

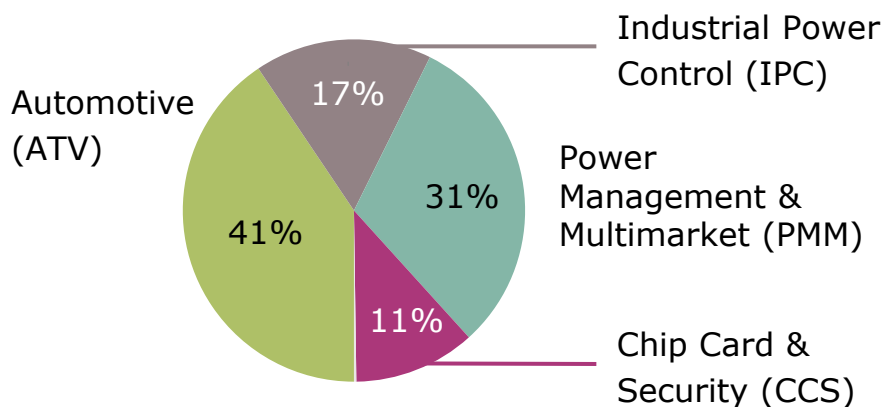
# Company Presentation

August 2017



# Infineon at a glance

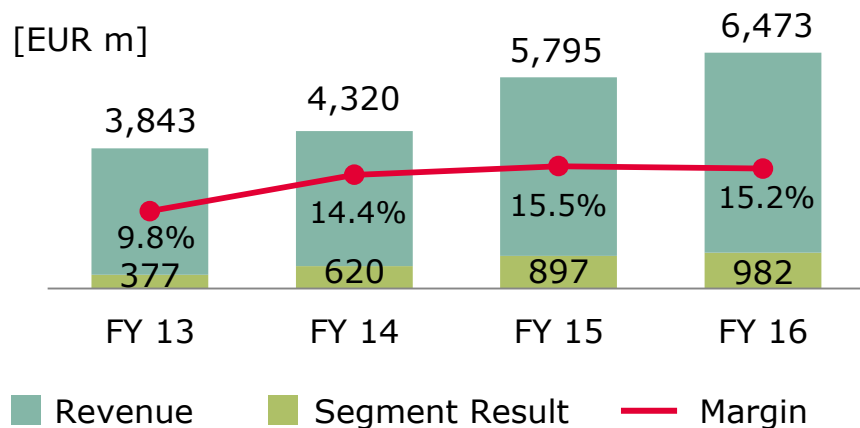
## Business Segments



Revenue FY 2016

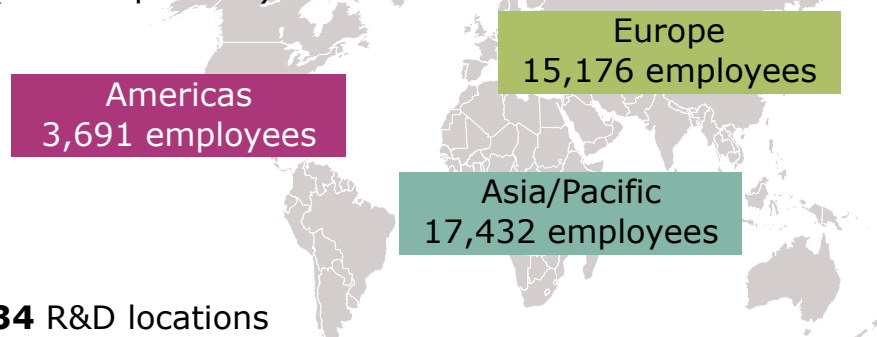
## Financials

[EUR m]



## Employees

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



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

## Market Position

Automotive



**# 2**

Strategy Analytics,  
April 2017

Power



**# 1**


IHS Markit,  
Technology Group,  
October 2016

Smart card ICs



**# 1**

IHS Markit,  
Technology Group,  
July 2017

A collage of four images: a sleeping child, a smiling woman, a scientist in a lab, and a close-up of microelectronics. The images are separated by white geometric lines. A central white hexagon contains text.

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

Part of your life.  
Part of tomorrow.

