

# Annual General Meeting of Infineon Technologies AG

Dominik Asam, Chief Financial Officer  
Infineon Technologies AG  
Munich, February 16, 2017

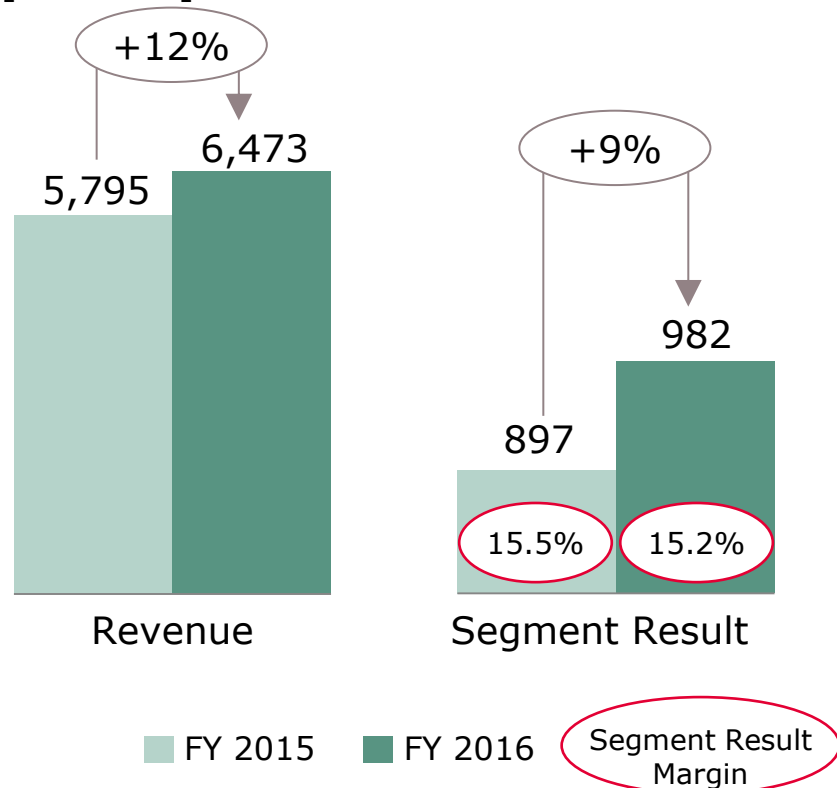


# Infineon Group

## Results for FY 2016 vs. FY 2015



[€ million]



	FY 2015	FY 2016
Revenue	5,795	6,473
Gross Margin	35.9%	36.0%
Segment Result	897	982
Income from Continuing Operations	622	741
Gain from discontinued operations, net of income taxes	12	2
Net Income	634	743
Earnings per Share*	€0.56	€0.66

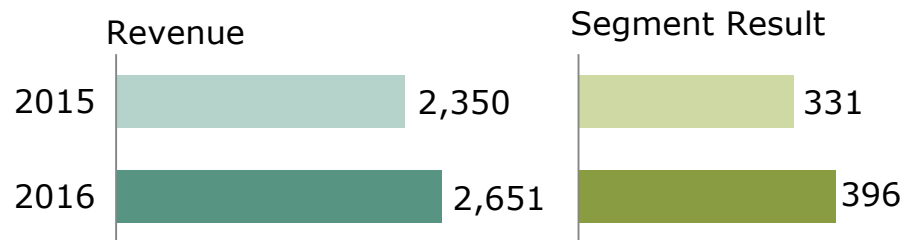
\* basic and diluted

# Growth in all four segments: Revenue and Segment Result FY 2016 vs. FY 2015



[€ million]

