

Press Release

Successful third quarter; strong revenue growth especially in the Automotive segment; further increases in revenue and earnings expected in the fourth quarter

- **Q3 FY 2022: Revenue €3.618 billion, up 10 percent on the preceding quarter and 33 percent year on year; Segment Result €842 million; Segment Result Margin 23.3 percent; Free Cash Flow €440 million**
- **Outlook for Q4 FY 2022: Based on an assumed exchange rate of US\$1.05 to the euro, revenue of around €3.9 billion is predicted. On this basis, the Segment Result Margin is expected to be about 25 percent**
- **Outlook for FY 2022: Based on the outlook for Q4 FY 2022, revenue for the full 2022 fiscal year is expected to reach around €14 billion (previous forecast: €13.5 billion). On this basis, the Segment Result Margin is expected to exceed 23 percent (previously expected to exceed 22 percent). Investments of around €2.4 billion are planned (unchanged). Free Cash Flow is expected to reach about €1.4 billion (previous forecast: about €1.1 billion)**

Neubiberg, 3 August 2022 – Today, Infineon Technologies AG is reporting results for the third quarter of its 2022 fiscal year (period ended 30 June 2022).

"In a difficult macroeconomic climate, Infineon continues to be well on the way thanks to its differentiating portfolio," said Jochen Hanebeck, Chief Executive Officer of Infineon. "Increases in energy costs, raw material prices and interest rates, the continuing pandemic and geopolitical uncertainties are all impeding economic growth. In some consumer-oriented end markets demand has recently weakened. We are keeping a close eye on market developments and are prepared to act swiftly. However, the structural drivers decarbonization and digitalization continue to cause high demand for semiconductors. The global trend towards electromobility persists. Many countries are now seeking to secure independent energy supplies, which will further accelerate the expansion of renewable energy. We are also benefiting from continuing high levels of investment in communications infrastructure, data centers and cloud computing."

For the Business and Trade Press: INFXX202208.109e

Bernd Hops (Headquarters)
Judy Davies (Americas)
Chi Kang David Ong (Asia-Pacific)
Lin Zhu (Greater China)
Yasuyuki Kamiseki (Japan)

Tel.: +49 89 234 23888
Tel.: +1 408 621 6212
Tel.: +65 6876 3070
Tel.: +86 21 6101 9199
Tel.: +81 3 5745 7544

media.relations@infineon.com
judy.davies@infineon.com
david.ong@infineon.com
lin.zhu@infineon.com
yasuyuki.kamiseki@infineon.com

Investor Relations:
Tel.: +49 89 234 26655
investor.relations@infineon.com

€ in millions (unless otherwise stated)	3 months ended 30 Jun 22	sequential +/- in %	3 months ended 31 Mar 22	year-on- year +/- in %	3 months ended 30 Jun 21
Revenue	3,618	10	3,298	33	2,722
Segment Result	842	11	761	70	496
Segment Result Margin (in %)	23.3%		23.1%		18.2%
Profit (loss) from continuing operations	525	12	469	+++	245
Profit (loss) from discontinued operations, net of income taxes	(8)	---	-	---	-
Profit (loss) for the period	517	10	469	+++	245
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Basic earnings per share (in euro) from continuing operations	0.40	11	0.36	+++	0.18
Basic earnings (loss) per share (in euro) from discontinued operations	(0.01)	---	-	---	-
Basic earnings per share (in euro)	0.39	8	0.36	+++	0.18
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Diluted earnings per share (in euro) from continuing operations	0.40	14	0.35	+++	0.18
Diluted earnings (loss) per share (in euro) from discontinued operations	(0.01)	---	-	---	-
Diluted earnings per share (in euro)	0.39	11	0.35	+++	0.18
Adjusted earnings per share (in euro) – diluted^{1,2}	0.49	11	0.44	81	0.27
Gross margin (in %)	43.2%		42.9%		39.1%
Adjusted gross margin³ (in %)	45.4%		45.4%		41.8%

¹ The calculation for earnings per share and adjusted earnings per share is based on unrounded figures.

² The reconciliation of profit (loss) for the period to adjusted profit (loss) for the period and adjusted earnings per share is presented on page 12.

