

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 26, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number: 001-39675

ALLEGRO MICROSYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
955 Perimeter Road
Manchester, New Hampshire
(Address of principal executive offices)

46-2405937
(I.R.S. Employer
Identification No.)

03103
(Zip Code)

(603) 626-2300

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ALGM	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 26, 2026, the registrant had 185,290,870 shares of common stock, par value \$0.01 per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Quarterly Report”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, business strategy, prospective products and the plans and objectives of management for future operations, may be forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding the liquidity, growth and profitability strategies and factors and trends affecting our business are forward-looking statements. Without limiting the foregoing, in some cases, you can identify forward-looking statements by terms such as “aim,” “may,” “will,” “should,” “expect,” “exploring,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “would,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “seek,” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. No forward-looking statement is a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 1A. “Risk Factors” in this Quarterly Report and Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for the year ended March 28, 2025, filed with the Securities and Exchange Commission (“SEC”) on May 22, 2025 (the “2025 Annual Report”), as any such factors may be updated from time to time in our Quarterly Reports on Form 10-Q, and our other filings with the SEC.

You should read this Quarterly Report and the documents that we reference completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. All forward-looking statements speak only as of the date of this Quarterly Report, and except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events, or otherwise.

Unless the context otherwise requires, references to “we,” “us,” “our,” the “Company” and “Allegro” refer to the operations of Allegro MicroSystems, Inc. and its consolidated subsidiaries.

PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

ALLEGRO MICROSYSTEMS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except par value and share amounts) (Unaudited)

	December 26, 2025	March 28, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 155,187	\$ 121,334
Restricted cash	8,212	9,773
Trade accounts receivable, net	99,651	84,598
Inventories	178,195	183,914
Prepaid income taxes	14,567	36,662
Prepaid expenses and other current assets	47,672	30,247
Assets held for sale	11,928	16,508
Total current assets	515,412	483,036
Property, plant and equipment, net	300,861	302,919
Operating lease right-of-use assets, net	16,535	20,849
Deferred income tax assets	76,703	68,528
Goodwill	203,492	202,475
Intangible assets, net	244,838	262,115
Equity investment in related party	24,978	31,695
Other assets	39,892	49,344
Total assets	\$ 1,422,711	\$ 1,420,961
Liabilities, Non-Controlling Interest and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$ 52,558	\$ 38,733
Amounts due to related party, net	4,749	6,535
Accrued expenses and other current liabilities	76,412	60,083
Current portion of operating lease liabilities	5,870	5,487
Current portion of long-term debt	1,556	1,423
Total current liabilities	141,145	112,261
Long-term debt	286,158	344,703
Operating lease liabilities, less current portion	14,607	16,878
Other long-term liabilities	16,387	16,019
Total liabilities	458,297	489,861
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 20,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value; 1,000,000,000 shares authorized, 185,226,632 shares issued and outstanding at December 26, 2025; 1,000,000,000 shares authorized, 184,286,567 issued and outstanding at March 28, 2025	1,852	1,843
Additional paid-in capital	1,040,799	1,012,055
Accumulated deficit	(52,000)	(53,591)
Accumulated other comprehensive loss	(27,919)	(30,752)
Equity attributable to Allegro MicroSystems, Inc.	962,732	929,555
Non-controlling interest	1,682	1,545
Total stockholders' equity	964,414	931,100
Total liabilities, non-controlling interest and stockholders' equity	\$ 1,422,711	\$ 1,420,961

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLEGRO MICROSYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(Unaudited)

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Net sales	\$ 229,210	\$ 177,872	\$ 646,909	\$ 532,182
Cost of goods sold	122,109	96,657	349,214	290,534
Gross profit	107,101	81,215	297,695	241,648
Operating expenses:				
Research and development	52,878	43,317	150,269	132,031
Selling, general and administrative	44,649	37,939	134,349	116,221
Total operating expenses	97,527	81,256	284,618	248,252
Operating income (loss)	9,574	(41)	13,077	(6,604)
Other (expense) income:				
Interest expense	(4,910)	(7,762)	(16,999)	(23,492)
Interest income	114	388	507	1,302
Loss on change in fair value of forward repurchase contract	—	—	—	(34,752)
Other expense, net	(4,284)	(187)	(8,799)	(3,712)
Income (loss) before income taxes	494	(7,602)	(12,214)	(67,258)
Income tax benefit	(7,868)	(803)	(13,997)	(9,233)
Net income (loss)	8,362	(6,799)	1,783	(58,025)
Net income attributable to non-controlling interests	63	61	192	185
Net income (loss) attributable to Allegro MicroSystems, Inc.	\$ 8,299	\$ (6,860)	\$ 1,591	\$ (58,210)
Net income (loss) per common share attributable to Allegro MicroSystems, Inc.:				
Basic	\$ 0.04	\$ (0.04)	\$ 0.01	\$ (0.31)
Diluted	\$ 0.04	\$ (0.04)	\$ 0.01	\$ (0.31)
Weighted average shares outstanding:				
Basic	185,172,199	184,011,189	184,944,427	188,886,583
Diluted	186,208,258	184,011,189	185,998,601	188,886,583

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLEGRO MICROSYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(Unaudited)

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Net income (loss)	\$ 8,362	\$ (6,799)	\$ 1,783	\$ (58,025)
Net income attributable to non-controlling interests	63	61	192	185
Net income (loss) attributable to Allegro MicroSystems, Inc.	8,299	(6,860)	1,591	(58,210)
Other comprehensive income (loss):				
Foreign currency translation adjustment, net of tax	(1,575)	(7,575)	2,801	(5,328)
Comprehensive income (loss)	6,724	(14,435)	4,392	(63,538)
Other comprehensive gain attributable to non-controlling interests	35	74	32	85
Comprehensive income (loss) attributable to Allegro MicroSystems, Inc.	<u>\$ 6,759</u>	<u>\$ (14,361)</u>	<u>\$ 4,424</u>	<u>\$ (63,453)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLEGRO MICROSYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except share amounts)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-In	(Accumulate d Deficit)	Accumulate d Other Comprehens ive Loss	Non- Controlling	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital			Interests	Equity
Balance at September 27, 2024	—	\$ —	183,983,240	\$ 1,840	\$ 993,988	\$ (31,931)	\$ (26,583)	\$ 1,394	\$ 938,708
Net (loss) income	—	—	—	—	—	(6,860)	—	61	(6,799)
Stock-based compensation, net of forfeitures and restricted stock vested	—	—	59,542	—	10,575	—	—	—	10,575
Payments of taxes withheld on net settlement of equity awards	—	—	—	—	(483)	—	—	—	(483)
Foreign currency translation adjustment	—	—	—	—	—	—	(7,501)	(74)	(7,575)
Balance at December 27, 2024	—	\$ —	184,042,782	\$ 1,840	\$ 1,004,080	\$ (38,791)	\$ (34,084)	\$ 1,381	\$ 934,426

	Preferred Stock		Common Stock		Additional Paid-In	(Accumulate d Deficit)	Accumulate d Other Comprehens ive Loss	Non- Controlling	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital			Interest	Equity
Balance at September 26, 2025	—	\$ —	185,111,604	\$ 1,851	\$ 1,029,002	\$ (60,299)	\$ (26,379)	\$ 1,654	\$ 945,829
Net income	—	—	—	—	—	8,299	—	63	8,362
Stock-based compensation, net of forfeitures and restricted stock vested	—	—	115,028	1	12,802	—	—	—	12,803
Payments of taxes withheld on net settlement of equity awards	—	—	—	—	(1,005)	—	—	—	(1,005)
Foreign currency translation adjustment	—	—	—	—	—	—	(1,540)	(35)	(1,575)
Balance at December 26, 2025	—	\$ —	185,226,632	\$ 1,852	\$ 1,040,799	\$ (52,000)	\$ (27,919)	\$ 1,682	\$ 964,414

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLEGRO MICROSYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - continued
(in thousands, except share amounts)
(Unaudited)

	Preferred Stock		Common Stock		Additional	Retained	Accumulated	Non-	Total
	Shares	Amount	Shares	Amount	Paid-In	Earnings	Other	Controlling	Stockholders
					Capital	(Accumulat ed Deficit)	Comprehensi ve Loss	Interests	Equity
Balance at March 29, 2024	—	\$ —	193,164,609	\$ 1,932	\$ 694,332	\$ 463,012	\$ (28,841)	\$ 1,281	\$ 1,131,716
Net (loss) income	—	—	—	—	—	(58,210)	—	185	(58,025)
Employee stock purchase plan issuances	—	—	82,774	1	1,986	—	—	—	1,987
Stock-based compensation, net of forfeitures and restricted stock vested	—	—	812,714	7	32,198	—	—	—	32,205
Issuance of common stock, net of underwriting discounts	—	—	28,750,000	288	665,562	—	—	—	665,850
Repurchases of common stock	—	—	(38,767,315)	(388)	(377,218)	(443,593)	—	—	(821,199)
Payments of taxes withheld on net settlement of equity awards	—	—	—	—	(12,780)	—	—	—	(12,780)
Foreign currency translation adjustment	—	—	—	—	—	—	(5,243)	(85)	(5,328)
Balance at December 27, 2024	—	\$ —	184,042,782	\$ 1,840	\$ 1,004,080	\$ (38,791)	\$ (34,084)	\$ 1,381	\$ 934,426

	Preferred Stock		Common Stock		Additional	(Accumulat	Accumulated	Non-	Total
	Shares	Amount	Shares	Amount	Paid-in	ed Deficit)	Other	Controlling	Stockholders
					Capital		Comprehensi ve Loss	Interest	Equity
Balance at March 28, 2025	—	\$ —	184,286,567	\$ 1,843	\$ 1,012,055	\$ (53,591)	\$ (30,752)	\$ 1,545	\$ 931,100
Net income	—	—	—	—	—	1,591	—	192	1,783
Dividends to non-controlling interest	—	—	—	—	—	—	—	(23)	(23)
Employee stock purchase plan issuances	—	—	98,500	1	1,909	—	—	—	1,910
Stock-based compensation, net of forfeitures and restricted stock vested	—	—	841,565	8	37,189	—	—	—	37,197
Payments of taxes withheld on net settlement of equity awards	—	—	—	—	(10,354)	—	—	—	(10,354)
Foreign currency translation adjustment	—	—	—	—	—	—	2,833	(32)	2,801
Balance at December 26, 2025	—	\$ —	185,226,632	\$ 1,852	\$ 1,040,799	\$ (52,000)	\$ (27,919)	\$ 1,682	\$ 964,414

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLEGRO MICROSYSTEMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine-Month Period Ended	
	December 26, 2025	December 27, 2024
Cash flows from operating activities:		
Net income (loss)	\$ 1,783	\$ (58,025)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	49,828	48,578
Amortization of deferred financing costs	1,948	1,781
Deferred income taxes	(7,985)	(11,546)
Stock-based compensation	37,263	32,251
Loss on change in fair value of forward repurchase contract	—	34,752
Provisions for inventory and expected credit losses	7,554	7,519
Other non-cash reconciling items	305	6,645
Changes in operating assets and liabilities:		
Trade accounts receivable	(15,604)	34,356
Inventories	(1,273)	(38,074)
Prepaid expenses and other assets	17,699	(1,401)
Trade accounts payable	13,681	5,467
Due to and from related parties	(1,786)	564
Other changes in operating assets and liabilities, net	23,942	(21,307)
Net cash provided by operating activities	127,355	41,560
Cash flows from investing activities:		
Purchases of property, plant and equipment	(21,160)	(34,564)
Acquisition of business, net of cash acquired	—	319
Net cash used in investing activities	(21,160)	(34,245)
Cash flow from financing activities:		
Net proceeds from Refinanced Term Loan Facility	—	193,483
Repayment of term loan	(60,000)	(75,000)
Finance lease payments	(852)	(703)
Receipts on related party notes receivable	—	1,875
Payments for intangible assets	(4,000)	—
Payments for taxes related to net share settlement of equity awards	(10,354)	(12,780)
Proceeds from issuance of common stock under employee stock purchase plan	1,910	1,987
Repurchases of common stock	—	(853,921)
Net proceeds from issuance of common stock	—	665,850
Payments for taxes related to repurchase of common stock	(1,713)	—
Dividends paid to non-controlling interest	(23)	—
Net cash used in financing activities	(75,032)	(79,209)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	1,129	(1,305)
Net increase (decrease) in cash and cash equivalents and restricted cash	32,292	(73,199)
Cash and cash equivalents and restricted cash at beginning of period	131,107	222,161
Cash and cash equivalents and restricted cash at end of period	\$ 163,399	\$ 148,962

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements
(Amounts in thousands, except share and per share amounts)

1. Nature of the Business and Basis of Presentation

Allegro MicroSystems, Inc., together with its consolidated subsidiaries (the “Company”), is a leading global designer, developer, fabless manufacturer and marketer of sensing and power solutions for motion control and energy-efficient systems in Automotive and Industrial and Other markets. The Company is incorporated under the laws of Delaware. The Company is headquartered in Manchester, New Hampshire and has a global footprint across multiple continents.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). Certain information and footnote disclosures normally included in the Company’s annual audited consolidated financial statements and accompanying notes have been condensed in, or omitted from, these interim financial statements. These unaudited condensed consolidated financial statements include the Company’s accounts and those of its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s 2025 Annual Report. The March 28, 2025 condensed consolidated balance sheet included herein is derived from the Company’s audited consolidated financial statements. In the opinion of the Company’s management, the financial statements for the interim periods presented reflect all adjustments necessary for a fair statement of the Company’s financial position, results of operations and cash flows. The results reported in these unaudited condensed consolidated financial statements are not necessarily indicative of results that may be expected for the entire year.

