

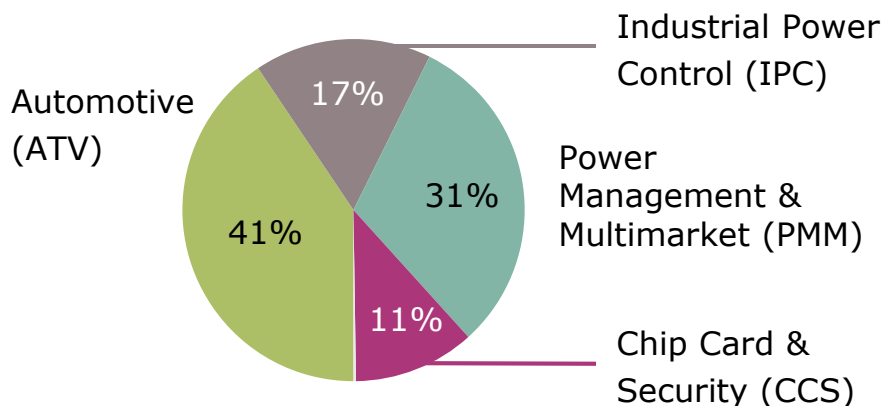
# Company Presentation

November 2016



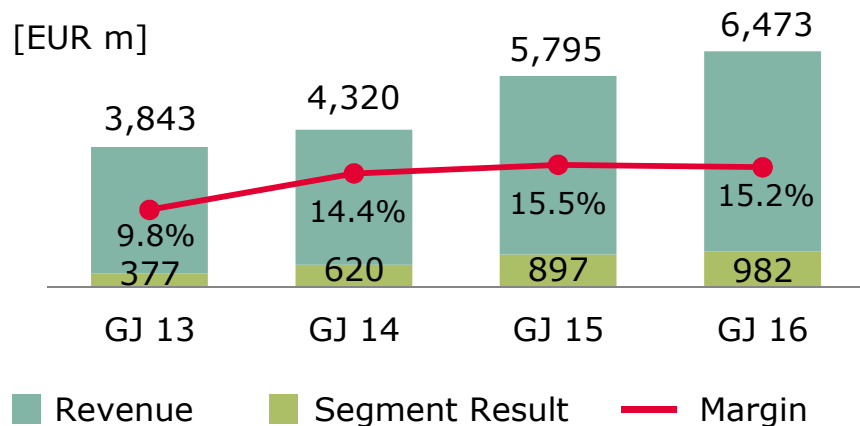
# Infineon at a glance

## Business Segments



Revenue FY 2016

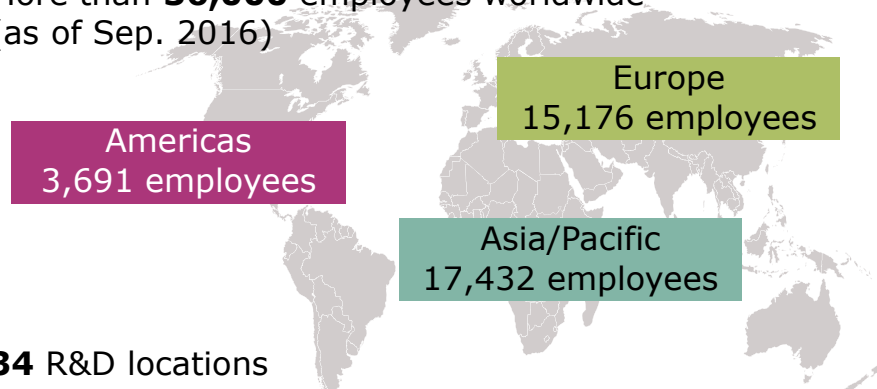
## Financials



■ Revenue ■ Segment Result — Margin

## Employees

More than **36,000** employees worldwide (as of Sep. 2016)



**34** R&D locations  
**19** manufacturing locations

## Market Position

Automotive



**# 2**

Strategy Analytics, April 2016

Power



**# 1**

IHS Markit, October 2016

Smart card ICs



**# 2**

IHS Markit, July 2016



We make life easier, safer and greener – with technology that achieves more, consumes less and is accessible to everyone. Microelectronics from Infineon is the key to a better future.

Part of your life.  
Part of tomorrow.

# Infineon enables eco-friendly, connected and safe mobility



## Applications

Efficient powertrain for combustion, electric and hybrid vehicles, charging station for electric vehicles, car safety, assistance systems and safety systems, comfort electronics, authentication, mobile security, traction



Infineon enables efficient generation,  
transmission and conversion of electrical energy



## Applications

Energy transmission and conversion, renewable energy generation, home appliances, power tools, power management (adapters, chargers, power supplies), LED lighting systems, mobile devices, industrial drives, industrial vehicles

# Infineon enables security in the connected world



## Applications

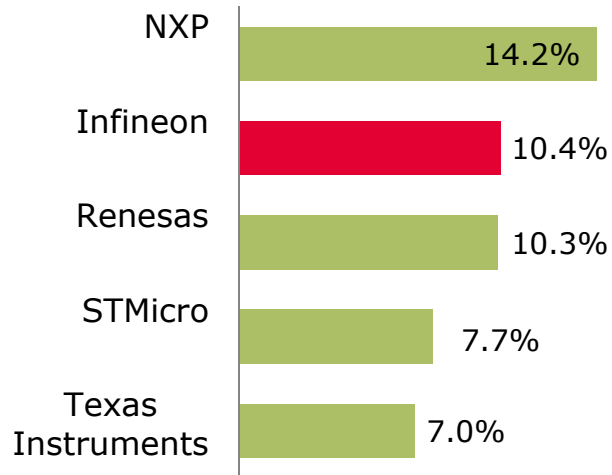
Internet of Things, Industry 4.0, mobile security, embedded security, trusted computing, machine to machine, (mobile) payment, SIM applications, transport ticketing, government identification

