

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 October 1, 2022

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
☐

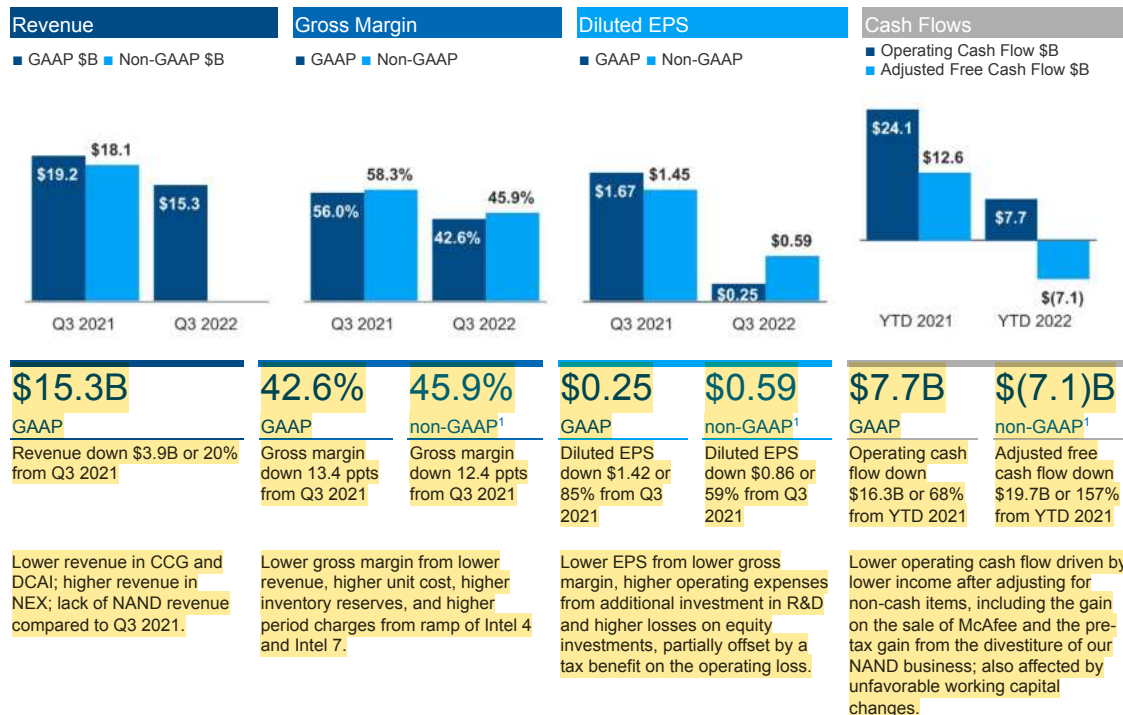
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 October 1, 2022, the registrant had outstanding 4,127 million shares of common stock.

A Quarter in Review

Total revenue of \$15.3 billion was down \$3.9 billion year over year or 20%, as CCG revenue decreased 17%, DCAI revenue decreased 27%, and NEX revenue increased 14%. Q3 2022 results were impacted by an uncertain macroeconomic environment that continues to deteriorate, with slowing consumer demand, persistent inflation, and higher interest rates, that we believe impacts our target markets and creates a high level of uncertainty with our customers. CCG revenue was down on lower Notebook volume in the consumer and education market segments, though Notebook ASPs were higher due to a resulting change in product mix. DCAI Server volume decreased, led by enterprise customers, and due to customers tempering purchases to reduce existing inventories in a softening datacenter market. Server ASPs decreased due to a higher mix of revenue from hyperscale customers within a competitive environment. NEX revenue increased primarily due to increased demand for 5G products, higher Ethernet demand and ASPs, and accelerated demand for Edge products, partially offset by lower demand for Network Xeon.



Key Developments

- We began high-volume manufacturing of Sapphire Rapids, Raptor Lake, and Ponte Vecchio and expect to begin shipping to customers in Q4 2022.
- We introduced the Intel® Data Center GPU Flex Series for the intelligent visual cloud, which provides a GPU solution built to flexibly handle a wide range of workloads and helps lower and optimize the total cost of ownership for diverse cloud workloads. We also announced the 12th Gen Intel® Core™ SoC processors for IoT Edge, a new lineup of purpose-built edge products optimized for IoT applications, and we revealed the 13th Gen Intel® Core™ processor family with six new unlocked desktop processors with up to 24 cores and 32 threads and clock speeds up to 5.8 GHz for leading gaming, streaming and recording experiences.
- We announced the Semiconductor Co-Investment Program (SCIP), a program which introduces a new funding model to the capital-intensive semiconductor industry. As part of this program, we signed a definitive agreement with Brookfield Asset Management (Brookfield). SCIP is an element of our Smart Capital approach, which aims to provide innovative ways to fund growth and accelerate our IDM 2.0 strategy. This arrangement represents an equity partnership whereby we and Brookfield will own 51% and 49%, respectively, of what will be a newly-formed entity, Arizona Fab LLC (Arizona Fab), which we will fully consolidate into our consolidated financial statements. We expect Arizona Fab will spend up to \$30.0 billion of investments in expanded manufacturing infrastructure at our Ocotillo campus in Chandler, Arizona where we will be the sole operator of the two new chip factories, which will support long-term demand for our products and provide capacity for IFS customers. The definitive agreement includes provisions that require us to utilize these two new chip factories at specified minimum levels or be subject to penalties.
- We expect Mobileye to receive net proceeds of approximately \$0.9 billion from completing their IPO and concurrent private placement in Q4 2022. At closing, we expect to own roughly 94% of their common stock and to continue to consolidate their results.

¹ See "Non-GAAP Financial Measures" within MD&A.

² See "Key Terms" within Consolidated Condensed Financial Statements and Supplemental Details.