Q2 Half-Year Financial Report 31 March 2021

Infineon Technologies AG

Content

Selected Consolidated Financial Data

€ in millions, except earnings per share, Segment Result Margin and Gross margin	Three months ended 31 March		Six months ended 31 March	
	2021	2020	**2021**	2020
Selected Results of Operations Data				
Revenue	2,700	1,986	5,331	3,903
Gross margin	36.0%	34.5%	36.7%	35.8%
Segment Result	470	274	960	571
Segment Result Margin	17.4%	13.8%	18.0%	14.6%
Research and development expenses	341	241	674	485
Capital expenditure[1]	332	247	614	502
Depreciation and amortization	368	249	736	499
Income from continuing operations	209	178	466	388
Income from discontinued operations, net of income taxes	(6)	-	(6)	(1)
Net income	203	178	460	387
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG	0.15	0.13	0.34	0.30
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG	0.15	0.13	0.34	0.30
Adjusted earnings per share (in euro) - diluted	0.24	0.13	0.52	0.31
Selected Liquidity Data				
Net cash provided by operating activities from continuing operations	742	354	1,330	537
Net cash used in investing activities from continuing operations	(465)	(191)	(804)	(1,229)
Therein: Purchases (-)/proceeds from sales (+) of financial investments, net	(130)	55	(193)	(714)
Net cash provided by (used in) financing activities from continuing operations	(306)	(358)	(497)	810
Free Cash Flow from continuing operations[2]	407	108	719	22

€ in millions, except number of employees	As of	
	31 March 2021	30 September 2020
Selected Financial Condition Data		
Total assets	22,119	21,999
Total equity	10,517	10,219
Equity ratio	47.5%	46.5%
Gross cash position[3]	3,444	3,227
Gross financial debt	6,859	7,033
Net cash position[3]	(3,415)	(3,806)
Market capitalization[4]	47,049	31,366
Employees	48,150	46,665

1 Capital expenditure: the total amount invested in property, plant and equipment and other intangible assets, including capitalized research and development expenses

2 Free Cash Flow is defined as net cash provided by/used in operating activities from continuing operations and net cash provided by/used in investing activities from continuing operations after adjusting for cash flows related to the purchases and sales of financial investments.

3 Gross cash position is defined as cash and cash equivalents and financial investments.
Net cash position is defined as total amount of gross cash position less short-term and long-term financial debt.

4 The calculation is based on unrounded figures. Own shares were not taken into consideration for calculation of market capitalization.

Interim Group Management Report

- Acquisition of Cypress and strong demand for semiconductors lead to revenue and earnings increase compared to the first half of the 2020 fiscal year
- Strong free cash flow of €719 million
- Outlook for the 2021 fiscal year:
  - Revenue of around €11 billion plus or minus 3 percent expected
  - At mid-point of guided revenue range, Segment Result Margin expected at around 18 percent
  - Free cash flow likely to exceed €1.2 billion

“The semiconductor market is booming; electronics that help accelerate the energy transition and make work and home life easier remain in high demand. The push for digitalization continues unabated. Infineon is firmly on course to meet its targets for the current fiscal year,” says Dr. Reinhard Ploss, CEO of Infineon. “Demand greatly exceeds supply for the majority of applications. Infineon's manufacturing facilities are running at full speed and we continue to invest in additional capacity. We see bottlenecks in those segments where we depend on chips supplied by foundries, especially in the case of automotive microcontrollers and IoT products. We are doing everything we can to provide our customers with the best possible support in this situation.”

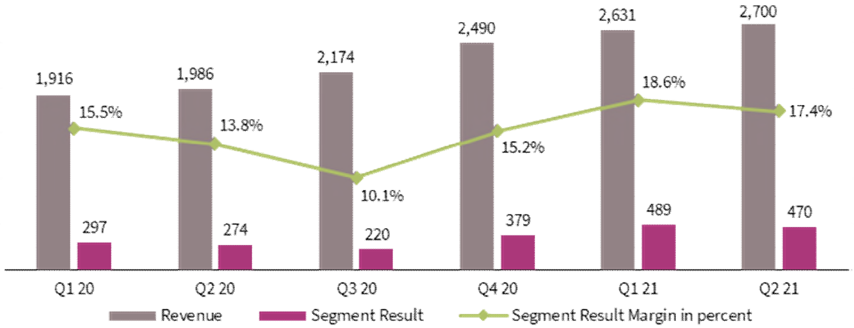
Operating performance of the segments in first half of the 2021 fiscal year

Cypress Semiconductor Corporation (“Cypress”) has been fully consolidated since 16 April 2020 (see note 3 to the consolidated financial statements for the 2020 fiscal year). For this reason, comparability with prior period is limited. The business with the XMC family of industrial microcontrollers was transferred from the Automotive segment to the Connected Secure Systems segment with effect from 1 October 2020. The previous year’s figures have been adjusted accordingly.

In the second quarter of the 2021 fiscal year, Group revenue rose by €69 million to €2,700 million compared to €2,631 million in the preceding three-month period. The 3 percent growth in revenue was driven by brisk demand, particularly in the Automotive and Power & Sensor Systems segments, whereas revenue generated in the Industrial Power Control and Connected Secure Systems segments declined slightly.

C1 Revenue and Segment Result

€ in millions



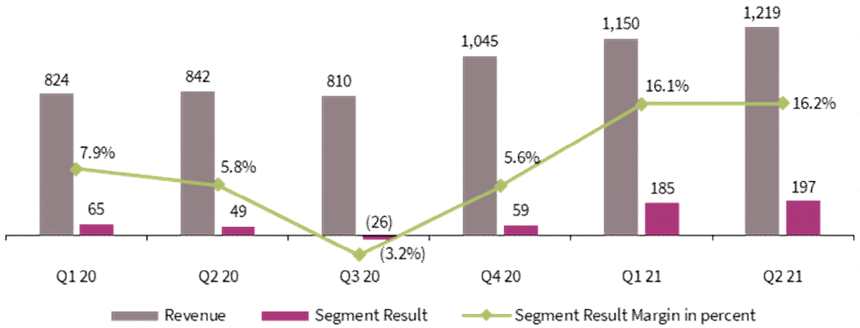
Compared to the first half of the previous fiscal year, **revenue** increased by €1,428 million to €5,331 million in the first half of the 2021 fiscal year (2020: €3,903 million). In addition to the rising demand for semiconductors, the increase in revenue was primarily due to the consolidation of Cypress. The largest share of revenue growth was accordingly accounted for the Automotive segment (€703 million), the Power & Sensor Systems segment (€356 million) and the Connected Secure Systems segment (€335 million), who benefit from the integration of Cypress. The Industrial Power Control segment rose revenue by €32 million.

The Segment Result for the six-month period increased from €571 million in the previous-year period to €960 million in the first half of the 2021 fiscal year, while the Segment Result Margin improved from 14.6 percent in the previous-year period to 18.0 percent.

Automotive

€ in millions, except percentages	Three months ended 31 March 2021	2020	Six months ended 31 March 2021	2020
Revenue	1,219	842	2,369	1,666
Share of Total Revenue	45%	43%	44%	43%
Segment Result	197	49	381	115
Share of Segment Result of Infineon	42%	18%	40%	20%
Segment Result Margin	16.2%	5.8%	16.1%	6.9%

C2 Revenue and Segment Result of the Automotive segment
€ in millions



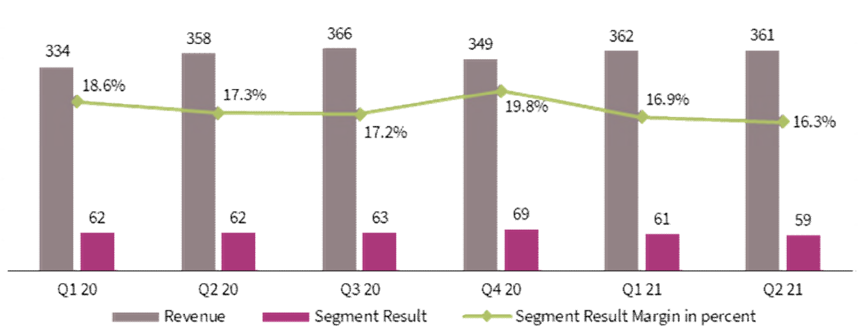
Revenue generated by the Automotive segment rose to €1,219 million in the second quarter of the 2021 fiscal year compared to €1,150 million in the preceding three-month period, with almost all lines of business contributing to the 6 percent growth. In particular, demand for components for electric vehicles continued to develop very positively. The Segment Result improved from €185 million to €197 million quarter-on-quarter. The Segment Result Margin came in at 16.2 percent, compared to 16.1 percent in the previous quarter.

Automotive segment revenue for the comparable six-month period rose by 42 percent from €1,666 million to €2,369 million year-on-year, partly due to the consolidation of Cypress memory and automotive microcontroller business and partly reflecting the broad-based recovery of the automotive market following the sharp drop in demand in spring 2020. The Segment Result for the six-month period increased to €381 million, a jump of by 231 percent compared to previous year's corresponding figure of €115 million, while the Segment Result Margin improved from 6.9 percent to 16.1 percent.

