New Segment Reporting Webinar
April 2, 2024
Non-GAAP Financial Measures and Forward-Looking Statements

This presentation contains non-GAAP financial measures. Intel gross margin percentage and operating margin percentage are presented on a non-GAAP basis and on a forward-looking non-GAAP basis. The Appendix provides a reconciliation of these measures as presented for 2023 to the most directly comparable GAAP financial measure. A reconciliation of the forward-looking targets for these measures cannot be provided without unreasonable efforts as we are unable to provide the reconciling adjustments over the forward-looking period. 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 25, 2024 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 and strategy and anticipated benefits therefrom, including with respect to our IDM 2.0 strategy; the transition to an internal foundry model; our AI strategy; projections of our future financial performance, including future profitability; gross margin improvements; operating margin improvements; cost savings; and operational efficiencies; future products, services, and technologies and expectations regarding product and process leadership; plans and goals related to Intel’s foundry business, including with respect to anticipated customers and future business with customers; future manufacturing capacity, service, technology and IP offerings, and ecosystem support; expected completion and impacts of restructuring activities and cost-saving or efficiency initiatives; our anticipated growth, future market share, and trends in our businesses and operations; projected market trends; technology trends; security vulnerabilities in our products; 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 significantly reduced return of capital in recent years; our debt obligations and our ability to provide investors with useful supplemental information.

Such statements involve many risks and uncertainties that could cause our actual results to differ materially from those expressed or implied, including those associated with: 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; our ability to time and scale our capital investments appropriately and successfully secure favorable alternative financing arrangements and government grants; implementing new business strategies and investing in new business and technologies; changes in demand for our products; macroeconomic conditions and geopolitical tensions and conflicts, including geopolitical and trade tensions between the US and China, the impacts of Russia’s war on Ukraine, tensions and conflict affecting Israel, and rising tensions between mainland China and Taiwan; 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 significantly reduced return of capital in recent years; our debt obligations and our ability to access sources of capital; 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 released dated January 25, 2024, our 2023 Annual Report on Form 10-K and our other filings with the SEC.

All information in this presentation reflects management’s views as of April 2, 2024, 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.
New Segment Reporting Webinar
April 2, 2024

Pat Gelsinger
Chief Executive Officer
The Foundation of IDM2.0

- Rebuild Intel’s Execution Engine
- Re-establish Product & Process Leadership
- Stand up Intel Foundry Services
What you will hear from us today

- Progress on IDM 2.0 Transformation
- New segmentation drives leadership cost and transparency
- Clear path to Intel Foundry breakeven operating margin
- Expect to be #2 Foundry by 2030
  Intel Foundry 40%/30%, Intel Consolidated 60%/40%
IDM 1.0 Was Successful For Decades

- Drove forward Moore’s Law on X and Y with monolithic die
- Relied on proprietary IP & processes
- Optimized for speed of node transition and available capacity over cost and efficiency
- Focused on delivering only internal products
- Monetized leadership through our products, not our manufacturing
Semiconductor Economics Changed

IDM 1.0

IDM 2.0

wafers vs. time

n  n+1  n+2

n  n+1  n+2
A Transformation was Required

- Drive forward Moore’s Law with chiplets on X, Y and Z
- Embrace the ecosystem & drive to standard IP and practices
- Optimize cost, efficiency & extended life of assets
- Focused on delivering internal and external products
- Monetize leadership through both Intel Products and Intel Foundry
Drive Forward Moore’s Law
5 Nodes in 4 Years

- In Market: intel 7
- In Market: intel 4
- High Volume Manufacturing Ready: intel 3
- 2024: intel 20A
- On Track: intel 18A
Drive Forward Moore’s Law Beyond 5 Nodes in 4 Years
Embrace the Ecosystem and Drive to Standard IP & Practices

Industry Standard EDA Enablement for Intel Foundry

<table>
<thead>
<tr>
<th>EDA</th>
<th>Circuit Simulation &amp; Aging</th>
<th>Custom Layout</th>
<th>APR</th>
<th>Fill</th>
<th>Extraction</th>
<th>Physical Verification</th>
<th>High Voltage</th>
<th>Reliability Verification</th>
<th>ESD</th>
<th>EM Simulator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cadence SpectreX</td>
<td>Siemens AFS</td>
<td>Synopsys Hapice/PrimeSim/PrimeSim-XA</td>
<td>Cadence Virtuoso</td>
<td>Synopsys Custom Compiler</td>
<td>Cadence Genus/Aptina</td>
<td>Synopsys ICC2/Fusion Compiler</td>
<td>Siemens Calibre Fill</td>
<td>Siemens Calibre Yield Enhancer</td>
<td>Synopsys ICV</td>
<td>Siemens Calibre PERCHV</td>
</tr>
<tr>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
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<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
<td>⚫</td>
</tr>
</tbody>
</table>

