



3rd Quarter Earnings Presentation



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- 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 Q3 2022 revenue, Q4 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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Executive Summary



Q3 revenue within guided range, beat on EPS

Slowdown in demand having an industry-wide impact

Growing economic headwinds expected to persist; adjusting FY outlook

Taking actions to accelerate transformation

Responding to current environment by reducing costs

Driving to \$3B of savings in 2023, growing to \$8-10B annually by end of 2025

Moving to the next phase of IDM 2.0

Embracing internal foundry model and establishing a leadership cost structure

Optimizing to achieve best-in-class returns

Industry Outlook

Near-Term Cyclical Slowdown

- Macro headwinds causing industry-wide impact
- Expect 2022 PC TAM to decline mid-to-high teens
- Customers working through elevated inventory



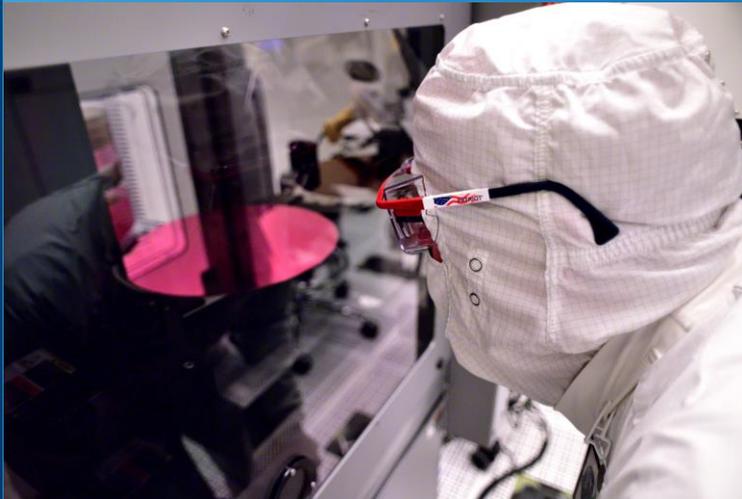
Long-Term Sustainable Demand

- PC usage supports TAM above pre-pandemic levels
- Server TAM holding up, but pockets of weakness
- NEX demand solid; PSG backlog robust



Executing our Strategy

Process and Manufacturing



5 nodes in 4 years: Confidence growing
Intel 4, 3: Continues to progress on schedule
Intel 20A, 18A: First test chips have taped out

CCG



Alder Lake momentum
Raptor Lake DT launched
Meteor Lake in 2023

DCAI



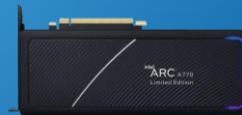
Sapphire Rapids PRQ
Emerald Rapids in 2023
2024 products on-track

NEX

intel.
GETi™

Intel Geti for AI training
Core SoC for IoT edge

AXG



Arc A770 GPU shipping
Ponte Vecchio for HPC

intel.
foundry
services



35 customer test chips
Expect Tower close in Q1

in
mobileye
An Intel Company



Went public to
unlock full potential

Introducing IDM 2.0 Acceleration Office, ushering in the next phase of our IDM 2.0 strategy

Actions to Accelerate Transformation

Right-sizing the organization

- Near-term, taking actions to reduce costs across COGS and OpEx
- Identifying structural cost reductions and efficiency drivers
- In aggregate, efforts should drive \$3B savings in 2023, \$8-10B annually by end of 2025

Continuing to employ Smart Capital

- Aggressively building ahead on shells; aligning equipment with customer demand
- Using SCIPs to closely align buildout costs with output returns
- Reducing FY22 Net CapEx forecast by \$2B

Honing our portfolio

- Re-allocating resources to higher return, higher growth businesses
- Pursuing M&A and divestitures, where applicable
- Creating shareholder value with Mobileye IPO

Q3 Financial Highlights¹

\$15.3B

Revenue

Down 15% YoY

Within July outlook range

45.9%

Gross Margin

Down 12.4 ppt YoY

0.6 ppt below July outlook

\$0.59

EPS

Down 59% YoY

\$0.24 above July outlook

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

Client Computing Group (CCG)

Revenue down 17%

Operating Income down 54%

\$9.8B

\$8.1B

\$3.6B

\$1.7B

Operating
Margin 37%

Operating
Margin 20%

Q3'21

Q3'22

Q3'21

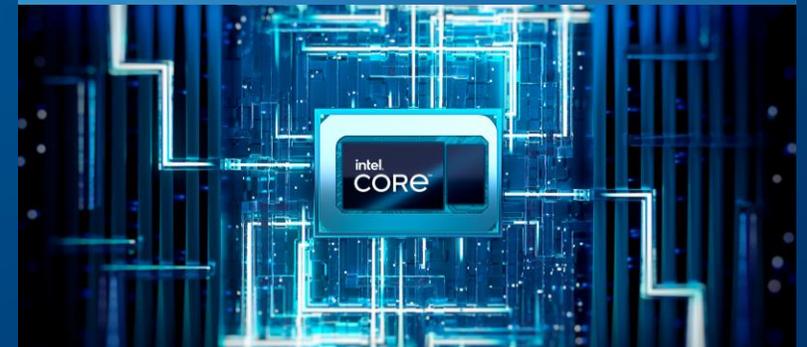
Q3'22

Revenue

- Lower revenue on PC demand softening primarily in consumer and education, as well as OEM inventory reductions