Industrial Power Control

€ in millions, except percentages	Three months ended 31 March 2021	2020	Six months ended 31 March 2021	2020
Revenue	361	358	723	691
Share of Total Revenue	14%	18%	14%	18%
Segment Result	59	62	121	124
Share of Segment Result of Infineon	13%	23%	13%	22%
Segment Result Margin	16.3%	17.3%	16.7%	17.9%

C3 Revenue and Segment Result of the Industrial Power Control segment
€ in millions



Industrial Power Control segment revenue totaled €361 million in the second quarter, compared to €362 million in the preceding three-month period. A significant decline in revenue recorded for transportation-related applications was offset by growth in other areas, particularly power infrastructure and home appliances, but also renewable energy and industrial drives. The Segment Result amounted to €59 million compared to

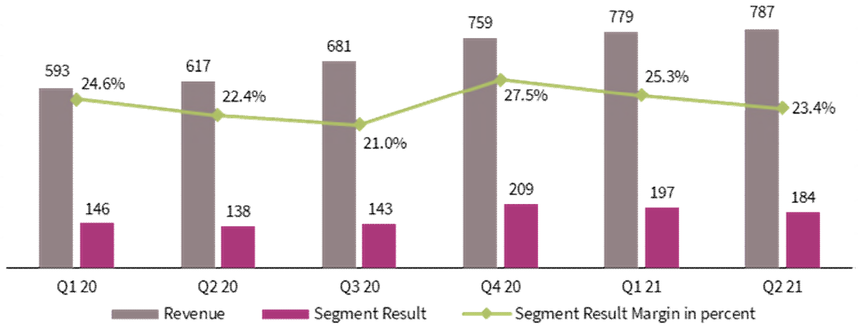
€61 million in the first quarter, while the Segment Result Margin fell from 16.9 percent to 16.3 percent quarter-on-quarter.

Industrial Power Control segment revenue for the first six months of the fiscal year went up from €691 million to €723 million year-on-year, up 5 percent on the back of greater demand for industrial and renewable energy drives as well as home appliances. Power infrastructure-related revenue remained stable, while demand for transportation-related applications fell sharply once again. The Segment Result for the six-month period fell from €124 million to €121 million, with the Segment Result Margin dropping from 17.9 percent to 16.7 percent.

Power & Sensor Systems

€ in millions, except percentages	Three months ended 31 March		Six months ended 31 March	
	2021	2020	2021	2020
Revenue	787	617	1,566	1,210
Share of Total Revenue	29%	31%	29%	31%
Segment Result	184	138	381	284
Share of Segment Result of Infineon	39%	50%	40%	50%
Segment Result Margin	23.4%	22.4%	24.3%	23.5%

C4 Revenue and Segment Result of the Power & Sensor Systems segment
€ in millions



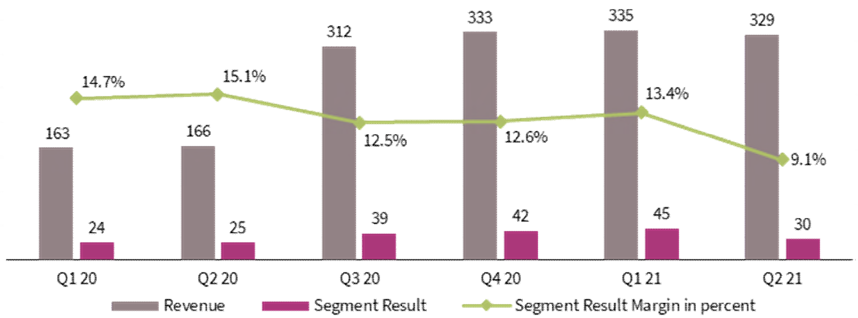
Power & Sensor Systems segment revenue improved by 1 percent to €787 million in the second quarter, up from €779 million in the preceding three-month period. Whereas revenue generated from the sale of smartphone components declined due to seasonal factors, in particular demand for discrete power switches such as for for server-related applications developed well. The Segment Result amounted to €184 million in the second quarter of the current fiscal year after €197 million in the first quarter. The Segment Result Margin came in at 23.4 percent after 25.3 percent in the previous quarter.

Power & Sensor Systems segment revenue for the six-month period increased by 29 percent to €1,566 million, compared to €1,210 million in the same period of the 2020 fiscal year, with all of the segment's lines of business contributing to the increase. Following the integration of the Cypress USB business in the segment, the growth recorded with AC-DC power supply products was particularly pronounced. The Segment Result for the six-month period increased from €284 million to €381 million year-on-year, while the Segment Result Margin improved from 23.5 percent to 24.3 percent.

Connected Secure Systems

€ in millions, except percentages	Three months ended 31 March		Six months ended 31 March	
	2021	2020	2021	2020
Revenue	329	166	664	329
Share of Total Revenue	12%	8%	13%	8%
Segment Result	30	25	75	49
Share of Segment Result of Infineon	6%	9%	8%	8%
Segment Result Margin	9.1%	15.1%	11.3%	14.9%

C5 Revenue and Segment Result of the Connected Secure Systems segment
€ in millions



Connected Secure Systems segment revenue totaled €329 million in the second quarter after €335 million in the preceding three-month period. The 2 percent decline in revenue was attributable to capacity-related decreases in revenue generated for microcontrollers and connectivity (including for IoT applications), which were not fully offset by revenue growth recorded for contactless payment cards, government ID, authentication and embedded SIM. The Segment Result fell from €45 million to €30 million for the second quarter and the Segment Result Margin from 13.4 percent to 9.1 percent.

Connected Secure Systems segment revenue increased 102 percent from €329 million in the first half of the 2020 fiscal year to €664 million in the first six months of the current fiscal year. The significant rise in revenue is attributable to the consolidation of the IoT Compute & Wireless line of business area in conjunction with the integration of Cypress. The Segment Result for the six-month period improved from €49 million to €75 million year-on-year, whereas the Segment Result Margin fell from 14.9 percent to 11.3 percent.

The Infineon Share

The Infineon share finished the first half of the 2021 fiscal year at €36.16 and was therefore 50 percent up on the Xetra closing price of €24.12 recorded on 30 September 2020. The company was included in the EURO STOXX 50 index on 22 March 2021.

Performance of the Infineon share, the DAX, the Philadelphia Semiconductor Index (SOX) and the Dow Jones US Semiconductor Index during the first six months of the 2021 fiscal year (daily closing prices)

At the Annual General Meeting held on 25 February 2021, the Management Board and the Supervisory Board proposed the payment of a dividend of €0.22 per share for the 2020 fiscal year. The shareholders approved the proposal and an amount of €286 million was duly disbursed to them during the first half of the 2021 fiscal year.

On the final day of business of the first half-year, a total of 1,305,921,137 Infineon shares were in issue. This figure includes 4,606,673 shares owned by the company, which are not entitled to a dividend.

Review of Business Environment

The coronavirus pandemic has caused the worst economic slump since the Second World War. According to the latest forecasts of the International Monetary Fund (IMF), the global economy shrank by 3.6 percent in the 2020 calendar year (IMF, 6 April 2021), whereby the scale of contraction is likely to have been held down by the swift implementation of economic stimulus packages. For the 2021 calendar year, the experts predict a significant recovery with a positive growth rate of 5.8 percent. The growth figures are based on market parameters measured in terms of US dollars using market exchange rates.

Despite the global economic downturn, Infineon's reference market (i.e. the semi-conductor market excluding DRAM and NAND flash memory chips and microprocessors) grew by 5 percent in US-dollar-terms in the 2020 calendar year (source: WSTS, 4th Quarter 2020 Forecast Update V2, February 2021). For the 2021 calendar year, WSTS expects the Infineon reference market to grow by 13 percent. In view of the uncertain economic environment, however, growth forecasts for the 2021 calendar year still vary greatly from between 6 percent (source: Based on or includes content supplied by Omdia, AMFT Shipment: World & Regions – 1Q21 Update, March 2021) and 20 percent (source: VLSI Research, March 2021).

Review of Results of Operations in the first half of the 2021 fiscal year

	Three months ended 31 March		Six months ended 31 March	
€ in millions, except earnings per share	**2021**	2020	**2021**	2020
Revenue	2,700	1,986	5,331	3,903
Cost of goods sold	(1,728)	(1,300)	(3,374)	(2,507)
Gross profit	**972**	**686**	**1,957**	**1,396**
Research and development expenses	(341)	(241)	(674)	(485)
Selling, general and administrative expenses	(328)	(214)	(639)	(418)
Other operating income and expenses, net	11	(5)	2	(1)
Operating income	**314**	**226**	**646**	**492**
Net financial result (financial income and expenses, net)	(42)	(27)	(67)	(40)
Gain (loss) from investments accounted for using the equity method	(1)	-	(3)	-
Income tax	(62)	(21)	(110)	(64)
Income from continuing operations	**209**	**178**	**466**	**388**
Income (loss) from discontinued operations, net of income taxes	(6)	-	(6)	(1)
Net income	**203**	**178**	**460**	**387**
Basic earnings per share (in euro)	0.15	0.13	0.34	0.30
Diluted earnings per share (in euro)	0.15	0.13	0.34	0.30
Adjusted diluted earnings per share (in euro)	0.24	0.13	0.52	0.31

Significant revenue growth driven by consolidation of Cypress and strong demand for semiconductors

Revenue grew by €1,428 million or 37 percent to €5,331 million in the first half of 2021 fiscal year (October 2019 - March 2020: €3,903 million).

The dual impact of the acquisition of Cypress (completed on 16 April 2020) and strong demand for semiconductors meant that all four operating segments reported revenue growth compared to the corresponding period of the previous fiscal year (see "Operating performance of the segments in first half of 2021 fiscal year"). In particular, revenue generated with power semiconductors and embedded control and connectivity products was significantly higher than one year earlier (see note 11 to the consolidated financial statements).

The weaker US dollar compared to the equivalent period of the previous year had an offsetting effect. The average euro/US dollar exchange rate was 1.20 compared to 1.11 in the corresponding period of the previous fiscal year.

More than one third of revenue generated in Greater China

At €2,014 million or 38 percent, more than one third of revenue generated in the six-month period under report was attributable to the Greater China region, followed by the Europe, Middle East and Africa region with €1,356 million or 25 percent.

