

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 1, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-06217



INTEL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

2200 Mission College Boulevard,

Santa Clara,

California

(Address of principal executive offices)

94-1672743

(I.R.S. Employer Identification No.)

95054-1549

(Zip Code)

(408) 765-8080

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common stock, \$0.001 par value

Trading symbol(s)
INTC

Name of each exchange on which registered
Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 21, 2023, the registrant had outstanding 4,188 million shares of common stock.

Data Center and AI

DCAI delivers industry-leading workload-optimized solutions to cloud service providers and enterprise customers, along with silicon devices for communications service providers and high-performance computing customers. We are uniquely positioned to deliver solutions to help solve our customers' most complex challenges with the depth and breadth of our hardware and software portfolio combined with silicon and platforms, advanced packaging, and at-scale manufacturing made possible by being the world's only IDM at scale. Our customers and partners include cloud hyperscalers, MNCs, small and medium-sized businesses, independent software vendors, systems integrators, communications service providers, and governments around the world.

DCAI Revenue \$B



DCAI Operating Income (Loss) \$B



Revenue Summary

Q2 2023 vs. Q2 2022

Revenue was \$4.0 billion, down \$691 million from Q2 2022, driven by a decrease in server revenue. Server volume decreased 34% in Q2 2023, due to lower demand in a softening CPU data center market. Server ASPs increased 17% primarily due to a higher mix of high core count products. The decrease in server revenue was partially offset by an increase in revenue from the FPGA product line.

YTD 2023 vs YTD 2022

Revenue was \$7.7 billion, down \$3.0 billion from YTD 2022, driven by a decrease in server revenue. Server volume decreased 43% in YTD 2023, due to lower demand and from customers tempering purchases to reduce existing inventories in a softening CPU data center market. Server ASPs increased 8% primarily due to a higher mix of high core count products. The decrease in server revenue was partially offset by an increase in revenue from the FPGA product line.

Network & Edge

NEX lifts the world's networks and edge compute systems from inflexible fixed-function hardware to general-purpose compute, acceleration, and networking devices running cloud native software on programmable hardware. We work with partners and customers to deliver and deploy intelligent edge platforms that allow software developers to achieve agility and to drive automation using AI for efficient operations while securing the integrity of their data at the edge. We have a broad portfolio of hardware and software platforms, tools, and ecosystem partnerships for the rapid digital transformation happening from the cloud to the edge. We are leveraging our core strengths in process, software, and manufacturing at scale to grow traditional markets and to accelerate entry into emerging ones.



Revenue Summary

Q2 2023 vs. Q2 2022

Revenue was \$1.4 billion, down \$847 million from Q2 2022, as customers tempered purchases to reduce existing inventories and adjust to a lower demand environment across product lines.

YTD 2023 vs. YTD 2022

Revenue was \$2.9 billion, down \$1.5 billion from YTD 2022, as customers tempered purchases to reduce existing inventories and adjust to a lower demand environment across product lines.

Operating Income (Loss) Summary

We had an operating loss of \$187 million in Q2 2023, compared to operating income of \$294 million in Q2 2022.

We had an operating loss of \$487 million in YTD 2023, compared to operating income of \$710 million in YTD 2022.

(In Millions)

\$	(187)	Q2 2023 NEX Operating Income (Loss)
	(569)	Lower product margin driven by lower revenue across NEX product lines
	88	Other, including lower operating expenses driven by various cost-cutting measures
\$	294	Q2 2022 NEX Operating Income (Loss)
\$	(487)	YTD 2023 NEX Operating Income (Loss)
	(1,074)	Lower product margin driven by lower revenue across NEX product lines
	(143)	Higher period charges driven by inventory reserves taken in 2023
	20	Other, including lower operating expenses driven by various cost-cutting measures
\$	710	YTD 2022 NEX Operating Income (Loss)