



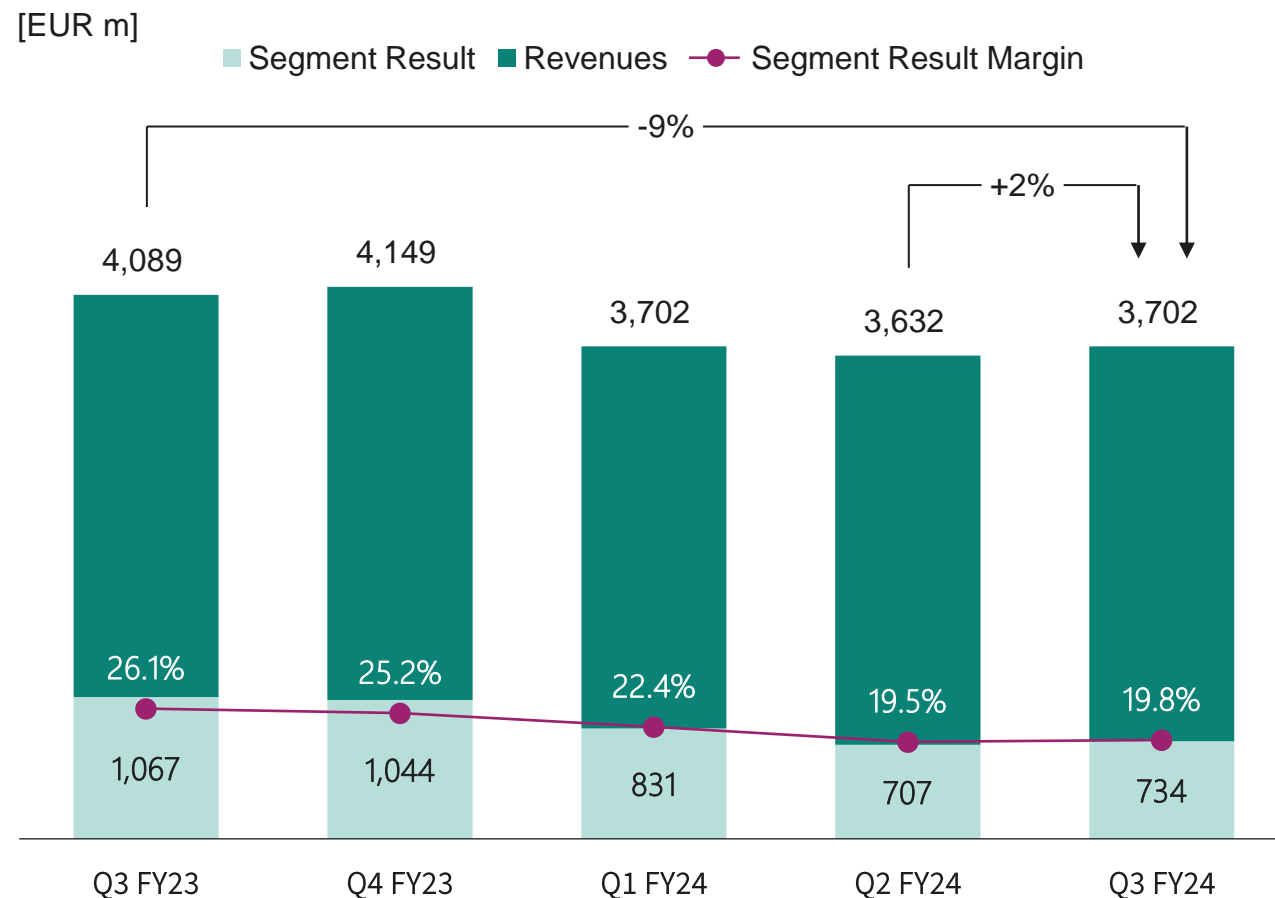
Third Quarter FY 2024 Analyst Call

Infineon Technologies AG
Investor Relations



Group financial performance

Revenues and Segment Result

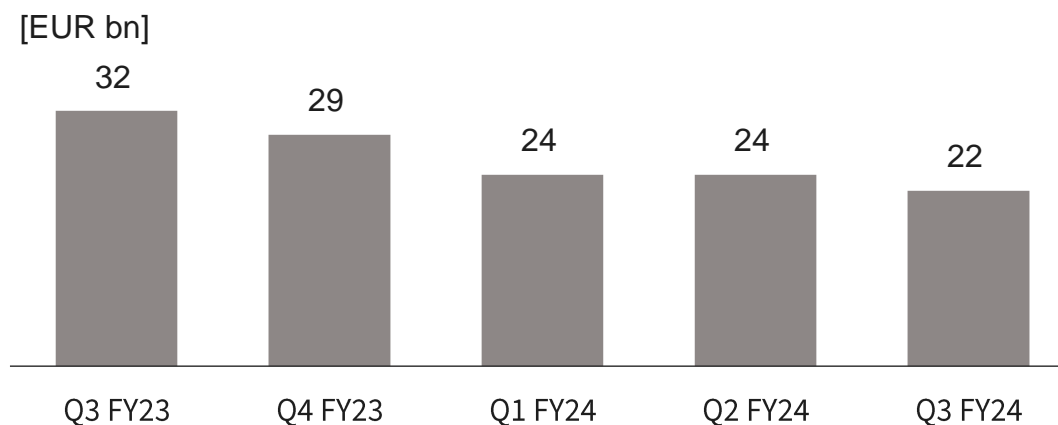


USD exchange rate

Average revenue exchange rate

	Q3 FY23	Q2 FY24	Q3 FY24
∅ USD/EUR	1.09	1.09	1.08

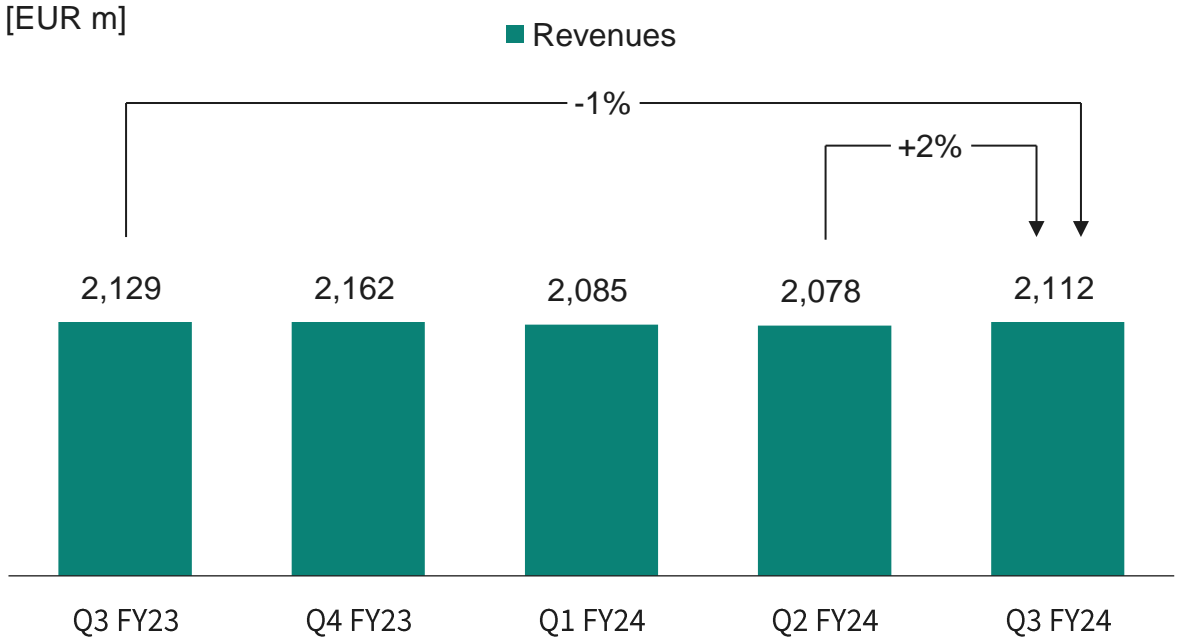
Order backlog¹



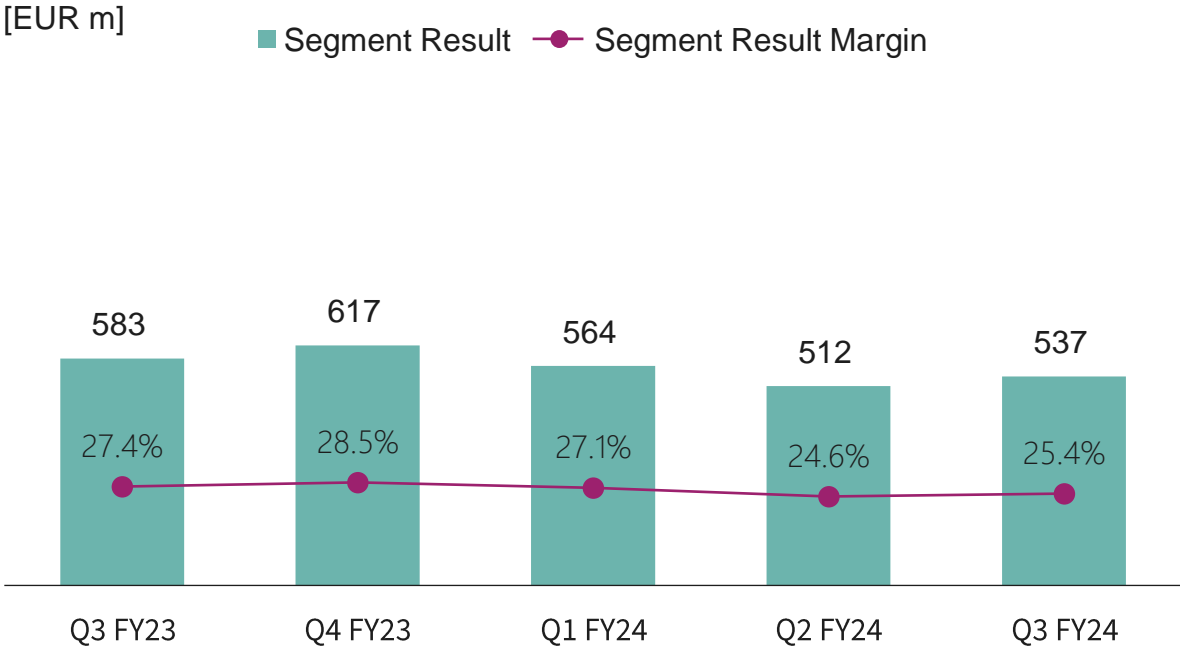
¹ See notes for definition

Automotive (ATV)

Revenues



Segment Result



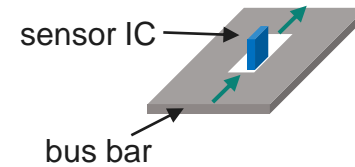
- Slight q-o-q revenue increase – volume gains in microcontrollers moderately exceeding ongoing inventory correction in classical applications
- Opposing trends of inventory rebalancing and secular content growth
- For FY24, we expect revenue growth of ~3%, despite adverse market conditions, due to MCU share gains and xEV exposure