The main contributors to revenue growth in the first half of the 2021 fiscal year were the Greater China region (up by €657 million or 46 percent), followed by the Japan region (up by €264 million) and the Asia-Pacific region (up by €239 million).

For information on revenue by region, see note 11 to the consolidated financial statements.

Gross margin improved

At €3,374 million, cost of goods sold recorded for the six-month reporting period was €867 million or 35 percent higher than the figure of €2,507 million in the first half of the 2020 fiscal year, whereby the increase was slightly less pronounced than the 37 percent growth in revenue.

The higher figure reported for cost of goods sold was mainly attributable to Cypress-related business. Cost of goods sold also includes amortization of other intangible assets and depreciation of property, plant and equipment based on fair values recognized on the basis of purchase price allocations as well as other acquisition-related expenses totaling €152 million (October 2019 – March 2020: €21 million).

The cost of goods sold also includes expenses that were incurred in connection with a production standstill in Austin, Texas (USA). The officially ordered shutdown of production facilities became necessary after a severe winter storm and the resulting long-lasting power outages in the region.

Gross profit (revenue less cost of goods sold) for the first half of the 2021 fiscal year amounted to €1,957 million, 40 percent up on the €1,396 million recorded one year earlier.

The **gross margin** improved accordingly from 35.8 percent to 36.7 percent year-on-year.

	Three months ended 31 March		Six months ended 31 March	
€ in millions, except percentages	2021	2020	2021	2020
Cost of goods sold	1,728	1,300	3,374	2,507
Change year-on-year	33%		35%	
Percentage of revenue	64.0%	65.5%	63.3%	64.2%
Gross profit	972	686	1,957	1,396
Percentage of revenue (gross margin)	36.0%	34.5%	36.7%	35.8%

Operating expenses higher as percentage of revenue

Operating costs (research and development expenses, selling expenses as well as general and administrative expenses) totaled €1,313 million in the first half of the 2021 fiscal year, an increase of €410 million compared to the prior-year figure of €903 million. The ratio of operating expenses to revenue was 24.6 percent (October 2019 – March 2020: 23.1 percent).

Research and development expenses rose by €189 million or 39 percent from €485 million in the previous fiscal year to €674 million in the first half of the 2021 fiscal year, mainly reflecting the increased size of the workforce due to the acquisition of Cypress. A total of 9,791 employees were working in research and development functions at the end of the reporting period (31 March 2020: 7,754 employees). Moreover, acquisition-related expenses amounting to €9 million were included in research and development expenses (October 2019 – March 2020: €0 million). As a percentage of revenue, research and development expenses increased from 12.4 percent in the first half of the 2020 fiscal year to 12.6 percent in the period under review.

€ in millions, except percentages	Three months ended 31 March 2021	2020	Six months ended 31 March 2021	2020
Research and development expenses	341	241	674	485
Change year-on-year	41%		39%	
Percentage of revenue	12.6%	12.1%	12.6%	12.4%

Selling, general and administrative expenses increased by €221 million or 53 percent and amounted to €639 million (October 2019 – March 2020: €418 million). Alongside the cost contribution from Cypress, the figure also included the earnings impact of purchase price allocations and acquisition-related expenses totaling €115 million (October 2019 – March 2020: €22 million). Furthermore, the number of employees rose by 1,344 to 5,965 during the period under report (31 March 2020: 4,621), primarily due to the acquisition of Cypress.

The ratio of selling, general and administrative expenses to revenue for the six-month period increased from 10.7 percent in the first half of the 2020 fiscal year to 12.0 percent.

€ in millions, except percentages	Three months ended 31 March 2021	2020	Six months ended 31 March 2021	2020
Selling, general and administrative expenses	328	214	639	418
Change year-on-year	53%		53%	
Percentage of revenue	12.1%	10.8%	12.0%	10.7%

Net financial result

The change in the **financial result** from negative €40 million to negative €67 million mainly reflects the higher interest expense incurred as well as the amortization of transaction costs relating to the financing and refinancing of the Cypress acquisition.

Effective tax rate up to 19.1 percent

Income tax expense for the six-month period amounted to €110 million (October 2019 – March 2020: €64 million). The increase in income tax expense resulted on the one hand from the increase in income before taxes and on the other hand from a higher expected tax rate. In relation to income before taxes amounting to €576 million (October 2019 – March 2020: €452 million), the effective tax rate for the reporting period was 19.1 percent (October 2019 – March 2020: 14.2 percent). See note 2 to the consolidated financial statements.

Net income and earnings per share higher

After deducting income taxes and the loss from discontinued operations amounting to €6 million (October 2019 – March 2020: loss of €1 million), Infineon reports net income of €460 million or the first half of the 2020 fiscal year (October 2019 – March 2020: €387 million).

The higher **net income** resulted in a corresponding increase in **earnings per share** even if the number of shares was increased by 4 percent as a result of a capital measure in May 2020.

Basic and diluted earnings per share for the first half of the 2020 fiscal year amounted to €0.34 (October 2019 – March 2020: €0.30).

Adjusted earnings per share for first half of 2021 fiscal year up

Earnings per share in accordance with IFRS are influenced by amounts relating to purchase price allocations for acquisitions (in particular Cypress and International Rectifier), by one-time expenses recorded within the financial result in conjunction with the acquisition of Cypress, and by other exceptional items. To enable better comparability of operating performance over time, Infineon computes **adjusted earnings per share (diluted)** as follows:

	Three months ended 31 March		Six months ended 31 March	
€ in millions (unless otherwise stated)	2021	2020	2021	2020
Income from continuing operations – diluted	**209**	**178**	**466**	**388**
Compensation of hybrid capital investors[1]	(8)	(10)	(16)	(18)
Income from continuing operations, attributable to shareholders of Infineon Technologies AG – diluted	**201**	**168**	**450**	**370**
Plus/minus:				
Impairments (reversal of impairments) (in particular on goodwill)	-	-	8	-
Share-based compensation	3	3	6	6
Acquisition-related depreciation/amortization and other expenses	148	26	285	59
Losses (gains) on sales of businesses, or interests in subsidiaries, net	-	-	-	(1)
Other income and expense, net	5	19	15	15
Acquisition-related expenses within financial result	3	10	4	10
Tax effects on adjustments	(37)	(12)	(72)	(16)
Revaluation of deferred tax assets resulting from the annually updated earnings forecast	(15)	(47)	(25)	(61)
Income from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**308**	**167**	**671**	**382**
Weighted-average number of shares outstanding (in million) – diluted	1,303	1,247	1,303	1,246
Adjusted earnings per share (in euro) – diluted[2]	0.24	0.13	0.52	0.31

1 Including the cumulative tax effects.
2 The calculation of the adjusted earnings per share is based on unrounded figures.

Adjusted net income and adjusted earnings per share (diluted) should not be seen as a replacement or superior performance indicator, but rather as additional information to the net income and earnings per share (diluted) determined in accordance with IFRS.

Review of Financial Condition

€ in millions, except percentages	31. March 2021	30 September 2020	Change
Current assets	7,399	7,179	3%
Non-current assets	14,720	14,820	(1%)
Total assets	**22,119**	**21,999**	**1%**
Current liabilities	3,841	3,450	11%
Non-current liabilities	7,761	8,330	(7%)
Total liabilities	**11,602**	**11,780**	**(2%)**
Total equity	**10,517**	**10,219**	**3%**

Slight increase in current assets mainly due to gross cash position

Current assets went up by €220 million to stand at €7,399 million as of 31 March 2021, compared to €7,179 million as of 30 September 2020, mainly due to the €217 million increase in the gross cash position (see “Gross cash position and net cash position” in the “Review of liquidity” section). Trade receivables increased by €152 million in line with revenue growth, while inventories decreased by €115 million.

Slight decrease in non-current assets primarily due to lower other intangible assets

Non-current assets went down by €100 million from €14,820 million at the end of the previous fiscal year to stand at €14,720 million as of 31 March 2021. The decrease was mainly attributable to the lower carrying amount of other intangible assets (down by €151 million), reflecting the fact that amortization exceeded additions. Property, plant and equipment increased slightly to €4,149 million over the six-month period (30 September 2020: €4,110 million), with additions exceeding depreciation. Investments related primarily to the manufacturing sites in Villach (Austria) and Dresden (Germany), Kulim and Melaka (both Malaysia) as well as Cegléd (Hungary).

Liabilities down mainly due to loan repayments

Liabilities stood at €11,602 million as of 31 March 2021, €178 million lower than as of 30 September 2020 (€11,780 million). The main reason for the decrease was the €174 million reduction in financial debt as a result of loan repayments (see note 4 to the consolidated financial statements). Pensions and similar commitments went down by €71 million, primarily due to an actuarial gain of €71 million after tax arising on the measurement of net pension obligations and as a consequence of interest rate and credit spread developments on financial markets during the past six months (see note 6 to the consolidated financial statements). By contrast, trade payables increased by €113 million.

Equity up mainly due to net income

Equity increased by €298 million (3 percent) to stand at €10,517 million at the end of the reporting period (30 September 2020: €10,219 million), mainly due to net income for the six-month period amounting to €460 million. Actuarial gains arising on the measurement of pensions and similar commitments totaling €71 million after tax recognized through other comprehensive income also had a positive impact on equity. Items reducing equity included in particular the payment of the dividend for the 2020 fiscal year amounting to €286 million.

As a result, the equity ratio improved to 47.5 percent at the end of the reporting period (30 September 2020: 46.5 percent).

Review of Liquidity

Cash Flow

€ in millions	Six months ended 31 March 2021	2020
Net cash provided by operating activities from continuing operations	1,330	537
Net cash used in investing activities from continuing operations	(804)	(1,229)
Net cash provided by (used in) financing activities from continuing operations	(497)	810
Net change in cash and cash equivalents from discontinued operations	(2)	(4)
Net change in cash and cash equivalents	**27**	**114**
Effect of foreign exchange rate changes on cash and cash equivalents	(5)	(6)
Change in cash and cash equivalents	**22**	**108**

Cypress has been fully consolidated since 16 April 2020 (see note 3 to the consolidated financial statements for the 2020 fiscal year). For this reason, comparability with prior period is limited.

