

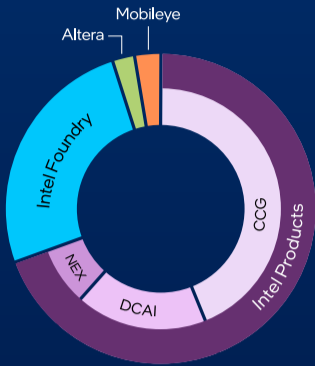
Financial Results

Total Intel Q2'24 Revenue¹

\$12.8B ▬ 1% YoY

Q2'24 Non-GAAP EPS **\$0.02** ▬ 85% YoY

Q2'24 Segment Revenue



Segment	Revenue	YoY Change
Intel Products Total	\$11.8B	4% YoY
Client Computing (CCG)	\$7.4B	9% YoY
Data Center and AI (DCAI)	\$3.0B	3% YoY
Network and Edge (NEX)	\$1.3B	1% YoY
Intel Foundry	\$4.3B	4% YoY
Altera	\$361M	57% YoY
Mobileye	\$440M	3% YoY

Q3'24 Outlook

Revenue	\$12.5B – \$13.5B
Gross Margin (non-GAAP)	38.0%
EPS (non-GAAP)	(\$0.03)

¹Total net revenue includes intersegment eliminations of \$4.3 billion.

“Our Q2 financial performance was disappointing, even as we hit key product and process technology milestones. Second-half trends are more challenging than we previously expected, and we are leveraging our new operating model to take decisive actions that will improve operating and capital efficiencies while accelerating our IDM 2.0 transformation. These actions, combined with the launch of Intel 18A next year to regain process technology leadership, will strengthen our position in the market, improve our profitability and create shareholder value.”

Pat Gelsinger, Intel CEO

“Second-quarter results were impacted by gross margin headwinds from the accelerated ramp of our AI PC product, higher than typical charges related to non-core businesses and the impact from unused capacity. By implementing our spending reductions, we are taking proactive steps to improve our profits and strengthen our balance sheet. We expect these actions to meaningfully improve liquidity and reduce our debt balance while enabling us to make the right investments to drive long-term value for shareholders.”

David Zinsner, Intel CFO

Business Highlights



Process Leadership

- **Finish line in sight** to completing 5 nodes in 4 years
- **Released** Intel 18A 1.0 PDK to foundry customers, on track to be manufacturing-ready by end of this year with production wafer start volumes in 1H'25
- **Intel's first products on 18A**, Panther Lake for client and Clearwater Forest for server, are on track and will bring Intel 18A to the mass market in 2025
- **Appointed** Kevin O'Buckley to lead Foundry Services and Dr. Naga Chandrasekaran to lead Foundry Manufacturing and Supply Chain



Execution Milestones

- **Shipped** more than 15 million AI PCs since the December 2023 launch of Intel® Core™ Ultra processors and remain on track to ship more than 40 million AI PCs by year-end
- **Achieved** production release of Lunar Lake ahead of schedule, will be the next industrywide catalyst for AI PC device refresh
- **Introduced** the next-generation E-core Intel® Xeon®, code-named Sierra Forest, the company's first Intel 3 server product
- **On track** to launch Intel® Gaudi® 3 AI accelerators in Q3 and expected to deliver ~2x the performance per dollar on both inference and training vs. the leading competition
- **Announced** an array of AI-optimized scale-out Ethernet solutions, including the Intel AI Network Interface Card and foundry chiplets that will launch next year
- **Created** with others the Ultra Accelerator Link, a new industry standard dedicated to advancing high-speed, low-latency communication for scale-up AI systems communication in data centers
- **Demonstrated** industry's most advanced and first-ever fully integrated optical compute interconnect (OCI) chiplet co-packaged with an Intel CPU and running live data, which is expected to revolutionize high-speed data processing for AI infrastructure



Customer and Partner Wins

- **Ansys, Cadence, Siemens and Synopsys** announced availability of reference flows for Intel's EMIB advanced packaging technology and declared readiness for Intel 18A designs
- **ASUS, Dell Technologies, Hewlett Packard Enterprise, Lenovo, Supermicro, Foxconn, Gigabyte, Inventec, Quanta Cloud Technology and Wistron** are among those in the ecosystem showing support for Gaudi 3
- **Dell Technologies and Red Hat**, among others, supported new IPUs for the enterprise
- **Microsoft** qualified Lunar Lake to power more than 80 new Copilot+ PCs across more than 20 OEMs



Financial and Operational Updates

- **Announced** comprehensive reduction in spending to resize and refocus, including:
 - Reducing non-GAAP R&D and MG&A to ~\$20 billion in 2024 and ~\$17.5 billion in 2025 through meaningful spending and headcount reductions
 - Reducing capital expenditures in 2024 by more than 20% from prior projections
 - Generating \$1 billion in savings in non-variable cost of sales in 2025
- Maintaining core investments to execute strategy, including regaining leadership across process technology and products, and sustaining investments to build a resilient and sustainable semiconductor supply chain in the U.S. and around the world
- **Suspending** the dividend, effective next quarter, to support Intel's priority investments



Abbreviations: 1H (first half); Q2 (second quarter); YoY (year over year); GAAP (general accepted accounting principles); EPS (earnings per share attributable to Intel); MG&A (marketing, general and administrative).

Q2'24 non-GAAP EPS attributable to Intel (\$0.02) is Q2'24 GAAP EPS attributable to Intel (\$-0.38, down YoY from \$0.35 in Q2'23) after adjustment for acquisition-related adjustments (\$+0.06), share-based compensation (\$+0.18), restructuring and other charges (\$+0.22), losses on equity investments, net (\$+0.03), gains from divestiture (\$-0.01), adjustments attributable to non-controlling interest (\$0.00) and income tax effects (\$-0.08).

Q3'24 Outlook non-GAAP gross margin percentage (38.0%) is Q3'24 Outlook GAAP gross margin percentage (34.5%) after adjustment for acquisition-related adjustments (+1.7%) and share-based compensation (+1.8%).

Q3'24 Outlook non-GAAP EPS attributable to Intel (\$-0.03) is Q3'24 Outlook GAAP EPS attributable to Intel (\$-0.24) after adjustment for acquisition-related adjustments (\$+0.06), share-based compensation (\$+0.23), restructuring and other charges (\$+0.06), gains from divestiture (\$-0.01), adjustments attributable to non-controlling interest (\$0.00) and income tax effects (\$-0.13).

Full year 2024 non-GAAP R&D and MG&A (\$20.0B) is full year 2024 GAAP R&D and MG&A (\$22.9B) after adjustment for acquisition-related adjustments (\$-0.2B) and share-based compensation (\$-2.7B). Full year 2025 non-GAAP R&D and MG&A (\$17.5B) is full year 2025 GAAP R&D and MG&A (\$20.1B) after adjustment for acquisition-related adjustments (\$-0.1B) and share-based compensation (\$-2.5B).

For a full explanation of these non-GAAP measures, see Intel's Q2'24 earnings release at [intc.com](https://www.intel.com). Gross margin and EPS outlooks are based on the mid-point of the revenue range. Our Q3'24 outlook, FY'24 and FY'25 forward looking estimates and other statements about future plans, expectations, and opportunities, including with respect to future products and technologies, are forward-looking statements. They are based on current expectations as of August 1, 2024 but are subject to many risks and uncertainties that could cause actual results to differ materially from those anticipated, as described in Intel's Q2'24 earnings release and most recent reports on Forms 10-K and 10-Q, available at [intc.com](https://www.intel.com). Graphic on segment revenue omits Other revenue and intersegment eliminations.