

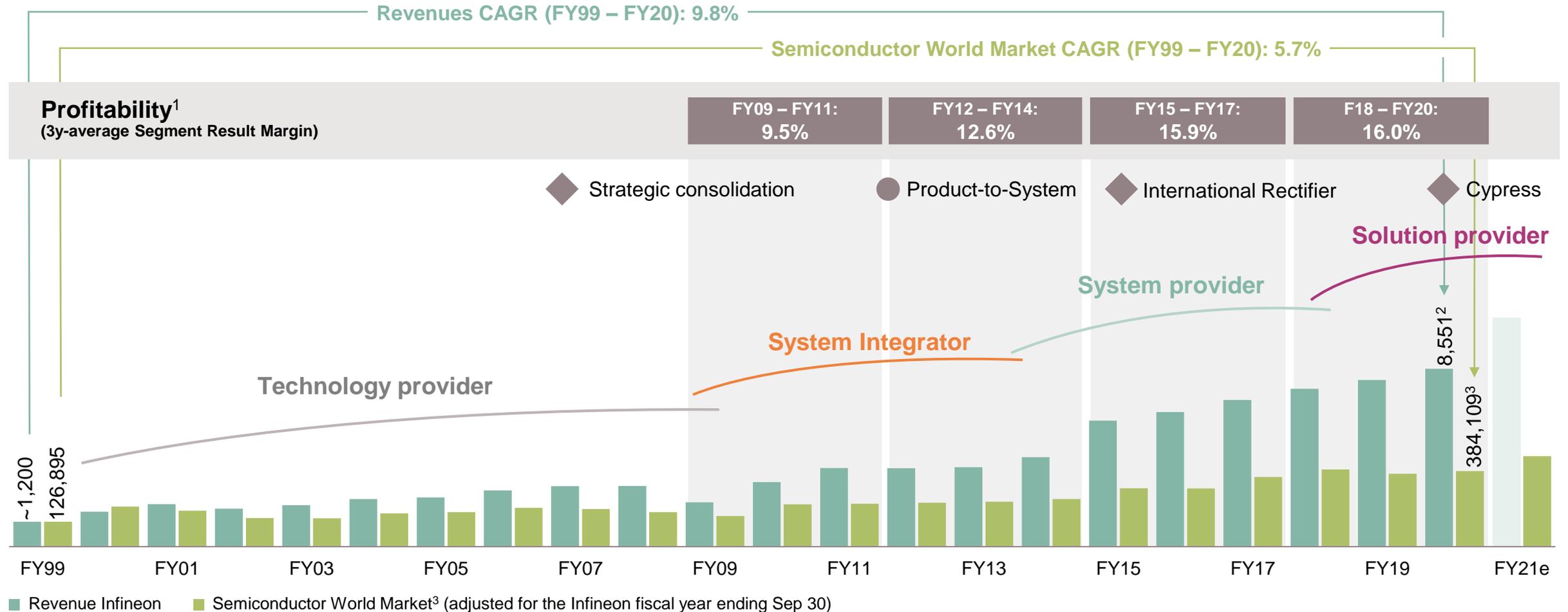


The Big Picture

IFX Day 2021
virtual format, 5 October 2021



Since 1999, Infineon has grown by ~10% p.a.,
thereby consistently outperforming the semiconductor market



1 In FY09 Infineon's management changed the measure it uses to assess the operating performance of its operating segments to "Segment Result" | 2 Based on Infineon's portfolio (excl. Other Operating Segments and Corporate & Eliminations) per end of FY20 | 3 Source: WSTS (World Semiconductor Trade Statistics) in EUR adjusted for fiscal year, September 2020

Sustained market leadership based on key success factors – building the foundation of our future success