# Top positions in all major product categories



## Automotive semiconductors

total market in CY 2015:  
\$27.4bn

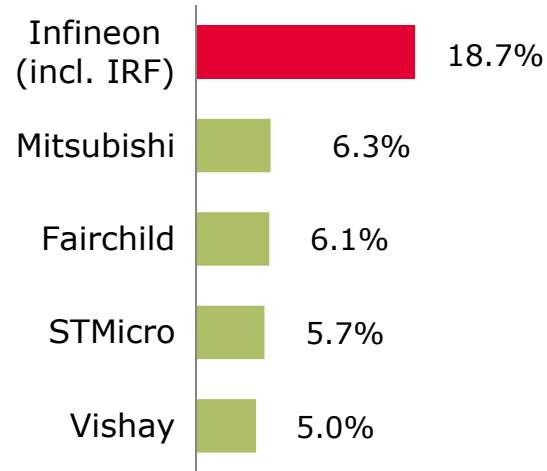


Automotive semiconductors incl. semiconductor sensors

Source: Strategy Analytics, April 2016

## Power semiconductors

total market in CY 2015:  
\$14.8bn

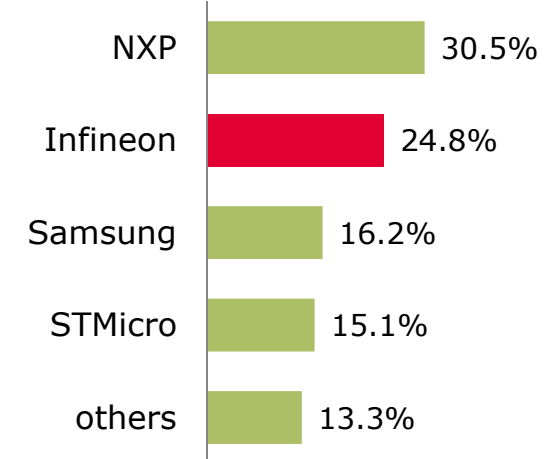


Discrete power semiconductors and power modules

Source: IHS Markit, October 2016

## Smart card ICs

total market in CY 2015:  
\$2.72bn



Microcontroller-based smart card ICs

Source: IHS Markit, July 2016

# Technology leadership and system understanding fosters growth and profitability



## Competitive advantages

Auto

system leader in automotive

Power

#1, system and technology leader

RF

broadest technology portfolio; #1 in SiGe; become #1 in base stations with 5G

Security

Leader in security solutions

## Average-cycle financial targets

Revenue Growth:

**~8%**

Segment Result Margin:

**~17%**

Investment-to-Sales:

**~13%**



# The outlook for the global semiconductor market slightly improved



## Global semiconductor market in billion \$

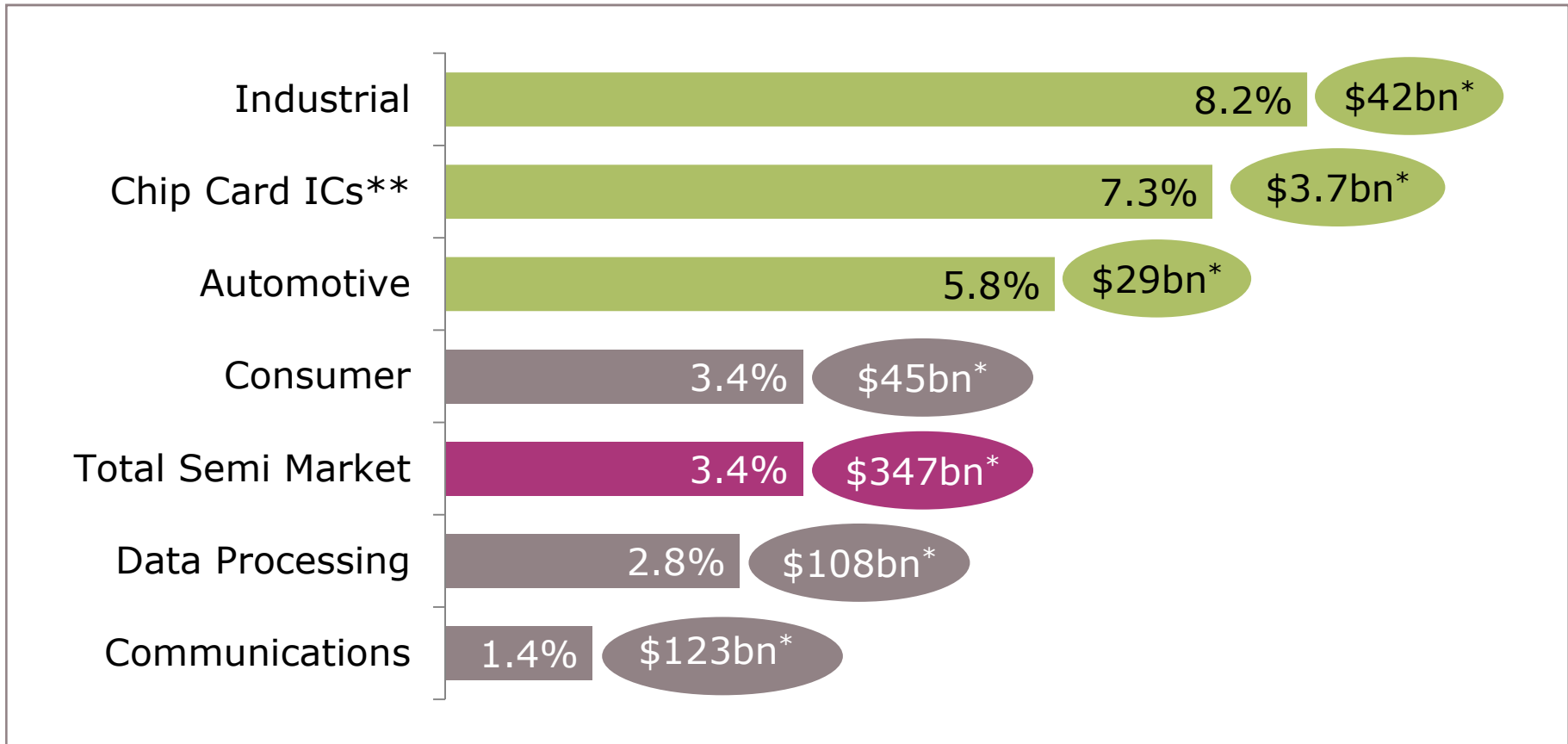


Source: WSTS for historical data. Forecast: Ø of WSTS, IHS Markit, Gartner, IC Insights;  
last update 10 November 2016

# Infineon benefits from industrial, auto and security, the by far fastest growing segments



## CAGR 2015 – 2020 by Semiconductor Industry Segment



Source: IHS Markit, "Worldwide Semiconductor Shipment Forecast", October 2016

\* In calendar year 2015

\*\* Source: ABI Research, "Secure Smart Card & Embedded Security IC Technologies", September 2016; microcontroller ICs