³ The reconciliation of cost of goods sold to adjusted cost of goods sold and adjusted gross margin is presented on page 11.

Group performance in the third quarter of the 2022 fiscal year

In the third quarter of the 2022 fiscal year, Group revenue grew by €320 million or 10 percent to €3,618 million, compared with €3,298 million in the previous three-month period. There was a significant increase in revenue in the Automotive (ATV) and Power & Sensor Systems (PSS) segments, as well as a slight increase in the Industrial Power Control (IPC) and Connected Secure Systems (CSS) segments.

The gross margin in the third quarter of the current fiscal year was 43.2 percent, compared with 42.9 percent in the preceding quarter. The adjusted gross margin remained unchanged at 45.4 percent.

The Segment Result in the third quarter was €842 million, compared with €761 million in the second quarter of the 2022 fiscal year. The Segment Result

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Bernd Hops (Headquarters)
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Yasuyuki Kamiseki (Japan)

Tel.: +49 89 234 23888
Tel.: +1 408 621 6212
Tel.: +65 6876 3070
Tel.: +86 21 6101 9199
Tel.: +81 3 5745 7544

media.relations@infineon.com
judy.davies@infineon.com
david.ong@infineon.com
lin.zhu@infineon.com
yasuyuki.kamiseki@infineon.com

Investor Relations:
Tel.: +49 89 234 26655
investor.relations@infineon.com

Margin improved slightly, from 23.1 percent in the second quarter to 23.3 percent in the third quarter.

The third-quarter non-segment result was a net loss of €152 million, compared with a net loss of €143 million in the second quarter. The non-segment result for the third quarter comprised €78 million relating to cost of goods sold, €62 million relating to selling, general and administrative expenses and €7 million relating to research and development expenses. Also included in the total for the third quarter were net other operating expenses of €5 million.

Operating profit for the third quarter of the 2022 fiscal year was €690 million, up from €618 million in the previous three-month period.

The financial result was a net financial loss of €40 million, compared with a net financial loss of €43 million in the second quarter of the 2022 fiscal year.

The tax expense in the third quarter of the current fiscal year was €134 million, compared with €121 million in the preceding quarter.

Profit from continuing operations improved in the third quarter of the current fiscal year to €525 million, up from €469 million in the previous quarter. The result from discontinued operations in the third quarter was a loss of €8 million (second quarter: €0 million). The profit for the period in the third quarter of the 2022 fiscal year was €517 million, up from €469 million in the previous quarter.

Basic earnings per share from continuing operations rose in the third quarter of the current fiscal year to €0.40, compared with €0.36 in the previous quarter. Diluted earnings per share from continuing operations increased from €0.35 in the second quarter to €0.40 in the third quarter. Adjusted earnings per share¹ (diluted) improved from €0.44 in the second quarter to €0.49 in the third quarter of the current fiscal year.

Investments – which Infineon defines as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized

¹ Adjusted profit/loss for the period and adjusted earnings per share (diluted) should not be seen as a replacement or as superior performance indicators, but rather as additional information to profit/loss for the period and earnings per share (diluted) determined in accordance with IFRS. The detailed calculation of adjusted earnings per share is presented on page 12.

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development costs – rose to €542 million in the third quarter of the current fiscal year, compared with €494 million in the preceding three-month period.

Depreciation and amortization in the third quarter was €422 million, compared with €405 million in the second quarter of the 2022 fiscal year.

Free Cash Flow² improved in the third quarter of the 2022 fiscal year to €440 million, up from €120 million in the previous three-month period. Net cash provided by operating activities from continuing operations rose to €996 million, compared with €615 million in the second quarter of the 2022 fiscal year.

The gross cash position at the end of the third quarter of the current fiscal year stood at €3,569 million, up from €3,205 million at 31 March 2022. Financial debt at the end of June 2022 was €6,054 million, compared with €5,881 million at the end of March 2022. Net financial debt decreased from €2,676 million at the end of the second quarter to €2,485 million at the end of the third quarter.

