

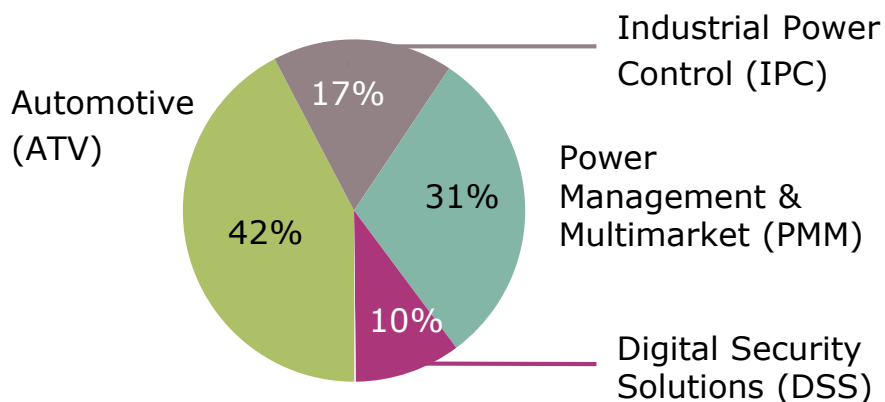
Company Presentation

August 2018



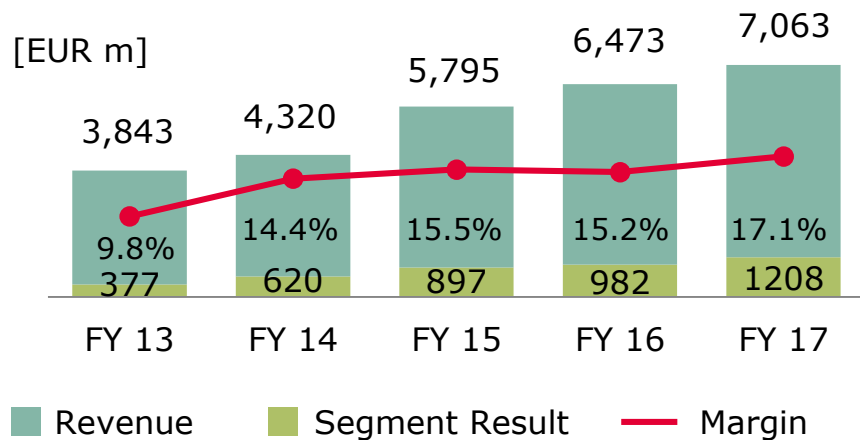
Infineon at a glance

Business Segments



Revenue FY 2017

Financials



Employees

Around **37,500** employees worldwide (as of Sept. 2017)



36 R&D locations
17 manufacturing locations

Market Position

Automotive



2

Strategy Analytics, April 2018

Power



1

IHS Markit, Technology Group, August 2018

Smart card ICs



1

IHS Markit, Technology Group, July 2017

A world leader in semiconductor solutions



Our vision

We are the link between the real and the digital world.

Our values

We commit
We partner
We innovate
We perform

Our mission

We make life
easier, safer
and greener.

Part of your life. Part of tomorrow.

Global megatrends underline the increasing importance of microelectronics



Business growth in the semiconductor market is driven by four key trends



Energy efficiency



Mobility



Security



IoT & big data



Energy efficiency



The challenges of rising demand for energy and growing depletion of fossil resources call for smarter, more efficient ways of generating, transmitting and consuming energy. Semiconductors reduce the energy consumed by electronic devices, enabling systems that make the way we live and work greener. As the global leader in power semiconductors, Infineon's products and solutions allow energy to be generated more efficiently and from renewable sources.

Application examples

- › **Empowering the energy revolution:** Leading power devices and subsystems for renewables and efficient energy transmission and storage
- › **Turning eMobility into reality:** Innovative IC solutions for xEVs, eBikes and eScooters
- › **Ensuring uninterruptible power supplies:** Power components for reliable UPS systems
- › **Optimizing performance:** MCUs and power semiconductors for smart motor controls / drives
- › **Advancing the future of light:** LED driver ICs, MOSFETs and sensors for lighting applications

Mobility



Megatrends like demographic shifts, social change and urbanization are accentuating the need to manage rising public and private traffic volumes while mitigating the environmental and climate impact of this traffic. Sustainable, smart mobility solutions are essential given the growing scarcity of natural resources.

Through its semiconductors, Infineon is building more intelligence, responsiveness and autonomy into transport systems – enabling mobility solutions ranging from eBikes through hybrid and fully electric vehicles to underground and high-speed trains.

Application examples

- › **Making mobility clean:** Efficient semiconductors for electric drivetrains and CO₂ reduction
- › **Making autonomous driving safe and reliable:** Chip solutions for automated driving applications (from ADAS to autonomous driving)
- › **Making mobility smart:** Broad product portfolio of sensors and security ICs for individual convenience and connectivity

Security



In an increasingly digital world with more and more connected devices, people want to interact and communicate in a secure way that protects their data against theft and misuse. Securing electronic devices and infrastructures is a number one priority. Addressing this need for security is one of Infineon's key competencies.

With more than 30 years of experience in the security market, Infineon offers tailored and ready-to-use security solutions serving a wide range of applications from smart cards, passports and cars to new and emerging use cases.

