

Press release

Infineon Austria 2023 financial year: Decarbonization and digitalization drive growth

- Revenue increased by seven percent to 5.6 billion euros
- Earnings before taxes amounted to 835 million euros, an increase of 26 percent
- Investments of around EUR 628 million: majority for power electronics as a lever for decarbonization and digitalization
- Expansion of space for production & development of new semiconductor materials
- 672 million euros for research and development: 15 percent increase
- Strong growth in the workforce with 425 employees; over 1,000 employees have been hired in the last two financial years
- Jörg Eisenschmied has been the new CFO since November 1, 2023
- Opening of a new location in Innsbruck

Villach, December 05, 2023 - The Infineon Technologies Austria Group (Infineon Austria) achieved very good results in the past 2023 financial year (closing date: 30 September 2023). The Austrian subsidiary of the German semiconductor group generated **revenues of 5.604 billion euros**. The previous year's figure (turnover 2022: 5.240 billion euros) was therefore exceeded by seven percent. **Earnings before taxes amounted to around 835 million euros**, an increase of around 172 million euros or 26 percent compared to the previous year (earnings before taxes 2022: 663 million euros).

Solutions for decarbonization and digitalization have brought Infineon Austria an extremely positive financial year with an increase in revenue and earnings, even though the challenging economic conditions were already noticeable in the final months of the fiscal year. The picture in the global target markets is twofold: Structural semiconductor growth in areas such as renewable energies and electromobility ensured consistently high demand. However, consumer, communications, computing and IoT applications experienced a period of low demand. Infineon is very well positioned in Austria with its comprehensive focus on power electronics in growth areas that are driving the green and digital transformation. However, the difficult geopolitical and macroeconomic environment means that the market is expected to remain volatile for the

foreseeable future.

Sabine Herlitschka, CEO of Infineon Technologies Austria AG: "We are pleased about a very successful financial year, despite a significantly more difficult economic and geopolitical situation. One thing has become clear: Intelligent and sustainable technologies are essential building blocks for the green and digital transformation. With the "energy-saving chips" developed and manufactured at Infineon in Austria, we are helping to achieve the climate targets. Power electronics in particular is an important lever for the success of the Green Deal, which must also be designed in such a way that it strengthens the competitiveness of European companies."

Investments go primarily into decarbonization and digitalization

In the 2023 financial year, investments were increased by ten percent and amounted to **628 million euros** (previous year: 569 million euros). The majority was invested in the development and production of technologies that make applications increasingly energy-efficient and therefore more environmentally friendly. Investments were made in property, plant and equipment for the production of 300-millimeter power semiconductors based on silicon as well as in production capacities for the new semiconductor materials silicon carbide (SiC) and gallium nitride (GaN).

Research and production go hand in hand

As a global competence center for new semiconductor materials, so-called composite materials, Infineon Austria focuses on the development and production of chips based on SiC and GaN. They are pioneering materials for even more efficient power semiconductors of the future. With investments of around **250 million euros, almost 40 percent of total investments**, in new production capacities for volume production and technology development, the market relevance in this area is underlined.

Expansion for new semiconductor materials at the Villach site

In the 2023 fiscal year, a new production building with a gross floor area of around 6,000m² was commissioned for additional production and development of SiC and GaN products. This complements existing production areas for products based on these new semiconductor materials. Particularly noteworthy in this new building, in addition to the volume production, is the unique implementation of a development area directly in the production environment: on a gross floor area of around 1,000 m² there is now a competence center that focuses on a central production step in the manufacture of SiC and GaN chips, the so-called epitaxy. Research is now being conducted here on system evaluations and the transfer to the largest possible wafer diameters. This close integration of research and production enables Infineon to accelerate innovations in this area, test new

system concepts at an early stage and thus work even more effectively on new solutions for tomorrow. The semiconductor materials SiC and GaN are increasingly used in energy-efficient applications such as solar systems, electric cars, charging stations, data centers and energy storage systems. They switch electricity even more efficiently and enable even smaller designs.

