September 5, 2017

Microchip Technology Reaffirms Financial Guidance for Second Quarter Fiscal 2018

CHANDLER, Ariz., Sept. 05, 2017 (GLOBE NEWSWIRE) -- Microchip Technology Incorporated (NASDAQ:MCHP), a leading provider of microcontroller, mixed signal, analog and Flash-IP solutions, today reaffirmed its financial guidance provided in its August 3, 2017 earnings press release and currently expects net sales of approximately $1,001.3 million, non-GAAP earnings per diluted share of $1.33 to $1.37 and GAAP earnings per diluted share of $0.74 to $0.78 for the September quarter.

“The September 2017 quarter is comfortably tracking towards our guidance provided on August 3, 2017. We are continuing to execute on the various initiatives that we expect to lead us to achieve our growth and long-term operating model goals,” said Steve Sanghi, Microchip’s CEO.

Mr. Sanghi added, “The business environment continues to be good for our products. Our manufacturing capacity additions are coming on-line as expected and our lead times have stabilized. We still expect it will take until the middle of calendar year 2018 for our lead times and inventory levels to get back to more optimal levels. We expect our gradual and controlled capacity additions will lead to a soft landing towards normal lead times, inventory levels and backlog.”

There will be no conference call associated with this press release. Microchip is presenting at the Citi 2017 Global Technology Conference tomorrow, Wednesday, September 6, 2017 at 8:00 a.m. (Pacific). A live webcast and replay of this presentation will be available at www.microchip.com.

Cautionary Statement:

The statements in this release relating to our expected net sales and GAAP and non-GAAP earnings per share for the September quarter, the quarter comfortably tracking towards our guidance, continuing to execute on the various initiatives that we expect to lead us to achieve our growth and long-term operating model goals, the business environment continuing to be good, manufacturing capacity coming on-line as expected, lead times stabilizing, lead times and inventory levels getting back to more optimal levels by the middle of calendar year 2018, and that our capacity additions will lead to a soft landing for lead times, inventory levels and backlog 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, 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 continue to effectively increase our production levels in response to actual and anticipated customer demand; our

ability to continue to obtain a sufficient supply of wafers from third party wafer foundries and the cost of such wafers, 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 continue to successfully integrate the operations and employees, retain key employees and otherwise realize the expected synergies and benefits of our acquisitions; the impact of any other significant acquisitions that we may make; the costs and outcome of any current or future tax audit or any litigation or disputes involving intellectual property, customers or other issues; our actual average stock price in the September 2017 quarter and the impact such price will have on our share count; 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 September 5, 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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Source: Microchip Technology Inc