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Microchip Technology Announces CEO Transition

CHANDLER, Ariz., Nov. 05, 2020 (GLOBE NEWSWIRE) -- (NASDAQ: MCHP) – Microchip Technology Incorporated, a leading provider of smart, connected and secure embedded control solutions, today announced that its long serving CEO Steve Sanghi will transition to an Executive Chair role effective March 1, 2021. Microchip's current President, Ganesh Moorthy, will step into the role of President and CEO effective March 1, 2021. Mr. Moorthy will also join the Board of Directors effective January 4, 2021.

"Leading Microchip for the last 30 years has been the greatest privilege of my 42 years in the semiconductor industry" said Mr. Sanghi. "I believe that now is the time to hand over the reins to Ganesh as my successor. I will continue in the role of Executive Chair and continue to participate in the strategic direction and growth of Microchip. At the same time, I will create more time to spend with my family and grandchildren."

Mr. Sanghi joined Microchip in February 1990 as Senior Vice president of Operations and was promoted to President to lead the company in July 1990. Microchip's sales then were about \$60 million and it was losing about \$10 million per year. Mr. Sanghi led the turnaround of Microchip and later documented this in his book "Driving Excellence, How the Aggregate System Turned Microchip from a Failing Company to a Market Leader."

Mr. Sanghi is currently the longest tenured CEO in the semiconductor industry. Under Mr. Sanghi's leadership, Microchip went public in March 1993 with annual sales of \$89 million and a market capitalization of \$85 million. In the last 27 years as a public company, Microchip's net sales grew to \$5.2 billion and its market capitalization grew to \$28 billion. Today, Microchip produces industry leading gross and operating margins. Since its IPO, Microchip's stock price has grown 20,000% excluding dividends. Microchip has also completed its 120th consecutive quarter of profitability on a non-GAAP basis. During his tenure, Microchip transformed from a small company focused on non-volatile memory products to an embedded solutions powerhouse with a broad and innovative range of solutions, as well as leadership positions in the Industrial, Datacenter, Automotive, Communications, Consumer and Aerospace and Defense markets.

Microchip has also been an industry consolidator, having acquired about 20 companies including well known industry names like Silicon Storage Technology, Standard Microsystems, Micrel, Atmel and Microsemi. All of the acquired companies were successfully integrated into Microchip's business and created outstanding value for the stockholders of Microchip.

With respect to the appointment, Mr. Sanghi stated, "I am delighted to announce that Ganesh Moorthy will become Microchip's next CEO as we continue to pursue the significant opportunities ahead of us. I have known Ganesh for 39 years since hiring him as a new college graduate at Intel in 1981. He has a demonstrated track record of success and our proven partnership over the last 19 years at Microchip makes him my logical successor. He

is an energetic, articulate and thoughtful leader who is widely respected amongst our customers, partners, suppliers, investors and analysts as well as the entire Microchip employee base. Over the years, Ganesh has consistently demonstrated passion, persistence and pragmatism in the pursuit of business results. I find no other person better qualified and suitable to step into the CEO role at Microchip, and I look forward to supporting him in my new capacity as Executive Chair.”

Mr. Moorthy joined Microchip in 2001 and served as the Vice President of multiple business units. In 2006, he was promoted to Executive Vice President with expanded business unit and manufacturing responsibilities; and assumed the role of Chief Operating Officer in 2009. Mr. Moorthy has served as President and Chief Operating Officer from February 2016, and since then, he and Mr. Sanghi have jointly led Microchip. Mr. Moorthy has partnered with Mr. Sanghi for over 10 years to drive Microchip’s growth strategy and outstanding track record of innovation and business results which have transformed the company into a leading provider of smart, connected and secure embedded control solutions. In parallel, the company has maintained a strong leadership development and succession planning process to ensure that Microchip continues to follow this path of success going forward.

“It has been an honor and a privilege to have been part of Microchip's elite leadership team over the last 19 years. I am humbled, excited and energized to lead the next chapter of Microchip’s growth and success, while fully recognizing that the foundation of our success is our strong culture and the selfless teamwork of our over 18,000 global team members,” said Ganesh Moorthy. “It has also been the honor of a lifetime to have had Steve as my mentor and my partner through the many years that we have engaged business challenges and opportunities together. I look forward with confidence about Microchip’s future as we transition to the next phase of our partnership in our respective new roles, building on the strong foundation built so far.”

Cautionary Statement:

The statements contained in this release relating to changes in our management and board, continuing to pursue the significant opportunities ahead of us and confidence about Microchip’s future as we transition to the next phase of our partnership are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involves risks and uncertainties that could cause actual results to differ materially, including, but not limited to: uncertainties related to the impact of the COVID19 pandemic on the economy, our business and the business of our customers and suppliers; the impact of any significant acquisitions we may make; our ability to realize the expected benefits of our acquisitions, changes in demand or market acceptance of our products and the products of our customers; our ability to execute on our strategy; our ability to hire and retain our executives and other employees; competitive developments including pricing pressures; the costs and outcome of any current or future litigation or other matters involving our Microsemi acquisition, the Microsemi business, intellectual property, customers, or other issues; the costs and outcome of any current or future tax audit or investigation regarding our business or the business of Microsemi; 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 November 5, 2020 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 113,000 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.