# Microchip Technology Inc.

**MCHP**

Nasdaq; business equipment; SIC 3674, Semiconductors & Related Devices; CIK 0000827054

**E**

**weakest fifth of 497 graded peers in business equipment**

rank 477 of 497; percentile 96.1; sampling error 2.2 points; lower is stronger

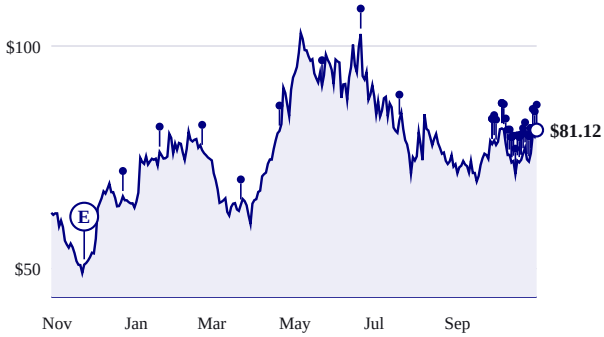
A B C D E

**E, the bear**



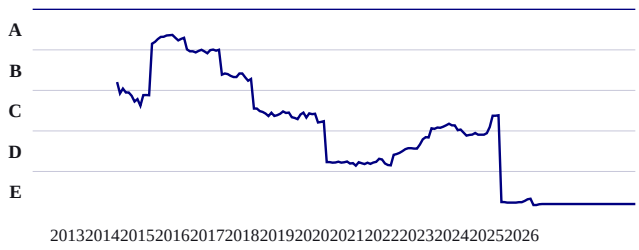
| Scoreboard | |
|---|---|
| **Profitability** | D<br>percentile 67.6 |
| **Solvency** | D<br>percentile 64.3 |
| **Growth and financing** | E<br>percentile 87.0 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $14.4B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: dilution, distress |
| **Inputs computable** | 10 of 14 |
| **Graded from** | filings received through May 21, 2026<br>162 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026 |
| **Last close** | $81.14<br>2026-10-29; market equity $0; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received May 21, 2026*

We develop, manufacture and sell smart, connected and secure embedded control solutions used by our customers for a wide variety of applications. With over 35 years of technology leadership, our broad product portfolio offers a Total System Solution for our customers that can provide a large portion of the silicon requirements in their applications. TSS is a combination of hardware, software and services which help our customers increase their revenue, reduce their costs and manage their risks compared to other solutions. Our strategic focus includes general purpose and specialized mixed-signal microcontrollers, microprocessors, analog, FPGA, data center, networking, and memory products.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 67.6** | | | | | | |
| Gross profitability | 18.9% | 28.6% | | 64.7 | 555 | 2026-03-31 |
| Return on invested capital | 3.5% | 11.2% | | 69.5 | 134 | 2026-03-31 |

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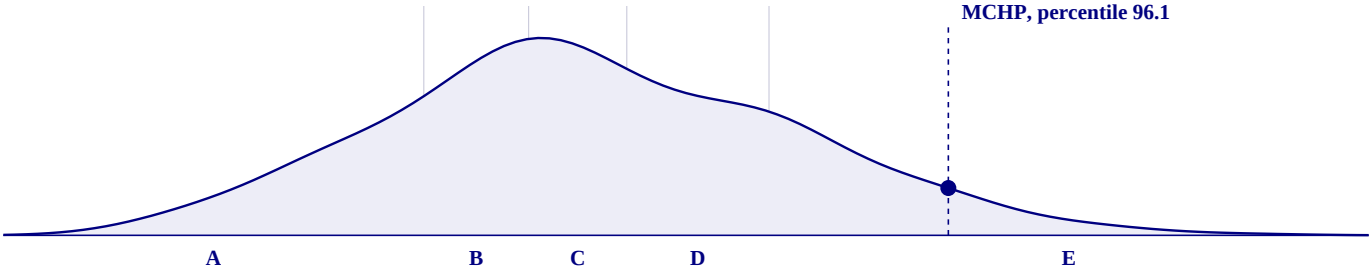
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (4.9%) | (7.4%) | 64.9 | 618 | 2026-03-31 |
| Gross margin stability, five years | 4.6 pts | 2.3 pts | 71.2 | 426 | 2026-03-31 |
| **Solvency, sleeve percentile 64.3** | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | |
| *firm-wide XBRL shares cannot be assigned to one ticker class* | | | | | |
| Altman Z double-prime | not computable | 2.16 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | 4.46x | 1.11x | 81.8 | 147 | 2026-03-31 |
| Interest coverage | not computable | 3.77x | | | |
| *latest aligned inputs end 2024-03-31; latest annual assets end 2026-03-31* | | | | | |
| Current ratio | 2.09x | 2.01x | 46.8 | 662 | 2026-03-31 |
| **Growth and financing, sleeve percentile 87.0** | | | | | |
| Revenue growth, three-year compound | (17.6%) | 6.3% | 91.7 | 535 | 2026-03-31 |
| Free cash flow growth, three-year compound | (34.7%) | 18.0% | 96.4 | 265 | 2026-03-31 |
| Reinvestment rate | (289.5%) | 14.3% | 88.1 | 224 | 2026-03-31 |
| Asset growth, three years | (4.3%) | 5.1% | 71.8 | 560 | 2026-03-31 |
| Net share issuance, one year | not computable | 0.5% | | | |
| *firm-wide XBRL shares cannot be assigned to one ticker class* | | | | | |

