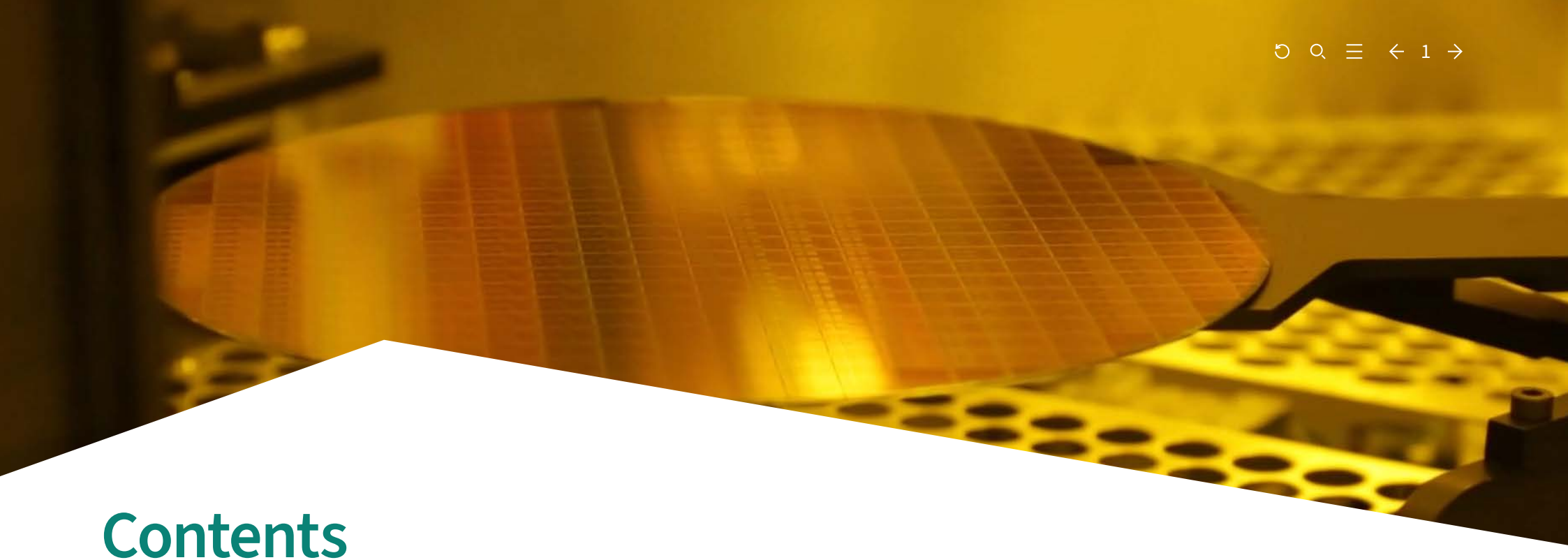
Annual Report 2025

Infineon Technologies AG

www.infineon.com



Contents

Navigation in the report per mouse click

- Last page viewed
- Search
- Main table of contents
- Previous page
- Next page

Further information

- Page reference
- Chart reference (Chart overview on p. 188)
- Reference (List of references on p. 90)
- Reference to external documents

This interactive pdf is optimized for use with Adobe Acrobat.

Infineon key data

Fiscal year from 1 October to 30 September	2025 € in millions	2025 in % of revenue	2024 € in millions	2024 in % of revenue	Change in %[1]
Revenue by segment	**14,662**		**14,955**		**(2)**
Automotive[2]	7,402	50	7,716	52	(4)
Green Industrial Power	1,631	11	1,934	13	(16)
Power & Sensor Systems[2]	4,208	29	3,795	25	11
Connected Secure Systems	1,418	10	1,506	10	(6)
Other Operating Segments	3	0	4	0	(25)
Corporate and Eliminations	–	–	–	–	–
Selected results of operations key data					
Gross profit/Gross margin[3]	5,753	39.2	6,245	41.8	(8)
Research and development expenses[3]	(2,227)	15.2	(2,161)	14.5	3
Selling, general and administrative expenses	(1,582)	10.8	(1,554)	10.4	2
Operating profit	1,515	10.3	2,190	14.6	(31)
Profit (loss) for the period	1,015	6.9	1,301	8.7	(22)
Segment Result/ Segment Result Margin	2,560	17.5	3,105	20.8	(18)
Basic earnings per share in €	0.77		0.98		(21)
Diluted earnings per share in €	0.76		0.97		(22)
Adjusted earnings per share in € from continuing operations – diluted[4]	1.39		1.87		(26)
Dividend per share in €[5]	0.35		0.35		–

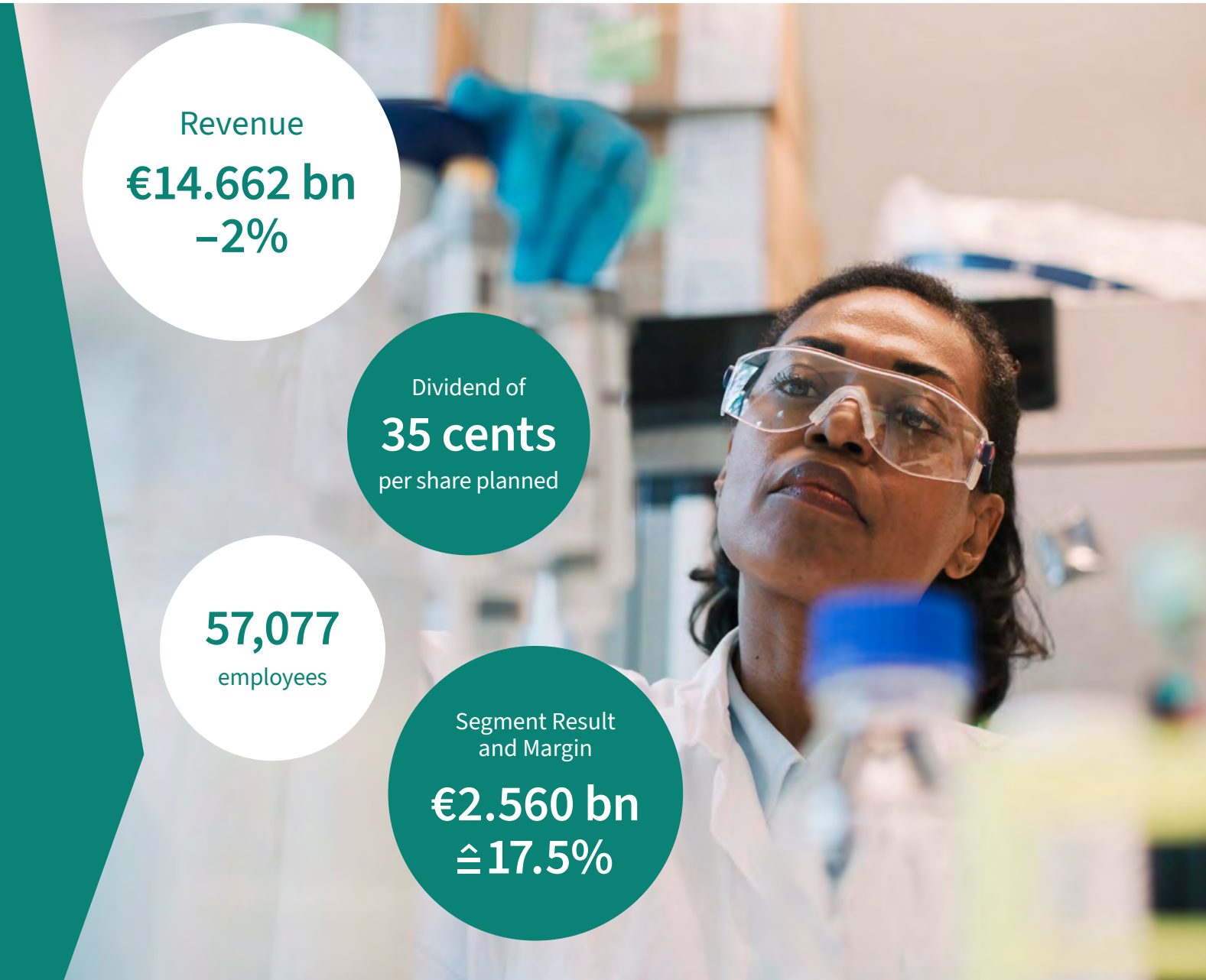
Fiscal year from 1 October to 30 September	2025 € in millions	2024 € in millions	Change in %[1]
Selected liquidity key data			
Cash flows from operating activities from continuing operations	3,178	3,541	(10)
Cash flows from investing activities	(4,574)	(2,167)	---
Cash flows from financing activities	920	(615)	+++
Free Cash Flow[6]	(1,051)	23	---
Adjusted Free Cash Flow[6]	1,803	1,690	7
Adjusted Free Cash Flow as percentage of revenue[6]	12.3%	11.3%	100 bp
Depreciation and amortization	1,917	1,865	3
Investments[6]	2,094	2,719	(23)

€ in millions (unless otherwise stated)	As of 30 September 2025	As of 30 September 2024	Change in %[1]
Gross cash position[6]	2,102	2,201	(4)
Net cash position[6]	(4,727)	(2,610)	81
Selected financial condition key data			
Total assets	30,470	28,639	6
Total equity	17,051	17,219	(1)
Equity ratio[7]	56.0%	60.1%	(410) bp
Return on Capital Employed (RoCE)[6]	4.9%	8.5%	(360) bp
Market capitalization[8]	**43,231**	**40,872**	**6**
Infineon employees (total figures)	**57,077**	**58,065**	**(2)**

1 Percentage changes of more than +/–99.5% are shown as "+++" or "---" in the tables in the Annual Report.
2 Figures for the previous year have been adjusted (for details, see note 29, p. 163 ff., to the Consolidated Financial Statements).
3 Figures for the previous year have been adjusted (for details, see note 1, p. 98 f., to the Consolidated Financial Statements).
4 See the chapter "Review of results of operations" for definition, p. 54 f.
5 A dividend per share of €0.35 for the 2025 fiscal year will be proposed to the Annual General Meeting on 19 February 2026.
6 See the chapter "Internal management system" for definition, p. 39 ff.
7 Equity ratio = Total equity/Total assets.
8 The calculation is based on unrounded figures. Own shares were not taken into consideration for the calculation of market capitalization.

Infineon at a glance

Infineon Technologies AG is a world leader in semiconductor solutions that make life easier, safer and greener. Microelectronics from Infineon is the key to a better future. In the 2025 fiscal year (ending 30 September), the Group reported revenue of approximately €14.7 billion with some 57,000 employees worldwide. Infineon is listed on the Frankfurt Stock Exchange (ticker symbol: IFX) and in the USA on the over-the-counter market OTCQX International Premier (ticker symbol: IFNNY).



Revenue
€14.662 bn
–2%

Dividend of
35 cents
per share planned

57,077
employees

Segment Result and Margin
€2.560 bn
≙17.5%

Letter to shareholders

Jochen Hanebeck
Chief Executive Officer

Neubiberg, November 2025

Dear readers,

The 2025 fiscal year was a very special year for Infineon. Twenty-five years ago, on 13 March 2000, we went public as an independent company. Looking back, as a company we have achieved major milestones, expanded our business, strengthened our profitability, successfully navigated challenging times, and continually evolved. Infineon is a story of transformation and success. Our capacity for innovation, combined with our ability to adapt to changing markets and environments, has made us a leading provider of outstanding semiconductor solutions.

Over the years, we have significantly expanded our portfolio of capabilities beyond our traditional stronghold in power semiconductors, which accounted for approximately 35 percent of our revenue in the 2025 fiscal year. We are exceptionally well positioned in this area, offering an unrivaled breadth across all three key technologies: silicon, silicon carbide, and gallium nitride. Approximately 30 percent of our revenue is generated from analog semiconductors and sensors. Examples include drivers, DC converters, intelligent power switches, our broad sensor portfolio, and memory for targeted applications. The remaining roughly 35 percent of our products fall under the Control & Connectivity category. This encompasses our microcontrollers for automotive, security and industrial applications, along with a wide spectrum of wireless and wired data transmission products. With this extensive portfolio and our “from Product to System” approach, we differentiate ourselves from competitors and deliver tangible value to our customers.

To further raise awareness of the economic and societal relevance of semiconductors and Infineon's role, we used our anniversary year as inspiration to launch a communications campaign. Under the motto "Matters to me," customers, employees, and partners from around the world shared what Infineon's semiconductors mean to them and the real-world impact our solutions have. Our campaign attracted considerable attention and positive feedback, further reinforcing our stakeholders' identification with Infineon and our corporate vision: We are driving decarbonization and digitalization decisively forward with our partners.

The 2025 fiscal year: Expectations met despite a challenging environment

Infineon faced a highly challenging environment in the 2025 fiscal year. The downturn that began in our relevant semiconductor markets in the previous year initially continued. As the 2025 fiscal year progressed, the markets began a gradual recovery. In the course of the prolonged cyclical correction, which affected various end markets at different times, semiconductor inventories along the supply chain reached their customary levels in most markets. Macroeconomic and geopolitical turbulence, however, weighed on demand and stood in the way of a broader recovery. Tariff impacts burdened the global economy and, in turn, our markets. These challenges were compounded by the weakness of the U.S. dollar against the euro.

Despite this challenging environment, our business performance was solid. Our business model remains robust, and our financial results reflect this stability: Revenue of €14.6 billion, a Segment Result Margin of 17.5 percent, and adjusted Free Cash Flow of €1.8 billion – equivalent to 12.3 percent of revenue. All three figures are in line with the lower end of the target range defined for cyclical downturns in our Target Operating Model. In a world full of uncertainty, Infineon remains on course.

We want our shareholders to benefit appropriately from this success. At the upcoming Annual General Meeting, we will therefore propose a dividend of €0.35 per share, the same as the previous year's dividend. We are thereby following our dividend policy geared toward consistency, while preserving Infineon's financial flexibility for future investments. Both decarbonization and digitalization continue to fuel structurally increasing demand for semiconductors. These long-term growth drivers form the foundation of our business and will continue to present Infineon with ample opportunities in the future.

Mobility of the future: Software-defined vehicles are reshaping the automotive industry

The automotive industry is currently experiencing what may be the most profound transformation in its history. In addition to electromobility – an area Infineon has significantly helped shape for years – software-defined vehicles are opening the door to a new era. Software is becoming the core of the vehicle. Above all else, this delivers greater flexibility. New automated driving features and enhanced safety functions can now be delivered directly to the vehicle. Errors can be resolved without a visit to the repair shop. "Over-the-air" software updates, similar to those used on smartphones, make this possible.

The transition to software-defined vehicles however is a complex process. Conventional electrical and electronic vehicle architectures, with numerous control units distributed throughout the vehicle, can no longer meet current requirements. This is why the automotive industry is moving toward a more centralized architecture. Vehicles are divided into physical zones, each managed by a high-performance local controller. Software-defined vehicles are changing system architectures as well as the industry's development models and value chains. Infineon plays a key role in this transformation. We are working closely with strong customers and partners worldwide to advance the development of software-defined vehicles.

In addition to our system expertise, our global leadership in automotive semiconductors gives us a clear advantage – one we have consistently expanded in recent years. A key contributor to this growth has been our rapidly expanding automotive microcontroller business. Our specialized microcontrollers are playing an increasingly vital role in controlling several critical vehicle functions in software-defined architectures.

We are continuing to strengthen our position as the world's leading provider of microcontrollers for the automotive industry. In August 2025, we completed the acquisition of the Automotive Ethernet business of U.S.-based Marvell Technology for a purchase price of US$2.5 billion – marking a strategically important milestone for Infineon. Ethernet is a key enabling technology for software-defined vehicles, allowing for the fast, reliable, and secure transmission of very large volumes of data. Ethernet technology is highly complementary to our existing product portfolio. When combined with our AURIX™ microcontroller family, it enables us to deliver a comprehensive portfolio that integrates both communication solutions and real-time control.

Ethernet is also essential for promising applications in the Internet of Things (IoT), particularly for emerging robotic technologies such as humanoid robots. By adding Ethernet technology to our broad product portfolio, we aim to unlock new, growth-oriented use cases in the field of "physical artificial intelligence" and offer our customers even more complete system solutions.

Energy transition: The global transformation toward a sustainable energy system continues

Alongside the mobility of the future, the global energy transition remains a central pillar of our efforts. Decarbonization is one of the most pressing challenges of our time, requiring a fundamental shift in how we generate, transport, store, and consume energy. Global demand for energy and its affordable, sustainable production is sharply rising. This trend is increasingly fueled by data centers supporting artificial intelligence – a clear example of the close link between digitalization and decarbonization.

The U.S. administration's withdrawal from the Paris Climate Agreement and related U.S. legislation, however, are slowing the U.S. expansion of renewable energy. The global transformation toward a sustainable energy system, on the other hand, continues. In many regions of the world, renewables have become not only the cleanest but also the most cost-effective form of power generation. Infineon's high-performance semiconductor solutions play a critical role in both solar and wind power systems, and we work closely with many key industry players in this space.

The expansion of grid infrastructure is particularly opening up new business opportunities for us. Investments in power grids are accelerating, for instance, in China and through government-backed initiatives in Europe. They include energy transmission, distribution, and storage, as well as uninterruptible power supply systems. Battery storage systems are one example where our technologies are used. In tomorrow's power grids, semiconductor-based transformers, known as Solid-State Transformers (SSTs), will play a key role in delivering more efficient and flexible energy distribution.

Artificial intelligence is driving demand for our power supply solutions for high-performance data centers

Today, powering AI data centers, which face growing demands for performance, efficiency, and reliability, is already a rapidly expanding market for Infineon. AI is increasingly permeating all areas of life. This requires computing power on a scale that far exceeds the capabilities of conventional data centers. Demand is rising rapidly and fueling the buildout of specialized AI data centers worldwide. AI data centers today already contain more than 100,000 individual AI chips. No later than 2030, AI data centers are expected to require power capacities of one megawatt or more per IT rack, making even more powerful power supply solutions with higher energy efficiency indispensable.

Infineon is at the forefront of tackling these challenges. We support the entire power conversion chain in data centers, from the power grid to the AI processor, and benefit from strong demand. At the same time, we are rapidly expanding our portfolio of efficient, scalable solutions. This ensures we can continue to meet the evolving needs of next-generation AI data centers. An example is our collaboration with NVIDIA to develop the industry's first 800-volt power supply architecture for AI data centers. This new system architecture significantly enhances energy-efficient power distribution within the data center and enables voltage conversion directly at the AI chip level.

In the 2025 fiscal year, we nearly tripled the revenue from our power supply solutions for AI data centers to over €700 million. We are significantly raising our revenue forecast for the 2026 fiscal year from approximately €1 billion to around €1.5 billion. Looking ahead, we continue to see strong growth potential in this area and expect the addressable market for Infineon to grow to between €8 billion and €12 billion by the end of the decade.

We intend to shape this market with our solutions in the years ahead.

Internet of Things: We are shaping the future of intelligent systems

An increasing number of devices are being intelligently networked in the Internet of Things (IoT), whether in the industrial sector, mobility, or smart homes. As a result, AI is increasingly extending beyond centralized cloud systems. Edge AI – the intelligent processing and analysis of data directly on or near the end device – is becoming an important driver of our business. Bringing AI closer to the data source is particularly important for applications that depend on low latency. Edge AI also saves energy and offers advantages in terms of data privacy. AI in the cloud and AI at the edge complement one another.

We are advancing the development of Edge AI for a wide range of IoT applications. Our customers benefit from state-of-the-art microcontrollers, sensors, actuators, security, and connectivity solutions – the latter further strengthened by the acquisition of Marvell's Ethernet business. We also offer our AI software platform and market-ready AI models. It's the combination of these building blocks that makes the difference. An example is the combination of our sensors and microcontrollers with AI, which enables the precise classification of sounds, keywords, or gestures. Infineon brings AI to end devices in a way that is reliable, efficient, user-friendly, and scalable.

One high-growth application area we are focusing on in the years ahead is humanoid robotics. These robots will increasingly be deployed in industrial applications, logistics, healthcare, and other areas. Whether these robots resemble humans or take another form is secondary. What determines their capabilities in complex real-world environments is intelligent semiconductors. Our comprehensive portfolio for compact motor control with software support, sensors, connectivity, security, power management, and battery management enables all the core functional building blocks of humanoid robotics. Together with our customers, we are laying the foundation for a new era of intelligent, autonomous solutions.

Quantum computing: The next major technological leap in the digital world

Infineon is helping to shape the technologies of tomorrow. Another example is quantum computing – one of the most promising technologies of all. It has the potential to solve highly complex problems that are currently impossible or extremely inefficient to tackle using conventional computers in areas such as materials research, pharmaceutical development, or logistics optimization. In collaboration with strong partners like Quantinuum and IonQ, we are advancing quantum computing and working on innovative approaches such as ion traps and superconducting qubits.

While we lay the foundation for tomorrow's computer technology, our post-quantum cryptography-certified products are already providing protection against future threats. These solutions ensure the long-term security of sensitive data in an increasingly digital world.

Strategic foundations for our long-term competitiveness

To meet the growing demands of our markets in the years ahead and best position Infineon for long-term success, we launched new strategic initiatives and made substantial progress in implementing ongoing projects in the 2025 fiscal year. Here I would like to highlight a few examples:

- In dynamic markets, speed is a critical success factor – for our customers and Infineon alike. This is why we are systematically working across the Group to deliver our innovations even faster to customers. We achieve this, for example, by accelerating the decision-making process for new products and reducing development timelines. We are consistently embedding our "accelerate innovation-to-customer value" approach as a core leadership initiative across our global organization, well beyond the development teams.

- With a clever mix of in-house manufacturing and outsourcing, we are ensuring our supply capabilities and resilience while maintaining our technological edge. We are strengthening our technology leadership in the field of power semiconductors. With our shift of silicon carbide manufacturing to 200-millimeter wafers and gallium nitride manufacturing to 300-millimeter wafers, we are setting new standards in power electronics. Both of these semiconductor materials are essential for application areas such as electric vehicles, renewable energy, and AI data centers.

- In April 2025, we celebrated the topping-out ceremony for our new Smart Power Fab in Dresden (Germany). The site will be one of Europe's most advanced semiconductor factories and is expected to create up to 1,000 new jobs. This factory strengthens both our power and analog semiconductor portfolios, which are particularly important for AI and automotive applications. Combined with our broad portfolio of microcontrollers and connectivity solutions, this gives us an excellent competitive position. The new fab is scheduled to open in the 2026 calendar year. We will manage the production ramp-up based on market developments.

- We are pursuing a globally balanced, highly efficient manufacturing landscape that is resilient to geopolitical uncertainties. This includes the construction of a new backend manufacturing facility in Thailand, south of Bangkok, which complements the expansion of our frontend capacity. We will require this additional manufacturing space in the years ahead to meet the rising demand for power modules for industrial applications, renewable energy, and more. We also plan to use the site as a testing center. The first building is expected to be operational in early 2026. In areas where in-house manufacturing offers no competitive advantage, we leverage synergies with strategic foundry partners. In June 2025, we sold our 200-millimeter fab in Austin (Texas, USA) to the U.S.-based company SkyWater and entered into a long-term supply agreement. This move secures Infineon a manufacturing base in the United States.

- Sustainability has been an integral part of our strategy at Infineon for many years. On our path to becoming CO_2-neutral by 2030, we reached another milestone in the 2025 fiscal year. Our climate targets were validated by the renowned Science Based Targets initiative (SBTi). This validation applies not only to our direct emissions but also to those across our entire supply chain. Infineon was also honored with the 2025 German Sustainability Award in the "Electrical Engineering and Electronics" category. This award is both recognition and an incentive. We want to be a role model for sustainability and will steadily continue executing our ambitious sustainability strategy.

- Our structural improvement program, "Step Up", is fully on track, and we can already see the success of the measures implemented. The program's goal, which is set to reach its full effect in the first half of the 2027 fiscal year, is to increase the annual Segment Result by a high three-digit million-euro amount. By the end of the fiscal year just completed, we had already achieved roughly half of this target. In other words, we are executing the program measures somewhat faster than planned. At the same time, we remain focused on our innovative strength and strategic investments to reinforce our competitiveness for the long term.

None of these achievements would have been possible without the commitment and expertise of our employees. They make Infineon a little better every day. For this, I would also like to sincerely thank our entire team here.

As a company, we invest deliberately in the continued development of our employees. Through tailored training programs, innovative learning platforms, and focused talent development, we empower our employees to continuously expand their skills and unlock their full potential. We also place strong emphasis on attracting new talent who share our passion for innovation and progress. We cultivate a corporate culture defined by openness, diversity, and mutual respect. This is how we ensure that Infineon remains an attractive employer and innovation leader well into the future.

The 2026 fiscal year: Moderate growth despite currency headwinds

As we enter the 2026 fiscal year, we remain in an environment where just-in-time ordering patterns continue to limit insights into demand trends. Inventory levels across supply chains have largely returned to normal. The extent and pace of recovery in the semiconductor markets will largely depend on end-customer demand. Over the course of the fiscal year, we expect to see volume growth and a gradual market recovery. That said, market transparency remains limited. In our base-case scenario, we project moderate revenue growth for the 2026 fiscal year. However, we expect the typical seasonal price declines and unfavorable currency movements to weigh on revenue growth at the same time.

In terms of our profitability, we anticipate additional positive effects from our “Step Up” program as an increasing number of our initiatives take effect. At the same time, high cyclical underutilization costs in our manufacturing operations are expected to decrease only gradually.

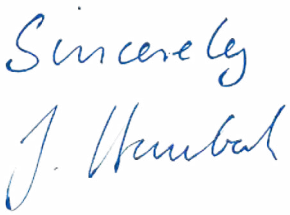
Changes in the Management Board: Thank you to Rutger Wijburg and welcome to Alexander Gorski

My special thanks go to Dr. Rutger Wijburg, who as a member of the Management Board team and Chief Operations Officer, made a decisive contribution to the further development of our global production network through his experience and strategic foresight. Under his leadership, key milestones were achieved, including the successful startup of high-volume silicon-carbide production in Kulim (Malaysia) and the construction of the Smart Power Fab in Dresden. We have bid him farewell with great respect into his well-deserved retirement.

At the same time, I am pleased to welcome Alexander Gorski, who joined us as Chief Operations Officer and member of the Management Board team in October 2025. With his broad experience and excellent track record in various leadership roles, he is the ideal choice to seamlessly continue the development of our Operations area. I wish him much success in his new role and I look forward to continuing to work together.

Lastly, I would like to thank you, our valued shareholders, for your trust in Infineon. Your support enables us to drive innovations that sustainably transform the world and create value in the process. Together, we will continue to write Infineon’s success story in the years to come.

Neubiberg, November 2025



Jochen Hanebeck
Chief Executive Officer

The Management Board

Alexander Gorski
Chief Operations Officer

Dr. Sven Schneider
Chief Financial Officer

Jochen Hanebeck
Chief Executive Officer

Elke Reichart
Chief Digital and Sustainability Officer

Andreas Urschitz
Chief Marketing Officer

(from left to right)

The Management Board

Jochen Hanebeck

Chief Executive Officer

Jochen Hanebeck has been a member of the Management Board of Infineon Technologies AG since 2016. He has been CEO since 1 April 2022 (appointed until 31 March 2027). He is responsible for Group Strategy, Divisions, Legal & Patents/ Corporate Governance, Human Resources (Labor Director), Corporate Communications (excluding Brand Communications), Public Policy, Strategic Funding Management, Mergers & Acquisitions, CTO responsibilities (Research & Development, Central Design, Start-ups & Ventures).

Jochen Hanebeck was born in 1968 in Dortmund, Germany. He received a degree in electrical engineering from RWTH Aachen University, Germany. He has been with Infineon since 1994 (Siemens AG until 1999).

Alexander Gorski

Chief Operations Officer

Alexander Gorski has been a member of the Management Board and Chief Operations Officer at Infineon Technologies AG since 1 October 2025 (appointed until 30 September 2028). He is responsible for Group Manufacturing, Supply Chain, Procurement, Customs, Quality Management, Real Estate and Facility Management (Manufacturing Sites).

Alexander Gorski was born in 1972 in Regensburg, Germany. He obtained his master's degree in finance and business administration at the University of Regensburg, Germany. He started his career at Infineon in 1998 (Siemens AG until 1999).

Elke Reichart

Chief Digital and Sustainability Officer

Elke Reichart has been a member of the Management Board of Infineon Technologies AG and Chief Digital and Sustainability Officer since 2023 (appointed until 31 October 2026). She is responsible for Groupwide Digitalization and Sustainability Strategy, Information Technology, Digital Customer Interface, Software Transformation, Data Strategy and Protection, Cyber & Governance Physical Security, Process Excellence, Artificial Intelligence.

Elke Reichart was born in 1965 in Stuttgart, Germany. She received her diploma in Romance Languages and Economics as well as a post-graduate degree in Applied Computer Science from the University of Gießen, Germany. She began her career at Hewlett-Packard Inc. in 1991.

Dr. Sven Schneider

Chief Financial Officer

Sven Schneider has been Chief Financial Officer at Infineon Technologies AG since 2019 (appointed until 30 April 2027). He is responsible for Group Finance; Group Financial Controlling & Planning; Treasury; Taxes; Accounting, Consolidation & Reporting; Investor Relations; Compliance; Audit; Risk Management; Internal Controls; Business Continuity (Export Control, Corporate Real Estate & Physical Security, Corporate Business Resilience).

Sven Schneider was born in 1966 in Berlin, Germany. After completing his studies in business administration (Diplom-Kaufmann), he received his doctorate in business administration from the University of Trier, Germany. From 1995 to 2019, he held several positions at Linde AG, most recently as Spokesman of the Executive Board, Chief Financial Officer and Labor Director.

Andreas Urschitz

Chief Marketing Officer

Andreas Urschitz has been a member of the Management Board and Chief Marketing Officer of Infineon Technologies AG since 2022 (appointed until 31 May 2030). He is responsible for Group Sales, Marketing & Distribution; Customer Engagement Strategy; Application Framework & Services; Organization and Strategy enablement/implementation of all Regions; Brand Communications.

Andreas Urschitz was born in 1972 in Klagenfurt, Austria. He obtained his master's degree in commercial science at the Vienna University of Economics and Business, Austria. He has been with Infineon (Siemens AG until 1999) since 1995.

Report of the Supervisory Board to the Annual General Meeting

Dr. Herbert Diess
Chairman of the Supervisory Board

Ladies and Gentlemen,

More than 25 years ago, in March 2000, Infineon went public. This year marks a major anniversary for us and an incredible growth journey. Today, we are a leading global technology company. Our success is driven by innovation, a commitment to quality, and the determination to continuously advance our company.

Semiconductors are the backbone of the modern world. As enablers of decarbonization and digitalization, we carry a special responsibility. Infineon rose once again to this responsibility in the 2025 fiscal year by delivering the essential building blocks for shaping transformation. Whether solar, wind, mobility, or data centers – our products and solutions enable the shift from fossil-based to CO_2-neutral technologies.

Infineon power semiconductors make the electrification of our world possible. We are advancing key future topics such as assisted driving and artificial intelligence. Our mission is clear: To shape the future responsibly while creating long-term value – for society, for Infineon, and for you, our shareholders.

This path is only possible thanks to people who are willing to move beyond their comfort zones, with development, engineering, and manufacturing teams, and employees who take responsibility every day and bring innovation to life. I am proud of this, and I sincerely thank everyone for their dedication. And to you, our valued shareholders, I extend my thanks for accompanying our company on this journey – many of you for a full quarter of a century.

Meetings and main activities of the Supervisory Board

In the 2025 fiscal year, the full Supervisory Board convened for a total of seven meetings (five ordinary and two extraordinary meetings) as well as one written resolution. Overall attendance by all Supervisory Board members was nearly 100 percent; only Professor Hermann Eul was absent from one meeting to avoid a conflict of interest. Attendance at the committee meetings of the Supervisory Board was 100 percent. A tabular summary of individual attendance at both plenary and committee meetings is provided in the Statement on Corporate Governance.
www.infineon.com/declaration-on-corporate-governance

The two extraordinary meetings of the full Supervisory Board were conducted virtually, while all ordinary Supervisory Board meetings took place in person. Of the six meetings of the Executive Committee, two extraordinary sessions were held virtually, with all others conducted in person. The five ordinary meetings of the Investment, Finance, and Audit Committee were held in person, while the two extraordinary meetings were held virtually. The meetings of the Nomination Committee and the Technology and Digitalization Committee were all conducted in person.

In conjunction with the regular Supervisory Board meetings, separate preparatory meetings were held by both the shareholder and employee representatives. As part of their sessions, the Supervisory Board and the Investment, Finance and Audit Committee regularly convened without the Management Board.

Corporate strategy

In the 2025 fiscal year, the Supervisory Board continued to focus on corporate strategy alongside its routine oversight and advisory responsibilities.

During a full-day strategy meeting in October 2024, the Supervisory Board held in-depth discussions on strategic portfolio management, the digitalization strategy, the automotive business in light of geopolitical uncertainties, and manufacturing and financial strategy. A follow-up all-day strategy meeting was held in October 2025 in Asia, where the Supervisory Board had the opportunity to visit Infineon's major regional production sites and gain a first-hand impression on-site.

One of the key strategic developments in the 2025 fiscal year was the successfully completed acquisition of Marvell's Automotive Ethernet business. This acquisition enhances Infineon's system expertise in software-defined vehicles and further strengthens its leadership in microcontrollers for automotive applications. It also opens up new opportunities in the field of physical AI. An example is the collaboration with NVIDIA in the area of humanoid robotics. With this move, Infineon is taking the next step in innovation, enabling the development of more advanced robots. In line with the Management Board, the Supervisory Board is firmly convinced of the strategic value of this transaction and has approved it.

Another important strategic milestone in the 2025 fiscal year was the final confirmation by the German Federal Ministry for Economic Affairs of its support for the new plant in Dresden (Germany) (Smart Power Fab). The Supervisory Board had already approved the site expansion and the associated multi-billion-euro investment in the 2023 fiscal year. With the Smart Power Fab, Infineon is helping to strengthen Europe's micro-electronics supply chains. This step also reinforces the status of Dresden and Silicon Saxony as the largest semiconductor hub in Europe.

Management Board personnel matters

Dr. Rutger Wijburg, member of the Management Board and Chief Operations Officer (COO) of the Company, stepped down at the end of the 2025 fiscal year and entered retirement. The Supervisory Board extends its thanks to Dr. Rutger Wijburg for his pioneering work at Infineon. He successfully positioned the global production network for growth, efficiency, and resilience. Key milestones under his leadership include the new high-volume manufacturing module in Kulim (Malaysia) and the Smart Power Fab in Dresden.

The Supervisory Board appointed Alexander Gorski as his successor at the beginning of the 2026 fiscal year. Alexander Gorski previously headed the frontend operations at Infineon and, as COO, will be responsible for manufacturing, procurement, supply chain, and quality management, among other areas. As is customary for first-time appointments, his term on the Management Board will initially be for three years. Alexander Gorski brings extensive experience and has delivered outstanding performance in various leadership roles over the past years. This makes him the ideal internal successor to continue driving the progress in the key area of Operations.

Management Board remuneration

Following the presentation of the Management Board remuneration system at the 2025 Annual General Meeting, some shareholders and proxy advisors raised concerns, primarily regarding the adjustments to the Long-Term Incentive (LTI), and specifically the performance criterion of relative Total Shareholder Return (TSR). In light of this, the Supervisory Board took a renewed, in-depth look in the 2025 fiscal year at the Management Board's remuneration, taking this criticism into account.

The Supervisory Board continues to view TSR as a key metric for assessing Infineon's capital market performance. TSR is a central indicator for ensuring the "pay-for-performance" principle in Management Board remuneration and aligning the interests of the Management Board with shareholders.

The semiconductor peer group was substantially redefined compared to the peer group applied under the 2021 remuneration system. It now includes only companies in direct competition with Infineon and reflects a cross-section of Europe, the Americas, and Asia-Pacific. In an increasingly interconnected world and amid rising challenges from geopolitical shifts and uncertainties, the Supervisory Board believes it is important to benchmark against both key semiconductor industry competitors as well as the German capital market. This has led to the introduction of a further peer group based on the DAX index (excluding financial service providers).

To better align the LTI with Infineon's long-term strategy and management framework, the revised 2025 remuneration system also introduced the three performance criteria of the Target Operating Model (TOM). TOM sets ambitious objectives and incentivizes the generation of growth and an increase in long-term profitability and liquidity. The TOM goals of revenue growth, Segment Result Margin, and adjusted Free Cash Flow relative to revenue are weighted at 40 percent. Since these performance metrics are measured over a four-year performance period, independent of the cyclical nature of day-to-day operations, they create a distinctly different incentive effect compared to the Short-Term Incentive (STI).

To ensure a balanced risk-reward profile while maintaining a high level of ambition, the Supervisory Board decided to align the TSR performance curve with standard market practices, both in Germany and internationally.

Following another in-depth review, the Supervisory Board continues to view the combination of the TSR peer groups, the TOM objectives, and the ambitious, strategy-driven sustainability targets as competitive, reflecting a strong "pay-for-performance" focus and ensuring a balanced risk-reward profile. The Supervisory Board has therefore decided to retain this Long-Term Incentive (LTI) structure.

Separately, however, the Supervisory Board concluded that it would be appropriate to address and implement other points raised by the shareholders and proxy advisors. Therefore, on 27 November 2025, at the recommendation of its Executive Committee, the Supervisory Board resolved to make the following changes to the Management Board remuneration system, which was last approved by the Annual General Meeting on 20 February 2025:

- To abolish the discretionary modifier within the Short-Term Incentive (STI).
- To expand the clawback provision: variable compensation may now also be reclaimed in cases of incorrect financial reporting, not just compliance-related breaches.
- To fully abolish the change-of-control clauses.
- To reinforce long-term alignment by increasing the LTI period to five years, with the fifth year serving as an additional holding period following the four-year performance period.
- Remuneration will be increased to a market-competitive level. The maximum remuneration cap, however, will not be increased and will remain unchanged.

The revised Management Board remuneration system will be made available online at www.infineon.com/about/investor/annual-general-meeting. It is planned to be included in all current Management Board service agreements, as of 1 October 2025.

Further details on Management Board remuneration can be found in the Remuneration Report. As in the previous year, the Management Board and Supervisory Board have resolved to subject the report not only to the formal audit as part of the annual financial audit, but also to a substantive review. In this context, Deloitte has issued an unqualified audit opinion.

Litigation/Qimonda proceedings

Infineon, and thereby the Supervisory Board, has been contending with the Qimonda proceedings for a number of years. It was possible to conclude these proceedings in the 2024 fiscal year through a settlement. After thorough consideration, the Management Board and Supervisory Board determined that the settlement was in the Group's best interest and approved it.

Following the settlement, it was the duty of the Supervisory Board to examine possible claims for damages against former members of the Management Board. Two renowned international law firms were engaged for this purpose. Both firms concluded that it is highly unlikely that claims for damages against former Management Board members exist. The Supervisory Board concurred with this assessment on the recommendation of its Executive Committee. It resolved not to pursue any legal claims.

Supervisory Board personnel matters

In December 2024, all employee representatives on the Supervisory Board were newly elected by delegates of Infineon's workforce. The result brought only one personnel change: Jürgen Scholz of IG Metall did not stand for re-election and was succeeded by Rico Irmischer. The new terms began at the close of the Annual General Meeting on 20 February 2025 and will run for five years, ending with the close of the Annual General Meeting in 2030.

Additionally, the Supervisory Board terms of shareholder representatives Xiaoqun Clever-Steg, Dr. Friedrich Eichiner, Dr. Ulrich Spiesshofer, and Margret Suckale came to an end. At the Annual General Meeting on 20 February 2025, all four were re-elected for another four-year term, ending with the close of the Annual General Meeting in 2029.

Supervisory Board remuneration

In accordance with section 113 (3) of the German Stock Corporation Act (AktG), the Annual General Meeting of a listed company must vote on the remuneration of Supervisory Board members at least every four years. The current remuneration policies for Supervisory Board members are set out in article 11 of the Company's Articles of Association and were approved by the Annual General Meeting in 2024. A new resolution on this matter would therefore not be required until the Annual General Meeting in 2028. However, the Management Board and Supervisory Board have determined that adjustments to certain aspects of the remuneration policies should already be made to ensure market-competitive remuneration.

As a result, basic remuneration is to be raised to €110,000. Supplements for specific roles are also to be increased to €130,000 for the Chair of the Supervisory Board, €50,000 for the Deputy Chair, €50,000 for each member of the Investment, Finance and Audit Committee, and €30,000 for each member of any other committee (with the exception of the Mediation Committee). By way of deviation, supplements are to be set at €100,000 for the Chair of the Investment, Finance and Audit Committee, and at €60,000 each for the Chair of the Nomination Committee and the Chair of the Technology and Digitalization Committee. The current provision requiring that committee-related supplements be granted only if the respective committee meets at least three times in the relevant fiscal year is to be deleted. All changes are set to take effect with the 2026 fiscal year beginning on 1 October 2025.

The Management Board and Supervisory Board therefore propose that, effective 1 October 2025, the Annual General Meeting approve the remuneration system for Supervisory Board members as made available at www.infineon.com/annual-general-meeting, and adopt revised wording for articles 11(1) and 11(5) of the Articles of Association, while keeping articles 11(2) to 11(4) unchanged.

Basic and ongoing training

Supervisory Board members generally take personal responsibility for the basic and ongoing training necessary for their duties, with appropriate support provided by the Company. Targeted development is facilitated through internal training events. As part of the onboarding process for new Supervisory Board members, comprehensive briefings are offered covering, among other topics, Infineon's business segments, the fundamentals and key elements of its corporate strategy, investment planning, and manufacturing strategy.

Committee work

The committees prepare Supervisory Board resolutions and other key matters for discussion in the plenary sessions. In addition, the Supervisory Board has given the committees certain decision-making powers. The chairs of the committees report to the Supervisory Board on the committee meetings in the subsequent plenary session.

Mediation Committee
It was not necessary for the Mediation Committee to convene during the reporting year.

Nomination Committee
The Nomination Committee met for two meetings in the 2025 fiscal year. Topics included the resolution on a recommendation to the Supervisory Board concerning election proposals for the 2025 Annual General Meeting. The committee also discussed the qualifications matrix and general succession planning.

Executive Committee
The Executive Committee convened six times during the 2025 fiscal year. The focus of the meetings included the preparation of Supervisory Board resolutions concerning the determination of the Management Board variable remuneration, as well as other previously mentioned remuneration and personnel matters. In addition, the committee addressed Supervisory Board remuneration, general Management Board succession planning, the aforementioned Qimonda recourse, and D&O insurance matters.

Investment, Finance and Audit Committee
During the 2025 fiscal year, the Investment, Finance and Audit Committee held five ordinary and two extraordinary meetings.

Key areas of focus included monitoring the financial reporting process, reviewing the half-year and quarterly financial statements, a preliminary review of the Separate Financial Statements, Consolidated Financial Statements, and the Combined Management Report for Infineon Technologies AG and the Infineon Group, and discussing the auditor's reports. The committee also conducted an assessment of the quality of the audit. In addition, the committee reviewed the financial and investment planning. It also received regular briefings on the internal control and internal audit systems, the risk management system, and the Compliance Management System, and addressed the adequacy and effectiveness of these systems. The committee was continuously informed about additional risks and significant legal disputes.

It also addressed the general financing strategy in detail, including the conclusion of a firmly committed credit line (revolving credit facility – RCF). It further prepared the full Supervisory Board's resolution on a limited share buyback for the purpose of allocating shares under the existing employee participation programs.

The committee's recommendation to the full Supervisory Board to propose Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich (Deloitte), to the Annual General Meeting 2026 as the auditor was based on an independence declaration provided by Deloitte and an analysis of the non-audit services provided. No indications were found of any grounds for exclusion, conflicts of interest, or other risks to the auditor's independence. The committee also addressed the fee arrangements and issued the corresponding audit assignments. Additional audit focus areas were also defined.

Representatives of the auditor attended the regular meetings of the Investment, Finance and Audit Committee and provided detailed reports on the audit activities in those meetings. At each meeting, a discussion was held between the auditor and the committee without the presence of the Management Board, as was also the case during the balance sheet meeting of the Supervisory Board with the full plenary.

The committee also addressed the Remuneration Report, the combined separate Non-Financial Report, and, in this context, further sustainability-related topics.

Technology and Digitalization Committee
The Supervisory Board's Technology and Digitalization Committee met three times during the reporting year. The committee was briefed by the Management Board on various topics, including the functions and benefits of software-defined vehicles and the related business opportunities for Infineon, as well as on GaN-based power semiconductors and system solutions, software and product lifecycle management, future power infrastructure, and digital customer engagement.

Corporate Governance

Declaration of Compliance 2025

In the Declaration of Compliance issued in November 2025, the Management Board and the Supervisory Board declared that, since the submission of the last declaration in November 2024, all the recommendations of the German Corporate Governance Code contained in the version dated 28 April 2022 have been complied with and will continue to be complied with in the future.

The full text of the Declaration of Compliance 2025 and all previous Declarations of Compliance are available on Infineon's website.
www.infineon.com/declaration-of-compliance

Self-assessment of the Supervisory Board

The Supervisory Board regularly assesses how effectively the Supervisory Board as a whole and its committees perform their duties. In the 2025 fiscal year, as in the previous year, this assessment was conducted using an internal questionnaire. The questionnaire focused primarily on the collaboration between the Supervisory Board and Management Board, reporting (particularly on M&A projects), the treatment of other strategic topics, Management Board succession planning, and training needs within the Supervisory Board. The questionnaire's results were later discussed in a Supervisory Board meeting, and no material deficiencies were identified. There was a consensus that the Supervisory Board had found a good balance between its oversight and advisory roles vis-à-vis the Management Board. Where relevant, the results were also discussed with the Management Board.

Examination of potential conflicts of interest

The members of the Management Board and the Supervisory Board are required to disclose any potential conflicts of interest to the Supervisory Board without delay. In connection with the Qimonda proceedings and the examination of potential claims for damages, Professor Hermann Eul pointed out his former role as a member of Infineon's Management Board. As a result, he did not take part in the Supervisory Board's deliberations or resolutions on the matter and was not given access to the relevant documentation.

The German Corporate Governance Code requires Supervisory Board approval before members of the Management Board take on sideline activities, particularly when it involves external supervisory board mandates. No conflicts of interest were identified in the sideline activities undertaken; in fact, all were deemed to be in Infineon's interest, and the Supervisory Board, or its Executive Committee, granted the necessary approvals.

Further information on the topic of corporate governance is presented in the Statement on Corporate Governance.
www.infineon.com/declaration-on-corporate-governance

Rules of procedure for the Supervisory Board and Management Board

All rules of procedure for the Supervisory Board and Management Board are available on the Infineon website.
www.infineon.com/cms/en/about-infineon/investor/corporate-governance/articles-of-association/

Separate and Consolidated Financial Statements

Deloitte audited the Separate Financial Statements of Infineon Technologies AG and the Consolidated Financial Statements as of 30 September 2025, as well as the Combined Management Report of Infineon Technologies AG and the Infineon Group, and issued unqualified audit opinions thereon.

The Half-Year Financial Report was also reviewed by Deloitte. No issues were identified that would suggest the condensed Interim Consolidated Financial Statements or the Interim Group Management Report were not prepared in accordance with the applicable provisions in all material respects.

Deloitte has served as the auditor of Infineon Technologies AG, the group auditor of the Infineon Group, and the reviewer of the Interim Consolidated Financial Statements since the 2024 fiscal year (1 October 2023 to 30 September 2024). Alexander Hofmann, the auditor responsible for the engagement, signed the audit opinion for the second time in the 2025 fiscal year, alongside Christoph Schenk as co-signer.

At the meeting of the Investment, Finance and Audit Committee on 11 November 2025, which continued via telephone conference on 20 November 2025, the committee held in-depth discussions with the auditor on the Separate Financial Statements, the Consolidated Financial Statements, the Combined Management Report, the appropriation of unappropriated profit, and the audit findings. In doing so, the committee also examined the key audit matters outlined in the audit opinion and the related audit procedures. Based on its assessment, the Investment, Finance and Audit Committee resolved to recommend that the Supervisory Board approve the financial statements prepared and presented by the Management Board and endorse the proposed appropriation of unappropriated profit.

At the Supervisory Board meeting on 27 November 2025, the Separate Financial Statements, Consolidated Financial Statements, Combined Management Report, the Management Board's proposed appropriation of unappropriated profit, and Deloitte's written audit reports were available to the Supervisory Board. The Chair of the Investment, Finance and Audit Committee also presented the committee's recommendations at this meeting in detail. All material accounting and audit-related matters, including the key audit matters, were thoroughly discussed with the auditor and reviewed by the Supervisory Board. The Supervisory Board's review also included the proposed dividend of €0.35 per dividend-entitled share.

After thorough discussions, the Supervisory Board concluded that it had no objections to the financial statements or to the audits performed by the auditor. In the Supervisory Board's opinion, the Combined Management Report complies with all legal requirements. The Supervisory Board concurred with the statements in the management report concerning the Infineon's future development, approved the result of the audit of the financial statements, the Separate Financial Statements of Infineon Technologies AG and the Consolidated Financial Statements of the Infineon Group for the 2025 fiscal year, and formally adopted the Separate Financial Statements. The Supervisory Board also endorsed the Management Board's proposal for the appropriation of unappropriated profit.

Additionally, the Investment, Finance and Audit Committee and the full Supervisory Board reviewed the combined separate Non-Financial Report as of 30 September 2025, prepared by the Management Board, as well as the Remuneration Report prepared jointly with the Management Board. Deloitte issued an unqualified audit opinion on both reports, having conducted a reasonable assurance engagement for the Remuneration Report and a combination of reasonable and limited assurance engagements for the combined separate Non-Financial Report. These documents were reviewed in detail by the Investment, Finance and Audit Committee at its meeting on 11 November 2025, which was continued via telephone conference on 20 November 2025, and by the Supervisory Board at its meeting on 27 November 2025. The Supervisory Board adopted the Remuneration Report and noted and approved the combined separate Non-Financial Report.

The Supervisory Board would like to thank the Management Board and all Infineon employees for their great dedication and outstanding performance this past fiscal year.

Neubiberg, November 2025
On behalf of the Supervisory Board

Dr. Herbert Diess
Chairman of the Supervisory Board

Combined Management Report

This report combines the Group Management Report of Infineon ("Infineon" or "the Group") – comprising Infineon Technologies AG (hereafter also referred to as "the Company") and its consolidated subsidiaries – and the Management Report of Infineon Technologies AG.

The Combined Management Report contains forward-looking statements about the business, financial condition and earnings performance of Infineon. These statements are founded on assumptions and projections on the basis of 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.

The content of these sections is voluntary content that has not been checked by the auditor but only read critically. It does not form part of the Management Report. In the case of cross-references, the information to which the cross-references refer has not been checked either.

Business model

Overview

Semiconductors are essential to mastering the challenges of decarbonization and digital transformation. They make our everyday lives easier, safer and greener. With around 57,000 employees worldwide, Infineon is a leading global provider of semiconductor solutions that pave the way for green and efficient energy supply, clean and safe mobility, and intelligent and secure IoT applications. Infineon develops, manufactures and markets a wide variety of semiconductors and semiconductor-based solutions, covering attractive growth markets in the automotive sector, the industrial sector and AI data centers, and the consumer sector.

Infineon's product range can be divided into three categories.

The first is power semiconductors based on silicon, silicon carbide and gallium nitride in the form of individual components, modules and system solutions. Over decades, Infineon has acquired in-depth knowledge about the use of power semiconductors and the specific challenges associated with their applications, developing a comprehensive portfolio.

The second category encompasses Infineon's extensive expertise in microcontrollers and connectivity. This includes its market-leading portfolio of automotive microcontrollers as well as microcontrollers for security and industrial applications, in addition to connectivity products such as Wi-Fi, Bluetooth, the Ethernet portfolio acquired from Marvell, and others, supplemented by appropriate software.

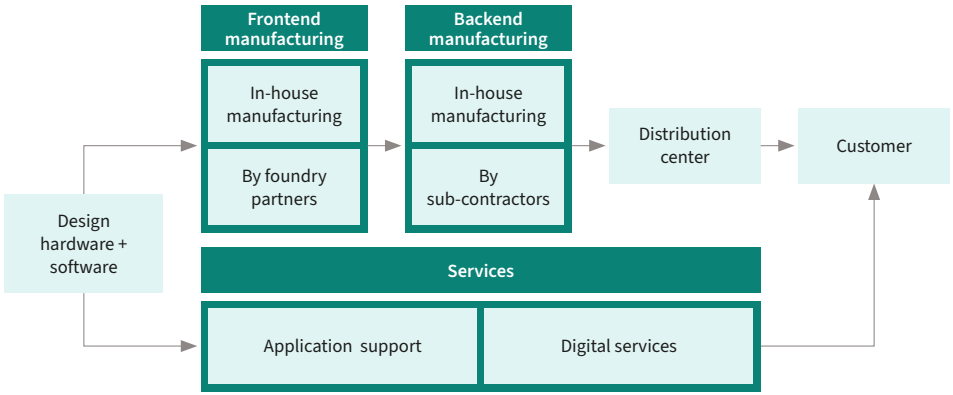
The third category is a wide range of analog/mixed-signal semiconductors and sensors used in conjunction with microcontrollers. This category also includes differentiated memory technologies for special applications. We combine these various product categories through our strategic approach "Product to System", offering our customers, for example, power semiconductors coordinated with driver components, sensors and microcontrollers, including software to facilitate particularly efficient energy conversion systems.

Value chain and manufacturing

Infineon covers the main stages of the semiconductor value chain: from development and design, via frontend and backend manufacturing and marketing, to delivery to customers, see C01. Increasingly, it also provides software and other services, such as application-specific support for the implementation of our solutions.

In frontend manufacturing, the wafers are processed. Optical, physical and chemical methods are used to create transistors and their interconnections, thus determining the function of the chip. The wafers are transferred from the frontend site to a backend site, where the remaining processing steps take place.

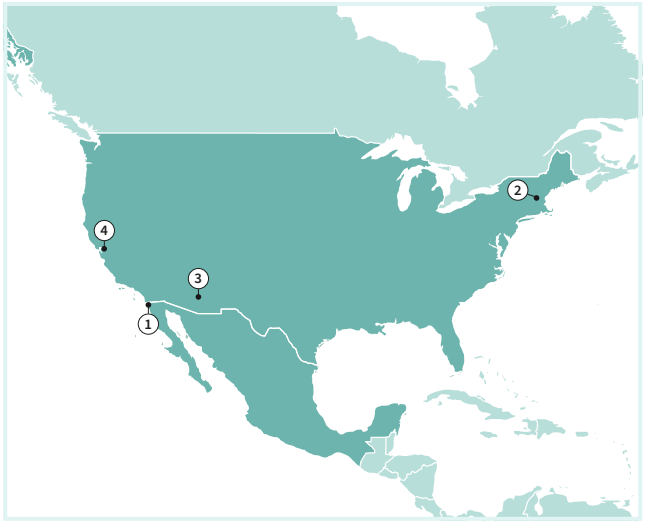
C01 The main stages of the semiconductor value chain



These steps include sawing the wafer into individual chips, as well as assembly and testing. Following the backend manufacturing, the chips are sold to customers via regional distribution centers.