Outlook for the fourth quarter of the 2022 fiscal year

Based on an assumed exchange rate of US\$1.05 to the euro, Infineon expects to generate revenue of around €3.9 billion in the fourth quarter of the 2022 fiscal year. This is equivalent to 8 percent growth compared with the third quarter of the current fiscal year. The rate of growth in the IPC segment should be significantly higher than this. In the ATV and PSS segments, revenue is expected to grow at around the average rate for the Group, while revenue growth in the CSS segment is expected to be within a low single-digit percentage range. At the forecast level of revenue, the Segment Result Margin is expected to be about 25 percent.

Outlook for the 2022 fiscal year

Based on the revenue that is being forecast for the fourth quarter, the revenue forecast for the full 2022 fiscal year stands at around €14 billion (compared with the previous forecast of €13.5 billion. About €140 million of the expected increase will come from the stronger US dollar). When compared with the prior fiscal year, revenue in the ATV segment is expected to grow at a higher percentage rate than the average growth rate for the Group. The annual revenue growth rate in the CSS segment should be around the average growth rate for the Group, while the PSS segment should grow at a slightly lower rate than the Group average. IPC's revenue growth is expected to be at about 15 percent. Based on the forecast

² For definitions and the calculation of free cash flow and of the gross and net cash positions, please see page 14.
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revenue for the full fiscal year of now around €14 billion, the Segment Result Margin is expected to exceed 23 percent, compared to above 22 percent in the previous forecast.

Investments – which Infineon defines as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized development costs – of around €2.4 billion are planned for the full 2022 fiscal year. The main focus is on expanding frontend manufacturing capacities to enable Infineon to continue to meet the expected growth in customer demand in the medium term.

Depreciation and amortization are predicted to be between €1.6 billion and €1.7 billion in the 2022 fiscal year, of which approximately €400 million is attributable to depreciation and amortization from purchase price allocations arising mainly from the acquisition of Cypress and to a lesser extent from the acquisition of International Rectifier. Free Cash Flow is now forecast to be about €1.4 billion (previously about €1.1 billion).

Predictability of revenue and earnings is currently strongly limited by various geopolitical and macroeconomic factors, including the war in Ukraine and its potential effects (e.g. on energy supply) as well as current and future measures deployed to contain the spread of the coronavirus pandemic, particularly in Asia.

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Investor Relations:
Tel.: +49 89 234 26655
investor.relations@infineon.com

Segment earnings in the third quarter of the 2022 fiscal year

€ in millions (unless otherwise stated)	in % of total revenue	3 months ended 30 Jun 22	sequential +/- in %	3 months ended 31 Mar 22	year-on- year +/- in %	3 months ended 30 Jun 21
Infineon (total)						
Revenue	100	3,618	10	3,298	33	2,722
Segment Result		842	11	761	70	496
Segment Result Margin (in %)		23.3%		23.1%		18.2%
Automotive (ATV)						
Segment Revenue	47	1,701	14	1,491	41	1,205
Segment Result		399	23	324	+++	199
Segment Result Margin (in %)		23.5%		21.7%		16.5%
Industrial Power Control (IPC)						
Segment Revenue	12	436	1	430	6	412
Segment Result		82	(12)	93	-	82
Segment Result Margin (in %)		18.8%		21.6%		19.9%
Power & Sensor Systems (PSS)						
Segment Revenue	28	1,021	10	925	35	757
Segment Result		277	17	237	66	167
Segment Result Margin (in %)		27.1%		25.6%		22.1%
Connected Secure Systems (CSS)						
Segment Revenue	13	456	2	448	32	346
Segment Result		84	(22)	108	79	47
Segment Result Margin (in %)		18.4%		24.1%		13.6%
Other Operating Segments (OOS)						
Segment Revenue	0	4	-	4	+++	2
Segment Result		1	-	1	+++	-
Corporate and Eliminations (C&E)						
Segment Revenue	0	-	-	-	-	-
Segment Result		(1)	50	(2)	---	1

ATV segment revenue increased to €1,701 million in the third quarter of the current fiscal year, up from €1,491 million in the previous three-month period. All product and application areas, especially microcontrollers, contributed to the significant 14 percent increase in revenue. The revenue growth was due partly to higher volumes as a result of the increase in available manufacturing capacities and partly to favorable pricing and currency effects. The Segment Result improved from €324 million in the second quarter of the current fiscal year to €399 million in the third quarter, while the Segment Result Margin increased from 21.7 percent to 23.5 percent.

