

Press Release

Infineon concludes a significantly better-than-expected quarter and again raises its outlook for the current fiscal year

- **Q2 FY 2023: Revenue €4.119 billion, Segment Result €1.180 billion, Segment Result Margin 28.6 percent**
- **Outlook for Q3 FY 2023: Based on an assumed exchange rate of US\$1.10 to the euro, revenue of around €4 billion with a Segment Result Margin of around 26 percent expected**
- **Outlook for FY 2023: Despite a change in the assumed exchange rate from US\$1.05 to US\$1.10 to the euro, the revenue forecast of €15.5 billion (plus or minus €500 million) has been raised to €16.2 billion (plus or minus €300 million). At the mid-point of the guided revenue range, an adjusted gross margin of around 47 percent (previously around 45 percent) and a Segment Result Margin of around 27 percent (previously around 25 percent) are now expected. Investments are still anticipated to amount to approximately €3.0 billion. Taking the planned investments in frontend buildings into account, Infineon now expects Free Cash Flow to be around €1.1 billion (previously €0.8 billion) and an adjusted Free Cash Flow of around €1.8 billion (previously 1.5 billion)**

Neubiberg, 4 May 2023 – Today, Infineon Technologies AG is reporting results for the second quarter of its 2023 fiscal year (period ended 31 March 2023).

"Infineon is performing very well. We are seeing strong growth in our businesses relating to electromobility, renewable energy generation and energy infrastructure. These are precisely the key applications we are serving in terms of the decarbonization," says Jochen Hanebeck, CEO of Infineon. "Although an improvement in consumer goods markets such as smartphones, PCs and home appliances is not yet visible, we are nevertheless very confident overall about Infineon's future business performance. We are therefore revising our expectations for revenue and profitability in the current fiscal year upwards, as already announced at the end of March."

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

Tel.: +49 89 234 23888
Tel.: +1 408 545 7478
Tel.: +65 6876 3070
Tel.: +86 21 6101 9199
Tel.: +81 3 4595 7079

media.relations@infineon.com
kurt.ibsen@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)	Q2 FY 2023	Q1 FY 2023	Change vs. previous quarter +/- in %	Q2 FY 2022	Change vs. previous year quarter +/- in %
Revenue	4,119	3,951	4	3,298	25
Gross margin (in %)	46.6%	47.2%		42.9%	
Adjusted gross margin ¹ (in %)	48.6%	49.2%		45.4%	
Segment Result	1,180	1,107	7	761	55
Segment Result Margin (in %)	28.6%	28.0%		23.1%	
Profit (loss) from continuing operations	827	729	13	469	76
Profit (loss) from discontinued operations, net of income taxes	(1)	(1)	–	–	–
Profit (loss) for the period	826	728	13	469	76
Basic earnings per share (in euro)	0.63	0.55	15	0.36	75
Diluted earnings per share (in euro)	0.63	0.55	15	0.35	80
Adjusted earnings per share (in euro) – diluted^{2,3}	0.69	0.64	8	0.44	57

1 The reconciliation of cost of goods sold to adjusted cost of goods sold and adjusted gross margin is presented on page 12.

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

3 The reconciliation of profit (loss) for the period to adjusted profit (loss) for the period and adjusted earnings per share is presented on page 11.

Group performance in the second quarter of the 2023 fiscal year

In the second quarter of the 2023 fiscal year, Group revenue was €4,119 million. Compared with revenue in the prior quarter of €3,951 million, this was an increase of 4 percent. Revenue in the Automotive (ATV) and Green Industrial Power (GIP)¹ segments improved significantly. The Connected Secure Systems (CSS) segment saw a slight increase in revenue, whereas the Power & Sensor Systems (PSS) segment experienced a significant decline as expected. The weaker US dollar compared with the prior quarter had a negative impact on revenue in all segments.

The gross margin in the second quarter of the current fiscal year was 46.6 percent, compared with 47.2 percent in the prior quarter. The adjusted gross margin was 48.6 percent, compared with 49.2 percent in the prior quarter.

The Segment Result increased in the second quarter of the 2023 fiscal year to €1,180 million, from €1,107 million in the prior quarter. The Segment Result Margin was 28.6 percent, compared with 28.0 percent in the first quarter of the current fiscal year.