# Infineon enables eco-friendly, connected and safe mobility



## Applications

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



# Infineon enables efficient generation, transmission and conversion of electrical energy



## Applications

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

# Infineon enables security in the connected world



## Applications

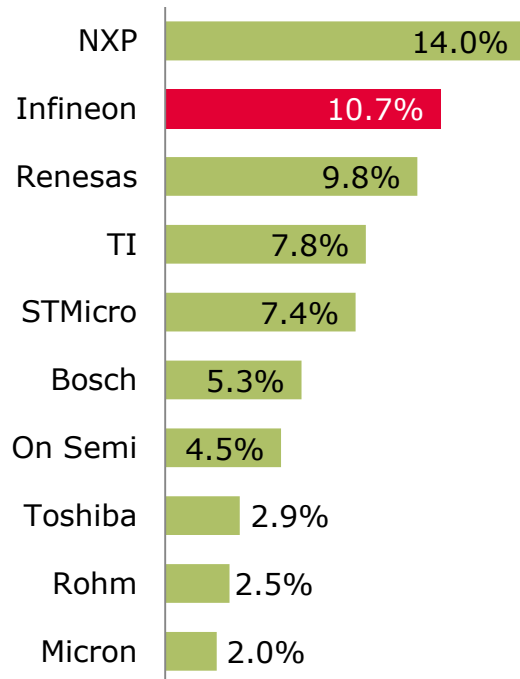
Internet of Things, Industry 4.0, mobile security, embedded security, trusted computing, machine to machine, (mobile) payment, SIM applications, transport ticketing, government identification

# Top positions in all major product categories



## Automotive semiconductors

total market in CY 2016:  
\$30.2bn

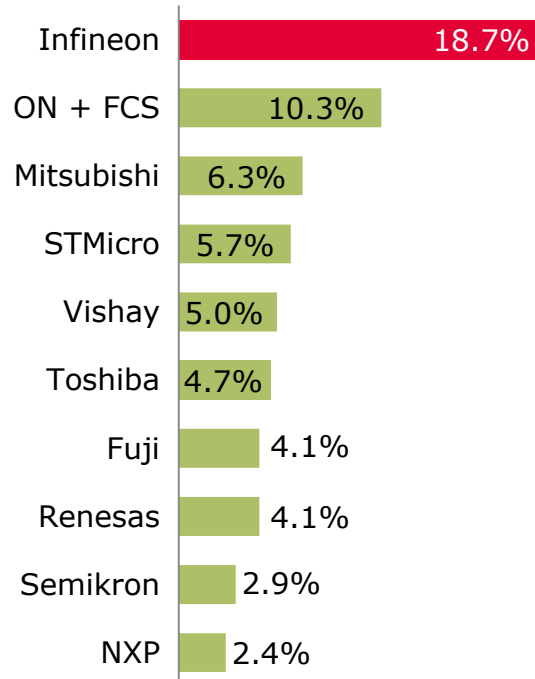


Automotive semiconductors incl.  
semiconductor sensors

Source: Strategy Analytics, "2016  
Automotive Semiconductor  
Vendor Share", April 2017

## Power semiconductors

total market in CY 2015:  
\$14.8bn

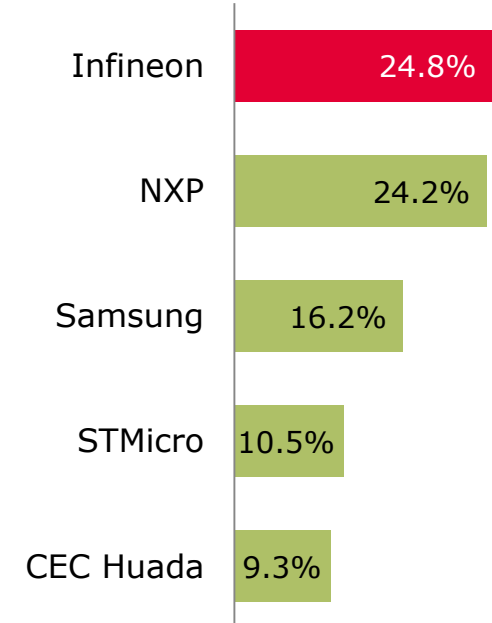


Discrete power semiconductors and power  
modules

Source: IHS Markit, Technology Group,  
"Power Semiconductor Annual  
Market Share Report",  
October 2016

## Smart card ICs

total market in CY 2016:  
\$2.79bn



Microcontroller-based smart  
card ICs

Source: IHS Markit, Technology Group,  
"Smart Cards Semiconductors  
Report", July 2017

# Our strategy is targeted at value creation through sustainable profitable growth



## Focus

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

## Technology leadership

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

## System understanding

- › Create value for customers through system understanding

## Auto

System leader in automotive

## Power

#1; system and technology leader

## RF

Broad RF and sensor technology portfolio

## Security

Leader in security solutions

## Average-cycle financial targets

~8%

Revenue growth

~17%

Segment result margin

~13%

Investment-to-sales  
(*thereof capex\**: ~11%)

