June 1, 2026

Microchip Provides Data Center Solutions Business Unit Revenue Information

- **Our Data Center Solutions Business Unit generated $302.7 million in revenue in calendar year 2025, with approximately 65% growth expected in calendar year 2026 to approximately $500 million**
- **Our broader total Datacenter and Compute end market which also includes power management, catalog MCUs, analog and security products represented approximately 18% of total revenue**

CHANDLER, Ariz., June 01, 2026 (GLOBE NEWSWIRE) -- **(NASDAQ: MCHP)** - Microchip Technology Incorporated, a leading provider of smart, connected, and secure embedded control solutions, today provided additional information regarding its Data Center Solutions Business Unit.

Microchip's President and CEO, Steve Sanghi, said "We have received several requests from investors for additional revenue details related to our Data Center business. Our broad Data Center and Compute end market includes our catalog MCUs, analog, power management, timing, memory, and security products, as well as our client PC revenue. These catalog products are general purpose products that go into many end markets, the data center market being just one of them. Our data center and compute end market represents about 18% of our total revenue. Within that broad end market is our Data Center Solutions Business Unit, which makes products exclusively for datacenters. This business unit has three dedicated product families comprising: storage controller/expanders/accelerators, PCIe and CXL memory controllers, and our Switchtec PCIe switch and retimer businesses. These product families span multiple generations through our recently introduced industry-first 3nm Gen6 PCIe Switch, and our new G6 retimer product line with backward generation compatibility. Our Data Center Solutions business unit generated $302.7 million in revenue in calendar year 2025, and we expect it to grow by about 65% in calendar year 2026 to about $500 million as we are experiencing continued acceleration of revenue in this business unit. In the March 2026 quarter, our Data Center Solutions business unit revenue was up 62.9% from the prior year quarter."

Mr. Sanghi continued, "As we have discussed in recent investor forums, we have been monitoring input cost pressures from our suppliers and our internal operations carefully. Having concluded that these cost increases are broad-based and cannot be fully absorbed by us, we have made the decision to implement price increases selectively across our broad product portfolio. We are working on the specifics and will be communicating that to our customers. The price increase will have no impact on our guidance or results for the fiscal quarter ending June 30, 2026."

Microchip will be presenting at the Bank of America Global Technology Conference on June 2, 2026 and also at the 2026 Evercore Global TMT Conference on June 3, 2026.

Cautionary Statement:

The statements in this release relating to expecting our data center solutions business unit revenue to have approximately 65% growth in calendar year 2026 to approximately $500 million, that we are experiencing continued acceleration of revenue in this business unit, that these cost increases are broad-based and cannot be fully absorbed by us, and that our price increase will have no impact on our guidance or results for the fiscal quarter ending June 30, 2026 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 interest rates or high inflation, actions taken or which may be taken by the Trump 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 the Middle East and Ukraine-Russia), the scope and level of tariffs; 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 increase orders or 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; changes or fluctuations in customer order patterns and seasonality; 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; our ability to effectively manage our supply of wafers from third party wafer foundries to meet any increases or decreases 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); foreign currency effects on our business; 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 One Big Beautiful Bill Act, the Inflation Reduction Act of 2022 and the Tax Cuts and Jobs Act of 2017);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 June 1, 2026 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Inc. is a broadline supplier of semiconductors committed to making innovative design easier through total system solutions that address critical challenges at the intersection of emerging technologies and durable end markets. Its easy-to-use development tools and comprehensive product portfolio support customers throughout the design process, from concept to completion. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support and delivers solutions across the industrial, automotive, consumer, aerospace and defense, communications and computing markets. For more information, visit the Microchip website at www.microchip.com.

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Source: Microchip Technology Inc.