Investor Presentation
Fiscal Second Quarter 2027



A Leading Provider of Smart, Connected and Secure Embedded Solutions

SAFE HARBOR

Forward Looking Statement Safe Harbor:

During the course of this presentation, we will make projections or other forward-looking statements regarding the future financial performance of the company (including our guidance) or future events, including our strategy, growth drivers, enhanced profitability, shareholder value creation, industry trends, end markets, market megatrends, disruptive growth trends, long process technology and life cycles, high-quality revenue streams, durable markets, Datacenter infrastructure market, TSS solutions, strategic pillars driving industry plus growth, long-term model expected to growth data center portfolio 69.3% to $1 billion in CY2026, leadership across markets, billions of legacy nodes to replace, capital return strategy including debt paydown, dividends, and buybacks. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause our actual results to differ materially, including, but not limited to: any continued uncertainty, fluctuations or weakness in the U.S. and world economies (including China and Europe) due to changes in interest rates or high inflation, actions taken or which may be taken by the Trump administration or the U.S. Congress, the impact of the November elections in the U.S., monetary policy, political, geopolitical, trade or other issues in the U.S. or internationally (including the military conflicts in the Middle East and Ukraine-Russia), the scope and level of tariffs; further changes in demand or market acceptance of our products and the products of our customers and our ability to respond to any increases or decreases in market demand or customer requests to increase orders or reschedule or cancel orders; the mix of inventory we hold, our ability to satisfy any short-term orders from our inventory and our ability to effectively manage our inventory levels; changes or fluctuations in customer order patterns and seasonality; changes in utilization of our manufacturing capacity and our ability to effectively manage our production levels to meet any increases or decreases in market demand or any customer requests to reschedule or cancel orders; the impact of inflation on our business; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; our ability to realize the expected benefits of our long-term supply assurance program; our ability to effectively manage our supply of wafers from third party wafer foundries to meet any increases or decreases in our needs and the cost of such wafers, our ability to obtain additional capacity from our suppliers to increase production to meet any future increases in market demand; our ability to successfully integrate the operations and employees, retain key employees and customers and otherwise realize the expected synergies and benefits of our acquisitions; the impact of any future significant acquisitions or strategic transactions we may make; the costs and outcome of any current or future litigation or other matters involving our acquisitions (including the acquired business, intellectual property, customers, or other issues); foreign currency effects on our business; the costs and outcome of any current or future tax audit or investigation regarding our business or our acquired businesses; the impact that the CHIPS Act will have on increasing manufacturing capacity in our industry by providing incentives for us, our competitors and foundries to build new wafer manufacturing facilities or expand existing facilities; the amount and timing of any incentives we may receive under the CHIPS Act, the impact of current and future changes in U.S. corporate tax laws (including the One Big Beautiful Bill Act, the Inflation Reduction Act of 2022 and the Tax Cuts and Jobs Act of 2017); fluctuations in our stock price and trading volume which could impact the number of shares we acquire under our share repurchase program and the timing of such repurchases; disruptions in our business or the businesses of our customers or suppliers due to natural disasters (including any floods in Thailand), terrorist activity, armed conflict, war, worldwide oil prices and supply, public health concerns or disruptions in the transportation system; and general economic, industry or political conditions in the United States or internationally. For a detailed discussion of these and other risk factors, please refer to Microchip's filings on Forms 10-K and 10-Q. You can obtain copies of Forms 10-K and 10-Q and other relevant documents for free at Microchip's website (www.microchip.com) or the SEC's website (www.sec.gov) or from commercial document retrieval services. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. Microchip does not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after the date of this presentation or to reflect the occurrence of unanticipated events.

Use of Non-GAAP Financial Measures: In this presentation, we have included certain non-GAAP financial information, including for example, adjusted EBITDA, non-GAAP gross profit margin and operating profit margin and adjusted free cash flow. Our non-GAAP results exclude the effect, where applicable, of share-based compensation, cybersecurity incident expenses, COVID-19 shelter in place restrictions on manufacturing activities, manufacturing excursion, other manufacturing adjustments, restructuring charges, expenses related to our acquisition activities (including intangible asset amortization, severance, and other restructuring costs, and legal and other general and administrative expenses associated with acquisitions including legal fees and expenses for litigation and investigations related to our Microsemi acquisition), professional services associated with certain legal matters, IT security remediation costs, non-cash interest expense on our convertible debentures, losses on the settlement of debt, gains and losses related to available for sale investments, and dividends on our Series A Mandatory Convertible Preferred stock. For the second quarters of fiscal 2027 and fiscal 2026, our non-GAAP income tax expense is presented based on projected cash taxes for the applicable fiscal year, excluding transition tax payments under the Tax Cuts and Jobs Act. Our determination of our non-GAAP measures might not be the same as similarly titled measures used by other companies, and it should not be construed as a substitute for amounts determined in accordance with GAAP. There are limitations associated with using non-GAAP measures, including that they exclude financial information that some may consider important in evaluating our performance. Management compensates for this by presenting information on both a GAAP and non-GAAP basis for investors and providing reconciliations of the GAAP and non-GAAP results. Non-GAAP measures should not be considered in isolation or as an alternative to net income, cash from operations or other measures of profitability, liquidity or performance under GAAP. Certain supplemental information and reconciliations are available on our website at www.microchip.com/investors under the heading “Supplemental Financial Information”.

