May 31, 2018

Microchip Technology Provides Updated Financial Guidance After Completion of Microsemi Acquisition

CHANDLER, Ariz., May 31, 2018 (GLOBE NEWSWIRE) -- (NASDAQ:MCHP) – Microchip Technology Incorporated, a leading provider of microcontroller, mixed signal, analog and Flash-IP solutions, today provided updated guidance for net sales and non-GAAP earnings per share for its fiscal first quarter of 2019 ending June 30, 2018, after the completion of the acquisition of Microsemi Corporation by Microchip. Microchip previously provided guidance on May 8, 2018 for consolidated non-GAAP net sales to be up between 1% and 6% sequentially with a mid-point of up 3.5%. Microchip expects non-GAAP net sales based on end market demand from Microsemi to add between $160 million to $180 million to its June quarter results, and now expects consolidated non-GAAP net sales for the June quarter to be up 17% to 24% sequentially. Microchip expects Microsemi to add between 2 cents to 6 cents to non-GAAP earnings per share. The combined non-GAAP earnings per share for Microchip and Microsemi is expected to be between $1.41 and $1.55 per share. The original guidance for Non-GAAP earnings per share was between $1.39 and $1.49 per share. Microchip is not able to provide an estimate of its GAAP earnings per share at this time but will report its GAAP results and provide reconciliations of its GAAP and Non-GAAP results with its earnings release in early August 2018.

“We completed our acquisition of Microsemi on May 29, 2018 and are excited about the future of the combined companies with our expanded product portfolio, end-market diversification, operational capabilities and customer scale,” said Steve Sanghi, Microchip’s CEO. “Our combined teams are now laser focused on delivering the synergies we identified, and to achieve the accretion targets which will enable us to rapidly start reducing our leverage.”

Microchip management will host a conference call on Thursday, May 31, 2018 at 1:30 PM PDT (4:30 PM EDT) to discuss the closing of its acquisition of Microsemi Corporation. This call will be simulcast over the Internet at www.microchip.com. The webcast will be available for replay until Thursday, June 14, 2018.

A telephonic replay of the conference call will be available at approximately 8:00 p.m. (Eastern Time) May 31, 2018 and will remain available until 8:00 p.m. (Eastern Time) on June 14, 2018. Interested parties may listen to the replay by dialing 719-457-0820 and entering access code 6166675.

Cautionary Statement:

The statements in this release relating to our updated expected non-GAAP net sales and non-GAAP earnings per share for the June 2018 quarter, expected non-GAAP net sales and non-GAAP earnings per share to be added by Microsemi, being excited about the future of the combined companies with our expanded product portfolio, end-market diversification,

operational capabilities and customer scale, being laser focused on delivering the synergies we identified, and to achieve the accretion targets which will enable us to rapidly start reducing our leverage 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; changes in demand or market acceptance of our products (including Microsemi 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 our production levels; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; the level of sales of our products (including Microsemi products) through distribution; changes or fluctuations in customer order patterns and seasonality; our ability to successfully integrate the operations and employees, retain key employees and customers and otherwise realize the expected synergies and benefits of the Microsemi acquisition; the impact of any other significant acquisitions that we may make; our ability to obtain a sufficient supply of wafers from third party wafer foundries and the cost of such wafers, the costs and outcome of any current or future tax audit or any litigation involving intellectual property, customers or other issues; 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, 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 the SEC filings of Microchip including those on Forms 10-K, 10-Q and 8-K. You can obtain copies of such filings 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 are cautioned not to place undue reliance on the forward-looking statements in this press release, which speak only as of the date such statements are made. Microchip undertakes no obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this May 31, 2018 press release, or to reflect the occurrence of unanticipated events.

About Microchip Technology

Microchip Technology Inc. (NASDAQ:MCHP) 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.

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Source: Microchip Technology Inc