Application examples

- › **Securing eGovernment:** Security solutions for electronic ID applications
- › **Building trust in security:** Hardware-based security solutions for reliable device authentication and trusted computing
- › **Protecting smart factories:** High-quality ICs and state-of-the-art encryption technologies for highly secure M2M communication
- › **Safeguarding connected cars:** Advanced security solutions for connected mobility

IoT & big data



In today's digital world, more and more things are connected to the Internet. The volume of data generated, transferred and stored is rising day by day, so too is the need for high-speed and low-latency communication.

With its sensors, controllers, power devices and authentication products, Infineon enables smart, secure and power-efficient IoT solutions for smart devices, homes, cities, factories and vehicles. It provides cutting-edge power solutions for data centers and servers as well as leading RF chipsets supporting mission-critical infrastructures like 5G.

Application examples

- › **Sensing the connected world:** Highly reliable and precise sensors for automotive, industrial and general applications
- › **Implementing Industry 4.0:** Innovative IC solutions for digital automation and robotics
- › **Driving hyper-scale data centers and cloud computing:** Cutting-edge power usage effectiveness (PUE) for server farms and reliable TPM solutions to secure data in the cloud
- › **Enabling smart infrastructures:** Advanced semiconductor solutions for smart cities, smart grids and next-gen wireless communication

Our strategy is targeted at value creation through sustainable profitable growth



Focus

- › Focus on fastest growing segments of semi market
- › Tackle global megatrends

Technology leadership

- › Leverage core competencies in different end markets to maximize ROI

System understanding

- › Create value for customers through system understanding

Auto

System leader in automotive

Power

#1; system and technology leader

RF

Broad RF and sensor technology portfolio

Security

Leader in security solutions

Average-cycle financial targets

~9% p.a.
Revenue growth

~17%+
Segment Result margin

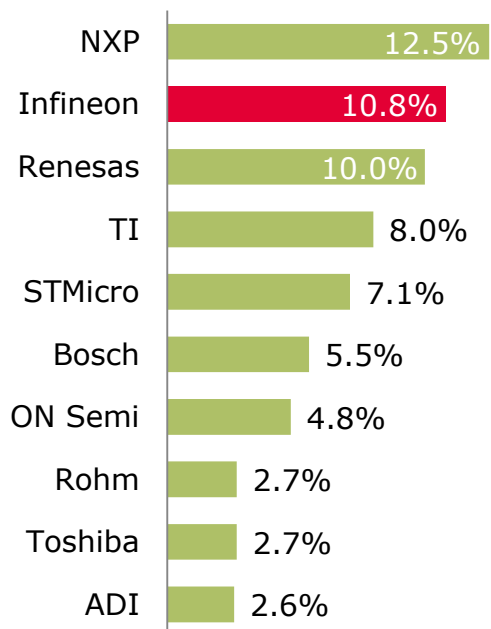
~15%
Investment-to-sales
(*thereof capex**: ~13%)

* Infineon reports under IFRS

Top positions in all major product categories

Automotive semiconductors

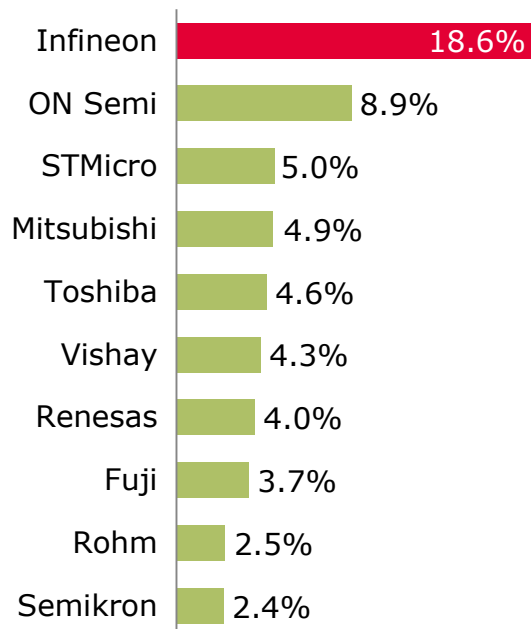
total market in 2017: \$34.5bn



Source: Strategy Analytics, "2017 Automotive Semiconductor Vendor Share", April 2018

Power discretes and modules

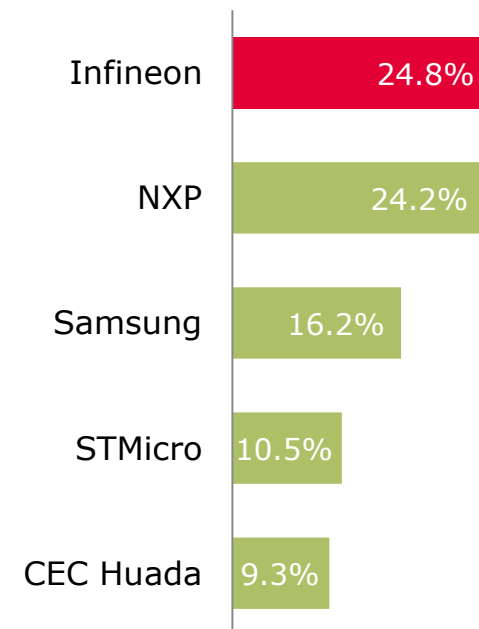
total market in 2017: \$18.7bn



Source: Based on or includes content supplied by IHS Markit, Technology Group, "Power Semiconductor Annual Market Share Report", August 2018

Microcontroller-based Smart Card ICs

total market in 2016: \$2.79bn



Source: Based on or includes content supplied by IHS Markit, Technology Group, "Smart Cards Semiconductors Report", July 2017

