



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, updates to our reporting structure, and 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, such as AI; and other characterizations of future events or circumstances.

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 supplychain, 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 release 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.

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Pat Gelsinger

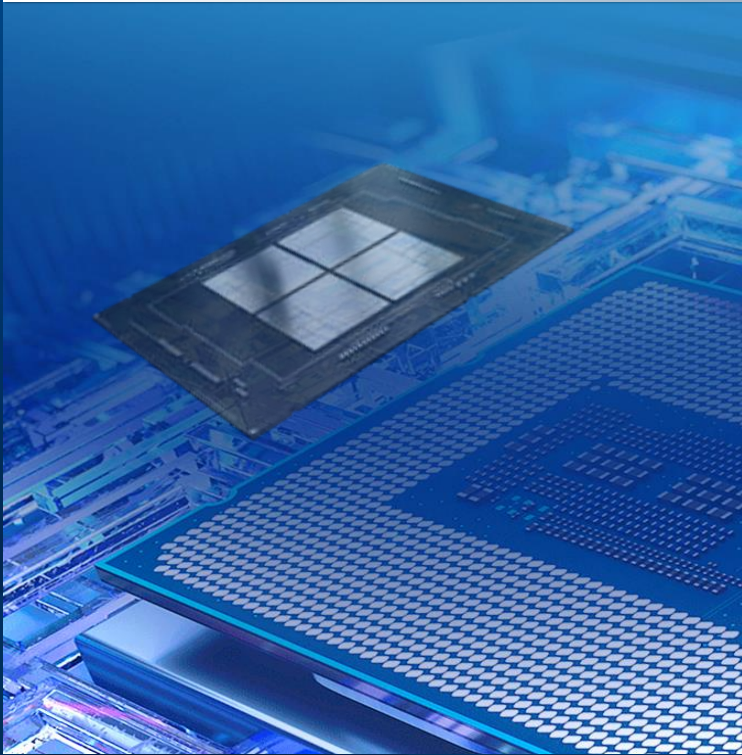
Chief Executive Officer

April 2, 2024

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The Foundation of IDM2.0

**Rebuild Intel's
Execution Engine**



**Re-establish Product
& Process Leadership**



**Stand up Intel
Foundry Services**

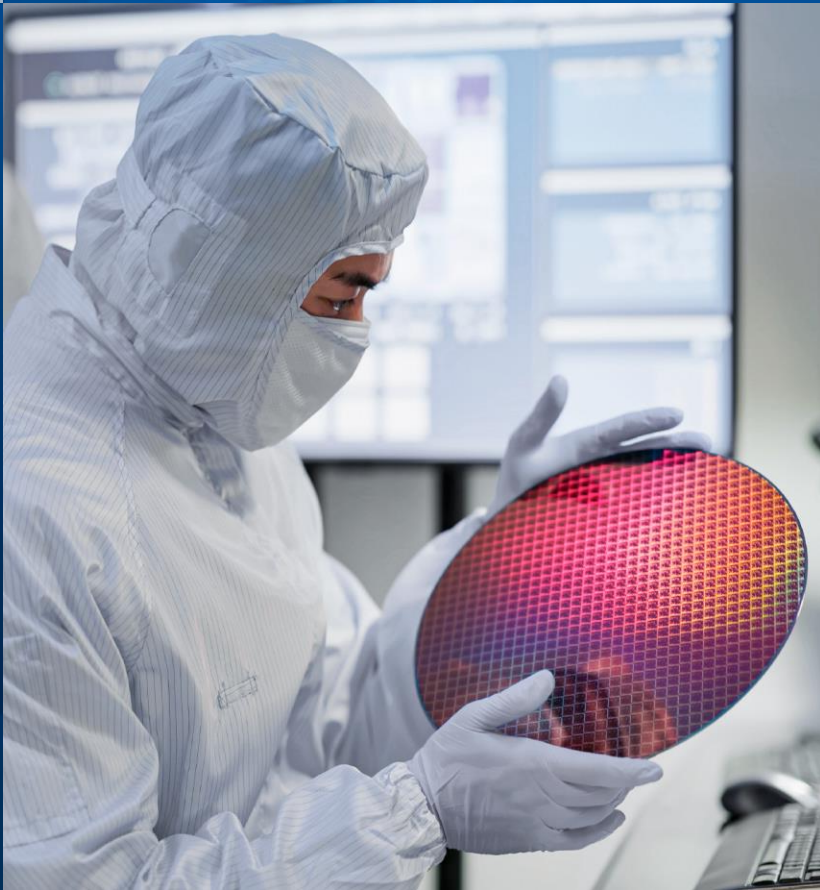


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intel foundry

intel products

What you will hear from us today



Progress on IDM 2.0 Transformation

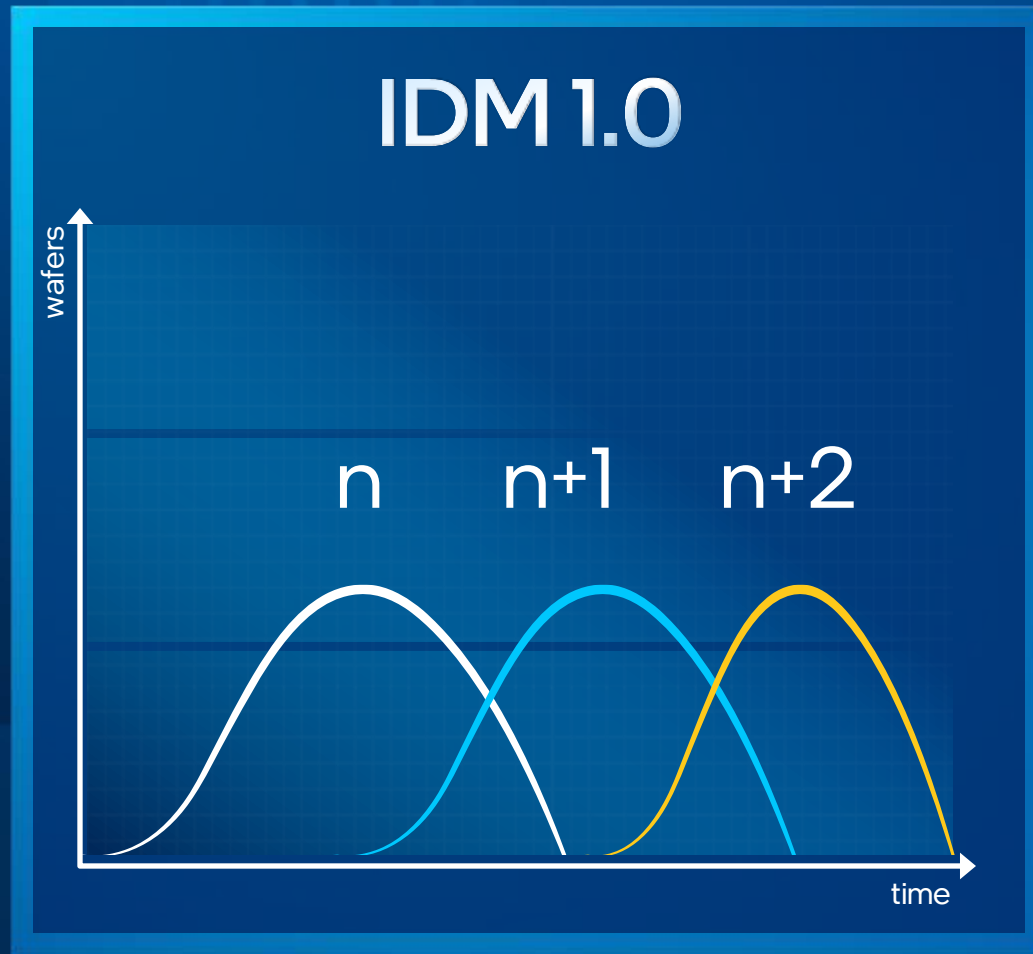
New segmentation drives leadership cost and transparency