¹ With effect from 1 April 2023, the "Industrial Power Control" segment was renamed "Green Industrial Power". The change of name has no impact on the organizational structure, strategy or scope of the business.

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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

The second-quarter non-segment result was a net loss of €107 million, compared with a net loss of €141 million in the prior quarter. The non-segment result for the second quarter of 2023 included €81 million relating to cost of goods sold, €54 million relating to selling, general and administrative expenses and €8 million relating to research and development expenses. In the second quarter, the non-segment result included a net figure for other operating income of €36 million. This includes a gain from the sale of the HiRel DC-DC converter business to Microcross Components, Inc. in February 2023.

Operating profit improved in the second quarter of the 2023 fiscal year to €1,073 million, up from €966 million in the previous three-month period.

The financial result in the second quarter of the current fiscal year was a net loss of €17 million, compared with a net loss of €24 million in the first quarter of the 2023 fiscal year.

The tax expense in the second quarter of the 2023 fiscal year increased to €237 million, compared with €216 million in the prior quarter.

Profit from continuing operations in the second quarter of the 2023 fiscal year rose to €827 million from €729 million in the preceding quarter. As in the first quarter of the current fiscal year, the result from discontinued operations was a loss of €1 million. The profit for the period improved in the second quarter of the 2023 fiscal year to €826 million, up from €728 million in the prior quarter.

Earnings per share from continuing operations in the second quarter of the 2023 fiscal year increased to €0.63, from €0.55 in the preceding quarter (basic and diluted in each case). Adjusted earnings per share² (diluted) rose in the second quarter of the current fiscal year to €0.69, from €0.64 in the first quarter of the 2023 fiscal year.

Investments – which Infineon defines as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized development costs – totaled €565 million in the second quarter of the current fiscal

² 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 11.

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

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

year, compared with €605 million in the prior quarter. Depreciation and amortization in the second quarter of the 2023 fiscal year amounted to €434 million, compared with €429 million in the first quarter of the 2023 fiscal year.

Free Cash Flow³ in the second quarter of the current fiscal year increased to €193 million, compared with €25 million in the preceding quarter. Cash flow from operating activities from continuing operations improved slightly to €647 million, compared with €631 million in the first quarter of the 2023 fiscal year.

The gross cash position at the end of the second quarter of the 2023 fiscal year decreased to €3,446 million, compared with €3,708 million at 31 December 2022. This was mainly due to the dividend payout in February of €417 million, which more than offset the positive Free Cash Flow. Financial debt decreased slightly from €5,467 million at the end of the first quarter of the current fiscal year to €5,428 million at 31 March 2023 as a result of exchange rate movements. The net cash position was net financial debt of €1,982 million, compared with net financial debt at the end of the prior quarter of €1,759 million.

Outlook for the third quarter of the 2023 fiscal year

Based on an assumed exchange rate of US\$1.10 to the euro, Infineon expects to generate revenue of around €4 billion in the third quarter of the 2023 fiscal year. Revenue growth in the ATV segment is expected to increase slightly compared with the previous quarter. Revenue in the GIP segment should stay at about the level reached in the preceding quarter. In the PSS and CSS segment a revenue decline is forecast compared with the second quarter of the current fiscal year. Based on the revenue forecast for the group, the Segment Result Margin should be around 26 percent.

Outlook for the 2023 fiscal year

Notwithstanding the less favorable exchange rate now assumed of US\$1.10 to the euro (previously US\$1.05), the revenue forecast for the 2023 fiscal year has been revised up from €15.5 billion (plus or minus €500 million) to €16.2 billion (plus or minus €300 million). This is equivalent to a growth rate of 14 percent compared with the 2022 fiscal year. Revenue growth for both the ATV and GIP segments is expected to be above the average rate for the Group. In the CSS segment, revenue is likely to grow at around the average rate for the Group. Revenue in the

³ For the definitions and the calculation of Free Cash Flow and of the gross and net cash positions, please see page 14.
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PSS segment is expected to be lower than in the prior year. At the mid-point of the guided revenue range, the adjusted gross margin is now expected to be around 47 percent (previously around 45 percent) and the Segment Result Margin around 27 percent (previously around 25 percent).

