



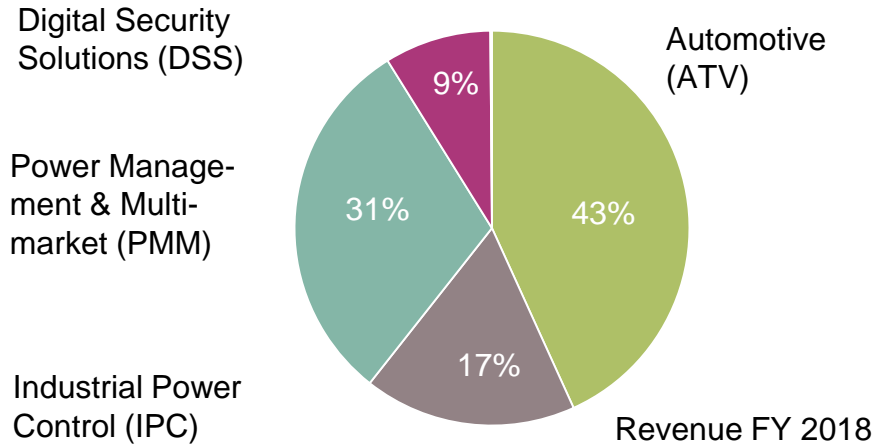
# Company Presentation

February 2019

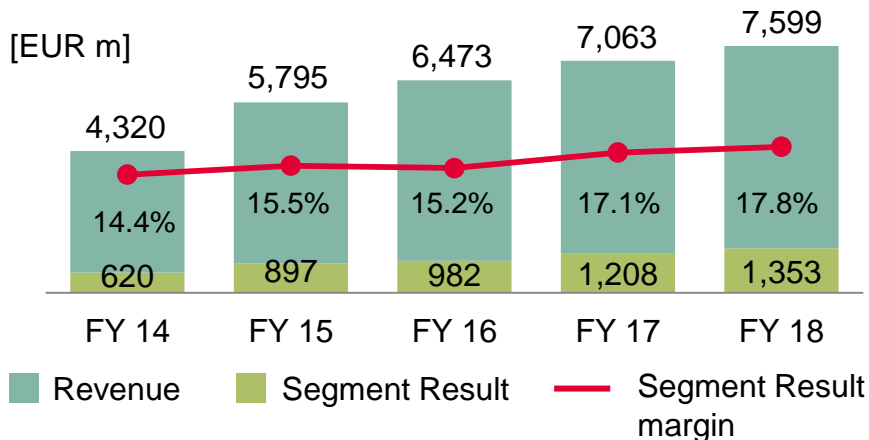


# Infineon at a glance

## Business Segments

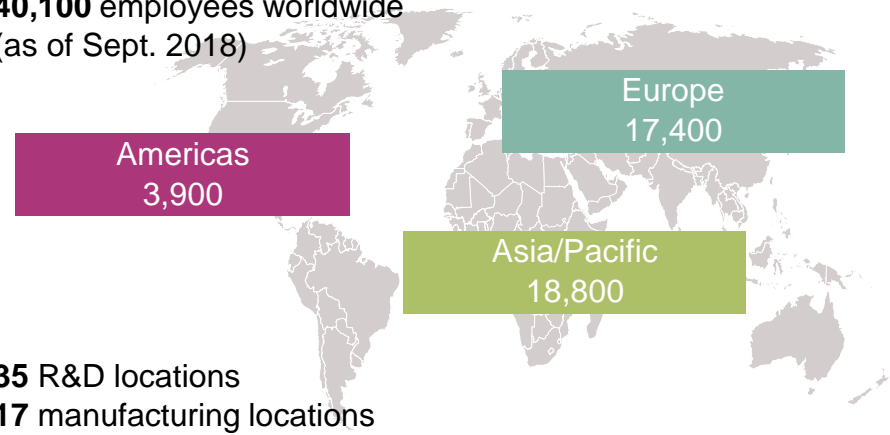


## Financials



## Employees

40,100 employees worldwide (as of Sept. 2018)



35 R&D locations  
17 manufacturing locations

## Market Position



# 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



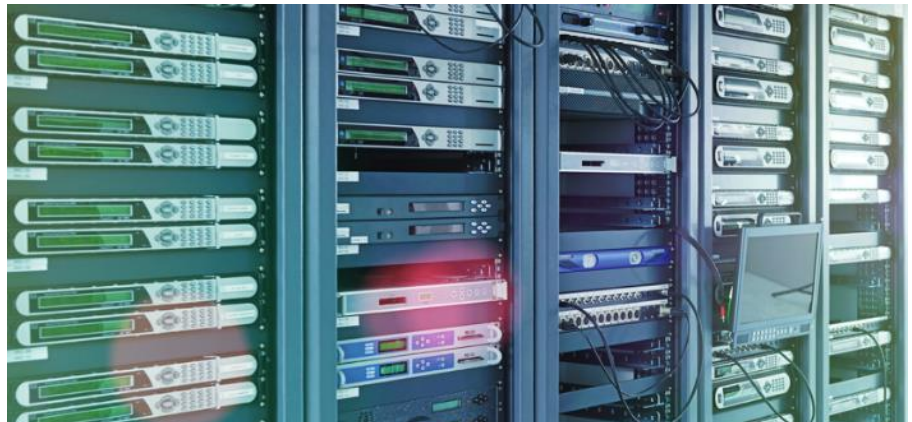
**Demographic & social change**



**Climate change & resource scarcity**



**Urbanization**



**Digital transformation**

# 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 CO<sub>2</sub> 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	Technology leadership	System understanding
<ul style="list-style-type: none"> <li>&gt; Focus on fastest growing segments of semi market</li> <li>&gt; Tackle global megatrends</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Leverage core competencies in different end markets to maximize ROI</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Create value for customers through system understanding</li> </ul>