In order to optimize the use of capital and increase flexibility, we use external manufacturing partners in addition to our in-house manufacturing. In frontend manufacturing, this applies primarily to manufacturing processes with little potential for differentiation and, in backend manufacturing, to standardized package types. More information about our manufacturing strategy is given in the chapter “Group strategy”, p. 27 ff.

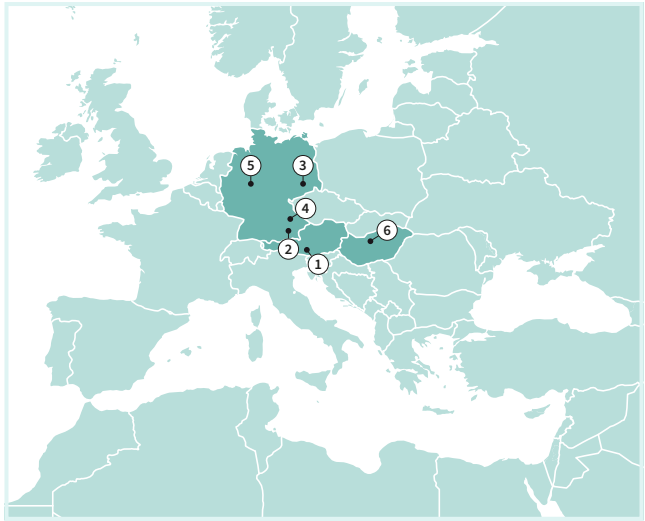
Headquarters and manufacturing sites (as of 30 September 2025)



Americas

Mexico
- 1 Tijuana

USA
- 2 Leominster, MA
- 3 Mesa, AZ
- 4 San Jose, CA

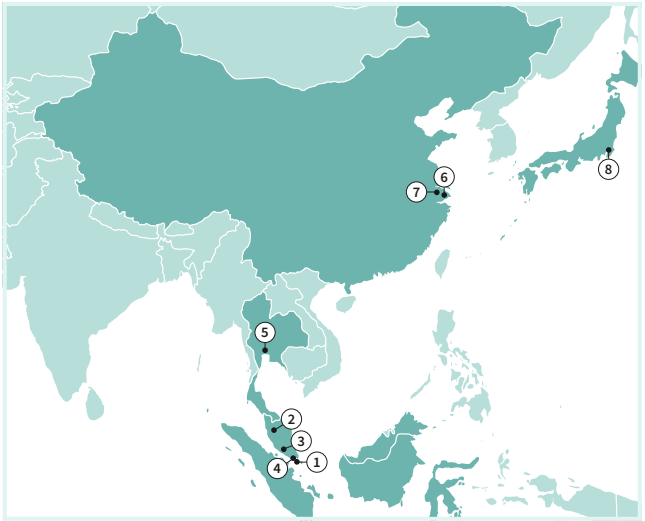


Europe, Middle East, Africa

Austria
- 1 Villach

Germany
- 2 Neubiberg near Munich
- 3 Dresden
- 4 Regensburg
- 5 Warstein

Hungary
- 6 Cegléd



Asia-Pacific

Indonesia
- 1 Batam

Malaysia
- 2 Kulim
- 3 Melaka

Singapore
- 4 Singapore

Thailand
- 5 Bangkok

Greater China

Mainland China
- 6 Shanghai
- 7 Wuxi

Japan

- 8 Tokyo

■ Corporate headquarters ■ Regional headquarters ■ Frontend manufacturing ■ Backend manufacturing

For the definition of frontend/backend manufacturing, see chapter “Value chain and manufacturing”. p. 22

The segments

In addition to general areas within the Group, such as manufacturing and various corporate functions, Infineon comprises four segments (also known as divisions). Each segment focuses on the needs of its own target markets and applications and has individual responsibility for specific areas that reflect its core competencies. Responsibility for Infineon's semiconductor business in automotive electronics lies primarily with the Automotive segment. The Green Industrial Power segment concentrates on power semiconductors mostly used in industrial applications and power infrastructure, while the Power & Sensor Systems segment addresses not only sensor technologies for all end markets but also power supplies in general (especially for data centers using artificial intelligence), telecommunications networks and more consumer-oriented applications. Activities relating to IoT, including Edge AI and security applications, are bundled within the Connected Secure Systems segment. The segments often cooperate with one another to ensure comprehensive coverage of the requirements of the various target markets. Marketing activities are organized based on the following two market sectors: Automotive, Industrial & Infrastructure and Consumer, Computing & Communication. This is intended to offer our customers easier and more extensive access to Infineon's entire range of complementary, coordinated products from the various divisions to meet their specific requirements.

On 1 January 2025, the "Sense & Control" business line, which was previously allocated to the Automotive segment, was transferred to the Power & Sensor Systems segment. The figures for the 2025 fiscal year reflect the transfer as from 1 October 2024. The comparative figures for the previous year have been adjusted accordingly.

Chart C02 provides an overview of the core competencies of the individual segments.

C02 Core competencies in the segments

Core competencies	ATV Automotive	GIP Green Industrial Power	PSS Power & Sensor Systems	CSS Connected Secure Systems
Sensor technologies			✓	
Radio frequency			✓	
Embedded control	✓		✓	✓
Control of power semiconductors	✓		✓	
Power semiconductors	✓	✓	✓	
Memories for specific applications	✓			
Connectivity	✓		✓	✓
Security	✓			✓
Software	✓	✓	✓	✓

A detailed presentation of the applications and product range of the individual segments is given in the chapter "Applications and product range", p. 184 ff.

ATV Automotive

The Automotive segment shapes the future of mobility with products and solutions to make cars clean, safe and smart. We cover all application areas in the vehicle: power-train and energy management, connectivity and infotainment, body and comfort electronics, as well as safety and data security. Infineon is the world market leader in semiconductor solutions for the automotive industry. Our range of products and solutions helps to navigate the transition from internal combustion engines to hybrid and electric drives, enabling an ever-increasing degree of automated driving, as well as the software-defined vehicle. The latter is characterized by increased connectivity and digitalization along with greater data security. We also offer our customers innovative solutions in the following areas: digital cockpit, infotainment, comfort, and lighting technology. Our product portfolio includes analog/mixed-signal components, micro-controllers, components for fast and secure data transmission, software solutions, memories for specific applications, and power semiconductors based on Si, SiC and GaN complemented by sensors from the Power & Sensor Systems segment.

GIP Green Industrial Power

The Green Industrial Power segment enables intelligent management and efficient conversion of electric energy along the entire conversion chain: from generation, transmission and storage to use. The product portfolio comprises power transistors and modules based on Si and SiC. We offer products in the Green Industrial Power segment, whether Si-based or SiC-based, in various form factors and with different levels of functionality. The segment's broad application spectrum includes inverters for photovoltaic and wind power systems and battery storage, motor control units for industrial manufacturing and for automation and building technology, traction, electric utility vehicles (such as buses and construction and agricultural vehicles), major home appliances, systems for high-voltage direct current transmission and energy storage, industrial power supplies and the charging infrastructure for electric vehicles.

PSS Power & Sensor Systems

The Power & Sensor Systems segment encompasses a wide selection of power semiconductors and their control. We use these power semiconductors to make electronic devices such as power supplies, power tools, lighting systems, mobile devices and industrial and consumer applications smaller, lighter and more energy-efficient, as well as to develop new functionalities. We are drawing on the next generation of new, innovative solutions based on Si, SiC and GaN products in the areas of data centers (especially for artificial intelligence), robots, power supplies and adapters, 5G and renewable energy (primarily for roof-top solar systems). Our product portfolio for power supplies comprises analog/mixed-signal components such as control ICs, driver stages and power transistors. It addresses the two key requirements of the market: efficiency and power density. The portfolio also includes sensors (such as radar and magnetic field sensors) for all end markets and radio frequency products, as well as USB controllers.

CSS Connected Secure Systems

The Connected Secure Systems segment supplies comprehensive systems for a secure, connected world based on reliable, game-changing microcontrollers and wireless connectivity and security solutions. In particular, we offer microcontroller solutions, Wi-Fi, Bluetooth, UWB (ultra-wideband) and NFC (near-field communication) solutions, and combined connectivity solutions (known as combo chips), along with hardware-based security technologies and an efficient software environment for the programming and configuration of the microcontrollers and connectivity components that cover many application areas. These include devices for IoT applications, connected home appliances and smart home appliances, IT equipment, consumer electronics, cloud security and connected vehicles, as well as credit and debit cards, electronic passports and national identity cards. With our technologies in the areas of computing, connectivity and security, we are contributing significantly towards ensuring that current and future connected systems are reliably protected. These also include microcontrollers focusing on machine learning, such as those for Edge AI applications.

Group strategy

Long-term growth trends

As a leading global provider of semiconductor solutions, Infineon focuses its business activities on two issues that are fundamental to society and where it sees major long-term growth trends: decarbonization and digitalization.

Decarbonization

Decarbonization is a necessity to contain global warming and, therefore, one of humanity's key responsibilities over the next decades. Radical changes have to be made to the ways in which we generate, transport, store and use energy. To halt global warming, it is imperative that we greatly reduce our use of fossil fuels, make a steady transition to renewables and widely adopt electrification. Realizing this transition requires the use of not only wind and solar power but also systems for the storage and efficient transportation of energy. We believe that one of the key tasks for Infineon is to provide semiconductor solutions for more efficient generation, conversion and use of electric energy. Our semiconductors are making a major contribution towards ensuring that tomorrow's power infrastructure is as efficient and flexible as possible. An example of this is the use of semiconductor-based transformers, known as Solid-State Transformers (SSTs). Through our business operations, we are playing an active role in shaping the quality of life of generations to come.

Digitalization

Digitalization is another key trend. This involves connectivity between ever-smarter devices with an ability to perceive their environment, devices that make life easier and safer. Artificial intelligence is increasingly finding its way into many different areas of life and the economy, including personal AI assistants. Physical AI will also be used in the future (for example, in the form of humanoid robots). All of this provides greater convenience and security in the smart home, higher levels of efficiency in the development and manufacturing of goods, and new services such as support to older people. Infineon supplies microcontrollers with software and sensors that make it possible to produce connected and smart IoT devices with local AI, both in the automotive and industrial sectors and in the end user sector. In addition, our state-of-the-art power semiconductors and systems architectures ensure efficient power supplies to humanoid robots as well as to high-performance processors and data centers for large language models and other advanced AI applications – **"We power AI".**

Infineon sees itself as a trailblazer for a carbon-neutral and digital future: **"Driving decarbonization and digitalization. Together."** This applies to large parts of our portfolio. Sensors record mostly analog information from the world around us; analog/mixed-signal components transform it into digital data; microcontrollers process these data and generate control signals; memory ICs enable the microcontrollers to store data and program codes; actuators such as power semiconductors convert the control signals into actions and make the efficient generation and conversion of energy possible; security solutions protect the integrity of devices and data, while connectivity chips transfer these data within the digital world. Software enhances the benefit to customers of our semiconductor solutions, allowing for more flexible adjustment. We thereby establish a link between the real world and the digital world and enable a carbon-neutral future.

Strategic targets

To generate value from decarbonization and digitalization with our semiconductor solutions for our customers, the Group, our shareholders and society, we pursue clear and measurable strategic targets.

Profitable growth

We want to continue to grow in our target markets and to increase our profitability. Our long-term financial targets reflect this aspiration and apply over the semiconductor cycle. We want to create value on a sustainable basis by focusing consistently on the long-term growth trends of decarbonization and digitalization and implementing our strategic guidelines (see the chapter “Strategic guidelines”, p. 30 ff.).

Target 1: Average annual revenue growth of more than 10 percent over the cycle

We hold leading positions in our core markets and have expanded systematically over the years into new and adjacent markets. Our four segments focus on the long-term growth trends of decarbonization and digitalization. With our strategic approach “Product to System”, we use our extensive application and product expertise to provide more comprehensive solutions and thus create more value for our customers. In the areas of electromobility, software-defined vehicles, power infrastructure, data centers, especially with AI and IoT, including humanoid robots, we expect to achieve above-average growth, resulting in total average annual revenue growth for the Group over the cycle of more than 10 percent (“>10%”).

Target 2: Average Segment Result Margin of 25 percent over the cycle

A key criterion for our success is sustainable profitability. Infineon can consistently pursue its targets, even in weaker market phases, by engaging in profitable economic activity. We have set ourselves the target of achieving an average Segment Result Margin of 25 percent over the cycle. A key element in achieving our profitability target is our system solutions expertise, which is based on our strategic approach “Product to System” and generates higher value and greater customer benefit. In the future, software will play a larger role in various instances: driver and operating system software for our microcontrollers, application software (sometimes using AI models), and even software with which customers can better integrate or simulate our products. We enjoy economies of scale and cost advantages while continuing to develop our leading market position and innovative manufacturing technologies (such as those used to produce 300-millimeter thin wafers). We are also driving forward economies of scale for silicon carbide and gallium nitride. At the same time, we make sure that when we consider our overall portfolio, all our businesses are making an adequate contribution to Infineon’s success. Moreover, we aim to ensure that, over the cycle, our research and development expenses, selling expenses, and especially our general and administrative expenses, increase at a slower rate than the rate of growth in our revenue. This is supported by our digitalization strategy and the relocation of activities to best-cost countries.

Target 3: Adjusted Free Cash Flow within a range of 10 to 15 percent of revenue over the cycle

Looking at value generation, our Target Operating Model includes a Free Cash Flow target. Free Cash Flow adjusted for large investments in frontend buildings and major M&A (mergers and acquisitions) transactions should fall within a range of 10 to 15 percent of revenue over the cycle. This will be achieved by ensuring our operating cash flow grows at a faster rate in the long term than our investment expenditure.

Capital structure targets

Our capital structure targets link together the concepts of environmental and economic sustainability and ensure that Infineon remains a reliable partner in the long term. An investment grade rating is the key element of Infineon's conservative financial policy. From this cornerstone, we derive our long-term capital structure targets, which consist of a liquidity target and a leverage target.

Our liquidity target is to have a gross cash position of at least 10 percent of revenue on average throughout a year. With this defined gross cash target, we will have access to sufficient cash to be able to finance our operating business and investment throughout all phases of the semiconductor cycle.

Our leverage target aims to limit gross financial debt to no more than two times EBITDA. Infineon defines EBITDA as earnings from continuing operations before interest, taxes, depreciation and amortization.

Sustainable corporate governance

We are convinced that economic success must go hand in hand with environmental and social commitment. With this in mind, our goal is to contribute towards more sustainable development in society. With our products, solutions and systems, we contribute to greater energy efficiency in the end applications in which they are used, thereby making an active contribution towards climate change mitigation. Sustainability is of crucial importance both within the Group and in relation to our supply chains. We manage Infineon based on this understanding of sustainability and act responsibly for the benefit of society. Making a contribution towards containing global warming forms part of our mission. We have therefore set ourselves the target of becoming carbon-neutral by the end of the 2030 fiscal year; by the end of the 2025 fiscal year, our emissions should be reduced by 70 percent compared with the 2019 calendar year. This target relates to Infineon's own greenhouse gas footprint and includes not only all direct emissions but also indirect emissions from electricity and heat. By the end of the 2025 fiscal year, our scope 1 and scope 2 emissions were already 83.6 percent below the emissions for the base year 2019, meaning that we have achieved the target we had set ourselves. The development of intelligent exhaust air abatement systems, the purchase of electricity from renewable sources and the implementation of energy efficiency schemes have all contributed to this reduction.

In the 2025 fiscal year, we achieved another milestone in our decarbonization efforts, when the Science Based Targets initiative (SBTi) approved Infineon's ambitious greenhouse gas emission reduction targets. The approval spans not only the Group's own emissions (scope 1 and scope 2) but also emissions along its supply chain (scope 3). The scope 1 and scope 2 targets are in line with the Paris Agreement to limit the global temperature increase to 1.5 degrees Celsius, meeting the ambitious SBTi requirements for near-term CO_2 reduction targets. In addition, Infineon has now set itself an official scope 3 target addressing the supply chain. Collaboration with suppliers is a fundamental part of our sustainability strategy. Infineon's procurement team is already actively working together with over 100 suppliers on solutions that reduce CO_2 emissions along the supply chain. Specifically, Infineon has made a scope 3 emission target commitment to SBTi which states that 72.5 percent of its suppliers, measured by emissions relating to purchased goods and services, capital goods, and upstream transportation and distribution, will have a science-based target by 2029.

There were significant changes to the preparation and presentation of sustainability information in the 2025 fiscal year compared with previous periods. This related to both structure and content, given Infineon's partial application of the European Sustainability Reporting Standards (ESRS). Infineon has already begun, prior to the implementation of the rules set out in the Corporate Sustainability Reporting Directive (CSRD) in German law, to incorporate the requirements of substantial parts of the framework into its reporting processes.

Further details about our sustainability activities are described in the separate report "Sustainability at Infineon". This report, including the combined separate Non-Financial Report, which is based on the requirements set out in the German CSR (Corporate Social Responsibility) Directive Implementation Act, can be downloaded from the internet at www.infineon.com/csr_reporting.

Strategic guidelines

To achieve our strategic targets, we rely on a number of strategic guidelines to ensure sustainable corporate governance and profitable growth.

“Product to System” (P2S) with software

With our approach **“Product to System”,** we are fostering our leading positions in the areas of power systems and IoT. P2S helps us to better adapt our solutions and broad product portfolio to customer requirements. We understand new trends early on and can develop innovative approaches together with our customers. As a result, our customers can realize sustainable benefits, including those relating to system performance, system costs and development time.

For this to succeed, we have to understand the environment in which our customers’ products are used, how these products are embedded in larger systems, with which other devices the products interact, what requirements they have to fulfill and what function they are intended to perform. We also have to consider which other active and passive components and control concepts they use and what capabilities our customers themselves contribute to the value creation process. Equipped with this knowledge, we can make the most of our competencies. We want to translate the technologically possible into successful products that provide the greatest possible benefit to our customers. This helps us to continue to develop leading positions in our markets.

In the context of P2S, software is playing an increasingly significant role. We have intensified our activities in this area in the last few years through our own organic growth and strategic partnerships, as well as through the acquisitions of Cypress, Industrial Analytics, Imagimob and, recently, Marvell’s Automotive Ethernet business. This means that we have at our disposal an entire ecosystem comprising software components and a development environment, as well as reference designs, product support, blogs, a developer community and online tutorials. An important element of this ecosystem is the ModusToolbox™ development environment. This includes reusable firmware that makes it easier for customers’ developers to program microcontrollers and Wi-Fi and Bluetooth components. Thereby, we enable smaller customers in particular to make even better use of our products and thus increase our profitability.

Technology leadership and customer-focused innovation

In accordance with our strategic approach of thinking in application trends, our developers identify challenges early, together with our customers. This enables us to fulfill the promise of technological leadership. Through close cooperation, we learn to understand applications better, allowing us to identify future trends at an early stage and develop tailored products based on our core competencies. In this way, we can offer our customers either individual components or complete solutions, including the necessary software, depending on their requirements.

We are continuing to enhance our leading technological position and expertise in our core markets through radical and customer-focused innovation, focusing in particular on generating direct benefits to our customers as rapidly as possible. This approach is reflected in our mindset and our internal processes. This is how we strengthen our core business and identify long-term growth opportunities in adjacent business areas. As market leader in the field of power electronics, by way of example, we began researching new materials at an early stage, building up our expertise, and we are constantly broadening our product portfolio in order to generate added value for our customers.

This also applies to our large portfolio of analog/mixed-signal products. Here we have a broad range of differentiating smart power technologies, such as those used for the power supply chain in data centers, driver components in the automotive sector, motor control units in industrial applications, and various IoT applications.

Equally noteworthy from a technological perspective are compound semiconductors. Whereas most power semiconductor components to date have been based on pure silicon, silicon carbide and gallium nitride are two chemical compounds with physical properties (in particular, a wide band gap) that make it possible to produce semiconductors with even greater performance. These compounds allow for particularly efficient electric switches in the smallest space; for example, they make efficient charging stations for electric vehicles much more compact, allowing them to be installed in more locations. With our innovative solutions, we enable power supplies for data centers, from the high-voltage grid to the individual processor core: for example, with silicon carbide-based converters for high-voltage direct current transmission or modules for vertical power supply in particularly high-performance AI servers. We consider a strong position in compound semiconductors essential to reinforcing our leading position in power systems. Our technologically strong GaN portfolio makes a major contribution here.

In autumn 2024, we were the first company worldwide to announce the rollout of 300-millimeter in-house manufacturing of GaN-based semiconductors. In the future, we can save investment costs by converting the required proportion of our available 300-millimeter silicon capacity, thus ensuring our technological leadership in all the main classes of power semiconductors and strengthening our competitive position.

Value creation through differentiating manufacturing strategy and high quality

In areas in which we create added value for our customers and differentiation for Infineon in manufacturing, we rely on in-house manufacturing. We make products in our own fabs when doing so means that our customers benefit from lower cost, higher performance or improved availability. This is the case, for example, with power semiconductors and sensors as well as with analog/mixed-signal technologies. However, where manufacturing in our own fabs offers no additional customer benefit or opportunity to differentiate ourselves from the competition, we work together with contract manufacturers. This is predominantly the case for highly integrated digital products such as microcontrollers, connectivity components and security ICs, where the differentiation arises mainly from the design and the software. To ensure our delivery capability, even in times of scarce production capacity in standard technologies, we have signed supply agreements with our contract manufacturers, sometimes covering a period of several years.

Our 300-millimeter thin wafer manufacturing technology for power semiconductors is a clear indication of the value of differentiating manufacturing in our own fabs. As pioneers of this technology, the level of production we have now reached has allowed us to achieve significant economies of scale. Compared with manufacturing on 200-millimeter wafers, we benefit from significantly lower costs and lower capital investment. This has enabled us to maintain our lead. With the factory at the Villach site (Austria), together with our 300-millimeter manufacturing facility in Dresden (Germany), we have established a closely coordinated manufacturing network across the two sites. In line with our “One Virtual Fab” concept, we are using the same processes, equipment, and automation and digitalization concepts in Villach and in Dresden. This generates economies of scale, but it also benefits the customer, as we have the flexibility to shift production volumes between the sites. We are applying a similar concept in the area of compound semiconductors between our sites in Villach and Kulim (Malaysia). The third module in Kulim, opened in the 2024 fiscal year, is also able to generate synergies with the existing 200-millimeter production infrastructure.

Expanding our capacity in line with expected market trends over the cycle has proved very effective and forward-thinking. In Kulim, we want to create the most competitive manufacturing facility for silicon carbide semiconductors, reflected in a particularly efficient production landscape with substantial economies of scale. We are also expanding our site in Dresden as planned, to include an additional 300-millimeter module for analog/mixed-signal products as well as power semiconductors. This is creating capacity in particular for AI-based data centers and the automotive industry. The new factory combines the two growth areas, decarbonization and digitalization, and is designed to meet demand from our customers in the second half of the decade.

Our supply chains and our production are both resilient. Our manufacturing facilities are spread across all major regions of the world, and our contract manufacturer and supplier base is broadly diversified. The investment in a production company in Germany (European Semiconductor Manufacturing Company, ESMC), which was founded under the leadership of TSMC (Taiwan Semiconductor Manufacturing Company) and in which Infineon holds a 10 percent stake, plays an important role in the geographical diversification of the supply chains. The groundbreaking ceremony for the factory in Dresden operated by ESMC took place in August 2024 and its construction is proceeding on schedule.

In recent years, we have disposed of some of our smaller sites to continue to increase our competitiveness through economies of scale. With this in mind, we have also made significant progress this year, with the sale of our fab in Austin (Texas, USA) to U.S. contractor SkyWater and the pending sale of the former site of Cypress in Bangkok (Thailand) to Malaysian Pacific Industries Berhad (MPI). As a result of long-term supply agreements, capacities from these factories will continue to be reliably available to us.

High quality and reliability are key values for us, differentiating us from our competitors. Therefore, quality plays a key role in the lifecycle of an Infineon product – from its development and production to its supply and product-related services. Infineon is certified worldwide in accordance with the leading quality standards and has an efficient management system.

In addition, clearly defined quality principles provide guidance for our employees. These principles have the overriding aim of honoring the pledges we have made to our customers relating, among other things, to product functionality and reliability. To achieve this, we attach great importance to understanding our customers' concerns and clearly defining their product requirements. Honoring our pledges is an essential guiding principle that is also reflected in the in-house cooperation we see at Infineon.

Tried-and-tested processes, methods and tools, together with continuous improvement programs, form the basis for the high priority Infineon attaches to quality. Our quality departments are embedded in the global organization. Regular events such as Quality Days at our global sites promote a greater awareness of quality, with the result that all Infineon employees are responsible for honoring our quality pledge within their own sphere of responsibility.

Portfolio management and inorganic growth

We conduct regular reviews to ascertain whether our operations, both individually and as part of our overall portfolio, make an appropriate contribution to the success of Infineon. This enables us to target the use of our financial resources and, as a result, to continue to improve our profitable growth. We consider individual operations from various points of view, such as value creation, our current and expected market position, significance for our customers, and risk assessment. On this basis, we decide the extent to which we will invest in an operation. Growth prospects and profitability are mutually dependent here, with profitability enabling investment and ensuring sustainable innovation and growth as a result.

We will continue to supplement our organic growth in the future with selective acquisitions. These acquisitions will need to fulfill three criteria: a) be strategically beneficial based on the portfolio process, b) be financially advantageous and c) be a good cultural fit. A purchase must strengthen Infineon's market position in accordance with our strategic focus, usefully complementing our range of competencies. The corporate culture of any potential acquisition must be a good fit with Infineon's culture or must add valuable elements.

A pioneer of digitalization

An important topic for us is Infineon's digital transformation, which we are driving forward using a strategic roadmap. As a global semiconductor manufacturer, we benefit from the digital transformation in two ways: as a provider and as a user of digital solutions. As a provider, we use digitalization and efficient platforms to support our customers in the best possible way throughout the customer relationship and the development process. We are constantly optimizing and expanding our website and web content, and it is important for us that all product-related information and support services are easily accessible. In July 2025, we extensively modernized our digital offering as part of our NewWeb project, to provide customers with a particularly responsive and user-friendly interface.

The accompanying software products and digital services are increasingly being provided using appropriate licensing models via our digital customer interfaces, such as the Infineon Developer Center. A major focus is on scaling up technical support so that, even in fragmented markets, we can provide support to customers during their product choice and design-in. The Infineon Developer Community offers round-the-clock technical support to all customers and continues to expand and improve by learning from customer queries and customer experience. With the specific usage of AI-based methods, we enable even better support for our customers through the use of powerful generative language models. This makes access to our resources faster and easier. We will therefore continue to expand the AI-based portion in the next few years. This is a particularly efficient way for us to ensure that customers use our products and, indeed, use them in a more effective and targeted way.

As a user, we also use digitalization to optimize our internal processes and make them as efficient and future-proof as possible. For example, we connect our sites and contract manufacturers in accordance with Industry 4.0 to form a virtual manufacturing network. In sales and marketing, we use applications based on methods for analyzing big data that enable us to provide our customers with targeted, personal and increasingly customized support via our digital platforms. In addition, we evaluate customer behavior and customer requirements in a structured way and incorporate these results into the development of our solutions and products. In manufacturing, we are focusing to a greater extent on a high level of automation and the increasing use of artificial intelligence methods in order to continue to improve our productivity and quality. In all these areas, we systematically analyze which processes can be further improved and optimized through the use of generative AI language models.

As part of our digital roadmap, we are focusing on the rapid implementation of projects. When selecting projects, we are guided by the direct value contribution to improving the customer experience through efficiency or productivity gains and by their function as the necessary basis for future digitalization initiatives.

Human resources strategy

Our human resources (HR) strategy is a key component of Infineon's success. It supports us in our efforts to achieve our growth and profitability targets and enables us to successfully navigate our way through varying economic phases and challenges. Our HR understanding is "People create value. Engagement drives people". Our overriding objective is to foster our employees' engagement and to take targeted measures to achieve this. When employees are enthusiastic about their job, have the relevant skill sets, and can take advantage of suitable opportunities for continuing professional development, the outcome is a higher level of creativity, productivity and innovation, as well as better results. We use regular pulse checks of our employees worldwide to measure their level of engagement and thus keep our finger on the pulse of their needs, enabling Infineon to make continuous progress.

We consider it our responsibility to contribute towards addressing the key societal challenges. Decarbonization and digitalization are having an impact not only on our world but also on the future of work. From this, we derive the key action areas of our HR strategy. Our main focus is on

- attracting the best talent in the market, providing optimal support for onboarding, developing internal talent and keeping it loyal to Infineon, and training our own new generation;
- supporting Infineon's profitable growth by continuing to drive forward and scalably deploy digitalization and standardization in HR, by exploiting AI opportunities and by actively evaluating other potential applications;
- strengthening leadership development programs as well as employee training and skill enhancement; and
- pushing ahead with organizational development to be prepared for further growth and promote not only internal cultural change (SPIRIT) but also the sustainable reinforcement of our competitiveness ("Step Up").

People are the main focus of our activities, as dedicated, healthy, successful employees are key to maintaining and improving our market-leading position, thereby creating a successful future for us all.

Further information, including detailed statistics, is available in the HR Report 2025 and in the 2025 Sustainability Report.

www.infineon.com/hrreport

www.infineon.com/csr_reporting

Research and development

Infineon's research and development activities are in accord with its strategy of continuing to strengthen its leading technological position through customer-focused innovation. Research and development (R&D) activities therefore concentrate on the development of new hardware and software products, the ongoing development of existing products, and the continuous optimization of manufacturing processes.

One of our main objectives is to increase the efficiency and power density of our power semiconductors without compromising on reliability. We focus on innovative materials such as silicon carbide and gallium nitride. Innovative manufacturing technologies play a key role here, an example of which is the introduction of in-house 300-millimeter manufacturing for GaN-based semiconductors.

We are continuing to expand our large portfolio of analog/mixed-signal products, especially smart power technologies. These offer additional functions, including diagnosis and current measurement, greater reliability and a reset facility, protecting against short circuits, overcurrent and excess temperature.

Our broad portfolio of sensor products based on magnetic field effects or MEMS technologies and of radar products addresses a variety of end markets and is a key element in the link between the real world and the digital world.

The digitalization of our products and solutions is a fundamental prerequisite for the implementation of our strategic approach "Product to System" (P2S). By offering systems solutions, we create significant benefits for our customers in terms of system performance, cost and development time. The key development fields here include microcontrollers, connectivity and security solutions, and software.

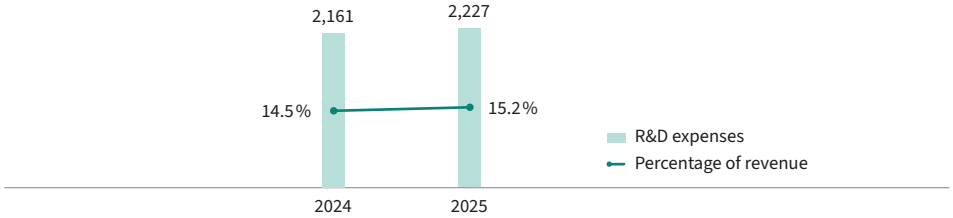
Artificial intelligence (AI) plays a crucial role in a wide variety of applications to improve products and processes. In Edge computing, for example, combining AI with our intelligent sensors and microcontrollers enables a precise classification of sounds, key words and gestures, opening up new approaches in human-machine communication. In addition, AI supports internal processes such as chip design, verification, and technical support for customers.

We are also addressing longer-term future-related topics in areas such as quantum computing, where we are working together with industrial and research partners and with start-ups on making advances in ion trap and superconducting qubit technologies. As part of the QUTAC consortium (Quantum Technology & Application Consortium), we are also devising ways in which quantum computing can be used profitably in industry and society. Already now, our post-quantum cryptography (PQC) certified products ensure the future security of data.

Research and development expenses totaled €2,227 million in the 2025 fiscal year (previous year: €2,161 million[1]). We spent 15.2 percent of revenue on research and development in the 2025 fiscal year, compared with 14.5 percent in the previous year. Capitalized development costs in the 2025 fiscal year were €251 million (previous year: €249 million). The amortization of capitalized development costs in the 2025 fiscal year amounted to €151 million (previous year: €110 million). Subsidies and grants received for research and development decreased from €215 million in the 2024 fiscal year to €179 million in the 2025 fiscal year.

C03 R&D expenses[1]

€ in millions



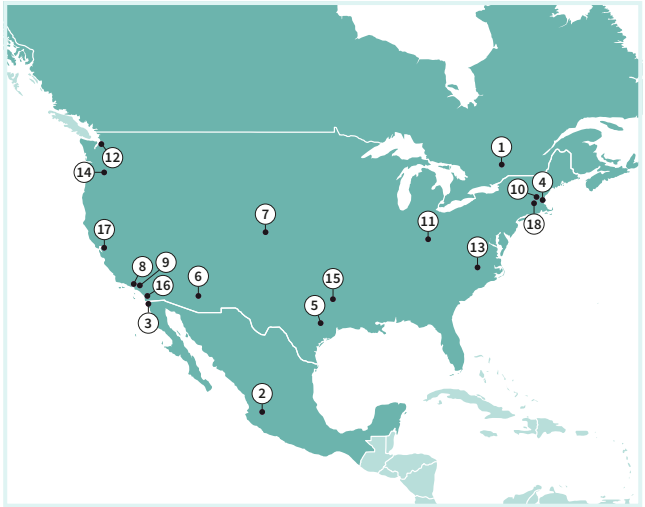
At the end of the 2025 fiscal year, Infineon employed 13,998 people (25 percent of the total workforce) in research and development worldwide. Of these, 13 percent worked on software. At the end of the 2024 fiscal year, 13,253 people were employed by Infineon in research and development worldwide (23 percent of the workforce). There were 75 research and development sites in the 2025 fiscal year (2024: 71) across 28 countries.

Patents

Another indication of Infineon's innovative power and long-term competitiveness is the number of our patents. In the 2025 fiscal year, we applied for around 1,900 patents worldwide (previous year: around 1,900). In addition to patent applications and expirations, there were changes in the portfolio due to regular strategic patent portfolio adjustments. Maintenance of the patent portfolio is also carried out on a regular basis. This has resulted, along with new patent applications for inventions, in a significant increase in the relevance of the patents, as highlighted again in 2025 by LexisNexis® and Clarivate™ in their innovation reports. At the end of the 2025 fiscal year, the worldwide patent portfolio comprised around 29,700 patents and patent applications (previous year: around 29,900).

1 Figures for the previous year have been adjusted (for details, see note 1 to the Consolidated Financial Statements).

R&D sites and application centers (as of 30 September 2025)

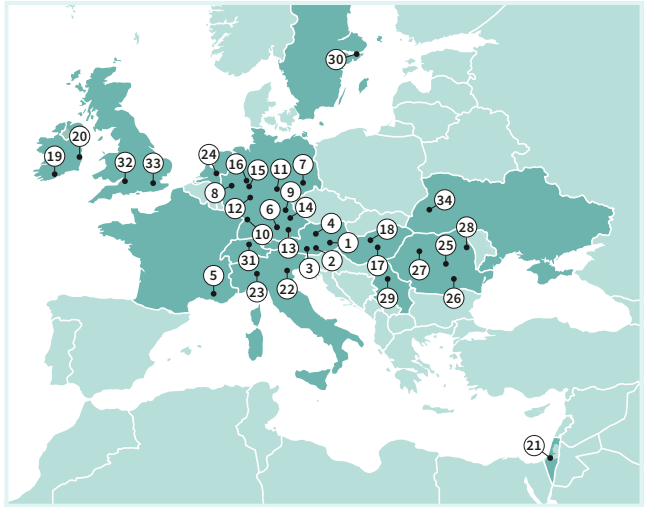


Americas

Canada
1 Kanata

Mexico
2 Guadalajara
3 Tijuana

USA
4 Andover, MA
5 Austin, TX
6 Chandler, AZ
7 Colorado Springs, CO
8 El Segundo, CA
9 Irvine, CA
10 Leominster, MA
11 Lexington, KY
12 Lynnwood, WA
13 Morrisville, NC
14 Portland, OR
15 Richardson, TX
16 San Diego, CA
17 San Jose, CA
18 Warwick, RI



Europe, Middle East, Africa

Austria
1 Graz
2 Klagenfurt
3 Linz
4 Villach

France
5 Le Puy-Sainte-Réparade

Germany
6 Augsburg
7 Dresden
8 Duisburg
9 Erlangen
10 Ettlingen
11 Ilmenau
12 Langen
13 Neubiberg/Munich
14 Regensburg
15 Soest
16 Warstein

Hungary
17 Budapest
18 Cegléd

Ireland
19 Cork
20 Dublin

Israel
21 Netanya

Italy
22 Padua
23 Pavia

Netherlands
24 Nijmegen

Romania
25 Braşov
26 Bucharest
27 Cluj-Napoca
28 Iaşi

Serbia
29 Belgrade

Sweden
30 Stockholm

Switzerland
31 Zurich

UK
32 Bristol
33 Redhill

Ukraine
34 Lviv

Asia-Pacific

India
1 Ahmedabad
2 Bangalore
3 Vadodara

Indonesia
4 Batam

Korea
5 Bundang
6 Seoul

Malaysia
7 Ipoh
8 Kulim
9 Melaka
10 Penang

Philippines
11 Muntinlupa

Singapore
12 Singapore

Thailand
13 Samut Prakan

Vietnam
14 Hanoi

Greater China

Mainland China
15 Chengdu
16 Shanghai
17 Shenzhen
18 Wuxi
19 Xi'an

Taiwan
20 Hsinchu
21 Taipeh

Japan

22 Nagoya
23 Tokyo

Sites >10 employees.

Internal management system

The internal management system at Infineon is designed to help implement Group strategy and the related long-term financial targets. Accordingly, performance indicators are used that enable profitable growth and efficient employment of capital to be measured.

Overall, the achievement of our long-term financial targets will lead to a sustainable increase in the value of Infineon by generating a permanent premium on the cost of capital.

In this context, growth, profitability, liquidity and investment are all interdependent. Profitability is required to finance operations internally and open up potential opportunities for growth. Growth, in turn, requires continual investment in research and development as well as manufacturing capacity, while enabling Infineon to achieve leading market positions and generate economies of scale that contribute to greater profitability. Employing financial resources efficiently is a critical factor in achieving these goals.

Infineon deploys a comprehensive controlling system to manage its business and achieve its strategic targets. The system involves the use of financial and operating performance indicators. Information for controlling purposes is derived from annual long-term planning, quarterly outlooks, and actual monthly data, as well as more frequently available information such as the volume of orders received. This knowledge enables management to base its decisions in a timely manner on sound information about the current situation and future expected financial and operational developments.

Sustainable business practices and the consideration of forward-thinking qualitative factors are important for Infineon's long-term success. As an enterprise very much aware of its social and ecological responsibility, Infineon also takes non-financial factors into account, mainly in relation to the environment and employee diversity. See the report "Sustainability at Infineon" on our website www.infineon.com/csr_reporting

As part of the process of managing business performance, management also attaches great importance to ensuring that Infineon acts in strict compliance with legal requirements and that it also complies with its internal corporate governance standards (see the chapter "Corporate Governance", p. 86 ff.).

Performance indicators

Principal performance indicators

In order to measure its success in implementing its strategy, Infineon uses the following principal performance indicators:

- Revenue
- Segment Result Margin
- Free Cash Flow
- Adjusted Free Cash Flow
- Return on Capital Employed (RoCE)

These financial performance indicators are the cornerstones of the system for variable remuneration. Most of the variable salary components pertaining to employees, managers and the Management Board are linked to these performance indicators.

Segment Result Margin and revenue

The Segment Result Margin is the key figure used by Infineon to measure operating performance. The Segment Result Margin is the Segment Result expressed as a percentage of revenue and is a measure of the profitability of revenue.

Segment Result is defined as follows:

	Operating profit, adjusted for:
	Specific impairment reversals (impairments)
	Gains (losses) on earnings arising from restructuring and closures
	Share-based payment
	Acquisition-related depreciation/amortization and other expenses
	Gains (losses) on sales of businesses or interests in subsidiaries
	Other income and expenses
=	**Segment Result**

For an analysis of the development of revenue and of the Segment Result Margin of Infineon and of the individual segments in the 2025 fiscal year, see the chapter "2025 fiscal year", p. 44 ff.

Free Cash Flow

Free Cash Flow measures the ability to generate sufficient cash flows to finance day-to-day operations and to fund required investments out of the ongoing business. Free Cash Flow is managed by Infineon at Group level only and not at segment level (for an explanation of changes in Free Cash Flow during the 2025 fiscal year, see the chapter "Review of liquidity", p. 58).

The main factors influencing Free Cash Flow are a positive earnings trend combined with effective management of inventories, trade accounts receivable and payable, and capital expenditure.

Free Cash Flow at Infineon is defined as follows:

	Cash flows from operating activities from continuing operations
+	Cash flows from investing activities from continuing operations
+	Payments for the acquisition of (proceeds from the sale of) financial investments, net
=	**Free Cash Flow**

Adjusted Free Cash Flow

Adjusted Free Cash Flow (see the chapter "Group strategy", p. 28) is defined as Free Cash Flow adjusted for cash outflows for large investments in frontend buildings, for cash inflows from related investment subsidies, and for major M&A transactions (acquisitions and disposals) adjusted for cash acquired or disposed of (for an explanation of changes in Free Cash Flow during the 2025 fiscal year, see the chapter "Review of liquidity", p. 58 f.). Adjusted Free Cash Flow is managed by Infineon at Group level only and not at segment level.

Return on Capital Employed (RoCE)

The performance indicator RoCE measures the return on capital and shows the correlation between profitability and the capital resources required to run the business (for the mathematical derivation and development of RoCE in the 2025 fiscal year, see the chapter "Review of financial condition", p. 57). RoCE describes how efficiently a company uses its resources and, through the comparison with cost of capital, serves as an instrument for value-based corporate management. It is analyzed by Infineon at Group level only and not at segment level.

RoCE is defined as follows:

	Profit (loss) from continuing operations, adjusted for:
	Interest result
=	**Profit (loss) from continuing operations without interest result ①**
	Total assets, plus/minus:
–	Cash and cash equivalents
–	Financial investments
–	Assets classified as held for sale
–	Total current liabilities
+	Short-term financial debt and current maturities of long-term financial debt
+	Liabilities classified as held for sale
=	**Capital employed ②**
	RoCE ①/②

Selected supplementary performance indicators

The principal performance indicators are supplemented by the following additional performance indicators.

Growth and profitability performance indicators

In order to analyze operating profitability in detail, the result and cost block components of the Segment Result are considered. These are gross profit, research and development expenses, and selling, general and administrative expenses, as well as their relation to revenue.

These indicators are analyzed both at Group level and at segment level (for changes in these indicators for the Group in the 2025 fiscal year, see the chapter “Review of results of operations”, p. 51 ff.).

Liquidity performance indicators

A rolling cash flow forecast helps ensure that Infineon has appropriate levels of liquidity at its disposal and an optimal capital structure. Liquidity is managed only at Group level, and not at segment level, using the following performance indicators:

- Gross cash position: Cash and cash equivalents plus financial investments
- Net cash position: Gross cash position less short-term and long-term financial debt
- Investments: The total amount invested in property, plant and equipment and in other intangible assets, including capitalized development costs

For an analysis of changes in these performance indicators during the 2025 fiscal year, see the chapter “Review of liquidity”, p. 58 ff.

Non-financial performance indicators

Non-financial performance indicators at Infineon include CO_2 emissions and indicators relating to diversity.

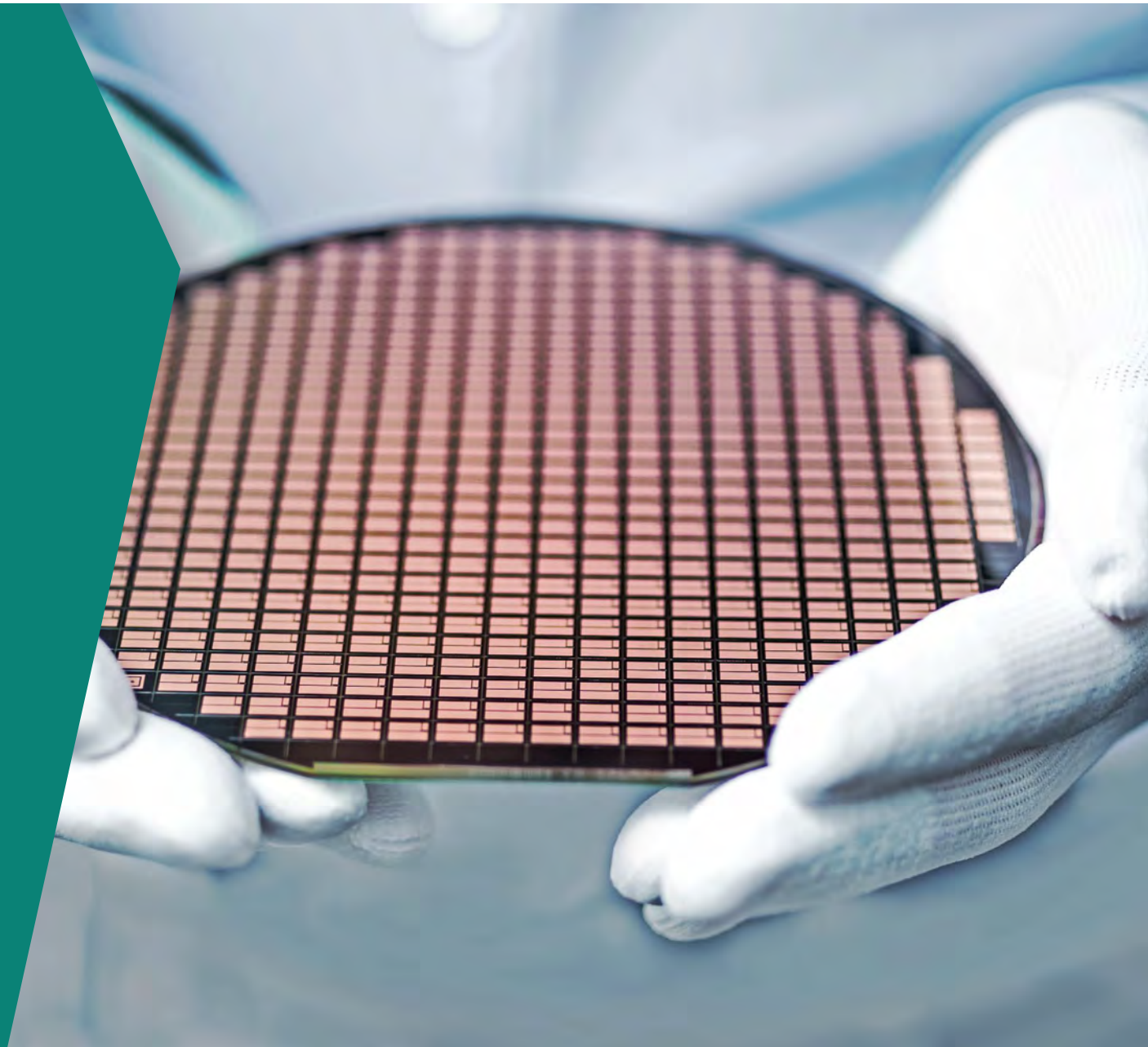
At the 2020 Annual General Meeting, Infineon announced that it wanted to become carbon-neutral by the end of the 2030 fiscal year.

The degree of target achievement for these non-financial performance indicators is reflected in the remuneration of the Management Board (see the chapter “Remuneration Report”, p. 90).

Actual and target values for performance indicators

The chapter “Outlook”, p. 65, contains a table comparing the actual values achieved in the 2025 fiscal year for principal and selected supplementary performance indicators with the values forecasted and the expectations for the 2026 fiscal year.

Review of the semiconductor industry



The global economy in the 2024 and 2025 calendar years

The global economy grew by 2.8 percent in the 2024 calendar year (R01), which was 0.1 percentage point less than the previous year. Despite declining inflation rates and the prospect of lower interest rates, consumer confidence remained subdued. Consequently, economic growth was only moderate.

For the 2025 calendar year, experts at the International Monetary Fund (IMF) are forecasting global economic growth of 2.6 percent (R01). The slightly weaker performance anticipated compared to the previous year is likely attributable to increased uncertainty, particularly regarding trade policy. At times, an even sharper decline in growth was expected, especially in the spring when the financial markets were highly volatile. Geopolitical risks currently also remain exceptionally high.

The growth figures relate to market size, translated into U.S. dollars at market exchange rates.

The semiconductor market in the 2025 fiscal year

In the 2025 fiscal year, global semiconductor revenue reached a volume of €657 billion. Compared to a value of €556 billion for the 2024 fiscal year, this amounts to an increase of 18 percent; in U.S. dollar terms, the increase was 20 percent (R02). This growth was primarily driven by sharply higher demand for AI data centers, which in turn led to strong demand for AI processors, memories, and logic ICs in the area of connectivity.

Revenue in the Infineon reference market (redefined in the 2025 fiscal year) as the semiconductor market excluding DRAM and NAND flash memory chips, microprocessors, graphics processors, and optoelectronics, rose 8 percent to €297 billion in the 2025 fiscal year, up from €275 billion in the 2024 fiscal year. In U.S. dollar terms, the increase was 10 percent (R02). Vastly different growth rates were seen across market segments. For example, revenue in communications logic ICs increased by 28 percent in the 2025 fiscal year, while growth in analog ICs was far less dynamic at 5 percent. Demand for discrete semiconductors even declined, falling by 5 percent.

Market position

In the 2024 calendar year, Infineon ranked 11th in the global semiconductor market with a market share of 2.4 percent. In the Infineon reference market, Infineon reached fourth place globally in the 2024 calendar year, with a market share of 5.3 percent. Infineon was thereby the top-ranked European semiconductor manufacturer in the 2024 calendar year, in both the overall semiconductor market and the Infineon reference market (R03). Data for the 2025 calendar year was not yet available at the time of preparing this report.

2025 fiscal year

Group performance

Infineon met expectations in the 2025 fiscal year despite challenging macroeconomic and geopolitical environments. The results underscore the resilience of the business model.

The successfully completed 2025 fiscal year coincided with a prolonged downturn across most of our target markets. End customers and distribution partners sharply reduced their inventories to meet their targets. Geopolitical instability and tariff-related disruptions caused them to be cautious about demand, which led to just-in-time ordering patterns. In this environment, as anticipated, Infineon recorded a slight downturn in revenue. Margins remained at a resilient level, supported by first meaningful benefits from the structural improvement program "Step Up", coming in ahead of the anticipated timeline.

Details on segment performance are provided in the following chapter, "Segment performance", p. 46 ff.

Decline in Group revenue of 2 percent

In the 2025 fiscal year, Infineon generated Group revenue of €14,662 million. This represents a decline of 2 percent compared with the previous year's figure of €14,955 million. Positive volume effects were offset by sales price reductions of approximately the same magnitude. Negative currency effects were also recorded in the reporting period.

Segment Result Margin of 17.5 percent

Infineon's Segment Result declined by 18 percent, from €3,105 million to €2,560 million in the 2025 fiscal year. In viewing the result, several partially counteractive effects are to be taken into account.

Higher sales volumes and the measures initiated in the previous year as part of the "Step Up" structural improvement program had a positive impact on the Segment Result.

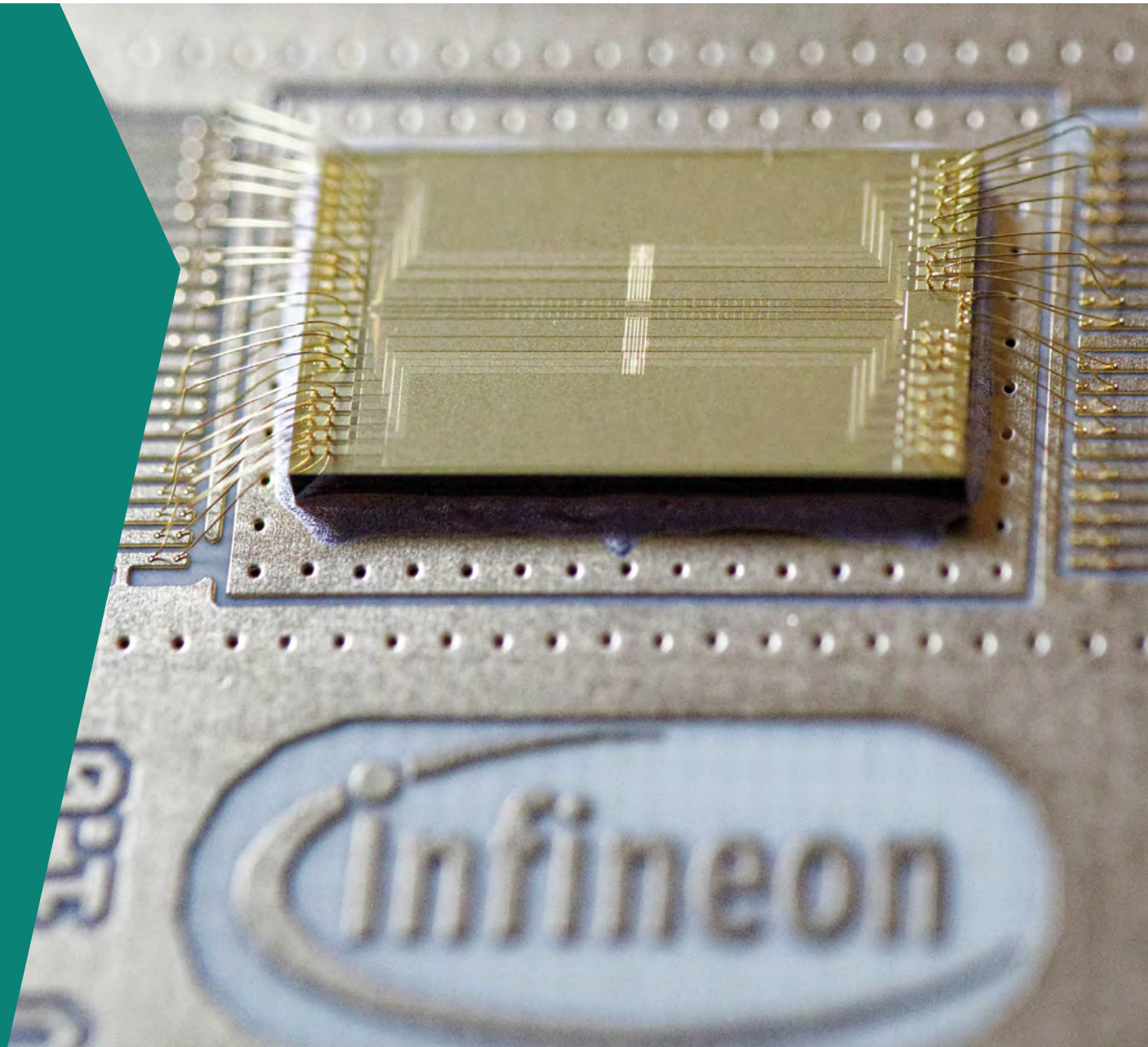
Offsetting the positive effects were, above all, sales price reductions and negative currency effects. Compared to the previous year, higher underutilization costs and lower grants and subsidies recognized in profit or loss also negatively affected the Segment Result.