\* Infineon reports under IFRS



# The outlook for the global semiconductor market remains positive

## Global semiconductor market in billion \$

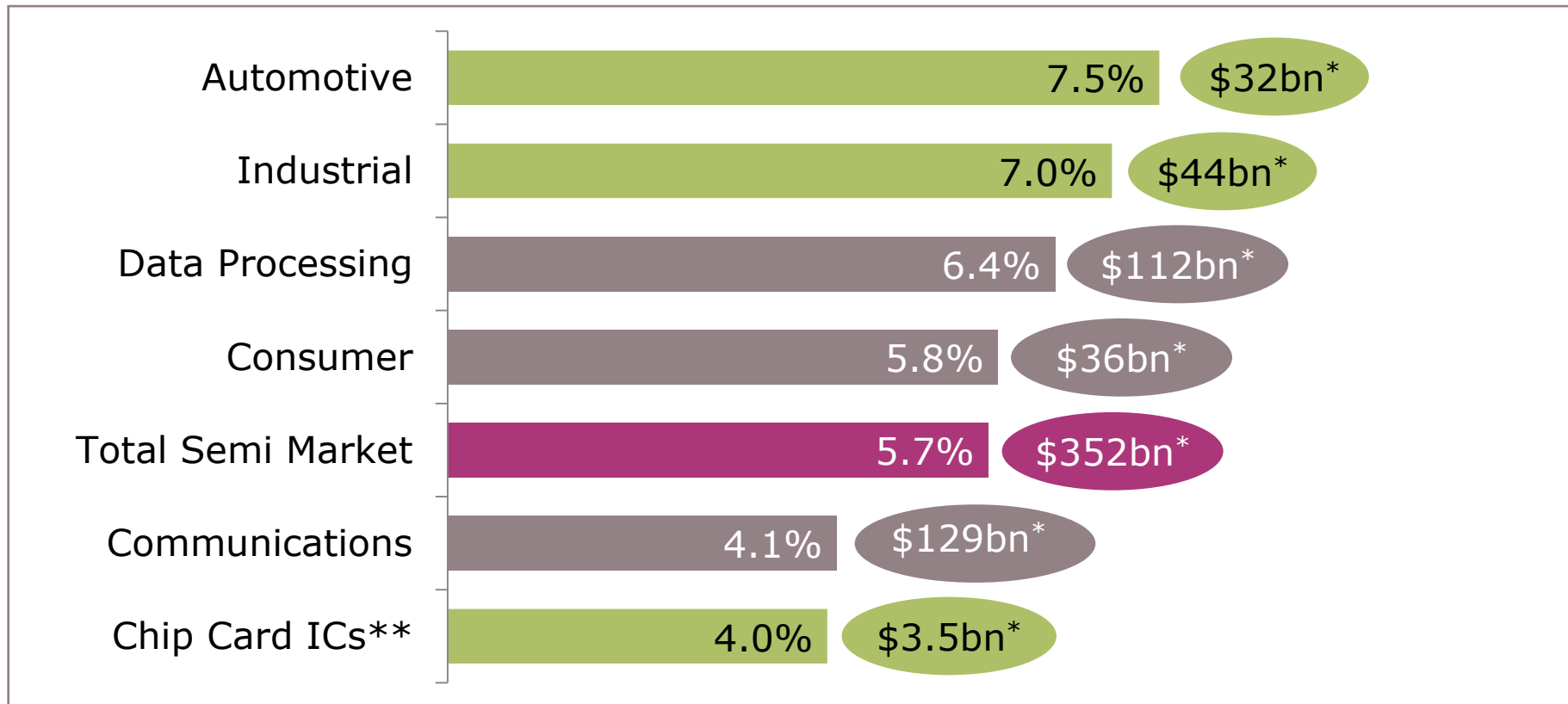


Source: WSTS for historical data. Forecast: Ø of WSTS, IHS Markit, Gartner, IC Insights;  
last update 28 July 2017

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



## CAGR 2016 – 2021 by Semiconductor Industry Segment



Source: IHS Markit, Technology Group, "Worldwide Semiconductor Shipment Forecast", July 2017

\* Market size in calendar year 2016

\*\* Source: ABI Research, "Smart Cards and Secure ICs", February 2017; smart card and embedded secure microcontroller ICs