Corporate Overview

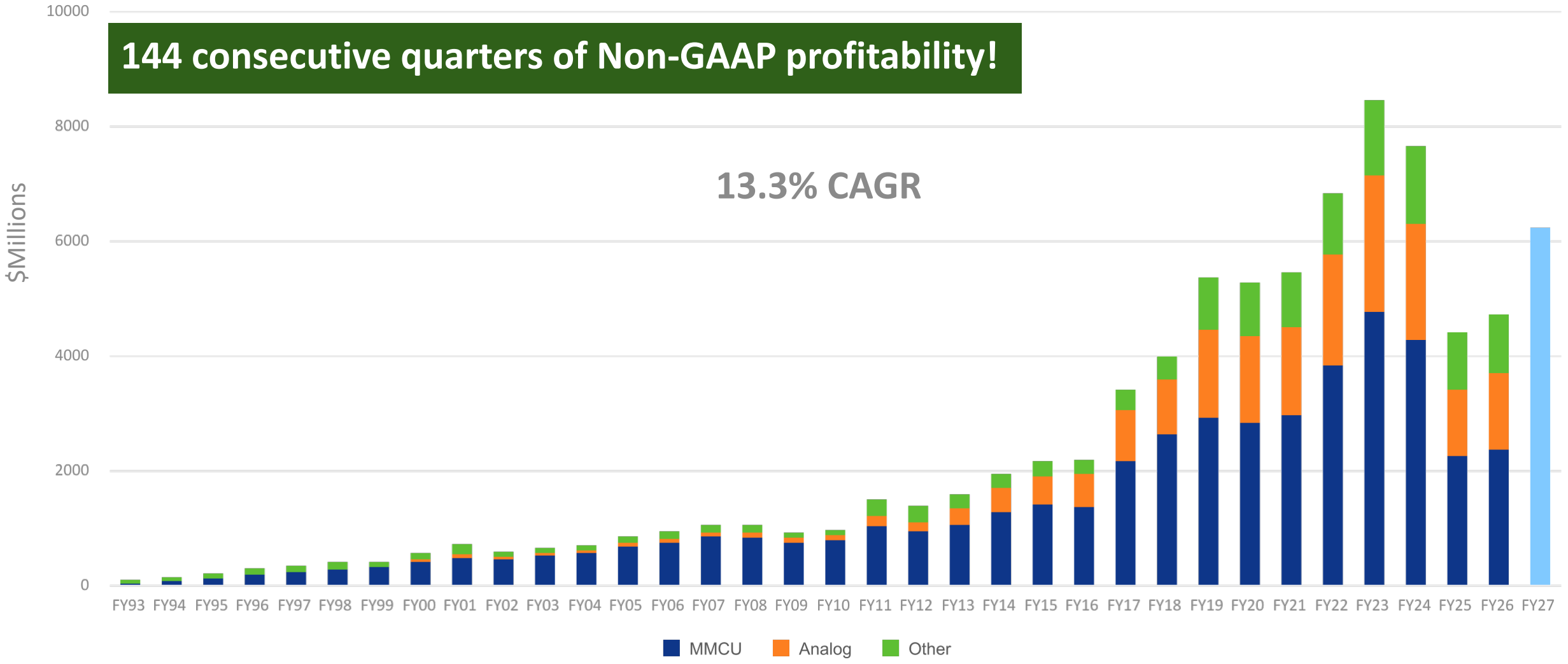
Leading Total Systems Solutions Provider

- High-performance standard and specialized Mixed-Signal Microcontroller, Digital Signal Controller and Microprocessor solutions
- Mixed-Signal, Analog, Interface and Security solutions
- Clock and Timing solutions
- Wireless and Wired Connectivity solutions
- FPGA solutions
- Non-volatile EEPROM and Flash Memory solutions
- Flash IP solutions