IPC segment revenue rose in the third quarter of the 2022 fiscal year to €436 million, compared with €430 million in the preceding quarter. The 1 percent increase was due to slightly higher revenue from industrial drives, renewable

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lin.zhu@infineon.com
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investor.relations@infineon.com

energy, energy infrastructure and transport. Revenue from home appliances was slightly lower than in the previous quarter. The Segment Result in the third quarter of the current fiscal year was €82 million compared with €93 million in the preceding three-month period, while the third-quarter Segment Result Margin was 18.8 percent (Q2 FY 2022: 21.6 percent).

In the third quarter of the 2022 fiscal year, PSS segment revenue improved to €1,021 million, up from €925 million in the previous quarter. The 10 percent increase was as a result of good demand, especially in the area of servers, industrial applications and for silicon microphones. Higher prices and a favorable US dollar / Euro exchange rate also had a positive impact. The Segment Result increased from €237 million in the second quarter of the current fiscal year to €277 million in the third quarter, while the Segment Result Margin rose from 25.6 percent to 27.1 percent.

CSS segment revenue increased from €448 million in the second quarter of the 2022 fiscal year to €456 million in the third quarter. The 2 percent growth in revenue was mainly due to the strong US dollar. The Segment Result in the third quarter of the current fiscal year was €84 million, compared with €108 million in the preceding quarter. The Segment Result Margin was 18.4 percent, compared with 24.1 percent in the second quarter of the 2022 fiscal year.

Analyst telephone conference and telephone press conference

The Management Board of Infineon will host a telephone conference call including a webcast for analysts and investors (in English only) on 3 August 2022 at 9:30 am (CEST), 3:30 am (EDT). During the call, the Infineon Management Board will present the Company's results for the third quarter of the 2022 fiscal year as well as the outlook for the fourth quarter and the 2022 fiscal year. In addition, the Management Board will host a telephone press conference with the media at 11:00 am (CEST), 5:00 am (EDT). It can be followed over the Internet in both English and German. Both conferences will also be available live and for download on Infineon's website at www.infineon.com/investor.

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media.relations@infineon.com
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david.ong@infineon.com
lin.zhu@infineon.com
yasuyuki.kamiseki@infineon.com

Investor Relations:
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investor.relations@infineon.com

The **Q3 Investor Presentation** is available (in English only) at:

<https://www.infineon.com/cms/en/about-infineon/investor/reports-and-presentations/>

Infineon Financial Calendar (* preliminary)

- 30 Aug 2022 UBS Japan in Focus conference (virtual)
- 1 Sep 2022 Deutsche Bank dbAccess European TMT Conference, London
- 8 Sep 2022 Commerzbank and ODDO BHF Corporate Conference, Frankfurt
- 8 – 9 Sep 2022 Citi 2022 Global Technology Conference, New York
- 12 Sep 2022 Goldman Sachs Communacopia & Technology Conference, San Francisco
- 19 Sep 2022 Berenberg-Goldman Sachs German Corporate Conference, Munich
- 20 Sep 2022 Baader 11th Investment Conference, Munich
- 27 Sep 2022 ExaneBNP 2nd ESG Conference, Paris
- 4 Oct 2022 ATV presentation with Peter Schiefer head of ATV, London
- 15 Nov 2022* Earnings Release for the Fourth Quarter and the 2022 Fiscal Year
- 16 – 17 Nov 2022 Morgan Stanley European TMT Conference, Barcelona
- 28 – 29 Nov 2022 Credit Suisse TMT Conference, Scottsdale

About Infineon

Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon are the key to a better future. With around 50,280 employees worldwide, Infineon generated revenue of about €11.1 billion in the 2021 fiscal year (ending 30 September).

Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY). Further information is available at www.infineon.com

This press release is available online at www.infineon.com/press

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david.ong@infineon.com
lin.zhu@infineon.com
yasuyuki.kamiseki@infineon.com

Investor Relations:
Tel.: +49 89 234 26655
investor.relations@infineon.com

FINANCIAL INFORMATION

According to IFRS – Unaudited

Consolidated Statement of Profit or Loss

€ in millions	3 months ended			9 months ended	
	30 Jun 22	31 Mar 22	30 Jun 21	30 Jun 22	30 Jun 21
Revenue	3,618	3,298	2,722	10,075	8,053
Cost of goods sold	(2,054)	(1,882)	(1,657)	(5,784)	(5,031)
Gross profit	1,564	1,416	1,065	4,291	3,022
Research and development expenses	(466)	(447)	(376)	(1,312)	(1,050)
Selling, general and administrative expenses	(414)	(369)	(342)	(1,113)	(981)
Other operating income	18	32	11	94	47
Other operating expenses	(12)	(14)	(11)	(36)	(46)
Operating profit	690	618	347	1,924	992
Financial income	(1)	2	1	3	19
Financial expenses	(39)	(45)	(57)	(130)	(142)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	9	15	3	30	1
Profit (loss) from continuing operations before income taxes	659	590	294	1,827	870
Income tax	(134)	(121)	(49)	(372)	(160)
Profit (loss) from continuing operations	525	469	245	1,455	710
Profit (loss) from discontinued operations, net of income taxes	(8)	-	-	(11)	(5)
Profit (loss) for the period	517	469	245	1,444	705
Attributable to:					
Shareholders and hybrid capital investors of Infineon Technologies AG	517	469	245	1,444	705
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Weighted average shares outstanding (in million) – basic	1,302	1,302	1,301	1,302	1,301
Basic earnings per share (in euro) from continuing operations	0.40	0.36	0.18	1.10	0.53
Basic earnings (loss) per share (in euro) from discontinued operations	(0.01)	-	-	(0.01)	(0.01)
Basic earnings per share (in euro)	0.39	0.36	0.18	1.09	0.52
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG: ¹					
Weighted average shares outstanding (in million) – diluted	1,304	1,303	1,303	1,305	1,303
Diluted earnings per share (in euro) from continuing operations	0.40	0.35	0.18	1.10	0.53
Diluted earnings (loss) per share (in euro) from discontinued operations	(0.01)	-	-	(0.01)	(0.01)
Diluted earnings per share (in euro)	0.39	0.35	0.18	1.09	0.52

¹ The calculation of earnings per share is based on unrounded figures. For the consideration of the compensation of hybrid capital investors when determining earnings per share, see "Reconciliation to adjusted earnings and adjusted earnings per share" on page 12.

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 david.ong@infineon.com
 lin.zhu@infineon.com
 yasuyuki.kamiseki@infineon.com

Investor Relations:
 Tel.: +49 89 234 26655
 investor.relations@infineon.com

Regional Revenue Development

€ in millions, except percentages	3 months ended						9 months ended			
	30 Jun 22		31 Mar 22		30 Jun 21		30 Jun 22		30 Jun 21	
Revenue:										
Europe, Middle East, Africa	855	24%	822	25%	718	26%	2,431	24%	2,074	26%
therein: Germany	403	11%	387	12%	327	12%	1,150	11%	942	12%
Asia-Pacific (excluding Japan, Greater China)	590	16%	559	17%	437	16%	1,662	16%	1,265	16%
Greater China ¹	1,313	36%	1,175	35%	986	37%	3,675	37%	3,000	37%
therein: Mainland China, Hong Kong	1,031	28%	897	27%	741	27%	2,860	28%	2,275	28%
Japan	364	10%	318	10%	280	10%	1,006	10%	797	10%
Americas	496	14%	424	13%	301	11%	1,301	13%	917	11%
therein: USA	419	12%	358	11%	248	9%	1,093	11%	753	9%
Total	3,618	100%	3,298	100%	2,722	100%	10,075	100%	8,053	100%

1 Greater China comprises Mainland China, Hong Kong and Taiwan.

Segment Revenues and Segment Results

Segment Result is defined as operating profit excluding certain net impairments and reversal of impairments (in particular on goodwill), the impact on earnings of restructuring and closures, share-based payment, acquisition-related depreciation/amortization and other expense, impact on earnings of sales of businesses or interests in subsidiaries, and other income (expense).

