



4th 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 Q4 2022 and FY 2022 revenue, Q1 2023 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 January 26, 2023. 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



Q4 revenue at the low-end of guided range

Managing the business through significant industry-wide volatility
Persistent economic headwinds expected through at least first half of 2023

Executing on our commitment to manage costs

Driving to deliver \$3B of cost savings in 2023, \$8-10B annually exiting 2025
Managing FY23 net capital intensity $\leq 35\%$ while preserving critical investments

Focused on delivering the long-term strategy

Rebuilding execution; predictable cadence of best-in-class process and products
Thoughtful decisions around capital allocation aimed at driving highest ROI

Industry Outlook

Volatility Across All Markets

- Expect 2023 PC TAM at low end of 270-295 range
- 1H23 server consumption TAM down year over year
- Inventory digestion; sell-in well below sell-through



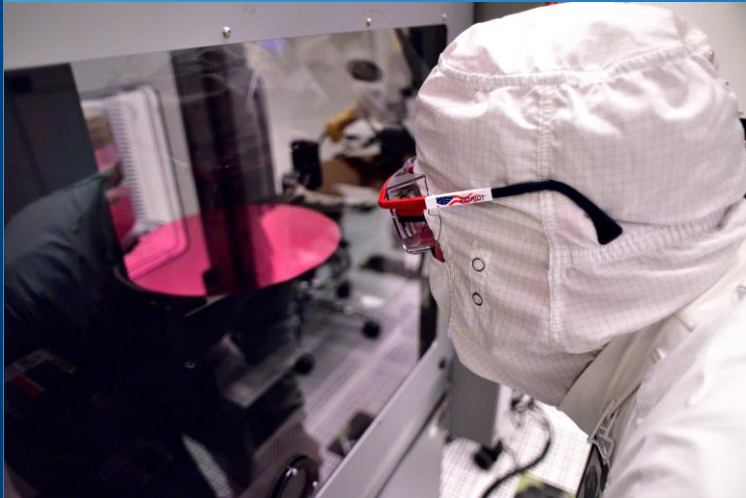
Long-Term Sustainable Demand

- Semi ex-memory to decline ~mid single digits
- PC usage remains strong as economy reopens
- Server TAM expected to return to growth in 2H23



Executing our Strategy

Process and Manufacturing



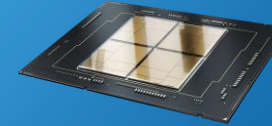
5 nodes in 4 years: Intel 7 in HVM, Intel 4 ready for manufacturing, Intel 3 on track, Intel 20A, 18A: have taped out with silicon in the fab

CCG



Raptor Lake NB introduced
Meteor Lake in 2H23
Lunar Lake in 2024

DCAI



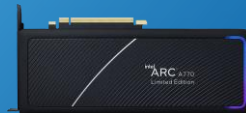
Sapphire Rapids launched
Emerald Rapids in 2H23
Granite and Sierra in 2024

NEX



Record FY22 revenue
Expecting share gains to
continue in FY23

AXG



Integrating into CCG and
DCAI to accelerate scale
Flex series now shipping

intel foundry services



New Intel 3 customer
Lifetime deal value >\$4B
Working to close Tower

mobileye An Intel Company



Record FY22 revenue
Continued path for growth
SuperVision design win

Success starts with our people and execution follows culture

Q4 Financial Highlights¹

\$14.0B

Revenue

Down 28% YoY

Within October outlook range

43.8%

Gross Margin

Down 12.1 ppt YoY

1.2 ppt below October outlook

\$0.10

EPS

Down 92% YoY

\$0.10 below October outlook

¹ YoY comparisons exclude share-based compensation and gains/losses on equity investments. Gross margin and EPS comparisons are based on the mid-point of revenue outlook.