Infineon and Swoboda jointly develop high-performance current sensor modules for automotive applications

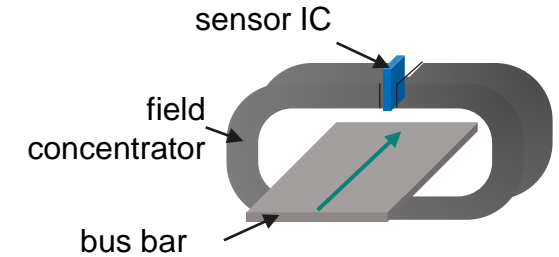


- The novel core-less sensing technology enables highly miniaturized integrated sensor modules by discarding the bulky core
- Infineon is a leading supplier of core-less sensors

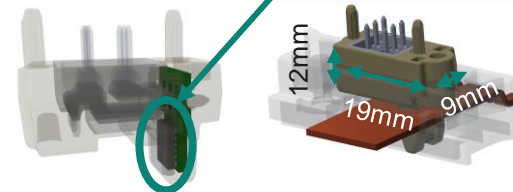
Core-less sensor



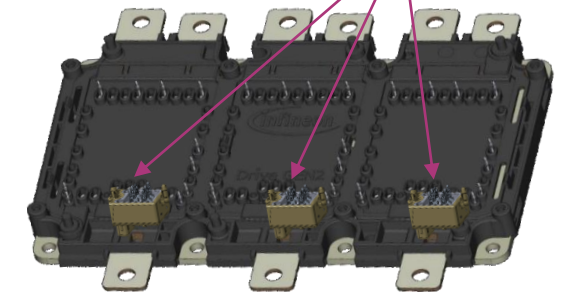
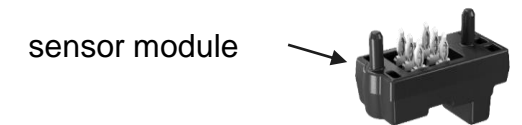
Core-based sensor



- Combining best-in-class core-less current sensor ICs from Infineon with Swoboda's industrialization expertise has enabled the most compact fully encapsulated sensor module for xEV traction inverter application
- The seamless integration with HybridPACK™ Drive G2 makes it a ready-to-use "zero footprint" leading-edge solution