Financial Periods

The Company’s third quarter three-month period is a 13-week period. The Company’s third quarter of fiscal year 2026 ended December 26, 2025, and the Company’s third quarter of fiscal year 2025 ended December 27, 2024.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of net sales and expenses during the reporting period. On an ongoing basis, management evaluates its estimates, assumptions and judgments, including those related to the valuation of acquired intangible assets, impairment assessment and valuation of goodwill, intangible assets and tangible long-lived assets, the net realizable value of inventory, income taxes, stock-based compensation, and sales allowances. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements.

Reclassifications

Certain reclassifications have been made to prior-period amounts to conform to current-period reporting classifications.

Concentrations of Credit Risk

As of December 26, 2025, one distributor customer accounted for 10.3% of the Company’s outstanding trade accounts receivable, net. As of March 28, 2025, no distributor or customer accounted for 10% or more of the Company’s outstanding trade accounts receivable, net.

No distributor or customer accounted for 10% or more of total net sales for the three-month period ended December 26, 2025. For the three-month period ended December 27, 2024, one distributor accounted for 11.4% of total net sales. No distributor or customer accounted for 10% or more of total net sales for the nine-month periods ended December 26, 2025 or December 27, 2024.

Segment Information

The Company operates as one reportable segment, which involves the design, development, production and distribution of various integrated circuits in various markets worldwide. The Company has a single, company-wide management team that administers all properties as a whole rather than as discrete operating segments. The Chief Operating Decision Maker (“CODM”), who is the Company’s Chief Executive Officer, measures financial performance as a single enterprise and not on a legal entity or end market basis. The CODM uses consolidated net income or loss, as reported in the Consolidated Statement of Operations, as the profitability measure in making decisions. The measure of segment assets is reported on the Consolidated Balance Sheet as total assets. Throughout the year, the CODM allocates capital resources on a project-by-project basis across the Company’s entire asset base to maximize profitability without regard to a legal entity or end market basis. The Company operates in a number of countries throughout the world in a variety of product lines through its business unit structure.

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

Recent Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2025-05 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The update provides a practical expedient that can be elected to be applied to accounts receivable and contract assets, which would allow entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the assets when estimating expected credit losses for such assets. The update is effective for annual reporting periods that began after December 15, 2025 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The standard is currently being evaluated by the Company but is not expected to have a material affect on the Company’s position or operations.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”). ASU 2024-03 requires additional disclosures of the nature of expenses included in the Company’s income statement. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. ASU 2024-03 will be applied prospectively with the option for retrospective application. The FASB subsequently issued ASU No. 2025-01 Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, to clarify that all public business entities are required to adopt the guidance as stipulated in ASU 2024-03 in annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”). ASU 2023-09 requires entities to provide additional information of the Company’s tax rate reconciliation, as well as additional disclosures about income taxes paid by jurisdiction. ASU 2023-09 became effective for annual reporting periods that began after December 15, 2024, with early adoption permitted. ASU 2023-09 should be applied prospectively, but entities have the option to apply it retrospectively for each period presented. The Company does not anticipate this guidance will have an adverse impact on its results of operations, cash flows, or financial condition, but it will result in expanded disclosure within the financial statements.

All other recent accounting pronouncements were determined to not have a material impact on the Company’s financial position, results of operations, cash flows, or related disclosures.

3. Revenue from Contracts with Customers

The following tables summarize net sales disaggregated by market, by product and by geography for the three- and nine-month periods ended December 26, 2025 and December 27, 2024. The categorization of net sales by market is determined using various characteristics of the product and the application into which the Company’s product will be incorporated. The categorization of net sales by geography is determined based on the location to which the products are shipped.

Net sales by market:

In the fourth quarter of fiscal year 2025, during the preparation of the consolidated financial statements, the Company identified an immaterial misclassification of net sales by market, whereby customer returns and sales allowances were incorrectly classified by market between Automotive and Industrial and Other in prior periods. There was no impact to previously reported total net sales or net loss in any of the periods.

The Company assessed the materiality of the revision qualitatively and quantitatively and determined the revisions to be immaterial to the prior period interim fiscal year 2025 condensed consolidated financial statements. All prior period amounts have been revised in the tables below.

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Automotive	\$ 164,543	\$ 128,637	\$ 464,652	\$ 395,711
Industrial and Other	64,667	49,235	182,257	136,471
Total net sales	\$ 229,210	\$ 177,872	\$ 646,909	\$ 532,182

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
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Net sales by product:

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Magnetic sensors	\$ 137,771	\$ 113,842	\$ 397,657	\$ 357,651
Power integrated circuits	91,439	64,030	249,252	174,531
Total net sales	\$ 229,210	\$ 177,872	\$ 646,909	\$ 532,182

Net sales by geography:

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Americas:				
United States	\$ 21,847	\$ 19,229	\$ 69,541	\$ 69,235
Other Americas	11,164	5,899	32,263	17,549
EMEA:				
Europe	25,948	27,296	84,626	81,482
Asia:				
Greater China	68,461	50,378	187,910	131,233
Japan	39,865	36,812	109,079	115,171
South Korea	19,954	17,152	57,977	57,096
Other Asia	41,971	21,106	105,513	60,416
Total net sales	\$ 229,210	\$ 177,872	\$ 646,909	\$ 532,182

The Company recognizes sales net of returns and sales allowances, which include credits issued, price protection adjustments and stock rotation rights. At December 26, 2025 and March 28, 2025, the liabilities associated with returns and sales allowances were \$48,504 and \$33,855, respectively, and were netted against trade accounts receivable in the condensed consolidated balance sheets.

Unsatisfied performance obligations primarily represent contracts for products with future delivery dates. The Company elected not to disclose the amount of unsatisfied performance obligations as these contracts have original expected durations of less than one year.

4. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities as of December 26, 2025 and March 28, 2025, measured at fair value on a recurring basis:

	Fair Value Measurement at December 26, 2025:	
	Level 1	Total Fair Value
Assets:		
Cash equivalents:		
Money market fund deposits	\$ 41,798	\$ 41,798
Restricted cash:		
Money market fund deposits	8,212	8,212
Total assets	\$ 50,010	\$ 50,010

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
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	Fair Value Measurement at March 28, 2025:	
	Level 1	Total Fair Value
Assets:		
Cash equivalents:		
Money market fund deposits	\$ 30,814	\$ 30,814
Restricted cash:		
Money market fund deposits	9,773	9,773
Total assets	<u>\$ 40,587</u>	<u>\$ 40,587</u>

Assets and liabilities measured at fair value on a recurring basis also consist of government securities, unit investment trust funds, loans, bonds, stock and other investments, which constitute the Company's defined benefit plan assets. Fair value information for those assets and liabilities, including their classification in the fair value hierarchy, is included in Note 15, "Retirement Plans" within the Company's 2025 Annual Report. The changes in the Company's defined benefit plan assets were not material for the nine-month period ended December 26, 2025.

During the nine-month periods ended December 26, 2025 and December 27, 2024, there were no transfers among Level 1, Level 2 and Level 3 assets or liabilities.

The fair value of the Company's debt was \$286,069 and \$343,275 as of December 26, 2025 and March 28, 2025, respectively. The fair value was determined based on the quoted price of the debt in an inactive market on the last trading date of the reporting period and has been classified as Level 2 within the fair value hierarchy.

5. Trade Accounts Receivable, net

Trade accounts receivable, net, consisted of the following:

	December 26, 2025	March 28, 2025
Trade accounts receivable	\$ 149,347	\$ 119,071
Less:		
Provision for expected credit losses	(1,192)	(618)
Returns and sales allowances	(48,504)	(33,855)
Total	<u>\$ 99,651</u>	<u>\$ 84,598</u>

The change in the provision for expected credit losses was not material for the periods presented.

6. Inventories

Inventories include materials, labor and overhead and consisted of the following:

	December 26, 2025	March 28, 2025
Raw materials and supplies	\$ 9,826	\$ 7,354
Work in process	127,850	127,651
Finished goods	40,519	48,909
Total	<u>\$ 178,195</u>	<u>\$ 183,914</u>

The Company recorded inventory provisions totaling \$3,011 and \$6,991 for the three- and nine-month periods ended December 26, 2025, respectively, and \$2,739 and \$7,226 for the three- and nine-month periods ended December 27, 2024, respectively.

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

7. Property, Plant and Equipment, net

Property, plant and equipment, net, is stated at cost and consisted of the following:

	December 26, 2025	March 28, 2025
Land	\$ 25,245	\$ 25,175
Buildings, building improvements and leasehold improvements	66,618	66,258
Machinery and equipment	700,191	670,902
Office equipment	7,492	6,677
Right-of-use asset	8,950	8,182
Construction in progress	45,714	51,580
Total	854,210	828,774
Less accumulated depreciation	(553,349)	(525,855)
Total	\$ 300,861	\$ 302,919

Total depreciation expense amounted to \$9,933 and \$28,708 for the three- and nine-month periods ended December 26, 2025, respectively, and \$9,409 and \$28,443 for the three- and nine-month periods ended December 27, 2024, respectively. Total amortization expense for the right-of-use asset amounted to \$349 and \$1,040 for the three- and nine-month periods ended December 26, 2025, respectively, and \$351 and \$1,049 for the three- and nine-month periods ended December 27, 2024, respectively.

Property, plant and equipment, net, including improvements that significantly add to productive capacity or extend useful life, are stated at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Company periodically reviews the estimated useful lives of property, plant and equipment. Changes to estimated useful lives are recorded prospectively from the date of the change. Maintenance and repairs expenditures are charged to expense as incurred.

The Company classified various units of machinery and equipment as held for sale, as management approved a plan in the fourth quarter of fiscal year 2025 to market these assets to third-party buyers. The planned disposal of these assets does not constitute a strategic shift in the Company's operations and therefore does not meet the discontinued operations criteria. These assets are intended to be sold within one year of their designation as held for sale. Assets held for sale are measured at the lower of carrying value or the fair value less cost to sell. At December 26, 2025 and March 28, 2025, the value of these assets was measured at \$11,928 and \$16,508, respectively.

During the three-month period ended December 26, 2025, management identified various assets that no longer meet the held for sale classification criteria as management no longer has the intent to sell the assets as it was determined the assets would be needed to support production activities. As a result of the change in circumstances, for each asset identified as no longer meeting the held for sale criteria, the Company reclassified to held and used the carrying amount before the asset was classified as held for sale ("unadjusted carrying value") less an adjustment for depreciation expense that would have been recognized had the asset been continuously classified as held and used. The total unadjusted carrying value of assets identified as no longer meeting the held for sale criteria was \$4,580. The depreciation adjustment to the unadjusted carrying amount was immaterial.