Full Year Financial Highlights¹

\$63.1B

Revenue

Down 16% YoY

Within October outlook range

47.3%

Gross Margin

Down 10.8 ppt YoY

0.2 ppt below October outlook

\$1.84

EPS

Down 65% YoY

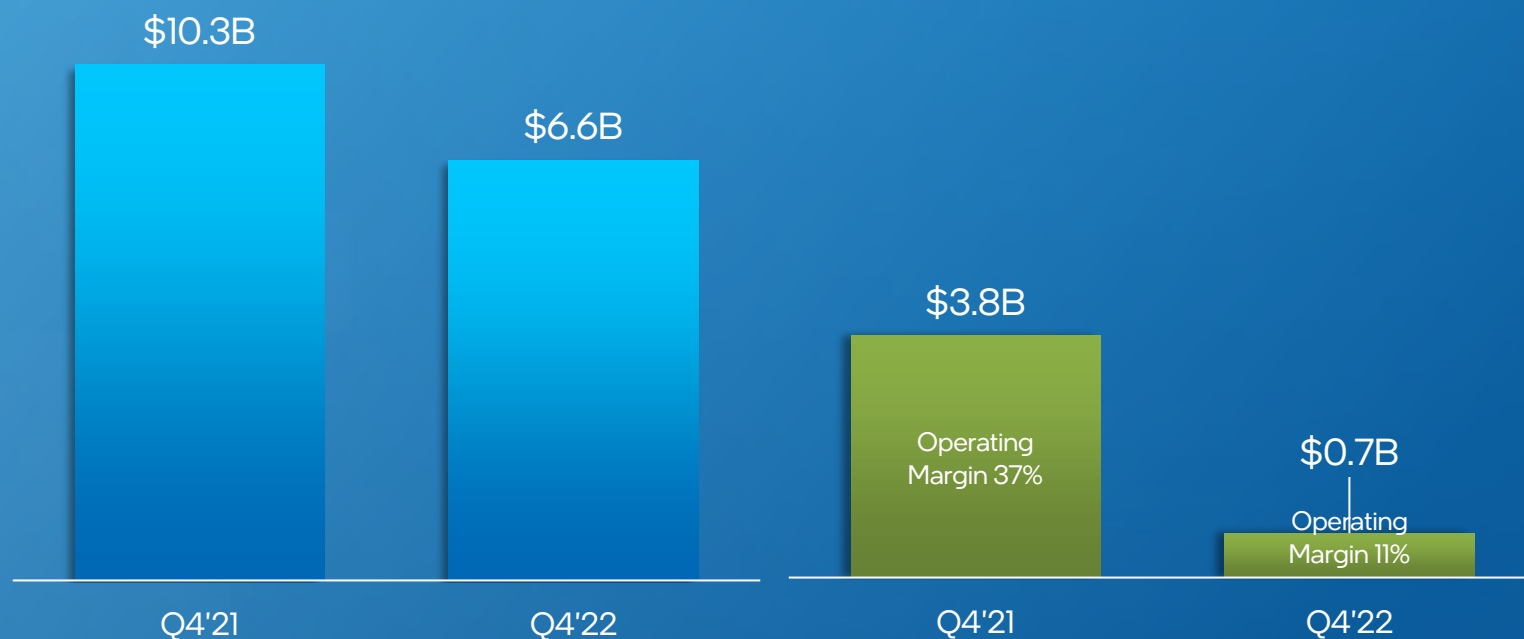
\$0.11 below October outlook

¹ YoY comparisons exclude share-based compensation and gains/losses on equity investments. Gross margin and EPS comparisons are based on the mid-point of revenue outlook.