Clear path to Intel Foundry breakeven operating margin

Expect to be #2 Foundry by 2030

Intel Foundry 40%/30%, Intel Consolidated 60%/40%

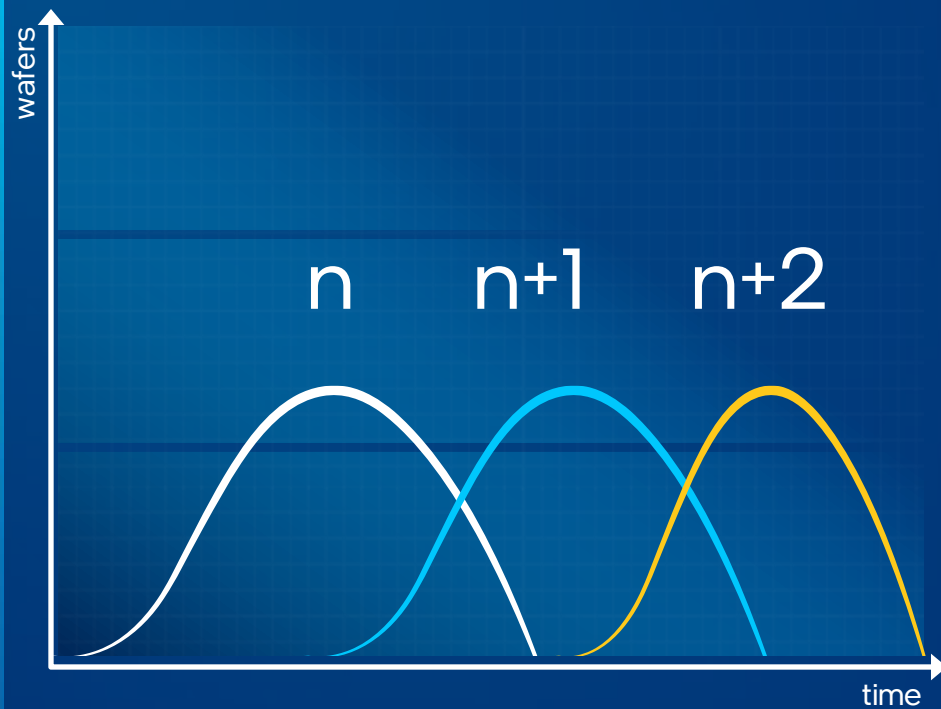
IDM1.0 Was Successful For Decades



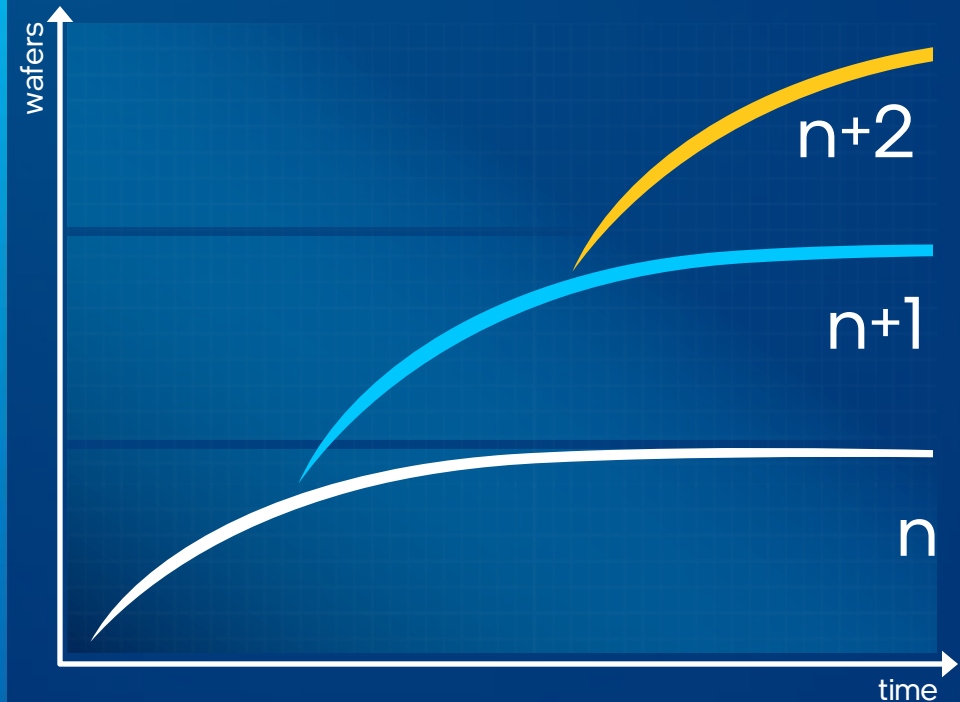
- Drove forward Moore's Law on X and Y with monolithic die
- Relied on proprietary IP & processes
- Optimized for speed of node transition and available capacity over cost and efficiency
- Focused on delivering **only internal products**
- Monetized leadership through our **products**, not our manufacturing