# Financial Year 2016: Revenue Split by Segment



## FY 2016 Revenue: € 6,473m

### Automotive



€ 2,651m

### Industrial Power Control



€ 1,073m

### Chip Card & Security

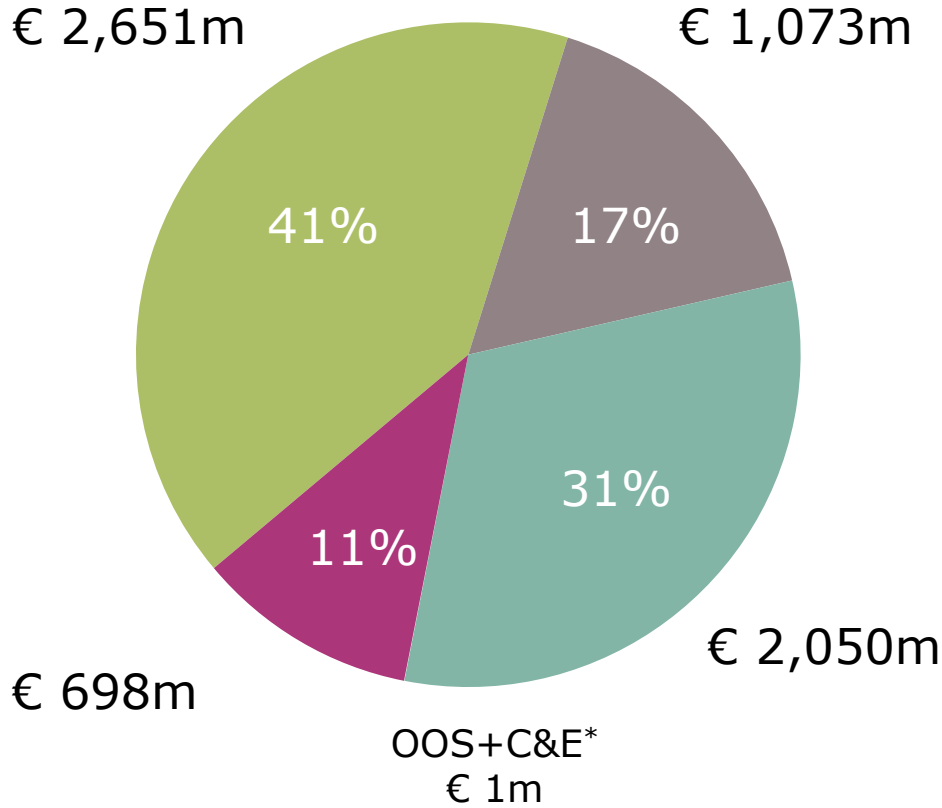


€ 698m

### Power Management & Multimarket

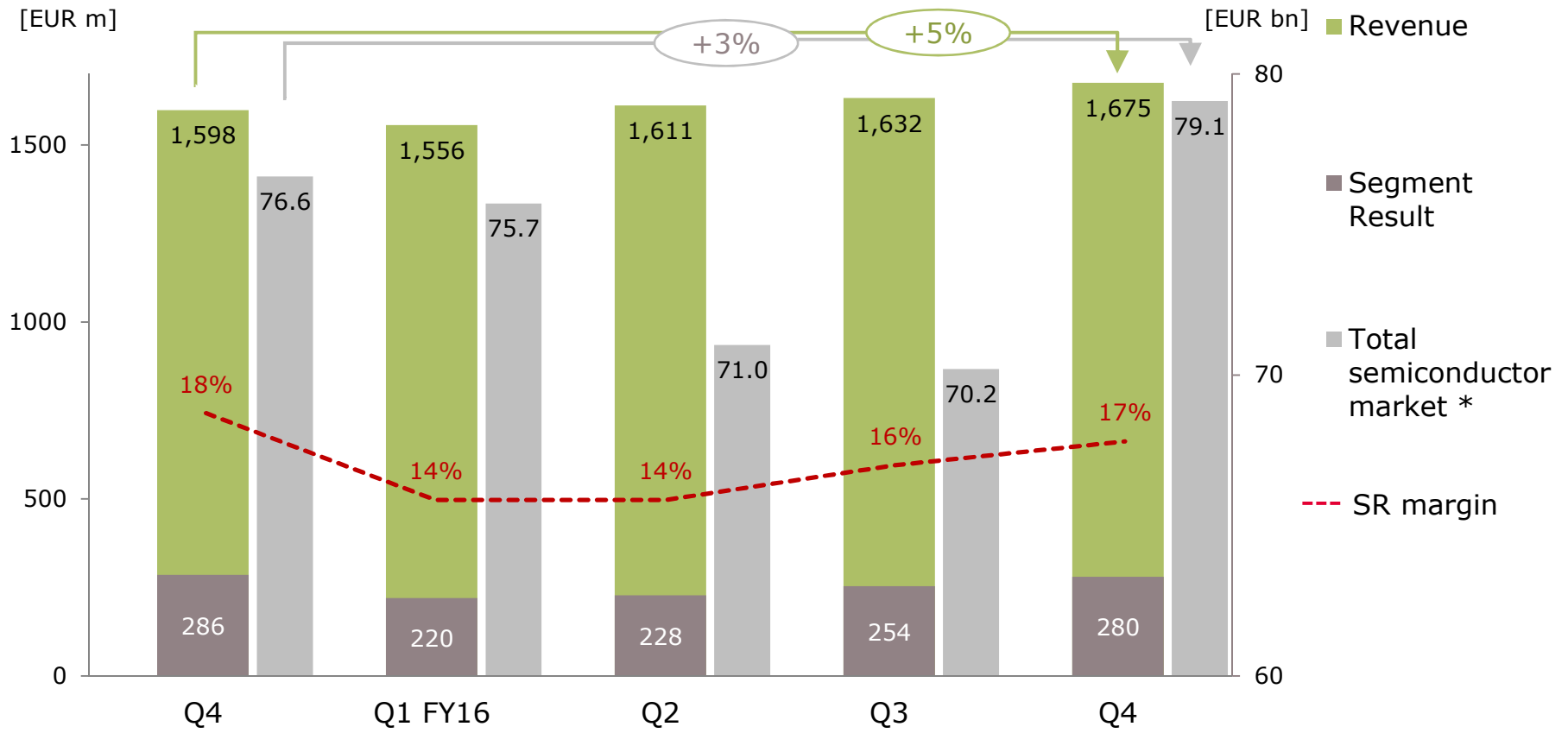


€ 2,050m



\* Other Operating Segments; Corporate & Eliminations

# Q4 FY2016: Infineon continues to grow faster than the market

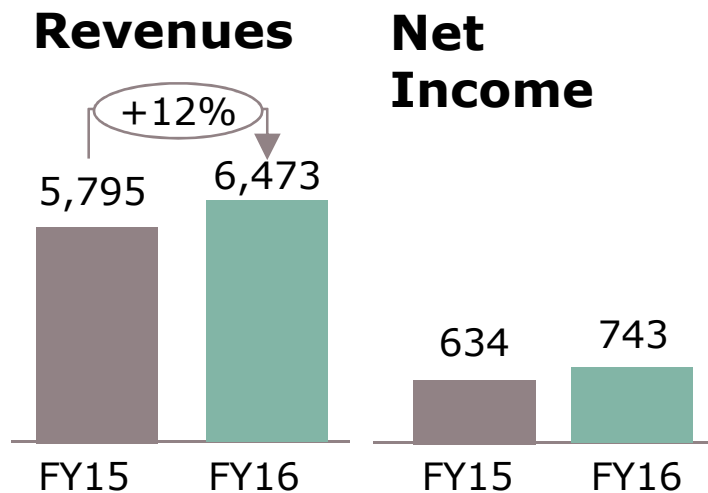


\* Source: WSTS Monthly Bluebook, October 2016



# Infineon Group

## Results for FY 2015\* and FY 2016



| [€ Million]             | 2015    | 2016    |
|-------------------------|---------|---------|
| Revenues                | 5,795   | 6,473   |
| Segment Result (SR)     | 897     | 982     |
| SR Margin               | 15.5%   | 15.2%   |
| Net Income              | 634     | 743     |
| Free Cash Flow          | -1,654  | 490     |
| Investments             | 785     | 826     |
| Net Cash                | 220     | 471     |
| Market capitalization** | ~11,355 | ~17,987 |

\* Since 13th January 2015 inclusive International Rectifier

\*\* share price as of September 30th, 2015: 10.06 Euro; share price as of September 30th, 2016: 15.88 Euro

# Tight customer relationships are based on system know-how and app understanding



## ATV



## IPC



## PMM



## CCS



## EMS partners Distribution partners



# Automotive Segment – Making cars clean, safe and smart



## Clean

- › Clean combustion engines
- › Efficient energy management
- › Electrified Drivetrain



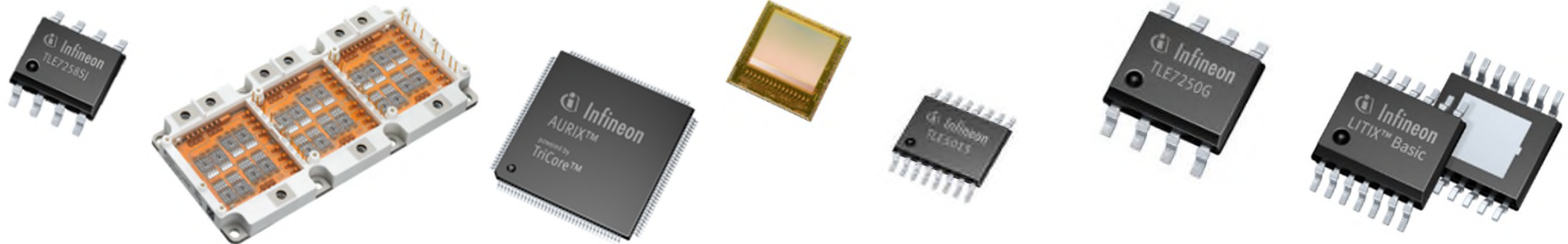
## Safe

- › Occupant and pedestrian protection
- › Collision avoidance
- › Advanced driver assistance