Available now  •  Available Q2-Q4 2024
A Transformation is Well Underway

- Drive forward Moore’s Law with chiplets on X, Y and Z
- Embrace the ecosystem & drive to standard IP and practices
- Optimize cost, efficiency & extended life of assets
- Focused on delivering internal and external products
- Monetize leadership through both Intel Products and Intel Foundry
### Path Back to Leadership

<table>
<thead>
<tr>
<th></th>
<th>intel 7</th>
<th>intel 3</th>
<th>intel 18A</th>
<th>intel 14A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance/watt</strong></td>
<td>−</td>
<td>≈</td>
<td>+ ≈</td>
<td>+</td>
</tr>
<tr>
<td><strong>Density</strong></td>
<td>− −</td>
<td>− ≈</td>
<td>+ ≈</td>
<td>+ ≈</td>
</tr>
<tr>
<td><strong>Wafer Cost</strong></td>
<td>− −</td>
<td>− ≈</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Target Segment</strong></td>
<td>HPC</td>
<td>HPC</td>
<td>HPC ⋆</td>
<td>HPC Mobile</td>
</tr>
<tr>
<td><strong>EDA/Ease of Design</strong></td>
<td>− −</td>
<td>− **</td>
<td>≈</td>
<td>≈</td>
</tr>
<tr>
<td><strong>2.5/3D+ Advanced Pkg</strong></td>
<td>+</td>
<td>+</td>
<td>++</td>
<td>++</td>
</tr>
</tbody>
</table>

- ⋆ 18A-P optimized for HPC and Mobile
- ⋆⋆ Intel 3 PT closes gap

April 2, 2024
Putting the Economics back into Moore’s Law

Cost Per Transistor Trend

Pre-EUV

EUV

High NA

2010 2020 2030

5N4Y
Putting the Economics back into Moore’s Law

- Rising **cost of capital & technical complexity** increase barriers
- **Longer asset useful life** required for financial return
- Few will clear the **EUV wall**
- **Leadership even more critical** in the AI era

### The EUV Wall

<table>
<thead>
<tr>
<th></th>
<th>Pre-EUV</th>
<th>EUV</th>
<th>High-NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapEx/Fab</td>
<td>~$12.5B</td>
<td>~$25B</td>
<td>~25-30B</td>
</tr>
<tr>
<td>Margin/WS</td>
<td>~0%</td>
<td>~40%</td>
<td>~50%</td>
</tr>
<tr>
<td># of Players</td>
<td>5</td>
<td>2-3</td>
<td>~2</td>
</tr>
</tbody>
</table>

- **CapEx/Fab**
  - 10K WSPW factory Logic Manufacturing

- **Margin/WS**
  - ~0% for Pre-EUV, ~40% for EUV, ~50% for High-NA

- **# of Players**
  - 5 for Pre-EUV, 2-3 for EUV, ~2 for High-NA

- **Timeframes**
  - ~2yrs for Pre-EUV, 5N4Y for EUV Wall, ~2yrs for High-NA
Intel Foundry Profitability Journey

Significant Intel operating profit improvement as Intel Foundry reaches breakeven
Intel Foundry Profitability Journey

EUV Wafer Mix & Stabilized Investment

Significant Intel operating profit improvement as Intel Foundry reaches breakeven

Intel Foundry margin improvement drivers:

- **On track** – return to leadership technology & pricing after completing 5N4Y

Today  | Mid  | 2030
--- | --- | ---
Pre-EUV Nodes | EUV Nodes | OpEx % of Rev
**Significant Intel operating profit improvement** as Intel Foundry reaches breakeven

**Intel Foundry margin improvement drivers:**
- **On track** – return to leadership technology & pricing after completing 5N4Y
- **Line of sight** – bring wafers home and improve capacity utilization

### Equipped capacity utilization forecast

<table>
<thead>
<tr>
<th></th>
<th>Internal Wafer %</th>
<th>3rd Party Foundry %</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Equipped capacity utilization forecast
Our Smart Capital in Action

- Government Incentives
  - US CHIPS
- Government Incentives
  - European Chips
- Customer Commitments
  - 18A PREPAY
- Financial Partners
  - BROOKFIELD

>$50B
Our opportunity – deliver end-to-end capital and cost efficiencies

Line of sight – bring wafers home and improve capacity utilization

On track – return to leadership technology & pricing after completing 5N4Y

Significant Intel operating profit improvement as Intel Foundry reaches breakeven

Intel Foundry margin improvement drivers:
Incremental Scale & Profitability from Foundry Services

