

German chip maker Infineon to cut 1,400 jobs

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Infineon said recovery in its target markets was progressing slowly.

German chip maker Infineon said Monday it will slash 1,400 jobs and relocate 1,400 more due to a tough market environment, as it announced falling profits and downgraded its outlook.

The [job cuts](#), from a workforce of about 58,600 worldwide, are part of a company-wide restructuring that was launched in May.

The program is aimed at "strengthening our competitiveness", said CEO Jochen Hanebeck in a statement, alongside the release of results for the third quarter of the group's financial year.

A spokesman confirmed to AFP that the jobs would be cut and relocated to locations with lower costs, without giving further details.

The news comes after US chip giant Intel announced last week it will slash more than 15 percent of its workforce as it seeks to cut about \$20 billion in expenses this year.

Infineon reported a [net profit](#) of 403 million euros (\$441 million) in the three months to the end of June, down 52 percent from a year earlier.

Revenues came in at 3.7 billion euros, down from about 4.1 billion a year earlier.

The group downgraded its outlook for 2024, and now expects revenues of around 15 billion euros. That is the third downgrade in recent times, with Infineon having earlier expected sales of about 16 billion euros.

"The [recovery](#) in our target markets is progressing only slowly," said Hanebeck.

He referred to "prolonged weak economic momentum" but insisted that Infineon continues to "hold up well" in a "challenging" market environment.

Revenues in its "green industrial power" and "power and sensor systems" divisions fell heavily in the quarter from a year earlier but sales in its

automotive division were stable.

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