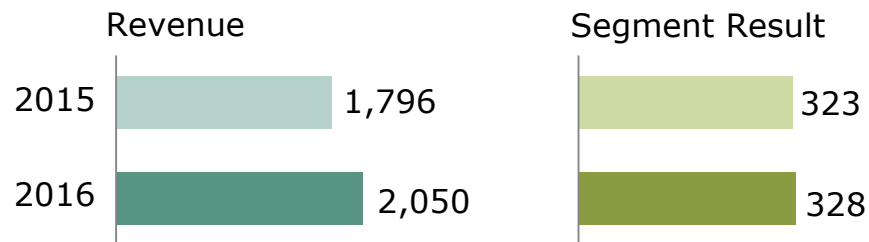
## Automotive



## Industrial Power Control



## Power Management & Multimarket

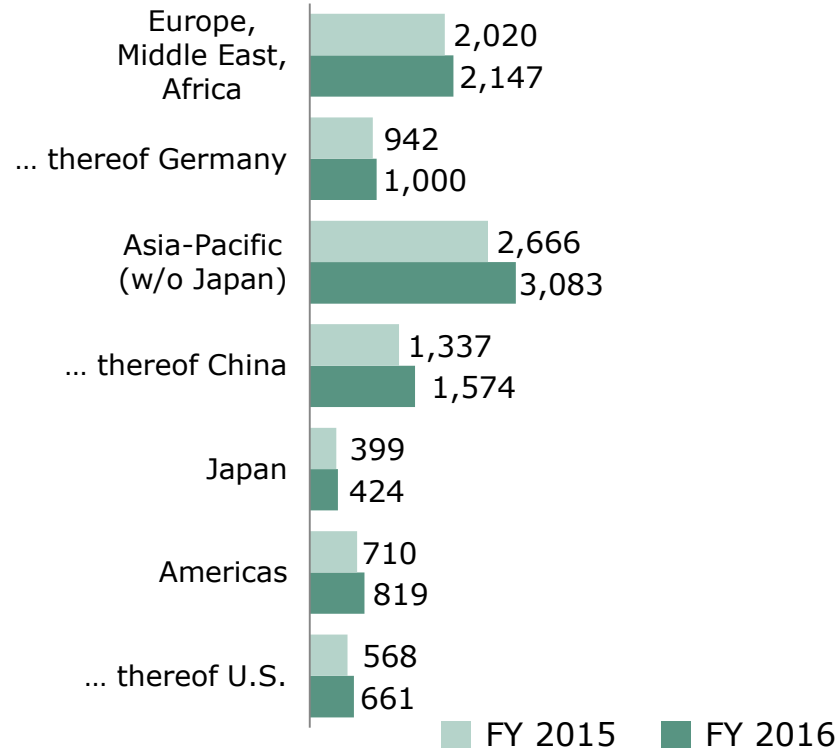


## Chip Card & Security

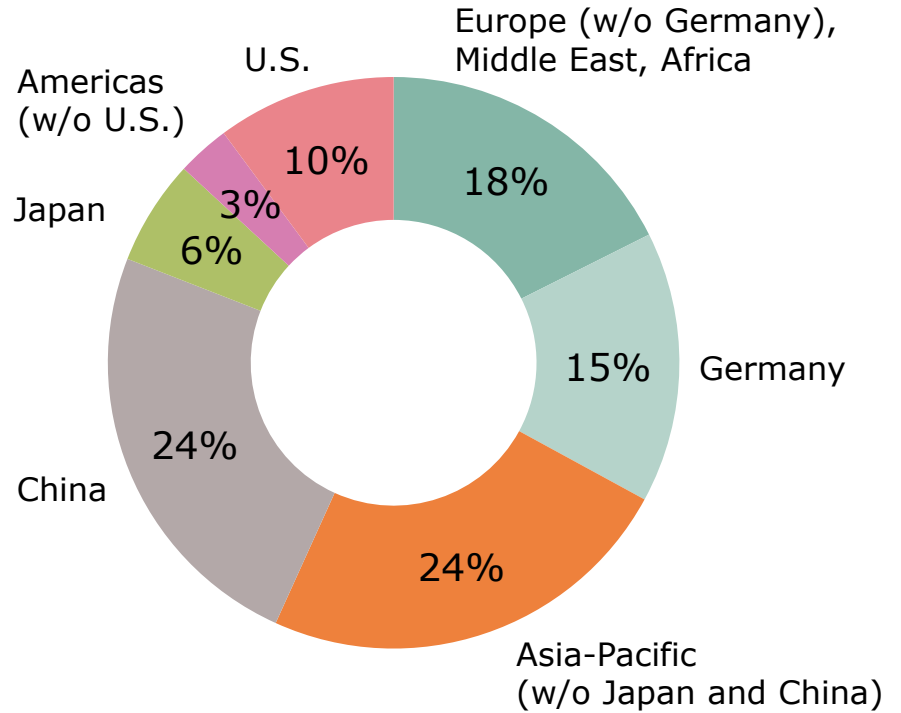


