MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 2018
(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	Losses (gains) on available-for-sale investments	Loss on settlement of debt	Other non-GAAP tax adjustment	Non-GAAP
Net sales	$ 1,374.7										
Cost of sales	$ 595.1	(3.4)	—	(74.3)	—	—	—	—	—	—	$ 517.4
Gross profit	779.6	3.4	—	74.3	—	—	—	—	—	—	857.3
Gross profit percentage	56.7%										62.4%
Research and development	217.7	(19.4)	(0.3)	—	—	—	—	—	—	—	198.0
Selling, general and administrative	174.8	(16.6)	(5.1)	—	—	—	—	—	—	—	153.1
Amortization of acquired intangible assets	193.7	—	—	—	(193.7)	—	—	—	—	—	—
Special charges (income) and other, net	(1.3)	—	—	—	—	1.3	—	—	—	—	—
Operating expenses	584.9	(36.0)	(5.4)	—	(193.7)	1.3	—	—	—	—	351.1
Operating income	194.7	39.4	5.4	74.3	193.7	(1.3)	—	—	—	—	506.2
Operating income percentage	14.2%										36.8%
Losses on equity method investments	(0.1)	—	—	—	—	—	—	—	—	—	(0.1)
Other expense, net	(139.6)	—	—	—	—	—	29.2	0.6	0.2	—	(109.6)
Income before income taxes	55.0	39.4	5.4	74.3	193.7	(1.3)	29.2	0.6	0.2	—	396.5
Income tax (benefit) provision	5.8	—	—	—	—	—	—	—	—	8.9	14.7
Net income	$ 49.2	39.4	5.4	74.3	193.7	(1.3)	29.2	0.6	0.2	(8.9)	$ 381.8
Net income percentage	3.6%										27.8%
Diluted net income per common share	$ 0.20										$ 1.56
Diluted common shares outstanding	244.6										244.6