

Press release

Infineon Austria Fiscal Year 2018: Continued growth

- Annual revenue tops € 2.9 bn, revenue up 17 percent
- Comprehensive expansion of Austrian sites push investment need
- Headcount significantly increased: record plus 11 percent to 4,201 employees
- R&D expenditure at new peak with slightly below € 500 m
- Preparation for the new chip factory in full swing

Villach, 4 December 2018 – The Infineon Technologies Austria Group (Infineon Austria) continued its strong growth pattern in the fiscal year 2018 ending on 30 September (accounting reference date). The Austrian subsidiary of the German semiconductor group achieved a **revenue of € 2,960.8 million**, exceeding the previous year's figure (revenue 2017: € 2,539.6 m) by € 421.2 million or 17 percent. The sales increase is due to the positive market development in the core business of Infineon Austria: the global demand for power electronics for automotive, industrial and consumer applications remains at a high level. The **earnings before tax were € 294.1 million**, an increase of € 117.6 million or around 67 percent compared to the previous year (result before tax 2017: € 176.5 m).

"More and more areas of our daily lives are becoming digitalized and electrified. This trend is continuously becoming more pronounced and entails high demand for our products and solutions, such as e-driven and automated vehicles, connected battery-driven devices, computing centers or solutions to ensure the Internet of Things", says Sabine Herlitschka, CEO of Infineon Technologies Austria AG. "Infineon Austria has positioned itself excellently in global markets to meet this structural growth with our portfolio of products and services developed, produced and marketed in Austria."

Major investment

The extensive expansion of Research and Development at the Graz, Linz and Villach sites, plus the construction of a new, fully automated chip factory for the production on 300 mm thin wafers at the Villach site is driving investment and the creation of new jobs to new heights.

Investment increased significantly to **€178.7 million** in the past financial year, with € 170.2 million of this dedicated to fixed assets. The investment was in the production infrastructure for 300 m thin wafers, new semiconductor materials

(silicon carbide, gallium nitride) and advance payments for the expansion of the Villach site (investment in fixed assets 2017: € 113.1 m). The remaining € 8.5 million were invested in the financing of intangible assets in the context of the additional business responsibility assumed.

"We are increasing advance investment in tangible assets, while both our staff and the services we offer are growing significantly in the course of the far-reaching expansion of Infineon in Austria", says Oliver Heinrich, Chief Financial Officer of Infineon Technologies Austria AG. "The increase is reflected in all the important economic indicators."

Purchasing volume increased by nearly one fourth

The trend is also reflected by the 24 percent increase in purchases. The purchasing volume of Infineon Austria in the fiscal year 2018 was € 559 million (previous year: € 452 m), with procurement in Austria accounting for some 35 percent or € 193 million. The share of Carinthian suppliers was 117 million.

Personnel: all-time peak in the history of the company

Infineon Austria employed **4,201 people** as per the accounting reference date, a new record high and 416 people more than in 2017 (3,785 staff). The 11 percent increase compared to the year 2017 is the highest ever in the company history. Personnel numbers were mainly increased in research, development and maintenance technology. Around 54 percent of employees have an academic background.

Recruiting efforts in Villach, Graz and Linz are in full swing: We are currently advertising 200 technical jobs, with a worldwide focus on people for maintenance engineering, IT, electrical engineering, chemistry and physics.

1,813 people work in research and development, which once again represents an increase of over 17 percent compared to the previous year (1,547 people). Infineon Austria thus employs nearly a quarter of the entire Group R&D workforce.

Record high in R&D expenditure

Infineon Austria spent **498 million euros** in **research, development and innovation** in the 2018 fiscal year. This was € 70 million or 16 percent more than in the previous fiscal year and corresponds to a research quota of 17 percent of the total revenue, making Infineon one of the best industrial research performers in Austria.

Additional global business responsibility

Effective May 2018, Infineon Austria took on the business activities of Merus Audio, a Danish start-up acquired by the Infineon Group in early 2018. The

company maximizes audio quality in TV sets, smart speakers, battery-powered speakers, high-end tablets and smart phones while minimizing design space and energy consumption of their audio amplification solutions.

New chip factory: the largest private investment project in Austria

13.7 billion chips were **produced** in Villach in the 2018 fiscal year (2017: 14.3 billion chips). In May, the Infineon Group announced the investment of 1.6 billion euros in the construction of a new, fully automated chip factory for the production on 300 mm thin wafers in Villach. Some 400 highly qualified jobs will be created at the new high-tech production site. Construction of Austria's biggest private investment project is scheduled to begin in the first half of 2019, production will start in the first half of 2021. Working at full capacity, the new factory is expected to create an estimated additional revenue of some 1.8 billion euros.

"This investment creates a production infrastructure that will make the Villach plant a powerful competitive force globally for many years to come", says Thomas Reisinger, member of the Board of Infineon Technologies Austria AG responsible for operations. "We cover the high worldwide demand for power electronics and through a restructuring of our existing innovation fab we also create room for the latest semiconductor technologies here."

Preparations for the expansion of the Villach site are fully underway. Preliminary work on the production facilities and construction of a multistory car park began in September 2018. The construction of the research buildings began in early December 2018; work on the fully automated chip plant will start next year. A task force with representatives from the federal, provincial and municipal levels is in charge of other areas related to the investment project, such as transport, reliability of supplies, accommodation provision, childcare and training.

Construction work for the expansion of the R&D sites in Graz and Linz will begin in the spring of 2019, with 290 new jobs for Research and Development to be created in Graz and 220 in Linz.

Key figures Full Year 2018 (accounting reference date: 30 Sept. 2018)

Infineon Technologies Austria Group incl. Austrian affiliates	FY 2017	FY 2018	Change
Revenue in € m	2,539.6	2,960.8	+ 17%
Earnings before tax in € m	176.5	294.1	+ 67%
Employees	3,785	4,201	+ 11%
Total investments in € m in intangible assets	150.2 37.1	178.7 8.5	+ 19 %
in property, plant and equipment	113.1	170.2	+ 50 %
R&D expenditure in € m (in % of Revenue)	428 (17%)	498 (17%)	+ 16 %
Overall purchasing volume in € m thereof in Austria and thereof in Carinthia	452 159 98	559 193 117	+ 24 %

*accounting reference date: 30/09/2018

About Infineon Austria

Infineon Technologies Austria AG is a group subsidiary of Infineon Technologies AG, a world-leading provider of semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon reduce the energy consumption of consumer electronics, domestic appliances and industrial facilities. They make a major contribution to the convenience, security and sustainability of vehicles, and enable secure transactions in the Internet of Things.

Besides Germany, Infineon Austria is the only subsidiary within the group that pools competencies for research and development, production as well as global business responsibility. The head office is in Villach, with further branches in Graz, Klagenfurt, Linz and Vienna. With 4,201 employees from around 60 countries (including 1,813 in research and development), in the financial year 2018 (ending in September) the company achieved a turnover of € 2.9 billion. An R&D expense rate of €498 million makes Infineon Austria one of the strongest industrial research companies' in Austria.

Further information at www.infineon.com/austria

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