Revenues and Segment Result for the three and nine months ended 30 June 2022 and 2021

Revenue, € in millions (unless otherwise stated)	3 months ended			9 months ended		
	30 Jun 22	30 Jun 21	+/- in %	30 Jun 22	30 Jun 21	+/- in %
Automotive	1,701	1,205	41	4,582	3,574	28
Industrial Power Control	436	412	6	1,247	1,136	10
Power & Sensor Systems	1,021	757	35	2,901	2,323	25
Connected Secure Systems	456	346	32	1,331	1,011	32
Other Operating Segments	4	2	+++	14	9	56
Corporate and Eliminations	-	-	-	-	-	-
Total	3,618	2,722	33	10,075	8,053	25

Segment Result, € in millions (unless otherwise stated)	3 months ended			9 months ended		
	30 Jun 22	30 Jun 21	+/- in %	30 Jun 22	30 Jun 21	+/- in %
Automotive	399	199	+++	984	581	69
Industrial Power Control	82	82	-	247	203	22
Power & Sensor Systems	277	167	66	799	547	46
Connected Secure Systems	84	47	79	292	122	+++
Other Operating Segments	1	-	+++	3	2	50
Corporate and Eliminations	(1)	1	---	(5)	1	---
Total	842	496	70	2,320	1,456	59
Segment Result Margin (in %)	23.3%	18.2%		23.0%	18.1%	

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Investor Relations:
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 investor.relations@infineon.com

Reconciliation of Segment Result to Operating Income

€ in millions	3 months ended			9 months ended	
	30 Jun 22	31 Mar 22	30 Jun 21	30 Jun 22	30 Jun 21
Segment Result	842	761	496	2,320	1,456
Plus/minus:					
Reversal of impairments (impairments) (in particular on goodwill)	-	-	-	-	(8)
Share-based payment	(22)	(10)	(11)	(43)	(17)
Acquisition-related depreciation/amortization and other expenses	(122)	(126)	(129)	(366)	(413)
Gains (losses) on sales of businesses, or interests in subsidiaries, net	-	(1)	(1)	-	(1)
Other income and expense, net	(8)	(6)	(8)	13	(25)
Operating profit	690	618	347	1,924	992

Reconciliation to adjusted cost of goods sold and gross margin

The cost of goods sold and the gross margin in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular Cypress and International Rectifier) as well as by other exceptional items. To enable better comparability of operating performance over time, Infineon computes the adjusted gross margin as follows:

€ in millions (unless otherwise stated)	3 months ended			9 months ended	
	30 Jun 22	31 Mar 22	30 Jun 21	30 Jun 22	30 Jun 21
Cost of goods sold	2,054	1,882	1,657	5,784	5,031
Plus/minus:					
Share-based compensation expense	(4)	(1)	(2)	(7)	(2)
Acquisition-related depreciation/amortization and other expenses	(70)	(76)	(68)	(215)	(221)
Other income and expense, net	(4)	(5)	(4)	(14)	(15)
Adjusted cost of goods sold	1,976	1,800	1,583	5,548	4,793
Adjusted gross margin	45.4%	45.4%	41.8%	44.9%	40.5%

Adjusted cost of goods sold and the adjusted gross margin should not be seen as a replacement or superior performance indicator, but rather as additional information to cost of goods sold and the gross margin determined in accordance with IFRS.

Employees

	30 Jun 22	31 Mar 22	30 Jun 21
Infineon	54,946	53,599	48,866
thereof: Research and development	11,636	11,028	10,022

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Bernd Hops (Headquarters)
 Judy Davies (Americas)
 Chi Kang David Ong (Asia-Pacific)
 Lin Zhu (Greater China)
 Yasuyuki Kamiseki (Japan)

Tel.: +49 89 234 23888
 Tel.: +1 408 621 6212
 Tel.: +65 6876 3070
 Tel.: +86 21 6101 9199
 Tel.: +81 3 5745 7544

media.relations@infineon.com
 judy.davies@infineon.com
 david.ong@infineon.com
 lin.zhu@infineon.com
 yasuyuki.kamiseki@infineon.com

