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

	GAAP	Share-based compensation expense	Acquisition-related costs	Excess capacity charges to normalize acquired inventory	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	$ 5,349.5												
Cost of sales	$ 2,418.2	(14.9)	(0.8)	(2.3)	(365.7)	—	—	—	—	—	—	—	$ 2,034.5
Gross profit	2,931.3	14.9	0.8	2.3	365.7	—	—	—	—	—	—	—	3,315.0
Gross profit percentage	54.8%												62.0%
Research and development	826.3	(72.0)	(1.4)	—	—	—	—	—	—	—	—	—	752.9
Selling, general and administrative	682.9	(62.3)	(41.9)	—	—	—	—	—	—	—	—	—	578.7
Amortization of acquired intangible assets	674.1	—	—	—	—	(674.1)	—	—	—	—	—	—	—
Special charges (income) and other, net	33.7	—	—	—	—	—	(33.7)	—	—	—	—	—	—
Operating expenses	2,217.0	(134.3)	(43.3)	—	—	(674.1)	(33.7)	—	—	—	—	—	1,331.6
Operating income	714.3	149.2	44.1	2.3	365.7	674.1	33.7	—	—	—	—	—	1,983.4
Operating income percentage	13.4%												37.1%
Losses on equity method investments	(0.2)	—	—	—	—	—	—	—	—	—	—	—	(0.2)
Other expense, net	(509.6)	—	—	—	—	—	—	124.3	(12.5)	6.0	12.6	—	(379.2)
Income before income taxes	204.5	149.2	44.1	2.3	365.7	674.1	33.7	124.3	(12.5)	6.0	12.6	—	1,604.0
Income tax (benefit) provision	(151.4)	—	—	—	—	—	—	—	—	—	—	202.5	51.1
Net income	$ 355.9	149.2	44.1	2.3	365.7	674.1	33.7	124.3	(12.5)	6.0	12.6	(202.5)	$ 1,552.9
Net income percentage	6.7%												29.0%
Diluted net income per common share	$ 1.42												$ 6.21
Diluted common shares outstanding	249.9												249.9