Thomas Reisinger, Chief Operating Officer of Infineon Technologies Austria

AG: "Our aim is to be the technological leader across the entire spectrum of power semiconductors - both in silicon chips and in technologies based on silicon carbide and gallium nitride. In addition to the expansion of development and production in Villach, we are using our expertise to support the expansion of production capacities in Kulim, Malaysia, in the area of new semiconductor materials. Driven by decarbonization, these materials are becoming increasingly relevant. Austria is playing a pioneering role in the Group here."

A total of **9.2 billion chips** were produced in Villach in the 2023 fiscal year. This annual production from Villach will save **around ten million tons of CO₂** over its useful life. This corresponds to almost half of Austria's car emissions or around 13% of Austria's CO₂ emissions in 2022. The new, fully automated chip factory for production on 300-millimetre thin wafers in Villach has been successively ramped up since the start of production in August 2021. Full expansion is planned for 2025.

Purchasing volume further expanded

Infineon Austria's purchasing volume amounted to **EUR 1,369 million** in the past financial year (previous year: EUR 1,171 million). Purchases in Austria accounted for around 30 percent or 409 million euros (previous year: 324 million euros). The share of Carinthian business partners increased again to 257 million euros (previous year: 207 million euros).

A study by the Institute of Industrial Science from 2023 shows Infineon's influence on the region. "Infineon Austria developed very successfully in the last fiscal year despite challenging conditions. This is shown by all relevant key figures as well as the impact on regional value creation. One job at Infineon creates almost three jobs in the region and generates 2.24 billion euros in added value in Austria. For years, Infineon has been focusing on the long-term structural opportunities of decarbonization and digitalization in order to grow profitably. These are intact, even if the market situation and the geopolitical environment remain difficult in the coming months," says **Oliver Heinrich, CFO of Infineon Technologies Austria AG until 31 October 31 2023**, outlining the fiscal year and at the same time bidding farewell. "I look forward to my new tasks within the Group and wish my successor every success in his new role!"

Jörg Eisenschmied took over from Oliver Heinrich on 1 November 2023 and is the **new Chief Financial Officer of Infineon Austria**. Born in Styria, he can look back on a long career at Infineon and will be responsible for finance, purchasing, IT and sustainability.

Highly attractive jobs: 425 new employees

As of the balance sheet date, Infineon Austria employed a total of **5,886 people** (previous year: 5,461 people). "With 425 new employees and thus an increase of around eight percent, the workforce has been expanded again - over 1,000 new employees have been brought on board in the last two fiscal years," says Jörg Eisenschmied. This shows that Infineon is a very attractive employer in times of a shortage of skilled workers."

Around 58 percent of all employees have an academic education. Infineon Austria's employees currently come from 79 nations, with international employees now accounting for almost a third of the workforce. In September 2023, the **groundbreaking ceremony was held for a new training and further education center** in the Villach Technology Park, which is being built by GPS Personalservice Kärnten GmbH. Infineon will be the main tenant here with a **new, state-of-the-art apprentice campus**. With the start of the apprenticeship year in September 2024, Infineon will also double the annual number of apprentices in Villach. Over the next ten years, around 350 new employees are to be trained for production at Infineon.

One of the strongest research companies in Austria

Infineon Austria significantly increased its expenditure on **research, development and innovation in the 2023 fiscal year to 672 million euros** compared to the previous year (585 million euros). This is an increase of 87 million euros or 15 percent and corresponds to a research ratio of 12 percent of total revenue (previous year: 11 percent). With a total of around 2,500 **employees in research and development**, the previous year's figure (2,390 people) was further increased. Infineon Austria thus employs around one fifth of the entire Group's R&D workforce.

In the past fiscal year, **Infineon's sixth location in Austria was opened in Innsbruck with a system competence center**. Around ten employees are developing initial reference systems for areas such as electromobility, life sciences, renewable energies and robotics in order to bring innovative applications to market even faster and thus to end customers. The premises also serve as a networking platform with educational partners and students in Tyrol.