Investor Relations:
 Tel.: +49 89 234 26655
 investor.relations@infineon.com

Reconciliation to adjusted earnings and adjusted earnings per share – diluted

Earnings per share in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular Cypress and International Rectifier), one-time effects in the financial result in connection with the acquisition of Cypress as well as by other exceptional items. To enable better comparability of operating performance over time, Infineon computes adjusted earnings per share (diluted) as follows:

€ in millions (unless otherwise stated)	3 months ended			9 months ended	
	30 Jun 22	31 Mar 22	30 Jun 21	30 Jun 22	30 Jun 21
Profit from continuing operations – diluted	525	469	245	1,455	710
Compensation of hybrid capital investors ¹	(7)	(7)	(8)	(22)	(23)
Profit from continuing operations, attributable to shareholders of Infineon Technologies AG – diluted	518	462	237	1,433	687
Plus/minus:					
Impairments (reversal of impairments) (in particular on goodwill)	-	-	-	-	8
Share-based payment	22	10	11	43	17
Acquisition-related depreciation/amortization and other expenses	122	126	129	366	413
Losses (gains) on sales of businesses, or interests in subsidiaries, net	-	1	1	-	1
Other income and expense, net	8	6	8	(13)	25
Acquisition-related expenses within financial result	-	3	1	4	5
Tax effects on adjustments	(31)	(32)	(26)	(84)	(97)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	(1)	(1)	(8)	(3)	(33)
Adjusted profit for the period from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	638	575	353	1,746	1,026
Weighted-average number of shares outstanding (in millions) – diluted	1,304	1,303	1,303	1,305	1,303
Adjusted earnings per share (in euro) – diluted ²	0.49	0.44	0.27	1.34	0.79

¹ Including the cumulative tax effects.

² The calculation of the adjusted earnings per share is based on unrounded figures.

Adjusted profit (loss) for the period and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information to the profit (loss) for the period and earnings per share (diluted) determined in accordance with IFRS.

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Consolidated Statement of Financial Position

€ in millions	30 Jun 22	31 Mar 22	30 Sep 21
ASSETS			
Cash and cash equivalents	1,594	1,284	1,749
Financial investments	1,975	1,921	2,173
Trade receivables	1,730	1,609	1,483
Inventories	2,834	2,540	2,181
Current income tax receivables	121	67	57
Contract assets	87	109	82
Other current assets	649	535	518
Assets classified as held for sale	-	-	9
Total current assets	8,990	8,065	8,252
Property, plant and equipment	5,019	4,779	4,443
Goodwill	6,657	6,221	5,962
Other intangible assets	3,392	3,296	3,349
Right-of-use assets	379	351	336
Investments accounted for using the equity method	100	90	71
Non-current income tax receivables	2	2	1
Deferred tax assets	605	633	695
Other non-current assets	271	239	225
Total non-current assets	16,425	15,611	15,082
Total assets	25,415	23,676	23,334
LIABILITIES AND EQUITY:			
Short-term financial debt and current portion of long-term financial debt	752	2	833
Trade payables	1,863	1,777	1,569
Current provisions	807	583	815
Current income tax payables	515	399	288
Current leasing liabilities	75	69	66
Other current liabilities	1,013	941	872
Total current liabilities	5,025	3,771	4,443
Long-term financial debt	5,302	5,879	5,752
Pensions and similar commitments	351	525	617
Deferred tax liabilities	356	338	324
Other non-current provisions	286	274	319
Non-current leasing liabilities	305	279	265
Other non-current liabilities	193	197	213
Total non-current liabilities	6,793	7,492	7,490
Total liabilities	11,818	11,263	11,933
Equity:			
Ordinary share capital	2,612	2,612	2,612
Additional paid-in capital	6,558	6,536	6,513
Retained earnings	2,720	2,051	1,407
Other reserves	537	16	(306)
Own shares	(23)	(25)	(28)
Hybrid capital	1,193	1,223	1,203
Total equity	13,597	12,413	11,401
Total liabilities and equity	25,415	23,676	23,334

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Consolidated Statement of Cash Flows