8. Goodwill and Intangible Assets

The table below summarizes the changes in the carrying amount of goodwill as follows:

	Total
Balance at March 28, 2025	\$ 202,475
Foreign currency translation	1,017
Balance at December 26, 2025	\$ 203,492

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

Intangible assets, net, were as follows:

Description	December 26, 2025		
	Gross	Accumulated Amortization	Net Carrying Amount
Patents	\$ 52,498	\$ (28,877)	\$ 23,621
Customer relationships	15,242	(4,981)	10,261
Completed technologies	255,618	(46,938)	208,680
Indefinite-lived process technology and trademarks	2,276	—	2,276
Trademarks and other	95	(95)	—
Total	\$ 325,729	\$ (80,891)	\$ 244,838

Description	March 28, 2025		
	Gross	Accumulated Amortization	Net Carrying Amount
Patents	\$ 49,749	\$ (25,710)	\$ 24,039
Customer relationships	14,964	(4,102)	10,862
Completed technologies	255,588	(30,648)	224,940
Indefinite-lived process technology and trademarks	2,274	—	2,274
Trademarks and other	86	(86)	—
Total	\$ 322,661	\$ (60,546)	\$ 262,115

Intangible assets amortization expense was \$6,719 and \$20,080 for the three- and nine-month periods ended December 26, 2025, respectively, and \$6,363 and \$19,086 for the three- and nine-month periods ended December 27, 2024, respectively.

9. Debt and Other Borrowings

The Company's debt obligations consisted of the following:

	December 26, 2025	March 28, 2025
Term Loan Facility	\$ 285,000	\$ 345,000
Unamortized debt issuance costs	(4,341)	(6,071)
Total loans outstanding	280,659	338,929
Finance lease liabilities	7,055	7,197
Total debt	287,714	346,126
Current portion of long-term debt and finance lease liabilities	(1,556)	(1,423)
Total long-term debt and finance lease liabilities, less current portion	\$ 286,158	\$ 344,703

Revolving Credit Facility under the 2023 Revolving Credit Agreement

On June 21, 2023, the Company entered into a Credit Agreement dated as of June 21, 2023 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "2023 Revolving Credit Agreement") by and among the Company, Allegro MicroSystems, LLC ("AML"), lending institutions from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as the administrative agent and the collateral agent, that provided for a \$224,000 revolving credit facility, which included a \$20,000 letter of credit subfacility. On August 6, 2024, upon entry into Amendment No. 2 (the "Second Amendment") to the 2023 Revolving Credit Agreement, the total capacity of the revolving credit facility was increased to \$256,000, and the Second Amendment also provided for a new \$400,000 tranche of term loans maturing in 2030 (the "2024 Term Loans"), which were paid in full in connection with entry into the Third Amendment (as defined below). The revolving credit facility is available until, and loans made thereunder will mature on, June 21, 2028. Under the terms of the 2023 Revolving Credit Agreement, interest is calculated at a rate equal to (i) Term SOFR (as defined in the 2023 Revolving Credit Agreement) in effect, plus the applicable spread (ranging from 1.50% to 1.75%) or (ii) the highest of (x) the Federal funds rate, as published by the Federal Reserve Bank of New York, plus 0.50%, (y) the prime lending rate, or (z) the one-month Term SOFR plus 1.00% in effect, plus the applicable spread (ranging from 0.50% to 0.75%). The applicable spreads are based on the Company's Total Net Leverage Ratio (as defined in the 2023 Revolving Credit Agreement) at the time of the applicable borrowing. Issuance costs related to the revolving credit facility were not significant. As of December 26, 2025, there were no outstanding borrowings under the revolving credit facility.

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Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

The Company will also pay a quarterly commitment fee of 0.20% to 0.25% on the daily amount by which the commitments under the revolving credit facility exceed the outstanding loans and letters of credit under the revolving credit facility. The 2023 Revolving Credit Agreement contains certain covenants applicable to the Company and its subsidiaries, including limitations on additional indebtedness, liens, various fundamental changes, dividends and distributions, investments (including acquisitions), transactions with affiliates, asset sales, prepayment of junior financing, changes in business and other limitations customary in senior secured credit facilities. In addition, the Company is required to maintain a Total Net Leverage Ratio of no more than 4.00 to 1.00 at the end of each fiscal quarter, which may, subject to certain limitations, be increased to 4.50 to 1.00 for four fiscal quarters subsequent to the Company completing an acquisition for consideration in excess of \$500,000.

The 2023 Revolving Credit Agreement provides for customary events of default. Upon an event of default, the administrative agent with the consent of, or at the request of, the holders of more than 50% in principal amount of the loans and commitments, may terminate the commitments and accelerate the maturity of the loans and enforce certain other remedies.

The Company was in compliance with the revolving credit facility covenants as of December 26, 2025.

Refinancing and Repricing of Term Loans

On February 6, 2025, the Company entered into Amendment No. 3 (the “Third Amendment”) to the 2023 Revolving Credit Agreement. The Third Amendment provided for a new \$375,000 tranche of term loans maturing in 2030 (the “2025 Refinanced Loans”), the proceeds of which were used, in relevant part, to (i) refinance all outstanding borrowing under the 2024 Term Loans, (ii) pay fees and expenses in connection with the foregoing and (iii) for general corporate purposes. The 2025 Refinanced Loans amortized at a rate of 0.00% per annum. The 2025 Refinanced Loans bore interest, at the Company’s option, at a rate equal to (i) Term SOFR (as defined in the 2023 Revolving Credit Agreement) in effect from time to time plus 2.00% or (ii) the highest of (x) the Federal funds rate, as published by the Federal Reserve Bank of New York, plus 0.50%, (y) the prime lending rate or (z) the one-month Term SOFR plus 1.00% in effect from time to time plus 1.00%. The 2025 Refinanced Loans will mature on October 31, 2030. The Company incurred costs of \$1,090 in connection with the Third Amendment.

Payments of \$25,000, \$10,000, and \$25,000 were applied to the outstanding balance of the 2025 Refinanced Loans on April 30, 2025, May 30, 2025 and July 31, 2025, respectively.

The Company was in compliance with its debt covenants as of December 26, 2025.

Subsequent to quarter end, on January 21, 2026, the Company entered into Amendment No. 4 (the “Fourth Amendment”) to the 2023 Revolving Credit Agreement. The Fourth Amendment provided for a new \$285,000 tranche of term loans maturing in October 2030 (the “2026 Refinanced Loans”), the proceeds of which were used, in relevant part, to refinance all outstanding borrowing under the 2025 Refinanced Loans. The 2026 Refinanced Loans amortize at a rate of 0.00% per annum. The 2026 Refinanced Loans bear interest, at the Company’s option, at a rate equal to (i) Term SOFR in effect from time to time plus 1.75% or (ii) the highest of (x) the Federal funds rate, as published by the Federal Reserve Bank of New York, plus 0.50%, (y) the prime lending rate or (z) the one-month Term SOFR plus 1.00% in effect from time to time plus 0.75%. The 2026 Refinanced Loans will mature on October 31, 2030.

10. Commitments and Contingencies

Legal proceedings

The Company is subject to various legal proceedings, claims, and regulatory examinations or investigations arising in the normal course of business, the outcomes of which are subject to significant uncertainty, and the Company’s ultimate liability, if any, is difficult to predict. The Company records an accrual for legal contingencies when it is determined that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the ability to make a reasonable estimate of the loss. If the occurrence of liability is probable and estimable, the Company will disclose the nature of the contingency and will provide the likely amount of such loss or range of loss. The Company is not aware of any pending or threatened legal proceeding against the Company that it believes could have a material adverse effect on the Company’s business, operating results, cash flows or financial condition.

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

11. Net Income (Loss) per Share

The following table sets forth the basic and diluted net income (loss) attributable to Allegro MicroSystems, Inc. per share:

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Net income (loss) attributable to Allegro MicroSystems, Inc.	\$ 8,299	\$ (6,860)	\$ 1,591	\$ (58,210)
Basic weighted average common shares	185,172,199	184,011,189	184,944,427	188,886,583
Dilutive effect of common stock equivalents	1,036,059	—	1,054,174	—
Diluted weighted average common shares	186,208,258	184,011,189	185,998,601	188,886,583
Basic net income (loss) per common share attributable to Allegro MicroSystems, Inc. stockholders	\$ 0.04	\$ (0.04)	\$ 0.01	\$ (0.31)
Diluted net income (loss) per common share attributable to Allegro MicroSystems, Inc. stockholders	\$ 0.04	\$ (0.04)	\$ 0.01	\$ (0.31)

The computed net income (loss) per share for the three- and nine-month periods ended December 26, 2025 and December 27, 2024 does not assume conversion of securities that would have an antidilutive effect on net income (loss) per share. The following represents contingently issuable shares under the restricted stock units (“RSUs”) and performance-based restricted stock units (“PSUs”) excluded from the computation of net income (loss) per share, as such securities would have an antidilutive effect on net income (loss) per share if the Company had reported net income for those periods:

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
RSUs	71,765	1,844,336	12,018	1,410,165
PSUs	430	582,200	—	458,054

The following table represents issued and issuable weighted average share information underlying our outstanding RSUs and PSUs for the three- and nine-month periods ended December 26, 2025 and December 27, 2024.

	Three-Month Period Ended December 26, 2025	Nine-Month Period Ended December 26, 2025
RSUs	813,704	767,603
PSUs	222,355	286,571
Total	1,036,059	1,054,174

12. Common Stock and Stock-Based Compensation

Restricted Stock Units

The following table summarizes the Company’s RSU activity for the nine-month period ended December 26, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at March 28, 2025	2,330,344	\$ 28.88
Granted	2,043,260	27.10
Issued	(984,603)	28.66
Forfeited	(173,368)	28.07
Outstanding at December 26, 2025	3,215,633	\$ 27.86

As of December 26, 2025, total unrecognized compensation expense for awards issued was \$62,901, which is expected to be recognized over a weighted-average period of 2.02 years. The total grant date fair value of RSUs vested was \$28,215 for the nine-month period ended December 26, 2025.

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Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

Performance Stock Units

The following table summarizes the Company's PSU activity for the nine-month period ended December 26, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at March 28, 2025	2,145,781	\$ 24.86
Granted	538,943	28.89
Cancelled	(153,650)	24.32
Issued	(231,653)	27.80
Forfeited	(955,363)	22.52
Outstanding at December 26, 2025	1,344,058	\$ 27.69

PSUs are included at 0% - 200% of target goals. The total compensation cost related to unvested awards not yet recorded at December 26, 2025 was \$17,038, which is expected to be recognized over a weighted-average period of 2.05 years. The total grant date fair value of PSUs vested was \$6,439 for the nine-month period ended December 26, 2025.

The Company recorded pre-tax stock-based compensation expense in the following expense categories of its condensed consolidated statements of operations:

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Cost of goods sold	\$ 1,017	\$ 802	\$ 2,922	\$ 2,180
Research and development	3,596	3,960	11,414	11,218
Selling, general and administrative	8,207	5,826	22,927	18,853
Total pre-tax stock-based compensation expense	\$ 12,820	\$ 10,588	\$ 37,263	\$ 32,251

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Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
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13. Income Taxes

The Company recorded the following income tax benefit in its condensed consolidated statements of operations:

	Three-Month Period Ended		Nine-Month Period Ended	
	December 26, 2025	December 27, 2024	December 26, 2025	December 27, 2024
Income tax benefit	\$ (7,868)	\$ (803)	\$ (13,997)	\$ (9,233)
Effective tax rate	(1,592.7)%	10.6%	114.6%	13.7%

The Company's income tax benefit is comprised of the year-to-date taxes based on an estimate of the annual effective tax rate plus the tax impact of discrete items.

The Company is subject to tax in the U.S. and various foreign jurisdictions. The Company's effective income tax rate fluctuates primarily because of the change in the mix of its U.S. and foreign income, the impact of discrete transactions and law changes, tax benefits generated by the foreign derived intangible income deduction ("FDII"), including the permanent impacts of capitalized domestic and foreign research expenses, and research credits; offset by non-deductible stock-based compensation and other charges.