Strengthening Europe's areas of strength from Austria

As part of the EU funding program "Important Project of Common European Interest on Microelectronics" (IPCEI), Infineon Austria develops "First of a Kind"

technologies and invests in high-tech production. Infineon Austria is implementing activities in the EU13 countries as part of IPCEI. Cooperation agreements have been signed with the universities of Zagreb (Croatia), Sofia (Bulgaria) and Ljubljana (Slovenia). These strengthen the research field of power electronics and the development of STEM specialists in Europe. The IPCEI successor program will start in April 2024 with a focus on the entire microelectronics ecosystem. Infineon Austria also took over the management of two major European research projects in the past fiscal year. One, "Listen2Future", focuses on acoustic sensor technology for industry and medicine. The second research project, "All2Gan", is working on easily integrated energy-saving chips made of gallium nitride. They have the potential to improve energy efficiency in applications by 30 percent and thus save an estimated 218 million tons of CO₂ worldwide.

Sustainability and social commitment

Infineon Austria has been driving forward measures for years, not only with its products but also within the company, to become ever more energy-efficient itself. In future, Infineon Austria will produce **green hydrogen on site**, which will be used in production. The plant has been installed and test operation will start shortly. Projects to recycle the green hydrogen after it has been used in production are currently being examined. Infineon Austria has been using **electricity from renewable energy sources** for ten years. Around 78 percent of the heating requirements of the office and laboratory space at the Villach site are covered by the intelligent **recycling of waste heat from production**.

Assuming social responsibility is a matter of course for Infineon as a leading Austrian company: the **Infineon Education Fund** is now endowed with **105,000 euros**. This amount is currently being used to support four Caritas learning cafés in Villach, Spittal an der Drau, Graz-Lend and Mürzzuschlag. This gives 120 children and young people the opportunity to receive free learning support. In November 2022, a voluntary reforestation initiative was launched with Arge NATURSCHUTZ and the Villach forestry inspectorate with a focus on biodiversity, which was continued this year. Over the past two years, **a total of 3,625 trees** have been planted **on 2.6 hectares as climate, visual and noise protection**. Infineon is particularly proud of the voluntary commitment of its employees: For example, they take part in nature conservation campaigns and work as Caritas learning assistants. Infineon provides its employees with the climate ticket Bundesland free of charge for their environmentally friendly commute to work. Around 1,100 employees are already using the climate ticket.

Key economic data for financial year 2023 (balance sheet date: 30.09.2023)

Infineon Technologies Austria Group incl. Austrian shareholdings	FY 2022	FY 2023	Change
Revenue in € M	5,240	5,604	+ 7 %
Earnings before tax in € M	663	835	+ 26 %
Employees	5,461	5,886	+ 8 %
Total investments¹ in € M	569	628	+ 10 %
R&D expenditure in € M (in % of revenue)	585 (11 %)	672 (12 %)	+ 15 %
Overall purchasing volume in € M thereof in Austria and thereof in Carinthia	1,171 324 207	1,369 409 257	+ 17 % + 26 % + 24 %

¹Investments excluding financial assets

About Infineon Austria

Infineon Technologies Austria AG is a subsidiary of Infineon Technologies AG, a global semiconductor leader in power systems and IoT. Semiconductors are essential for mastering the energy-related challenges of our time and helping to shape the digital transformation. Infineon's microelectronics drive decarbonization and digitalization and enable groundbreaking solutions for green and efficient energy, clean and safe mobility as well as a smart and secure IoT.

Infineon Austria 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, Innsbruck and Vienna. With 5,886 employees (including around 2,500 in research and development) from 79 nations, the company generated revenue of EUR 5.6 billion in the 2023 fiscal year (ending 30 September). With research expenditure of 672 million euros, Infineon Austria is one of the strongest research companies in Austria.

Further information at www.infineon.com/austria