

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 September 30, 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	Trading symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value	INTC	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
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 ☒

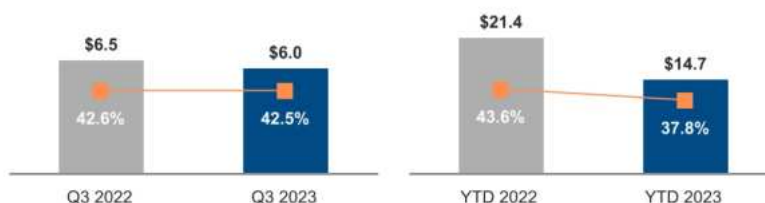
As of October 20, 2023, the registrant had outstanding 4,216 million shares of common stock.

Gross Margin

We derived most of our overall gross margin in Q3 2023, and most of our gross margin in YTD 2023, from the sale of products in the CCG and DCAI operating segments. Our overall gross margin dollars in Q3 2023 decreased by \$517 million, or 8% compared to Q3 2022, and YTD 2023 decreased by \$6.7 billion, or 31% compared to YTD 2022.

Gross Margin \$B

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



(In Millions)

\$	6,018	Q3 2023 Gross Margin
(467)		Lower product margin driven by lower revenue across NEX product lines
(304)		Lower product margin primarily from lower desktop revenue
(299)		Higher server unit cost primarily from increased mix of Intel 7 products
592		Lower period charges driven by the sell-through of previously reserved inventory and lower reserves taken in Q3 2023
180		Lower period charges primarily driven by a decrease in product ramp costs
(219)		Other
\$	6,535	Q3 2022 Gross Margin
\$	14,664	YTD 2023 Gross Margin
(3,141)		Lower product margin primarily from lower notebook and desktop revenue
(2,437)		Lower product margin due to lower server revenue, partially offset by an increase in product margin due to higher FPGA product line revenue
(1,541)		Lower product margin driven by lower revenue across NEX product lines
(1,234)		Higher unit cost primarily from increased mix of Intel 7 products
(638)		Higher period charges related to excess capacity charges
1,107		Lower period charges driven by the sell-through of previously reserved inventory and lower reserves taken in 2023
885		Lower period charges primarily driven by a decrease in product ramp costs
559		Absence of the Optane inventory impairment charge taken in 2022 related to the wind down of our Intel Optane memory business
205		Absence of corporate charges from a patent settlement in 2022
(467)		Other
\$	21,366	YTD 2022 Gross Margin