The Segment Result Margin, at 17.5 percent, was below the previous year's level of 20.8 percent.

Details on Infineon's other principal performance indicators – RoCE, Free Cash Flow, and adjusted Free Cash Flow – and other performance indicators can be found in the chapters "Review of results of operations", p. 51 ff., "Review of financial condition", p. 55 ff., and "Review of liquidity", p. 58 ff.

ATV GIP PSS CSS

Segment performance



ATV

Review of the Automotive segment in the 2025 fiscal year

In the Automotive segment, Infineon generated revenue of €7,402 million in the 2025 fiscal year. This represents a decline of 4 percent compared with the previous year's revenue of €7,716 million, see C04. The Automotive segment accounted for 50 percent of Infineon's total Group revenue. The 2025 fiscal year was challenging, marked by ongoing geopolitical conflicts and volatile trade policies. Uncertainties surrounding the current tariff regulations led many of our customers to adopt more cautious production plans. The 2025 fiscal year was also impacted by substantial inventory reductions at many key customers and by negative currency effects.

The performance of e-mobility in some regions was held back by uncertainty regarding regulatory developments. Despite this challenging environment, Infineon achieved growth in certain product groups, particularly outside the North American region. Our PROFET™ family of intelligent power switches and microcontroller families were key contributors to this performance. Software-defined vehicle architecture is one of the key themes in the automotive industry, for both passenger cars and commercial vehicles. Software is becoming the heart of the vehicle. Above all else, this delivers greater flexibility. New driving features for assisted and automated driving and enhanced safety functions can be delivered directly to the vehicle. Errors can be resolved without a visit to the repair shop. To support the operation of these vehicles, Infineon's product portfolio addresses the four relevant core areas: computing performance, connectivity, data security, and energy distribution. The acquisition of the Automotive Ethernet business from U.S.-based Marvell Technology enables us to offer a comprehensive portfolio, perfectly complementing our AURIX™ microcontroller family with high-performance communication solutions.

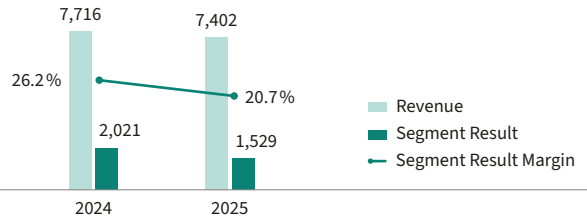
The shift made by many manufacturers to new vehicle architectures, expanded driver assistance systems, and vehicle electrification drove ensured strong demand for our AURIX™, TRAVEO™, and PSoC™ microcontroller families. Our AURIX™ family was specifically designed for embedded control systems featuring the highest safety standards. This is why it is not only used in driver assistance systems but also in engine control, safety systems, and high-speed on-board networks. The critical features include real-time capability, high computing performance, and low power consumption. Our TRAVEO™ family is benefiting from the trend toward digital instrument and display systems.

Infineon is also benefiting from the fact that the areas of electromobility, software-defined vehicle architectures, and mobility services demand more powerful software. Updating this software must be possible throughout the vehicle's lifecycle. This flexibility, coupled with the higher safety requirements for assisted and automated driving, necessitates a new architecture for on-board networks for data transmission and energy distribution. Specifically for the latter, specialized, safety-certified semiconductor solutions are being used to replace the traditional fuses and relays. To meet this need, Infineon's PROFET™ family offers a broad portfolio of intelligent power switches that enable decentralized and configurable energy distribution and, at the same time, meet the highest safety standards.

The Segment Result for the Automotive segment in the 2025 fiscal year totaled €1,529 million, amounting to a decline of 24 percent compared with the previous year's Segment Result of €2,021 million. Relative to revenue, the Segment Result Margin was 20.7 percent (previous year: 26.2 percent), see C04. The decline in the Segment Result Margin was primarily due to higher underutilization costs and price adjustments.

C04 Revenue and Segment Result of the Automotive segment[1]

€ in millions



1 Figures for the previous year have been adjusted (for details, see note 29 to the Consolidated Financial Statements).

GIP

Review of the Green Industrial Power segment in the 2025 fiscal year

In the Green Industrial Power segment, Infineon generated revenue of €1,631 million in the 2025 fiscal year, down from €1,934 million the previous year, see C05. The 16 percent revenue decline was driven by lower volumes and declining prices amid a difficult market environment. The segment accounted for 11 percent of Group revenue.

Generating, transmitting, and storing clean energy is a critical prerequisite for achieving global CO_2 emissions targets. With its strong market position in power infrastructure, Infineon is positioned to benefit from this megatrend. For many of the world's regions, solar and wind energy have become the most cost-effective sources of power generation. As a result, capacity is being continuously expanded, often through large-scale installations. Consequently, energy grids and storage infrastructure must also be modernized and expanded.

Due to continuing customer inventory corrections during the 2025 fiscal year – particularly in the photovoltaic sector – revenue in the renewable energy sector in this previous fiscal year declined overall.

Revenue from network infrastructure remained stable compared to the previous year. Following a weaker first half-year, revenue rose significantly as the year progressed. Products for electric vehicle charging stations and power grid applications, in particular, generated significantly higher revenue in the second half of the fiscal year than in the first. The area of energy storage recorded steady revenue growth throughout the entire fiscal year.

The area of electromobility for buses, trucks, and agricultural vehicles experienced revenue declines in the previous fiscal year, while revenue from products for high-speed trains increased.

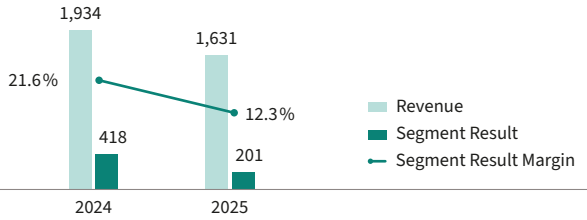
Demand for power semiconductors in automation and electric drives remained weak in the 2025 fiscal year, posting a further year-on-year revenue decline. The key factors responsible were high customer inventory levels and a globally weak economic environment, which discouraged investment in additional production capacity.

Demand also declined in the 2025 fiscal year in the home appliances and air conditioning sectors. Revenue from industrial air conditioning systems stabilized at a low level in the second half of the fiscal year.

The Segment Result reached €201 million in the 2025 fiscal year, representing a 52 percent decrease compared to €418 million in the previous year. The Segment Result Margin fell from 21.6 percent in the previous year to 12.3 percent. This decline was mainly driven by lower volumes and a related rise in underutilization costs, negative pricing effects, and the weaker performance of the U.S. dollar.

C05 Revenue and Segment Result of the Green Industrial Power segment

€ in millions



PSS

Review of the Power & Sensor Systems segment in the 2025 fiscal year

In the Power & Sensor Systems segment, Infineon generated revenue of €4,208 million in the 2025 fiscal year. The increase compared to the previous year's revenue of €3,795 million amounted to 11 percent, see C06. The segment contributed 29 percent to Group revenue.

The 2025 fiscal year saw a modest general market recovery. Demand related to artificial intelligence applications was strong and served as a clear growth driver. The traditional data center and smartphone end markets also developed positively year-over-year. Consumer-related business areas remained stable, while industrial applications in the Power & Sensor Systems segment declined.

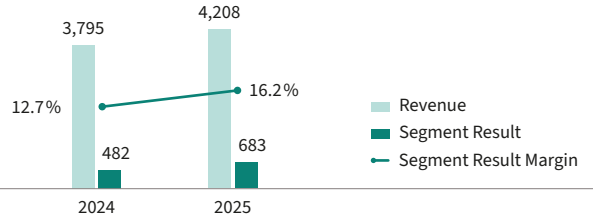
Data centers recorded another increase in revenue in the 2025 fiscal year. The strongest revenue driver was power supply components for servers used in artificial intelligence. Revenue in this area nearly tripled in the 2025 fiscal year, from around €250 million in the 2024 fiscal year to over €700 million in the 2025 fiscal year. The increase in demand is expected to keep momentum in the years ahead, as cloud service providers continue to invest heavily in artificial intelligence. In the telecommunications sector, demand remained stable overall.

Business with components for smartphones and other mobile devices picked up during the previous fiscal year, resulting in higher revenue. The MEMS (micro-electro-mechanical system) microphones business was a key contributor to this performance. Other areas of consumer electronics, including electronic devices of all types, such as PCs, laptops, notebooks, gaming consoles, and televisions, showed some initial signs of recovery in the 2025 fiscal year, albeit starting from a low base.

The improvement in the Segment Result and Segment Result Margin was largely driven by the rise in revenue. The Segment Result reached €683 million in the 2025 fiscal year, compared to €482 million in the 2024 fiscal year, amounting to a 42 percent increase. The Segment Result Margin was 16.2 percent compared to 12.7 percent in the previous year, see C06.

C06 Revenue and Segment Result of the Power & Sensor Systems segment[1]

€ in millions



1 Figures for the previous year have been adjusted (for details, see note 29 to the Consolidated Financial Statements).

CSS

Review of the Connected Secure Systems segment in the 2025 fiscal year

In the Connected Secure Systems segment, Infineon generated revenue of €1,418 million in the 2025 fiscal year. This represents a decline of 6 percent compared with the previous year's revenue of €1,506 million. The segment accounted for 10 percent of Group revenue.

The revenue decline was attributable to several factors. Continued high customer inventory levels and a generally subdued macroeconomic environment dampened demand.

The demand for connectivity solutions and microcontrollers fell due to a further deteriorating economic climate and restrained consumer spending. Despite this, the digitalization of applications and the integration of AI functionality in the context of IoT remain one of our long-term growth areas. This growth is being driven by the increasing penetration of end devices, particularly in industrial, consumer, and automotive applications.

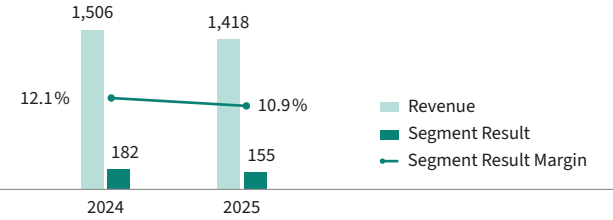
The trend toward contactless and cashless payment continues. Market growth however continues to be held back by high inventory levels throughout the value chain. Embedded SIM (eSIM) solutions for automotive and industrial applications took a different turn, recording strong revenue growth compared to the previous year. Over the long term, the continued adoption of eSIM technology – especially in consumer applications – presents significant growth opportunities.

Global travel activity remained high during the previous fiscal year. In addition, key identification document projects and an improved product mix contributed to stable revenue in this area. Amid the AI boom, increasing security demands in data centers led to robust demand for our embedded security solutions.

Due to the weak revenue performance, both the Segment Result and Segment Result Margin came under pressure. The Segment Result in the 2025 fiscal year totaled €155 million, amounting to a decline of 15 percent compared with the previous year's Segment Result of €182 million. The Segment Result Margin in the reporting year equaled 10.9 percent (previous year: 12.1 percent), see C07.

C07 Revenue and Segment Result of the Connected Secure Systems segment

€ in millions



Review of results of operations

€ in millions, except earnings per share	2025	2024	Change absolute	Change in %
Revenue	14,662	14,955	(293)	(2)
Cost of goods sold[1]	(8,909)	(8,710)	(199)	2
Gross profit	**5,753**	**6,245**	**(492)**	**(8)**
Research and development expenses[1]	(2,227)	(2,161)	(66)	3
Selling, general and administrative expenses	(1,582)	(1,554)	(28)	2
Other operating income and expenses, net	(429)	(340)	(89)	26
Operating profit (loss)	**1,515**	**2,190**	**(675)**	**(31)**
Financial result (financial income and expenses, net)	(150)	(43)	(107)	---
Share of profit (loss) of associates and joint ventures accounted for using the equity method	10	11	(1)	(9)
Income tax	(370)	(378)	8	(2)
Profit (loss) from continuing operations	**1,005**	**1,780**	**(775)**	**(44)**
Profit (loss) from discontinued operations, net of income taxes	10	(479)	489	+++
Profit (loss) for the period	**1,015**	**1,301**	**(286)**	**(22)**
Basic earnings per share (in euro)	0.77	0.98	(0.21)	(21)
Diluted earnings per share (in euro)	0.76	0.97	(0.21)	(22)
Adjusted earnings per share (in euro) from continuing operations – diluted	1.39	1.87	(0.48)	(26)

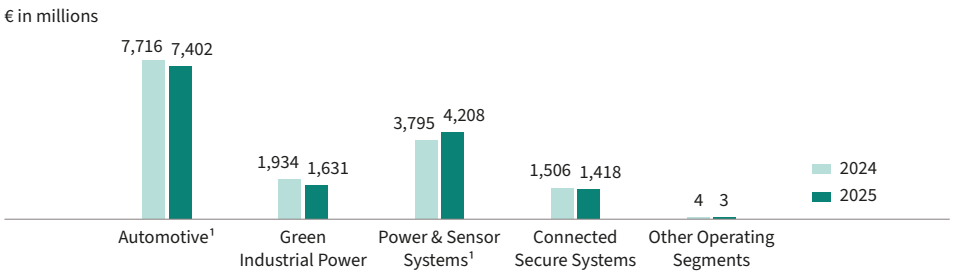
1 Figures for the previous year have been adjusted (for details see note 1 to the Consolidated Financial Statements, p. 98 f.).

Higher volumes outweighed by sales price reductions and negative currency effects

Revenue in the 2025 fiscal year amounted to €14,662 million (previous year: €14,955 million). Positive volume effects were offset by sales price reductions of approximately the same magnitude. Negative currency effects were also recorded in the reporting period. A considerable portion of the 2025 fiscal year's revenue was generated in foreign currencies, primarily in U.S. dollars. The average euro/U.S. dollar exchange rate for the year changed from approximately 1.09 in the previous year to 1.11 in the 2025 fiscal year.

Revenue by segment is presented below.

C08 Revenue by segment



1 Figures for the previous year have been adjusted (for details, see note 29 to the Consolidated Financial Statements).

Details on the performance of the segments can be found in the chapter "Segment performance", p. 46 ff.

Regional distribution of revenue

The regional distribution of revenue is shown in the table below:

€ in millions, except percentages	2025		2024	
Europe, Middle East, Africa	3,486	24%	3,865	26%
therein: Germany	1,437	10%	1,617	11%
Asia-Pacific (excluding Japan, Greater China)	2,449	17%	2,461	17%
Greater China[1]	5,579	38%	5,130	34%
therein: Mainland China, Hong Kong	4,212	29%	4,058	27%
Japan	1,314	9%	1,507	10%
Americas	1,834	12%	1,992	13%
therein: USA	1,506	10%	1,627	11%
Total	**14,662**	**100%**	**14,955**	**100%**

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

Cost of goods sold increases at a lower rate than price-adjusted revenue

€ in millions, except percentages	2025	2024	Change absolute	Change in %
Cost of goods sold[1]	8,909	8,710	199	2
As percentage of revenue	60.8%	58.2%	260 bp	
Gross profit	5,753	6,245	(492)	(8)
Gross margin	39.2%	41.8%	(260) bp	

1 Figures for the previous year have been adjusted (for details see note 1 to the Consolidated Financial Statements, p. 98 f.).

Cost of goods sold in the reporting period amounted to €8,909 million, exceeding the level of the previous year (€8,710 million). Excluding the negative price effects in revenue, the increase in cost of goods sold was lower than the volume-driven increase in revenue. This was mainly attributable to measures initiated in the previous year under the “Step Up” structural improvement program and positive currency effects.

Cost of goods sold also contained positive effects from inventory management combined with higher sales volumes. These positive effects however were offset by the increase in underutilization costs.

Acquisition-related expenses of €267 million (previous year: €261 million) were also recognized in cost of goods sold. These expenses were primarily in connection with the acquisition of Cypress and comprise amortization of fair value adjustments totaling €262 million (previous year: €255 million) identified in the course of purchase price allocations, as well as other acquisition-related expenses.

Gross profit (revenue less cost of goods sold) in the reporting period amounted to €5,753 million, which was 8 percent below the previous year’s figure of €6,245 million. The gross margin declined accordingly from 41.8 percent in the 2024 fiscal year to 39.2 percent in the 2025 fiscal year.

Operating expenses above previous year’s level

Operating expenses (research and development expenses, and selling, general and administrative expenses) in the 2025 fiscal year amounted to €3,809 million and were slightly higher than the previous year’s level of €3,715 million. They accounted for 26.0 percent of revenue (previous year: 24.8 percent).

Research and development expenses

€ in millions, except percentages	2025	2024	Change absolute	Change in %
Research and development expenses, gross[1]	2,657	2,625	32	1
Minus:				
Grants received	(179)	(215)	36	(17)
Capitalized development costs	(251)	(249)	(2)	1
Research and development expenses	2,227	2,161	66	3
As percentage of revenue	15.2%	14.5%	70 bp	

1 Figures for the previous year have been adjusted (for details see note 1 to the Consolidated Financial Statements, p. 98 f.).

Research and development expenses totaled €2,227 million in the 2025 fiscal year, rising 3 percent compared to €2,161 million in the previous year. Infineon continued to consistently advance its research and development efforts, resulting in an increase the number of employees engaged in this field. As of 30 September 2025, a total of 13,998 employees were working in research and development (30 September 2024: 13,253), representing an increase of 6 percent. Among other factors, this rise was due to the acquisition of Marvell's Automotive Ethernet business, which brought additional research and development personnel. In addition, the subsidies and grants received during the reporting period were lower than in the previous year. Countering this rise were the measures initiated in the previous year under the „Step Up" structural improvement program.

Expressed as a percentage of revenue, research and development expenses amounted to 15.2 percent in the 2025 fiscal year, exceeding the level of 14.5 percent in the previous year.

Selling, general and administrative expenses

			Change	
€ in millions, except percentages	2025	2024	absolute	in %
Selling, general and administrative expenses	1,582	1,554	28	2
As percentage of revenue	10.8%	10.4%	40 bp	

Selling, general and administrative expenses amounted to €1,582 million in the 2025 fiscal year, exceeding the previous year's figure. The percentage increase in selling expenses and general and administrative expenses was below that of price-adjusted revenue. Once again, the measures initiated in the previous year under the "Step Up" structural improvement program had a positive effect.

Earnings effects from purchase price allocations and acquisition-related expenses recognized under selling, general and administrative expenses totaled €132 million in the reporting period (previous year: €142 million).

Selling, general and administrative expenses as a percentage of revenue equaled 10.8 percent in the 2025 fiscal year, remaining roughly at the previous year's level (10.4 percent).

Net amount of other operating income and expenses affected by special items

The net amount of other operating income and expenses in the 2025 fiscal year was a net expense of €429 million, compared with a net expense of €340 million in the 2024 fiscal year (an increase in the net expense of €89 million). This includes impairment losses on other intangible assets and property, plant and equipment, which totaled €270 million in the 2025 fiscal year (previous year: €84 million). Of this amount, €149 million related to impairment losses associated with the sale of the 200-millimeter production facility in Austin (Texas, USA) to SkyWater Technology, Inc. ("SkyWater"). See note 7 to the Consolidated Financial Statements, p. 120.

The net expense of €429 million also includes restructuring and closure expenses of €139 million (previous year: €232 million) that primarily relate to the "Step Up" structural improvement program.

Financial result declines due to higher interest expenses

The financial result was a net financial loss of €150 million in the 2025 fiscal year (previous year: net financial loss of €43 million). The decline was mainly driven by higher interest expenses resulting from increased financial debt.

For further details on the composition of the financial result and of financial debt, see notes 4, p. 115 and 16, p. 130 f., to the Consolidated Financial Statements.

Effective tax rate of 26.9 percent

The income tax expense in the 2025 fiscal year was €370 million (previous year: €378 million). Based on the profit before income taxes of €1,375 million (previous year: €2,158 million), the tax rate for the reporting period was 26.9 percent (previous year: 17.5 percent).

The significant increase in the tax rate was partly due to valuation effects relating to deferred taxes. For further details on the income tax expense, see note 6 to the Consolidated Financial Statements, p. 117 ff.

Result from discontinued operations

The result from discontinued operations less the income tax expense improved by €489 million in the reporting period to €10 million (previous year: net loss of €479 million). The previous year was affected by the conclusion of the legal dispute concerning the Qimonda insolvency through a court-approved settlement (see also note 7 to the Consolidated Financial Statements, p. 121).

Decrease in profit for the period and earnings per share

After deducting income taxes and adjusting for the profit/loss from discontinued operations, Infineon recorded a profit for the period of €1,015 million in the 2025 fiscal year (previous year: €1,301 million).

The lower profit for the period resulted in a corresponding decrease in earnings per share.

Basic earnings per share amounted to €0.77 (previous year: €0.98) and diluted earnings per share €0.76 (previous year: €0.97) in the reporting period.

The earnings per share calculation under IFRS® Accounting Standards is provided in note 8 to the Consolidated Financial Statements, p. 121.

Decrease in adjusted earnings per share

Earnings per share in accordance with IFRS Accounting Standards are affected by purchase price allocation effects from acquisitions (particularly Cypress) as well as other special items (notably those related to the „Step Up“ structural improvement program). To improve comparability of operating performance over time, Infineon calculates adjusted earnings per share (diluted). Adjusted profit (loss) for the period and adjusted earnings per share (diluted) are not substitutes for, or superior to, IFRS-based profit (loss) for the period or earnings per share (diluted) but should be regarded solely as supplementary information.

Adjusted earnings per share (diluted) declined from €1.87 in the 2024 fiscal year to €1.39 per share and is calculated as follows:

€ in millions (unless otherwise stated)	2025	2024	Change absolute	Change in %
Profit (loss) from continuing operations – diluted	**1,005**	**1,780**	**(775)**	**(44)**
Compensation of hybrid capital investors [1]	(18)	(29)	11	(38)
Profit (loss) from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**987**	**1,751**	**(764)**	**(44)**
Plus/minus:				
Certain impairments (reversal of impairments)	249	103	146	+++
Losses (gains) on earnings of restructuring and closures	141	237	(96)	(41)
Share-based payment	188	130	58	45
Acquisition-related depreciation/ amortization and other expenses	408	411	(3)	(1)
Losses (gains) on sales of businesses or interests in subsidiaries	(6)	5	(11)	---
Other income and expenses	65	29	36	+++
Acquisition-related expenses within financial result	9	–	9	+++
Tax effect on adjustments	(222)	(226)	4	(2)
Adjusted profit (loss) for the period from continuing operations attributable to shareholders of Infineon Technologies AG – diluted	**1,819**	**2,440**	**(621)**	**(25)**
Weighted-average number of shares outstanding (in millions) – diluted	1,307	1,305	2	–
Adjusted earnings per share (in euro) from continuing operations – diluted [2]	**1.39**	**1.87**	**(0.48)**	**(26)**

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

Review of financial condition

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
ASSETS				
Cash and cash equivalents and financial investments	2,102	2,201	(99)	(4)
Trade receivables	2,249	2,250	(1)	–
Inventories	4,141	3,990	151	4
Property, plant and equipment	8,142	8,002	140	2
Goodwill	7,849	6,797	1,052	15
Other intangible assets	3,274	2,820	454	16
Remaining current and non-current assets	2,713	2,579	134	5
Total assets	**30,470**	**28,639**	**1,831**	**6**
LIABILITIES AND EQUITY				
Trade payables	2,011	1,990	21	1
Financial debt	6,829	4,811	2,018	42
Pensions and similar commitments	212	303	(91)	(30)
Remaining current and non-current liabilities and provisions	4,367	4,316	51	1
Equity	17,051	17,219	(168)	(1)
Total liabilities and equity	**30,470**	**28,639**	**1,831**	**6**

Inventory levels increase year-on-year

As of 30 September 2025, inventories totaled €4,141 million, an increase of €151 million compared to their level on 30 September 2024 (€3,990 million). Inventory levels rose at the beginning of the reporting period, mainly due to customer inventory adjustments, but later declined, especially in the fourth quarter.

Expansion in frontend manufacturing leads to increase in property, plant and equipment

Property, plant and equipment increased by €140 million to €8,142 million as of 30 September 2025. Additions of €1,742 million were set against depreciation of €1,283 million. The focus of investments in the 2025 fiscal year continued to be the expansion of the Smart Power Fab in Dresden (Germany), the ramp-up of volume production for SiC at the Kulim site (Malaysia), and strengthening frontend manufacturing in Villach (Austria). Impairment losses of €120 million related primarily to advance payments and to equipment and machinery as part of the restructuring of the production process and portfolio under the „Step Up“ structural improvement program (see also note 4 to the Consolidated Financial Statements, p. 114). Other factors affecting the figure for property, plant and equipment were negative currency effects as well as disposals and divestments (see note 7 to the Consolidated Financial Statements, p. 120 f.).

Acquisition of Automotive Ethernet business leads to increase in goodwill

Goodwill increased by €1,052 million to €7,849 million as of 30 September 2025. The increase was primarily the result of the acquisition of Marvell’s Automotive Ethernet business. As part of the purchase price allocation, goodwill of €1,364 million (originally denominated in U.S. dollars) was recognized as of the acquisition date. Negative currency effects, mainly attributable to the weaker U.S. dollar compared to 30 September 2024, reduced goodwill by €312 million. More information about the acquisition can be found in note 14 to the Consolidated Financial Statements, p. 126 ff.

Acquisition-related increase in other intangible assets

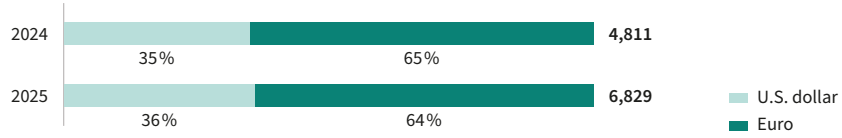
Other intangible assets increased by €454 million to €3,274 million as of 30 September 2025. Additions during the reporting period totaled €1,067 million. The main components of this figure were an amount of €773 million attributable to the acquisition of Marvell’s Automotive Ethernet business (see note 3 to the Consolidated Financial Statements, p. 112 f.) and capitalized development costs. The impact of additions was offset by amortization of €547 million and negative currency effects of €175 million.

Increase in financial debt due to acquisition financing of Marvell’s Automotive Ethernet business

Financial debt at the end of the reporting period amounted to €6,829 million, significantly higher than the figure at 30 September 2024 of €4,811 million. Contributing to this increase was the full utilization in the 2025 fiscal year of the acquisition financing (€1 billion and US$1 billion) arranged to fund the purchase price for Marvell’s Automotive Ethernet business. A further contributor was the issue of a new corporate bond with a nominal value of €750 million under the EMTN (European Medium Term Notes) program. The scheduled repayment of a €500 million bond and the weaker U.S. dollar compared to 30 September 2024 had an offsetting effect. More information about financial debt can be found in note 16 to the Consolidated Financial Statements, p. 130 f.

C09 Financial debt by currency

€ in millions



Slight decrease in equity

Equity declined by €168 million to €17,051 million as of 30 September 2025. Equity was reduced by the repayment of €600 million for the first tranche of hybrid capital, redeemed in accordance with the terms and conditions on 27 January 2025, as well as the distribution of the cash dividend for the 2024 fiscal year of €455 million. Currency effects of €366 million recognized in other comprehensive income also had the effect of reducing equity. The profit for the period of €1,015 million in the 2025 fiscal year, on the other hand, had a positive effect on equity (see also the Consolidated Statement of Changes in Equity, p. 96 f., and note 20 to the Consolidated Financial Statements, p. 138 ff.).

As of 30 September 2025, the equity ratio was 56.0 percent based on total assets of €30,470 million (30 September 2024: 60.1 percent).

Significant decrease in RoCE

In the 2025 fiscal year, profit from continuing operations without interest result decreased by €688 million to €1,166 million (previous year: €1,854 million). This decline was primarily due to sales price reductions and an increase in underutilization costs (see chapter "Review of results of operations", p. 51 ff.). Capital employed, in contrast, rose by €1,810 million to €23,602 million as of 30 September 2025, primarily due to the acquisition of Marvell's Automotive Ethernet business.

As a result, Return on Capital Employed (RoCE) decreased from 8.5 percent in the previous year to 4.9 percent in the reporting period.

RoCE for the 2025 and 2024 fiscal years was calculated as follows:

			Change	
€ in millions, except percentages	2025	2024	absolute	in %
Profit (loss) from continuing operations, adjusted for:	**1,005**	**1,780**	**(775)**	**(44)**
Interest result	(161)	(74)	(87)	---
Profit (loss) from continuing operations without interest result ①	**1,166**	**1,854**	**(688)**	**(37)**
Total assets	**30,470**	**28,639**	**1,831**	**6**
Plus/minus:				
Cash and cash equivalents	(1,356)	(1,806)	450	(25)
Financial investments	(746)	(395)	(351)	89
Assets classified as held for sale	(45)	–	(45)	---
Total current liabilities	(5,784)	(5,146)	(638)	12
Short-term financial debt and current maturities of long-term financial debt	1,047	500	547	+++
Liabilities classified as held for sale	16	–	16	+++
Capital employed ②	**23,602**	**21,792**	**1,810**	**8**
RoCE ①/②	**4.9%**	**8.5%**	**(360) bp**	

Review of liquidity

Cash flows

€ in millions	2025	2024	Change absolute	Change in %
Cash flows from operating activities from continuing operations	3,178	3,541	(363)	(10)
Cash flows from investing activities	(4,574)	(2,167)	(2,407)	---
Cash flows from financing activities	920	(615)	1,535	+++
Cash flows from operating activities from discontinued operations	39	(761)	800	+++
Cash-relevant change in cash and cash equivalents	**(437)**	**(2)**	**(435)**	---
Currency effects on cash and cash equivalents	(7)	(12)	5	(42)
Change in cash and cash equivalents	**(444)**	**(14)**	**(430)**	---

Cash flows from operating activities from continuing operations (referred to in the following as "operating cash flow") decreased by €363 million to €3,178 million. This decline was driven by several, partly counteracting effects:

Operating cash flow in the previous year was positively influenced by high customer prepayments ("deposits"), which declined significantly in the reporting period. In addition, operating cash flow in the 2025 fiscal year was negatively impacted by cash outflows under the "Step Up" structural improvement program, although this could be partially offset by a continued improvement in the management of working capital. A compensation payment from a customer in the mid-double-digit million euro range also had a positive impact on operating cash flow.

Cash outflows from investing activities in the 2025 fiscal year increased by €2,407 million to €4,574 million. This increase resulted primarily from the purchase price payment of €2,180 million for the acquisition of Marvell's Automotive Ethernet business (see note 3 to the Consolidated Financial Statements, p. 112 f.).

Payments for property, plant and equipment and other intangible assets amounted to €2,094 million during the reporting period (previous year: €2,719 million). These figures include higher year-on-year cash inflows from subsidies and grants. Further information on investments in the 2025 fiscal year can be found in the chapter "Review of financial condition".

Net cash outflows from the purchase and sale of financial investments totaled €345 million in the 2025 fiscal year (previous year: net cash inflows of €1,351 million).

Cash inflows from financing activities totaled €920 million in the reporting period (previous year: cash outflows of €615 million). The net proceeds were the result of several, in some cases opposing, effects: net cash inflows of €1,505 million (previous year: net cash inflows of €177 million) from the issue and repayment of current and non-current financial debt, and cash outflows due to the dividend payment of €455 million (previous year: €456 million). Cash flows from financing activities also included payments totaling €8 million to repurchase own shares (previous year: €233 million; see note 20 to the Consolidated Financial Statements, p. 138 ff.).

The change in cash flows from operating activities from discontinued operations resulted from the conclusion of the legal dispute concerning the Qimonda insolvency through a court-approved settlement in the previous year (see also note 7 to the Consolidated Financial Statements, p. 121).

Marked decline in Free Cash Flow due to acquisition of Marvell's Automotive Ethernet business; adjusted Free Cash Flow at 12.3 percent of revenue

Infineon reports the Free Cash Flow figure, defined as cash flows from operating activities and cash flows from investing activities, both from continuing operations, after adjusting for cash flows from the purchase and sale of financial investments. Free Cash Flow serves as an additional performance indicator since a portion of Infineon's liquidity is held in the form of financial investments. This does not imply that the Free Cash Flow calculated in this way, can be used for other expenditure, since dividends, debt service obligations, and other fixed payments have not yet been deducted.

Adjusted Free Cash Flow is part of Infineon's strategic objectives (see the chapter "Group strategy", p. 28) and is defined as Free Cash Flow adjusted for cash outflows for large investments in frontend buildings, cash inflows from related investment subsidies, and major M&A transactions (acquisitions and disposals) adjusted for cash acquired or disposed of.

Both figures should not be considered as substitutes or superior performance indicators, but should be seen as additional information along with the cash flow presented in the Consolidated Statement of Cash Flows, other liquidity performance indicators and other performance indicators determined in accordance with IFRS Accounting Standards. Free Cash Flow and adjusted Free Cash Flow are derived from the Consolidated Statement of Cash Flows as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Cash flows from operating activities[1]	3,178	3,541	(363)	(10)
Cash flows from investing activities[1]	(4,574)	(2,167)	(2,407)	–––
Payments for the acquisition of (proceeds from sales of) financial investments, net	345	(1,351)	1,696	+++
Free Cash Flow	**(1,051)**	**23**	**(1,074)**	–––
Plus:				
Cash outflows for investments in large frontend buildings after deduction of cash inflows for related investment subsidies	584	869	(285)	(33)
Cash outflows for major M&A transactions, adjusted for cash acquired or disposed of	2,270	798	1,472	+++
Adjusted Free Cash Flow	**1,803**	1,690	113	7
Percentage of revenue	12.3%	11.3%	100 bp	

1 From continuing operations.

Gross cash position and net cash position

The following table shows the gross and net cash positions. Since Infineon holds some of its liquid funds in the form of financial investments that are not classified as cash and cash equivalents under IFRS Accounting Standards, it reports both the gross and net cash positions to provide investors with a clearer picture of its overall liquidity situation. The gross and net cash positions are derived from the Consolidated Statement of Financial Position as follows:

			Change	
€ in millions	30 September 2025	30 September 2024	absolute	in %
Cash and cash equivalents	1,356	1,806	(450)	(25)
Financial investments	746	395	351	89
Gross cash position	**2,102**	**2,201**	**(99)**	**(4)**
Minus:				
Short-term financial debt and current portion of long-term financial debt	1,047	500	547	+++
Long-term financial debt	5,782	4,311	1,471	34
Gross financial debt	**6,829**	**4,811**	**2,018**	**42**
Net cash position	**(4,727)**	**(2,610)**	**(2,117)**	**81**

With revenue of €14,662 million, the ratio of the gross cash position to revenue was 14.3 percent as of 30 September 2025 (30 September 2024: 14.7 percent).

Considering the available financial resources, including current cash on hand and future available liquidity, as well as currently available credit lines of €5,590 million (previous year: €2,239 million; see note 16 to the Consolidated Financial Statements, p. 130 f.), Infineon estimates it will be able to meet its anticipated capital requirements for the 2026 fiscal year. Of the total available credit lines of €5,590 million, €3,738 million remain undrawn. The anticipated capital requirements include the repayment of maturing financial debt, as well as other financial obligations, such as

those arising from orders already placed for ongoing or planned investment projects in property, plant and equipment (see note 23 to the Consolidated Financial Statements, p. 145). Investments planned for the 2026 fiscal year are described in the chapter "Outlook." Infineon also generally has the option of raising funds under the EMTN program or through other financing instruments to meet its capital requirements.

Infineon is a party to two financing agreements that contain a number of standard covenants. These include a financial covenant (debt coverage ratio) that specifies a defined ratio between an adjusted debt figure and an adjusted earnings figure (see note 21 to the Consolidated Financial Statements, p. 141 f.).

Infineon's treasury principles and structure

Infineon's Group Treasury is guided by the principle of ensuring the Group's financial flexibility based on a solid capital structure. The foremost objective is to maintain adequate liquidity to finance ongoing business operations and to carry out planned investments throughout all phases of the business cycle. We aim for a target level of average annual gross liquidity of at least 10 percent of revenue.

Debt is generally intended to represent only a moderate portion of the financing mix to ensure strategic flexibility at all times. The key objective is to preserve the investment grade rating. In January 2025, S&P Global Ratings reaffirmed Infineon's investment grade rating of "BBB+" with a stable outlook. For more information on the type, and maturity, currency, and interest structure of gross financial debt, see note 16 to the Consolidated Financial Statements, p. 130 f.

These treasury principles define the Group-wide approach to all matters related to liquidity and financing. It encompasses banking policy and strategy, the conclusion of financing agreements, global liquidity and investment management, the management of currency, interest rate, and selected commodity price risks, as well as the processing of both external and intragroup cash flows.

In accordance with our treasury principles, we follow a highly centralized approach. The Group Finance & Treasury department acts as the globally responsible unit for the handling of all major financing and treasury tasks and processes.

Within the scope of centralized liquidity management, Infineon operates cash pool structures, to the extent legally permitted and economically feasible, to ensure the best possible allocation of available liquidity within the Group and reduce external financing needs. Liquidity accumulated within the Group is invested centrally by the Group Finance & Treasury department, based on a conservative investment strategy in which preserving capital is prioritized over maximizing returns. Additional responsibilities of the Group Finance & Treasury department include managing currency and interest rate risks and hedging commodity price risks. For hedging purposes, we employ the following derivative financial instruments in our current operations: forward foreign currency contracts to reduce the impact of exchange rate fluctuations (to the extent foreign currency cash flows are not offset within the Group) and commodity swaps to reduce price risks for expected purchases of gold. Derivative financial instruments are not used for trading or speculation purposes. Further information on derivative financial instruments and the management of financial risk is provided in notes 27, p. 149 ff., and 28 to the Consolidated Financial Statements, p. 157 ff.

In addition, where legally permissible, all global financing activities and credit lines are arranged, structured, and managed, either directly or indirectly, by the central Group Finance & Treasury department according to our treasury principles.

The Treasury Committee, which meets quarterly, serves to review current financial market developments and assess their potential impact on Infineon, as well as to align on key liquidity, hedging, and financing topics. The committee comprises the Chief Financial Officer and representatives from the Finance & Treasury, Accounting, Controlling, and Tax departments.

Infineon on the capital market

Basic information on shares

Share types	Ordinary registered shares in the form of shares or American Depositary Shares (ADS) with a notional value of €2 each (ADS to shares = 1:1)
Share capital	€2,611,842,274 (as of 30 September 2025), €2,611,842,274 (as of 30 September 2024)
Shares issued[1]	1,305,921,137 (as of 30 September 2025), 1,305,921,137 (as of 30 September 2024)
Own shares	3,781,390 (as of 30 September 2025), 6,757,925 (as of 30 September 2024)
ISIN WKN	DE0006231004 623100
Ticker symbol	IFX (share), IFNNY (ADS)
Bloomberg Nasdaq IR Insight	IFX GY (Xetra trading system), IFNNY US IFX-XE, IFNNY-PK
Listings	Shares: Frankfurt Stock Exchange (FSE)
Market capitalization[2]	€43,231 million (based on closing price of €33.20 as of 30 September 2025)
Daily average shares traded on Xetra	4,284,649 (in the 2025 fiscal year)
Trading in the USA	ADS, over-the-counter trading on the OTC market (OTCQX International)
Market capitalization[2]	US$50,888 million (based on closing price of US$39.08 as of 30 September 2025)
Daily average ADS traded	345,165 (in the 2025 fiscal year)
Index membership (selected)	DAX 40 TecDAX EURO STOXX 50 Dow Jones STOXX Europe 600 Dow Jones Euro STOXX TMI Technology Hardware & Equipment Dow Jones Germany Titans 30 MSCI Germany S&P Europe 350 Dow Jones Sustainability World Index

1 The number of shares issued includes own shares.
2 Calculation of market capitalization: ("shares issued" – "own shares") * share price. The calculation is based on unrounded figures.

A full overview of other major indices in which the Infineon share is represented can be found on Infineon's website at www.infineon.com/cms/en/about-infineon/investor/infineon-share/#5

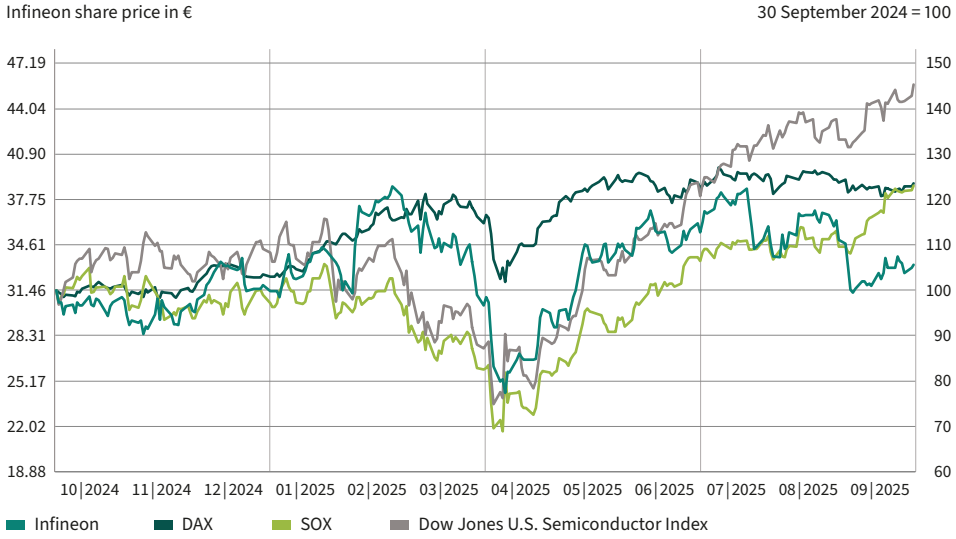
Basic information on bonds and other financing instruments

1.125% Bond from 24 June 2020	€750 million	due on 24 June 2026, ISIN: XS2194283672
3.375% Bond from 26 February 2024	€500 million	due on 26 February 2027, ISIN: XS2767979052
1.625% Bond from 24 June 2020	€750 million	due on 24 June 2029, ISIN: XS2194283839
2.875% Bond from 13 February 2025	€750 million	due on 13 February 2030, ISIN: XS2996771767
2.000% Bond from 24 June 2020	€650 million	due on 24 June 2032, ISIN: XS2194192527
3.625% Hybrid Bond from 1 October 2019	€600 million	first call date 1 January 2028, ISIN: XS2056730679
U.S. Private Placement from 5 April 2016	US$350 million	due on 5 April 2026
U.S. Private Placement from 5 April 2016	US$235 million	due on 5 April 2028
U.S. Private Placement from 16 June 2021	US$350 million	due on 16 June 2027
U.S. Private Placement from 16 June 2021	US$350 million	due on 16 June 2029
U.S. Private Placement from 16 June 2021	US$350 million	due on 16 June 2031
U.S. Private Placement from 16 June 2021	US$250 million	due on 16 June 2033
Rating of S&P Global Ratings		since 13 February 2024: "BBB+", Outlook: "stable"

Share price performance

Infineon shares ended the 2025 fiscal year at a closing price of €33.20. This amounted to a 6 percent increase over the closing price of €31.46 at the end of the 2024 fiscal year.

C10 Development of the Infineon share compared to Germany's DAX Index, the Philadelphia Semiconductor Index (SOX) and the Dow Jones U.S. Semiconductor Index for the 2025 fiscal year (daily closing prices)

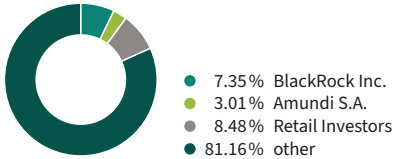


At the beginning of the fiscal year, Infineon shares initially rose, reaching their year high of €38.66 at the end of February. Following the announcement of new tariffs in the United States, stock markets experienced sharp declines. In early April, Infineon shares recorded their fiscal year low of €24.35. Equity markets then experienced a recovery, and Infineon shares were able to close the fiscal year at €33.20. Infineon shares underperformed the benchmark indices for the fiscal year. Over the course of the year, the DAX index was less volatile than Infineon shares, ending the fiscal year with a price increase of 24 percent. As of early April, the recovery of the U.S. benchmark indices was also more pronounced than that of Infineon shares: the Philadelphia Semiconductor Index (SOX) rose by 23 percent overall, and the Dow Jones U.S. Semiconductor Index ended the fiscal year 45 percent higher than at the start of the year. The significant gains in these U.S. indices were largely driven by companies whose core business activities involve artificial intelligence. Based on a closing price of €33.20, Infineon's market capitalization as of 30 September 2025 stood at €43,231 million, compared to €40,872 million at the end of the 2024 fiscal year.

Shareholder structure

As of 30 September 2025, BlackRock Inc. held more than 5 percent of Infineon's issued shares, and Amundi S.A. held more than 3 percent. Retail investors at the end of the 2025 fiscal year held 8.48 percent of the shares issued, down from 9.03 percent at the end of the 2024 fiscal year.

C11 Shareholder structure as of the end of the 2025 fiscal year

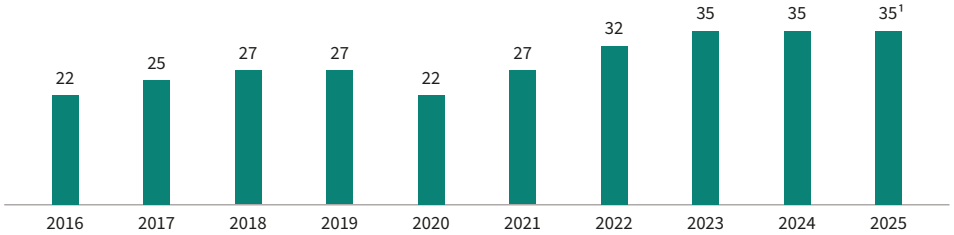


Dividend

Through our dividend policy, we aim to ensure our shareholders adequately participate in Infineon's economic success. Even in the event of stagnating or declining earnings, our aim is to pay out at least a dividend that is unchanged from the previous year. Against this backdrop, the Annual General Meeting in February 2026 will be presented with a proposal to distribute a dividend of €0.35 per share, as in the previous year. This proposal takes into account the declining business performance and, at the same time, our financial flexibility for further profitable growth in the years ahead remains intact.

C12 Dividend per share for the 2016 to 2025 fiscal years

in € cents



1 Proposal to the Annual General Meeting to be held on 19 February 2026.

The number of issued shares as of 30 September 2025 remained unchanged at 1,305,921,137. This includes 3,781,390 shares owned by the Company that are not entitled to dividend (30 September 2024: 6,757,925). The number of own shares initially declined during the fiscal year due to the transfer of shares in connection with share-based payment to Infineon employees, members of the Company's Management Board, and members of the management and executive boards of affiliated companies. In September, the number rose slightly again following a limited share buyback program. In the period from 15 to 30 September 2025, Infineon repurchased 304,800 shares at a total cost of approximately €10 million. An additional 445,200 shares were acquired through 14 November 2025. The share buyback is intended exclusively for the allocation of shares to employees of the Company or its affiliated companies, members of the Company's Management Board, and members of the management and executive boards of affiliated companies under existing employee participation programs. Assuming the Annual General Meeting approves the proposed resolution, the anticipated total dividend distribution would amount to approximately €456 million (previous year: €455 million), taking into account the own shares held by the Company at the time of preparing this report, which have no dividend entitlement. Further information is available in note 20 to the Consolidated Financial Statements, p. 140.

Interested parties may participate in telephone conferences via a webcast broadcast in the Investor Relations section of the Infineon website.

www.infineon.com/investor

Retail investors can contact us by email (investor.relations@infineon.com) and by telephone (+49 89 234-26655).

Overall statement on Infineon's financial condition

Infineon met expectations in the 2025 fiscal year despite challenging macroeconomic and geopolitical environments. The results underscore the resilience of the business model.

The successfully completed 2025 fiscal year coincided with a prolonged downturn across most of our target markets. End customers and distribution partners sharply reduced their inventories to meet their targets. Geopolitical instability and tariff-related turbulence caused customers to be cautious concerning demand, resulting in short-term ordering patterns. In this environment, as anticipated, Infineon recorded a slight decline in revenue, primarily due to negative currency effects and price reductions. Margins remained at a resilient level, supported by first meaningful benefits from the structural improvement program "Step Up", coming in ahead of the anticipated timeline.

For the 2026 fiscal year, we expect moderate growth in a market environment that continues to exhibit divergent trends. Growth momentum in the automotive, industrial, and consumer-related markets remains subdued. Many customers are operating with limited visibility and placing just-in-time orders. Global investment in AI infrastructure, in contrast, continues to grow strongly, and we anticipate a significant uptick in demand for our power supply solutions for AI data centers.

Report on outlook, risk and opportunity

Outlook

Actual and target values for performance indicators

The following table and the subsequent comments compare Infineon's actual and forecast key performance indicators for the 2025 fiscal year (FY) and outline the outlook for the 2026 fiscal year.

€ in millions, except percentages	Actuals FY 2024	Outlook for FY 2025[1]	Actuals FY 2025	Outlook for FY 2026
Principal performance indicators				
Revenue or change in revenue compared to previous year	14,955	Slight decline in revenue compared to previous year	14,662	Moderate increase in revenue compared to previous year
Segment Result Margin	20.8%	Mid- to high-teens percentage range	17.5%	High-teens percentage range
Free Cash Flow from continuing operations	23	Around €0.9 billion	(1,051)	Around €1.1 billion
Adjusted Free Cash Flow	1,690	Around €1.7 billion	1,803	Around €1.6 billion
RoCE	8.5%	Mid-single-digit percentage range	4.9%	Mid-single-digit percentage range
Selected supplementary performance indicators				
Investments	2,719	Around €2.5 billion	2,094	Around €2.2 billion

1 The forecast presented here corresponds to the original forecast made in November 2024.

Comparison of the original outlook with the actual figures for the 2025 fiscal year

In the original forecast in November 2024, revenue was expected to decline slightly in the 2025 fiscal year compared to the previous fiscal year. The forecast was revised during the 2025 fiscal year due to volatility in the U.S. dollar and the debate over the introduction of trade tariffs. The final forecast for revenue was around €14.6 billion. The actual revenue generated in the 2025 fiscal year was €14,662 million, a decline of 2 percent year-on-year. Revenue in the 2025 fiscal year was therefore in line with both the original forecast and the most recent revised forecast.

In November 2024, the Segment Result Margin was originally expected to be in the mid-to-high-teens percentage range. In the course of the 2025 fiscal year, this forecast was made more specific, with the final forecast for the Segment Result Margin in the high-teens percentage range. This forecast was achieved, with a margin of 17.5 percent.

Originally, Free Cash Flow from continuing operations was expected to be around €0.9 billion in the 2025 fiscal year. As a result of the acquisition of the Automotive Ethernet business from Marvell in mid-August for €2.180 billion, Free Cash Flow was a net outflow of €1.051 billion in the 2025 fiscal year. That was significantly lower than the original forecast but slightly above the revised forecast of a net outflow of around €1.2 billion issued in the third quarter.

In November 2024, it was anticipated that adjusted Free Cash Flow would be around €1.7 billion. This was also the most recent guidance provided when the figures for the third quarter of the 2025 fiscal year were published. The actual adjusted Free Cash Flow was €1,803 million, which was above the forecast.

Return on Capital Employed (RoCE) was 4.9 percent, which was within the forecast of a "mid-single-digit percentage range".

Investments amounted to €2,094 million in the 2025 fiscal year, which was below the reduced forecast of €2.2 billion made in the third quarter and significantly below the original figure of €2.5 billion forecast in November 2024.

Assumptions underlying the outlook for the 2026 fiscal year

Assumed euro/U.S. dollar exchange rate

As an organization with global operations, Infineon generates revenues not only in euros but also in foreign currencies, predominantly in U.S. dollars. It also incurs expenses in U.S. dollars and, to some extent, in currencies correlated with the U.S. dollar, such as the Singapore dollar, the Malaysian ringgit, and the Chinese renminbi. The non-euro-denominated revenue and expenses do not always balance out. For this reason, fluctuations in exchange rates, particularly between the euro and the U.S. dollar, influence the amounts reported for revenue and earnings. If the U.S. dollar strengthens against the euro, this has a positive effect on revenue and earnings, whereas if the U.S. dollar weakens against the euro, it has an adverse effect. The impact of a deviation of 1 U.S. cent in the actual exchange rate of the U.S. dollar versus the euro compared to the forecast rate would alter the Segment Result by around €10 million per quarter or around €40 million per fiscal year compared to the forecast value. These figures are calculated on the assumption that, for those currencies in which Infineon incurs costs, the exchange rates versus the euro change in line with the euro/U.S. dollar exchange rate. In terms of revenue, the impact of exchange rate effects is limited primarily to the euro/U.S. dollar rate, where a deviation of 1 U.S. cent in the actual exchange rate compared to the forecast rate would have an impact on revenue of around €25 million per quarter or around €100 million per fiscal year. Planning for the 2026 fiscal year is based on an assumed exchange rate of US$1.15 to the euro.

External growth prospects for the global economy and the semiconductor market

While the prospects for the global economy deteriorated considerably at times in spring 2025 due to the trade conflict between the USA and China, they picked up again in the remainder of the 2025 fiscal year. Although the steep tariffs announced initially, especially between the United States and China, were averted through political agreements, the global economic environment continues to be fraught with significant uncertainty. The International Monetary Fund (IMF) forecasts that global economic growth will be around 2.6 percent in the 2025 calendar year (R01). Therefore, growth will probably be slightly below the 2.8 percent level anticipated in fall 2024. Growth of 2.6 percent is also projected for the 2026 calendar year. The growth forecasts for the global economy are therefore currently around the long-term average.