Investments – which Infineon defines as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized development costs – are planned at around €3.0 billion for the 2023 fiscal year. The focus here will be on the construction of the third manufacturing module on the Kulim site (Malaysia) designed to produce compound semiconductors, the planned start of construction work on the fourth manufacturing module in Dresden (Germany) designed to produce analog/mixed-signal components and power semiconductors, and the continuing expansion of frontend manufacturing capacity especially in Dresden (Germany) and Villach (Austria).

Depreciation and amortization are now anticipated to be about €1.8 billion in the 2023 fiscal year (previously about €1.9 billion), of which approximately €450 million is attributable to purchase price allocations arising mainly from the acquisition of Cypress. Taking the planned investment in frontend buildings into account, Free Cash Flow is now forecast to be around €1.1 billion (previously €0.8 billion). Adjusted Free Cash Flow is now expected to reach around €1.8 billion (previously €1.5 billion), or about 11 percent of the forecast revenue for the year of €16.2 billion.

The outlook for Infineon for the 2023 fiscal year is presented without taking into account the planned acquisition of GaN Systems (in particular, not taking into account the purchase price payment), as the transaction is still subject to customary closing conditions, including regulatory approvals.

Segment earnings for the second quarter of the 2023 fiscal year

ATV segment revenue increased in the second quarter of the 2023 fiscal year to €2,080 million, compared with €1,872 million in the first quarter of the current fiscal year. The revenue growth of 11 percent was mainly the result of continuing very high demand in the areas ADAS and electric vehicles. The Segment Result improved in the second quarter of the current fiscal year to €647 million, from €532 million in the prior quarter. The Segment Result Margin rose again, now reaching 31.1 percent compared with 28.4 percent in the preceding quarter.

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

Tel.: +49 89 234 23888
Tel.: +1 408 545 7478
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Tel.: +86 21 6101 9199
Tel.: +81 3 4595 7079

media.relations@infineon.com
kurt.ibsen@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

GIP segment revenue in the second quarter of the 2023 fiscal year rose to €558 million, from €500 million in the prior quarter. The 12 percent increase in revenue was the result of increasing demand in all application areas. Particularly dynamic revenue growth was to be seen in the areas of renewable energy, energy infrastructure, automation and industrial drives, as well as transport. The Segment Result improved in the second quarter of the 2023 fiscal year to €181 million, from €144 million in the preceding quarter. The Segment Result Margin increased significantly to 32.4 percent, from 28.8 percent in the prior quarter.

PSS segment revenue in the second quarter of the 2023 fiscal year was €925 million, compared with €1,043 million in the prior quarter. The reason for the 11 percent decline was a reduction in the revenue derived from a variety of applications, especially those in the consumer area. On the other hand, the demand trend for charging stations for electric vehicles and onboard chargers continued to be positive. The Segment Result in the second quarter of the current fiscal year was €197 million, compared with €301 million in the preceding quarter. The Segment Result Margin was 21.3 percent, compared with 28.9 percent in the prior quarter.

CSS segment revenue increased in the second quarter of the 2023 fiscal year to €550 million, up from €531 million in the first quarter of the fiscal year. The main areas contributing to the 4 percent revenue growth were payment cards, microcontrollers, government identification and embedded SIMs. The Segment Result increased in the second quarter of the current fiscal year to €155 million, from €125 million in the prior quarter. The Segment Result Margin improved in the past quarter to 28.2 percent, from 23.5 percent in the first quarter.

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

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investor.relations@infineon.com

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 4 May 2023 at 9:30 am (CEST), 3:30 am (EDT). During the call, the Infineon Management Board will present the Company's results for the second quarter of the 2023 fiscal year as well as the outlook for the third quarter and the 2023 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

The **Q2 Investor Presentation** is available (in English only) at:

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

Infineon Financial Calendar (* preliminary)

