**Operating Expenses**

Operating Expenses Total R&D and MG&A expenses for 2024 were $22.1 billion, up 2% compared to 2023. These expenses represent 41.5% of revenue for 2024 and 40.0% of revenue for 2023. In support of our strategy, we continue to make significant investments to accelerate our process technology roadmap. As a result of our 2024 Restructuring Plan and related cost-reduction measures, we expect a decrease in total R&D and MG&A expenses in future periods as we focus investments in R&D and create capacity for sustained investment in technology and manufacturing.

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2024 vs. 2023 R&D increased by $500 million, or 3%, primarily driven by investments in our process technology and products, and higher share-based compensation, partially offset by lower incentive-based compensation and the effects of various cost-reduction measures. R&D increased by $500 million, or 3%, primarily driven by investments in our process technology and products, and higher share-based compensation, partially offset by lower incentive-based compensation and the effects of various cost-reduction measures. Marketing, General, and Administrative Marketing, General, and Administrative 2024 vs. 2023 2024 vs. 2023 MG&A decreased by $127 million, or 2%, primarily driven by lower incentive-based compensation, share-based compensation, and the effects of various cost-reduction measures, partially offset by higher corporate spending to drive business transformation.

**Financial Capital**

We take a disciplined approach to our financial capital allocation strategy, which continues to focus on building stakeholder value and is driven by our priority to invest in the business. We also seek to optimize our portfolio, look for innovative ways to unlock value across our assets, and, from time-to-time, engage in mergers and acquisitions.

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**Return Excess Cash to Stockholders**

Our capital allocation strategy historically included returning excess cash to stockholders through dividends and stock repurchases. Our most recent stock repurchase was in the first quarter of 2021 and we suspended the declaration of quarterly dividends starting with the fourth quarter of 2024. We agreed under our commercial CHIPS Act agreement to forgo paying dividends for the next two years, and agreed to limitations on the payment of dividends for the three years thereafter. Further, we do not expect to pay dividends or make stock repurchases until our cash flows improve as we focus on the critical investments needed to execute our business strategy and create long-term value.

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**Stock Performance Graph**

The graph and table that follow compare the cumulative TSR of Intel's common stock with the cumulative total return of the S&P 100 Index, the S&P 500 Index, the S&P 500 IT Index, and the SOX Index' for the five years ended December 28, 2024. The cumulative returns shown on the graph are based on Intel's fiscal year.

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**Non-GAAP Financial Measures**

In addition to disclosing financial results in accordance with US GAAP, this document references adjusted free cash flow, a non-GAAP financial measure. This measure is used by management when assessing our sources of liquidity, capital resources, and quality of earnings and provides an additional means to evaluate the cash flow trends of our business. Adjusted free cash flow is operating cash flow adjusted for (1) additions to property, plant, and equipment, net of proceeds from capital-related government incentives and net partner contributions, (2) payments on finance leases, and (3) proceeds from the McAfee equity sale in 2022. This non-GAAP financial measure should not be considered a substitute for, or superior to, financial measures calculated in accordance with US GAAP, and the financial results calculated in accordance with US GAAP and reconciliations from these results should be carefully evaluated. Following is the reconciliation of our most comparable US GAAP measure to our non-GAAP measure presented:

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