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Microchip Technology Reaffirms Fiscal Third Quarter 2023 Guidance

CHANDLER, Ariz., Nov. 28, 2022 (GLOBE NEWSWIRE) -- **(NASDAQ: MCHP)** - Microchip Technology Incorporated, a leading provider of smart, connected and secure embedded control solutions, reiterated its quarterly guidance initially issued on November 3, 2022. Microchip expects consolidated net sales for the December 2022 quarter to be $2.135 billion to $2.177 billion, which would result in sequential growth of between 3.0% and 5.0%, or 22.7% year-over-year growth, at the mid-point of the guidance range. The Company also reaffirms its expectations for sequential revenue growth for the March 2023 quarter.

“We expect to deliver our 9th consecutive quarter of record revenue in the December 2022 quarter. Our backlog for the quarter remains strong, our carefully curated end markets remain resilient, and while we see incremental supply chain improvements, several technology corridors remain constrained,” said Ganesh Moorthy, Microchip’s CEO. “As we execute our Microchip 3.0 strategy, we believe that our relentless focus on organic growth opportunities through Total Systems Solutions and key market megatrends are positioning us as one of the most diversified, defensible, high-growth, high-margin, high cash-generating businesses in the semiconductor industry.”

There will be no conference call associated with this press release. Microchip is presenting at the Credit Suisse 26th Annual Technology Conference on November 29, 2022, at 12:20 PM (Mountain Standard Time). There will be a live webcast and replay of this presentation, which will be available at www.microchip.com.

Cautionary Statement:

The statements in this release relating to reiterating our quarterly guidance initially issued on November 3, 2022, expecting consolidated net sales for the December 2022 quarter to be $2.135 billion to $2.177 billion, which would result in sequential growth of between 3.0% and 5.0% and 22.7% year-over-year growth at the mid-point of the guidance range, reaffirming expectations for sequential revenue growth for the March 2023 quarter, expecting to deliver our 9th consecutive quarter of record revenue in the December 2022 quarter, that our backlog for the quarter remains strong, that our carefully curated end markets remain resilient, that we see incremental supply chain improvements, that several technology corridors remain constrained, and our belief that our relentless focus on organic growth opportunities through Total Systems Solutions and key market megatrends are positioning us as one of the most diversified, defensible, high-growth, high-margin, high cash-generating businesses in the semiconductor industry 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 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), 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), 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 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; 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 Inflation Reduction Act of 2022 and the Tax Cuts and Jobs Act of 2017), 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 and expand our production levels to meet any continued increases in market demand; 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 preferred supply program and our long-term supply assurance program; changes or fluctuations in customer order patterns and seasonality; our ability to obtain a sufficient supply of wafers from third party wafer foundries to meet our increasing needs and the cost of such wafers, our ability to obtain additional capacity from our suppliers to increase production to meet any continued 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 Microsemi acquisition, the Microsemi business, intellectual property, customers, or other issues; the costs and outcome of any current or future tax audit or investigation regarding our business or the business of Microsemi, our actual average stock price in the December 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 (including the COVID-19 pandemic) 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 update any forward-looking statements to reflect events, circumstances publicly, or new information after this November 28, 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.

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