



Jochen Hanebeck

Annual General Meeting 2022

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Chief Operations Officer and
designated Chief Executive Officer

Jochen Hanebeck



- The spoken word applies -

Dear Shareholders,
Dear viewers,

Reinhard Ploss has just given a very impressive description of the major challenges of society and how Infineon is helping to master them.

The company is excellently positioned strategically. I consider it a great honor that, as of April, I will be able to take over the company's leadership. A company that is so consistently and successfully addressing the key challenges of our time.

I am very much looking forward to this new role. It comes with great responsibility. But, I know that I can count on broad support: from the Supervisory Board and the Management Board, to executives and all employees worldwide.

Exciting challenges are waiting for us. Our strategy is aligned with the two defining trends of this decade: Electrification and digitalization.

- › Politics, business and society have never been more aware of the urgency of the climate crisis and have never been more willing to act.
- › Digital transformation is also being massively accelerated in virtually all areas of life, especially as a result of the Corona virus pandemic.

All of this is driving the need for innovative semiconductor solutions. Every day, we – the entire Infineon team – are motivated to contribute significantly to reducing global warming and to connect the real world with the digital world. At the moment, our most important task is to implement our proven long-term strategy even under very challenging conditions, namely in an extremely dynamic market and with a tense supply situation.

“Let’s get it done!” was the motto of our global leadership conference last year. And that’s exactly what it is all about for Infineon in the near future. Setting ourselves ambitious goals, making decisions, implementing plans consistently.

I would like to illustrate this with two examples.

There is no way around Infineon in the electrification trend. We are the leading manufacturer of power semiconductors and have the best product and technology portfolio as well as a unique understanding of applications. In addition, with our global manufacturing landscape, we stand for quality and supply capability.

If you have been following our path for some time now, you will be aware that new materials are increasingly being used in the field of power semiconductors. With regard to the so-called compound semiconductors silicon carbide and gallium nitride, whose potential Reinhard Ploss has already explained to you, we see sustainable growth potential. We see sustainable growth potential here. Like for silicon, we are also the technology leader in compound semiconductors. Now that growth is accelerating, we want to capitalize on this advantage by also expanding the required manufacturing capacities.

For this reason, we will build a new – third – module at our site in Kulim, Malaysia. There we will manufacture power semiconductors based on silicon carbide and gallium nitride on 150 and 200mm wafer diameters. The investment in building and equipment will be more than two billion euros. Construction will begin in June of this year. The first products are expected to be delivered from the new factory in the second half of 2024. The installation of the manufacturing equipment will take place gradually, depending on the development of demand. Once fully utilized, Kulim 3 offers an additional annual revenue potential of two billion euros.

As you know, we aim for climate neutrality by 2030. In line with this ambition, every new investment should contribute to reducing our CO₂ footprint. This is the case at Kulim 3: Thanks to state-of-the-art equipment and processes, we use fewer resources per square centimeter of processed wafer area than in existing fabs. So, on the one side, we save resources in production, while on the other side, we create capacity for exactly those semiconductors that save energy and thereby CO₂. For our employees – and also for me personally – this is a special motivation and we are very proud of it.

With the investment in Malaysia, we are following our long-term strategy and strengthening our international development and manufacturing cluster. Villach is our global competence center for the new compound semiconductors. Here we develop technologies and test processes. In Kulim we are now building our high-volume production. This underlines our ambition, to be both technology leader and market leader in silicon carbide and gallium nitride. Delivery capability will be a key factor here.

Once again, we are setting the course for future success at an early stage. This principle has recently proved its worth in the construction of the new 300-millimeter factory at our Villach site, which we opened last September. Exactly at the right time. Yet, in this case as well, we had already made the decision for construction three and a half years earlier.

With regard to the second major growth trend – digitalization – we follow the same motto: “Let’s get it done!”. We want to drive Infineon’s digital transformation and, above all, take advantage of the opportunities that arise from the transformation of our target markets. By 2025, just about half of our revenue growth will come from solutions for digitalization. Two fields of action are crucial here:

On the one side, digitalization of customer interfaces will accelerate our path of profitable growth. Customers will get the information that is relevant to them more quickly. Buying Infineon products becomes easier. At the same time, every digital interaction helps us to learn more and improve our understanding of what our customers need.

On the other side, Digital products. With Cypress, we have significantly expanded our portfolio for digital applications and are now able to offer our customers a complete ecosystem. It consists of a development environment – called ModusToolbox™ – as well as software and an active developer community. Plus, our team of software developers has grown significantly. So, we’ve created an excellent foundation, on which we want to build on. Applying system understanding to product development, increasingly includes the use of software today.

The interaction of hardware and software allows us to optimize energy efficiency, performance and data security at system level. In this way, we offer added value that enables us to build closer ties with existing customers and makes us attractive to new partners. Especially smaller companies often see their opportunity in disrupting established markets through the smart use of digital capabilities. They want to focus their limited development resources on a specific differentiating feature and are grateful if they can build on a solution that works. For this, they need partners like us.

This can be seen particularly well in the example of the IoT, i.e. the Internet of Things. The development of intelligent, connected IoT products is a real challenge. The interaction of a wide variety of devices and the consideration of topics such as security, cloud integration and energy management is time-consuming and requires a lot of know-how. Only those who master the complexity can offer their customers simple and convenient solutions.

Let me give you an example: Infineon and the company Picovoice have jointly developed a voice platform that provides edge devices with voice-based artificial intelligence. An edge device can for example be a light in your living room, a TV, but also a medical device or an elevator. The platform enables smart voice command recognition by such connected devices with extremely low power consumption and comprehensive connectivity. Companies can thus integrate voice interfaces into their products very easily. This is just as interesting for large electronics manufacturers as it is for startups.

Software expertise will help us take our strategic approach “from product to system” to the next level.

Dear Shareholders,

one of Infineon’s great strengths is that we see leadership as a team effort.

As Dr. Eder announced, Rutger Wijburg will head the Operations department going forward. His career and his successes speak for themselves. He has gained international experience and has shown in his three and a half years at Infineon that he can win people over and inspire organizations to work towards a common goal. He will be a great addition to our Management Board team.

Let me conclude with two things that are particularly important to me:

I would like to continue the strategy we have developed together over many years and focus on ensuring that we consistently implement what we commit to.

And: I want to further use the experience, motivation, creativity and determination of the management team and the entire workforce to further develop Infineon in the future. Together, we will be able to accomplish a lot in the coming years. I am very much looking forward to that.



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