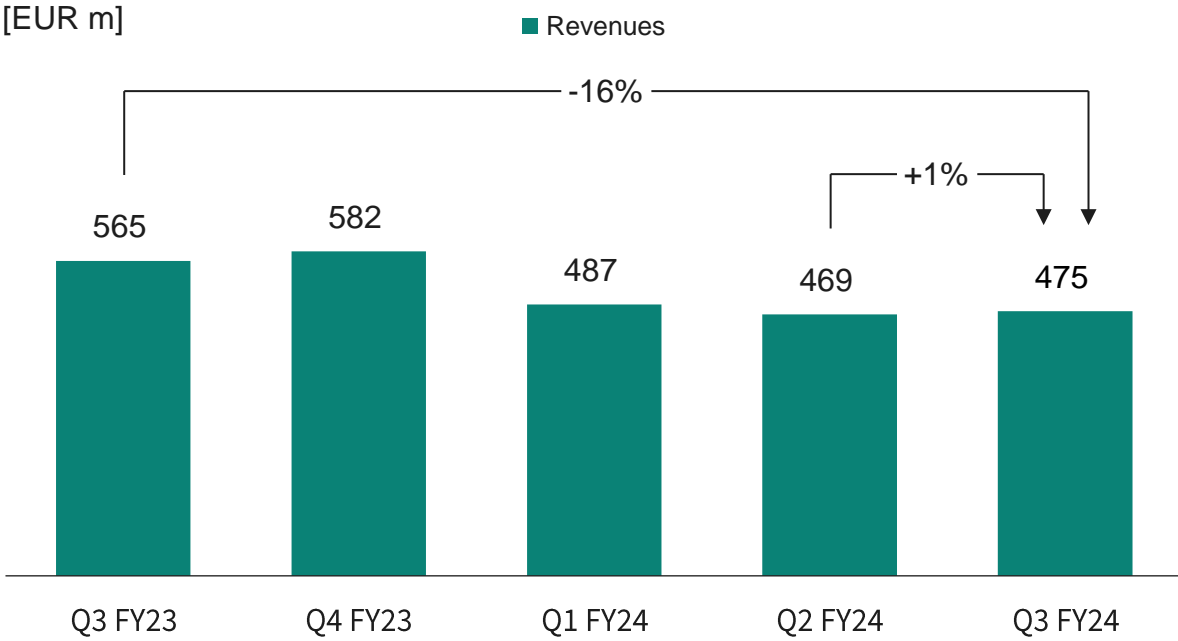
swoboda CSM510HP2
technologies



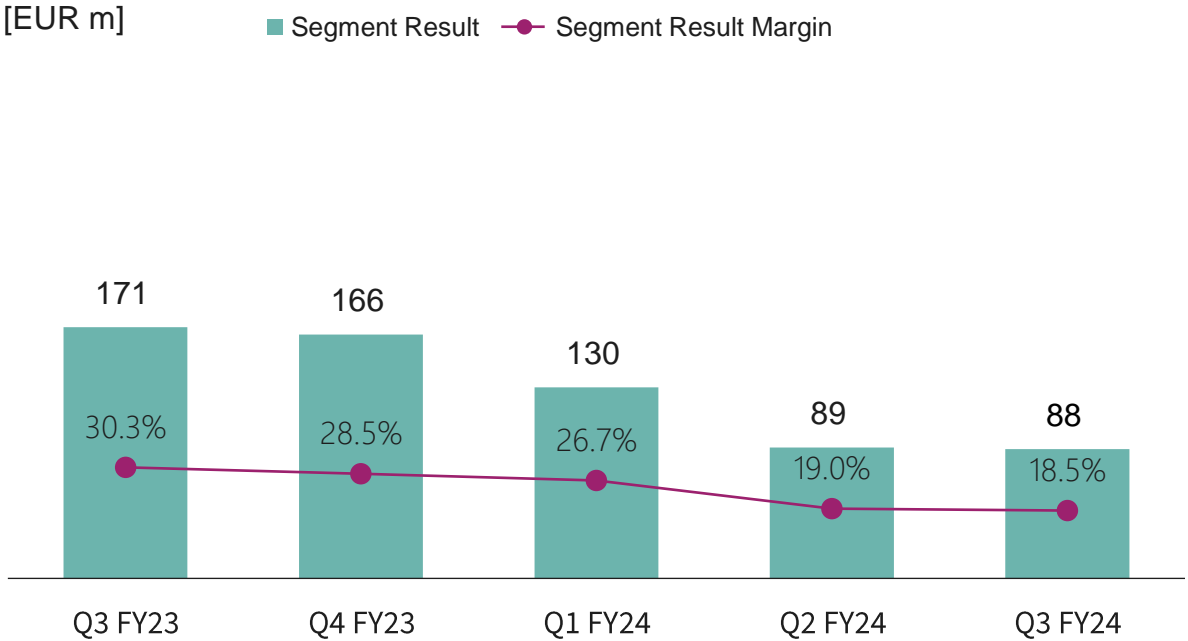
HybridPACK™ Drive G2
(available in Si and SiC)

Green Industrial Power (GIP)

Revenues

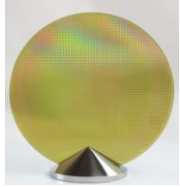


Segment Result



- Stable revenue trend, reflecting late-cycle business
- Demand for decarbonization-related applications remains strong, but is still dampened by high inventory levels
- Core industrial demand stabilized on a low level; inventories remain elevated. Prolonged phase of muted development expected

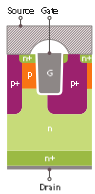
With opening Kulim 3, Infineon is on track to becoming the industry's most competitive provider of SiC technology



SiC raw material supplier network



- More than 6 qualified SiC wafer and boule suppliers
- Globally diversified and resilient



Superior trench technology



- 30% more chips per wafer than planar
- Unmatched reliability with zero field returns



Packaging portfolio



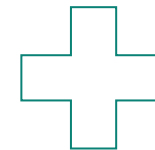
- Best-in-class in-house packaging solutions
- .XT technology for highest power density



Deep system understanding



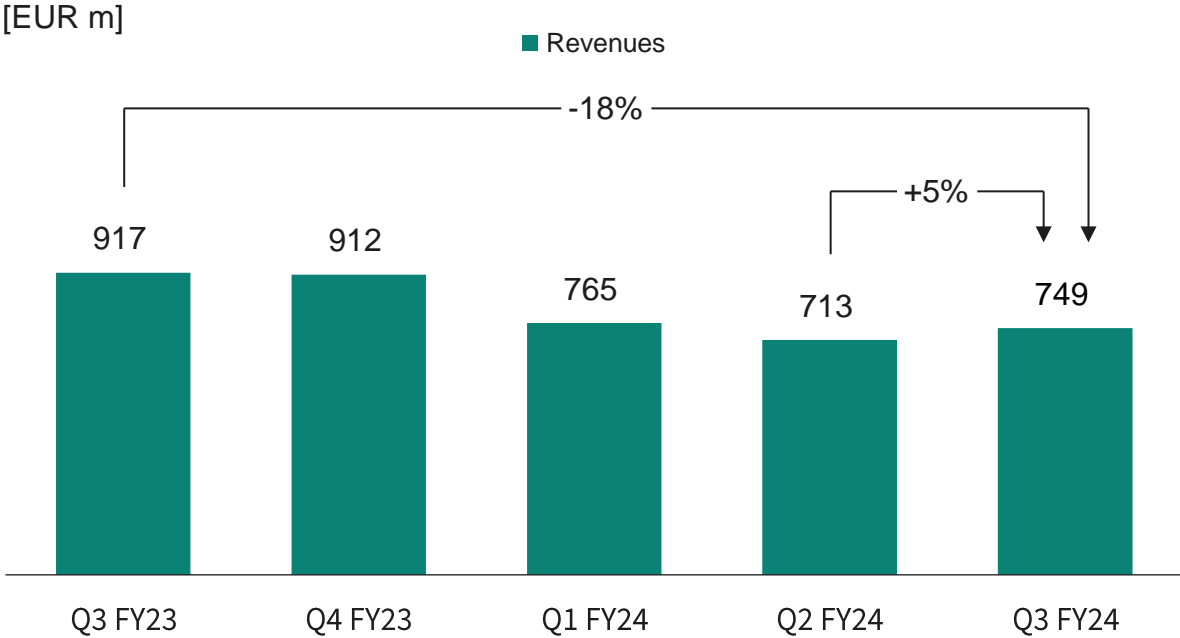
- Decades of experience
- Broadest portfolio: off-the-shelf plus customized solutions