WSTS (World Semiconductor Trade Statistics) expects revenue in Infineon's reference market (i.e., the semiconductor market excluding DRAM and NAND flash memory chips, microprocessors, graphics processors and optoelectronics) to grow 10 percent in U.S. dollar terms in the 2025 calendar year (R02). While growth in the overall semiconductor market is being driven by the high-double-digit revenue rise in the data center segment, demand for automotive and industrial applications is proving weak. For the 2026 calendar year, WSTS is forecasting 5 percent growth in Infineon's reference market. The long-term trends of decarbonization and digitalization remain intact and are driving demand for semiconductors.

Outlook for the 2026 fiscal year

The following outlook is based on the current business developments and Infineon's internal forecasts.

Moderate rise in revenue expected compared with the 2025 fiscal year

Given the geopolitical situation, and based on the above growth forecasts for the global economy and the relevant segments of the semiconductor market for Infineon as well as an assumed exchange rate of US$1.15 to the euro, Infineon is forecasting a moderate rise in revenue for the 2026 fiscal year compared with the 2025 fiscal year. In the Automotive segment, growth is expected to be below the Group average. This is in contrast to revenue in the Power & Sensor Systems segment, which should grow significantly faster than the Group average, driven by strong demand momentum for products for power supply to AI data centers. Compared with the 2025 fiscal year, a moderate rise in revenue is expected for the Green Industrial Power segment, while the Connected Secure Systems segment should post slightly higher revenue.

Segment Result Margin expected to be in the high-teens percentage range

Given this revenue forecast, the Segment Result Margin is expected to be in the high-teens percentage range in the 2026 fiscal year.

Free Cash Flow from continuing operations and adjusted Free Cash Flow

For the 2026 fiscal year, Infineon is forecasting Free Cash Flow of around €1.1 billion. This includes significant net cash outflows for investments in expanding frontend manufacturing in Dresden (Germany) and in capacity for power supply solutions for AI data centers. Adjusted Free Cash Flow is expected to be around €1.6 billion.

RoCE

Return on Capital Employed is expected to be in the mid-single-digit percentage range in the 2026 fiscal year.

Investments and depreciation/amortization

Infineon is planning investments (defined as the sum of investments in property, plant and equipment, investments in other intangible assets and capitalized development costs) of around €2.2 billion in the 2026 fiscal year. Investments in other intangible assets, including capitalized development costs, will likely be significantly higher than the level of €294 million in the 2025 fiscal year.

In the 2026 fiscal year, investments will focus on the completion of the fourth manufacturing module in Dresden (Germany) and further equipment, to match strongly growing customer demand for power supply for AI data centers. It is anticipated that depreciation and amortization will be around €2.0 billion in the 2026 fiscal year. Approximately €0.4 billion of this relates to the amortization of purchase price allocations, mainly in connection with the acquisition of Cypress and of the Automotive Ethernet business from Marvell.

Overall statement on expected developments at Infineon

Based on the forecasts for the development of the global economy and the semiconductor market in the 2026 calendar year, the geopolitical risks, and an assumed exchange rate of US$1.15 to the euro, Infineon expects to see a moderate rise in revenue compared with the 2025 fiscal year. The Segment Result Margin should be in the high-teens percentage range. Investments of around €2.2 billion are forecast, with depreciation and amortization expected to be around €2.0 billion. Free Cash Flow from continuing operations should be around €1.1 billion, and adjusted Free Cash Flow is expected to be around €1.6 billion. Return on Capital Employed should be in the mid-single-digit percentage range.

Risk and opportunity report

Risk policy: Basis of our risk and opportunity management

Effective risk and opportunity management is an important element of our business activities and supports the implementation of our strategy to achieve our strategic goals. Infineon's risk and opportunity situation continues to be characterized by the dynamic market environment in the semiconductor industry, a substantial need for capital investment to achieve and sustain its market position, exceptionally rapid technological change, and decarbonization and digitalization. Competition to gain an innovative edge also occurs at the legal level, as evidenced, for example, by patents. Against this background, Infineon's risk policy is aimed at quickly realizing the opportunities that arise in a way that increases its enterprise value. It also focuses on identifying risks early and actively mitigating them – particularly those risks that might pose a threat to Infineon's going-concern status – by adopting appropriate countermeasures. Risk management at Infineon is therefore closely linked to corporate planning and the implementation of our strategy. The ultimate responsibility for risk management lies with the Infineon Management Board.

Coordinated risk management and control system elements are in place that enable us to implement our risk policy. In addition to the Risk and Opportunity Management System (ERM) and the Internal Control System (ICS) described below, these elements include, in particular, the related forecasting, management and internal reporting processes, as well as our Compliance Management System (CMS).

ERM system and ICS

Infineon's centralized ERM system is based on a Group-wide, management-oriented ERM approach, which aims to cover all relevant risks and opportunities. This approach is based on the "Enterprise Risk Management – Integrating with Strategy and Performance" (2017) framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The objective of the system is the early identification, assessment and management of risks and opportunities that could have a significant influence on Infineon's ability to achieve its strategic, operational, financial, legal and compliance targets.

Infineon's Internal Control System is also based on a framework developed by COSO ("Internal Control – Integrated Framework" (2013)). This framework describes the various elements in a control system (the control environment, risk assessment, control activities, information and communication, and monitoring) and sets out the basis for the evaluation of the appropriateness and effectiveness of the ICS.

The responsibility for processes and systems relating to the ICS and the ERM rests with the risk management and ICS function within the Group Finance department, as well as with designated risk and control officers working at segment and corporate function levels. Responsibility for the identification, measurement, management and reporting of risks and opportunities, as well as for their mitigation and control, lies with the management of the organizational unit concerned.

In organizational terms, implementation of the ICS and ERM is via a closed-loop, multistage process that stipulates the manner and criteria to be applied to identify, measure, manage, mitigate, control and report on risks and opportunities and defines how the system is to be monitored as a whole. Major components of the system are a quarterly analysis of risks and opportunities, reporting by all units included, an analysis of the overall situation at segment and Group levels, and reporting to the Management Board on the risk and opportunity situation, the results of tests of the controls, and the major management and control measures undertaken. The Management Board, in turn, reports regularly to the Supervisory Board's Investment, Finance and Audit Committee on the developments and results of the ICS and ERM. Where necessary, standard processes are supplemented by ad hoc reporting of any major risks identified between the regular reporting dates.

We define a risk or an opportunity as the occurrence of future uncertainties that could result in either a negative or a positive variance from the business plan. The units included in the risk management consolidation in the 2025 fiscal year corresponded with those included in the Group consolidation according to IFRS Accounting Standards. We thereby incorporate all relevant organizational units within the Group into the analysis, covering all segments and significant corporate functions.

Risks and opportunities under ERM are measured on a net basis by taking into account any existing management and mitigation measures. The time periods and measurement categories used are closely linked to our short-term and medium-term business planning and our business targets.

All relevant risks and opportunities are assessed uniformly across the Group in quantitative or qualitative terms, based on two factors: degree of impact on the Segment Result and/or on business objectives, reputation and compliance, and likelihood of occurrence.

The scales used to measure these two risk assessment factors (degree of impact and likelihood of occurrence) are depicted in the table below. The degree of impact also applies to the classification of risk sub-categories (value-at-risk).

Degree of impact on the Segment Result/ value-at-risk classification		Probability of occurrence	
<€40 million	Marginal	<10%	Very unlikely
€40 – 100 million	Minor	10 – 40%	Unlikely
€100 – 200 million	Moderate	40 – 60%	Possible
€200 – 400 million	Significant	60 – 90%	Probable
>€400 million	Major	>90%	Virtually certain

All risks and opportunities reported for Infineon are reviewed for possible cumulative effects and analyzed using an Infineon-specific categorization model that also takes non-financial and sustainability-related risks into account. Interdisciplinary workshops held at the segment and corporate function levels support our risk and opportunity analysis and enhance our risk and opportunity management culture. Important information relevant to Infineon's ICS and ERM is available to all employees via our intranet system, including access to our guidelines containing job descriptions for all functions involved in the process, as well as all the information required for reporting purposes.

Risk and Opportunity Managers are designated at appropriate hierarchy levels to manage and monitor identified risks and opportunities according to their relevance. They are responsible for formally determining a set of appropriate risk and opportunity management strategies (in the case of risks: avoidance, mitigation, control, transfer, or acceptance). Working closely with corporate functions and the individual managers responsible for measures, the persons responsible define and monitor the measures aimed at implementing the management and control strategy. The active and specific management and monitoring of risks and opportunities are critical to the success of our system.

Compliance with the ICS and ERM approaches is monitored by the corporate function responsible for risk management and ICS using procedures incorporated into business processes. Group Internal Audit also performs tests for compliance with certain legal requirements and Group-wide guidelines and, where appropriate, rules relating to the ICS and ERM and recommends corrective measures.

The Supervisory Board's Investment, Finance and Audit Committee monitors the appropriateness and effectiveness of both systems (ICS and ERM).

As part of the Group audit, the external auditor also examines the early risk detection system pursuant to section 91, paragraph 2 of the German Stock Corporation Act (AktG) to ascertain its suitability to detect at an early stage developments that could pose a threat to Infineon's going-concern status in accordance with IDW Auditing Standard 340 (revised 01.2022) and reports thereon annually to the Chief Financial Officer and to the Investment, Finance and Audit Committee of the Supervisory Board.

In addition, BDO AG Wirtschaftsprüfungsgesellschaft performed a voluntary audit of the appropriateness, implementation and effectiveness of the risk management system on the basis of IDW Auditing Standard 981. For the period from 1 January 2024 through 31 December 2024, this showed that, in all material respects, the ERM principles, processes and measures implemented by Infineon were presented appropriately in the description of the ERM in accordance with the applicable principles of IDW Auditing Standard 981 and that they were effective.

In order to calculate a maximum risk value for the assessment of Infineon's overall risk situation, all risks identified are aggregated using a Monte Carlo simulation. This aggregate risk position is used to evaluate Infineon's risk-bearing capacity in the review period based on the value-at-risk performance indicator. This analysis did not lead to any need for adjustment. The risk-bearing capacity in the 2025 fiscal year was ensured.

Compliance Management System

We have implemented a Group-wide Compliance Management System to manage compliance-related risks in a systematic, comprehensive and sustainable manner. We are continuously enhancing the key elements of our CMS to prevent, detect and respond to compliance-related incidents. The Chief Compliance Officer reports to the Chief Financial Officer and, on a quarterly basis, to the full Management Board and the Investment, Finance and Audit Committee of the Supervisory Board.

The Supervisory Board's Investment, Finance and Audit Committee monitors the appropriateness and effectiveness of the Compliance Management System. In structuring its Compliance Management System, Infineon has been following the requirements of the IDW Auditing Standard 980 for years. The appropriateness, implementation and effectiveness of its CMS Group-wide in the areas of "Antitrust Law" and "Corruption Prevention" is audited by an external auditing firm in accordance with IDW Auditing Standard 980. This audit was last carried out in the 2024 fiscal year by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, which issued an independent auditor's report with an unqualified audit opinion for the period from 1 October 2023 to 30 April 2024. In addition, the effectiveness of the CMS is monitored by regular internal audits at the companies. As part of the CMS, a formal annual assessment of our risks is conducted with a particular emphasis on corruption and antitrust laws. Any necessary measures derived from this assessment are summarized in Infineon's compliance program.

Internal Control System with respect to the financial reporting process

The overriding objective of our Internal Control System with respect to the financial reporting process as part of the general ICS and ERM described above is to monitor and ensure the correctness, appropriateness and effectiveness of our accounting and financial reporting. The ICS with respect to the financial reporting process aims to minimize the risk of misstatement in Group accounting and external reporting and to provide reasonable assurance that the Consolidated Financial Statements comply with all relevant regulations. For this to be the case, Group-wide compliance with legal and internal regulations must be ensured. Clear responsibilities are assigned to each of the processes.

The ICS with respect to the financial reporting process is also based on the framework developed by the COSO "Internal Control – Integrated Framework" (2013) and is part of the accounting process in all relevant legal entities and corporate functions.

The system monitors compliance with policies and procedures using preventive and detective controls. Among others, we regularly check that

- Group-wide financial reporting, measurement and accounting guidelines are continually updated and adhered to;
- intragroup transactions are fully accounted for and properly eliminated;
- issues relevant for financial reporting and disclosures in connection with agreements entered into are recognized and appropriately presented;
- processes and controls are in place to explicitly guarantee the completeness and correctness of the financial reporting in the Consolidated Financial Statements; and
- processes are in place for the segregation of duties and for the four-eye principle in the context of preparing financial statements, as well as for authorization and access rules for relevant IT accounting systems.

Assessment of the Internal Control System with respect to the financial reporting process

We systematically assess the appropriateness and effectiveness of the ICS with respect to the financial reporting process. An annual risk analysis is initially performed, and the defined controls are revised as and when required. The assessment involves identifying and updating significant risks relating to accounting and financial reporting in the main legal entities and corporate functions. The controls defined for identifying risks are documented in accordance with Group-wide guidelines. Regular random tests are performed to assess the appropriateness and effectiveness of these controls. The tests constitute the basis for assessing the appropriateness of the design and effectiveness of the controls. The results are documented and reported in a global IT system. Any deficiencies identified are remedied, with due consideration given to their potential impact.

Furthermore, all legal entities, segments and relevant corporate functions confirm in a Representation Letter the complete recognition of assets, liabilities, contingent liabilities, expenses and income, as well as other matters requiring disclosure.

At the end of the annual cycle, the main legal entities review and confirm the appropriateness and effectiveness of the ICS with respect to the financial reporting process. The Management Board and the Investment, Finance and Audit Committee of the Supervisory Board are regularly informed about any significant control deficiencies identified in the ICS with respect to the financial reporting process and about the effectiveness of the internal controls in place.

Overall statement of the appropriateness and effectiveness of the ERM system and the ICS

In the semi-annual meetings of the Risk Committee, the Group-wide risk and opportunity situation is evaluated, and the results of the internal control process are discussed. In addition, an overall statement on the appropriateness and effectiveness of our general ICS and ERM is produced once a year. This overall statement is based on reviews conducted by Internal Audit, voluntary external reviews and audits, and self-assessments. The evaluation is conducted inter alia on the basis of the following criteria:

- Appropriate organizational coverage of Infineon's ICS and ERM processes
- Availability of clear Group-wide guidelines about the ICS and ERM processes
- Timeliness of regular risk inventory, risk reporting processes and testing of the controls
- Timeliness and regular monitoring of ICS and ERM mitigation activities
- Discussion of new risk topics with the managers responsible and with the Risk Committee

We make continual improvements to our ICS and ERM based on the findings of Internal Audit reviews, as well as external reviews and audits.

In all material respects, on the basis of the ICS and ERM activities conducted in the 2025 fiscal year, no factors came to our attention that would give rise to doubt as to the appropriateness and effectiveness of the ICS or ERM system.

Both the general ICS and ERM and the ICS with respect to the financial reporting process are continuously being developed and expanded to ensure compliance with internal and external requirements. Improvements made to these systems contribute to the ongoing monitoring of the relevant risk areas, including the responsible organizational units.

Major and significant risks

In the following sections, we describe individual risks in the risk sub-categories that could have a major or significant adverse impact in the 2026 fiscal year on Infineon's Segment Result and/or its business objectives, reputation or compliance (see above table on degree of impact, p. 69). In addition, selected individual risks with a lesser impact are listed.

We divide these risks into four main risk categories: "Strategic risks", "Operational risks", "Financial risks" and "Legal and compliance risks". Risk sub-categories are assigned to these main risk categories.

The classification of the risk sub-categories for the 2025 fiscal year and the 2026 fiscal year is presented in the table below. For the classification of the risk sub-categories, the value-at-risk performance indicator per risk sub-category is generated from the risk assessments of the individual risks assigned to each sub-category using a Monte Carlo simulation. The classification is based on the scale to measure the impact on the Segment Result set out in the chapter "ERM system and ICS", p. 69. Unless otherwise stated, the risks described within the risk sub-categories apply across the segments.

Risk category	Classification 2025 fiscal year	Classification 2026 fiscal year
Strategic risks		
Risks arising from cyclical market and sector trends	Major	Major
Corporate strategy risks	Major	Major
Risks arising from acquisitions and cooperation arrangements	Minor	Marginal
Media relations & communication risks	Minor	Marginal
Operational risks		
Purchasing and logistical risks	Major	Major
Risks arising from manufacturing	Significant	Significant
Risks relating to the areas of cyber security, information security and IT security	Major	Major
Risks relating to the development process and product lifecycle	Moderate	Minor
Risks relating to the availability of qualified employees	Marginal	Marginal
Business continuity risks (including climate risks)	Significant	Significant
Financial risks		
Currency risks	Significant	Significant
Risk of default of banks and financing partners	Minor	Minor
Other financial risks	Marginal	Minor
Tax risks	Marginal	Marginal
Legal and compliance risks		
Regulatory risks	Moderate	Moderate
Other legal risks	Minor	Minor

Strategic risks

Risks arising from cyclical market and sector trends

General market risks

The worldwide semiconductor market is dependent on global economic growth and hence subject to fluctuations. Our target markets are therefore exposed to the risk of short-term market fluctuations. As a result, our forecasts of Infineon's future business performance are subject to uncertainties. The absence of projected market growth or an unforeseen decline in market growth (related, for example, to the expansion of renewable energy, electromobility or artificial intelligence) would make it considerably more difficult to attain our own growth target. We counter this by entering into long-term sales contracts. We also address the fluctuations in economic conditions and customer demand that are typical of the semiconductor business by continuously monitoring vital early warning indicators and, as far as possible, by adopting specific mitigation strategies. Examples of these strategies include making systematic adjustments to capacity utilization and inventories at an early stage, introducing cost-cutting measures and making flexible use of external production facilities for both frontend and backend manufacturing.

If we were unprepared for market fluctuations or the mitigation strategy we had adopted proved to be inappropriate, this could have a sustained adverse impact on Infineon's financial condition, liquidity and results of operations.

Risks arising from increased market competition and commoditization of products

The spread of new technological developments in a global market also results in greater replaceability of products. Due to the resulting price competition, we may be unable to achieve our long-term strategic goals of gaining and/or maintaining market share and of product pricing. Moreover, accelerating M&A (merger and acquisition) activities within the semiconductor industry or government subsidies restricted to specific regions could result in even tougher competition. Potential benefits for competitors include improved cost structures and preferential customer access.

There is also the risk that an increased volume of previously imported semiconductors will be manufactured in China and that a greater volume of those made in that country will be exported. Overall, this situation could have an adverse impact on Infineon's financial condition, liquidity and results of operations.

Risks relating to corporate strategy

Risks arising from an uncertain political and economic environment

As an organization with global operations, our business is highly dependent on global economic developments. A worldwide economic downturn – particularly in the markets we serve – could result in us not achieving our forecasted revenue and contribution to earnings. Risks could also arise due to political and social changes, particularly when those changes occur in countries in which we manufacture and/or sell our products.

Geopolitical risks were still considered very high in the 2025 fiscal year, especially as a result of the ongoing war in Ukraine, the conflict over Taiwan and the military conflicts in the Middle East. This has reduced the predictability of economic development. The war in Ukraine is giving rise to risks and adverse impacts, such as price increases and a shortage of energy and raw materials. The present development of the Middle East conflict could further heighten the risk of a global economic downturn. Moreover, rising inflation and higher interest rates could lead to a significant decline in consumption.

Furthermore, trade tariff disputes, export controls and export bans for advanced technology and/or critical basic materials, as well as trade restrictions such as those between the USA, the EU and China, may constrain global trade, thereby dampening global economic growth. From a Chinese perspective, this includes the risk of a decline in foreign demand and, hence, a slower increase or a decline in China's gross domestic product, a market that is important for Infineon. Furthermore, the trade tariff conflicts could result in de facto exclusion from key markets if Infineon does not have local production. All of this could have a major impact on our financial condition and results of operations.

Macroeconomic risks

In addition to the risks mentioned above, the government debt situation worldwide changed very little in the 2025 fiscal year and continues to present a risk. Regardless of our assessment of the scenarios and possible responses to this complex set of risks, this situation could have an adverse impact on Infineon's liquidity and results of operations.

Risks relating to sustainability strategy

There is a risk that our self-imposed sustainability targets may not be achieved or may not be fully achieved by 2030. Reasons for this could include regulatory changes, inadequate availability of data, changes in the external market or short supply of renewable energy. That could result in reputational damage, regulatory sanctions and a loss of confidence by customers and investors. Infineon already has a wide range of measures to counter this risk (for example, in-house efficiency measures, the erection of in-house solar installations, considering partnerships with local operators of solar facilities and wind farms).

Risks arising from acquisitions and cooperation agreements

In order to develop or expand our existing business, it might be appropriate for us to make further acquisitions or enter into other forms of partnership with external companies. In the case of business combinations, there is a risk that we may be unsuccessful, particularly with regard to the integration of employees and products into existing business structures. These issues could adversely impact Infineon's financial condition, liquidity and results of operations.

Media and communication risks

Due to the rapid advances in AI technology and its potential for manipulation, there is a risk that AI-generated misinformation and disinformation could undermine trust in Infineon's information sources, brand and reporting and thus influence public opinion. This could result in damage to the brand, widespread dissemination of false information about Infineon, a loss of trust in Infineon's media and capital market communications, and short-term declines in the share price.

Operational risks

Purchasing and logistical risks

We cooperate with numerous suppliers who provide us with materials and services or manage parts of our supply chain and for which there are not always multiple alternatives. We therefore partly depend on the delivery capability of our suppliers and the quality of their supplies. At the same time, we face price increases from our suppliers, and there is a risk that it might not be possible to pass on these increases in full to our customers. In addition, the conflict over Taiwan might affect the supply situation for our Taiwanese partners. If one or more of these suppliers were to default on their obligations to Infineon, this could have an adverse impact on Infineon's liquidity and results of operations.

In general, we seek to minimize procurement-related risks through our purchasing strategies and the use of appropriate product and cost analyses (Best Cost Country Sourcing and Focus-on-Value), as well as through geographical diversification. These programs include cross-functional teams of experts who are responsible for standardizing procurement processes for materials and technical equipment.

To take account of the growing importance of Infineon's ecosystem partners (enterprises with which Infineon shares a significant long-term economic interest and which represent added value for Infineon's products), we have implemented a partner risk evaluation system for Go2Market and IP/R&D partners (intellectual property/research and development). This partner risk evaluation addresses Infineon's dependence on its ecosystem partners. As a result, the high-risk ecosystem partners throughout the Group are identified and continuously assessed. Additionally, corrective risk mitigation measures are implemented to avoid an adverse impact on Infineon's financial condition, liquidity and results of operations and/or on its business objectives, reputation and compliance.

Risks arising from manufacturing

Our European and Southeast Asian manufacturing sites are of great importance for our production. If, for example, political upheavals, natural disasters or pandemic outbreaks in one of these regions were to restrict or completely obstruct our ability to manufacture at these sites at the planned scale or to export products manufactured at the sites, this would have an adverse impact on our financial condition, liquidity and results of operations.

Furthermore, our medium-term and long-term forecasts are based on expected manufacturing cost trends for our products. In this context, the implementation of measures aimed at optimizing manufacturing costs for raw materials and supplies, energy, labor and automation, as well as the collaboration with external partners, may not be feasible to the extent envisaged. The dynamic markets and the increasing customer need for flexibility, combined with short-term adjustments to order quantities, could result in rising costs due to the underutilization of manufacturing capacities, higher inventory levels and unfulfilled commitments to suppliers.

Thus, despite the fact that our manufacturing processes and sites have become even more flexible due to cross-location production optimization, there is still a cost risk due to fluctuations in capacity utilization, which is reflected in costs resulting from underutilization of capacity at our manufacturing sites or purchase commitments that have been entered into.

Risks that semiconductor companies operating in-house manufacturing facilities typically face are construction delays at new manufacturing sites and delays in the ramping up of production volumes at those sites, or delays in the transfer of technology. One example is the Automotive segment, where customers' product approval and testing processes can be conducted over an extended period of time, thus influencing our global manufacturing strategy as well as our short-term and medium-term capacity utilization. Failure to anticipate these changes in the manufacturing process in good time could result in capacity shortages and hence lower revenue or in underutilization costs and therefore have an adverse impact on earnings.

Moreover, our dependence on energy supplies for our production, as well as on various production materials (such as wafers) and raw materials (including gold and copper), exposes us to significant price and supply risks. Price risks are also attributable in part to the prevailing rate of inflation. In such a situation, if we are unable to offset cost increases or pass them on to our customers, this could have an adverse impact on our financial condition, liquidity and results of operations.

Risks relating to the areas of cyber security, information security and IT security

The reliability and security of Infineon's data, systems and networks are of crucial importance. At the same time, the world has seen a rise in threats in cyberspace. This increasingly applies to the use of IT systems to support business processes as well as to support internal and external communications. Despite the array of precautionary measures put in place, any major disruption to these systems could result in risks relating to the confidentiality, availability and integrity of data used in research and development, manufacturing, selling or administration functions, which, in turn, could have an adverse impact on our reputation, production capability, competitiveness and financial condition, liquidity and results of operations.

Potential cyber-attacks on data, systems and networks used in our manufacturing processes present risks that could result in production downtime and supply bottlenecks. In addition, cyber-attacks with industrial espionage intent (for instance, social engineering, payment fraud) and the related financial damage and potential loss of intellectual property or patents pose risks that could jeopardize our investment in research and development and impair our long-term competitiveness.

Infineon has had a global cyber security program in place for many years now to ensure that it is suitably protected and prepared for the constantly changing cyber security threat situation. A key element of this program is our Cyber & Information Security Management System (CISMS). This system, which takes a structured approach, aims to identify and evaluate risks to our data, information systems, networks, products, solutions and services, to constantly improve our protective measures, processes and tools, and to adapt them to the threat situation. Our CISMS covers all areas of Infineon's business and is certified in accordance with international standards (including TISAX). The effectiveness of the CISMS is continuously monitored in the course of regular internal and external audits.

Risks relating to the development process and product lifecycle

The ever-increasing complexity of technologies and products, shorter development cycles and dynamic customer demands can cause a great deal of tension in the field of product development. Buffer times built into processes to compensate for potential delays are reduced accordingly. If we are unable to execute our development plans, this would lead to delays and higher development costs.

This situation is exacerbated by the fact that some of our products are highly dependent on the degree of commercial success achieved by individual customers in their own markets. Furthermore, there is the risk of losing future business and design wins if we are unable to deliver volumes above our contractual obligations if called upon by customers to do so. In addition, there is a risk that we may be unable to acquire new customers or enter new markets. These factors could have an adverse impact on Infineon's liquidity and results of operations.

A structured project management system has been set up to handle our development projects. To help us identify potential project risks at an early stage and use specific measures to counteract these risks, we require projects to have clear project milestones, ongoing verification procedures and clearly defined limits of approval authority.

Product quality assurance is of crucial importance. Shortfalls in product quality can lead to product recalls for our customers and related potential costs for liability claims. In addition, quality risks could damage Infineon's reputation and thus have a significant adverse impact on its future financial condition, liquidity and results of operations.

To avoid quality risks, we have adopted various quality management strategies such as "FMEA" (Failure Mode and Effects Analysis) and "Six Sigma" in order to prevent and solve problems and continuously improve all our business processes. Our Group-wide quality management system has been certified for a number of years in accordance with ISO 9001 and ISO/TS 16949 and encompasses the development processes of our suppliers. Our processes and initiatives to ensure continuous improvement are aimed, among other things, at identifying and eliminating the causes of quality-related problems at an early stage. Based on the above risk descriptions, the classification of this sub-risk category has been reduced to "minor" compared with the previous fiscal year.

Risks relating to the availability of qualified employees

One of the key factors in our success is qualified employees. There is a general risk of not being able to recruit enough people or people who are sufficiently qualified to work at Infineon, of losing existing qualified staff or failing to provide them with adequate training, and of not retaining people in the business. A lack of technical or management personnel could, among other things, restrict future growth and hence adversely impact Infineon's financial condition, liquidity and results of operations.

To counter these risks, Infineon has set up its own work group. The specific remit of this work group is employee recruitment, retention and training.

Business continuity risks (including climate risks)

An increasing number of events, such as extreme weather conditions (e.g., floods, drought, storms) and other damaging events (e.g., earthquakes, fire, chemical accidents, power failures) could pose a threat at any time to our production facilities and office buildings in all the main operating segments and thus could have an adverse impact on our business success.

We counter these risks on an individual site basis with appropriate mitigation measures, business interruption insurance and other business continuity structures, all of which are reviewed regularly by conducting stress tests to ensure their appropriateness and effectiveness.

Financial risks

Currency risks

The international orientation of our business activities creates cash flows in a number of currencies other than the euro, primarily in U.S. dollars. A significant share of revenue, operating costs and investments is denominated in U.S. dollars and correlated currencies. For the most part, Infineon generates a U.S. dollar surplus from these transactions.

Specified currencies are hedged Group-wide by means of derivative financial instruments. The targeted use of hedging instruments is based on forecasts of future cash flows, the occurrence of which is uncertain. Under these circumstances and despite the use of hedging instruments, exchange rate fluctuations could adversely impact Infineon's results of operations.

Risk of default of banks and financing partners

Our holdings of liquid funds (gross cash position) expose us to the potential risk of a default of one or more of the banking and financing partners with whom we do business. We mitigate this risk – which could still arise despite various state-insured deposit protection mechanisms – by a combination of risk avoidance analyses and risk-spreading measures. The failure of these measures could have a negative impact on Infineon's financial condition and liquidity.

Further information regarding the management of financial risks is provided in note 28 to the Consolidated Financial Statements, p. 157 ff.

Other financial risks

Other financial risks include general interest risks, as well as risks relating to customer defaults and the risk of increased insurance premiums, but these are deemed to be minor.

Tax risks

Infineon could be exposed to tax risks arising from previous assessment periods and changes in tax legislation or interpretation of the law. Unforeseen tax expenses might occur relating to previous assessment periods that have not yet been the subject of a tax audit or are currently the subject of a tax audit in the various countries in which Infineon operates. The realization of any of these risks could result in fines and penalties and therefore have a material adverse impact on the Group's financial condition, liquidity and results of operations.

Infineon adopts a number of strategies to mitigate these risks. These include, among others, regular employee training, a Tax Compliance Management System for selected sites, and internal audits to ensure adherence to important compliance regulations in all legal entities of the Group (Framework for Internal Controls in the Tax Process).

Legal and compliance risks

Regulatory risks

Compliance risks

There is a risk that, due to inappropriate business conduct by employees, Infineon could violate antitrust regulations or laws combating bribery and corruption. Potential consequences might include heavy financial penalties, compensation claims, the cost of external support (such as lawyers' fees), damage to its reputation and exclusion from tendering for public contracts.

We have therefore introduced a Group-wide Compliance Management System to manage these compliance-related risks in a systematic, comprehensive and sustainable manner. We continue to refine the key elements of our CMS. One of the ways we are doing this is by providing specific employee training designed to prevent, detect and react to compliance-related incidents. The Chief Compliance Officer reports on a regular basis to the Chief Financial Officer, the Management Board as a whole and the Supervisory Board's Investment, Finance and Audit Committee.

Export control risks

As a result of the increasing complexity and frequent changes to export control regulation in all the countries in which Infineon operates, there is a risk of not complying fully with all applicable national and international export control laws and regulations, which might result in fines and penalties. This could have an impact on Infineon's results of operations or could influence the availability of export permits.

The central Export Control department is responsible for the implementation of effective measures relating to export control legislation and foreign trade to avoid sanctions and fines being imposed on Infineon. To prevent divergence from the relevant regulations, Infineon has introduced organizational measures (such as appointing local managers responsible for export control) and has implemented training measures for all the employees concerned. It also uses Group-wide approval routines in all relevant processes, conducts internal audits of export control and implements other control measures.

Data protection risks

In principle, there is a risk that there could be a violation of laws and regulations relating to the processing and use of personal data, which could lead to data breaches, resulting in severe penalties and/or reputational damage. The Data Protection Management System (DPMS) established by Infineon to mitigate these risks sets out rules and standards for the Group-wide processing of personal data and monitors compliance with these rules and standards.

Other legal risks

Risks relating to intellectual property rights and patents

As with many other companies in the semiconductor industry, allegations are made from time to time, that we have infringed upon other parties' commercial property rights. Regardless of the prospects of success of such claims, substantial legal defense costs can arise.

We cannot rule out that claims of patent or trademark infringements will be upheld in a court of law, thus resulting in significant claims for damages or restrictions on selling the products concerned. Any such outcome could, in turn, have an adverse impact on Infineon's financial condition, liquidity and results of operations.

One of the ways in which we counter patent-related risks is by adopting a specific patent strategy. This includes patent searches in relation to development projects, the systematic registration of our own patents and patent cross-licensing arrangements with major competitors. However, no such opportunities exist to safeguard against risks of this nature in the case of companies specializing in the exploitation of patent rights.

In addition, due to the use of open source code in our software products, there is a risk that we may no longer be able to protect our intellectual property. This would result in us losing the differentiating features of our products, reducing our market share and revenue. In addition, we are exposed to a liability risk from the use of potentially malicious open source code. We are addressing this risk with awareness-raising initiatives in the developer community and automated code reviews.

Further information regarding litigation and government inquiries is provided in note 24 to the Consolidated Financial Statements, p. 145 f.

Risks arising from our global operations

Our global business strategy requires the maintenance of research and development locations and manufacturing sites throughout the world. The location of such facilities is determined by market entry hurdles and by technology and cost factors. Risks could therefore arise if economic and geopolitical crises were to impact our regional markets and if country-specific legislation and regulations were to influence investment activities and the ability to trade freely. Differing practices in the way tax, judicial and administrative regulations are interpreted could also restrict business activities. In addition, we could be exposed to the risk of fines, sanctions, trade restrictions (tariffs) and reputational damage.

Asian markets are particularly important to our long-term growth strategy. Our operations in China are influenced by a legal system that may be subject to change. One example is the fact that local regulations could make it mandatory to enter into partnerships with local companies. These circumstances could lead to Infineon's intellectual property no longer being sufficiently protected or to intellectual property developed by Infineon in China not being freely transferable to other countries and locations, thus impairing Infineon's financial condition and results of operations.

Overall statement by Group management on the risk situation

The overall risk assessment is based on a consolidated view of all major individual risks. The risk situation as a whole remains essentially unchanged from the previous fiscal year. We are currently not aware of any risks, taken individually or in combination with other risks, that are capable of jeopardizing Infineon's going-concern status.

Major opportunities

Opportunities arising from decarbonization, digitalization and the strategic approach "Product to System" have already been examined in the Outlook and are described here in more detail as overarching opportunities.

Opportunities from decarbonization and the acceleration of the energy transition

With a constantly growing world population and increasing industrialization, global demand for energy is rising. Renewable energy is playing a key role in curbing carbon emissions. The long-term objective is to achieve global decarbonization by the end of the century, as resolved at the Climate Change Conference held in Paris (France) in December 2015 and confirmed at the UN Climate Change Conferences (Conferences of the Parties or COP) in the past few years. As part of its Green Deal concept, the European Union intends to become carbon-neutral by 2050.

To achieve this target, it will be necessary to develop renewable sources of energy at a faster rate than originally envisaged. This should lead to an increase in demand for our products, as Infineon's semiconductors enable electric power to be generated more efficiently from renewable energy sources. Indeed, they offer efficiency gains at all stages of the energy industry's value chain, whether in generation, transmission, storage or, above all, in the use of electric power. They form the basis for the intelligent and efficient use of electric power, for instance, in industrial applications, power supplies for computers and consumer electronics, and in vehicles.

Opportunities arising from digitalization

The trend towards digitalization offers substantial business potential for Infineon. This is reflected in the optimization of internal processes, such as for our interconnected global manufacturing lines, as well as in sales and administration. Furthermore, our broad portfolio puts us in an excellent position to successfully exploit emerging market potential. The strategic approach "Product to System" we have already implemented makes us very well prepared to penetrate and develop the markets involved. Good examples already apparent today include automated driving, artificial intelligence and IoT.

Additional opportunities are arising from accelerated and/or broader market penetration of digital products and the more rapid realization of products with physical artificial intelligence (such as humanoid robots).

Opportunities arising from our strategic approach "Product to System"

The aim of our strategic approach "Product to System" is to identify additional benefits for our customers at a system level from within our broad portfolio of technologies and products. That includes suitable software solutions. This strategy enables us to exploit further revenue growth potential, reduce customers' development costs and shorten the lead times required to bring their products to market, thereby supporting our growth and margin targets.

Summary

In addition to the future business prospects mentioned in the Outlook, opportunities available to Infineon are described in the following sections: "Strategic opportunities", "Operational opportunities" and "Financial opportunities". However, the individual opportunities identified here represent only a small selection of the opportunities arising. Our assessment of opportunities is also subject to continuous change.

This reflects the fact that our business, our markets and the technologies we deploy are constantly subject to new developments, bringing with them fresh opportunities and causing others to become less relevant or otherwise changing the significance of an opportunity from our perspective. The classification of the opportunity categories is based on an assessment of the individual opportunities assigned to each category using a Monte Carlo simulation in a similar process to that for risks.

Opportunity categories	Classification 2025 fiscal year	Classification 2026 fiscal year
Strategic opportunities	Marginal	Marginal
Operational opportunities	Marginal	Marginal
Financial opportunities	Marginal	Marginal

Strategic opportunities

Opportunities arising from cyclical market and sector trends

Growth opportunities relating to data centers and IoT

The ongoing trend in the areas of artificial intelligence and machine learning is reflected in the high level of demand for solutions that will ensure efficient and effective power management (high-voltage and low-voltage power transistors, microcontrollers and control ICs) for data centers and humanoid robots.

We also see opportunities in the area of IoT, where we can use our extensive knowhow in embedded control, connectivity, security and software to tap into new markets and gain new customers.

Opportunities arising from the growth of semiconductor content in vehicles

We expect semiconductor content per vehicle to continue growing. The driving forces behind this trend are the rising demand for electromobility, active safety and comfort features and the move towards software-defined architectures.

We are convinced that current global carbon emissions targets cannot be achieved without further electrification. The need for increased efforts in this field is relevant not only for electromobility (i.e., hybrid, plug-in hybrid and all-electric vehicles) but also for auxiliary aggregates in all vehicles. Moreover, the trend towards automated and assisted driving offers great potential for our sensors and microcontrollers.

Opportunities arising from new technologies and materials

We are constantly striving to develop new technologies, products and solutions and to improve on existing ones, both separately and in collaboration with customers. We therefore continually invest in areas such as research and development into the use of new technologies and materials. Those in current use may well lose their predominance in the foreseeable future (such as Si, which is reaching its physical limits in some applications).

We therefore see a variety of opportunities for working with new materials, such as SiC and GaN, to develop more powerful and/or more cost-effective products. These materials could well have a positive influence on our ability to attain our strategic growth and profitability targets.

Opportunities relating to market access and activities in China

China is one of the world's largest automotive markets, and its growth potential remains high. In particular, high rates of growth for electric-powered vehicles make China one of the largest markets for electromobility.

China is also the leading market in the field of renewable energy. Our presence there, alongside our collaboration with leading companies in the wind and solar power sectors, will create further opportunities for long-term growth.

Operational opportunities

Opportunities arising from our ability to supply customer requirements due to available capacity

Our in-house manufacturing capacities, together with those of our external partners, provide us with a degree of flexibility to meet demand. In particular, the further expansion of 300-millimeter production on the Dresden site (Germany) and the third manufacturing module in Kulim (Malaysia) will strengthen our ability to meet the growing demand for power semiconductors and analog/mixed-signal semiconductors. The investment in ESMC in Dresden is an important step in this context.

Financial opportunities

Currency opportunities

Just as there are risks arising from currencies, as described in the risk section above, there are also opportunities for Infineon in this area if exchange rates move in a way that is favorable to the Group. This could have a positive impact on Infineon's financial condition, liquidity and results of operations.

Other opportunities arising from Infineon's liquidity situation

Our current liquidity position, which is described in detail in the chapter "Review of liquidity", p. 58 ff., provides us with the financial flexibility for organic growth and growth by acquisition and enables us to make use of favorable refinancing conditions, if necessary.

Infineon Technologies AG

In addition to reporting on Infineon as a whole, we also provide informationin the following section, on the position and performance of Infineon Technologies AG.

Infineon Technologies AG is the parent company of Infineon and performs the Group's management and corporate functions. Infineon Technologies AG is responsible for key Group-wide functions such as Finance and Accounting, central Finance & Treasury Management, Investor Relations, Corporate Compliance, Internal Audit, Business Continuity, Business Excellence, Information Technology, Strategy, Mergers and Acquisitions, Legal and Patents, Human Resources, strategic and production-oriented research and development activities, and Corporate and Marketing Communication worldwide. It also manages the Group's supply chain processes. Infineon Technologies AG has its own manufacturing facilities, located in Regensburg and Warstein (both in Germany).

Unlike the Consolidated Financial Statements, which are prepared in accordance with IFRS Accounting Standards, the Separate Financial Statements of Infineon Technologies AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The complete Separate Financial Statements are published separately.

www.infineon.com/financial-statements-hgb

Results of operations

Statement of income of Infineon Technologies AG in accordance with the German Commercial Code (condensed)

			Change	
€ in millions	2025	2024	absolute	in %
Revenue	9,427	9,443	(16)	–
Cost of goods sold[1]	(6,002)	(5,843)	(159)	3
Gross profit	**3,425**	**3,600**	**(175)**	**(5)**
Research and development expenses[1]	(1,823)	(1,638)	(185)	11
Selling expenses	(547)	(506)	(41)	8
General and administrative expenses	(316)	(313)	(3)	1
Other income (expense), net	32	(330)	362	+++
Result from investments	49	(5)	54	+++
Interest result	52	78	(26)	(33)
Other financial result	(5)	49	(54)	–––
Income taxes	(219)	(276)	57	(21)
Income after taxes/net profit	**648**	**659**	**(11)**	**(2)**
Transfer to retained earnings	(191)	(202)	11	(5)
Unappropriated profit	**457**	**457**	**–**	**–**

1 In order to provide more meaningful information, the accounting policy was changed as of 1 October 2024 with regard to the allocation of certain expenses. This led to a reclassification of expenses from cost of goods sold to research and development expenses amounting to €83 million.The previous year's figures have not been adjusted; the corresponding effect in the previous year would also have been €83 million.

Revenue generated by Infineon Technologies AG in the 2025 fiscal year was €9,427 million, virtually the same as the previous year figure of €9,443 million. External revenue declined, reflecting Group-wide developments driven by lower selling prices and currency fluctuations. Gross profit decreased by 5 percent to €3,425 million (previous year: €3,600 million). Operating expenses (research and development expenses, selling expenses and general and administrative expenses) in the 2025 fiscal year increased to €2,686 million (previous year: €2,457 million) partly due to higher internal Group cost allocations. The net amount of other income and expenses improved year-on-year by €362 million, from net expenses of €330 million in the 2024 fiscal year to net income of €32 million in the 2025 fiscal year. In particular, the previous year's figure contained €234 million in expenses attributable to Infineon Technologies AG due to the conclusion of legal proceedings and resultant court settlement in connection with the insolvency of Qimonda. The interest result declined by €26 million, primarily due to lower income from plan assets for pensions and similar commitments. The income tax expense decreased by €57 million, reflecting the lower profit before taxes.

The net profit of Infineon Technologies AG for the 2025 fiscal year was €648 million, in comparison to €659 million in the previous fiscal year. After transferring a total of €191 million to retained earnings, unappropriated profit amounted to €457 million.

Financial condition and liquidity

Statement of Financial Position of Infineon Technologies AG in accordance with the German Commercial Code (condensed)

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Intangible assets, property, plant and equipment	596	627	(31)	(5)
Financial assets	14,660	13,549	1,111	8
Non-current assets	**15,256**	**14,176**	**1,080**	**8**
Inventories	2,328	2,329	(1)	–
Receivables and other assets	4,808	4,313	495	11
Marketable securities, cash and cash equivalents	1,728	1,709	19	1
Current assets	**8,864**	**8,351**	**513**	**6**
Prepaid expenses	**116**	**106**	**10**	**9**
Total assets	**24,236**	**22,633**	**1,603**	**7**
Share capital	2,604	2,598	6	0
Capital reserve	3,623	3,599	24	1
Retained earnings	4,517	4,250	267	6
Unappropriated profit	457	457	–	–
Equity	**11,201**	**10,904**	**297**	**3**
Provisions for pensions and similar commitments	294	339	(45)	(13)
Other provisions	1,100	1,022	78	8
Provisions	**1,394**	**1,361**	**33**	**2**
Bonds	4,044	4,391	(347)	(8)
Loans payable to banks	1,858	–	1,858	+++
Advance payments received	14	30	(16)	(53)
Trade payables	302	381	(79)	(21)
Liabilities to affiliated companies and participating interests	4,595	4,826	(231)	(5)
Other liabilities	828	739	89	12
Liabilities	**11,641**	**10,367**	**1,274**	**12**
Deferred income	**–**	**1**	**(1)**	**---**
Total liabilities and equity	**24,236**	**22,633**	**1,603**	**7**

Total assets increased by 7 percent to €24,236 million as of 30 September 2025, compared to €22,633 million as of 30 September 2024. Non-current assets rose year-on-year by €1,080 million, mainly due to the increase in loans to and deposits with affiliated companies as part of the intragroup financing of the acquisition of Marvell's Automotive Ethernet business.

Current assets increased by €513 million. Receivables and other assets increased by €495 million, primarily due to a €558 million rise in receivables from affiliated companies, whereas other assets declined by €50 million. Marketable securities and cash and cash equivalents rose by €19 million to €1,728 million (30 September 2024: €1,709 million) and accounted for 19 percent of current assets (30 September 2024: 20 percent).

The increase in equity of €297 million was primarily due to the net profit of €648 million generated in the 2025 fiscal year. Share-based payment contributed €114 million to the increase in equity. This was offset by the dividend payment for the 2024 fiscal year of €455 million. The equity ratio declined to 46.2 percent (30 September 2024: 48.2 percent).

Liabilities rose in the 2025 fiscal year by €1,274 million to €11,641 million. This increase was mainly due to the €1,858 million increase in liabilities to banks to finance the acquisition of Marvell's Automotive Ethernet business. Liabilities from bonds, on the other hand, declined by €347 million and liabilities to affiliated companies and participating interests decreased by €231 million. Provisions increased by €33 million to €1,394 million (30 September 2024: €1,361 million).

For information on Infineon's own shares, see the comments relating to section 160 (1) No. 2 of the German Stock Corporation Act (AktG) provided in the Separate Financial Statements of Infineon Technologies AG.
www.infineon.com/financial-statements-hgb

Information in accordance with sections 289a and 315a of the German Commercial Code (HGB) is provided in the chapter "Corporate Governance", p. 86 ff.

Expected developments and associated significant risks and opportunities

The global orientation of the Group and its segments, as well as the associated expected developments with their significant risks and opportunities, are relevant for Infineon Technologies AG. The evolution of Infineon Technologies AG's operating result is influenced not only by the expectations for the Group but also by expectations relating to the revenue and earnings in the operating segments. In addition to its own operating activities, Infineon Technologies AG's future earnings are also affected by the operating results of its subsidiaries due to existing intragroup supply, service and financing relationships. Infineon Technologies AG is therefore integrated into the Group's internal management system.

In accordance with the German Stock Corporation Act (AktG), the amount of the dividend available for distribution to shareholders is based on the level of unappropriated profit recorded by Infineon Technologies AG, as determined in accordance with the German Commercial Code (HGB). Our dividend policy aims to allow our shareholders to participate appropriately in Infineon's success. Even in the event of stagnant or declining earnings, our aim, at a minimum, is to pay out a dividend that is unchanged from the previous year.

After making a transfer to other retained earnings, Infineon Technologies AG reported an unappropriated profit of €457 million in its Separate Financial Statements for the fiscal year ended 30 September 2025. The Company plans to propose a dividend of €0.35 per share, the same figure as that agreed one year earlier, to the Annual General Meeting in February 2026. The number of shares issued remained unchanged as of 30 September 2025 at 1,305,921,137. Assuming approval of the proposal by the Annual General Meeting and taking into account the 4,226,590 own shares held by the Company at the time of this report, which are not entitled to dividends, the expected total dividend distribution to shareholders would amount to approximately €456 million.

The Company paid a dividend of €0.35 per share, (€455 million in total) for the 2024 fiscal year.

Unappropriated profit remained unchanged from the previous year. All in all, we expect to generate unappropriated profit for the 2026 fiscal year that will allow us to distribute a dividend in accordance with our dividend policy.

Infineon Technologies AG uses derivative financial instruments to mitigate currency risks and other price risks. Derivatives are used only for hedging and not for speculative purposes. Regular reviews are performed of the effectiveness of the hedging relationship. Most transactions within the Group involving derivative financial instruments are handled by Infineon Technologies AG. The comments provided in "Infineon's treasury principles and structure" in the chapter "Review of liquidity", p. 60, also apply to Infineon Technologies AG. Further information is provided in the Notes to the Separate Financial Statements of Infineon Technologies AG.
www.infineon.com/financial-statements-hgb

Corporate Governance

Information pursuant to sections 289a and 315a of the German Commercial Code (HGB)

Structure of the subscribed capital

The share capital of Infineon Technologies AG stood at €2,611,842,274 as of 30 September 2025. This sum is divided into 1,305,921,137 no par value registered shares, each of which represents a notional portion of the share capital of €2 per share. Each share carries one vote and gives an equal right to the profit of the Company based on the profit appropriation resolved by the shareholders at the Annual General Meeting.

The Company held 3,781,390 of the abovementioned issued shares as own shares as of 30 September 2025 (30 September 2024: 6,757,925). Own shares held by the Company on the date of the Annual General Meeting do not carry a vote and are not entitled to participate in profit.

Restrictions on voting rights or the transfer of shares

Restrictions on the voting rights of shares may, in particular, arise as a result of the regulations set out in the German Stock Corporation Act (Aktiengesetz – "AktG"). For example, pursuant to section 136 AktG, shareholders are prohibited from voting under certain circumstances and, pursuant to section 71b AktG, Infineon Technologies AG has no voting rights on its own shares. Furthermore, non-compliance with the notification requirements pursuant to section 33, paragraphs 1 or 2 of the German Securities Trading Act (Wertpapierhandelsgesetz – "WpHG") and section 38, paragraph 1, or section 39, paragraph 1 WpHG can, pursuant to section 44 WpHG, have the effect that certain rights (including the right to vote) may, at least temporarily, not exist. We are not aware of any contractual restrictions on voting rights or on the transfer of shares.

Pursuant to section 67, paragraph 2 AktG, rights and obligations arising from shares in relation to Infineon Technologies AG exist only for and from the parties entered in the share register. In order to be recorded in the share register, shareholders are required to submit to Infineon Technologies AG the number of shares held by them and their name or company name, their postal and electronic address and, where applicable, their registered office and their date of birth. Pursuant to section 67, paragraph 4 AktG, Infineon Technologies AG is entitled to request information from the party listed in the share register regarding the extent to which the shares relating to the entry in the share register are actually owned by the registered party and, if not, to receive the information necessary for the maintenance of the share register in relation to the party for whom the shares are held. Section 67, paragraph 2 AktG stipulates that the shares concerned do not confer voting rights until such time as the information requested has been supplied in the appropriate manner.

Direct or indirect shareholdings exceeding 10 percent of the voting rights

Section 33, paragraph 1 WpHG requires each shareholder whose voting rights reach, exceed or, after exceeding, fall below 3, 5, 10, 15, 20, 25, 30, 50 or 75 percent of the voting rights of a listed corporation to notify such to the corporation and the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") immediately. As of 30 September 2025, we have not been notified of any direct or indirect shareholdings reaching or exceeding 10 percent of the voting rights. The shareholdings notified to us as of 30 September 2025 are presented in the notes to the Separate Financial Statements of Infineon Technologies AG under the information pursuant to section 160, paragraph 1, number 8 AktG.

Shares with special rights that confer control rights

No shares conferring special control rights have been issued.

Nature of control over voting rights when employees participate in the Company's capital and do not exercise their control rights directly

Employees who participate in the capital of Infineon Technologies AG exercise their control rights directly in accordance with the applicable laws and the Articles of Association, just like other shareholders.

Statutory regulations and Articles of Association provisions governing the appointment and dismissal of the Management Board members and amendments to the Articles of Association

Section 5, paragraph 1 of the Articles of Association stipulates that the Management Board of Infineon Technologies AG is required to consist of at least two members.

With effect from 15 April 2021, the Management Board comprises five members. Management Board members are appointed and dismissed by the Supervisory Board pursuant to section 84, paragraph 1 AktG. As Infineon Technologies AG falls within the scope of the German Co-Determination Act (Mitbestimmungsgesetz – "MitbestG"), the appointment or dismissal of Management Board members requires a two-thirds majority of the votes of the Supervisory Board members (section 31, paragraph 2 MitbestG). If the required majority is not achieved at the first ballot, the appointment may be approved on the recommendation of the Mediation Committee at a second ballot by a simple majority of the votes of the Supervisory Board members (section 31, paragraph 3 MitbestG). If the required majority is still not achieved, a third ballot is held in which the Chairman of the Supervisory Board has two votes (section 31, paragraph 4 MitbestG).

In urgent cases, if the Management Board does not have the required number of members, the local court ("Amtsgericht" of Munich) makes the necessary appointment upon the petition of a party concerned pursuant to section 85, paragraph 1 AktG.

Pursuant to section 84, paragraph 1, sentence 1 AktG, the maximum term of appointment for Management Board members is five years. Re-appointment or an extension of the term of office, in each case for a maximum of five years, is permitted (section 84, paragraph 1, sentence 2 AktG). Section 5, paragraph 1 of the Articles of Association and section 84, paragraph 2 AktG stipulate that the Supervisory Board may appoint a Chairman and a deputy Chairman to the Management Board. The Supervisory Board may revoke the appointment of a Management Board member and the Chairman of the Management Board for good cause (section 84, paragraph 4 AktG).

Pursuant to section 179, paragraph 1 AktG, responsibility for amending the Articles of Association rests with the Annual General Meeting. However, section 10, paragraph 4 of the Articles of Association gives the Supervisory Board the authority to amend the Articles of Association insofar as any such amendment relates merely to the wording, such as changes in the share capital amount resulting from a capital increase out of conditional or authorized capital or a capital decrease by means of cancellation of own shares. Unless the Articles of Association provide for another majority, section 179, paragraph 2 AktG stipulates that resolutions of the Annual General Meeting regarding the amendment of the Articles of Association require a majority of at least three-quarters of the share capital represented. Section 17, paragraph 1 of the Articles of Association of Infineon Technologies AG provides in principle for resolutions to be passed with a simple majority of the votes cast and, when a capital majority is required, with a simple majority of the capital, unless a higher majority is required by law or in accordance with other stipulations contained in the Articles of Association.

