

Press release

Infineon Austria Fiscal Year 2020: Stable results in a challenging environment

- Annual revenue of EUR 3.1 bn at last year's level
- Continued high investment in production and R&D
- Construction of new chip factory progressing according to plan
- Expansion of R&D facilities at the Villach, Graz and Linz sites completed
- 50-year anniversary: from extended workbench to digital pioneer

Villach, 30 November 2020 – The Infineon Technologies Austria Group (Infineon Austria) was able to achieve solid results despite the challenges posed by COVID-19 and the difficult market environment it produced in the fiscal year 2020 ending on 30 September (accounting reference date). The Austrian subsidiary of the German semiconductor group achieved a **revenue of EUR 3,109 million**, maintaining the previous year's figure (revenue 2019: EUR 3,114 million) in this challenging business year. The **earnings before tax** were approximately **EUR 196 million**, a decrease of around EUR 110 million or 36 percent compared to the previous year (result before tax 2019: EUR 306 million). The decrease in earnings is mainly due to lower capacity utilization in production. The revenue of this past financial year reflects both the decline in the automotive market, which was particularly noticeable in the first three quarters of the 2020 fiscal year, and the positive impact brought about by increased digitalization and the resulting higher demand for microelectronics. Energy efficiency, security, the Internet of Things and sustainable mobility remain our long-term, structural growth drivers. However, the COVID-19 pandemic, the framework conditions of the global economy and the geo-political situation continue to be challenging.

Sabine Herlitschka, CEO of Infineon Technologies Austria AG:

“This past business year was an immense challenge for all of us. Starting from research and development, through to production and customer business, we had to adapt quickly to the difficult situation. And we were very successful in all of this because we acted as one team. We noticed a recovery of the automotive market in the summer. This development plus a high demand for solutions for solar and server applications and a thrust in digitization are now making us more optimistic than we were a few months ago. We are setting the course for the future with our strategic orientation, and in particular with the construction of our high-tech chip factory. It is

now important to set the sails properly, no matter where the wind comes from.”

Focus remains on investments in strategic, future-oriented areas

Investment increased by 25 percent in the 2020 fiscal year and amounted to **EUR 386 million** (previous year: EUR 308 million) including in particular the fixed assets for the new, fully automated chip factory for 300-millimeter power semiconductors at the Villach production site as well as the expansion of research and development facilities in Villach. Further funds have been invested in production infrastructure for 300-millimeter thin wafers and new semiconductor materials (silicon carbide, gallium nitride), in structural adaptation of production and in innovation projects.

Oliver Heinrich, CFO Infineon Technologies Austria AG: “We succeeded in achieving a solid financial performance in this anything but usual business year. With their great commitment and dedication, all employees played a vital role in making it possible for us to achieve these objectives despite the difficult framework. Our investment and our Austrian-based business operations are a significant contribution to the long-term strategy of the Group and boost our global competitiveness and future viability.”

Higher purchasing volume in Austrian and Carinthia

The purchasing volume of Infineon Austria in the past fiscal year was **EUR 536 million** (previous year: EUR 561 million), with procurement in Austria accounting for some 40 percent or EUR 217 million (previous year: EUR 196 million). The share of Carinthian suppliers was 138 million (previous year: EUR 121 million).

Headcount nearly unchanged

Infineon Austria employed **4,517 people** as per the accounting reference date (previous year: 4,609 staff). The slight decline compared to the previous fiscal year is mainly due to more people from the baby boomer generation retiring. In view of the uncertain economic development in the 2020 fiscal year, we took the pro-active step of recruiting fewer people than in previous years.

Some **1,960 people work in research and development**, keeping the headcount in this area stable (previous year: 1,977 employees). Infineon Austria thus employs nearly a quarter of the entire R&D workforce in our group of companies.

Around 57 percent of employees have an academic background. Infineon Austria currently employs people from 70 nations. The number of apprentices in training at Infineon Austria is higher than ever before (79). Infineon Austria is involved in new training and qualification activities as a cooperation partner. These include, for example, the “Lehre mit Studium” scheme where university studies are combined with an apprenticeship, the “Smart Learning” classes at secondary technical colleges or the power electronics course at the Carinthian University of Applied Sciences.

R&D continues to thrive

Infineon Austria spent **EUR 498 million** on **research, development and innovation** in the 2020 fiscal year, staying slightly below last year's expenditure (EUR 525 million). This means EUR 27 million or 5 percent less than in the previous fiscal year and corresponds to a research quota of 16 percent of the total revenue (2019: 17 percent). The expansion of R&D facilities in Villach, Graz and Linz has been concluded, with construction of all three buildings completed. The expansion creates capacity for 860 additional R&D jobs, of which some 50 percent have already been filled since the announcement of the expansion at the end of 2017.

