001*
  - ISO 22301***
  - ISO 50001**
  - OHSAS 18001*
- Security & Crisis Management
- Corporate Social Responsibility
- Information/IT Security & Data Protection
- Business Continuity Planning
- Export Compliance

*ISO 27001/14001/OHSAS 18001 worldwide certification scheme; ** ISO 50001 certified at EU sites; ***ISO 22301 certified in Villach, Dresden recommended for certification
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 41,400 people from over 100 countries work together at more than 70 sites around the world (as of Sept. 2019) toward one mission: to make life easier, safer and greener.

For more information please visit www.infineon.com/career
infineon

Part of your life. Part of tomorrow.
Disclaimer

Specific disclaimer for Informa Tech – former IHS Markit Technology – reports, data and information referenced in this document:
The Informa Tech reports, data and information referenced herein (the "Informa Tech Materials – mostly former IHS Markit Technology Materials") are the copyrighted property of Informa Tech Research Ltd. and its subsidiaries ("Informa Tech") and represent data, research, opinions or viewpoints published by Informa Tech, and are not representations of fact. The Informa Tech 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 Informa Tech Materials are subject to change without notice and neither Informa Tech nor, as a consequence, Infineon have any duty or responsibility to update the Informa Tech Materials or this publication as a result. Informa Tech Materials are delivered on an "as-is" and "as-available" basis. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in the Informa Tech Materials. To the maximum extent permitted by law, Informa Tech and its affiliates, IHS Markit and its Affiliates and their respective, officers, directors, employees and agents, disclaim any liability (including, without limitation, any liability arising from fault or negligence) as to the accuracy or completeness or use of the Informa Tech Materials. Informa Tech and/or IHS Markit will not, under any circumstance whatsoever, be liable for any trading, investment, commercial or other decisions based on or made in reliance of the Informa Tech Materials. The "IHS Markit" brand and logo have been licensed for use by Informa Tech. The "IHS Markit" brand and logo and any third-party trademarks used in the IHS Markit Technology Materials are the sole property of IHS Markit Group or their respective third-party owners.

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 any duty or responsibility to update the IHS Markit Materials or this publication. 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.