- **$4.7 billion in FY26 net sales**
- **Enhanced profitability through operation efficiency**
- **Anchored in markets with long-term growth drivers**
- **Consistent focus on shareholder value creation**

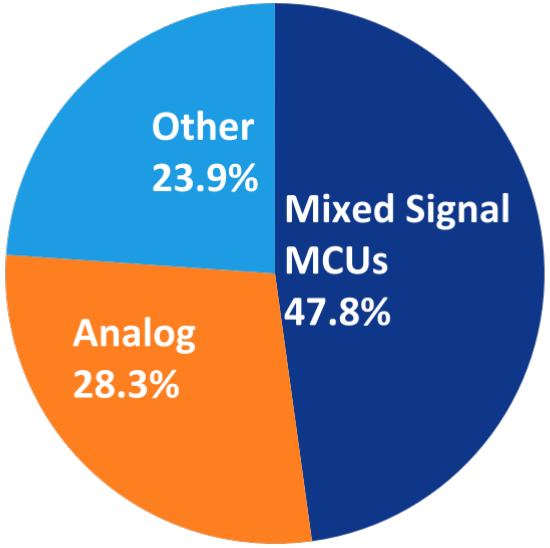
Net Sales Growth



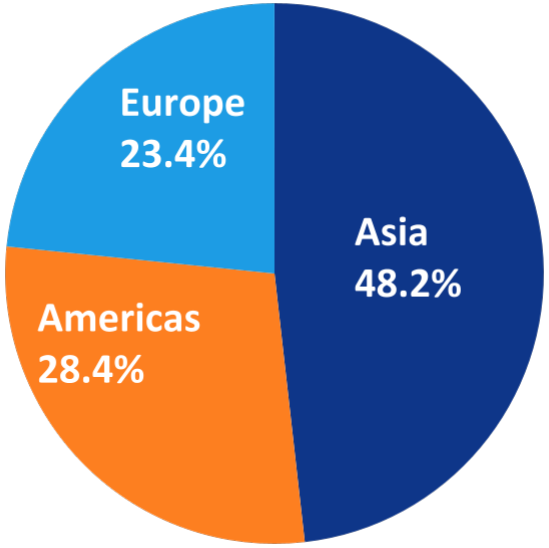
* Run rate for FY27 represents actual results for the first two quarter * 2

