

# Third Quarter FY 2013

## Quarterly Update

Infineon Technologies AG  
Investor Relations



# Table of Contents

■ Infineon at a Glance

■ Market Update

■ Results and Outlook

## **Disclaimer:**

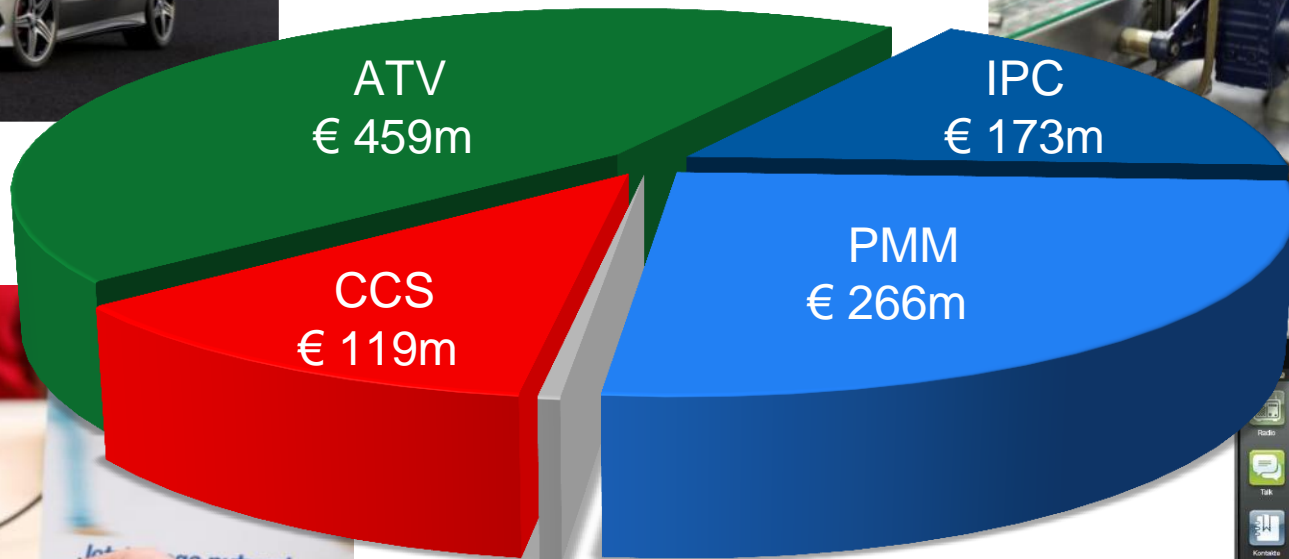
This presentation contains forward-looking statements about the business, financial condition and earnings performance of the Infineon Group.

These statements are based on assumptions and projections resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected.

Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

# Revenue Split by Division

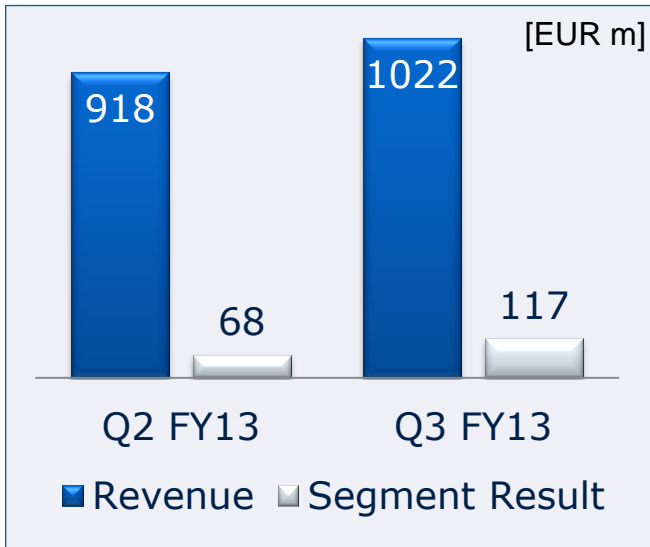
**Q3 FY 2013 revenue: EUR 1,022m**



OOS+C&E\*  
€ 5m

\* Other Operating Segments;  
Corporate and Eliminations.

# Revenue above EUR 1bn; Segment Result Margin Back above 10%



[EUR m]	Q3 FY12	Q2 FY13	Q3 FY13
Revenue	990	918	1,022
Segment Result	126	68	117
SR Margin	12.7%	7.4%	11.4%
Net Income*	82	33	77
Investment	158	65	71
FCF from cont. operations	-22	73	135
Gross Cash	2,150	2,016	2,137
Net Cash	1,907	1,705	1,832

\* Net Income includes „income/loss from discount. operations, net of income taxes“ in Q3 FY12 EUR -8m, in Q2 FY13 EUR -3m and in Q3 FY13 -5m.

# Tight Customer Relationships are Based on System Know-how and App Understanding



## ATV



## IPC



## PMM



## CCS



## Distributors

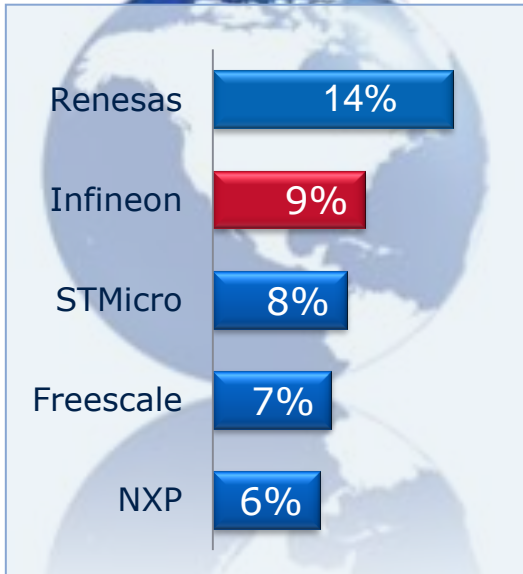


# Infineon Holds Top Positions in All Target Markets



## Automotive

#2

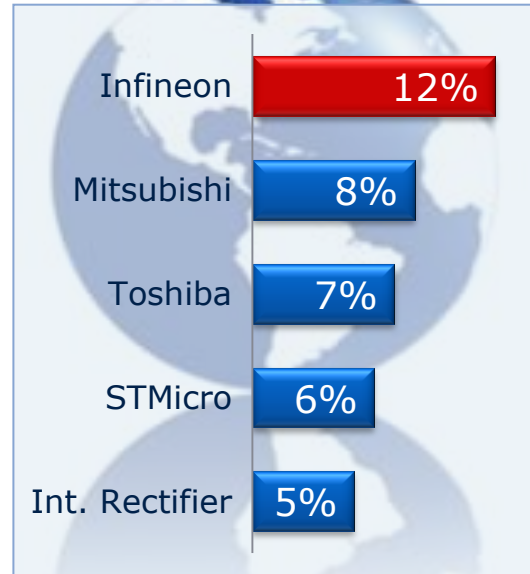


Calendar year 2012.

Source: Strategy Analytics, April 2013.

## Power

#1

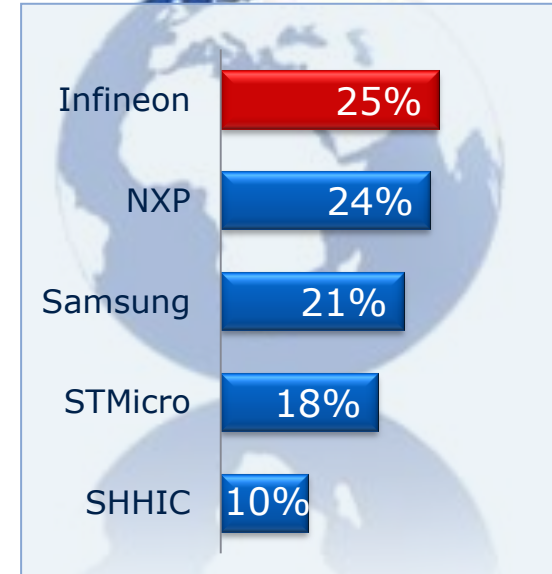


Calendar year 2011.

Source: IMS Research (an IHS company), July 2012.

## Chip Card

#1



Calendar year 2011.

Source: IMS Research (an IHS company), August 2012.

