



The Financial Performance of Intel Corporation

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1. Introduction:

Intel (INTC) is an American multinational company located in Silicon Valley. This is leading company for manufacturing electronic chips and has a large share of the high-tech market (Hall, 2018; Nasdaq, 2022). It is notable for its role as the developer of the x86-series of microprocessors, which are frequently included in the most PCs¹ (Shi and Zhu, 2021). Although the company main component is the microprocessor, it has invested other products in different industries providing AI services, data centers, and sensors (Vinš and Durec, 2021). Until 2023, Intel position is 62 in the Fortune rankings (Fortune, 2023). Intel reported a total revenue of \$63.054b in 2022, indicating a decrease in revenue from \$79.024b in 2021 (Intel, 2022). This report covers an overview of Intel business activities, its financial performance analysis, two developments that affects on the business, dividend policy and ratio analysis from 2021 to 2022.

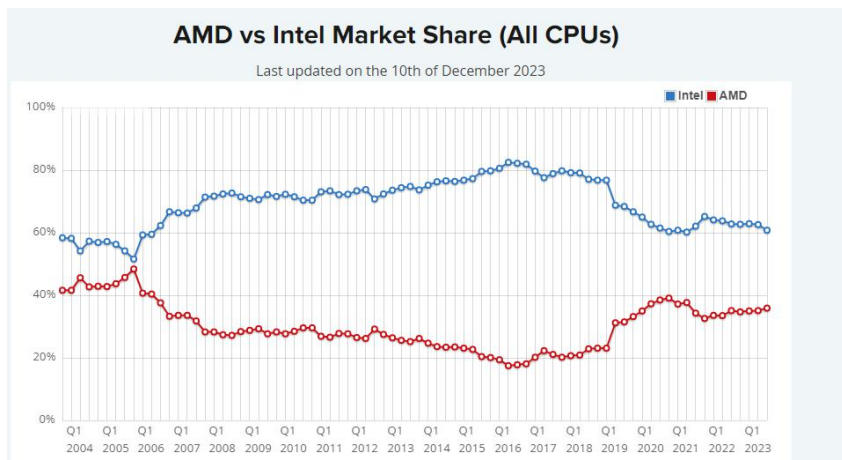
Sector	Industry	Market Cap	Revenue
Computer and Technology	Semiconductor - General	\$177.704B	\$63.054B

¹ Personal computer

2. Section A: Development

2.1. Increasing Competition:

In the world of tech and chipset, TSMC, AMD, and NVIDIA have changed Intel performance considerably. Through the competition, Intel increases its production and makes innovative products that lead to increased revenue. However, the heightened competition against would have taken a toll on their market share, and increased costs anyways. Nvidia has a bigger market share as compared to Intel since it is providing autonomous platforms to the OEMs (Moon et al., 2021; Wieclaw, 2023). There has been a noticeable decline in the market share for Intel's CPUs. Lately, AMD has gained a significant foothold. Intel experienced a drop in its shares from 76.8% in the second quarter of 2019 to 60.8% in the same period of 2021 according to CPUbenchmark. This trend still continues:



(CPUbenchmark, 2023).²

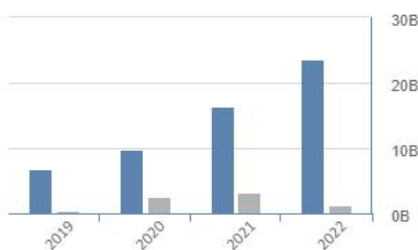
Intel profit margins have been declined because they have to compete with AMD on lower prices (Tarasov, 2022). In the chipset industry, an important factor is a high level of competition among AMD, Qualcomm and Intel (PC Site, 2023). CPUs and GPUs of Intel fall behind competitors such as AMD and Taiwan Semiconductor Manufacturing (Scannell, 2023).

² In Q2 2019, Intel held a 76.8% market share, with AMD at 23.1%. By Q2 2021, Intel dropped to 60.8%, while AMD rose to 37.2%, indicating a notable shift in market dynamics as result of competition.



Share price change (AWOL, 2023)

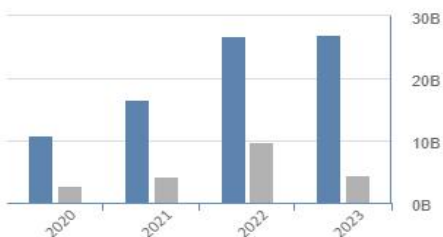
AMD Income Statement »



Gross margin TTM	50.32%
Operating margin TTM	-0.41%
Net Profit margin TTM	0.94%
Return on Investment TTM	-0.14%

■ Total Revenue ■ Net Income

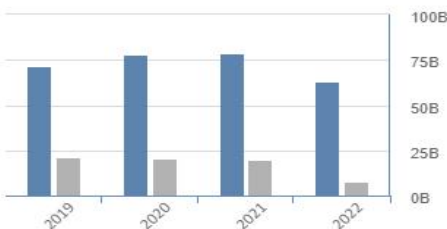
NVDA Income Statement »



Gross margin TTM	69.85%
Operating margin TTM	45.94%
Net Profit margin TTM	42.1%
Return on Investment TTM	45.72%

■ Total Revenue ■ Net Income

INTC Income Statement »



Gross margin TTM	38.14%
Operating margin TTM	-3.94%
Net Profit margin TTM	-3.11%
Return on Investment TTM	-1.25%

■ Total Revenue ■ Net Income

The uk-investing charts of 2022 demonstrate that despite the impact on intel performance due to external factors such as inflation and COVID-19, it still lags behind its competitors in the chipset industry. The annual income of Intel company decreased by 20.21% as compared to the year before. From this perspective, “the competitors’ trend is increasing while Intel is decreasing.”

