



1st Quarter Earnings Presentation



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Disclosures

- This presentation contains non-GAAP financial measures. Intel revenue, gross margin, and earnings per share, including year-over-year comparisons, are presented on a non-GAAP basis except with respect to our Q1 2022 revenue, Q2 and full-year 2022 revenue outlook, or as otherwise indicated. This presentation also includes a non-GAAP adjusted 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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- All information in this presentation reflects management’s views as of April 28, 2022. Intel does not undertake, and expressly disclaims any duty, to update any statement made in this presentation, whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law.

Executive Summary



Beat expectations on revenue, GM, and EPS

Reaffirming full year revenue and GM outlook, raising EPS

Executing on our strategy

Shipping initial SKUs of Sapphire Rapids to select customers
Launched ARC A-Series and newest Xeon D processors

Creating more globally balanced semi manufacturing

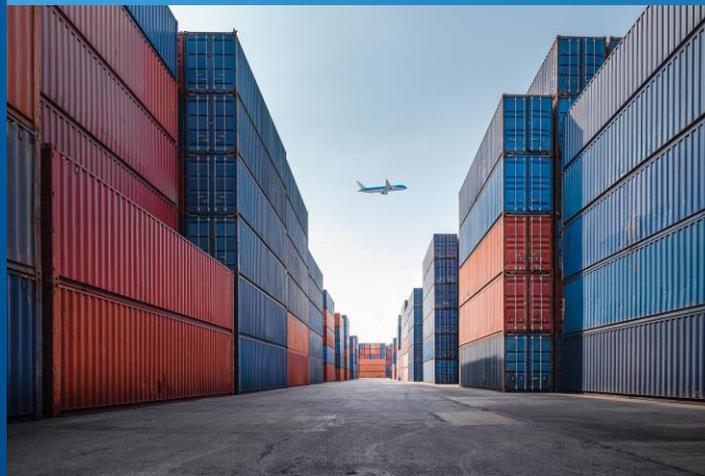
Announced new R&D and fab investment in Europe
Unveiled latest leading-edge factory in Oregon

Industry Outlook

Long-Term, Sustainable
Semiconductor Demand



Continued Need for Resilient
and Balanced Supply Chain



Government Action Required to
Accelerate Pace



Executing on our Strategy

Delivering 5 Nodes in 4 Years



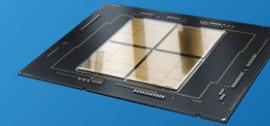
Intel 7: Alder Lake ramping
Intel 4: Meteor Lake booted Windows
Intel 3: Sierra Forest pre-prod wafers in 2022

CCG



Alder Lake shipped 15 Mu
Raptor Lake sampling now

DCAI



Shipping initial SKUs of
Sapphire Rapids
to select customers

NEX



Launched newest Xeon D
10 vRAN engagements
with major global operators

AXG



On-track to >\$1B rev
Launched ARC A-Series

intel. foundry services



>\$5B deal value across
10 qualified opportunities
30 test chips on Intel 16/3

mobileye An Intel Company



L4 driving system demo
BMW / EyeQ5 Launch
IPO progressing

Q1 Financial Highlights¹

\$18.4B

Revenue

Down 1% YoY
\$0.1B above Jan guidance

53.1%

Gross Margin

Down 5.7 ppt YoY
1.1 ppt above Jan guidance

\$0.87

EPS

Down 35% YoY
\$0.07 above Jan guidance

¹ YoY comparisons exclude share-based compensation and gains/losses on equity investments.

Client Computing Group (CCG)

Revenue down 13%

Operating Income down 34%

\$10.7B

\$9.3B

\$4.3B

\$2.8B

Operating
Margin 40%

Operating
Margin 30%

Q1'21

Q1'22

Q1'21

Q1'22

Revenue

- Lower revenue on ramp down of Apple CPU/modem business, lower entry consumer/education demand and OEM inventory burn

Operating Income

- Lower operating income on ramp of 10nm/Intel 7 and investment in product and process roadmap



Datacenter and AI Group (DCAI)

Revenue up 22%

Operating Income down 1%



Revenue

- Revenue growth on Xeon demand strength from hyperscale and enterprise customers

