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Microchip Technology Updates Guidance for Net Sales and Non-GAAP EPS for Fourth Quarter of Fiscal 2017

CHANDLER, Ariz., Feb. 28, 2017 (GLOBE NEWSWIRE) -- Microchip Technology Incorporated (NASDAQ:MCHP), a leading provider of microcontroller, mixed signal, analog and Flash-IP solutions, today narrowed the range of its prior guidance for net sales and non-GAAP earnings per share for its fiscal fourth quarter of 2017 ending March 31, 2017. Microchip previously provided guidance on February 7, 2017 for consolidated net sales to be down 1% to up 3% with a mid-point of up 1%. Microchip now expects consolidated net sales to be down 0.5% to up 2.5% with a mid-point unchanged at 1% and non-GAAP earnings per share to be between $1.02 and $1.10 per share. The original guidance for non-GAAP earning per share was between $1.01 and $1.11 per share. Due to Microchip's recent convertible debt offering and the related accounting treatment, Microchip is not able to provide GAAP earnings per share guidance at this time.

"Our business for the first eight weeks of the March 2017 quarter is tracking well towards our February 7, 2017 guidance," said Steve Sanghi, Microchip's CEO. "We are narrowing the range of our revenue and non-GAAP earnings per share guidance, while keeping the midpoint of the guidance unchanged."

There will be no conference call associated with this press release. Microchip's CEO, Steve Sanghi and CFO, Eric Bjornholt, are presenting at the Morgan Stanley Technology, Media & Telecom Conference tomorrow, Wednesday, March 1, 2017. A live webcast and replay of the presentation will be available at www.microchip.com.

Cautionary Statement:

The statements in this release relating to expecting our non-GAAP net sales to be down 0.5% to up 2.5% with a mid-point of up 1%, expecting non-GAAP earnings per share to be between $1.02 and $1.10 per share, and our business tracking well to our February 7, 2017 guidance, are forward-looking statements 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 economic uncertainty due to monetary policy, political or other issues in the U.S. or internationally, any unexpected fluctuations or weakness in the U.S. and global economies (including China), changes in demand or market acceptance of our products and the products of our customers; foreign currency effects on our business; the mix of inventory we hold and our ability to satisfy short-term orders from our inventory; changes in utilization of our manufacturing capacity and our ability to effectively manage our production levels; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; the level of sell-through of our products through distribution; changes or fluctuations in customer order patterns and seasonality; our ability to successfully integrate the operations and employees, retain key employees and customers

and otherwise realize the expected synergies and benefits of our Atmel acquisition; our ability to continue to realize the expected benefits of our other acquisitions; the impact of any other significant acquisitions that we may make; our ability to obtain a sufficient supply of wafers from third party wafer foundries and the cost of such wafers, the costs and outcome of any current or future tax audit or any litigation or other matters involving intellectual property, customers, or other issues; our actual average stock price in the March 2017 quarter and the impact such price will have on our share count; 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.

Stockholders of Microchip 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 this February 28, 2017 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated is a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality. For more information, visit the Microchip website at www.microchip.com.

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INVESTOR RELATIONS CONTACT:
J. Eric Bjornholt – CFO (480) 792-7804

Source: Microchip Technology Inc