Client Computing Group (CCG)

Revenue down 36%

Operating Income down 82%

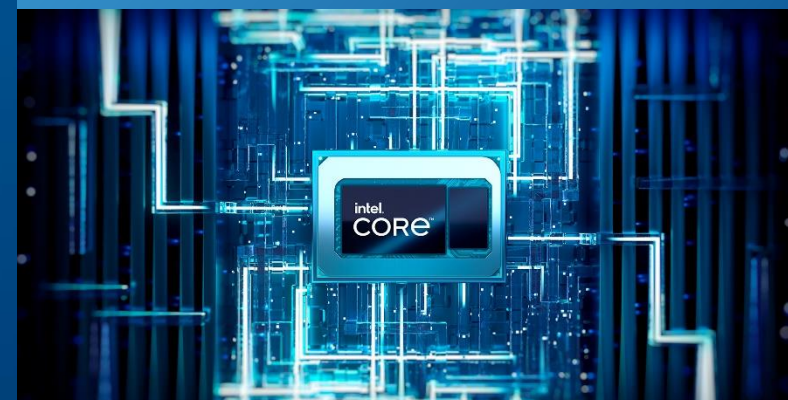


Revenue

- Lower revenue on PC demand softening primarily in consumer and education, and customer inventory reductions

Operating Income

- Lower operating income on lower revenue, increased Intel 7 mix, higher inventory reserves, and investment in product and process roadmap



Datacenter and AI Group (DCAI)

Revenue down 33%

Operating Income down 84%

\$6.4B

\$4.3B

\$2.4B

Operating
Margin 37%

\$0.4B

Operating Margin 9%

Q4'21

Q4'22

Q4'21

Q4'22

Revenue

- Lower revenue on TAM contraction and competitive pressure

Operating Income

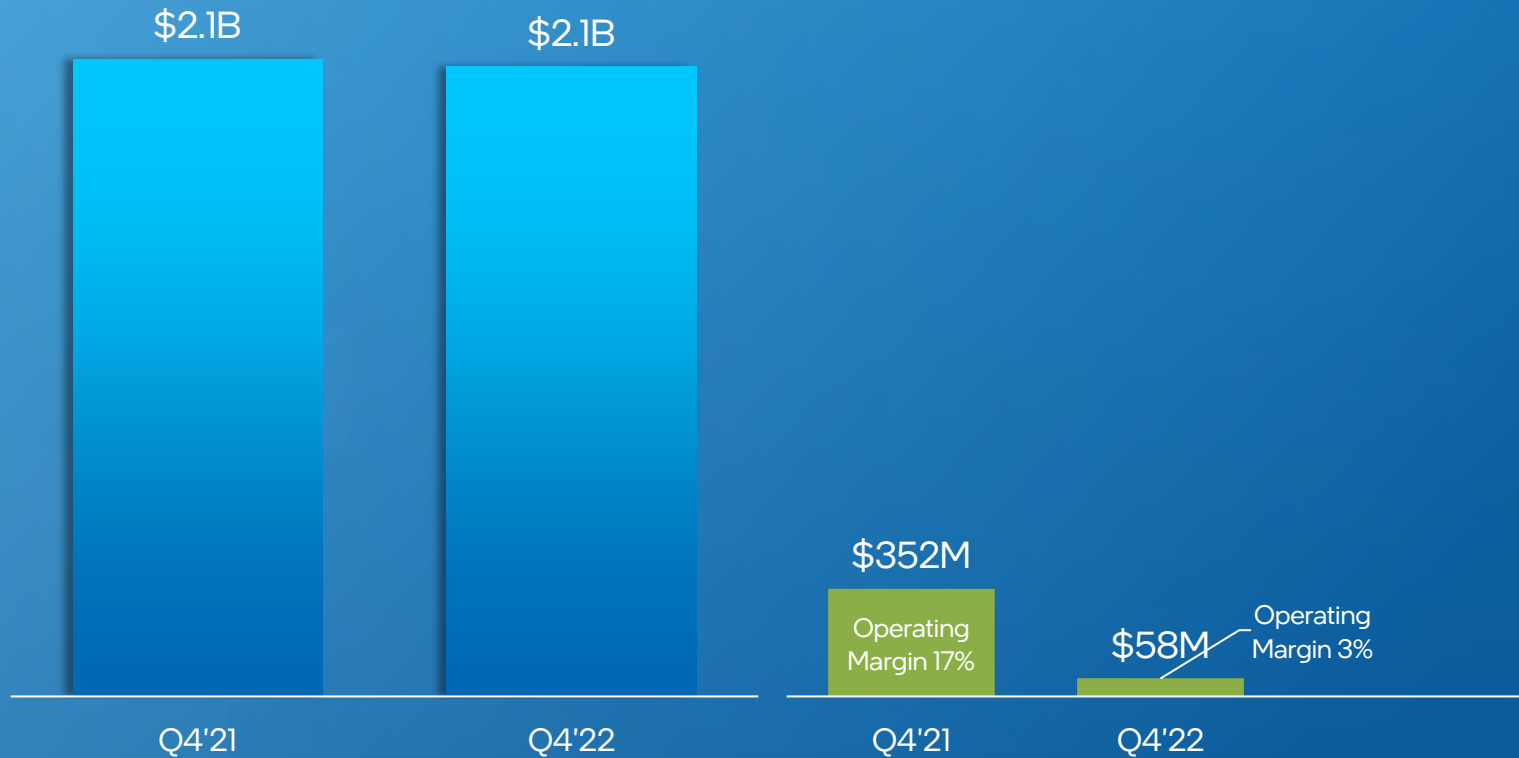
- Lower operating income on lower revenue, investment in our roadmap and process technology, ramping next generation products, and higher unit costs