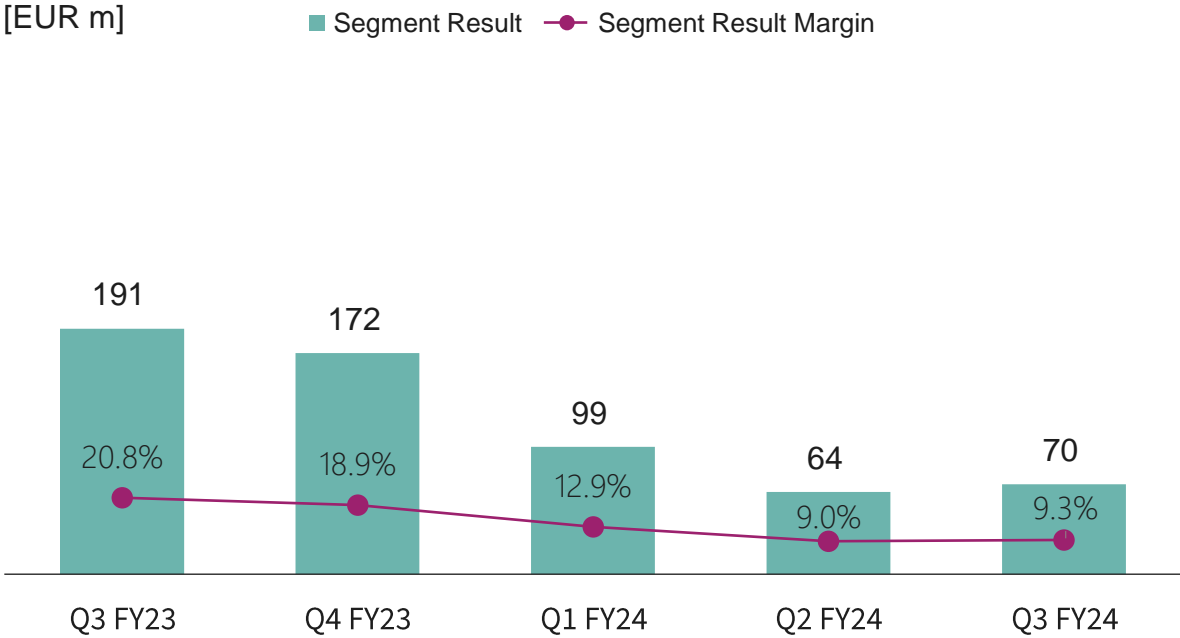
World-scale 200-millimeter fab with industry-leading cost position
Resilient setup together with Villach plant

Power & Sensor Systems (PSS)

Revenues

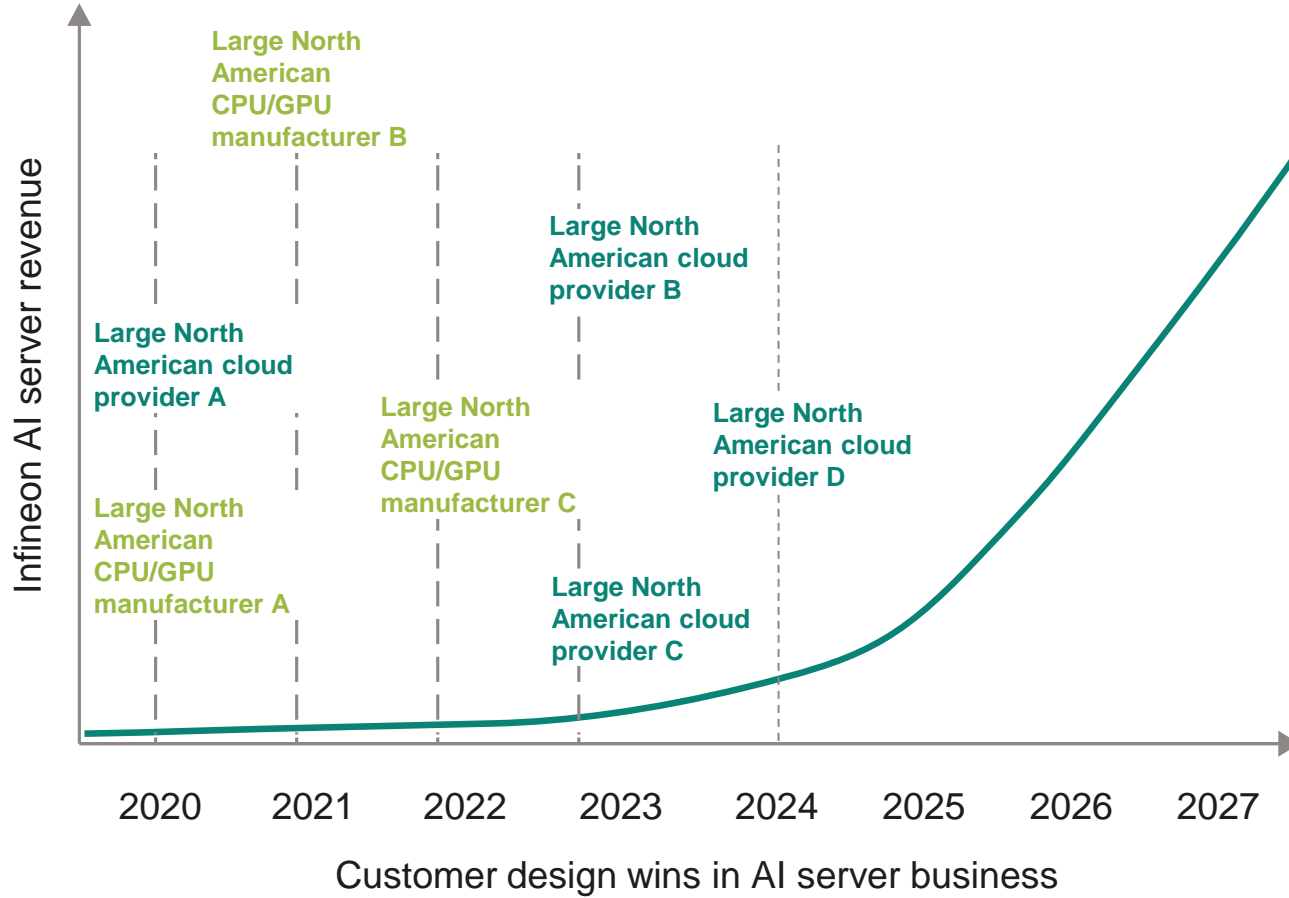


Segment Result



- PSS turning the corner after six quarters of revenue decline; rising underutilization charges capping margin expansion
- Consumer, compute and communications markets coming off their trough – working down of inventories softening recovery
- AI power business ramping, we are on track to doubling revenue in the next fiscal year!