Net cash provided by operating activities from continuing operations up significantly

Net cash provided by operating activities from continuing operations in the first half of the 2021 fiscal year totaled €1,330 million, an increase of €793 million compared to one year earlier. The main reason for the increase was the €414 million improvement in income from continuing operations before depreciation, amortization, interest, taxes, impairment losses and other non-cash items, which rose in total to €1,395 million. The reduction in trade receivables and inventories compared to the previous fiscal year, combined with an increase in trade payables, also contributed to the improvement in cash provided by operating activities from continuing operations by €305 million in total.

Net cash provided by operating activities from continuing operations in the first half of the 2020 fiscal year amounted to €537 million. Taking income from continuing operations before depreciation and amortization, interest, taxes, impairment losses and other non-cash items amounting to €981 million as the starting point, cash-relevant changes in trade receivables, trade payables, inventories, provisions, other assets and other liabilities totaling €336 million reduced cash and cash equivalents. In addition, net payments for income taxes and interest totaled €108 million.

Net cash used in investing activities from continuing operations mainly reflects investments in property, plant and equipment

Net cash used in investing activities from continuing operations in the first half of the 2021 fiscal year amounted to €804 million. Investments in property, plant and equipment as well as in other intangible assets/other assets amounted to €497 million and €117 million respectively. The net amount arising from the purchases and sales of financial investments resulted in a cash outflow of €193 million.

Net cash used in investing activities from continuing operations in the first half of the previous fiscal year amounted to €1,229 million, including a net amount of €714 million used to purchase financial investments which are deemed to be part of the gross cash position and is therefore not included in free cash flow (see the section “Free cash flow” below). Investments in property, plant and equipment as well as in other intangible assets/other assets amounted to €423 million and €79 million respectively.

Dividends paid to shareholders and repayment of non-current financial debt give rise to net cash used in financing activities from continuing operations

Net cash used in financing activities from continuing operations amounted to €497 million (October 2019 – March 2020: net cash provided amounting to €810 million). The reported figure includes in particular the dividend for the 2020 fiscal year amounting to €286 million, which was paid during the first half of the 2021 fiscal year. Repayments of financial debt amounting to €173 million also had the effect of reducing cash holdings.

Net cash provided by financing activities from continuing operations in the first half of the previous fiscal year totaled €810 million and was mainly influenced by net proceeds of €1,184 million arising on the perpetual hybrid bond issued to refinance the acquisition of Cypress. A total amount of €336 million used in the first half of the 2020 fiscal year to pay the dividend for the 2019 fiscal year had an offsetting effect.

Free cash flow

Infineon reports the free cash flow figure, defined as net cash provided by and/or used in operating activities and net cash provided by and/or used in investing activities, both from continuing operations, after adjusting for cash flows related to the purchase and sale of financial investments. Free cash flow serves as an additional performance indicator since Infineon holds part of its liquidity in the form of financial investments. This does not mean that the free cash flow calculated in this way is available to cover other disbursements, since dividends, debt-servicing obligations and other fixed disbursements are not deducted. Free cash flow should not be seen as a replacement or superior performance indicator, but rather as an additional useful item of information over and above the disclosure of the cash flow reported in the Consolidated Statement of Cash Flows, and as a supplementary disclosure to other liquidity performance indicators and other performance indicators derived from the IFRS figures. Free cash flow only includes amounts from continuing operations and is derived as follows from the Consolidated Statement of Cash Flows:

	Six months ended 31 March	
€ in millions	2021	2020
Net cash provided by operating activities from continuing operations	1,330	537
Net cash used in investing activities from continuing operations	(804)	(1,229)
Purchases of (proceeds from sales of) financial investments, net	193	714
Free cash flow	**719**	**22**

Net cash provided by operating activities easily exceeds investments

Free cash flow from continuing operations in the first half of the 2021 fiscal year amounted to €719 million. Net cash provided by operating activities from continuing operations amounting to €1,330 million easily exceeded cash outflows of €614 million used for investments in property, plant and equipment as well as intangible and other assets.

Gross cash position and net cash position

The following table reconciles the gross cash position and the net cash position (i.e. after deduction of financial debt). Since some liquid funds are held in the form of financial investments, which, for IFRS purposes, are not considered to be "cash and cash equivalents", Infineon reports on its gross and net cash positions in order to provide investors with a better understanding of its overall liquidity situation. The gross and net cash positions are determined as follows from the Consolidated Statement of Financial Position:

€ in millions	31 March 2021	30 September 2020
Cash and cash equivalents	1,873	1,851
Financial investments	1,571	1,376
Gross cash position	**3,444**	**3,227**
Less:		
Short-term financial debt and current portion of long-term financial debt	831	505
Long-term financial debt	6,028	6,528
Total financial debt	**6,859**	**7,033**
Net cash position	**(3,415)**	**(3,806)**

The gross cash position, comprising cash and cash equivalents and financial investments, amounted to €3,444 million as of 31 March 2021 and was thus €217 million higher than the €3,227 million reported as of 30 September 2020. This was achieved largely on the back of free cash flow generated during the first half of the 2021 fiscal year totaling €719 million. Liquid funds were reduced by the payment of the dividend for the 2020 fiscal year amounting to €286 million and the repayment of non-current financial debt amounting to €173 million.

The net cash position, which is defined as the gross cash position less short-term and long-term financial debt, improved by €391 million to a negative amount of €3,415 million at the end of the reporting period (30 September 2020: negative amount of €3,806 million).

Employees

The size of the Infineon workforce increased to 48,150 employees during the first half of the 2021 fiscal year due to the expansion of production capacities, primarily in the Asia-Pacific region. The following table shows the composition of the Infineon workforce by region at the relevant reporting dates:

	31 March 2021	30 September 2020	Change
Europe	19,550	19,096	2%
therein: Germany	12,561	12,278	2%
Asia-Pacific (excluding Japan, Greater China)	20,262	19,262	5%
Greater China[1]	2,399	2,421	(1%)
therein: Mainland China, Hong Kong	2,072	2,057	1%
Japan	652	656	(1%)
Americas	5,287	5,230	1%
therein: USA	3,739	3,739	0%
Total	**48,150**	**46,665**	**3%**

1 Greater China comprises Mainland China, Hong Kong and Taiwan.

Outlook

Outlook for the third quarter of the 2021 fiscal year

Based on an assumed exchange rate of US$1.20 to the euro in the third quarter of the 2021 fiscal year, Infineon expects to generate revenue of between €2.6 billion and €2.9 billion during the current three-month period. Revenue growth will continue to be held down by supply constraints, including the temporary shutdown of our manufacturing facilities in Austin, Texas, in February, as well as capacity shortfalls at contract manufacturers. Taking account of these developments, the Connected Secure Systems segment is expected to record a slightly lower level while the Industrial Power Control segment – which is less severely affected than the other segments – is expected to grow revenue by a high single-digit percentage rate quarter-on-quarter. The Automotive and Power & Sensor Systems segments are forecast to generate a slightly higher level of revenue. At the mid-point of the guided revenue range, the Segment Result Margin is expected to come in at about 18 percent.

Updated outlook for the 2021 fiscal year

Based on its good performance in the first two quarters of the current fiscal year, and continuously strong momentum of the semiconductor market, Infineon again slightly raises its guidance for revenue and Segment Result Margin for the fiscal year as a whole, despite tight capacities at foundries. Based on an assumed unchanged exchange rate of US$1.20 to the euro, revenue is now forecast at around €11.0 billion (plus or minus 3 percentage points). All segments are expected to benefit from an improving delivery situation and continued growth in demand during the second half of the fiscal year. At the mid-point of the guided revenue range, the Segment Result Margin is now expected to be about 18 percent.

Investments in property, plant and equipment, other intangible assets and capitalized development costs for the 2021 fiscal year are forecast at an unchanged level of around €1.6 billion. Also unchanged, depreciation and amortization for the full fiscal year are expected to amount to between €1.5 billion and €1.6 billion, including some €500 million relating to purchase price allocations, mainly in connection with the acquisition of Cypress and to a lesser extent with the acquisition of International Rectifier.

In light of the strong revenue performance, free cash flow is now expected to exceed €1.2 billion, compared to the previous forecast of more than €800 million.

The return on capital employed (RoCE) in the 2021 fiscal year will be around 7.5 percent.

Alongside geopolitical and macroeconomic factors, the economic disruption caused by the coronavirus pandemic makes accurate prediction difficult. Key factors influencing the expected development of revenue and earnings during the pandemic will be the progression of global infection rates over time, the progress of vaccination campaigns, possible restrictions on economic activity, effects on production and supply chains, and the level and effectiveness of governmental stimulus programs.

Risks and Opportunities

Infineon's international structure and its broad range of products offer a multitude of opportunities, whilst also exposing it to numerous risks. Coordinated risk management and control systems are in place to identify relevant risks and opportunities at an early stage and manage them to Infineon's advantage. Risk management at Infineon is integrated in the Group's planning systems, playing a key role in all entrepreneurial decisions and business processes. As such, it is a vital aspect of securing sustainable success for the business.

Specific risks that could have a materially adverse effect on Infineon's financial condition, liquidity position and results of operations, specific opportunities and the concept behind Infineon's risk management system are described in the Group Management Report for the 2020 fiscal year (pages 110 to 122).