# Table of Contents

■ Infineon at a Glance

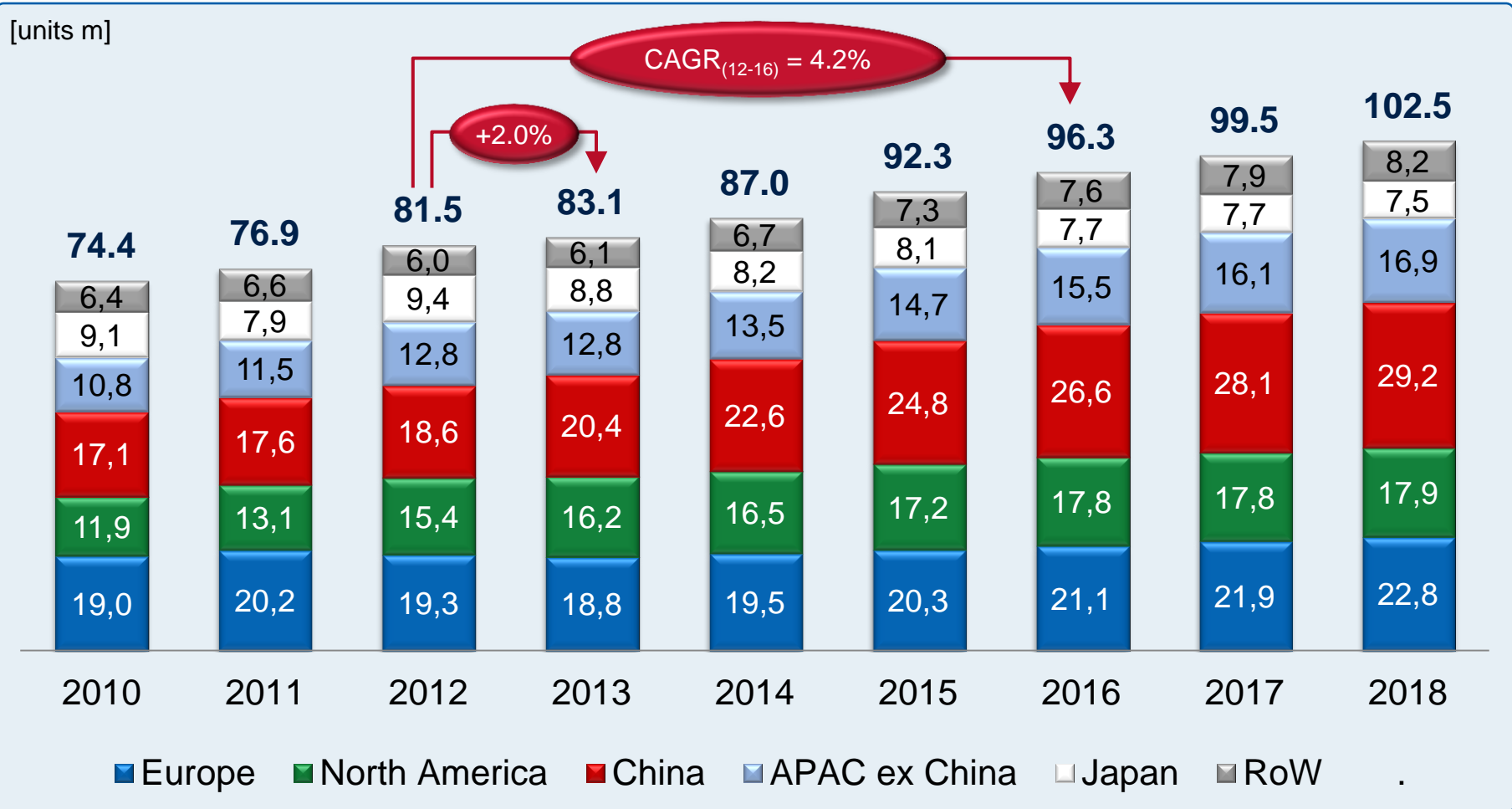
■ **Market Update**

■ Results and Outlook

# Despite Europe, Global Car Production Up in 2013; Long-Term Prospects Still Healthy

## Global car production (cars ≤ 6t)

[units m]

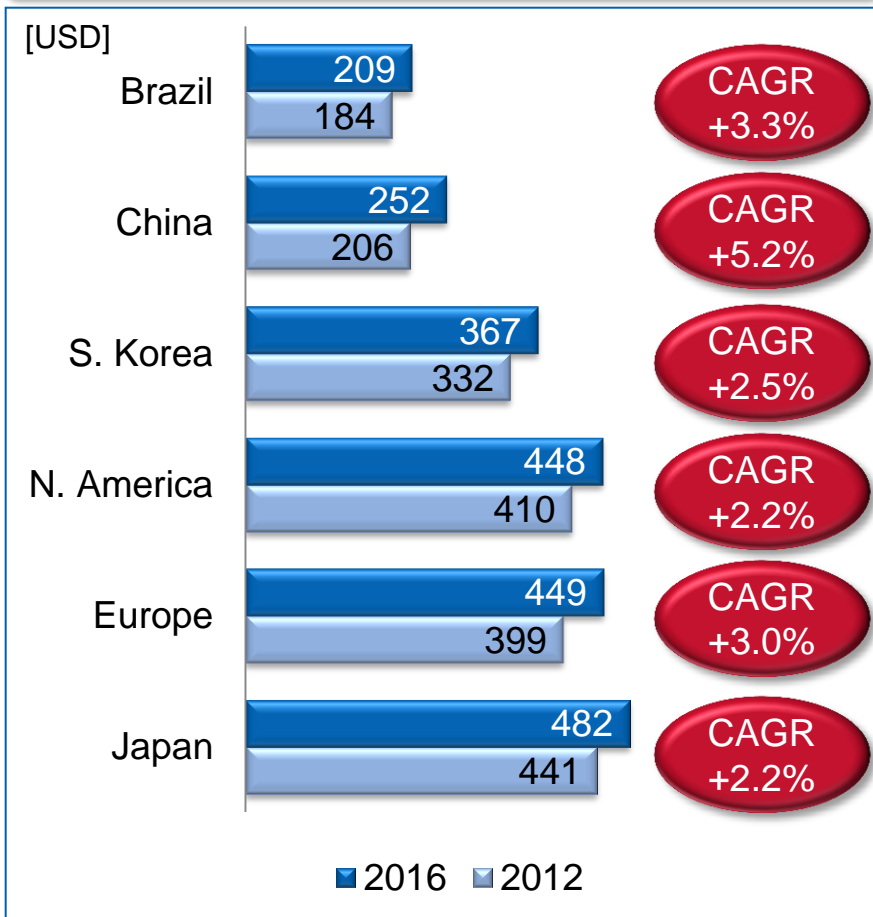


Source: IHS, July 2013. www.ihs.com.



# Semiconductor Value-Per-Car Continues to Increase

## Semiconductor value per car by region

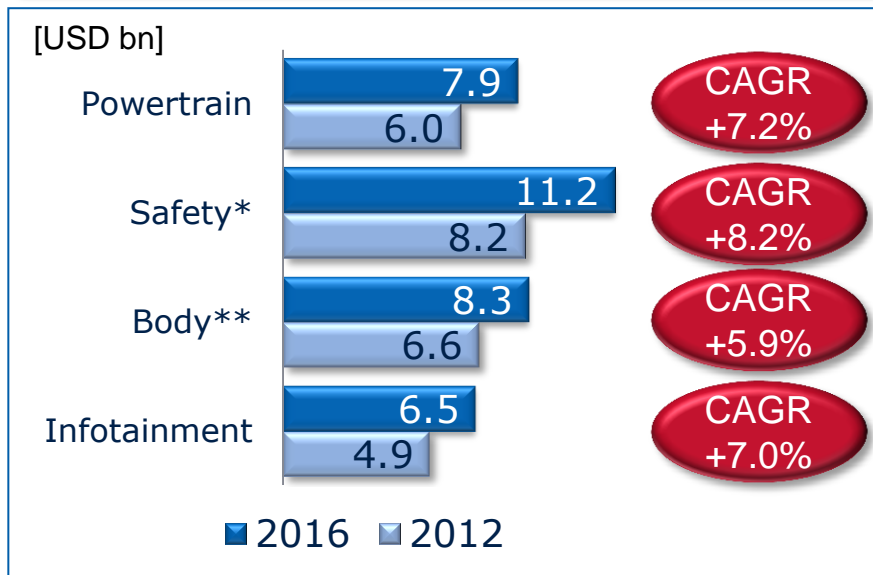


Source: Strategy Analytics (SA): "Automotive Semiconductor Demand Forecast 2011 – 2020", July 2013; including semiconductor sensors.

## Semiconductor value per car



## Semiconductor market by segment



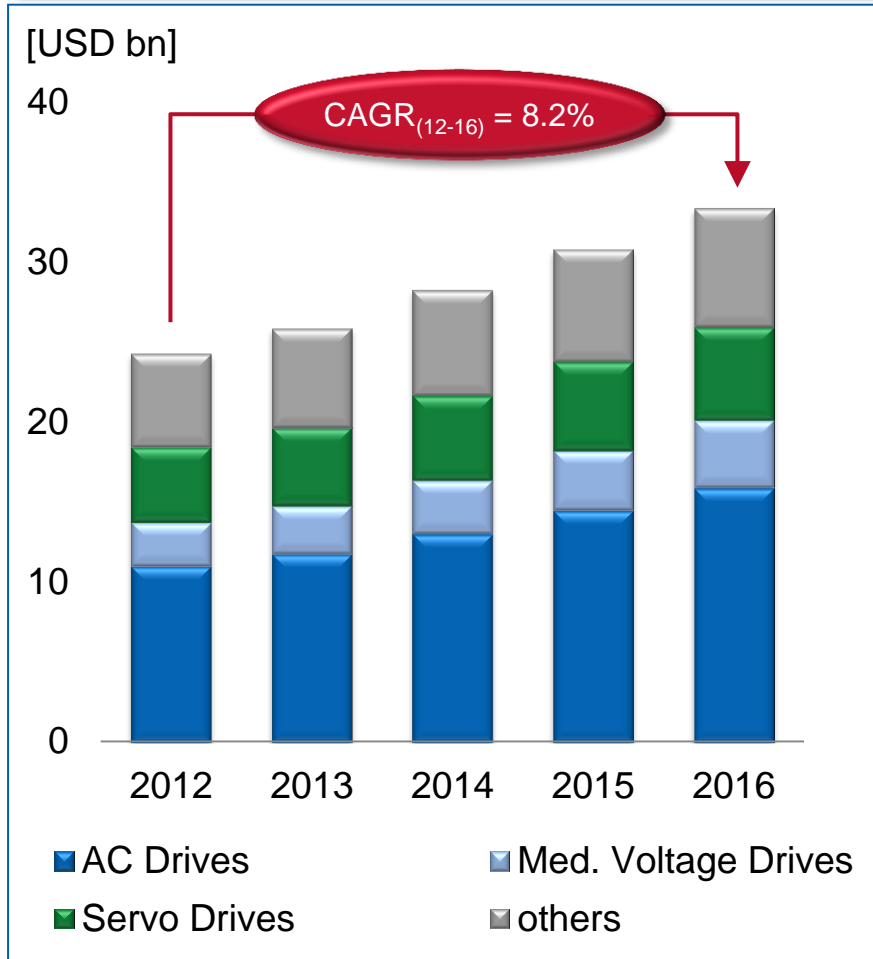
\* Safety = "Safety" + "Chassis" according to SA definition.

\*\* Body = "Body" + "Security" according to SA definition.

# Growth in Motor Controls Driven by Energy Saving, Government Initiatives and Legislation



## Industrial motor controls



## Market description

### Others

- Food & beverage, medical & scientific, semiconductor machinery, printing sector.
- Comparatively low IGBT content.