Powers of the Management Board, particularly with respect to issuing or buying back shares

Authorization to issue new shares

The power of the Management Board to issue shares derives from section 4 of the Articles of Association of the Company, in conjunction with applicable legal provisions. Further information relating to the Company's existing Authorized and Conditional Capital can be found in note 20 to the Consolidated Financial Statements, p. 138 ff.

Authorization to issue convertible bonds and/or bonds with warrants

The Annual General Meeting held on 23 February 2024 authorized the Management Board, with the approval of the Supervisory Board, in the period through 22 February 2029, either once or in partial amounts, to issue convertible bonds and/or bonds with warrants (referred to collectively as "bonds") of an aggregate nominal amount of up to €6,000,000,000, to guarantee such bonds issued by subordinated Group companies of the Company and to grant creditors and/or holders of such bonds conversion or option rights to up to 130,000,000 no par value registered Company shares, representing a notional portion of the share capital of up to €260,000,000 in accordance with the relevant terms of the bonds. With the approval of the Supervisory Board, the Management Board is authorized to exclude the right of shareholders to subscribe to the bonds

- if the issue price is not substantially lower than the bonds' theoretical market value as determined in accordance with accepted valuation methods, particularly those based on financial mathematics. However, this right of exclusion only applies insofar as the aggregate value of the shares to be issued to service the conversion or option rights established on this basis does not exceed 10 percent of the share capital, either at the time the resolution concerning this authorization was passed by the Annual General Meeting, or at the time of this authorization becoming effective, or at the time it is exercised;

– in order to exclude fractional amounts resulting from a given subscription ratio from the subscription rights of the shareholders to the bonds or insofar as any such action is necessary in order to grant holders of conversion or option rights arising from bonds that have already been or will in future be issued by the Company or its subordinated Group companies subscription rights to that extent to which they would be entitled after exercising their rights, or after the fulfillment of any conversion or option obligations; or

– insofar as bonds are issued in return for a capital contribution in kind, provided that the value of any such capital contribution in kind is appropriate in relation to the market value of the bonds.

Even if the dilution protection regulations are applied, the conversion or option price must equal at least 80 percent of the arithmetic mean of the closing prices of the Company's share in Xetra trading on the Frankfurt Stock Exchange (or a comparable successor system). Further details – including the conditions under which the conversion or option price may be reduced – are set out in the authorization.

Subject to the requirements resolved by the shareholders at the Annual General Meeting, the Management Board is authorized to determine the further details of the bond issue, including its terms and conditions.

Authorization to acquire own shares

A resolution passed by the Annual General Meeting on 16 February 2023 authorized Infineon Technologies AG, in the period through 15 February 2028, to acquire its own shares, within the statutory boundaries, in an aggregate amount not exceeding 10 percent of the share capital at the time the resolution was passed or – if the latter amount is lower – of the share capital in existence at the time the authorization is exercised. The Company may not use the authorization for the purpose of trading in its own shares. The Management Board decides whether own shares are acquired through the stock exchange, by means of a public offer to purchase addressed to all shareholders, a public invitation to submit offers for sale, or via a bank or other entity that meets the requirements of section 186, paragraph 5, sentence 1 AktG.

The authorization includes differentiating requirements – in particular with regard to the permissible purchase price – for each method of acquisition.

Infineon shares acquired or being acquired on the basis of this or an earlier authorization may – if not sold either via the stock exchange or by means of a public offer to purchase addressed to all shareholders – be used for all legally permissible purposes. The shares may also be canceled or offered to third parties in conjunction with business combinations or the acquisition of companies, parts of companies or participations in companies, as well as being offered and transferred to other depositable assets related to such an acquisition project. Under specified circumstances, subject to the approval of the Supervisory Board, the shares may also be sold to third parties in return for cash payment (including by means other than through the stock exchange or through an offer to all shareholders); used to meet the Company's obligations under convertible bonds and bonds with warrants; offered for sale or granted as a remuneration component to members of the Company's Management Board, members of the management boards and other boards of affiliated companies and employees of the Company or of its affiliated companies; and, finally, used to repay securities-backed loans. The subscription rights of shareholders are excluded in the cases mentioned above. In addition, the subscription rights of shareholders are excluded in respect of fractional amounts in instances in which the shares are sold through a public offer addressed to all shareholders.

According to a resolution passed by the Annual General Meeting on 16 February 2023, shares in Infineon Technologies AG may also be acquired using equity derivatives. The total number of shares that can be acquired using derivatives may not exceed 5 percent of the Company's share capital, either at the time of this authorization becoming effective or at the time of its exercise through the use of the derivatives. The shares acquired through the exercise of this authorization are to be counted toward the acquisition threshold for the shares acquired in accordance with the authorization to acquire own shares as described above. The authorization stipulates other restrictions when derivatives are deployed, including with regard to their execution, term, servicing and purchase price.

If own shares are acquired using derivatives in accordance with the requirements stipulated in the authorization, any right of the shareholders to conclude such derivative transactions with the Company will be excluded in the analogous application of section 186, paragraph 3, sentence 4 AktG. Shareholders have no right to conclude derivative transactions with the Company.

Shareholders have a right to sell their Infineon shares in this connection only insofar as the Company is required to accept the shares under the derivative transactions. No other right to sell shares shall apply in this connection.

The use of own shares acquired through derivatives is governed by the same rules as those applicable for the direct acquisition of own shares.

Significant agreements of the Company that are subject to the condition of a change of control as a result of a takeover bid and remuneration agreements with Management Board members or employees in the event of a takeover bid

Various financing agreements with lending banks and capital market creditors contain defined change-of-control clauses that give creditors the right to demand early repayment; these clauses reflect standard market practice.

Furthermore, certain patent cross-licensing agreements, development agreements, subsidy agreements and approvals, supply contracts, joint venture agreements and license agreements contain customary change-of-control clauses, which, in the event of a change of control at Infineon Technologies AG, make the continuation of the agreement dependent on the consent of the contracting party, grant special rights to the contracting party that may be unfavorable for Infineon, or even entitle the contracting party to terminate the agreement.

If a Management Board member leaves their position in connection with a defined change of control, that member is entitled to continued payment of the relevant annual remuneration for the remaining contract term up to a maximum period of 24 months. Further details are contained in the Remuneration Report (see the chapter “Remuneration Report”).

The change-of-control clauses agreed to by Management Board members are intended to provide financial security to those members in the event of a change of control, with a view to preserving their independence in this situation.

The conditions of both the Performance Share Plan and the Restricted Stock Unit Plan, in which Infineon managers and other selected employees worldwide participate, contain rules that are triggered in the event of a defined change of control. For the most part, these rules specify that the vesting periods that are envisaged by the relevant plans are aborted in the event of a change of control. Although Management Board members also participate in the Performance Share Plan, the rules therein relating to a change of control do not apply to Management Board members, given that their service contracts take precedence.

Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB)

The Statement on Corporate Governance pursuant to sections 289f and 315d of the German Commercial Code (HGB) is publicly available.
www.infineon.com/declaration-on-corporate-governance

Remuneration Report

The Remuneration Report is publicly available.
www.infineon.com/remuneration-report

The references to the Remuneration Report were not audited as part of the audit of the financial statements. The Remuneration Report was subjected to a separate substantive audit by the auditor in accordance with IDW Auditing Standard 490. This audit also includes the formal audit required by section 162, paragraph 3 of the German Stock Corporation Act (AktG).

List of references

R01 International Monetary Fund (IMF):
World Economic Outlook. October 2025.

R02 World Semiconductor Trade Statistics (WSTS):
Semiconductor Industry Bluebook History. September 2025.

R03 Based on or includes research from Omdia:
Competitive Landscaping Tool CLT Annual – 2Q25. August 2025.

Neubiberg, 24 November 2025

Management Board

Jochen Hanebeck | Alexander Gorski | Elke Reichart

Dr. Sven Schneider | Andreas Urschitz

Consolidated Financial Statements

Consolidated Statement of Profit or Loss

€ in millions	Notes	2025	2024	Change absolute	Change in %
Revenue	4, 29	14,662	14,955	(293)	(2)
Cost of goods sold[1]		(8,909)	(8,710)	(199)	2
Gross profit		**5,753**	**6,245**	**(492)**	**(8)**
Research and development expenses[1]		(2,227)	(2,161)	(66)	3
Selling, general and administrative expenses		(1,582)	(1,554)	(28)	2
Other operating income		108	58	50	86
Other operating expenses	4	(537)	(398)	(139)	35
Operating profit		**1,515**	**2,190**	**(675)**	**(31)**
Financial income	4	81	119	(38)	(32)
Financial expenses	4	(231)	(162)	(69)	43
Share of profit (loss) of associates and joint ventures accounted for using the equity method	5	10	11	(1)	(9)
Profit (loss) from continuing operations before income taxes		**1,375**	**2,158**	**(783)**	**(36)**
Income taxes	6	(370)	(378)	8	(2)
Profit (loss) from continuing operations		**1,005**	**1,780**	**(775)**	**(44)**
Profit (loss) from discontinued operations, net of income taxes	7	10	(479)	489	+++
Profit (loss) for the period		**1,015**	**1,301**	**(286)**	**(22)**
Attributable to:					
Shareholders and hybrid capital investors of Infineon Technologies AG		1,015	1,301	(286)	(22)
Basic earnings per share (in euro) from continuing operations[2]	8	0.76	1.35	(0.59)	(44)
Basic earnings per share (in euro) from discontinued operations[2]	8	0.01	(0.37)	0.38	+++
Basic earnings per share (in euro) attributable to shareholders of Infineon Technologies AG[2]	8	**0.77**	**0.98**	**(0.21)**	**(21)**
Diluted earnings per share (in euro) from continuing operations[2]	8	0.76	1.34	(0.58)	(43)
Diluted earnings per share (in euro) from discontinued operations[2]	8	–	(0.37)	0.37	+++
Diluted earnings per share (in euro) attributable to shareholders of Infineon Technologies AG[2]	8	**0.76**	**0.97**	**(0.21)**	**(22)**

1 In order to provide more meaningful information, the accounting policy was changed as of 1 October 2024 with regard to the allocation of certain expenses. This led to a reclassification of expenses from cost of goods sold to research and development expenses. The previous year's figures have been adjusted accordingly.
2 The calculation of earnings per share is based on unrounded figures.

Consolidated Statement of Comprehensive Income

€ in millions	Notes	2025	2024	Change absolute	Change in %
	20				
Profit (loss) for the period		**1,015**	**1,301**	**(286)**	**(22)**
Actuarial gains (losses) on pensions and similar commitments		66	(32)	98	+++
Total items that will not be reclassified subsequently to profit or loss		**66**	**(32)**	**98**	**+++**
Currency effects		(366)	(519)	153	(29)
Gains (losses) resulting from hedge accounting		6	9	(3)	(33)
Cost of hedging		5	6	(1)	(17)
Total items that may be reclassified subsequently to profit or loss		**(355)**	**(504)**	**149**	**(30)**
Other comprehensive income (loss), net of tax		**(289)**	**(536)**	**247**	**(46)**
Total comprehensive income (loss), net of tax		**726**	**765**	**(39)**	**(5)**
Attributable to:					
Shareholders and hybrid capital investors of Infineon Technologies AG		726	765	(39)	(5)

Consolidated Statement of Financial Position

€ in millions	Notes	30 September 2025	30 September 2024	Change absolute	Change in %
ASSETS					
Cash and cash equivalents		1,356	1,806	(450)	(25)
Financial investments	9	746	395	351	89
Trade receivables	10	2,249	2,250	(1)	–
Inventories	11	4,141	3,990	151	4
Current income tax receivables	6	73	101	(28)	(28)
Contract assets		106	105	1	1
Other current assets	12, 27	1,107	1,146	(39)	(3)
Assets classified as held for sale	7	45	–	45	+++
Total current assets		**9,823**	**9,793**	**30**	**0**
Property, plant and equipment	13	8,142	8,002	140	2
Goodwill	14	7,849	6,797	1,052	15
Other intangible assets	13	3,274	2,820	454	16
Right-of-use assets	15	402	374	28	7
Investments accounted for using the equity method	5	100	117	(17)	(15)
Non-current income tax receivables	6	20	1	19	+++
Deferred tax assets	6	250	264	(14)	(5)
Other non-current assets	12, 27	610	471	139	30
Total non-current assets		**20,647**	**18,846**	**1,801**	**10**
Total assets		**30,470**	**28,639**	**1,831**	**6**

€ in millions	Notes	30 September 2025	30 September 2024	Change absolute	Change in %
LIABILITIES AND EQUITY					
Short-term financial debt and current portion of long-term financial debt	16	1,047	500	547	+++
Trade payables		2,011	1,990	21	1
Current provisions	17	660	698	(38)	(5)
Current income tax payables	6	331	301	30	10
Current lease liabilities	15	82	73	9	12
Current contract liabilities		71	75	(4)	(5)
Other current liabilities	18, 27	1,566	1,509	57	4
Liabilities classified as held for sale	7	16	–	16	+++
Total current liabilities		**5,784**	**5,146**	**638**	**12**
Long-term financial debt	16	5,782	4,311	1,471	34
Pensions and similar commitments	19	212	303	(91)	(30)
Deferred tax liabilities	6	133	177	(44)	(25)
Other non-current provisions	17	111	196	(85)	(43)
Non-current lease liabilities	15	305	284	21	7
Non-current contract liabilities		128	152	(24)	(16)
Other non-current liabilities	18, 27	964	851	113	13
Total non-current liabilities		**7,635**	**6,274**	**1,361**	**22**
Total liabilities		**13,419**	**11,420**	**1,999**	**18**
Equity:	20				
Ordinary share capital		2,612	2,612	–	–
Capital reserve		6,886	6,763	123	2
Retained earnings		7,576	6,978	598	9
Other reserves		(505)	(150)	(355)	---
Own shares/obligation to acquire own shares		(120)	(187)	67	(36)
Hybrid capital		602	1,203	(601)	(50)
Total equity		**17,051**	**17,219**	**(168)**	**(1)**
Total liabilities and equity		**30,470**	**28,639**	**1,831**	**6**

Consolidated Statement of Cash Flows

€ in millions	Notes	2025	2024	Change absolute	Change in %
	26				
Profit (loss) for the period		**1,015**	**1,301**	**(286)**	**(22)**
Plus: profit (loss) from discontinued operations, net of income taxes		(10)	479	(489)	---
Adjustments to reconcile profit (loss) for the period to cash flows from operating activities:					
Depreciation and amortization	13, 15, 29	1,917	1,865	52	3
Income tax	6	370	378	(8)	(2)
Interest result	4	161	74	87	+++
Losses (gains) on disposals of property, plant and equipment and intangible assets		(9)	4	(13)	---
Dividends received	5	2	4	(2)	(50)
Impairments (reversals of impairments)	13, 14, 29	272	123	149	+++
Losses (gains) from sales of businesses, interests in subsidiaries and investments		(12)	5	(17)	---
Share-based payment	22	188	130	58	45
Other non-cash result		(15)	16	(31)	---
Change in trade receivables	10	(31)	(279)	248	(89)
Change in inventories	11	(179)	(60)	(119)	---
Change in trade payables		63	(750)	813	+++
Change in provisions	17	(110)	20	(130)	---
Change in other assets and other liabilities		79	830	(751)	(90)
Interest received	4	54	80	(26)	(33)
Interest paid	4	(152)	(146)	(6)	4
Income taxes paid	6	(425)	(533)	108	(20)
Cash flows from operating activities from continuing operations		**3,178**	**3,541**	**(363)**	**(10)**
Cash flows from operating activities from discontinued operations		**39**	**(761)**	**800**	**+++**
Cash flows from operating activities		**3,217**	**2,780**	**437**	**16**

€ in millions	Notes	2025	2024	Change absolute	Change in %
Payments for the acquisition of financial investments	9	(6,301)	(7,027)	726	(10)
Proceeds from sales of financial investments	9	5,956	8,378	(2,422)	(29)
Payments for the acquisition of subsidiaries or other businesses, net of cash acquired	3	(2,188)	(803)	(1,385)	---
Proceeds from sales of subsidiaries or other businesses, net of cash disbursed		93	19	74	+++
Payments for the acquisition of interests in unconsolidated companies, associated companies and joint ventures		(92)	(29)	(63)	---
Proceeds from sales of interests in unconsolidated companies, associated companies or joint ventures		38	–	38	+++
Payments for the acquisition of other intangible assets	13	(294)	(287)	(7)	2
Payments for the acquisition of property, plant and equipment	13	(1,800)	(2,432)	632	(26)
Proceeds from sales of property, plant and equipment, intangible assets and other non-current assets		14	14	–	–
Cash flows from investing activities		**(4,574)**	**(2,167)**	**(2,407)**	**---**
Proceeds from issuance of short-term financial debt	16	700	2,250	(1,550)	(69)
Repayments of short-term financial debt	16	(700)	(2,250)	1,550	(69)
Proceeds from issuance of long-term financial debt	16	2,605	500	2,105	+++
Repayments of long-term financial debt and hybrid capital	16, 20	(1,100)	(323)	(777)	---
Net cash in-/outflow from changes in financial receivables and payables from/to related party	25	(1)	10	(11)	---
Payments for lease liabilities	15	(85)	(74)	(11)	15
Payments for the acquisition of own shares		(8)	(233)	225	(97)
Dividend payments	20	(455)	(456)	1	–
Cash outflow to hybrid capital investors	20	(36)	(39)	3	(8)
Cash flows from financing activities		**920**	**(615)**	**1,535**	**+++**
Net change in cash and cash equivalents		(437)	(2)	(435)	---
Currency effects on cash and cash equivalents		(7)	(12)	5	(42)
Cash and cash equivalents reclassified as held for sale		(6)	–	(6)	---
Cash and cash equivalents at beginning of period		1,806	1,820	(14)	(1)
Cash and cash equivalents at end of period		**1,356**	**1,806**	**(450)**	**(25)**

Consolidated Statement of Changes in Equity

for the fiscal year ended 30 September 2025

€ in millions	Notes	Share capital	Capital reserve	Retained earnings	Other reserves			Own shares/ obligation to acquire own shares	**Equity attributable to shareholders of Infineon Technologies AG**	Equity attributable to hybrid capital investors	**Total equity**
					Currency effects	Hedges	Cost of hedging				
Balance as of 1 October 2024		**2,612**	**6,763**	**6,978**	**(177)**	**25**	**2**	**(187)**	**16,016**	**1,203**	**17,219**
Total comprehensive income (loss), net of tax											
Profit (loss) for the period		–	–	987	–	–	–	–	**987**	28	**1,015**
Other comprehensive income (loss), net of tax		–	–	66	(366)	6	5	–	**(289)**	–	**(289)**
Total comprehensive income (loss), net of tax		**–**	**–**	**1,053**	**(366)**	**6**	**5**	**–**	**698**	**28**	**726**
Transactions with owners											
Contributions by and distributions to owners											
Dividends	20	–	–	(455)	–	–	–	–	**(455)**	–	**(455)**
Share-based payment	20, 22	–	212	–	–	–	–	–	**212**	–	**212**
Settlement of share-based payment	20	–	(91)	–	–	–	–	91	**–**	–	**–**
Purchase of own shares/obligation to acquire own shares	20	–	–	–	–	–	–	(23)	**(23)**	–	**(23)**
Other contributions and distributions	20	–	9	–	–	–	–	(1)	**8**	–	**8**
Total contributions by and distributions to owners		**–**	**130**	**(455)**	**–**	**–**	**–**	**67**	**(258)**	**–**	**(258)**
Total transactions with owners		**–**	**130**	**(455)**	**–**	**–**	**–**	**67**	**(258)**	**–**	**(258)**
Transactions with hybrid capital investors											
Compensation of hybrid capital investors	20	–	(7)	–	–	–	–	–	**(7)**	(629)	**(636)**
Total transactions with hybrid capital investors		**–**	**(7)**	**–**	**–**	**–**	**–**	**–**	**(7)**	**(629)**	**(636)**
Balance as of 30 September 2025		**2,612**	**6,886**	**7,576**	**(543)**	**31**	**7**	**(120)**	**16,449**	**602**	**17,051**

Consolidated Statement of Changes in Equity

for the fiscal year ended 30 September 2024

€ in millions	Notes	Share capital	Capital reserve	Retained earnings	Other reserves			Own shares	**Equity attributable to shareholders of Infineon Technologies AG**	Equity attributable to hybrid capital investors	**Total equity**
					Currency effects	Hedges	Cost of hedging				
Balance as of 1 October 2023		**2,612**	**6,684**	**6,204**	**342**	**16**	**(4)**	**(13)**	**15,841**	**1,203**	**17,044**
Total comprehensive income (loss), net of tax											
Profit (loss) for the period		–	–	1,262	–	–	–	–	**1,262**	39	**1,301**
Other comprehensive income (loss), net of tax		–	–	(32)	(519)	9	6	–	**(536)**	–	**(536)**
Total comprehensive income (loss), net of tax		**–**	**–**	**1,230**	**(519)**	**9**	**6**	**–**	**726**	**39**	**765**
Transactions with owners											
Contributions by and distributions to owners											
Dividends	20	–	–	(456)	–	–	–	–	**(456)**	–	**(456)**
Share-based payment	20, 22	–	130	–	–	–	–	–	**130**	–	**130**
Settlement of share-based payment	20	–	(63)	–	–	–	–	63	**–**	–	**–**
Purchase of own shares	20	–	–	–	–	–	–	(237)	**(237)**	–	**(237)**
Other contributions and distributions	20	–	12	–	–	–	–	–	**12**	–	**12**
Total contributions by and distributions to owners		**–**	**79**	**(456)**	**–**	**–**	**–**	**(174)**	**(551)**	**–**	**(551)**
Total transactions with owners		**–**	**79**	**(456)**	**–**	**–**	**–**	**(174)**	**(551)**	**–**	**(551)**
Transactions with hybrid capital investors											
Compensation of hybrid capital investors	20	–	–	–	–	–	–	–	**–**	(39)	**(39)**
Total transactions with hybrid capital investors		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(39)**	**(39)**
Balance as of 30 September 2024		**2,612**	**6,763**	**6,978**	**(177)**	**25**	**2**	**(187)**	**16,016**	**1,203**	**17,219**

Notes to the Consolidated Financial Statements

The Infineon Group ("Infineon"), comprising Infineon Technologies AG (hereafter also referred to as "the Company") and its direct and indirect subsidiaries, develops, manufactures and markets a wide variety of semiconductors and semiconductor-based solutions. The focus here is on the two long-term growth trends of decarbonization and digitalization. The product range essentially comprises semiconductors for automotive electronics, industrial applications and renewable energies, sensor technology for all end markets, power supplies in general and, in particular, for data centers with artificial intelligence, telecommunications networks and consumer-oriented applications, activities relating to the IoT including Edge AI as well as traditional and new security applications. Research and development sites, manufacturing facilities, investments and customers are located mainly in Europe, Asia and North America.

Infineon Technologies AG is a listed company under German law and the ultimate parent company of Infineon. The principal office of the Company is Am Campeon 1–15, 85579 Neubiberg (Germany). The Company is registered in the Commercial Register of the local court of Munich (Germany) under the number HRB 126492.

1 Basis of the Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 30 September 2025, prepared by Infineon Technologies AG as the ultimate parent company, have been prepared in accordance with IFRS® Accounting Standards and related IFRIC® Interpretations effective as of 30 September 2025 as issued by the International Accounting Standards Board ("IASB") to the extent to which these Accounting Standards and Interpretations have been endorsed by the European Union ("EU") as well as the additionally applicable agenda decisions. The Consolidated Financial Statements also comply with the supplementary requirements set out in section 315e, paragraph 1 of the German Commercial Code ("Handelsgesetzbuch" or "HGB"). The aforementioned standards were complied with in full.

The Consolidated Statement of Profit or Loss is presented using the cost of sales method.

The fiscal year-end for both Infineon and the Company is 30 September of each year.

The Group's reporting currency is the euro ("€").

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

The Company's Management Board presented the Consolidated Financial Statements on 24 November 2025.

Financial reporting rules applied for the first time

The IASB has issued the following Accounting Standards or Amendments to Accounting Standards, which are required to be applied in the Consolidated Financial Statements for the year ended 30 September 2025:

Standard/amendment/interpretation		Effective date	Impact on Infineon
IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	none
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	none
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024	none

In order to provide more meaningful information, the accounting policy for the allocation of certain expenses was changed as of 1 October 2024. This led to a reclassification of expenses from cost of goods sold to research and development expenses. The previous year's figures have been adjusted accordingly, resulting in a reclassification of €176 million for the 2024 fiscal year.

Financial reporting rules issued but not yet applied

The following new or amended Accounting Standards have been issued by the IASB and will be relevant to Infineon from today's perspective. They have not been applied in the Consolidated Financial Statements as of 30 September 2025 since they are not yet mandatory or, alternatively, have not yet been endorsed by the EU. The new or amended Accounting Standards are applicable for fiscal years beginning on or after their respective effective date. As a general rule, they are not applied before their effective date, even if this is permitted for certain Accounting Standards.

Standard/amendment/interpretation		Effective date	Impact on Infineon
IAS 21	Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	none
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026	immaterial
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026	immaterial
	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	none
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	see explanations below

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 contains requirements for all companies that apply IFRS Accounting Standards regarding the type of presentation and disclosure of information in financial statements. IFRS 18 replaces IAS 1 "Presentation of Financial Statements".

The new standard is effective for annual reporting periods beginning on or after 1 January 2027. Accordingly, Infineon will apply the standard from the fiscal year beginning 1 October 2027. Infineon has started to assess the quantitative and qualitative effects of the application of IFRS 18 on the Consolidated Financial Statements, but cannot yet reliably estimate their extent.

2 Summary of significant accounting policies

Basis of consolidation

The Consolidated Financial Statements presented here include the individual financial statements of Infineon Technologies AG and its direct and indirect subsidiaries on a consolidated basis. A subsidiary is defined as an entity directly or indirectly, controlled by Infineon Technologies AG.

Control exists when Infineon is subjected to variable returns arising from its engagement with the subsidiary or has a right to such and has the ability to influence these returns as a result of its power over the subsidiary. Power means that Infineon has existing rights that give it the ability to direct the relevant activities of the subsidiary, that is, the activities that significantly affect the aforementioned returns.

An entity is included in the Consolidated Financial Statements from the date on which Infineon acquires control. Upon first-time consolidation of an entity, the acquired assets and assumed liabilities are generally measured on the basis of their fair value at the acquisition date. Any excess of consideration paid (purchase price) over the share of the fair value of acquired assets, liabilities and contingent liabilities is recognized as goodwill. Any excess of Infineon's share of the fair value of items acquired over consideration paid is, after re-examination, recognized as a gain.

The financial statements of entities included in the Consolidated Financial Statements are prepared using uniform valuation and accounting policies.

The balance sheet effects of intragroup transactions, as well as gains and losses arising from intragroup business relationships, are eliminated on consolidation.

A list of subsidiaries of Infineon Technologies AG is provided in note 30. p. 169 ff.

In the absence of control over an entity, but where the entity is a joint venture or an associated company, this is included in the Consolidated Financial Statements using the equity method (see note 5, p. 116). Where objective indications of impairment in the carrying amount of an equity-based investment are present, an impairment test is carried out. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in financial expenses.

Functional currency and foreign currency translation

The Group's reporting currency and the functional currency of Infineon Technologies AG is the euro. Infineon determines the functional currency for each subsidiary included in the Consolidated Financial Statements.

Foreign currency transactions of subsidiaries are translated into the functional currency of the relevant entity using the spot rate prevailing at the transaction date. Monetary foreign currency assets and liabilities are translated at the spot rate prevailing at the reporting date. Exchange rate gains and losses from the translation of foreign currency transactions are recognized in the Consolidated Statement of Profit or Loss.

The assets and liabilities of subsidiaries with functional currencies other than the euro are translated into euros for consolidation purposes using the spot rate at the end of the reporting period. Income and expenses of these entities are translated using the average spot rate of the reporting period. All currency translation differences are recognized directly in equity and presented as "Other reserves".

Recognition and measurement principles

Cash and cash equivalents

Cash and cash equivalents represent cash and all financial resources with a maturity at the acquisition date of three months or less. Cash equivalents partly include investments in money market funds. The valuation is recorded at amortized acquisition cost or at fair value through profit or loss.

Financial instruments

Financial instruments are initially recognized at their fair value. Transaction costs directly attributable to the acquisition or issuance of financial instruments are only included in the carrying amount if the financial instruments are not measured at fair value through profit or loss.

Trade receivables are recognized based on the amount to which Infineon has an unconditional right to receive. With the exception of matters that result in a partial refund of the purchase price to the customer, this corresponds to the transaction price determined in accordance with IFRS 15. The subsequent measurement of trade receivables is carried out at amortized cost.

Standard purchases and sales of financial assets are recognized on the settlement date.

Financial assets are derecognized when the rights to receive payments from the investments have expired or have been transferred, and Infineon has transferred all risks and rewards associated with ownership. Financial liabilities are derecognized when they are extinguished, that is, when the contractual obligation is discharged, canceled, or expired.

Financial assets

– Classification and measurement of financial assets
Upon initial recognition, financial assets are classified for subsequent measurement either as at amortized cost, fair value through other comprehensive income or fair value through profit or loss. This classification depends on the characteristics of the contractual cash flows of the financial assets and Infineon's business model for managing its financial assets.

Infineon's business model for managing financial asset portfolios reflects how the Group controls its financial assets in order to generate cash flows. Depending on the business model, cash flows arise from the receipt of contractual cash flows, the sale of financial assets or both.

In order for a financial asset in the form of a debt instrument to be classified and measured at amortized cost or at fair value through other comprehensive income, cash flows may only arise from the repayment of principal and interest payments on the outstanding principal amount. This assessment is referred to as a cash flow or SPPI test ("solely payments of principal and interest test") and is carried out at the level of the individual financial instrument.

On this basis, Infineon's financial asset measurement categories are as follows:

Financial assets measured at amortized cost include all assets whose contractual provisions result in cash flows at fixed times that represent only interest and repayments of the outstanding principal amount, provided that those assets are held with the intention of collecting the contractual cash flows expected over their respective duration. In subsequent periods, financial assets measured at amortized cost are measured using the effective interest method. Interest income, currency gains and losses, impairments, and gains or losses from the derecognition of such financial assets are recognized through profit or loss. This measurement category includes advance payments that Infineon makes according to contractual agreements and receives back at a later date (so-called deposits).

As of the reporting date, Infineon did not hold any financial assets with the intention of collecting contractual cash flows and selling them. Therefore, there was no allocation of financial assets in the form of debt instruments to the category "fair value through other comprehensive income".

Financial assets in the form of debt instruments that are measured at fair value through profit or loss include all financial assets of Infineon whose cash flows are not solely payments of principal and interest.

At Infineon, financial assets in the form of equity instruments are generally measured at fair value through profit or loss. For equity instruments that are neither held for trading nor represent a contingent consideration in a business combination, Infineon makes an irrevocable election at initial recognition as to whether changes in fair value are recognized in other comprehensive income on subsequent measurement.

Net gains and losses, including interest and dividend income, from financial assets that are measured at fair value through profit or loss (debt and equity instruments) are recognized in the Consolidated Statement of Profit or Loss.

"Designated hedging instruments (cash flow hedges)" also belong to financial assets.

– Impairment of financial assets
Infineon determines an allowance for expected credit losses for financial assets in the form of debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The calculation of the expected future credit losses is generally determined by multiplying the probability of default by the carrying amount of the financial asset (exposure at default) and the expected loss ratio (loss given default).

Infineon determines allowances for expected credit losses primarily for cash and cash equivalents, financial investments, trade receivables, and contract assets. The expected credit losses are adjusted at each reporting date to reflect changes in credit risk since the instrument was first recognized.

For cash and cash equivalents and financial investments measured at amortized cost, Infineon determines credit losses expected in the next twelve months (twelve-month expected credit loss) in accordance with the general approach. Due to their short-term maturity, this corresponds to the lifetime expected credit losses. Infineon rates the credit risk for cash and cash equivalents and financial investments as low. Infineon assumes that a financial asset has a low credit risk if it has an investment grade rating or a corresponding internal investment grade rating. In order to assess whether there has been a significant increase in credit risk since initial recognition, Infineon considers appropriate and robust information that is relevant and available without disproportionately high levels of effort. This includes both quantitative and qualitative information and analyses, which are based on the Group's historical experience and a sound credit assessment as well as forward-looking information. Macroeconomic information is taken into account in the internal rating model (information on Infineon's financial risk management is included in note 28, p. 157 ff.). Irrespective of the above analysis, a significant increase in credit risk is assumed if a debtor is more than 30 days overdue with the settlement of a contractual payment.

For trade receivables and contract assets, Infineon recognizes lifetime expected credit losses using a simplified approach. The estimate of expected credit losses on trade receivables and contract assets is based primarily on the analysis of customer financial data, ratings, credit default spreads, past payment behavior of customers and forward-looking information.

In the case of objective indications that expected future cash flows are affected, a financial asset is classified as credit-impaired and adjusted to its individual value. As a rule, this is the case for financial assets (except in the case of trade receivables) no later than 90 days after the due date. Trade receivables are not automatically determined as credit-impaired in the event of a payment overdue by more than 90 days, but instead, always on the basis of the individual assessment of credit management.

A default event occurs when Infineon concludes that the other party would most likely not be able to meet the payment obligations, or not in full.

Financial assets are partly or completely written off, together with previously recognized impairments, if there is no reasonable expectation of repayment. This is generally the case when Infineon finds that the debtor does not have assets or revenue sources that could generate sufficient cash flows to repay the amounts subject to derecognition. Even when financial assets are written off, Infineon continues to conduct enforcement measures to recover them. Amounts recovered are recognized in profit or loss.

Financial liabilities
Infineon classifies financial liabilities into the following categories: "Financial liabilities measured at fair value through profit and loss" and "Other financial liabilities". Furthermore, "Designated hedging instruments (cash flow hedges)" belong to financial liabilities.

Liabilities measured at fair value through profit or loss by Infineon include derivatives to hedge currency risks for which hedge accounting is not applied.

Upon initial recognition, other financial liabilities are measured at fair value after the deduction of transaction costs. In subsequent periods, they are measured at amortized cost using the effective interest method. Other financial liabilities at Infineon include advance payments that Infineon receives from customers as part of capacity reservation contracts and which are repaid to the customers at a later date after the contractually agreed volumes have been accepted (deposits). The difference between the nominal amount of a deposit and its fair value arising on initial recognition of the financial liability does not normally represent a gain at the time of addition (referred to as "day-one gain"), but an advance payment by the customer for a capacity reservation granted and is recognized as a contract liability on initial recognition and realized as revenue over the period of the capacity reservation (see "Revenue recognition", p. 108).

The liabilities are derecognized when the contractual obligations are discharged, have been canceled or have expired.

Designated hedging instruments (cash flow hedges)
Certain derivative financial instruments are used to hedge foreign currency and interest risks or risks of commodity price changes (such as gold prices) for firm commitments, as well as for expected and highly probable future transactions, in order to minimize the associated risk (cash flow hedges).

Derivative financial instruments are measured at their fair value and included in other current or non-current assets or other current or non-current liabilities.

The effective portion of changes in the fair value of derivative financial instruments, determined in accordance with IFRS 9, that are designated as cash flow hedges and are part of hedging relationships that meet the criteria for hedge accounting is recognized directly in equity. The gain or loss relating to the ineffective portion is recognized in profit or loss. Amounts accumulated in equity are recycled in profit or loss in the periods in which the underlying hedged item affects profit or loss, or, if the expected transaction subsequently results in the recognition of a non-financial asset, included in the acquisition cost upon initial recognition.

When a hedging instrument expires or is sold, or when a hedging relationship no longer meets the criteria for hedge accounting, any cumulative gain or loss existing at that time remains in equity until the underlying transaction actually occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

Inventories
Inventories are measured at the lower of historical acquisition or fully absorbed production cost – calculated using the weighted-average method – and net realizable value. Net realizable value corresponds to realizable sale proceeds under normal business conditions, less estimated expected costs to complete and sell. Production cost comprises costs of material, production wages and an appropriate portion of attributable overheads, along with attributable depreciation and amortization on property, plant and equipment and other intangible assets. Overhead mark-ups are determined on the basis of normal capacity utilization levels.

Write-downs to net realizable value are recorded on inventories using a consistent approach throughout Infineon and are determined at product level for technically obsolete and slow-moving inventories on the basis of the amount of revenue expected to be generated by the relevant product.

Inventories include an asset resulting from sales with a right of return, representing Infineon's right to recover products from customers upon payment of the reimbursement obligation (see "Revenue recognition"", p. 108). The valuation is made by reference to the previous book value of the products.

Contract assets

Contract assets are recognized if Infineon has fulfilled its performance obligations arising from contracts with customers and an unconditional entitlement to customer consideration does not yet exist.

At Infineon, contract assets result from the sale of customer-specific products without an alternative use and from certain consignment agreements (see "Revenue recognition", p. 108).

Loss allowances for expected credit losses on contract assets are determined in accordance with the measurement method for trade receivables (see "Financial instruments"", p. 100).

Property, plant and equipment

Property, plant and equipment are measured at amortized acquisition or construction cost, with deductions to their value to take account of depreciation and any impairments.

Depreciation on property, plant and equipment is recorded using the straight-line method. Land, property rights and construction in progress are not depreciated on a scheduled basis. Depreciation on property, plant and equipment is based on the following useful lives, as applied consistently throughout Infineon:

	Years
Buildings and building components	25
Technical equipment and machinery	3 – 10
Other plant and office equipment	1 – 10

Other intangible assets

Other intangible assets consist of capitalized development costs and purchased intangible assets, for example licenses, technologies and customer relationships. These assets have finite useful lives and are valued at their amortized acquisition or production costs, with amortization recorded using the straight-line method over their expected economic life.

Amortization of other intangible assets is based on the following useful lives:

	Years
Capitalized development costs	3 – 10
Customer relationships	1 – 12
Technologies	1 – 12
Licenses and similar rights	3 – 5
Remaining other intangible assets	3 – 12

Infineon did not hold any other intangible assets with indefinite useful lives in either the 2025 or the 2024 fiscal year.

Recoverability of property, plant and equipment and intangible assets (including goodwill)

Infineon reviews non-current assets, including property, plant and equipment, goodwill and other intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Regardless of whether an indication of impairment exists, goodwill and other intangible assets, including capitalized development costs not yet subject to amortization, undergo an annual impairment test (see also "Research and development expenses", p. 109). The impairment test for goodwill is carried out annually at the operating segment level.

The recoverability of an asset is measured by comparing its carrying amount with its recoverable amount. To the extent it is not possible to determine the recoverable amount of an individual asset, the book value of the cash generating unit to which the asset is allocated is compared to its recoverable amount.

A cash-generating unit (CGU) represents the smallest identifiable group of assets that generates cash inflows from continuing activities and that are largely independent of the cash inflows from other assets or group of assets.

Goodwill arising in connection with a business combination is allocated to the CGUs or groups of CGUs that will benefit from the synergies generated by the business combination and the going-concern element of the business operations acquired.

The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and its value in use. The value in use is calculated based on discounted future cash flows. Considerable management judgment is necessary to estimate future cash flows. To simplify matters, if the value in use is higher than the carrying amount, there is generally no need to calculate the fair value less costs to sell.

If an asset or CGU is considered to be impaired, the impairment recognized is the amount by which the carrying value exceeds the recoverable amount.

Goodwill is impaired when the carrying amount of the operating segment to which the goodwill is allocated exceeds the recoverable amount of that unit.

If the carrying amount of the operating segment to which the goodwill is allocated exceeds the recoverable amount of this CGU, the goodwill is impaired accordingly.

In the case of property, plant and equipment or other intangible assets, if the recoverable amount of a CGU is less than its carrying value, the impairment loss is allocated pro rata to the assets within the scope of IAS 36. An impairment loss recognized in prior periods for property, plant and equipment or other intangible assets is reversed insofar as, since the last impairment, a change in the underlying assumptions has occurred, which leads to a lower impairment requirement. The maximum possible reversal of an impairment loss is that which would lead to the carrying amount that would have been determined (net of scheduled depreciation or amortization) if no impairment loss had been recognized for that asset in previous years. Goodwill impairments recognized may not be reversed in subsequent periods.

Leased assets

IFRS 16 defines a lease as a contract that conveys the right to use an identifiable asset over a specified period of time in exchange for consideration.

At the beginning of a lease, Infineon capitalizes a right-of-use asset at amortized acquisition cost and recognizes as a liability a corresponding lease liability, using the present value of the outstanding lease payments. Right-of-use assets are amortized on a straight-line basis over the expected useful life (see "Property, plant and equipment", p. 104), or over the duration of the contract if shorter. In subsequent valuations,

lease liabilities are measured at the current value of the outstanding lease payments using the effective interest method and are presented as lease liabilities (current and non-current).

The costs associated with leasing agreements with a term of not more than twelve months that do not contain an option to purchase, as well as leasing agreements in which the value of the underlying asset in the leasing contract is low, are recorded in profit or loss on a straight-line basis in the functional costs. As a general rule, leased assets with an acquisition cost of up to €5,000 are defined as low-value assets.

Defined benefit pension plans

The net pension obligation recognized with respect to defined benefit pension plans comprises the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of the plan assets. The present value of the DBO and the resulting pension expense are determined annually in accordance with IAS 19 “Employee Benefits” for each separate plan by independent, qualified actuaries using the projected unit credit method. The calculation is subject to, among other things, assumptions on increases in salaries, future developments in pensions as well as the life expectancy of the beneficiaries. As of the balance sheet date, the obligations are discounted using discount rates determined primarily on the basis of market yields of high-grade, fixed-interest corporate bonds from issuers carrying a very high credit rating.

All items of income and expense relating to defined benefit plans, with the exception of the net interest result, are recognized on a net basis in the functional costs within the operating result. The net interest result arising from the multiplication of the net pension obligation (pension obligation less plan assets) by the discount rate is presented as a financial expense. Actuarial gains and losses arising from changes to actuarial assumptions and estimates as well as the difference between the normalized and actual return on plan assets are recognized directly in equity outside profit for the period and recorded in the Consolidated Statement of Comprehensive Income in the periods in which they arise. Past service costs are recognized immediately in profit or loss.

Contract liabilities

Contract liabilities are recognized if Infineon has not yet fulfilled its performance obligations from contracts with customers and has already received consideration from the customer.

Other provisions

Other provisions are recognized for present legal and/or constructive obligations arising from past events that are likely to result in a future net outflow of economic resources, the amount of which can be reliably estimated.

Provisions for restructuring measures are recognized in accordance with the general recognition criteria if a detailed formal restructuring plan has been prepared and has been made known to the parties concerned as of the balance sheet date.

With regard to legal proceedings and litigation, Infineon regularly assesses the probability of an unfavorable outcome. Infineon records provisions and liabilities, including provisions for significant legal costs, for those obligations and risks relating to legal disputes that it assesses at the relevant reporting date are likely to occur. That is where, from Infineon’s perspective as of the date of assessment, there is compelling evidence that indicates an obligation or risk, and the obligation or risk can be quantified with reasonable accuracy at the time of assessment. As soon as additional information is available, the affected estimates are reviewed and provisions for these proceedings are revised.

Other provisions are measured at their expected settlement amount. The amount recognized for a provision is the best estimate of the expenditure required to settle the present obligation. Estimates of outcomes and financial effects are made by management based on experience, assisted where appropriate by independent expert assessments. If the circumstances to be assessed encompass a large number of possible outcomes, the obligation is estimated by weighting all relevant outcomes by their associated probabilities (expected value method).

Where cash flows are expected to arise after the next twelve months, the expected settlement amount corresponds to the present value of the expected cash outflows. Discounting is only carried out if the interest effect is significant.

If the obligation decreases because of a change in the estimate, the provision is adjusted accordingly and the resulting income recognized in the same functional cost where the expense was originally accounted for when the provision was created.

Contingent liabilities

Contingent liabilities are either possible obligations whose actual existence depends on the occurrence of one or more uncertain future events not within Infineon's control, or they are present obligations that will probably not result in the outflow of resources or whose outflow of resources cannot be quantified reliably. Contingent liabilities are not recognized in the Consolidated Statement of Financial Position; instead, they are disclosed in the notes to the Consolidated Financial Statements (see notes 23, p. 145, and 24, p. 145 f.).

Hybrid bonds

The accounting treatment for a hybrid bond depends on its specific terms. A hybrid bond is recognized and measured as equity if, inter alia , it has no final maturity date, the investors have no termination rights and distributions are at the discretion of Infineon. In this case, discounts, transaction costs, tax effects and the compensation of the hybrid investors are deducted directly from equity.

Treasury shares

Treasury shares reduce equity at cost, i.e. including directly attributable incidental acquisition costs. If treasury shares are acquired via an independent financial institution as part of what is referred to as a passive buyback program, a liability for the obligation to buy back the shares is recognized upon conclusion of the irrevocable agreement on the acquisition of the treasury shares and a corresponding reduction in equity in the amount of the buyback value expected at that time. The difference between the expected repurchase value and the total purchase price of the shares is recognized in profit or loss as other financial income or expense.

The amount per share recognized as the equity deduction item "Treasury shares" is to be reclassified from the item "Treasury shares" to the "Capital reserve" within equity when the treasury shares are subsequently used as part of the share-based payment. A moving average is used to determine the reclassification amount within equity.

Revenue

Infineon generates revenue mainly from the sale of semiconductor products, related system solutions and relevant software, mainly to direct customers and distributors. Infineon's customer contracts usually contain one performance obligation.

Revenue recognition
Revenue that is not recognized over time is recognized at a point in time and generally upon delivery. This is the standard case at Infineon. If software is an integral part of the product, revenue is also recognized at a point in time upon delivery of the product to the customer. In the case of deliveries to consignment warehouses, revenue recognition depends on the respective individual contractual arrangement. Revenue is recognized at the time of delivery to the consignment warehouse in cases where the customer has already contractually obtained control over the products at the time of delivery to the consignment warehouse, and otherwise when the products are removed from the consignment warehouse by the customer. For sales of customer-specific products with no alternative use for Infineon, for which Infineon has a legal right to payment for services rendered prior to delivery, revenue is recognized over the production period of the customer-specific products. Revenue from supplementary services such as capacity reservation, development services, software support and maintenance is recognized over the period in which the service is provided.

Transaction price
The amount of revenue corresponds to the expected transaction price to be settled by the customer.

Variable consideration
The revenue recognition of contractually agreed variable consideration ensures that it is highly probable that there will not be a significant subsequent reversal of revenue. If Infineon expects that the revenue will have to be partially refunded due to variable components, Infineon recognizes a refund obligation that reduces revenue and is reported under other current liabilities.

In addition to rebates and discounts, variable consideration at Infineon relates in particular to products sold to distributors. Distributors can, in accordance with established business practices in the semiconductor industry, request price adjustments under certain circumstances. This allows distributors to receive a credit (debit) note for unsold products held in inventory. In addition, in certain cases and for certain products, distributors may request what is referred to as a ship and debit credit note and, subject to certain conditions, may return a limited amount of inventory or request scrap allowances.

The estimate of the amount of the expected refund obligations is made on the basis of constantly updated empirical values, taking into account currently observed trends.

Expected refunds based on customary warranty obligations, for example due to quality defects, are recognized as an expense through the creation of warranty provisions.

Significant financing component
If Infineon receives payments for product deliveries less than one year in advance, Infineon makes use of the practical expedient not to adjust the transaction price by a significant financing component. If, in exceptional cases, there is more than one year between receipt of the advance payment and delivery, the transaction price will be adjusted by the time value of money to the extent that a significant financing component exists.

Costs of contract initiation and fulfillment
The additional costs to obtain a contract are immediately recognized as an expense as soon as they are incurred, provided that the period over which they would otherwise be reversed does not exceed one year. Costs to fulfill a contract are capitalized at the earliest when an expected and specifically identifiable contract exists.

Cost of goods sold
Cost of goods sold includes the manufacturing costs of products sold during the reporting period. In addition, cost of goods sold contains underutilization costs, inventory risks, the cost of warranty cases, as well as the amortization of capitalized development costs. Recognized currency translation effects, as well as changes in the fair value of undesignated derivative financial instruments connected to the operating business, are recognized in cost of goods sold.

Research and development expenses
Research costs are expensed as incurred. Development costs are only capitalized if they relate to new or significantly improved products or production processes, the development costs can be reliably estimated, the product or process is technically and commercially feasible, a future economic benefit is probable and Infineon must intend, and have the ability, to complete the development and to use or sell the asset. The costs capitalized include the cost of materials, direct labor and directly attributable general overhead expenses that serve to prepare the asset for use. Such capitalized costs are presented as internally generated intangible assets within "Other intangible assets" (see note 13, p. 124 ff.). Development costs, that do not fulfill the criteria for capitalization are expensed as incurred. Capitalized development costs are stated at cost less accumulated amortization and impairment charges.

Grants
Grants are recognized when it is reasonably assured that Infineon will comply with the conditions attached to the grant, and reasonably assured that the grant will be received. Investment-related grants are deducted from the purchase and production cost of the related asset and thereby reduce the depreciation and amortization expense in future periods.

Grants that are related to expenses are presented as a reduction of the related expense in the Consolidated Statement of Profit or Loss (see note 4, p. 115).

Share-based payment
Infineon has developed Long-Term Incentive ("LTI") plans in the form of the Performance Share Plan and the Restricted Stock Unit Plan. In addition, since the 2025 fiscal year, part of the annual short-term variable remuneration (Short-Term Incentive – STI) has been paid in shares under the Bonus-to-Share Plan (see note 22, p. 142 ff.).

In accordance with IFRS 2 "Share-based Payment", these plans are classified as equity-settled share-based payment transactions and are accounted for accordingly. Under the Performance Share Plan and the Restricted Stock Unit Plan, the fair value of the equity instruments granted is determined at the grant date by an external expert using a recognized mathematical method (the Monte Carlo simulation model). The valuation of the Bonus-to-Share Plan is based on the actual target achievement of the STI performance criteria.

The expense for the share-based payment is distributed on a straight-line basis over the vesting period. The expenses are recognized in the functional costs. The offsetting entry is made in the capital reserve.

Current and deferred taxes
The current tax expense is calculated in accordance with taxation provisions in force at the end of the reporting period.

Deferred taxes are calculated on temporary differences between the tax base and the book value of assets and liabilities and on tax losses available for carry-forward and tax allowances. By contrast, generally no deferred tax is recognized on initial recognition of goodwill arising in connection with a business combination. Similarly, deferred taxes are not recognized upon the initial recognition of an asset or liability in connection with a transaction that is not a business combination, at the time of the transaction affects neither the pre-tax income according to IFRS Accounting Standards nor taxable profit and does not result in taxable and deductible temporary differences

in the same amount at the time it arises. Deferred tax assets and liabilities are measured using applicable tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are to be applied when the related deferred tax asset is realized, or the deferred tax liability is settled.In determining deferred taxes, Infineon has taken account of the reduction in the tax rate as part of the fiscal investment program for the relevant years.

Deferred tax assets with respect to deductible temporary differences, tax loss carry-forwards and tax allowances that exceed deferred tax liabilities in respect of taxable temporary differences, are only recognized to the extent that it is probable that the relevant Group entity can generate sufficient taxable profit to realize the corresponding benefit. Infineon reviews deferred tax assets for impairment at every reporting date. The assessment requires management to make assumptions about future taxable profits as well as other positive and negative influencing factors. This assessment also takes into account insights from the Group's five-year plan as approved in the fiscal year just ended.

Deferred tax assets and liabilities are netted to the extent they relate to the same tax authority and to the same taxpayer or a group of different taxpayers who are jointly assessed for income tax purposes.

Taxes are recognized in the Consolidated Statement of Profit or Loss, with the exception of taxes relating to items recognized directly in equity or in other comprehensive income.

Tax liabilities are recognized as short-term as they are due immediately, and Infineon generally does not have the option of deferring their due date.

For uncertain tax positions, a current tax liability is recorded; in the case of a tax loss carried forward or a tax allowance, the respective deferred tax asset is reduced accordingly. Estimates and assumptions must be made for the recognition and valuation, for example, whether an assessment is made separately or together with other uncertainties, whether a probable or expected value is used for the uncertainty, and whether changes have occurred compared to the previous period. The detection risk for the recognition of uncertain tax positions is not relevant. Recognition assumes that the tax authorities investigate the matters in question and that they have all relevant information.

Estimates and assumptions

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that have an impact on the amounts presented and the associated disclosures.

Assumptions and estimates are made to the best of management's knowledge based on current events and actions. Actual results may deviate from these estimates. This is especially true against the backdrop of the geopolitical risks that continue to exist, particularly due to the ongoing war in Ukraine, the conflict over Taiwan, and the military conflicts in the Middle East. Furthermore, customs disputes, export controls and bans on high-tech and critical basic materials as well as trade restrictions, for example between the USA, the EU and China, could have a negative impact on global trade and therefore on global economic growth. This could also lead to less growth or a decline in foreign demand in China and therefore Chinese gross domestic product, in a market that is important for Infineon. Furthermore, these tariff disputes could also lead to de facto exclusions in key markets if Infineon has no local value creation there. Developments in the wake of the geopolitical risks 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 Consolidated Financial Statements, or that the estimates and assumptions made will have to be adjusted in future periods. This could have a significant impact on Infineon's financial condition, liquidity and results of operations.

Climate change can give rise to uncertainties and risks for Infineon's financial condition, liquidity and results of operations. Changes in the climate such as increased frequency and intensity of extreme weather events (storms, fires and floods) as well as long-term trends such as a rise in temperature can affect the usability of Infineon's assets. Transitory changes related to decarbonization, including political, legal, technological and market changes, may affect the useful life and value of Infineon's assets. There is uncertainty about the extent to which regulatory efforts to protect the climate and resources will increase costs. Infineon's climate protection measures focus on CO_2 emissions and Infineon plans to become carbon-neutral by 2030. Costs for this and other climate change mitigation measures have been taken into account in corporate planning and thus included in impairment considerations. Climate risks and opportunities are analyzed, reported and evaluated for their potential financial and accounting impact as part of the quarterly risk management process. They are thus regularly included in the review of estimates and assumptions for accounting purposes. In addition, sensitivity analyses of the valuation results are carried out for valuations based on longer-term planning assumptions for business development, which adequately reflect the potential impact of climate change on the valuation results. Infineon has not currently identified any material risks in relation to climate change or the scarcity of resources and does not currently expect such risks to have a material impact on its business model or on the presentation of its financial condition, liquidity and results of operations.