# Financial Year 2016: Revenue Split by Segment

**FY 2016 Revenue: € 6,473m**

## Automotive



€ 2,651m

## Industrial Power Control



€ 1,073m

## Chip Card & Security

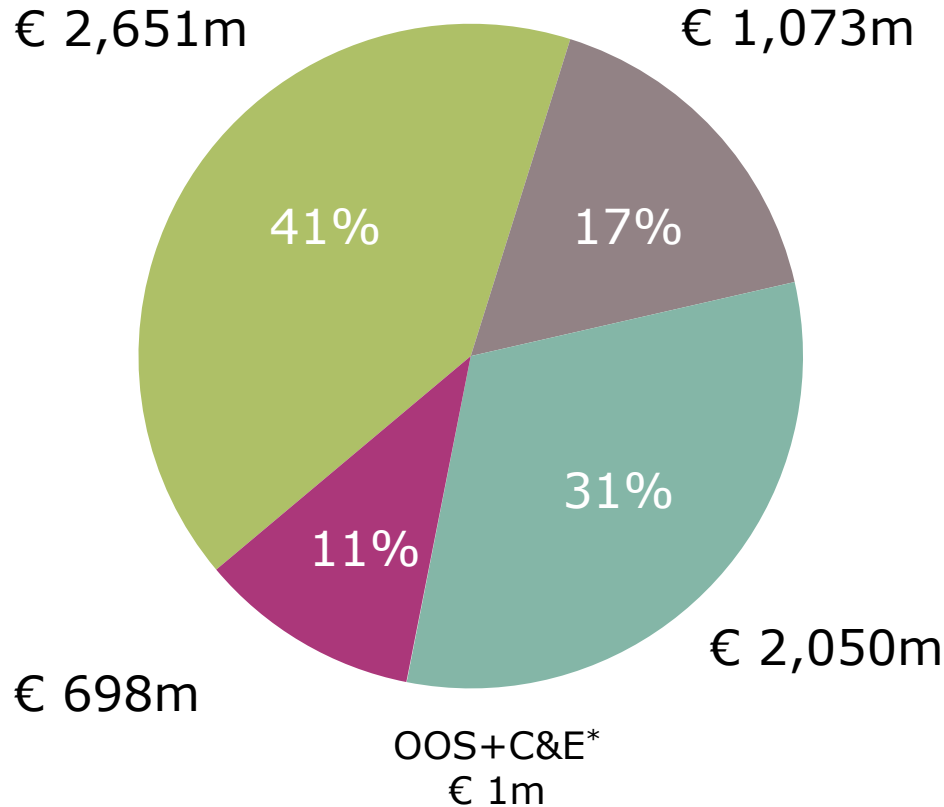


€ 698m

## Power Management & Multimarket



€ 2,050m

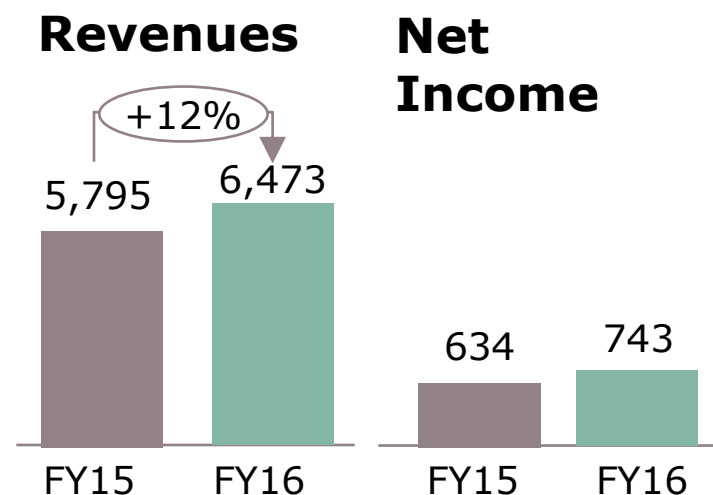


OOS+C&E\*  
€ 1m

\* Other Operating Segments; Corporate & Eliminations

# Infineon Group

## Results for FY 2015\* and FY 2016



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

\* Since 13th January 2015 inclusive International Rectifier

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



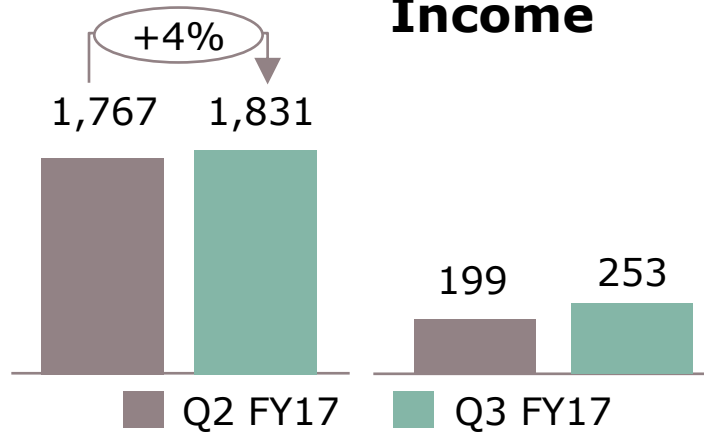
# Infineon Group

## Results for Q2 FY17 and Q3 FY17



### Revenues

### Net Income



### [€ Million]

### Q2 17

### Q3 17

Revenues	1,767	1,831
Segment Result (SR)	296	338
SR Margin	16.8%	18.5%
Net Income	199	253
Free Cash Flow	82	301
Gross Cash Position	2,049	2,217
Net Cash Position	32	358

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

ATV	IPC	PMM	CCS