Network and Edge Group (NEX)

Revenue down 1%

Operating Income down 84%



Revenue

- Slightly lower revenue driven by TAM weakness, offset by ramp of IPU products

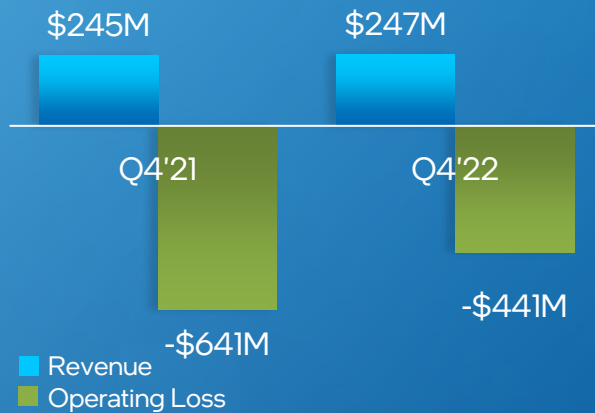
Operating Income

- Lower operating income on increased investment in process and product roadmap and segment mix



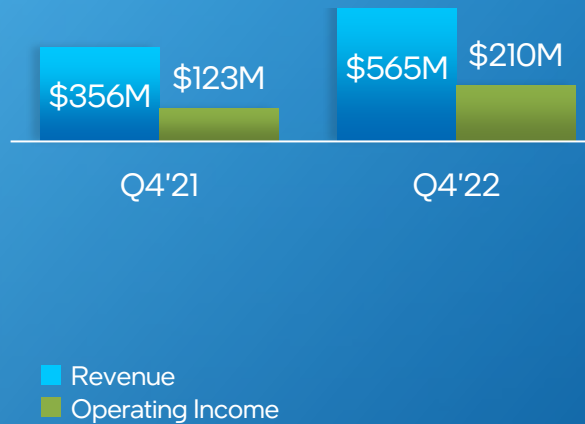
Other Business Segments

Accelerated Computing Systems and Graphics Group (AXG)



- Revenue up 1% year-over-year driven by Super Compute ramp, offsetting integrated client decline
- Lower operating loss driven by less inventory reserves

Mobileye



- Revenue up 59% year-over-year on EyeQ and SuperVision ramp
- Operating income up 71% year-over-year on revenue flow through

Intel Foundry Services (IFS)



- Revenue up 30% year-over-year on increased automotive shipments
- Operating loss driven by increased spending to support strategic growth

Outlook

Q1 2023 Outlook¹

\$10.5-11.5B

Revenue

Down 40% YoY

39.0%

Gross Margin

Down 14.1 ppt YoY

(\$0.15)

EPS

Down 117% YoY

¹ Gross margin and EPS outlook are based on the midpoint of revenue outlook. Outlook includes change in depreciable life from 5 to 8 years.

