

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

☐

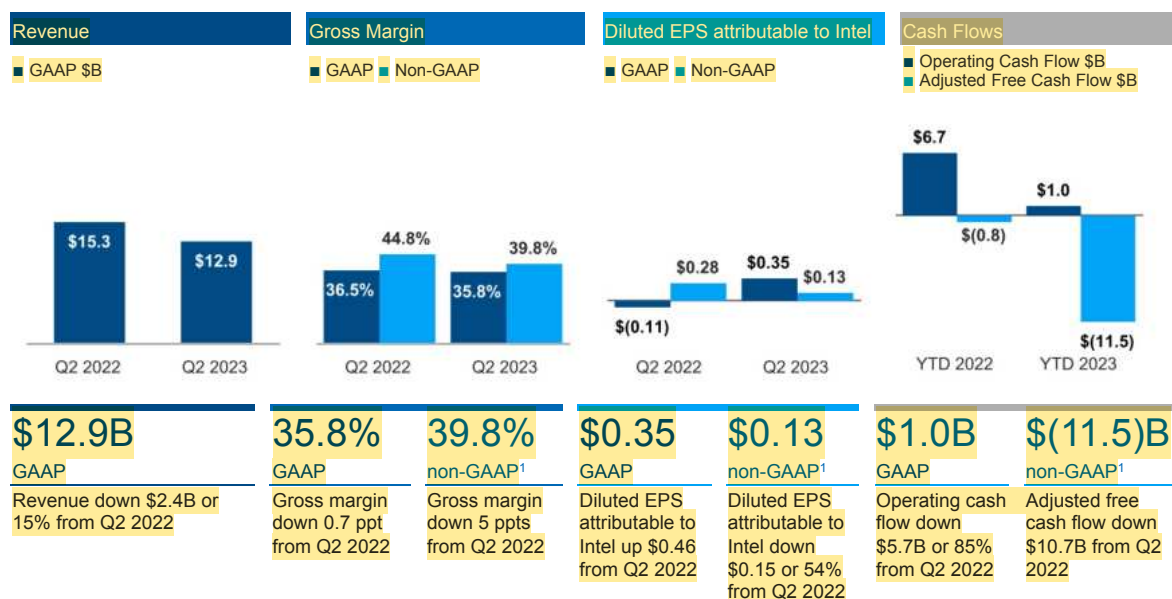
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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.

A Quarter in Review

Total revenue of \$12.9 billion was down \$2.4 billion or 15% from Q2 2022, as CCG revenue decreased 12%, DCAI revenue decreased 15%, and NEX revenue decreased 38%. CCG revenue decreased due to lower notebook and desktop volumes on lower demand. Notebook ASPs decreased due to a higher mix of small core products combined with a higher mix of older generation products, while desktop ASPs increased due to an increased mix of product sales to the commercial and gaming market segments. DCAI revenue decreased due to lower server volume resulting from a softening CPU data center market, partially offset by higher ASPs from an increased mix of high core count products. NEX revenue decreased due to lower demand across product lines.



Lower revenue in CCG, DCAI, and NEX.

Lower GAAP gross margin from lower revenue, higher unit cost, and higher excess capacity charges, partially offset by a decrease in period charges and the absence of one-time charges recognized in Q2 2022 (Optane inventory impairment and a patent settlement - both excluded from non-GAAP results).

Higher GAAP EPS attributable to Intel primarily from a tax benefit and reduced operating expenses from various cost-cutting measures.

Lower operating cash flow driven primarily by a net operating loss.

Key Developments

- An important part of our AI strategy is to democratize AI – scaling it and making it ubiquitous across the full continuum of workloads and usage models. We are championing an open ecosystem with a full suite of silicon and software IP to drive AI in both discrete and integrated solutions. Our 4th Gen Intel® Xeon® Scalable processor and Habana Gaudi2* deep learning accelerator were recognized in MLCommons' AI performance benchmark data as two compelling, open alternatives in the AI market that compete on both performance and price.
- We announced plans to expand our manufacturing capacity, which include an agreement in principle to build a \$25.0 billion chip manufacturing plant in Kiryat Gat, Israel, signing a revised letter of intent to increase our planned investment to be more than \$33.0 billion in the Magdeburg, Germany wafer fabrication site, and plans to invest up to \$4.6 billion in an assembly and test facility in Poland. These investments further our IDM 2.0 strategy and are expected to support a resilient semiconductor supply chain and to create the foundation for a next-generation chip ecosystem.