November 3, 2022

Microchip Technology Increases Quarterly Cash Dividend 41.4% Year-Over-Year to 32.8 Cents Per Share

CHANDLER, Ariz., Nov. 03, 2022 (GLOBE NEWSWIRE) -- (NASDAQ: MCHP) – Microchip Technology Incorporated, a leading provider of smart, connected, and secure embedded control solutions, today announced that its Board of Directors declared a quarterly cash dividend on its common stock of 32.8 cents per share. The dividend is payable on December 6, 2022, to stockholders of record on November 22, 2022. Microchip initiated quarterly cash dividend payments in the third quarter of fiscal year 2003 and has increased its dividend 72 times since its inception.

“Microchip’s financial performance in the September 2022 quarter was very strong, resulting in solid cash generation and significant debt reduction,” said Steve Sanghi, Executive Chair. “Today, our Board of Directors approved a year-over-year increase in our dividend of 41.4% to 32.8 cents per share, up from our November 2021 dividend of 23.2 cents per share. This represents 81 consecutive quarters of dividend payments for Microchip and reflects confidence in the cash-generating capability of our business, as well as our ongoing commitment to returning capital to our stockholders.”

Cautionary Statement:

The statements contained in this release relating to our confidence in the cash-generating capability of our business and our ongoing commitment to returning capital to our stockholders 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 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) due to rising interest rates, high inflation or the impact of the COVID-19 pandemic (including lock-downs in China) which affect our business and the businesses of our customers and suppliers, actions taken or which may be taken by the Biden administration or the U.S. Congress, monetary policy, political, geopolitical, trade or other issues in the U.S. or internationally (including the Ukraine-Russia military conflict), actual cash flows generated from and used in the operation of our business; actual or projected levels of capital expenditures; our balance of cash and investments; changes in the tax rates that our stockholders pay on our dividends or other changes in U.S. tax laws including the Inflation Reduction Act of 2022, the Tax Cut and Jobs Act of 2017 and any new laws which may be enacted; our available borrowings under our credit agreement; the impact of any significant acquisitions or strategic transactions we may undertake;

our ability to realize the expected benefits of our acquisitions, changes in demand or market acceptance of our products and the products of our customers and our ability to meet any continued increases in market demand; 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 and increase production to meet any continued increases in market demand; our ability to obtain additional capacity from our wafer foundries and other suppliers to increase production to meet any continued increases in market demand; our ability to control the level of operating expenses relative to our level of revenues; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; changes or fluctuations in customer order patterns and seasonality; the costs and outcome of any current or future litigation or other matters involving our Microsemi acquisition, the Microsemi business, intellectual property, customers, or other issues; the impact the CHIPS Act will have on increasing manufacturing capacity in our industry by providing incentives for us, our competitors and foundries to construct new wafer manufacturing facilities, the costs and outcome of any current or future tax audit or investigation regarding our business or the business of Microsemi; 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 (including COVID-19) 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 November 3, 2022 press release or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated is a leading provider of smart, connected and secure embedded control solutions. Its easy-to-use development tools and comprehensive product portfolio enable customers to create optimal designs, which reduce risk while lowering total system cost and time to market. The company's solutions serve more than 125,000 customers across the industrial, automotive, consumer, aerospace and defense, communications and computing markets. 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.

The Microchip logo and name are registered trademarks of Microchip Technology Incorporated.

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



Source: Microchip Technology Inc.