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Intel to Sell Minority Stake in IMS Nanofabrication Business to TSMC

New equity investment builds on sale of a near-20% stake to Bain Capital to accelerate IMS' growth and innovation.

SANTA CLARA, Calif.--(BUSINESS WIRE)-- Intel Corporation today announced that it has agreed to sell an approximately 10% stake in the IMS Nanofabrication business ("IMS") to TSMC. TSMC's investment values IMS at approximately $4.3 billion, consistent with the valuation of the recent stake sale to Bain Capital Special Situations("Bain Capital"). Intel will retain majority ownership of IMS, which will continue to operate as a standalone subsidiary under the leadership of CEO Dr. Elmar Platzgummer. The transaction is expected to close in the fourth quarter of 2023.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20230912608101/en/

A member of the Intel Mask Operation team in Hillsboro, Oregon, holds a mask used in advanced lithography tools to create computer chips. The mask is created with a multimillion-dollar machine called a multi-beam mask writer built by the Austria-based company IMS Nanofabrication, an Intel company. (Credit: Intel Corporation)

IMS is the established industry leader in multi-beam mask writing tools required to develop advanced extreme ultraviolet lithography (EUV), which is broadly adopted in leading-edge technology nodes that enable the most demanding computing applications, such as artificial intelligence (AI) and mobile. Together, Bain Capital and TSMC's investments provide IMS with increased independence and reinforce confidence in the significant opportunity ahead of IMS. This added autonomy will help IMS accelerate its growth and drive the next phase of lithography technology innovation to enable the industry's transition into new patterning systems, such as high-numerical-aperture (high-NA) EUV.

Matt Poirier, senior vice president of Corporate Development at Intel, said, "This investment demonstrates the deep industry collaboration IMS is pioneering to advance critical lithography technology for leading-edge nodes, which will benefit the entire semiconductor manufacturing ecosystem. With enhanced independence, IMS will be well positioned to address the significant growth opportunity for multi-beam mask writing tools over the next decade and beyond."

Platzgummer said, "We are delighted to bring in new investors to help us build on IMS' leadership in multi-beam mask writing, which is the backbone of innovation in leading-edge semiconductor technologies. This is a testament to IMS' expertise and leadership position in this integral technology. Together with our partners, we look forward to continuing to support innovation of next-generation technologies and deliver value across the semiconductor ecosystem."

Dr. Kevin Zhang, senior vice president of Business Development at TSMC, said, “TSMC has been working with IMS since 2012 on the development of multi-beam mask writers for advanced technology nodes. This investment continues the long-term partnership between TSMC and IMS to accelerate innovation and enable deeper cross-industry collaboration.”

IMS plays a critical role in enabling the growth and advancement of the semiconductor industry in an era of ever more demanding applications. Global semiconductor demand continues to grow fueled by five superpowers: AI, pervasive connectivity, ubiquitous computing, cloud-to-edge infrastructure and sensing. The market is expected to reach $1 trillion by 2030. A key enabler of this growth is advances in lithography technology, such as EUV, which is essential for the leading-edge nodes that enable these demanding applications. These lithographic advances rely on sophisticated mask writing tools, which make IMS’ leadership technology central to innovation across the ecosystem.

Intel initially invested in IMS in 2009 and ultimately acquired the remaining stakes in 2015. Since the acquisition, IMS has delivered a significant return on investment to Intel while growing IMS’ workforce and production capacity by four times and delivering three additional product generations. In June 2023, Intel announced an agreement to sell an approximately 20% stake in IMS to Bain Capital.

About Intel

Intel (Nasdaq: INTC) is an industry leader, creating world-changing technology that enables global progress and enriches lives. Inspired by Moore’s Law, we continuously work to advance the design and manufacturing of semiconductors to help address our customers’ greatest challenges. By embedding intelligence in the cloud, network, edge and every kind of computing device, we unleash the potential of data to transform business and society for the better. To learn more about Intel’s innovations, go to newsroom.intel.com and intel.com.

About IMS Nanofabrication

IMS Nanofabrication Global, LLC, a majority-owned subsidiary of Intel Corporation, is the global technology leader for multi-beam mask writers. Its customers are the largest chip manufacturers in the world, who rely on its technology to produce current and future chip generations. IMS’ innovative multi-beam writers play a key role in chip manufacturing and provide significant added value to the semiconductor industry. They are continually customized and refined by an interdisciplinary team, in line with the latest market demands. Over the last 10 years, IMS has perfected its electron-based multi-beam technology. The first-generation multi-beam mask writer, MBMW-101, is successfully operating all over the world. The second-generation multi-beam mask writer, MBMW-201, entered the mask writer market in the first quarter of 2019 for the 5nm technology node. And this year, IMS is launching MBMW-301, a fourth-generation multi-beam mask writer that delivers unprecedented performance. Learn more at www.ims.co.at/en/.

Forward Looking Statements

This press release contains forward looking statements regarding the planned sale of a minority stake in IMS Nanofabrication Global, LLC, (“IMS”) by TSMC Development, Inc., a subsidiary of Taiwan Semiconductor Manufacturing Company, Ltd. (“TSMC”), including the timing of closing and possible implications of such sale of a portion of the IMS business.

Such forward looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied, including: the risk that the transaction may not be completed in a timely manner or at all, including as a result of a failure to receive regulatory approvals; the occurrence of any event, change or other circumstance that could give rise to the termination of the transaction; the risk that the expected benefits of the transaction, including as a result of the increased independence of IMS, may not be realized or that the sale of a minority ownership in IMS to a competitor of Intel may adversely impact the IMS business or Intel; disputes or potential litigation related to the transaction or the ownership, control and operation of the IMS business, including as it relates to Intel; unanticipated costs related to the transaction or the IMS business that may be incurred; risks as to the retention of key IMS personnel and customers; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; changes in demand for semiconductor manufacturing tools; the high level of competition and rapid technological change in the semiconductor industry; and other risks and uncertainties described in Intel's earnings release dated July 27, 2023, 2022 Annual Report on Form 10-K and other filings with the SEC. All information in this press release reflects Intel management views as of the date hereof unless an earlier date is specified. Intel does not undertake, and expressly disclaims 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.

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