Intel has taken important steps to overcome this move by significantly investing in expanding their manufacturing capacities, reducing costs, and prioritizing innovation through a strategy named IDM 2.0 (McGee, 2021). The company's assets have increased by \$29 billion from 2020 to 2022 which shows a significant increase totalling up to about 20% (Intel 2022). In the year 2021, \$15,190 million were utilized and in 2022 they increased to \$17,528 for R&D. This shows how through and flexible systems are in place answering needs since these figures only pertain to one financial year.

2.2. Semiconductor Shortages:

Due to issues from the pandemic a large chunk of products are not being made leading towards lesser resource availability in terms of semiconductors (Intel, 2022). Intel has set a record of being one of the top chip manufacturers by making a profit of \$79 billion in 2021. The revenue gain for the year 2021 is seen to be 1.49% higher than that of the year prior to it, 2020 (Intel, 2022). The company wisely made a strategic decision in response to the increased demand, and allocated \$20 billion to build two new manufacturing plants close to each other near Ohio (Noto, 2022).

3. Section B: Dividend policy and sources of finance

3.1. Dividend Policy:

Year	2022	2021	2020
Net profit	8017	19868	20899
EPS	1.94	4.86	4.94
Payment of Dividends (US\$ in millions)	5997	5644	5568
Number of Ordinary Shares (Millions)	4137	4070	4232
DPS	1.44	1.38	1.31

Intel company follows the dividend relevance theory over the years, Intel has shifted from its conservative approach of dividend payment to a more flexible policy that aims to prioritize shareholder value (Goswami, 2023). The company follows a quarterly dividend payment schedule, maintaining regular, constant, and progressive dividends, presenting about 5% growth per year. Intel dividend policy is consistent with the bird-in-hand theory³, emphasizing financial stability and commitment to shareholders (Green, 2022). The Dividend Signaling theory is also applicable, as evidenced by the increase in total dividend payments from \$5644m in 2021 to \$5997m in 2022. The company has a strong track record of paying dividends for 121 consecutive quarters (Intel, 2022).

(4×0.37 in 2022)

(4×0.35 in 2021)

(4×0.33 in 2020)

Three-year dividend growth rate: around 10%

Current dividend per share: \$1.44

Current yield: 3.8%

However, it is essential to note that Intel financial performance weakened in 2022, with a 19% decrease in net income and a 88% decrease in operating income. This decline may impact Intel dividend payout ratio in the future. Additionally, significant capital needs for investments in manufacturing capabilities and new markets could further limit Intel capacity to sustain its dividend payments (CLARA, 2022). Previously, Intel did have a history of paying both interim and final dividends. The payout ratio⁴ of Intel:

2020: 5568 million USD dividends / 20899 million USD net profit = 26.7%

2021: 28.4% payout ratio

2022: 74.8% payout ratio

The rise in the payout ratio over the last three years was distinctly visible, demonstrating a marked increase this year. This upsurge shows that Intel has given priority to maintaining dividend payouts despite a decrease in profits. The ratio of 2022 of 74.8% is significantly higher than the historical benchmark in technology companies, which is recorded at around 50%

³ The bird-in-hand theory, by Gordon, mentioned the preference for current dividends over uncertain future capital gains because of lower risk (Baker et al., 2007).

⁴ Payout ratio is money that paid out as dividends to shareholders (Bloomenthal, 2019).

(CSIMarket, 2023). This inevitably leads to the question of how long intel strategy last since there has been a downturn in its performance for an extended period.

Ex-Date	Amount	Frequency	Declaration Date	Record Date	Payment Date	Yield
Nov 04, 2022	0.37	Quarterly	Sep 16, 2022	Nov 07, 2022	Dec 01, 2022	5.33%
Aug 04, 2022	0.37	Quarterly	Jul 14, 2022	Aug 07, 2022	Sep 01, 2022	4.00%
May 05, 2022	0.37	Quarterly	Apr 13, 2022	May 07, 2022	Jun 01, 2022	3.14%
Feb 04, 2022	0.37	Quarterly	Jan 26, 2022	Feb 07, 2022	Mar 01, 2022	3.02%
Yearly 2022	1.48					3.87%
Nov 04, 2021	0.35	Quarterly	Sep 16, 2021	Nov 07, 2021	Dec 01, 2021	2.76%
Aug 05, 2021	0.35	Quarterly	Jul 15, 2021	Aug 07, 2021	Sep 01, 2021	2.58%
May 06, 2021	0.35	Quarterly	Mar 09, 2021	May 07, 2021	Jun 01, 2021	2.45%
Feb 04, 2021	0.35	Quarterly	Jan 20, 2021	Feb 07, 2021	Mar 01, 2021	2.41%
Yearly 2021	1.4					2.55%
Nov 05, 2020	0.33	Quarterly	Sep 16, 2020	Nov 07, 2020	Dec 01, 2020	2.89%
Aug 06, 2020	0.33	Quarterly	Jul 14, 2020	Aug 07, 2020	Sep 01, 2020	2.70%
May 06, 2020	0.33	Quarterly	Mar 10, 2020	May 07, 2020	Jun 01, 2020	2.25%
Feb 06, 2020	0.33	Quarterly	Jan 22, 2020	Feb 07, 2020	Mar 01, 2020	1.96%
Yearly 2020	1.32					2.45%

(Table values from uk.investing.com and are approximated for analysis)

3.2. Sources of Finance:

Intel source of finance is mainly from equity and non-current liabilities. Until 2022, Intel equity was \$103,286m in 2022 and \$95391m in 2021, and its non-current liabilities were \$46,662m in 2022 and 45013m in 2021. The total current liabilities were \$32155m and \$27462m for 2022 and 2021. This means that Intel equity accounts for 56% of its total liabilities and shareholders' equity in 2022, exceeding its liabilities which indicates financial stability.

