

March 1, 2018



Microchip Technology Narrows Financial Guidance for Fourth Quarter Fiscal 2018

CHANDLER, Ariz., March 01, 2018 (GLOBE NEWSWIRE) -- (NASDAQ:MCHP) – Microchip Technology Incorporated, a leading provider of microcontroller, mixed signal, analog and Flash-IP solutions, today narrowed the range of its prior guidance for net sales and GAAP and non-GAAP earnings per share for its fiscal fourth quarter of 2018 ending March 31, 2018. Microchip previously provided guidance on February 6, 2018 for consolidated net sales to be up 1% to down 3% with a mid-point of down 1%. Microchip now expects consolidated net sales for the March quarter to be flat to down 2% with a mid-point of down 1%. GAAP earnings per share is now expected to be between \$0.73 and \$0.79 and non-GAAP earnings per share is expected to be between \$1.32 and \$1.37 per share. The original guidance for GAAP earnings per share was \$0.72 to \$0.80 and the original guidance for non-GAAP earnings per share was between \$1.30 and \$1.39 per share.

“The March 2018 quarter is tracking towards our original guidance provided on February 6, 2018,” said Steve Sanghi, Microchip’s CEO. “We are narrowing the range of our net sales and earnings per share guidance around the previously provided mid-point. We continue to be very confident regarding our long-term growth initiatives and operating model targets.”

There will be no conference call associated with this press release. Microchip is hosting an Analyst and Investor Day today, Thursday, March 1, 2018, beginning at 2:30PM (MST). A live webcast and replay of the presentation will be available at www.microchip.com.

Cautionary Statement:

The statements in this release relating to our updated expected net sales and GAAP and non-GAAP earnings per share for the March 2018 quarter, the March quarter tracking towards our original guidance, and continuing to be very confident regarding our long-term growth initiatives and operating model targets 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 economic uncertainty due to monetary policy, political or other issues in the U.S. or internationally, any unexpected fluctuations or weakness in the U.S. and global economies (including China), changes in demand or market acceptance of our products and the products of our customers; 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 in response to actual and anticipated customer demand; our ability to continue to obtain a sufficient supply of wafers from third party wafer foundries and the cost of such wafers, competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; the level of sell-through of our products through distribution; changes or fluctuations in customer order patterns and seasonality; our ability to continue to successfully integrate the operations and employees, retain key employees and otherwise realize the expected

synergies and benefits of our acquisitions; the impact of any other significant acquisitions that we may make; changes in U.S. corporate tax laws as a result of the recently enacted Tax Cuts and Jobs Act or any future legislation; the costs and outcome of any current or future tax audit or any litigation or disputes involving intellectual property, customers or other issues; our actual average stock price in the March 2018 quarter and the impact such price will have on our share count; 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 March 1, 2018 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated is a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. 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.

Note: The Microchip name and logo are registered trademarks of Microchip Technology Inc. in the USA and other countries.

J. Eric Bjornholt – CFO (480) 792-7804



Source: Microchip Technology Inc