Second Quarter FY2027 Revenue Mix

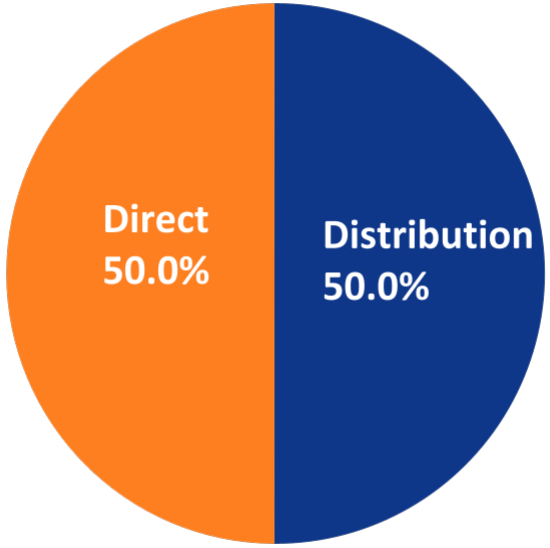
Net Sales by Product Line



Net Sales by Geography



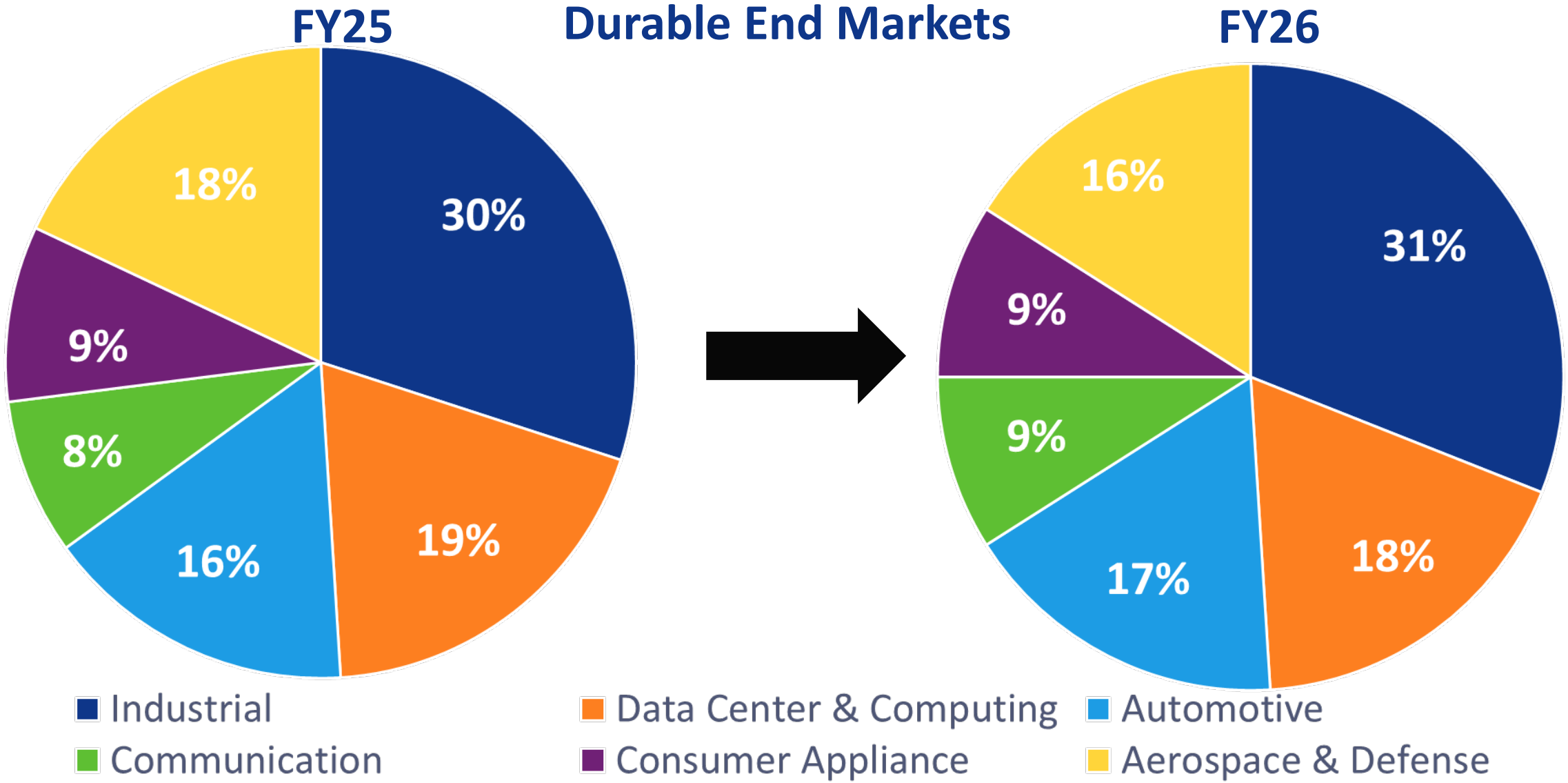
Net Sales by Channel



- Organic growth efforts focused on TSS and Megatrends
- Synergistic product portfolio empowers disruptive growth trends
- Diversified product portfolio with long process technology and life cycles
- Customer driven obsolescence policy create high-quality revenue streams