Auto	Power	RF and sensors	Security
System leader in automotive	#1; system and technology leader	Broad RF and sensor technology portfolio	#1 in security solutions

## Average-cycle financial targets

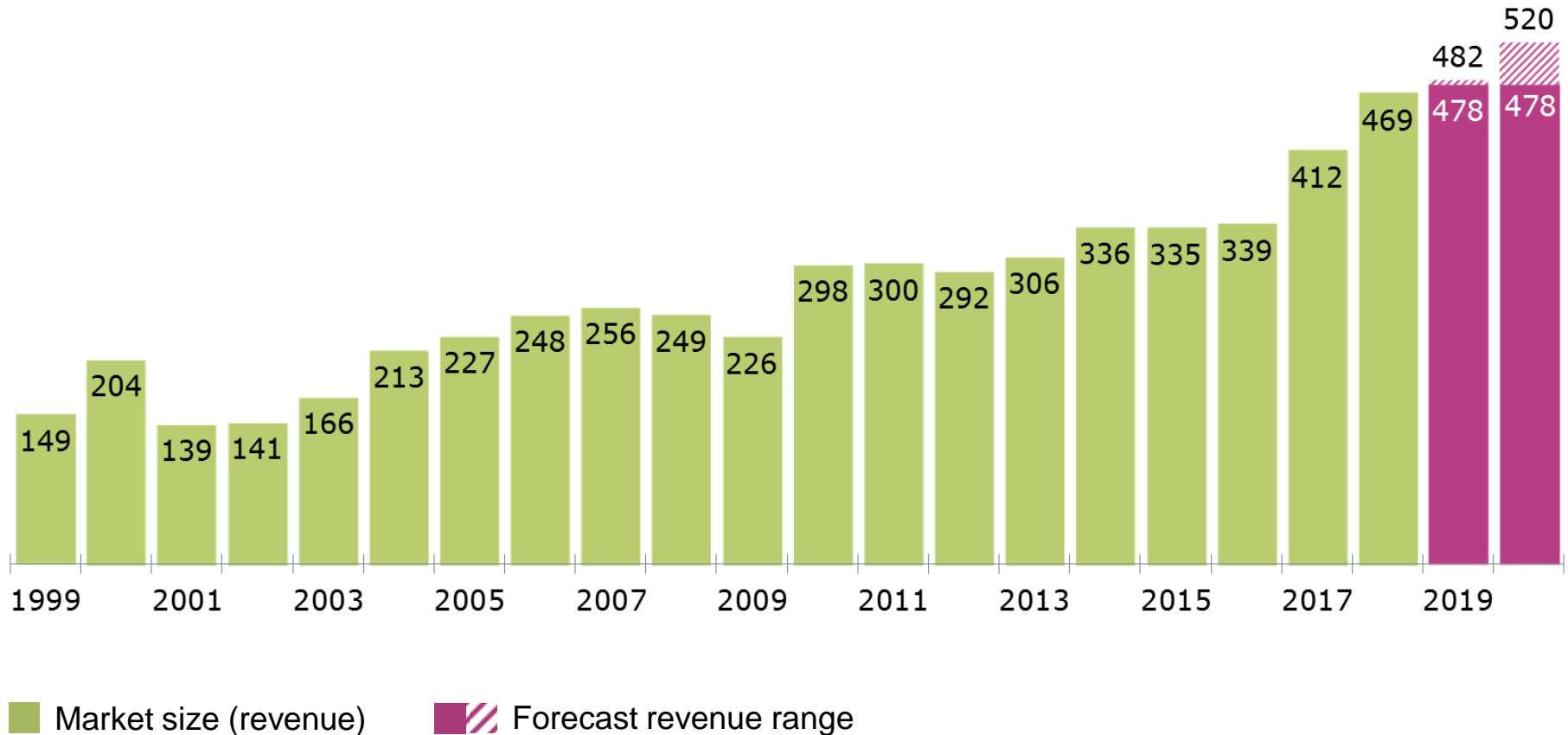
~9% p.a. Revenue growth	~17%+ Segment Result margin	~15% Investment-to-sales (thereof capex*: ~13%)
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\* Infineon reports under IFRS

# The outlook for the global semiconductor market remains positive

## Global Semiconductor Market

Market size in billion US-Dollar



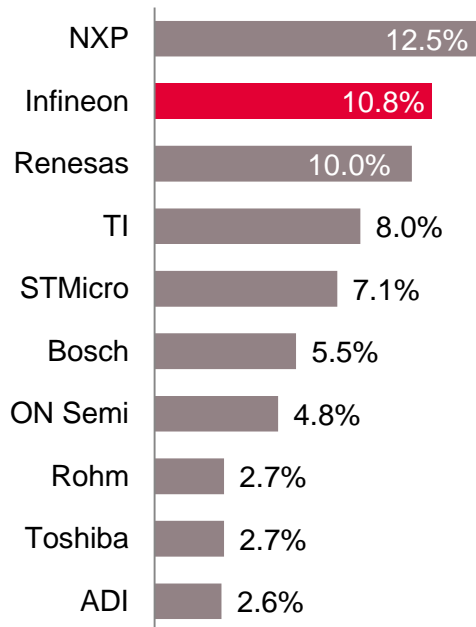
Source: WSTS for historical data. Forecast: ∅ of WSTS, IHS Markit Technology Group, Gartner, IC Insights; last update February 1, 2019



