

Infineon Technologies AG

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Neubiberg, 14. November 2022 – Infineon significantly increases its long-term financial targets; major investment in a new factory in Dresden planned

In its target markets automotive, industrial and IoT applications, as well as renewable energies Infineon sees increasing dynamic and strong structural growth drivers. The company is therefore upgrading its target operating model, which defines financial targets over the cycle. In future, based on an exchange rate of US\$1.00 to the euro, the expected average rate of revenue growth will be more than 10 percent, increased from 9 percent + previously. The Segment Result Margin is expected to reach an average level of 25 percent, compared with 19 percent to date. For the first time, Infineon is including an explicit Free Cash Flow target in its target operating model, replacing the investment-to-sales rate previously used. Free Cash Flow, adjusted for major investments in frontend buildings, should be within a range of 10 to 15 percent of revenue over the cycle.

To enable the expected acceleration in growth of analog/mixed-signal and power semiconductors, Infineon is planning to continue expanding its 300-millimeter manufacturing capacity and invest €5 billion. The intended location is Dresden (Germany), subject to adequate

public funding. When operating at full capacity, the planned factory would have an annual revenue potential equal to the level of the investment. The new factory is expected to create up to 1,000 new highly qualified jobs and according to planning could be ready to start production in autumn of 2026.

The Supervisory Board has today agreed to both, the new target operating model as well as the further planning related to the expansion of manufacturing capacity.

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