The outlook for the global semiconductor market remains positive



Global Semiconductor Market

Market size in billion US-Dollar

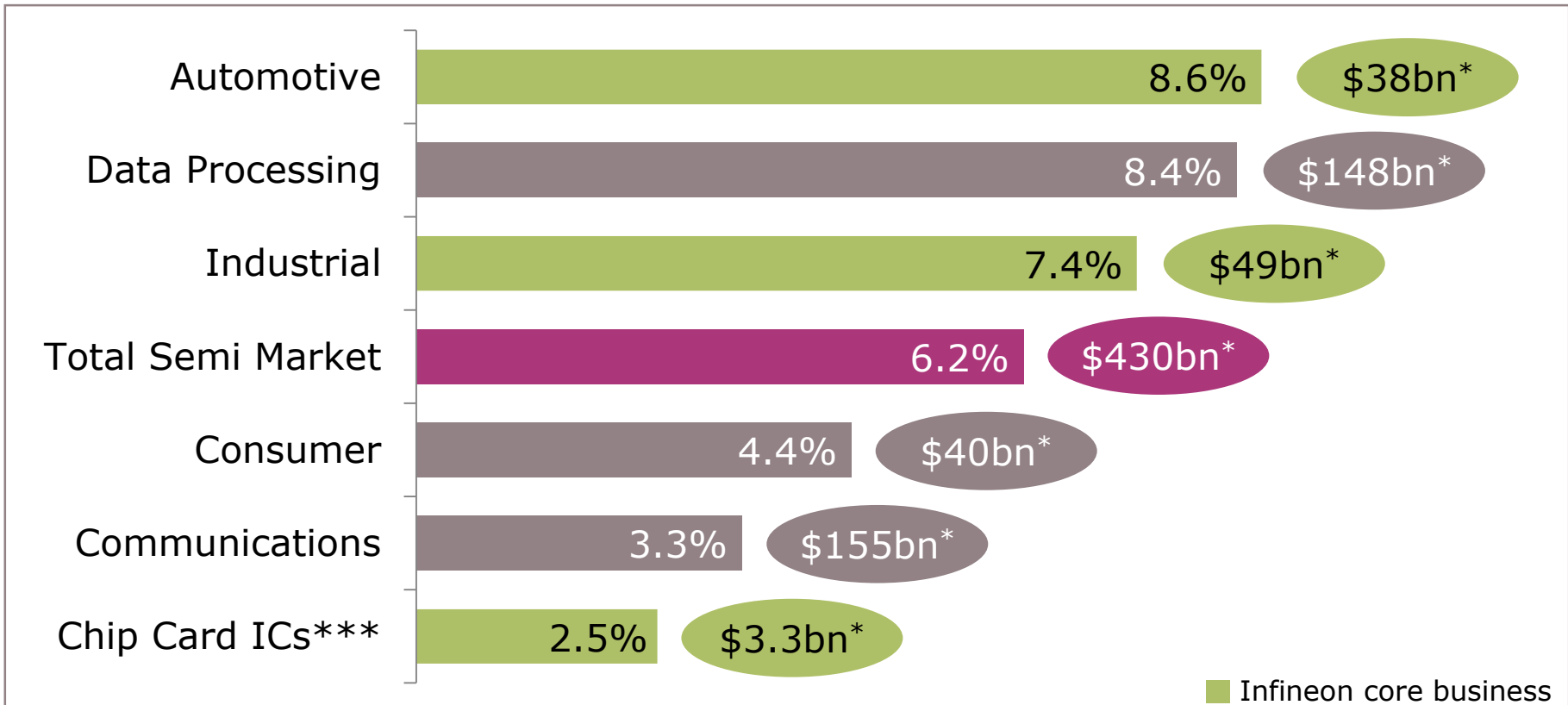


Source: WSTS for historical data. Forecast: Ø of WSTS, IHS Markit Technology Group, Gartner, IC Insights; last update July 16, 2018

Infineon benefits from fast growing segments automotive and industrial



CAGR 2017 – 2022** by Semiconductor Industry Segment



* Market size in calendar year 2017

** Source: Based on or includes content supplied by IHS Markit, Technology Group, "Worldwide Semiconductor Shipment Forecast", June 2018