## Smart

- › Individual convenience
- › Secure connectivity, data integrity and privacy





# Industrial Power Control Segment – Driving Industry and much more



Drives

- › Energy efficiency
- › Automation
- › Higher productivity



Home Appliances

- › Refrigerators
- › Air conditioners
- › Washing machines



Renewables

- › Wind power plants
- › Solar power plants
- › High-voltage direct current transmission (HVDC)



Traction

- › (High speed) trains
- › Locomotives
- › Subway
- › Light rails

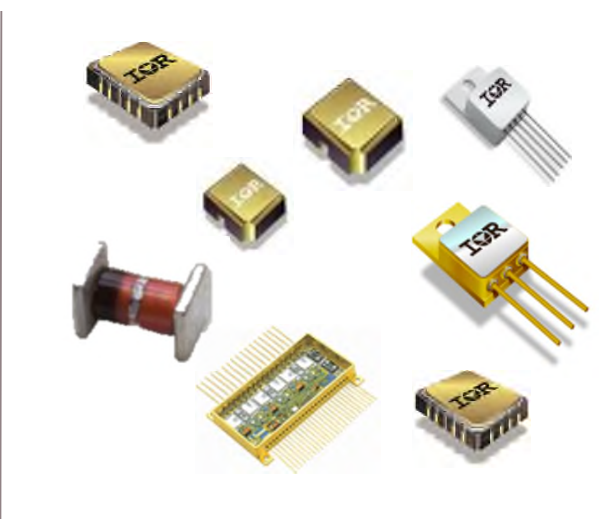
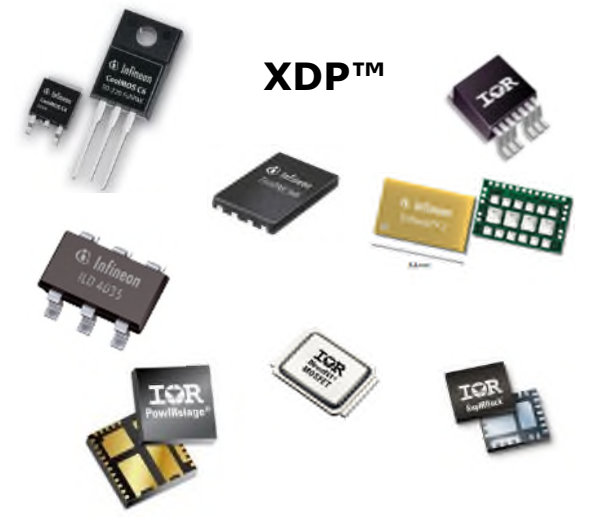




# Power Management & Multimarket Segment – Achieving more, consuming less



| Power Management |          |         | Radio Frequency & Sensing |                         |         | High Reliability |                  |             |                         |
|------------------|----------|---------|---------------------------|-------------------------|---------|------------------|------------------|-------------|-------------------------|
| Computing        | Lighting | Charger | Mobile devices            | Cellular infrastructure | Sensing | Space            | Aviation/Defense | Medical ICD | Hi-Temp./Heavy Industry |
|                  |          |         |                           |                         |         |                  |                  |             |                         |



MOSFETs, Power ICs, RF switches, LNAs, Si-Mics, RF power, Radar ICs, Environmental Sensors

# Chip Card & Security Segment is enabling security for the connected world

## Smart Cards



- › Smart card payment
- › Electronic passports and ID documents
- › SIM cards for mobile communication
- › Transport ticketing

## Embedded Security



- › Mobile device security and payment
- › Information and communications technology (ICT) security
- › Industrial and automotive security
- › IoT connected device security



# Product range



## Automotive (ATV)

- › 32-bit automotive microcontrollers for powertrain, safety and driver assistance systems
- › Discrete power semiconductors
- › Magnetic and pressure sensors
- › IGBT modules
- › Power ICs
- › Radar
- › Transceiver (CAN, LIN, Flex Ray™)\*
- › Voltage regulators



## Industrial Power Control (IPC)

- › Bare die business
- › Discrete IGBTs
- › Driver ICs
- › IGBT modules (high-power, medium-power, low-power)
- › IGBT module solutions incl. IGBT stacks



## Power Management & Multimarket (PMM)

- › Control ICs
- › Customized chips (ASICs)
- › Discrete low-voltage and high-voltage power transistors
- › GPS low-noise amplifier
- › Low-voltage and high-voltage driver ICs
- › MEMS and ASICs for silicon microphones
- › RF antenna switches
- › RF power transistors
- › TVS (transient voltage suppressor) diode



