

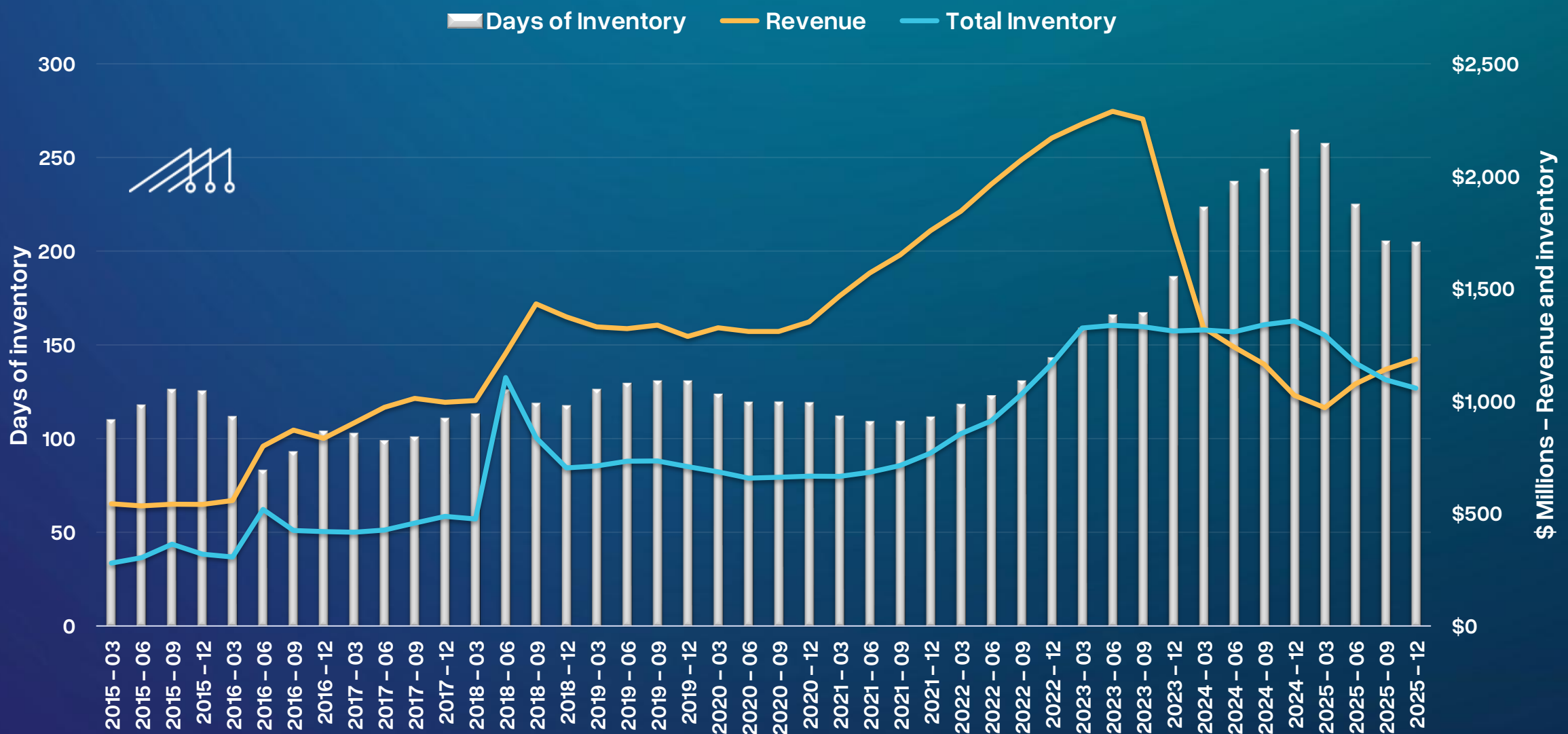
The 1–Minute Brief

Microchip FY Q3'26 (CY Q4'25) Earnings

Announced on 05, Feb'26

Key Takeaways

- FY Q3'26 net sales were \$1.19B, up 16% YoY and 4% QoQ driven by connectivity, data center, FPGA and timing systems
- Total inventory was down \$38M QoQ, with distributor levels largely corrected at 28 days, while customers continue burning down remaining stock
- Bookings were significantly up in FY Q3'26, with a book-to-bill ratio >1
- Lead times have held steady at 4 to 8 weeks, but are now rising on some products as they bounce off the bottom