AI will be a strong driver of revenue increase for Infineon's server business

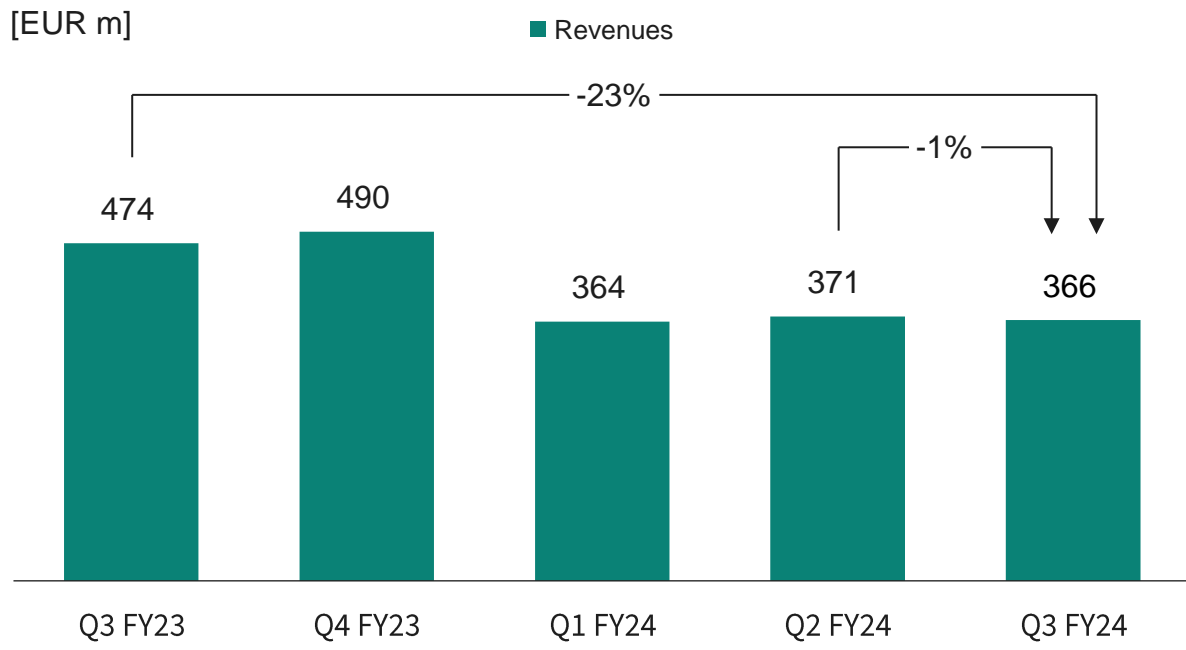


In FY24 AI revenue in our server business is expected to be a low triple digit million amount

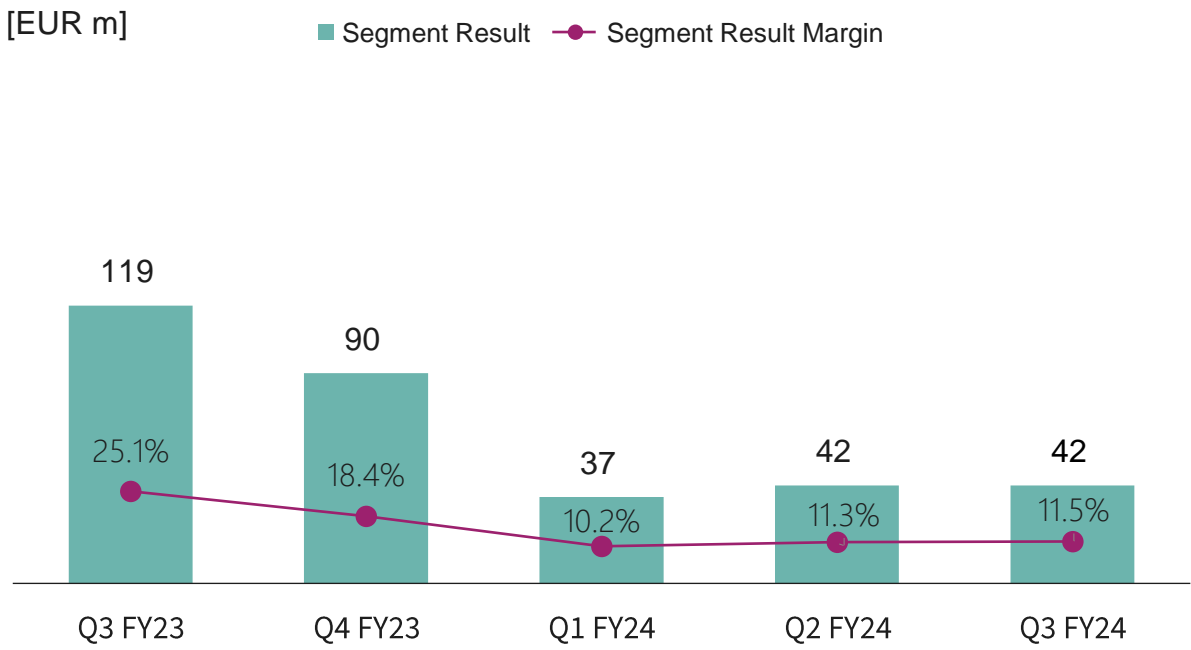
We expect to double those revenues in FY25 and to reach EUR 1 bn in 2-3 years

Connected Secure Systems (CSS)

Revenues



Segment Result

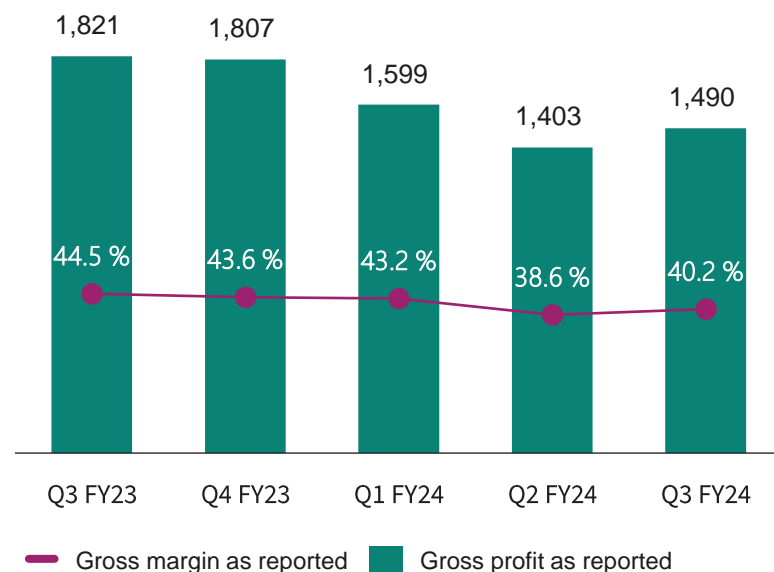


- Revenue continues to stabilize as IoT and security market demand is bottoming
- Distributor inventories worked down, paving the way for a gradual cyclical recovery
- Driving structural growth with advancements in Edge AI through the PSoC™ 6 AI evaluation kit

Gross margin and Opex

Gross profit

[EUR m]



Therein Non-Segment Result charges

[EUR m]

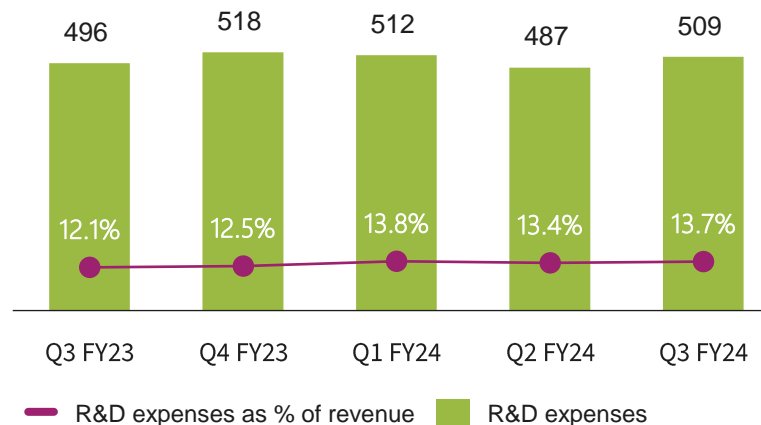
67	79	65	91	71
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Adjusted gross margin

