March 13, 2023

Microchip Reaches Milestone in $800 Million, Multi-Year Initiative Aiming to Triple Semiconductor Production at its Oregon Facility

Increased staffing and capital equipment investments on track to meet expanded production goals

CHANDLER, Ariz., March 13, 2023 (GLOBE NEWSWIRE) -- **Microchip Technology Inc. (Nasdaq: MCHP)** – a leading provider of smart, connected and secure embedded control solutions – has reached a milestone in its multi-year, $800 million initiative aiming to triple production capacity at its Gresham, Oregon manufacturing facility. Celebrating close to the halfway mark in a major workforce expansion and capital equipment investment, the efforts are part of Microchip's larger initiative to ramp up overall production in the U.S. as demand continues to grow for semiconductor products across a broad range of industries.

"We want to recognize the Microchip Gresham team for their dedication and ongoing hard work on this expansion and thank the state of Oregon and its elected officials for the incentives they have approved in support of its completion," said Ganesh Moorthy, President and CEO of Microchip Technology. "Our steady growth demonstrates the vital role of semiconductors and the importance of the CHIPS & Science Act for providing the economic support required to help level the global playing field for U.S. companies."

Working with the Business Oregon state economic development agency, the City of Gresham and Multnomah County, Microchip has been approved to receive state and local incentives of approximately $42.4 million for the expansion.

"This good news for Gresham opens a fresh chapter for Oregon's semiconductor industry with the new federal CHIPS & Science Act generating local dividends in the form of good-paying jobs and economic investment in our state," said Senator Ron Wyden. "I'm proud to have worked on getting this semiconductor bill into law last year, and will keep pressing on all fronts to ensure Oregonians and the semiconductor companies that employ them benefit from this landmark legislation."

"Oregon continues to be the center of excellence for semiconductor manufacturing in the country," Governor Tina Kotek said. "The state's focus on economic development led to Microchip expanding its operations in Gresham. This is a win for the city, state and nation: it will bring good-paying jobs to the community, keep Oregon a national leader in chip production, and strengthen our country's manufacturing, supply chain, and national security."

Microchip has added 300 new employees to its Gresham facility so far, with plans to hire as many as 300 more over the next few years. The company has also made substantial progress expanding and upgrading its 140-acre, 830,000-square-foot Gresham campus so it

can manufacture higher volumes of its microcontroller, analog and security products. As part of the investment, Microchip is adding two cleanrooms and more than 160 new tools to its facility, which produces semiconductors from 8-inch wafers.

“Microchip continues to be focused on manufacturing legacy chips—the small, ubiquitous microcontrollers and analog products that power virtually every type of electronic device, including things like cars and e-bikes, home appliances, industrial motors and so much more. The growth of these products is critical for growing local, family wage jobs in Oregon and strengthening supply chains right here in the United States,” said Congressman Earl Blumenauer.

“This expansion is a tremendous achievement for the City of Gresham and will go a long way in providing jobs and contributing to a thriving economy for our city,” said Gresham Mayor Travis Stovall. “We are grateful for the partnership with Microchip Technology as well as the support from our Oregon legislators in moving this important work forward.”

Microchip currently employs more than 900 people at its Gresham campus, with an additional 300 contractors working on-site. The jobs being created at the facility range from production specialists to technical roles in equipment and process engineering, facilities and management.

“Microchip established the Gresham site more than two decades ago, and it remains our largest and most advanced internal fabrication facility and an integral element of our long-term microcontroller and analog business strategies,” said Steve Drehobl, senior vice president of Microchip’s 8-bit and 16-bit business units. “Our $800 million expansion initiative here will enable us to better serve customers worldwide.”

Microchip has more than 120,000 customers across the industrial, automotive, consumer, communications, computing and aerospace and defense markets. Its easy-to-use development tools and comprehensive product portfolio enables optimal design with reduced risk and lower total system cost and time to market. To learn more about Microchip and its Gresham location visit **microchip.com**.

Resources
High-res images available through Flickr or editorial contact (feel free to publish):

- Site and event images: https://flic.kr/s/aHBqjAuQkr

About Microchip Technology Inc.
Microchip Technology Inc. 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 120,000 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.

Cautionary Statement:
The statements in this release relating to our plans to invest $800 million to expand our manufacturing capacity in Gresham, that ramping up production at our Gresham facility is aimed to triple our production at that facility, that Microchip is on track to meet expanded production goals, that demand continues to grow for semiconductor products across a broad

range of industries, that the CHIPS & Science Act provides the economic support required to help level the global playing field for U.S. companies, that Microchip's Gresham expansion will bring good-paying jobs to the community, keep Oregon a national leader in chip production, and strengthen our country's manufacturing, supply chain, and national security, that we may increase head count at the Gresham facility by as many as 300 more employees over the next few years, that with this expansion Microchip can manufacture higher volumes of its products, that Microchip will add two cleanrooms and more than 160 tools to this facility, that the jobs being created at the facility range from production specialists to technical roles in equipment and process engineering, facilities and management, and that this expansion will enable us to better serve customers worldwide 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: 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 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; our ability to hire and retain sufficient numbers of employees, 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.

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 press release or to reflect the occurrence of unanticipated events.

Note: The Microchip name and logo and the Microchip logo are registered trademarks of Microchip Technology Incorporated in the U.S.A. and other countries. All other trademarks mentioned herein are the property of their respective companies.

Editorial Contact:
Brian Thorsen
480-792-7182
brian.thorsen@microchip.com

Reader Inquiries:
1-888-624-7435



Source: Microchip Technology Inc.