



# Q4 Earnings

Jan 30<sup>th</sup>, 2025



# 4<sup>th</sup> Quarter Earnings Presentation



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# Non-GAAP Financial Measures and Forward-Looking Statements

- This presentation contains non-GAAP financial measures. Intel gross margin percentage, operating income, earnings per share attributable to Intel, and adjusted free cash flow, including year-over-year comparisons, are presented on a non-GAAP basis. This presentation also contains forward-looking estimates for non-GAAP R&D and MG&A and non-GAAP net capital spending. The Appendix provides a reconciliation of these measures to the most directly comparable GAAP financial measure. The non-GAAP financial measures disclosed by Intel should not be considered a substitute for, or superior to, the financial measures prepared in accordance with GAAP. Please refer to “Explanation of Non-GAAP Measures” in our earnings released dated January 30, 2025 for a detailed explanation of the adjustments made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide investors with useful supplemental information.
- Statements in this presentation that refer to business outlook, plans, and expectations are forward-looking statements that involve risks and uncertainties. Such statements may include, but not be limited to, those regarding: our business plans, strategy and leadership and anticipated benefits therefrom; projections of our future financial performance, including future revenue, gross margins, capital expenditures, profitability and cash flows; future cash requirements and the availability and sufficiency of funding; expectations regarding returns to stockholders, such as stock repurchases and dividends; future products, services and technologies, and the expected goals, timeline, ramps, progress, availability, production, regulation and benefits of such products, services and technologies, including future process nodes and packaging technology, product roadmaps, schedules, future product architectures, expectations regarding process performance, per-watt parity, and metrics and expectations regarding product and process competitiveness; internal and external manufacturing plans; future production capacity and product supply; supply expectations; plans and goals related to Intel’s foundry business, including with respect to anticipated customers, future manufacturing capacity and service, technology and IP offerings; expected timing and impact of acquisitions, divestitures, and other significant transactions; expected completion and impacts of restructuring activities and cost-saving or efficiency initiatives; social and environmental performance goals; our anticipated growth, future market share, and trends in our businesses and operations; projected market trends; anticipated trends and impacts related to industry component, substrate, and foundry capacity utilization, shortages and constraints; expectations regarding CHIPS Act and other government incentives; technology trends, such as AI; environmental and economic conditions; geopolitical tensions and conflicts and their potential impact on our business; tax- and accounting-related expectations; expectations regarding certain sanctioned parties; and other characterizations of future events or circumstances.
- Such statements involve many risks and uncertainties that could cause our actual results to differ materially from those expressed or implied, including: the high level of competition and rapid technological change in our industry; the significant long-term and inherently risky investments we are making in R&D and manufacturing facilities that may not realize a favorable return; the complexities and uncertainties in developing and implementing new semiconductor products and manufacturing process technologies; implementing new business strategies and investing in new business and technologies; our ability to time and scale our capital investments appropriately and successfully secure favorable alternative financing arrangements and government grants; changes in demand for and margins on our products; macroeconomic conditions and geopolitical tensions and conflicts, including geopolitical and trade tensions between the US and China, tensions and conflict affecting Israel and the Middle East, rising tensions between mainland China and Taiwan, and the impacts of Russia’s war on Ukraine; the evolving market for products with AI capabilities; our complex global supply chain, including from disruptions, delays, trade tensions and conflicts, or shortages; product defects, errata and other product issues, particularly as we develop next-generation products and implement next-generation manufacturing process technologies; potential security vulnerabilities in our products; increasing and evolving cybersecurity threats and privacy risks; IP risks including related litigation and regulatory proceedings; the need to attract, retain, and motivate key talent; strategic transactions and investments; sales-related risks, including customer concentration and the use of distributors and other third parties; our debt obligations and our ability to access sources of capital; our having ceased to return capital to stockholders; complex and evolving laws and regulations across many jurisdictions; fluctuations in currency exchange rates; changes in our effective tax rate; catastrophic events; environmental, health, safety, and product regulations; our initiatives and new legal requirements with respect to corporate responsibility matters; and other risks and uncertainties described in this presentation, our earnings release dated January 30, 2025, our most recent Annual Report on Form 10-K and our other filings with the SEC.
- Unless specifically indicated otherwise, the forward-looking statements in this presentation do not reflect the potential impact of any divestitures, mergers, acquisitions, or other business combinations that have not been completed as of the date of this presentation. All information in this presentation reflects management’s views as of January 30, 2025, unless an earlier date is specified. We do not undertake, and expressly disclaim any duty, to update such statements, whether as a result of new information, new developments, or otherwise, except to the extent that disclosure may be required by law.