Semiconductor Economics Changed

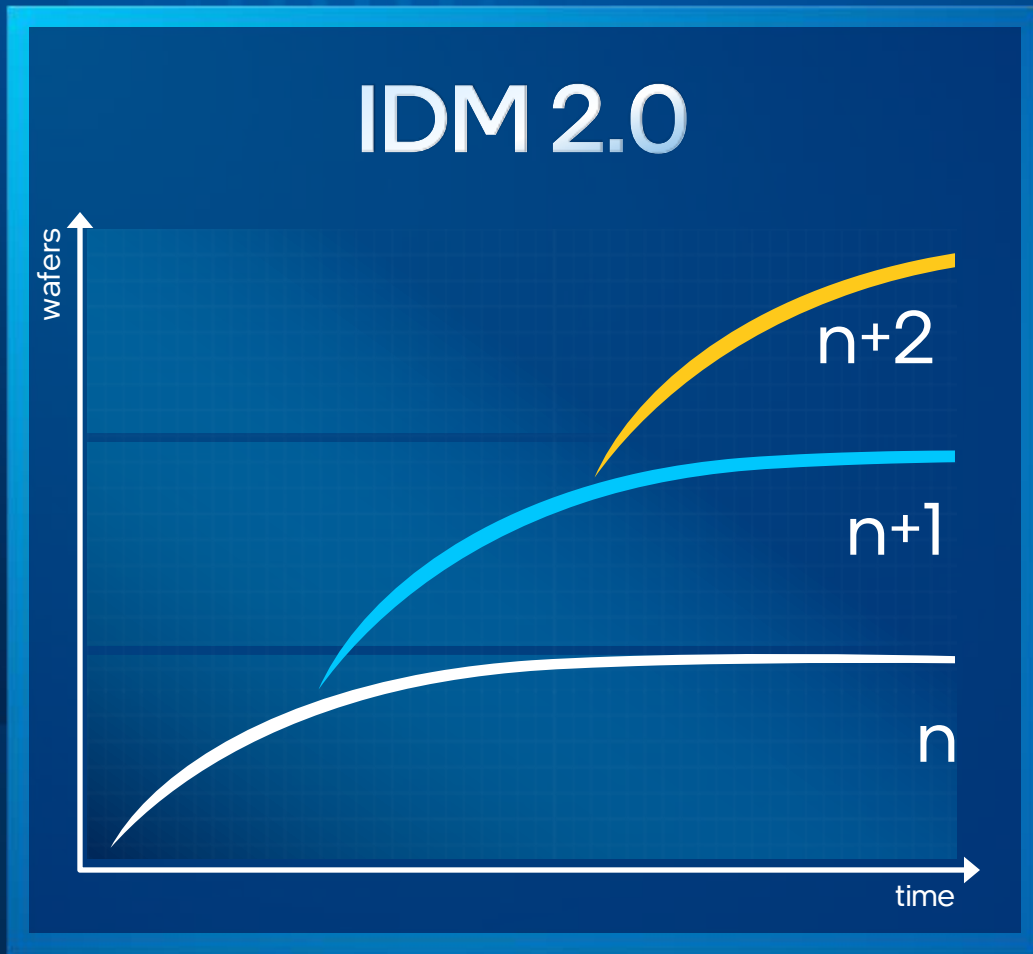
IDM 1.0



IDM 2.0

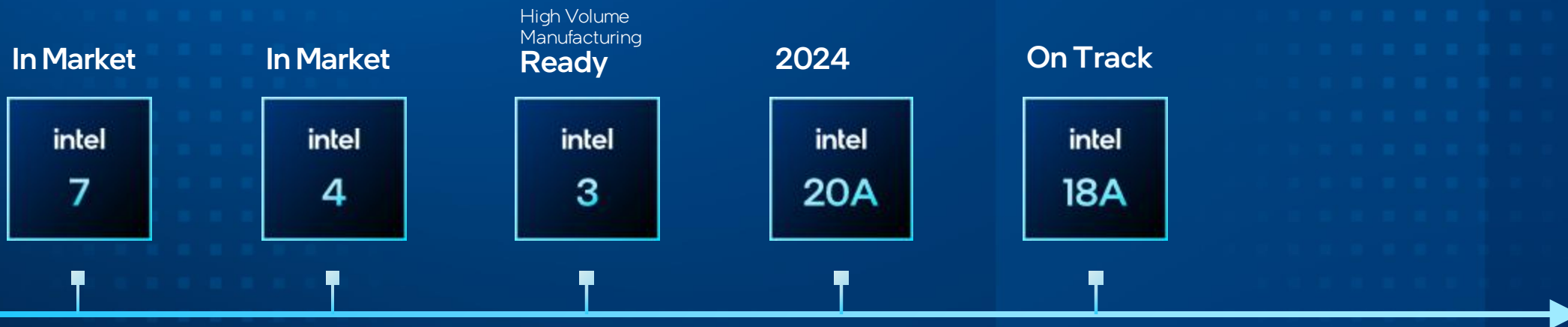


A Transformation was Required

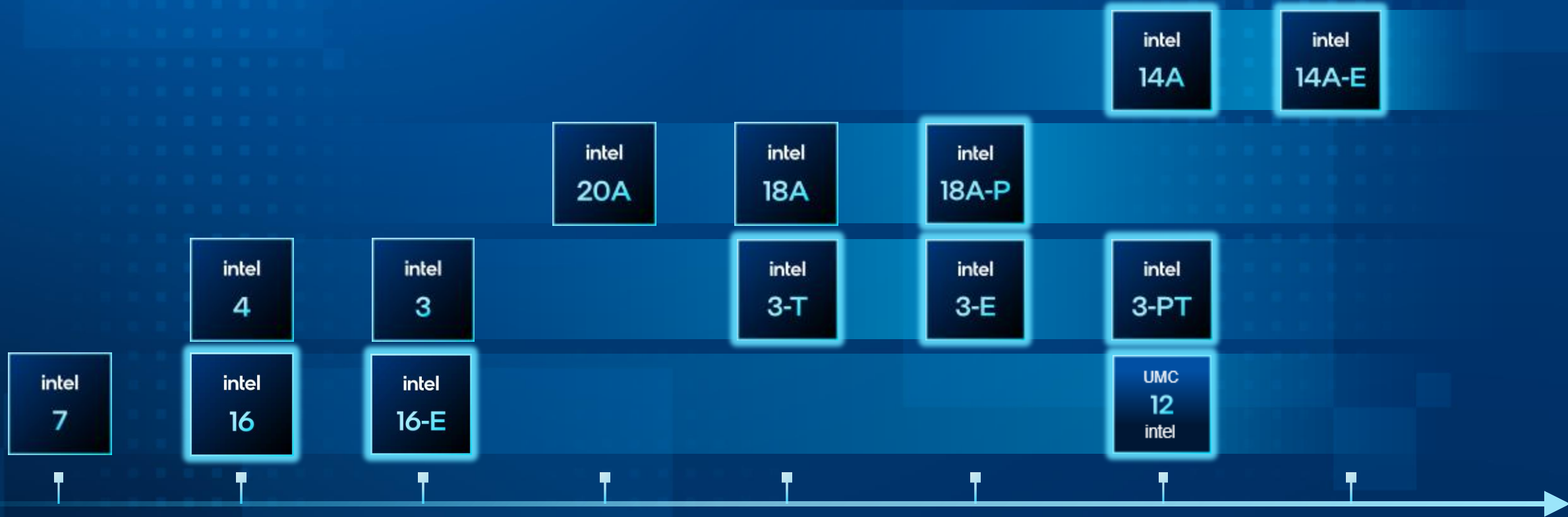


- Drive forward **Moore's Law** with chiplets on X, Y and Z
- Embrace the ecosystem & drive to **standard IP and practices**
- **Optimize cost, efficiency** & extended life of assets
- Focused on delivering **internal and external products**
- Monetize leadership through both **Intel Products and Intel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

