February 1, 2024

Microchip Technology Increases Quarterly Cash Dividend 25.7% Year-Over-Year to 45.0 Cents Per Share

CHANDLER, Ariz., Feb. 01, 2024 (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 45.0 cents per share. The dividend is payable on March 8, 2024, to stockholders of record on February 23, 2024. Microchip initiated quarterly cash dividend payments in the third quarter of fiscal year 2003 and has increased its dividend 80 times since its inception.

“Microchip’s financial performance in the December 2023 quarter fell short of our guidance, however, cash generation remained strong and we continued to make progress towards our capital return strategy,” said Steve Sanghi, Executive Chair. “Today, our Board of Directors approved a year-over-year increase in our dividend of 25.7% to 45.0 cents per share, up from our February 2023 dividend of 35.8 cents per share. This represents 86 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. Despite the current market dynamics, we remain committed to return 100% of our adjusted free cash flow to shareholders by the March 2025 quarter.”

Cautionary Statement:

The statements contained in this release relating to continued progress towards our capital return strategy, our confidence in the cash-generating capability of our business and our ongoing commitment to returning capital to our stockholders and remaining committed to return 100% of our adjusted free cash flow to shareholders by the March 2025 quarter 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 changes in 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 military conflicts in Ukraine-Russia and the Middle East), further changes in demand or market acceptance of our products and the products of our customers and our ability to meet any increases in market demand or customer requests to reschedule or cancel orders; the mix of inventory we hold, our ability to satisfy any short-term orders from our inventory and our ability to effectively manage our inventory levels; 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 or expand existing 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; changes in utilization of our manufacturing capacity and our ability to effectively manage and expand our production levels to meet any increases in market demand or any customer requests to reschedule or cancel orders; 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 long-term supply assurance program; changes or fluctuations in customer order patterns and seasonality; our ability to effectively manage our supply of wafers from third party wafer foundries to meet any decreases or increases in our needs and the cost of such wafers, our ability to obtain additional capacity from our suppliers to increase production to meet any future 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 acquisitions (including the acquired business, intellectual property, customers, or other issues); the costs and outcome of any current or future tax audit or investigation regarding our business or our acquired businesses; 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 publicly update any forward-looking statements to reflect events, circumstances, or new information after this February 1, 2024 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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INVESTOR RELATIONS CONTACT:
J. Eric Bjornholt -- CFO..... (480) 792-7804



Source: Microchip Technology Inc.