46.2%	45.5%	44.9%	41.1%	42.2%
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R&D

[EUR m]



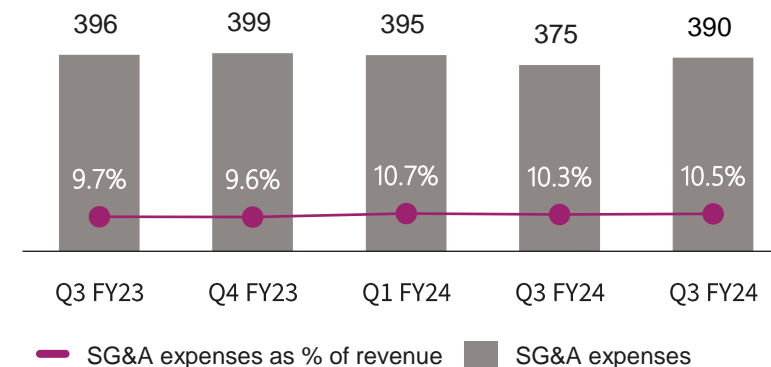
Therein Non-Segment Result charges

[EUR m]

12	12	16	18	15
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SG&A

[EUR m]



Therein Non-Segment Result charges

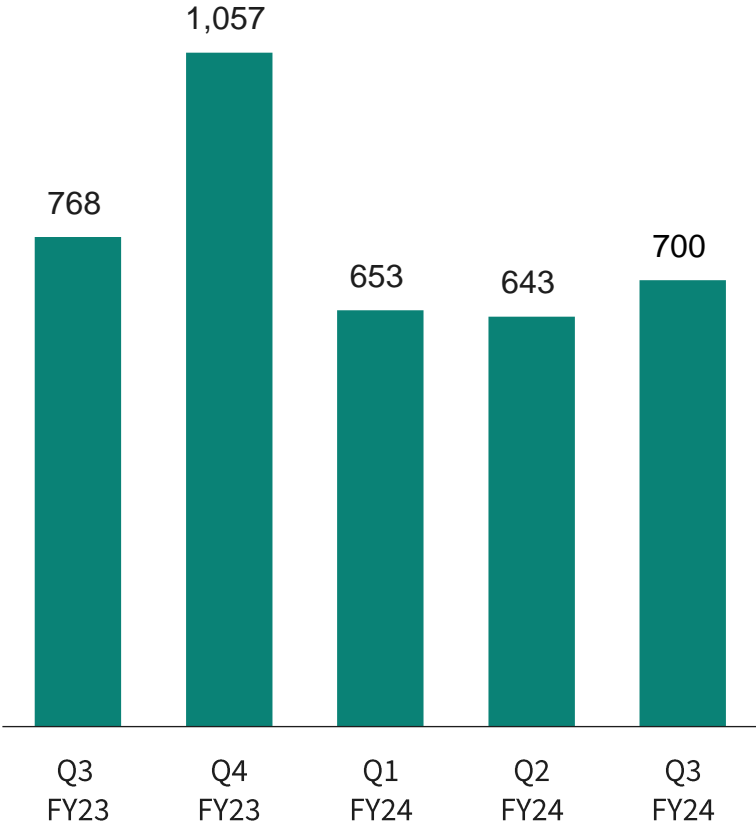
[EUR m]

55	57	54	54	54
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Investments, Depreciation & Amortization and Free Cash Flow

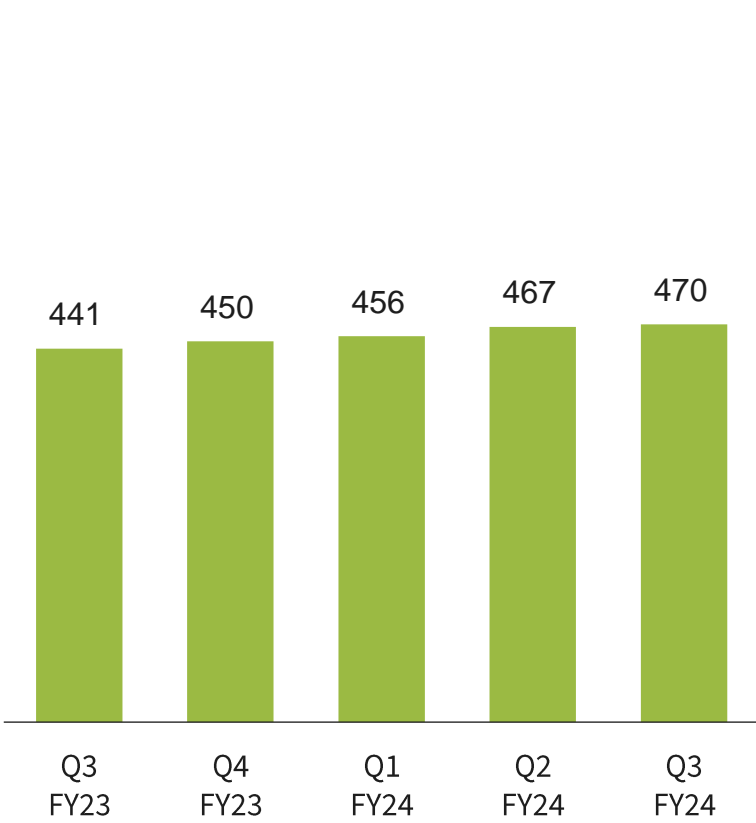
Investments

[EUR m]



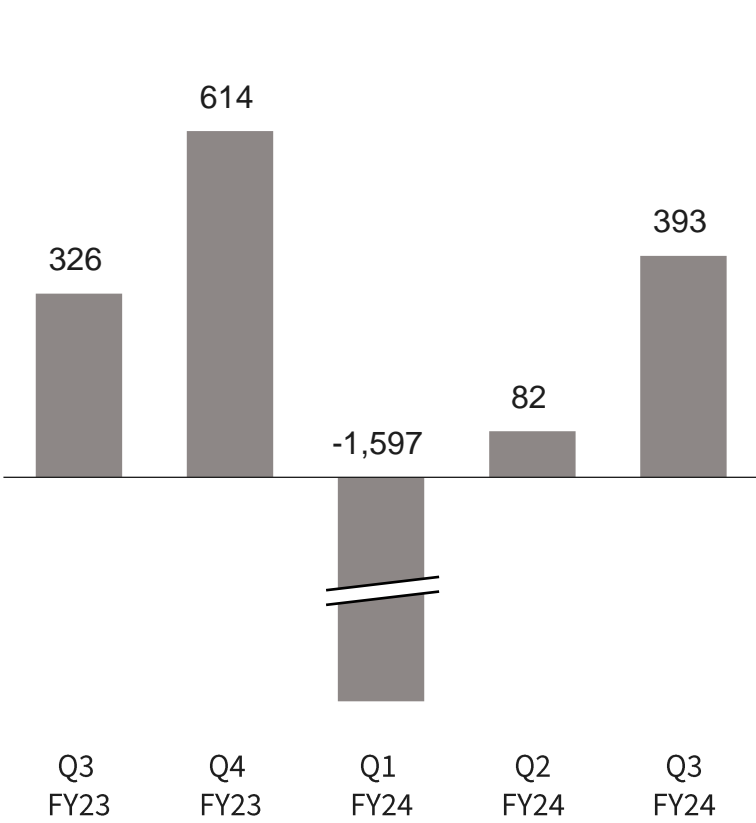
Depreciation & Amortization

[EUR m]