# Executive Summary



## **Q4 Revenue, Gross Margin and EPS Above Guidance**

Executing to rebuild product and process competitiveness  
Focusing investments. Simplifying the business. Becoming leaner and more efficient.  
Closely managing OpEx and CapEx, beginning the process of deleveraging in '25

## **Renewed Focus on Intel Products and x86**

Defining and innovating the AI PC at scale; Panther Lake in 2H'25  
Taking action to strengthen traditional datacenter and participate in AI system solutions  
Positive reception from x86 advisory group supporting custom & semi-custom silicon

## **Significant opportunity for Intel Foundry**

Intel 18A nearing completion and ramping into volume production in 2025  
Advancing our foundry ecosystem with the help of partners and suppliers  
Received first funding from the U.S. CHIPS and Science Act

# Q4 Financial Highlights

**\$14.3B**

Revenue

**Down 7% YoY**

\$0.5B above Oct outlook <sup>1</sup>

**42.1%**

Gross Margin <sup>2</sup>

**Down 6.7 ppts YoY <sup>2</sup>**

2.6 ppts above Oct outlook <sup>1</sup>

**\$0.13**

EPS <sup>3</sup>

**Down \$0.41 YoY <sup>3</sup>**

\$0.01 above Oct outlook <sup>1</sup>

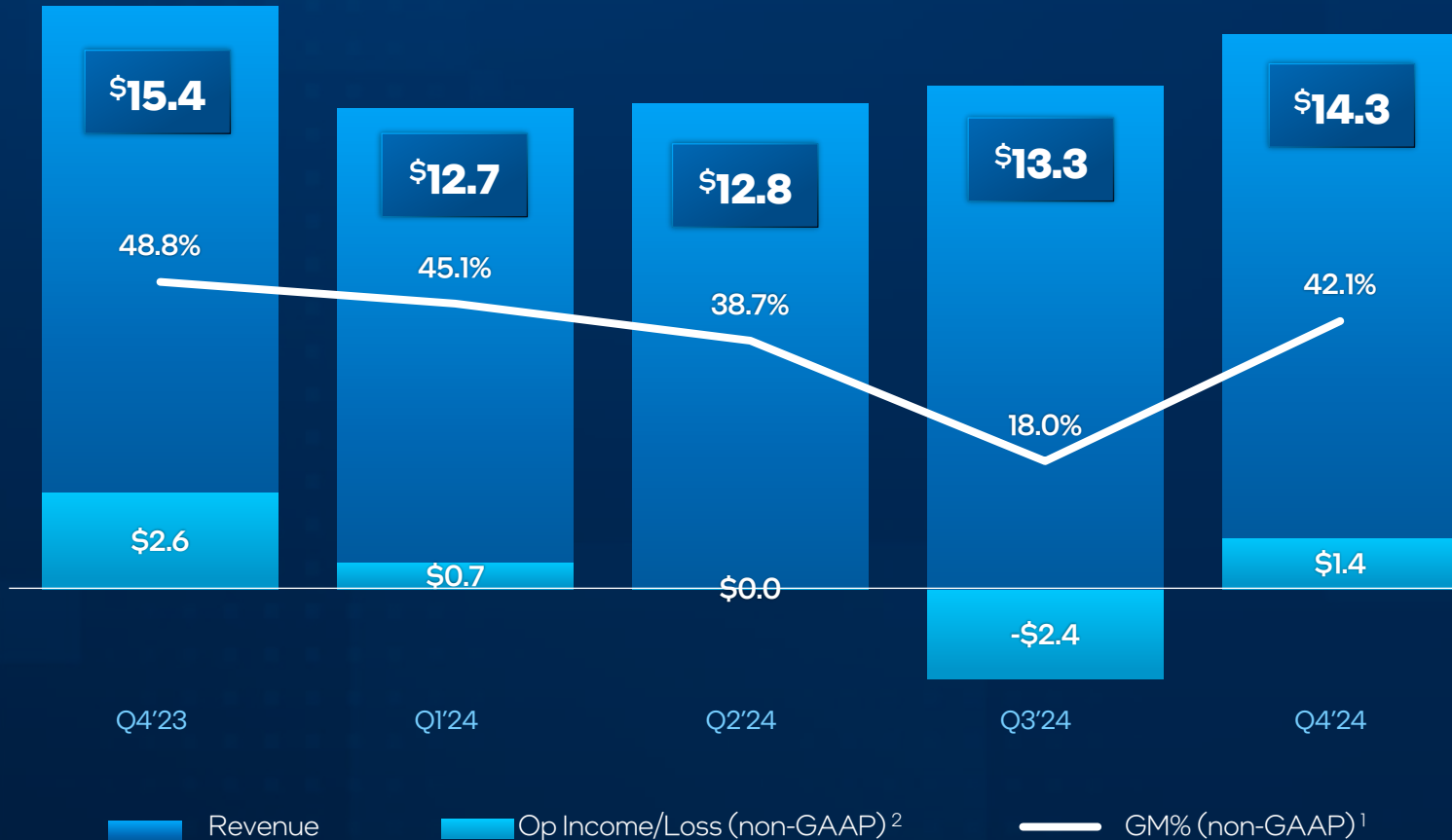
<sup>1</sup> Comparisons are based on the mid-point of revenue outlook