Operating Income

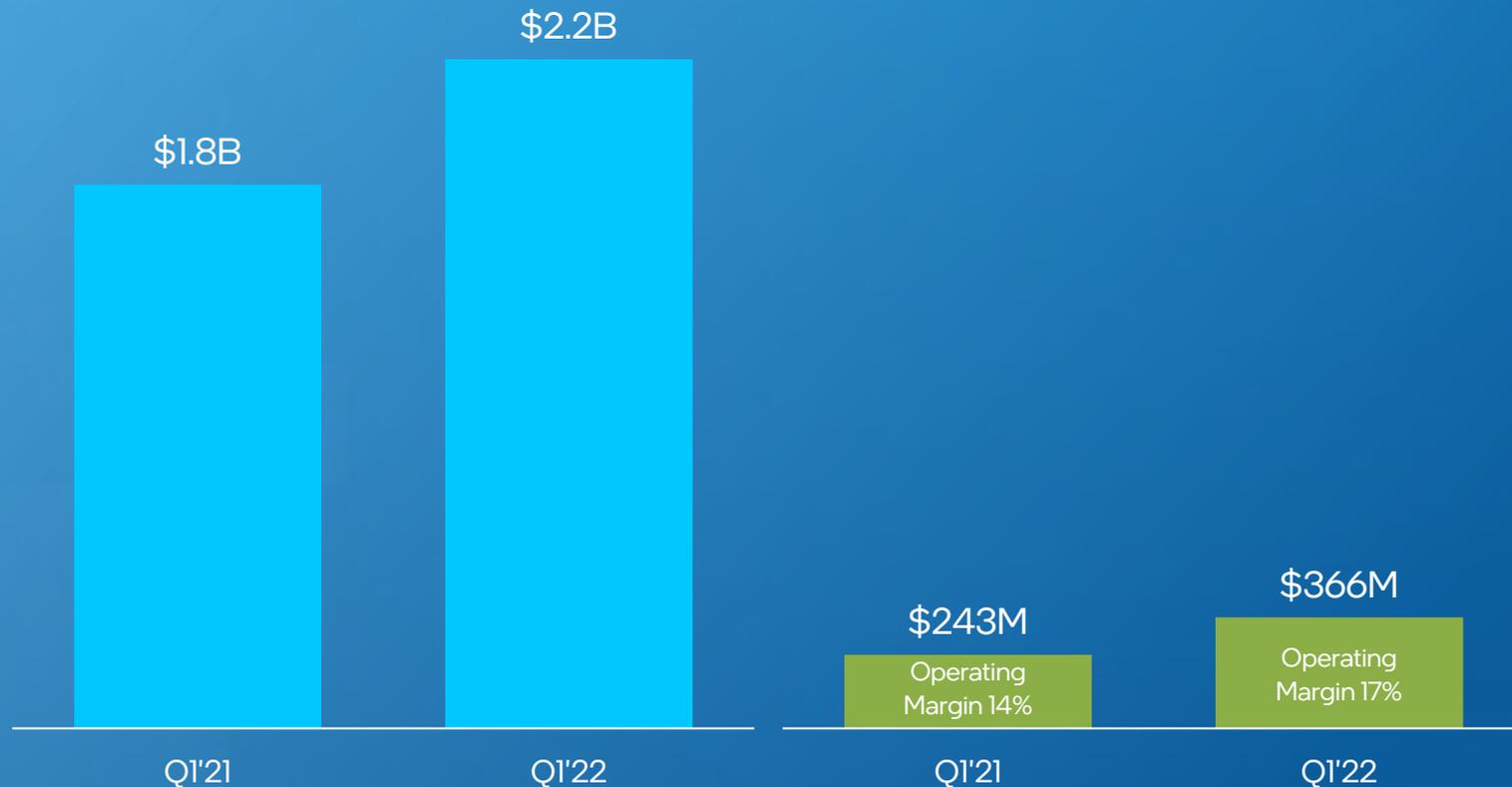
- Lower operating income on 10nm ramp and increased product investment, offset by higher revenue



Network and Edge Group (NEX)

Revenue up 23%

Operating Income up 51%



Revenue

- Record quarterly revenue on cloud networking demand and post-COVID transformation of the edge

Operating Income

- Higher operating income on increased demand, partially offset by increased technology and product investment



Emerging Business Segments

Accelerated Computing Systems and Graphics Group (AXG)



- Revenue up 21% on Alchemist and Super Compute product ramps
- Higher operating loss on product pre-qualification reserves, production ramp charges, & roadmap investment

Mobileye



- Record quarterly revenue up 5% YoY
- Operating income down 13% YoY on increased investment in next generation products

Intel Foundry Services (IFS)



- Record quarterly revenue up 175% YoY on increased tool deliveries and increased automotive revenue
- Operating loss approximately flat on higher revenue offset by investments in custom foundry

Outlook

FY 2022 Outlook¹

\$76B

Revenue

Up 2% YoY

Flat to prior outlook

52%

Gross Margin

Down 6.1 ppt YoY

Flat to prior outlook

\$3.60

EPS

Down 32% YoY

Up \$0.10 from prior outlook

Net CapEx \$27B

Adjusted Free Cash Flow² (\$1-2B)

¹ Outlook and YoY comparisons exclude share-based compensation and gains/losses on equity investments.

