A Leading Provider of Microcontroller, Mixed-Signal, Analog & Flash-IP Solutions
Annual Net Sales Growth

105 consecutive quarters of profitability!

- **MCU**
- **Analog**
- **Memory**
- **Licensing**
- **MMO**

$ Million vs. Fiscal Years (FY) from FY93 to FY17.
Multiple Growth Drivers

1. Microcontroller market growth and share gains
2. Analog growth and attach opportunity
3. Wireless/IoT/Connectivity
4. Automotive networking, car access and electronics
5. Security
6. Technology licensing
Total MCU (8/16/32) Market Share %

CQ2 16 includes Atmel
Analog Yearly Revenue (k$)
Expanding Our Solutions Through Acquisitions

HI-TECH
Development Tools
Compiler

Advanced Silicon
Motor Drive Products

Roving Networks
Bluetooth® & Embedded Wi-Fi®

Supertex
High-Voltage Analog & Mixed-Signal Products

Hampshire
Touch Screen Controllers

ZeroG
Low-Power Embedded Wi-Fi®

LSS
High-Speed ADCs

Novocell
Non-volatile Memory IP

Micrel
Analog, mixed-signal, timing & power management

2008
R&E International
Security & Life Safety ASICs

2009
SST
High-Density Flash & IP

2010
MMT
Assembly & Test Capacity Expansion

2011
Ident
3D Gesture Capture & Proximity Detect

2012
EqcoLogic
Equalizer & Coaxial Transceiver Products

2013
SMSC
MOST®, USB, Ethernet, Wireless Audio & PC Controllers

2014
ISSC
Bluetooth® Low Energy

2015
Atmel
Microcontrollers, Wireless, Touch, Automotive, Security & Memory

2016

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Automotive Water Pump

- MIC28512/3 Sw. Reg
- MCP1700 LDO
- dsPIC33EP6 4MC504 MCU
- MIC4605 x 3 85V MOSFET Driver
- MCP6L04 Op Amp
- MIC2920A LDO
- ATA663211 LIN Transceiver
- 3 phase BLDC Motor
- 3x MOSFET pairs

Components:
- Micrel
- Classic Microchip
- Atmel

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Display Module

- DSC1001 MEM’s 24MHz Oscillator
- MIC2293-15YML Backlight Controller
- PIC32MZ2048EFG100
- I2C/SPI/USB
- GPIO
- EBI/PMP
- RGB
- MEM’s 24MHz Oscillator
- SQI

- Host
- GPIO
- Power
- Parallel RGB
- Analog Driver

- MIC94300YMT Ripple Blocker
- SST26VF016B SQI Flash Font Storage
- mXT337TPTP PCAP Touch Controller

- LCC FIRMWARE
- INT
- SYNC
- Vsync
- Hsync
- Pclk

- RX lines
- 3.3V

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Summary of Accretion from Atmel Transaction

<table>
<thead>
<tr>
<th>Atmel Accretion Forecast</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial accretion forecast (w/share buyback)</td>
<td>$0.33</td>
<td>$0.66</td>
<td>$0.90</td>
</tr>
<tr>
<td>Accretion forecast (w/o share buyback)</td>
<td>$0.25</td>
<td>$0.53</td>
<td>$0.75</td>
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<tr>
<td>August 2016 accretion forecast</td>
<td>$0.40</td>
<td>$0.53</td>
<td>$0.75</td>
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<tr>
<td>November 2016 accretion forecast</td>
<td>$0.50</td>
<td>$0.70</td>
<td>$0.90</td>
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<tr>
<td>February 2017 accretion forecast</td>
<td>$0.64</td>
<td>$0.90</td>
<td>$1.00</td>
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</tbody>
</table>

February 2017 accretion forecast *without* share buy-back is better than the initial accretion forecast from April 2016 *with* share buy-back.
Business Update

- Microchip exceeded the high end of its non GAAP net sales and EPS guidance for FQ3 2017.
- Net sales for Q4FY17 expected to be down 0.5% to up 2.5% sequentially.
- Non GAAP EPS for Q4FY17 expected to be between $1.02 to $1.10 per share.
- Atmel non-GAAP EPS accretion targets have been increased for the current fiscal year and the next two fiscal years.
- Net Debt/EBITDA leverage reduction ahead of schedule and targeted to be under 2.1 by March 2017.
- Long-term non-GAAP financial model is now 60% gross margin, 24% operating expenses and 36% operating profit.