System understanding & solution expertise

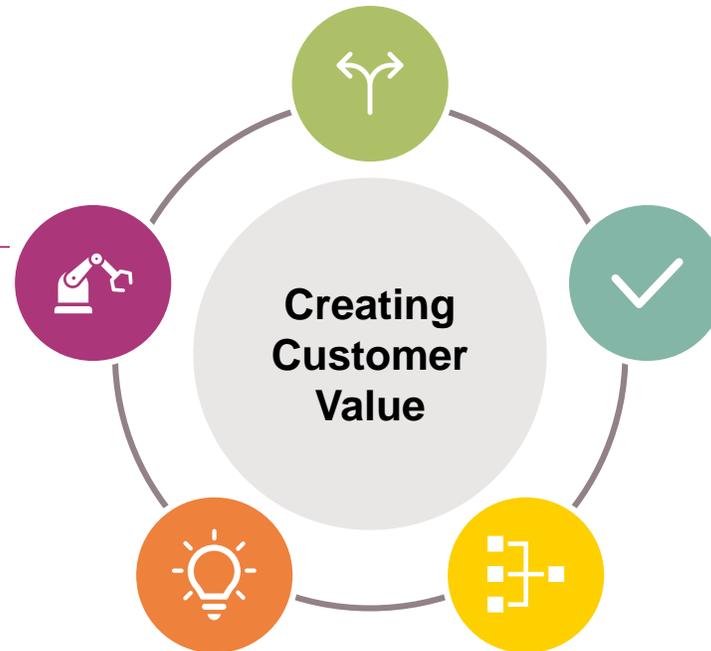
- › Early understanding of changing market demands
- › Translating what is technologically possible into marketable products according to customer needs

Differentiating inhouse manufacturing

- › Global 300 mm thin-wafer leader
- › Outstanding manufacturing expertise

Innovation drives differentiation

- › Outstanding history of turning inventions into business success
- › Market-leading scale, broad and diversified R&D roadmap



Outstanding customer relationships

- › Customer embeddedness – reach deep customer understanding
- › Stickiness of customer relationships

Quality and technology leadership

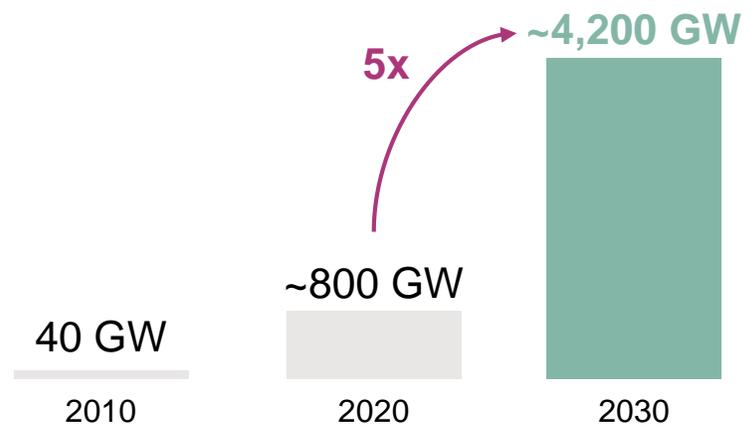
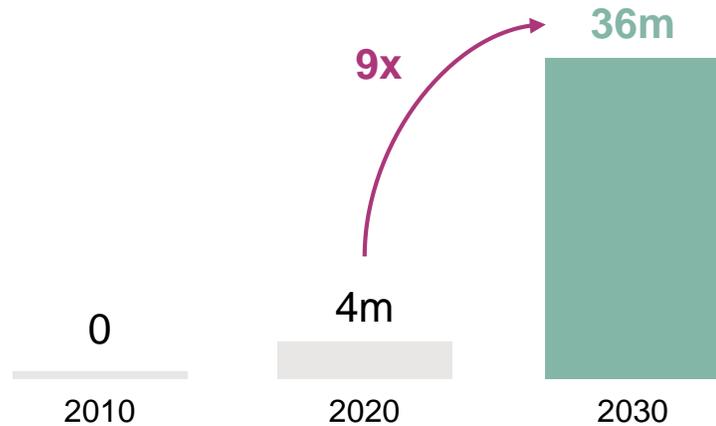
- › Track record of a diligent development process with strict quality control
- › Product portfolio with outstanding breadth and depth

Global megatrends lead to tectonic technology shifts; examples: xEV and renewable energies