² Reflects Q1 2022 proceeds from the McAfee equity sale, which are included to facilitate a better, more consistent comparison to past presentations of liquidity and historical treatment of McAfee equity distributions and sales.

Q2 2022 Outlook¹

\$18B

Revenue

Down 3% YoY

51%

Gross Margin

Down 8.8 ppt YoY

\$0.70

EPS

Down 49% YoY

¹ Outlook and YoY comparisons exclude share-based compensation and gains/losses on equity investments.

Appendix

Historical Segment Revenue (2019 – 2021)

(In Millions, unaudited)	FY 2021	FY 2020	FY 2019
CCG	\$41,067	\$40,535	\$37,938
DCAI	22,691	23,413	21,696
NEX	7,976	7,132	6,829
AXG	774	651	606
Mobileye	1,386	967	879
IFS	786	715	461
All Other	5,019	5,091	4,150
Total operating segment revenue	79,699	78,504	72,559
Less: Intersegment revenue	(675)	(637)	(594)
GAAP Revenue	79,024	77,867	71,965
Less: NAND memory business	(4,306)	(4,967)	(4,059)
Non-GAAP Revenue	\$74,718	\$72,900	\$67,906

Historical Segment Operating Income (2019 – 2021)

(In Millions, unaudited)	FY 2021	FY 2020	FY 2019
CCG	\$15,704	\$15,800	\$16,160
DCAI	8,439	11,076	9,927
NEX	1,711	846	1,739
AXG	(1,207)	(403)	(353)
Mobileye	554	323	318
IFS	(23)	45	(213)
All Other	(5,722)	(4,009)	(5,543)
GAAP operating income	19,456	23,678	22,035
Acquisition-related adjustments	1,492	1,416	1,324
Restructuring and other charges	2,626	198	393
Share-based compensation	2,036	1,854	1,717
NAND memory business	(1,369)	(937)	600
Non-GAAP operating income	\$24,241	\$26,209	\$26,069

Historical Segment Revenue (Q1'21 – Q4'21)

(In Millions, unaudited)	Q1 2021	Q2 2021	Q3 2021	Q4 2021
CCG	\$10,723	\$10,253	\$9,788	\$10,303
DCAI	4,940	5,547	5,778	6,426
NEX	1,799	2,105	1,986	2,086
AXG	181	177	171	245
Mobileye	377	327	326	356
IFS	103	264	174	245
All Other	1,724	1,129	1,133	1,033
Total operating segment revenue	19,847	19,802	19,356	20,694
Less: Intersegment revenue	(174)	(171)	(164)	(166)
GAAP Revenue	19,673	19,631	19,192	20,528
Less: NAND memory business	(1,107)	(1,098)	(1,105)	(996)
Non-GAAP Revenue	\$18,566	\$18,533	\$18,087	\$19,532

Historical Segment Operating Income (Q1'21 – Q4'21)

(In Millions, unaudited)	Q1 2021	Q2 2021	Q3 2021	Q4 2021
CCG	\$4,288	\$4,029	\$3,592	\$3,795
DCAI	1,706	2,090	2,293	2,350
NEX	243	605	511	352
AXG	(176)	(168)	(222)	(641)
Mobileye	171	133	127	123
IFS	(34)	52	(44)	3
All Other	(2,504)	(1,195)	(1,030)	(993)
GAAP operating income	3,694	5,546	5,227	4,989
Acquisition-related adjustments	364	366	375	387
Restructuring and other charges	2,209	346	42	29
Share-based compensation	425	619	543	449
NAND memory business	(171)	(402)	(442)	(354)
Non-GAAP operating income	\$6,521	\$6,475	\$5,745	\$5,500