*** Source: ABI Research, "Secure Smart Card & Embedded Security IC Technologies", February 2018; Microcontroller ICs

Financial Year 2017: Revenue Split by Segment



FY 2017 Revenue: € 7,063 m

Automotive



€ 2,989m

Industrial Power Control



€ 1,206m

Digital Security Solutions

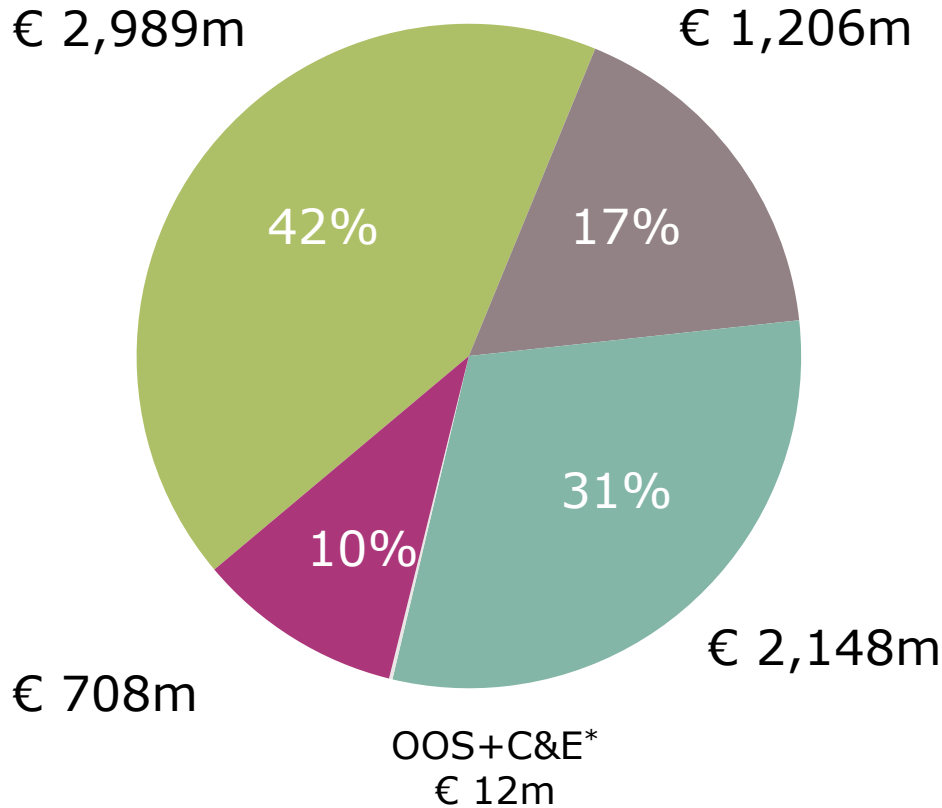


€ 708m

Power Management & Multimarket

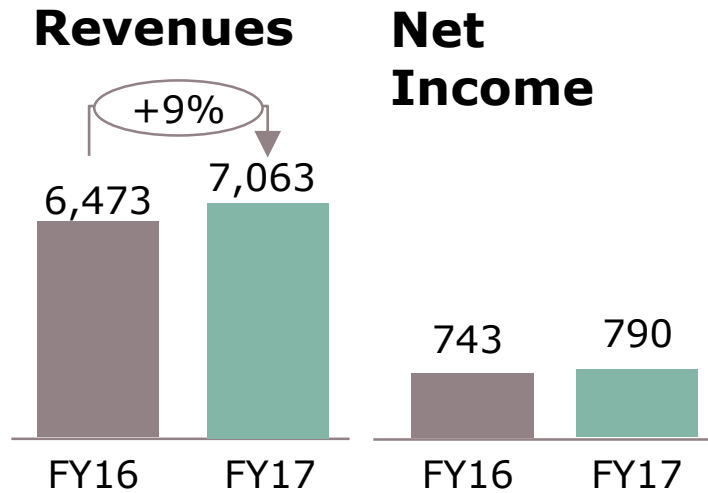


€ 2,148m



* Other Operating Segments; Corporate & Eliminations

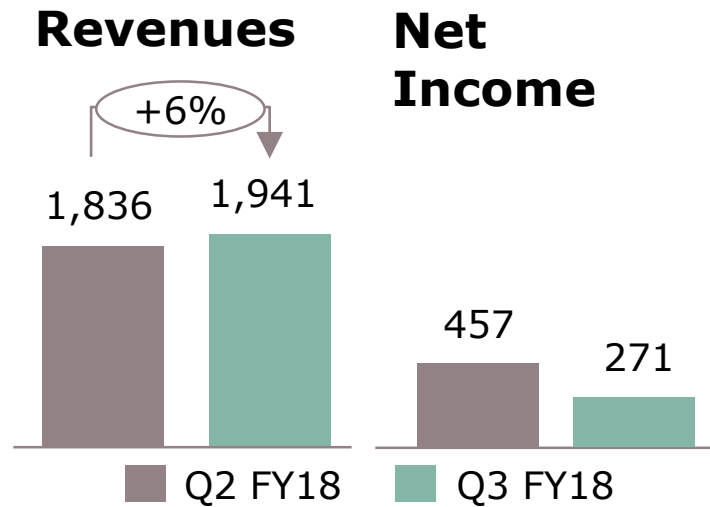
Infineon Group Results for FY 2016 and FY 2017



[€ Million]	2016	2017
Revenues	6,473	7,063
Segment Result (SR)	982	1,208
SR Margin	15.2%	17.1%
Net Income	743	790
Free Cash Flow	490	594
Investments	826	1,022
Net Cash	471	618
Market capitalization*	~17,987	~24,167

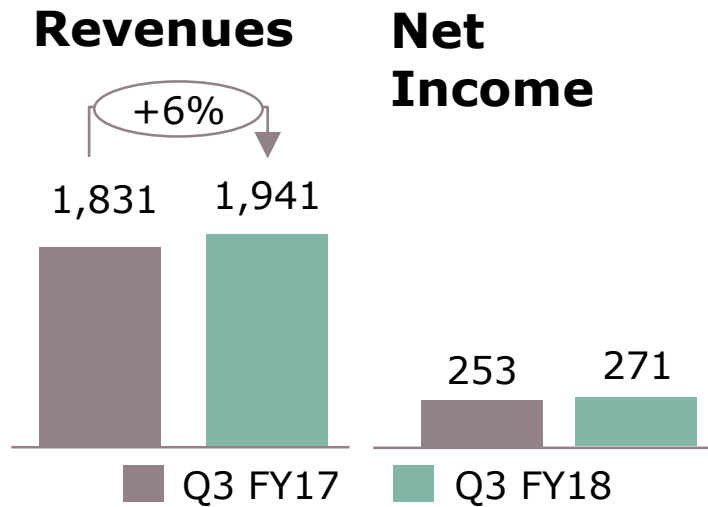
*share price as of September 30th, 2016: 15.88 Euro; share price as of September 30th, 2017: 21.27 Euro