Drive Forward Moore's Law 5 Nodes in 4 Years



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

EDA








IP




















Cloud









Design Services








US MAG



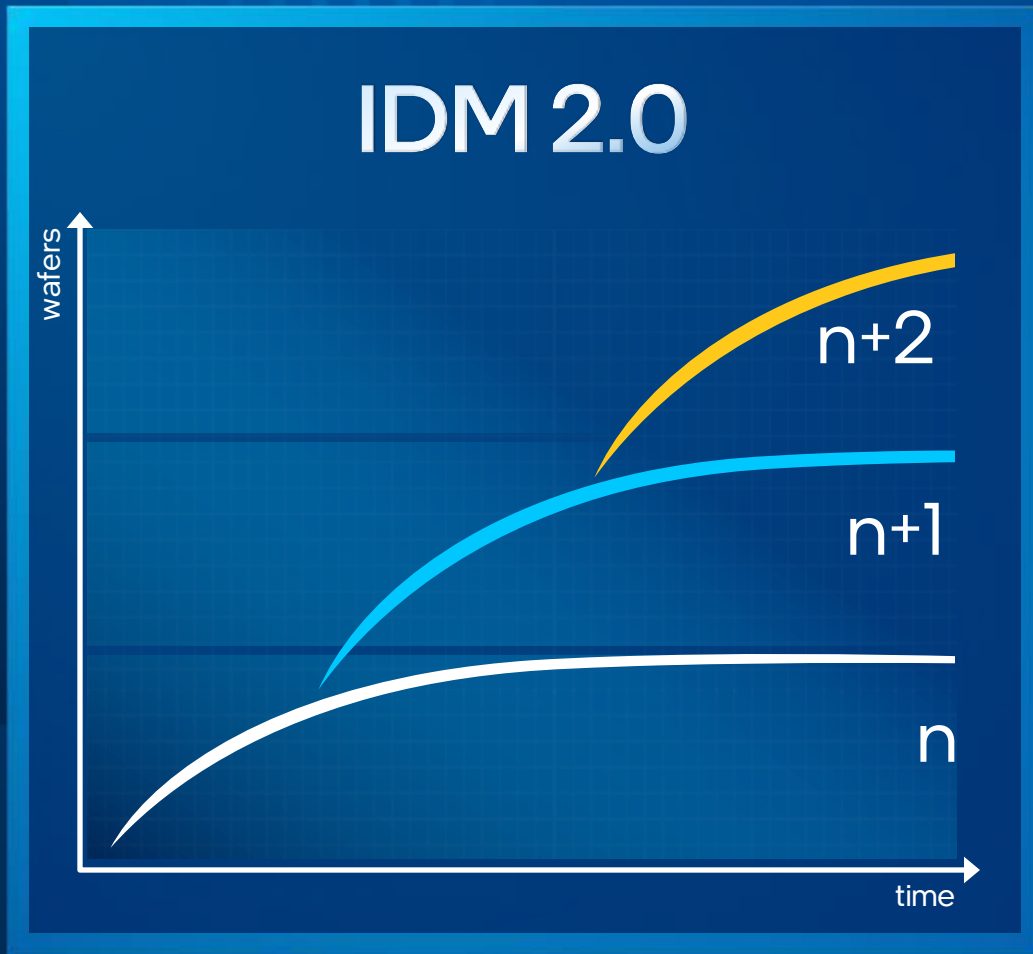





		Intel 16	Intel 3	Intel 18A	Intel 14A
Circuit Simulation & Aging	Cadence SpectreX	●	●	●	●
	Siemens AFS	●	●	●	●
	Synopsys Hspice/PrimeSim/PrimeSim-XA	●	●	●	●
Custom Layout	Cadence Virtuoso	●	●	●	●
	Synopsys Custom Compiler	●	●	●	●
APR	Cadence Genus/Innovus	●	●	●	●
	Synopsys ICC2/Fusion Compiler	●	●	●	●
Fill	Cadence Pegasus Fill	●	●	●	●
	Siemens Calibre Yield Enhancer	●	●	●	●
	Synopsys ICV	●	●	●	●
Extraction	Cadence Quantus	●	●	●	●
	Synopsys Star-RC	●	●	●	●
Physical Verification	Cadence Pegasus	●	●	●	●
	Siemens Calibre	●	●	●	●
	Synopsys ICV	●	●	●	●
High Voltage	Cadence Pegasus PERCHV	●	●	●	●
	Siemens Calibre PERC HV	●	●	●	●
	Synopsys ICV PERC HV	●	●	●	●
Reliability Verification	Ansys Redhawk-SC, Totem	●	●	●	●
	Cadence Voltus	●	●	●	●
	Cadence Voltus Fi	●	●	●	●
	Synopsys PrimeSim-EMIR	●	●	●	●
ESD	Ansys Totem Pathfinder	●	●	●	●
	Cadence Pegasus PERC	●	●	●	●
	Siemens Calibre PERC	●	●	●	●
	Synopsys ICV PERC	●	●	●	●
EM Simulator	Ansys RaptorX	●	●	●	●
	Cadence EMX	●	●	●	●
	Keysight Momentum	●	●	●	●

● 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



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18A

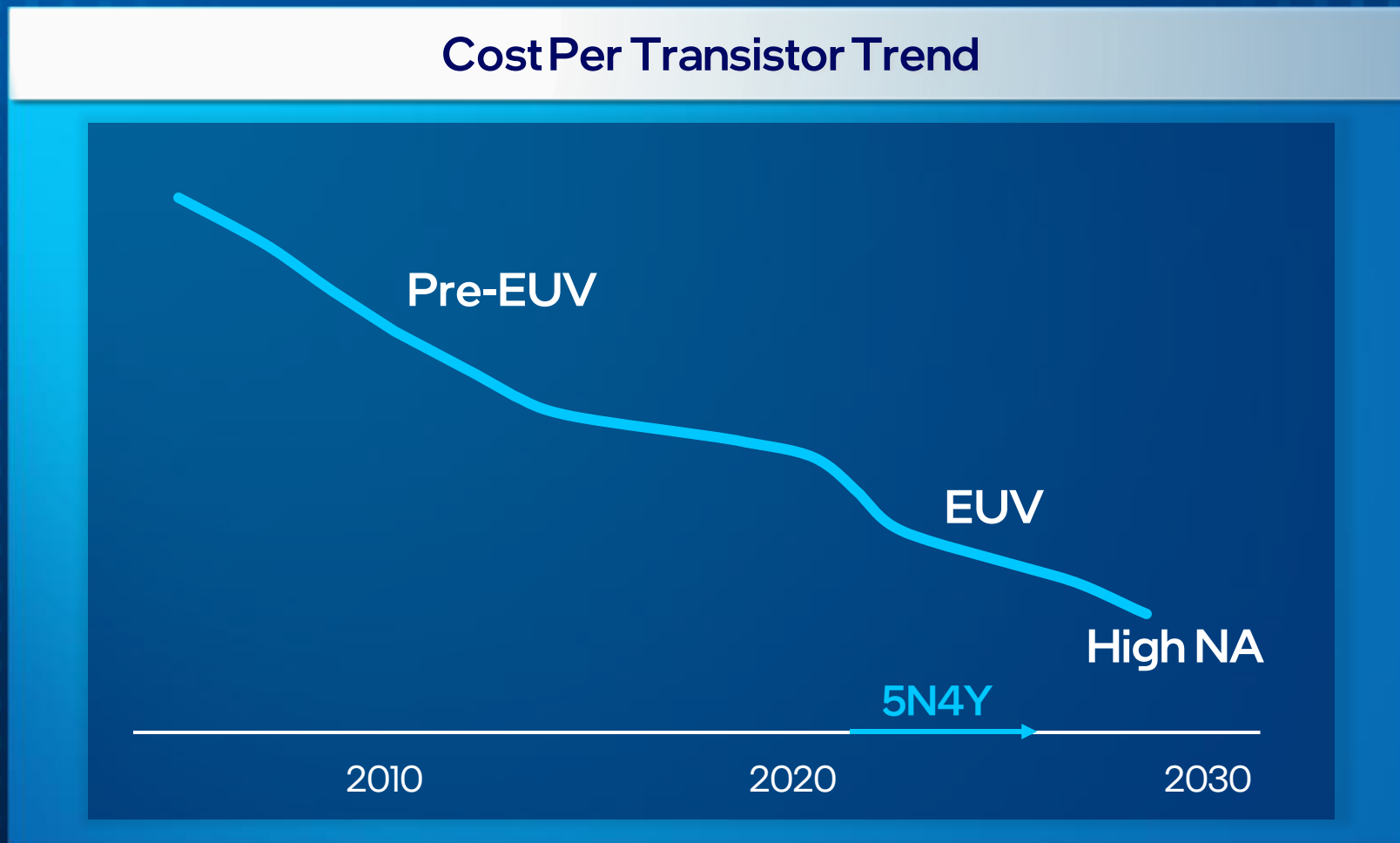
intel
14A



	intel 7	intel 3	intel 18A	intel 14A
Performance/ watt	-	≈	+ ≈	+
Density	--	-	≈	+ ≈
Wafer Cost	--	-	≈	+
Target Segment	HPC	HPC	HPC [★]	HPC Mobile
EDA/Ease of Design	--	- ^{★★}	≈	≈
2.5/3D+ Advanced Pkg	+	+	++	++