### Servo Drives

- High precision motors for general motion control and CNC products.
- 600/1200 V IGBT devices.

### Medium Voltage Drives

- Heavy industries (oil & gas, metals, power generation).
- High-power drives (up to 10 MW).
- 1.7/3.3/6.5 kV IGBT modules.

### AC Drives

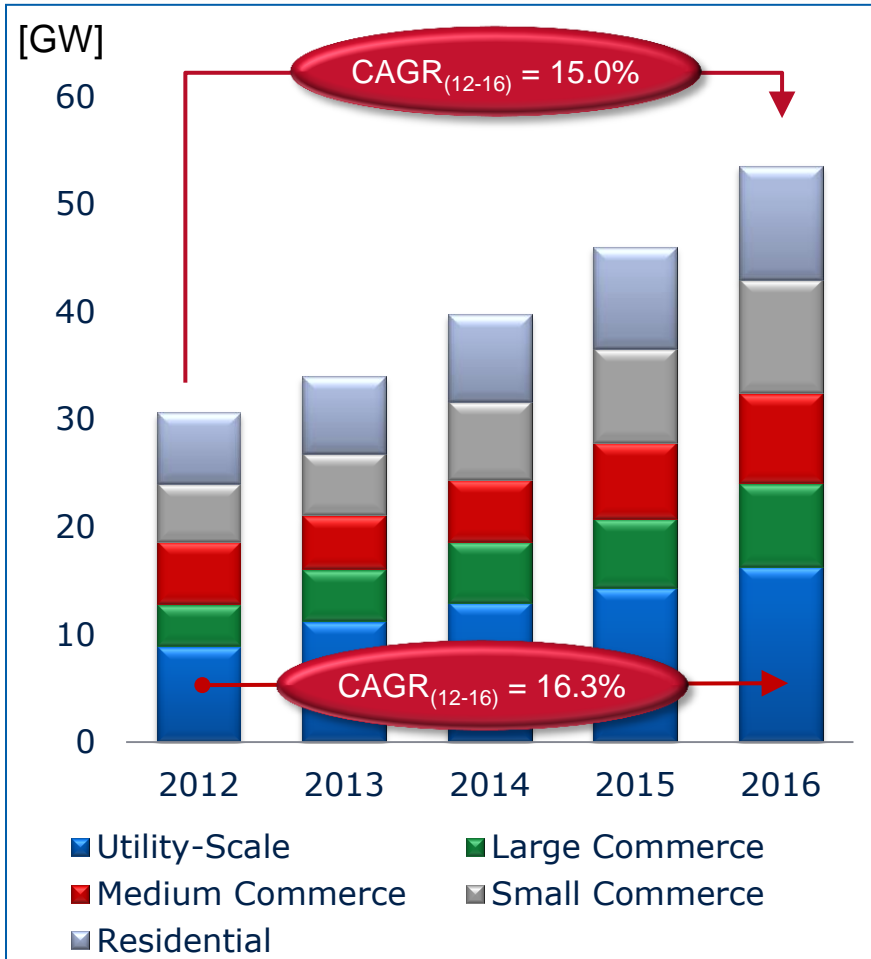
- Fans, pumps, material handling, packaging.
- Mainly 600/1200 V IGBT devices used.

Source: IHS (IMS Research): "The World Market for Industrial Automation Equipment – July 2013 Update", July 2013.

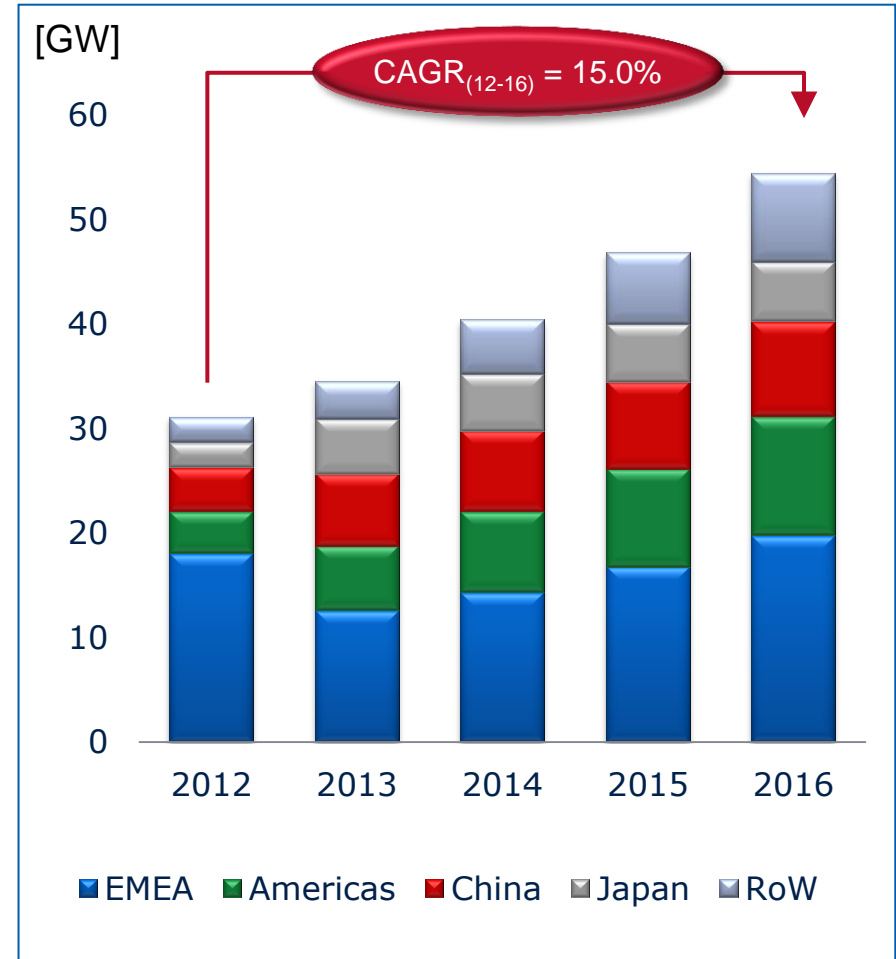
# Even With EMEA Shrinking in 2013 Worldwide Demand is Growing



## PV inverter installations by type



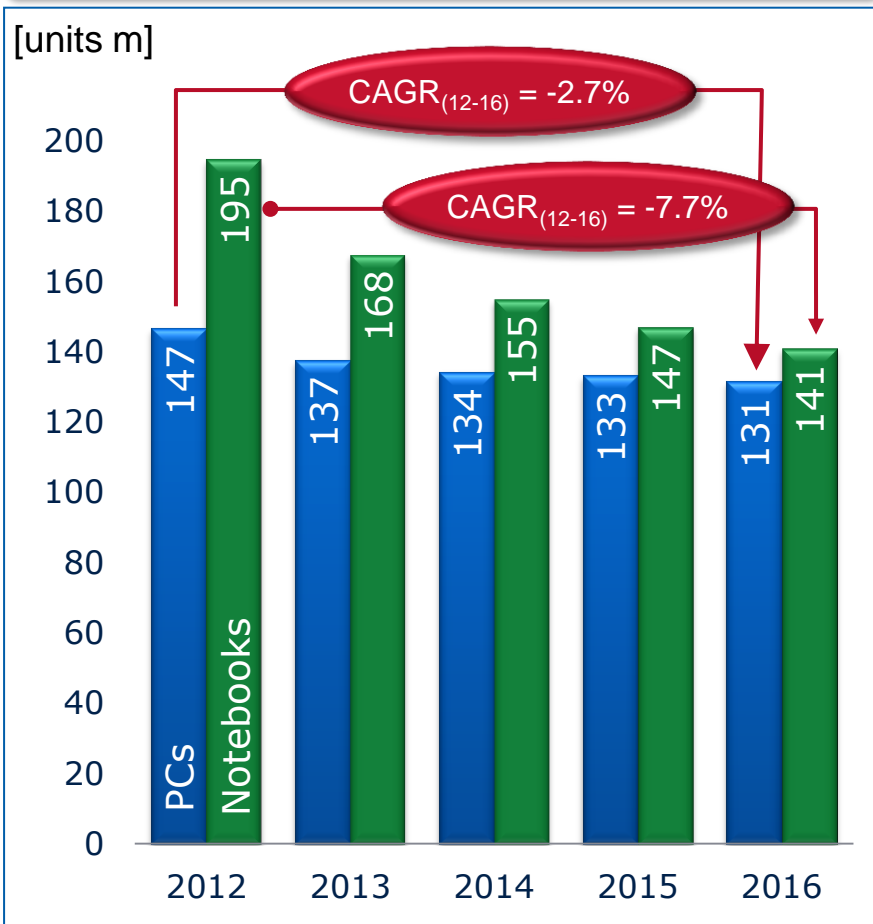
## PV inverter installations by region



Source: IHS (IMS Research): "PV Inverter – World Market Report – 2013 Report", July 2013.