# Top positions in all major product categories

## Automotive semiconductors

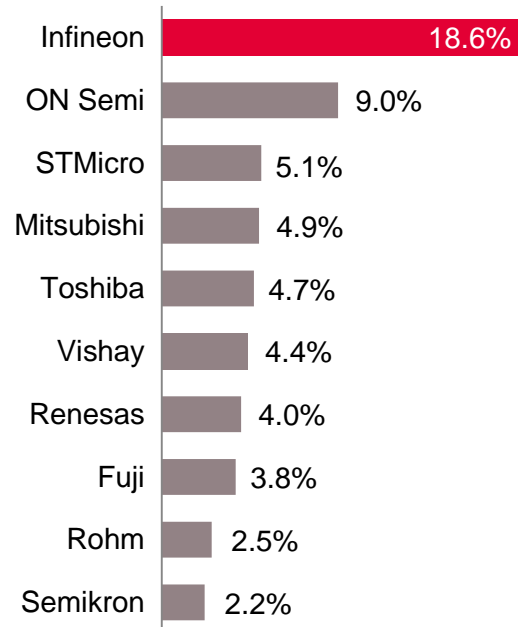
total market in 2017: \$34.5bn



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

## Power discretes and modules

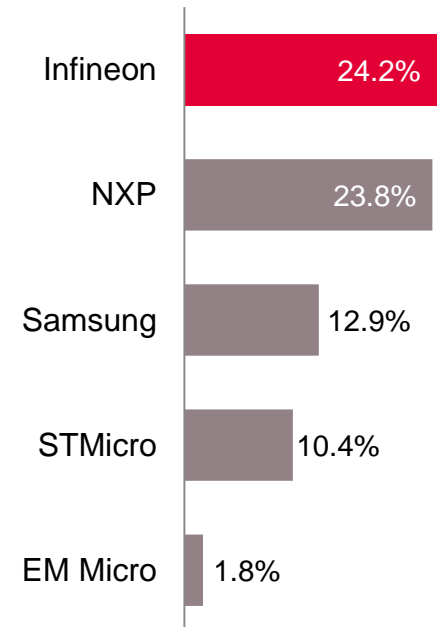
total market in 2017: \$18.5bn



Source: Based on or includes content supplied by IHS Markit, Technology Group, "Power Semiconductor Market Share Database 2017", September 2018

## Security ICs

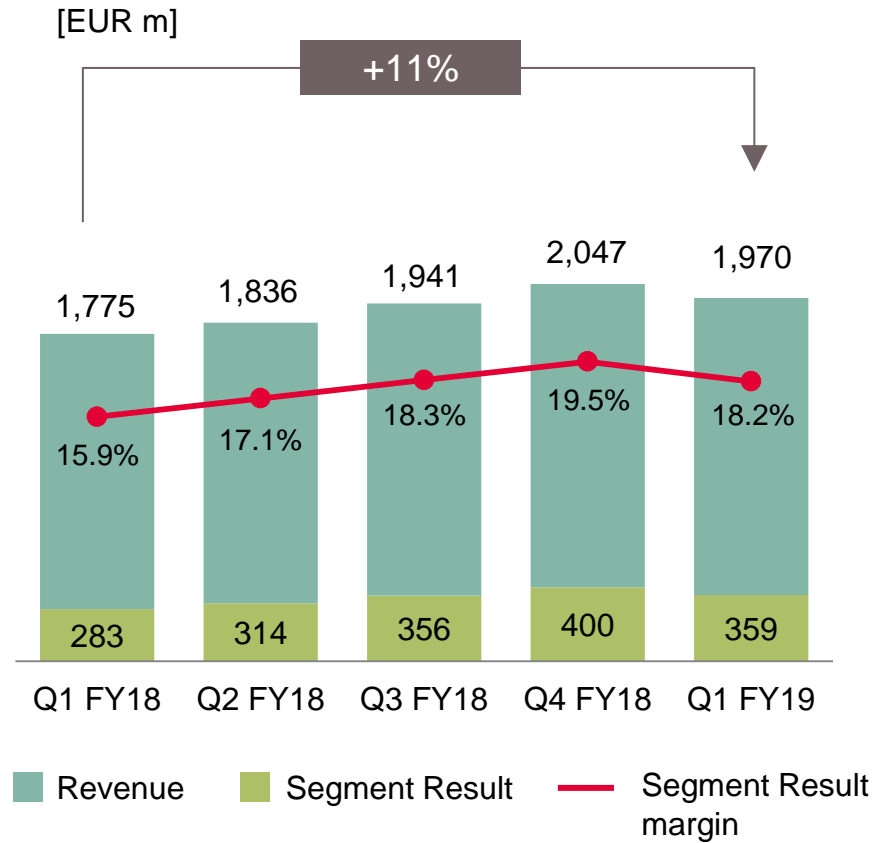
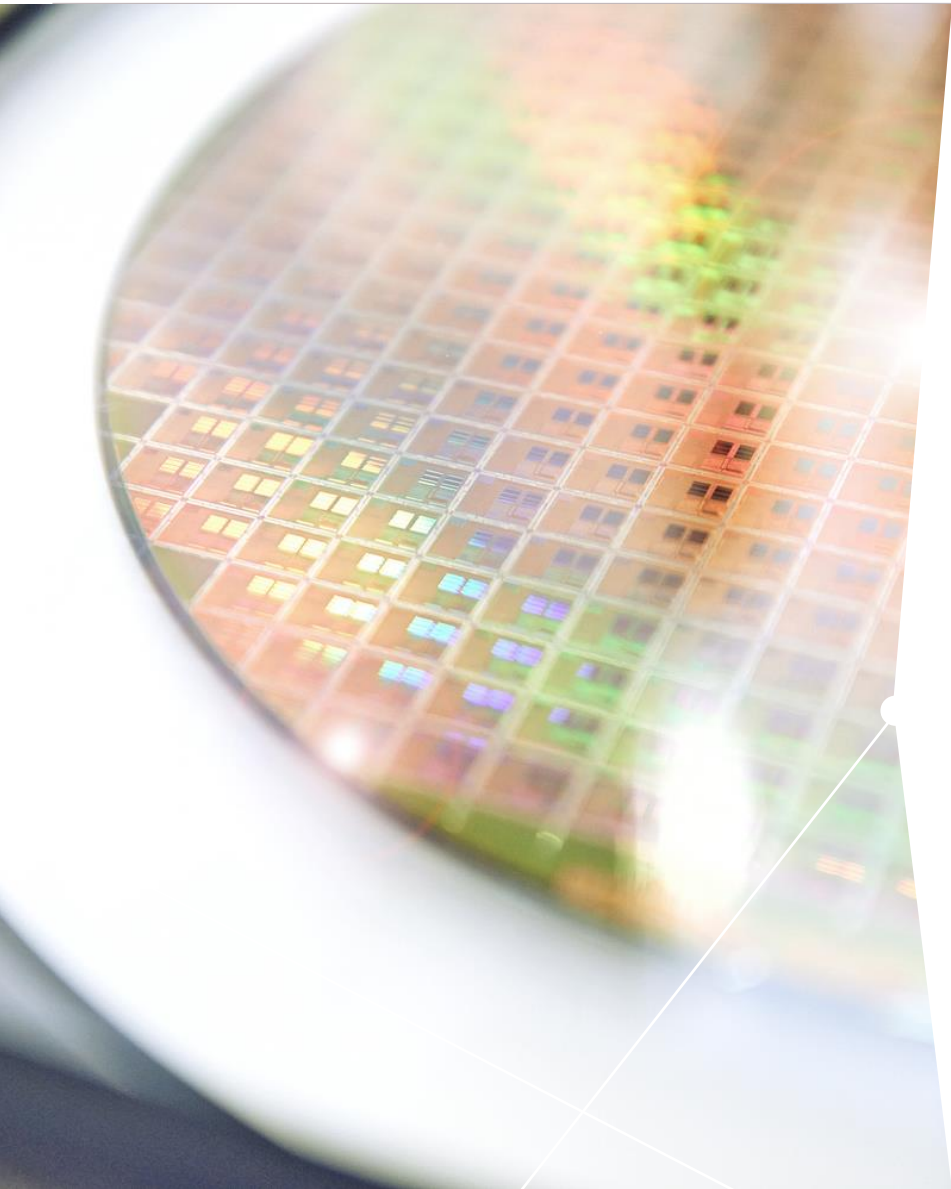
total market in 2017: \$3.3bn