Operating Income

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



Datacenter and AI Group (DCAI)

Revenue down 27%

Operating Income down 99%



Revenue

- Lower revenue on lower server volume and customer inventory reductions

Operating Income

- Lower operating income on lower revenue, investment in product and process roadmap, and increased 10nm mix



Network and Edge Group (NEX)

Revenue up 14%

Operating Income down 85%



Revenue

- Higher revenue led by strength in 5G, Edge, and Ethernet products, offset by lower demand for Network Xeon

Operating Income

- Lower operating income down on impact of softer demand on inventory valuation and investment in process and product roadmap



Emerging Business Segments

Accelerated Computing Systems and Graphics Group (AXG)



- Revenue up 8% YoY on Custom Compute product ramp
- Higher operating loss driven by inventory reserves

Mobileye



- Record Q3 revenue up 38% YoY on higher demand for EyeQ products
- Operating income up 12% YoY

Intel Foundry Services (IFS)



- IFS revenue down 2% YoY
- Higher operating loss driven by increased spending to support strategic growth

Outlook

FY 2022 Outlook¹

\$63-64B

Revenue

Down 14-16% YoY

Down \$2-4B from prior outlook

47.5%

Gross Margin

Down 10.6 ppt YoY

Down 1.5 ppt from prior outlook

\$1.95

EPS

Down 63% YoY

Down \$0.35 from prior outlook

Net CapEx \$21B

Adjusted Free Cash Flow (\$2-4B)

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

Q4 2022 Outlook¹

\$14-15B

Revenue

Down 23-28% YoY

45%

Gross Margin

Down 10.8 ppt YoY

\$0.20

EPS

Down 83% YoY

Appendix

Reconciliation of Non-GAAP Actuals

(In Billions, Except Per Share Amounts)	Three Months Ended	
	Oct 1, 2022	Sep 25, 2021
GAAP revenue	\$15.3	\$19.2
NAND memory business	--	(1.1)
Non-GAAP revenue	\$15.3	\$18.1
GAAP gross margin percentage	42.6%	56.0%
Acquisition-related adjustments	2.2%	1.7%
Share-based compensation	1.1%	0.5%
NAND memory business	--%	0.1%
Non-GAAP gross margin percentage	45.9%	58.3%
GAAP earnings per share—diluted	\$0.25	\$1.67
Acquisition-related adjustments	0.09	0.09
Restructuring and other charges	0.16	0.01
Share-based compensation	0.19	0.13
(Gains) losses from divestiture	(0.01)	--
(Gains) losses on equity investments, net	0.03	(0.42)
NAND memory business	--	(0.10)
Tax Reform	(0.05)	--
Income tax effects	(0.07)	0.07
Non-GAAP earnings per share—diluted	\$0.59	\$1.45

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	\$63 - \$64
NAND memory business	(4.3)	--
Non-GAAP revenue	\$74.7	\$63 - \$64
GAAP gross margin percentage	55.4%	43.1%
Acquisition-related adjustments	1.6%	2.1%
Share-based compensation	0.4%	1.1%
Patent settlement	--%	0.3%
Optane inventory impairment	--%	0.9%
NAND memory business	0.6%	--%
Non-GAAP gross margin percentage	58.1%	47.5%
GAAP earnings per share—diluted	\$4.86	\$2.00
Acquisition-related adjustments	0.36	0.37
Restructuring and other charges	0.65	0.01
Share-based compensation	0.49	0.78
Patent settlement	--	0.05
Optane inventory impairment	--	0.14
(Gains) losses from divestiture	--	(0.29)
(Gains) losses on equity investments, net	(0.67)	(0.99)
NAND memory business	(0.33)	--
Tax Reform	--	(0.17)
Income tax effects	(0.06)	0.05
Non-GAAP earnings per share—diluted	\$5.30	\$1.95
(In Billions)		Full-year 2022 Outlook
GAAP cash flow from operations		\$12.8
Net additions to property, plant and equipment		(21.1)
Payments on finance leases		(0.3)
Sale of equity investment ¹		4.6
Adjusted free cash flow		\$(4.0)

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.

Reconciliation of Non-GAAP Q4 Outlook

(In Billions, Except Per Share Amounts)	Q4 2021 Actuals	Q4 2022 Outlook Approximately
GAAP revenue	\$20.5	\$14.5
NAND memory business	(1.0)	--
Non-GAAP revenue	\$19.5	\$14.5
GAAP gross margin percentage	53.6%	41.4%
Acquisition-related adjustments	1.6%	2.3%
Share-based compensation	0.4%	1.3%
NAND memory business	0.2%	--%
Non-GAAP gross margin percentage	55.8%	45.0%
GAAP earnings (loss) per share—diluted	\$1.13	(\$0.10)
Acquisition-related adjustments	0.09	0.10
Restructuring and other charges	0.01	0.12
Share-based compensation	0.11	0.20
(Gains) losses from divestiture	--	(0.01)
(Gains) losses on equity investments, net	(0.09)	(0.01)
NAND memory business	(0.08)	--
Tax Reform	--	(0.03)
Income tax effects	(0.02)	(0.07)
Non-GAAP earnings per share—diluted	\$1.15	\$0.20

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