Appendix

Reconciliation of Non-GAAP Actuals

(In Billions, Except Per Share Amounts)	Three Months Ended	
	Dec 31, 2022	Dec 25, 2021
GAAP revenue	\$14.0	\$20.5
NAND memory business	--	(1.0)
Non-GAAP revenue	\$14.0	\$19.5
GAAP gross margin percentage	39.2%	53.6%
Acquisition-related adjustments	2.3%	1.6%
Share-based compensation	1.1%	0.4%
Optane inventory impairment	1.2%	--%
NAND memory business	--%	0.2%
Non-GAAP gross margin percentage	43.8%	55.8%
GAAP earnings (loss) per share—diluted ¹	\$(0.16)	\$1.13
Acquisition-related adjustments	0.09	0.09
Share-based compensation	0.18	0.11
Optane inventory impairment	0.04	--
Restructuring and other charges	0.11	0.01
(Gains) losses on equity investments, net	(0.04)	(0.09)
(Gains) losses from divestiture	(0.01)	--
NAND memory business	--	(0.08)
Tax Reform	(0.06)	--
Income tax effects	(0.05)	(0.02)
Non-GAAP earnings per share—diluted	\$0.10	\$1.15

¹ For the three months ended December 31, 2022, the impact of non-controlling interest to our non-GAAP adjustments is insignificant and thus is not included in our reconciliation of non-GAAP measures.

Reconciliation of Non-GAAP FY Actuals

(In Billions, Except Per Share Amounts)	Full-year 2022 Actuals	Full-year 2021 Actuals
GAAP revenue	\$63.1	\$79.0
NAND memory business	--	(4.3)
Non-GAAP revenue	\$63.1	\$74.7
GAAP gross margin percentage	42.6%	55.4%
Acquisition-related adjustments	2.1%	1.6%
Share-based compensation	1.0%	0.4%
Patent settlement	0.3%	--
Optane inventory impairment	1.1%	--
NAND memory business	--	0.6%
Non-GAAP gross margin percentage	47.3%	58.1%
GAAP earnings per share—diluted¹	\$1.94	\$4.86
Acquisition-related adjustments	0.37	0.36
Share-based compensation	0.76	0.50
Patent settlement	0.05	--
Optane inventory impairment	0.18	--
Restructuring and other charges	--	0.64
(Gains) losses on equity investments, net	(1.04)	(0.67)
(Gains) losses from divestiture	(0.28)	--
NAND memory business	--	(0.33)
Tax Reform	(0.20)	--
Income tax effects	0.06	(0.06)
Non-GAAP earnings per share—diluted	\$1.84	\$5.30

¹ For the year ended December 31, 2022, the impact of non-controlling interest to our non-GAAP adjustments is insignificant and thus is not included in our reconciliation of non-GAAP measure

Reconciliation of Non-GAAP Q1 Outlook

(In Billions, Except Per Share Amounts)	Q1 2022 Actuals	Q1 2023 Outlook Approximately
GAAP gross margin percentage	50.4%	34.1%
Acquisition-related adjustments	1.9%	3.3%
Share-based compensation	0.8%	1.6%
Non-GAAP gross margin percentage	53.1%	39.0%
GAAP earnings (loss) per share—diluted ¹	\$1.98	(\$0.80)
Acquisition-related adjustments	0.10	0.11
Share-based compensation	0.17	0.20
Restructuring and other charges	(0.30)	(0.03)
(Gains) losses on equity investments, net	(1.05)	(0.01)
(Gains) losses from divestiture	(0.27)	(0.01)
Tax Reform	(0.09)	--
Income tax effects	0.33	0.39
Non-GAAP earnings (loss) per share—diluted	\$0.87	(\$0.15)

¹ The impact of non-controlling interest to our non-GAAP adjustments in Q1 2023 is expected to be insignificant and thus is not included in our reconciliation of non-GAAP measures. Outlook contemplates the change in depreciable life from 5 to 8 years and a fixed long-term projected non-GAAP tax rate.

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