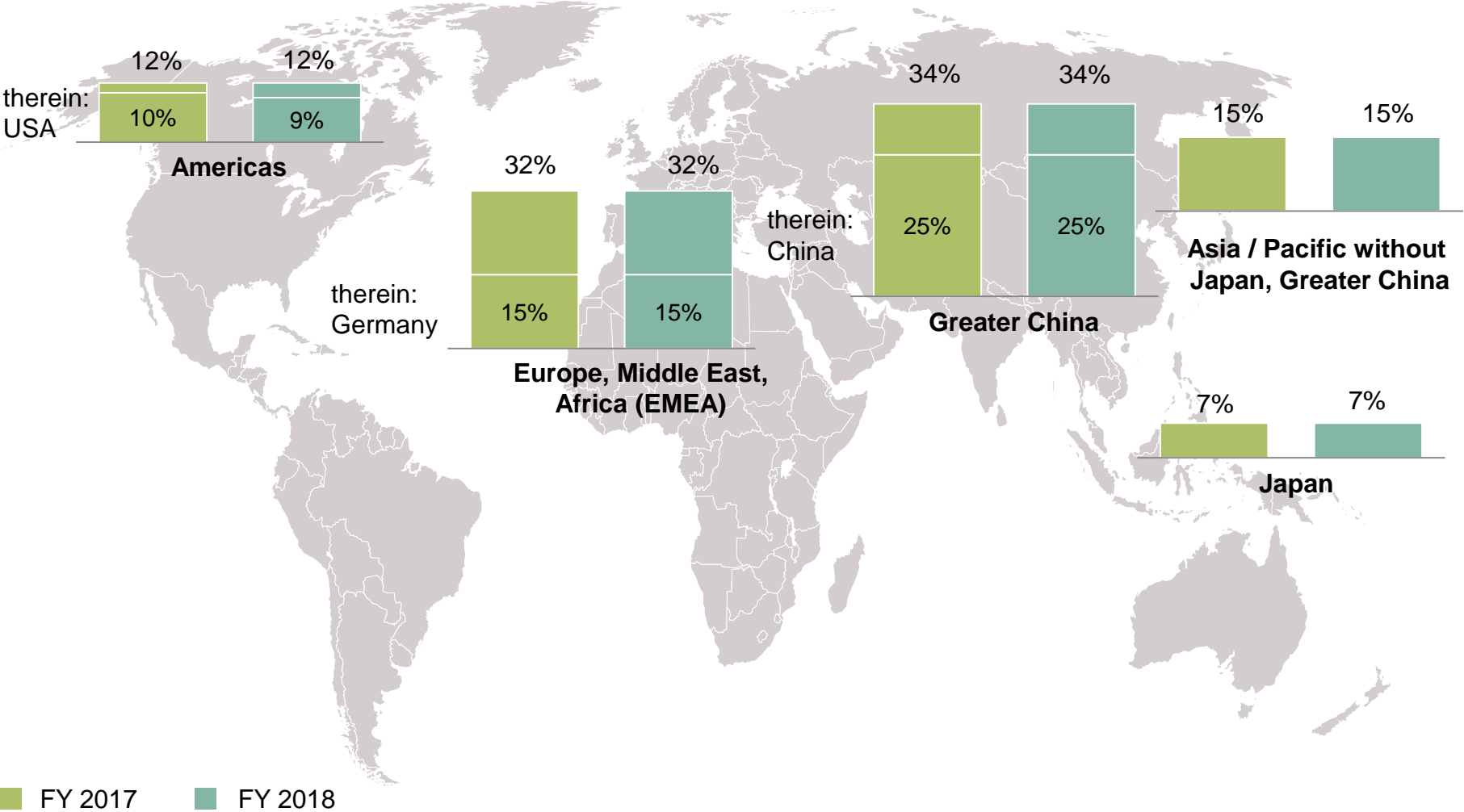
Source: ABI Research, "Smart card & secure ICs", October 2018