Infineon Group Results for Q2 FY18 and Q3 FY18



[€ Million]	Q2 18	Q3 18
Revenues	1,836	1,941
Segment Result (SR)	314	356
SR Margin	17.1%	18.3%
Net Income	457	271
Free Cash Flow	334	192
Gross Cash Position	2,438	2,621
Net Cash Position	649	792

Infineon Group Results for Q3 FY17 and Q3 FY18



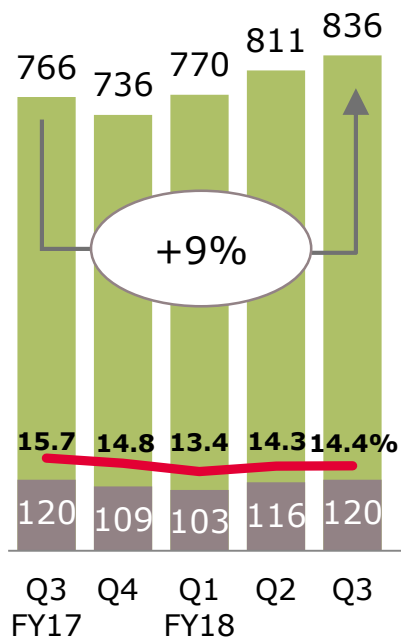
[€ Million]	Q3 17	Q3 18
Revenues	1,831	1,941
Segment Result (SR)	338	356
SR Margin	18.5%	18.3%
Net Income	253	271
Free Cash Flow	301	192
Gross Cash Position	2,217	2,621
Net Cash Position	358	792

Revenue by Segment Q3 FY2018



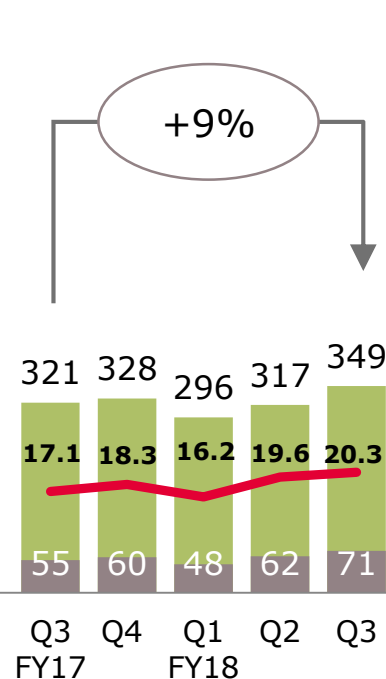
ATV

[EUR m]



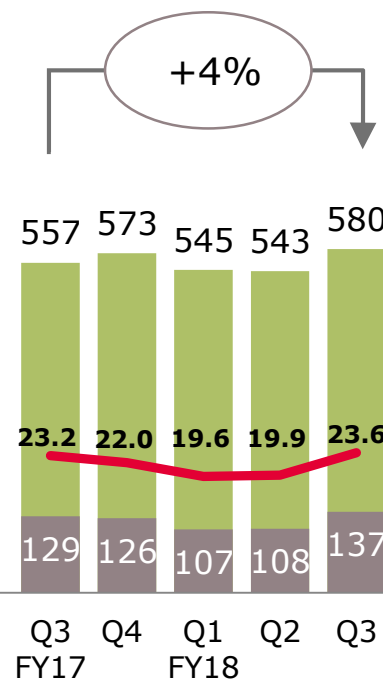
IPC

[EUR m]



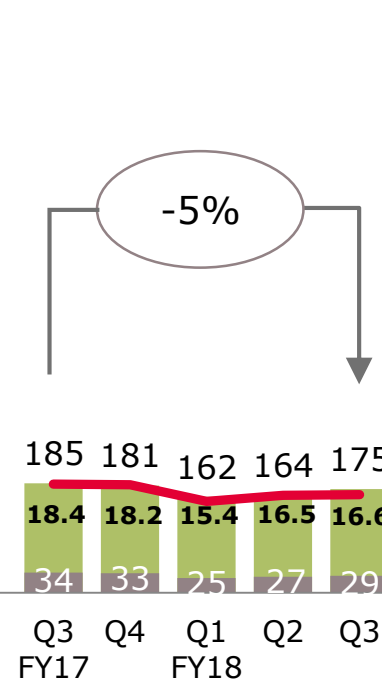
PMM

[EUR m]



DSS

[EUR m]