Number of BEV + PHEV sales¹

Installed PV power²



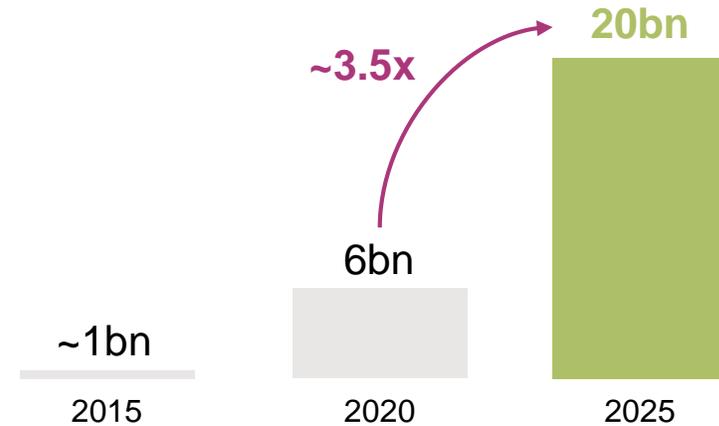
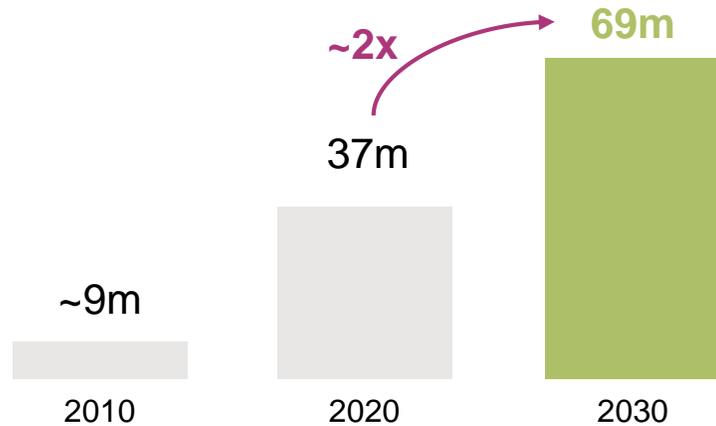
¹ Based on or includes content supplied by IHS Markit Automotive: *Light Vehicle Alternative Propulsion Forecast*. August 2021 | ² IEA: *Net Zero by 2050 - A Roadmap for the Global Energy Sector*. May 2021

Global megatrends lead to tectonic technology shifts; examples: assisted driving and IoT



Sales of cars equipped with ADAS (L1 or higher)¹

Number of new IoT connections p.a.²



¹ Based on or includes content supplied by IHS Markit Automotive: *CFA Model – Autonomy – Production*. September 2021; Infineon

² ABI Research: *IoT Market Tracker Worldwide Q3 2021 Update*. September 2021; Infineon

Two secular themes: Electrification and Digitalization

Electrification

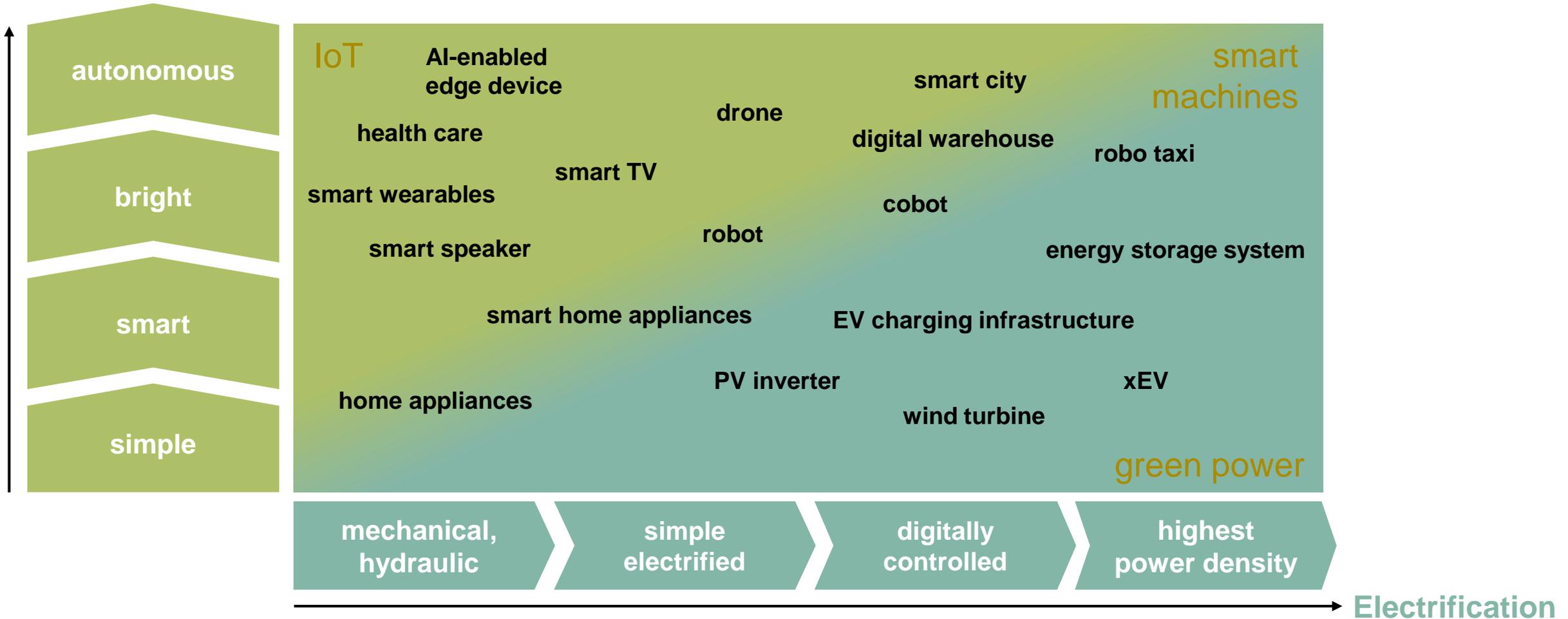
- › CO₂ saving
- › Energy efficiency
- › Cost saving

