
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☒

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☒ Soliciting Material Pursuant to § 240.14a-12

MICROSEMI CORPORATION
(Name of Registrant as Specified in its Charter)

MICROCHIP TECHNOLOGY INCORPORATED
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On March 1, 2018, Microchip Technology Incorporated will hold an Analyst and Investor Day Conference at which Microchip's pending acquisition of Microsemi Corporation and other matters will be discussed. A copy of the presentation slides from the conference that relate to the pending acquisition of Microsemi is below. Microchip may use some of all of such slides at other presentations to employees, stockholders or other parties. Such materials may also be made available to such persons in electronic or paper form.

A large, black, square microcontroller chip with the Microchip logo and name printed on it, shown at an angle.

A Leading Provider of Microcontroller,
Mixed-Signal, Analog & Flash-IP Solutions



Microsemi Acquisition March 1, 2018

Steve Sanghi
Chief Executive Officer



Forward Looking Statement Safe Harbor:

During the course of this presentation, we will make projections or other forward-looking statements regarding the future financial performance of the company or future events, including our strategy, growth drivers, industry outlook, industry trends, market size and our financial model. We will also make projections or other forward-looking statements regarding our pending acquisition of Microsemi including deal timing, deal benefits, synergies, integration plans, plans to finance the transaction, deal accretion and pro-forma financial information for the transaction. We wish to caution you that such statements are just predictions and that actual events or results may differ materially. These statements are subject to a number of risks and uncertainties, including the actual timing of the closing of the Microsemi acquisition, the satisfaction of the conditions to closing in the Microsemi acquisition agreement, any termination of the Microsemi acquisition agreement, the effect of the acquisition on Microchip's and Microsemi's existing relationships with customers and vendors and their operating results and businesses; the costs and outcome of any litigation involving Microchip, Microsemi or the acquisition transaction, our ability to successfully integrate the operations and employees, retain key employees and customers and otherwise realize the expected synergies and benefits of our Microsemi acquisition; the impact of any future significant acquisitions that we may make; any economic uncertainty due to monetary policy, political or other issues in the U.S. or internationally, 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; changes in U.S. corporate tax laws as a result of the Tax Cuts and Jobs Act of 2017 or other future legislation, 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; the level of sell-through of our products through distribution; changes or fluctuations in customer order patterns and seasonality; 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 tax audit or any litigation or other matters involving intellectual property, customers, or other issues; 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. Actual results may differ materially from the expected results. For a detailed discussion of these and other risk factors, please refer to Microchip's and Microsemi's filings on Forms 10-K, 10-Q and 8-K. You can obtain copies of Forms 10-K, 10-Q, 8-K and other relevant documents for free at Microchip's website (www.microchip.com), Microsemi's website (www.microsemi.com) or the SEC's website (www.sec.gov) or from commercial document retrieval services. These documents contain and identify other important factors that could cause our actual results to differ materially from those contained in our projections or forward-looking statements. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. We do not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this presentation or to reflect the occurrence of unanticipated events.

Additional Information and Where to Find It

In connection with the proposed acquisition, Microsemi will file a proxy statement and other related documents with the SEC. INVESTORS AND STOCKHOLDERS ARE ADVISED TO READ THESE DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and stockholders may obtain a free copy of these documents (when available) and other documents filed by Microsemi at the SEC's web site at www.sec.gov and at the Investor section of their website at <https://investor.microsemi.com/>.

Microchip, Microsemi and their directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Microsemi in connection with the Merger. Information regarding the special interests of these directors and executive officers in the transaction will be included in the proxy statement described above. Additional information regarding the directors and executive officers of Microchip is also included in Microchip's proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on July 13, 2017. Additional information regarding the directors and executive officers of Microsemi is also included in Microsemi's proxy statement for its 2018 Annual Meeting of Stockholders, which was filed with the SEC on December 20, 2017. These documents are available free of charge at the SEC's web site at www.sec.gov and as described above.