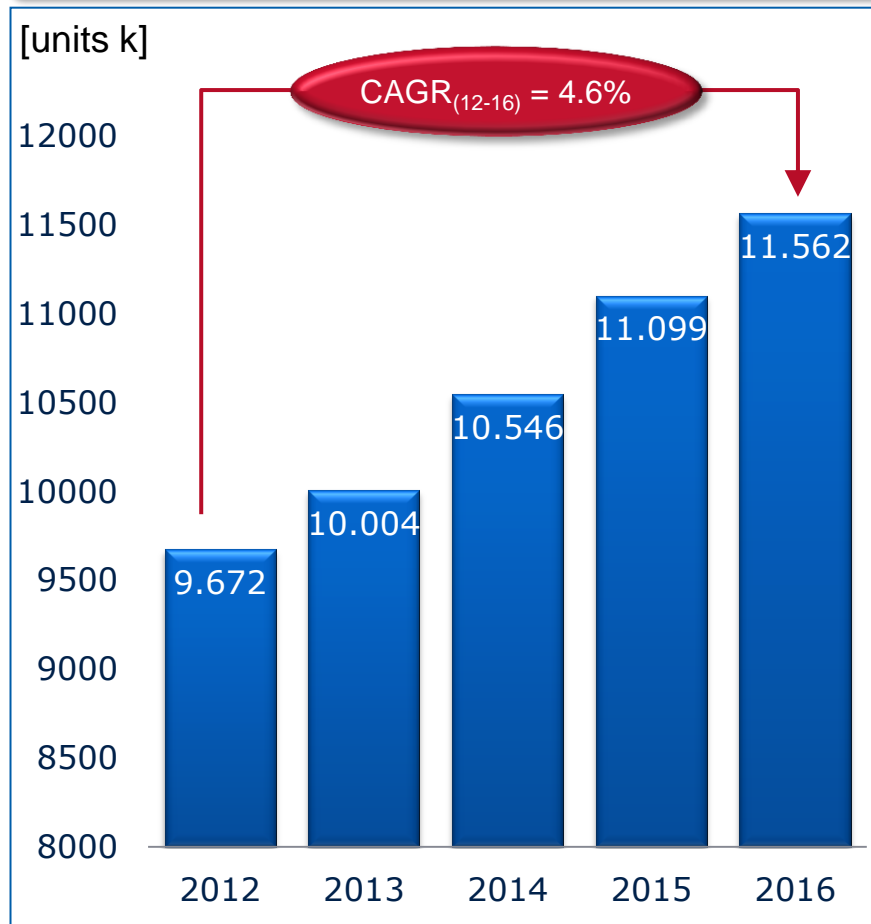
# Growth in Servers Compensates Slowdown in PCs and Notebooks

## PCs and Notebooks



Source: Gartner: "Desktop-Based PCs, Notebooks, Ultramobiles and Tablets, Worldwide: 2011 – 2017", 2Q13 Update, July 2013.

## Servers

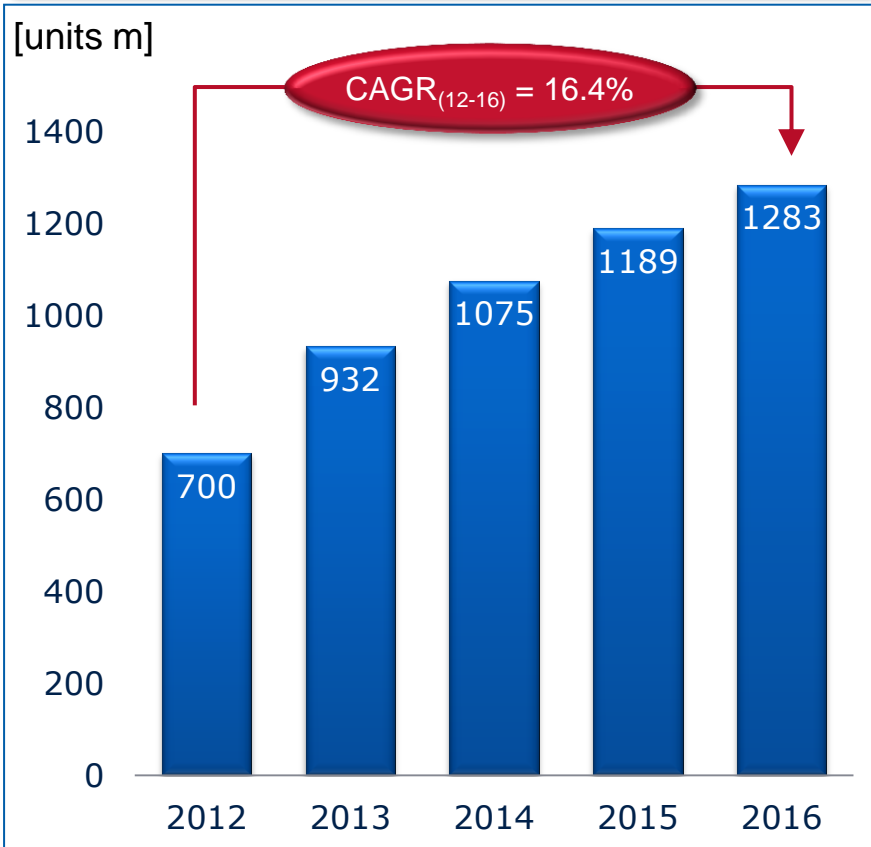


Source: Gartner: "Forecast: Servers, All Countries, 2011 – 2017", 2Q13 Update, July 2013.

# Our Business With RF Components, Si-Mics and Power Semis Fueled by Mobile Devices

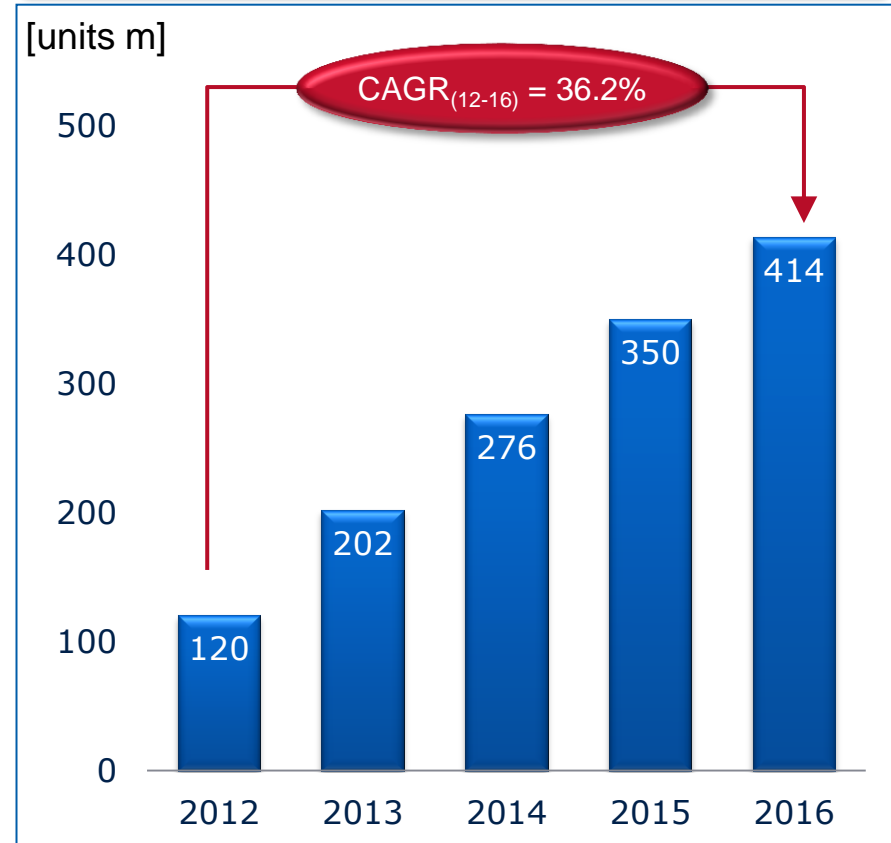


## Smartphones



Source: Strategy Analytics: "Global Smartphone Sales Forecast for 88 Countries: 2007 to 2017", July 2013.

## Tablets\*

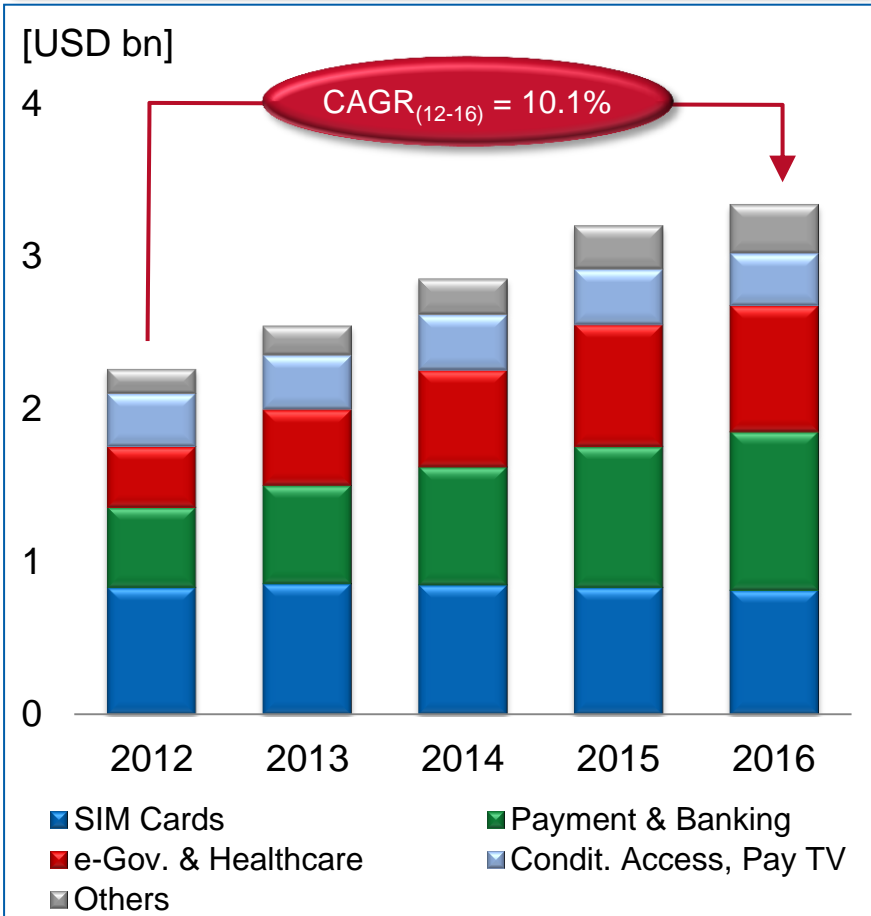


The chart was created by Infineon based on Gartner research. Source: Gartner: "Forecast: Desk-based PCs, Notebooks, Ultramobiles, and Tablets, Worldwide, 2011 – 2017", 2Q13 Update, July 2013.

\* Including Utility Tablets, Basic Tablets and Premium Tablets.