- 10 May 2023 Berenberg Madrid Seminar, Madrid
- 11 May 2023 GIP business update call along with PCIM trade show
- 12 May 2023 Stifel German Corporate Conference, Frankfurt
- 15 – 16 May 2023 J.P. Morgan European Technology, Media and Telecoms Conference, London
- 17 May 2023 UBS Best of Europe Conference (virtual)
- 23 May 2023 Equita European Conference, Milan
- 31 May 2023 Goldman Sachs Global Semis Conference, New York
- 6 Jun 2023 Berenberg Innovation Conference, Zurich
- 6 – 7 Jun 2023 24th CEO Conference of BNP Paribas Exane, Paris
- 12 Jun 2023 Future of the auto industry Conference, Newstreet Research (virtual)
- 20 Jun 2023 dbAccess German Corporate Conference, Frankfurt
- 21 Jun 2023 BofA EU TMT Conference, London
- 3 Aug 2023* Earnings Release for the Third Quarter of the 2023 Fiscal Year
- 15 Nov 2023* Earnings Release for the Fourth Quarter and the 2023 Fiscal Year

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media.relations@infineon.com
kurt.ibsen@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

About Infineon

Infineon Technologies AG is a global semiconductor leader in power systems and IoT. Infineon drives decarbonization and digitalization with its products and solutions. The company has around 56,200 employees worldwide and generated revenue of about €14,2 billion in the 2022 fiscal year (ending 30 September). Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the OTCQX International over-the-counter market (ticker symbol: IFNNY). Further information is available at www.infineon.com

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Tel.: +81 3 4595 7079

media.relations@infineon.com
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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

The following financial data relates to the second quarter of the 2023 fiscal year ended 31 March 2023 and the corresponding prior quarter and prior year period.

Consolidated Statement of Profit or Loss

€ in millions	Q2 FY 2023	Q1 FY 2023	Q2 FY 2022
Revenue	4,119	3,951	3,298
Cost of goods sold	(2,199)	(2,085)	(1,882)
Gross profit	1,920	1,866	1,416
Research and development expenses	(487)	(484)	(447)
Selling, general and administrative expenses	(394)	(410)	(369)
Other operating income	62	17	32
Other operating expenses	(28)	(23)	(14)
Operating profit	1,073	966	618
Financial income	22	15	2
Financial expenses	(39)	(39)	(45)
Share of profit (loss) of associates and joint ventures accounted for using the equity method	8	3	15
Profit (loss) from continuing operations before income taxes	1,064	945	590
Income taxes	(237)	(216)	(121)
Profit (loss) from continuing operations	827	729	469
Profit (loss) from discontinued operations, net of income taxes	(1)	(1)	-
Profit (loss) for the period	826	728	469
Attributable to:			
Shareholders and hybrid capital investors of Infineon Technologies AG	826	728	469
Earnings per share (in euro) attributable to shareholders of Infineon Technologies AG ¹			
Weighted average shares outstanding (in million) – basic	1,302	1,302	1,302
Basic earnings per share (in euro) from continuing operations	0.63	0.55	0.36
Basic earnings per share (in euro) from discontinued operations	-	-	-
Basic earnings per share (in euro)	0.63	0.55	0.36
Weighted average shares outstanding (in million) – diluted	1,305	1,305	1,303
Diluted earnings per share (in euro) from continuing operations	0.63	0.55	0.35
Diluted earnings per share (in euro) from discontinued operations	-	-	-
Diluted earnings per share (in euro)	0.63	0.55	0.35

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 11.

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Yasuyuki Kamiseki (Japan)

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Tel.: +1 408 545 7478
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Tel.: +86 21 6101 9199
Tel.: +81 3 4595 7079

media.relations@infineon.com
kurt.ibsen@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

Revenues, Results and Margins of the Segments

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).

With effect from 1 April 2023, the "Industrial Power Control" segment was renamed "Green Industrial Power". Decarbonization, electrification and energy efficiency are important drivers of the business in this segment. This focus and the significant contribution made by this segment to CO2 reduction are now also reflected in the new name. The change of name has no impact on the organizational structure, strategy or scope of the business.