Microsemi Overview

- **Strong complementary portfolio of Specialized Ethernet, Storage and Optical Networking Microcontrollers, FPGA, Wireless, Timing, Analog and Mixed-Signal products**
- **Leadership in Defense, Aerospace, Data Center and Communication markets – ~ 80% of revenue**
 - Markets where Microchip has less penetration
- **FY2017 (9/30/2017) revenue of ~\$1.8B**
 - 64% non-GAAP gross margin; 31.9% non-GAAP operating margin
 - FQ1 (12/31/2017) revenue of \$468.7M; 63.2% non-GAAP gross margin and 32.2% non-GAAP operating profit
- **Diversified global customer base and channels**
 - ~64% of revenue from Asia and Europe
 - ~49% of revenue through distribution
- **Net debt of \$1.8B on the balance sheet at 12/31/2017**
- **Headquartered in Aliso Viejo, CA**
 - Approximately 4800 employees worldwide

Source: Microsemi SEC reports on Form 10-K and 10-Q and information on Microsemi website



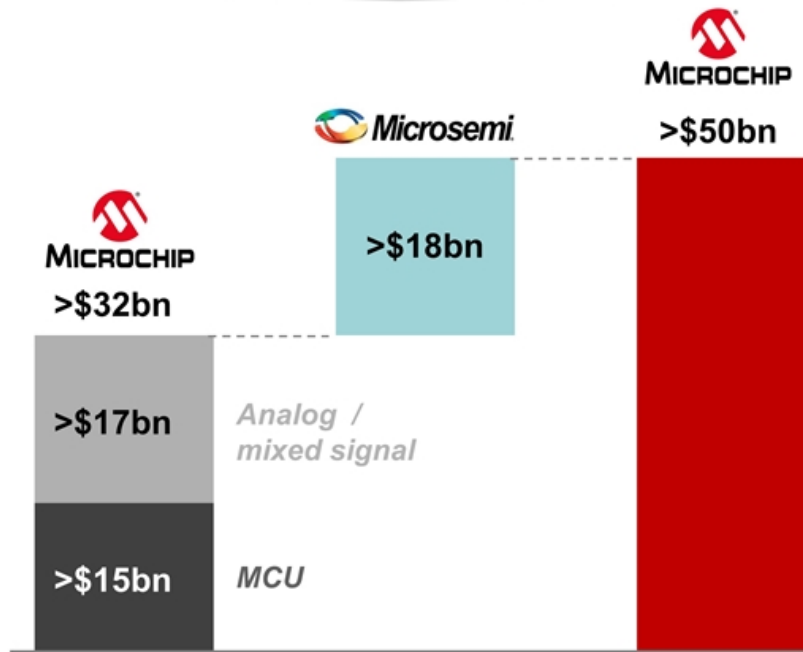
Strategically and Financially Compelling Transaction

- **Strengthens Microchip's presence in Defense, Aerospace, Data Center and Communications markets**
- **Expands our Ethernet portfolio to serve Industrial IoT, Enterprise and Carrier markets**
- **Adds specialized Microcontrollers to serve the Enterprise Storage and Optical Networking markets**
- **Extends Microchip's portfolio of Timing, Low Power Wireless, Analog Power and Mixed Signal solutions**
- **Adds Discrete and FPGA as new product capabilities to add to portfolio**
- **Drives further scale in manufacturing, customer reach and sales channels**
- **Adds a patent portfolio of over 1500 patents to Microchip's strong IP portfolio**
- **Significant EPS accretion through growth and synergy with estimated \$300 million in synergies in year 3 after close**



