

December 3, 2019



## Microchip Technology Updates Financial Guidance for Third Quarter Fiscal 2020

CHANDLER, Ariz., Dec. 03, 2019 (GLOBE NEWSWIRE) -- (NASDAQ: MCHP) – Microchip Technology Incorporated, a leading provider of smart, connected and secure embedded control solutions, today updated the range of its prior guidance for net sales and GAAP and non-GAAP earnings per share for its fiscal third quarter of 2020 ending December 31, 2019. Microchip now expects consolidated net sales for the December quarter to be \$1.244 billion to \$1.298 billion, or down between 3% and 7% sequentially with a mid-point of down 5%. Microchip previously provided guidance on November 5, 2019 for consolidated net sales to be \$1.204 billion to \$1.311 billion or down between 2% and 10% sequentially, with a midpoint of down 6%. GAAP earnings (loss) per share is now expected to be between (\$0.03) and \$0.04 and non-GAAP earnings per share is expected to be between \$1.19 and \$1.30. The original guidance for GAAP earnings (loss) per share was (\$0.11) to \$0.17 and the original guidance for non-GAAP earnings per share was between \$1.12 and \$1.32.

Consistent with our November 5, 2019 guidance, we are not able to estimate the amount of Special Charges and Other, and therefore our estimate of GAAP earnings per share excludes any such amounts.

“We had previously reported strong bookings in the month of October 2019 in our November 5, 2019 earnings release,” said Steve Sanghi, Microchip’s CEO. “We continued to experience strong bookings in the month of November. Quarter-to-date bookings that have been requested for delivery in the December 2019 quarter have also been strong. Based on the first two months of the December 2019 quarter being behind us, we are narrowing our quarterly net sales and non-GAAP earnings guidance range and increasing the midpoint.”

There will be no conference call associated with this press release. Microchip is presenting at the Credit Suisse 23<sup>rd</sup> Annual Technology Conference on Wednesday, December 4, 2019 at 8:00 a.m. (Mountain). The investor slides that will be presented at the conference will be posted to Microchip’s website today, and a live webcast and replay of this presentation will be available at [www.microchip.com](http://www.microchip.com).

### Cautionary Statement:

The statements in this release relating to expecting consolidated net sales for the December quarter to be \$1.244 billion to \$1.298 billion, or down between 3% and 7% sequentially with a mid-point of down 5%, GAAP earnings (loss) per share expected to be between (\$0.03) and \$0.04 and non-GAAP earnings per share is expected to be between \$1.19 and \$1.30, not being able to estimate the amount of Special Charges and Other, and that quarter-to-date bookings that have been requested for delivery in the December 2019 quarter have also been strong 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 economic uncertainty due to monetary policy, political, trade or other issues in the U.S. or internationally (including with respect to trade and other matters

involving China), 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; 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 (including our acquisition of Microsemi Corporation); the impact of current and future changes in U.S. corporate tax laws (including the Tax Cuts and Jobs Act of 2017), 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; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; changes or fluctuations in customer order patterns and seasonality; the impact of any future 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 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, our actual average stock price in the December 2019 quarter and the impact such price will have on our share count; 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 (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](http://www.microchip.com)) or the SEC's website ([www.sec.gov](http://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 December 3, 2019 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 120,000 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](http://www.microchip.com).

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Source: Microchip Technology Inc.