Q4 FY 2025

102nd Quarterly Results of Infineon Technologies AG

Analyst Call Intro Statement

Jochen Hanebeck (CEO), Dr. Sven Schneider (CFO)

Jochen Hanebeck:

General Introduction

The turn of a fiscal year always calls for some lookbacks, as well as future perspectives. In each case, cyclical factors need to be distinguished from structural ones. The successfully concluded 2025 fiscal year formed part of a prolonged downcycle in most of our target markets. End customers and channel partners have undertaken a major de-stocking exercise, intending to reach target levels. Geopolitical instability and tariff turmoil made them cautious on the direction of end-demand and caused short-term ordering behavior. In this environment we saw, as predicted, a slight annual revenue decline, driven mostly by negative currency effects. We managed what we could control and maintained margins at a resilient level, supported by first meaningful benefits from our structural improvement program Step Up, coming in ahead of the anticipated timeline. The other structural initiative we are driving is to accelerate our innovation to customer value, to strengthen Infineon's position in secular growth areas like software-defined vehicles or AI data centers. Taking these initiatives together, we will benefit from a more competitive setup and an unmatched portfolio in any return-to-growth scenario. In the just-started fiscal year 2026 such growth will be tempered by adverse currency movements. Furthermore, growth will be a function of the intensity and breadth of the recovery, hard to predict due to ongoing geopolitical and tariff-related uncertainties. Therefore, we are once again setting a prudent bar with our full year outlook. From a more mid-to long-term perspective, we are in an excellent position to continue to lead in our markets and nurture profitable growth based on our well-known structural growth drivers.

Group performance in Q4 and FY25

Before looking ahead, though, let's take a look in the rear mirror: **revenues** in the September quarter came in at 3 billion 943 million Euros, making the fourth and final quarter the strongest of our 2025 fiscal year. Sequential growth was around 6 percent, once again including a negative currency effect, as the US-Dollar/Euro exchange rate weakened to 1.17, versus 1.14 for the June quarter. At constant currencies, quarterly growth would have amounted to 8.5 percent. All segments contributed with positive revenue developments, in particular PSS. Furthermore, our Q4

showed a slight year-over-year growth, at constant currencies even of 5 percent. This is the first time within eight quarters.

Revenues for the entire 2025 fiscal year amounted to 14 billion 662 million Euros, 2 percent down from the previous year. At constant currencies our revenue would have been essentially flat year-over-year, given that the average US-Dollar/Euro exchange rate weakened from 1.09 in fiscal 24 to 1.11 in fiscal 25. This is quite remarkable for a year characterized by substantial inventory corrections by customers and unprecedented tariff disputes.

Using the product categories I explained in the last call, our full-year revenue for fiscal 25 breaks down as follows: around 35 percent relates to Power Discretes and Modules, covering silicon, silicon carbide, and gallium nitride. Around 30 percent pertains to Analog and Sensors. Finally, Control and Connectivity grew to around 35 percent, supported by the success of our automotive microcontrollers, which will be further strengthened by the acquisition of the automotive Ethernet business from Marvell. This balanced portfolio is illustrating the healthy degree of diversification we have achieved over the past few years.

Regarding our operating profitability in the September quarter, the **Segment Result** amounted to 717 million Euros, corresponding to a **Segment Result Margin** of 18.2 percent. The slight improvement compared to the previous quarter is reflecting volume growth which overcompensated the adverse currency development as well as some intentionally incurred, opportunistic low-margin business for consumer-related products to avoid idle cost. More on this in the PSS section.

For the full 2025 fiscal year, the Segment Result Margin was 17.5 percent, landing in the high-teens territory as predicted, in line with the lower range of our Target Operating Model. Compared to one year earlier, annual price declines, a negative currency impact and rising idle costs could be offset in part by contributions from our Step Up program.

Our order **backlog** increased by around 2 billion Euros quarter-over-quarter to close to 20 billion Euros at the end of September, a first proof of the recovery materializing.

Now to our divisional review, beginning with Automotive.

Division-level performance in Q4

1 *Automotive*

In the final quarter of the 2025 fiscal year, the Automotive segment achieved **revenues** of 1 billion 921 million Euros, a further uptick compared to the previous quarter. The most notable volume growth contributors were smart power components, microcontrollers and xEV-related solutions. The latter we ascribe to temporary pull-ins due to subsidy reductions in the U.S. and in China.