In 2017, the Tax Cuts and Jobs Act ("TCJA") introduced significant U.S. corporate tax reform to the U.S. Internal Revenue Code (the "Code"), including a requirement to capitalize domestic and foreign research and development expenditures incurred in fiscal years 2023 through 2025. The capitalized amounts were required to be amortized over five and 15 years, respectively. On July 4, 2025, the One Big Beautiful Bill Act ("OBBA") was enacted into law, and in general, it extended and modified many of the TCJA provisions of the Code. Specifically, the OBBA provided options to taxpayers such as (i) restoring the ability to immediately expense domestic research and development expenditures ("R&D"), (ii) providing a one-time election to accelerate the deduction of previously capitalized domestic R&D over a two-tax year period ("Accelerated R&D Amortization Election"), (iii) reinstating Section 59(e) of the Code to allow domestic R&D to be capitalized and amortized over 10 years, and (iv) updating Section 280(c) of the Code, which reduces the benefit of the Section 41 R&D Credit. The OBBA changes, especially the Accelerated R&D Amortization Election, result in a current year reduction of the U.S. cash taxes, FDII deduction, and R&D credit benefits. The Company continues to evaluate the tax impact of the various OBBA provisions, elections, and forthcoming guidance.

The change in the effective tax rates for the three- and nine-month periods, primarily results from a decrease in GAAP loss before taxes and the OBBA tax impacts described above.

14. Restructuring

In January 2025, management committed to a plan that included repositioning to high growth and lower cost regions and further consolidation of leased facilities in an effort to optimize its cost structure. The Company incurred \$754 and \$2,328 of severance and other related restructuring costs, net of non-cash adjustments, associated with this restructuring during the three- and nine-month periods ended December 26, 2025, respectively, bringing cumulative costs to \$8,088. The Company made immaterial cash payments in the three- and nine-month periods ended December 26, 2025. The Company's accrual for severance and other employee-related benefits amounted to \$134 at December 26, 2025 and is reported in accrued expenses and other current liabilities in the Company's condensed consolidated balance sheets. The restructuring is materially complete and the Company does not expect to incur additional material charges.

In June 2025, the Company further consolidated leased facilities and optimized its cost structure through repositioning its workforce to high growth markets and rebalancing its workforce to lower cost markets, incurring \$3,132 and \$6,278 of charges associated with the additional restructuring activities during the three- and nine-month periods ended December 26, 2025, respectively. The Company made immaterial cash payments in the three- and nine-month periods ended December 26, 2025. The Company's accrual for severance and other employee-related benefits amounted to \$939 at December 26, 2025 and is reported in accrued expenses and other current liabilities in the Company's condensed consolidated balance sheets. The Company currently estimates future charges for this restructuring of approximately \$4,200, primarily related to severance and other employee-related benefits as well as charges related to real estate actions. The Company expects the incremental restructuring to be materially complete by the end of fiscal year 2026.

ALLEGRO MICROSYSTEMS, INC.
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(Amounts in thousands, except share and per share amounts)

15. Related Party Transactions

Share repurchase transactions with Sanken Electric Co., Ltd. (“Sanken”)

On July 23, 2024, the Company entered into a share repurchase agreement with Sanken (the “Share Repurchase Agreement”) pursuant to which the Company agreed to repurchase 38,767,315 shares of the Company’s common stock from Sanken in a privately negotiated transaction at a price per share equal to the price per share at which the underwriters in a public underwritten equity offering of shares of our common stock would purchase the shares (the “Equity Offering”). The repurchase of shares of common stock occurred in two separate closings, with the first closing taking place after the closing of the Equity Offering (the “First Closing”) and the second closing occurring after the receipt of the proceeds from borrowings under the 2024 Term Loans (the “Second Closing”). The First Closing of the share repurchase was conditioned upon the closing of the Equity Offering and certain other conditions, and the Second Closing of the share repurchase was conditioned upon the receipt of net proceeds of no less than \$300,000 from the 2024 Term Loans. Pursuant to the terms of the Share Repurchase Agreement, Sanken reimbursed the Company for the expenses incurred by the Company in connection with the transactions contemplated by the Share Repurchase Agreement, and paid a facilitation fee of \$35,000, which was recorded within additional paid-in-capital with the consolidated statements of changes in equity.

To fund the First Closing, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with Barclays Capital Inc. and Morgan Stanley & Co. LLC, as representatives of the several underwriters (the “Underwriters”), on July 24, 2024, pursuant to which the Company agreed to sell 25,000,000 shares of the Company’s common stock to the Underwriters at a price of \$23.16 per share. Under the terms of the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to an additional 3,750,000 shares of the Company’s common stock at the same purchase price, which option was exercised in full prior to the closing of the Equity Offering.

On July 26, 2024, the Company completed the Equity Offering pursuant to the Underwriting Agreement of 28,750,000 shares of its common stock at a public offering price of \$24.00 per share, resulting in net proceeds to the Company of approximately \$665,850, after deducting \$24,150 of underwriting discounts. As described above, the Company used the net proceeds of the Equity Offering to complete the First Closing under the Share Repurchase Agreement.

On July 29, 2024, the Company completed the First Closing under the Share Repurchase Agreement, repurchasing 28,750,000 shares of the Company’s common stock for aggregate consideration of \$628,256, which was the Equity Offering price, less the facilitation fee of \$35,000, underwriting discounts, and reimbursable transaction expenses. The shares repurchased in the First Closing were retired.

On August 7, 2024, the Company completed the Second Closing under the Share Repurchase Agreement, repurchasing 10,017,315 shares of the Company’s common stock for aggregate cash consideration of \$225,549, which was the Equity Offering price, less underwriting discounts and reimbursable transaction expenses. As described above, the Company used a portion of the proceeds from the 2024 Term Loans and existing cash on hand to complete the Second Closing. The shares repurchased in the Second Closing were also retired.

The Share Repurchase Agreement was accounted for as a forward repurchase contract as there were certain terms that could have caused the obligation not to be fulfilled. Accordingly, the contract was initially recorded as a liability at its fair value with subsequent remeasurements recognized in loss on change in fair value of forward repurchase contract until the completion of the First Closing and Second Closing. The Company recognized a loss of \$34,752 as a result of the fair value forward repurchase contract in the condensed consolidated statements of operations.

In connection with the Share Repurchase Agreement, the Company entered into a Second Amended and Restated Stockholders Agreement with Sanken (the “Second Amended and Restated Stockholders Agreement”), which amended and restated the Amended and Restated Stockholders Agreement, dated as of June 16, 2022, by and among the Company, Sanken and OEP SKNA, L.P. (“OEP”). The Second Amended and Restated Stockholders Agreement, which became effective in accordance with its terms on July 29, 2024, removed OEP as a party and amended certain rights and obligations of the Company and Sanken.

Other transactions involving Sanken

Although certain costs were shared or allocated, cost of goods sold and gross margins attributable to related party sales were consistent with those of third-party customers. There were no trade accounts receivables, net, from Sanken as of December 26, 2025 or March 28, 2025. There were no other accounts receivable from Sanken as of December 26, 2025 and March 28, 2025, respectively.

As of December 26, 2025, Sanken held approximately 32.2% of the Company’s outstanding shares of common stock.

ALLEGRO MICROSYSTEMS, INC.
Notes to Unaudited Condensed Consolidated Financial Statements – (continued)
(Amounts in thousands, except share and per share amounts)

Sanken Distribution Agreement

On March 30, 2023, the Company entered into a termination of the distribution agreement with Sanken (the “Termination Agreement”). The Termination Agreement formally terminated the distribution agreement dated as of July 5, 2007, by and between the Company and Sanken (the “Distribution Agreement”), effective March 31, 2023. In connection with the termination of the Distribution Agreement, and, as provided for in the Termination Agreement, the Company made a one-time payment of \$5,000 to Sanken in exchange for the cancellation of Sanken’s exclusive distribution rights in Japan. Concurrent with the Termination Agreement, AML and Sanken also entered into a short-term, non-exclusive distribution agreement (as amended, the “Short-Term Distribution Agreement”) and a consulting agreement (the “Consulting Agreement”), each of which was effective April 1, 2023. In addition, the Company allowed a one-time sales return from Sanken of resalable inventory of \$4,200. The Short-Term Distribution Agreement provided for the management and sale of Company product inventory for a period of 24 months from April 1, 2023. Under the terms of the Consulting Agreement, Sanken agreed to continue to provide transition services for a period of six months from April 1, 2023 to a strategic customer as orders for the customer were transitioned from Sanken to the Company, and the Company agreed to pay Sanken for providing these transition services.

On March 31, 2025, the Company and Sanken entered into an amendment to the Short-Term Distribution Agreement to extend the term by 12 months. No payments were made by the Company to Sanken under the Short-Term Distribution Agreement or the Consulting Agreement in the three- or nine-month periods ended December 26, 2025.

Transactions involving Polar Semiconductor, LLC (“PSL”)

On April 25, 2024, the Company, Sanken, PSL and PS Investment Aggregator, L.P. (“Subscriber”) entered into a Sale and Subscription Agreement (the “PSL Agreement”), pursuant to which Subscriber and certain of its affiliates agreed to make capital contributions to PSL of \$175,000 in exchange for an equity interest in PSL, which closed on September 20, 2024 (the “PSL Closing”). As contemplated by the PSL Agreement, the Company agreed to discharge all outstanding promissory notes from PSL held by the Company for a value of \$10,350 in exchange for PSL equity interests. Following the PSL Closing, the Company owned and continues to own approximately 10.2% of PSL.

At the PSL Closing, the Company, Sanken and Subscriber entered into an amended and restated limited partnership agreement (the “Limited Partnership Agreement”) with Polar Semiconductor GP I, LLC. The Limited Partnership Agreement contains representations, warranties and covenants of the parties customary for a transaction of this type, the reimbursement of expenses and costs, and restrictions on transfers.

Other transactions involving PSL

The Company purchases in-process products from PSL. Purchases of various products from PSL totaled \$12,408 and \$29,802 for the three- and nine-month periods ended December 26, 2025, respectively, and \$11,533 and \$40,867 for the three- and nine-month periods ended December 27, 2024, respectively. Accounts payable to PSL included in amounts due to related party, net totaled \$4,749 and \$6,535 as of December 26, 2025 and March 28, 2025, respectively.

The Company recorded a net loss of \$3,564 and \$6,717 for the three- and nine-month periods ended December 26, 2025, respectively, and net income of \$728 and \$395 for the three- and nine-month periods ended December 27, 2024, respectively, related to the Company’s partnership investment in PSL.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes and other information included elsewhere in this Quarterly Report, as well as the audited financial statements and the related notes thereto, and the discussion under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included in our Annual Report on Form 10-K for the fiscal year ended March 28, 2025, filed with the SEC on May 22, 2025 (the "2025 Annual Report").

In addition to historical data, this discussion contains forward-looking statements about our business, results of operations, cash flows, financial condition and prospects based on current expectations that involve risks, uncertainties and assumptions. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed in the section titled "Forward-Looking Statements" and in Part I, Item 1A. "Risk Factors" of our 2025 Annual Report, and Part II, Item 1A. "Risk Factors" of this Quarterly Report. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

We operate on a 52- or 53-week fiscal year ending on the last Friday of March. Each fiscal quarter has 13 weeks, except in a 53-week year, when the fourth fiscal quarter has 14 weeks. All references to the three- and nine-month periods ended December 26, 2025 and December 27, 2024 relate to the 13- and 39-week periods ended December 26, 2025 and December 27, 2024, respectively. All references to "2026," "fiscal year 2026" or similar references relate to the 52-week period ending March 27, 2026. All references to "2025," "fiscal year 2025" or similar references relate to the 52-week period ended March 28, 2025.

Overview

We are a leading global designer, developer, fabless manufacturer and marketer of sensor integrated circuits ("ICs") and application-specific power ICs enabling the most important emerging technologies in the automotive and industrial markets. With the broadest portfolio of magnetic sensor IC solutions available, underpinned by our strong position in the automotive market, we are the leading magnetic sensor supplier worldwide based on market share. Our products are foundational to automotive and industrial electronic systems. Our sensor ICs enable our customers to precisely measure motion, speed, position and current, while our power ICs include high-temperature and high-voltage capable motor drivers, power management ICs, light emitting diode driver ICs and isolated gate drivers. We believe that our technology expertise, combined with our deep applications knowledge and strong customer relationships, enable us to develop solutions that provide more value to customers than typical ICs. Compared to a typical IC, our solutions are more integrated, intelligent and sophisticated for complex applications and easier for customers to use.