# Infineon is on growth path

## Revenue and result for Q1 FY 2018 to Q1 FY 2019



# Revenue split by regions FY 2017 and FY 2018





# Financial Year 2018

## Revenue Split by Segment



**FY 2018 Revenue: € 7,599 m**

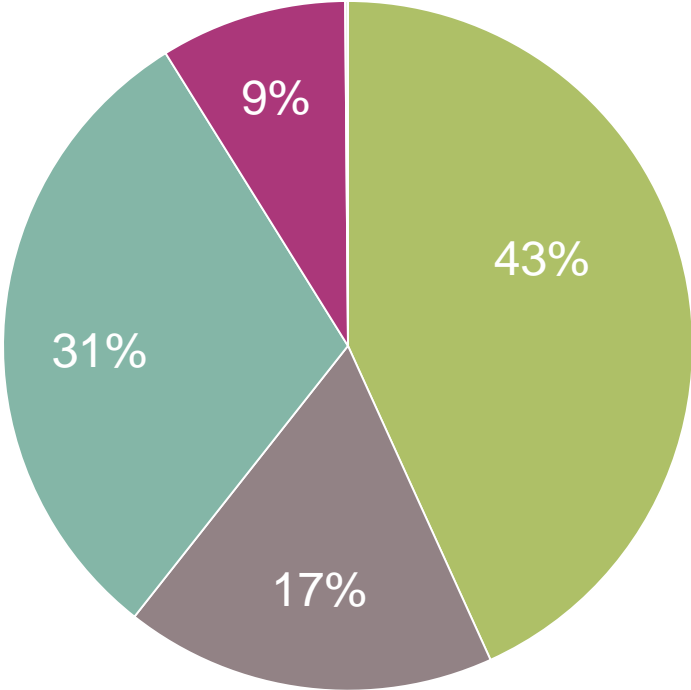
### Digital Security Solutions



### Power Management & Multimarket



OOS+C&E\*  
€ 10 m



### Automotive



### Industrial Power Control



\* Other Operating Segments; Corporate & Eliminations

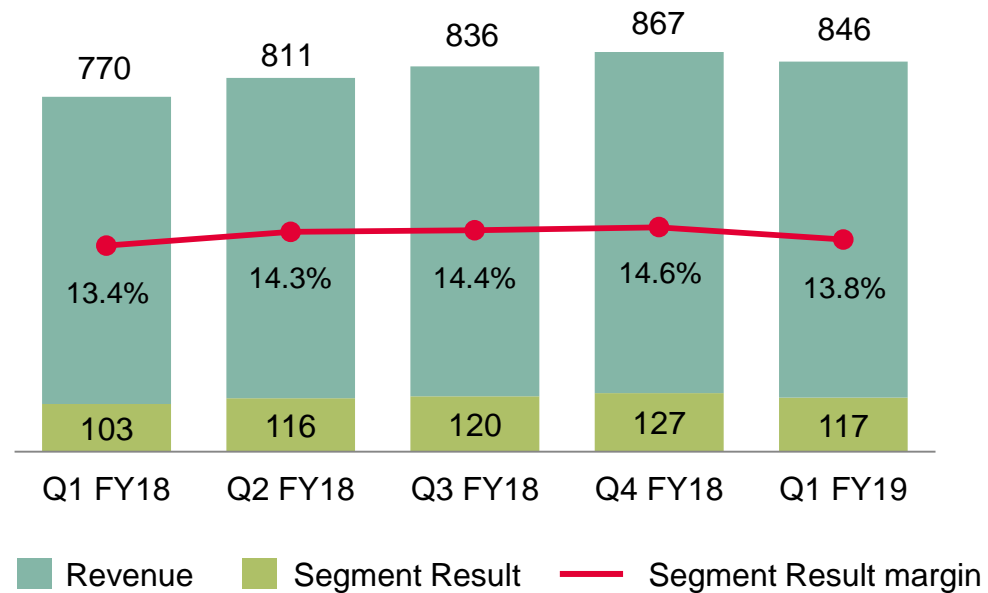
# Automotive shapes the future of mobility with cleaner, safer and smarter cars



## Core applications:

Powertrain, Assistance systems and safety systems, Security, Comfort electronics

[EUR m]





