“Our Q2 financial performance was disappointing, even as we hit key product and process technology milestones. Second-half trends are more challenging than we previously expected, and we are leveraging our new operating model to take decisive actions that will improve operating and capital efficiencies while accelerating our IDM 2.0 transformation. These actions, combined with the launch of Intel IBA next year to regain process technology leadership, will strengthen our position in the market, improve our profitability and create shareholder value.”

Pat Gelsinger, Intel CEO

“Second-quarter results were impacted by gross margin headwinds from the accelerated ramp of our AI product, higher than typical charges related to non-core businesses and the impact from unused capacity. By implementing our spending reductions, we are taking proactive steps to improve our profits and strengthen our balance sheet. We expect these actions to meaningfully improve liquidity and reduce our debt balance while enabling us to make the right investments to drive long-term value for shareholders.”

David Zimmer, Intel CFO

### Financial Results

**Total Intel Q2’24 Revenue**

- **$12.8B**
- **85% YoY**

**Q2’24 Segment Revenue**

- **Intel Products Total**
  - **$11.8B**
  - **41% YoY**
- **Intel Foundry**
  - **-$1.3B**
  - **-5% YoY**
- **Mobileye**
  - **+$4.0B**
  - **21% YoY**

**Q2’24 Non-GAAP EPS**

- **$0.02**
- **85% YoY**

### Business Highlights

#### Process Leadership

- Finish line in sight to completing 5 nodes in 4 years
- Released Intel IBA 1.0 PDK to foundry customers, on track to be manufacturing ready by end of this year with production wafer start volumes in H’25
- Intel’s first products on IBA, Panther Lake for client and Clearwater Forest for server, on track and will bring Intel IBA to the mass market in 2025
- Appointed Kevin O’Buckley to lead Foundry Services and Dr. Naga Chandrasekaran to lead Foundry Manufacturing and Supply Chain

#### Execution Milestones

- Shipped more than 15 million AI PCs since the December 2023 launch of Intel® Core™ Ultra processors and remain on track to ship more than 40 million AI PCs by year-end
- Achieved production release of Lunar Lake ahead of schedule, will be the next industry-wide catalyst for AI PC device refresh
- Introduced the next-generation E-core Intel® Xeon®, code-named Sierra Forest, the company’s first Intel 3 server product
- On track to launch Intel® Gaudi® 3 AI accelerators in Q3 and expected to deliver ~2x the performance per dollar on both inference and training vs. the leading competition
- Announced an array of AI-optimized scale-out Ethernet solutions, including the Intel AI Network Interface Card and foundry chiplets that will launch next year
- Created with others the Ultra Accelerator Link, a new industry-standard dedicated to advancing high-speed, low-latency communication for scale-up AI systems communication in data centers
- Demonstrated industry’s most advanced and first-ever integrated optical compute interconnect (OCI) chiplet co-packaged with an Intel CPU and running live data, which is expected to revolutionize high-speed data processing for AI infrastructure

#### Customer and Partner Wins

- Ansyc, Cadence, Siemens and Synopsys announced availability of reference flows for Intel’s EMIB advanced packaging technology and declared readiness for Intel IBA designs
- Dell Technologies, Hewlett Packard Enterprise, Lenovo, Supermicro, Foscaro, Gigabyte, Inventec, Quanta
- Cloud Technology and Wistron are among those in the ecosystem showing support for Gaudi 3
- Announced comprehensive reduction in spending to reuse and refocus, including:
  - Reducing non-GAAP R&D and M&A to ~$20 billion in 2024 and ~$17.5 billion in 2025 through meaningful spending and headcount reductions
  - Reducing capital expenditures in 2024 by more than 20% from prior projections
  - Generating $1 billion in savings in non-variable cost of sales in 2025

#### Financial and Operational Updates

- Maintaining core investments to execute strategy, including maintaining leadership across select technology and products, and sustaining investments to build a resilient and sustainable semiconductor supply chain in the U.S. and around the world
- Suspending the dividend, effective next quarter, to support Intel’s priority investments

Abbreviations: 1 H (first half); Q2 (second quarter); Y o Y (year over year); GAAP (general accepted accounting principles); EPS (earnings per share attributable to Intel); M&A (marketing, general and administrative).