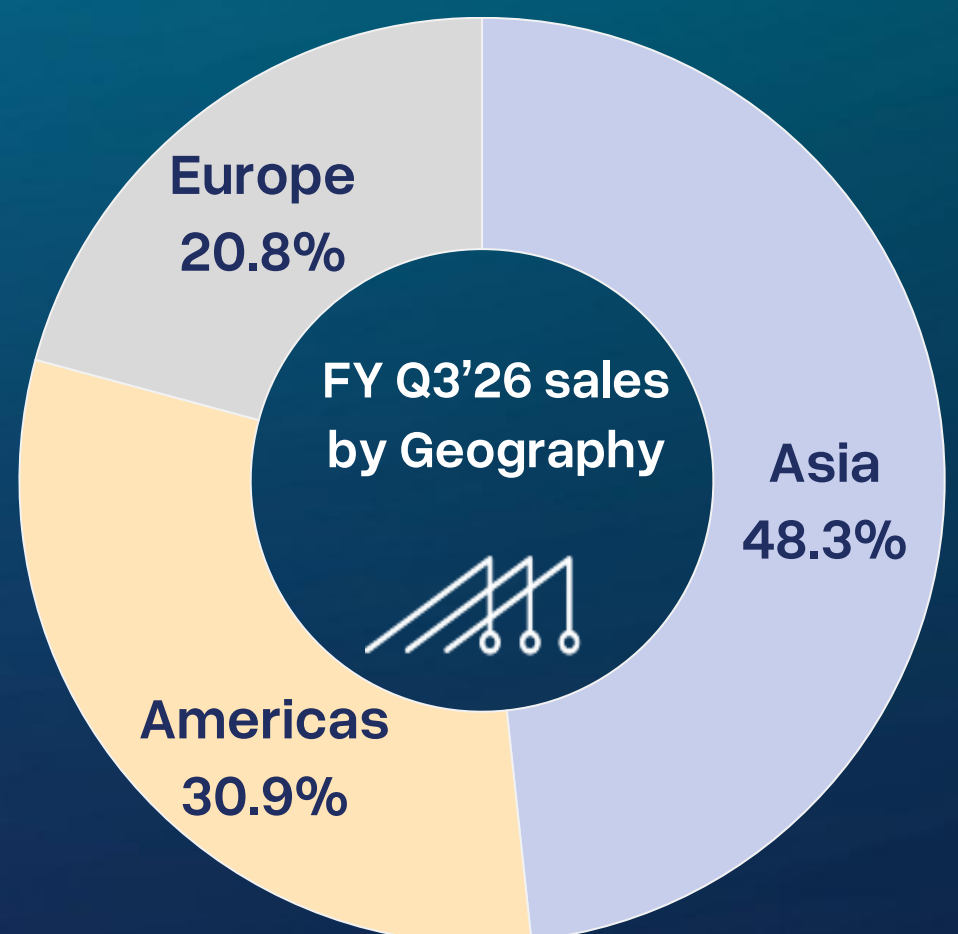
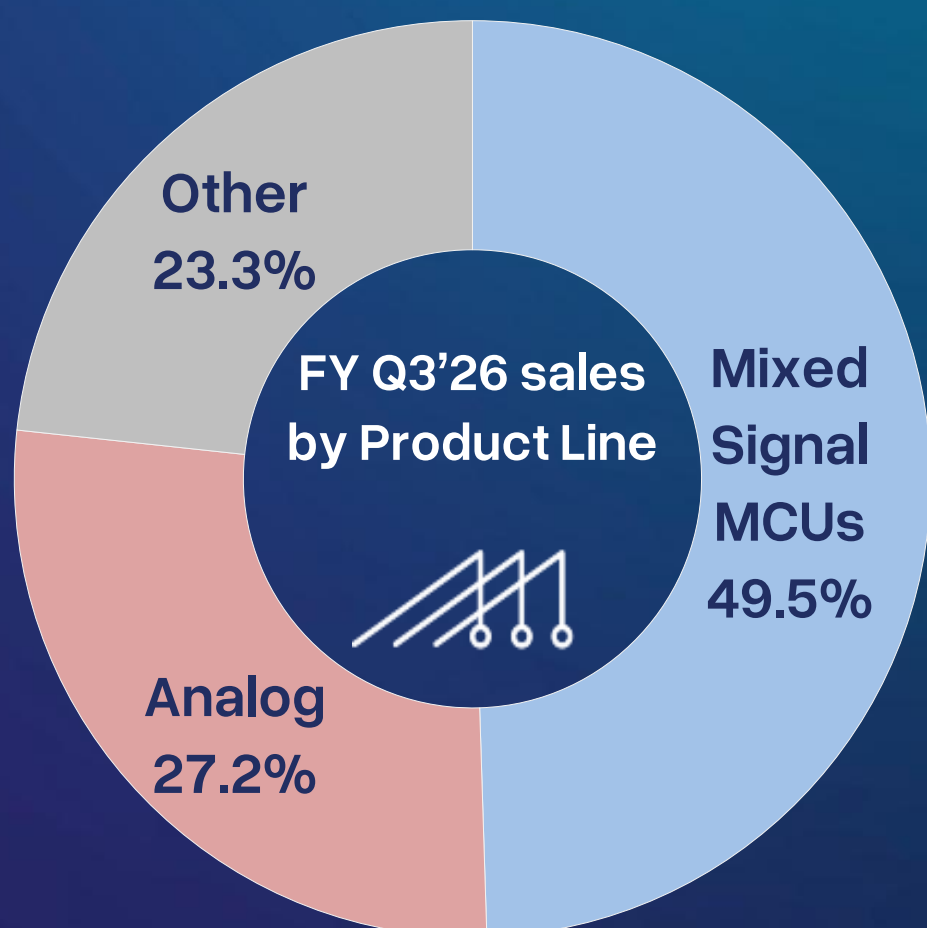
Gross Margin Trend



Performance Breakdown

Recovery is underway across end markets, led by strong A&D and data center sales, with Gen 6 PCIe switch outperforming competitors as the only 3nm device sampling at hyperscalers.

- **Automotive** is recovering, **Industrial** is in the early recovery phase, **Communications** are improving, and **Consumer** is stabilizing
- **Microcontroller & Analog**: Flat sequentially, but better than normal seasonal decline
- Networking, data center, FPGA, and licensing business units: Primary growth source in FY Q3'26
- **Regional Performance**:
 - **Asia** revenue was flat QoQ
 - **Americas** and **Europe** recorded QoQ revenue growth



Outlook

- **FY Q4'26 (CY Q1'26) midpoint guidance:**
+29.8% YoY (vs. FY Q4'25) and +6.2% QoQ (vs. FY Q3'26)
- Guidance is significantly above normal seasonality, driven by strong bookings and an expanding backlog



Follow us on LinkedIn & X for
semiconductor and technology industry updates