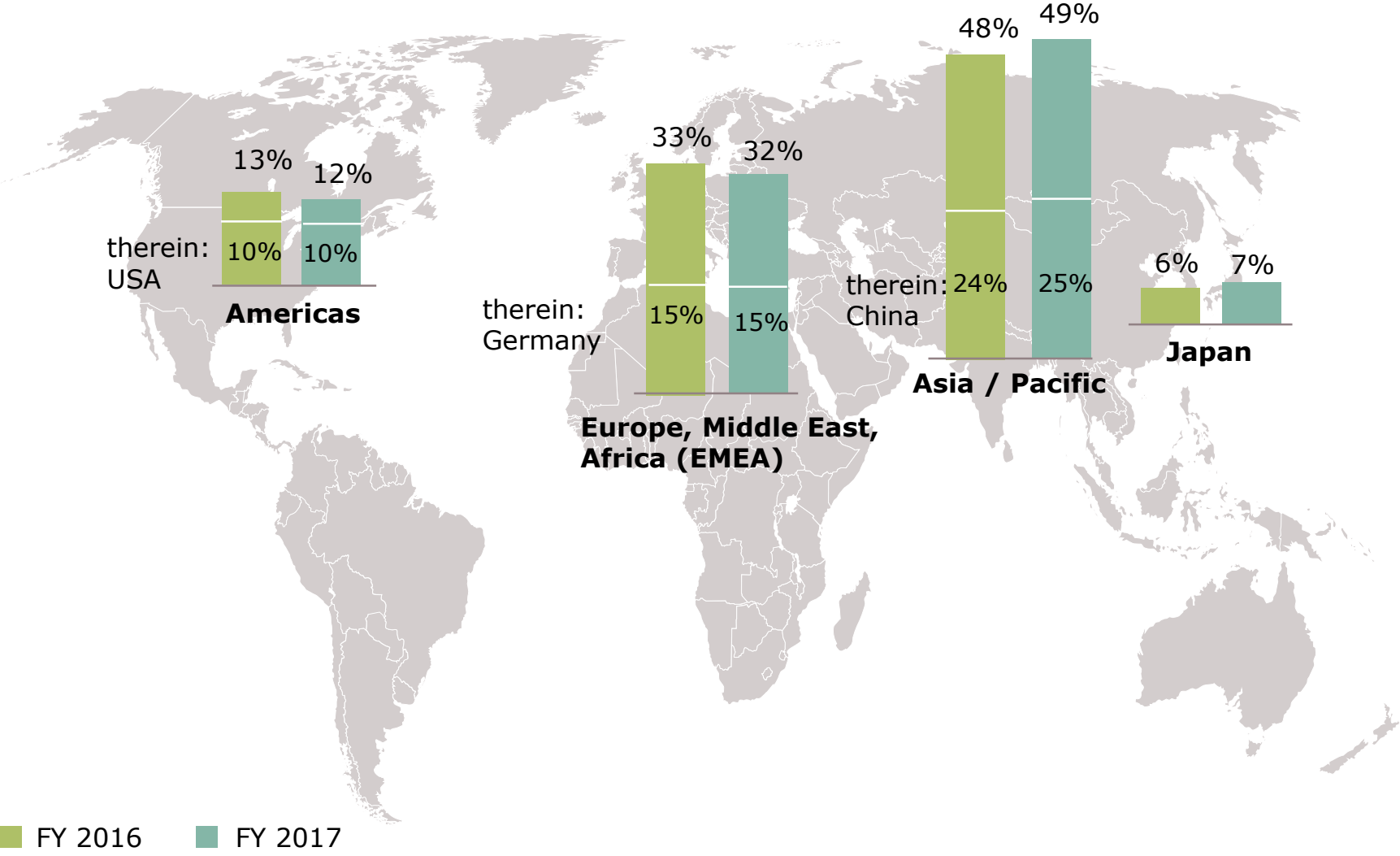


Revenue

Segment Result

Segment Result Margin in %

Revenue split by regions FY 2016 and FY 2017



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

ATV	IPC	PMM	DSS

EMS partners



Distribution partners



Automotive: We shape the future of mobility with microelectronics enabling clean, safe and smart cars.



Clean

- > Clean combustion engines
- > Efficient energy management
- > Electrified drivetrain



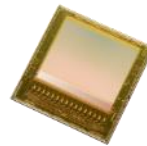
Safe

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



Smart

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



Industrial Power Control: We empower a world of unlimited energy.



Drives

- > General purpose drives
- > Medium voltage drives
- > Servo drives
- > Elevators



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

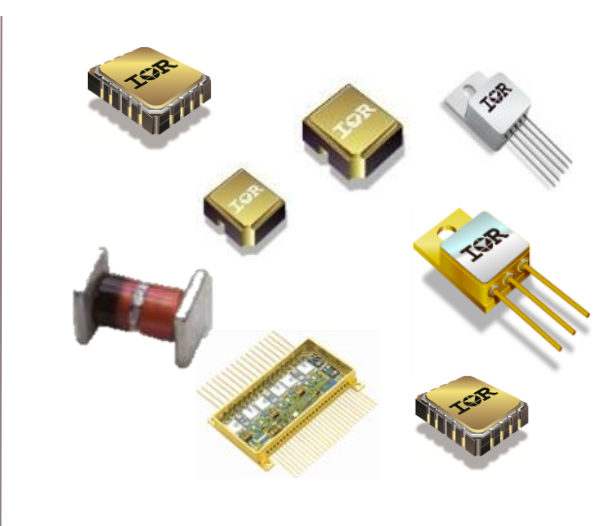
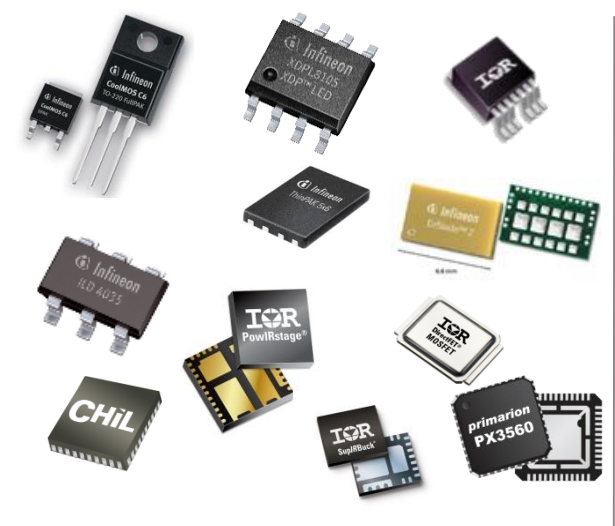


Power Management & Multimarket:

We drive leading-edge power management, sensing and data transfer capabilities.