Both the **Segment Result** of 430 million Euros and the **Segment Result Margin** of 22.4 percent increased sequentially, driven by volume growth and improved mix, as well as some smaller favorable non-recurring effects.

Independent of near-term market developments, we continue to shape the future of mobility with our leading product portfolio across power, analog and sensors and control and connectivity, based on our P2S approach. A few recent design-win examples underscore this: an established North American OEM will use our AURIX™ TC4 microcontrollers along with several analog components for an upcoming ADAS system. The total design-win volume is a mid-triple-digit million Euro amount, covering not only the MCU but also OPTIREG™ power management ICs, PROFET™ smart switches and NOR flash memory.

Our newly acquired BRIGHTLANE™ Ethernet product family is very well received by customers. They will be a crucial building block for software-defined vehicles and, combined with our broad MCU portfolio, enable even more comprehensive solutions for our customers. As an example, they are currently ramping in the most recent platforms of two European premium OEMs.

Lastly, we have secured an additional cumulative triple-digit million Euro of design-wins for our OptiMOS™ 7 MOSFETs across all regions. These cover key applications such as power distribution in several upcoming software-defined vehicle architectures as well as safety-critical applications such as steer-by-wire systems, braking systems and active suspension. This success is underpinned by our differentiating technology, which enables leading edge devices with superior quality, highly appreciated by customers.

2 *Green Industrial Power*

Let’s now move to Green Industrial Power, where **revenues** in the September quarter came in at 463 million Euros, an increase of 7 percent quarter-over-quarter. The sequential improvement was strongest in the areas of power infrastructure, comprising renewable energy generation and grid infrastructure, as well as rail systems and commercial electric vehicles. On the back of higher revenues, GIP’s **Segment Result** edged up to 69 million Euros in the fourth quarter of our 2025 fiscal year, equivalent to a **Segment Result Margin** of 14.9 percent.

Besides the typical seasonal pattern, the market situation for the various industrial applications we serve shows a mixed picture: macro uncertainty is prolonging the path to recovery for automation and drives. Similarly, there are not yet clear signals for an upswing in heating, ventilation and air conditioning or home appliances. Regarding renewable energy generation, market conditions throughout the delivery chain continue to show some signs of weakness. That said, we see structural drivers on the power infrastructure side getting stronger. A higher share of renewables in the overall energy mix and the proliferation of AI data centers at gigawatt levels in various parts of the world cause the need to significantly upgrade and strengthen the power grid. Critical

applications providing attractive evolving content opportunities for us are, for example, large-scale energy storage systems, uninterruptible power supplies and solid-state transformers and circuit breakers. To advance the latter we are partnering amongst others with SolarEdge to develop highly efficient next-generation solid-state transformer technology for AI and hyperscale data centers. The collaboration focuses on combining advanced silicon carbide technology from us Infineon with SolarEdge's power-conversion and control topology to enable direct medium-voltage conversion. The Solid-State Transformer technology will play a crucial role in future 800 Volt direct current AI data center power architectures. The technology enables highest end-to-end efficiency and offers several key advantages, including a significant reduction of weight and size, a reduced CO_2 footprint, and accelerated deployment of power distribution, among others, when connecting the public grid with data center power distribution.

3 *Power & Sensor Systems*

The Power & Sensor Systems segment recorded **revenues** of 1 billion 189 million Euros in the September quarter, 13 percent up sequentially. The main contributors to this significant growth were our power solutions for AI servers. In addition, we saw strength for products going into smartphones and accessories, like MEMS microphones.

Notwithstanding the strong revenue pickup, the **Segment Result** of PSS decreased to 179 million Euros, leading to a **Segment Result Margin** of 15.1 percent. Besides adverse exchange rate effects the main factor were so-called "fab fillers", intentionally addressing low-margin market segments on the consumer side, to utilize otherwise idle production capacities. We plan to fade out such businesses in the near term, being replaced more and more by strongly growing, margin-accretive AI volumes.

On the market side, consumer, general compute and communications continue to see a tepid recovery. In stark contrast, the AI boom remains a powerful growth engine for us, with data center buildouts accelerating dynamically. Managing the power flow in line with the exponential compute growth, across all power conversion stages from grid to core, becomes mission-critical to scaling AI. Said differently, there is no AI without power. With the unmatched breadth of our product portfolio in silicon, SiC and GaN, package concepts, speed of innovation, quality and delivery capability we have become the leading partner of all relevant GPU and ASIC providers. This success is clearly visible in our numbers: in the 2025 fiscal year our AI datacenter-related revenues nearly tripled – to more than 700 million Euros! We thus were able to beat our originally predicted numbers of around 600 million Euros despite the adverse currency development. For fiscal 26 we are raising our growth expectations significantly, from around 1 billion to around 1.5 billion Euros, more than doubling year-over-year! This strong momentum of our business is coming from the unabated market momentum for AI, strongly rising power requirements of newer processor

generations, rack configurations and datacenter architectures, as well as expected further content gains. By the end of the decade, we expect the addressable market for us to be in the range of 8 to 12 billion Euros, depending on factors like module share, customer structure and speed of AI buildout.