€ in millions (unless otherwise stated)	Q2 FY 2023	Q1 FY 2023	Change vs. previous quarter in %	Q2 FY 2022	Change vs. previous year quarter in %
Automotive					
Segment Revenue	2,080	1,872	11	1,491	40
Segment Result	647	532	22	324	+++
Segment Result Margin (in %)	31.1%	28.4%		21.7%	
Green Industrial Power					
Segment Revenue	558	500	12	430	30
Segment Result	181	144	26	93	95
Segment Result Margin (in %)	32.4%	28.8%		21.6%	
Power & Sensor Systems					
Segment Revenue	925	1,043	(11)	925	-
Segment Result	197	301	(35)	237	(17)
Segment Result Margin (in %)	21.3%	28.9%		25.6%	
Connected Secure Systems					
Segment Revenue	550	531	4	448	23
Segment Result	155	125	24	108	44
Segment Result Margin (in %)	28.2%	23.5%		24.1%	
Other Operating Segments					
Segment Revenue	6	5	20	4	50
Segment Result	2	2	-	1	+++
Corporate and Eliminations					
Segment Revenue	-	-	-	-	-
Segment Result	(2)	3	---	(2)	-
Infineon total					
Segment Revenue	4,119	3,951	4	3,298	25
Segment Result	1,180	1,107	7	761	55
Segment Result Margin (in %)	28.6%	28.0%		23.1%	

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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

Reconciliation of Segment Result to operating profit

€ in millions	Q2 FY 2023	Q1 FY 2023	Q2 FY 2022
Segment Result:	1,180	1,107	761
Plus/minus:			
Share-based payment	(14)	(19)	(10)
Acquisition-related depreciation/amortization and other expenses	(127)	(118)	(126)
Gains (losses) on sales of businesses, or interests in subsidiaries, net	30	-	(1)
Other income and expenses, net	4	(4)	(6)
Total Non Segment Result	(107)	(141)	(143)
Operating profit	1,073	966	618

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), 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)	Q2 FY 2023	Q1 FY 2023	Q2 FY 2022
Profit (loss) from continuing operations – diluted	827	729	469
Compensation of hybrid capital investors ¹	(7)	(7)	(7)
Profit (loss) from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	820	722	462
Plus/minus:			
Non Segment Result ²	107	141	143
Acquisition-related expenses within financial result	1	-	3
Tax effect on adjustments	(28)	(29)	(32)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	-	-	(1)
Adjusted profit (loss) for the period from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	900	834	575
Weighted-average number of shares outstanding (in millions) – diluted	1,305	1,305	1,303
Adjusted earnings per share (in euro) – diluted ³	0.69	0.64	0.44

¹ Including the cumulative tax effects.

² The calculation of the Non Segment Result can be found in the table "Reconciliation of Segment Result to operating profit".

³ 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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media.relations@infineon.com
kurt.ibsen@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 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) 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)	Q2 FY 2023	Q1 FY 2023	Q2 FY 2022
Cost of goods sold	2,199	2,085	1,882
Plus/minus:			
Share-based payment	(2)	(3)	(1)
Acquisition-related depreciation/amortization and other expenses	(75)	(70)	(76)
Other income and expenses, net	(4)	(3)	(5)
Adjusted cost of goods sold	2,118	2,009	1,800
Adjusted gross margin (in %)	48.6%	49.2%	45.4%

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.

Number of employees

	31 Mar 23	31 Dec 22	31 Mar 22
Infineon	57,217	56,951	53,599
Thereof: Research and development	12,430	12,378	11,028

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

Tel.: +49 89 234 23888
Tel.: +1 408 545 7478
Tel.: +65 6876 3070
Tel.: +86 21 6101 9199
Tel.: +81 3 4595 7079

media.relations@infineon.com
kurt.ibsen@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

Consolidated Statement of Financial Position

€ in millions	31 Mar 23	31 Dec 22	31 Mar 22
ASSETS			
Cash and cash equivalents	1,423	1,421	1,284
Financial investments	2,023	2,287	1,921
Trade receivables	1,960	1,758	1,609
Inventories	3,499	3,239	2,540
Current income tax receivables	41	49	67
Contract assets	112	106	109
Other current assets	757	623	535
Assets classified as held for sale	15	70	-
Total current assets	9,830	9,553	8,065
Property, plant and equipment	5,946	5,757	4,779
Goodwill	6,356	6,477	6,221
Other intangible assets	3,053	3,172	3,296
Right-of-use assets	405	382	351
Investments accounted for using the equity method	98	98	90
Non-current income tax receivables	1	1	2
Deferred tax assets	401	480	633
Other non-current assets	345	374	239
Total non-current assets	16,605	16,741	15,611
Total assets	26,435	26,294	23,676
LIABILITIES AND EQUITY			
Short-term financial debt and current portion of long-term financial debt	752	752	2
Trade payables	2,078	2,037	1,777
Current provisions	606	454	583
Current income tax payables	449	424	399
Current lease liabilities	71	72	69
Other current liabilities	1,261	1,485	941
Liabilities classified as held for sale	-	6	-
Total current liabilities	5,217	5,230	3,771
Long-term financial debt	4,676	4,715	5,879
Pensions and similar commitments	290	293	525
Deferred tax liabilities	274	329	338
Other non-current provisions	290	291	274
Non-current lease liabilities	314	288	279
Other non-current liabilities	184	214	197
Total non-current liabilities	6,028	6,130	7,492
Total liabilities	11,245	11,360	11,263
Equity:			
Ordinary share capital	2,612	2,612	2,612
Additional paid-in capital	6,615	6,601	6,536
Retained earnings	4,623	4,224	2,051
Other reserves	137	307	16
Own shares	(20)	(23)	(25)
Hybrid capital	1,223	1,213	1,223
Total equity	15,190	14,934	12,413
Total liabilities and equity	26,435	26,294	23,676

