

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported)

January 6, 2020



MICROCHIP TECHNOLOGY INCORPORATED

(Exact Name Of Registrant As Specified In Its Charter)

Delaware

(State Or Other Jurisdiction Of Incorporation)

0-21184

(Commission File No.)

86-0629024

(IRS Employer Identification No.)

2355 West Chandler Boulevard, Chandler, Arizona 85224-6199

(Address Of Principal Executive Offices)

(480) 792-7200

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.001 par value	MCHP	NASDAQ Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.45 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

The information pursuant to Item 2.02 in this report on Form 8-K is being furnished as contemplated by General Instruction B(2) to Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

On January 6, 2020, we announced an update of our expected results of our operations for the quarter ended December 31, 2019. The complete release is attached to this report as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Included Herewith
		Form	File Number	Exhibit	Filing Date	
99.1	Microchip Technology Provides Update on Business Environment					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 6, 2020

Microchip Technology Incorporated
(Registrant)

By: /s/ J. Eric Bjornholt
J. Eric Bjornholt
Sr. Vice President, Chief Financial Officer



NEWS RELEASE

INVESTOR RELATIONS CONTACT:
J. Eric Bjornholt -- CFO..... (480) 792-7804

MICROCHIP TECHNOLOGY PROVIDES UPDATE ON BUSINESS ENVIRONMENT

CHANDLER, Arizona – January 6, 2020 - (NASDAQ: MCHP) – Microchip Technology Incorporated, a leading provider of smart, connected and secure embedded control solutions, today provided an update on the business environment it is experiencing. Microchip has continued to experience strong bookings since October 2019. Microchip now expects consolidated net sales for the December 2019 quarter to be \$1.281 billion to \$1.288 billion, or down between 3.75% and 4.25% sequentially with a mid-point of down 4%. Microchip previously provided revised guidance on December 3, 2019 for consolidated net sales to be \$1.244 billion to \$1.298 billion, or down between 3% and 7% sequentially with a mid-point of down 5%.

“We continued to experience strong bookings in December 2019 that resulted in better than expected billings for the December 2019 quarter and improved backlog for the March 2020 quarter” said Steve Sanghi, Microchip’s CEO. “The December 2019 quarter book-to-bill ratio was above 1.0 after several quarters of the book-to-bill ratio being below 1.0. The opening backlog for the March 2020 quarter is currently significantly higher than the opening backlog was for the December 2019 quarter. Microchip is seeing strength coming from all major geographies including the U.S., Europe and Asia, as well as several major end markets including data center, industrial and automotive.”

“Based on several inflexion points we are seeing in the business, we believe that the December 2019 quarter was the bottom of this cycle for Microchip, barring any negative developments on the U.S./China trade front or unexpected fallout from geopolitical events. We are preparing our factories and subcontractors to be able to deliver better than mid-single digit percentage sequential revenue growth in the March 2020 quarter. We will provide sales and earnings guidance for the March 2020 quarter on February 4, 2020 via our quarterly earnings release and conference call,” concluded Mr. Sanghi.

There will be no conference call associated with this press release. Microchip is presenting at J.P. Morgan Tech/Auto Forum at the Consumer Electronics Show in Las Vegas on January 7, 2019 at 8:25 AM (Pacific Standard Time). There will be a live webcast and replay of this presentation which will be available at www.microchip.com.

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Cautionary Statement:

The statements in this release relating to expecting consolidated net sales for the December 2019 quarter to be \$1.281 billion to \$1.288 billion, or down between 3.75% and 4.25% sequentially with a mid-point of down 4%, that we continued to experience strong bookings, improved backlog for the March 2020 quarter, that we are seeing strength coming from all major geographies including the U.S., Europe and Asia as well as several major end markets including data center, industrial and automotive, our belief that the December 2019 quarter was the bottom of this cycle for Microchip, barring any negative developments on the U.S./China trade front or unexpected fallout from geopolitical events, and that we are preparing our factories and subcontractors to be able to deliver better than mid-single digit percentage sequential revenue growth in the March 2020 quarter 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.

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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 January 6, 2020 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.

Note: The Microchip name and logo are registered trademarks of Microchip Technology Inc. in the USA and other countries.

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