Combining the expertise and unrivalled product portfolios of our GIP and PSS segments is putting us at the forefront of both, the energy transition and the AI revolution. This creates highly attractive, idiosyncratic business opportunities for us; more on these in an investor deep-dive that our two division heads of GIP and PSS will host on 26th of November. On our investor relations homepage you will find details about the event.

4 *Excursus: wide bandgap (SiC, GaN)*

Now let me touch on wide bandgap. Our unique setup of having the worldwide most innovative, cost-efficient and scalable in-house manufacturing of silicon carbide and gallium nitride is fully recognized by automotive, industrial and AI datacenter customers. Talking about the latter, power systems for 800 Volt AI server power supplies are only conceivable with best-in-class silicon, silicon carbide, gallium nitride and package product combinations.

In the overall silicon carbide market supply is currently outstripping demand. In this competitive environment, we could keep our silicon carbide revenues in the 2025 fiscal year at the level of the previous year, at around 650 million Euros, despite headwinds from pricing and currency. Given a favorable design-win trend, among others linked to rising usage in the aforementioned AI datacenters, we anticipate again growth for our 2026 fiscal year.

Gallium nitride is at an earlier stage of market uptake and system topology changes are necessary to reap the full benefits of GaN. We are encouraged by an increasing design-win momentum at automotive, industrial and datacenter customers, which value our power system expertise combined with in-house manufacturing. Looking ahead, GaN is poised to play a pivotal role in areas like automotive, AI servers, and robotics.

5 *Connected Secure Systems*

Let's complete the divisional review with Connected Secure Systems. CSS recorded quarterly **revenues** of 369 million Euros, 6 percent up from the June quarter. The main driver were payment solutions, in part due to the fulfillment of CRA orders. The **Segment Result** of CSS improved to 45 million Euros, corresponding to a **Segment Result Margin** of 12.2 percent.

Macroeconomic risks continue to dampen consumer confidence and corporate spending, causing sluggish demand for IoT and security solutions.

Looking beyond the near term, we continue to invest into innovation to foster profitable mid-term growth: To further strengthen our position in Edge AI applications we introduced the DEEPCRAFT™ AI Suite, optimized for our PSOC Edge family of microcontrollers. To unlock the full potential of Edge AI we provide a comprehensive set of hardware and software solutions to seamlessly integrate AI and machine learning capabilities in the next generation of IoT edge devices. Our solutions empower customers to either develop their models from scratch or to integrate off-the-shelf models and solutions into their products, thereby shortening time-to-market.

AI, in its various shapes and forms, will bring significant business opportunities to Infineon, across all our segments. Beyond AI, we are actively helping shape the quantum era. Based on our innovation strength and excellence in volume manufacturing we have developed trapped-ion quantum processing units, so called QPUs. Together with strategic partners such as IonQ and Quantinuum, we are focusing on scaling qubit counts and fidelity. Quantum and AI are complementary: AI enhances calibration, control and error mitigation of quantum systems, while quantum computing can generate high-precision datasets that accelerate AI-driven discovery, for example in materials, pharmaceuticals, and logistics optimization.

In parallel, we are winning business at customers preparing for the security implications of the quantum age with PQC, or post quantum cryptography-enabled products, including our Common Criteria certified implementation on a security controller, helping safeguard today's data against tomorrow's threats.

Handover to Sven Schneider

Now over to Sven, who will comment on our key financial figures.

Sven Schneider:

Thank you, Jochen, and good morning everyone. In my part I will mostly focus on the September quarter, occasionally adding comments about full-year numbers. Let's start with our gross margin development:

(Adjusted) Gross Margin and OpEx, NSR

The **adjusted Gross Margin** for the final quarter of our 2025 fiscal year came in at 40.7 percent, after 43.0 percent in the quarter before. The **reported Gross Margin** decreased quarter-over-quarter from 40.9 percent to 38.1 percent. The temporary fab fillers on the consumer side of PSS that Jochen mentioned burdened margin levels by around one percentage point. Furthermore, mix effects, the weaker US-Dollar and slightly higher idle costs were headwinds quarter-over-quarter. The background was our goal to manage on-books inventory, as previously indicated. With a DIO figure of 153 days as per the end of September we have achieved our target for the end of fiscal 25.