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



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

Digital Security Solutions: We deliver security for the connected world.



Smart Cards

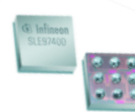


- › Smart card payment
- › Electronic passports and ID documents
- › SIM cards for mobile communication
- › Transport ticketing

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 sensor ICs (77 GHz)
- › 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
- › Silicon carbide modules



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
- › Pressure sensors
- › Radar sensor ICs (24 GHz, 60 GHz)
- › RF antenna switches
- › RF power transistors
- › TVS (transient voltage suppressor) diode

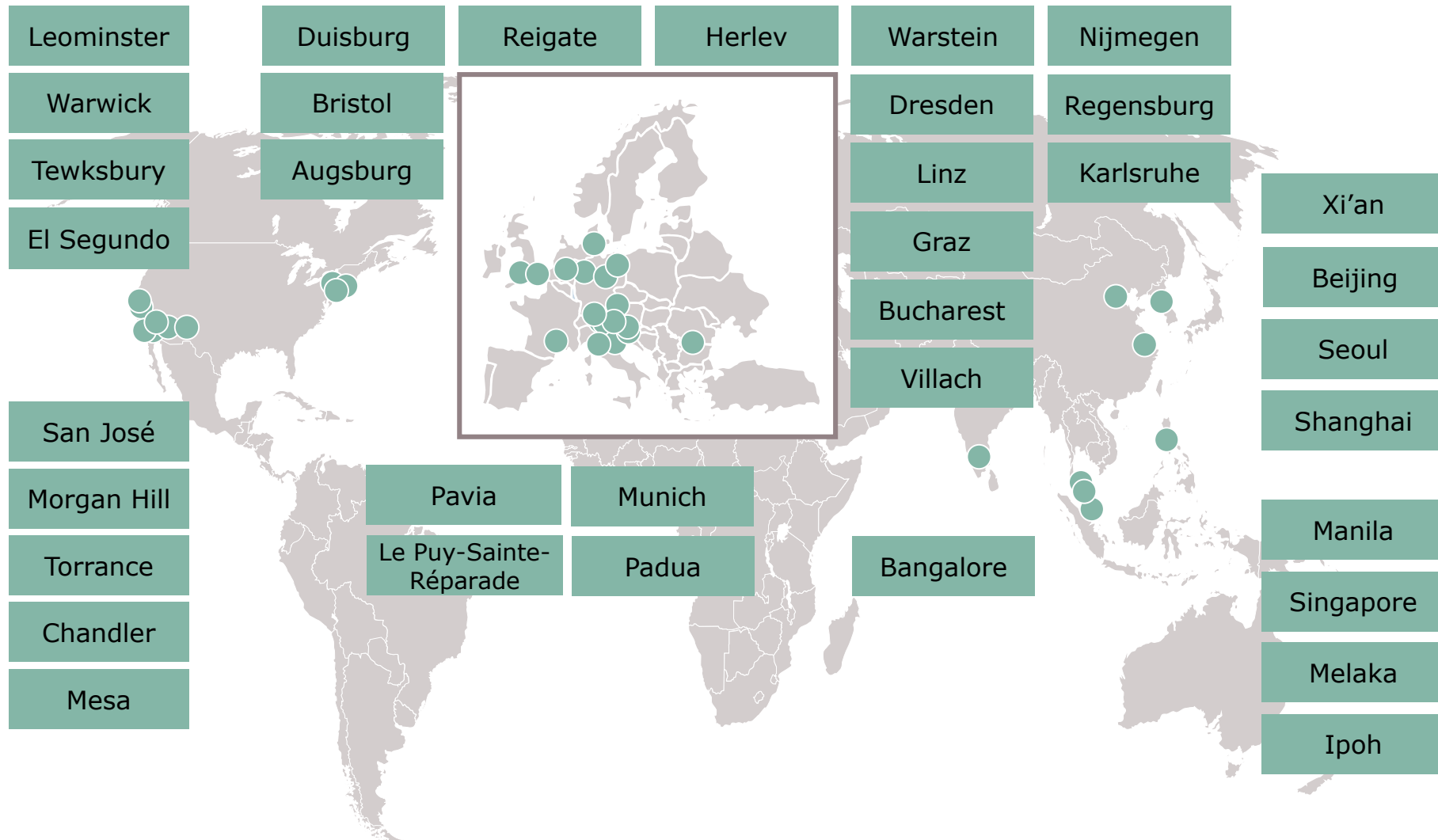


Digital Security Solutions (DSS)

- › Contact-based security controllers
- › Contactless security controllers
- › Dual-interface security controllers (contact-based and contactless)
- › Embedded security controllers