# Revenue by Regions

## Revenue [€ million]



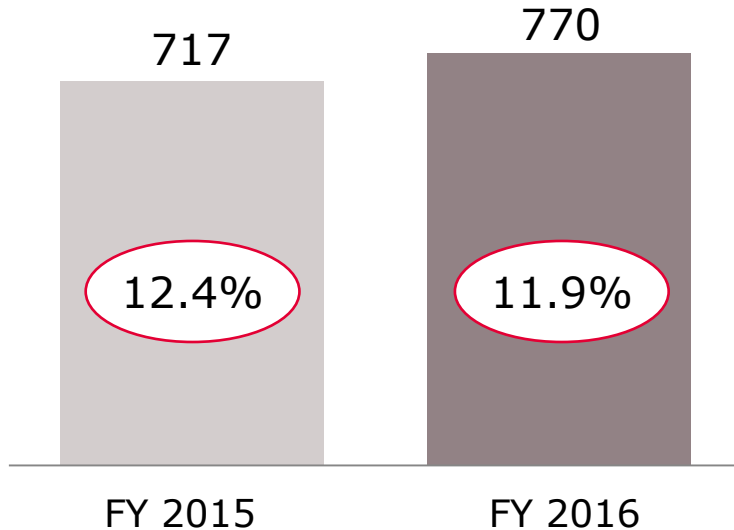
## Revenue Share FY 2016



# Operating expenses

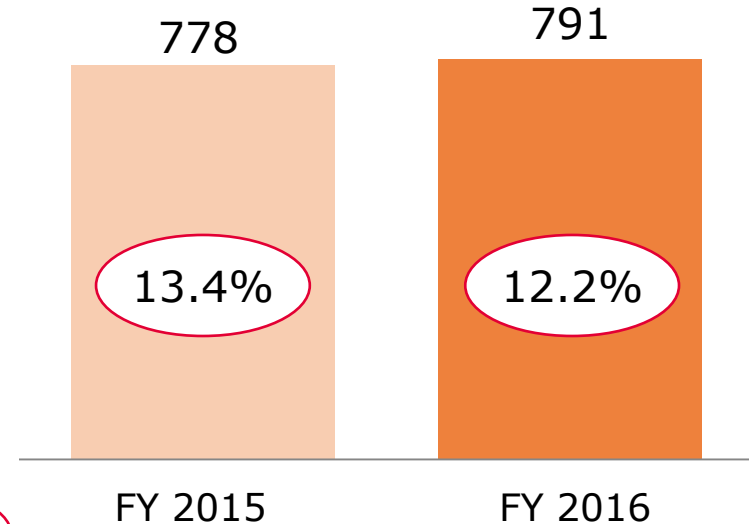
## Research and development expenses

[€ million]