<sup>2</sup> Non-GAAP results shown; GAAP gross margin 39.2%, down 6.5 ppts YoY

<sup>3</sup> Non-GAAP results shown; GAAP EPS (\$0.03), down \$0.66 YoY



(\$B)



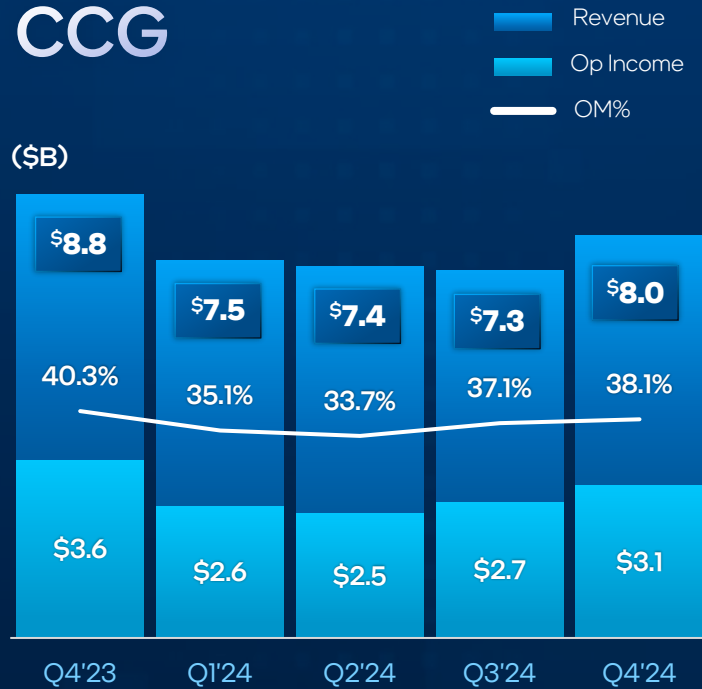
- Strong QoQ Rev growth from CCG, IMS, and NEX
- Improved profitability on cost savings and initial grants
- Simplifying operations to improve financial trajectory



1 GAAP GM%: Q4'23 45.7%, Q1'24 41.0%, Q2'24 35.4%, Q3'24 15.0%, Q4'24 39.2%  
2 GAAP Op Income/Loss: Q4'23 \$2.6, Q1'24 (\$1.1), Q2'24 (\$2.0), Q3'24 (\$9.1), Q4'24 \$0.4