Stockholders' equity:

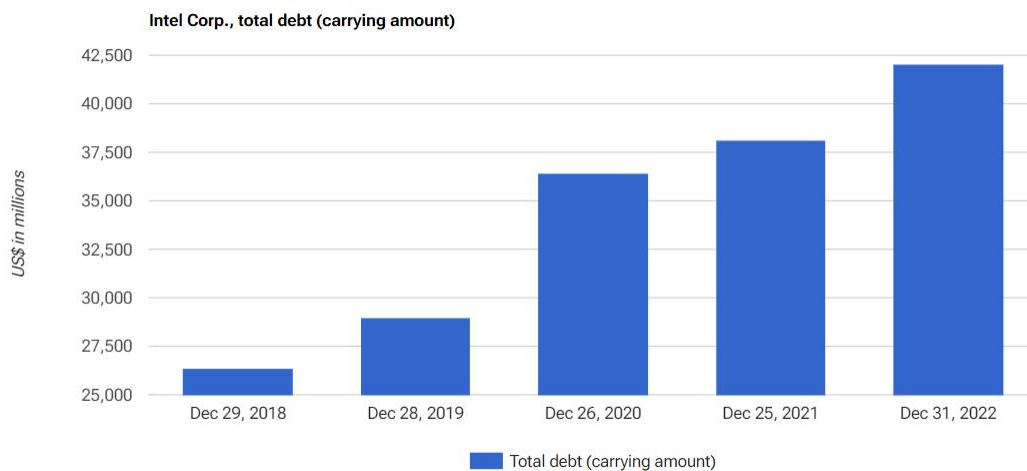
Preferred stock, \$0.001 par value, 50 shares authorized; none issued	—	—
Common stock, \$0.001 par value, 10,000 shares authorized; 4,137 shares issued and outstanding (4,070 issued and outstanding in 2021) and capital in excess of par value	31,580	28,006
Accumulated other comprehensive income (loss)	(562)	(880)
Retained earnings	70,405	68,265
Total Intel stockholders' equity	101,423	95,391
Non-controlling interests	1,863	—
Total stockholders' equity	103,286	95,391

Liabilities and stockholders' equity

Current liabilities:		
Short-term debt	\$ 4,367	\$ 4,591
Accounts payable	9,595	5,747
Accrued compensation and benefits	4,084	4,535
Income taxes payable	2,251	1,076
Other accrued liabilities	11,858	11,513
Total current liabilities	32,155	27,462
Debt	37,684	33,510
Long-term income taxes payable	3,796	4,305
Deferred income taxes	202	2,667
Other long-term liabilities	4,980	5,071

Intel debt⁵/equity in 2022 was 45%. With a D/E ratio of 45%, this company is a low-risk investment for lenders or potential investors. According to this ratio, the company has \$1000 in assets for every \$450 in debt, and \$550 comes from the company's equity.

Intel long-term debt in 2022 had a 2.4%⁶ increase than in 2021 because of the development spendings. The “good” debt-to-equity ratio depends on the nature of the business and its industry. Generally, a D/E ratio below one is relatively safe and secure, whereas values of two or higher might be considered risky normally (Fernando, 2023). The lower D/E ratio suggests that the company is not taking advantage of debt financing and its tax advantages (Bhagwanta, 2022).



Intel capital structure approach seems to follow with the traditional view, keeping some level of their money (not too much not too low) to make sure they always have room for an opportunity that arises and grow its business in order to maximize capital value. A 31% gearing ratio in 2022 for Intel chosen company shows a good balance between debt and equity, which helps lower immediate financial risks. Intel has a Low Gearing Ratio (Lenglet 2022).

<i>gearing ratio</i>	2022	2021	2020
(Non-current liabilities) / (Non-current liabilities + total equity)	(46662) / (46662 + 103286)	(45553) / (45553 + 95391)	(47299) / (47299 + 81038)
%	31.12%	32.32%	36.86%

⁵ The debt/equity is a financial leverage determined by long-term debt over stockholders' equity (CFI Team (2022))

⁶ (46662-45553)/45553

4. Section C: Ratio Analysis

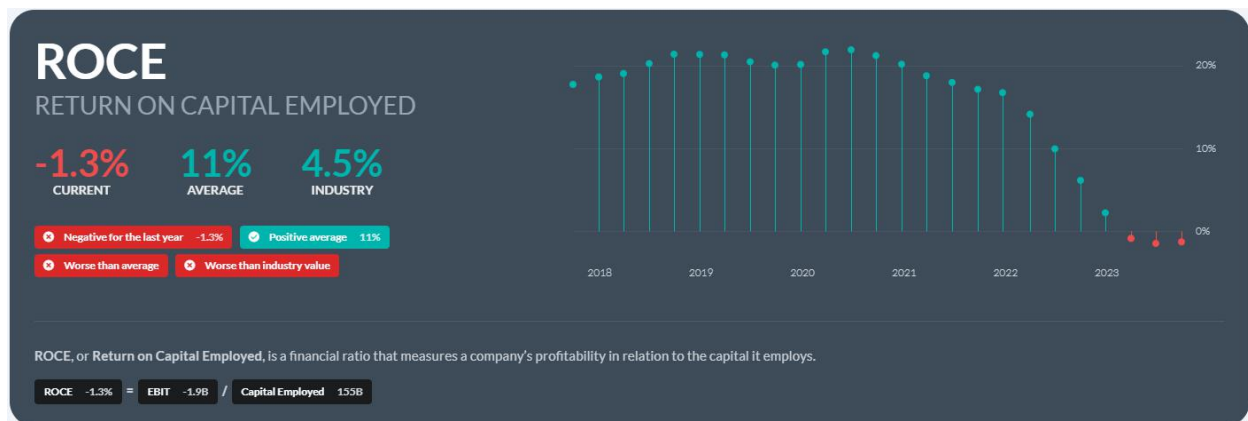
4.1. Return on Capital Employed (ROCE)⁷:

			2022	2021
Return on Capital Employed	$\frac{\text{Operating Profit (PBIT)}}{\text{Capital employed}} \times 100$	Operating profit (Earnings from Operations)	2334	19456
	Capital employed = Total non-current liabilities + Total equity	Total Assets	182103	168406
	or	Current liabilities	32155	27462
	Capital employed = Total assets – Current liabilities	Capital employed	149948	140944
	-		1.55%	13.8%

ROCE is an indicator of business success (Oyesola et al., 2020). It is considered a separated measure of financial performance, along with market and finance ratios (Hoang et al., 2020). From 13.8% in 2021 to 1.55% in 2022, the ROCE decreased. Because ROCE analyses returns relative to capital, Intel's capacity to earn profits on its invested capital fell sharply from £13.8 in 2021 to £1.55 in 2022 for every £100 of capital invested. It is obvious that the operational profit for 2022 is considerably less than for 2021.

The difference can be observed more in a way that assets have had an impact on the result. A decline in profit that has been observed can be attributed to only one thing: higher rate of competition, decreasing their share of market and operating profit. Conversely, IDM 2.0 strategy increases the capital employed because it causes higher research and development expenditures making the denominator greater. This leads to a sharp decrease in 2022, around 88.77%, compared to the previous fiscal year in 2021.

⁷ (ROCE) ratio is a key factor used in assessing a company's profitability and efficiency in employing its capital. It is calculated as the ratio of earnings before interest and tax to the capital employed during a given time period. (Tyagi & Mahajan, 2021).



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As can be seen the average industry is 4.5% and Intel ROCE in 2022 is 1.55% and for 2023 is (-1.3%) which is too low.

4.2. Operating Profit Margin⁹:

	-		2022	2021
Operating profit margin	<u>Operating Profit</u> x 100	Operating profit (Earnings from Operations)	2,334	19,456
	<u>Total Revenue</u>	Total Revenue	63,054	79,024
	<u>Operating profit is PBIT</u>		4%	24.62%

Operating profit margin is essential for evaluating the performance and strategy of firms, providing insights into their operational performance (Wolf et al., 2020). In 2022, Intel operating profit per £100 of sales declined to £4, in contrast to the figure of £24.62 observed in 2021, indicating a sharp decline in performance. This decline in operating profit from 2021 to 2022 is illustrated by increased marketing costs, rising from £6,500 to £7,002, and increased R&D expenditures, climbing from £15,190 to £17,528. Consequently, the operating income witnessed a notable reduction. Furthermore, the net revenue experienced a decline from £79,024 to £63,054 in 2022. The noticeable drop in operating profit is mainly because of a significant drop in the numerator, which has a much greater effect than the denominator. As a result, the overall outcome shows an approximately 84% decrease in comparison to the previous year's numbers, indicating a considerable decline in Intel's operating performance.

⁸ Source: <https://www.alphaspread.com/security/nasdaq/intc/profitability/ratio/return-on-capital-employed>

⁹ One important indicator of a company's financial health is OPM, calculated by dividing the operating income by the net sales or revenue. It is a key indicator of operational effectiveness and profitability (Vojteski-Kljenak et al., 2019).

4.3. Current Ratio¹⁰:

Liquidity Ratio			2022	2021
Current Ratio	<u>Current Asset</u>	Current Asset	50,407	58,558
	Current Liabilities	Current Liabilities	32,155	27,462
			1.567625564	2.132328308

Several studies have indicated the essence of the current ratio in various financial analyses. For instance, it is a measurement tool for determining dividends based on current liabilities calculations (Mohd et al., 2022). Additionally, research has shown that the current ratio has an effect on profitability and return on assets (Susilawati et al., 2022). Furthermore, the current ratio has been used in predicting bankruptcy and financial trouble, indicating its importance in evaluating the financial health and stability of a company (Bukhori et al., 2022).

The current asset decreased by 13.9%, from 58558m to 50407m, in the numerator and also current liability increased in 2022 from 27.462 to 32.155 in the denominator as a result ratio decreased by 27%. It might indicate a need for closer monitoring of the company's liquidity status. Intel may have a lower capacity to cover its short-term obligations with its available current assets. The current asset decreased sharply in 2022 because “Assets-held-for-sale” and “Short-term-investments” were decreased.

4.4. Interest Coverage¹¹

			2022	2021
Interest Coverage	<u>Operating Profit (Earnings from Operations)</u>	Operating profit	2,334	19,456
	Interest on Loan (Finance costs)	Interest on loan	1,166	(482)
			2.00	40.36

¹⁰ The current ratio assess a company's liquidity and its ability to meet short-term obligations. It is determined by dividing current assets by current liabilities (Azeez, 2020)

¹¹ (IC) is a key in assessing a company's ability to meet its interest payment obligations from its operating profits (Zhang, 2022).

A higher interest coverage indicates a better capacity to cover interest payments, but a lower ratio suggests a higher risk of default (Khan et al., 2021). Research has shown a positive and statistically significant relationship between the interest coverage ratio and corporate profitability (Banda and Edriss, 2022). Moreover, the interest coverage ratio has been found to have a positive and statistically significant effect on return on capital employed (ROCE) (Arhinful, 2023). However, it is important to note that the interest coverage ratio may not have a direct impact on the cost of debt. Therefore, maintaining a robust interest coverage ratio is essential for ensuring financial stability and minimizing default risk (Gea and Johan, 2021).