Digitalization

- › Productivity
- › Comfort
- › New use cases

Numerous applications are getting electrified and/or digitalized – creating a much bigger playing field for Infineon

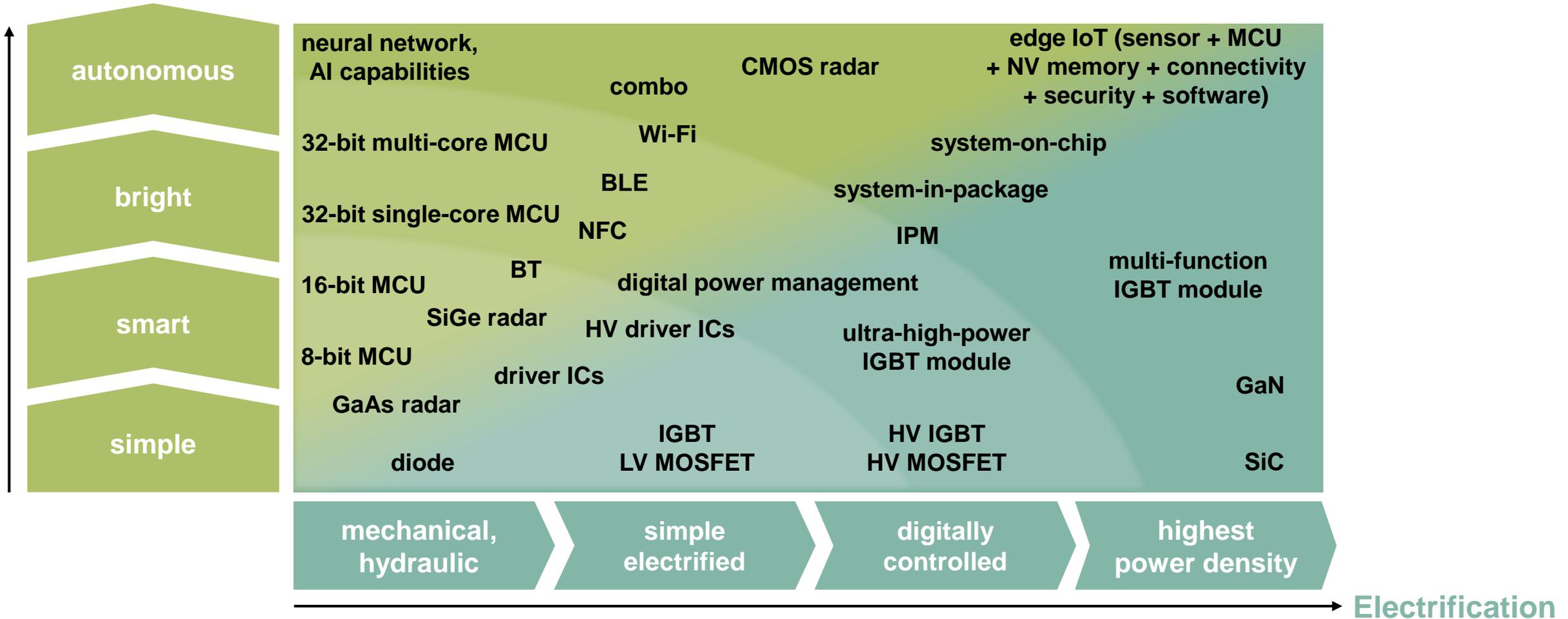
Digitalization



Infineon is shaping Electrification and Digitalization by innovative technologies enabling advanced solutions