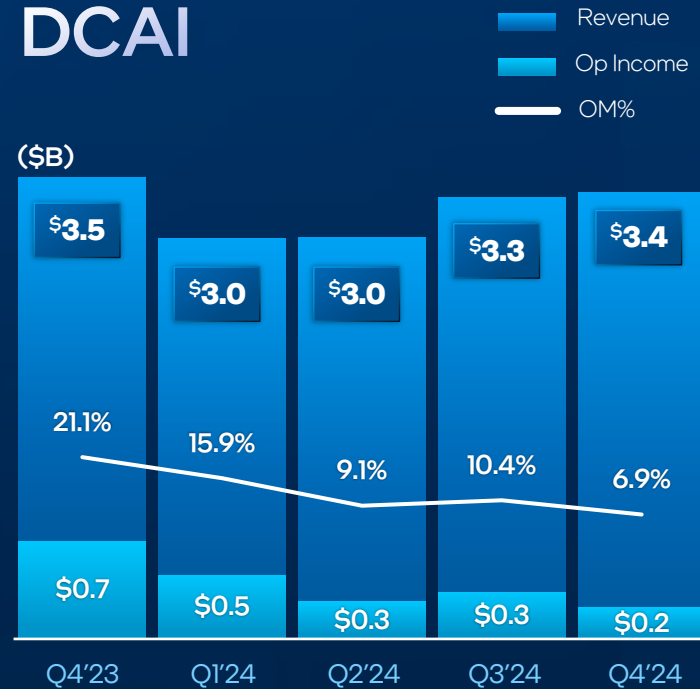
# intel products

## CCG



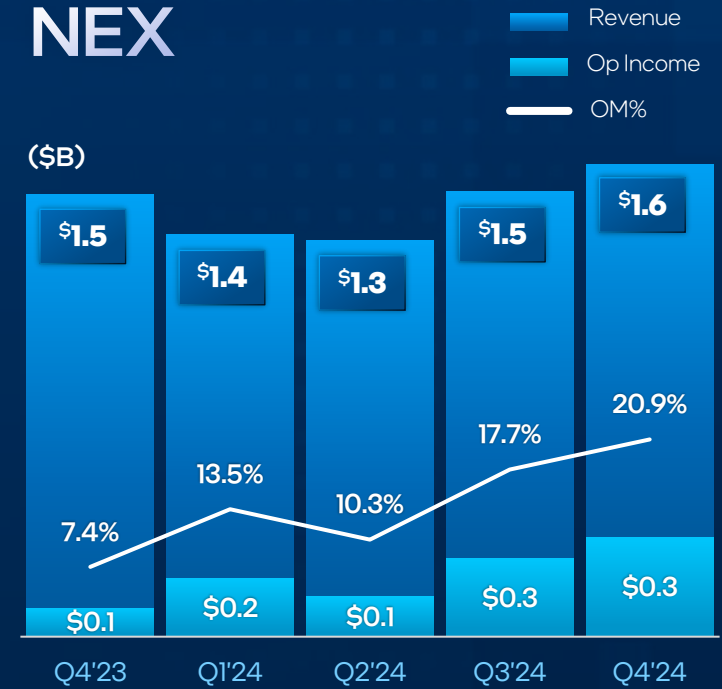
- Launching Panther Lake 2H'25
- >200 ISV partners & >400 AI PC features
- On track to ship >100mm AI PCs by year-end