In 2022, a very high interest coverage ratio of 2021 suggests that the company operating income is significantly higher than its interest expenses. In 2021, an interest coverage ratio of 40.37 and negative interest on loans is uncommon. This could be because of Interest Reversals or Credits, Interest Rate Swaps, or Interest Income. It decreased from 40.36 in 2021 to 2 in 2022 because of increasing loans for development. This decrease indicates a notable deterioration in the company's ability to cover its interest expenses with its operating income. Generally, an interest coverage ratio above 2 is considered suitable however it depends on the industry (Bhardwaj, 2023). Interest coverage for the industry in 2022 is 30 (see appendix).

4.5. Quick Ratio¹²

			2022	2021
Quick Ratio	(Current Asset - inventories)	Current Asset	50,407	58,558
	Current Liabilities	Inventories	13,224	10,776
		Current Liabilities	32,155	27,462
			1.15	1.73

Ali et al. (2019) emphasizes the importance of liquidity ratios, including the quick ratio, in influencing profitability. Similarly, Ruwanthika et al. (2022) and Chen et al. (2020) integrate the quick ratio as a key financial metric in evaluating banks and predicting financial hardship and decision-making. A quick ratio of 1.73 indicates that the company had sufficient liquid assets

¹² The quick ratio, or acid test ratio, measures a company's ability to meet short-term obligations using its most liquid assets without inventory (CFI Team 2022).

(without inventory) to cover its short-term liabilities in 2021. While the ratio has decreased, it remains above 1, suggesting continued ability to cover short-term obligations without relying on selling inventory in 2022. The decrease in the quick ratio from 1.73 in 2021 to 1.15 in 2022 suggests a potential reduction in the company's ability to cover short-term liabilities with its most liquid assets. The quick ratio for the industry is about 1 (see appendix).

4.6. Earnings Per Share (EPS)¹³:

Investment Ratio			2022	2021
Earnings per Share	Net income (Profit for the Year)	Net income	8,017	19,868
	Number of ordinary shares	Number of ordinary shares	4,137	4,070
			1.93	4.88

EPS is calculated by dividing the company's net income by the total number of ordinary shares. The significance of EPS in influencing stock prices has been extensively studied, with various research indicating a positive connection between EPS and stock prices (Bhattarai, 2016). Furthermore, EPS is considered a key factor in the analysis of a company's financial fundamentals and is often used in predicting stock prices (Neupane, 2020). In addition, the persistence of EPS has been examined, indicating the long-term influence of EPS on a company's financial performance and stock valuation (Gil-Alana and Peláez, 2007).

The decline in EPS in 2022 compared to 2021 indicates that a notably significant decrease in profitability, principally caused by a significant decline in net income, declining from 19,868 in 2021 to 8,017 in 2022. Consequently, this resulted in a drop from 4.88 in 2021 to 1.98 in 2022.

¹³ Earnings per share (EPS) is an important ratio that gives insight into a company's profitability and is generally used by investors and analysts in evaluating a company's performance and potential for growth (Iusiana, 2020).

4.7. Gross Profit¹⁴:

			2022	2021
Gross profit margin	<u>Gross profit*100</u>	Gross profit	26,866	43,815
	Revenue	Revenue	63,054	79,024
			0.42	0.55
		%	42.60%	55.40%

Gross profit margin is a key element of financial ratio analysis and is used to assess the profitability of a company (Sunaryo, 2022). It is also employed in various economic analyses to determine the level of profitability of a project by comparing the cost of selling the product with the cost of raw materials (Gabriella et al., 2021). Moreover, it is employed in the analysis of combined production systems to calculate profitability and is assessing the efficiency of production and pricing strategies (Habiyaemye et al., 2021).

The gross profit for 2022 was 26866 and for 2021 was 43815. To be more specific, the gross profit for 2022 was \$26,866, while in 2021, it was \$43,815. The company experienced a decline in revenue from \$79,024 to \$63,054 in 2022. The company keeps \$42.6 for every 100 dollars of revenue as gross profit in 2022 and \$55.4 for 2021 gross. Despite being considered satisfactory, there was still a 23% reduction in 2022 compared to 2021, indicating a negative trend. Gross Margin industry is 43.36 in this industry (see appendix).

¹⁴ By displaying the ratio of gross profit to revenue, GP provides information about a company's profitability. (Du, 2023).

4.8. Inventory turnover days¹⁵(ITD)

Efficiency Ratios			2022	2021
Inventory Turnover Days	<u>Average Inventory</u> <u>x 365 days</u>	Average inventory	$((13,224 + 10,776)/2) * 365$	$((10,776 + 8427)/2) * 365$
	Cost of sales	Cost of sales	36,188	35,209
			121.03	99.53

ITD provides insights into how efficiently a company manages its inventory and how quickly it can convert its inventory into sales. Several studies have indicated the significance of inventory turnover in influencing a company's sales growth and profitability (Park and Kim, 2020; Nhan, 2019). Effective management of inventory turnover has been connected with increased business efficiency and profitability (Okeke et al., 2022). However, conflicting findings exist regarding the impact of inventory turnover on profitability, with some studies indicating an insignificant relationship (SHAH and KHAN, 2021; Khan et al., 2019). Additionally, inventory turnover has been linked to the company's risk and stock returns, further emphasizing its importance in financial analysis (Mallik et al., 2022; Jain and Wu, 2023).

This suggests that, on average, it took longer to sell and replace the entire inventory in 2022 (121 days) compared to the corresponding process in 2021 (99 days). An increase in ITD may indicate challenges in efficiently managing and selling inventory. As evident from the data in 2022, the average inventory increased at a rate surpassing that of the cost of sales then, resulting in an overall outcome greater than that observed in 2021. It could be attributed to various factors, such as changes in demand, production delays, or inventory management practices (Sakevych, 2019).