Compared to that description, the risk of dependence on individual suppliers was upgraded from medium to high during the first half of the 2021 fiscal year. The unexpectedly high demand for semiconductor products – especially for the automotive market, renewable energy, data centers, expansion of the mobile communications infrastructure, digitalization in many areas as well as electronics for work and home life in general – is resulting in delivery problems, particularly for our contract manufacturers. As a consequence, there is a risk of delays in deliveries to our customers, with the potential for lost revenue. Simultaneously, we are currently being confronted with price increases from suppliers, which it may not be possible to fully pass on to our customers. The Management Board is monitoring and assessing developments continuously and is in the process of initiating appropriate measures.

During the first six months of the 2021 fiscal year, Infineon has not identified any other material changes to the opportunities and risks described in the 2020 Annual Report.

Further risks – of which Infineon is not currently aware or which are not currently considered material – could also impair business activities in the future. At the date of this report, Infineon is not aware of any substantial risks, which could jeopardize its going-concern status.

Consolidated Statement of Profit or Loss

€ in millions	Note	Three months ended 31 March 2021	Three months ended 31 March 2020	Six months ended 31 March 2021	Six months ended 31 March 2020
Revenue	11	2,700	1,986	5,331	3,903
Cost of goods sold		(1,728)	(1,300)	(3,374)	(2,507)
Gross profit		**972**	**686**	**1,957**	**1,396**
Research and development expenses		(341)	(241)	(674)	(485)
Selling, general and administrative expenses		(328)	(214)	(639)	(418)
Other operating income		23	11	36	43
Other operating expenses		(12)	(16)	(34)	(44)
Operating income		**314**	**226**	**646**	**492**
Financial income		-	5	18	9
Financial expenses		(42)	(32)	(85)	(49)
Gain from investments accounted for using the equity method		(1)	-	(3)	-
Income from continuing operations before income taxes		**271**	**199**	**576**	**452**
Income tax	2	(62)	(21)	(110)	(64)
Income from continuing operations		**209**	**178**	**466**	**388**
Loss from discontinued operations, net of income taxes	3	(6)	-	(6)	(1)
Net income		**203**	**178**	**460**	**387**
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Basic earnings per share (in euro) from continuing operations		0.15	0.13	0.34	0.30
Basic earnings per share (in euro) from discontinued operations		-	-	-	-
Basic earnings per share (in euro)		**0.15**	**0.13**	**0.34**	**0.30**
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG:[1]					
Diluted earnings per share (in euro) from continuing operations		0.15	0.13	0.34	0.30
Diluted earnings per share (in euro) from discontinued operations		-	-	-	-
Diluted earnings per share (in euro)		**0.15**	**0.13**	**0.34**	**0.30**

Consolidated Statement of Comprehensive Income

€ in millions	Note	Three months ended 31 March 2021	Three months ended 31 March 2020	Six months ended 31 March 2021	Six months ended 31 March 2020
Net income		**203**	**178**	**460**	**387**
Actuarial gains (losses) on pension plans and similar commitments	6	71	71	71	122
Total items not expected to be reclassified to profit or loss in the future		**71**	**71**	**71**	**122**
Currency translation effects		321	10	(2)	(14)
Net change in fair value of hedging instruments		32	95	45	(7)
Cost of hedging		-	(22)	-	(33)
Total items expected to be reclassified to profit or loss in the future		**353**	**83**	**43**	**(54)**
Other comprehensive income (loss), net of tax		**424**	**154**	**114**	**68**
Total comprehensive income, net of tax		**627**	**332**	**574**	**455**
Attributable to:					
Shareholders and hybrid capital investors of Infineon Technologies AG		627	332	574	455

1 The calculation of earnings per share is based on unrounded figures.

Consolidated Statement of Financial Position

€ in millions	Note:	31 March 2021	31 March 2020	30 September 2020
ASSETS				
Cash and cash equivalents		1,873	1,129	1,851
Financial investments		1,571	3,459	1,376
Trade receivables		1,348	1,047	1,196
Inventories		1,937	1,736	2,052
Current income tax receivables		36	93	77
Contract assets		89	102	97
Other current assets		545	825	530
Total current assets		**7,399**	**8,391**	**7,179**
Property, plant and equipment		4,149	3,523	4,110
Goodwill		5,889	901	5,897
Other intangible assets		3,470	903	3,621
Right-of-use assets		312	232	286
Investments accounted for using the equity method		78	73	87
Non-current income tax receivables		1	-	1
Deferred tax assets		618	608	627
Other non-current assets		203	135	191
Total non-current assets		**14,720**	**6,375**	**14,820**
Total assets		**22,119**	**14,766**	**21,999**

€ in millions	Note:	31 March 2021	31 March 2020	30 September 2020
LIABILITIES AND EQUITY				
Short-term financial debt and current portion of long-term financial debt	4	831	185	505
Trade payables		1,273	883	1,160
Current provisions	5	479	293	436
Current income tax payables		337	129	340
Current leasing liabilities		63	48	59
Other current liabilities		858	688	950
Total current liabilities		**3,841**	**2,226**	**3,450**
Long-term financial debt	4	6,028	1,352	6,528
Pension plans and similar commitments	6	668	602	739
Deferred tax liabilities		301	14	293
Non-current provisions	5	299	284	313
Non-current leasing liabilities		253	192	235
Other non-current liabilities		212	146	222
Total non-current liabilities		**7,761**	**2,590**	**8,330**
Total liabilities		**11,602**	**4,816**	**11,780**
Equity:	7			
Ordinary share capital		2,612	2,502	2,612
Additional paid-in capital		6,468	5,503	6,462
Hybrid capital		1,223	1,203	1,203
Retained earnings		660	575	435
Other reserves		(417)	200	(460)
Own shares		(29)	(33)	(33)
Total equity		**10,517**	**9,950**	**10,219**
Total liabilities and equity		**22,119**	**14,766**	**21,999**

Consolidated Statement of Cash Flows

€ in millions	Note	Three months ended 31 March 2021	Three months ended 31 March 2020	Six months ended 31 March 2021	Six months ended 31 March 2020
Net income		**203**	**178**	**460**	**387**
Plus: income from discontinued operations, net of income taxes	3	6	-	6	1
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization		368	249	736	499
Income tax	2	62	21	110	64
Net interest result		38	10	79	20
Losses (gains) on disposals of property, plant and equipment		(1)	(1)	(4)	(21)
Dividends received		1	-	4	-
Impairment charges/reversals of impairments		-	5	8	4
Other non-cash result		3	18	(4)	27
Change in trade receivables		(177)	(77)	(150)	16
Change in inventories		44	35	114	(38)
Change in trade payables		134	(41)	114	(205)
Change in provisions		152	68	24	(81)
Change in other assets and liabilities		(14)	(65)	(48)	(28)
Interest received		1	5	2	12
Interest paid		(40)	(10)	(66)	(31)
Income tax paid		(38)	(41)	(55)	(89)
Net cash provided by operating activities from continuing operations		**742**	**354**	**1,330**	**537**
Net cash used in operating activities from discontinued operations		**(1)**	**(2)**	**(2)**	**(4)**
Net cash provided by operating activities		**741**	**352**	**1,328**	**533**
Purchases of financial investments		(1,097)	(1,585)	(2,006)	(4,231)
Proceeds from sales of financial investments		967	1,640	1,813	3,517
Proceeds from sales of businesses and interests in subsidiaries, net of cash disbursed		-	-	13	-
Investments in related companies		-	-	-	(44)
Acquisitions of businesses, net of cash acquired		(5)	-	(14)	-
Purchases of other intangible assets and other assets		(68)	(39)	(117)	(79)
Purchases of property, plant and equipment		(264)	(208)	(497)	(423)
Proceeds from sales of property, plant and equipment and other assets		2	1	4	31
Net cash used in investing activities		**(465)**	**(191)**	**(804)**	**(1,229)**
Net change in related party financial receivables and payables		-	-	-	1
Repayments of long-term financial debt		-	(6)	(173)	(13)
Payments for leasing liabilities		(20)	(13)	(38)	(25)
Proceeds from hybrid capital	7	-	(1)	-	1,184
Proceeds from the issuance of ordinary shares		-	-	-	1
Cash outflows due to changes of non-controlling interests		-	(2)	-	(2)
Dividend payments		(286)	(336)	(286)	(336)
Net cash provided by (used in) financing activities		**(306)**	**(358)**	**(497)**	**810**
Net change in cash and cash equivalents		(30)	(197)	27	114
Effect of foreign exchange rate changes on cash and cash equivalents		9	(17)	(5)	(6)
Cash and cash equivalents at beginning of period		1,894	1,343	1,851	1,021
Cash and cash equivalents at end of period		**1,873**	**1,129**	**1,873**	**1,129**

Consolidated Statement of Changes in Equity

€ in millions; except for number of shares	Note	Ordinary shares issued					Other reserves				
		Shares	Amount	Additional paid-in capital	Hybrid capital	Retained earnings	Foreign currency translation adjustment	Hedges	Cost of hedging	Own shares	Total equity
Balance as of 1 October 2019	7	**1,250,684,071**	**2,501**	**5,494**	**-**	**421**	**144**	**152**	**(42)**	**(37)**	**8,633**
Net income		-	-	-	20	368	-	-	-	-	387
Other comprehensive income (loss), net of tax		-	-	-	-	122	(14)	(7)	(33)	-	68
Total comprehensive income (loss), net of tax		-	-	-	20	490	(14)	(7)	(33)	-	455
Dividends		-	-	-	-	(336)	-	-	-	-	(336)
Issuance of ordinary shares:											
Exercise of stock options		237,066	1	1	-	-	-	-	-	-	2
Emission hybrid capital		-	-	2	1,184	-	-	-	-	-	1,186
Share based compensation		-	-	2	-	-	-	-	-	-	2
Purchase/issuance of own shares		-	-	-	-	-	-	-	-	4	4
Other changes in equity		-	-	4	-	-	-	-	-	-	4
Balance as of 31 March 2020		**1,250,921,137**	**2,502**	**5,503**	**1,203**	**575**	**130**	**145**	**(75)**	**(33)**	**9,950**
Balance as of 1 October 2020		**1,305,921,137**	**2,612**	**6,462**	**1,203**	**435**	**(399)**	**(61)**	**-**	**(33)**	**10,219**
Net income		-	-	-	20	440	-	-	-	-	460
Other comprehensive income (loss), net of tax		-	-	-	-	71	(2)	45	-	-	114
Total comprehensive income (loss), net of tax		-	-	-	20	511	(2)	45	-	-	574
Dividends		-	-	-	-	(286)	-	-	-	-	(286)
Share based compensation		-	-	2	-	-	-	-	-	-	2
Purchase/issuance of own shares		-	-	-	-	-	-	-	-	4	4
Other changes in equity		-	-	4	-	-	-	-	-	-	4
Balance as of 31 March 2021		**1,305,921,137**	**2,612**	**6,468**	**1,223**	**660**	**(401)**	**(16)**	**-**	**(29)**	**10,517**

As rounded figures are used, it is possible that the totals do not correspond to the sum of the individual amounts.