We are headquartered in Manchester, New Hampshire and have a global footprint across multiple continents. Our portfolio includes more than 1,500 products, and we ship over 1.5 billion units annually to more than 10,000 customers worldwide. During the three- and nine-month periods ended December 26, 2025, we generated \$229.2 million and \$646.9 million in total net sales, respectively, with \$8.4 million and \$1.8 million in net income, respectively. During the three- and nine-month periods ended December 27, 2024, we generated \$177.9 million and \$532.2 million in total net sales, respectively, with \$6.8 million and \$58.0 million in net losses, respectively.

Business Updates

On January 21, 2026, we entered into Amendment No. 4 (the "Fourth Amendment") to the Credit Agreement dated as of June 21, 2023 (as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time, the "2023 Revolving Credit Agreement") by and among the Company, Allegro MicroSystems, LLC ("AML"), lending institutions from time to time party thereto, and Morgan Stanley Senior Funding, Inc., as the administrative agent and the collateral agent. The Fourth Amendment provided for a new \$285,000 tranche of term loans maturing in October 2030 (the "2026 Refinanced Loans"), the proceeds of which were used, in relevant part, to refinance all outstanding borrowing under the 2025 Refinanced Loans (as defined in Note 9, "Debt and Other Borrowings" to the unaudited condensed consolidated financial statements included in this Quarterly Report). The 2026 Refinanced Loans amortize at a rate of 0.00% per annum. The 2026 Refinanced Loans bear interest, at our option, at a rate equal to (i) Term SOFR in effect from time to time plus 1.75% or (ii) the highest of (x) the Federal funds rate, as published by the Federal Reserve Bank of New York, plus 0.50%, (y) the prime lending rate or (z) the one-month Term SOFR plus 1.00% in effect from time to time plus 0.75%. The 2026 Refinanced Loans will mature on October 31, 2030.

Other Key Factors and Trends Affecting Our Operating Results

Our financial condition and results of operations have been, and will continue to be, affected by numerous other factors and trends, including the following:

Inflation

Although inflation has moderated in recent periods, inflation rates in the markets in which we operate have increased and may continue to rise as a result of cost increases attributable to global tariff policies. Inflation in recent quarters has led us to experience higher costs, including higher labor costs, wafer and other costs for materials from suppliers, and transportation and energy costs. Our suppliers have raised their prices and may continue to raise prices, and in the competitive markets in which we operate, we may not be able to make corresponding price increases to preserve our gross margins and profitability. If inflation rates continue to rise or remain elevated for a sustained period of time, they could have a material adverse effect on our business, financial condition, results of operations and liquidity. While we have attempted to offset increases in these costs through various productivity and cost reduction initiatives, as well as adjusting our selling prices and releasing new products with improved gross margins, our ability to increase our average selling prices depends on market conditions and competitive dynamics. Given the timing of our actions compared to the timing of these inflationary pressures, there may be periods during which we are unable to fully recover the increases in our costs.

Design Wins with New and Existing Customers

Our end customers continually develop new products in existing and new application areas, and we work closely with our significant original equipment manufacturer customers in most of our target markets to understand their product roadmaps and strategies. For new products, the time from design initiation and manufacturing until we generate sales can be lengthy, typically between two and four years. As a result, our future sales are highly dependent on our continued success at winning design mandates from our customers. Further, because we expect the average sales prices (“ASPs”) of our products to decline over time, we consider design wins to be critical to our future success as they help mitigate declines in ASPs. We anticipate being increasingly dependent on revenue from newer design wins for our newer products. The selection process is typically lengthy and may require us to incur significant design and development expenditures in pursuit of a design win, with no assurance that our solutions will be selected. As a result, the loss of any key design win or any significant delay in the ramp-up of volume production of a customer’s products into which our product is designed could adversely affect our business. In addition, volume production is contingent upon the successful introduction and market acceptance of our customers’ end products, which may be affected by several factors beyond our control.

Customer Demand, Orders and Forecasts

Demand for our products is highly dependent on market conditions in the end markets in which our customers operate, which are generally subject to seasonality, cyclicalities, tariffs and other pricing increases and competitive conditions. In addition, a substantial portion of our total net sales is derived from sales to customers that purchase large volumes of our products. These customers generally provide periodic forecasts of their requirements. However, these forecasts do not commit such customers to minimum purchases, and customers can revise these forecasts without penalty. In addition, as is customary in the semiconductor industry, customers are generally permitted to cancel orders for our products within a specified period. Cancellations of orders could result in the loss of anticipated sales without allowing us sufficient time to reduce our inventory and operating expenses. In addition, changes in forecasts or the timing of orders from customers expose us to the risks of inventory shortages or excess inventory. We are currently operating in an inflationary environment for our products as a result of global tariff policies, which also have the potential to reduce end market demand in certain markets. We believe that we are emerging from an extended period in which we and other semiconductor companies experienced a downturn in market demand, primarily driven by reduced demand from customers across various markets and digestion of excess accumulated inventory. In addition, factors that cause a reduction in demand from the end users of our OEMs’ or other customers’ products, including as a result of increased prices resulting from global trade policies, tariffs or a recessionary environment in the markets in which we operate, may in the future continue to cause our direct customers to significantly reduce the number of products ordered from us.

Manufacturing Costs and Product Mix

Gross margin has been, and will continue to be, affected by a variety of factors, including the ASPs of our products, product mix in a given period, material costs, yields, manufacturing costs and efficiencies. We believe the primary driver of gross margin is the ASP negotiated between us and our customers relative to material costs and yields. Our pricing and margins depend on the volumes and the features of the products we produce and sell to our customers. As our products mature and unit volumes increase, we expect their ASPs to decline in the long term. We continually monitor and work to reduce the cost of our products and improve the potential value our solutions provide to our customers, as we target new design win opportunities and manage the product life cycles of our existing customer designs. We also maintain a close relationship with our suppliers and subcontractors to improve quality, increase yields and lower manufacturing costs. As a result, these declines often coincide with improvements in manufacturing yields and lower wafer, assembly, and testing costs, which offset some or all of the margin reduction that results from declining ASPs. However, we expect our gross margin to fluctuate on a quarterly basis as a result of changes in ASPs due to product mix, new product introductions, transitions into volume manufacturing and manufacturing costs. Gross margin generally decreases if production volumes are lower as a result of decreased demand as it did throughout fiscal year 2025, which leads to a reduced absorption of our fixed manufacturing costs. Gross margin generally increases when the opposite occurs.

Cyclical Nature of the Semiconductor Industry

The semiconductor industry has historically been highly cyclical and is characterized by increasingly rapid technological change, product obsolescence, competitive pricing pressures, evolving standards, short product life cycles in consumer and other rapidly changing markets and fluctuations in product supply and demand. New technology may result in sudden changes in system designs or platform changes that may render some of our products obsolete and require us to devote significant research and development resources to compete effectively. Periods of rapid growth and capacity expansion are occasionally followed by significant market corrections in which sales decline, inventories accumulate, and facilities go underutilized. During periods of expansion, our margins generally improve as fixed costs are spread over higher manufacturing volumes and unit sales. In addition, we may build inventory to meet increasing market demand for our products during these times, which serves to absorb fixed costs further and increase our gross margins. During an expansion cycle, we may increase capital spending and hiring to add to our production capacity. During periods of slower growth or industry contractions, our sales, production and productivity and margins generally decline.

Results of Operations

Three-Month Period Ended December 26, 2025 Compared to Three-Month Period Ended December 27, 2024

The following table summarizes our results of operations and our results of operations as a percentage of total net sales for the three-month periods ended December 26, 2025 and December 27, 2024.

	Three-Month Period Ended		Three-Month Period Ended		Change	
	December 26, 2025	As a % of Net Sales	December 27, 2024	As a % of Net Sales	\$	%*
(Dollars in thousands)						
Total net sales	\$ 229,210	100.0%	\$ 177,872	100.0%	\$ 51,338	28.9%
Cost of goods sold	122,109	53.3%	96,657	54.3%	25,452	26.3%
Gross profit	107,101	46.7%	81,215	45.7%	25,886	31.9%
Operating expenses:						
Research and development	52,878	23.1%	43,317	24.4%	9,561	22.1%
Selling, general and administrative	44,649	19.5%	37,939	21.3%	6,710	17.7%
Total operating expenses	97,527	42.5%	81,256	45.7%	16,271	20.0%
Operating income (loss)	9,574	4.2%	(41)	(0.0)%	9,615	NM
Other (expense) income:						
Interest expense	(4,910)	(2.1)%	(7,762)	(4.4)%	2,852	(36.7)%
Interest income	114	0.0%	388	0.2%	(274)	(70.6)%
Other expense, net	(4,284)	(1.9)%	(187)	(0.1)%	(4,097)	NM
Income (loss) before income taxes	494	0.2%	(7,602)	(4.3)%	8,096	(106.5)%
Income tax benefit	(7,868)	(3.4)%	(803)	(0.5)%	(7,065)	879.8%
Net income (loss)	8,362	3.6%	(6,799)	(3.8)%	15,161	(223.0)%
Net income attributable to non-controlling interests	63	0.0%	61	0.0%	2	3.3%
Net income (loss) attributable to Allegro MicroSystems, Inc.	\$ 8,299	3.6%	\$ (6,860)	(3.9)%	\$ 15,159	(221.0)%

*NM = Not meaningful

Total net sales

Total net sales increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024. The increase was primarily driven by e-Mobility products, which includes our advanced driver assistance systems (“ADAS”) and components for electrified and hybrid vehicles (“xEV”), data center applications, internal combustion engine products, and industrial automation and robotics products, partially offset by a decrease in broad-based industrial products and personal and industrial transport products.

Sales trends by market

In the fourth quarter of fiscal year 2025 during the preparation of the consolidated financial statements, the Company identified an immaterial misclassification of net sales by market, whereby customer returns and sales allowances were incorrectly classified by market between Automotive and Industrial and Other in prior periods. There was no impact to previously reported total net sales or net loss in any of the periods.

The Company assessed the materiality of the revision qualitatively and quantitatively and determined the revisions to be immaterial to the prior period interim fiscal year 2025 condensed consolidated financial statements. All prior period amounts have been revised in the table below.

The following table summarizes total net sales by market. The categorization of net sales by market is based on the characteristics of the end product and application into which our product will be designed.

	Three-Month Period Ended		Change	
	December 26, 2025	December 27, 2024	Amount	%
(Dollars in thousands)				
Automotive	\$ 164,543	\$ 128,637	\$ 35,906	27.9%
Industrial and Other	64,667	49,235	15,432	31.3%
Total net sales	\$ 229,210	\$ 177,872	\$ 51,338	28.9%

Automotive net sales increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to growth in e-Mobility products and internal combustion engine products.

Industrial and Other net sales increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to increases in demand for data center applications and industrial automation and robotics products, partially offset by a decrease in broad-based industrial products and personal and industrial transport products.

Sales trends by product

The following table summarizes net sales by product.

	Three-Month Period Ended		Change	
	December 26, 2025	December 27, 2024	Amount	%
	(Dollars in thousands)			
Magnetic sensors ("MS")	\$ 137,771	\$ 113,842	\$ 23,929	21.0%
Power integrated circuits ("PIC")	91,439	64,030	27,409	42.8%
Total net sales	\$ 229,210	\$ 177,872	\$ 51,338	28.9%

The increase in PIC sales was primarily driven by an increase in demand for our motor and high performance power products. The increase in MS sales was primarily due to an increase in demand for our current and isolator products, as well as our magnetic speed and position sensors.

Sales trends by geographic location

The following table summarizes net sales by geographic location based on ship-to location.