## DCAI



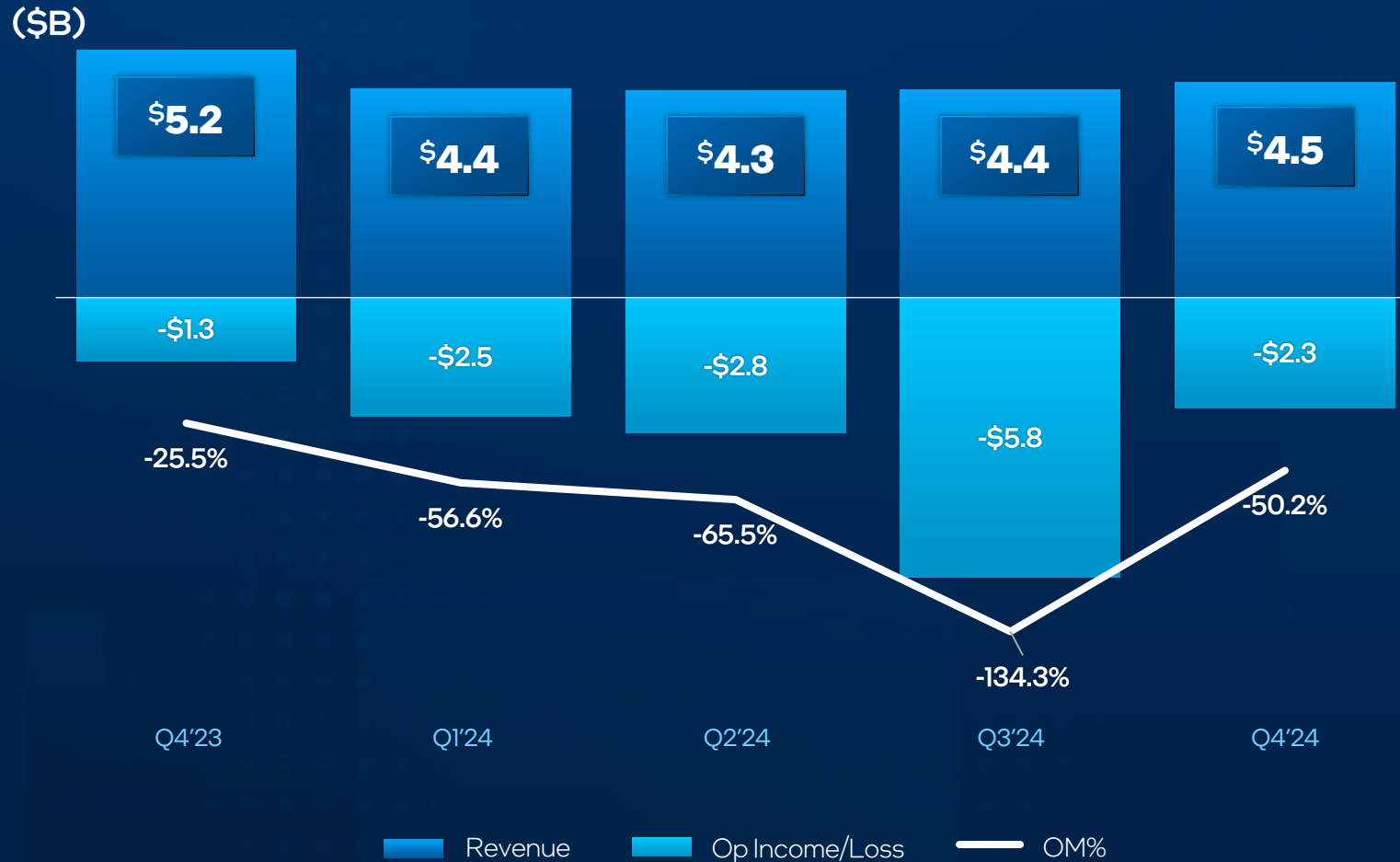
- Increasingly competitive roadmap
- Working to stabilize market share
- Strong start to x86 Ecosystem Advisory Group

## NEX



- Revenue up >20% from Q2 lows
- Launched Core Ultra for edge at CES
- Edge moving to CCG; Networking to DCAI