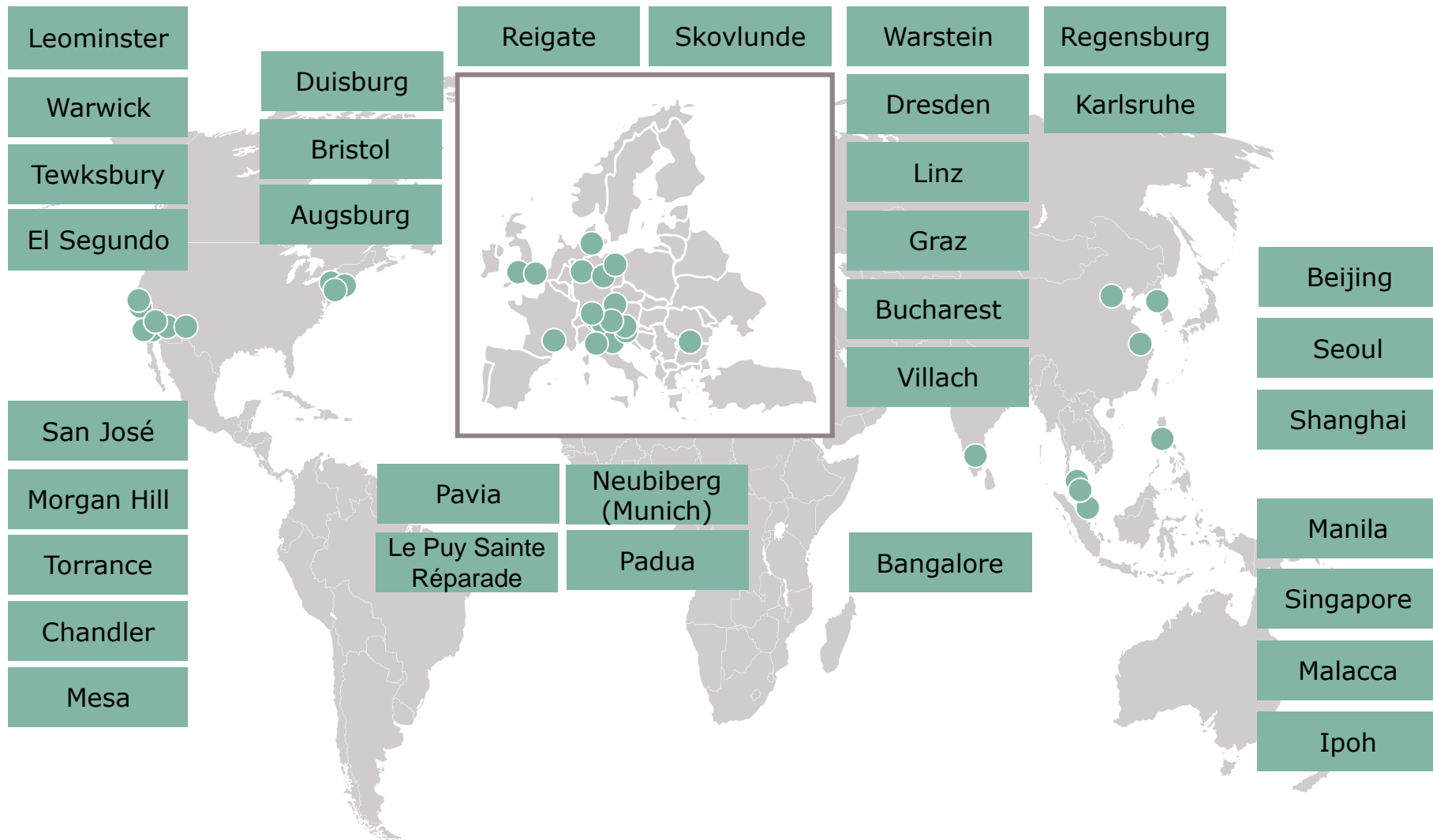
## Chip Card & Security (CCS)

- › Smart card (contactless and contact-based) and embedded security ICs
- › Turnkey security solutions e.g. OPTIGA™ Trust, OPTIGA™ TPM
- › Packaging and service portfolio
- › CIPURSE™ open standard based solutions
- › Innovative solutions from basic security RFID and memories to high-end security controllers
- › Leading technologies e.g. SOLID FLASH™, Integrity Guard, Coil on Module