Over \$18B SAM Expansion

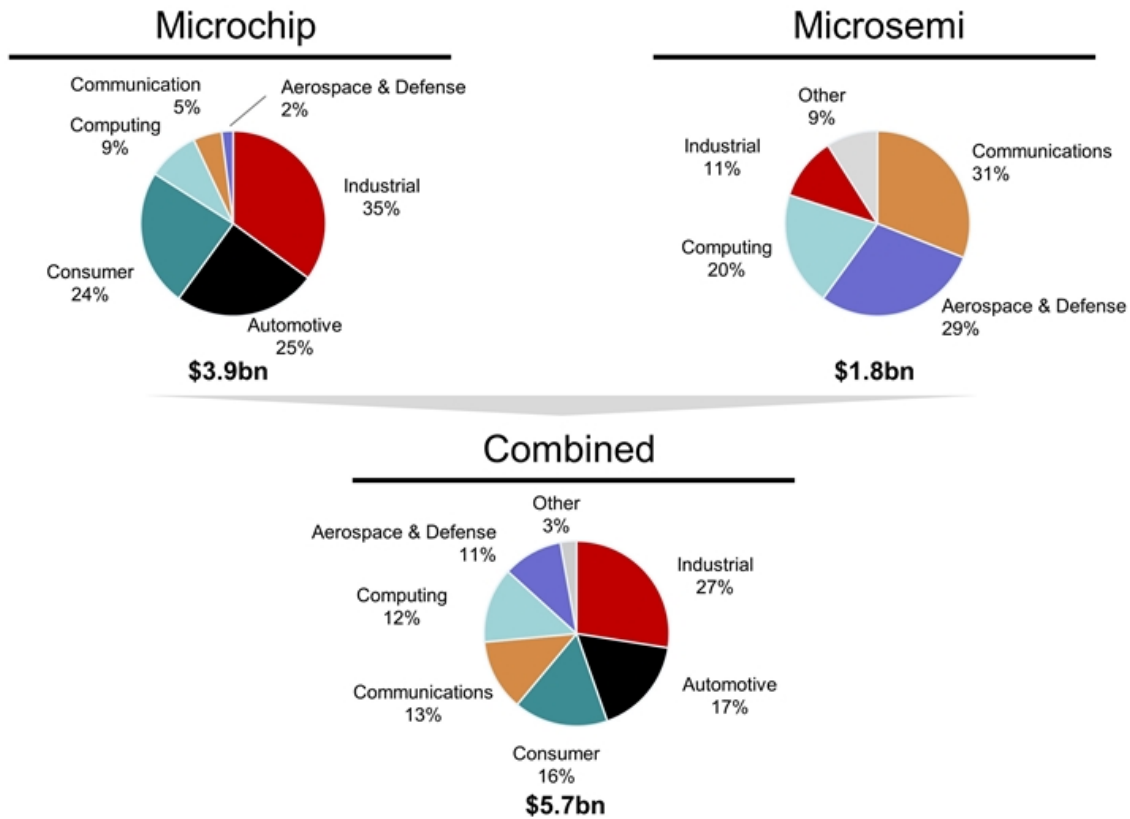
- ✓ Strengthened end market presence
- ✓ Expanded portfolio
- ✓ Specialized solutions



Source: Gartner/Dataquest reports and Microchip and Microsemi management estimates



End-Market Diversification



Note: Reflects non-GAAP financials and end market diversification is based on management estimates



Extensive Combined Portfolio Across End Markets





Highly Profitable Financial Model *

	Microchip	Microsemi	Microchip + Microsemi	Long Term Model
Revenue (\$M)	\$3,977	\$1,875	\$5,852	
Gross Margin (%)	61.4%	63.2%	62.0%	63%
R&D (%)	12.1%	18.5%	14.2%	13%
SG&A (%)	9.9%	12.5%	10.7%	9.5%
Op Income (\$M)	\$1,567	\$603	\$2,170	
Op Income (%)	39.4%	32.2%	37.1%	40.5%

* In millions, except percentages. All figures are non-GAAP and are based on results for the December 2017 quarter. Revenue and operating income dollars are based on December 2017 quarter results which were annualized by multiplying the December quarter numbers by four.