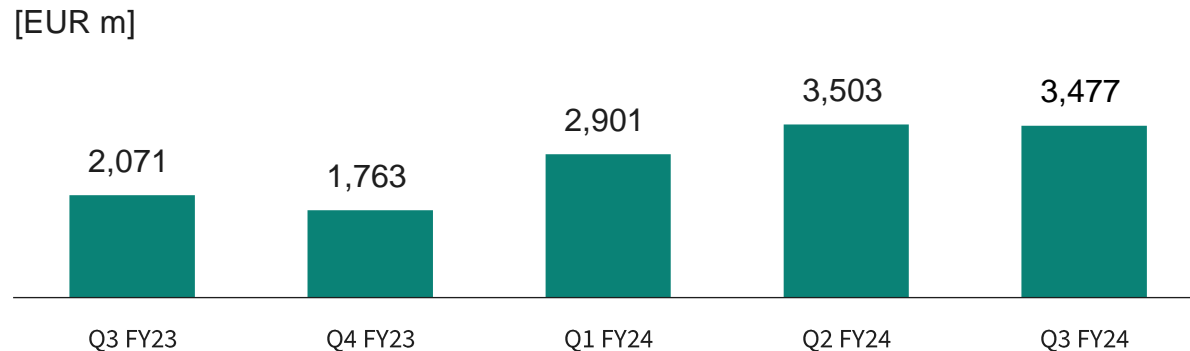
Free Cash Flow

[EUR m]