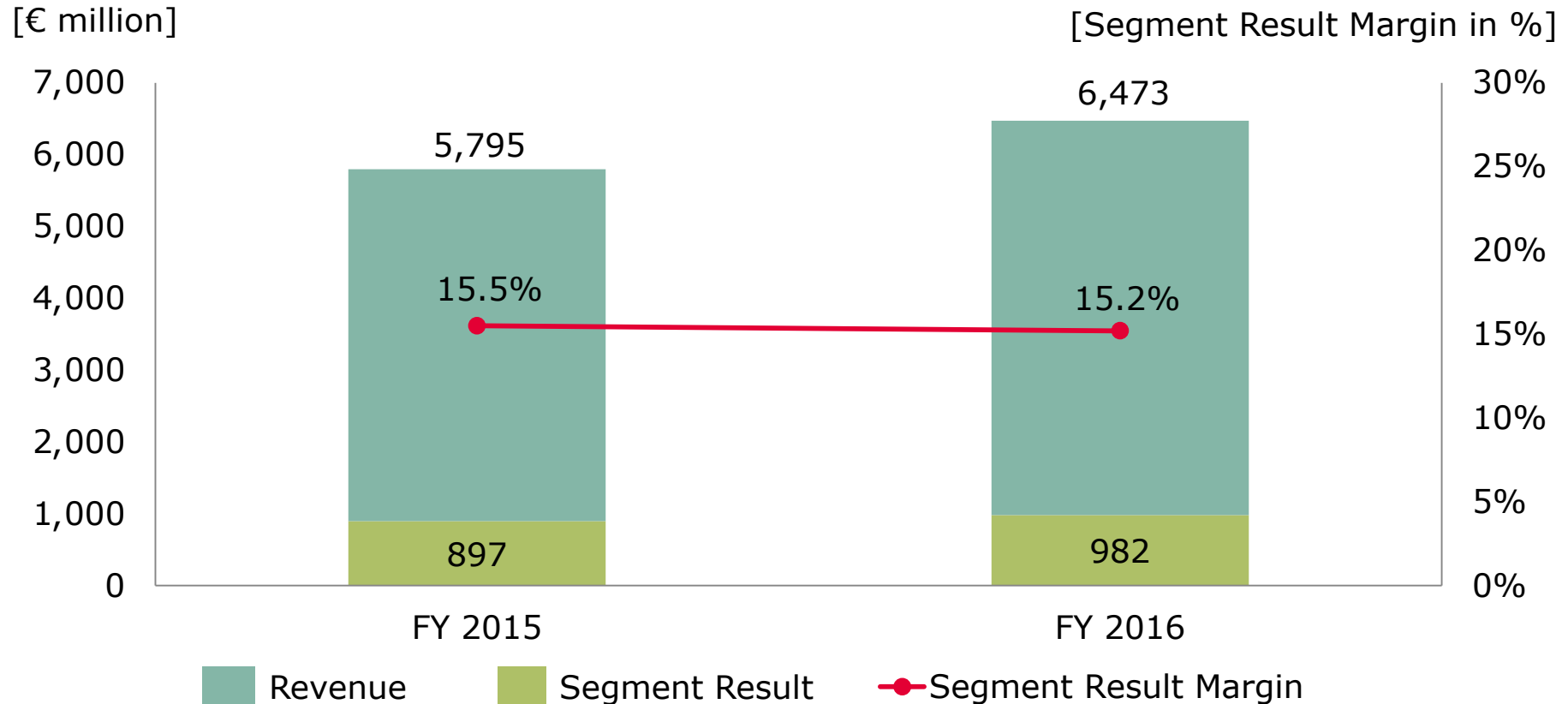
## Selling, general and administrative expenses

[€ million]



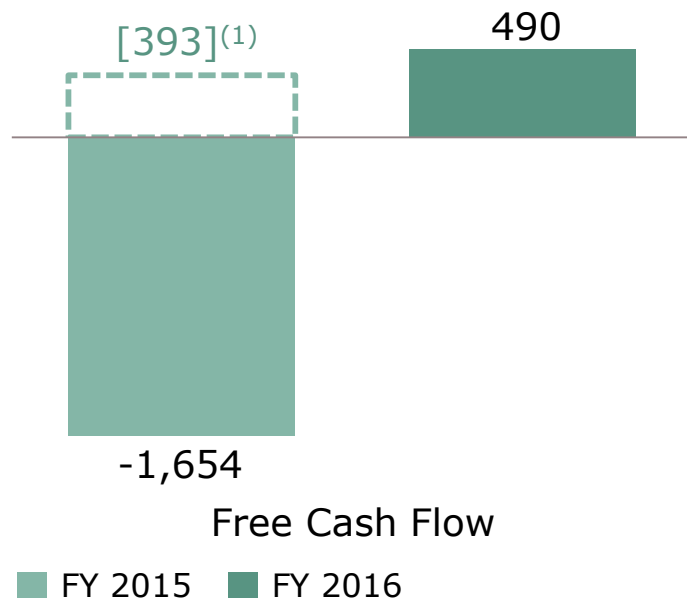
As % of Revenue

# Revenue and Segment Result



# Free Cash Flow and Investments

[€ million]

