November 29, 2026

Microchip Announces Intention to Separate Its Data Center Solutions Business Unit (DCS) into a Standalone Business, and Raises Revenue Guidance for December 2026 Quarter

CHANDLER, Ariz., Nov. 29, 2026 (GLOBE NEWSWIRE) -- (NASDAQ: MCHP) - Microchip Technology Incorporated, a leading provider of smart, connected, and secure embedded control solutions, today announced its intention to separate its Data Center Solutions Business Unit (DCS) into a standalone business. This action is designed to provide DCS with the autonomy and flexibility it needs to more fully accelerate its growth and more effectively compete in the fast-growing data center markets that it serves.

The new company will be named PMC Solutions Inc. (PMCS) to bring back the heritage and brand recognition of PMC that was acquired by Microsemi Corporation in January 2016 and subsequently acquired by Microchip in May 2018. Brian McCarson, Corporate Vice President at Microchip, will lead PMCS as its Chief Executive Officer. Standalone operations for PMCS are expected to begin on April 1, 2027, with ongoing support being provided by Microchip after such date. Microchip expects to report the results of PMCS as a separate business unit when Microchip releases its results for the first quarter of fiscal 2028 ending June 30, 2027.

Microchip intends to pursue an initial public offering (IPO) of the common stock of PMCS over the next 12 to 18 months subject to stock market conditions, and it intends to retain at least an 80% ownership stake in PMCS post-IPO. Microchip will also explore strategic relationships and other commercial opportunities with leading industry participants to accelerate the growth of the PMCS business. Microchip plans to remain strategically aligned with PMCS to support growth opportunities for both businesses.

Microchip's President and CEO, Steve Sanghi, said "Our plan to establish DCS as a standalone business as PMC Solutions Inc. and to pursue an IPO for PMCS is intended to help unlock stockholder value. We believe that running PMCS as a standalone business and, eventually, providing it with access to the capital markets, will help provide it with the independence to enable it to continue to gain share in the data center market. This action will also help enable PMCS to make the investments required to support its long-term success, while allowing Microchip to focus on its business in the five pillars of Microcontrollers, Analog & power, Networking & connectivity, high-performance compute, AI on the edge, and its long-term operational goals."

Mr. Sanghi continued, "During his almost two years of running DCS as part of Microchip, Brian has proven himself as an incredible leader and he has helped to accelerate the business unit with world-class products that are coming to market on-time and exceeding the

performance expectations of our customers. Brian's customer focus and the energy he brings to work each day are contagious, and we believe this will translate into an outstanding future for PMCS."

"I am incredibly excited about the future opportunities for DCS. The business unit is well-positioned across AI training, AI inference and Enterprise data center infrastructure. I believe making DCS a standalone business and bringing back the PMC name and brand will enable us to unleash our full potential as we address a very demanding and fast-growing part of the semiconductor industry" said Brian McCarson, "Our strategic relationship with Microchip will continue to be an advantage as we collectively maximize the market opportunities for both companies."

Microchip also announced that it is raising its net sales guidance for fiscal Q3 ending December 31, 2026 to the upper half of the pervious guidance provided on November 5, 2026. Microchip now expects net sales to be down 1% to up 1% sequentially in the December quarter.

Microchip will host a conference call today, November 30, 2026, at 8:30 a.m. (Eastern Time) to discuss this release. This call will be simulcast over the Internet at www.microchip.com. The webcast will be available for replay until December 30, 2026.

A telephonic replay of the conference call will be available at approximately 9:30 a.m. (Eastern Time) on November 30, 2026, and will remain available until 5:00 p.m. (Eastern Time) on December 14, 2026. Interested parties may listen to the replay by dialing 877-660-6853 and entering access code 13763926.

Microchip will also be presenting at the UBS Global Technology and AI Conference on December 1, 2026. A live webcast of the presentation will be made available by UBS and can be accessed on the Microchip website at www.microchip.com.

Cautionary Statement:

The statements in this release relating to raising net sales guidance for fiscal Q3 ending December 31, 2026 and now expecting net sales to down 1% to up 1% sequentially in the December quarter, Microchip's intention to separate DCS into a standalone business, that this action is designed to provide DCS with the autonomy and flexibility it needs to more fully accelerate its growth and more effectively compete in the fast-growing data center markets that it serves, that the new company will be named PMC Solutions Inc., that standalone operations for PMCS are expected to begin on April 1, 2027, with ongoing support being provided by Microchip after such date, that Microchip expects to report the results of PMCS as a separate business unit when Microchip releases its results for the first quarter of fiscal 2028 ending June 30, 2027, that Microchip intends to pursue an IPO of the common stock of PMCS over the next 12 to 18 months, that it intends to retain at least an 80% ownership stake in PMCS post-IPO, that Microchip will also explore strategic relationships and other commercial opportunities with leading industry participants to accelerate the growth of the PMCS business, that Microchip plans to remain strategically aligned with PMCS to support growth opportunities for both businesses, that our plan to establish DCS as a standalone business as PMC Solutions Inc. and to pursue an IPO for PMCS is intended to help unlock stockholder value, that we believe that running PMCS as a standalone business and, eventually, providing it with access to the capital markets, will help provide it with the independence to enable it to continue to gain share in the data center market, that this action will also help enable PMCS to make the investments required to support its long-term

success, while allowing Microchip to focus on its business in the five pillars of Microcontrollers, Analog & power, Networking & connectivity, high-performance compute, AI on the edge, and its long-term operational goals, that Brian has proven himself as an incredible leader and he has helped to accelerate the business unit with worldclass products that are coming to market on-time and exceeding the performance expectations of our customers, that Brian's customer focus and the energy he brings to work each day are contagious, and we believe this will translate into an outstanding future for PMCS, that the business unit is well-positioned across AI training, AI inference and Enterprise data center infrastructure, that making DCS a standalone business and bringing back the PMC name and brand will enable us to unleash our full potential as we address a very demanding and fast-growing part of the semiconductor industry and that our strategic relationship with Microchip will continue to be an advantage as we collectively maximize the market opportunities for both companies 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, the impact of the November elections in the U.S., 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 impact our DCS or other products; further changes in demand or market acceptance of our DCS and other 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 for DCS or other products or reschedule or cancel orders for DCS or other products; the mix of inventory of DCS or other products we hold, our ability to satisfy any short-term orders for DCS or other products from our inventory and our ability to effectively manage our inventory levels; changes or fluctuations in customer order patterns and seasonality for DCS or other products; 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 for DCS or other products; the impact of inflation on our business; competitive developments including pricing pressures for our DCS or other products; the level of orders for DCS or other products 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 for DCS or other products; our ability to effectively and successfully separate the operations and employees, retain key employees and customers and otherwise realize the expected benefits of the separation of DCS into a standalone business; the impact that stock market conditions will have on our ability to complete the IPO and on the valuation and trading price of PMCS common stock in the IPO; 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 or the separation of DCS into a standalone business; foreign currency effects on our business or the DCS business; the costs and outcome of any current or future tax audit or investigation regarding our business, the DCS business or the separation of DCS into a standalone business; 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 DCS or other 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 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 29, 2026 press release, or to reflect the occurrence of unanticipated events.

Neither this press release nor the information discussed on the investor conference call or at the UBS Global Technology and AI Conference constitutes an offer to sell or a solicitation of an offer to buy any securities. Any offers, solicitations or offers to buy, or any sale of securities will be made in accordance with the registration requirements of the Securities Act of 1933, as amended.

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.