Synergy and Accretion Expectations

- Transaction is expected to be immediately accretive to our non GAAP earnings per share
- Short term: Targeting 18% growth in non-GAAP EPS from FY18 to FY19 with accretion from Microsemi (assumes June 2018 close)
 - Microsemi adds ~75 cents of non-GAAP EPS accretion annualized run rate in the first year after close
- Long term: 3rd year after close (FY2021), we expect:
 - \$300M in synergy from cost savings and revenue growth
 - Microsemi to contribute ~\$1.75 of non GAAP EPS
 - Targeting consolidated Microchip non GAAP EPS of ~\$8/share
- Represents non GAAP EPS growth of over 14% per year for Microchip from FY18 through FY21
- Extends Microchip's record of organic as well as acquisition driven revenue and non GAAP EPS growth



Transaction Summary And Financing

- **Transaction value of \$10.15B**
 - Includes assumption of net debt of Microsemi of \$1.8B as of 12/31/2017
- **\$68.78 per share in cash to Microsemi stockholders**
- **Transaction is being funded through a combination of:**
 - \$1.6B of cash from combined company balance sheets
 - \$0.6B of cash bridge loan that will build on the combined companies balance sheet from 12/31/17 through the close
 - \$3B from our existing line of credit
 - Approximately \$5B in new debt
 - A large portion of the new debt is expected to be pre-payable
- **Pro forma net Debt/EBITDA leverage at transaction close of 4.7x (assumes CQ2 2018 close)**
 - Plan rapid de-levering post transaction close through a combination of growth in free cash flow (used to paydown debt) and EBITDA expansion
- **Expect transaction to close in CQ2 2018, subject to customary closing conditions, and stockholder as well as regulatory approvals**

Summary

- Microsemi adds strong complementary product lines which support the Microchip 2.0 strategy
- Microsemi's strength in Defense, Aerospace, Data Center and Communication markets complements Microchip's strength in Industrial, Automotive and Consumer markets
- Microsemi adds further operational and customer scale in a consolidating industry
- The transaction creates significant stockholder value from strong non GAAP EPS accretion
- Microsemi acquisition is the next step in Microchip's track record of successful M&A

Another Compelling Transaction!



Thank You!





Microsemi Expands Our Served Available Market



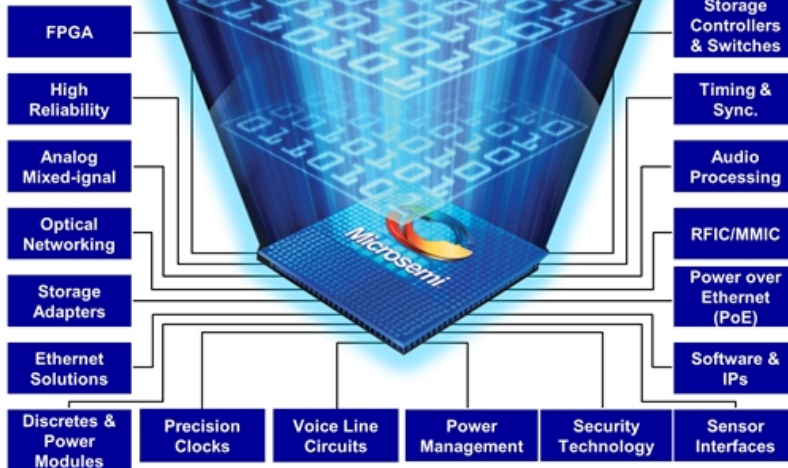
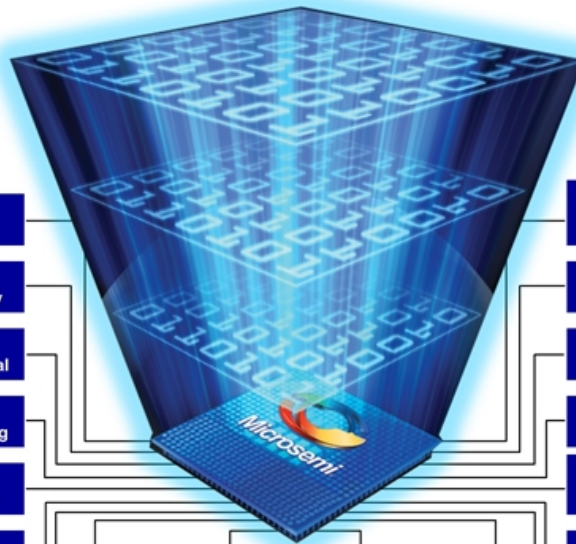
COMMUNICATIONS