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

Putting the Economics back into Moore's Law



Putting the Economics back into Moore's Law

The EUV Wall				
	Pre-EUV	The EUV Wall	EUV	High-NA
CapEx/Fab	~\$12.5B		~\$25B	\$25-30B
Margin/WS	~0%		~40%	~50%
# of Players	5		2-3	~2

Timeline: ~2yrs (Pre-EUV) → 5N4Y (The EUV Wall) → ~2yrs (High-NA)

- 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

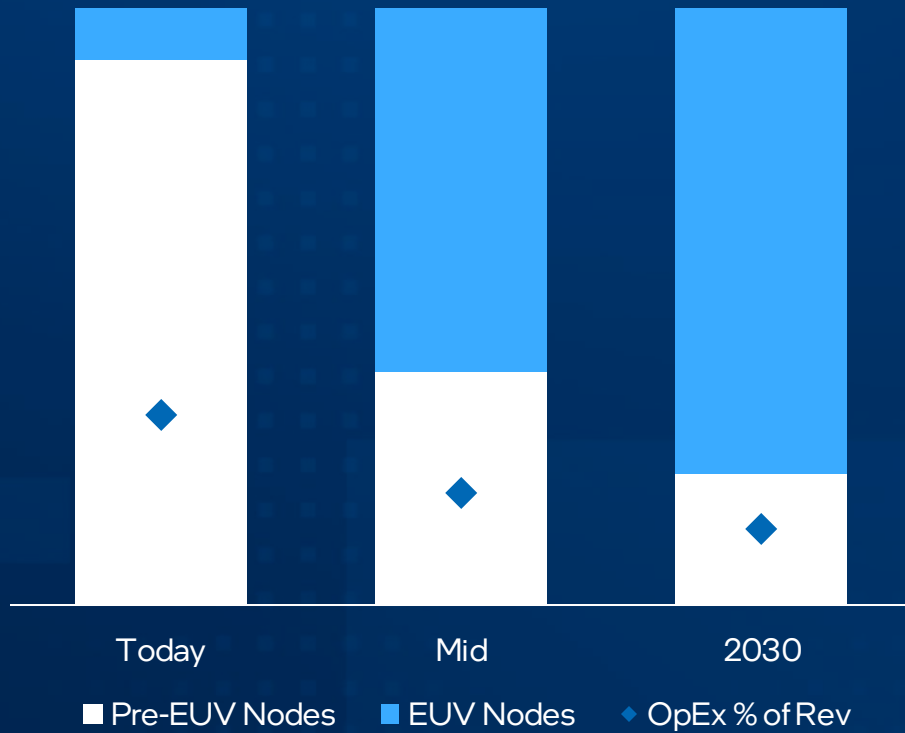
10K WSPW factory
Logic Manufacturing

Intel Foundry Profitability Journey

Significant Intel operating profit improvement as Intel Foundry reaches breakeven

Intel Foundry Profitability Journey

EUV Wafer Mix & Stabilized Investment



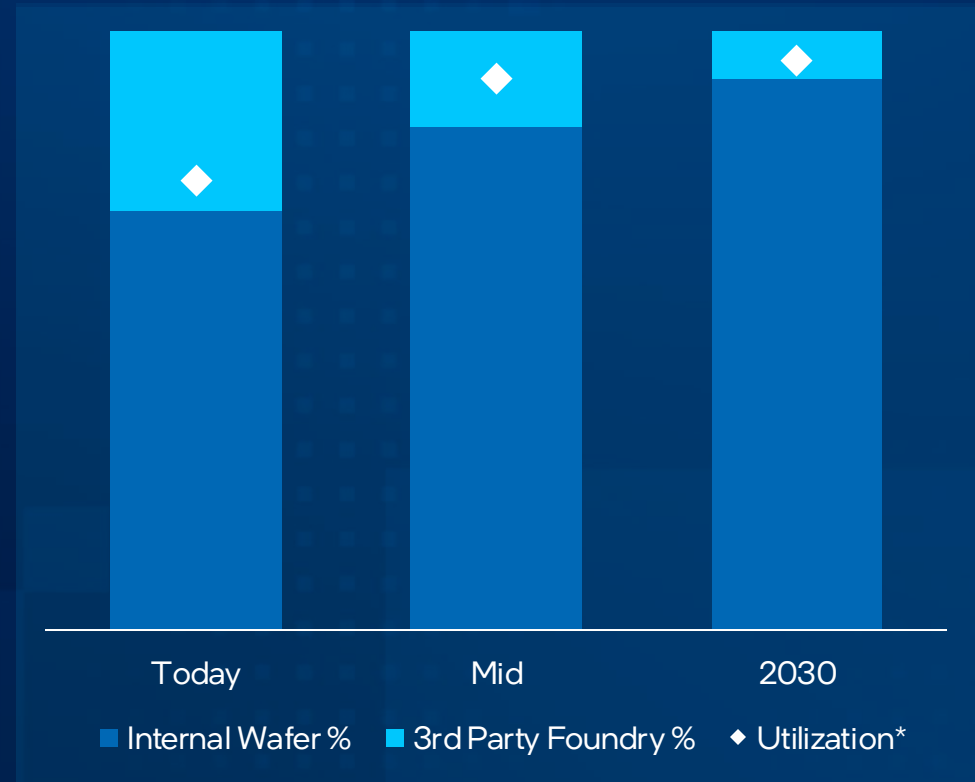
Significant Intel operating profit improvement as Intel Foundry reaches breakeven

Intel Foundry margin improvement drivers:

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

Intel Foundry Profitability Journey

Bring Wafers Home & Improve Utilization



* Equipped capacity utilization forecast

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

Our Smart Capital in Action



Government Incentives
US CHIPS

Government Incentives
European Chips

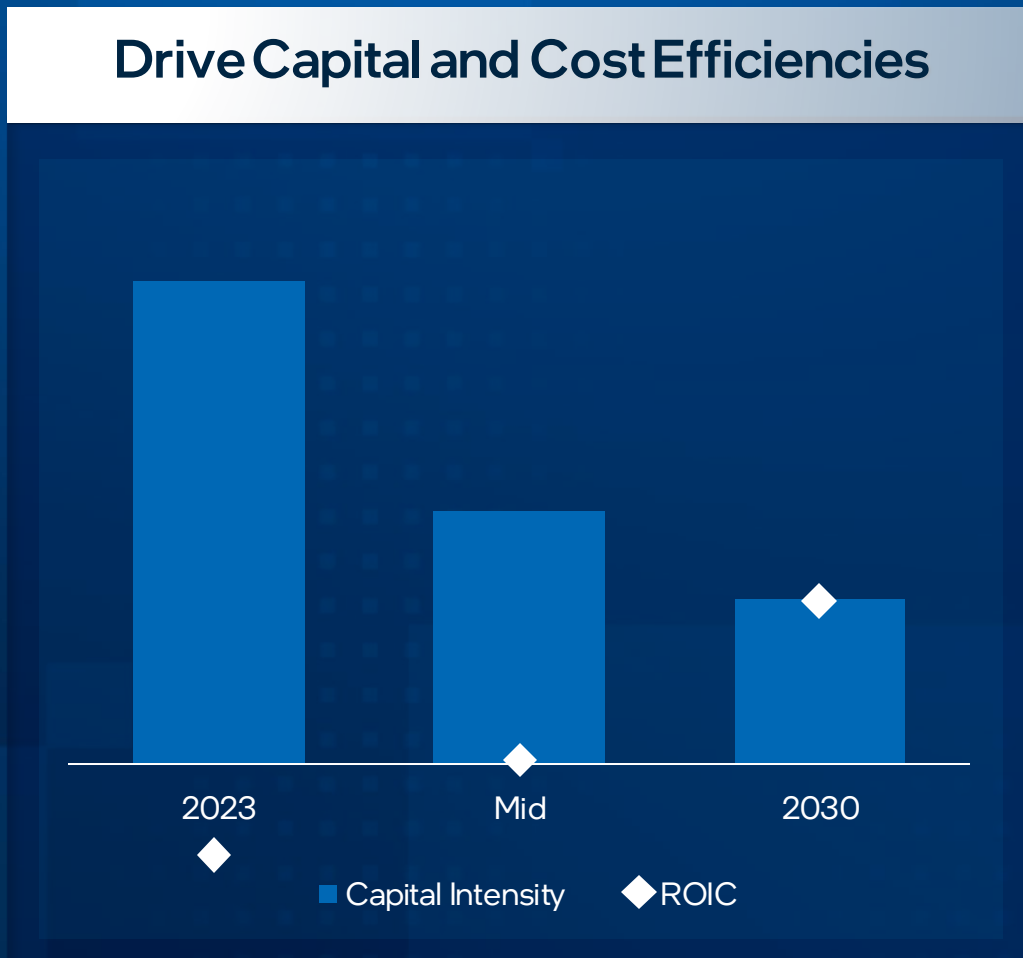
Customer Commitments
18A PREPAY

Financial Partners
BROOKFIELD

>\$50B

Intel Foundry Profitability Journey

Drive Capital and Cost Efficiencies



ROIC and Capital Intensity of Intel Foundry

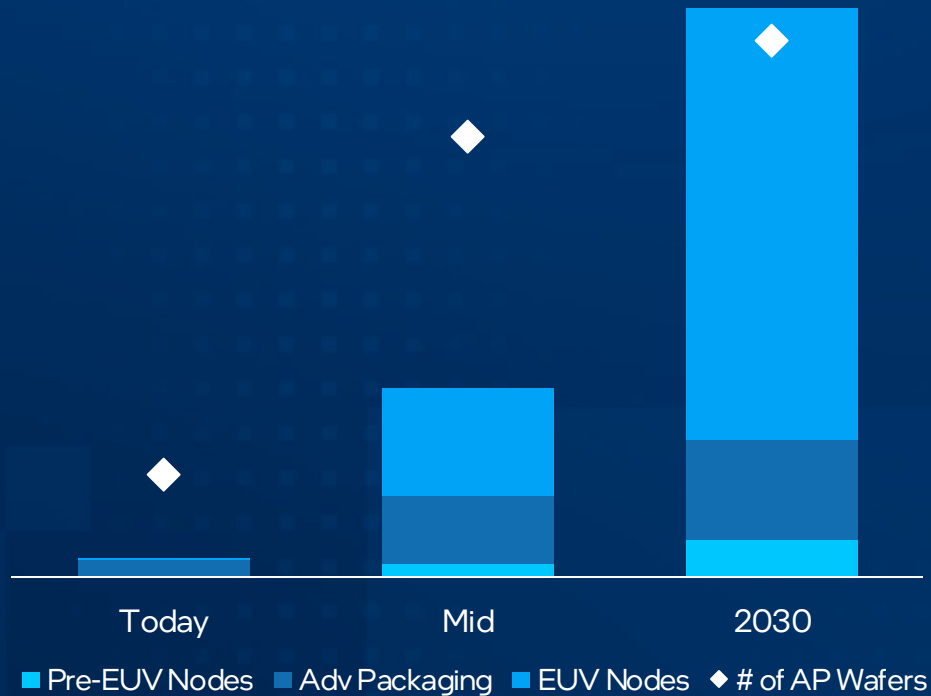
Significant Intel operating profit improvement as Intel Foundry reaches breakeven

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
- **Our opportunity** – deliver end-to-end capital and cost efficiencies