¹⁵ ITD is an important ratio in assessing a company's operational efficiency and financial performance. It is calculated by the formula: Inventory Turnover in Days (INVD) = 365 / Inventory Turnover Ratio (Sakevych, 2019).

IV. Conclusion:

Intel has experienced some key issues such as reduced income and high-pressure competition which it decided to improve its manufacturing capabilities, research, innovation, and cost reduction through IDM 2.0 strategy to fix its poor performance (Gelsinger, 2021). However, the investors are worried about how long the high payout ratio can be sustained. Most financial ratios of Intel pointed out that there is a risk to meet immediate liabilities beforehand and handle inventory efficiently (Healy, 2023; Leswing, 2023).

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The overview of changes from 2021 to 2021

- Intel 2022 annual EPS was **\$1.94**, a **60.08% decline** from 2021.
- Intel 2021 annual EPS was **\$4.86**, a **1.62% decline** from 2020.
- Intel 2022 shares outstanding were **4.123B**, a **0.81% increase** from 2021.
- Intel 2021 shares outstanding were **4.09B**, a **3.36% decline** from 2020.
- Intel annual net income for 2022 was **\$8.014B**, a **59.66% decline** from 2021.
- Intel annual net income for 2021 was **\$19.868B**, a **4.93% decline** from 2020.
- Intel annual operating income for 2022 was **\$2.334B**, a **88% decline** from 2021.
- Intel annual operating income for 2021 was **\$19.456B**, a **17.83% decline** from 2020.
- Intel annual gross profit for 2022 was **\$26.866B**, a **38.68% decline** from 2021.
- Intel annual gross profit for 2021 was **\$43.815B**, a **0.47% increase** from 2020.
- Intel annual revenue for 2022 was **\$63.054B**, a **20.21% decline** from 2021.
- Intel annual revenue for 2021 was **\$79.024B**, a **1.49% increase** from 2020.
- Intel total assets for 2022 were **\$182.103B**, a **8.13% increase** from 2021.
- Intel total assets for 2021 were **\$168.406B**, a **10% increase** from 2020.
- Intel long term debt for 2022 was **\$37.684B**, a **12.46% increase** from 2021.
- Intel long term debt for 2021 was **\$33.51B**, a **1.14% decline** from 2020.
- Intel total liabilities for 2022 were **\$78.817B**, a **7.95% increase** from 2021.
- Intel total liabilities for 2021 were **\$73.015B**, a **1.34% increase** from 2020.

<https://www.macrotrends.net/stocks/charts/INTC/intel/financial-statements>

Appendix			2022	2021
Profitability				
Return on Capital Employed	<u>Operating Profit (PBIT) x 100</u>	Operating profit (Earnings from Operations)	2334	19456
	Total Asset - current liabilities	Total Assets	182103	168406
		Current liabilities	32155	27462
			0.015	0.138
Operating profit margin				
Operating profit margin	<u>Operating Profit (PBIT) x 100</u>	Operating profit (Earnings from Operations)	2334	19456
	Total Revenue	Total Revenue	63054	79024
			0.037015891	0.246203685
Liquidity Ratio			2022	2021
Current Ratio	<u>Current Asset</u>	Current Asset	50407	58558
	Current Liabilities	Current Liabilities	32155	27462
			1.567625564	2.132328308
Quick Ratio			2022	2021
	<u>(Current Asset - inventories)</u>	Current Asset	50407	58558
	Current Liabilities	Inventories	13224	10776
		Current Liabilities	32155	27462
Gearing Ratios			2022	2021
Interest Coverage	<u>Operating Profit (Earnings from Operations)</u>	Operating profit	2334	19456
	Interest on Loan (Finance costs)	Interest on loan	1166	-482
			200.1715266	-40.36514523
Investment Ratio			2022	2021
Earnings per Share	<u>Net income (Profit for the Year)</u>	Net income	8017	19868
	Number of ordinary shares	Number of ordinary shares	4137	4070
			1.937877689	4.881572482
Gross profit margin			2022	2021
Gross profit margin	<u>Gross profit*100</u>	Gross profit	26866	43815
	Revenue	Revenue	63054	79024
			0.426079234	0.554451812
Efficiency Ratios			2022	2021
Inventory Turnover Days	<u>Average Inventory x 365 days</u>	Average inventory	4380000	3504547.5
	Cost of sales	Cost of sales	36188	35209
			121.0345971	99.53555909