## Among 497 peers

*business equipment; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 472 | Waystar Holding Corp. (WAY) | 95.0 | E | |
| 473 | Smith Micro Software, Inc. (SMSI) | 95.2 | E | dilution, short runway |
| 474 | ChargePoint Holdings, Inc. (CHPT) | 95.4 | E | |
| 475 | HeartCore Enterprises, Inc. (HTCR) | 95.6 | E | short runway, late filer, fortress balance sheet |
| 476 | Peraso Inc. (PRSO) | 95.8 | E | dilution |
| 477 | Microchip Technology Inc. (MCHP) | 96.1 | E | |
| 478 | Microchip Technology Inc. (MCHPP) | 96.1 | E | |
| 479 | Cyngn Inc. (CYN) | 96.4 | E | dilution, short runway, late filer, distress |
| 480 | FTC Solar, Inc. (FTCI) | 96.6 | E | short runway, fortress balance sheet |
| 481 | Ideal Power Inc. (IPWR) | 96.8 | E | dilution, degenerate inputs, fortress balance sheet |
| 482 | Bionano Genomics, Inc. (BNGO) | 97.0 | E | dilution, short runway, fortress balance sheet |

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## What the price implies

*at the 2026-10-29 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 16.7% | 2.2% | 63 |
| Distance from 52-week high | (21.2%) | (29.4%) | 62 |
| EBIT to enterprise value | not computable | 1.5% | |
| Free cash flow yield | not computable | 2.8% | |
| Book value to price | not computable | 0.25 | |
| Sales to price | not computable | 0.31 | |
| Composite equity issuance, five years | not computable | 4.1% | |
| Relative strength against the sector, log excess return | (0.13) | (0.26) | 63 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2026-03-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $272.3M |
| Operating cash flow, four quarters | $1.2B |
| Months of runway | not finite |
| Days since last periodic filing | 85 (10-Q received Aug 6, 2026) |
| Median daily dollar volume, 63 sessions | $646.0M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | gross profit | us-gaap:GrossProfit | $2.7B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 2 | assets | us-gaap:Assets | $14.4B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $490.1M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $273.5M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $43.5M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 6 | total debt | us-gaap:LongTermDebt | $5.5B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 7 | book equity | us-gaap:StockholdersEquity | $6.4B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $240.3M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 9 | total debt | us-gaap:LongTermDebt | $5.6B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 10 | book equity | us-gaap:StockholdersEquity | $7.1B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $771.7M | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 12 | net income | us-gaap:NetIncomeLoss | $230.0M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $962.1M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 14 | assets | us-gaap:Assets | $15.4B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $4.7B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 16 | gross profit | us-gaap:GrossProfit | $2.5B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $4.4B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 18 | gross profit | us-gaap:GrossProfit | $5.0B | 2024-03-31 | 2026-05-21 | 10-K | 26-000016 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $7.6B | 2024-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 20 | gross profit | us-gaap:GrossProfit | $5.7B | 2023-03-31 | 2025-05-23 | 10-K | 25-000077 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $8.4B | 2023-03-31 | 2025-05-23 | 10-K | 25-000077 |
| 22 | gross profit | us-gaap:GrossProfit | $4.4B | 2022-03-31 | 2024-05-23 | 10-K | 24-000098 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $6.8B | 2022-03-31 | 2024-05-23 | 10-K | 24-000098 |
| 24 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $689.3M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 25 | operating income | us-gaap:OperatingIncomeLoss | $2.6B | 2024-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 26 | interest expense | us-gaap:InterestExpense | $198.3M | 2024-03-31 | 2024-05-23 | 10-K | 24-000098 |
| 27 | current assets | us-gaap:AssetsCurrent | $2.4B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 28 | current liabilities | us-gaap:LiabilitiesCurrent | $1.1B | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $91.1M | 2026-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $898.1M | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $126.0M | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $2.9B | 2024-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $285.1M | 2024-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.6B | 2023-03-31 | 2025-05-23 | 10-K | 25-000077 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $486.2M | 2023-03-31 | 2025-05-23 | 10-K | 25-000077 |
| 36 | current assets | us-gaap:AssetsCurrent | $3.0B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 37 | current liabilities | us-gaap:LiabilitiesCurrent | $1.2B | 2025-03-31 | 2026-05-21 | 10-K | 26-000016 |
| 38 | assets | us-gaap:Assets | $15.9B | 2024-03-31 | 2025-05-23 | 10-K | 25-000077 |
| 39 | assets | us-gaap:Assets | $16.4B | 2023-03-31 | 2024-05-23 | 10-K | 24-000098 |

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