

3rd Quarter Earnings Presentation

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The Intel logo is displayed in white lowercase letters on a white square background. To the left of the logo, there are several blue squares of varying sizes and shades, arranged in a cluster.

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Disclosures

- This presentation contains non-GAAP financial measures. Intel revenue, gross margin, and earnings per share are presented on a non-GAAP basis unless otherwise indicated. This presentation also includes a non-GAAP free cash flow (FCF) measure. 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 Intel’s quarterly earnings release 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.
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Executive Summary



YoY growth in revenue and EPS

Record Q3 revenue in DCG and Mobileye, all-time record revenue in IOTG

Demand remains strong across all segments

Double-digit 2021 PC TAM growth; robust enterprise server and IOTG recovery

Executing on IDM 2.0 strategy today

On or ahead of process tech timelines laid out in July; broke ground on AZ fabs

Executing on Product Roadmap



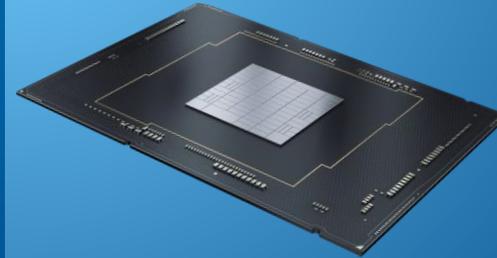
Tiger Lake

Fastest ramping notebook ever



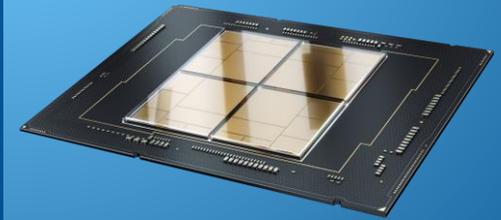
Alder Lake

First performance hybrid design,
now shipping to customers



Ice Lake

1M+ units shipped



Sapphire Rapids

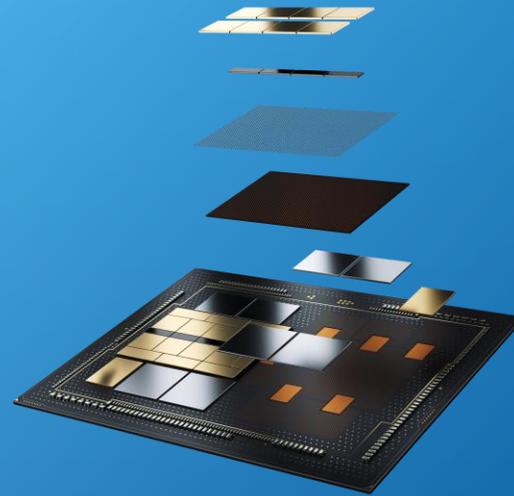
Expecting production in Q1

Delivering on our IDM 2.0 Commitments



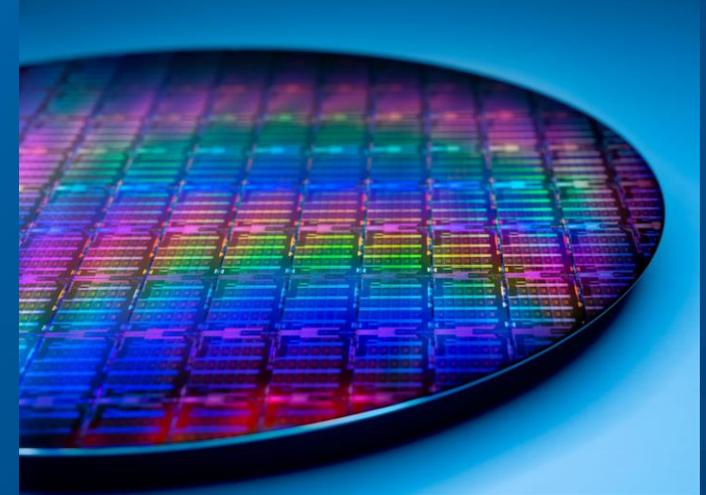
At-Scale Manufacturing

Broke ground on our Arizona fabs
three months ahead of schedule



Strategic Use of Foundries

Leveraging unique capabilities
for Meteor Lake and Ponte Vecchio



World-Class Foundry

Shipped first revenue units,
awarded initial phase of RAMP-C program

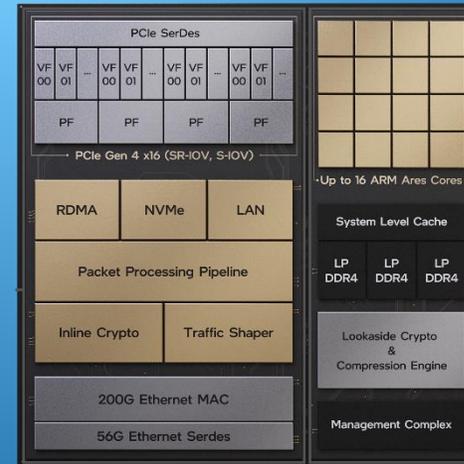
Strong Pipeline of Innovation



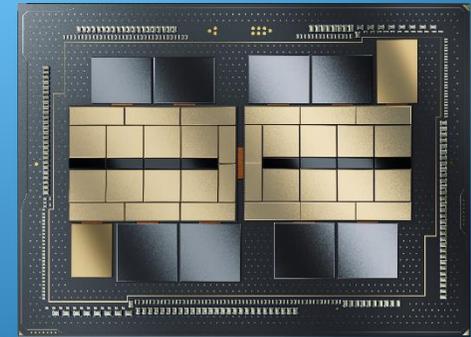
Meteor Lake
CPU tile power-on,
Intel 4 lead product



