Intel's First-Quarter of 2024 (Q1'24) Financial Results

Business Highlights

We are making steady progress against our priorities and delivered a solid quarter. Strong innovation across our client, edge and data center portfolios drove double-digit revenue growth in Intel Products, with Intel 3 in high-volume production, leading-edge semiconductors are being manufactured in the U.S., for the first time in almost a decade and we are on track to regain process leadership next year as we grow Intel Foundry. We are confident in our plans to drive sequential growth throughout the year as we accelerate our AI solutions and maintain our relentless focus on execution, operational discipline and shareholder value creation in a dynamic market.

Pat Gelsinger, Intel CEO

Q1'24 Revenue was in-line with our expectations and we delivered non-GAAP EPS above our guidance, driven by better-than-expected gross margins and strong expense discipline. Our new foundry operating model, which provides greater transparency and accountability, is already driving better decision-making across the business. Looking ahead, we expect to deliver year-over-year revenue and non-GAAP EPS growth in fiscal 2024, including roughly 200 basis points of full-year gross margin improvement.

David Zimmer, Intel CFO

Total Intel Q1'24 Revenue $12.78B 9% YOY

Q1'24 Non-GAAP EPS $0.18 5% YOY

**Pat Gelsinger, Intel CEO**

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## Business Highlights

### Process Leadership

- **Line of sight to completing 5 nodes in 4 years; unveiled process roadmap beyond SNAY**

- Intel 7, Intel 4 and Intel 3: in high-volume manufacturing
- Intel 20A: Begins production ramp in 2H'24 with Arrow Lake

### Execution Milestones

- **Established a world-class fab and fabless leader within Intel by standing up Intel Foundry and Intel Products**

- **Launched** Intel Foundry, the world’s first systems foundry for the AI era, offering full-stack optimization from the factory network to software
- **At Intel Vision**, the company introduced the Intel® Gaudi® 3 AI accelerator, projected to deliver on-average 50% faster inference and 40% greater inference power efficiency than Nvidia H100™ on leading GenAI models.

### Customer and Partner Wins

- **Microsoft and a major U.S. aerospace and defense company committed to Intel 18A, bringing Intel Foundry’s external customer commitments on the node to six**

- Amazon Web Services, Lenovo, Red Hat, SAP, and Wipro supported the Intel Edge Platform launch at Mobile World Congress 2024
- Dell Technologies plans to integrate Gaudi 3 chips into its purpose-built AI system, the PowerEdge XE480. The Gaudi 3 version of Dell’s server will be accessible within Intel Developer Cloud prior to launch
- NVIER, Dell Technologies, Bosch, and Supermicro, among many others committed to the Intel® Gaudi® 3 AI accelerator as customers and partners
- Seekr runs production workloads on Intel Gaudi-2, Intel® Data Center GPU Max Series and Intel® Xeon® processors in the Intel® Fiber Developer Cloud for LLM development and production deployment support
- Google Cloud announced its new general purpose virtual machine instances, C4 and N4, the first cloud virtual machines in the market to be powered by Intel 5th Gen Xeon processors
- Synopsys, Cadence, Siemens, Ansys, Lorentz and Keysoft disclosed tool qualification and/or IP readiness to enable foundry customers to accelerate advanced chip designs on Intel®
- The U.S. Department of Defense announced Intel Foundry phase three of its Rapid Advanced Microelectronics Prototypes – Commercial (RAMP-C) program

### Financial and Operational Achievements

- **Announced** single largest grant award to date from the U.S. CHIPS and Science Act, with up to $8.5B in direct funding and $18B in federal buy-in, in addition to more than $25B in advanced manufacturing tax credits

- **Implemented** the foundry operating model, designed to drive greater transparency, accountability and focus on costs

- **Hosted** industry’s first Sustainability Summit, underscoring our commitment to providing a geographically diverse, resilient, secure and sustainable supply of semiconductors

- **Announced** the rebranded Altera, an Intel Company, formerly Intel’s Programmable Solutions Group

### Q2'24 Outlook

**Total Intel Q2'24 Revenue** $12.50B to $13.55B

**Gross Margin (non-GAAP)** 43.5%

**EPS (non-GAAP)** $0.30

**Q2'24 non-GAAP Outlook EPS attributable to Intel ($0.10) is Q2'24 GAAP Outlook EPS attributable to Intel ($-0.05) after... adjustments ($+0.06), share-based compensation ($+0.22), (gains) losses from divestiture ($-0.01), adjustments attributable to non-controlling interest ($0.00) and income tax effects ($-0.09).

**Highlights:**

- **Announced several specialized node evolutions for Intel 3, Intel 18A, and Intel 14A to enable customers to develop and deliver process tailored to their specific needs**

- **Engaged with nearly every foundry customer in the industry on advanced packaging, including 5 design awards**

- **For a full explanation of these non-GAAP measures, see Intel's Q1'24 earnings release at NASDAQ:**

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**Note:**

This information is subject to change and is not indicative of future revenue. For further details on the company’s financial results, please refer to Intel’s Q1’24 earnings release, available on NASDAQ (www.intc.com).