Accounting areas particularly affected by estimation uncertainties and assumptions are:

- the valuation of inventory (see "Inventories", p. 103 f., and note 11, p. 123),
- the recoverability of non-financial assets, in particular property, plant and equipment (see note 13, p. 124 ff.) and goodwill (see note 14, p. 126 ff.),
- the recognition and measurement at fair value of assets acquired as part of the the acquisition of the Automotive Ethernet business (see note 3, p. 112 f.)
- the recognition and valuation of provisions (see "Other provisions", p. 106 f., notes 17, p. 132, and 24, p. 145 f.) and
- the revenue where the transaction price contains a variable element (see "Revenue recognition", p. 108).

All assumptions and estimates are based on the circumstances and assessments as of the balance sheet date, taking into account the knowledge gained up to the approval by the Management Board of the Consolidated Financial Statements on 24 November 2025.

3 Acquisitions

Acquisition of Marvell's Automotive Ethernet business

On 14 August 2025, Infineon completed the acquisition of the Automotive Ethernet business from Marvell Technology, Inc., USA, ("Marvell"). Ethernet is a key enabling technology for low-latency, high-bandwidth communication, which is crucial for software-defined vehicles. In addition, the acquisition creates new opportunities in the field of physical AI, such as humanoid robots. With the acquisition, Infineon strengthens its system expertise for software-defined vehicles, complementing and expanding, among other things, its own market-leading microcontroller business.

The purchase price (consideration transferred) of €2,201 million at the acquisition date was made up as follows:

€ in millions	
Cash	2,120
Replacement of share-based payment awards (see note 22, p. 142 ff.)	33
Valuation effects from hedging transactions (see note 27, p. 149 ff.)	48
Consideration transferred (purchase price)	**2,201**

In accordance with the terms and conditions of the purchase agreement Infineon replaced share-based payment components held by transferring employees with Infineon's Restricted Stock Units totalling €47 million. After deduction of the pro rata service periods completed by the employees before the acquisition date, which was considered as a component of the consideration transferred (purchase price), €14 million will be recognized as a post-closing expense. See note 22, p. 142 ff., for further details regarding the replacement of the existing share-based payment.

The acquired net assets of the Automotive Ethernet business before the purchase price allocation amounted to €28 million. The acquired assets mainly relate to inventories and property, plant and equipment. The acquired liabilities primarily relate to liabilities to employees. The excess of the purchase price over the net assets acquired was €2,173 million.

The purchase price allocation, generally based on the fair values of the assets acquired and liabilities assumed, resulted in particular in the recognition of intangible assets such as technologies and customer relationships as well as goodwill. The main assumptions made in the context of the purchase price allocation concerned revenue and margin trends in the business plan of the operations acquired, the expected synergies and the cost of capital.

The following table shows the assets acquired and liabilities assumed, taking into account the purchase price allocation at the acquisition date:

€ in millions	
Inventories	61
Property, plant and equipment	6
Other intangible assets	773
Total assets	**840**
Current provisions	3
Total liabilities	**3**
Net assets acquired	**837**
Goodwill	**1,364**
Consideration transferred (purchase price)	**2,201**
Paid in cash as of 30 September 2025	2,180

The goodwill of €1,364 million arising from the acquisition, originally denominated in U.S. dollars, is primarily attributable to synergies, expected cost benefits, income from the future technology and customer portfolios, and the knowhow of the workforce. Of the total goodwill, €1,363 million is deductible for tax purposes.

Due to the ongoing operational integration of the Automotive Ethernet business and any possible resulting findings about circumstances that already existed at the acquisition date, especially with regard to intangible assets, the amounts initially recognized may be subject to adjustments and should be considered to be provisional.

The costs associated with effecting the business combination, comprising mainly legal expenses, bank commissions and other consulting expenses, totalled €6 million and were recognized in other operating expenses.

Revenue and profit (loss) after tax of the Automotive Ethernet business, included in the Consolidated Statement of Profit or Loss for the reporting period since the acquisition date, were as follows:

€ in millions	
Revenue	10
Profit (loss) after tax	(15)

The profit (loss) after tax of the Automotive Ethernet business was significantly impacted by integration effects, acquisition-related depreciation and amortization (in particular of other intangible assets identified as part of the purchase price allocation) and other expenses.

If the Automotive Ethernet business had already been acquired and consolidated as of 1 October 2024, Infineon would have recorded revenue of €14,799 million in the Consolidated Statement of Profit or Loss for the 2025 fiscal year. A reliable determination of the profit (loss) for the period since 1 October 2024 for the Automotive Ethernet business is impracticable due to the transaction structure (acquisition of individual assets and liabilities in the context of an asset deal) and unavailable data.

The Automotive Ethernet business was fully integrated into the existing Automotive segment.

4 Notes to the Consolidated Statement of Profit or Loss

Revenue

Breakdowns of revenue by segments, product groups and geographic areas are disclosed in note 29. p. 163 ff.

Revenue of €65 million in the 2025 fiscal year (previous year: €68 million) was reported under current contract liabilities in the previous year's balance sheet.

The aggregate amount of the transaction prices of the unsatisfied and partially unsatisfied performance obligations, arising from contracts with customers within the meaning of IFRS 15 with original expected durations of more than one year, was as follows as of 30 September 2025 and 30 September 2024:

Revenue expected (€ in millions)	Total	Less than 1 year	1 year and after
As of 30 September 2025	**1,606**	**656**	**950**
As of 30 September 2024	2,893	1,667	1,226

Infineon refrains from disclosing the remaining performance obligations arising from contracts with customers within the meaning of IFRS 15 with original expected durations of one year or less.

Cost of materials/Personnel expenses

The Consolidated Statement of Profit or Loss included cost of materials of €6,287 million in the 2025 fiscal year (previous year: €6,325 million).

The following personnel expenses were also included in the Consolidated Statement of Profit or Loss:

			Change	
€ in millions	2025	2024	absolute	in %
Wages and salaries	3,867	3,960	(93)	(2)
Social insurance levies and employee benefits	580	561	19	3
Expenses for pensions	112	91	21	23
Total	**4,559**	**4,612**	**(53)**	**(1)**

The average number of employees by geographic region was as follows for the 2025 and 2024 fiscal years:

			Change	
	2025	2024	absolute	in %
Europe	24,833	24,815	18	0
therein: Germany	15,106	15,232	(126)	(1)
Asia-Pacific (excluding Japan, Greater China)	24,484	25,402	(918)	(4)
Greater China[1]	3,040	3,050	(10)	–
therein: Mainland China, Hong Kong	2,577	2,576	1	0
Japan	685	690	(5)	(1)
Americas	4,171	5,152	(981)	(19)
therein: USA	3,012	3,706	(694)	(19)
Total	**57,213**	**59,109**	**(1,896)**	**(3)**

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

Other operating expenses

Other operating expenses comprised the following in the 2025 and 2024 fiscal years:

			Change	
€ in millions	2025	2024	absolute	in %
Restructuring costs and other related closure costs	139	232	(93)	(40)
Impairment of other intangible assets, property, plant and equipment, other assets and assets held for sale during the year (see note 7, p. 120 f., and note 13, p. 124 ff.)	272	121	151	+++
Expenses in connection with rental income	18	23	(5)	(22)
Other	108	22	86	+++
Total	**537**	**398**	**139**	**35**

On 7 May 2024, Infineon announced its Group-wide structural improvement program "Step Up" to strengthen its competitiveness. In the 2025 fiscal year, Infineon recognized restructuring costs and other related closure costs of €139 million (previous year: €232 million). Most of these costs are directly related to measures within the "Step Up" framework.

Impairment losses on other intangible assets, property, plant and equipment, other assets and assets held for sale during the fiscal year totalled €272 million in the 2025 fiscal year (previous year: €121 million). Of this amount, €98 million was attributable to plant and machinery in connection with the "Step Up" structural improvement program that can only be used to a limited extent or can no longer be used. A further €149 million results from the disposal of the production facility in Austin (Texas, USA) to SkyWater Technology, Inc. (see note 7, p. 120).

The impairments are mainly attributable to the Group functions, see note 29. p. 163 ff.

Grants

Infineon has received grants from various governmental institutions under government business development programs, including grants for the construction of manufacturing facilities as well as for research and development activities and employee development. Grants included directly in profit or loss in the Consolidated Financial Statements during the 2025 and 2024 fiscal years were as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Included in the Consolidated Statement of Profit or Loss in:				
Cost of goods sold[1]	120	149	(29)	(19)
Research and development expenses[1]	179	215	(36)	(17)
Selling, general and administrative expenses	8	3	5	+++
Total	**307**	**367**	**(60)**	**(16)**

1 Figures for the previous year period have been adjusted (for details see note 1, S. 98 f., to the Consolidated Financial Statements).

Of the grants recognized in profit or loss in the 2025 fiscal year, €8 million relates to expenses incurred in the previous year of €43 million.

In the 2025 fiscal year, investment grants of €300 million (previous year: €74 million) were deducted from acquisition or construction costs for property, plant and equipment and other intangible assets. In the 2025 fiscal year, Infineon received investment grants of €239 million (previous year: €15 million).

For compliance with the conditions attached to the grants received and potential repayment requirements in case of nonfulfillment, see note 23 p. 145.

Financial income and expenses

Financial income comprised the following in the 2025 and 2024 fiscal years:

			Change	
€ in millions	2025	2024	absolute	in %
Interest income	60	83	(23)	(28)
Other financial income	21	36	(15)	(42)
Total	**81**	**119**	**(38)**	**(32)**

Financial expenses comprised the following in the 2025 and 2024 fiscal years:

			Change	
€ in millions	2025	2024	absolute	in %
Interest expenses	(221)	(157)	(64)	41
Other financial expenses	(10)	(5)	(5)	---
Total	**(231)**	**(162)**	**(69)**	**43**

Further information on Infineon's financial income and expenses is contained in note 27. p. 149 ff.

5 Investments accounted for using the equity method

Investments accounted for using the equity method comprise shares in joint ventures and in associated companies.

Summarized financial information for joint ventures

As of 30 September 2025, the carrying amount of joint ventures accounted for using the equity method was €81 million (30. September 2024: €77 million).

For the 2025 and 2024 fiscal years, Infineon's proportion of selected items from the statement of comprehensive income of the joint ventures accounted for using the equity method was aggregated as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Profit (loss) for the period	9	9	–	–
Other comprehensive income (loss), net of tax	–	(1)	1	+++
Total comprehensive income (loss), net of tax	**9**	**8**	**1**	**13**

The pro rata result of the joint ventures accounted for using the equity method is not part of the Segment Result (see note 29, p. 166).

Summarized financial information for associated companies

On 2 April 2025, Infineon's 40 percent share in SkyHigh Memory Limited (Hong Kong) with a carrying amount of €22 million was sold. As of 30 September 2025, the carrying amount of the associated companies accounted for using the equity method was €19 million (30 September 2024: €40 million).

For the 2025 and 2024 fiscal years, Infineon's proportion of selected items from the statement of comprehensive income of the associated companies accounted for using the equity method was aggregated as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Profit (loss) for the period	1	2	(1)	(50)
Other comprehensive income (loss), net of tax	–	–	–	–
Total comprehensive income (loss), net of tax	**1**	**2**	**(1)**	**(50)**

The pro rata result of the associated companies accounted for using the equity method is not part of the Segment Result (see note 29, p. 166).

6 Income tax

Income tax from continuing operations for the fiscal years ending 30 September 2025 and 2024 amounted to:

			Change	
€ in millions	2025	2024	absolute	in %
Current tax income (expense)	(445)	(438)	(7)	2
Deferred tax income (expense)	75	60	15	25
Income tax	**(370)**	**(378)**	**8**	**(2)**

For the 2025 fiscal year, the German combined statutory tax rate for Infineon Technologies AG was 28 percent, as in the previous year. This was based on a corporate income tax rate of 15 percent plus a solidarity surcharge of 5.5 percent (corporate income tax rate including solidarity surcharge 15.8 percent) and a trade tax rate of around 12 percent.

Taxable income earned by foreign subsidiaries is determined on the basis of the country-specific tax legislation and is taxed based on the applicable country-specific tax rates.

The reconciliation of income taxes from continuing operations for the fiscal years ended 30 September 2025 and 30 September 2024, is based on the German combined statutory tax rate of 28 percent and is as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Expected income tax expense	(385)	(604)	219	(36)
Tax rate differential	49	103	(54)	(52)
Effects due to changes in tax rates	3	(11)	14	+++
Effects from the difference between local and functional currency	(19)	25	(44)	---
Previous year taxes	(8)	56	(64)	---
therein: current tax income	2	117	(115)	(98)
Non-deductible expenses	(52)	(41)	(11)	27
Tax-exempt income	55	82	(27)	(33)
Change in permanent balance sheet effects	(40)	12	(52)	---
Change in valuation allowance on deferred tax assets	(31)	(90)	59	(66)
Change in available tax credits	49	101	(52)	(51)
Other	9	(11)	20	+++
Actual income taxes	**(370)**	**(378)**	**8**	**(2)**

The item “Change in valuation allowances on deferred tax assets” consists of the following:

In the 2025 fiscal year, the impairment or non-recognition of deferred tax assets for tax loss carry-forwards of €1 million (2024: €1 million), on tax credits of €36 million (2024: €87 million) and on temporary differences of €0 million (2024: €2 million) had an impact on profit or loss. A write-up of deferred tax assets on tax loss carry-forwards of €2 million (2024: €0 million) was recorded. The write-up of deferred tax assets for temporary differences amounted to €4 million in the 2025 fiscal year (2024: €0 million).

The utilization of tax loss carry-forwards, tax credits and temporary differences for which no deferred tax assets were previously recognized resulted in current tax income of €10 million in the 2025 fiscal year (2024: €8 million).

The item “Tax rate differential” contains the global minimum tax for Pillar 2 purposes in the amount of €10 million (2024: €0 million).

Deferred tax assets and liabilities as of 30 September 2025 and 30 September 2024 comprised the following:

	30 September 2025		Change 2025		30 September 2024		Change 2024	
€ in millions	Deferred tax assets	Deferred tax liabilities	Total	Therein through profit or loss	Deferred tax assets	Deferred tax liabilities	Total	Therein through profit or loss
Intangible assets	15	(347)	132	133	19	(483)	24	34
Property, plant and equipment	189	(218)	2	1	184	(215)	10	10
Inventories	40	(46)	(15)	(15)	47	(38)	2	(5)
Provisions, pensions and similar commitments	274	(47)	(24)	–	289	(38)	60	56
Other	56	(25)	(26)	(25)	82	(25)	54	56
Total deferred taxes on temporary differences	**574**	**(683)**	**69**	**94**	**621**	**(799)**	**150**	**151**
Tax loss carry-forwards	76	–	(4)	(2)	80	–	(76)	(65)
Interest carry-forwards	8	–	(6)	(6)	14	–	14	14
Unused tax credits and excess foreign tax credits	142	–	(29)	(29)	171	–	(15)	(15)
Total deferred taxes	**800**	**(683)**	**30**	**57**	**886**	**(799)**	**73**	**85**
Netting	(550)	550	–	–	(622)	622	–	–
Total	**250**	**(133)**	**30**	**57**	**264**	**(177)**	**73**	**85**

Infineon assessed the need for a valuation allowance on deferred tax assets. Based on the results of this assessment and considering all positive and negative factors and information relating to the foreseeable future based on business plans, Infineon recognized deferred tax assets, after netting, of €250 million as of 30 September 2025 (30 September 2024: €264 million).

Tax loss carry-forwards, interest carry-forwards and tax credits amount to the following:

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Trade tax loss carry-forwards – Germany	–	170	(170)	–––
Corporate tax loss carry-forwards and local tax loss carry-forwards (particularly U.S. state tax loss carry-forwards) – foreign	668	564	104	18
Interest carry-forwards	137	125	12	10
Tax credits[1]	676	719	(43)	(6)

1 The disclosures as of 30 September 2025 include Malaysian tax benefits of €2,146 million (30 September 2024: €2,204 million) with a tax value (tax effected) of €491 million (30 September 2024: €529 million).

No deferred tax assets were recognized for the following items (gross amounts):

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Corporate tax loss carry-forwards and local tax loss carry-forwards (particularly U.S. state tax loss carry-forwards) – foreign	326	315	11	3
Thereof expire within the next five years	26	35	(9)	(26)
Interest carry-forwards	106	71	35	49
Thereof expire within the next five years	–	–	–	–
Tax credits[1]	527	548	(21)	(4)
Thereof expire within the next five years	11	9	2	22
Deductible temporary differences	29	53	(24)	(45)

1 The figures as of 30 September 2025 mainly include Malaysian tax benefits of €1,569 million (30 September 2024: €1,581 million) with a tax value (tax effected) of €360 million (30 September 2024: €379 million).

The change in the net amount of deferred tax assets and liabilities is as follows:

€ in millions	2025	2024
Deferred taxes, net as of 1 October	**87**	**14**
Deferred tax income (expense), recognized through profit or loss:		
From continuing operations	75	60
From discontinued operations	(18)	25
Change of deferred taxes, recognized directly in equity:		
Deferred taxes arising from business acquisitions	–	(23)
Deferred taxes from deconsolidations	(3)	(4)
Deferred taxes recognized directly in equity	2	2
Deferred taxes recognized in other comprehensive income	(18)	9
Currency effects	(8)	4
Deferred taxes, net as of 30 September	**117**	**87**

In connection with investments in subsidiaries, there were temporary taxable differences of €396 million as of 30 September 2025 (2024: €309 million) for which no deferred taxes have been recognized because the timing of the reversal can be controlled, and it is not probable that the temporary differences will reverse in the foreseeable future.

Including the amounts recognized directly in equity and in other comprehensive income and the expense/income from continuing and discontinued operations, income tax was as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Income taxes from continuing operations, recognized in profit or loss	(370)	(378)	8	(2)
Income taxes from discontinued operations, recognized in profit or loss	(11)	75	(86)	–––
Income taxes recognized directly in equity	9	12	(3)	(25)
Income taxes recognized in other comprehensive income	(15)	10	(25)	–––
Income taxes	**(387)**	**(281)**	**(106)**	**38**

Income taxes recognized directly in equity in the 2025 fiscal year related to the compensation for hybrid capital investors. In the previous fiscal year income taxes also related to share-based payments.

Income taxes recognized in other comprehensive income in the 2025 fiscal year comprise mainly taxes on actuarial gains and losses arising from pension commitments (2025: €18 million expense, 2024: €10 million income).

Infineon falls within the scope of the second pillar of the OECD (Organisation for Economic Co-operation and Development) rules to ensure a global minimum tax rate of 15 percent ("Pillar 2"). Accordingly, a supplementary tax is payable to the extent that the Pillar 2-specific tax rate per jurisdiction falls below the minimum tax rate of 15 percent. The ultimate parent entity is Infineon AG, which is based in Germany. The regulations have been implemented legislatively in the countries relevant to Infineon in such a way that Infineon falls within the scope of minimum taxation from the 2025 fiscal year onwards. Accordingly, there was a tax expense of €10 million under this law in the reporting year. Furthermore, Infineon applies the exemption in IAS 12.4A, according to which no deferred taxes are to be recognized in connection with the global minimum taxation.

7 Disposals and discontinued operations

Sale of the 200-millimeter fab in Austin (Texas, USA)

On 30 June 2025, the 200-millimeter fab in Austin (USA) was sold to SkyWater Technology, Inc. ("SkyWater"). In total, assets with a carrying amount of €188 million and liabilities with a carrying amount of €50 million were sold.

In consideration of the sale, a supply contract was concluded with SkyWater for a period of four years. The disposal contract and the supply contract are regarded as "related contracts" for accounting purposes. Taking into account the terms of the supply contract, deferred income was recognized in other liabilities upon completion of the sale, which will be realized in cost of goods sold over the term of the supply contract.

As the consideration received from the sale was below the carrying amount, taking into account the deferred income, an impairment of €149 million was recognized in other operating expenses.

Upcoming sale of the backend manufacturing site in Bangkok/Nonthaburi (Thailand)

The sale of the backend manufacturing site in Bangkok/Nonthaburi (Thailand) to Malaysian Pacific Industries Berhad (MPI) was agreed in a contract dated 18 September 2025. At the same time and in connection with the sale, Infineon concluded a long-term supply agreement. The two contracts are regarded as "related contracts" for accounting purposes. The closing of the transaction is expected towards the

beginning of the 2026 calendar year, when all pending closing conditions will have been fulfilled. As of 30 September 2025, assets with a carrying amount of €45 million were reclassified to assets held for sale and liabilities with a carrying amount of €16 million were reclassified to liabilities held for sale.

Qimonda – discontinued operations

On 23 January 2009, Qimonda AG (hereafter also referred to as "Qimonda"), a majority-owned company of Infineon, filed an application at the Munich local court to commence insolvency proceedings. The insolvency of Qimonda gave rise to various disputes between the insolvency administrator and Infineon, which were ended with the settlement determined by the court on 23 August 2024

After the court-approved settlement with the insolvency administrator, a subsequent profit from discontinued operations, net of income tax, resulted in the amount of €10 million (2024: minus €479 million, therein expenses of €554 million after the full utilization of recognized provisions for the settlement of the legal dispute with the insolvency administrator and income from income taxes of €75 million).

8 Earnings per share

Basic earnings per share are calculated by dividing profit (loss) for the period by the weighted-average number of shares outstanding during the reporting period. The calculation of the diluted earnings per share is based on the assumption that all potentially dilutive instruments are converted into ordinary shares, resulting in a corresponding increase in the number of shares.

The hybrid bond issued in the 2020 fiscal year is classified as equity (see note 20, p. 141). The related hybrid investors' compensation (after tax) represents payments for a component of equity that reduces the earnings available to shareholders for distribution and was therefore taken into account in determining earnings per share (basic and diluted).

Basic and diluted earnings per share are calculated as follows for the fiscal years ended 30 September 2025 and 30 September 2024:

			Change	
€ in millions (unless otherwise stated)	2025	2024	absolute	in %
Profit (loss) for the period – basic and diluted	**1,015**	**1,301**	**(286)**	**(22)**
Compensation of hybrid capital investors[1]	(18)	(29)	11	(38)
Profit (loss) for the period attributable to shareholders of Infineon Technologies AG – basic and diluted	**997**	**1,272**	**(275)**	**(22)**
thereof from continuing operations	987	1,751	(764)	(44)
thereof from discontinued operations	10	(479)	489	+++
Weighted-average number of shares outstanding (in millions):				
Ordinary share capital	1,305.9	1,305.9	–	–
Adjustment for own shares	(5.1)	(4.9)	(0.2)	4
Weighted-average number of shares outstanding – basic	**1,300.8**	**1,301.0**	**(0.2)**	**–**
Adjustments for:				
Effect of share-based payment	6.6	4.1	2.5	61
Weighted-average number of shares outstanding – diluted	**1,307.4**	**1,305.1**	**2.3**	**0**
Basic earnings per share (in euro):[2]				
Earnings per share (in euro) from continuing operations	0.76	1.35	(0.59)	(44)
Earnings per share (in euro) from discontinued operations	0.01	(0.37)	0.38	+++
Earnings per share (in euro) – basic	**0.77**	**0.98**	**(0.21)**	**(21)**
Diluted earnings per share (in euro):[2]				
Earnings per share (in euro) from continuing operations	0.76	1.34	(0.58)	(43)
Earnings per share (in euro) from discontinued operations	–	(0.37)	0.37	+++
Earnings per share (in euro) – diluted	**0.76**	**0.97**	**(0.21)**	**(22)**

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

9 Financial investments

Financial investments comprise fixed-term deposits with banks and investment funds. Fixed-term deposits with banks are categorized as financial assets and measured at amortized cost. Investment funds are categorized as financial assets and measured at fair value through profit or loss (see also note 2, p. 101 f., and note 27, p. 149 ff.).

Financial investments as of 30 September 2025 and 30 September 2024 comprised the following:

			Change	
€ in millions	30 September 2025	30 September 2024	absolute	in %
Fixed-term bank deposits	2	1	1	+++
Investment funds	744	394	350	89
Financial investments	**746**	**395**	**351**	**89**

The loss allowances on financial investments that are measured at amortized cost amounted to €0 million in the 2025 and 2024 fiscal years.

Information on Infineon's credit risk management can be found in note 28. p. 160 f.

10 Trade receivables

Trade receivables result from contracts with customers that are due within one year. As of 30 September 2025 and 30 September 2024, they consisted of the following:

			Change	
€ in millions	30 September 2025	30 September 2024	absolute	in %
Trade receivables, third parties	2,239	2,246	(7)	–
Trade receivables, related parties	20	12	8	67
Trade receivables, gross	**2,259**	**2,258**	**1**	**0**
Loss allowances	(10)	(8)	(2)	25
Trade receivables, net	**2,249**	**2,250**	**(1)**	**–**

Changes in the loss allowances for trade receivables in the 2025 and 2024 fiscal years were as follows:

			Change	
€ in millions	2025	2024	absolute	in %
Loss allowances as of the beginning of the fiscal year	8	5	3	60
Addition (release) of loss allowances, net	2	3	(1)	(33)
Loss allowances as of the end of the fiscal year	**10**	**8**	**2**	**25**

Information about Infineon's credit risk management can be found in note 28. p. 160 f.

11 Inventories

Inventories as of 30 September 2025 and 30 September 2024 consisted of the following:

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Raw materials and supplies	664	467	197	42
Work in progress	2,719	2,746	(27)	(1)
Finished goods and merchandise	758	777	(19)	(2)
Total	**4,141**	**3,990**	**151**	**4**

As of 30 September 2025 and 30 September 2024, finished goods and merchandise included an asset of €7 million and €5 million, respectively, which resulted from sales with a right of return.

Inventory write-downs as of 30 September 2025 and 30 September 2024 amounted to €407 million and €529 million, respectively.

The cost of goods sold included inventories of €8,857 million, which were recognized as an expense during the 2025 fiscal year (2024: €8,873 million).

12 Other assets

Other assets as of 30 September 2025 and 30 September 2024 consisted of the following:

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Grant receivables	346	314	32	10
VAT and other receivables from tax authorities	144	172	(28)	(16)
Prepaid expenses	131	133	(2)	(2)
Prepayments	45	46	(1)	(2)
Other	43	31	12	39
Other current non-financial assets	**709**	**696**	**13**	**2**
Prepayments (deposits)	346	415	(69)	(17)
Derivative financial instruments	3	16	(13)	(81)
Other	49	19	30	+++
Other current financial assets	**398**	**450**	**(52)**	**(12)**
Total other current assets	**1,107**	**1,146**	**(39)**	**(3)**
Prepayments	210	129	81	63
Other	71	78	(7)	(9)
Other non-current non-financial assets	**281**	**207**	**74**	**36**
Other investments	121	38	83	+++
Deferred compensation assets	132	123	9	7
Prepayments (deposits)	34	39	(5)	(13)
Other	42	64	(22)	(34)
Other non-current financial assets	**329**	**264**	**65**	**25**
Total other non-current assets	**610**	**471**	**139**	**30**

Further information on Infineon's financial assets can be found in note 27. p. 149 ff.

13 Property, plant and equipment and other intangible assets

Property, plant and equipment, as well as other intangible assets, for the years ended 30 September 2025 and 30 September 2024, can be analyzed as follows:

	Cost								Depreciation/amortization							Carrying amount	
€ in millions	1 October 2024	Additions	Additions through business combinations	Disposals	Reclassification	Disposal through business sales[1]	Currency effects	30 September 2025	1 October 2024	Depreciation/amortization	Disposals	Disposal through business sales[1]	Impairments/reversals of impairments	Currency effects	30 September 2025	30 September 2025	30 September 2024
Property, plant and equipment																	
Land, land rights and buildings	2,903	81	–	(7)	73	(147)	(30)	2,873	(1,190)	(89)	6	62	–	11	(1,200)	1,673	1,713
Technical equipment and machinery	15,084	673	3	(214)	533	(304)	(43)	15,732	(10,955)	(1,030)	210	252	(39)	34	(11,528)	4,204	4,129
Other plant and office equipment	1,736	96	1	(73)	33	(20)	(17)	1,756	(1,476)	(164)	70	16	(1)	14	(1,541)	215	260
Advance payments and assets under construction	1,907	892	2	(7)	(634)	(16)	(8)	2,136	(7)	–	–	–	(80)	1	(86)	2,050	1,900
Total	**21,630**	**1,742**	**6**	**(301)**	**5**	**(487)**	**(98)**	**22,497**	**(13,628)**	**(1,283)**	**286**	**330**	**(120)**	**60**	**(14,355)**	**8,142**	**8,002**
Other intangible assets																	
Capitalized development costs	1,875	251	–	(7)	–	–	(11)	2,108	(750)	(151)	7	–	–	3	(891)	1,217	1,125
Customer relationships	1,409	–	187	(295)	–	–	(47)	1,254	(1,017)	(111)	295	–	–	34	(799)	455	392
Technologies	2,410	–	556	(25)	–	–	(108)	2,833	(1,245)	(246)	25	–	–	69	(1,397)	1,436	1,165
Licenses and similar rights	386	43	8	(11)	–	(5)	(4)	417	(298)	(30)	11	3	–	2	(312)	105	88
Remaining other intangible assets	110	–	22	(7)	–	–	(5)	120	(60)	(9)	7	–	–	3	(59)	61	50
Total	**6,190**	**294**	**773**	**(345)**	**–**	**(5)**	**(175)**	**6,732**	**(3,370)**	**(547)**	**345**	**3**	**–**	**111**	**(3,458)**	**3,274**	**2,820**

1 Includes reclassications to “assets classified as held for sale”.

€ in millions	Cost								Depreciation/amortization								Carrying amount	
	1 October 2023	Additions	Additions through business combinations	Disposals	Reclassification	Disposal through business sales	Currency effects	30 September 2024	1 October 2023	Depreciation/amortization	Disposals	Reclassification	Disposal through business sales	Impairments/reversals of impairments	Currency effects	30 September 2024	30 September 2024	30 September 2023
Property, plant and equipment																		
Land, land rights and buildings	2,626	49	–	(2)	276	(19)	(27)	2,903	(1,124)	(85)	1	1	8	–	9	(1,190)	1,713	1,502
Technical equipment and machinery	13,627	797	5	(187)	984	(99)	(43)	15,084	(10,180)	(999)	193	(1)	79	(78)	31	(10,955)	4,129	3,447
Other plant and office equipment	1,648	117	–	(59)	54	(11)	(13)	1,736	(1,380)	(172)	58	–	8	–	10	(1,476)	260	268
Advance payments and assets under construction	1,835	1,403	–	(13)	(1,314)	(1)	(3)	1,907	(7)	–	2	–	1	(3)	–	(7)	1,900	1,828
Total	**19,736**	**2,366**	**5**	**(261)**	**–**	**(130)**	**(86)**	**21,630**	**(12,691)**	**(1,256)**	**254**	**–**	**96**	**(81)**	**50**	**(13,628)**	**8,002**	**7,045**
Other intangible assets																		
Capitalized development costs	1,640	249	–	(6)	–	–	(8)	1,875	(643)	(110)	2	–	–	–	1	(750)	1,125	997
Customer relationships	1,424	–	53	–	–	–	(68)	1,409	(934)	(126)	–	–	–	–	43	(1,017)	392	490
Technologies	2,403	–	147	(8)	–	–	(132)	2,410	(1,062)	(248)	3	–	–	–	62	(1,245)	1,165	1,341
Licenses and similar rights	371	37	–	(20)	–	–	(2)	386	(284)	(32)	20	–	–	(3)	1	(298)	88	87
Remaining other intangible assets	116	–	–	–	–	–	(6)	110	(54)	(10)	–	–	–	–	4	(60)	50	62
Total	**5,954**	**286**	**200**	**(34)**	**–**	**–**	**(216)**	**6,190**	**(2,977)**	**(526)**	**25**	**–**	**–**	**(3)**	**111**	**(3,370)**	**2,820**	**2,977**

Depreciation on property, plant and equipment is presented in the Consolidated Statement of Profit or Loss, mainly in cost of goods sold. Amortization of other intangible assets is mainly presented in cost of goods sold or selling, general and administrative expenses. Due to impairment tests, impairment losses were recognized on property, plant and equipment and other intangible assets which are reported under other operating expenses (see note 4, p. 114).

The net book value of other intangible assets as of 30 September 2025 mainly includes technologies and customer relationships acquired as part of the acquisition of Cypress and the Automotive Ethernet business from Marvell. These assets are being amortized over a maximum remaining period of twelve years. As part of the acquisition of the Automotive Ethernet business from Marvell, €550 million was recognized for technologies and €183 million for customer relationships as of 30 September 2025 (see note 3, p. 112 f.). In connection with the acquisition of Cypress, the carrying amounts for technologies as of 30 September 2025 were €746 million (30 September 2024: €987 million) and for customer relationships €220 million (30 September 2024: €320 million).

Capitalized development costs as of 30 September 2025 include development projects still under development and therefore not yet ready for use amounting to €599 million (30 September 2024: €506 million). They are not yet subject to amortization but to an annual impairment test to ensure their recoverability.

As of 30 September 2025, property, plant and equipment with a carrying amount of €198 million (30 September 2024: €276 million) was pledged as collateral for customer prepayments.

14 Goodwill

Changes in goodwill during the 2025 and 2024 fiscal years were as follows:

€ in millions	2025	2024
Cost		
Balance as of the beginning of the fiscal year	6,797	6,547
Additions through business combinations	1,364	621
Disposals	–	–
Currency effects	(312)	(371)
Balance as of the end of the fiscal year	**7,849**	**6,797**
Accumulated impairments and other changes		
Balance as of the beginning of the fiscal year	–	–
Impairments	–	–
Disposals	–	–
Currency effects	–	–
Balance as of the end of the fiscal year	**–**	**–**
Carrying amount		
Balance as of the beginning of the fiscal year	6,797	6,547
Balance as of the end of the fiscal year	**7,849**	**6,797**

The amount shown in the 2025 fiscal year under “Additions through business combinations” resulted from the acquisition of Marvell’s Automotive Ethernet business (see note 3, p. 112 f.).

Infineon carried out the annual goodwill impairment test in the fourth quarter of the 2025 fiscal year at the level of operating segments, which represent a group of cash-generating units.

Infineon determines the recoverable amount of the respective operating segment to which goodwill has been allocated on the basis of its value in use. The value in use is measured by estimating the present value of future cash flows that will be generated by the continuing operations of the segment. Cash flows are discounted using an appropriate discount rate.

The projection of future cash flows is based on the business plan prepared and approved by the Management Board in the 2025 fiscal year. It takes into account, among other things, past experience, current and planned operating results, opportunities as well as risks resulting from uncertain political and economic conditions such as potential trade restrictions. Other external sources such as market studies on expected industry growth were also taken into account. The planning period is five years. Cash flows after the planning period are estimated using a terminal value.

The key assumptions applied by Infineon in projecting future cash flows relate to expected revenue growth, profit margins and capital expenditures. The average revenue growth rates over the planning period are between 8.7 percent and 14.7 percent. Growth rates partly exceed historical average growth rates of the sectors in which the operating segments are active, e.g., as markets are expected to recover and are below the growth rates expected in the previous year. In addition, an improvement in Segment Result Margins is expected in all operating segments over the planning period. This is based, among other things, on movements in selling and purchase prices, productivity improvements in production, positive effects from the “Step Up” structural improvement program, as well as product mix and scaling effects. For the Connected Secure Systems segment, the average Segment Result Margin over the planning period is below the Segment Result Margin of Infineon’s Target Operating Model (TOM), mainly due to high investment in research and development in the long-term microcontroller roadmap. The average Segment Result Margins over the planning period of all the other operating segments, and ultimately the entire Group, are in line with Infineon’s TOM. The expected Segment Result Margin of the terminal value is based on the last planning year and above Infineon’s TOM. This takes technical valuation aspects into account, according to which lower sales growth and lower investments are assumed in the terminal value (steady state) compared to Infineon’s TOM. Capital expenditures are planned on the basis of the expected individual capital intensity of the respective operating segment and consider the current market situation as well as expected long-term volumes.

The discount rate for future cash flows is based on the after-tax weighted-average cost of capital (“WACC”) for each operating segment. The Capital Asset Pricing Model is used to calculate the cost of equity. The relevant pre-tax WACC used to discount future pre-tax cash flows in line with IAS 36, is derived from estimated future after-tax cash flows and the after-tax WACC using a typical tax rate for each operating segment. The risk-free interest rate is derived using the Svensson method, beta factors and debt ratios are derived from a group of companies comparable to the respective segment. In this way, the discount rate derived reflects the current market rate of return as well as the specific risks attached to each operating segment.

The following table shows the allocation of the carrying amount of goodwill to the operating segments, as well as the valuation parameters used:

	Book value of allocated goodwill € in millions		Pre-tax WACC[1] in %		After-tax WACC[1] in %		Terminal growth rate[1] in %	
Operating segment	2025	2024	2025	2024	2025	2024	2025	2024
Automotive	2,686	1,476	16.0	15.6	11.6	11.3	1.5	1.5
Green Industrial Power	225	234	15.2	15.0	11.2	11.2	1.5	1.5
Power & Sensor Systems	2,291	2,314	14.6	13.7	11.3	11.0	1.5	1.5
Connected Secure Systems	2,645	2,771	13.9	13.8	11.2	10.9	1.5	1.5
Corporate	2	2						
Total	**7,849**	**6,797**						

1 Valuation parameters as of 30 June 2025 and 30 June 2024 for the respective impairment test in the fourth quarter.

As a result of the impairment tests carried out, Infineon concluded that none of the operating segments gave rise to an impairment of goodwill in the year under review.

Business planning is characterized, among other things, by uncertainties regarding the assessment of markets and the macroeconomic environment. Therefore, sensitivity analyses were carried out for the respective operating segments, taking into account possible changes in the key assumptions. In order to identify potential risks of impairment, the analyses assumed, separately, a 15 percent reduction in projected cash flows, a 3.0 percentage point reduction in Segment Result Margins, a 1.0 percentage point increase in the after-tax WACC, and a 1.0 percentage point reduction in the long-term growth rate used in the terminal value calculation. The value in use of the segments Automotive, Green Industrial Power and Power & Sensor Systems substantially exceeds their respective carrying amounts, including goodwill. Consequently, only significant changes in the key assumptions which are not considered to be reasonably possible would trigger an impairment loss on goodwill. In the Connected Secure Systems segment, the headroom amounts to around €300 million. The relatively low headroom compared to the other operating segments is primarily attributable to a significant long-term research and development portfolio from which substantial returns are expected to be generated only after the planning period. The value in use would correspond to the carrying amount if projected cash flows were to decrease by 7 percent, the Segment Result Margin were to decrease by 1.5 percentage points, the after-tax WACC were to increase by 0.6 percentage points or the long-term growth rate used in the terminal value calculation were to decrease by 0.9 percentage points.

As all operating segments exhibited headroom, no calculation of the fair value less costs of disposal was performed.

The acquisition of Marvell's Automotive Ethernet business resulted in an increase in goodwill within the Automotive segment. Against this background, a further impairment test was carried out. No risks of goodwill impairment were identified. Furthermore, up to the date of preparation of the Consolidated Financial Statements, there was no indication that the recoverable amount of an operating segment to which goodwill had been allocated could have fallen below the carrying amount.

15 Leases

The leases concluded mainly relate to the rental of land, office and storage space.

The changes in the right-of-use assets in the 2025 and 2024 fiscal years were as follows:

€ in millions	Starting balance	Additions	Additions through business combinations	Depreciation	Other changes	Carrying amount
2025 fiscal year						
Land, land rights and buildings	359	122	–	(75)	(20)	386
Technical equipment and machinery	3	28	–	(3)	(25)	3
Other plant and office equipment	12	10	–	(9)	–	13
Total	**374**	**160**	**–**	**(87)**	**(45)**	**402**
2024 fiscal year						
Land, land rights and buildings	389	60	4	(73)	(21)	359
Technical equipment and machinery	5	1	–	(3)	–	3
Other plant and office equipment	11	9	–	(7)	(1)	12
Total	**405**	**70**	**4**	**(83)**	**(22)**	**374**

The allocation of discounted and undiscounted lease liabilities by maturity as of 30 September 2025 and 30 September 2024 was as follows:

	30 September 2025		30 September 2024	
€ in millions	Discounted lease liabilities	Undiscounted lease liabilities	Discounted lease liabilities	Undiscounted lease liabilities
Due within one year	82	96	73	85
Due after one year to five years	172	211	163	209
Due after more than five years	133	183	121	164
Total	**387**	**490**	**357**	**458**

The Consolidated Statement of Profit or Loss includes the following amounts in the 2025 and 2024 fiscal years that are attributable to leases:

			Change	
€ in millions	2025	2024	absolute	in %
Depreciation	87	83	4	5
Impairment (Reversal of impairment)	3	–	3	+++
Interest expenses	17	14	3	21
Expenses for short-term leases with a term of twelve months or less	4	5	(1)	(20)
Expenses for low-value leases	9	12	(3)	(25)

The Consolidated Statement of Cash Flows includes the following cash-effective amounts in the 2025 and 2024 fiscal years that are attributable to leases:

			Change	
€ in millions	2025	2024	absolute	in %
Payments for short-term leases and low-value leases	13	17	(4)	(24)
Payments for lease liabilities	85	74	11	15
Interest payments	17	14	3	21
Total	**115**	**105**	**10**	**10**

Some leases contain renewal options that may be exercised by Infineon prior to the expiration of the non-cancelable lease term. Infineon has possible future (undiscounted) leasing payments amounting to €155 million (previous year: €76 million) that are not included in lease liabilities because it is not sufficiently certain that the leases will be renewed.

In addition, there are future payment obligations for leases that have not yet started but have already been contracted amounting to €241 million (previous year: €27 million). Future payment obligations relating to short-term leases with a term of twelve months or less are immaterial in value.

The lease contracts, in which Infineon subleases and acts as a lessor, are not material from the Group's point of view.

The expected non-discounted future minimum lease payments from operating leases for land and buildings in which Infineon acts as lessor are as follows:

€ in millions	30 September 2025	30 September 2024
Due within one year	4	8
Due after one year to five years	7	7
Due after more than five years	4	1
Total	**15**	**16**

16 Financial debt

Financial debt as of 30 September 2025 and 30 September 2024 consisted of the following:

€ in millions	30 September 2025	30 September 2024
Bond €500 million, coupon 0.625%, due 2025	–	500
Bond €750 million, coupon 1.125%, due 2026	749	–
USPP note US$350 million, interest rate 4.10%, due 2026	298	–
Short-term financial debt and current portion of long-term financial debt	**1,047**	**500**
Loans payable to banks[1], €1.000 million and US$1.000 million, weighted average interest rate: 3.54%	1,846	–
Bond €750 million, coupon 1.125%, due 2026	–	748
Bond €500 million, coupon 3.375%, due 2027	499	498
Bond €750 million, coupon 1.625%, due 2029	746	744
Bond €750 million, coupon 2.875%, due 2030	744	–
Bond €650 million, coupon 2.00%, due 2032	641	641
USPP note US$350 million, interest rate 4.10%, due 2026	–	312
USPP note US$235 million, interest rate 4.30%, due 2028	200	210
USPP notes US$1,300 million, weighted average interest rate 2.88%, due 2027 – 2033	1,106	1,158
Long-term financial debt	**5,782**	**4,311**
Total	**6,829**	**4,811**

1 These are variable-interest financial liabilities.

In January 2025, S&P Global Ratings confirmed Infineon's investment grade rating of "BBB+" with a stable outlook.

On 13 February 2025, as part of its EMTN (European Medium Term Notes) program, Infineon Technologies AG issued a non-subordinated, unsecured bond with a nominal value of €750 million and a coupon of 2.875 percent per year, due in the 2030 fiscal year. The bond is listed on the Luxembourg Stock Exchange.

On 17 February 2025, a €500 million bond was repaid as scheduled.

On 7 April 2025, acquisition financing was concluded to finance the acquisition of Marvell's Automotive Ethernet business (see note 3, p. 112 f.). The financing comprises two facilities of €1 billion and US$ 1 billion. Both facilities were utilized in full at the time of completion of the acquisition on 14 August 2025. The loans have a term of up to two years from the date they were utilized.

Furthermore, Infineon signed in the 2025 fiscal year a committed €2 billion revolving credit facility with a tenor of five years and two one-year extension options each at the discretion of the lenders. In addition, there are uncommitted bilateral money market funding facilities with an aggregated amount of €1.7 billion. As of 30 September 2025, the committed revolving credit facility and the money market funding facilities have not been drawn down.

The total lines of credit as of 30 September 2025 and 30 September 2024 are summarized in the following table:

		30 September 2025			30. September 2024		
Term, € in millions	Nature of financial institution commitment	Aggregate facility	Drawn	Available	Aggregate facility	Drawn	Available
Short-term	uncommitted	1,726	–	1,726	2,226	–	2,226
Short-term	committed	12	–	12	13	–	13
Long-term	committed	3,852	1,852	2,000	–	–	–
Total		**5,590**	**1,852**	**3,738**	**2,239**	**–**	**2,239**

Nominal amounts of financial debt and interest maturing in the coming years were as follows:

	30 September 2025		30 September 2024	
€ in millions	Financial debt	Interest	Financial debt	Interest
Due within one year	1,048	194	500	109
Due after one year to five years	4,648	368	3,148	301
Due after more than five years	1,161	56	1,186	88
Total	**6,857**	**618**	**4,834**	**498**

17 Provisions

Current and non-current provisions as of 30 September 2025 consisted of the following:

€ in millions	1 October 2024	Addition	Additions through business combinations	Usage	Reversal	30 September 2025
Obligations to employees	558	406	3	(410)	(13)	544
Provisions for restructuring	222	98	–	(203)	(8)	109
Warranties	62	17	–	(19)	(7)	53
Other	52	35	–	(18)	(4)	65
Total provisions	**894**	**556**	**3**	**(650)**	**(32)**	**771**
thereof current	698					660
thereof non-current	196					111

Obligations to employees included, among others, costs of variable remuneration, outstanding vacation and flextime, service anniversary awards, other personnel costs and social security costs.

Provisions for restructuring measures mainly related to costs for personnel measures as part of the Group-wide “Step Up” structural improvement program (see note 4, p. 114).

Provisions for warranties mainly represented the estimated future cost of fulfilling contractual requirements associated with products sold.

Other provisions comprised mainly provisions for asset retirement obligations and miscellaneous other obligations.

Of the total provisions as of 30 September 2025 and 30 September 2024, cash outflows of €660 million and €698 million, respectively, were expected to occur within one year. For the non-current provisions, the cash outflow was expected to occur after more than one year. A total of €44 million as of 30 September 2025 and €50 million as of 2024 of non-current provisions were attributable to length-of-service related anniversary awards.

18 Other liabilities

Other liabilities as of 30 September 2025 and 30 September 2024 consisted of the following:

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Payroll and similar obligations to employees	285	223	62	28
VAT and other liabilities to tax authorities	42	39	3	8
Other	53	50	3	6
Other current non-financial liabilities	**380**	**312**	**68**	**22**
Reimbursement obligations to customers	950	1,017	(67)	(7)
Prepayments (deposits)	114	96	18	19
Accrued interest expense	55	41	14	34
Derivative financial instruments	5	2	3	+++
Other	62	41	21	51
Other current financial liabilities	**1,186**	**1,197**	**(11)**	**(1)**
Total other current liabilities	**1,566**	**1,509**	**57**	**4**
Payroll and similar obligations to employees	183	127	56	44
Other	25	22	3	14
Other non-current non-financial liabilities	**208**	**149**	**59**	**40**
Prepayments (deposits)	717	700	17	2
Other	39	2	37	+++
Other non-current financial liabilities	**756**	**702**	**54**	**8**
Total other non-current liabilities	**964**	**851**	**113**	**13**

Further information on Infineon's financial liabilities can be found in note 27. p. 149 ff.

19 Pension plans

Defined benefit pension plans

Infineon's employee benefit plans consist of domestic and foreign defined benefit and defined contribution pension plans providing retirement, disability and surviving dependents' benefits. For Infineon, the significant benefit plans in Germany pertain to Infineon Technologies AG and, within the foreign benefit plans, to Infineon Technologies Austria AG, Austria.

In Germany, Infineon primarily offers defined contribution benefits which provide for the employees when they reach retirement age, or in the event of disability or death. The statutory framework is provided by the Company Pension Act (in German: Betriebsrentengesetz) and by employment law in general. With the Infineon Pension Plan, new entrants receive a defined contribution benefit, which is funded by Infineon. Payments by the Infineon Pension Plan are generally made in twelve annual installments. For active employees who were entitled to benefits in the form of an annuity before the Infineon Pension Plan came into force, this commitment was transferred into the Infineon Pension Plan and thereby the possibility of an annuity was guaranteed. Together with former employees whose pension benefit obligations were not transferred into the Infineon Pension Plan, this group makes up the largest part of the defined benefit obligations at this time. A corresponding provision is recorded for the German defined benefit pension plans, which are backed for the most part by plan assets. Individual agreements are in place for the Management Board members, which are also partly backed by plan assets. The major portion of the plan assets is managed by a pension trust in the legal form of a registered association. This is composed of executives of Infineon Technologies AG, and the investment strategy is defined by Infineon Technologies AG.

The benefit obligations of some foreign plans are measured according to the income in the last month or year of service; others are dependent on average income over the service period. Certain foreign pension plans are managed by country-specific external pension funds or other pension schemes. The obligations arising from foreign defined benefit pension plans are partly covered by plan assets. The management of existing foreign plan assets is performed by the respective pension scheme.

The valuation date of the pension plans is 30 September.

The Group-defined benefit pension plans are exposed to risks arising from changes to actuarial assumptions such as discount factors, salary and pension trends, investment risks and longevity risks. A lower discount rate leads to higher pension liabilities. Worse than expected growth in plan assets could lead to a deterioration of the funded status.

Movements in Infineon's German (domestic) and non-German (foreign) pension plans and the plan assets as of 30 September 2025 and 30 September 2024 are presented in the following table:

€ in millions	2025 Domestic plans	2025 Foreign plans	2025 Total	2024 Domestic plans	2024 Foreign plans	2024 Total
Change in defined benefit obligations taking into account future salary increases:						
Present value as of the beginning of year	**(925)**	**(193)**	**(1,118)**	**(801)**	**(188)**	**(989)**
Current service cost	(24)	(9)	(33)	(19)	(8)	(27)
Interest cost	(30)	(8)	(38)	(32)	(9)	(41)
Actuarial gains (losses) for:						
Experience adjustments	(8)	2	(6)	(17)	(1)	(18)
Adjustments to demographic assumptions	–	5	5	–	2	2
Adjustments to financial assumptions	58	7	65	(81)	(9)	(90)
Plan settlements	–	2	2	–	–	–
Benefits paid	34	15	49	31	11	42
Employee contributions	(2)	(1)	(3)	(6)	–	(6)
Business combinations/disposals	2	–	2	–	7	7
Reclassification into liabilities held for sale	–	5	5	–	–	–
Currency effects	–	8	8	–	2	2
Present value of defined benefit obligation as of the end of year	**(895)**	**(167)**	**(1,062)**	**(925)**	**(193)**	**(1,118)**
Change in fair value of plan assets:						
Fair value of plan assets as of the beginning of year	**748**	**67**	**815**	**657**	**64**	**721**
Interest income	25	3	28	27	4	31
Gains (losses) from remeasurements						
Return on plan assets (excluding amounts included in interest income)	23	(4)	19	63	3	66
Contributions from Infineon	28	13	41	26	10	36
Employee contributions	2	1	3	6	–	6
Benefits paid	(34)	(15)	(49)	(31)	(11)	(42)
Business combinations/disposals	–	–	–	–	(3)	(3)
Plan settlements	–	(2)	(2)	–	–	–
Other plan changes	(1)	–	(1)	–	–	–
Currency effects	–	(4)	(4)	–	–	–
Fair value of plan assets as of the end of year	**791**	**59**	**850**	**748**	**67**	**815**
Net pension liability	**(104)**	**(108)**	**(212)**	**(177)**	**(126)**	**(303)**
thereof: Infineon Technologies AG	(85)	–	(85)	(156)	–	(156)
thereof: Infineon Technologies Austria AG	–	(48)	(48)	–	(56)	(56)

Pension obligations are reported in the Consolidated Statement of Financial Position under “Pensions and similar commitments”.

Since no asset ceilings applied, the funded status of the Infineon pension plans corresponded to the amounts reported in the Consolidated Statement of Financial Position as of 30 September 2025 and 30 September 2024.

The funding of the defined benefit pension plans as of 30 September 2025 and 30 September 2024 was as follows:

	30 September 2025			30 September 2024		
€ in millions	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Plans that are wholly unfunded	55	83	138	55	97	152
Plans that are wholly or partly funded	840	84	924	870	96	966
Total	**895**	**167**	**1,062**	**925**	**193**	**1,118**

Actuarial assumptions

The weighted-average assumptions used for the actuarial calculation for the defined benefit obligations were as follows:

	30 September 2025		30 September 2024	
in %	Domestic plans	Foreign plans	Domestic plans	Foreign plans
Discount rate at the end of the fiscal year	3.9	4.8	3.4	4.4
Rate of salary increase	2.1	5.5	2.2	5.5
Projected future pension increases	1.9	2.5	2.0	2.6

Most discount rates are determined using the Willis Towers Watson RATE:Link approach, which is based on high-grade fixed-interest corporate bonds from issuers carrying a very high credit rating, with the same maturity and in the same currency as the pension obligations to be assessed.

The 2018 G mortality tables by Dr. Klaus Heubeck were used for Germany as in the previous year, and for Austria, the AVÖ (Aktuarvereinigung Österreichs) 2018-P tables were applied.

Sensitivity analysis

The following sensitivity analysis table shows how the present value of all defined benefit pension obligations would be affected by changes in the aforementioned actuarial assumptions. In each case, they reflect the effect of changes in one actuarial assumption while all other assumptions remain constant.

	30 September 2025			30 September 2024		
€ in millions	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Present value of defined benefit pension plans with:						
a 50 basis points higher discount rate	847	164	1,011	871	183	1,054
a 50 basis points lower discount rate	949	180	1,129	985	203	1,188
a 50 basis points higher expected rate of salary increase	904	175	1,079	934	198	1,132
a 50 basis points lower expected rate of salary increase	888	168	1,056	917	188	1,105
a 50 basis points higher expected rate of pension increase	915	175	1,090	948	196	1,144
a 50 basis points lower expected rate of pension increase	877	169	1,046	904	189	1,093
Increase in life expectancy of one year	914	173	1,087	946	195	1,141

Investment strategy

Infineon aims to optimize the risk-return profile of the plan assets against the liabilities using a diversified portfolio of investments within a defined risk budget, thereby increasing the funding ratio in the long term.The plan assets are invested with several fund managers. The investment guidelines require a mix of active and passive investment management programs covering different asset classes. Taking the duration of the underlying liabilities into account, a portfolio of investments of plan assets in equity, debt and other securities, as well as real estate and reinsurance policies, is targeted to maximize the total long-term return on assets for a given level of risk. Investment risk is reviewed on an ongoing basis through periodic portfolio reviews, in coordination with investment managers and annual liability measurements. Investment policies and strategies are periodically reviewed as part of detailed studies of assets and liabilities by independent investment advisors and actuaries to ensure the objectives of the plans are met, taking into account any changes in plan structure, market conditions or other material items.