Notes to the condensed Consolidated Interim Financial Statements

1 Basis of Presentation

The condensed Consolidated Interim Financial Statements of the Infineon Group ("Infineon") comprising Infineon Technologies AG (hereafter also "the Company") and its subsidiaries for the three and six months ended 31 March 2021 and 2020, have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The condensed Consolidated Interim Financial Statements have been prepared in compliance with IAS 34, "Interim Financial Reporting". Accordingly, certain information and footnote disclosures normally included in consolidated financial statements have been condensed or omitted. Although the Consolidated Statement of Financial Position as of 30 September 2020 presented herein was derived from the audited consolidated financial statements, not all related disclosures required by IFRS for these are included. The condensed Consolidated Interim Financial Statements should be read in conjunction with the audited Consolidated Financial Statements for the 2020 fiscal year. They have been prepared in accordance with IFRS, as adopted by the EU. In interim periods, tax expense is calculated based on the current estimated effective tax rate for the full year.

The accounting policies applied in the preparation of the accompanying condensed Consolidated Interim Financial Statements are consistent with those used for the 2020 fiscal year. An exemption to this principle is the application of new or revised standards and interpretations, which are effective for fiscal years starting from 1 January 2020 and 1 June 2020, respectively. The application of these new or revised standards does not have any material impact on Infineon`s financial position, results of operations and cash flows.

As a result of the adjustment to the presentation of reimbursement obligations to customers, made during the 2020 fiscal year (see notes 10 and 19 to the 2020 Consolidated Financial Statements), the previous year half-year figures for trade receivables and other current liabilities have been adjusted for better comparability.

These condensed Consolidated Interim Financial Statements contain all necessary adjustments and present, in the opinion of the management, a true and fair view of the financial position, results of operations and cash flows. All accruals recorded are of a normal recurring nature. The results of operations for any interim period are not necessarily indicative of results for the full fiscal year.

All amounts presented in these condensed Consolidated Interim Financial Statements are shown in euro (€) unless stated otherwise.

Deviations between amounts presented are possible due to rounding. Negative amounts are presented in parentheses.

The Company's Management Board presented the condensed Consolidated Interim Financial Statements on 28 April 2021.

Estimates and assumptions

The preparation of the condensed Consolidated Interim Financial Statements requires management to make estimates and assumptions that have an impact on the presented amounts and the associated disclosures.

Estimates and assumptions undergo regular review and must be adjusted where appropriate.

Although these estimates and assumptions are applied by management to the best of its knowledge based on current events and circumstances, actual events may result in deviations from these estimates. This applies in particular against the background of the coronavirus pandemic, which is causing distortions in global supply chains, markets and general economic trends. Developments in the wake of the pandemic are dynamic, so it cannot be ruled out that the actual results deviate significantly from the estimates and assumptions made in the preparation of these condensed Consolidated Interim Financial Statements, or that the estimates and assumptions made will have to be adjusted in future periods and this will have a significant impact on Infineon's financial position, results of operations and cash flows.

Areas that contain estimates and assumptions and are therefore most likely to be affected if the actual results deviate from the estimates and assumptions, or if the estimates and assumptions made need to be adjusted in future periods, are explained in more detail in note 2 to the 2020 Consolidated Financial Statements, and mainly relate to the following items in the Consolidated Interim Financial Statements as of 31 March 2021: recognition and measurement at fair value of acquired assets resulting from the purchase price allocation of Cypress Semiconductor Corporation ("Cypress"), recognition and measurement of deferred tax assets and uncertain tax positions, valuation of inventory, revenue recognized over time as well as revenue where the transaction price includes a variable component, the recoverability of non-financial assets, in particular goodwill, recognition and valuation of provisions and valuation of defined benefit pension plans. If there have been significant changes to the estimates and assumptions or the underlying parameters in the interim reporting period, this are dealt with separately as part of these condensed Consolidated Interim Financial Statements.

All assumptions and estimates are based on the circumstances and assessments as of the balance sheet date, and taking into account knowledge gained up to the approval by the Management Board of the condensed Consolidated Interim Financial Statements on 28 April 2021.

2 Income tax

In the three and six months to 31 March 2021, the effective tax rate was influenced by foreign tax rates, non-deductible expenses, tax-free income, tax credits, and changes to the valuation allowances for deferred tax assets.

	Three months ended 31 March		Six months ended 31 March	
€ in millions	2021	2020	2021	2020
Income from continuing operations before income taxes	271	199	576	452
Income tax	(62)	(21)	(110)	(64)
Effective tax rate	23%	11%	19%	14%

3 Disposals and discontinued operations

Qimonda – discontinued operations

On 23 January 2009, Qimonda AG ("Qimonda"), a majority owned company, filed an application at the Munich Local Court to commence insolvency proceedings (see note 7 to the 2020 Consolidated Financial Statements).

The current risks and provisions relating to Qimonda's insolvency are described in detail in note 25 to the 2020 Consolidated Financial Statements.

In the three and six months to 31 March 2021 adjustments to individual provisions arose as a result of recent developments in connection with the insolvency of Qimonda. This resulted in expenses of €6 million in each period, which are reported in the Consolidated Statement of Profit or Loss under income from discontinued operations, net of income taxes.

4 Financial debt

Financial debt consisted of the following:

€ in millions	31 March 2021	30 September 2020
Short term financial debt as well as current portion of long-term financial debt, weighted average interest rate 1.23% (30 September 2020: 2.01%)	4	176
Bond €500 million, coupon 1.50%, due 2022	499	-
Convertible bonds, weighted average interest rate 4.50%	328	329
Short-term financial debt and current maturities of long-term financial debt	**831**	**505**
Unsecured loans payable to banks, weighted average interest rate 1.00% (30 September 2020: 1.06%), due 2022 – 2023	5	6
Bond €500 million, coupon 1.50%, due 2022	-	499
Bond €750 million, coupon 0.75%, due 2023	747	746
Bond €750 million, coupon 1.125%, due 2026	743	743
Bond €750 million, coupon 1.625%, due 2029	740	740
Bond €650 million, coupon 2.00%, due 2032	637	636
Term loans US$2,775 million, weighted average interest rate 1.14% (30 September 2020: 1.66%), due 2022 – 2024	2,360	2,361
USPP notes US$935 million, weighted average interest rate 4.09%, due 2024 – 2028	796	797
Long-term financial debt	**6,028**	**6,528**
Total	**6,859**	**7,033**

On 16 October 2020, the secured loans of MoTo Objekt CAMPEON GmbH & Co. KG, reported as short-term financial debt as of 30 September 2020 of €171 million, were repaid.

The total lines of credit as of 31 March 2021 and 30 September 2020 are summarized in the following table:

	31 March 2021			30 September 2020		
Term, € in millions	Aggregate facility	Drawn	Available	Aggregate facility	Drawn	Available
Short-term	74	4	70	245	176	69
Long-term	2,371	2,371	-	2,376	2,376	-
Total	**2,445**	**2,375**	**70**	**2,621**	**2,552**	**69**

On 7 April 2021, Infineon signed a US$1.3 billion private placement in the USA of notes (USPP) in four tranches with maturities of six, eight, ten and twelve years. The proceeds of the transaction will be used to partially repay existing US dollar term loans related to the acquisition of Cypress Semiconductor Corporation. The closing of the transaction and the receipt of the proceeds are scheduled for June of this year.

5 Provisions

Current and non-current provisions consisted of the following:

€ in millions	31 March 2021	30 September 2020
Obligations to employees	449	420
Warranties	35	40
Provisions related to Qimonda (see note 3 and note 8)	211	206
Other	83	83
Total provisions	**778**	**749**
Thereof current	479	436
Thereof non-current	299	313

6 Pension plans

Financial market interest rate and credit spread developments in the previous six months have led to an increase in the discount factor used in the valuation of defined benefit plans to 1.1 percent as of 31 March 2021 (30 September 2020: 0.9 percent), which reduces the defined benefit obligation of defined benefit pension plans by €41 million. In addition, the fair value of domestic plan assets have increased by €36 million. As a result, pension plan commitments as of 31 March 2021 were adjusted by €71 million (after tax), which was recorded as an actuarial gain on pension plans and similar commitments in Other Comprehensive Income.

7 Equity

The ordinary share capital of Infineon Technologies AG amounted to €2,611,842,274 as of 31 March 2021 (30 September 2020: €2,611,842,274), divided into 1,305,921,137 no par value registered shares (30 September 2020: 1,305,921,137), each representing €2 of the Company's ordinary share capital. As of 31 March 2021, of the above-mentioned total number of issued shares, the Company held 4,606,673 own shares (30 September 2020: 5,251,391). The change in numbers of own shares is attributable to the transfer of 644,718 own shares to employees and members of the Management Board under the Performance Share Plan and Restricted Stock Unit Plan (see note 23 to the 2020 Consolidated Financial Statements).

