MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2019
(in millions except per share amounts)
(unaudited)

	GAAP	Share-based compensation expense	Acquisition-related costs	Acquired inventory valuation costs	Amortization of acquired intangible assets	Special charges (income) and other, net	Non-cash other expense, net	Acquisition-related other income	(Gains) losses on available-for-sale investments	Loss on settlement of debt	Other non-GAAP tax adjustment	Non-GAAP
Net sales	$ 1,329.8											
Cost of sales	$ 509.3	(4.0)	(0.6)	(1.8)	—	—	—		—	—	—	$ 502.9
Gross profit	820.5	4.0	0.6	1.8	—	—	—	—	—	—	—	826.9
Gross profit percentage	61.7%											62.2%
Research and development	214.8	(18.8)	(0.1)	—	—	—	—	—	—	—	—	195.9
Selling, general and administrative	167.5	(16.3)	(4.3)	—	—	—	—	—	—	—	—	146.9
Amortization of acquired intangible assets	176.9	—	—	—	(176.9)	—	—	—	—	—	—	—
Special charges (income) and other, net	(23.3)	—	—	—	—	23.3	—	—	—	—	—	—
Operating expenses	535.9	(35.1)	(4.4)	—	(176.9)	23.3	—	—	—	—	—	342.8
Operating income	284.6	39.1	5.0	1.8	176.9	(23.3)	—	—	—	—	—	484.1
Operating income percentage	21.4%											36.4%
Losses on equity method investments	(0.1)	—	—	—	—	—	—	—	—	—	—	(0.1)
Other expense, net	(133.3)	—	—	—	—	—	29.7	(12.5)	(0.7)	8.3	—	(108.5)
Income before income taxes	151.2	39.1	5.0	1.8	176.9	(23.3)	29.7	(12.5)	(0.7)	8.3	—	375.5
Income tax (benefit) provision	(23.5)	—	—	—	—	—	—	—	—	—	28.6	5.1
Net income	$ 174.7	39.1	5.0	1.8	176.9	(23.3)	29.7	(12.5)	(0.7)	8.3	(28.6)	$ 370.4
Net income percentage	13.1%											27.9%
Diluted net income per common share	$ 0.70											$ 1.48
Diluted common shares outstanding	250.9											250.9