MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2020
(in millions except per share amounts)
(unaudited)

Net sales $ 1,326.4

	GAAP	Share-based compensation expense	COVID-19 shelter-in-place restrictions on manufacturing activities	Acquisition-related costs	Professional services associated with certain legal matters	IT security remediation	Amortization of acquired intangible assets	Special charges (income) and other, net	Loss on settlement of debt	Non-cash other expense, net	(Gains) losses on available-for-sale investments	Other non-GAAP tax adjustment	Non-GAAP
Cost of sales	$ 512.5	(5.1)	(3.3)	—	—	—	—	—	—	—	—	—	$ 504.1
Gross profit	813.9	5.1	3.3	—	—	—	—	—	—	—	—	—	822.3
Gross profit percentage	61.4%												62.0%
Research and development	221.8	(19.9)	—	—	—	—	—	—	—	—	—	—	201.9
Selling, general and administrative	165.7	(15.7)	—	(10.9)	(3.3)	(1.1)	—	—	—	—	—	—	134.7
Amortization of acquired intangible assets	248.5	—	—	—	—	—	(248.5)	—	—	—	—	—	—
Special charges (income) and other, net	17.2	—	—	—	—	—	—	(17.2)	—	—	—	—	—
Operating expenses	653.2	(35.6)	—	(10.9)	(3.3)	(1.1)	(248.5)	(17.2)	—	—	—	—	336.6
Operating income	160.7	40.7	3.3	10.9	3.3	1.1	248.5	17.2	—	—	—	—	485.7
Operating income percentage	12.1%												36.6%
Other expense, net	(114.9)	—	—	—	—	—	—	—	3.4	31.0	(1.5)	—	(82.0)
Income before income taxes	45.8	40.7	3.3	10.9	3.3	1.1	248.5	17.2	3.4	31.0	(1.5)	—	403.7
Income tax (benefit) provision	(54.1)	—	—	—	—	—	—	—	—	—	—	82.3	28.2
Net income	$ 99.9	40.7	3.3	10.9	3.3	1.1	248.5	17.2	3.4	31.0	(1.5)	(82.3)	$ 375.5
Net income percentage	7.5%												28.3%
Diluted net income per common share	$ 0.39												$ 1.46
Diluted common shares outstanding	257.3												257.3