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Consolidated Statement of Cash Flows

Gross and Net Cash Position

The following table shows the gross cash position and the net cash position. Since some liquid funds are held in the form of financial investments which for IFRS purposes are not classified as cash and cash equivalents, Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of its overall liquidity situation. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	31 Mar 23	31 Dec 22	31 Mar 22
Cash and cash equivalents	1,423	1,421	1,284
Financial investments	2,023	2,287	1,921
Gross cash position	3,446	3,708	3,205
Minus:			
Short-term financial debt and current portion of long-term financial debt	752	752	2
Long-term financial debt	4,676	4,715	5,879
Gross financial debt	5,428	5,467	5,881
Net cash position	(1,982)	(1,759)	(2,676)

Free Cash Flow

Infineon reports the Free Cash Flow figure, defined as cash flows from operating activities and cash flows from investing activities, both from continuing operations, after adjusting for cash flows from 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, as dividends, debt-servicing obligations and other fixed disbursements have not been deducted. Free Cash Flow should not be seen as a replacement or as a superior performance indicator, but rather as a useful item of information in addition to 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 determined in accordance with IFRS. Free Cash Flow is derived as follows from the Consolidated Statement of Cash Flows:

€ in millions	Q2 FY 2023	Q1 FY 2023	Q2 FY 2022
Cash flow from operating activities ¹	647	631	615
Cash flow from investing activities ¹	(181)	(608)	(130)
Purchases of (proceeds from sales of) financial investments, net	(273)	2	(365)
Free Cash Flow	193	25	120

¹ From continuing operations.

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Condensed Consolidated Statement of Cash Flows

€ in millions	Q2 FY 2023	Q1 FY 2023	Q2 FY 2022
Profit (loss) for the period	826	728	469
Plus: profit (loss) from discontinued operations, net of income taxes	1	1	-
Adjustments to reconcile to cash flows from operating activities:			
Depreciation and amortization	434	429	405
Other expenses and income	235	269	162
Change in assets, liabilities and equity	(685)	(670)	(366)
Interests received and paid	7	(33)	(22)
Income taxes received (paid)	(171)	(93)	(33)
Cash flows from operating activities from continuing operations	647	631	615
Cash flows from operating activities from discontinued operations	(1)	(1)	(1)
Cash flows from operating activities	646	630	614
Proceeds from sales of (purchases of) financial investments, net	273	(2)	365
Acquisitions of businesses, net of cash acquired	-	-	(2)
Purchases of other intangible assets and other assets	(61)	(57)	(46)
Purchases of property, plant and equipment	(504)	(548)	(448)
Other investing activities	111	(1)	1
Cash flows from investing activities	(181)	(608)	(130)
Proceeds from issuance of (repayment of) short-/long-term financial debt	(1)	-	(828)
Dividend payments	(417)	-	(351)
Other financing activities	(47)	(25)	(20)
Cash flows from financing activities	(465)	(25)	(1,199)
Net change in cash and cash equivalents	-	(3)	(715)
Effect of foreign exchange rate changes on cash and cash equivalents	2	(14)	3
Cash and cash equivalents at beginning of period	1,421	1,438	1,996
Cash and cash equivalents at end of period	1,423	1,421	1,284

DISCLAIMER

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 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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