Alchemist
Next-gen discrete GPU for gaming,
on shelves in Q1



Mount Evans
Intel's first ASIC-based IPU



Ponte Vecchio
Accelerating AI, HPC, and
advanced analytics workloads

Q3 Financial Highlights

\$18.1B

Revenue

\$0.1B below July guidance

Up 5% YoY

57.8%

Gross Margin

2.8 ppt above July guidance

Up 1.3 ppt YoY

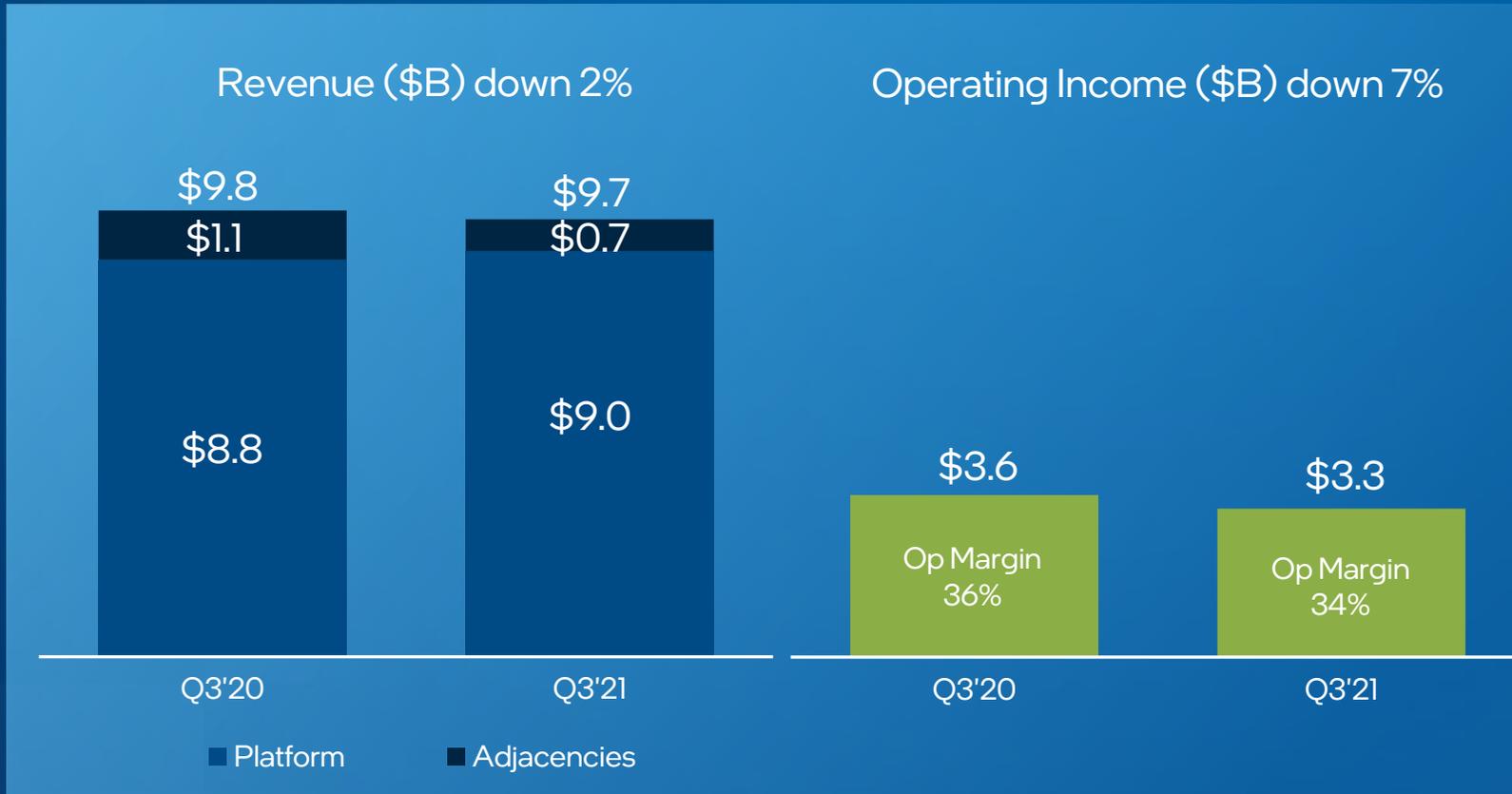
\$1.71

EPS

\$0.61 above July guidance

Up 59% YoY

Client Computing Group



YoY Revenue	
Platform	2%
Adjacencies ¹	(35%)

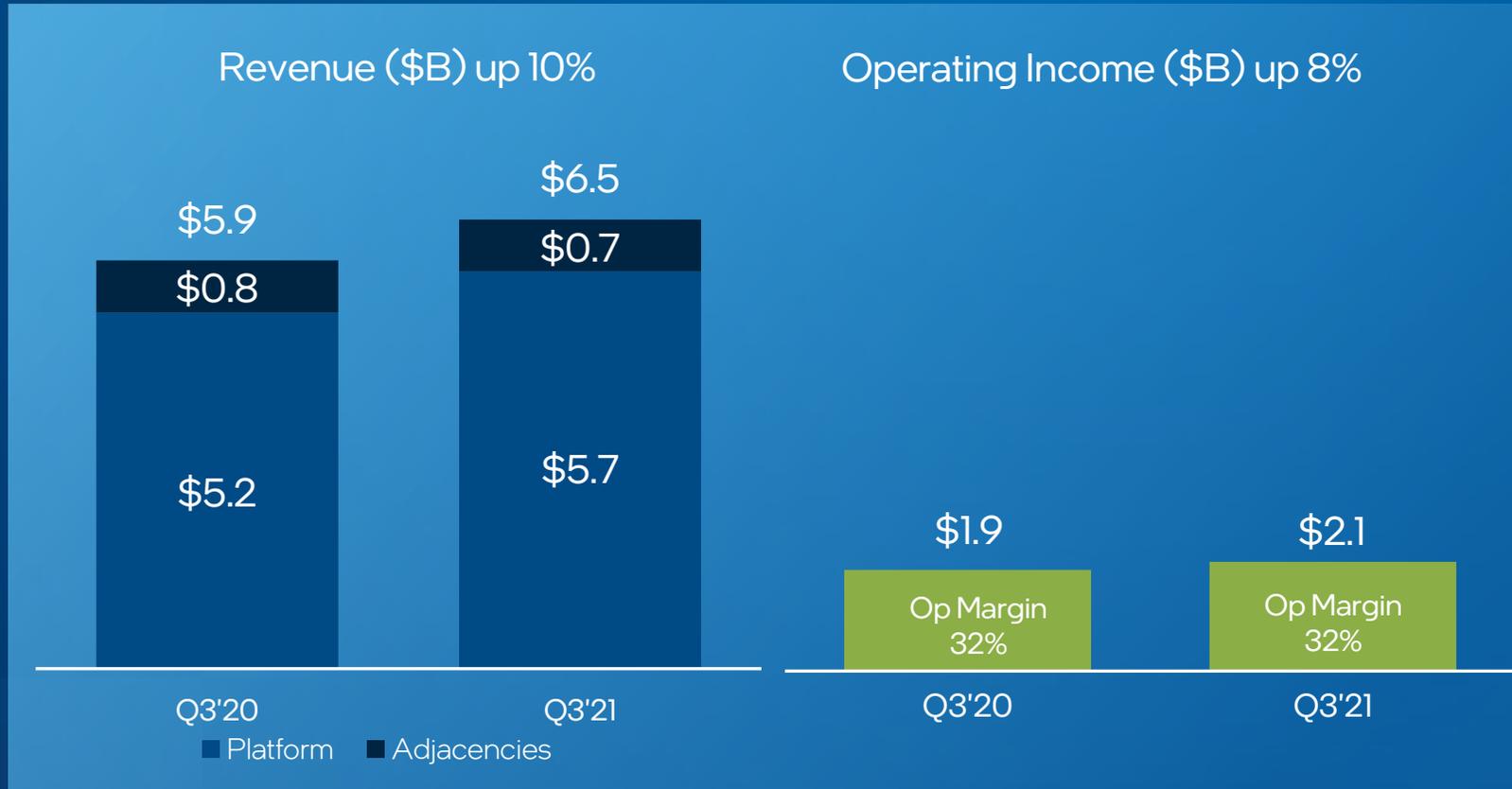
Market Segments	YoY Revenue
Notebook	(5%)
Desktop	20%