Keeping stock levels under control will remain a focus area of our cycle management. However, the uneven recovery will stand in the way of further near-term inventory reductions.

For the full fiscal year, which was the second consecutive year with a declining topline, we managed to keep the adjusted Gross Margin well above the 40 percent mark, at 41.4 percent. Therein idle costs amounted to close to one billion Euros, the vast majority of them reflecting cyclical underutilization. These correspond to around 600 basis points of margin potential, without considering the fall-through from additional volumes. On the positive side, we have been reaping first material benefits from our Step Up program, focusing on improving our structural cost competitiveness. In fiscal 25, Step Up has contributed about 200 basis points to our gross margin.

Now turning to the Opex side, looking first at reported quarterly numbers: **Research and Development** remained practically flat at 565 million Euros in the September quarter. Also, our **Selling, General and Administrative** expenses moved sideways to 401 million Euros. On an annual basis, and net of Non-Segment-Result charges, R&D as a percentage of revenues was around 15 percent. Bringing out innovation to address customer issues is key to our differentiation and hence value creation. The SG&A percentage of revenues net of Non-Segment-Result Charges was just under 10 percent in our 2025 fiscal year. Our Step Up program entails also structural improvements of our operating expenses, and here we see positive contributions coming through nicely, too. Overall, with Step Up we have so far recorded about half of the total targeted impact for the first half of our 2027 fiscal year, when all the measures will become fully effective.

Non-Segment-Result charges for the fourth quarter amounted to 263 million Euros, bringing the total for the 2025 fiscal year to 1 billion 45 million Euros. The biggest component therein was acquisition-related amortization with around 400 million Euros. Other major parts were impairment and other charges related to the sale of our Austin manufacturing site and Step Up-related one-timers.

Financial result

The **financial result** for the September quarter amounted to minus 64 million Euros, after minus 40 million Euros in the quarter before. Contained therein are, among others, funding costs related to the debt-financed acquisition of the Ethernet business from Marvell as well as non-cash interest expenses on uncertain tax positions.

Tax

Income tax expense for the September quarter amounted to 152 million Euros, after 95 million Euros in the quarter before. Valuation effects related to deferred taxes have led to a noticeable quarterly increase and influenced the effective tax rate for the entire 2025 fiscal year, which came in at around 27 percent. Cash taxes for our fourth fiscal quarter were 106 million Euros. Adjusting

for PPA effects, the quarterly cash tax rate stood at 21 percent. Going forward, for modeling purposes, a tax rate between 20 and 25 percent is a reasonable assumption.

Investments, Depreciation and Amortization

Our **investments** into property, plant and equipment, other intangible assets and capitalized development costs increased slightly quarter-over-quarter, from 442 to 451 million Euros. For the entire fiscal year 2025, investments amounted to around 2.1 billion Euros, coming in slightly below our guidance. **Depreciation and amortization** expenses including acquisition-related Non-Segment-Result effects for the September quarter were 484 million Euros, leading to an annual total for fiscal 25 of 1.9 billion Euros, as predicted.

Free Cash Flow

Our **Free Cash Flow** in the September quarter was significantly influenced by the closing of the acquisition of Marvell's Ethernet business. The reported number of minus 1 billion 276 million Euros would have been plus 904 million Euros without the acquisition. The strong quarterly improvement of our organic free cash flow was positively influenced by increased volumes, the predicted receipt of public fundings, in particular for the ramp of module 4 at our Dresden site, as well as the quarterly reduction of inventories.

For the full year, the Free Cash Flow amounted to minus 1 billion 51 million.

The **adjusted Free Cash Flow**, considering acquisitions and expenditures for large frontend buildings, in particular our analog-mixed signal and power fab in Dresden, came in at 1.8 billion Euros, corresponding to 12.3 percent of sales, fully in line with our Target Operating Model.