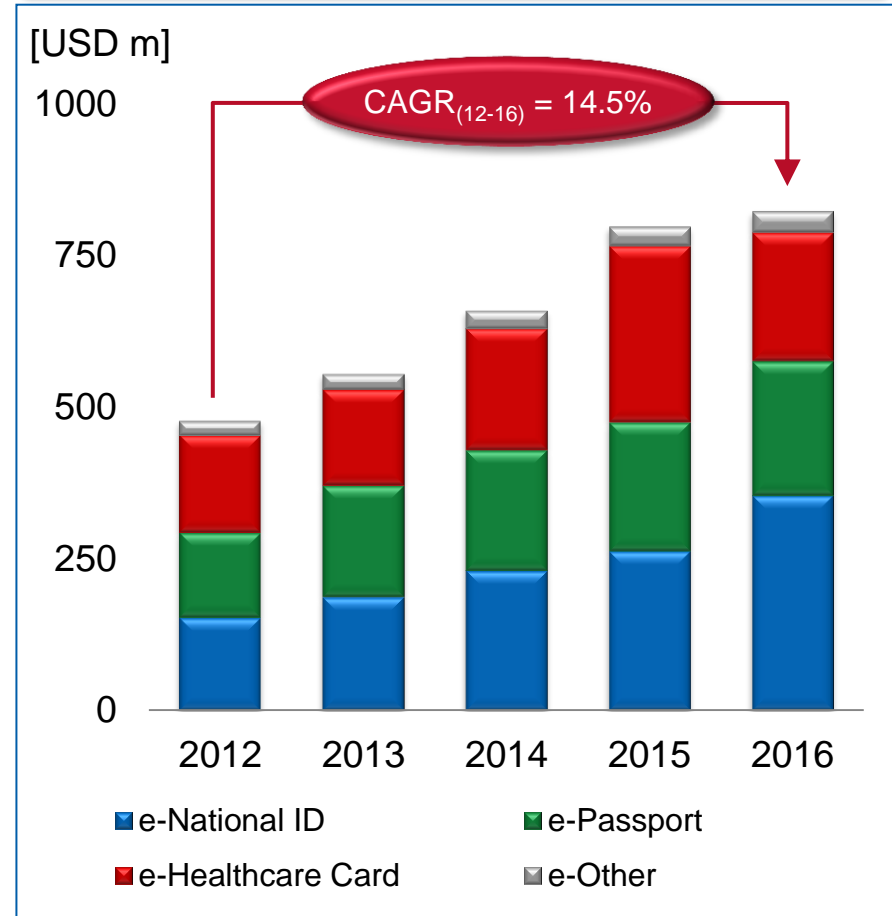
# Double-digit Growth in Payment and Government ID; SIM Cards Flat

## Smart card ICs



Source: IMS Research (an IHS company): "Smart Card and IC Database – World – 1Q13 Update", June 2013. Microcontroller only.

## Government ID & healthcare



Source: IMS Research (an IHS company): "Electronic Government & Healthcare ID Cards Market – World – 2012", December 2012. Microcontroller and memory.

# Table of Contents

■ Infineon at a Glance

■ Market Update

■ **Results and Outlook**

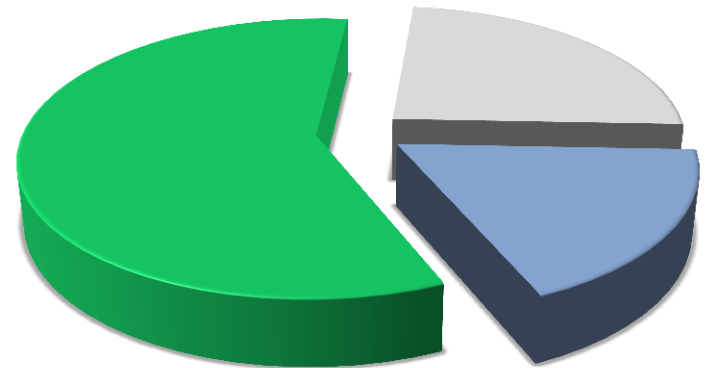
# Return to Year-on-Year-Growth and > 10% Segment Result Margin

## Revenue and Segment Result

[EUR m]



FY 2012 revenue split by product category



■ Power ■ eControl ■ others

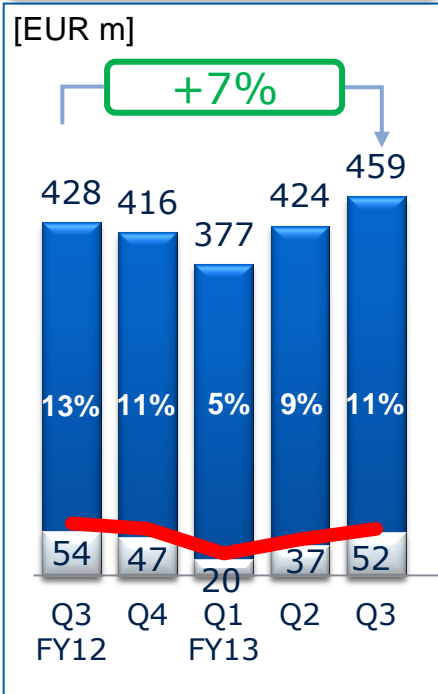
■ Revenue ■ Segment Result — Segment Result Margin



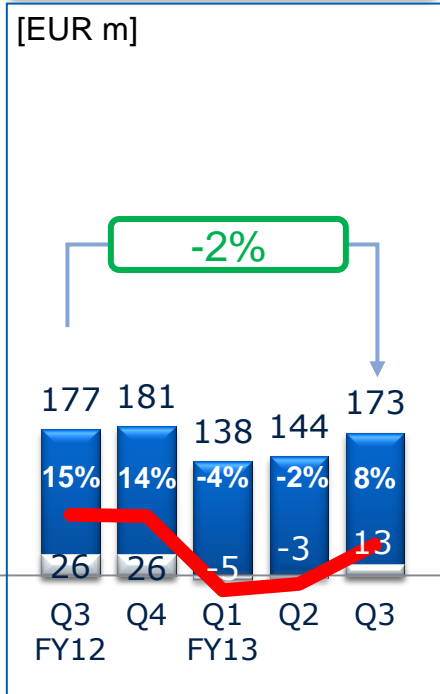
# Record Sales in ATV; IPC Returned to More Normal Levels; Nice Margin Recovery in PMM



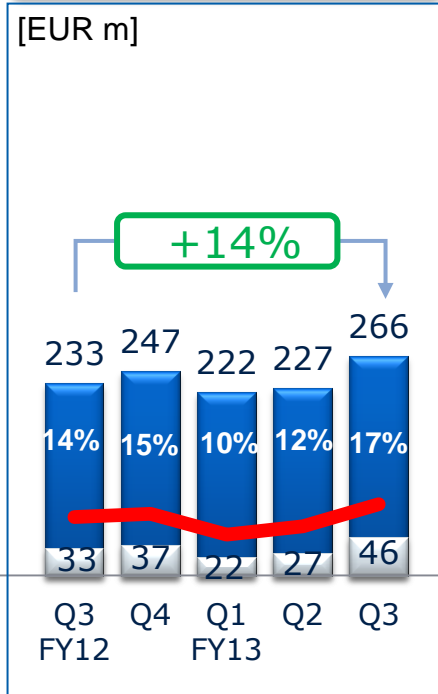
## ATV



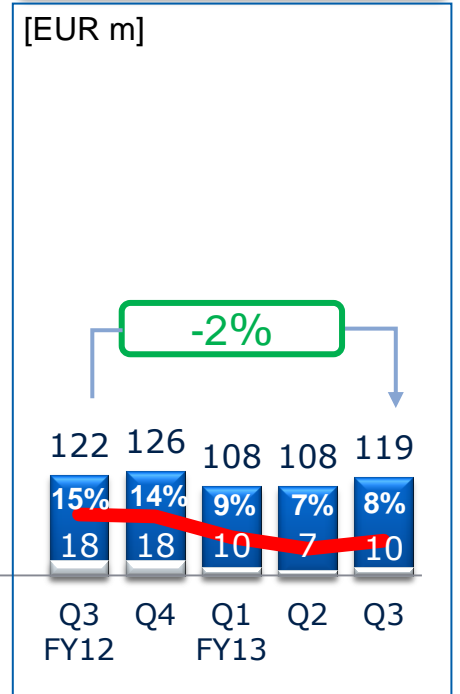
## IPC



## PMM



## CCS



Revenue

Segment Result

Segment Result Margin

# Automotive Semiconductor Market 2012: Infineon #1 in Fastest-Growing Region APAC



## World (\$23.88bn)

1. Renesas	14.2%
<b>2. Infineon</b>	<b>9.1%</b>
3. STMicro	7.9%
4. Freescale	7.0%
5. NXP	6.3%
6. Bosch	5.7%
7. TI	5.7%

## Europe (\$8.04bn)

<b>1. Infineon</b>	<b>13.0%</b>
2. Bosch	11.3%
3. STMicro	10.0%
4. TI	8.4%
5. Renesas	7.8%
6. NXP	7.6%
7. Freescale	7.4%

## APAC & others\* (\$5.70bn)

<b>1. Infineon</b>	<b>9.4%</b>
2. STMicro	9.4%
3. Renesas	9.0%
4. NXP	8.4%
5. Freescale	7.4%
6. TI	3.1%
7. Toshiba	3.0%

## North America (\$4.49bn)

1. Freescale	12.5%
<b>2. Infineon</b>	<b>8.4%</b>
3. Renesas	8.2%
4. STMicro	8.1%
5. TI	7.4%

## Japan (\$5.65bn)

1. Renesas	33.3%
2. Toshiba	13.0%
3. Fujitsu	4.5%
4. Sanken	3.9%
<b>5. Infineon</b>	<b>3.7%</b>

## China (\$2.82bn)

1. NXP	10.5%
2. STMicro	10.0%
3. Renesas	9.5%
4. Freescale	9.2%
<b>5. Infineon</b>	<b>7.0%</b>

## Korea (\$1.81bn)

<b>1. Infineon</b>	<b>13.7%</b>
2. STMicro	6.8%
3. Freescale	6.7%
4. NXP	5.6%
5. Bosch	3.9%

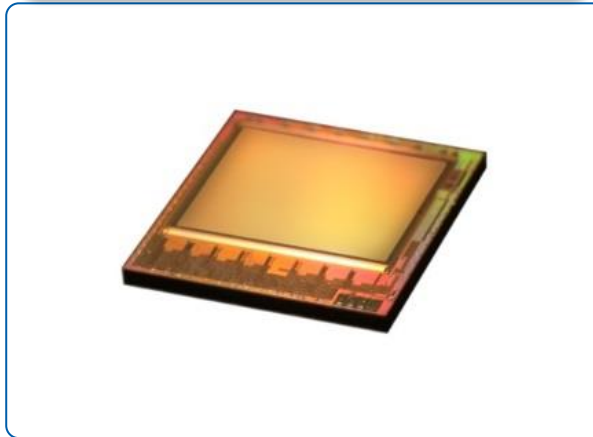
Source: Strategy Analytics, April 2013. \* According to Strategy Analytics this ranking also includes Russia, India, South America and further countries.