CCG Platform	YoY
PC Volumes	(6%)
Notebook ASP	10%
Desktop ASP	4%

Revenue down on notebook ecosystem constraints and modem ramp down, partially offset by higher desktop demand
Operating income down on inventory reserves timing and platform/process investments, partially offset by richer mix

1. CCG adjacencies include modem, wireless communications, wired connectivity, and (prior to Q3 2020 divestiture) connected home products.

Data Center Group



	YoY Revenue
Platform	12%
Adjacencies ¹	(1%)

Market Segments	YoY Revenue
Cloud SP	(20%)
Enterprise & Gov.	70%
Comms SP	18%

DCG Platform	YoY
Unit Volumes	8%
ASPs	3%

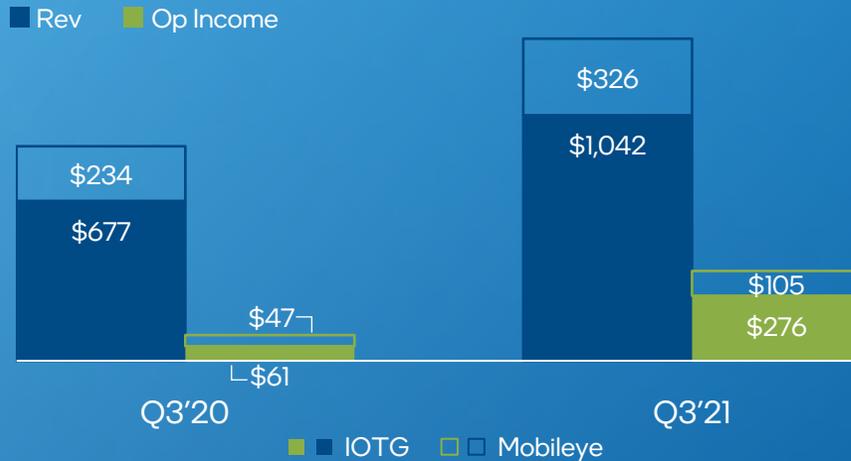
Revenue up on strong enterprise recovery, gated by ecosystem supply challenges

Operating income up on higher revenue, partially offset by increased product and process investments