# intel foundry



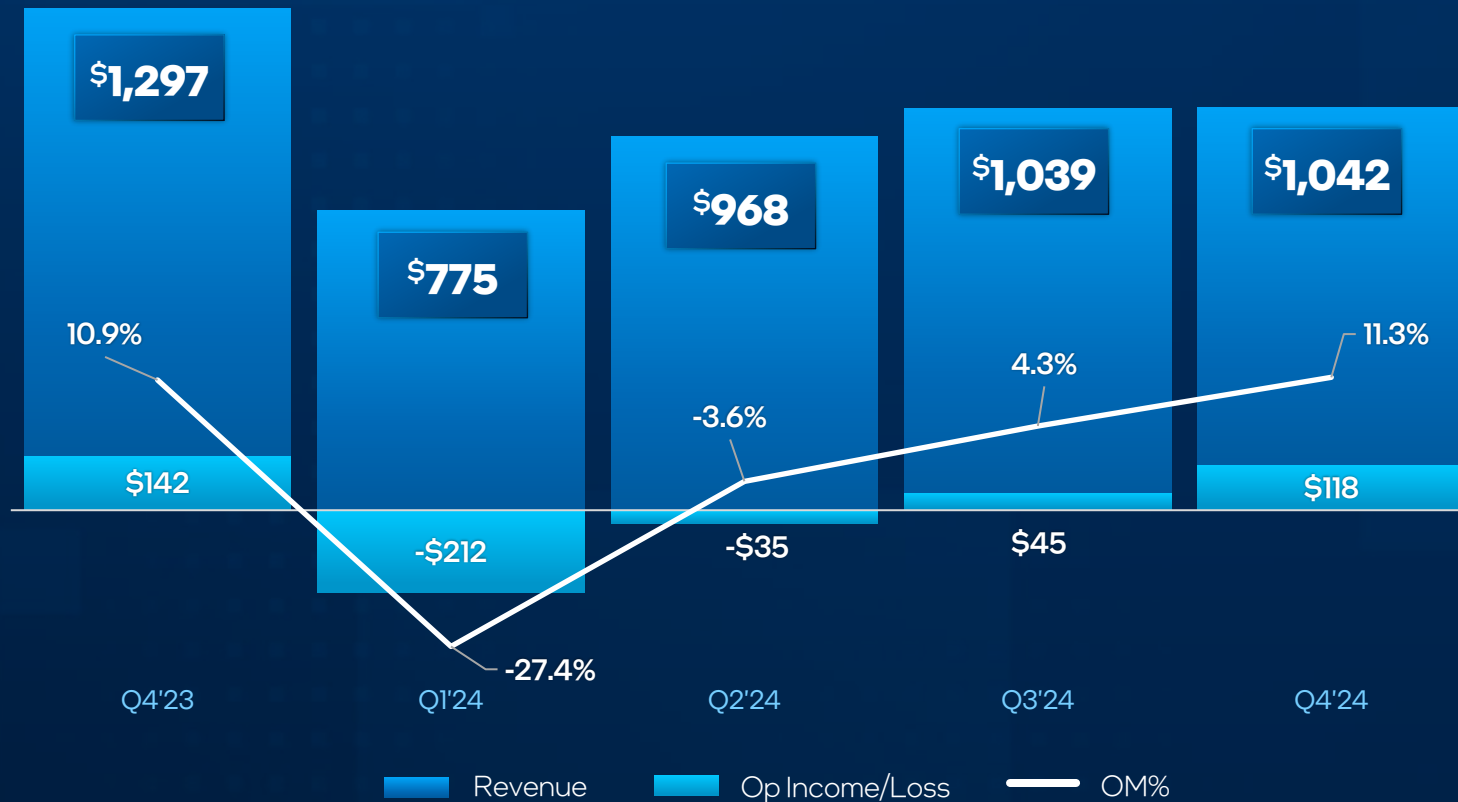
- Intel 18A volume production in 2H'25
- Financial improvements in '25 as EUV ramps
- Focused on Op Inc break-even by end of '27



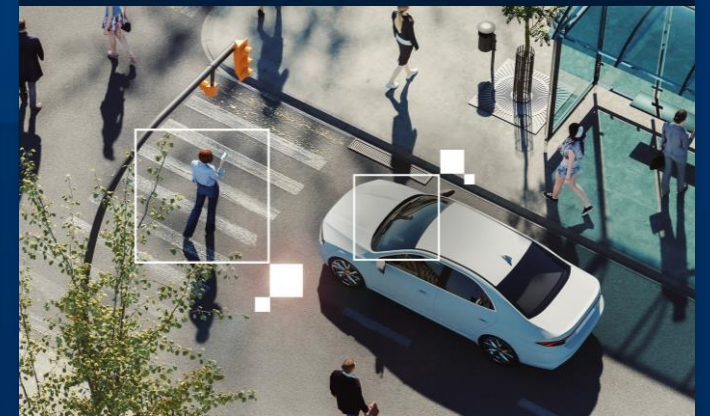


# All Other

(\$M)



- Mobileye profitability improved on better operating leverage
- Altera billings remain below consumption as inventory continues to normalize



The 'All Other' category includes results from non-reportable segments, including Altera, Mobileye, start-ups supporting our initiatives, and historical results from divested businesses.