At the Annual General Meeting on 25 February 2021, it was resolved that a dividend of €0.22 is to be paid for each eligible share out of the distributable profit of Infineon Technologies AG for the 2020 fiscal year. Taking into account the non-entitlement to a dividend of own shares, this resulted in a distribution of €286 million. The distribution for the 2020 fiscal year was paid out of retained earnings.

Infineon Technologies AG issued a perpetual hybrid bond on 1 October 2019 to refinance the acquisition of Cypress, which is an equity instrument under IAS 32 (see note 21 to the 2020 Consolidated Financial Statements).

For the six months ended 31 March 2021, €20 million was recognized in equity as compensation to hybrid capital investors. For the purpose of calculating earnings per share, the net income attributable to the shareholders of Infineon Technologies AG of €460 million was reduced by the compensation of hybrid capital investors of €16 million (net of tax) in the six months ended 31 March 2021, to €444 million.

The compensation of the hybrid capital investors is paid annually retrospectively on 1 April of each year, subject to repayment or redemption. On 1 April 2021, €39 million was paid out.

8 Legal risks

Litigation and government inquiries

Please refer to note 25 to the 2020 Consolidated Financial Statements for a description of litigation and government inquiries (in particular with respect to "Smart card chips antitrust litigation" and "Proceedings in relation to Qimonda"), as well as other litigation and proceedings, and the associated risks.

9 Transactions with related companies and persons

Infineon has transactions in the normal course of business with joint ventures, associated companies and other related companies (collectively, "related companies"). Related persons are persons in key management positions, in particular members of the Management and Supervisory Board and their close relatives (collectively, "related persons").

Related companies

Infineon purchases certain raw materials and services from, and sells certain products and services to related companies. These purchases from and sales to related companies are generally effected at arm's length.

Related companies receivables and payables as of 31 March 2021 and 30 September 2020 consisted of the following:

€ in millions	31 March 2021			30 September 2020		
	Joint ventures	Associated companies	Other related companies	Joint ventures	Associated companies	Other related companies
Trade and other receivables	7	3	-	4	5	-
Financial receivables	32	5	1	32	-	1
Trade and other payables	6	-	2	9	-	1
Financial payables	-	-	1	-	-	1

Sales and service charges to and products and services received from related companies for the three and six months ended 31 March 2021 and 2020 consist of the following:

€ in millions	Three months ended 31 March					
	2021			2020		
	Joint ventures	Associated companies	Other related companies	Joint ventures	Associated companies	Other related companies
Sales and service charges	21	4	1	6	-	1
Products and services received	18	-	4	17	-	4

€ in millions	Six months ended 31 March					
	2021			2020		
	Joint ventures	Associated companies	Other related companies	Joint ventures	Associated companies	Other related companies
Sales and service charges	33	7	2	13	-	2
Products and services received	31	-	6	36	-	8

Related persons

In agreement with the Management Board, the Supervisory Board decided to expand the Management Board by adding a fifth position, that of Chief Digital Transformation Officer (CDTO). At its meeting on 23 February 2021, the Supervisory Board also decided to engage Ms. Constanze Hufenbecher for the new Management Board position. The appointment and conclusion of the corresponding employment contract took place on 15 April 2021 for the customary, and also DCGK recommended, initial duration of three years.

In addition, at its meeting on 23 February 2021, the Supervisory Board decided to extend the Chief Financial Officer Sven Schneider's contract for another five years from May.

The act implementing the Second Shareholders' Rights Directive (ARUG II) came into force on 1 January 2020. Furthermore, the Government Commission on the German Corporate Governance Code adopted a new version of the Code (DCGK), which became effective on 20 March 2020. Both have resulted in new regulatory requirements, including with respect to Management Board compensation. In this context, the Supervisory Board decided on a new Management Board compensation system at its meeting of 20 November 2020. This was approved by the Annual General Meeting on 25 February 2021.

The new remuneration system applies to all Infineon Management Board members who are appointed to the Management Board after the Supervisory Board’s remuneration system resolution on 20 November 2020.

For members of the Management Board already in office at this date, the remuneration system will take effect on 1 October 2021. However, the new regulations relating to the Long Term Incentive (LTI) and the abolition of the Mid Term Incentive (MTI) will apply for the allocation of the (virtual) performance shares on 1 April 2021. Existing employment contracts have been adjusted accordingly.

The Supervisory Board compensation system was also adjusted due to the provisions of ARUG II. The amendments proposed by the Management Board and the Supervisory Board were approved by the Annual General Meeting on 25 February 2021. The adjusted Supervisory Board compensation system will apply from 1 October 2021, effective for the 2022 fiscal year that begins on that date.

Apart from the above, there were no further transactions between Infineon and related persons which fall outside of the scope of the existing service or appointment terms in the three and six months to 31 March 2021.

10 Additional disclosures on financial instruments

The classification of financial instruments in categories according to IFRS 9, the valuation methods and significant assumptions, are unchanged since 30 September 2020 and are described in detail in note 2 to the 2020 Consolidated Financial Statements. A detailed overview of Infineon’s financial instruments, financial risk factors and the management of financial risks is contained in notes 28 and 29 to the 2020 Consolidated Financial Statements.

The coronavirus pandemic and the related measures to contain the virus could continue to have a direct and indirect effect on Infineon’s financial risks such as foreign exchange risk, interest rate risk, credit risk as well as liquidity risk and other risks. The course of the spread of the coronavirus pandemic and the impact on Infineon’s risk position is continually monitored and is taken into account in the methods, models and processes used to control financial risks.

In relation to the credit risks associated with financial assets measured at amortized cost such as bank deposits and trade receivables as well as contract assets, comprehensive credit checks on business partners, the setting of credit limits and monitoring processes reflect the current situation. When determining the expected credit losses to be recognized, Infineon takes into account all relevant information that is on the one hand currently available without undue cost or time and, on the other hand, appropriate and robust. These include ratings, credit default swap premiums, the analysis of balance sheet ratios and customers’ payment behavior, as well as country-specific risks. Individual allowances are recorded where required based on case-by-case facts or other risk indicators. Developments in the wake of the coronavirus pandemic are very dynamic, so it cannot be ruled out that the actual credit losses deviate significantly from the expected credit losses recognized based on current estimates and assumptions, or that the affected estimates and assumptions will have to be adjusted in future periods and this could have a significant impact on Infineon’s expected credit losses. Further possible longer-term effects on Infineon as a consequence of the spread of the coronavirus and the associated volatility in the financial markets are currently not assessable.

With respect to financial instruments measured at fair value through profit and loss, depending on the further development of the coronavirus pandemic, larger fluctuations in fair values could arise, which could result in a corresponding volatility within the Consolidated Statement of Profit or Loss or the Consolidated Statement of Financial Position.

Financial instruments measured at fair value are allocated to the following fair value measurement levels in accordance with IFRS 13. The allocation to the different levels is based on the market proximity of the valuation parameters used in the determination of the fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities,
- Level 2: valuation parameters whose prices are not those considered in Level 1, but which can be observed either directly or indirectly for the assets or liabilities concerned,
- Level 3: valuation parameters for assets and liabilities, which are not based on observable market data.

The division into levels as of 31 March 2021 and 30 September 2020 was as follows:

	Fair value	Fair value by category		
€ in millions		Level 1	Level 2	Level 3
31 March 2021				
Current assets:				
Cash and cash equivalents	1,520	1,520	-	-
Financial investments	810	810	-	-
Other current assets	1	-	1	-
Non-current assets:				
Other non-current assets	110	90	3	17
Total	**2,441**	**2,420**	**4**	**17**
Current liabilities:				
Short-term financial debt and current portion of long-term financial debt	141	-	141	-
Other current liabilities	8	-	8	-
Total	**149**	**-**	**149**	**-**
30 September 2020				
Current assets:				
Cash and cash equivalents	1,524	1,524	-	-
Financial investments	777	777	-	-
Other current assets	3	-	3	-
Non-current assets:				
Other non-current assets	98	81	-	17
Total	**2,402**	**2,382**	**3**	**17**
Current liabilities:				
Short-term financial debt and current portion of long-term financial debt	139	-	139	-
Other current liabilities	68	-	68	**-**
Total	**207**	**-**	**207**	**-**

Cash equivalents and financial investments include investments in money market funds or investment funds (level 1).

Other current assets or other current liabilities contained derivative financial instruments (including cash flow hedges to hedge planned raw material purchases). Their fair value was determined by discounting future cash flows according to the discounted cash flow method. Where possible, valuation parameters observed on the reporting date in the relevant markets (such as currency rates, interest rates or commodity prices) drawn from reliable external sources were used (level 2).

Short-term financial debt included the conversion rights from convertible bonds acquired in the course of the Cypress acquisition (see note 17 to the 2020 Consolidated Financial Statements), which can be exercised against cash payment by bondholders until the maturity of the instruments. The fair value of the conversion rights was determined by discounting future cash flows according to the discounted cash flow method. Valuation parameters observed on the reporting date in the relevant markets such as interest rates and US dollar spot rate drawn from reliable external sources were used (level 2).

Other non-current assets included equity investments and investments in funds. Where these are traded on an active market, the fair value was based on the actual market price (level 1). In addition, other non-current assets included derivative financial instruments whose fair value was calculated using recognized financial mathematical models, with only observable input parameters included in the measurement (level 2). For equity investments where no market price from an active market is available, the fair value was determined by considering existing contractual arrangements based on externally observable dividend policy (level 3).