Reconciliation of Non-GAAP Actuals

(In Billions, Except Per Share Amounts)	Three Months Ended	
	Apr 2, 2022	Mar 27, 2021
GAAP revenue	\$18.4	\$19.7
NAND memory business	--	(1.1)
Non-GAAP revenue	\$18.4	\$18.6
GAAP gross margin percentage	50.4%	55.2%
Acquisition-related adjustments	1.9%	1.6%
Share-based compensation	0.8%	0.4%
NAND memory business	--%	1.7%
Non-GAAP gross margin percentage	53.1%	58.8%
GAAP earnings per share—diluted	\$1.98	\$0.82
Acquisition-related adjustments	0.10	0.09
Restructuring and other charges	(0.30)	0.54
Share-based compensation	0.17	0.10
(Gains) losses from divestiture	(0.27)	--
(Gains) losses on equity investments, net	(1.05)	(0.09)
NAND memory business	--	(0.04)
Tax Reform	(0.09)	--
Income tax effects	0.33	(0.08)
Non-GAAP earnings per share—diluted	\$0.87	\$1.34

Reconciliation of Non-GAAP Q2 Outlook

(In Billions, Except Per Share Amounts)	Q2 2021 Actuals	Q2 2022 Outlook Approximately
GAAP revenue	\$19.6	\$18.0
NAND memory business	(1.1)	--
Non-GAAP revenue	\$18.5	\$18.0
GAAP gross margin	57.1%	48.1%
Acquisition-related adjustments	1.6%	1.8%
Share-based compensation	0.5%	1.1%
NAND memory business	0.5%	--
Non-GAAP gross margin	59.8%	51.0%
GAAP earnings per share—diluted	\$1.24	\$0.50
Acquisition-related adjustments	0.09	0.09
Restructuring and other charges	0.08	0.01
Share-based compensation	0.15	0.23
(Gains) losses from divestiture	--	(0.01)
(Gains) losses on equity investments, net	(0.07)	(0.05)
NAND memory business	(0.09)	--
Tax Reform	--	(0.03)
Income tax effects	(0.04)	(0.04)
Non-GAAP earnings per share—diluted	\$1.36	\$0.70

Reconciliation of Non-GAAP FY Outlook

(In Billions, Except Per Share Amounts)	Full-year 2021 Actuals	Full-year 2022 Outlook Approximately
GAAP revenue	\$79.0	\$76.0
NAND memory business	(4.3)	--
Non-GAAP revenue	\$74.7	\$76.0
GAAP gross margin	55.4%	49.3%
Acquisition-related adjustments	1.6%	1.8%
Share-based compensation	0.4%	0.9%
NAND memory business	0.6%	--
Non-GAAP gross margin	58.1%	52.0%
GAAP earnings per share—diluted	\$4.86	\$4.19
Acquisition-related adjustments	0.36	0.36
Restructuring and other charges	0.65	(0.27)
Share-based compensation	0.49	0.82
(Gains) losses from divestiture	--	(0.30)
(Gains) losses on equity investments, net	(0.67)	(1.12)
NAND memory business	(0.33)	--
Tax Reform	--	(0.22)
Income tax effects	(0.06)	0.14
Non-GAAP earnings per share—diluted	\$5.30	\$3.60
(In Billions)		Full-year 2022 Outlook
GAAP cash flow from operations		\$21.3
Net additions to property, plant and equipment		(27.0)
Payments on finance leases		(0.4)
Sale of equity investment ¹		4.6
Adjusted free cash flow		\$(1.5)

¹ Reflects Q1 2022 proceeds from the McAfee equity sale, which are included to facilitate a better, more consistent comparison to past presentations of liquidity and historical treatment of McAfee equity distributions and sales.

Non-GAAP Changes: SBC and ICAP Portfolio Gains/Losses¹

(In Billions, Except Per Share Amounts)