Revenue By End Market*

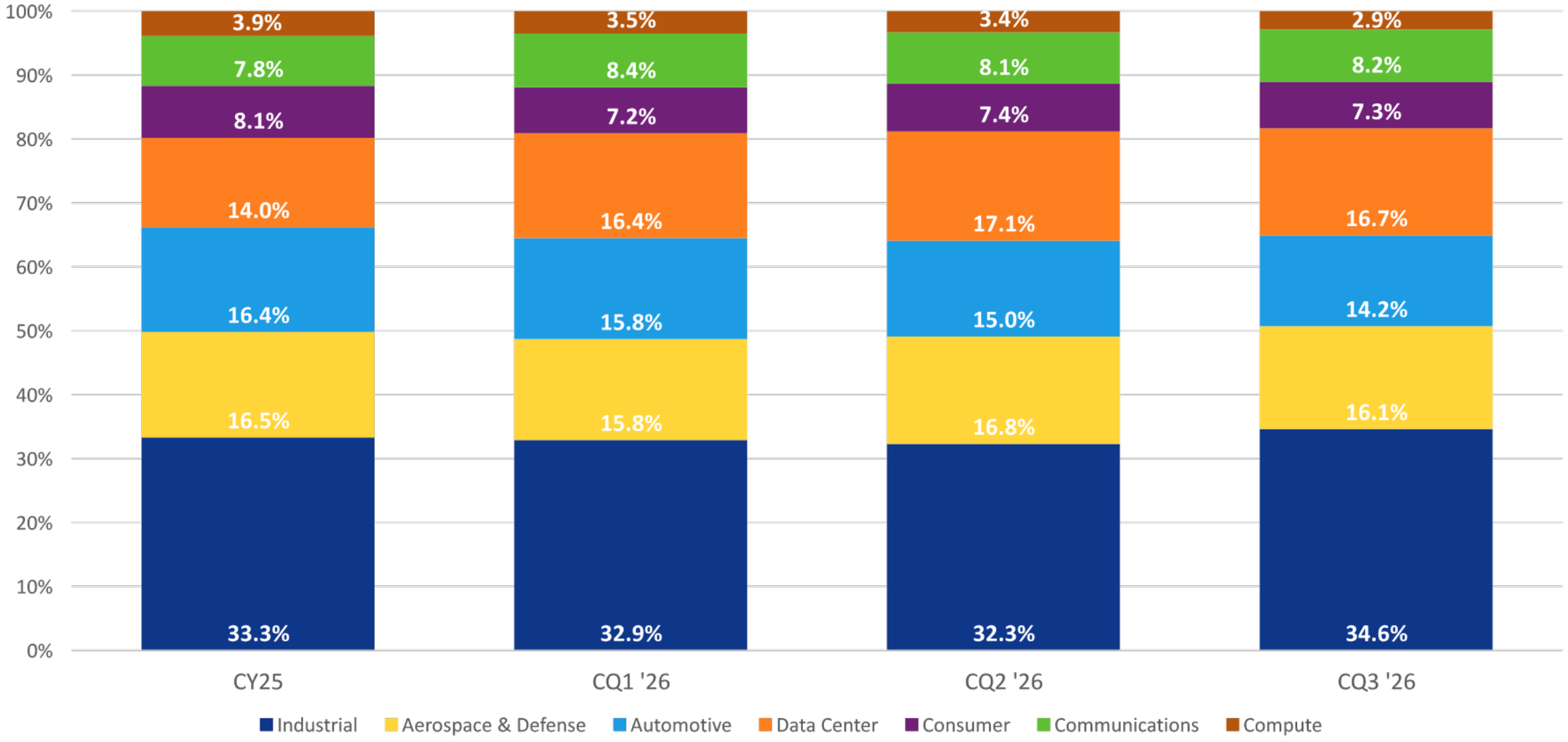
Durable End Markets



*Based on Microchip Internal estimates

End market percentages are management's best estimates and are shown as a share of net sales excluding licensing revenue. Approximately 50% of net sales and a long tail of customers are serviced through distribution, which makes end market tracking difficult, so actual splits may differ by a couple of percentage points. Percentages may not sum to 100% due to rounding.