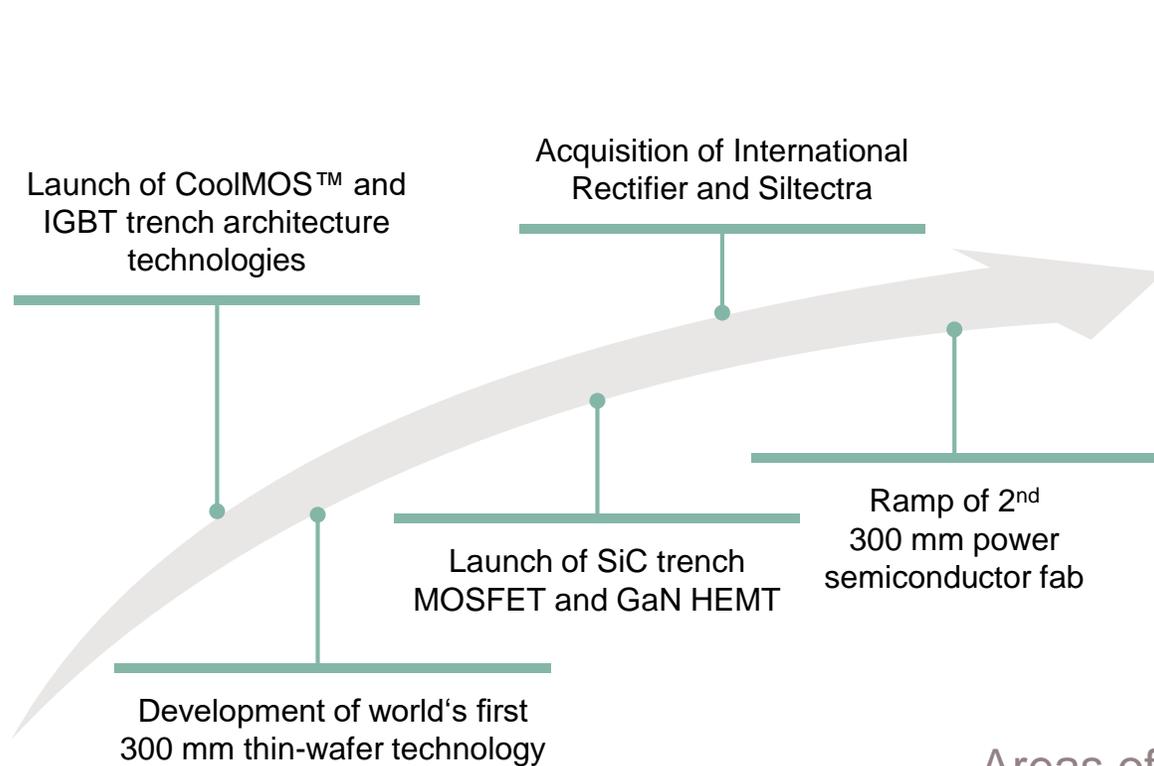
Digitalization



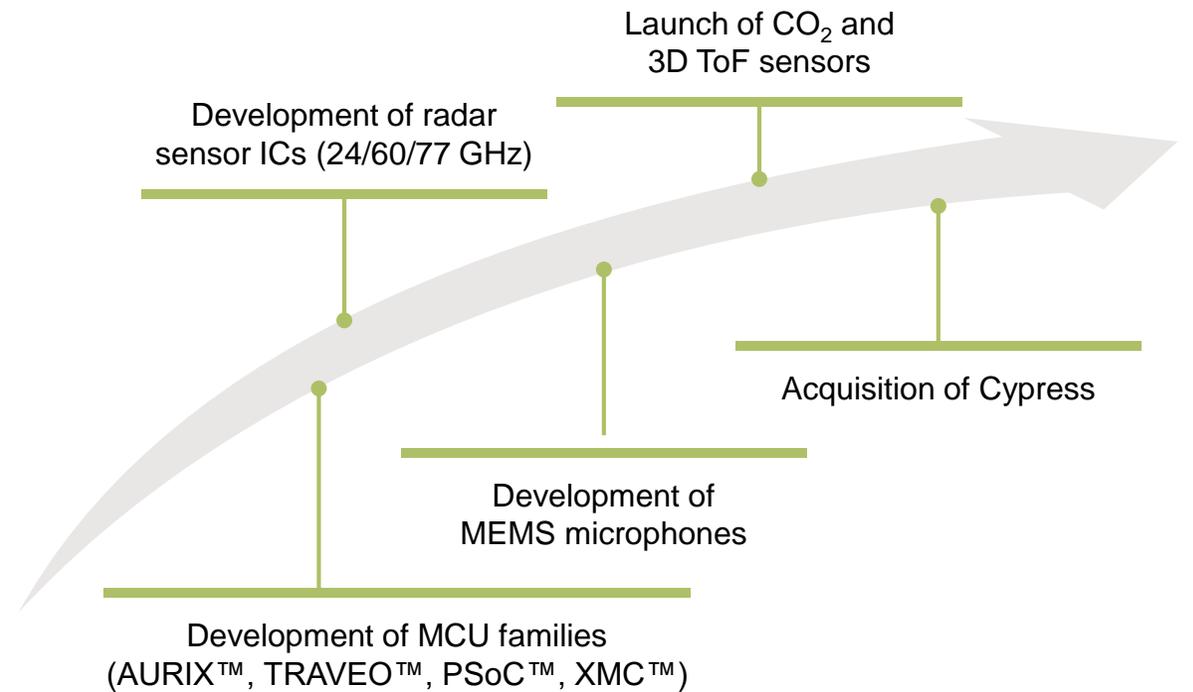
By continuously pushing technology limits, Infineon is uniquely positioned to shape Electrification and Digitalization



