

# 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.

## Gross Margin

We derived substantially all of our overall gross margin in Q2 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 Q2 2023 decreased by \$949 million, or 17% compared to Q2 2022, and YTD 2023 decreased by \$6.2 billion, or 42% compared to YTD 2022.

### Gross Margin \$B

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



(In Millions)

|           |               |   |
|-----------|---------------|---|
| <b>\$</b> | <b>4,638</b>  | <b>Q2 2023 Gross Margin</b>   |
| (569)     |               | Lower product margin driven by lower revenue across NEX product lines   |
| (456)     |               | Higher unit cost primarily from increased mix of Intel 7 products   |
| (437)     |               | Lower product margin from notebook revenue, partially offset by higher product margin from desktop revenue                                  |
| (394)     |               | Lower product margin due to lower server revenue, partially offset by an increase in product margin due to higher FPGA product line revenue |
| (223)     |               | Higher period charges related to excess capacity charges  |
| 559       |               | Absence of the Optane inventory impairment charge taken in Q2 2022 related to the wind down of our Intel Optane memory business             |
| 512       |               | Lower period charges driven by the sell-through of previously reserved inventory and lower reserves taken in Q2 2023                        |
| 279       |               | Lower period charges primarily driven by a decrease in product ramp costs   |
| 205       |               | Absence of corporate charges from a patent settlement in Q2 2022  |
| (425)     |               | Other   |
| <b>\$</b> | <b>5,587</b>  | <b>Q2 2022 Gross Margin</b>   |
| <b>\$</b> | <b>8,646</b>  | <b>YTD 2023 Gross Margin</b>  |
| (2,861)   |               | Lower product margin primarily from notebook and desktop revenue  |
| (2,314)   |               | Lower product margin due to lower server revenue, partially offset by an increase in product margin due to higher FPGA product line revenue |
| (1,074)   |               | Lower product margin driven by lower revenue across NEX product lines   |
| (886)     |               | Higher unit cost primarily from increased mix of Intel 7 products   |
| (575)     |               | Higher period charges related to excess capacity charges  |
| 611       |               | Lower period charges primarily driven by a decrease in product ramp costs   |
| 559       |               | Absence of the Optane inventory impairment charge taken in Q2 2022 related to the wind down of our Intel Optane memory business             |
| 514       |               | Lower period charges driven by the sell-through of previously reserved inventory and lower reserves taken in 2023                           |
| 205       |               | Absence of corporate charges from a patent settlement in Q2 2022  |
| (364)     |               | Other   |
| <b>\$</b> | <b>14,831</b> | <b>YTD 2022 Gross Margin</b>  |