	Three-Month Period Ended		Change	
	December 26, 2025	December 27, 2024	Amount	%
	(Dollars in thousands)			
Americas:				
United States	\$ 21,847	\$ 19,229	\$ 2,618	13.6%
Other Americas	11,164	5,899	5,265	89.3%
EMEA:				
Europe	25,948	27,296	(1,348)	(4.9)%
Asia:				
Greater China	68,461	50,378	18,083	35.9%
Japan	39,865	36,812	3,053	8.3%
South Korea	19,954	17,152	2,802	16.3%
Other Asia	41,971	21,106	20,865	98.9%
Total net sales	\$ 229,210	\$ 177,872	\$ 51,338	28.9%

Other Asia net sales increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, in both Automotive and Industrial and Other applications, primarily in data center applications, partially offset by declines in broad-based industrial products. Greater China net sales increased primarily driven by an increase in ADAS and xEV components. Other Americas net sales increased in both Automotive and Industrial and Other applications, primarily in ADAS. Japan net sales increased in Automotive applications, primarily in xEV components, partially offset with a decrease in personal and industrial transport products. South Korea net sales increased primarily in internal combustion engine products. United States net sales increased in Automotive applications, primarily in internal combustion engine products, partially offset by declines in broad-based industrial products.

Cost of goods sold

Cost of goods sold increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to higher production volume in support of higher product sales.

Cost of goods sold as a percentage of our total net sales was 53.3% and 54.3% for the three-month periods ended December 26, 2025 and December 27, 2024, respectively. The decrease was primarily due to the increase in net sales.

Gross profit and gross margin

Gross profit increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to the increase in net sales and a change in product mix.

Gross margin was 46.7% and 45.7% for the three-month periods ended December 26, 2025 and December 27, 2024, respectively. The increase was primarily due to the increase in net sales and a change in product mix.

Research and development expenses

Research and development (“R&D”) expenses increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to the increase in personnel costs, including the projected funding of the annual incentive program.

R&D expenses as a percentage of our total net sales was 23.1% and 24.4% for the three-month periods ended December 26, 2025 and December 27, 2024, respectively. The decrease as a percentage of total net sales was primarily due to the increase in net sales, partially offset by the increase in the projected funding of the annual incentive program.

Selling, general and administrative expenses

Selling, general and administrative (“SG&A”) expenses increased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to an increase in personnel costs, including the projected funding of the annual incentive program.

SG&A expenses as a percentage of our total net sales was 19.5% and 21.3% in the three-month periods ended December 26, 2025 and December 27, 2024, respectively. The decrease as a percentage of total net sales was primarily due to the increase in net sales, partially offset by an increase in the projected funding of the annual incentive program.

Interest expense

Interest expense decreased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024. The decrease is due to the voluntary payments applied to the outstanding balance of the 2025 Refinanced Loans.

Interest income

Interest income decreased in the three-month period ended December 26, 2025 compared to the three-month period ended December 27, 2024, primarily due to lower cash and cash equivalents balances.

Other expense, net

The foreign currency loss recorded in the three-month period ended December 26, 2025 was primarily due to the U.S. Dollar impact on transactions in the Philippines. The foreign currency loss recorded in the three-month period ended December 27, 2024 was primarily due to realized and unrealized losses from our Philippine location.

We recorded a net loss of \$3.6 million related to our equity investment in Polar Semiconductor, LLC (“PSL”) in the three-month period ended December 26, 2025.

Income tax benefit

Income tax benefit and the effective income tax rate were approximately \$7.9 million and (1,592.7)%, respectively, in the three-month period ended December 26, 2025, compared to income tax benefit and effective income tax rate of approximately \$0.8 million and 10.6%, respectively, in the three-month period ended December 27, 2024. The change in the effective tax rate for the three-month period ended December 26, 2025, compared to the three-month period ended December 27, 2024 primarily resulted from a decrease in GAAP loss before taxes and the One Big Beautiful Bill Act (“OBBA”) impacts described in Note 13, “Income Taxes” to the unaudited condensed consolidated financial statements included in this Quarterly Report.

Nine-Month Period Ended December 26, 2025 Compared to Nine-Month Period Ended December 27, 2024

The following table summarizes our results of operations and our results of operations as a percentage of total net sales for the nine-month periods ended December 26, 2025 and December 27, 2024.

	Nine-Month Period Ended		Nine-Month Period Ended		Change	
	December 26, 2025	As a % of Net Sales	December 27, 2024	As a % of Net Sales	\$	%
(Dollars in thousands)						
Total net sales	\$ 646,909	100.0%	\$ 532,182	100.0%	\$ 114,727	21.6%
Cost of goods sold	349,214	54.0%	290,534	54.6%	58,680	20.2%
Gross profit	297,695	46.0%	241,648	45.4%	56,047	23.2%
Operating expenses:						
Research and development	150,269	23.2%	132,031	24.8%	18,238	13.8%
Selling, general and administrative	134,349	20.8%	116,221	21.8%	18,128	15.6%
Total operating expenses	284,618	44.0%	248,252	46.6%	36,366	14.6%
Operating income (loss)	13,077	2.0%	(6,604)	(1.2)%	19,681	(298.0)%
Other (expense) income:						
Interest expense	(16,999)	(2.6)%	(23,492)	(4.4)%	6,493	(27.6)%
Interest income	507	0.1%	1,302	0.2%	(795)	(61.1)%
Loss on change in fair value of forward repurchase contract	—	—%	(34,752)	(6.5)%	34,752	(100.0)%
Other expense, net	(8,799)	(1.4)%	(3,712)	(0.7)%	(5,087)	137.0%
Loss before income taxes	(12,214)	(1.9)%	(67,258)	(12.6)%	55,044	(81.8)%
Income tax benefit	(13,997)	(2.2)%	(9,233)	(1.7)%	(4,764)	51.6%
Net income (loss)	1,783	0.3%	(58,025)	(10.9)%	59,808	(103.1)%
Net income attributable to non-controlling interests	192	0.0%	185	0.0%	7	3.8%
Net income (loss) attributable to Allegro MicroSystems, Inc.	<u>\$ 1,591</u>	<u>0.2%</u>	<u>\$ (58,210)</u>	<u>(10.9)%</u>	<u>\$ 59,801</u>	<u>(102.7)%</u>

Total net sales

Total net sales increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024. The increase was primarily driven by e-Mobility products, which includes ADAS and xEV components, data center applications, medical applications, industrial automation and robotics and internal combustion engine products, partially offset by a decrease in consumer products, personal and industrial transport products and safety, comfort and convenience applications.

Sales trends by market

The following table summarizes total net sales by market. The categorization of net sales by market is based on the characteristics of the end product and application into which our product will be designed.

	Nine-Month Period Ended		Change	
	December 26, 2025	December 27, 2024	Amount	%
(Dollars in thousands)				
Automotive	\$ 464,652	\$ 395,711	\$ 68,941	17.4%
Industrial and Other	182,257	136,471	45,786	33.5%
Total net sales	<u>\$ 646,909</u>	<u>\$ 532,182</u>	<u>\$ 114,727</u>	<u>21.6%</u>

Automotive net sales increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to an increase in demand for e-Mobility products, which includes ADAS and xEV components, as well as our internal combustion engine products, partially offset by a decrease in safety, comfort and convenience applications.

Industrial and Other net sales increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to an increase in demand for data center applications, medical applications, and industrial automation and robotics, partially offset by a decrease in consumer products.

Sales trends by product

The following table summarizes net sales by product.

	Nine-Month Period Ended		Change	
	December 26, 2025	December 27, 2024	Amount	%
	(Dollars in thousands)			
MS	\$ 397,657	\$ 357,651	\$ 40,006	11.2%
PIC	249,252	174,531	74,721	42.8%
Total net sales	\$ 646,909	\$ 532,182	\$ 114,727	21.6%

The increase in PIC sales was primarily driven by an increase in demand for our motor and high performance power products. The increase in MS sales was primarily due to an increase in demand for our current and isolator products, magnetic speed sensors and our tunneling magnetoresistance sensor solutions.

Sales trends by geographic location

The following table summarizes net sales by geographic location based on ship-to location.

	Nine-Month Period Ended		Change	
	December 26, 2025	December 27, 2024	Amount	%
	(Dollars in thousands)			
Americas:				
United States	\$ 69,541	\$ 69,235	\$ 306	0.4%
Other Americas	32,263	17,549	14,714	83.8%
EMEA:				
Europe	84,626	81,482	3,144	3.9%
Asia:				
Greater China	187,910	131,233	56,677	43.2%
Japan	109,079	115,171	(6,092)	(5.3)%
South Korea	57,977	57,096	881	1.5%
Other Asia	105,513	60,416	45,097	74.6%
Total net sales	\$ 646,909	\$ 532,182	\$ 114,727	21.6%

Greater China net sales increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily driven by ADAS and xEV components, industrial automation and robotics products, safety, comfort and convenience applications and data center applications, partially offset by a decrease in consumer products. Other Asia net sales increased in data center applications, medical applications and safety, comfort and convenience applications, partially offset by a decrease in consumer products. Other Americas net sales increased in both Automotive and Industrial and Other applications, primarily in ADAS components and clean energy applications. Europe net sales increased primarily in Automotive markets, driven by ADAS components, as well as growth in industrial automation and robotics, partially offset by decreases in clean energy applications, consumer products, and safety, comfort and convenience applications. Japan net sales declined primarily in safety, comfort and convenience applications and personal and industrial transport products, partially offset by an increase in data center applications.

Cost of goods sold

Cost of goods sold increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to higher production volume in support of higher product sales and foreign currency impact.

Cost of goods sold as a percentage of our total net sales was 54.0% and 54.6% for the nine-month periods ended December 26, 2025 and December 27, 2024, respectively. The decrease was primarily due to the increase in net sales.

Gross profit and gross margin

Gross profit increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to the increase in net sales and a change in product mix.

Gross margin was 46.0% and 45.4% for the nine-month periods ended December 26, 2025 and December 27, 2024, respectively. The increase was primarily due to the increase in net sales and a change in product mix.

Research and development expenses

R&D expenses increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to an increase in personnel costs, including the projected funding of the annual incentive program.

R&D expenses as a percentage of our total net sales was 23.2% and 24.8% for the nine-month periods ended December 26, 2025 and December 27, 2024, respectively. The decrease as a percentage of total net sales was primarily due to the increase in net sales, partially offset by an increase in the projected funding of the annual incentive program.

Selling, general and administrative expenses

SG&A expenses increased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to an increase in personnel costs, including the projected funding of the annual incentive program, outside service and legal fees.

SG&A expenses as a percentage of our total net sales was 20.8% and 21.8% in the nine-month periods ended December 26, 2025 and December 27, 2024, respectively. The decrease as a percentage of total net sales was primarily due to the increase in net sales, partially offset by an increase in the projected funding of the annual incentive program, outside service and legal fees.

Interest expense

Interest expense decreased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024. The decrease is due to the voluntary payments applied to the outstanding balance of the 2025 Refinanced Loans.

Interest income

Interest income decreased in the nine-month period ended December 26, 2025 compared to the nine-month period ended December 27, 2024, primarily due to lower cash and cash equivalents balances.

Loss on change in fair value of forward repurchase contract

We recorded a loss on change in fair value of a forward repurchase contract in the nine-month period ended December 27, 2024, due to the various settlement dates under the Share Repurchase Agreement.

Other expense, net

The foreign currency loss recorded in the nine-month period ended December 26, 2025 was primarily due to the U.S. Dollar weakening against various currencies, including the Euro and the Philippine Peso. The foreign currency loss recorded in the nine-month period ended December 27, 2024 was primarily due to the realized and unrealized losses from our Philippine location.

We recorded a net loss of \$6.7 million related to our equity investment in PSL in the nine-month period ended December 26, 2025. In the nine-month period ended December 27, 2024, we recorded a net loss of \$2.8 million related to the difference between the selling price per share and its carrying amount per share and after a gain from the conversion of the PSL Promissory Notes in connection with the PSL Closing, partially offset by \$1.2 million of gains related to earnings in our money market fund deposits.

Income tax benefit

Income tax benefit and the effective income tax rate were approximately \$14.0 million and 114.6%, respectively, in the nine-month period ended December 26, 2025, compared to income tax benefit and effective income tax rate of approximately \$9.2 million and 13.7%, respectively, in the nine-month period ended December 27, 2024. The change in the effective tax rate for the nine-month period ended December 26, 2025, compared to the nine-month period ended December 27, 2024 was due to a decrease in GAAP loss before income taxes and the OBBB impacts described in Note 13, "Income Taxes" to the unaudited condensed consolidated financial statements included in this Quarterly Report.