1. DCG adjacencies include Optane (beginning in 2021), AI accelerator, ethernet, 5G and silicon photonics products.

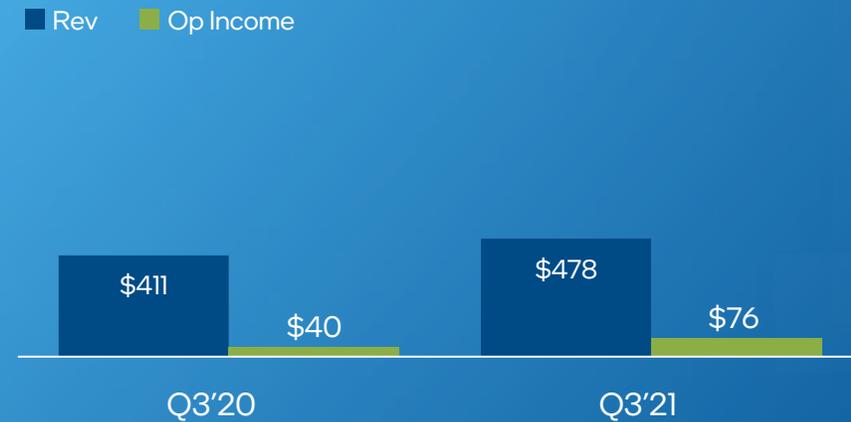
Other Business Segments

IOT: IOTG + Mobileye (\$M)



- Record IOTG revenue up 54% YoY and operating income up 352% YoY driven by COVID recovery
- MBLY revenue up 39% YoY and operating income up 123% YoY on improvement in global vehicle production. Strong design win momentum.

PSG (\$M)



- PSG revenue up 16% YoY on continued recovery in all market segments gated by supply
- Operating income up 90% YoY

Outlook

Q4 2021 Outlook

\$18.3B

Revenue

Down 3% YoY

53.5%

Gross Margin

Down 6.5 ppt YoY

\$0.90

EPS

Down 39% YoY

FY 2021 Outlook

\$73.5B

Revenue

Flat to prior outlook
Up 1% YoY

57%

Gross Margin

Up 0.5 ppt from prior
outlook
Down 2.4 ppt YoY

\$5.28

EPS

Increased \$0.48 from
prior outlook
Up 4% YoY

Capital Expenditures \$18-19B

Free Cash Flow ~\$12.5B

Long-Term Outlook

Revenue

- >\$74B in 2022
- 10-12% CAGR over the next 4-5 years

Gross Margin

- 51-53% over the next 2-3 years, then moving upward

CapEx

- \$25-28B in 2022
- Potential for further growth in subsequent years

Dividend

- Committed to a healthy and growing dividend

Appendix

Reconciliation of Non-GAAP Actuals

(In Billions, Except Per Share Amounts)	Three Months Ended	
	Sep 25, 2021	Sep 26, 2020
GAAP revenue	\$19.2	\$18.3
NAND memory business	(1.1)	(1.1)
Non-GAAP revenue	\$18.1	\$17.3
GAAP gross margin percentage	56.0%	53.1%
Acquisition-related adjustments	1.7%	1.7%
NAND memory business	0.1%	1.6%
Non-GAAP gross margin percentage	57.8%	56.5%
GAAP earnings per share—diluted	\$1.67	\$1.02
Acquisition-related adjustments	0.09	0.09
Restructuring and other charges	0.01	(0.01)
Ongoing mark-to-market on marketable equity securities	0.04	0.03
NAND memory business	(0.10)	(0.04)
Income tax effect	--	(0.01)
Non-GAAP earnings per share—diluted	\$1.71	\$1.08