EMS partners	Distribution partners		

# Automotive Segment – Making cars clean, safe and smart



Clean

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



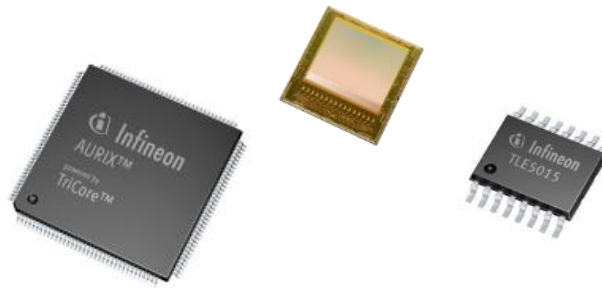
Safe

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



Smart

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



# Industrial Power Control Segment – Driving industry and much more



Drives

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



Home Appliances

- › Refrigerators
- › Air conditioners
- › Washing machines



Renewables

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



Traction

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





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



## Power Management

Computing



Lighting



Charger



## Radio Frequency & Sensing

Mobile devices



Cellular infrastructure



Sensing



mmW/Radar



## High Reliability

Space



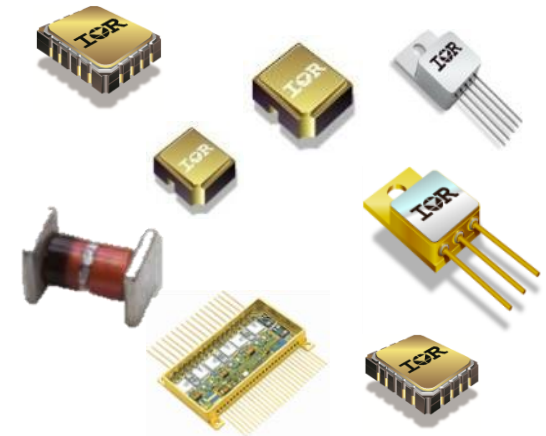
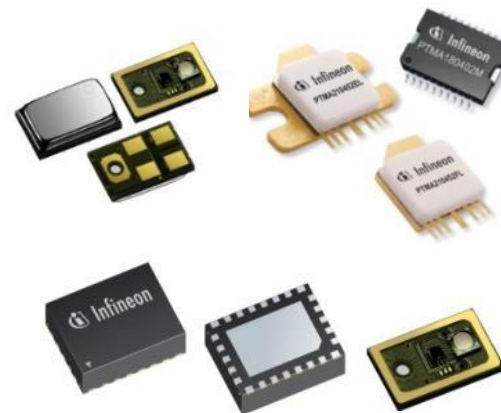
Aviation/Defense