Liquidity and Capital Resources

As of December 26, 2025, we had \$155.2 million of cash and cash equivalents and \$374.3 million of working capital, compared to \$121.3 million of cash and cash equivalents and \$370.8 million of working capital as of March 28, 2025. Working capital is impacted by the timing and extent of our business needs.

Our primary requirements for liquidity and capital resources besides our growth initiatives are working capital, capital expenditures, principal and interest payments on our outstanding debt, and other general corporate needs. Historically, these cash requirements have been met through cash provided by operating activities and cash and cash equivalents. Our current capital deployment strategy for fiscal year 2026 is to utilize cash on hand and capacity under our revolving credit facility to support our continued growth initiatives into select markets and planned capital expenditures, as well as consider potential acquisitions. As of December 26, 2025, the Company was not party to any off-balance sheet arrangements that have had or are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources. The cash requirements for the current fiscal year relate to our operating leases, operating and capital purchase commitments, and expected contributions to our defined benefit and contribution plans. Additionally, we expect to continue to strategically invest in expanding our operations in China, Japan, India and Philippines in order to directly manage and service our customers in these markets, which could result in increases in our total net sales, cost of goods sold and operating expenses. For information regarding the Company's expected cash requirements and timing of payments related to leases, noncancellable purchase commitments and pension and defined contribution plans, see Note 12, "Leases," Note 15, "Retirement Plans," and Note 16, "Commitments and Contingencies" to the audited consolidated financial statements in the Company's 2025 Annual Report.

We believe that our existing cash will be sufficient to finance our continued operations, growth strategy, planned capital expenditures and the additional expenses that we expect to incur during the next 12 months. In order to support and achieve our future growth plans, we may need or advantageously seek to obtain additional funding through equity or debt financing. We believe that our current operating structure will facilitate sufficient cash flows from operations to satisfy our expected long-term liquidity requirements beyond the next 12 months. If these resources are not sufficient to satisfy our liquidity requirements due to changes in circumstances, we may be required to borrow under our revolving credit facility or seek additional financing. If we raise additional funds by issuing equity securities that are not used to repurchase existing shares outstanding, our stockholders will experience dilution. Debt financing, if available, may contain covenants that significantly restrict our operations or our ability to obtain additional debt financing in the future. Any additional financing that we raise may contain terms that are not favorable to us or our stockholders. We cannot assure you that we would be able to obtain additional financing on terms favorable to us or our existing stockholders, or at all.

Cash Flows from Operating, Investing and Financing Activities

The following table summarizes our cash flows for the nine-month periods ended December 26, 2025 and December 27, 2024:

	Nine-Month Period Ended	
	December 26, 2025	December 27, 2024
	(dollars in thousands)	
Net cash provided by operating activities	\$ 127,355	\$ 41,560
Net cash used in investing activities	(21,160)	(34,245)
Net cash used in financing activities	(75,032)	(79,209)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	1,129	(1,305)
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 32,292	\$ (73,199)

Operating Activities

Net cash provided by operating activities was \$127.4 million in the nine-month period ended December 26, 2025, resulting primarily from a net income of \$1.8 million and noncash charges of \$88.9 million, further adjusted by a net increase in cash from a decrease in net operating assets and liabilities of \$36.7 million. Noncash charges primarily included increases of \$49.8 million for depreciation and amortization, \$37.3 million of stock-based compensation, and \$7.6 million for provisions for inventory and expected credit losses, partially offset by \$8.0 million of deferred income taxes. The net decrease in operating assets and liabilities consisted of a \$23.9 million increase in other changes in operating assets and liabilities, net, a \$17.7 million decrease in prepaid expenses and other assets, and a \$13.7 million increase in trade accounts payable, partially offset by a \$15.6 million increase in trade accounts receivable, net, a \$1.8 million decrease in net amounts due to related party and a \$1.3 million increase in inventories. The increase in trade accounts receivable, net was primarily a result of increased sales year-over-year and timing of collections. Trade accounts payable increased, primarily due to the timing of payments to suppliers and vendors, including unpaid capital expenditures of \$2.4 million. The decrease in prepaid expenses and other assets was primarily due to the receipt of a tax refund and the additional planning related to the OBBB. The decrease in net amounts due to related party was primarily due to variations in the timing of such payments in the ordinary course of business. The increase in other changes in operating assets and liabilities, net was primarily the result of higher accrued income taxes and accrued personnel costs. The increase in inventories was primarily the result of the increase in production to support the increase in net sales.

Net cash provided by operating activities was \$41.6 million in the nine-month period ended December 27, 2024, resulting primarily from a net loss of \$58.0 million and noncash charges of \$120.0 million, further adjusted by a net decrease in cash from an increase in net operating assets and liabilities of \$20.4 million. Noncash charges primarily included increases of \$48.6 million for depreciation and amortization, \$34.8 million for loss on change in fair value of forward repurchase contract, \$32.3 million of stock-based compensation, \$7.5 million for provisions for inventory and expected credit losses and \$6.6 million of other non-cash reconciling items, partially offset by \$11.5 million of deferred income taxes. The net increase in operating assets and liabilities consisted of a \$38.1 million increase in inventories, a \$21.3 million decrease in other changes in operating assets and liabilities, net, partially offset by \$34.4 million decrease in trade accounts receivable, net, a \$5.5 million increase in trade accounts payable and a \$0.6 million increase in net amounts due to related party. The decrease in trade accounts receivable, net, was primarily a result of decreased sales year-over-year. Trade accounts payable increased primarily due to the timing of payments to suppliers and vendors, including unpaid capital expenditures of \$1.7 million. The increase in net amounts due to related party was primarily due to variations in the timing of such payments in the ordinary course of business. The increase in inventories was primarily the result of inventory builds of standard products to support anticipated sales growth. The increase in prepaid expenses and other assets was mostly due to higher long-term deposits and the timing of tax payments. The decrease in other changes in operating assets and liabilities, net was primarily the result of a reduction in accrued personnel costs due to the timing of payments pursuant to our annual incentive compensation plan.

Investing Activities

Net cash used in investing activities was \$21.2 million in the nine-month period ended December 26, 2025, consisting of purchases of property, plant and equipment.

Net cash used in investing activities was \$34.2 million in the nine-month period ended December 27, 2024, primarily consisting of purchases of property, plant and equipment.

Financing Activities

Net cash used in financing activities was \$75.0 million in the nine-month period ended December 26, 2025, primarily consisting of \$60.0 million of payments on our term loan, \$10.4 million of taxes related to the net settlement of equity awards and \$4.0 million of payments for intangible assets.

Net cash used in financing activities was \$79.2 million in the nine-month period ended December 27, 2024, consisting of \$853.9 million of repurchases of our common stock, \$75.0 million of payments on our term loan and \$12.8 million of taxes related to the net settlement of equity awards, partially offset by the issuance of common stock of \$665.9 million, net proceeds of \$193.5 million from the 2024 Term Loans, proceeds received in connection with the issuance of common stock under our employee stock purchase plan and proceeds received related to the quarterly payment from PSL on our related party loan.

Debt Obligations

See Note 9, “Debt and Other Borrowings” to the unaudited condensed consolidated financial statements included in this Quarterly Report for information regarding our debt obligations.

Recent Accounting Pronouncements

See Note 2, “Summary of Significant Accounting Policies” to the unaudited condensed consolidated financial statements included in this Quarterly Report for a full description of recent accounting pronouncements, including the respective dates of adoption or expected adoption and effects on our condensed consolidated financial statements contained in Item 1 of this Quarterly Report.

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our significant accounting policies are described in Note 2, “Summary of Significant Accounting Policies” to our consolidated financial statements included in our 2025 Annual Report. There have been no material changes in our critical accounting policies and estimates since March 28, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have not been any material changes in our exposures to market risk since March 28, 2025. For details on the Company’s interest rate, foreign currency exchange rate, and inflation risks, see Part I, Item 7A. “Quantitative and Qualitative Information About Market Risks” in our 2025 Annual Report.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of December 26, 2025. Based on the evaluation of our disclosure controls and procedures as of December 26, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in claims, regulatory examinations or investigations and proceedings arising in the ordinary course of our business. The outcome of any such claims or proceedings, regardless of the merits, and the Company's ultimate liability, if any, is inherently uncertain. We are not currently party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

Item 1A. Risk Factors

Various risk factors associated with our business are included in our 2025 Annual Report, as filed with the SEC on May 22, 2025. There have been no material changes to those risk factors previously disclosed in our 2025 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 5. Other Information

During the three-month period ended December 26, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulations S-K.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description of Exhibit
10.1*†	<u>Summary of Allegro MicroSystems, Inc. Non-Employee Director Compensation, as amended</u>
10.2*†	<u>Allegro MicroSystems, Inc. Non-Employee Director Deferred Compensation Plan</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1**	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2**	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
101.INS	Inline XBRL Instance Document. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 filed herewith)

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLEGRO MICROSYSTEMS, INC.

Date: January 30, 2026

By: /s/ Michael C. Doogue
Michael C. Doogue
President and Chief Executive Officer
(principal executive officer)

Date: January 30, 2026

By: /s/ Derek P. D'Antilio
Derek P. D'Antilio
Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

Exhibit 10.1

Annual Non-Employee Director Compensation Program

Compensation is made to each member of the Board of Directors (the “Board”) of Allegro MicroSystems, Inc. (the “Company”) who is not an employee of the Company or Sanken Electric Co., Ltd. or their respective subsidiaries (each, an “Eligible Director”).

1. Annual Cash Compensation to Eligible Directors

Annual Cash Retainer (Other than Board Chair)	\$70,000
Annual Cash Retainer (Board Chair)	\$140,000
Additional Cash Retainer for Chair of Audit Committee	\$25,000
Additional Cash Retainer for Chair of Compensation Committee	\$20,000
Additional Cash Retainer for Chair of Nominating and Governance Committee	\$12,500
Additional Cash Retainer for member of Audit Committee	\$10,000
Additional Cash Retainer for member of Compensation Committee	\$10,000
Additional Cash Retainer for member of Nominating and Governance Committee	\$5,000

Annual cash retainers shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears. In the event an Eligible Director joins the Board in the middle of a calendar quarter or does not serve as a director, or in the applicable positions described above for an entire calendar quarter, the retainer paid to such Eligible Director shall be prorated for the portion of such calendar quarter actually served as a director, or in such position, as applicable.

2. Equity Compensation to Eligible Directors¹

Each Eligible Director serving on the Board as of the date of the Company’s Annual Meeting of Shareholders (“Annual Meeting”) will be granted an award of fully vested, unrestricted shares of the Company’s common stock with a value of \$205,000. The number of shares subject to the award will be determined by dividing the value by the trailing 30-calendar day average closing price for the Company’s common stock through and including the date prior to the applicable grant date.

General Equity Award Provisions

Eligible Directors elected or appointed to serve on the Board or who become an Eligible Director on a date other than the Annual Meeting will be granted a prorated award in the first year of service or eligibility on the Board.

The awards described above shall be granted under and shall be subject to the terms and provisions of the Company’s 2020 Omnibus Incentive Compensation Plan or any other applicable Company equity incentive plan then-maintained by the Company (such plan, as may be amended from time to time, the “Equity Plan”) and, if applicable, may be granted subject to the execution and delivery of award agreements that contain the terms for applicable awards. All applicable terms of the Equity Plan apply to this Program (including any compensation limits in effect from time to time), and all grants of equity awards under this Program are subject in all respects to the terms of the Equity Plan and any applicable award agreement.

3. Nonqualified Deferred Compensation Plan

Eligible Directors who are residents of the United States may defer receipt of their annual cash retainer fees and their annual equity grant. All deferred amounts are converted into phantom stock units of Company common stock and credited to a director’s account, with the number of units calculated by dividing the deferred fees by the stock’s fair market value on the deferral date. All deferrals are pursuant to the Allegro MicroSystems, Inc. Nonqualified Deferred Compensation Plan for U.S. Non-Employee Directors, which will be effective for compensation earned in calendar year 2026 and all subsequent calendar years.