	FY 2021	FY 2020	FY 2019
GAAP net revenue	\$79.0	\$77.9	\$72.0
NAND memory business	(4.3)	(5.0)	(4.1)
Non-GAAP net revenue	\$74.7	\$72.9	\$67.9
GAAP gross margin	\$43.8	\$43.6	\$42.1
Acquisition-related adjustments	1.3	1.2	1.1
Share-based compensation	0.3	0.3	0.3
NAND memory business	(2.0)	(1.5)	0.0
Non-GAAP gross margin	\$43.4	\$43.6	\$43.5
GAAP gross margin percentage	55.4%	56.0%	58.6%
Acquisition-related adjustments	1.6%	1.6%	1.6%
Share-based compensation	0.4%	0.4%	0.3%
NAND memory business	0.6%	1.8%	3.5%
Non-GAAP gross margin percentage	58.1%	59.8%	64.1%
GAAP operating income	\$19.5	\$23.7	\$22.0
Acquisition-related adjustments	1.5	1.4	1.3
Restructuring and other charges	2.6	0.2	0.4
Share-based compensation	2.0	1.9	1.7
NAND memory business	(1.4)	(0.9)	0.6
Non-GAAP operating income	\$24.2	\$26.2	\$26.1
GAAP operating margin	24.6%	30.4%	30.6%
Acquisition-related adjustments	1.9%	1.8%	1.8%
Restructuring and other charges	3.3%	0.3%	0.5%
Share-based compensation	2.7%	2.4%	2.4%
NAND memory business	(0.1)%	0.9%	2.9%
Non-GAAP operating margin	32.4%	36.0%	38.4%
GAAP earnings per share—diluted	\$4.86	\$4.94	\$4.71
Acquisition-related adjustments	0.36	0.33	0.29
Restructuring and other charges	0.65	0.05	0.09
Share-based compensation	0.49	0.44	0.39
(Gain)/loss on divestiture	--	--	(0.16)
(Gain) loss on equity investments, net ²	(0.67)	(0.45)	(0.35)
NAND memory business	(0.33)	(0.22)	0.13
Income tax effects	(0.06)	(0.03)	(0.07)
Non-GAAP earnings per share—diluted	\$5.30	\$5.06	\$5.03

¹ Changes effective beginning Q1 2022

² The adjustment for gains and losses on equity investments includes the ongoing mark-to-market adjustments previously excluded from our non-GAAP results.

Non-GAAP Changes: SBC and ICAP Portfolio Gains/Losses

(In Billions, Except Per Share Amounts)	Q1 2021 Actuals	Q2 2021 Actuals	Q3 2021 Actuals	Q4 2021 Actuals
GAAP net revenue	\$19.7	\$19.6	\$19.2	\$20.5
NAND memory business	(1.1)	(1.1)	(1.1)	(1.0)
Non-GAAP net revenue	\$18.6	\$18.5	\$18.1	\$19.5
GAAP gross margin	\$10.9	\$11.2	\$10.7	\$11.0
Acquisition-related adjustments	0.3	0.3	0.3	0.3
Share-based compensation	0.1	0.1	0.1	0.1
NAND memory business	(0.3)	(0.5)	(0.6)	(0.5)
Non-GAAP gross margin	\$10.9	\$11.1	\$10.5	\$10.9
GAAP gross margin percentage	55.2%	57.1%	56.0%	53.6%
Acquisition-related adjustments	1.6%	1.6%	1.7%	1.6%
Share-based compensation	0.4%	0.5%	0.5%	0.4%
NAND memory business	1.7%	0.5%	0.1%	0.2%
Non-GAAP gross margin percentage	58.8%	59.8%	58.3%	55.8%
GAAP operating income	\$3.7	\$5.5	\$5.2	\$5.0
Acquisition-related adjustments	0.4	0.4	0.4	0.4
Restructuring and other charges	2.2	0.3	0.0	0.0
Share-based compensation	0.4	0.6	0.5	0.4
NAND memory business	(0.2)	(0.4)	(0.4)	(0.4)
Non-GAAP operating income	\$6.5	\$6.5	\$5.7	\$5.5
GAAP operating margin	18.8%	28.3%	27.2%	24.3%
Acquisition-related adjustments	1.9%	1.9%	2.0%	1.9%
Restructuring and other charges	11.2%	1.8%	0.2%	0.1%
Share-based compensation	2.2%	3.2%	2.8%	2.2%
NAND memory business	1.0%	(0.3)%	(0.6)%	(0.5)%
Non-GAAP operating margin	35.1%	34.9%	31.8%	28.2%
GAAP earnings per share—diluted	\$0.82	\$1.24	\$1.67	\$1.13
Acquisition-related adjustments	0.09	0.09	0.09	0.09
Restructuring and other charges	0.54	0.08	0.01	0.01
Share-based compensation	0.10	0.15	0.13	0.11
(Gain) loss on equity investments, net	(0.09)	(0.07)	(0.42)	(0.09)
NAND memory business	(0.04)	(0.09)	(0.10)	(0.08)
Income tax effects	(0.08)	(0.04)	0.07	(0.02)
Non-GAAP earnings per share—diluted	\$1.34	\$1.36	\$1.45	\$1.15

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