Plan asset allocation

As of 30 September 2025 and 30 September 2024, the allocation of invested plan assets to the major asset categories was as follows:

	30 September 2025		30 September 2024	
€ in millions	Quoted in an active market	Not quoted in an active market	Quoted in an active market	Not quoted in an active market
Government bonds	200	1	186	1
Corporate bonds	172	–	175	–
Equity securities	293	–	282	–
Cash and cash equivalents	10	–	8	–
Reinsurance policies	–	38	–	41
Property	2	27	3	26
Other	105	2	70	23
Total	**782**	**68**	**724**	**91**

Government and corporate bonds are traded in liquid markets and the majority have an investment grade rating. The equities within the plan assets are globally diversified. In accordance with Infineon's internal policy there is no investment in the shares or debt instruments of Infineon. The position "Other" in the previous table comprises exchange-traded commodities (ETC) and other investment funds. The market value of the ETC held in Germany was €67 million as of 30 September 2025 (previous year: €48 million).

The market value of the land and real estate leased to Infineon group companies by the legally independent pension trust amounted to €27 million and €26 million as of 30 September 2025 and 30 September 2024 respectively.

The return on plan assets, and interest gains or gains from remeasurement in the fiscal year ended 30 September 2025 was €47 million (30 September 2024: €97 million).

Amounts recognized in the Consolidated Statement of Profit or Loss and in the Consolidated Statement of Comprehensive Income

The expenses for defined benefit obligations and income for the 2025 and 2024 fiscal years comprised the following:

	2025			2024		
€ in millions	Domestic plans	Foreign plans	Total	Domestic plans	Foreign plans	Total
Current service cost	(24)	(9)	(33)	(19)	(8)	(27)
Interest cost	(30)	(8)	(38)	(32)	(9)	(41)
Interest income on plan assets	25	3	28	27	4	31
Pension cost	**(29)**	**(14)**	**(43)**	**(24)**	**(13)**	**(37)**

Service cost was recorded within cost of goods sold, research and development expenses or selling, general and administrative expenses. Interest cost and interest income on plan assets were recorded net as part of financial expenses.

Actuarial gains before taxes of €83 million for the 2025 fiscal year and losses of €40 million for the 2024 fiscal year were recognized outside of profit (loss) for the period in other comprehensive income.

Cumulative actuarial gains as of 30 September 2025 amounted to €4 million, while cumulative actuarial losses as of 30 September 2024 amounted to €79 million.

In the 2026 fiscal year, payments of €41 million are expected to be made to plan assets, of which €39 million relates to benefits paid directly to pension recipients by the Group companies.

The weighted-average duration of defined benefit plans was around 12 and 13 years as of 30 September 2025 and 30 September 2024, respectively.

The following table shows the expected disbursements for defined benefit plans for the next ten fiscal years as of 30 September 2025 and 30 September 2024:

€ in millions	30 September 2025	30 September 2024
Due within one year	58	58
Due after more than one year to five years	261	243
Due after more than five years up to ten years	368	372
Total	**687**	**673**

Defined contribution plans

For defined contribution plans, fixed contributions are made to external insurance providers or funds. Infineon has no further performance obligations or risks with regard to these pension plans in excess of the fixed contributions paid. Additionally, Infineon makes contributions to government pension schemes. Expenses for defined contribution plans amounted to €356 million and €355 million in the 2025 and 2024 fiscal years.

20 Equity

Ordinary share capital

As of 30 September 2025, the ordinary share capital amounted to €2,611,842,274 and was fully paid up. It was divided into 1,305,921,137 no par value registered shares, each representing €2 of the Company's ordinary share capital. Each share grants the holder one vote and an equal portion of the profits in the form of a dividend, as resolved by the Annual General Meeting.

Authorized share capital

As of 30 September 2025, the Company's Articles of Association provided for two authorized share capitals amounting to up to €520,000,000:

– Section 4, paragraph 4 of the Articles of Association provides that the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital in the period up to 22 February 2029 once or in partial amounts by a total of up to €490,000,000 by issuing new no par value registered shares against contributions in cash or in kind (Authorized Capital 2024/I). The new shares participate in the profits of the Company as from the beginning of the fiscal year in which they are issued. To the extent legally permissible, the Management Board may, with the approval of the Supervisory Board and in deviation from section 60, paragraph 2 of the German Stock Corporation Act, determine that the new shares participate in the profits from the beginning of a fiscal year that has already expired and for which, at the time of their issue, no resolution had been passed by the Annual General Meeting relating to the utilization of unappropriated profits. Within the framework of the Authorized Capital 2024/I, the Management Board is authorized, with the approval of the Supervisory Board, to exclude the subscription rights of the shareholders

in certain cases. Cash capital increases with subscription rights excluded pursuant to section 186, paragraph 3, sentence 4 of the German Stock Corporation Act, are limited to a maximum of 10 percent of the Company's share capital, whereby the calculation is required to be based on the lowest amount of share capital at the time the resolution relating to the authorization is passed at the Annual General Meeting, the authorization takes effect, or the authorization is exercised. For share capital increases against contributions in kind or a combination of cash contributions and contributions in kind, the authorization further provides an upper limit of 10 percent of the share capital existing at the time the Annual General Meeting passed the resolution relating to the authorization.

– Section 4, paragraph 7 of the Articles of Association provides that the Management Board is authorized, subject to approval by the Supervisory Board, to increase the share capital in the period up to 19 February 2030 – either once or in partial amounts – by a total of up to €30,000,000 by issuing new no par value registered shares against contributions in cash for the purpose of issuance to employees of the Company and to employees as well as to members of management bodies of its Group companies. The subscription rights of existing shareholders are excluded in relation to these shares. To the extent permitted by law, the shares may be issued in such a manner that the contribution to be paid on such shares is covered by the portion of the net income for the year that the Management Board and the Supervisory Board could transfer to revenue reserves pursuant to section 58, paragraph 2 of the German Stock Corporation Act. The Management Board is required to determine the further rights attached to the shares and the terms of the share issue with the approval of the Supervisory Board (Authorized Capital 2025/I).

Conditional capital

As of 30 September 2025, the Company's Articles of Association provided for a conditional capital amounting to up to €260,000,000:

– Pursuant to section 4, paragraph 6 of the Articles of Association the share capital is conditionally increased by up to €260,000,000 by the issue of up to 130,000,000 new no par value registered shares for the purpose of granting shares to the creditors or holders of convertible bonds and/or bonds with warrants issued by the Company or a subordinated Group company on the basis of the authorization granted at the Annual General Meeting on 23 February 2024 (Conditional Capital 2024/1).

Capital reserve

The pro rata expense for share-based payments resulted in an increase in the capital reserve of €212 million in the 2025 fiscal year (2024: €130 million). Due to the transfer of own shares within the framework of share-based payment to employees and Management Board members, the capital reserve, as well as the line item for own shares, decreased by €91 million (2024: €63 million). Tax effects totaling €9 million (2024: €12 million) increased the capital reserve. The repayment of the first tranche of the hybrid bond on 28 March 2025 (see "Hybrid capital" below) reduced the capital reserve by €7 million.

Retained earnings

The following table shows a reconciliation of retained earnings as of 30 September 2025 and 30 September 2024:

€ in millions	
As of 1 October 2023	**6,204**
Profit (loss) for the period attributable to shareholders and hybrid capital investors of Infineon Technologies AG	1,301
Dividends to shareholders of Infineon Technologies AG	(456)
Compensation of hybrid capital investors	(39)
Actuarial gains (losses) on pensions and similar commitments net of tax of minus €10 million	(32)
As of 30 September 2024	**6,978**
Profit (loss) for the period attributable to shareholders and hybrid capital investors of Infineon Technologies AG	1,015
Dividends to shareholders of Infineon Technologies AG	(455)
Compensation of hybrid capital investors	(28)
Actuarial gains (losses) on pensions and similar commitments net of tax of minus €18 million	66
As of 30 September 2025	**7,576**

Included in "Actuarial gains (losses) on pensions and similar commitments after taxes" in the 2024 fiscal year is a figure for the share of profit (loss) of associates and joint ventures accounted for using the equity method of minus €1 million.

Dividends

For the 2024 fiscal year, a cash dividend of €0.35 per share (total amount: €455 million) was paid. For the 2023 fiscal year, a cash dividend of €0.35 per share (total amount: €456 million) was paid.

With regard to the 2025 fiscal year, a dividend of €0.35 for each share entitled to a dividend shall be proposed to be paid from the €457 million of distributable profits of Infineon Technologies AG. Taking own shares not entitled to dividends held by the Company at the time of this report into account, this would result in an expected distribution of approximately €456 million. Payment of this dividend depends on the approval of the Annual General Meeting on 19 February 2026.

Other reserves

Changes in other reserves during the 2025 and 2024 fiscal years were as follows:

	2025			2024		
€ in millions	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Currency effects	(366)	–	(366)	(519)	–	(519)
Unrealized gains (losses) resulting from hedge accounting	4	(1)	3	4	(1)	3
Realized gains (losses) resulting from hedge accounting	3	–	3	6	–	6
Cost of hedging	–	5	5	5	1	6
Total	**(359)**	**4**	**(355)**	**(504)**	**–**	**(504)**

Own shares

In the period from 15 September 2025 to 14 November 2025, the Company acquired 750,000 own shares as part of a limited share buyback program, 304,800 of which by 30 September 2025. The total purchase price paid for the shares amounted to €25 million, €10 million of which by 30 September 2025. The buyback was carried out on behalf of Infineon by an independent financial institution. The repurchased shares serve the sole purpose of allocating shares to employees of Infineon, members of the Management Board of the Company and members of the Management Board and management of affiliated companies as part of share-based payment. The obligation to the financial institution to repurchase 750,000 shares was valued at €23 million at the time of the commissioning and led to a corresponding reduction in equity. The difference of €1 million between the expected repurchase value and the total purchase price of the shares acquired by 30 September 2025 was recognized in the Consolidated Statement of Profit or Loss as a financial expense in the 2025 fiscal year.

Own shares held by the Company as of the date of the Annual General Meeting carry no voting rights and are not entitled to a dividend.

The following table shows the changes in the holdings of own shares and presents a reconciliation of the number of shares outstanding to the number of shares issued as of 30 September 2025 and 30 September 2024:

Number of shares	2025	2024
Shares outstanding at the beginning of the fiscal year	**1,299,163,212**	**1,303,750,111**
Purchase of own shares	(304,800)	(7,000,000)
Transfer of own shares under the Performance Share and Restricted Stock Unit Plans (see note 22, p. 142 ff.)	3,281,335	2,413,101
Shares outstanding at the end of the fiscal year	**1,302,139,747**	**1,299,163,212**
Repurchased own shares	3,781,390	6,757,925
Shares issued at the end of the fiscal year	**1,305,921,137**	**1,305,921,137**

After completion of the limited share buyback program on 14 November 2025, the number of own shares amounted to 4,226,590.

Hybrid capital

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. The term is not contractually limited; the bond has no final maturity date. The hybrid bond can only be canceled by Infineon. The investors have no cancellation rights and cannot trigger a premature repayment liability for Infineon. Distributions are at Infineon's sole discretion. The hybrid bond was issued in two perpetual tranches, with a nominal value of €600 million each.

On 27 January 2025, Infineon Technologies AG terminated the first tranche in accordance with the contract and repaid it (including the compensation due) on 28 March 2025. A total of €606 million was recognized as a reduction in hybrid capital and €7 million as a reduction in the capital reserve. A total of €3 million was recognized as an interest expense for the period between termination and the repayment of the first tranche.

The hybrid capital investors' compensation is generally paid yearly in arrears on 1 April of each year (subject to repayment or redemption). For the second tranche of the perpetual hybrid bond, €22 million was paid out as scheduled on 1 April 2025.

In the 2025 fiscal year, €28 million (2024: €39 million) was recognized in equity as compensation of hybrid capital investors (see note 8, p. 121).

21 Capital management

Infineon's main capital management objective is to ensure financial flexibility at all times on the basis of a solid capital structure. It is of prime importance that sufficient cash funds are available to finance operating activities and planned investments throughout all phases of the business cycle. On the other hand, debt should only constitute a modest portion of the financing mix.

Infineon derives its long-term key objectives for capital management based on these principles and the clear target to remain investment grade. In terms of liquidity, gross cash should amount to at least 10 percent of revenue on average throughout a year. Gross financial debt should not exceed two times EBITDA.

Infineon is not subject to any statutory capital requirements, nor are any such defined in the Articles of Association.

Capital management, as well as the corresponding targets and definitions, is based on indicators derived from the consolidated IFRS financial statements. Gross cash is defined as the total of cash and cash equivalents and financial investments. Gross financial debt comprises short-term and long-term financial debt. Infineon defines EBITDA as earnings from continuing operations before interest, taxes and depreciation and amortization.

The gross cash position decreased from €2,201 million as of 30 September 2024, to €2,102 million as of 30 September 2025 (for details, see the chapter "Review of liquidity" in the Combined Management Report, p. 59 f.). With revenue of €14,662 million, the ratio of gross cash to revenue as of 30 September 2025 was 14.3 percent (30 September 2024: 14.7 percent).

With gross financial debt of €6,829 million as of 30 September 2025 (30 September 2024: €4,811 million), and EBITDA of €3,453 million for the 2025 fiscal year (2024: €4,097 million), the gross debt to EBITDA ratio was 2.0 as of 30 September 2025 (30 September 2024: 1.2). We view this situation as temporary, as increased financial debt following our Ethernet acquisition is meeting a cyclically subdued EBITDA.

Infineon continues to have sufficient financial flexibility to ensure that, in addition to financing its planned investments and upcoming repayments of financial debt, it is also able to regularly pay dividends.

The USPP notes totaling US$1,885 million issued in April 2016 and June 2021 contain a number of standard covenants, including a debt coverage ratio, which provides for a certain relationship between the size of debt (adjusted) and earnings (adjusted).

In the 2025 fiscal year, Infineon has met the minimum requirements of all covenants. Should Infineon not comply with the covenants attached to the USPP notes, then all USPP notes outstanding as of 30 September 2025 amounting to US$1,885 million (see note 16, p. 130) could become immediately repayable.

22 Share-based payment

The Company makes use of the Performance Share Plan, the Restricted Stock Unit Plan and, since the 2025 fiscal year, the Bonus to Share Plan in order to provide share-based payments.

Performance Share Plan

A Long-Term Incentive (LTI) plan, the Performance Share Plan, was developed for employees, members of the Management Board of the Company and members of the Management Boards and management of affiliated companies.

Under this plan, (virtual) performance shares are initially provisionally granted on 1 April of the fiscal year according to a predetermined LTI grant amount in euros.

With the granting of a (virtual) performance share, the participants in the plan acquire the right to receive (real) Infineon shares once they have completed a four-year holding period for the personal investment in Infineon shares their position requires. The number of real Infineon shares to be transferred depends on the achievement of targets during the performance period.

The performance period begins on 1 October of the first fiscal year of the performance period and ends four years later on 30 September. Performance during the performance period is measured using two performance criteria. The first is a financial performance criterion, relative Total Shareholder Return (TSR), whereby Infineon is compared to companies in one selected industry peer group, while the second is a non-financial performance criterion comprising strategy-derived environmental, social and governance (ESG) objectives. The TSR target accounts for 80 percent and the ESG targets 20 percent of the overall target achievement. For tranches from 1 April 2023, the TSR target accounts for 70 percent to 80 percent and the ESG targets for 20 percent to 30 percent of the overall target achievement. TSR and the ESG target achievements can be between 0 percent and 150 percent.

For tranches as of 1 April 2025, a new financial performance criterion is being added in the form of the Target Operating Model (TOM) with its equally weighted long-term financial indicators: revenue growth, Segment Result Margin and the ratio of adjusted Free Cash Flow to revenue. In addition, regarding the TSR Infineon is compared to companies in two selected industry peer groups. The TSR target and TOM target each account for 40 percent and the ESG targets for 20 percent of the overall target achievement. TSR, TOM and the ESG target achievements can be between 0 percent and 200 percent.

The tranche is granted on 1 April in the first fiscal year of the performance period (allocation day). The vesting period begins on the allocation day. In contrast to the performance period, the vesting period ends four years after the allocation day, i.e., on 31 March. At the end of the four-year performance period, the target achievement is determined.

The final number of performance shares to be allocated after the expiry of the vesting period is determined by multiplying the number of provisionally allocated performance shares by the overall target achievement of the two or, from 1 April 2025, three performance criteria during the performance period. The final allocation of the performance shares within an LTI tranche may not result in a profit (before tax) of more than 250 percent of the respective LTI grant amount; above this cap, all performance shares still to be allocated lapse.

The fair value of the performance shares at the date of allocation was determined by an external expert using a recognized financial-mathematical method (the Monte Carlo simulation model) to predict share price movements and the TSR target achievement. The fair value of the instruments granted is determined taking into account future dividends as well as the payment cap.

The following is an overview of the allocations made:

Tranche	End of the waiting period	Average Infineon share price in the 60 trading days before the start of the performance period in €	Number of performance shares outstanding as of 30 September 2025	Fair value per performance share in €
2025 fiscal year: Employees	31 March 2029	31.50	640,170	31.04
2025 fiscal year: Members of the Management Board	31 March 2029	31.50	148,222	31.04
2024 fiscal year: Employees	31 March 2028	34.14	558,917	24.76
2024 fiscal year: Members of the Management Board	31 March 2028	34.14	148,067	24.76
2023 fiscal year: Employees	31 March 2027	25.00	616,587	32.31
2023 fiscal year: Members of the Management Board	31 March 2027	25.00	207,343	32.31
2022 fiscal year: Employees	31 March 2026	34.85	429,096	27.63
2022 fiscal year: Members of the Management Board	31 March 2026	34.85	148,737	27.63

Movements in performance shares were as follows:

in number of shares (in millions)	2025	2024
Performance shares outstanding at the beginning of the fiscal year	**2.8**	**3.2**
Granted	0.8	0.7
Allocated	(0.5)	(0.5)
Forfeited	(0.1)	(0.1)
Expired	(0.1)	(0.5)
Performance shares outstanding at the end of the fiscal year	**2.9**	**2.8**

Restricted Stock Unit Plan

Under this plan, (virtual) restricted stock units are initially provisionally granted on 1 December and on 1 April of the fiscal year according to a predetermined LTI grant amount in euros. With the allocation of a (virtual) restricted stock unit, the plan participants acquire the right to receive a (real) Infineon share after the expiry of the vesting period, provided that the employees are still employed by Infineon at this time. The final allocation is made in stages (each representing 25 percent of the provisionally allocated restricted stock units) after the expiry of the respective vesting period.

In connection with the acquisition of Marvell's Automotive Ethernet business Infineon replaced the share-based compensation held by the transferring employees with 1,394,291 Restricted Stock Units (see note 3, p. 112 f.). The final allocation will be made in stages after the expiry of the respective vesting period (60 percent in April 2026 and 20 percent each in April 2027 and April 2028).

The fair value of the restricted stock units at the date of allocation was determined by an external expert using a recognized financial-mathematical method (the Monte Carlo simulation model) to predict share price movements. The fair value of the instruments granted is determined taking into account future dividends.

The following is an overview of the allocations made:

Tranche	End of the waiting period	Average Infineon share price in the 60 trading days prior to the respective grant date in €	Number of restricted stock units as of 30 September 2025	Fair value per restricted stock unit in €
2025 fiscal year:				
1st tranche August[1]	31 March 2026	36,08[2]	836,575	36.27
2nd tranche August[1]	31 March 2027	36,08[2]	278,858	35.89
3rd tranche August[1]	31 March 2028	36,08[2]	278,858	35.49
1st tranche April	31 March 2026	34.78	889,669	30.62
2nd tranche April	31 March 2027	34.78	889,669	30.24
3rd tranche April	31 March 2028	34.78	889,669	29.84
4th tranche April	31 March 2029	34.78	889,669	29.34
1st tranche December	30 November 2025	30.00	101,716	30.47
2nd tranche December	30 November 2026	30.00	101,716	30.14
3rd tranche December	30 November 2027	30.00	101,716	29.77
4th tranche December	30 November 2028	30.00	101,716	29.38
2024 fiscal year:				
2nd tranche April	31 March 2026	33.47	842,692	30.85
3th tranche April	31 March 2027	33.47	842,692	30.52
4th tranche April	31 March 2028	33.47	842,692	30.16
2nd tranche December	30 November 2025	31.40	211,325	34.86
3rd tranche December	30 November 2026	31.40	211,325	34.47
4th tranche December	30 November 2027	31.40	211,325	34.04
2023 fiscal year:				
3rd tranche April	31 March 2026	34.19	776,688	36.16
4th tranche April	31 March 2027	34.19	776,688	35.77
2022 fiscal year:				
4th tranche April	31 March 2026	32.90	603,075	29.56

1 Tranches of share-based payment awards in connection with the acquisition of Marvell's Automotive Ethernet business.
2 Average Infineon share price in the 30 trading days up to 7 August 2025 in €.

Movements in restricted stock units were as follows:

in number of shares (in millions)	2025	2024
Outstanding restricted stock units at the beginning of the fiscal year	**8.8**	**6.5**
Granted	5.5	4.8
Allocated	(2.8)	(1.9)
Forfeited	(0.8)	(0.6)
Outstanding restricted stock units as of the end of the fiscal year	**10.7**	**8.8**

Bonus to Share Plan

Under this plan and since the 2025 fiscal year, a defined percentage of the annual STI (Short-Term Incentive) is converted for plan participants into Infineon shares. The plan participants have the right to receive Infineon shares after the expiry of the vesting period, provided that the employees are still employed by Infineon at the time of the final allocation. The number of shares to be transferred depends on the total target achievement at the end of the vesting period and the STI base amount.

The vesting period begins on 1 October and ends on 30 September of a fiscal year. The performance measurement takes place during the vesting period using the weighted performance criteria of the STI. The total target achievement results from the addition of the weighted target achievement levels of the STI performance criteria and can be between 0 percent and 250 percent.

The number of shares to be allocated after the end of the vesting period is calculated by multiplying the total target achievement by the STI base amount divided by the closing price of the Infineon share on the second-to-last trading day of the month preceding the allocation. The Infineon shares finally allocated are not subject to any holding period.

Cost of share-based payment

The cost of share-based payment was €188 million in the 2025 fiscal year (2024: €130 million).

23 Other financial commitments

In addition to provisions and liabilities, there were other financial commitments that were not recognized in the Consolidated Statement of Financial Position. These resulted, in particular, from legal risks (see note 24, p. 145 f.) and unconditional purchase commitments, which are explained in more detail below.

Contracts already entered into for commenced or planned investments in property, plant and equipment (purchase commitments) as of 30 September 2025 amounted to €1,122 million (30 September 2024: €1,949 million). Commitments arising from orders placed for investments in other intangible asset projects amounted to €52 million as of 30 September 2025 (30 September 2024: €2 million).

Furthermore, Infineon has committed to invest €500 million in the European Semiconductor Manufacturing Company (ESMC) GmbH in Dresden (Germany), 70 percent of whose shares are held by Taiwan Semiconductor Manufacturing Company Limited (TSMC), Hsinchu (Taiwan). Infineon's participation amounts to 10 percent. As of 30 September 2025, Infineon has paid €118 million into the ESMC as a capital contribution.

In the course of its investing activities, Infineon also receives government grants related to the construction and financing of certain of its manufacturing facilities. Grants are also received for selected research and development projects and employee development initiatives. Certain grants have been received contingent upon Infineon complying with particular project-related requirements. From today's perspective, Infineon expects to comply with these requirements. Nevertheless, should such requirements not be met, as of 30 September 2025, a maximum of €728 million (30 September 2024: €444 million) of subsidies already received could be refundable.

Through certain customer and supplier contracts, Infineon may be obligated in the normal course of business to indemnify or compensate its counterparties under certain conditions for warranties, patent infringement or other matters such as the non-fulfillment of agreed volumes. The maximum amount of potential future payments under these types of agreements is not predictable with any degree of certainty since the potential obligations are contingent on events that may or may not occur in the future and depend on certain facts and circumstances specific to each agreement. Infineon currently assumes that these types of agreements will not have a material effect on its future financial condition, liquidity and results of operations.

24 Legal risks

Infineon is involved in various legal disputes and proceedings in connection with its existing or previous business activities. These may relate, in particular, to products, services, patents, export control and environmental issues and other matters.

Based on its current knowledge, Infineon does not believe that the ultimate resolution of these pending legal disputes and proceedings will have a material adverse effect on Infineon's future financial condition, liquidity and results of operations. However, future revisions to this assessment cannot be ruled out, and any reassessment of the miscellaneous legal disputes and proceedings could have a material adverse effect on the Group's financial condition, liquidity and results of operations, particularly in the period in which reassessment is made.

Furthermore, in connection with its existing or previous business operations, Infineon is also exposed to numerous legal risks, which until now have not resulted in legal disputes. These include risks related to product liability, environment, capital market, anti-corruption, competition and antitrust legislation, as well as export control and other compliance regulations. Claims could also be made against Infineon in connection with these matters in the event of breaches of law committed by individual employees or third parties.

As part of an audit finding relating to the tax treatment of losses from the repurchase of convertible bonds in the 2011, 2012 and 2014 fiscal years, there were contingent liabilities of €63 million as of 30 September 2025 (2024: €63 million) for withholding tax on capital gains to be paid in arrears plus interest. Suspension of enforcement was granted as part of the ongoing appeal proceedings for 2011, 2012 and 2014. Infineon expects with reasonable certainty that it will prevail in the appeal proceedings or any potential legal action.

25 Transactions with related companies and persons

Infineon has transactions in the normal course of business with joint ventures, associates and other related companies (collectively "related companies"). The related companies are disclosed in note 30, p. 169 ff. Related persons are persons in key management positions, in particular members of the Management Board and the 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.

Receivables and payables from and to related companies as of 30 September 2025 and 30 September 2024 consisted of the following:

	30 September 2025			30 September 2024		
€ in millions	Joint ventures	Associates	Other related companies	Joint ventures	Associates	Other related companies
Trade and other receivables	34	–	1	10	1	1
Financial receivables	–	–	3	–	–	2
Trade and other payables	17	–	1	13	–	1
Financial payables	–	–	–	–	–	–

The outstanding balances are unsecured and are settled in cash. No guarantees have been granted or received.

Sales and service charges to and products and services received from related companies in the 2025 and 2024 fiscal years consisted of the following:

	2025			2024		
€ in millions	Joint ventures	Associates	Other related companies	Joint ventures	Associates	Other related companies
Sales and service charges	67	2	2	107	12	2
Products and services received	147	–	21	119	–	12

As of 30 September 2025, sales and services relationships with related companies resulted in purchase commitments of €41 million (30 September 2024: €37 million).

Related persons

Total remuneration of the Management Board and Supervisory Board in accordance with IAS 24.17

The members of the Management Board and Supervisory Board active in the 2025 and 2024 fiscal years received the following remuneration for their activities in accordance with IAS 24.17:

			Change	
€ in millions	2025	2024	absolute	in %
Expense for short-term benefits[1]	7	7	–	–
Expense for share-based payment	4	3	1	33
Expense from post-employment benefits	1	1	–	–
Expense for termination benefits[2]	2	1	1	+++
Total remuneration of the Management Board	**14**	**12**	**2**	**17**
Total remuneration of the Supervisory Board[3]	**3**	**3**	**–**	**–**
Total remuneration of the executive bodies	**17**	**15**	**2**	**13**

1 The expense comprises fixed remuneration (including fringe benefits) and the one-year variable remuneration (STI).
2 Dr. Rutger Wijburg left the Management Board of Infineon Technologies AG in the 2025 fiscal year. His employment contract will continue as scheduled until 31 March 2026. Dr. Rutger Wijburg is entitled to all remuneration claims for this period.
3 Employee representatives on the Supervisory Board who are employed by Infineon also receive a salary for their activities as employees.

Total remuneration of the Management Board and Supervisory Board pursuant to section 314, paragraph 1, no. 6 in conjunction with section 315e, paragraph 1, HGB

The total remuneration of the Management Board members for their active service pursuant to section 314, paragraph 1, no. 6 in conjunction with section 315e, paragraph 1, HGB amounted to €12 million (2024: €11 million). This includes a Long-Term Incentive in the form of a performance share plan (see note 22, p. 142 f.).

A total of 148,222 (virtual) performance shares (2024: 148,067) were provisionally allocated to the Management Board members in the 2025 fiscal year. The fair value of these provisionally allocated (virtual) performance shares amounted to €5 million (2024: €4 million).

The total remuneration of the Supervisory Board members in the 2025 fiscal year was €3 million (2024: €3 million).

Former Management Board members received payments of €7 million in the 2025 fiscal year (2024: €5 million).

As of 30 September 2025, pension obligations for former Management Board members amounted to €60 million (30 September 2024: €65 million).

In the 2025 and 2024 fiscal years, there were no significant transactions between Infineon and related persons that fell outside of the scope of the existing employment, service or appointment terms, or the contractual arrangements for their remuneration.

Dr. Rutger Wijburg resigned from his position on the Management Board with effect from 30 September 2025; his contract of employment will end as scheduled on 31 March 2026. The Supervisory Board appointed Alexander Gorski to succeed Dr. Rutger Wijburg, with effect from 1 October 2025 until 30 September 2028.

With regard to the disclosures on the individual remuneration of the members of the Management Board and Supervisory Board pursuant to section 162 of the German Stock Corporation Act (AktG), reference is made to the Remuneration Report prepared according to stock corporation law, which can be found under the following link:
www.infineon.com/remuneration-report

The references to the Remuneration Report were not audited as part of the audit of the financial statements. The Remuneration Report was subjected to a separate substantive audit by the auditor in accordance with IDW Auditing Standard 490. This audit also includes the formal audit required by section 162, paragraph 3 of the German Stock Corporation Act (AktG).

26 Supplemental cash flow information

Cash and cash equivalents reported as of 30 September 2025 and 30 September 2024 totaling €1,356 million and €1,806 million, respectively, included €108 million and €221 million, respectively, which were subject to legal transfer restrictions and so were not available for general use by Infineon. This amount represented cash and cash equivalents of consolidated companies located in countries where the transfer of cash is legally restricted, for example, Mainland China.

The reconciliation below shows changes in those financial liabilities and hedging transactions for which payments received and made are shown under cash flows from financing activities in the Consolidated Statement of Cash Flows.

€ in millions	Starting balance	Cash-effective changes	Non-cash-effective changes				Carrying amount
			Acquisitions	Currency effects	New leases	Other changes[1]	
2025 fiscal year							
Short-term and long-term financial debt	4,811	1,505	–	(82)	–	595	6,829
Related party financial payables	–	–	–	–	–	–	–
Current and non-current lease liabilities	357	(85)	–	(10)	160	(35)	387
Total	**5,168**	**1,420**	**–**	**(92)**	**160**	**560**	**7,216**
2024 fiscal year							
Short-term and long-term financial debt	4,733	177	–	(103)	–	4	4,811
Related party financial payables	1	(1)	–	–	–	–	–
Current and non-current lease liabilities	381	(74)	4	(8)	70	(16)	357
Total	**5,115**	**102**	**4**	**(111)**	**70**	**(12)**	**5,168**

1 Includes €600 million in the 2025 fiscal year for the first tranche of the hybrid bond, which was terminated by Infineon according to the contract on 27 January 2025 and repaid on 28 March 2025 (see note 20, p. 141).

27 Additional disclosures on financial instruments

Categories of financial instruments

The following tables present the carrying amounts and the fair values of financial instruments by their respective classes and a breakdown by category of financial instruments as of 30 September 2025 and 30 September 2024 according to IFRS 9:

	Carrying amount	Categories of financial assets			Not assignable to any IFRS 9 measurement category	Fair value
		At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Designated hedging instruments (cash flow hedges)	
€ in millions						
As of 30 September 2025						
Current financial assets						
Cash and cash equivalents	1,356	793	563	–	–	1,356
Financial investments	746	744	2	–	–	746
Trade receivables	2,249	–	2,249	–	–	2,249
Other current financial assets	398	1	395	–	2	398
Non-current financial assets						
Other non-current financial assets	329	137	74	118	–	329
Total	**5,078**	**1,675**	**3,283**	**118**	**2**	**5,078**
As of 30 September 2024						
Current financial assets						
Cash and cash equivalents	1,806	1,272	534	–	–	1,806
Financial investments	395	394	1	–	–	395
Trade receivables	2,250	–	2,250	–	–	2,250
Other current financial assets	450	14	434	–	2	450
Non-current financial assets						
Other non-current financial assets	264	136	100	28	–	264
Total	**5,165**	**1,816**	**3,319**	**28**	**2**	**5,165**

€ in millions	Carrying amount	Categories of financial liabilities		Not assignable to any IFRS 9 measurement category		Fair value
		At fair value through profit or loss	At amortized cost	Designated hedging instruments (cash flow hedges)	Others	
As of 30 September 2025						
Current financial liabilities						
Short-term financial debt and current portion of long-term financial debt	1,047	–	1,047	–	–	1,046
Trade payables	2,011	–	2,011	–	–	2,011
Current lease liabilities	82	–	–	–	82	–
Other current financial liabilities	1,186	5	1,181	–	–	1,186
Non-current financial liabilities						
Long-term financial debt	5,782	–	5,782	–	–	5,673
Non-current lease liabilities	305	–	–	–	305	–
Other non-current financial liabilities	756	–	756	–	–	756
Total	**11,169**	**5**	**10,777**	**–**	**387**	**10,672**
As of 30 September 2024						
Current financial liabilities						
Short-term financial debt and current portion of long-term financial debt	500	–	500	–	–	495
Trade payables	1,990	–	1,990	–	–	1,990
Current lease liabilities	73	–	–	–	73	–
Other current financial liabilities	1,197	2	1,195	–	–	1,197
Non-current financial liabilities						
Long-term financial debt	4,311	–	4,311	–	–	4,144
Non-current lease liabilities	284	–	–	–	284	–
Other non-current financial liabilities	702	–	702	–	–	702
Total	**9,057**	**2**	**8,698**	**–**	**357**	**8,528**

Within financial assets measured at amortized cost, financial assets with a carrying amount of €3 million (previous year: €11 million) were included as of 30 September 2025, which Infineon has pledged mainly as collateral for rental liabilities.

Infineon recognizes its equity investment in ESMC (see note 23, p. 145), which plays an important role for Infineon in the geographical diversification of its supply chains, at fair value through other comprehensive income.

In the 2025 and 2024 fiscal years, there were no reclassifications between the categories of financial instruments.

Disclosures about fair value

Financial instruments at fair value

Financial instruments measured at fair value are allocated to the following 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 values:

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

The allocation to the levels as of 30 September 2025 and 30 September 2024 was as follows:

	Fair value	Fair value by category		
€ in millions		Level 1	Level 2	Level 3
30 September 2025				
Current financial assets				
Cash and cash equivalents	793	793	–	–
Financial investments	744	744	–	–
Other current financial assets	3	–	3	–
Non-current financial assets				
Other non-current financial assets	255	135	–	120
Total	**1,795**	**1,672**	**3**	**120**
Current financial liabilities				
Other current financial liabilities	5	–	5	–
Total	**5**	**–**	**5**	**–**
30 September 2024				
Current financial assets				
Cash and cash equivalents	1,272	1,272	–	–
Financial investments	394	394	–	–
Other current financial assets	16	–	16	–
Non-current financial assets				
Other non-current financial assets	164	127	–	37
Total	**1,846**	**1,793**	**16**	**37**
Current financial liabilities				
Other current financial liabilities	2	–	2	–
Total	**2**	**–**	**2**	**–**

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

Other current assets and other current liabilities contained derivative financial instruments (including cash flow hedges). 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 market data providers were used (level 2). Where fair values are determined on the basis of non-observable factors, these are assigned to level 3.

The determination of the fair values of the deal contingent forward and deal contingent option designated as cash flow hedges (see "Derivative financial instruments and hedging activities") were determined up to settlement on the basis of factors observable in markets such as forward prices, interest rate curves and volatilities. In addition, the assumption about the date of completion of the acquisition was taken into account as a non-observable factor (level 3).

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). 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). For an investment currently in the ramp-up phase, the acquisition cost was used as the best possible estimate of fair value.

The following table shows the reconciliation of financial instruments classified as level 3 (before tax):

€ in millions	Deal contingent forward	Deal contingent option	Equity investments
1 October 2023	**(1)**	**8**	**10**
Acquisitions (including additions)	–	–	29
Sales (including disposals)	2	(7)	–
Unrealized losses recognized in profit or loss[1]	–	2	(2)
Losses in equity	(1)	(3)	–
30 September 2024	**–**	**–**	**37**
Acquisitions (including additions)	–	–	90
Sales (including disposals)	(32)	(20)	(12)
Realized gains and losses recognized in profit or loss[1]	–	4	5
Amount reclassified to the cost of non-financial items	32	16	–
30 September 2025	**–**	**–**	**120**

1 This relates to gains recognized in financial income or losses recognized in financial expenses.

A hypothetical change in the key non-observable market valuation parameters at the balance sheet date of ± 10 percent or one month would have resulted in a theoretical reduction in fair values of €0 million or an increase of €0 million (previous year: both €0 million).

Financial instruments at amortized cost

For assets allocated to the category “At amortized cost”, it is assumed that the fair values approximately correspond to their carrying amounts. The same assumption applies to liabilities resulting from trade payables and other current financial liabilities categorized as “At amortized cost”.

The fair value of current and non-current financial debt that is measured at amortized cost is based either on quoted prices as of the reporting date (level 1) or is determined based on expected future cash flows discounted using a current market interest rate (level 2).

The allocation to the levels of current and non-current financial debt measured at amortized cost as of 30 September 2025 and 30 September 2024 was as follows:

	Fair value	Fair value by category		
€ in millions		Level 1	Level 2	Level 3
30 September 2025				
Short-term financial debt and current portion of long-term financial debt	1,047	744	303	–
Long-term financial debt	5,673	2,576	3,097	–
Total	**6,720**	**3,320**	**3,400**	**–**
30 September 2024				
Short-term financial debt and current portion of long-term financial debt	495	495	–	–
Long-term financial debt	4,144	2,547	1,597	–
Total	**4,639**	**3,042**	**1,597**	**–**

Gains and losses in relation to financial instruments

The net gain or loss on financial instruments (including interest income and expense) in the Consolidated Statement of Profit or Loss amounted to the following as of 30 September 2025 and 30 September 2024:

			Change	
€ in millions	2025	2024	absolute	in %
Financial assets measured at amortized cost	(66)	(55)	(11)	20
therein interest income	18	20	(2)	(10)
therein impairment losses	(3)	(2)	(1)	50
therein currency effects	(81)	(73)	(8)	11
therein other financial income (expenses)	–	–	–	–
Financial assets measured at fair value through profit and loss	80	34	46	+++
Financial liabilities measured at amortized cost	(131)	(45)	(86)	---
therein interest expenses	(185)	(157)	(28)	18
therein currency effects	69	110	(41)	(37)
therein other financial income (expenses)	(15)	2	(17)	---
Financial assets or liabilities measured at fair value through profit and loss – derivative financial instruments not designated as a hedging relationship	2	22	(20)	(91)
therein currency effects	2	22	(20)	(91)
Total	**(115)**	**(44)**	**(71)**	---

Interest expense on financial liabilities measured at amortized cost mainly included interest on financial debt and amortization effects from directly attributable transaction costs using the effective interest method.

Infineon does not net financial instruments. It conducts derivative transactions according to the global netting agreement (Master Agreement) of the International Swaps and Derivatives Association and other comparable national framework agreements. Under the terms of these agreements, any netting arising from the occurrence of certain future events would have had no material effect on the balance sheet presentation of these financial instruments.

Derivative financial instruments and hedging activities

Infineon holds derivative financial instruments exclusively for hedging purposes. This includes the use of forward exchange contracts, interest rate swaps and commodity swaps. The objective is to reduce the impact of fluctuations in exchange rates, interest rates and commodity prices on future net cash flows.

Derivative financial instruments not designated as a hedging relationship

The nominal values and fair values of Infineon's derivative instruments as of 30 September 2025 and 30 September 2024 that were not designated in a hedging relationship were as follows:

	30 September 2025		30 September 2024	
€ in millions	Nominal value	Fair value	Nominal value	Fair value
Forward exchange contracts sold	520	(1)	559	8
Forward exchange contracts purchased	325	(4)	236	4
Total		**(5)**		**12**

Derivative financial instruments designated as a hedging relationship

As of 30 September 2025 and 30 September 2024, Infineon held the following instruments, which were designated as cash flow hedges and were used to hedge against changes in foreign exchange rates and commodity prices:

	30 September 2025 Short-term	30 September 2024 Short-term
Hedging of other risks		
Commodity swaps (gold)		
Nominal value (€ in millions)	17	18
Average price (U.S. dollar/ounce)	3,492	2,473

In order to hedge the foreign currency risks arising from the purchase price obligation for the acquisition of Marvell's Automotive Ethernet business (see note 3, p. 112 f.), two contingent (transaction-dependent) euro/U.S. dollar foreign currency forward contracts ("deal contingent forwards") with a total nominal amount of €500 million and one contingent (transaction-dependent) euro/U.S. dollar foreign currency option transaction ("deal contingent option") with a nominal amount of €500 million were concluded on 7 April 2025 and recognized as a cash flow hedge. In addition, for the aforementioned hedging purpose, U.S. dollar cash balances (US$140 million) generated from operating activities in the 2025 fiscal year were also designated as a cash flow hedge.

Upon completion of the acquisition of Marvell's Automotive Ethernet business on 14 August 2025, the deal contingent forwards and the deal contingent option became due. Amounts from these hedging relationships and from the accumulated U.S. dollar cash balances totaling minus €48 million, which were previously included in other reserves, were taken into account in full when measuring the consideration transferred (see note 3, p. 112 f.). This amount includes the amount of minus €16 million from the option premium of €20 million paid in connection with the deal contingent option. Hedge ineffectiveness of €4 million was recognized in the Consolidated Statement of Profit or Loss for these hedging relationships.

To hedge the price risks of highly probable gold purchases in the 2026 fiscal year, Infineon entered into swaps, which are designated as cash flow hedges. The designated hedged items and the hedging instruments were subject to the same risk. The economic connection was proven by means of a regression analysis. Due to the execution of only highly effective hedging transactions, Infineon assumes that significant ineffective elements will normally not be generated. Infineon applies a hedging ratio of 1:1. Ineffectiveness can be caused mainly by the impact of the credit risks arising from the counterparty and Infineon on the fair value of the swap that is not reflected in the change in the fair value of hedged cash flows attributable to changes in raw material prices. As in the previous year, no hedge ineffectiveness was recorded in the Consolidated Statement of Profit or Loss for these hedging relationships. As in the previous year, no gains or losses were transferred from other reserves to profit or loss as a result of cash flow hedges for future raw material purchases being canceled following the decision that the occurrence of the hedged transaction had become unlikely.

Effects from derivative financial instruments designated as a hedging relationship

The amounts relating to positions that were designated as hedged items as of 30 September 2025 and 30 September 2024 are shown in the table below.

€ in millions	Change in the value of the hedged item used to determine ineffectiveness	Hedge reserve (before taxes)
30 September 2025		
Hedging of commodity price risks	(2)	2
Total		**2**
30 September 2024		
Hedging of commodity price risks	(2)	2
Total		**2**

In the 2025 and 2024 fiscal years, no balances remained in other comprehensive income for which hedge accounting was no longer applied.

The relevant amounts of the derivative financial instruments designated as hedging instruments (before taxes) as of 30 September 2025 and 30 September 2024 were as follows:

€ in millions	Carrying amount	Changes in fair value for the measurement of ineffectiveness in the reporting period	Changes in fair value of the hedging instrument recognized in other comprehensive income	Amount reclassified from the hedge reserve to the cost of non-financial assets	Amount reclassified from the cost of hedging reserve to the cost of non-financial assets	Line item of the Statement of Financial Position or the Statement of Profit or Loss affected by the reclassification
30 September 2025						
Other current financial assets						
Hedging of commodity price risks	2	2	4	(4)	–	Inventories
Other current financial liabilities						
Hedging of foreign exchange risk[1]						
Deal contingent option	–	–	–	–	16	Goodwill
Deal contingent forward	–	–	–	32	–	Goodwill
Total		**2**	**4**	**28**	**16**	
30 September 2024						
Other current financial assets						
Hedging of foreign exchange risk[2]						
Deal contingent option	–	–	–	2	–	Goodwill
Hedging of commodity price risks	2	2	2	(2)	–	Inventories
Other current financial liabilities						
Hedging of foreign exchange risk[2]						
Deal contingent forward	–	–	–	8	–	Goodwill
Total		**2**	**2**	**8**	**–**	

1 Financial instruments relate to the hedging of foreign currency risks arising from the purchase price obligation for the acquisition of Marvell's Automotive Ethernet business in the 2025 fiscal year. With the completion of the acquisition on 14 August 2025, the deal contingent forward and the deal contingent option were settled.
2 Financial instruments relate to hedging foreign currency risks arising from the purchase price obligation for the acquisition of GaN Systems in the 2024 fiscal year.

The following table shows the reconciliation for the reserve for cash flow hedges (before taxes) by risk category:

€ in millions	Hedging of foreign exchange risks	Hedging of interest risks	Hedging of commodity price risks	Total
1 October 2023	**(6)**	**(34)**	**(1)**	**(41)**
Change in fair value	(4)	–	5	**1**
Amount reclassified to Statement of Profit or Loss	–	7	–	**7**
Amount reclassified to the cost of non-financial items	10	–	(2)	**8**
30 September 2024	**–**	**(27)**	**2**	**(25)**
Change in fair value	(48)	–	4	**(44)**
Amount reclassified to Statement of Profit or Loss	–	7	–	**7**
Amount reclassified to the cost of non-financial items	48	–	(4)	**44**
30 September 2025	**–**	**(20)**	**2**	**(18)**

28 Financial risk management

Infineon's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, financing and liquidity risk. Infineon's financial risk management seeks to minimize potential adverse effects on its results of operations and liquidity. Infineon uses derivative financial instruments to hedge certain risks to which it is exposed. Financial risk management is centrally undertaken by the Group Finance & Treasury (FT) department in accordance with policies approved by the Chief Financial Officer. The FT department identifies, evaluates and hedges financial risks in close cooperation with the operating units. The FT department's policies contain principles for overall risk management as well as guidance covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of excess liquidity.

Developments in cyclical market risks and segment risks, as well as geopolitical risks are dynamic and can have direct and indirect effects on financial risks. The course of events and their impact on Infineon's risk position are continually monitored and are taken into account in the methods, models and processes used to control financial risks. Possible longer-term effects on Infineon and the associated volatility in the financial markets cannot currently be estimated more precisely.

Market risk

Market risk is defined as the risk of losses resulting from adverse changes in the market prices of financial instruments, including those related to foreign exchange rates, interest rates and other price risks.

Infineon is exposed to various market risks in the ordinary course of business, primarily resulting from changes in foreign exchange rates and interest rates. Infineon enters into a range of derivative financial transactions with various counterparties to limit such risks. Derivative instruments are used only for hedging purposes and not for trading or speculative purposes.

Foreign exchange risk

Foreign exchange risk within the meaning of IFRS 7 is the risk arising from changes to foreign exchange rates. Accordingly, foreign exchange risks are associated with financial instruments that are denominated in a foreign currency that does not correspond to the functional currency, and the foreign currency represents the relevant risk variable. Risks arising from the translation into Infineon's reporting currency are not risks within the meaning of IFRS 7.

Although Infineon prepares the Consolidated Financial Statements in euros, a varying but significant portion of its revenue, cost of goods sold, research and development and product distribution costs is denominated in currencies other than the euro, primarily the U.S. dollar. Fluctuations in the exchange rates of these currencies compared to the euro had an effect on the results of Infineon in the 2025 and 2024 fiscal years.

The Management Board has established policies that require Infineon's individual legal entities to manage the foreign exchange risk with respect to their functional currency. Group entities prepare a monthly rolling cash flow forecast by currency in order to determine foreign exchange risks. The net foreign exchange positions determined in these forecasts are required to be hedged, usually by entering into internal hedging contracts. Infineon's policy with respect to limiting short-term foreign currency exposure is to hedge at least 75 percent of its estimated net cash flow for the following two months, at least 50 percent of its estimated net cash flow for the third month and, depending on the nature of the underlying transactions, if necessary a certain additional portion for the periods thereafter. Part of the foreign currency risk cannot be mitigated due to differences between actual and forecasted amounts. Infineon calculates this remaining risk based on net cash flows while considering items in the Consolidated Statement of Financial Position, actual orders received or placed and all other planned cash receipts and payments.

In order to hedge the foreign currency risks arising from the purchase price obligation arising from the acquisition of Marvell's Automotive Ethernet business (see note 3, p. 112 f.), two deal contingent forwards and a deal contingent option were concluded by Infineon in the 2025 fiscal year and were accounted for as cash flow hedges. Upon completion of the acquisition of Marvell's Automotive Ethernet business on 14 August 2025, the deal contingent forwards and the deal contingent option were settled (see note 27, p. 149 ff.).

For the net result related to foreign currency hedging transactions and foreign currency transactions included within profit (loss) for the period, see note 27. p. 149 ff.

Foreign exchange risk at Infineon arises predominantly from positions taken in the main foreign currencies. The following table shows the net risk positions as of 30 September 2025 and 30 September 2024:

€ in millions	Euro/ U.S. dollar	Euro/ Chinese yuan renminbi	Euro/ Japanese yen	Euro/ Singapore dollar	Euro/ Malaysian ringgit
Financial position exposure	254	(49)	(64)	(38)	(27)
Forward exchange contracts	(485)	57	48	39	87
Net risk as of 30 September 2025	**(231)**	**8**	**(16)**	**1**	**60**
Financial position exposure	226	19	(97)	(46)	(51)
Forward exchange contracts	(491)	–	15	43	105
Net risk as of 30 September 2024	**(265)**	**19**	**(82)**	**(3)**	**54**

The following table shows the effects on profit or loss for the 2025 and 2024 fiscal years of a ±10 percent shift in exchange rates. The assumed exchange rate changes relate only to monetary items within the meaning of IFRS 7 that are not denominated in Infineon's functional currency.

	Statement of Profit or Loss	
€ in millions	plus 10%	minus 10%
30 September 2025	**16**	**(20)**
Euro/U.S. dollar	21	(26)
Euro/Chinese yuan renminbi	(1)	1
Euro/Japanese yen	1	(2)
Euro/Malaysian ringgit	(5)	7
30 September 2024	**24**	**(30)**
Euro/U.S. dollar	24	(29)
Euro/Japanese yen	7	(9)
Euro/Chinese yuan renminbi	(2)	2
Euro/Malaysian ringgit	(5)	6

Interest rate risk

In accordance with IFRS 7, interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

Infineon is exposed to interest rate risk through its financial investment instruments and financial debt resulting from bond issuances and debt financing. Due to the cyclical nature of its core business and the need to maintain high operational flexibility, Infineon holds a high level of liquid financial assets that are invested in short-term fixed-interest instruments. These financial assets are generally invested with a contract duration of between one day and twelve months maturity at interest rates achievable in the short term. Infineon's interest rate risk position in accordance with IFRS 7 is compensated to a certain extent by the use of fixed-interest financial debt.

To reduce the net remaining risks caused by changes in interest rates, Infineon is able to make use of interest rate derivatives in order to align the fixed interest periods of assets and liabilities.

IFRS 7 requires a sensitivity analysis showing the effect of possible changes in market interest rates on profit or loss. Infineon prepares this using the iteration method.

Changes in market interest rates affect Infineon's interest income and expenses from variable-yield monetary items within the meaning of IFRS 7.

The following table shows the effects on profit or loss for the 2025 and 2024 fiscal years of a ± 100 basis points shift in market interest rates:

	Nominal value	Statement of Profit or Loss	
€ in millions		plus 100 basis points	minus 100 basis points
30 September 2025	**228**	**2**	**(2)**
Variable-interest financial assets	2,083	21	(21)
Variable-interest financial liabilities	(1,855)	(19)	19
30 September 2024	**2,157**	**22**	**(22)**
Variable-interest financial assets	2,157	22	(22)

Other price risk

According to IFRS 7, other price risk is defined as the risk that the fair value or future cash flows of a financial instrument could fluctuate because of changes in market prices (other than those arising from interest rate risk or exchange rate risk), irrespective of whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

Additionally, Infineon is exposed to price risks with respect to raw materials upon which it is dependent. Infineon seeks to minimize these risks through its procurement policy (including the use of multiple sources, where possible) and its operating procedures. In line with these measures, Infineon concluded additional financial derivative contracts for certain commodity supplies (gold) for the following fiscal year in order to mitigate the remaining risk arising from the fluctuation of commodity prices (see note 27, p. 154 ff.).

The following table presents the effect on equity of a change in the relevant market prices by ± 10 percent as of 30 September 2025 and 30 September 2024:

€ in millions	Nominal value	Equity	
		plus 10%	minus 10%
30 September 2025			
Commodity swaps	17	2	(2)
30 September 2024			
Commodity swaps	18	2	(2)

Credit risk

Credit risk arises when a customer or other counterparty of a financial instrument fails to discharge its contractual obligations. Infineon is exposed to this risk as a consequence of its ongoing operations, its financial investments and certain financing activities. Infineon's credit risk arises primarily from cash and cash equivalents, financial investments, trade receivables and derivative financial instruments. Excluding the impact of any collateral received, in the case of financial investments, cash and cash equivalents, trade receivables, and financial assets measured at amortized cost, the carrying amount corresponds to the maximum credit risk.

Investments with banks

Foreign exchange hedging contracts, as well as the investment of liquid assets in cash equivalents and financial investments, are entered into with major financial institutions worldwide that have high credit ratings. Infineon assesses the creditworthiness of banks using a methodology that establishes investment limits for individual banks that are updated on a daily basis according to current external ratings and credit default swap premiums. Possible breaches of stipulated investment thresholds result in immediate internal notification and the requirement to reduce the risk. This methodology is also used to identify a significant increase in credit risk in the context of the recognition of expected credit losses within the meaning of IFRS 9 at the balance sheet date.