4. Expenses

Directors are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings and participating in director

¹ Effective at the 2026 Annual Meeting, Eligible Directors will receive an annual award of fully vested, unrestricted shares of Company common stock. Any equity compensation provided to Eligible Directors prior to the 2026 Annual Meeting will be in the form of time-based restricted stock units vesting at the next Annual Meeting.

educational programs on matters relevant to the Company and its business.

The Company will reimburse Eligible Directors for reasonable incremental travel, accommodation and other related costs for a spouse or guest to attend designated Board meetings or Board-related events in which spousal or guest attendance was encouraged.

* * * * *

Exhibit 10.2

ALLEGRO MICROSYSTEMS, INC. DEFERRED COMPENSATION PLAN DEFERRED COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

1. **Purpose and Effective Date.** The purpose of this Plan (as defined below) is to provide the non-employee members of the Board of Directors (the “*Board*”) of Allegro MicroSystems, Inc., a Delaware corporation, and its successors (the “*Company*”) with an opportunity to defer payment of all or a portion of their Eligible Director Compensation (as defined below). The Plan shall be effective as of January 1, 2026 (the “*Effective Date*”).
 2. **Definitions.** The following terms shall have the meanings given in this section unless a different meaning is clearly implied by the context:
 - (a) “*Common Stock*” means the common stock of the Company.
 - (b) “*Compensation Committee*” means the Compensation Committee of the Board.
 - (c) “*Deferral Election Form*” means an election form (whether in a paper, electronic, online or other format), in a form approved by the Plan Administrator, to be provided to directors by the Plan Administrator, pursuant to which they may elect to defer Eligible Director Compensation under this Plan.
 - (d) “*Deferred Compensation Account*” means an account maintained for each director who makes a deferral election as described in Section 4.
 - (e) “*Deferred Stock Unit*” means a Stock Unit that is received by a participant pursuant to this Plan and provides for the deferred receipt of compensation.
 - (f) “*Director Compensation*” means the compensation payable to a director for his or her service as a director in the applicable Plan Year.
 - (g) “*Disability*” shall have the same meaning as defined in the Equity Plan as in effect on the Effective Date.
 - (h) “*Eligible Director Compensation*” means such portion of Director Compensation that the Board designates on an approved Deferral Election Form as eligible for deferral under this Plan.
 - (i) “*Equity Plan*” means the Allegro MicroSystems, Inc. 2020 Omnibus Incentive Compensation Plan, as amended, and any successor or replacement plan as in effect from time to time.
 - (j) “*Fair Market Value*” means “Fair Market Value” as defined in the Equity Plan.
 - (k) “*Plan*” means the Allegro MicroSystems, Inc. Deferred Compensation Plan for Non-Employee Directors.
 - (l) “*Plan Year*” means a calendar year.
 - (m) “*Plan Administrator*” means the Compensation Committee or its designee. As of the Effective Date, the Compensation Committee hereby designates the Retirement Committee of Allegro MicroSystems, LLC, a wholly owned subsidiary of the Company, as the Plan Administrator with respect to the day-to-day operation of the Plan, which designation may be revoked by the Compensation Committee at any time in its sole discretion.
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(n) “*Section 409A*” means Section 409A of the Internal Revenue Code of 1986, as amended.

(o) “*Separation from Service*” means a “separation from service” within the meaning of Section 409A.

(p) “*Stock Award*” means a fully vested award of Common Stock granted to a director for serving as a member of the Board.

(q) “*Stock Unit*” means an economic unit equal in value to one share (or fraction thereof) of Common Stock.

3. Eligibility. All members of the Board who are eligible to receive Director Compensation, are residents of the United States and are not employees of the Company or any subsidiary of the Company shall be eligible to participate in the Plan.

4. Election to Defer Director Compensation.

(a) *Manner and Amount of Deferral Election.* A participant may elect to defer receipt of his or her Eligible Director Compensation by giving written notice or equivalent online signature notice on a Deferral Election Form specifying the deferral. A participant’s election to defer is irrevocable and may not be changed, except as may be provided in the election form.

(b) *Time of Election.* Elections to defer the Eligible Director Compensation shall be made at the following times:

(i) A director may elect to defer Eligible Director Compensation at such time or times during the calendar year as permitted by the Plan Administrator.

(ii) A nominee for election to director (who is not at the time of nomination a sitting director and was not previously eligible to participate in this Plan) may, if permitted by the Plan Administrator, elect to defer Eligible Director Compensation no later than 30 days after the date of the director’s commencement of services as a director. Such deferral election shall be effective for Eligible Director Compensation, following the later of (A) the date of the director’s commencement of services as a director, and (B) the date an irrevocable election form is filed with the Company.

(c) *Duration of Deferral Election.* Unless otherwise permitted by the Plan Administrator and specified in an applicable deferral election form, a deferral election will only apply to one Plan Year, and a participant must make a new deferral election with respect to each Plan Year that the participant decides to defer Eligible Director Compensation. The Plan Administrator may provide pursuant to the terms of an approved Deferral Election Form that such deferral election shall carry forward from year-to-year and continue to apply to Eligible Director Compensation for subsequent years, in each case as specified in the applicable Deferral Election Form.

5. Deferred Compensation Accounts. The Company shall establish on its books and records a Deferred Compensation Account with sub accounts for each participant, as provided below.

(a) *Crediting of Eligible Director Compensation.* Deferred Eligible Director Compensation, if applicable, shall be credited to the participant’s Deferred Compensation Account in the form of Deferred Stock Units effective on the date it would otherwise have been paid or granted, or the last day of the period for which Director Compensation would have been earned in arrears, as applicable. On such effective date, the Company shall credit to the Deferred Compensation Account with a number of

Deferred Stock Units equal to the Eligible Director Compensation that was deferred. With respect to deferred cash compensation, the number of Deferred Stock Units will be equal to (i) the portion of the cash compensation that the participant elected to defer, divided by (ii) the Fair Market Value of a share of Common Stock on such effective date. Fractional Deferred Stock Units will be credited to a participant's account and will be distributed to the participant in cash at distribution based on the Fair Market Value of a share of Common Stock on the date of distribution. A participant will be fully vested in each Deferred Stock Unit, whether it relates to deferred cash compensation or deferred Stock Awards.

(b) *Dividend Equivalents.* Each Deferred Stock Unit credited to a participant's Deferred Compensation Account shall carry with it a right to receive dividend equivalents in respect of the share of Common Stock underlying such Deferred Stock Unit. Dividend equivalents shall be deemed reinvested in additional Deferred Stock Units (which may include fractional units) on the applicable dividend payment date based on the number of Deferred Stock Units, whether vested or unvested, held in the director's Deferred Compensation Account on the applicable Company record date and the Fair Market Value of the Common Stock on the dividend payment date. The dividend equivalent right associated with a Deferred Stock Unit shall remain outstanding until the delivery to the participant of the share of Common Stock underlying such Deferred Stock Unit.

(c) *Adjustment of Deferred Stock Units.* If the number of outstanding shares of Common Stock is increased or decreased or the shares of Common Stock are changed into or exchanged for a different number or kind of stock or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of stock, exchange of stock, stock dividend, or other distribution payable in capital stock, or other increase or decrease in such stock effected without receipt of consideration by the Company occurring after the Effective Date, the Plan Administrator will make appropriate adjustments to (i) the number and kind of shares of Common Stock for which Deferred Stock Units are outstanding, and (ii) the number of Deferred Stock Units credited to each participant's Deferred Compensation Account.

6. Payment of Deferred Compensation.

(a) *Distributions.* Payment from the Deferred Stock Units shall be made in one lump sum on the earliest to occur of:

- (i) within 90 days following the participant's Separation From Service;
- (ii) within 90 days following the participant's Disability; and
- (iii) the participant's death.

Notwithstanding anything to the contrary in the Plan, if on the date of the participant's Separation from Service, the participant is a "specified employee" within the meaning of Section 409A, the payment will occur on the later to occur of (x) the scheduled distribution date and (y) the first day of the seventh month following the date of the participant's Separation from Service or, if earlier, the date of the participant's death.

(b) *Medium of Payment.* Payments from the Deferred Compensation Account shall be made in whole shares of Common Stock for each whole Deferred Stock Unit, and in cash for any fractional Deferred Stock Unit; provided, that, the Company may choose in its discretion to pay the participant cash in lieu of all or a portion of the shares of Common Stock. Deferred Stock Units issued to and shares of Common Stock paid to participants under the Plan shall be issued and paid from the Equity Plan.

7. Unfunded Promise to Pay; No Segregation of Funds or Assets. Nothing in this Plan shall require the segregation of any assets of the Company or any type of funding by the Company, it being the intention of the parties that the Plan be an unfunded arrangement for federal income tax purposes. No participant shall have any rights to or interest in any specific assets or shares of Common Stock by reason of the Plan, and any participant's rights to enforce payment of the obligations of the Company hereunder shall be those of a general creditor of the Company.
8. Nonassignability; Beneficiary Designation. The right of a participant to receive any unpaid portion of the participant's Deferred Compensation Account shall not be assigned, transferred, pledged or encumbered or subjected in any manner to alienation or anticipation. However, in the event of a participant's death, the Company will pay the unpaid portion of the participant's Deferred Compensation Account to the participant's designated beneficiaries. If the participant fails to complete a valid beneficiary designation, the participant's beneficiary will be his or her estate.
9. Administration. The Plan will be administered under the supervision of the Plan Administrator. The Plan Administrator will prescribe guidelines and forms, which may include online or electronic forms, for the implementation and administration of the Plan, interpret the terms of the Plan, and make all other substantive decisions regarding the operation of the Plan. The Plan Administrator's decisions in its administration of the Plan are conclusive and binding on all persons.
10. Construction. The Plan is intended to comply with Section 409A and any regulations and guidance thereunder and shall be interpreted and operated in accordance with such intent. Notwithstanding anything to the contrary in the Plan, neither the Company, its affiliates, the Board, nor the Compensation Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on any participant under Section 409A, and neither the Company, its affiliates, the Board, nor the Compensation Committee will have any liability to any participant for such tax or penalty. The laws of the State of Delaware shall govern all questions of law arising with respect to the Plan, without regard to the choice of law principles of any jurisdiction, except where the laws governing the Plan are preempted by the laws of the United States. The Plan is intended to be construed so that participation in the Plan will be exempt from Section 16(b) of the Securities Exchange Act of 1943, as amended, pursuant to regulations and interpretations issued from time to time by the Securities and Exchange Commission. If any provision of the Plan is held to be illegal or void, such illegality or invalidity shall not affect the remaining provisions of the Plan, but shall be fully severable, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted. This document constitutes the entire Plan and supersedes any prior oral or written agreements on the subject matter hereof.
11. Claw-back. All awards of Deferred Stock Units under the Plan will be subject to mandatory repayment by the participant to the Company to the extent the participant is, or in the future becomes, subject to any Company or affiliate "claw-back" or recoupment policy that is adopted to comply with the requirements of any applicable law, rule, regulation or otherwise, or any law, rule, or regulation that imposes mandatory recoupment, under circumstances set forth in such law, rule or regulation.
12. Amendment and Termination. The Board may amend, suspend, or terminate the Plan at any time and for any reason. No amendment, suspension, or termination will, without the consent of the participant, materially impair rights or obligations under any Deferred Stock Units previously awarded to the participant under the Plan, except as provided below. The Board may terminate the Plan and distribute the Deferred Compensation Accounts to participants in accordance with and subject to the rules of Treas. Reg. Section 1.409A-3(j)(4)(ix), or successor provisions, and any generally applicable guidance issued by the U.S. Internal Revenue Service permitting such termination and distribution.
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CERTIFICATION

I, Michael Doogue, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Allegro MicroSystems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 30, 2026

By:

/s/ Michael C. Doogue

Michael C. Doogue
President and Chief Executive Officer
(principal executive officer)

CERTIFICATION

I, Derek P. D'Antilio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Allegro MicroSystems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 30, 2026

By:

/s/ Derek P. D'Antilio

Derek P. D'Antilio
Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Allegro MicroSystems, Inc. (the "Company") for the quarterly period ended December 26, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 30, 2026

By:

/s/ Michael C. Doogue

Michael C. Doogue
President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Allegro MicroSystems, Inc. (the "Company") for the quarterly period ended December 26, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 30, 2026

By:

/s/ Derek P. D'Antilio

Derek P. D'Antilio
Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)