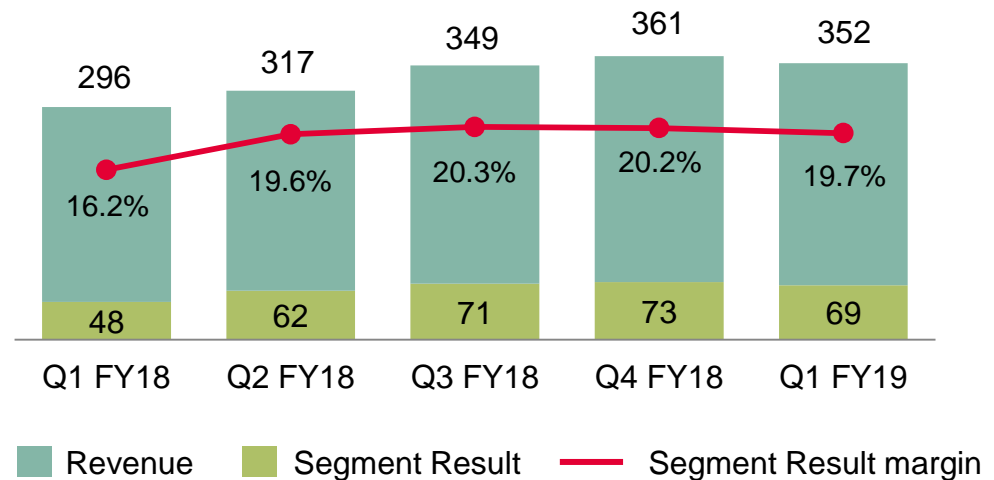
# Industrial Power Control empowers a world of unlimited energy



## Core applications:

Energy generation (solar and photovoltaic), Energy transmission, Energy consumption: Home appliances, Industrial drives, Traction, Robotics, Charging stations for electric vehicles, Industrial power supplies, Industrial vehicles

[EUR m]





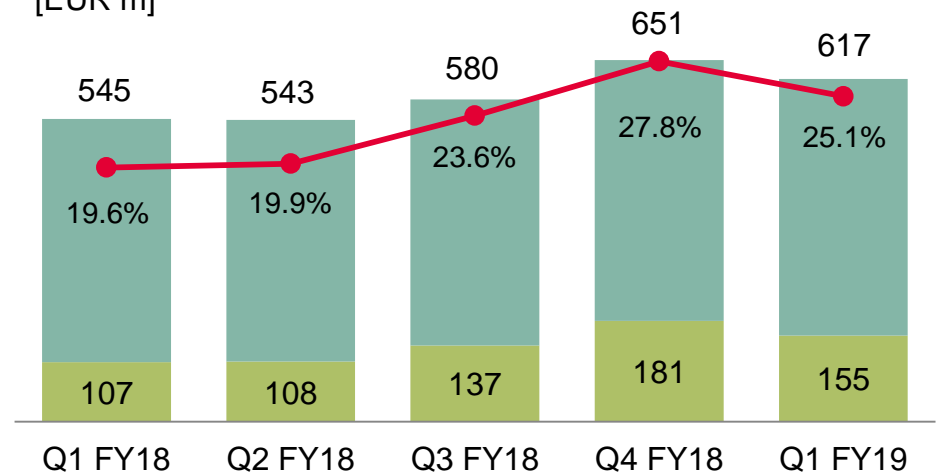
# Power Management & Multimarket creates solutions for power management, sensing, data transmission



## Core applications:

Battery-powered applications, Charging stations for electric vehicles. LED and conventional lighting systems, Power management, Internet of Things, Mobile devices, Cellular infrastructure, High Reliability Applications

[EUR m]



■ Revenue ■ Segment Result — Segment Result margin

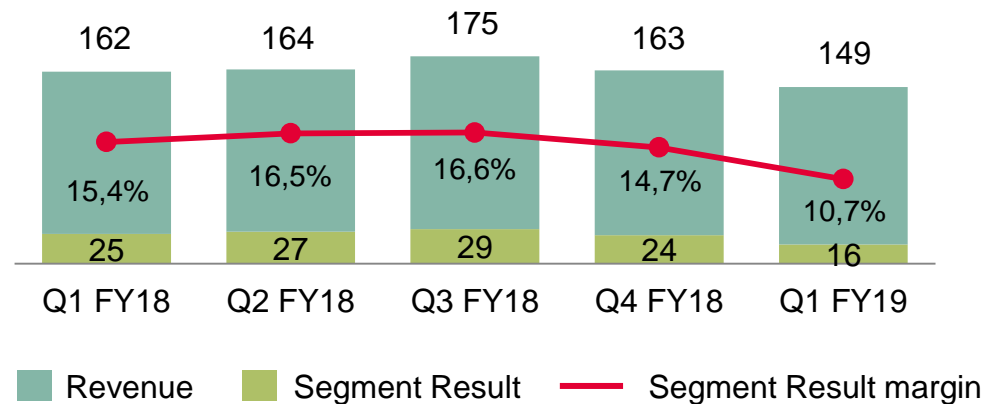
# Digital Security Solutions delivers security for a connected world



## Core applications:

Authentication, Automotive, Governmental identification documents, Internet of Things, Mobile communications, Ticketing, Access control, Trusted Computing, Payment systems

[EUR m]





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



**EMS partners**

APTIV  
Autoliv  
BOSCH  
DENSO  
BYD  
Continental  
HITACHI  
Inspire the Next  
HELLA  
LEAR  
CORPORATION  
HYUNDAI  
KEIHIN  
MITSUBISHI ELECTRIC  
Mando  
OMRON  
preh  
Valeo  
ZF