Construction of chip fab is proceeding according to plan despite the challenging situation

8.45 billion chips were produced in Villach in the 2020 fiscal year. The construction of the new, fully automated chip factory for the production of 300-mm thin wafers in Villach is progressing according to schedule despite COVID-19. Currently, the facade and the interior works are being completed; the first systems are being installed and taken into operation, including the state-of-the-art automation systems. Start of production is expected to be at the end of calendar year 2021 as scheduled. A total of around 1.6 billion euros will be invested over a period of six years.

Thomas Reisinger, COO of Infineon Technologies Austria AG: "The extension of our new 300-millimeter production area is proceeding despite the major challenges we were facing especially at the beginning of the COVID-19 pandemic. This investment makes Infineon fit for the future, so that we will be able to quickly provide the necessary capacities when the market recovers. As 'one virtual fab', Villach and the 300-millimeter production site in Dresden offer an identical production environment at two locations. Together we are more efficient, faster and able to secure competitive edge for the long term."

In May 2020, Infineon Austria made use of the short-time working scheme for its Villach production department. The short-time working scheme had originally been planned until the end of September but could be discontinued early on 31 July. The period of reduced demand was mainly used for integration and development of the production systems and for extensive training activities.

Day-to-day business unimaginable without digital technologies during the COVID-19 pandemic

Microelectronics is the key technology that facilitates digitization in all areas of life. The COVID-19 pandemic made the importance of using and providing these technologies very clear. It is digital technologies that facilitate everyday life in these times. Infineon Austria products are used in fifty percent of servers worldwide, in industrial plant of the food industry, in medical devices, such as in electric motors for ventilators, and for the production, transmission and use of energy. Infineon security

chips make hygienic, contactless payment with bank and credit cards as well as smart wearables possible.

Our products save 9 million tons of CO₂

The energy-saving chips produced in Villach in the 2020 business year will save some 9 million tons of CO₂ emissions during their service life. Another project is the introduction of a system for the production of “green” hydrogen from renewable energy sources that is currently being implemented in the framework of the expansion of the Villach site. In future, the hydrogen that is needed for the production of semiconductors is to be recycled as a fuel for public buses. This initiative is one step towards the Infineon Group’s objective of climate-neutrality by 2030.

This focus on technology in response to the climate crisis is also reflected in a current example of business success from Austria: The Upper Austrian company Fronius, which is active in the areas of welding technology, photovoltaics and battery charging technology, uses silicon carbide energy-saving chips from Infineon Austria for its solar inverters. For more information please see [here](#).

In hard times it is all the more important to assume **social responsibility**. The **Infineon Education Fund** endowed with EUR 50,000 was established in 2019 and enables us to support the afternoon “Lerncafé” study groups organized by Caritas Carinthia. It was possible to open a new Lerncafé in Villach, for example, thanks to this initiative. The cooperation was continued in this past business year. Infineon Austria also quickly distributed notebooks to pupils in Carinthia and Styria to make sure they had the urgently required infrastructure for homeschooling available when schools closed because of the pandemic.

50 years Infineon in Austria

On 1 October 1970, Siemens launched the production of electronic components with 24 employees in a rented building in Villach. Glass and plastic diodes were produced by hand to be used in color TV sets, a novelty at that time, and for other consumer electronics. The company relocated to today’s site in the spring of 1973. In 1999, Infineon Technologies AG emerged from the Siemens semiconductor unit. What used to be the diode assembly unit developed from an extended workbench into one of the most advanced semiconductor production facilities in Europe and the current research champion of Austria. Our anniversary site: www.infineon.com/50jahre

Key figures for the 2020 fiscal year (accounting reference date: 30/09/2020)

Infineon Technologies Austria Group incl. Austrian affiliates	FY 2019	FY 2020	Change
Revenue in € M	3,114	3,109	0 %
Earnings before tax in € M	306	196	- 36 %
Employees	4,609	4,517	- 2 %
Total investments in € M thereof property, plant and equipment	308 307	386 386	+ 25 %
R&D expenditure in € M (in % of revenue)	525 (17 %)	498 (16 %)	- 5 %
Overall purchasing volume in € M thereof in Austria and thereof in Carintha	561 196 121	536 217 138	- 4 % + 11 % + 14 %

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