MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF INCOME THREE MONTHS ENDED SEPTEMBER 30, 2020

(in millions except per share amounts)
(unaudited)

Net sales \$ 1,309.5

		GAAP	Share-based compensation expense	Acquisition- related	Professional services associated with certain legal matters	IT security remediation	Amortization of acquired intangible assets	Special charges and other, net	Loss on settlement of debt	Non-cash other expense, net	Other non- GAAP tax adjustment	AP tax Non-GAAP	
Cost of sales	\$	501.6	(6.0)	_	_	_	_	_			_	 \$	495.6
Gross profit	_	807.9	6.0	_	_	_	_	_		_	_		813.9
Gross profit percentage		61.7 %											62.2 %
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Research and development		199.8	(24.5)	_	_	_	_	_		_	_		175.3
Selling, general and administrative		144.7	(19.2)	0.9	(1.3)	(0.3)	_	_			_		124.8
Amortization of acquired intangible assets		232.9	_	_	_	_	(232.9)	_			_		_
Special charges and other, net		4.3	_					(4.3)			_		_
Operating expenses		581.7	(43.7)	0.9	(1.3)	(0.3)	(232.9)	(4.3)			_		300.1
Operating income Operating income percentage		226.2 17.3 %	49.7	(0.9)	1.3	0.3	232.9	4.3	_	_	_		513.8 39.2 %
Other expense, net		(137.4)	_						45.1	16.8			(75.5)
Income before income taxes Income tax provision		88.8 15.2	49.7	(0.9)	1.3	0.3	232.9	4.3	45.1		— 6.7		438.3 21.9
Net income	\$	73.6	49.7	(0.9)	1.3	0.3	232.9	4.3	45.1	16.8	(6.7)	\$	416.4
Net income percentage		5.6 %											31.8 %
Diluted net income per common share	\$	0.27										\$	1.56
Diluted common shares outstanding		267.7											267.7