Infineon applies the general impairment model in accordance with IFRS 9 for cash and cash equivalents as well as financial investments. Since Infineon invests exclusively in high-quality financial assets from issuers with an investment grade rating in order to minimize default risk, Infineon assumes that its financial assets carry low credit risk arising from the creditworthiness of its contract parties, so that any impairment loss recorded at first-time recognition is limited to the twelve-month expected credit losses. Infineon considers low credit risk to be an internal credit rating "Holding Quality 1". A change in the internal rating from "Holding Quality 1" to "Holding Quality 0" indicates a significant increase in credit risk. The impairment is calculated using a weighted-probability method. This impairment is calculated as a measure of the probability of default based on the exposure at the balance sheet date, the loss ratio for that exposure, and the credit default swap spread.

The following table provides information on the credit risk for cash and cash equivalents measured at amortized cost, as well as financial investments as of 30 September 2025 and 30 September 2024:

€ in millions		At amortized cost		
Infineon rating	External rating	Basis for the determination of the loss allowance	Expected 12-month credit loss	Expected lifetime credit loss non-credit-impaired
30 September 2025				
Holding Quality 1	AA– to BBB+	565	–	–
Holding Quality 0	–	–	–	–
Total		**565**	**–**	**–**
30 September 2024				
Holding Quality 1	AA to BBB	535	–	–
Holding Quality 0	–	–	–	–
Total		**535**	**–**	**–**

As in the previous year, Infineon had no financial assets that were overdue or impaired as of 30 September 2025. There was no reclassification between the impairment levels in the 2025 and 2024 fiscal years.

Infineon has continued to keep a low level of cash investments with banks in the 2025 fiscal year. The maximum risk position in the event of the default of a single financial institution amounted to €44 million as of 30 September 2025 (30 September 2024: €33 million), assuming no deposit insurance scheme is in place. In addition, to spread the risk of investment, investments were made in money market funds with the best rating and in money market investment funds. Infineon also held derivative financial instruments with a positive fair value of €3 million as of 30 September 2025 (30 September 2024: €16 million).

Trade receivables

Infineon manages the credit risk with respect to trade receivables through a comprehensive credit evaluation for all major customers, the use of credit limits and continual monitoring procedures. New customers are evaluated for creditworthiness in accordance with Infineon guidelines. Credit limits are also in place per customer, and creditworthiness and credit limits are constantly monitored. A further measure taken to reduce credit risk is the use of reservation of title clauses. However, despite continuous monitoring, Infineon cannot fully exclude the possibility of a loss arising from the default of one of its contract parties.

Infineon assigns trade receivables to different risk classes based on external ratings, the analysis of customer balance sheet figures, default probabilities (credit default swaps), customer payment behavior and country risks. The simplified method is used to determine the expected losses from trade receivables. The expected losses over the entire term of the trade receivables are determined. The allowance is calculated for each customer using a weighted-probability method. In calculating the expected credit losses, for each customer, Infineon takes into account a forward-looking probability of default provided by a credit rating agency. Individual allowances are recorded based on case-by-case facts or other risk indicators.

The following table provides information about the credit risk position for trade receivables from third parties as of 30 September 2025 and 30 September 2024:

€ in millions		At amortized cost		
Infineon rating	Internal risk class	Basis for the determination of the loss allowance		Loss allowance
		30 September 2025	30 September 2024	
1	low risk	674	640	–
2	average risk	384	408	–
3	above-average risk	655	647	–
4	increased risk	313	495	(1)
5	high risk	184	40	(1)
–	individual	8	5	(8)
–	others	21	11	–
Total		**2,239**	**2,246**	**(10)**

Expected credit losses of stage 2 on trade receivables (see note 10, p. 122) amounted to €2 million for all risk classes as of 30 September 2025 (30 September 2024: €3 million). Expected credit losses of stage 3 on trade receivables (no rating) amounted to €8 million as of 30 September 2025 (30 September 2024: €5 million).

Developments in cyclical market risks and segment risks, as well as geopolitical risks, are 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.

Financing and liquidity risk

Financing and liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities.

Liquidity risk could arise from a potential inability of Infineon to meet maturing financial obligations. Infineon's liquidity management provides that sufficient levels of cash and other liquid assets are available and ensures the availability of funding through adequate levels of committed credit facilities.

The following table discloses the maturity profile for non-derivative financial liabilities and a cash flow analysis for derivative financial instruments with negative fair values. The table shows the undiscounted contractually agreed cash flows that result from the respective financial liability. Cash flows are recognized at the date when Infineon becomes a contractual partner to the financial instrument. Amounts in foreign currencies were translated using the closing rate at the reporting date. The cash outflows of financial liabilities that can be repaid at any time are assigned to the period in which the earliest redemption is possible. Other payments are recognized according to their contractual due date.

		Due in the fiscal year					
€ in millions	**Total**	2026	2027	2028	2029	2030	Beyond 2030
30 September 2025							
Non-derivative financial liabilities	11,911	4,466	3,130	531	1,326	1,058	1,400
Derivative financial liabilities							
Cash outflow	409	409	–	–	–	–	–
Cash inflow[1]	(215)	(215)	–	–	–	–	–
Total	**12,105**	**4,660**	**3,130**	**531**	**1,326**	**1,058**	**1,400**

	Total	2025	2026	2027	2028	2029	Beyond 2029
30 September 2024							
Non-derivative financial liabilities	9,753	3,868	1,303	1,146	475	1,299	1,662
Derivative financial liabilities							
Cash outflow	62	62	–	–	–	–	–
Cash inflow[1]	(19)	(19)	–	–	–	–	–
Total	**9,796**	**3,911**	**1,303**	**1,146**	**475**	**1,299**	**1,662**

1 Cash inflows from derivative financial liabilities that arise upon settlement of the instrument.

Future cash flows from derivative financial instruments (see note 27, p. 154 ff.) may differ from the amounts shown in the table, since exchange rates or relevant factors are subject to change.

29 Segment reporting

Identification of segments

The basis for identifying the reporting segments is the differences between the products and applications. In the 2025 fiscal year, Infineon's business was structured into the operating segments Automotive, Green Industrial Power, Power & Sensor Systems and Connected Secure Systems. In addition, Infineon differentiates Other Operating Segments as well as Corporate and Eliminations.

Automotive

The Automotive segment designs, develops, manufactures and markets semiconductor products for automotive applications. These include powertrain and energy management, connectivity and infotainment, body and comfort electronics, safety and data security. The product portfolio ranges from analog/mixed signal components and microcontrollers to software solutions, storage systems for specific applications, and Si, SiC and GaN power semiconductors complemented by sensors from the Power & Sensor Systems segment.

Green Industrial Power

The Green Industrial Power segment enables the intelligent management and efficient conversion of electrical energy across the entire value chain, comprising generation, transmission, storage and use. The product portfolio comprises power transistors and modules based on Si and SiC.

Power & Sensor Systems

The Power & Sensor Systems segment encompasses a wide selection of power semiconductors and their control systems. We are drawing on the next generation of new, innovative solutions based on Si, SiC and GaN products in the areas of data centers (especially for artificial intelligence), robots, power supplies and adapters, 5G and renewable energy (primarily for roof-top solar systems). Our product portfolio for power supplies comprises analog/mixed-signal components such as control ICs, driver stages and power transistors.

Connected Secure Systems

The Connected Secure Systems segment supplies comprehensive systems for a secure, connected world based on reliable, game-changing microcontrollers and wireless connectivity and security solutions. In particular, we offer microcontroller solutions, Wi-Fi, Bluetooth, UWB (ultra wideband) and NFC (near-field communication) solutions, and combined connectivity solutions (known as combo chips), along with hardware-based security technologies and an efficient software environment for the programming and configuration of the microcontrollers and connectivity components that cover many application areas. These include devices for IoT applications, connected home appliances and smart home appliances, IT equipment, consumer electronics, cloud security and connected vehicles, as well as credit and debit cards, electronic passports and national identity cards. They also include microcontrollers focusing on machine learning, such as those for Edge AI applications.

Change in segment structure since 1 January 2025

On 1 January 2025, the "Sense & Control" business line, which was previously allocated to the Automotive segment, was transferred to the Power & Sensor Systems segment. The figures for the 2025 fiscal year reflect the transfer since 1 October 2024. The comparative figures for the previous year have been adjusted accordingly.

Other Operating Segments

Other Operating Segments comprise the remaining activities of divested businesses and other business activities.

Corporate and Eliminations

The elimination of intragroup revenue and profits/losses to the extent that these arise between the segments is presented in Corporate and Eliminations.

Similarly, certain items are included in Corporate and Eliminations that are not allocated to the other segments. These include certain corporate headquarters costs and selected topics that are not allocated to the segments since they arise from corporate decisions and are not within the direct control of segment management.

Furthermore, raw materials and supplies are mostly not under the control or responsibility of the operating segment management and are therefore mostly allocated to corporate functions. Work in progress and finished goods are almost entirely allocated to the operating segments.

Chief Operating Decision Maker, definition of the Segment Result and allocation of assets and liabilities to the individual segments

The Management Board, as the joint Chief Operating Decision Maker, decides how resources are allocated to the segments.

Based on revenue and the Segment Result, the Management Board assesses performance and defines operating targets and budgets for the segments.

The Segment Result is defined as operating profit excluding specific net impairments and impairment reversals, the impact on earnings of restructuring and closures, share-based payment, acquisition-related depreciation/amortization and other expenses, the impact on earnings of sales of businesses or interests in subsidiaries, and other income (expenses).

Decisions relating to financing and the investment of cash funds are taken at a Group level and not at a segment level. For this reason, neither financial income nor financial expense (including interest income and expense) is allocated internally to the segments.

Neither assets, liabilities nor cash flows per segment is reported to the Management Board on a regular basis, nor is segment performance assessed on this basis.

The exception to this approach is certain inventory information which is regularly analyzed at segment level. Infineon also allocates depreciation and amortization to the operating segments based on production volume and products manufactured using standard costs.

Segment information

			Product categories[1]					
	Total		Power (Discretes & Modules)		Control & Connectivity		Analog & Sensors	
€ in millions	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from contracts with customers								
Automotive	7,402	7,716	1,773	2,081	3,343	3,171	2,286	2,464
Green Industrial Power	1,631	1,934	1,548	1,842	–	–	83	92
Power & Sensor Systems	4,208	3,795	1,621	1,695	242	202	2,345	1,898
Connected Secure Systems	1,418	1,506	–	–	1,418	1,506	–	–
Subtotal	**14,659**	**14,951**	**4,942**	**5,618**	**5,003**	**4,879**	**4,714**	**4,454**
Other Operating Segments	3	4						
Corporate and Eliminations	–	–						
Total	**14,662**	**14,955**						

	Automotive		Green Industrial Power		Power & Sensor Systems		Connected Secure Systems	
€ in millions	2025	2024	2025	2024	2025	2024	2025	2024
Selected segment data								
Revenue	7,402	7,716	1,631	1,934	4,208	3,795	1,418	1,506
Cost of goods sold	(4,474)	(4,399)	(1,081)	(1,188)	(2,371)	(2,175)	(680)	(642)
Research and development expenses	(799)	(761)	(174)	(149)	(795)	(718)	(382)	(466)
Selling, general and administrative expenses	(585)	(537)	(172)	(177)	(402)	(421)	(197)	(210)

			Change	
€ in millions	2025	2024	absolute	in %
Segment Result				
Automotive	1,529	2,021	(492)	(24)
Green Industrial Power	201	418	(217)	(52)
Power & Sensor Systems	683	482	201	42
Connected Secure Systems	155	182	(27)	(15)
Other Operating Segments	(1)	–	(1)	–––
Corporate and Eliminations	(7)	2	(9)	–––
Total	**2,560**	**3,105**	**(545)**	**(18)**

1 The product categories have been adjusted to harmonize with other reporting. The previous year's figures have been adjusted accordingly.

There were limited levels of trading relationships between the operating segments during the 2025 and 2024 fiscal years. Costs are generally recharged without impact on profit or loss.

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

			Change	
€ in millions	2025	2024	absolute	in %
Segment Result	**2,560**	**3,105**	**(545)**	**(18)**
Plus/minus:				
Specific impairment reversals (impairments)	(249)	(103)	(146)	---
Gains (losses) from restructuring and closures	(141)	(237)	96	(41)
Share-based payment	(188)	(130)	(58)	45
Acquisition-related depreciation/ amortization and other expenses	(408)	(411)	3	(1)
Gains (losses) on sales of businesses, or interests in subsidiaries	6	(5)	11	+++
Other income and expenses	(65)	(29)	(36)	---
Operating profit	**1,515**	**2,190**	**(675)**	**(31)**
Financial income	81	119	(38)	(32)
Financial expenses	(231)	(162)	(69)	43
Share of profit (loss) of joint ventures and associates accounted for using the equity method	10	11	(1)	(9)
Profit (loss) from continuing operations before income taxes	**1,375**	**2,158**	**(783)**	**(36)**

Of the €408 million (2024: €411 million) "Acquisition-related depreciation/amortization and other expenses" incurred in the 2025 fiscal year, €267 million (2024: €261 million) was attributable to cost of goods sold, €5 million (2024: €12 million) to research and development expenses, €132 million (2024: €142 million) to selling, general and administrative expenses and €4 million (2024: income €4 million) to the balance of other operating income and expense.

			Change	
€ in millions	2025	2024	absolute	in %
Depreciation and amortization per segment				
Automotive	754	635	119	19
Green Industrial Power	219	258	(39)	(15)
Power & Sensor Systems	471	460	11	2
Connected Secure Systems	96	97	(1)	(1)
Other Operating Segments	–	–	–	–
Depreciation and amortization allocated to the segments	**1,540**	**1,450**	**90**	**6**
Depreciation and amortization not allocated to the segments	377	415	(38)	(9)
Total	**1,917**	**1,865**	**52**	**3**

			Change	
€ in millions	30 September 2025	30 September 2024	absolute	in %
Inventories				
Automotive	2,016	2,036	(20)	(1)
Green Industrial Power	348	290	58	20
Power & Sensor Systems	1,005	909	96	11
Connected Secure Systems	322	344	(22)	(6)
Other Operating Segments	–	–	–	–
Corporate and Eliminations	450	411	39	9
Total	**4,141**	**3,990**	**151**	**4**

Impairment losses on assets in the 2025 fiscal year amounted to €21 million (2024: €0 million) in the Automotive segment , €2 million (2024: €0 million) in the Power & Sensor Systems segment, €1 million (2024: €0 million) in the Green Industrial Power segment, €0 million (2024: €5 million) in the Connected Secure Systems segment and €248 million (2024: €116 million) in Corporate and Eliminations. More information on impairment losses is provided in Note 4, p. 114.

Entity-wide disclosures in accordance with IFRS 8

Revenue for the 2025 and 2024 fiscal years by region was as follows:

€ in millions	2025	2024	Change absolute	Change in %
Revenue				
Europe, Middle East, Africa	3,486	3,865	(379)	(10)
therein: Germany	1,437	1,617	(180)	(11)
Asia-Pacific (excluding Japan, Greater China)	2,449	2,461	(12)	–
Greater China[1]	5,579	5,130	449	9
therein: Mainland China, Hong Kong	4,212	4,058	154	4
Japan	1,314	1,507	(193)	(13)
Americas	1,834	1,992	(158)	(8)
therein: USA	1,506	1,627	(121)	(7)
Total	**14,662**	**14,955**	**(293)**	**(2)**

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

The allocation of revenue from external customers to geographic areas is based on the customers' locations. The average number of employees by geographic region is provided in note 4. p. 114.

No single customer accounted for more than 10 percent of Infineon's revenue during the 2025 and 2024 fiscal years.

Non-current assets as of 30 September 2025 and 30 September 2024, by region were as follows:

€ in millions	30 September 2025	30 September 2024	Change absolute	Change in %
Non-current assets				
Europe	6,906	6,667	239	4
therein: Germany	4,353	4,078	275	7
Asia-Pacific (excluding Japan, Greater China)	2,958	2,711	247	9
Greater China[1]	165	158	7	4
therein: Mainland China, Hong Kong	143	147	(4)	(3)
Japan	36	59	(23)	(39)
Americas	9,990	8,707	1,283	15
therein: USA	9,973	8,691	1,282	15
Total	**20,055**	**18,302**	**1,753**	**10**

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

Non-current assets do not include financial instruments, deferred tax assets or assets from employee benefits.

30 Additional information in accordance with HGB

Information pursuant to section 161 Stock Corporation Act (AktG)

The Declaration of Compliance prescribed by section 161 AktG was drawn up by the Management Board and the Supervisory Board and made permanently available to the public on Infineon's website.

www.infineon.com/en/declaration_of_compliance

Fees for audit and advisory services pursuant to section 314, paragraph 1, no. 9, HGB

Year-end audit fees

At the Annual General Meeting held on 20 February 2025, the shareholders elected Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte), Munich (Germany), as auditor for the 2025 Separate Financial Statements and Consolidated Financial Statements of Infineon Technologies AG. The audit fees charged by Deloitte in the 2025 fiscal year amounted to €4.9 million for the audit of the Consolidated Financial Statements and various annual audits, including an audit review of the Interim Financial Statements.

Fees for other assurance services

In addition to the amounts described above, Deloitte charged a total of €0.7 million in the 2025 fiscal year for other assurance services, which mainly included the audit of the disclosures in the Sustainability Report, the audit of the Combined Separate Non-Financial Report, the provision of comfort letters, as well as the substantive audit of the Remuneration Report.

Management Board and Supervisory Board

Management remuneration in the 2025 fiscal year

As required by section 314, paragraph 1, no. 6, in conjunction with section 315e paragraph 1, HGB, the total remuneration of the Management Board and the Supervisory Board is disclosed in note 25. p. 147

Disclosure of the renumeration of individual members of the Management Board and the Supervisory Board, as required by section 162 of the AktG, can be found in the Remuneration Report, which is prepared according to stock corporation law and is available under the following link:

www.infineon.com/remuneration-report

The references to the Remuneration Report are not audited as part of the audit of the financial statements. The Remuneration Report was subjected to a separate substantive audit by the auditor in accordance with IDW Auditing Standard 490. This audit also includes the formal audit required by section 162, paragraph 3 of the German Stock Corporation Act (AktG).

Subsidiaries, associated companies, joint ventures and other companies (unconsolidated) as of 30 September 2025

Name of company	Registered office	Shareholdings in %	Thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Fully consolidated subsidiaries:						
Cypress Semiconductor (Mauritius) LLC	Ebène, Mauritius	100	0	0.06	(0.02)	4
Cypress Semiconductor (Switzerland) Sàrl	Lausanne, Switzerland	100	0	9.84	2.11	11
Cypress Semiconductor Corporation	Wilmington, Delaware, USA	100	0	6,255.61	165.79	5, 21
Cypress Semiconductor International, Inc.	Wilmington, Delaware, USA	100	0	279.91	31.52	5, 21
Cypress Semiconductor México, S. de R.L. de C.V.	Guadalajara, Mexico	100	0	0.07	0.37	5, 21
Cypress Semiconductor Singapore Pte. Ltd.	Singapore, Singapore	100	0	0.09	(0.16)	11
Cypress Semiconductor Technology Ltd.	Camana Bay (George Town), Cayman Islands	100	0	174.94	14.42	5, 21
Cypress Semiconductor Ukraine LLC	Lviv, Ukraine	100	0	2.49	0.17	10
Cypress Semiconductor World Trade Corp.	Camana Bay (George Town), Cayman Islands	100	0	8.00	4.50	5, 21
Hitex GmbH	Karlsruhe, Germany	100	100	2.16	0.00	5, 13, 15
Infineon Integrated Circuit (Beijing) Co., Ltd.	Beijing, People's Republic of China	100	0	14.18	1.10	11
Infineon Semiconductors (Shenzhen) Co., Ltd.	Shenzhen, People's Republic of China	100	0	3.72	1.89	11
Infineon Semiconductors (Wuxi) Co., Ltd.	Wuxi, People's Republic of China	100	0	54.03	4.97	11
Infineon Technologies (Kulim) Sdn. Bhd.	Kulim, Malaysia	100	0	766.20	(5.41)	5
Infineon Technologies (Malaysia) Sdn. Bhd.	Melaka, Malaysia	100	0	381.58	37.76	5
Infineon Technologies (Penang) Sdn. Bhd.	Melaka, Malaysia	100	0	11.19	0.48	5
Infineon Technologies (Shanghai) Co. Ltd.	Shanghai, People's Republic of China	100	0	54.40	50.97	11
Infineon Technologies (Thailand) Limited	Nonthaburi, Thailand	100	0	93.33	(1.50)	5
Infineon Technologies (Wuxi) Co., Ltd.	Wuxi, People's Republic of China	100	0	129.07	21.78	11
Infineon Technologies (Xi'an) Co., Ltd.	Xi'an, People's Republic of China	100	0	7.57	0.31	11
Infineon Technologies 2. Vermögensverwaltungsgesellschaft mbH	Neubiberg, Germany	100	0	0.02	(0.02)	5
Infineon Technologies 3. Vermögensverwaltungsgesellschaft mbH	Dresden, Germany	100	0	46.77	2.27	5, 15
Infineon Technologies Americas Corp.	Wilmington, Delaware, USA	100	0	1,690.24	322.97	5, 21
Infineon Technologies Asia Pacific Pte Ltd	Singapore, Singapore	100	0	1,484.94	337.26	5
Infineon Technologies Australia Pty Limited	Blackburn, Australia	100	0	1.60	0.12	5
Infineon Technologies Austria AG	Villach, Austria	100	0.004	2,350.75	140.45	5
Infineon Technologies Shared Service Center, Unipessoal Lda.	Maia, Portugal	100	100	8.07	1.41	5
Infineon Technologies Canada Inc.	Toronto, Ontario, Canada	100	0	735.89	(16.95)	5, 21

Name of company	Registered office	Shareholdings in %	Thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Infineon Technologies Cegléd Kft.	Cegléd, Hungary	100	0	102.85	0.13	5
Infineon Technologies Center of Competence (Shanghai) Co., Ltd.	Shanghai, People's Republic of China	100	0	4.19	1.24	11
Infineon Technologies China Co., Ltd.	Shanghai, People's Republic of China	100	0	241.19	85.84	11
Infineon Technologies Denmark ApS	Jyllinge, Denmark	100	0	0.74	(0.01)	5
Infineon Technologies Dresden AG & Co. KG	Dresden, Germany	100	100	259.11	(37.34)	5, 14, 16
Infineon Technologies Dresden Verwaltungs GmbH	Neubiberg, Germany	100	0	0.09	0.00	5, 13, 15
Infineon Technologies Duisburg GmbH & Co. KG	Duisburg, Germany	100	100	1.31	0.48	5, 17
Infineon Technologies Epi Services, Inc.	Wilmington, Delaware, USA	100	0	22.28	0.60	5, 21
Infineon Technologies Ethernet Solutions GmbH	Neubiberg, Germany	100	100	0.03	(0.01)	5
Infineon Technologies Finance B.V.	Rotterdam, The Netherlands	100	100	1.91	0.00	5
Infineon Technologies France S.A.S.	St. Denis, France	100	0	9.42	0.96	5
Infineon Technologies Holding B.V.	Rotterdam, The Netherlands	100	100	11,727.18	(556.02)	5
Infineon Technologies Hong Kong Ltd.	Hong Kong, People's Republic of China	100	0	2.34	0.56	5
Infineon Technologies India Private Limited	Bangalore, India	100	0	64.50	5.70	4
Infineon Technologies Innovates G.K.	Tokyo, Japan	100	0	32.70	3.10	5
Infineon Technologies Investment B.V.	Rotterdam, The Netherlands	100	0	0.09	0.00	5
Infineon Technologies Ireland Limited	Dublin, Ireland	100	100	0.81	0.39	5
Infineon Technologies Italia s.r.l.	Milan, Italy	100	0	9.84	3.07	5
Infineon Technologies IT-Services GmbH	Klagenfurt, Austria	100	0	25.29	7.19	5
Infineon Technologies Japan K.K.	Tokyo, Japan	100	0	61.00	48.43	5
Infineon Technologies Korea Co., LLC	Seoul, Republic of Korea	100	0	20.98	9.90	5
Infineon Technologies LLC	Wilmington, Delaware, USA	100	0	443.00	(100.57)	5, 21
Infineon Technologies Manufacturing (Thailand) Ltd.	Samut Prakan, Thailand	100	0	15.73	(0.03)	8
Infineon Technologies Manufacturing Porto, Unipessoal Lda.	Vila do Conde, Portugal	100	0	0.00	0.00	9
Infineon Technologies Memory Solutions (Thailand) Ltd.	Samut Prakan, Thailand	100	0	n.a.	n.a.	12
Infineon Technologies Memory Solutions Germany GmbH	Neubiberg, Germany	100	0	0.26	0.00	5, 15
Infineon Technologies Memory Solutions Holdings Inc.	Wilmington, Delaware, USA	100	0	71.91	0.00	5, 21
Infineon Technologies Memory Solutions India LLP	Bangalore, India	100	0	0.48	0.05	4
Infineon Technologies Memory Solutions Israel Ltd.	Netanya, Israel	100	0	85.55	5.47	3
Infineon Technologies Memory Solutions Japan G.K.	Tokyo, Japan	100	0	1.08	0.16	5
Infineon Technologies Memory Solutions Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	100	0	5.53	0.09	6
Infineon Technologies Memory Solutions Romania SRL	Bucharest, Romania	100	0	n.a.	n.a.	12

Name of company	Registered office	Shareholdings in %	Thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Infineon Technologies Memory Solutions Taiwan Ltd.	Taipei, Taiwan	100	0	(0.11)	0.01	5
Infineon Technologies Nijmegen B.V.	Nijmegen, The Netherlands	100	0	1.74	0.24	5
Infineon Technologies Nordic AB	Kista, Sweden	100	0	6.39	1.87	5
Infineon Technologies Philippines, Inc.	Muntinlupa City, Philippines	100	0	1.55	0.53	5
Infineon Technologies Reigate Limited	Bristol, Great Britain	100	0	3.20	0.93	5
Infineon Technologies Romania & Co. Societate in Comandita	Bucharest, Romania	100	0	9.23	3.37	5
Infineon Technologies Semiconductor GmbH	Aschheim, Germany	100	0	15.30	1.02	5, 15
Infineon Technologies Semiconductor Ireland Limited	Cork, Ireland	100	0	14.40	2.61	10
Infineon Technologies Switzerland AG	Zurich, Switzerland	100	0	6.03	0.97	11
Infineon Technologies Taiwan Co., Ltd.	Taipei, Taiwan	100	0	11.98	4.03	5
Infineon Technologies UK Limited	Bristol, Great Britain	100	0	9.39	1.50	5
Infineon Technologies US HoldCo Inc.	Wilmington, Delaware, USA	100	0	8,138.01	297.34	5, 21
Infineon Technologies US InterCo LLC	Wilmington, Delaware, USA	100	0	8,216.77	639.72	5, 21
Infineon Technologies Vermögensverwaltungsgesellschaft mbH	Neubiberg, Germany	100	100	405.89	0.00	5, 13, 15
International Rectifier HiRel Products, Inc.	Wilmington, Delaware, USA	100	0	460.85	72.79	5, 21
MOLSTANDA Vermietungsgesellschaft mbH	Neubiberg, Germany	100	0	219.44	32.10	5, 15
MOTEON GmbH	Neubiberg, Germany	100	100	0.57	0.07	5, 15
NoBug Consulting SRL	Bucharest, Romania	100	0	1.85	0.53	5
PT Infineon Technologies Batam	Batam, Indonesia	100	0	19.92	(0.38)	5
Rectificadores Internacionales, S.A. de C.V.	Tijuana, Mexico	100	0	15.10	1.75	5, 21
SILTECTRA GmbH	Dresden, Germany	100	0	26.20	11.47	5, 15
Spansion Inc.	Wilmington, Delaware, USA	100	0	546.04	0.00	5, 21
Spansion LLC	Wilmington, Delaware, USA	100	0	912.19	431.39	5, 21
Syntronixs Asia Sdn. Bhd.	Melaka, Malaysia	100	0	8.20	1.36	5
Associated companies:						
Deca Technologies, Inc.	Dover, Delaware, USA	42.5	0	8.46	0.00	11, 20, 21
Joint ventures:						
Infineon Technologies Bipolar GmbH & Co. KG	Warstein, Germany	60	60	55.14	11.58	5, 19
SAIC Infineon Automotive Power Modules (Shanghai) Co., Ltd	Shanghai, People's Republic of China	49	25	88.15	1.28	11

Name of company	Registered office	Shareholdings in %	Thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Other companies (unconsolidated):[1]						
European Semiconductor Manufacturing Company (ESMC) GmbH	Dresden, Germany	10	10	139.52	(0.51)	10
GaN Systems GmbH	Munich, Germany	100	0	0.07	(0.02)	11
Hitex (UK) Limited	Coventry, Great Britain	100	0	2.91	1.05	3
Imagimob AB	Stockholm, Sweden	100	0	1.79	(2.07)	7
Industrial Analytics IA GmbH	Neubiberg, Germany	100	100	0.00	(1.87)	5
Infineon Technologies Bipolar Verwaltungs GmbH	Warstein, Germany	60	60	0.03	0.00	5
Infineon Technologies Bulgaria Ltd.	Plovdiv, Bulgaria	100	0	0.01	0.00	11
Infineon Technologies d.o.o. Beograd	Belgrade, Serbia	100	0	0.29	0.14	11
Infineon Technologies Delta GmbH	Neubiberg, Germany	100	100	0.03	0.00	5
Infineon Technologies Duisburg Verwaltungs GmbH	Duisburg, Germany	100	100	0.09	0.01	5
Infineon Technologies Gamma GmbH	Neubiberg, Germany	100	100	0.04	0.00	5
Infineon Technologies Holding GmbH	Neubiberg, Germany	100	100	0.13	0.00	5, 13
Infineon Technologies Iberia, S.L.U.	Madrid, Spain	100	0	0.21	0.11	5
Infineon Technologies Israel Ltd.	Netanya, Israel	100	0	0.22	0.03	5
Infineon Technologies Mantel 26 AG	Neubiberg, Germany	100	100	0.04	0.00	5
Infineon Technologies Mantel 27 GmbH	Neubiberg, Germany	100	100	0.03	0.00	5, 13
Infineon Technologies Mantel 29 GmbH	Neubiberg, Germany	100	100	0.03	0.00	5, 13
Infineon Technologies Polska Sp. z o.o.	Warsaw, Poland	100	0	0.26	0.06	5
Infineon Technologies Romania s.r.l.	Bucharest, Romania	100	0	0.05	0.02	11
Infineon Technologies South America Ltda	São Paulo, Brazil	100	0	0.11	0.04	11
Infineon Technologies Vietnam Company Ltd.	Hanoi, Vietnam	100	0	0.30	0.10	5
KAI Kompetenzzentrum Automobil- und Industrieelektronik GmbH	Villach-St. Magdalen, Austria	100	0	1.28	0.21	11
KFE Kompetenzzentrum Fahrzeug Elektronik GmbH	Lippstadt, Germany	24	24	1.10	(0.32)	11
MicroLinks Technology Corp.	Kaohsiung, Taiwan	n.a.	0	n.a.	n.a.	18
PT Infineon Technologies Indonesia	Jakarta, Indonesia	100	0	0.65	0.03	5
Quintauris GmbH	Munich, Germany	n.a.	n.a.	n.a.	n.a.	18
R Labco, Inc.	Wilmington, Delaware, USA	100	0	0.00	0.00	5
Schweizer Electronic AG	Schramberg, Germany	9	9	18.10	(2.99)	11
Silicon Alps Cluster GmbH	Villach, Austria	n.a.	0	n.a.	n.a.	18
Virtual Vehicle Research GmbH	Graz, Austria	n.a.	n.a.	n.a.	n.a.	18
XMOS Limited	Bristol, Great Britain	n.a.	0	n.a.	n.a.	18

Name of company	Registered office	Shareholdings in %	Thereof Infineon Technologies AG	Equity (€ in millions)	Net result (€ in millions)	Footnote
Qimonda AG and its subsidiaries:[2]						
Celis Semiconductor Corp.	Colorado Springs, Colorado, USA	17	0	–	–	2
Itarion Solar Lda.	Vila do Conde, Portugal	40	0	–	–	2
Qimonda AG (in insolvency)	Munich, Germany	77	28	–	–	2
Qimonda Dresden GmbH & Co. OHG (in insolvency)	Dresden, Germany	77	0	–	–	2
Qimonda Dresden Verwaltungsgesellschaft mbH (in insolvency)	Dresden, Germany	77	0	–	–	2
Qimonda Flash GmbH (in insolvency)	Dresden, Germany	77	0	–	–	2
Qimonda Holding B.V. (in insolvency)	Rotterdam, The Netherlands	77	0	–	–	2

1 Certain subsidiaries were not consolidated due to immateriality.
2 On 23 January, 2009 Qimonda AG applied to the Munich District Court for insolvency proceedings to be opened. Insolvency proceedings were formally opened on 1 April, 2009. The equity and earnings of Qimonda AG and its subsidiaries are not disclosed due to the substantial and ongoing restriction of Infineon's rights as a result of Qimonda AG's insolvency. The list of subsidiaries held by Qimonda AG reflects information from local commercial registers. Since all Qimonda-related investments were written down in full in previous years, this has no effect on Infineon's financial condition, liquidity and result of operations.
3 Equity and net result as of 30 September 2023.
4 Equity and net result as of 31 March 2024.
5 Equity and net result as of 30 September 2024.
6 Equity and net result as of 30 September 2024 (period from 2 October 2023 until 30 September 2024).
7 Equity and net result as of 30 September 2024 (period from 1 January 2024 until 30 September 2024).
8 Equity and net result as of 30 September 2024 (period from 27 February 2024 until 30 September 2024).
9 Equity and net result as of 30 September 2024 (period from 2 August 2024 until 30 September 2024).
10 Equity and net result as of 31 December 2023.
11 Equity and net result as of 31 December 2024.
12 The entity was newly founded in the 2025 fiscal year.
13 Control and profit transfer agreement.
14 Infineon Technologies AG is a shareholder with unlimited liability of this company.
15 Exemption pursuant to section 264, paragraph 3, German Commercial Code.
16 Exemption pursuant to section 264b German Commercial Code from the obligations to prepare a management report as well as notes and from the obligations to disclose the annual financial statements.
17 Exemption pursuant to section 264b German Commercial Code from the obligations to prepare notes to the financial statements and from the obligations to disclose the annual financial statements.
18 Due to minor importance, no further information on shareholding is disclosed in accordance with section 313, paragraphs 2 and 3, German Commercial Code in conjunction with section 315e, paragraph 1, German Commercial Code.
19 Infineon accounts for its interest using the equity method as Infineon lacks controlling influence due to certain contractual participation rights of the co-shareholder.
20 Consolidated financial statements.
21 IFRS figures.

Neubiberg, 24 November 2025

Infineon Technologies AG
Management Board

Jochen Hanebeck | Alexander Gorski | Elke Reichart

Dr. Sven Schneider | Andreas Urschitz

Further Information

Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Combined Management Report, which is combined with the Management Report of Infineon Technologies AG, 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.

Neubiberg, 27 November 2025

Infineon Technologies AG
Management Board

Jochen Hanebeck
Alexander Gorski
Elke Reichart
Dr. Sven Schneider
Andreas Urschitz

For the Consolidated Financial Statements and Group Management Report we have issued an unqualified auditor's report. The English language text below is a translation of the auditor's report. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Independent Auditor's Report

To Infineon Technologies AG, Neubiberg/Germany

Report on the audit of the consolidated financial statements and of the combined management report

Audit Opinions

We have audited the consolidated financial statements of Infineon Technologies AG, Neubiberg/Germany, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 October 2024 to 30 September 2025, and the notes to the consolidated financial statements, including significant information on accounting policies. We have not audited the content of the remuneration report, which is referenced in notes 25 and 30 to the consolidated financial statements. In addition, we have audited the combined management report for the parent and the group of Infineon Technologies AG, Neubiberg/Germany, for the financial year from 1 October 2024 to 30 September 2025. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement pursuant to Sections 289f and 315d German Commercial Code (HGB) and the combined separate non-financial report, which are referenced in the "Corporate Governance" and "Group strategy" chapters of the combined management report. Furthermore, we have not audited the content of the remuneration report, which is referenced in the "Corporate Governance" chapter of the combined management report, the sustainability report, which is referenced in the "Group strategy" and "Internal management system" chapters of the combined management report, and the disclosures extraneous to combined management reports marked as unaudited.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 30 September 2025 and of its financial performance for the financial year from 1 October 2024 to 30 September 2025; our audit opinion on the consolidated financial statements does not cover the content of the remuneration report stated to be unaudited; and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the sustainability report, the combined separate non-financial report included therein, the corporate governance statement and the remuneration report, as well as the disclosures extraneous to combined management reports marked as unaudited.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance

with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2024 to 30 September 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. **recoverability of goodwill**
2. **accounting for the acquisition of the Automotive Ethernet business of Marvell Technology, Inc., Wilmington/US**

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

Recoverability of goodwill

a) The consolidated financial statements of Infineon AG as at 30 September 2025 report goodwill of mEUR 7,849 (26% of total assets). The executive directors test goodwill for impairment at the level of the operating segments once a year or when there are indications of impairment. The impairment tests involve comparing the carrying amounts of each operating segment with its recoverable amount. The recoverable amount of the respective operating segment is determined on the basis of value in use. The value in use is calculated using the discounted cash flow method. In this context, the present values of future cash flows, which are derived from the executive directors' corporate planning for the next five years, are used as a basis. Planning periods that lie further in the future, which account for a significant portion of the recoverable amounts (phase of perpetuity), are included by extrapolating the cash flows of the last detailed planning year, assuming a sustainable growth rate. Discounting is based on the weighted average cost of capital of the respective operating segment.

The impairment tests carried out did not identify any need to recognize impairment losses. The result of the calculation of the operating segments' value in use is highly dependent on the executive directors' assessment of future cash flows and discount rates, and is therefore subject to considerable uncertainty. Significant judgment is required when making assumptions concerning future revenue growth, profitability and cash flows. Against this background, this matter was of particular relevance in the context of our audit.

The executive directors' disclosures on the recognition and measurement policies applied and the assumptions used are included in note 2 to the consolidated financial statements. Information on the amount of goodwill is provided in note 14 to the consolidated financial statements.

b) We began our audit by familiarizing ourselves with the processes in place and evaluating the design and implementation of controls relevant to the audit, gained an understanding of the methodical procedure for performing the impairment tests, evaluated the determination of discount rates and, in collaboration with our valuation experts, assessed the impairment test calculation methodology. In this context, we determined the extent to which the performance of the impairment tests may be affected by subjectivity, complexity or other inherent risk factors and, in the case of estimates by the executive directors, assessed the acceptability of the methods applied, the assumptions made and the data used. With regard to the forecast of future cash flows, we assessed the reliability of the corporate planning by examining adherence to planning in the past. In addition, we validated the executive directors' expectations regarding future revenue, profitability and cash flows by comparing them with market studies and analysts' estimates for comparable companies. We considered the parameters used to determine the discount rates applied and verified their appropriateness based on our own calculations. Since the measurement is also dependent on economic conditions that are beyond the Group's control, we additionally performed our own sensitivity analyses to validate the parameters used for the operating segments. Finally, we determined whether the disclosures in the notes to the consolidated financial statements are complete and accurate.

Accounting for the acquisition of the Automotive Ethernet business of Marvell Technology, Inc., Wilmington/US

a) Effective 14 August 2025, Infineon AG acquired the Automotive Ethernet business of Marvell Technology, Inc., Wilmington/US, for mEUR 2,201 through an asset deal. The acquisition was accounted for as a business combination in accordance with IFRS 3 using the acquisition method. As part of the preliminary purchase price allocation, the acquired identified assets and assumed liabilities were recognized at acquisition-date fair value. In particular, with regard to intangible fixed assets, the executive directors believe that adjustments may still be necessary due to the ongoing integration of the Automotive Ethernet business. To determine and value the acquired identified assets and assumed liabilities, the executive directors engaged an external expert as a neutral valuer. Taking into account the remeasured net assets recognized at mEUR 837, goodwill amounted to mEUR 1,364.

The identification and valuation of assets and liabilities, especially intangible fixed assets, are complex processes that are based on estimates and assumptions requiring the executive directors' judgment. In the context of the valuation in particular, various assumptions have to be made to determine the future cash flows derived from asset-specific revenue and margin expectations and to determine the discount rates used. The executive directors' valuation of intangible fixed assets is based on their own detailed long-term corporate planning. Against this background, this matter was of particular relevance in the context of our audit.

The Company's information on the company acquisition is included in note 3 to the consolidated financial statements.

b) As part of our audit of the accounting for the acquisition of the Automotive Ethernet business, we first reviewed the underlying contractual agreements and assessed their potential impact on the consolidated statement of financial position. In addition, we gained an understanding of the business model of the Automotive Ethernet division and reconciled the purchase price as consideration for the acquired assets and assumed liabilities with the purchase agreement and payment documents. In the case of estimates made by the executive directors, we reviewed the appropriateness of the valuation methods applied to technology- and market-related intangible fixed assets. In addition, we assessed the assumptions made, in particular with regard to market-specific synergies, as well as the data used, such as capital market data for deriving the cost of capital, in terms of their plausibility and acceptability. We then involved our valuation experts to assess the results of the external expert engaged by the Company with regard to the identification of the assets and liabilities and their valuation at acquisition-date fair value and to evaluate the expert's competence, capabilities and objectivity. By interviewing management about the key value drivers of the acquired business division, we verified the consistency and completeness of the identification of assets made by management in the context of the asset deal. As part of the assessment of the valuation, we reviewed, among other things, the underlying models, the assumptions made and the valuation parameters applied.

In addition, we analyzed the parameters used to determine the discount rates applied in detail and verified their appropriateness based on our own calculations. We validated the executive directors' corporate planning underlying the valuation with regard to profitability expectations by making comparisons with analysts' estimates for comparable companies.

Finally, we determined whether the disclosures in the notes to the consolidated financial statements required by IFRS 3 are complete and accurate.

Other Information:

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the remuneration report pursuant to Section 162 AktG,
- the sustainability report, including the combined separate non-financial report pursuant to Sections 289b and 315b HGB included therein,
- the corporate governance statement pursuant to Sections 289f and 315d HGB,
- the disclosures extraneous to combined management reports included in the combined management report and marked as unaudited,
- the executive directors' confirmations pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the corporate governance statement, and for the remuneration report pursuant to Section 162 AktG. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value: 51e6b4a8e584a63c8f41e3412839b8cd23c9b2dd9cb0215c7429a2f9ba8adb50, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this assurance work only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from 1 October 2024 to 30 September 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 20 February 2025. We were engaged by the supervisory board on 21 February 2025. We have been the group auditor of Infineon Technologies AG, Neubiberg/Germany, without interruption since the financial year 2023/2024.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the assured ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Alexander Hofmann.

Munich/Germany, 27 November 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Christoph Schenk	Alexander Hofmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Applications and product range

ATV Automotive

Applications

Assistance systems and safety systems
- ABS (Anti-blocking system)
- Airbag
- Automatic parking
- Blind spot detection
- Distance control
- E/E architecture
  - Power distribution
  - On-board network
- Electronic chassis control
- Electronic power steering
- Emergency braking assistant
- Highway assistant
- Lane departure warning system
- Seatbelt pretensioners
- Tire pressure monitoring system

Comfort electronics
- Air conditioning
- Body control units
- Door electronics
- Electronic seat adjustment
- Hatch door
- Massage functionality
- Lighting
- Steering
- Sunroof
- Suspension
- Windshield wipers

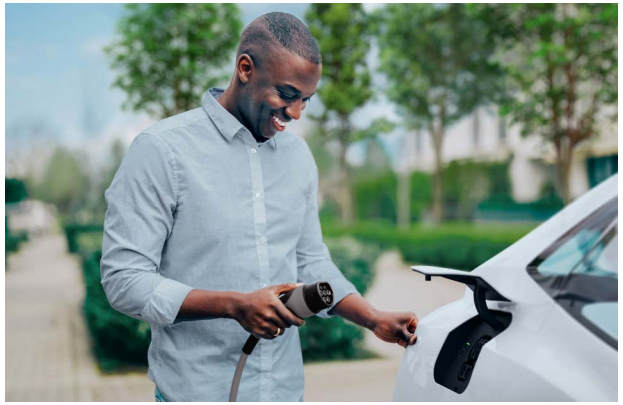
Infotainment
- Connectivity for in-cabin infotainment
- Digital instrument cluster

Powertrain
- Battery management
- Combustion engine control
- DC-DC converter
- Electric motor control
- Thermal management
- Transmission control

Security
- Authentification of original parts
- Communication
  - Car-to-car
  - Car-to-infrastructure
- Protection against manipulation (e.g., odometer)
- Protection against software manipulation
- Remote keyless entry
- Tachograph

Product range

- 32-bit automotive microcontrollers for powertrain, safety, driver assistance systems, infotainment and digital display systems
- Analog ICs (gate drivers, intelligent power switches, power management ICs)
- Ethernet (switches, bridges, PHY)
- Industrial microcontrollers
- Memory ICs (NOR flash, SRAM, nvSRAM, F-RAM)
- Power diodes (Si, SiC)
- Power modules (IGBT (Insulated Gate Bipolar Transistor), SiC)
- Power switches (Si, SiC, GaN)
- Sensors (3D- Time of Flight (ToF), pressure, magnetic, 77 GHz radar, current)
- Transceivers (Controller Area Network (CAN), CAN FD (Controller Area Network Flexible Data Rate), Local Interconnect Network (LIN), FlexRay™)
- Voltage regulators



GIP Green Industrial Power

Applications

Air conditioning technology
- Air conditioning systems
- Heat pumps

Energy generation
- Hydrogen electrolysis
- Photovoltaic systems
- Wind power turbines

Energy storage
- Grid stability
- Home energy storage
- Urban district storage

Energy transmission
- Flexible AC transmission systems (FACTS)
- Offshore wind farm HVDC transmission lines
- Overland HVDC transmission lines
- Solid-state transformers (SST)

Home appliances
- Dishwashers
- Hair dryers
- Induction cooktops
- Refrigerators
- Vacuum cleaners
- Washing machines

Industrial drives
- Automation technology
- Drive technologies
- Elevator systems
- Escalators
- Industrial robotics
- Material handling
- Oil derricks
- Pipelines
- Rolling mills

Industrial power supplies
- Auxiliary power supplies
- Battery chargers for electrical vehicles (OBC)
- Charging stations for electric vehicles
- Solid-state circuit breaker (SSCB)
- Switch-mode power supply (SMPS)
- Uninterruptible power supplies
- Vehicle thermal management

Industrial vehicles
- Agricultural vehicles
- Construction vehicles
- Electrical airplanes
- Electrical buses
- Electrical drones
- Electrical ships
- Electrical trucks

Traction
- Electric mining vehicles
- High-speed trains
- Locomotives
- Metro trains
- Trams

Product range

- Discrete IGBTs
- IGBT “Bare Die”
- IGBT modules (low-power, medium-power, high-power)
- Intelligent IGBT modules with integrated control unit, driver and switch
- SiC discretes (diodes, MOSFET or Metal-Oxide-Semiconductor Field-Effect Transistor, JFET or Junction Field-Effect Transistor)
- SiC modules (MOSFET, JFET)

PSS Power & Sensor Systems

Applications

Audio amplifiers
- Battery-powered loudspeakers
- Smart speakers

Automotive electronics
- Blind spot detection
- In-cabin USB PD charging
- Onboard charger
- Power train for low-speed electric vehicles

BLDC motor
- Battery-powered electronic devices, e.g.,
  - Cordless screwdrivers
  - Drills
  - Lawn mowers
  - Power saws
  - Robotic vacuum cleaners and vacuum cleaners
- eBikes
- eScooters
- Multi-copters

Cellular communications infrastructure
- Base stations

Charging stations for electric vehicles

Human-machine interaction

IoT
- Communications
- Sensors
- Smart speakers
- Voice control

LED and conventional lighting systems

Microinverter for roof-top systems

Mobile devices
- Activity trackers
- Health care trackers
- Navigation devices
- Smartphones
- Tablets

Power management (chargers, adapters, power supplies, DC-DC conversion, wireless charging)
- AI data centers
- Consumer electronics
- Data centers
- Mobile devices
- PCs and notebooks
- Servers
- Telecommunication technology

Special applications in harsh environments
- Aerospace systems
- Aviation technologies
- Defense technologies
- Oil and gas exploration
- Submarine telecommunications

Product range

- 3D Time of Flight (ToF) sensors
- Chips for gas sensors
- Chips for MEMS microphones
- Chips for pressure sensors
- Control ICs for power switches
- Customized chips (ASICs)
- Discrete low-voltage, mid-voltage and high-voltage power MOSFETs (Si-based)
- ESD (electrostatic discharge) protection diodes
- GaN power switches
- GPS (Global Positioning System) low-noise amplifiers
- Low-voltage and high-voltage driver ICs
- Radar sensor ICs (24 GHz, 60 GHz)
- RF antenna switches
- RF power transistors
- SiC diodes, SiC MOSFETs
- USB controllers

CSS Connected Secure Systems

Applications

Authentication
- Accessories
- Brand protection
- Game consoles
- Industrial control systems
- Printer cartridges

Automotive
- Connected vehicles,
  - Car-to-car communications
  - Car-to-infrastructure communications
  - eCall
- Electronic toll collection (toll collect)
- In-cabin infotainment
- Protection against manipulation (e.g., tachographs)

Consumer electronics
- Game consoles
- Remote control
- Smart watches and activity trackers

Government identification documents
- Driver's licenses
- Healthcare cards
- National identity cards
- Passports
- Social insurance cards

IoT
- Edge AI
- Industry 4.0
- IT equipment
- Smart city
- Smart home

Mobile communications
- Embedded SIM
  (machine-to-machine communication)
  - Consumer applications
  - IoT applications
- SIM cards

Payment systems
- Credit/debit cards
- Mobile payment
- NFC-based contactless payment

Ticketing, access control

Trusted computing

Product range

- Connectivity solutions (Wi-Fi, Bluetooth, Bluetooth Low Energy (BLE), UWB)
- Embedded security controllers (Embedded SIM, Authentication, Trusted Computing)
- Microcontroller for consumer electronics and industrial applications
- Security controllers (contact-based, contactless, dual-interface)

Chart overview

List of abbreviations

AktG	Aktiengesetz (German Stock Corporation Act)
AI	Artificial Intelligence
CGU	Cash Generating Unit
CISMS	Cyper & Information Security Management System
CMS	Compliance Management System
CO_2	Carbon Dioxide
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DAX	Deutscher Aktienindex
DC-DC	Direct Current to Direct Current Conversion
DRAM	Dynamic Random Access Memory
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
EMTN	European Medium Term Notes
ERM	Enterprise Risk Management
ESG	Environmental, Social & Governance
eSIM	embedded SIM
ETC	Exchange-Traded Commodities
GaN	Gallium Nitride
HGB	Handelsgesetzbuch (German Commercial Code)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IC	Integrated Circuit
ICS	Internal Control System
IDW	Institut Deutscher Wirtschaftsprüfer (Institute of German Certified Public Accountants)
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IoT	Internet of Things
IP	Intellectual Property
ISO	International Organization for Standardization
LTI	Long-Term Incentive
M&A	Mergers & Acquisitions
MEMS	Micro-Electromechanical System
MitbestG	Mitbestimmungsgesetz (German Co-Determination Act)
NAND	not AND
NFC	Near-Field Communication
P2S	Product to System
PSoC	Programmable System-on-Chip
RoCE	Return on Capital Employed
SBTi	Science Based Targets-initiative
Si	Silicon
SiC	Silicon Carbide
SOX	Philadelphia Semiconductor Index
SST	Solid-State Transformer
STI	Short-Term Incentive
TOM	Target Operating Model
TSR	Total Shareholder Return
USB	Universal Serial Bus
USPP	US Private Placement
UWB	Ultra Wideband
WACC	Weighted Average Cost of Capital
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
WSTS	World Semiconductor Trade Statistics

Financial calendar 2026

February
Wednesday
4
Publication of **first quarter 2026**[1] results

February
Thursday
19
Annual General Meeting 2026

May
Wednesday
6
Publication of **second quarter 2026**[1] results

August
Wednesday
5
Publication of **third quarter 2026**[1] results

November
Tuesday
10
Publication of **fourth quarter** and **fiscal year 2026**[1] results

1 Preliminary

Imprint

Published by:	Infineon Technologies AG, Neubiberg (Germany)
Editors:	Investor Relations, Accounting, Consolidation & Reporting
Copy deadline:	27 November 2025
Fiscal year:	1 October to 30 September
Independent auditors:	Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich (Germany)
Designed by:	HGB Hamburger Geschäftsberichte GmbH & Co. KG, Hamburg (Germany)
Photography:	Page 4: Werner Bartsch, Hamburg (Germany) Page 10: Werner Bartsch, Hamburg (Germany) Page 12: Bernhard Schmidt, Munich (Germany)

Public

Visit us on the web: www.infineon.com

Forward-looking statements
This report contains forward-looking statements and/or assessments about the business, financial condition, performance and strategy of the Group. These statements and/or assessments are based on assumptions and management expectations resting upon currently available information and present estimates. They are subject to a multitude of uncertainties and risks, many of which are entirely or partially beyond Infineon's control. Infineon's actual business development, financial position, performance and strategy may therefore differ materially from the statements made in this report. Beyond disclosure requirements stipulated by law, Infineon does not undertake any obligation to update forward-looking statements.

Specific disclaimer for Omdia – part of Informa Tech – reports, data and information referenced in this document:
Information is not an endorsement of Infineon Technologies AG. Any reliance on these results is at the third party's own risk.

Specific disclaimer for S&P Global reports, data and information referenced in this document:
The S&P Global Mobility and S&P Global Commodity Insights reports, data and information referenced herein (the "S&P Global Materials") are the copyrighted property of S&P Global Inc. and its subsidiaries ("S&P Global") and represent data, research, opinions or viewpoints published by the relevant divisions within S&P Global, and are not representations of fact. The S&P Global Materials speak as of the original publication date thereof and not as of the date of this document. The information and opinions expressed in the S&P Global Materials are subject to change without notice and neither S&P Global nor, as a consequence, Infineon have any duty or responsibility to update the S&P Global Materials or this publication. Moreover, while the S&P Global Materials reproduced herein are from sources considered reliable, the accuracy and completeness thereof are not warranted, nor are the opinions and analyses which are based upon it. S&P Global and the trademarks used in the Data, if any, are trademarks of S&P Global. Other trademarks appearing in the S&P Global Materials are the property of S&P Global or their respective owners.

Infineon Technologies AG

Headquarters:	Am Campeon 1–15, D-85579 Neubiberg near Munich (Germany), Phone +49 89 234-0
Contact for Investors and Analysts:	investor.relations@infineon.com, Phone +49 89 234-26655
Media Contact:	media.relations@infineon.com, Phone +49 89 234-28480
Visit us on the web:	www.infineon.com