\*FlexRay is a trademark licensed by FlexRay Consortium GbR

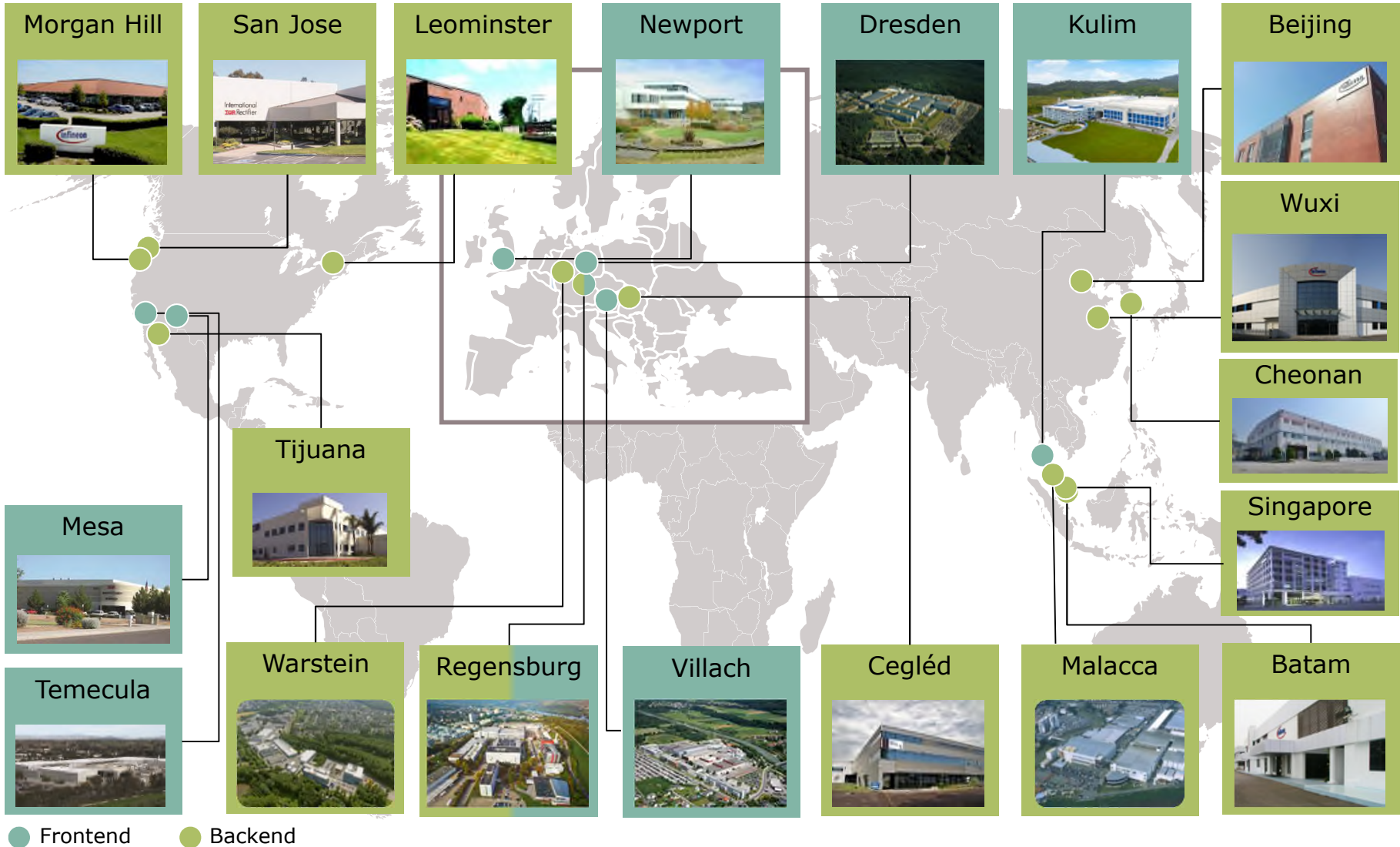


# Our global R&D network



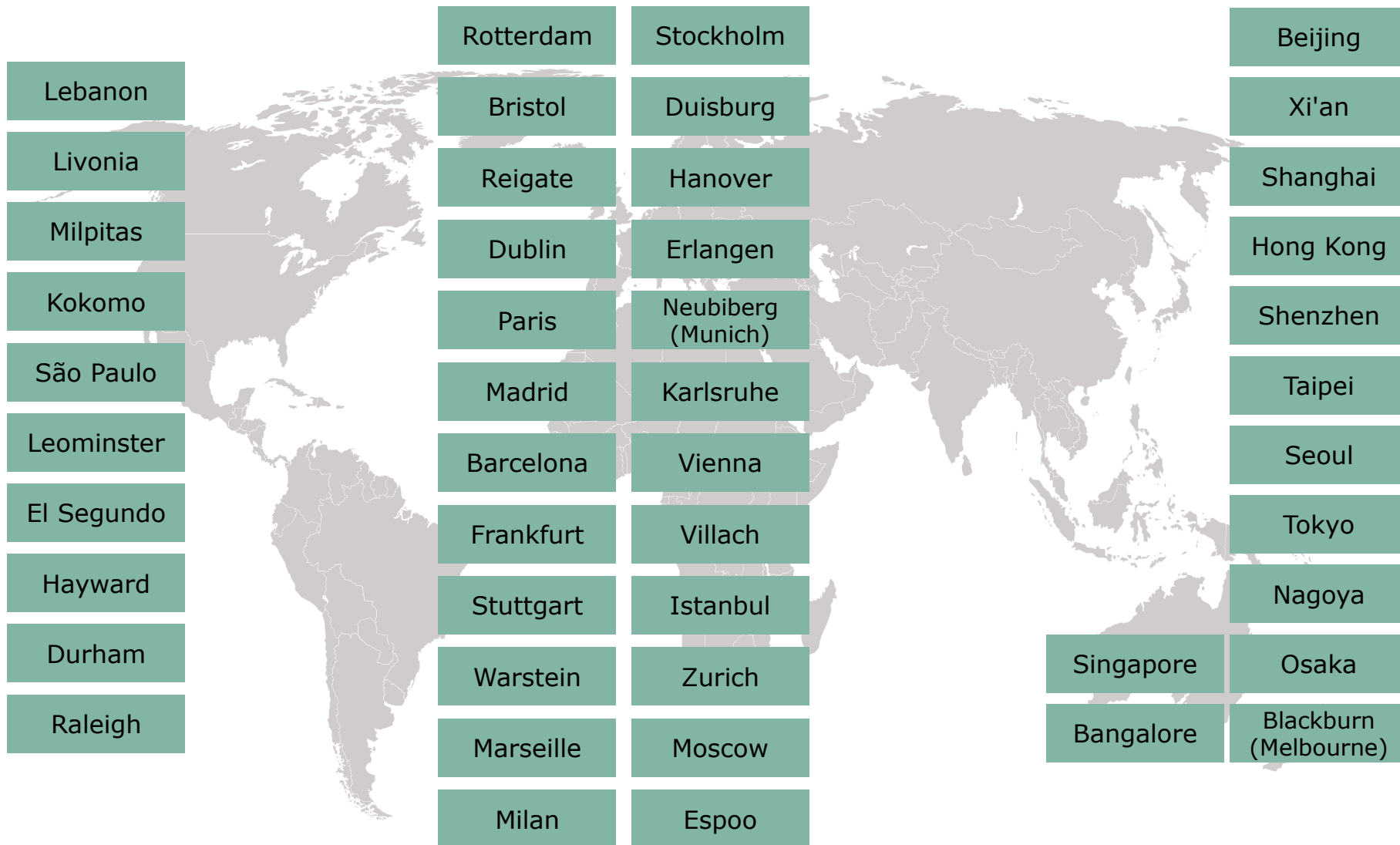


# Worldwide manufacturing sites frontend and backend



● Frontend ● Backend

# Our global sales network



# Corporate Social Responsibility (CSR)



- › CSR comprises our **voluntary commitment** in: Human Resources Management and Human Rights, Environmental Sustainability, Occupational Safety and Health, Corporate Citizenship\*, CSR Supply Chain Management as well as Business Ethics.
- › Infineon entered the **UN Global Compact** as one of the first semiconductor companies already in 2004 and is voluntary committed to the 10 Principles.
- › Infineon is for the 6th time listed in the **Sustainability Yearbook**.
- › Infineon is continuously listed in the **Dow Jones Sustainability Index** since 2010 and for the second time in the **Dow Jones Sustainability World Index** in 2016 and thus is among the top **10% of the most sustainable companies** in the world.
- › Infineon does not compromise in **human rights and business ethics**.
- › Infineon's products and solutions as well as our efficient resources management enable a significant **net ecological benefit**.