Major milestones in Electrification



Major milestones in Digitalization



Areas of differentiation

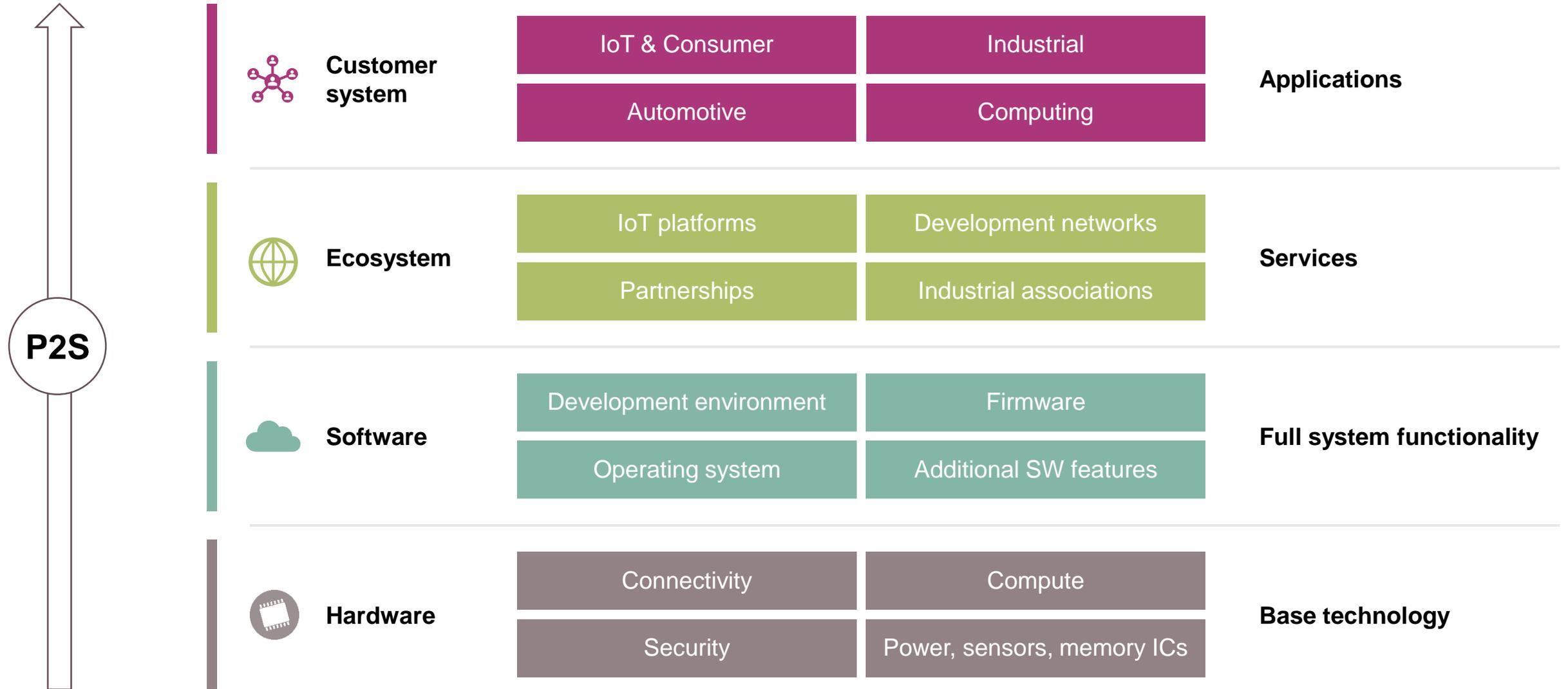


What we achieved in the past two decades in the field of power semiconductors



- › Global leader in power systems
- › 2x as big as number two in the total power semiconductor market
- › Unmatched portfolio of modules and packaging technologies
- › Quality leadership
- › Broad portfolio in innovative wide-bandgap materials

Product-to-System (P2S): our overarching strategic approach for profitable growth and for making our customers more successful

