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# Microchip Plans to Invest $880 Million to Expand its Silicon Carbide (SiC) and Silicon (Si) Capacity in Colorado

## Ramping up production at its Colorado Springs fabrication campus will enable Microchip to respond to growing semiconductor demand across a wide swath of industries

CHANDLER, Ariz., Feb. 17, 2023 (GLOBE NEWSWIRE) -- Microchip Technology Inc. **(Nasdaq: MCHP)** a leading provider of smart, connected and secure embedded control solutions, today announces plans to invest $880M to expand its silicon carbide (SiC) and silicon (Si) production capacity at its Colorado Springs, Colo. manufacturing facility over the next several years.

One significant phase of the expansion is to develop and upgrade its 50-acre, 580,000-square-foot Colorado Springs campus for increased SiC manufacturing for use in automotive/E-Mobility, grid infrastructure, green energy, and aerospace and defense applications.

Working in conjunction with the Colorado Springs Chamber & Economic Development Corporation, the City of Colorado Springs and El Paso County also announce that Microchip was approved for state and local incentives of approximately $47M for the expansion.

Colorado Springs Mayor John Suthers said, “We are very pleased Microchip has selected its Colorado Springs facility as the site for such a significant investment and expansion. We estimate this will grow our local economy by approximately $1.4 billion over the next 10 years and create roughly 400 new high-paying jobs for those living in the Pikes Peak Region. Ramping up the production of semiconductors is critical to satisfying growing demand across many industries, and Colorado Springs is proud to be one of the key locations where this effort is taking place.”

U.S. Senator for Colorado Michael Bennet said, “Last year, I helped pass the CHIPS and Science Act to reinvigorate America’s semiconductor industry and bring manufacturing jobs back to America. In Colorado, we’re already seeing the benefits as companies prepare for historic investments from the law. Microchip’s planned expansion in Colorado Springs will not only strengthen our national security, but also expand opportunity with another 400 good-paying jobs.”

U.S. Senator for Colorado John Hickenlooper said, “Thanks to our CHIPS Act and Microchip, we’re bringing manufacturing back to America. Semiconductors are the space race of our time, and Colorado is going to help us win it.”

U.S. Congressman Doug Lamborn said, “It is exciting to have Microchip Technology expanding its footprint and investing in its chip manufacturing facility in Colorado’s 5th

Congressional District. As concerns mount over foreign dominance of this critical industry, it is increasingly important that the U.S. achieve domestic production of microchips. I commend the City of Colorado Springs and the Colorado Springs Chamber for their dedication to bringing high-paying, high-quality jobs, and great companies to the Pikes Peak region."

President and CEO of Microchip Technology Ganesh Moorthy said, “Microchip Colorado Springs has a long history of partnering with the city and state and we applaud their continued support of our efforts to advance the semiconductor industry in the U.S. The CHIPS and Science Act is already making a positive impact on our business through the Investment Tax Credit and we are seeking capacity expansion grants for several of our semiconductor factories, including our Colorado Springs factory. We see a bright future in the region made possible by great partnerships, state and local incentives, and a strong local talented workforce.”

The Colorado Springs campus currently employs more than 850 people and produces products from 6-inch wafers. The manufacturing technology that Microchip is installing will run on 8-inch wafers, which will significantly increase the number of chips produced at this location. The additional 400 jobs anticipated at the facility will range from production specialists to technical roles in equipment procurement and management, process control and test engineering.

“With over two-decades of investment in silicon carbide, Microchip’s portfolio is designed to provide our customers with innovative power solutions,” said Rich Simoncic, senior vice president of Microchip’s Analog businesses. “This campus is an integral part of producing our SiC technology to assure our customers with supply certainty as they transition to SiC solutions.”

“Microchip’s expansion in Colorado Springs and El Paso County puts our region on the map for investment from the CHIPS and Science Act. We are proud to lead Microchip’s expansion project and support the reshoring of these important manufacturing jobs to the Pikes Peak region,” said Johnna Reeder Kleymeyer, President and CEO, Colorado Springs Chamber & Economic Development Corporation.

**Resources**
High-res images available through Flickr or editorial contact (feel free to publish):

- Image: **www.flickr.com/photos/microchiptechnology/52678761206/sizes/l**

**Cautionary Statement:**
The statements in this release relating to our plans to invest $880 million to expand our silicon carbide (SiC) and silicon (Si) capacity, that ramping up production at our Colorado Springs fabrication campus will enable us to respond to growing semiconductor demand across a wide swath of industries, that the increased SiC manufacturing is for use in automotive/ E-Mobility, grid infrastructure, green energy, and aerospace and defense applications, that this investment will grow the local economy by approximately $1.4 billion over the next 10 years, that we may increase head count by over 400 employees, that the expansion in Colorado Springs will strengthen our national security, that the CHIPS Act is making a positive impact on our business through the Investment tax Credit, that we are seeking capacity expansion grants for several of our semiconductor factories including our Colorado Springs factory, that we see a bright future in the region made possible by great partnerships, state and local incentives and a strong local talented workforce, [AND ANY

FORWARD LOOKING STATEMENTS WITHIN ADDITIONAL QUOTES THAT ARE ADDED] 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: changes in demand or market acceptance of our products and the products of our customers and our ability to meet any continued increases in market demand; 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; the amount and timing of any incentives we may receive under the CHIPS Act, 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 to meet any continued increases in market demand; our ability to realize the expected benefits of our preferred supply program and our long-term supply assurance program; changes or fluctuations in customer order patterns and seasonality; our ability to obtain a sufficient supply of wafers from third party wafer foundries to meet our increasing needs and the cost of such wafers.

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 update any forward-looking statements to reflect events, circumstances publicly, or new information after this press release or to reflect the occurrence of unanticipated events.

**About Microchip Technology:**
Microchip Technology Inc. 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**.

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**Editorial Contact:**
Brian Thorsen
480-792-7182
**brian.thorsen@microchip.com**

**Reader Inquiries:**
1-888-624-7435



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