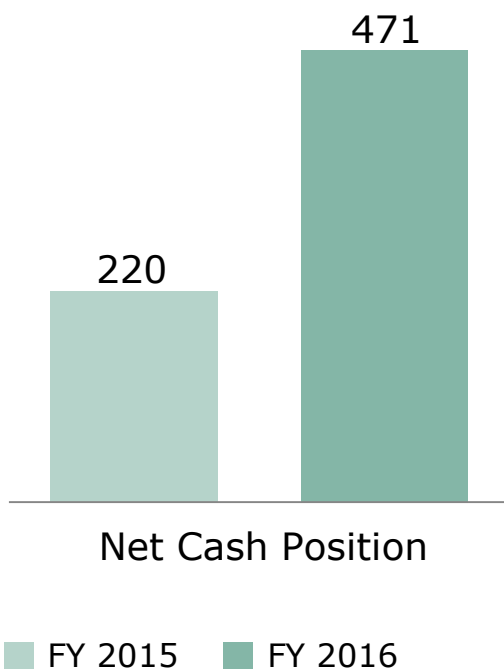


	FY 2015	FY 2016
Investments in property, plant and equipment	646	716
Investments in intangible assets	139	110

(1) Free cash flow from continuing operations excluding special effects. The special effects in the previous year comprise the purchase price payment for International Rectifier, payments for the partial settlement to the insolvency administrator of Qimonda, net of proceeds from the sale of Qimonda's patents, and the payment to the EU Commission in connection with the fine imposed in conjunction with chip card antitrust proceedings.

# Key Balance Sheet Figures

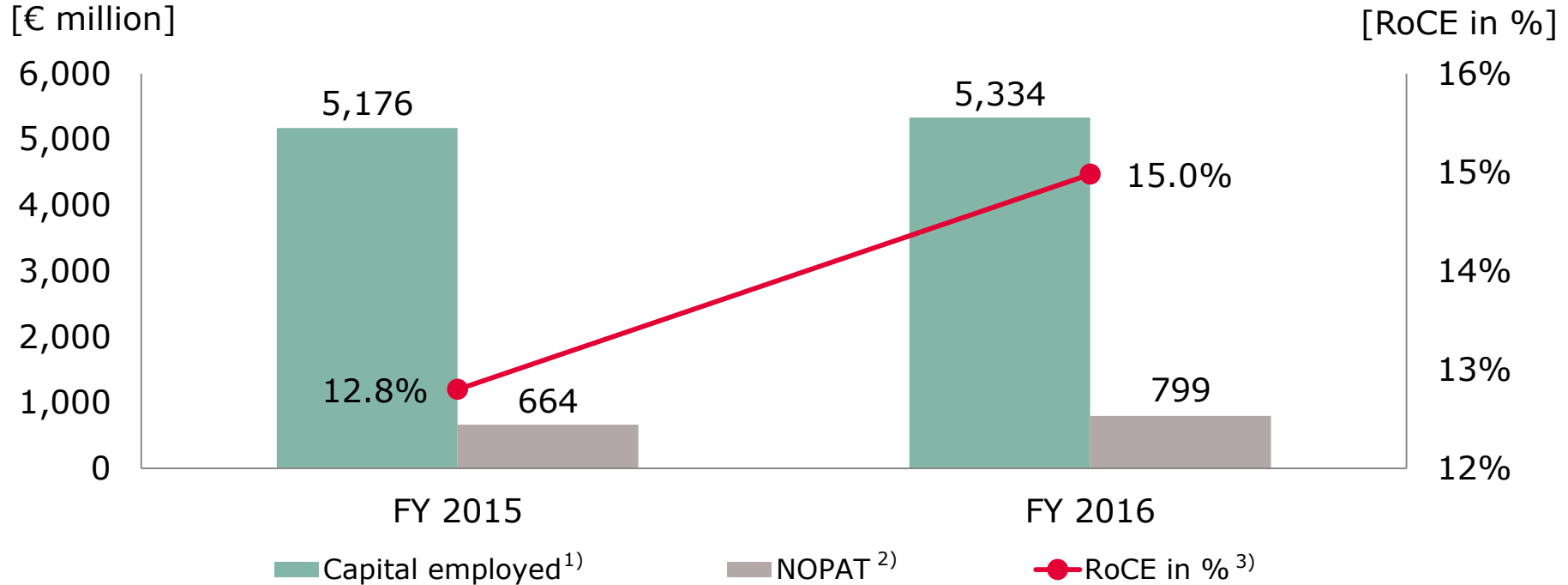
[€ million]



As at September 30	2015	2016
Gross Cash Position	2,013	2,240
Debt	1,793	1,769
Net Cash Position	220	471
Non-current assets	4,626	4,595
Non-current liabilities	2,491	2,534
Provisions	474	403
Of which: related to Qimonda insolvency	41	32
Total equity	4,665	5,023
Total assets	8,741	9,087