# Innovation Excellence and CSR is an Integral Part of Infineon's Corporate Strategy

## "Sustainability Award" by RobecoSAM



## "Innovation Award" by Continental



## "Supplier Sustainability Award" by Bombardier Transportation



- 20 June 2013:  
Infineon received the "Sustainability Award" for its progress in sustainability management. Infineon is among the 15% most sustainable companies worldwide.

- 26 June 2013:  
The jury was particularly impressed by the 3D image sensor which allows a complete new human machine interface by the usage of touchless gesture recognition .

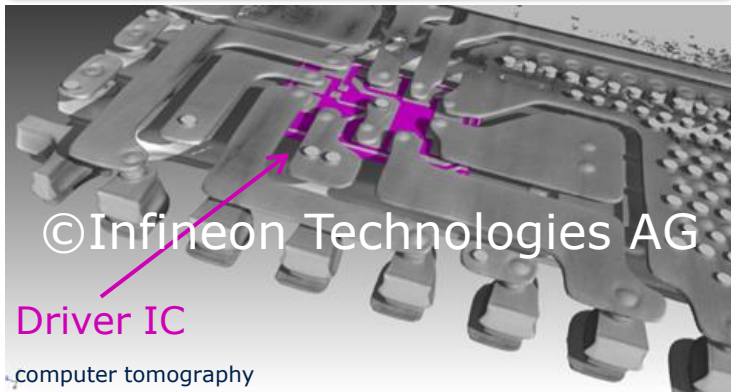
- 08 July 2013:  
The jury recognized Infineon's high level of product responsibility as well as the positive environmental effects its assortment has meant for sustainable mobility.

# DrBlade: Design-Wins for DC/DC Voltage Regulation at Major Server Customers

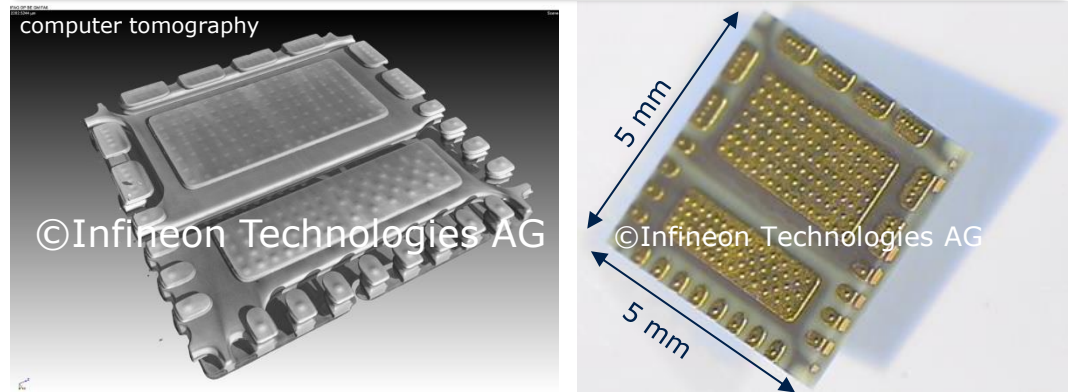
## DrBlade: the revolutionary chip-embedding technology

- Design-wins for DrBlade, in combination with our digital power management ICs.
- Based on Infineon's outstanding manufacturing technology: thin wafer, galvanic electroplating, laser-drilling, die-attach by diffusion-soldering.

Top view



Bottom view



- Target applications: DC/DC voltage regulation for computing and telecom.
- Contains driver IC and OptiMOS™ MOSFET half-bridge.
- Small package size, low profile (0.6 mm), high power density, RoHS<sup>1)</sup> 2016 compliant.

1) RoHS = Restriction of Hazardous Substances.

# Guidance for Q4 FY13 and FY 2013

Outlook Q4 FY13



Outlook FY 2013  
(compared to FY 2012)



Revenue

About EUR 1,050m.

Decline of about 1.5%.

Segment  
Result  
Margin

About 13%.

Just under 10%.

Investments in FY 2013

Just under EUR 400m.

D&A in FY 2013

About EUR 470m.



# ENERGY EFFICIENCY MOBILITY SECURITY

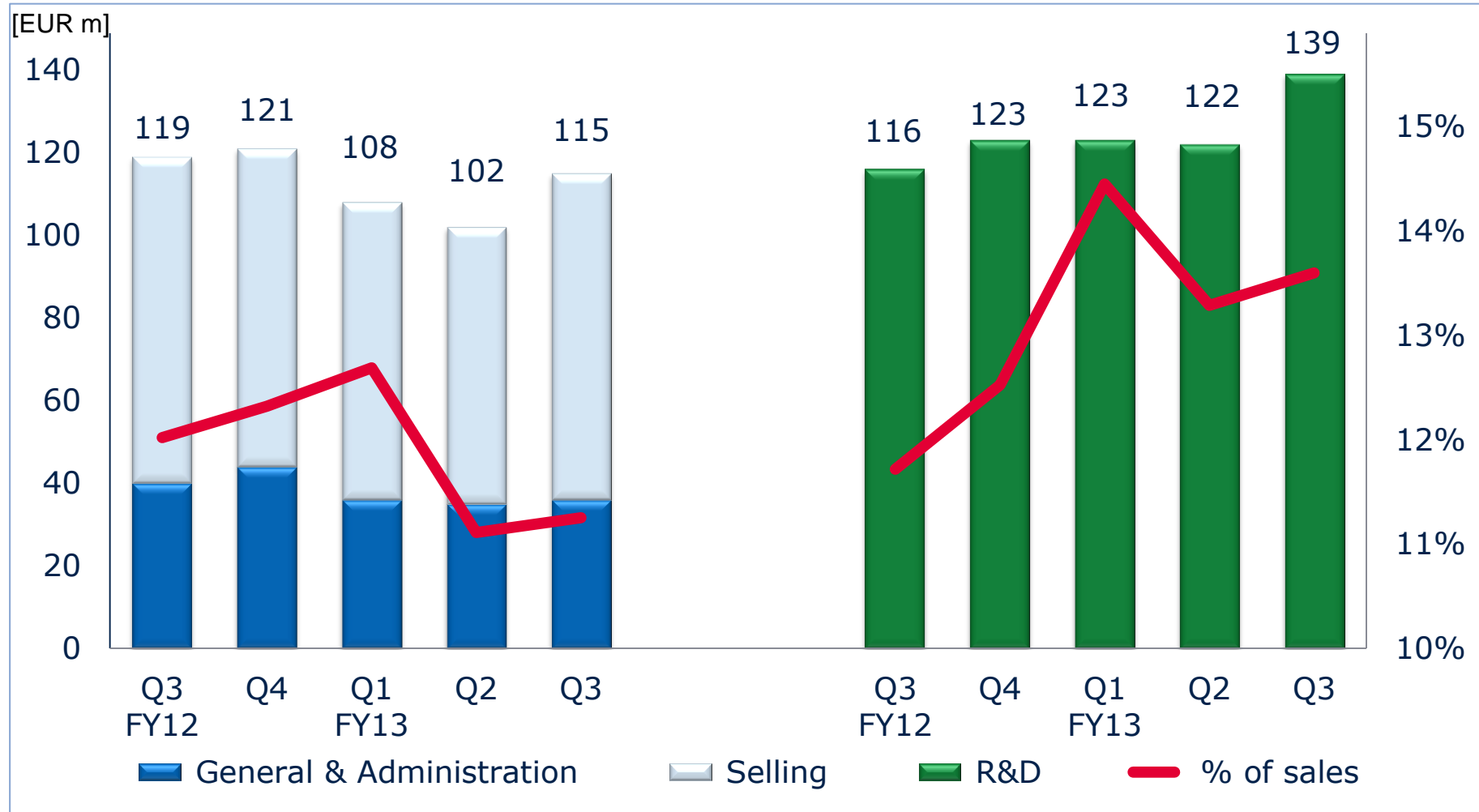
Innovative semiconductor solutions for energy efficiency, mobility and security.