**EMS partners**

ABB  
ALSTOM  
BOMBARDIER  
中国中车  
CRRC  
Danfoss  
EATON  
GOLDWIND  
Midea  
Inovance  
Nidec  
Rockwell Automation  
Schneider Electric  
SEMIKRON  
innovation + service  
SIEMENS  
SUNGROW  
TOSHIBA  
Vestas  
YASKAWA



**Distribution partners**

阿里巴巴  
Alibaba.com  
amazon  
ARTESYN  
EMBEDDED TECHNOLOGIES  
Baidu 百度  
BOEING  
CISCO  
DELL  
DELTA  
Google  
ERICSSON  
HUAWEI  
Hewlett Packard Enterprise  
LITEON  
Makita  
NOKIA  
OSRAM  
SAMSUNG  
ZTE



**Distribution partners**

gemalto  
security to be free  
GPO  
hp  
IDEMIA  
augmented identity  
Lenovo  
Microsoft  
SAMSUNG  
Watchdata

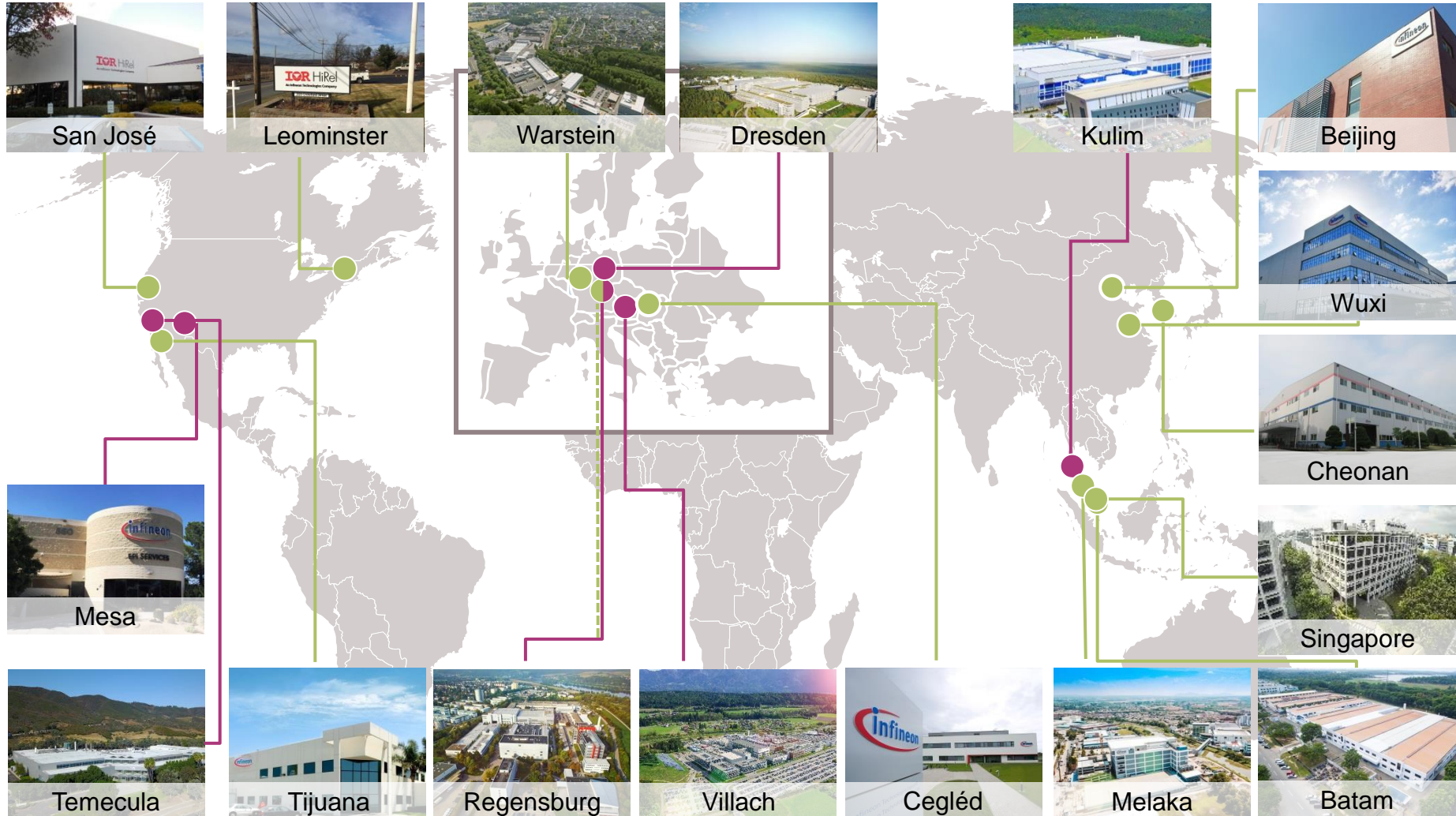
**EMS partners**

flex  
FOXCONN

**Distribution partners**

AVNET  
intron  
英恒  
JET  
MACNICA  
NEXTY Electronics  
RUTRONIK  
ELECTRONICS WORLDWIDE  
ASC  
威健  
WEIKENG

# Worldwide manufacturing sites frontend and backend



● Frontend ● Backend

Stand: 30. September 2018



# Our global Research and Development activities

## 11 percent

of Infineon's annual revenue goes into Research and Development (R&D). In fiscal year 2018, R&D investments amounted to 836 million euros.

## 7,161 R&D employees

worldwide develop new products, technologies and platforms as well as new manufacturing technologies.

## 26,850 patents in the overall portfolio

show a high level of innovative strength and long-term competitiveness. In fiscal year 2018 alone, Infineon registered 1,550 new patents.