# Return on Capital Employed After Tax

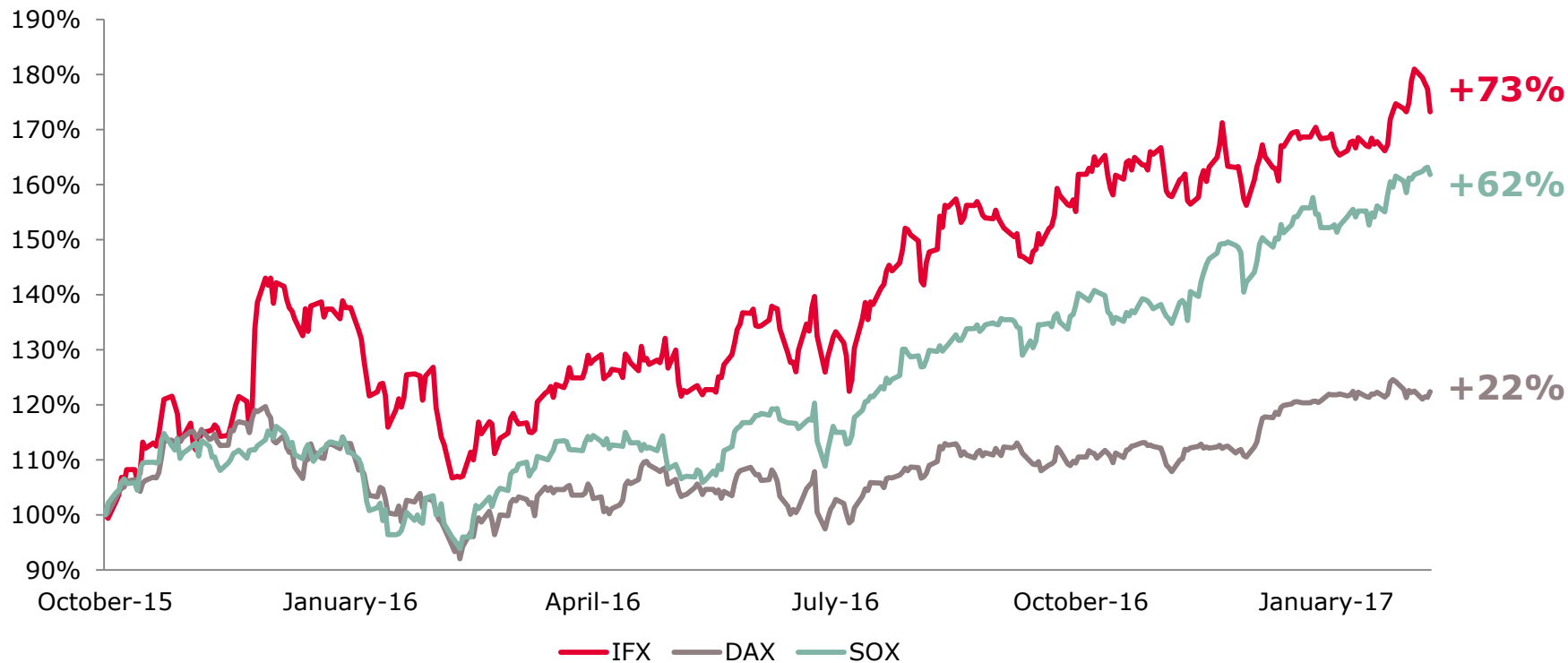


1) Capital Employed: Non-current assets plus net working capital

2) NOPAT: Net Operating Profit After Tax

3) RoCE: Return on Capital Employed

# Performance of Infineon shares (Oct. 2015 – Feb. 2017) compared to DAX and SOX

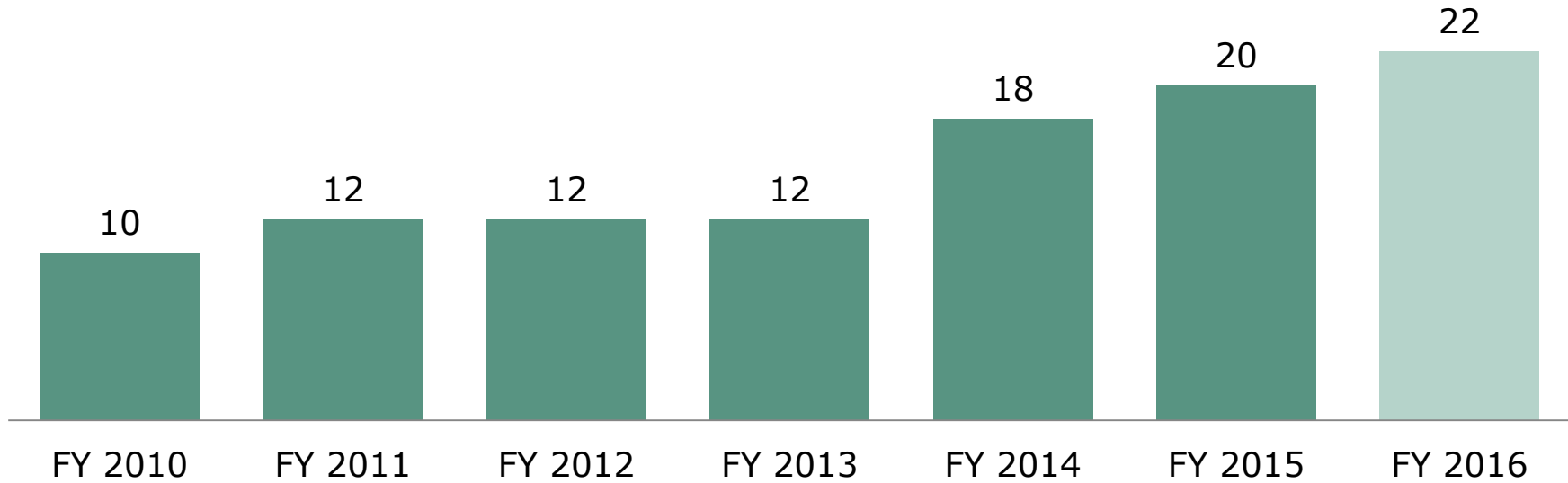


Source: Bloomberg, February 9, 2017

# Proposal to increase the dividend by 10 percent to 22 euro cents per share



[euro cents]



# Outlook for the 2017 fiscal year

## Outlook FY 2017 (compared to FY 2016)

Revenue

Increase of 6%  
+/- 2 percentage points

Segment Result Margin

16%  
At the mid-point of the  
revenue range

# Positive effects from acquisition of the shares in MoTo Objekt Campeon GmbH & Co. KG from FY 2017 onwards



[€ million]	FY 2017	After FY 2017
Net purchase price*	-112	
Effect on Free Cash Flow	↓	↑ 20-30
Effect on Segment Result	↑ Amount in the low double-digit million range	↑ Amount in the low double-digit million range
Effect on RoCE	↓ Slight decline	↓ Slight decline

\* Purchase price payment, net of cash acquired.