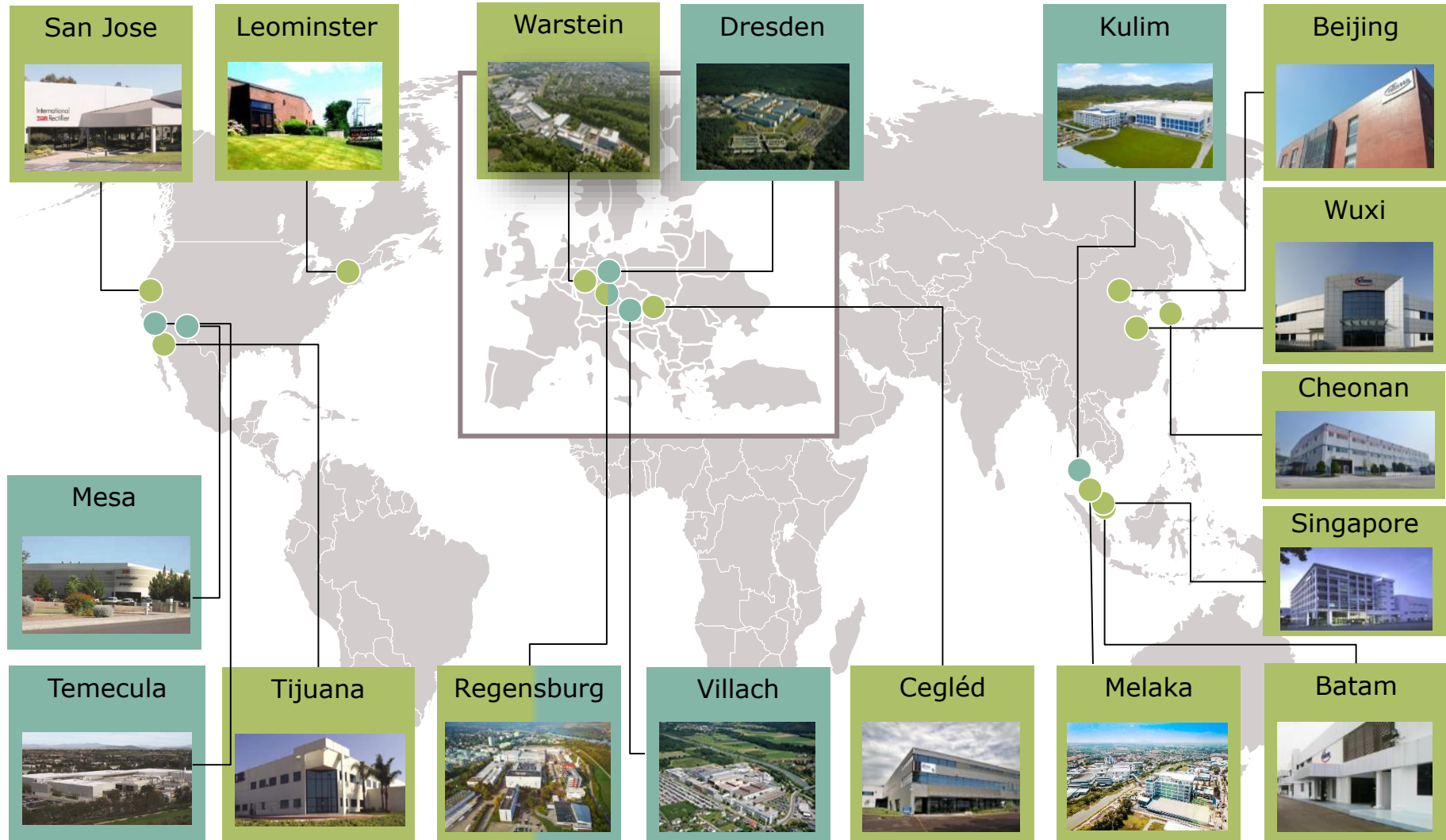
*FlexRay is a trademark licensed by FlexRay Consortium GbR

Our global R&D network



Status: 30 April 2018

Worldwide manufacturing sites frontend and backend



● Frontend ● Backend

Status: 30 April 2018

Our global sales network



Status: 30 September 2017

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 voluntarily committed to the 10 Principles.
- › Infineon is for the 8th time listed in the **Sustainability Yearbook**.
- › Infineon is continuously listed in the **Dow Jones Sustainability Index** since 2010 and for the third time in the **Dow Jones Sustainability World Index** in 2017 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

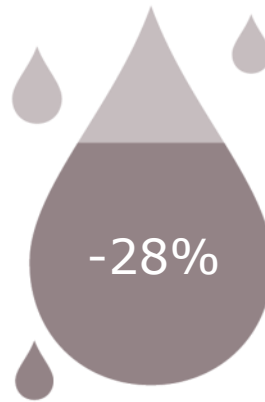
We are excellent in resources efficiency



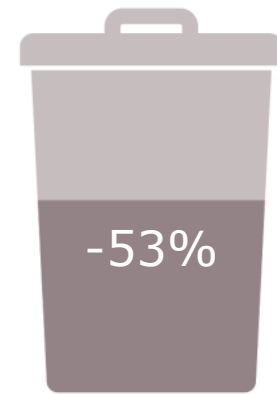
At Infineon, less is more



About **47% less** electricity consumed per square centimeter manufactured wafer than the global average



About **28% less** water consumed per square centimeter manufactured wafer than the global average



About **53% 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.

Business Continuity Integrated management



*ISO 27001/14001/OHSAS 18001 worldwide certification scheme; ** ISO 50001 certified at EU sites

Let's get connected



CUSTOMERS

PRESS



INVESTORS

CAREERS



www.facebook.com/infineon



<https://plus.google.com/>



www.twitter.com/infineon



www.infineon.com/linkedin



www.xing.com/infineon



www.youtube.com/infineon



Part of your life. Part of tomorrow.



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