- Broadband Home / CPE
- Access Network
- Cellular Infrastructure
- Metro Network
- Optical Networking
- Wireless Backhaul
- Enterprise Infrastructure
- Data Center Interconnect



DATA CENTER

- NVMe Storage Solutions
- Server Storage and Co-Processors
- Ethernet Networking
- Storage Systems
- Data Protection & Security
- Motherboard Components
- Rack Connectivity



AEROSPACE & DEFENSE

- Actuation & Power Management Systems
- Avionics, Engine Systems & Control
- Drone / UAV
- Electrical Power & Payload Systems
- Telemetry Tracking & Control
- Secure Communications
- Radar / Electronic Warfare
- Guidance & Control Computers



INDUSTRIAL

- Industrial Ethernet Networking
- Automotive
- Motor Control
- HMI (Human Machine Interface)
- Smart Energy
- Medical
- IP Security Camera
- Programmable Logic Control

Leading Provider of Semiconductor Solutions
Differentiated by Power, Security, Reliability and Performance





Microsemi Innovation



Strengthens Our Industrial Market Offering

Key Industrial Products



Key Industrial Applications



- Automation
- Motor Control
- IIoT



- Medical



- Smart Energy
- Oil & Gas

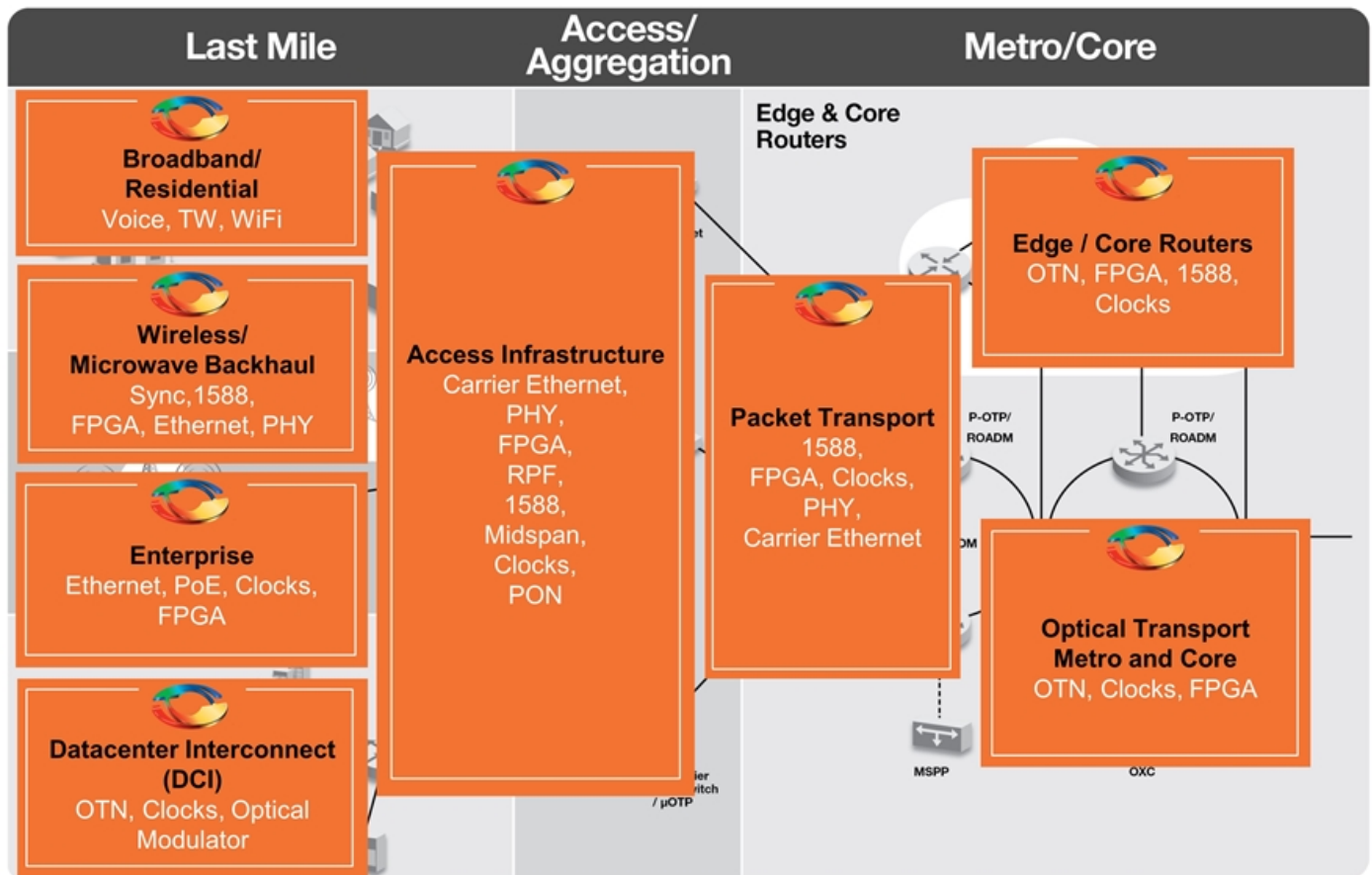


- Building Automation
- IP security cameras



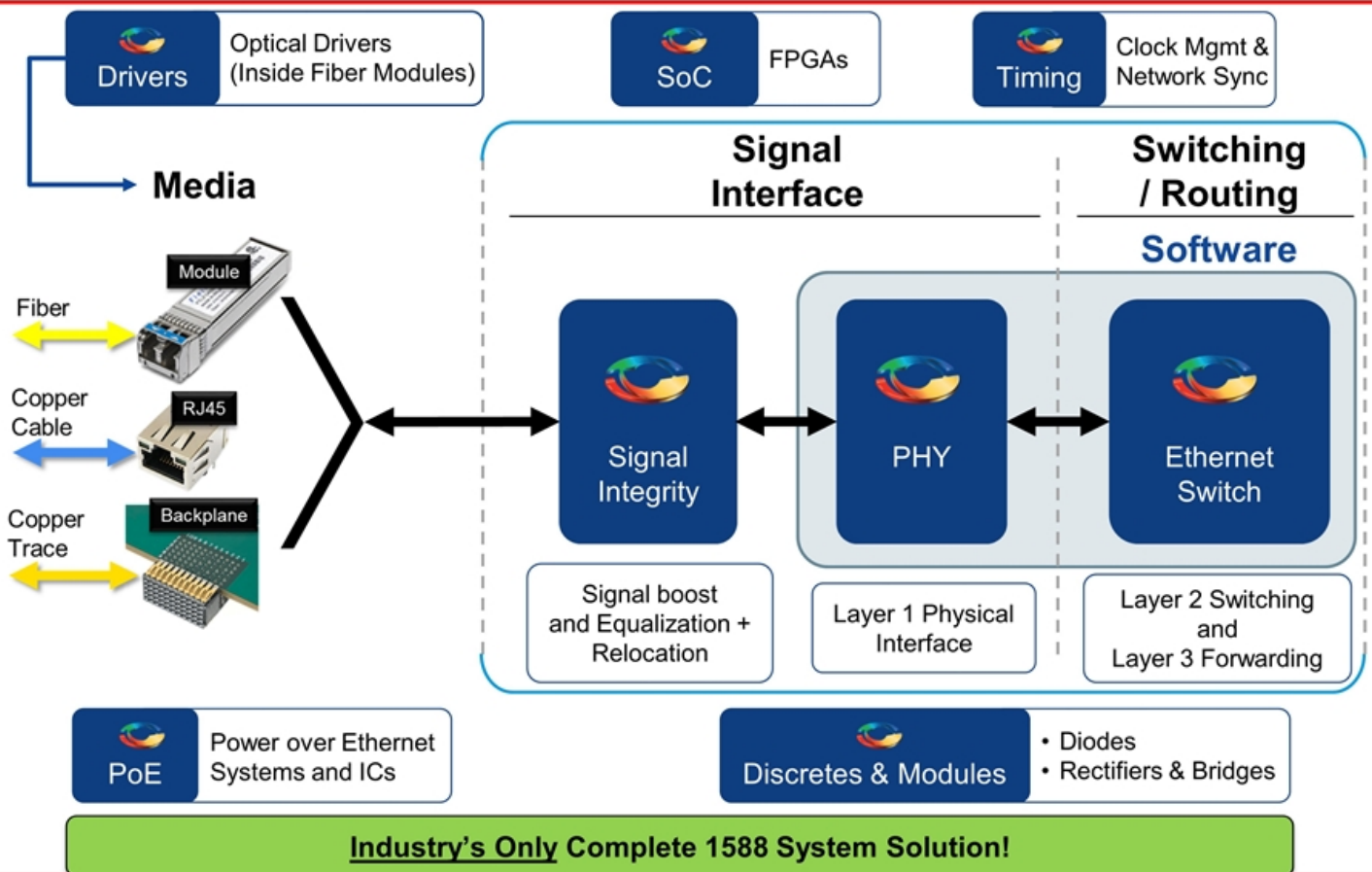
- Automotive
- Ethernet in the car

Access Infrastructure from Core to Last Mile



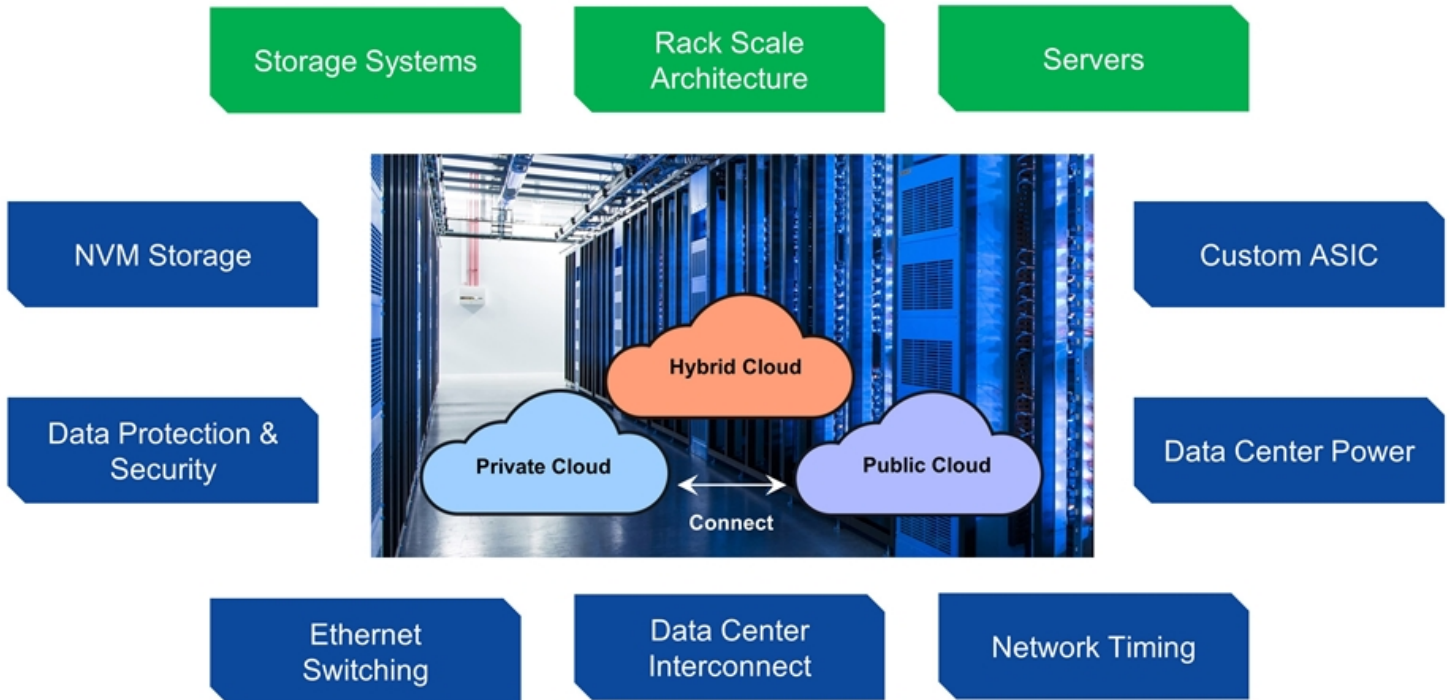


Ethernet as a Platform to Deliver a Comprehensive Solution