Liquidity, leverage, corporate finance, rating

The Marvell Ethernet acquisition also had a noticeable impact on our liquidity and leverage figures. At closing, we drew down the committed acquisition facility from our banks, consisting of a one billion Euro and a one billion US-Dollar tranche. The remaining purchase price was paid from our own liquidity. As a result of this and the strong organic free cash flow in fiscal Q4, our **gross cash** position at the end of September stood at around 2.1 billion Euros, equivalent to around 14 percent of sales, in line with our liquidity target. Our **gross debt** amounted to 6.8 billion Euros, the resulting **net debt** to 4.7 billion Euros. Our gross leverage is now at our self-defined threshold of 2.0 times, net leverage is corresponding to 1.4 times. We view this situation as temporary, as increased financial debt following our Ethernet acquisition is meeting a cyclically subdued EBITDA.

RoCE

Our after-tax reported **Return on Capital Employed** remains at a depressed level. For the complete 2025 fiscal year, our Return on Capital Employed came in at around 5 percent, clearly falling short of our aspirations. This is due to an increase of capital employed, driven by organic and inorganic investments over the last years, compared with a temporarily lower NOPAT.

Dividend

Finally, to our dividend proposal for the concluded fiscal year 2025. To our next annual shareholders' meeting in February, we will propose a dividend of 35 cents per share, unchanged versus the prior year. This would result in a payout of about 460 million Euros. Keeping the dividend constant in a second downturn year, with lower net earnings compared to the previous year, shows our strong commitment to shareholder remuneration. We are again striking a balance between shareholder remuneration and sufficient financial flexibility for the company.

Handover to Jochen Hanebeck

Now back to Jochen, who will comment on our outlook.

Jochen Hanebeck

Thank you, Sven.

As of today, it is challenging to predict a one-year business trajectory in an environment where short-term ordering is limiting visibility. We see the still cautious ordering behavior of customers primarily as a reflection of geopolitical and tariff-related uncertainties. Inventory levels have generally normalized throughout supply chains. That said, there are lingering pockets of digestion and further working capital reductions, and on the other hand also a few instances of supply tightness. In addition, the underlying demand will determine the magnitude and pace of the recovery. As a base case, we are expecting volume growth to return in 2026, amid a gradual upcycle.

Outlook for Q1

For the currently running December quarter, the first of our 2026 fiscal year, we predict revenues of around 3.6 billion Euros, based on an assumed US-Dollar/Euro exchange rate of 1.15. This would equate to a sequential decline of about 9 percent, above our typical seasonality, because in the near-term, there is a risk that some automotive customers are driving down inventories to critical levels below target into calendar yearend. Also from industrial customers we expect pronounced

destocking towards the end of December. By segment, revenue at GIP and CSS is anticipated to decrease more than group average, whereas sales of ATV and PSS should decline less.

Compared to the first quarter of our previous fiscal year we expect 5 percent nominal growth, despite a significantly weaker US-Dollar. Adjusting for this, like-for-like growth would be 11 percent.

For the December quarter's Segment Result Margin we expect a mid to high-teens percentage level, resulting from the lower sales volume.

Outlook for FY26

Now to our outlook for the full 2026 fiscal year. In the light of low market visibility, we have to allow for a certain range of outcomes and act swiftly.

In our base case we expect our full-year **revenues** to be moderately up compared to the previous fiscal year. Besides an assumed typical price decline, an unfavorable currency development is masking a stronger underlying volume growth: we assume a US-Dollar/Euro exchange rate of 1.15. Compared to the average rate of 1.11 realized in our 2025 fiscal year, this translates into about 400 million Euros of topline headwind, using our rule-of-thumb. In line with the assumed uneven and overall gradual recovery, we expect our business segments to follow markedly different patterns. Regarding the automotive semi market, several headwinds make us cautious: while the trade and tariff situation remains fluid, we expect it to have an impact on vehicle affordability and thus weigh on underlying car demand. In their latest production forecast for 2026, S&P see only a very small decline to about 91 million vehicles. We see this as a best case.

Regarding automotive content dynamics, we anticipate the Chinese xEV market to moderate significantly in terms of growth, now that it has surpassed 50 percent penetration, also caused by subsidy reduction and rising efficiency requirements. Europe should see some improving momentum, whereas xEV sales in the U.S. will suffer from the lack of government support. Accordingly, we are seeing push-outs of several new EV platforms across the Western OEM landscape, and/or production mix shifts in favor of ICE cars. In light of this we have taken action to restructure our production of automotive frame-based modules in Warstein, Germany, and concentrate it at our more cost competitive Hungarian site in Cegléd. The picture is brighter for the other big auto content driver, the proliferation of software-defined vehicles. Here we expect market momentum to accelerate from the second half of 2026 onwards, driven by more and more SDV launches, further supported by the automotive Ethernet business from Marvell.