Gross and Net Cash Position

The following table reconciles the gross cash position and net cash position (i.e. after deduction of financial debt). Since some liquid funds are held in the form of financial investments, which, for IFRS purposes are not considered to be “cash and cash equivalents”, Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of Infineon’s overall liquidity. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	30 Jun 22	31 Mar 22	30 Jun 21
Cash and cash equivalents	1,594	1,284	1,920
Financial investments	1,975	1,921	1,943
Gross cash position	3,569	3,205	3,863
Less:			
Short-term financial debt and current portion of long-term financial debt	752	2	825
Long-term financial debt	5,302	5,879	5,983
Total financial debt	6,054	5,881	6,808
Net cash position	(2,485)	(2,676)	(2,945)

Free Cash Flow

Infineon reports the Free Cash Flow figure defined as net cash provided by and/or used in operating activities and net cash provided by and/or used in investing activities, both from continuing operations, after adjusting for cash flows related to the purchase and sale of financial investments. Free Cash Flow serves as an additional performance indicator, since Infineon holds part of its liquidity in the form of financial investments. This does not mean that the Free Cash Flow calculated in this way is available to cover other disbursements, since dividend, debt-servicing obligations and other fixed disbursements are not deducted. Free Cash Flow should not be seen as a replacement or superior performance indicator, but rather as an additional useful piece of information over and above the disclosure of the cash flow reported in the Consolidated Statement of Cash Flows, and as a supplementary disclosure to other liquidity performance indicators and other performance indicators derived from the IFRS figures. Free Cash Flow includes only amounts from continuing operations, and is derived as follows from the Consolidated Statement of Cash Flows:

€ in millions	3 months ended			9 months ended	
	30 Jun 22	31 Mar 22	30 Jun 21	30 Jun 22	30 Jun 21
Net cash provided by operating activities from continuing operations	996	615	762	2,406	2,092
Net cash used in investing activities from continuing operations	(607)	(130)	(659)	(1,267)	(1,463)
Purchases of (proceeds from sales of) financial investments, net	51	(365)	374	(200)	567
Free Cash Flow	440	120	477	939	1,196

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Condensed Consolidated Statement of Cash Flows

€ in millions	3 months ended		
	30 Jun 22	31 Mar 22	30 Jun 21
Profit (loss) for the period	517	469	245
Plus: profit (loss) from discontinued operations, net of income taxes	8	-	-
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	422	405	380
Other expenses and income	177	162	104
Change in assets, liabilities and equity	13	(366)	149
Interest received and paid	(75)	(22)	(72)
Income tax received (paid)	(66)	(33)	(44)
Net cash provided by operating activities from continuing operations	996	615	762
Net cash provided by (used in) operating activities from discontinued operations	(1)	(1)	4
Net cash provided by operating activities	995	614	766
Proceeds from sales of (purchases of) financial investments, net	(51)	365	(374)
Acquisitions of businesses, net of cash acquired	(17)	(2)	(3)
Purchases of other intangible assets and other assets	(67)	(46)	(53)
Purchases of property, plant and equipment	(475)	(448)	(232)
Other investing activities	3	1	3
Net cash used in investing activities	(607)	(130)	(659)
Proceeds from issuance of (repayment of) short-/long-term financial debt	(2)	(828)	(3)
Proceeds from hybrid capital (cash outflow to hybrid capital investors)	(39)	-	(39)
Dividend payments	-	(351)	-
Other financing activities	(20)	(20)	(18)
Net cash used in financing activities	(61)	(1,199)	(60)
Net change in cash and cash equivalents	327	(715)	47
Effect of foreign exchange rate changes on cash and cash equivalents	(17)	3	-
Cash and cash equivalents at beginning of period	1,284	1,996	1,873
Cash and cash equivalents at end of period	1,594	1,284	1,920

DISCLAIMER

The Consolidated Statement of Financial Position, the Consolidated Statement of Income and the (condensed) Consolidated Statement of Cash Flows have been prepared in accordance with IAS 34, "Interim Financial Reporting". The disclosures required by IAS 34 are not made.

The same accounting policies are applied as in the most recently published consolidated financial statements. An exception to this principle is the application of new and revised standards and interpretations that have become effective during the year.

The Quarterly Group Statement is prepared in accordance with the Frankfurt Stock Exchange's stock exchange regulation 53 paragraph.

This press release 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

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disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Due to rounding, numbers presented throughout this press release and other reports may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

All figures mentioned in this press release are unaudited.

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