# Opex-to-Sales-Ratio

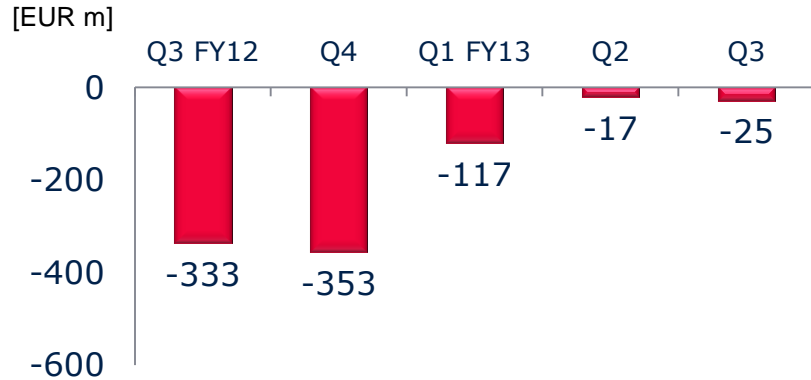
## S and G&A

## R&D

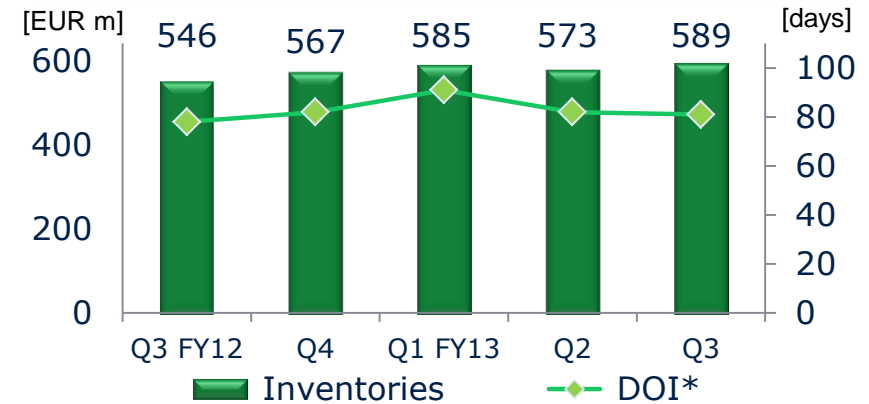


# DOI, DSO And DPO In Line With Our Targets

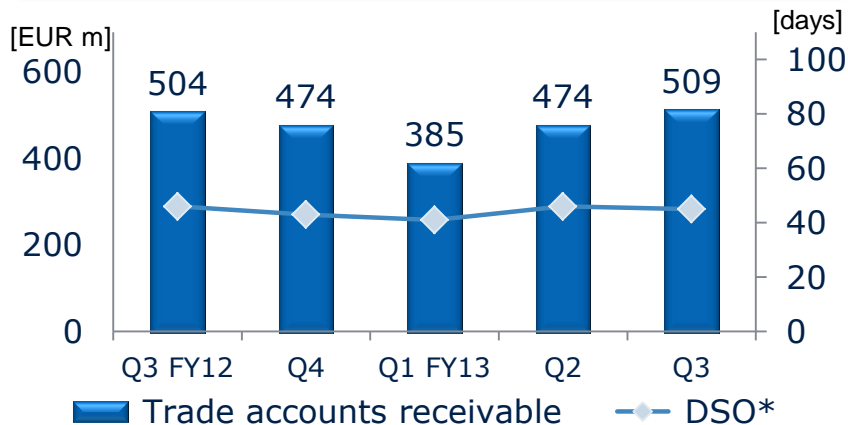
## Working capital\*



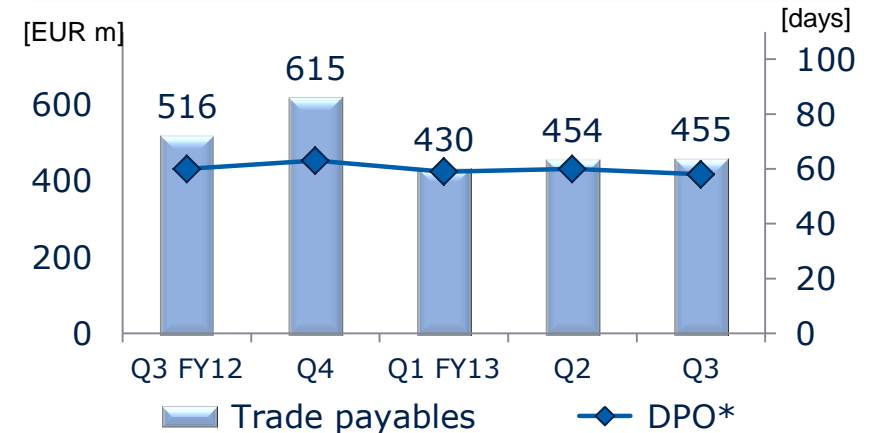
## Inventories



## Trade accounts receivable



## Trade payables



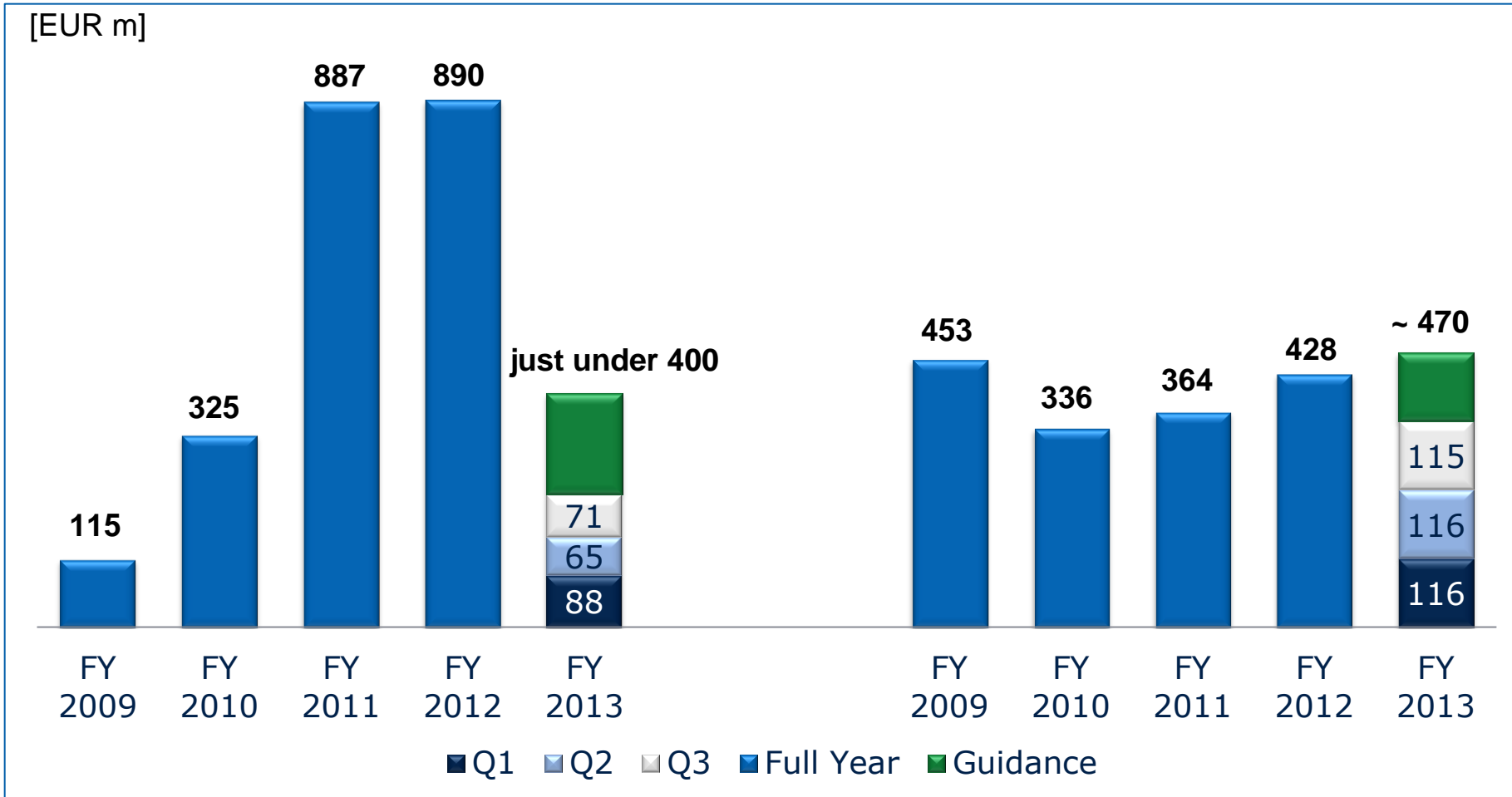
\* For definition please see page 30.



# Investments in FY 2013 to be Reduced Significantly

## Investments\*

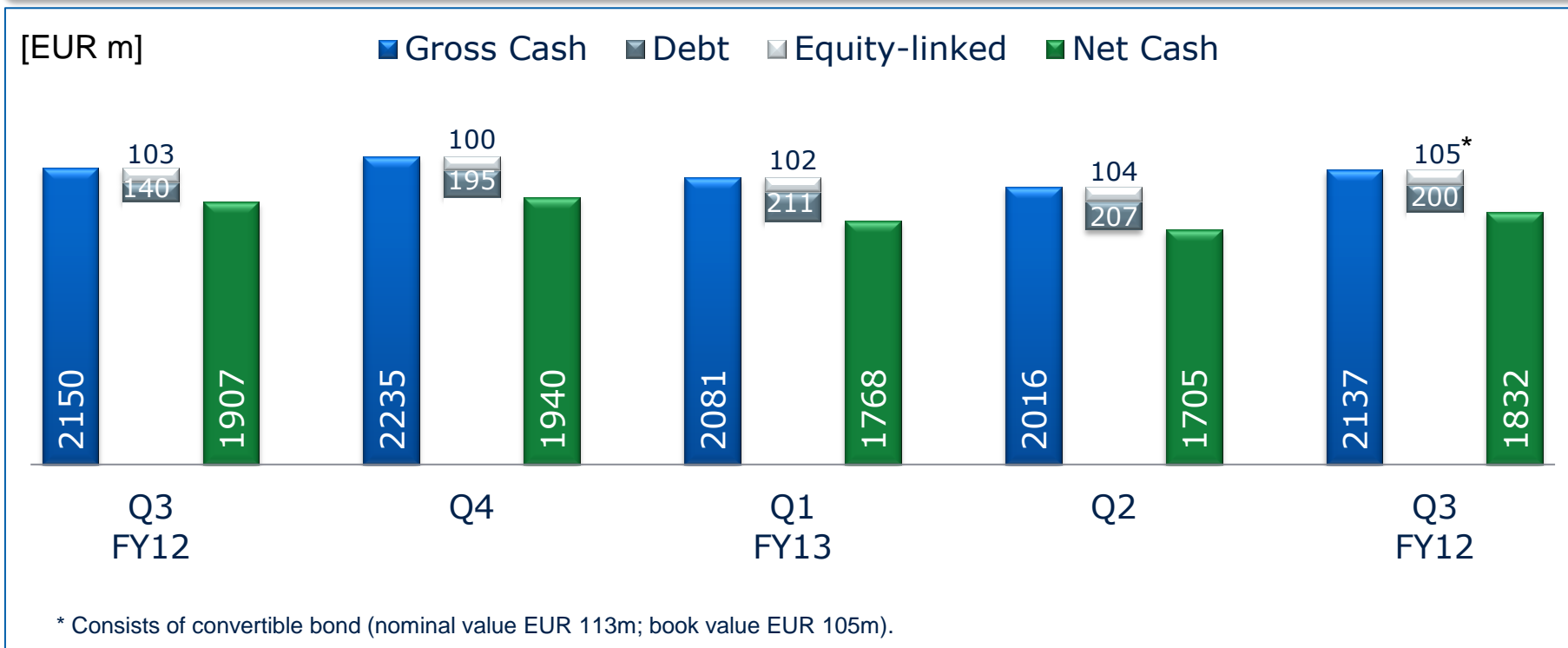
## D&A



\* For definition please see page 30.