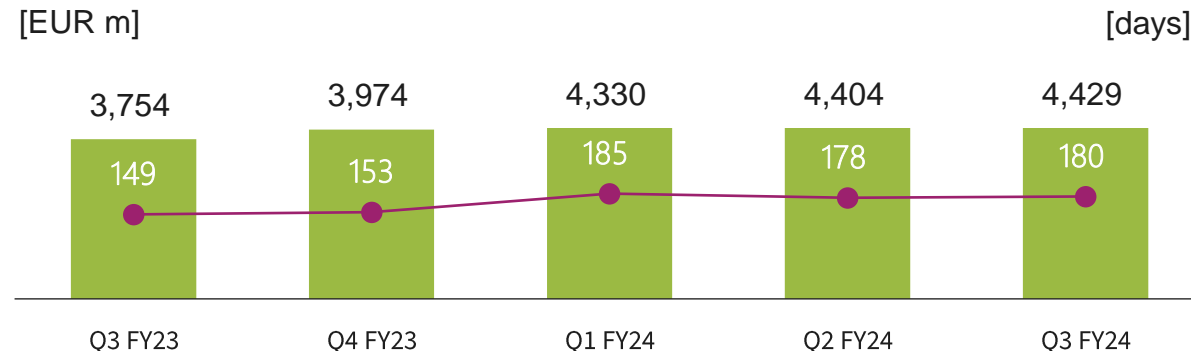


Working capital, in particular trade working capital components

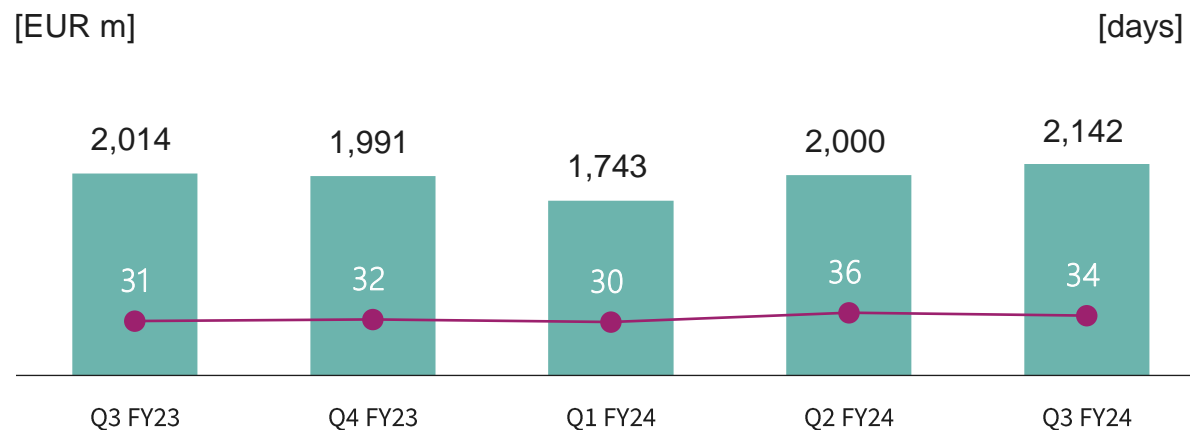
Working capital¹



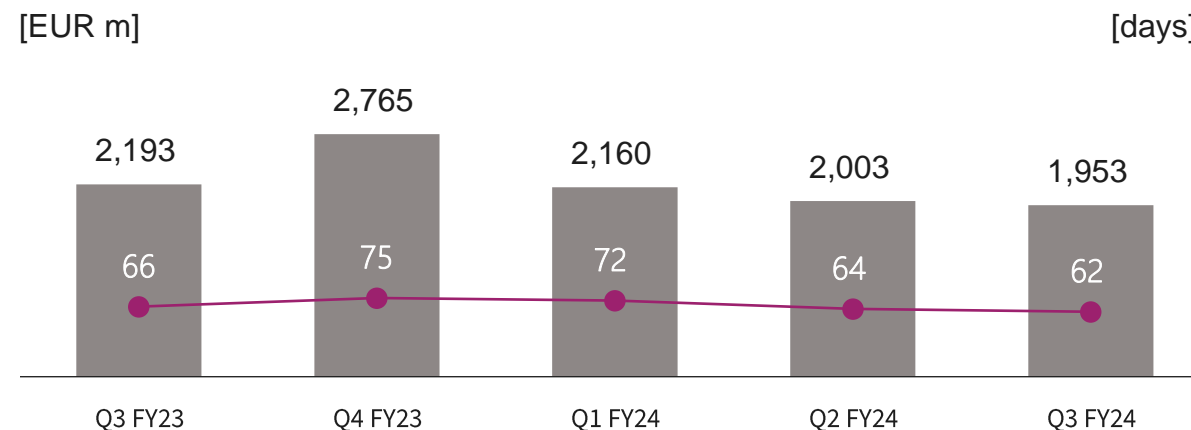
Inventories



Trade receivables



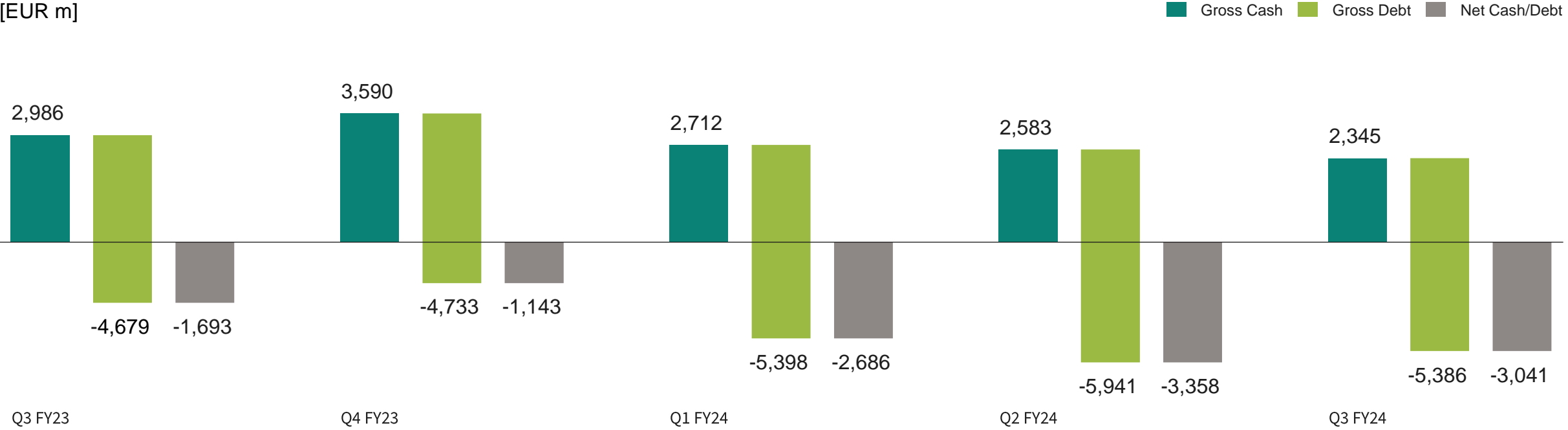
Trade payables



¹ See notes for definition

Development of liquidity and debt

Capital structure



Repayment of 350m USD debt at maturity

Outlook for Q4 FY24 and FY24

	Outlook Q4 FY24¹	Outlook FY24¹
Revenue	~€4.0bn	~€15.0bn
Adj. Gross Margin		low-forties
Segment Result Margin	~20%	~20%
FCF/adj. FCF		~€-200m/~€1.5bn
Investments		~€2.8bn
D&A		~€1.9bn ²

¹ Based on an assumed average exchange rate of \$1.10 for €1.00

² Including the amortization of around 400 million Euros from purchase price allocations

Key points

Sequential uptick in revenue and earnings

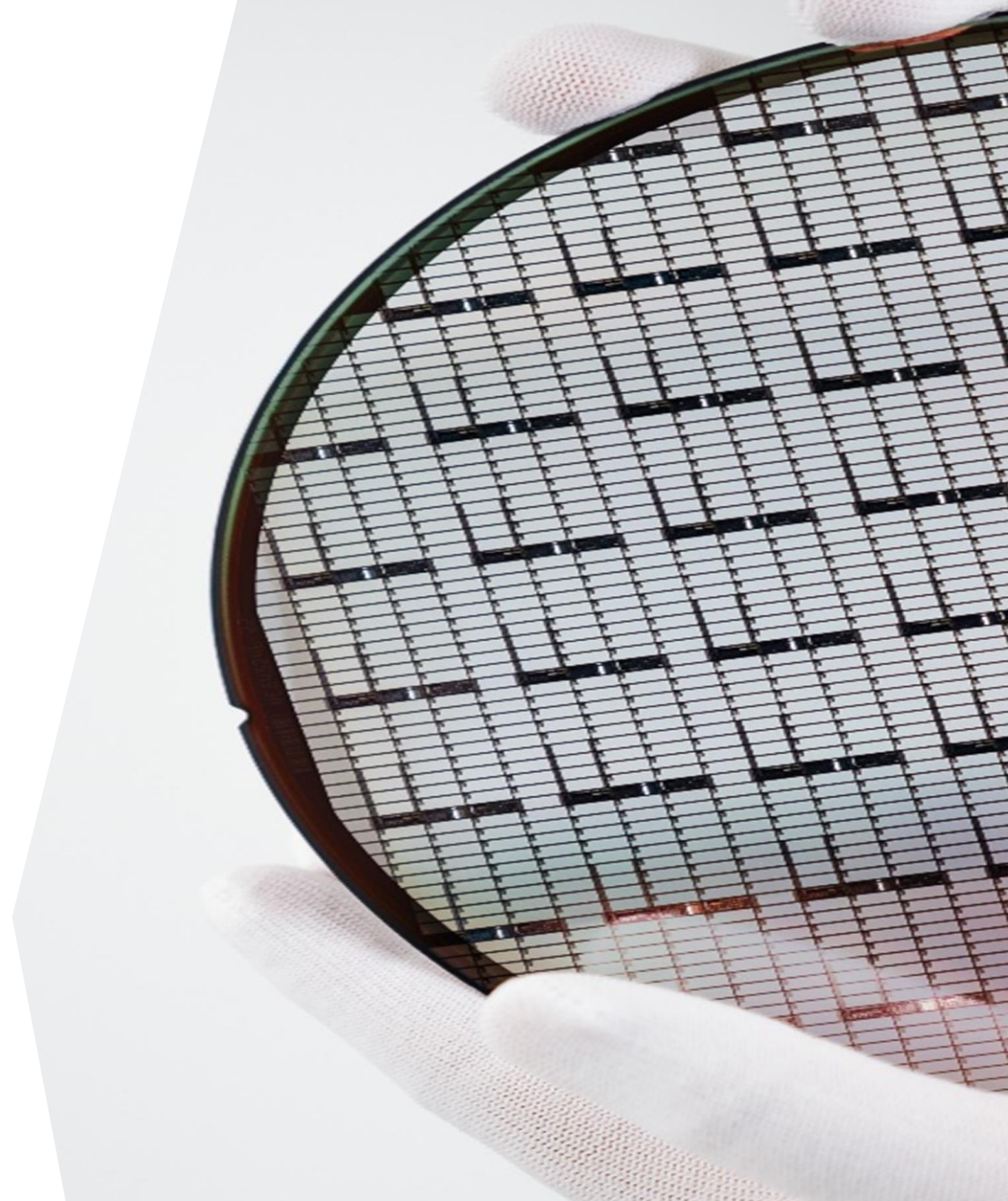
Q3 FY24 – €3.7bn revenue, 19.8% Segment Result Margin

Bottoming phase of the cycle

- Modest market recovery has started, albeit slow and uneven across end markets
- Kulim 3: on track to becoming most competitive SiC wafer fab
- AI business accelerating, driven by major customer ramps
- Step Up progressing well, strengthening long-term competitiveness and profitability

Outlook FY24

- Revenue ~€15bn
- Segment Result Margin ~20%
- Adj. Free Cash Flow ~ €1.5bn (~10% of revenue)



Questions & Answers





Disclaimer

Disclaimer

This presentation contains forward-looking statements and/or assessments about the business, financial condition performance and strategy of the Infineon Group. These statements and/or assessments are based on assumptions and management expectation resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks, many of which are partially or entirely beyond Infineon's control. Infineon's actual business development, financial condition, performance and strategy may therefore differ materially from what is discussed in this presentation. Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Notes

Order backlog = The total amount of orders received regardless of their current status

Working Capital = ('Total current assets' – 'Cash and cash equivalents' – 'Financial investment' – 'Assets classified as held for sale') – ('Total current liabilities' – 'Short term debt and current maturities of long-term debt' – 'Liabilities classified as held for sale')

DIO (days inventory outstanding; quarter-to-date) = ('Net Inventories' / 'Cost of goods sold') x 90

DPO (days payables outstanding; quarter-to-date) = ('Trade payables' / ['Cost of goods sold' + 'Purchase of property, plant and equipment']) x 90

DSO (days sales outstanding; quarter-to-date) = ('Trade receivables' / 'revenue')¹ x 90

¹ without debtors with credit balances