Incremental Scale & Profitability from Foundry Services

External Foundry Revenue



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

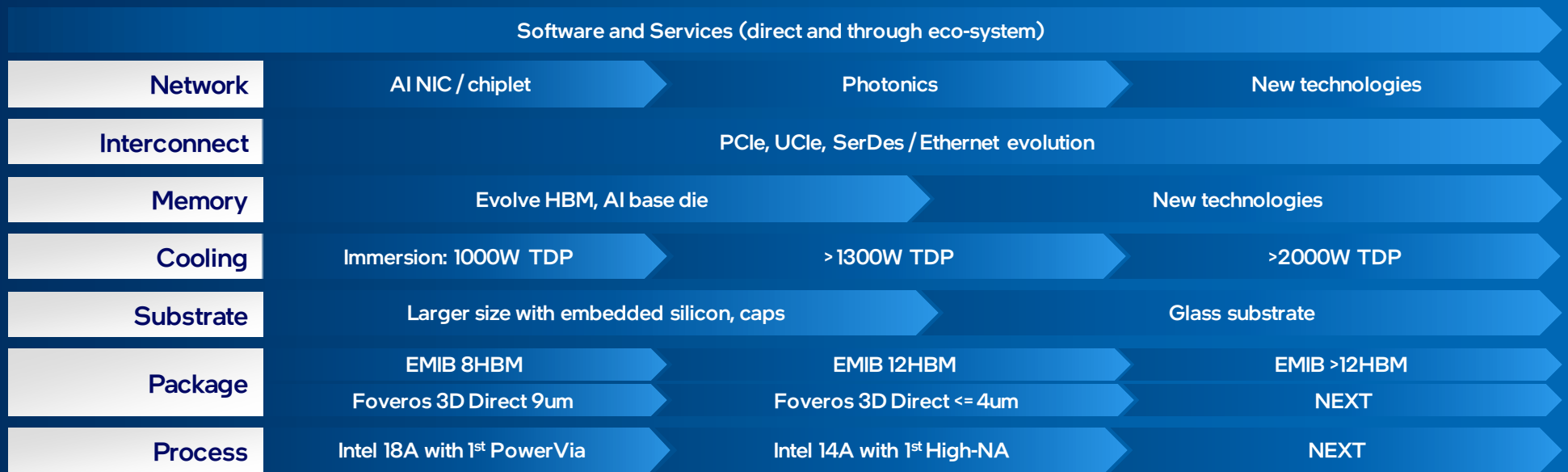
Stewards
of Moore's
Law

+

Continued
System
Innovation

Systems
Foundry

Foundry



2024

2030



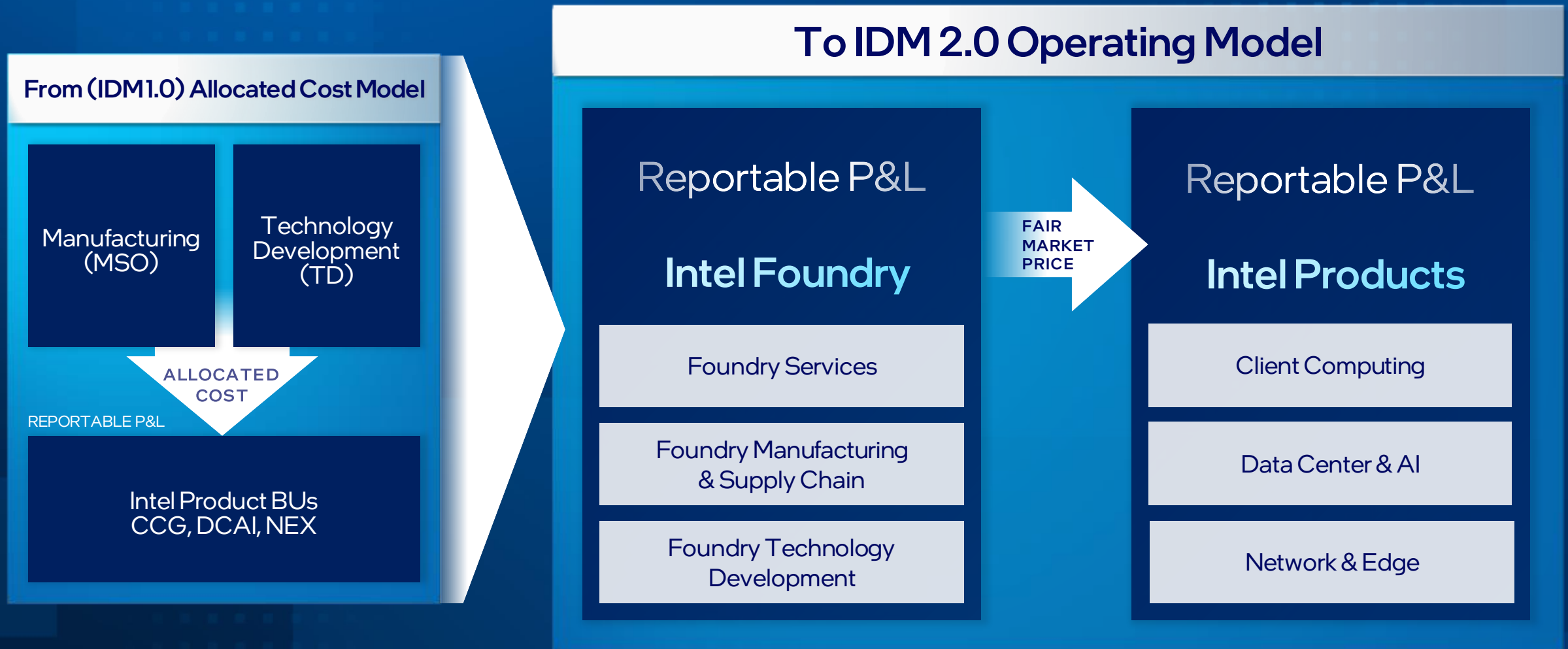
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David Zinsner

Executive Vice President and
Chief Financial Officer

Intel Segment Reporting



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%**

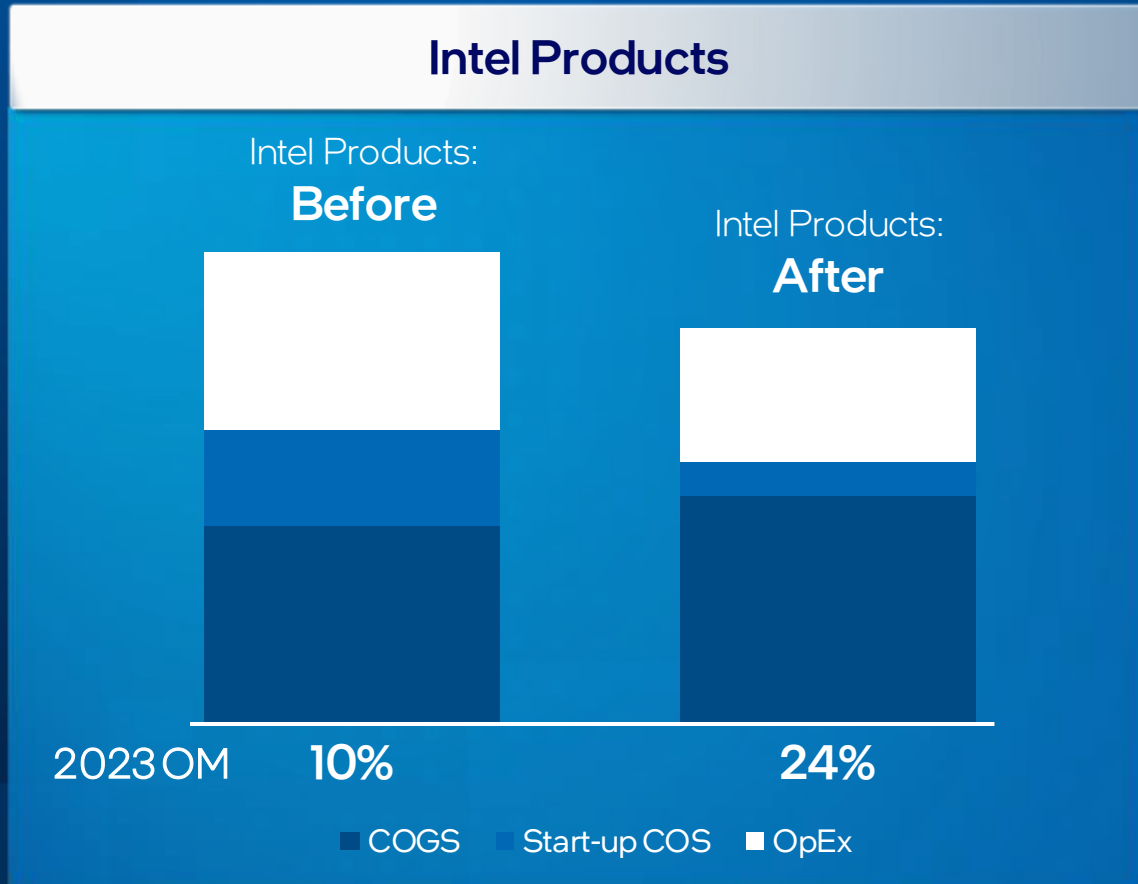
Confident margins improve

Operating Segments Going Forward 2023 (\$B)

