

May 29, 2025



Microchip Technology Raises Financial Guidance for Sales and EPS for First Quarter of Fiscal Year 2026

CHANDLER, Ariz., May 29, 2025 (GLOBE NEWSWIRE) -- Microchip Technology Incorporated, a leading provider of smart, connected, and secure embedded control solutions, today updated the range of its prior guidance for net Sales and GAAP and non-GAAP earnings per share for its fiscal first quarter of 2026 ending June 30, 2025. Microchip now expects consolidated net sales for the June quarter to be between \$1.045 billion and \$1.070 billion. Microchip previously provided guidance on May 8, 2025 of consolidated net sales to be between \$1.025 billion and \$1.070 billion. GAAP loss per share is now expected to be between \$(0.11) and \$(0.07), and non-GAAP earnings per share is now expected to be between \$0.22 and \$0.26. The original guidance for the GAAP loss per share was \$(0.15) and \$(0.07), and the original guidance for non-GAAP earnings per share was between \$0.18 and \$0.26.

Steve Sanghi, Microchip's CEO and President, commented, "With almost two months of the quarter behind us, our business is performing better than we expected at the time of our May 8, 2025 earnings conference call. Our bookings activity for the month of May is tracking to be higher than any month in the last two years. We are gaining confidence in the recovery of our business as we execute on our strategic initiatives, reduce inventory levels and make progress towards our long-term business model."

There will be no conference call associated with this press release. Microchip is attending the Stifel 2025 Cross Border 1x1 Conference and the B of A Securities Global Technology Conference on Wednesday June 3, 2025. A live webcast and replays from the B of A Conference will be available at www.microchip.com

Cautionary Statement:

The statements in this release relating to expecting consolidated net sales for the June quarter to be between \$1.045 billion and \$1.070 billion, GAAP loss per share to be between \$(0.11) and \$(0.07), non GAAP earnings per share to be between \$0.22 and \$0.26, that our business is performing better than we expected, that our bookings activity for the month of May is tracking to be higher than any month in the last two years, that we are gaining confidence in the recovery of our business as we execute on our strategic initiatives, reduce inventory levels and make progress towards our long-term business model 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 and Europe) due to changes in the scope and level of tariffs, interest rates or high inflation, actions taken or which may be taken by the Trump administration or the U.S. Congress (including budget and tax legislation), 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 respond to any increases or decreases 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; foreign currency effects on our business; changes in utilization of our manufacturing capacity and our ability to effectively manage our production levels to meet any increases or decreases 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; 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); 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 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 May 8, 2025 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. Our solutions serve approximately 109,000 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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Source: Microchip Technology Inc.