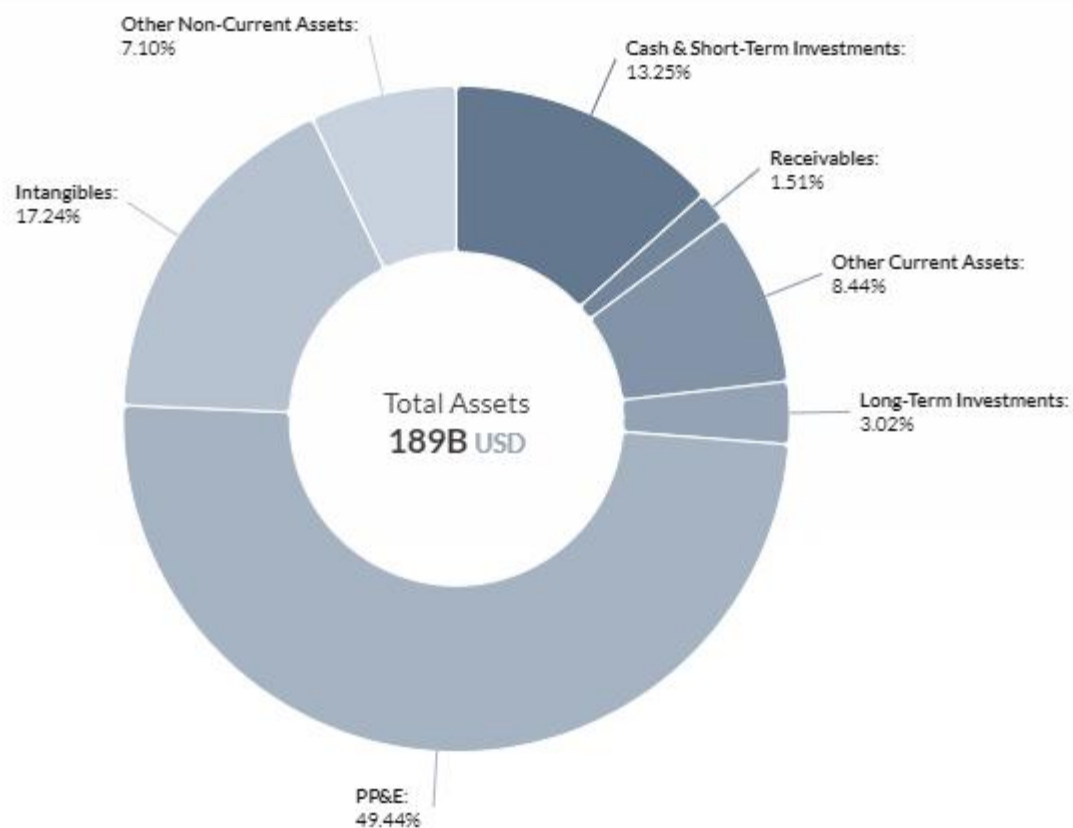
Consolidated Statements of Income

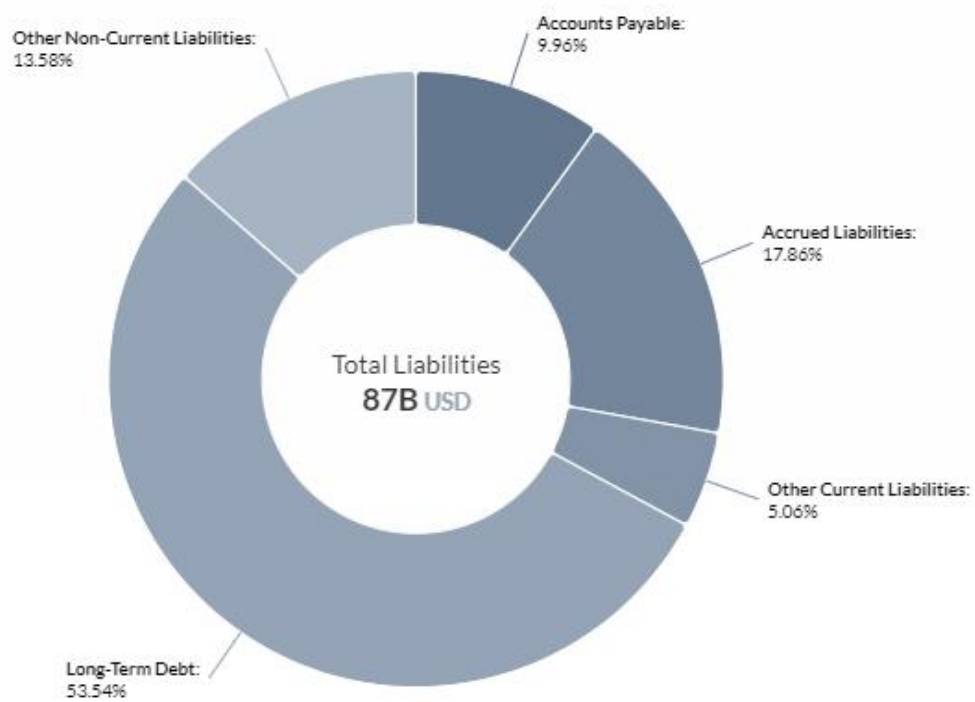
Years Ended (In Millions, Except Per Share Amounts)	Dec 31, 2022	Dec 25, 2021	Dec 26, 2020
Net revenue	\$ 63,054	\$ 79,024	\$ 77,867
Cost of sales	36,188	35,209	34,255
Gross margin	26,866	43,815	43,612
Research and development	17,528	15,190	13,556
Marketing, general and administrative	7,002	6,543	6,180
Restructuring and other charges	2	2,626	198
Operating expenses	24,532	24,359	19,934
Operating income	2,334	19,456	23,678
Gains (losses) on equity investments, net	4,268	2,729	1,904
Interest and other, net	1,166	(482)	(504)
Income before taxes	7,768	21,703	25,078
Provision for (benefit from) taxes	(249)	1,835	4,179
Net income	8,017	19,868	20,899
Less: Net income attributable to non-controlling interests	3	—	—
Net income attributable to Intel	\$ 8,014	\$ 19,868	\$ 20,899
Earnings per share attributable to Intel—basic	\$ 1.95	\$ 4.89	\$ 4.98
Earnings per share attributable to Intel—diluted	\$ 1.94	\$ 4.86	\$ 4.94
Weighted average shares of common stock outstanding:			
Basic	4,108	4,059	4,199
Diluted	4,123	4,090	4,232











See accompanying notes.

