



Dear Valued Customer,

February 21, 2023

As you know, the semiconductor industry has experienced a supply-demand imbalance, starting in the 2<sup>nd</sup> half of 2020. With cautious optimism, we see relief coming. Over this constrained period, Microchip has invested at record high levels in our manufacturing capacity. We have also strengthened supply lines from our long-term foundry and subcontractor partners.

Based on our manufacturing capacity investments and anticipated market demand, we expect average lead times to decrease to 26 weeks, or less, in the 2<sup>nd</sup> half of 2023. Lead times will always be product mix sensitive, and Microchip delivers thousands of product types based on multiple process technologies. Backlog visibility remains the best way we can serve you, and we request that you continue to provide us with your backlog visibility wherever possible. Please contact your local Microchip office, visit our e-commerce website at [www.microchipdirect.com](http://www.microchipdirect.com) or contact our authorized distributor for specific product lead times.

Microchip's capacity expansion investments remain calibrated to what we believe is the long-term growth requirements of the customers we serve. I would like to thank you for your business and your patience as we together navigated the supply challenges of the last 2 years.

Ganesh Moorthy  
President & CEO