Reconciliation of Non-GAAP Outlook

	Q4 2020 Actuals	Q4 2021 Outlook Approximately	Full-year 2020 Actuals	Full-year 2021 Outlook Approximately
(In Billions, Except Per Share Amounts)				
GAAP net revenue	\$20.0	\$19.2	\$77.9	\$77.7
NAND memory business	(1.1)	(0.9)	(5.0)	(4.2)
Non-GAAP net revenue	\$18.9	\$18.3	\$72.9	\$73.5
GAAP gross margin	56.8%	51.4%	56.0%	54.9%
Acquisition-related adjustments	1.6%	1.7%	1.6%	1.6%
NAND memory business	1.7%	0.3%	1.8%	0.7%
Non-GAAP gross margin	60.0%	53.5%	59.4%	57.2%
GAAP earnings per share—diluted	\$1.42	\$0.78	\$4.94	\$4.50
Acquisition-related adjustments	0.09	0.09	0.33	0.36
Restructuring and other charges	0.02	--	0.05	0.64
(Gains) losses from divestiture	--	(0.24)	--	(0.24)
Ongoing mark-to-market on marketable equity securities	0.01	--	0.03	0.08
NAND memory business	(0.04)	(0.06)	(0.22)	(0.32)
Income tax effects	(0.02)	0.33	(0.03)	0.26
Non-GAAP earnings per share—diluted	\$1.48	\$0.90	\$5.10	\$5.28
(In Billions)				
GAAP cash from operations			\$31.0	
Additions to property, plant and equipment			(18.5)	
Free cash flow			\$12.5	

Long-term gross margin outlook range is provided on a non-GAAP basis and excludes the impact of amortization of acquisition-related intangible assets. It also assumes the completion of the first closing of the divestiture of our NAND business prior to such periods. We are unable to provide a full reconciliation of this measure to the corresponding GAAP measure without unreasonable efforts, as the amount and timing of such adjustments on a long-term basis are subject to considerable uncertainty. We believe such a reconciliation would also imply a degree of precision that is inappropriate for this forward-looking measure.

2020 Non-GAAP Adjustments

(In Billions, Except Per Share Amounts)	Q1 2020 Actuals	Q2 2020 Actuals	Q3 2020 Actuals	Q4 2020 Actuals	Full-year 2020 Actuals
GAAP net revenue	\$19.8	\$19.7	\$18.3	\$20.0	\$77.9
NAND memory business	(1.2)	(1.5)	(1.1)	(1.1)	(5.0)
Non-GAAP net revenue	\$18.6	\$18.2	\$17.3	\$18.9	\$72.9
GAAP gross margin	\$12.0	\$10.5	\$9.7	\$11.3	\$43.6
Acquisition-related adjustments	.3	.3	.3	.3	1.2
NAND memory business	(.3)	(.6)	(.3)	(.3)	(1.5)
Non-GAAP gross margin	\$12.0	\$10.2	\$9.7	\$11.3	\$43.3
GAAP gross margin percentage	60.6%	53.3%	53.1%	56.8%	56.0%
Acquisition-related adjustments	1.5%	1.5%	1.7%	1.6%	1.6%
NAND memory business	2.4%	1.4%	1.6%	1.7%	1.8%
Non-GAAP gross margin percentage	64.5%	56.3%	56.5%	60.0%	59.4%
GAAP operating income	\$7.0	\$5.7	\$5.1	\$5.9	\$23.7
Acquisition-related adjustments	.3	.4	.4	.4	1.4
Restructuring and other charges	.2	--	--	.1	.2
NAND memory business	(.2)	(.4)	(.1)	(.2)	(.9)
Non-GAAP operating income	\$7.3	\$5.6	\$5.3	\$6.1	\$24.4
GAAP operating margin	35.5%	28.9%	27.6%	29.5%	30.4%
Acquisition-related adjustments	1.7%	1.8%	2.0%	1.8%	1.8%
Restructuring and other charges	0.8%	--	(0.1)%	0.3%	0.3%
NAND memory business	1.5%	0.4%	0.9%	0.9%	0.9%
Non-GAAP operating margin	39.5%	31.0%	30.4%	32.4%	33.4%
GAAP earnings per share—diluted	\$1.31	\$1.19	\$1.02	\$1.42	\$4.94
Acquisition-related adjustments	0.08	0.08	0.09	0.09	0.33
Restructuring and other charges	0.04	--	(0.01)	0.02	0.05
Ongoing mark-to-market on marketable equity securities	0.03	(0.04)	0.03	0.01	0.03
NAND memory business	(0.05)	(0.10)	(0.04)	(0.04)	(0.22)
Income tax effects	--	0.01	(0.01)	(0.02)	(0.03)
Non-GAAP earnings per share—diluted	\$1.41	\$1.14	\$1.08	\$1.48	\$5.10

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