Comprehensive Data Center Portfolio for Key Applications



Leading Data Center Applications use Microsemi Solutions



Storage Leadership Driving Greater Penetration of the Data Center

Storage Leadership

Market Adoption & Success

- #1 in SAS Ports Shipped
- #1 in Storage Systems
- #1 in Performance
- #1 in Density / Port Count
- #1 in *nvm* Flash Controllers

Technology & Innovation

- 1st Controller Based Encryption
- 1st 24 Port SAS Controller
- 1st PCIe Gen 3 RAID Controller
- 1st NVMe Flash Controller
- 1st PCIe Storage Switch



Adaptec™
Highest SAS/SATA
port density and
performance

Flashtec™
Industry's highest
performance NVMe
controller

Switchtec™
Industry's leading
PCIe port count and
signal integrity

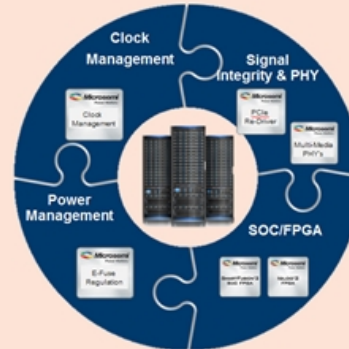
Penetration of Motherboard & Rack Infrastructure

Key Benefits and Focus

- Low Power & Footprints
- AES-256 FIPS-197
- Performance - Low Jitter, etc
- BOM Consolidation
- Platform Integration

Technology & Innovation

- Secure Boot
- Ultra Low Jitter
- Hysteretic Control
- SEU Immunity
- Extreme Timing Accuracies



Clock Tree
Synthesis,
Rate
Conversion,
Attenuation, &
Distribution

DC Converters
Hysteretic
Control, Energy
Management,
Hot Swap
Support

FPGA
Low Power,
Reliable,
System
Solutions

**Re-Timers &
Value add
PHY's**
1588, MACsec
SynchrOPHY



Note: VSC7448 supports up to 80G configurations, e.g. 40x1G+4x10G or 48x1G+3x10G
VSC7449 supports up to 88G configurations, e.g. 48x1G+4x10G