Where fair values were estimated on the basis of non-observable input factors, they were assigned to the fair value measurement level 3. The following table shows the reconciliation of financial instruments classified as level 3 (before tax):

€ in millions	30 September 2020	Acquisitions (including additions)	Sales (including disposals)	Unrealized losses recognized in profit or loss[1]	Realized gains recognized in profit or loss[1,2]	31 March 2021
Equity investments	17	-	(13)	-	13	**17**
Total	**17**	**-**	**(13)**	**-**	**13**	**17**

1 This relates to gains recognized in financial income and losses, recorded in financial expenses.
2 This relates to the sale of an investment acquired in the course of the acquisition of Cypress.

A hypothetical change in the material non-observable valuation parameters at the balance sheet date of ± 10 percent would have resulted in a theoretical reduction in fair values of €1 million or an increase of €1 million.

As in the previous year, no re-qualification took place between the levels during the reporting period.

In December 2019, in view of planned future refinancing measures, Infineon partially hedged against the risk of rising interest rates with transaction-dependent interest rate swaps with a total nominal volume of €2,025 million and US$750 million, which were accounted for as cash flow hedges. Interest rate swaps with a nominal volume of €2,025 million already matured in the 2020 financial year (see note 28 to the 2020 Consolidated Financial Statements). In the course of the private placement of the notes on 7 April 2021 (see note 4 to the Consolidated Financial Statements), the remaining interest rate swaps with a nominal volume of US$750 million matured on 26 March 2021, resulting in a cash outflow of €23 million. The amounts from this hedging relationship, totaling negative €19 million, which continue to be recognized in other reserves, are recognized in interest expense over the term of the individual tranches of the notes. Ineffectiveness of €2 million from the interest rate swaps was recognized in the

Consolidated Statement of Profit or Loss for the six months ended 31 March 2021. A further €2 million was related to the transaction-related premium implicit in the swap rates. €1 million thereof was taken to profit or loss in the previous fiscal year. The deviation of the market price from the transaction price was capitalized as a so-called “day one loss” and is recognized in the Consolidated Statement of Profit or Loss over the term of the hedges.

The development of the day one loss was as follows:

€ in millions

Balance as of 1 October 2020	**1**
Addition from new transactions	-
Reversal through profit or loss in the period	(1)
Balance as of 31 March 2021	**-**
Balance as of 1 October 2019	**-**
Addition from new transactions	11
Reversal through profit or loss in the period	(5)
Balance as of 31 March 2020	**6**

11 Segment reporting

Identification of the segments

Infineon’s business is structured into the four operating segments Automotive, Industrial Power Control, Power & Sensor Systems and Connected Secure Systems.

Other Operating Segments comprise the remaining activities of businesses that have been disposed of, and other business activities. In particular, since the sale of the major part of Infineon’s Radio Frequency Power Components business, supplies of LDMOS wafers and related components, as well as packaging and test services for Cree Inc. are included.

Corporate and Eliminations reflects the elimination of intragroup revenue and profits/losses to the extent that these arise between the segments.

Segment information

The XMC family of industrial microcontrollers business was transferred from the Automotive segment to the Connected Secure Systems segment with effect from 1 October 2020. The previous year’s figures have been adjusted accordingly.

The following two tables represent the revenue of the segments by product category:

€ in millions	Total		Product category: Power semiconductors		Embedded control & Connectivity		RF & sensors		Memory for specific applications	
	Six months to 31 March		Six months to 31 March		Six months to 31 March		Six months to 31 March		Six months to 31 March	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from contracts with customers:										
Automotive	2,369	1,666	1,173	997	587	361	323	308	286	-
Industrial Power Control	723	691	723	691	-	-	-	-	-	-
Power & Sensor Systems	1,566	1,210	1,070	888	137	-	359	322	-	-
Connected Secure Systems	664	329	-	-	664	329	-	-	-	-
Subtotal	**5,322**	**3,896**	**2,966**	**2,576**	**1,388**	**690**	**682**	**630**	**286**	**-**
Other Operating Segments	9	7								
Corporate and Eliminations	-	-								
Total	**5,331**	**3,903**								

€ in millions	Total		Product category: Power semiconductors		Embedded control & Connectivity		RF & sensors		Memories for specific applications	
	Three months to 31 March		Three months to 31 March		Three months to 31 March		Three months to 31 March		Three months to 31 March	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue from contracts with customers:										
Automotive	1,219	842	611	502	300	187	161	153	147	-
Industrial Power Control	361	358	361	358	-	-	-	-	-	-
Power & Sensor Systems	787	617	550	455	67	-	170	162	-	-
Connected Secure Systems	329	166	-	-	329	166	-	-	-	-
Subtotal	**2,696**	**1,983**	**1,522**	**1,315**	**696**	**353**	**331**	**315**	**147**	**-**
Other Operating Segments	4	3								
Corporate and Eliminations	-	-								
Total	**2,700**	**1,986**								

€ in millions	31 March 2021	30 September 2020
Inventories:		
Automotive	894	975
Industrial Power Control	226	251
Power & Sensor Systems	479	449
Connected Secure Systems	142	190
Other Operating Segments	1	3
Corporate and Eliminations	195	184
Total	**1,937**	**2,052**

	Three months to 31 March		Six months to 31 March	
€ in millions	2021	2020	2021	2020
Segment result:				
Automotive	197	49	381	115
Industrial Power Control	59	62	121	124
Power & Sensor Systems	184	138	381	284
Connected Secure Systems	30	25	75	49
Other Operating Segments	-	-	2	-
Corporate and Eliminations	-	-	-	(1)
Total	**470**	**274**	**960**	**571**

The following table provides the reconciliation of Segment Result to income from continuing operations before income taxes:

	Three months to 31 March		Six months to 31 March	
€ in millions	2021	2020	2021	2020
Segment result	470	274	960	571
Plus/minus:				
Impairments net of reversals (especially goodwill)	-	-	(8)	-
Share-based compensation	(3)	(3)	(6)	(6)
Acquisition-related depreciation/amortization and other expenses	(148)	(26)	(285)	(59)
Gains (losses) on sales of businesses, or interests in subsidiaries, net	-	-	-	1
Other income and expense, net	(5)	(19)	(15)	(15)
Operating income	**314**	**226**	**646**	**492**
Financial income	-	5	18	9
Financial expenses	(42)	(32)	(85)	(49)
Gain from investments accounted for using the equity method	(1)	-	(3)	-
Income from continuing operations before income taxes	**271**	**199**	**576**	**452**

Of the €148 million "acquisition-related depreciation/amortization and other expenses" incurred in the three months ended 31 March 2021, €84 million were attributable to cost of goods sold, €3 million to research and development expenses, €54 million to selling, general and administrative expenses and €7 million to other operating income/expense.

Of the €285 million "acquisition-related depreciation/amortization and other expenses" incurred in the six months ended 31 March 2021, €152 million were attributable to cost of goods sold, €9 million to research and development expenses, €115 million to selling, general and administrative expenses and €9 million to other operating income/expense.

Entity-wide disclosures

Revenue for the three and six months ended 31 March 2021 and 2020 are as follows:

€ in millions, except percentages	Three months ended 31 March				Six months ended 31 March			
	2021		2020		2021		2020	
Europe, Middle East, Africa	714	26%	640	32%	1,356	25%	1,193	31%
therein: Germany	325	12%	300	15%	615	12%	548	14%
Asia-Pacific (excluding Japan, Greater China)	425	16%	316	16%	828	15%	589	15%
Greater China[1]	988	37%	642	32%	2,014	38%	1,357	35%
therein: Mainland China, Hong Kong	747	28%	496	25%	1,534	29%	1,058	27%
Japan	254	9%	119	6%	517	10%	253	6%
America	319	12%	269	14%	616	12%	511	13%
therein: USA	258	10%	221	11%	505	9%	421	11%
Total	**2,700**	**100%**	**1,986**	**100%**	**5,331**	**100%**	**3,903**	**100%**

1 Greater China comprises Mainland China, Hong Kong and Taiwan.

Neubiberg, 28 April 2021

Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Neubiberg, 3 May 2021

Dr. Reinhard Ploss Dr. Sven Schneider

Dr. Helmut Gassel Jochen Hanebeck Constanze Hufenbecher

Review Report

To Infineon Technologies AG, Neubiberg

We have reviewed the condensed interim consolidated financial statements of the Infineon Technologies AG, Neubiberg – comprising statement of profit or loss, statement of comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and selected explanatory notes – together with the interim group management report of the Infineon Technologies AG, Neubiberg, for the period from 1 October 2020 to 31 March 2021 that are part of the semiannual financial report according to § 115 WpHG [“Wertpapierhandelsgesetz“: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, 3 May 2021

KPMG AG

Wirtschaftsprüfungsgesellschaft

(Original German version signed by:)

Andrejewski	Pritzer
Wirtschaftsprüfer	Wirtschaftsprüfer

Supplementary Information

Forward-looking Statements

This Half-Year Financial Report contains forward-looking statements about the business, financial condition and earnings performance of Infineon.

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.

Financial Calendar

Tuesday, 3 August 2021[1]

Publication of third quarter 2021 results

Wednesday, 10 November 2021[1]

Publication of fourth quarter and fiscal year 2021 results

1 preliminary

Publication date of half-year financial report as of 31 March 2021: 5 May 2021

Contact information

Infineon Technologies AG

Investor Relations

Am Campeon 1-15

85579 Neubiberg near Munich, Germany

Phone: +49 89 234-26655

Fax: +49 89 234-9552987

E-Mail: investor.relations@infineon.com

Visit http://www.infineon.com/investor for an electronic version of this report and other information.

Published by Infineon Technologies AG
Am Campeon 1–15, 85579 Neubiberg near Munich (Germany)