Revenue By End Market*

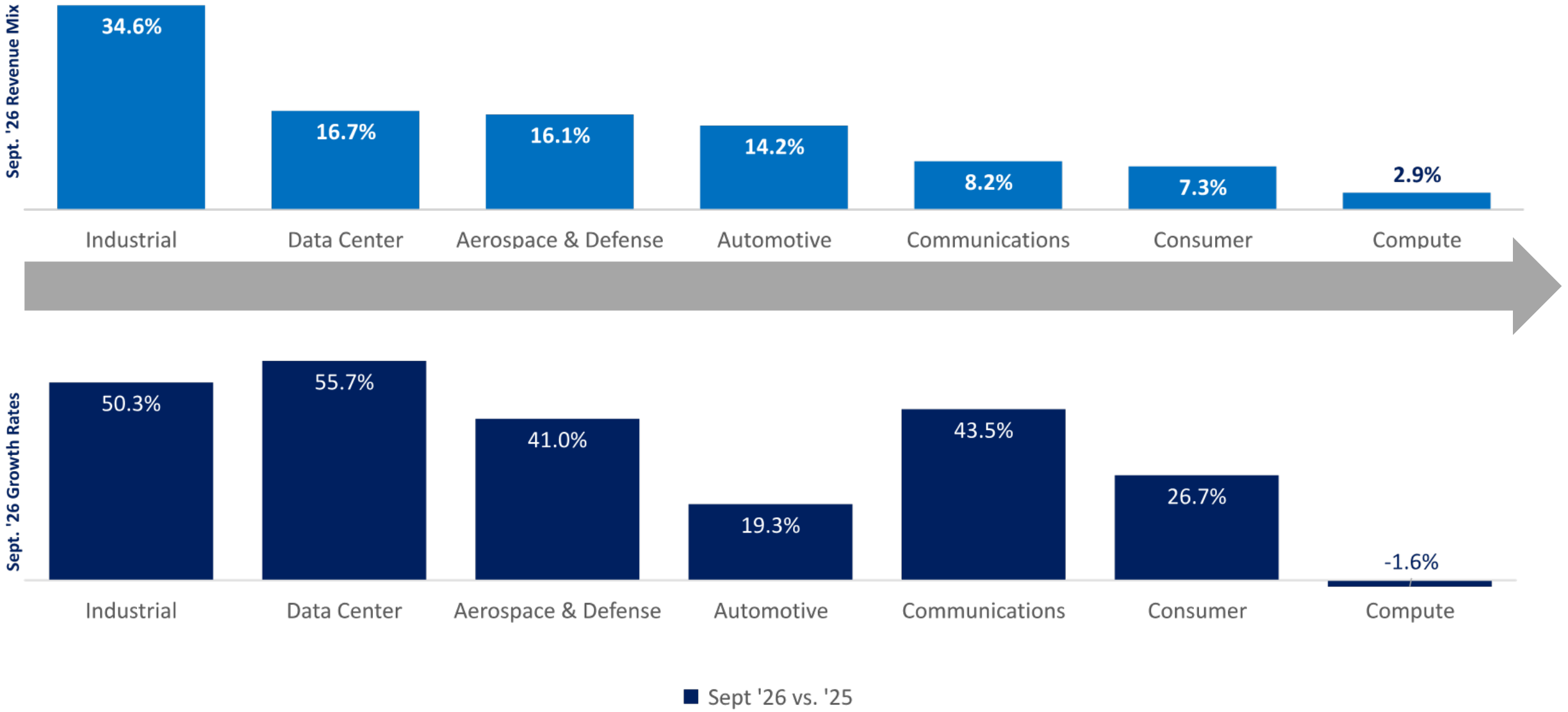


*Based on Microchip Internal estimates

End market percentages are management's best estimates and are shown as a share of net sales excluding licensing revenue. Approximately 50% of net sales and a long tail of customers are serviced through distribution, which makes end market tracking difficult, so actual splits may differ by a couple of percentage points. Percentages may not sum to 100% due to rounding.

MICROCHIP

Revenue Mix and YoY Growth by End Market



*Based on Microchip Internal estimates

End market percentages are management's best estimates and are shown as a share of net sales excluding licensing revenue. Approximately 50% of net sales and a long tail of customers are serviced through distribution, which makes end market tracking difficult, so actual splits may differ by a couple of percentage points. Percentages may not sum to 100% due to rounding.

MICROCHIP

Fiscal 2nd Quarter 2027 Results (Non-GAAP)

- GAAP Revenue of $1.622 billion; up 9.2% QoQ and 42.2% YoY
- Gross Margin of 66.5%; increased 267 BPS QoQ and 980 BPS YoY
- Operating Margin of 39.5%; increased 437 BPS QoQ and 1,516 BPS YoY
- Diluted Earnings Per Share of $0.97; increased 27.6% QoQ and 177.1% YoY
- Adj. TTM EBITDA* of $2.162 billion or 38.6% of TTM sales
- Adj. Free Cash Flow**of $377.1 million or 23.3% of net sales
- Net debt to adj. TTM EBITDA: 2.36x in September 2026 vs. 2.85x prior quarter
- Total cash return of $247.6 million in common dividends
- Announced common stock dividend of 45.5 cents per share for Q3FY27

*Adjusted EBITDA is as defined in the Company's Amended and Restated Credit Agreement
**Adjusted Free Cash Flow is defined as cash flow from operations less capital expenditures, cash collected under long-term supply arrangements, and amortization of capped call issued in connection with our 0.75% 2024 Sr. Convertible Debt, our 0% 2026 Senior Convertible Debt and our 7.50% Series A Mandatory Convertible Preferred Stock.
For our GAAP results, please refer to the reconciliations referred to in the safe harbor statement

Fiscal 3rd Quarter 2027 Guidance (Non-GAAP)*

	Q2 FY27 Actual	Q3 FY27 Guide @ mid-point	Long Term Model (Through Cycles)
GAAP Revenue ($Millions)	**$1,621.5**	**$1,605.5**	Industry Gr. Plus
Gross Margins	66.5%	64.5%	65.0%
Operating Expenses	27.0%	26.75%	25.0%
Operating Margins	39.5%	37.75%	40.0%
Earnings per share	**$0.97**	**$0.91***	

*Represents guidance provided on November 5, 2026
Additional guidance metrics can be found in the Q2 FY2027 earning release. Click here