In total, we expect our ATV segment to grow below group average. In contrast, we expect PSS to grow significantly faster than corporate average, driven by buoyant demand for our AI power solutions, for which we assume revenues of 1.5 billion Euros. We enable this revenue growth in a very capital-efficient way by converting idle IGBT capacity from ATV and GIP to MOSFET capacity

for AI throughout the year. For GIP we assume revenues to grow moderately year-over-year, based on Capex restraint by industrial customers, some remaining inventory digestion, moderating growth of renewable energy buildouts, and accelerating investments into grid infrastructure. For CSS we expect only slight yearly growth, as IoT demand remains sluggish.

Regarding profitability, we expect our full-year **adjusted Gross Margin** to come in at a low 40ies and our **Segment Result Margin** to land at a high-teens percent level. The adverse currency development together with assumed typical price decline will work against the positive fall-through effect from volume growth. Idle costs are expected to go down only gradually to an annual level of around 800 million Euros. They will therefore still constitute a considerable margin drag of around 400 basis points, without considering the positive fall-through from additional volumes.

Further benefits from our Step Up program will support our 2026 margins, as more and more measures are becoming effective.

Investments are a key variable within our control and the consecutive reductions throughout 2025 show how we take related decisions in an agile manner. For fiscal 2026 we predict investments, including capitalized development expenses, to amount to around 2.2 billion Euros, a level very similar to the previous year. A focus area will be the finalization of the construction of the fourth module in Dresden and equipment just in time to match strongly growing customer demand for our AI power solutions.
For **depreciation and amortization** we anticipate a value of around 2.0 billion Euros in our 2026 fiscal year. This includes amortization of around 400 million Euros resulting from purchase price allocations, mainly in connection with the acquisitions of Cypress and Marvell's Ethernet business, which will be recognized in our Non-Segment Result.

For the **Free Cash Flow** we expect a level of around 1.1 billion Euros for fiscal year 26. Our **adjusted Free Cash Flow**, net of investments into major frontend buildings, is expected to come in at around 1.6 billion Euros.

Given the limited visibility, we view our current guidance for fiscal 2026 as the appropriately prudent base case, with upside and downside scenarios. The base case already factors in certain headwinds, including persistent tariff impacts and, compared to some market researchers, a more cautious near-term view on xEV adoption. Further downside could stem from escalating geopolitical tensions or unresolved supply chain disruptions. Upside could come from a stronger recovery in end markets, less rigid inventory management by customers, even higher AI revenues and a more benign outcome of tariff bargaining.

Sustainability

Let me spend a few words on our sustainability metrics: we are very well on track towards CO2-neutrality by 2030, covering direct and indirect energy-related emissions, Scope 1 and 2. In all our

sites we are procuring electricity from renewable sources only. We have exceeded our stated milestone of reducing CO2 emissions by 70 percent by 2025, compared to the base year 2019. As per the end of September, the reduction amounted already to more than 80 percent. Furthermore, our climate target was validated by the Science Based Target Initiative. This includes our scope 1 and 2 emissions, and additionally, it also covers our scope 3 emissions in close collaboration with our supply chain partners.

Closing remarks

Before going into Q&A, ladies and gentlemen, let me summarize:

- We closed our 2025 fiscal year fully in line with guidance, both in terms of revenue as well as profitability. The latter was supported by cycle management and Step Up benefits.
- As we move into our 2026 fiscal year, geopolitical events and macroeconomic volatility are tempering cyclical dynamics and cause customers to order “on sight”. Our base case is a gradual, uneven market recovery.
- AI is standing out as the bright spot. Our market-leading solutions for the grid to core power flow provide us a powerful idiosyncratic growth opportunity. We will more than double our revenues to around 1.5 billion Euros in fiscal 26 and further significant growth is to come in the subsequent years
- Expectations for automotive are bifurcated: muted by short-term xEV demand and currency headwinds, more than compensated by the software defined vehicle trend supported by further growth in analog, microcontrollers and the Ethernet business from Marvell
- We expect moderate revenue growth for our 2026 fiscal year, including a significantly negative currency impact and assumed typical price declines. Continued implementation of Step Up will support a high-teens Segment Result Margin.
- With our unparalleled portfolio of power, analog & sensors and control & connectivity solutions combined with our P2S approach we are addressing secular growth drivers while focusing on accelerating innovation-to-customer value.