Annual General Meeting 2025
Key points speech Dr. Sven Schneider, Chief Financial Officer

- **Infineon concluded the 2024 fiscal year in line with reduced expectations.**
  Infineon achieved revenue of 14.955 billion euros in the 2024 fiscal year. The declining Segment Result of 3.105 billion euros and the lower Segment Result Margin of 20.8 percent reflect the weak market environment.
  Mainland China and Hong Kong as well as EMEA remained the most important revenue regions. The decline in revenue also led to lower earnings per share, which at 98 euro cents are significantly below the previous year's figure of 2.38 euros. Adjusted earnings per share fell from 2.65 euros to 1.87 euros. In order to secure our long-term competitiveness, we launched the company-wide structural improvement program Step Up in the 2024 fiscal year. The aim is to achieve an annual improvement of the Segment Result in the high triple-digit million euro range. We expect the program to take full effect in the 2027 fiscal year.
- **Despite persistently challenging market conditions in the past fiscal year, Infineon's four segments developed in line with expectations.**
  (1) The Automotive segment continued to generate the highest revenue, with 8.423 billion euros. The Segment Result Margin fell to 25.7 percent. Electromobility, software-defined vehicle architecture and the trend towards higher levels of electronic features continued to be the main drivers of the segment's growth in the 2024 fiscal year.
  (2) The Power & Sensor Systems segment achieved revenue of 3.088 billion euros, a significant decline compared to the previous year. As a result, the Segment Result Margin also fell to 10.9 percent. The decline in revenue is due to the persistently low demand for semiconductors in the

consumer business and in the telecommunications infrastructure. Even the rapidly growing business in the area of power supplies for artificial intelligence was not sufficient to offset this weak demand.

(3) Revenue in the Green Industrial Power segment amounted to 1.934 billion euros. The Segment Result Margin fell noticeably to 21.6 percent. Demand for wind energy and photovoltaic inverter products declined slightly in the 2024 fiscal year, primarily due to high inventories held by our customers. Market demand in the area of factory equipment and automation also decreased. Demand was stable in the energy infrastructure business during the past fiscal year, while revenue in the transportation area increased.

(4) In the Connected Secure Systems segment, revenue amounted to 1.506 billion euros. The decline in revenue led to a lower Segment Result Margin of 12.1 percent. The main reasons for this were lower demand for our products, high inventory levels at our customers and the weakening momentum in certain business areas, especially consumer, IoT and security applications.

- **Key financial figures reflect a gloomy market environment and declining revenue.**
  Reported Free Cash Flow amounted to 23 million euros in the reporting year. Adjusted Free Cash Flow - excluding large investments in frontend buildings and large M&A transactions - amounted to 1.690 billion euros. This figure equals around 11 percent of revenue and is therefore within the Target Operating Model. Investments amounted to 2.719 billion euros in the 2024 fiscal year. The Return on Capital Employed (RoCE) equaled 8.5 percent.
- **Infineon is continuing to consistently implement its conservative financing strategy.**
  The core objective is to maintain an investment grade rating, which gives us access to all relevant capital markets and financing sources at low cost with good terms at all times. In February 2024, S&P Global Ratings raised Infineon's investment grade rating from "BBB" with a positive outlook to "BBB+" with a stable outlook and confirmed this in early 2025. Our conservative financial policy, robust operating results, even during a cyclical low, and sustainable cash generation are key to maintaining our rating.
- **The Management Board and Supervisory Board propose a dividend of 35 euro cents per share.**
  The goal of our dividend policy is to enable Infineon's shareholders to participate appropriately in the company's economic development. At the same time, we want to maintain the financial leeway necessary to further develop the company. The Management Board and Supervisory Board are therefore proposing a dividend of 35 euro cents per share for the 2024 fiscal year, unchanged from the previous year. The expected total dividend payout would therefore remain at the stable level of 455 million euros.

- **Agreement with the insolvency administrator ends Qimonda proceedings.**
  Infineon reached a settlement with the Qimonda insolvency administrator in August 2024. On the basis of this settlement, Infineon made a payment of around 750 million euros. This brings to an end the legal dispute that has been pending at Munich Regional Court I since the end of 2010, in which the insolvency administrator had claimed an amount of around 3.4 billion euros plus interest. The company was and continues to be convinced that the claim is unfounded. However, to have this established in court would have required further years of litigation. This would also have entailed a considerable risk of a court ruling to our disadvantage. The settlement served to exclude the corresponding risks and establish legal certainty. The settlement ends all legal disputes and claims of the insolvency administrator against Infineon.
- **Infineon has a slightly better start to the 2025 fiscal year than expected and raises its outlook for the year due to currency effects.**
  (1) For the 2025 fiscal year, at an assumed EUR/USD exchange rate of 1.05 (previously 1.10), we expect revenue to be flat to slightly up compared with the prior year (previously: to decline slightly).
  (2) Based on the revenue guidance, we expect a Segment Result Margin in the mid-to-high-teens percentage range.
  (3) Investments in property, plant and equipment and other intangible assets including capitalized development costs are planned at around 2.5 billion euros. The reported Free Cash Flow is forecast at around 900 million euros and the Free Cash Flow adjusted for large investments in frontend buildings and large M&A transactions is expected to be 1.7 billion euros.