Medical ICD



Hi-Temp./Heavy Industry



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

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

## Smart Cards



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

## Embedded Security



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



# Product range



## Automotive (ATV)

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



## Industrial Power Control (IPC)

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



## Power Management & Multimarket (PMM)

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

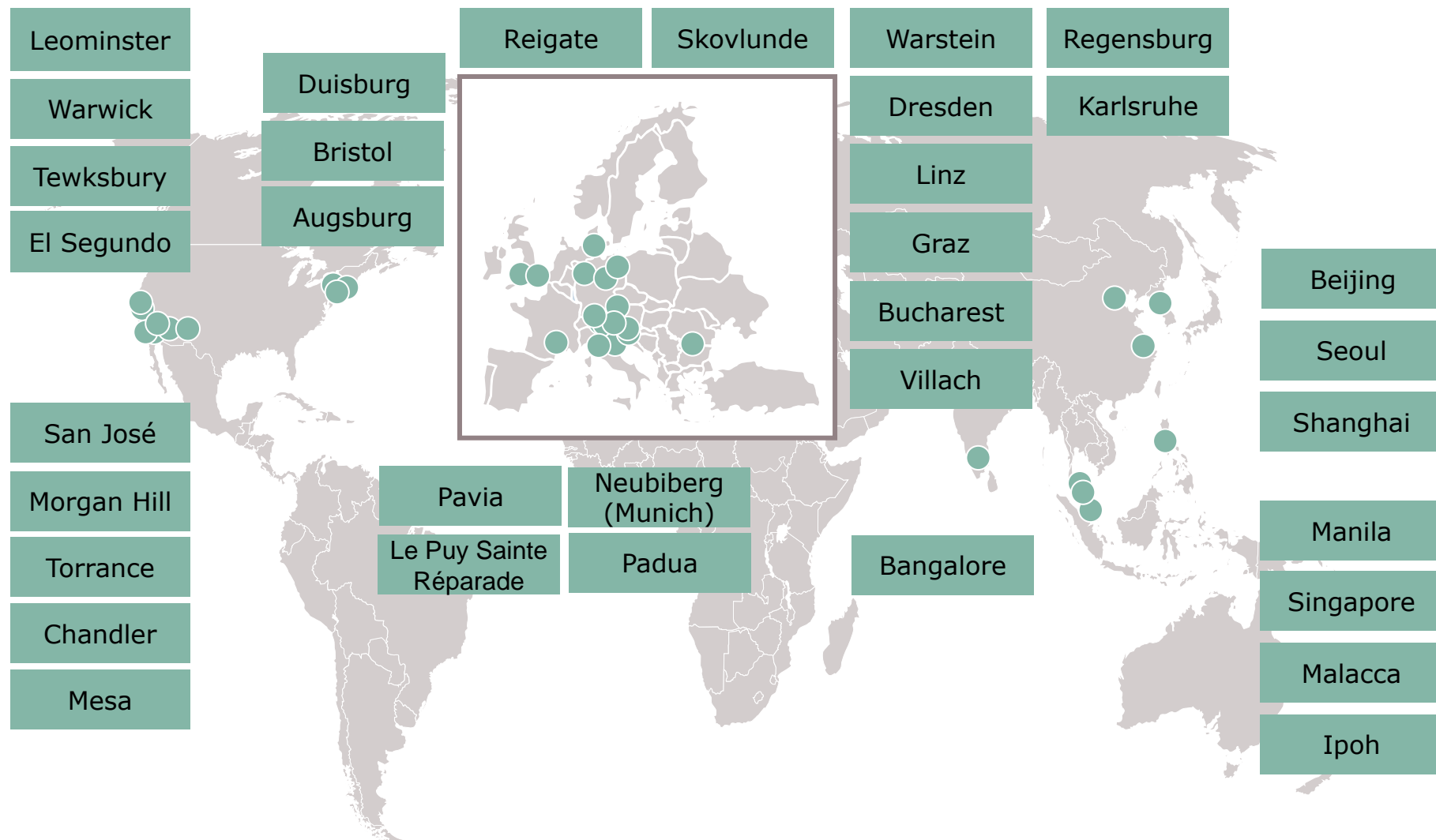


## Chip Card & Security (CCS)

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

\*FlexRay is a trademark licensed by FlexRay Consortium GbR

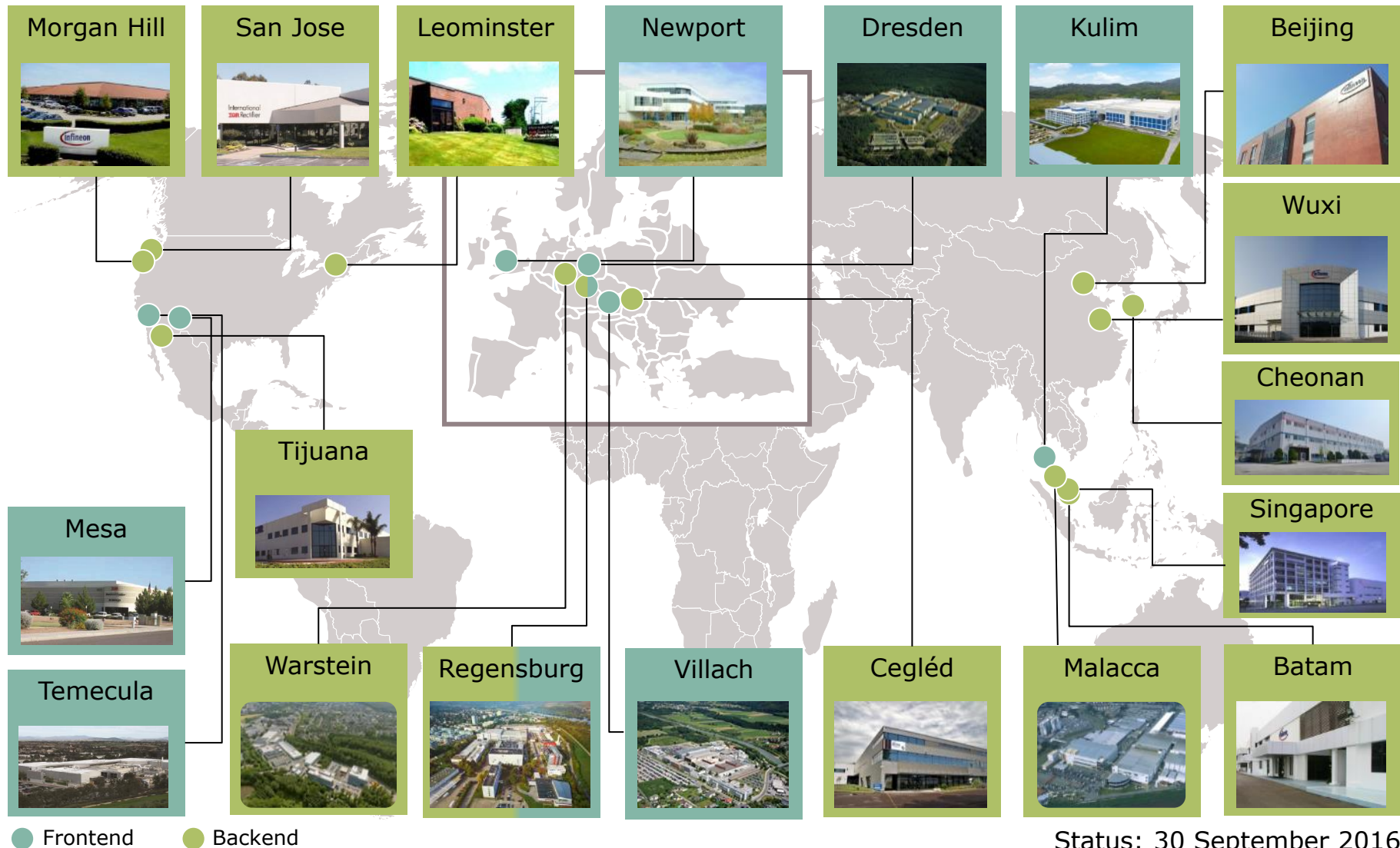
# Our global R&D network



Status: 30 September 2016

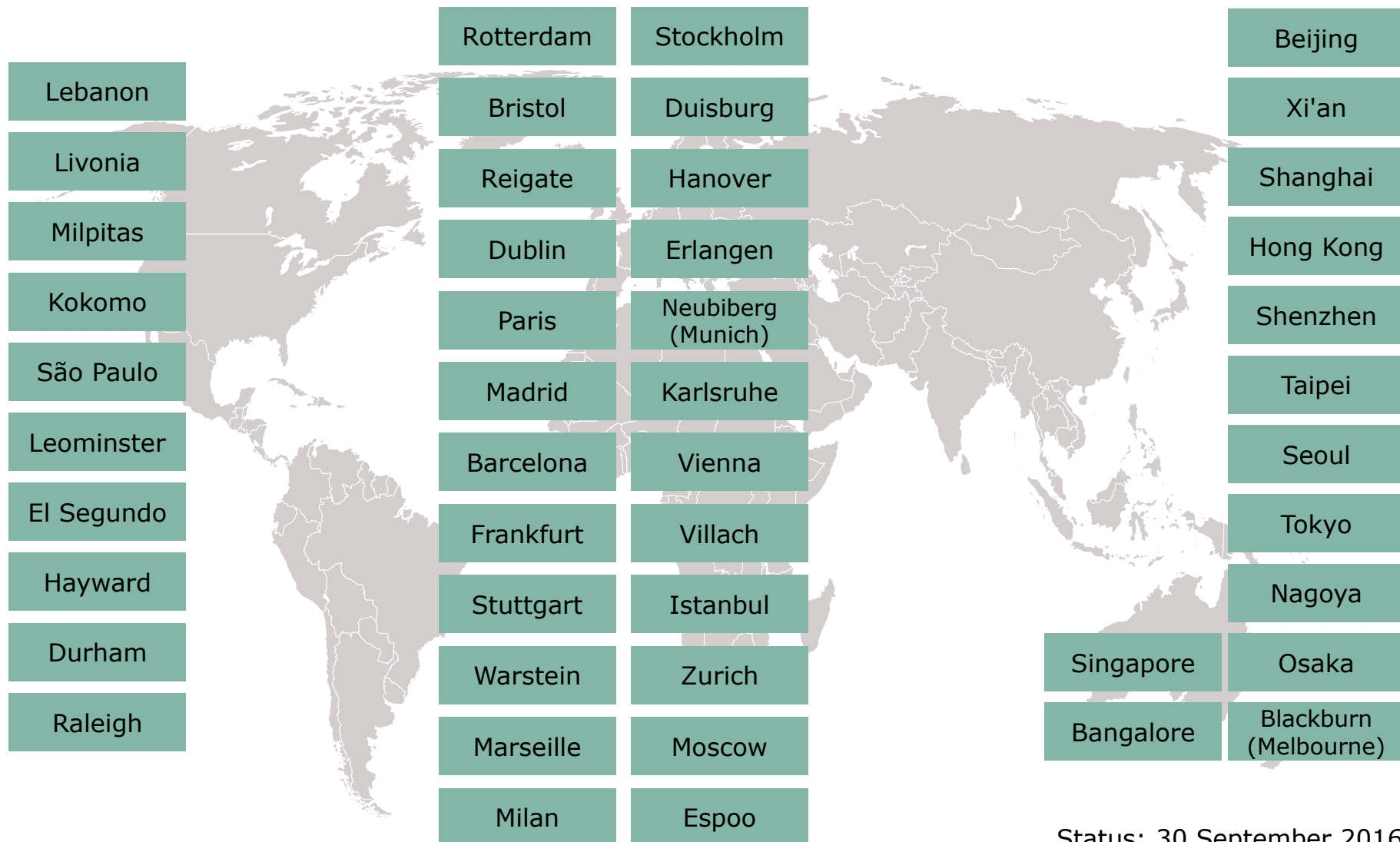