# Gross Cash and Net Cash Increased Due to Positive Free Cash Flow

## Liquidity Development

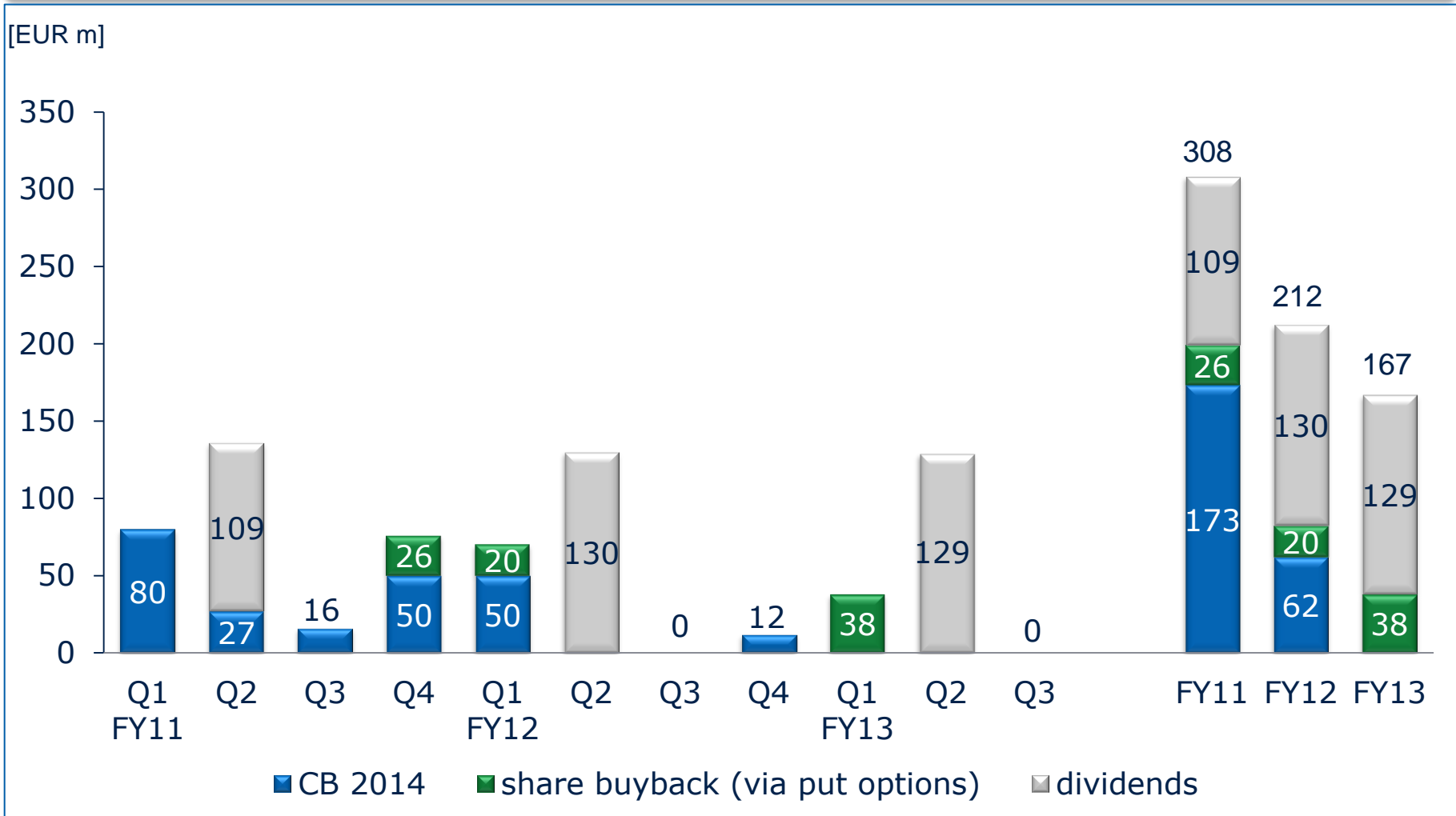


- Increase in gross cash due to positive Free Cash Flow of EUR 135m reduced by negative Cash flow from discontinued operations of EUR 6m and pay back of EUR 6m debt. Net cash effect correspondingly higher.
- Convertible bond due in May 2014.

# Total Gross Capital Returns of EUR 687m Between FY 2011 and Q3 FY13



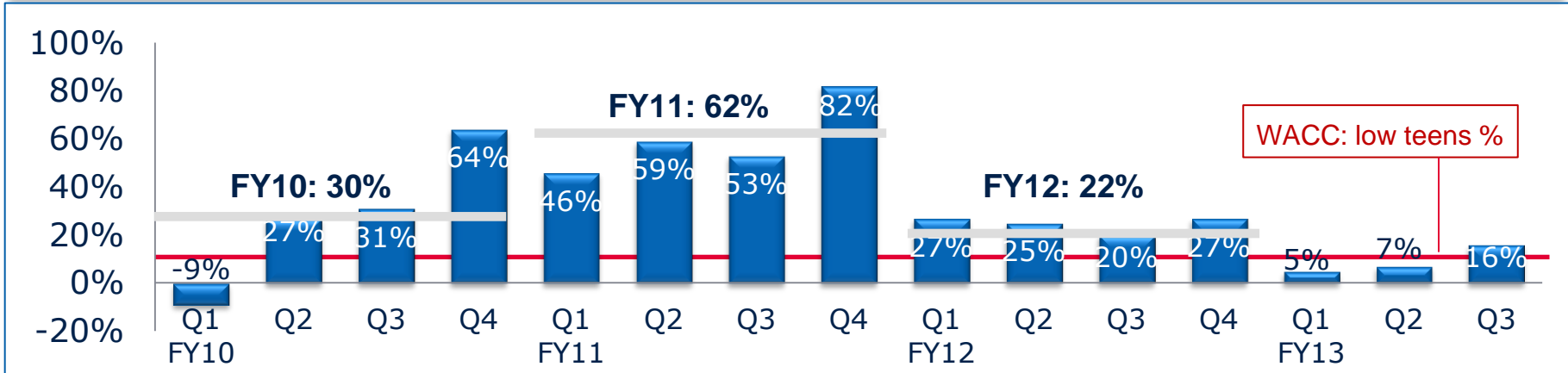
## Total gross capital returns history



# Target: 'RoCE Above WACC' Over the Cycle



## RoCE\* history



## Capital Employed\* history



\* For definition please see page 30.

# Infineon is a Long-Standing Member of Europe's Leading Sustainability Indices



## Dow Jones Sustainability Index



- Infineon is member of the Dow Jones Sustainability Index since 2010.
- Infineon is currently Europe's one and only semiconductor company member in the Dow Jones Sustainability Indexes.
- Infineon is semiconductor's sector leader worldwide in two environmental criteria:
  - Product stewardship,
  - Operational eco-efficiency.
- February 2013: According to RobecoSAM, Infineon is among the top 15% most sustainable companies worldwide and therefore listed in the Sustainable Yearbook for the third consecutive year.



## FTSE4Good Index



# FTSE4Good

- Infineon was added to the FTSE4Good Index Series on 24 September 2001. It was confirmed by the FTSE4Good Policy Committee in its March 2013 review that Infineon continues to be a member of the FTSE4Good Index.

# Notes

## Investments =

- 'Purchase of property, plant and equipment'
- + 'Purchase of intangible assets and other assets' *incl. capitalization of R&D expenses*

## Capital Employed =

- 'Total assets'
- 'Cash and cash equivalents'
- 'Financial investments'
- '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')

## RoCE =

- NOPAT / Capital Employed =
- ('Income from continuing operations'
- 'financial income'
- 'financial expense')
- / Capital Employed

## 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')

**DOI** (inventory days; quarter-to-date) =  
('Net Inventories' / 'Cost of goods sold') \* 90

**DSO** (days sales outstanding; quarter-to-date) =  
('Trade accounts receivable (net)' / 'revenue') \* 90

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

### Please note:

All positions in ' ' refer to the respective accounting position and therefore should be applied with the positive or negative sign used in the relevant accounting table.

# Financial Calendar

Date	Location	Event
28 Aug 2013	Frankfurt	Commerzbank Sector Conference Week
03 – 04 Sep 2013	London	Deutsche Bank European TMT Conference
18 Sep 2013		Conference Call by Jochen Hanebeck Division President, Automotive
24 Sep 2013	Munich	Berenberg Bank and Goldman Sachs German Corporate Conference
25 Sep 2013	Munich	Baader Investment Conference
12 Nov 2013*		Q4 FY13 and FY 2013 Results
18 – 19 Nov 2013	London	Company Roadshow including presentation by Andreas Urschitz Division President, Power Management & Multimarket
20 – 21 Nov 2013	Barcelona	Morgan Stanley TMT Conference
03 – 04 Dec 2013	Scottsdale, AZ	Credit Suisse Technology Conference

\* provisional

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