Consolidated Balance Sheets

(In Millions, Except Par Value)	Dec 31, 2022	Dec 25, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,144	\$ 4,827
Short-term investments	17,194	24,426
Accounts receivable, net	4,133	9,457
Inventories	13,224	10,776
Assets held for sale	45	6,942
Other current assets	4,667	2,130
Total current assets	50,407	58,558
Property, plant and equipment, net	80,860	63,245
Equity investments	5,912	6,298
Goodwill	27,591	26,963
Identified intangible assets, net	6,018	7,270
Other long-term assets	11,315	6,072
Total assets	\$ 182,103	\$ 168,406
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt	\$ 4,367	\$ 4,591
Accounts payable	9,595	5,747
Accrued compensation and benefits	4,084	4,535
Income taxes payable	2,251	1,076
Other accrued liabilities	11,858	11,513
Total current liabilities	32,155	27,462
Debt	37,684	33,510
Long-term income taxes payable	3,796	4,305
Deferred income taxes	202	2,667
Other long-term liabilities	4,980	5,071
Commitments and Contingencies (Note 19)		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 50 shares authorized; none issued	—	—
Common stock, \$0.001 par value, 10,000 shares authorized; 4,137 shares issued and outstanding (4,070 issued and outstanding in 2021) and capital in excess of par value	31,580	28,006
Accumulated other comprehensive income (loss)	(562)	(880)
Retained earnings	70,405	68,265
Total Intel stockholders' equity	101,423	95,391
Non-controlling interests	1,863	—
Total stockholders' equity	103,286	95,391
Total liabilities and stockholders' equity	\$ 182,103	\$ 168,406





Company	Last 3 Months	Last Price	Profitability	Solvency	Intrinsic Value	Wall St Upside
 Taiwan Semiconductor Manufacturing Co Ltd 2330		580 TWD ▼ 0.68%	74/100	85/100	623.71 TWD 7% Undervalued	678.24 TWD 17% Upside
 NVIDIA Corp NVDA		561.955 USD ▲ 2.72%	92/100	78/100	408.438 USD 27% Overvalued	654.059 USD 16% Upside
 Advanced Micro Devices Inc AMD		157.49 USD ▲ 7.46%	hidden	hidden	hidden	135.06 USD 14% Downside
 Apple Inc AAPL		182.73 USD ▼ 1.72%	82/100	71/100	137.86 USD 25% Overvalued	202.49 USD 11% Upside
 Intel Corp INTC		46.72 USD ▼ 0.85%	47/100	43/100	41.11 USD 12% Overvalued	39.03 USD 16% Downside

Intel 2023: Source : <https://www.alphaspread.com/security/nasdaq/intc/summary>

Semiconductors Industry	4 Q	3 Q	2 Q	1 Q	4 Q
	2022	2022	2022	2022	2021
Quick Ratio (TTM)	0.99	0.98	1.07	1.12	1.11
Quick Ratio Ranking	# 16	# 14	# 11	# 10	# 10
Working Capital Ratio (TTM)	2.12	2.26	2.34	2.38	2.43
Working Capital Ratio Ranking	# 18	# 15	# 8	# 9	# 9
Working Capital Per Revenue	-	-	-	0.38	0.43
Working Capital Per Revenue Ranking	# 93	# 4	# 14	# 98	# 100
Leverage Ratio (TTM)	0.85	0.87	0.87	0.88	0.62
Leverage Ratio Ranking	# 5	# 8	# 9	# 9	# 6
Total Debt to Equity (TTM)	0.37	0.45	0.45	0.42	0.23
Total Debt to Equity Ranking	# 19	# 27	# 39	# 41	# 64
Interest Coverage (TTM)	30.33	28.13	29.05	27.25	76.37
Interest Coverage Ranking	# 16	# 11	# 12	# 13	# 7
Debt Coverage (TTM)	0.64	0.67	0.7	0.74	1.43
Debt Coverage Ranking	# 23	# 26	# 37	# 39	# 58

¹⁶ Source by: https://csimarket.com/Industry/industry_Financial_Strength_Ratios.php?ind=1010&hist=4

Semiconductors Industry	4 Q
	2022
Revenue/Employee (TTM) \$	-
Sales/Employee Ranking	# 57
Net Income/Employee (TTM) \$	90,811
Net Income/Employee Ranking	# 27
Receivable Turnover Ratio (TTM)	-
Receivable Turnover Ranking	# 61
Inventory Turnover Ratio (TTM) Sales	-
Inventory Turnover (Sales) Ranking	# 77
Inventory Turnover Ratio (TTM) COS	37.49
Inventory Turnover (COS) Ranking	# 78
Asset Turnover Ratio (TTM)	-
Asset Turnover Ranking	# 62

Semiconductors Industry Profitability Ratios	4 Q 2022	3 Q 2022	2 Q 2022	1 Q 2022
	2022	2022	2022	2022
Gross Margin	43.36 %	40.37 %	39.75 %	44.78 %
Gross Margin Annual (TTM)	-	-	-	43.13 %
Gross Margin Ranking	# 63	# 67	# 68	# 56
EBITDA Margin	33.31 %	27.09 %	25.94 %	36.84 %
EBITDA Margin Annual (TTM)	-	-	-	28.44 %
EBITDA Margin Ranking	# 15	# 20	# 25	# 12
Operating Margin	28.86 %	17.33 %	17.39 %	22.76 %
Operating Margin Annual (TTM)	-	-	-	21.1 %
Operating Margin Ranking	# 17	# 36	# 36	# 26
Pre-Tax Margin	29.31 %	16.86 %	16.03 %	27.03 %
Pre-Tax Margin Annual (TTM)	-	-	-	22.12 %
Pre-Tax Margin Ranking	# 9	# 22	# 31	# 11
Net Margin	25.57 %	16.29 %	14.44 %	23.08 %
Net Margin Annual (TTM)	-	-	-	20.79 %
Net Margin Ranking	# 9	# 17	# 24	# 8

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¹⁸ https://csimarket.com/Industry/industry_Profitability_Ratios.php?ind=1010&hist=4