# Outlook

# Q1 2025 Outlook

**\$11.7-12.7B**

Revenue

Down \$0.5B YoY<sup>1</sup>

**36.0%**

Gross Margin

Down 9.1 ppts YoY<sup>1</sup>

**\$0.00**

EPS

Down \$0.18 YoY<sup>1</sup>

1. Revenue growth comparison, non-GAAP gross margin outlook and non-GAAP EPS attributable to Intel outlook based on the mid-point of the revenue range

# Appendix



# Reconciliation of Non-GAAP Actuals

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
(In Billions, Except Percentages and Per Share Amounts)					
GAAP gross margin percentage	45.7%	41.0%	35.4%	15.0%	39.2%
Acquisition-related adjustments	1.9%	1.8%	1.7%	1.7%	1.5%
Share-based compensation	1.1%	2.3%	1.5%	1.3%	1.5%
Non-GAAP gross margin percentage	48.8%	45.1%	38.7%	18.0%	42.1%
GAAP operating income (loss)	\$2.6	\$(1.1)	\$(2.0)	\$(9.1)	\$0.4
Acquisition-related adjustments	0.3	0.3	0.3	0.3	0.2
Share-based compensation	0.8	1.2	0.8	0.8	0.7
Restructuring and other charges	(1.1)	0.3	0.9	5.6	0.0
Non-GAAP operating income (loss)	\$2.6	\$0.7	\$0.0	\$(2.4)	\$1.3
GAAP earnings (loss) per share attributable to Intel - diluted	\$0.63				\$(0.03)
Acquisition-related adjustments	0.08				0.06
Share-based compensation	0.18				0.15
Restructuring and other charges	(0.27)				0.01
(Gains) losses on equity investments, net	(0.02)				(0.07)
(Gains) losses from divestiture	(0.01)				(0.01)
Interest received related to an annulled EC fine	--				(0.13)
Adjustments attributable to non-controlling interest	--				--
Income tax effects	(0.05)				0.15
Non-GAAP earnings (loss) per share attributable to Intel - diluted	\$0.54				\$0.13

# Reconciliation of Non-GAAP Q1 Outlook

	Q1 2025 Outlook <sup>1</sup> Approximately	Q1 2024 Actuals
<b>GAAP gross margin percentage</b>	<b>33.8%</b>	<b>41.0%</b>
Acquisition-related adjustments	0.9%	1.8%
Share-based compensation	1.3%	2.3%
<b>Non-GAAP gross margin percentage</b>	<b>36.0%</b>	<b>45.1%</b>
<b>GAAP earnings (loss) per share attributable to Intel—diluted</b>	<b>\$(0.27)</b>	<b>\$(0.09)</b>
Acquisition-related adjustments	0.04	0.06
Share-based compensation	0.16	0.28
Restructuring and other charges	0.02	0.08
(Gains) losses on equity investments, net	--	(0.05)
(Gains) losses from divestiture	(0.01)	(0.01)
Adjustments attributable to non-controlling interest	(0.01)	--
Income tax effects <sup>2</sup>	0.07	(0.09)
<b>Non-GAAP earnings (loss) per share attributable to Intel—diluted</b>	<b>\$0.00</b>	<b>\$0.18</b>

<sup>1</sup> Non-GAAP gross margin percentage and non-GAAP earnings (loss) per share attributable to Intel outlook based on the mid-point of the revenue range

<sup>2</sup> Income tax effects are calculated using a fixed long-term projected tax rate. For 2024 and 2025, we determined the projected non-GAAP tax rates to be 13% and 12%, respectively.

# Reconciliation of Other Non-GAAP Forward-Looking Estimates

(In Billions)	Full-Year 2025 Approximately
GAAP additions to property, plant and equipment (gross capital spending)	\$20.0
Proceeds from capital-related government incentives	(4.0 – 6.0)
Partner contributions, net	(4.0 – 5.0)
Non-GAAP net capital spending	<u>\$8.0 - \$11.0</u>
GAAP R&D and MG&A	\$20.0
Acquisition-related adjustments	(0.1)
Share-based compensation	(2.4)
Non-GAAP R&D and MG&A	<u>\$17.5</u>

# Reconciliation of Non-GAAP Adjusted Free Cash Flow

(In Billions)	Q4 2024
GAAP net cash provided by (used for) operating activities	\$3.2
Net purchase of property, plant, and equipment	(4.7)
Payments on finance leases	(0.0)
Adjusted free cash flow	\$(1.5)