Lifetime Deal Value of >$15B and clear path to >$15B annual external revenue by 2030

External Foundry margins will be accretive:

- Wafer revenue primarily EUV nodes, with leadership transistors & healthy margins
- Leverages common infrastructure and cost profile for incremental margin and FCF
- Advanced Packaging, critical for AI, and a unique Intel opportunity which improves the return on capital assets
The Systems Foundry for the AI Era

Stewards of Moore's Law + Continued System Innovation

Systems Foundry

- Network
- Interconnect
- Memory
- Cooling
- Substrate
- Package
- Process

Foundry

Software and Services (direct and through eco-system)

- AI NIC / chiplet
- Photonics
- New technologies

- PCIe, UCl, SerDes / Ethernet evolution

- Evolve HBM, AI base die
- New technologies

- Immersion: 1000W TDP
- >1300W TDP
- >2000W TDP

- Larger size with embedded silicon, caps
- Glass substrate

- EMIB 8HBM
- EMIB 12HBM
- EMIB >12HBM

- Foveros 3D Direct 9um
- Foveros 3D Direct <= 4um
- NEXT

- Intel 18A with 1st PowerVia
- Intel 14A with 1st High-NA
- NEXT

April 2, 2024

Continued System Innovation
New Segment Reporting Webinar

April 2, 2024

David Zinsner
Executive Vice President and Chief Financial Officer
Intel Segment Reporting

From (IDM 1.0) Allocated Cost Model

- Manufacturing (MSO)
- Technology Development (TD)
- Intel Product BUs CCG, DCAI, NEX

To IDM 2.0 Operating Model

Reportable P&L

Intel Foundry

- Foundry Services
- Foundry Manufacturing & Supply Chain
- Foundry Technology Development

Reportable P&L

Intel Products

- Client Computing
- Data Center & AI
- Network & Edge
Operating Segment Reporting

Intel Products healthy and growing; **Target 60% / 40%**

Intel Foundry carrying the weight of IDM1.0 decisions and strategic investment to regain transistor leadership; **Target 40% / 30%**

Confident margins improve

<table>
<thead>
<tr>
<th>Operating Segment</th>
<th>Revenue</th>
<th>OP $</th>
<th>OM %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intel Products</td>
<td>$47.7</td>
<td>$11.3</td>
<td>24%</td>
</tr>
<tr>
<td>Client Computing (CCG)</td>
<td>$29.3</td>
<td>$9.5</td>
<td>33%</td>
</tr>
<tr>
<td>Datacenter &amp; AI (DCAI)</td>
<td>$12.6</td>
<td>$1.6</td>
<td>13%</td>
</tr>
<tr>
<td>Networking &amp; Edge (NEX)</td>
<td>$5.8</td>
<td>$0.2</td>
<td>4%</td>
</tr>
<tr>
<td>Intel Foundry</td>
<td>$18.9</td>
<td>($7.0)</td>
<td>(37%)</td>
</tr>
<tr>
<td>All Other</td>
<td>$5.6</td>
<td>$1.1</td>
<td>19%</td>
</tr>
<tr>
<td>Altera</td>
<td>$2.9</td>
<td>$0.9</td>
<td>31%</td>
</tr>
<tr>
<td>Mobileye</td>
<td>$2.1</td>
<td>$0.7</td>
<td>32%</td>
</tr>
<tr>
<td>Other</td>
<td>$0.7</td>
<td>($0.5)</td>
<td>(-75%)</td>
</tr>
<tr>
<td>Intersegment eliminations</td>
<td>($18.0)</td>
<td>($0.2)</td>
<td></td>
</tr>
<tr>
<td>Corporate Unallocated (GAAP)</td>
<td>($5.2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consolidated GAAP</strong></td>
<td>$54.2</td>
<td>$0.1</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Consolidated Non-GAAP</strong></td>
<td>$54.2</td>
<td>$4.7</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Corporate Unallocated (Non-GAAP): ($0.6)
GAAP to Non-GAAP reconciliation on page 35
Intel Products

COS reflects fair market pricing

Focus shifts to areas of control:
- Monetizing product leadership
- Architectural efficiency
- Optimized sort / test times
- Design efficiency & OpEx leverage

Margins expand with return to product leadership
Intel Foundry

Levers for Intel Foundry
Op Margin Breakeven

- Transistor leadership (18A+) 9-11 pts
- Internal Mix / Scale 7-9 pts
- Capital & Cost Efficiency 12-14 pts
- OpEx Leverage 5-7 pts
## Levers for Intel Foundry Op Margin