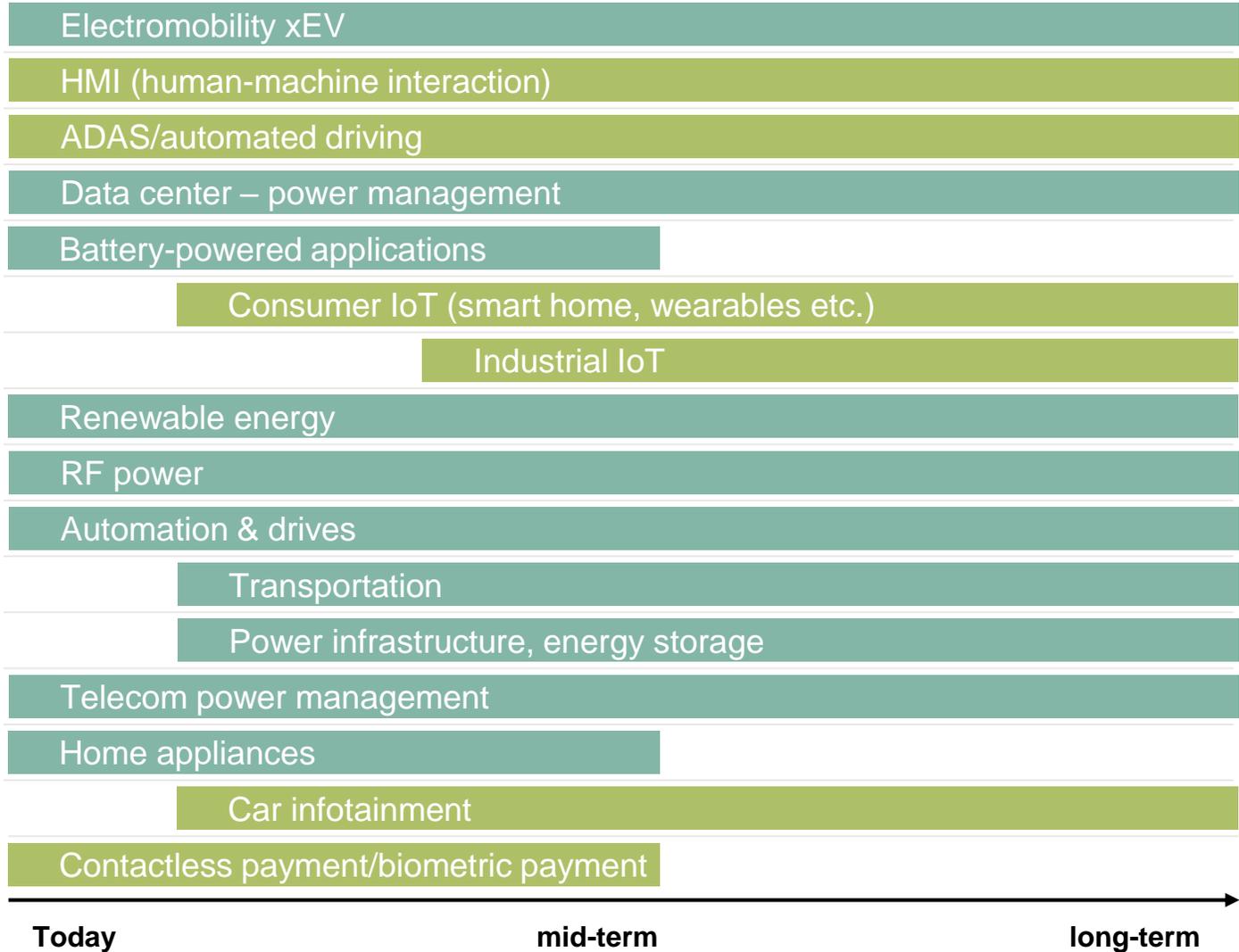


Infineon is exposed to an increasing number of structural, long-duration growth drivers for the coming decade

From IFX Day 2018

		Duration		
Relevance		short	medium	long
high	high Infineon	electro-mobility		
	high Division	automated driving		
medium	medium Infineon	battery-powered applications		
		data center – power supply / power management		
	high Division	renewable energy, energy storage, distribution		
		home appliances		
low	medium Division	collaborative robots		
		embedded security		
		powering 5G		
		contactless payment		
		government ID		

Other applications in our target markets are expected to show standard growth patterns.



- Growth derived mainly from Electrification
- Growth derived mainly from Digitalization

The intelligent world is arriving – the fusion of present, new and emerging technologies promises new possibilities and opportunities

Urban Mobility



Smart and autonomous systems incl. AI



Data Security



Network of green energies



Human Machine Interaction



Smart Health



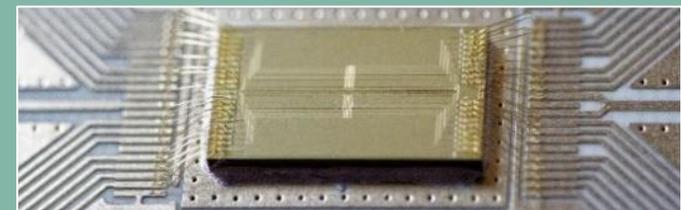
Blockchain



Ubiquitous IoT



Quantum Computing





Profitable growth journey since 1999
– from technology to solution provider



Unique position to shape
Electrification and Digitalization

- › Global leader in power systems
- › Transformational Cypress acquisition to drive IoT



Product-to-System (P2S) is the foundation of
our future success



Multitude of long-duration structural growth
drivers for the coming decade+

Infineon's value creation is crystallized in a resilient through-cycle Target Operating Model



Revenue growth



Segment Result Margin



Investment-to-sales



Target Operating Model¹

9%+

19%

13%

¹ Infineon financial performance to approach targets as Cypress integration progresses

Preliminary figures for FY21¹ and indicative outlook for FY22¹

	Preliminary FY21 ¹	Indicative outlook FY22 ²
Revenue	~ €11.0bn	mid-teens % increase
Segment Result Margin	> 18%	~ 20%
Investments	~ €1.6bn	~ €2.4bn
D&A ³	€1.5bn - €1.6bn	~ €1.7bn
Free cash flow	~ €1.5bn	~ €1.0bn

¹ Preliminary unaudited figures

² Based on an assumed average exchange rate of \$1.20 for €1.00; for FY22 based on expected supply capacity

³ Including the effects of the purchase price allocation for Cypress and, to a lesser extent, International Rectifier



Part of your life. Part of tomorrow.