# Balanced and long-term maturity profile of financial liabilities

Financing for the acquisition of International Rectifier

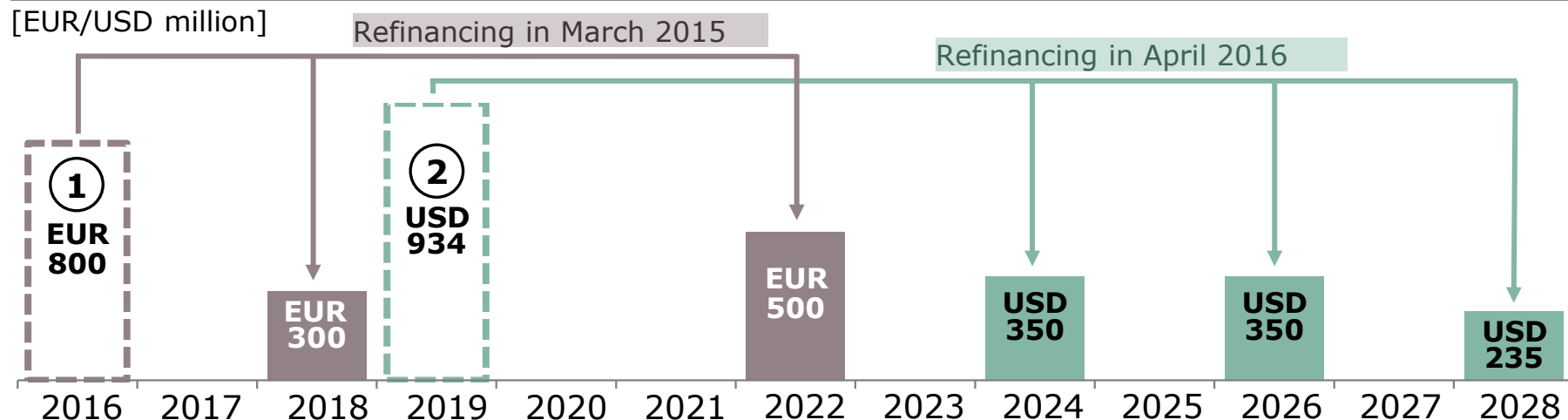
## 1 Refinancing of the EUR tranche

March 2015: Infineon's first Eurobonds replace €800 million bridge financing

## 2 Refinancing of the USD tranche

April 2016: Infineon's first US-Private Placement replaces \$934 million term loan

- > Maturity profile significantly improved
- > Increased financing flexibility
- > Investor basis broadened



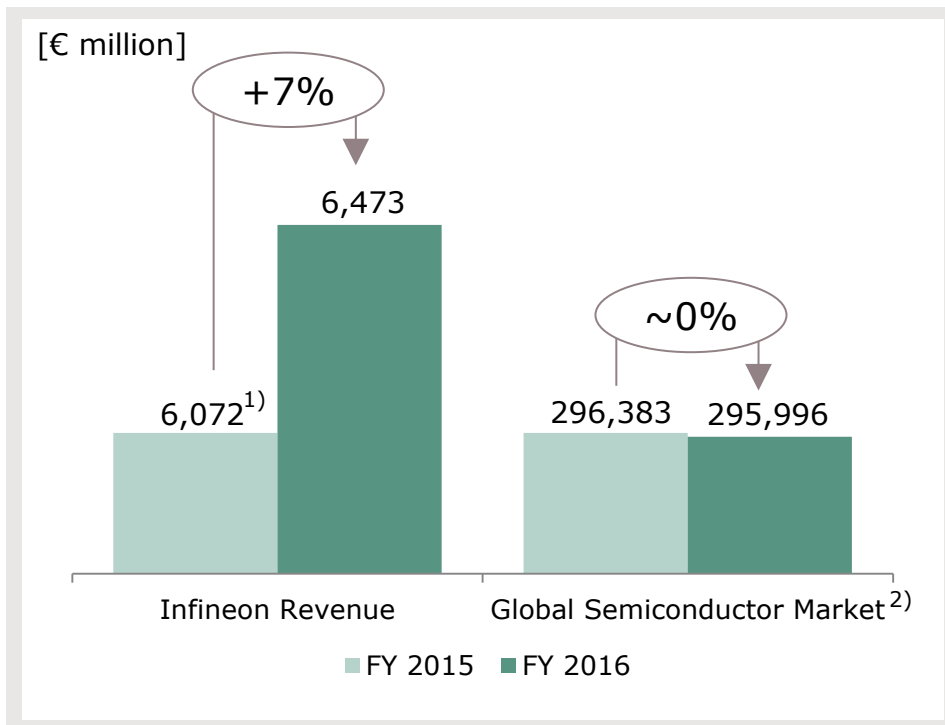
# S&P confirms investment grade rating

Capital structure objective	Current status
Investment grade rating	Rating by S&P: BBB (outlook "stable")
Gross cash position: €1 billion + 10-20% of Revenue	€1 billion + 18% of Revenue*
Gross debt: max. 2.0 x EBITDA	1.3 x EBITDA*

\* Gross cash position and gross debt as at December 31, 2016. Revenue and EBITDA for calendar year 2016.

# Infineon is growing faster than the semiconductor market

## Financial targets through the cycle



### Financial targets through the cycle

~8%

Revenue growth

~17%

Segment Result Margin

~13%

Investment ratio

1) If International Rectifier had been consolidated since October 1, 2014, Infineon would have recorded revenues of €6,072 million for FY 2015.

2) Adjusted to Infineon's fiscal year and scaled to FY 2015

Source: Infineon; WSTS (World Semiconductor Trade Statistics), November 2016





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