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# Microchip Technology Announces Pricing of Senior Secured Notes and Senior Notes

CHANDLER, Arizona, May 27, 2020 (GLOBE NEWSWIRE) -- Microchip Technology Incorporated (NASDAQ: MCHP) ("Microchip," "we" or "our") announced today the pricing of \$1.0 billion in aggregate principal amount of senior secured notes due September 1, 2023 (the "Senior Secured Notes") and \$1.2 billion in aggregate principal amount of senior notes due September 1, 2025 (the "Senior Notes" and, together with the Senior Secured Notes, the "Notes"). The Senior Secured Notes will bear interest at an annual rate of 2.670 percent and the Senior Notes will bear interest at annual rate of 4.250 percent. The offering of the Notes is expected to close on May 29, 2020, subject to customary closing conditions.

Microchip intends to use approximately \$615 million of the net proceeds from the offering of the Senior Secured Notes to repay in full all amounts outstanding under its senior secured bridge loan facility and to use the remaining net proceeds, together with a portion of the net proceeds from the offering of Senior Notes, to finance the cash portion of the consideration it will deliver in connection with exchanges of approximately \$383.3 million in aggregate principal amount of its outstanding 1.625% Convertible Senior Subordinated Notes due 2025 (the "2025 Notes") and approximately \$643.9 million in aggregate principal amount of its outstanding 1.625% Convertible Senior Subordinated Notes due 2027 (the "2027 Notes"), for approximately \$1.03 billion in cash in the aggregate, representing, the principal amount of such 2025 Notes and 2027 Notes exchanged and accrued and unpaid interest thereon, and shares of Microchip's common stock, representing the conversion value in excess of the principal amount of such notes, in privately negotiated transactions with certain holders of such 2025 Notes and 2027 Notes. Any remaining net proceeds from the offering of the Notes will be used for general corporate purposes, which may include the repayment of a portion of the amounts outstanding under Microchip's revolving credit facility.

The Notes will be guaranteed on a joint and several basis by certain of Microchip's subsidiaries that guarantee obligations under Microchip's term loan facility and revolving credit facility (collectively, our "senior credit

facilities") as well as our outstanding 3.922% Senior Secured Notes due 2021 and 4.333% Senior Secured Notes due 2023 (collectively, the "existing secured notes"). The Senior Secured Notes and the related guarantees will be secured on a pari passu first lien basis with our senior credit facilities and our existing secured notes by the collateral that secures such obligations. The Senior Notes and the related guarantees will not be secured by any assets or properties of Microchip or the guarantors.

The Notes will be sold only to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States only to non-U.S. persons in accordance with Regulation S under the Securities Act. The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release shall not constitute an offer to sell or a solicitation of an offer to purchase any of these Notes, and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

### **Cautionary Statement:**

The statements contained in this press release relating to the proposed offerings including the expected use of proceeds 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 actual results to differ materially, including, but not limited to: uncertainties related to equity and debt market conditions; the impact of the COVID-19 virus on the economy, our business and the business of our customers and suppliers; our balance of cash and investments and the level of cash flow from our business; our available borrowings under our credit agreement; our ability to control the level of operating expenses relative to our level of revenues; the costs and outcome of any current or future litigation, audit or investigation 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.

You 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 the date of this press release, or to reflect the occurrence of unanticipated events.

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#### **INVESTOR RELATIONS CONTACT:**

J. Eric Bjornholt – CFO ..... (480) 792-7804



Source: Microchip Technology Inc.