## Numerous innovative ecosystems

with tech companies, universities and research institutes are of great importance to Infineon.



### 35 sites in 15 countries:

<b>Americas</b>	Chandler, El Segundo, Leominster, Mesa, Milpitas, San José, Tewksbury and Warwick (all USA)
<b>Asia</b>	Beijing and Xi'an (both China); Bangalore (India); Seoul (Korea); Ipoh und Melaka (both Malaysia); Muntinlupa (Philippine); Singapore
<b>Europe</b>	Graz, Linz and Villach (all Austria); Herlev (Denmark); Augsburg, Dresden, Duisburg, Erlangen, Karlsruhe, Neubiberg near Munich, Regensburg and Warstein (all Germany); Le Puy-Sainte-Réparate (France); Bristol and Reigate (both Great Britain); Padua and Pavia (both Italy); Nijmegen (The Netherlands); Bucharest (Romania)

# Our competitive advantage: differentiating as quality leader



## Our path

We do what we promise.  
That's quality made by Infineon.

## Our aspiration

Zero defect regarding the committed

- > functionality
- > reliability
- > time
- > volume & cost

## Our foundation

International standards such as ISO 9001,  
IATF 16949, AS 9100, IEC 17025

# Responsible action, sustainable profitable growth

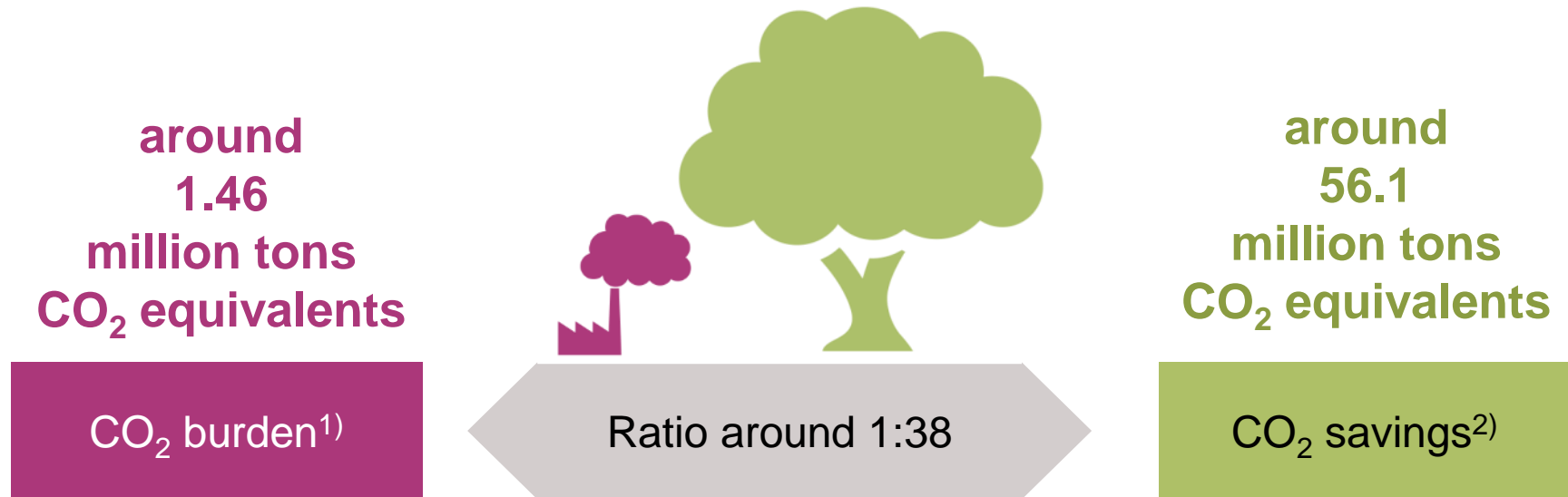


## Infineon ranks among the 10% most sustainable companies in the world

- › Sustainability at Infineon includes **social, ecological and economic values**
- › Infineon is the first semiconductor company to commit to the **10 Principles of the UN Global Compact**
- › Infineon meets global social challenges such as climate protection, energy efficiency and resource management with innovative products
- › **External evaluation of the commitment:**
  - Included in the Sustainability Yearbook for the eighth time in a row
  - Included in the Dow Jones Sustainability Index Europe™ since 2010 and in the Dow Jones Sustainability World Index™ for the fourth time
  - Received "Gold Status" of the rating agency EcoVadis for the third time

Further information in the [Sustainability Report](#)

### Emission Reduction enabled by our products and solutions



**Net ecological benefit:**  
**CO<sub>2</sub> emissions reduction of more than 54 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 2018 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 2017 and considers the following fields of application: automotive, LED, induction cookers, PC power supply, renewable energy (wind, photovoltaic), mobile phones' chargers as well as drives. 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 the 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.



# Business Continuity Integrated management



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

# Infineon's employees create a better future together



**Andreas Dorfner**  
Application Engineer

"It's exciting to see how a traditional technology like radar can make life easier by turning lights on when someone enters a room."



**Avni Bildhaiya**  
Digital Design Engineer

"Our Aurix Microcontroller helps save lives and prevent accidents by activating a car's breaks in emergency situations."



**Thomas Indlekofer**  
Quality Manager

"Being part of Infineon means working at the forefront of green technologies like electromobility."

At Infineon, more than **40,100** people from over **100** countries work together at more than **70** sites around the world (as of Sept. 2018) toward one mission: to make life **easier**, **safer** and **greener**.

For more information please visit [www.infineon.com/career](http://www.infineon.com/career)

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Part of your life. Part of tomorrow.



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