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

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

Intel Products



Intel Products **healthy and growing**

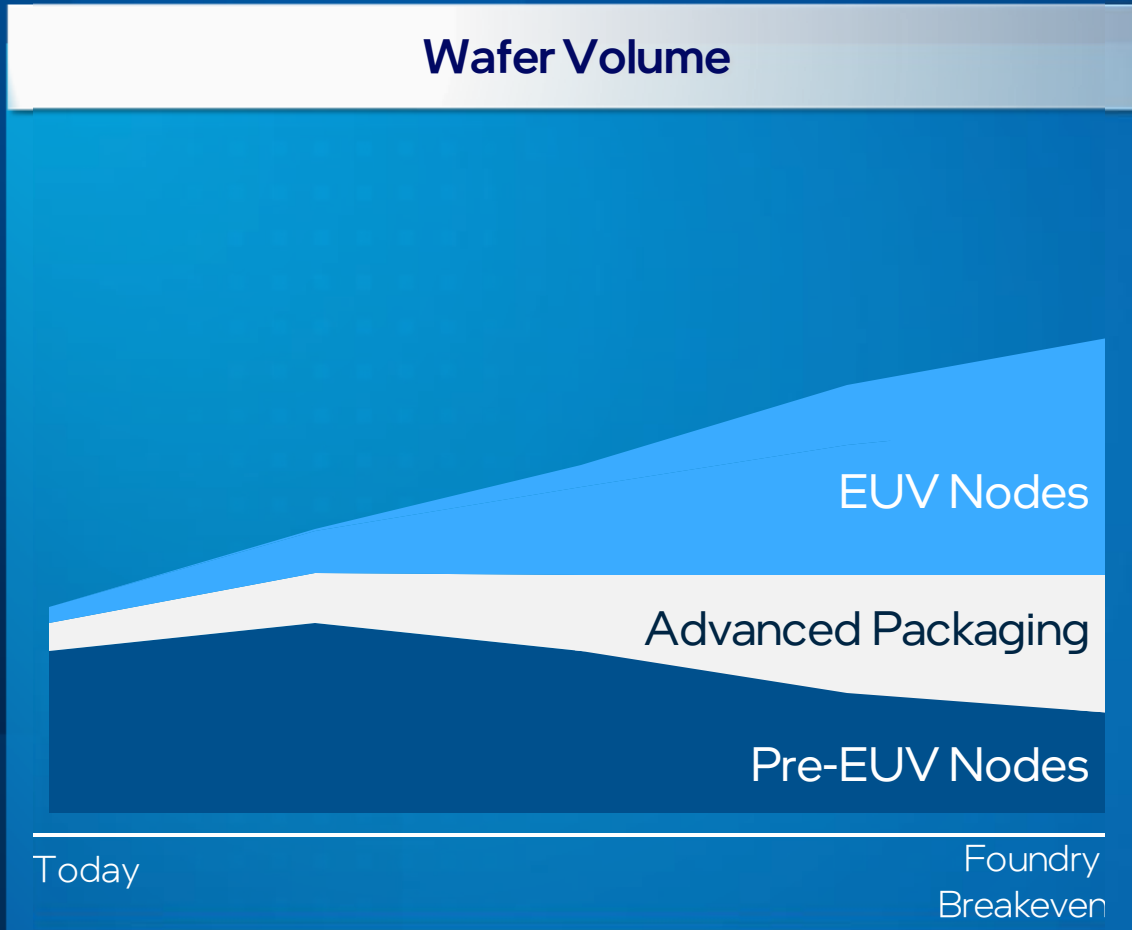
COS reflects **fair market pricing**

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

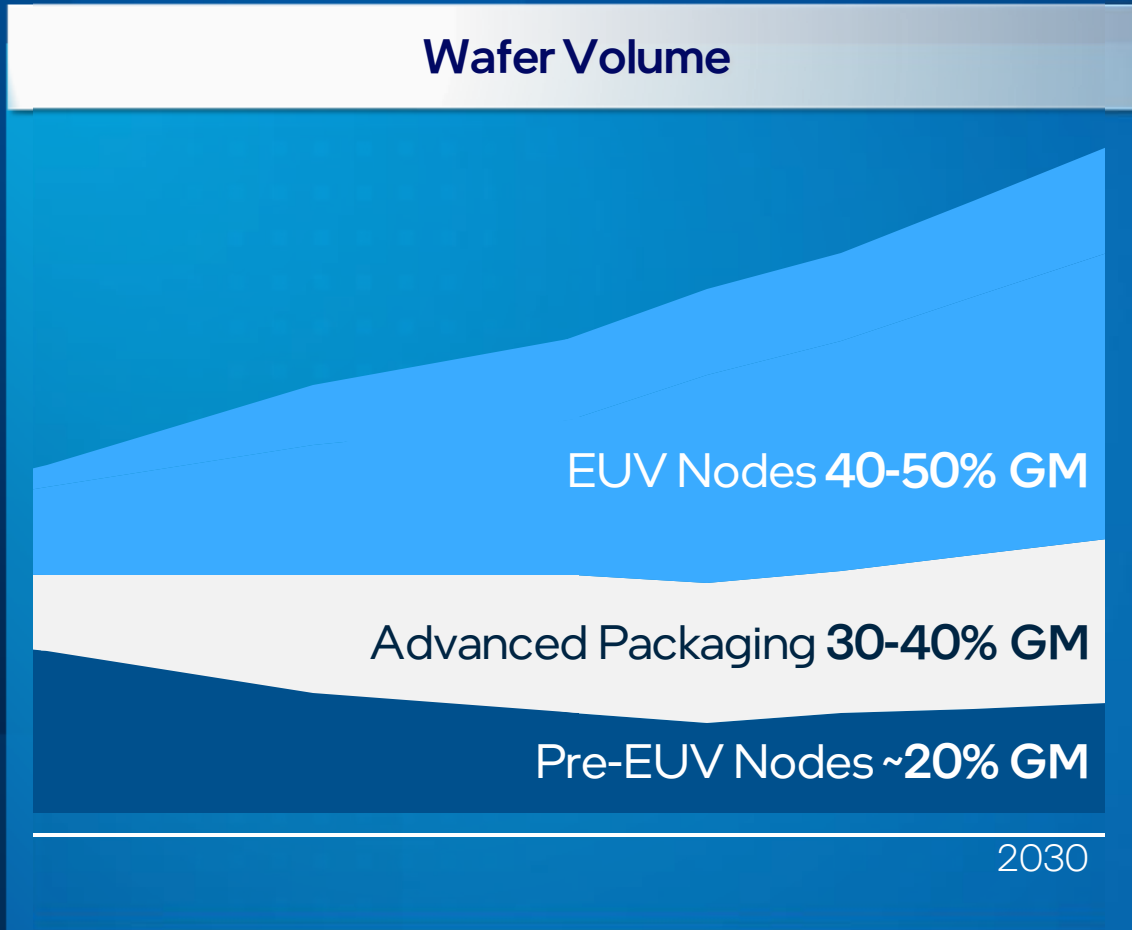
Intel Foundry



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

Intel Foundry



Levers for Intel Foundry Op Margin

	B/E	2030
Transistor leadership (18A+)	9-11 pts	~+8 pts
Internal Mix / Scale	7-9 pts	~+5 pts
Capital & Cost Efficiency	12-14 pts	~+9 pts
OpEx Leverage	5-7 pts	~+8 pts

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

Expedites

Production expedites down 95%

Capital Efficiency

5-10% reduction in capex to deliver same volume

Test & Sort Times

Next-Gen Client test time plan of record reduced 75%

Samples

2024 engineering sample demand reduced >10%

Product Architecture

Re-architecting roadmap for cost and IP leverage

Ramp Rate

Faster move from TD to HVM driving 10-15% wafer cost improvement

Mid-point Intel profitability

At Intel Foundry Breakeven

Operating Segment	GM%	OM%
Intel Products	50-55%	30-35%
Intel Foundry	15-20%	0%
All Other	55-60%	25-30%
Intel Consolidated*	52-56%	23-28%

* Non-GAAP

intel foundry
+
intel products

Creating a margin-stacking
advantage unique in the industry

Long-term Intel profitability

2030 Target		
Operating Segment	GM%	OM%
Intel Products	57-60%	37-40%
Intel Foundry	35-40%	25-30%
All Other	57-60%	37-40%
Intel Consolidated*	~60%	~40%

intel foundry
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Creating a margin-stacking
advantage unique in the industry

* Non-GAAP

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



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Reconciliation of Non-GAAP Actuals

(In Millions)	Twelve Months Ended		Twelve Months Ended	
	30-Dec-23		30-Dec-23	
GAAP operating income	\$93		GAAP Corporate unallocated	(\$5,165)
Acquisition-related adjustments	1,407		Acquisition-related adjustments	1,407
Share-based compensation	3,229		Share-based compensation	3,229
Restructuring and other charges	-62		Restructuring and other charges	-62
Non-GAAP operating income	\$4,667		Non-GAAP Corporate unallocated	(\$591)
GAAP operating margin	0.2%			
Acquisition-related adjustments	2.6%			
Share-based compensation	6.0%			
Restructuring and other charges	-0.1%			
Non-GAAP operating margin	8.6%			