# Worldwide manufacturing sites frontend and backend



Status: 30 September 2016

# Our global sales network



Status: 30 September 2016

# Corporate Social Responsibility (CSR)



- › CSR comprises our **voluntary commitment** in: Human Resources Management and Human Rights, Environmental Sustainability, Occupational Safety and Health, Corporate Citizenship\*, CSR Supply Chain Management as well as Business Ethics.
- › Infineon entered the **UN Global Compact** as one of the first semiconductor companies already in 2004 and is voluntarily committed to the 10 Principles.
- › Infineon is for the 7th time listed in the **Sustainability Yearbook**.
- › Infineon is continuously listed in the **Dow Jones Sustainability Index** since 2010 and for the second time in the **Dow Jones Sustainability World Index** in 2016 and thus is among the top **10% of the most sustainable companies** in the world.
- › Infineon does not compromise in **human rights and business ethics**.
- › Infineon's products and solutions as well as our efficient resources management enable a significant **net ecological benefit**.

\*social engagement of companies.

# Corporate Social Responsibility

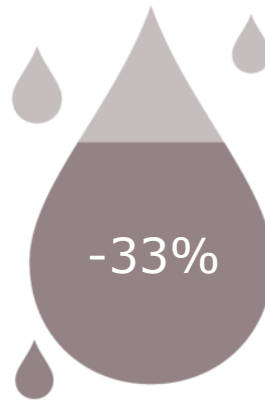
## We are excellent in resources efficiency



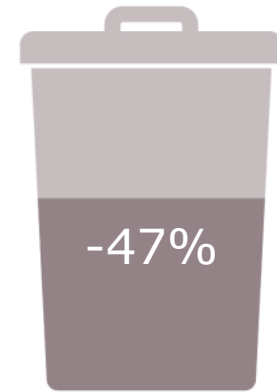
### At Infineon, less is more



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



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



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

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

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



# Business Continuity Integrated management



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

# Let's get connected



CUSTOMERS

PRESS



INVESTORS

CAREERS



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Part of your life. Part of tomorrow.