\*social engagement of companies.

# Corporate Social Responsibility

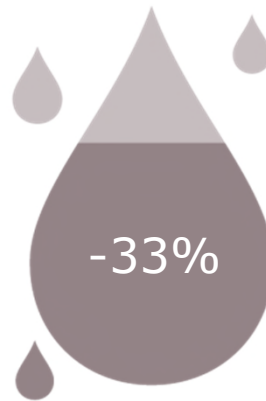
## We are excellent in resources efficiency



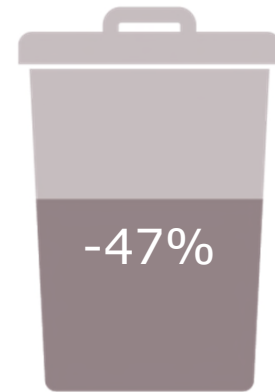
### At Infineon, less is more



About **45% less** electricity consumed per square centimeter manufactured wafer than the global average



About **33% less** water consumed per square centimeter manufactured wafer than the global average



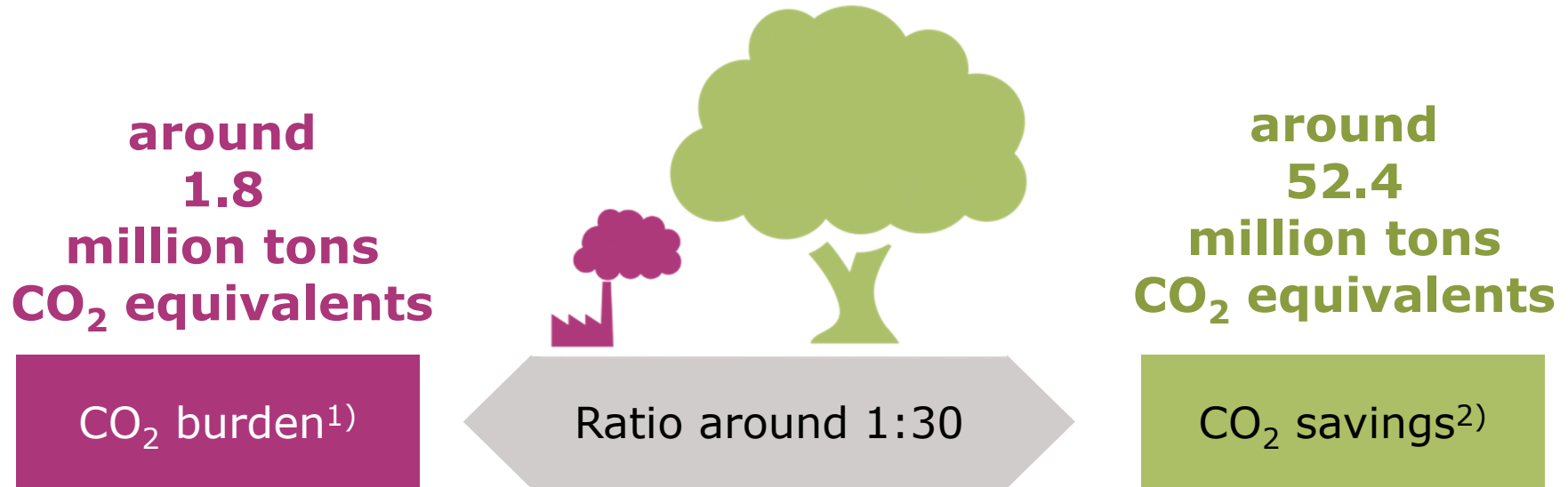
About **47% less** waste generated per square centimeter manufactured wafer than the global average

We use resources much more efficient in our production processes than the global average of the semiconductor industry.

Basis for the calculations are the square centimeters processed wafer area in the front-end production and consumptions according to WSC definition.



### Emission Reduction enabled by our products and solutions



Net ecological benefit:  
**CO<sub>2</sub> emissions reduction around 50 million tons**

1) This figure considers manufacturing, transportation, function cars, flights, materials, chemicals, water/wastewater, direct emissions, energy consumption, waste, etc. and is based on internally collected data and externally available conversion factors. All data relate to the 2016 fiscal year.

2) This figure is based on internally established criteria, which are explained in the explanatory notes. The figure relates to the calendar year 2015 and considers the following fields of application: automotive, LED, PC power supply, renewable energy (wind, photovoltaic), drives as well as induction cookers. CO<sub>2</sub> savings are calculated on the basis of potential savings of technologies in which semiconductors are used. The CO<sub>2</sub> savings are allocated on the basis of Infineon market share, semiconductor content and lifetime of technologies concerned, based on internal and external experts' estimations. Despite the fact that CO<sub>2</sub> footprint calculations are subject to imprecision due to the complex issues involved, the results are nevertheless clear.

# Let's get connected



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PRESS



INVESTORS

CAREERS



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Part of your life. Part of tomorrow.

