

April 11, 2024



Microchip Acquires ADAS and Digital Cockpit Connectivity Pioneer VSI Co. Ltd. to Extend Automotive Networking Market Leadership

Acquisition adds ASA Motion Link technology to Microchip's broad Ethernet and PCIe® automotive networking portfolio to enable next-generation software-defined vehicles

CHANDLER, Ariz., April 11, 2024 (GLOBE NEWSWIRE) -- Microchip Technology Inc. (**Nasdaq: MCHP**) today announces the completed acquisition of Seoul, Korea-based VSI Co. Ltd., an industry pioneer in providing high-speed, asymmetric, camera, sensor and display connectivity technologies and products based on the Automotive SerDes Alliance (ASA) open standard for in-vehicle networking (IVN). The terms of the transaction are not disclosed.

The market size of automotive radar, camera and LiDAR modules is expected to grow by greater than two times between 2022 to 2028 to \$27B in revenue, according to Yole Group¹. This anticipated growth is driven by the increased adoption of Advanced Driver Assistance Systems (ADAS), in-cabin monitoring, safety and convenience features (e.g., 360-degree surround view, e-mirrors) and multi-screen digital cockpits for next-generation software-defined vehicles (SDV). These applications will require more highly asymmetric raw data and video links and higher bandwidths, making current, proprietary serializer/deserializer (SerDes) based solutions no longer adequate, both commercially and technically. In response to these developments, the Automotive SerDes Alliance (ASA) was formed in 2019 and released the first open-standard ASA Motion Link (ASA-ML) specifications.

"This acquisition brings VSI's knowledgeable team, their market traction and ASA Motion Link technologies and products to Microchip's expansive automotive networking portfolio to better serve the ADAS megatrend we are focused on," said Mitch Obolsky, senior vice president of Microchip's automotive products, networking, and data center business units.

"As the industry converges around three primary IVN pillars – Ethernet, PCIe® and ASA Motion Link, camera and display connectivity is one of the fastest growing and largest IVN markets. With VSI, Microchip can now offer products that span all three pillars and also provide automotive security, microcontrollers, motor control, touch and power management solutions to our customers to enable their next-generation software-defined vehicle architectures."

Today, ASA has over 145 members, including Microchip who is a promoter member. With 11 automotive manufacturers including BMW, GM, Ford, Stellantis and Hyundai-Kia Motors Corporation, the Alliance also includes an ecosystem ranging from Tier 1 suppliers, semiconductor and imager vendors, to test and compliance houses. In addition to being an

open standard, ASA-ML brings link layer security and scalability to support 2 Gbps to 16 Gbps line rates. Furthermore, the upcoming specification update will enable ASA-ML to support Ethernet-based architectures.

"Microchip Technology is an established and trusted market leader in automotive networking known for their automotive quality and robust supply chain, and our team is excited to join them to address the growing ADAS and digital cockpit connectivity market," said Steve Kang, CEO of VSI Co. Ltd. "VSI is a leader in the development of ASA-ML products and was the first to introduce products to the market. Our standards-compliant chipsets are being evaluated by car manufacturers worldwide. We recently collaborated with BMW in a proof of concept to showcase ASA-ML and our product readiness. This acquisition brings together two organizations with a shared commitment to advancing technology through innovation. We look forward to successfully deploying our solutions in production vehicles for years to come."

In March 2024, BMW Group announced at the Automotive Ethernet Congress in Munich they would shift to using standardized ASA-ML for upcoming start of productions. BMW has always been at the forefront of in-vehicle networking innovation and strongly believes in leveraging standardized technologies in their vehicle architectures and now also their video architecture.

For more information about the ASA Motion Link products, please contact your local [Microchip sales teams](#).

Resources

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

- Application image:
www.flickr.com/photos/microchiptechnology/53610840249/sizes/l

Cautionary Statement:

The statements in this release relating to the acquisition of ADAS and Digital Cockpit Connectivity Pioneer VSI Inc. being able to extend our automotive networking market leadership; that adding ASA Motion Link technology to Microchip's broad Ethernet and PCIe automotive networking portfolio will enable next-generation software-defined vehicles, that the market size of automotive radar, camera and LiDAR modules is expected to grow by greater than two times between 2022 to 2028 to \$27B in revenue; that the increased adoption of Advanced Driver Assistance Systems (ADAS), in-cabin monitoring, safety and convenience features (e.g., 360-degree surround view, e-mirrors) and multi-screen digital cockpits for next-generation software-defined vehicles (SDV) will require more highly asymmetric raw data and video links and higher bandwidths making current, proprietary serializer/deserializer (SerDes) based solutions no longer adequate, both commercially and technically; that this acquisition will allow the companies to better serve the ADAS megatrend; that with VSI, Microchip can now offer products that span Ethernet, PCIe and ASA motion link, and also provide automotive security, microcontrollers, motor control, touch and power management solutions to customers to enable their next-generation software-defined vehicle architectures; that the upcoming specification update will enable ASA-ML to support Ethernet based architectures; that we will successfully deploy our solutions in production vehicles for years to come; and that BMW will shift to using standardized ASA-ML for upcoming start of productions 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: conclusion of the corridor, anticipated manufacturing of certain product types and featuring certain technology at the corridor, changes in demand or market acceptance of these products and the products of our customers and our ability to meet market demand.

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.

About Microchip Technology

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 solutions serve approximately 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.

About VSI Co. Ltd.

VSI, headquartered in Seoul, South Korea, is a fabless semiconductor company specialized in the design and development of high-speed link technology and is focused on developing products of essential use in autonomous vehicles. In addition, VSI is a crucial member of standardization organizations such as ASA (Automotive SerDes Alliance) and Open Alliance, where we participate in various standardization activities. Aiming to provide cutting-edge networking solutions required by various industries and manufacturers, VSI is expected to provide essential networking solutions for next generation automotive and industrial applications. For more information, visit the VSI website at www.vsitech.co.kr

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¹ Sources: [LiDAR for Automotive](#) – [Radar for Automotive](#) – [Status of the Camera Industry](#) – Yole Intelligence, 2023.



Source: Microchip Technology Inc.