<table>
<thead>
<tr>
<th></th>
<th>B/E</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transistor leadership (18A+)</td>
<td>9-11 pts</td>
<td>~+8 pts</td>
</tr>
<tr>
<td>Internal Mix / Scale</td>
<td>7-9 pts</td>
<td>~+5 pts</td>
</tr>
<tr>
<td>Capital &amp; Cost Efficiency</td>
<td>12-14 pts</td>
<td>~+9 pts</td>
</tr>
<tr>
<td>OpEx Leverage</td>
<td>5-7 pts</td>
<td>~+8 pts</td>
</tr>
</tbody>
</table>

### Wafer Volume

- **Pre-EUV Nodes ~20% GM**
- **Advanced Packaging 30-40% GM**
- **EUV Nodes 40-50% GM**

2030
Structure improves efficiency of Intel Foundry & Intel Products

- **Creates transparency** that exposes the economics of the business
- **Increases accountability** and alignment of incentives
- **Focuses teams** on what they control and the work they do best
- **Embraces standardization** to drive efficiency

<table>
<thead>
<tr>
<th>Expedites</th>
<th>Capital Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production expedites down 95%</td>
<td>5-10% reduction in capex to deliver same volume</td>
</tr>
<tr>
<td>Test &amp; Sort Times</td>
<td>Samples</td>
</tr>
<tr>
<td>Next-Gen Client test time plan of record reduced 75%</td>
<td>2024 engineering sample demand reduced &gt;10%</td>
</tr>
<tr>
<td>Product Architecture</td>
<td>Ramp Rate</td>
</tr>
<tr>
<td>Re-architecting roadmap for cost and IP leverage</td>
<td>Faster move from TD to HVM driving 10-15% wafer cost improvement</td>
</tr>
</tbody>
</table>
## Mid-point Intel profitability

<table>
<thead>
<tr>
<th>Operating Segment</th>
<th>GM%</th>
<th>OM%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intel Products</td>
<td>50-55%</td>
<td>30-35%</td>
</tr>
<tr>
<td>Intel Foundry</td>
<td>15-20%</td>
<td>0%</td>
</tr>
<tr>
<td>All Other</td>
<td>55-60%</td>
<td>25-30%</td>
</tr>
<tr>
<td>Intel Consolidated*</td>
<td>52-56%</td>
<td>23-28%</td>
</tr>
</tbody>
</table>

* Non-GAAP

Creating a margin-stacking advantage unique in the industry
## Long-term Intel profitability

### 2030 Target

<table>
<thead>
<tr>
<th>Operating Segment</th>
<th>GM%</th>
<th>OM%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intel Products</td>
<td>57-60%</td>
<td>37-40%</td>
</tr>
<tr>
<td>Intel Foundry</td>
<td>35-40%</td>
<td>25-30%</td>
</tr>
<tr>
<td>All Other</td>
<td>57-60%</td>
<td>37-40%</td>
</tr>
<tr>
<td>Intel Consolidated*</td>
<td>~60%</td>
<td>~40%</td>
</tr>
</tbody>
</table>

* Non-GAAP

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Intel Foundry + Intel Products

Creating a margin-stacking advantage unique in the industry
Summary

**Strategically**
- IDM2.0 well underway
- Say/do ratio is high
- Transitioned to post-EUV era
- Significant synergies between Products and Foundry

**Financially**
- Products a healthy ‘fabless’ company
- Break-even Foundry delivers significant EPS accretion
- Margin stacking will deliver 60%/40% by 2030
Non-GAAP Reconciliations
# Reconciliation of Non-GAAP Actuals

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended</th>
<th>Twelve Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30-Dec-23</td>
<td>30-Dec-23</td>
</tr>
<tr>
<td>GAAP operating income</td>
<td>$93</td>
<td></td>
</tr>
<tr>
<td>Acquisition-related adjustments</td>
<td>1,407</td>
<td>Acquisition-related adjustments</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>3,229</td>
<td>Share-based compensation</td>
</tr>
<tr>
<td>Restructuring and other charges</td>
<td>-62</td>
<td>Restructuring and other charges</td>
</tr>
<tr>
<td><strong>Non-GAAP operating income</strong></td>
<td><strong>$4,667</strong></td>
<td><strong>Non-GAAP Corporate unallocated</strong></td>
</tr>
<tr>
<td>GAAP operating margin</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Acquisition-related adjustments</td>
<td>2.6%</td>
<td>Acquisition-related adjustments</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>6.0%</td>
<td>Share-based compensation</td>
</tr>
<tr>
<td>Restructuring and other charges</td>
<td>-0.1%</td>
<td>Restructuring and other charges</td>
</tr>
<tr>
<td><strong>Non-GAAP operating margin</strong></td>
<td><strong>8.6%</strong></td>
<td></td>
</tr>
</tbody>
</table>