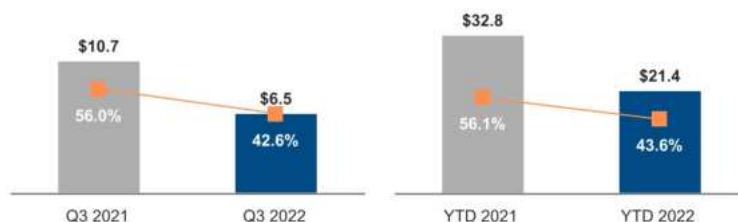


## Gross Margin

We derived a substantial majority of our overall gross margin in Q3 2022, and most of our gross margin in YTD 2022, from the sale of products in the CCG and DCAI operating segments. Our overall gross margin dollars in Q3 2022 decreased by \$4.2 billion, or 39% compared to Q3 2021, and YTD 2022, decreased by \$11.4 billion, or 35%, compared to YTD 2021.

### Gross Margin \$B

(Percentages in chart indicate gross margin as a percentage of total revenue)



(In Millions)

<b>\$</b>	<b>6,535</b>	<b>Q3 2022 Gross Margin</b>
(1,350)		Lower gross margin from Server revenue
(801)		Lower gross margin from CCG revenue, driven by lower Notebook and Desktop revenue
(725)		Higher unit cost primarily from increased mix of 10nm SuperFin and Intel 7 products
(616)		Lower gross margin related to the divested NAND memory business
(565)		Higher period charges primarily driven by inventory reserves taken in Q3 2022
(329)		Higher period charges primarily associated with the ramp up of Intel 4 and Intel 7
152		Lower incentive-based cash compensation charges
23		Other
<b>\$</b>	<b>10,746</b>	<b>Q3 2021 Gross Margin</b>
<b>\$</b>	<b>21,366</b>	<b>YTD 2022 Gross Margin</b>
(2,340)		Lower gross margin from CCG revenue, primarily driven by Notebook and Desktop revenue
(2,020)		Higher unit cost primarily from increased mix of 10nm SuperFin and Intel 7 products
(1,967)		Higher period charges primarily driven by inventory reserves taken in 2022, including reserves on non-qualified products
(1,845)		Higher period charges primarily associated with the ramp up of Intel 4 and other product enhancements
(1,535)		Lower gross margin from Server revenue
(1,477)		Lower gross margin related to the divested NAND memory business
(584)		Lack of revenue recognized in Q1 2021 from a prepaid customer supply contract
(559)		Optane inventory impairment related to the wind down of our Intel Optane memory business
(238)		Higher stock-based compensation
(205)		Corporate charges from patent settlement
325		Higher gross margin from Ethernet revenue, partially offset by Network Xeon revenue
275		Higher gross margin primarily from DCAI other product revenue
205		Higher gross margin from Edge revenue
193		Lower incentive-based cash compensation charges
332		Other
<b>\$</b>	<b>32,806</b>	<b>YTD 2021 Gross Margin</b>