Empowering Innovation In Diverse, Durable Markets















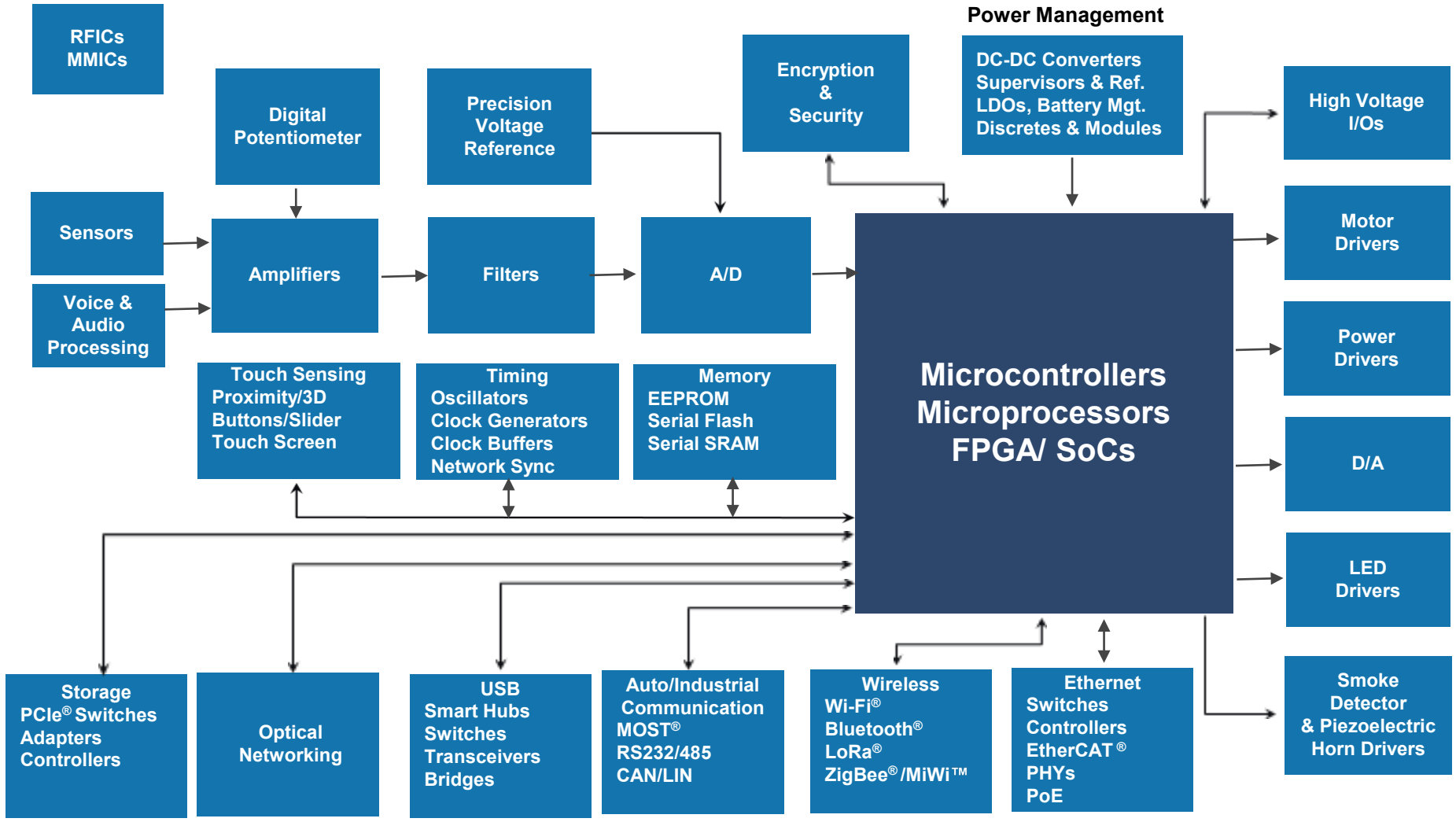






Providing Total System Solutions

Portfolio of Hardware, Software and Services



Five Strategic Pillars Driving Industry Plus Growth

FOUNDATION CORE

NEW GROWTH PILLARS

MICRO-CONTROLLER



Mass Market

ANALOG



Sustainability



E-Mobility

CONNECTIVITY/ NETWORKING



Networking/Connectivity
Industry 4.0 & Automotive



Data Centers

COMPUTE



Edge Computing/IoT



Security

AI/ML



AI/ML

Long-Term Model: Industry Growth + New Pillar Contribution = Industry Plus Growth

From Grid to Chip: Our End-to-End Data Center Portfolio

Total Data Center Portfolio* Expected to Grow 69.3% YoY to $1 Billion in CY2026

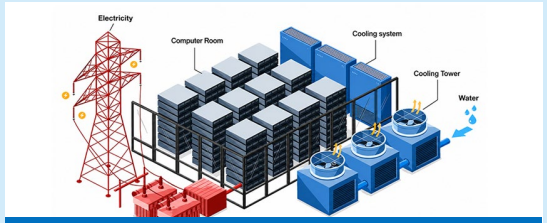
Pure-Play Data Center Solutions (DCS)

Switchtec™ PCIe Switches & Retimers
- PCIe Gen 6/5/4/3 switches – first to 3nm at Gen 6
- XpressConnect™ PCIe Gen 6/5 retimer family – PCIe 6.0/CXL 3.1

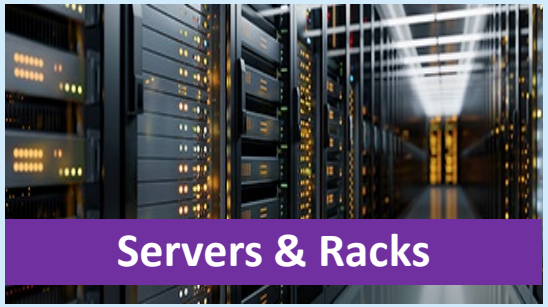
Storage Controllers
- Adaptec® SmartRAID controllers, accelerators & HBAs
- Flashtec® NVMe SSD controllers
- SAS/SATA controllers & expanders

Memory Controllers
- CXL 1.1/2.0 controllers
- Memory expansion & pooling; DDR4/DDR5 media independence

THE DATA CENTER



Grid Entry & Power



Servers & Racks



Networking

System Management & Embedded Control

Grid-to-Rack & In-Rack Power
- **Today: UPS:** SiC & IGBT power modules, MCUs;
- **Power Shelf & Rack**: dsPIC® digital power controllers, PMICs, energy
- **Emerging (CY2028+)**: SST, solid-state circuit breakers, 800V native racks

System Management
- Ethernet Switches, USB Hub Controllers, Predictive Maintenance MCUs
- Fan controllers; temperature sensors; thermal

Timing & Synchronization
- PCIe Gen7-compliant clocks & buffers; network sync systems and components (PTP, NTP, SyncE); low-jitter oscillators and atomic clocks

Security
- Root of Trust (RoT); secure boot & firmware integrity
- PQC-ready crypto acceleration
- CNSA 2.0 support (MCU)

Networking
- Routers/Switches/DCI: Ethernet PHYs
- Optical Modules: MCUs, Oscillators, DC/DC power supplies, Power monitoring

*Data Center portfolio reflects total Microchip revenue into data center end markets, including pure-play Data Center Solutions (DCS) and broader system management, embedded control, power, timing, security and networking content.

MICROCHIP

Single Pair Ethernet: MCHP Leadership Across Markets

Scalable Bandwidth

- MICROCHIP 10BASE-T1S
- MICROCHIP 100/1000 BASE-T1
- MICROCHIP Multi-Gigabit T1

Comprehensive Connectivity

- MICROCHIP PHYs, Bridges
- MICROCHIP Endpoints
- MICROCHIP Switches

Positioned Across

Diverse End Markets & Applications

Automotive



Robotics



Industrial vehicles



Aerospace



Building control



Industrial control



In-cabinet



Microphones



LED Lighting



Battery Mgmt



Actuators, Sensors



Vehicle Networking



Growth Pillar: Billions of Legacy Nodes to Replace

Consistent, Disciplined and Balanced Capital Return Strategy

Adjusted Free Cash Flow (FCF)* Generation

FY2019 – Q2 FY2027

~$14.7 billion**

Debt Paydown

$7.3 billion

- Reduced debt 26 out of last 33 quarters
- Current net leverage ratio of 2.36x

Dividends Paid

~$5.6 billion

- 96 consecutive quarters of dividends paid

Shares Repurchased

~$2.4 billion

- Total cash return in FY2026 of $984 million

*Adj. FCF is defined as cash flow from operations less capital expenditures, cash collected under long-term supply arrangements, and amortization of capped call issued in connection with our 0.75% 2024 Sr. Convertible Debt, our 0% 2026 Senior Convertible Debt and our 7.50% Series A Mandatory Convertible Preferred Stock.

** Capital return figures reflect total cash deployed including debt financing for dividend payments and preferred equity proceeds used for debt paydown.

Follow us @microchiptechnology

MICROCHIP

A Leading Provider of Smart, Connected and Secure Embedded Solutions

