

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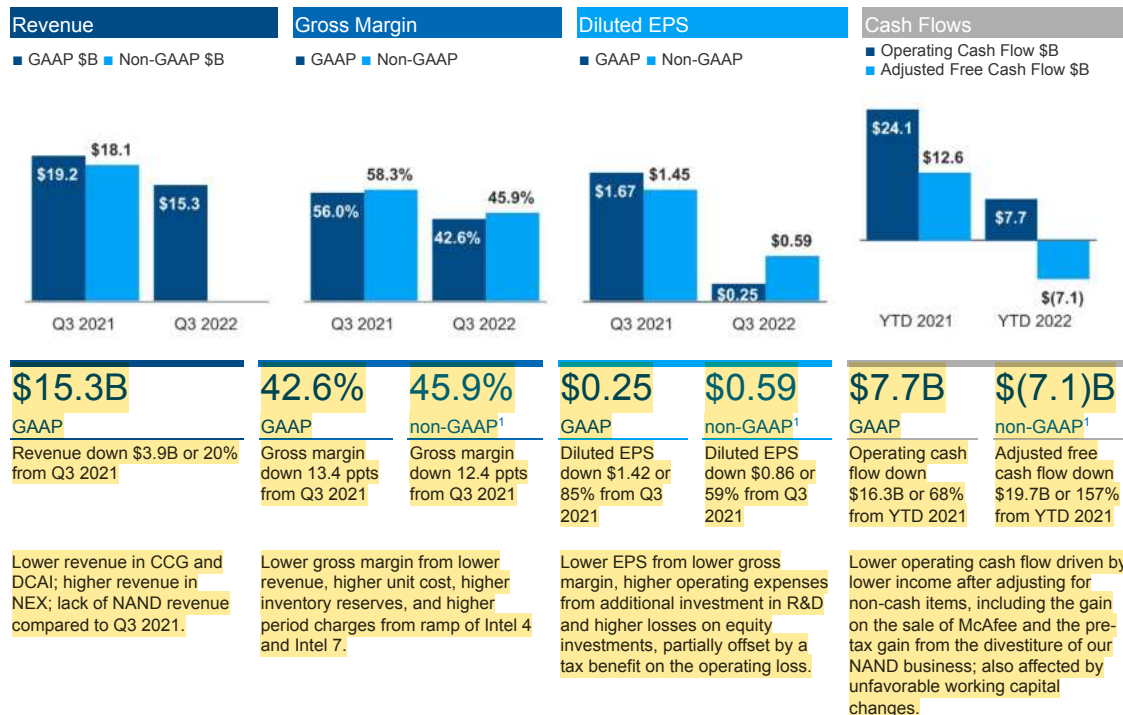
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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.

<sup>1</sup> See "Non-GAAP Financial Measures" within MD&A.

<sup>2</sup> See "Key Terms" within Consolidated Condensed Financial Statements and Supplemental Details.

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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 April 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



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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

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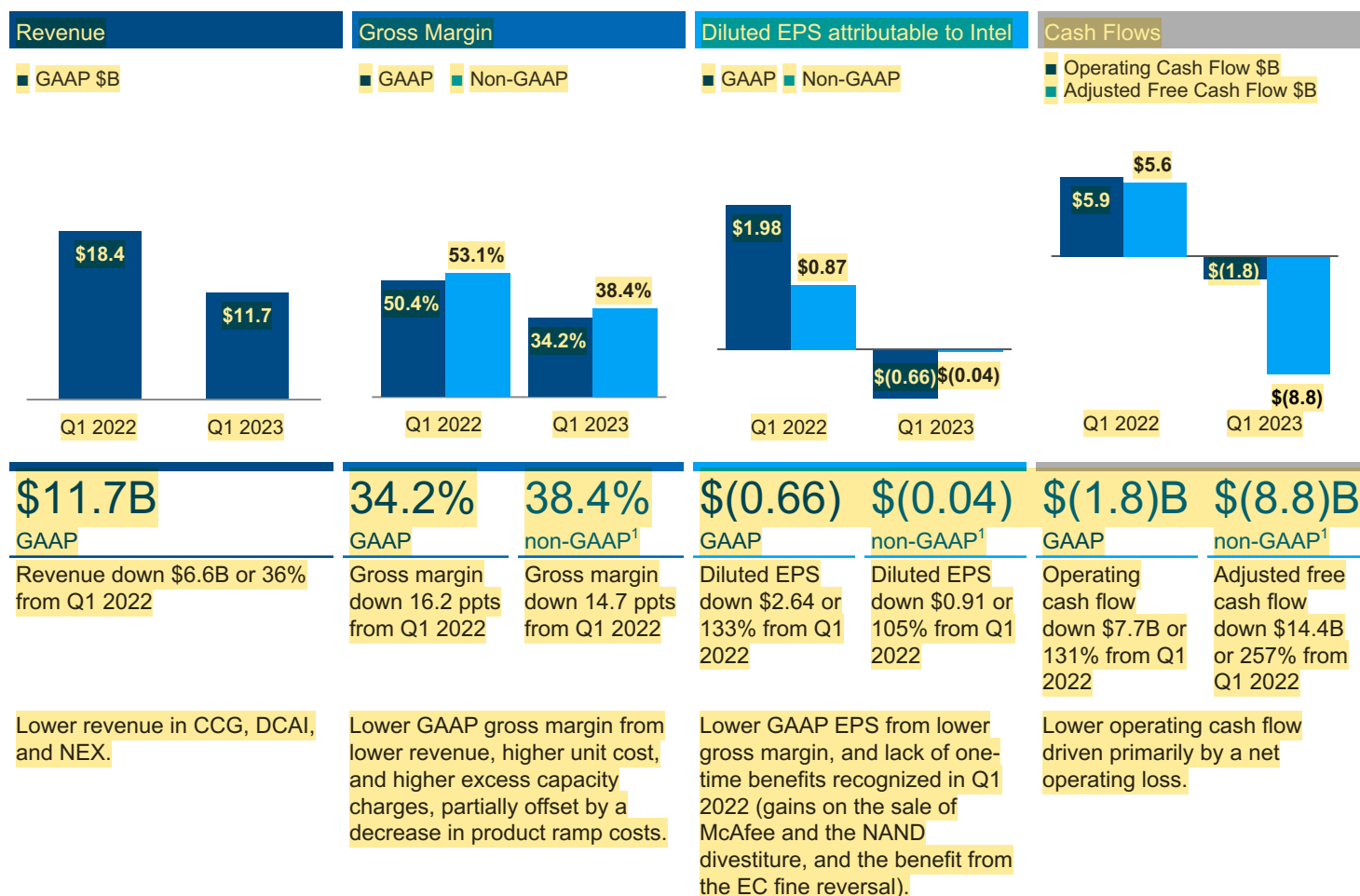
If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 April 21, 2023, the registrant had outstanding 4,171 million shares of common stock.

# A Quarter in Review

Total revenue of \$11.7 billion was down \$6.6 billion or 36% from Q1 2022, as CCG revenue decreased 38%, DCAI revenue decreased 39%, and NEX revenue decreased 30%. Q1 2023 results were impacted by an uncertain macroeconomic environment, with slowing consumer and enterprise demand, persistent inflation, and higher interest rates, that we believe impacts our target markets and creates a high level of uncertainty with our customers. We believe CCG, DCAI, and NEX customers, among others, tempered purchases to reduce their existing inventories and adjust to the macroeconomic uncertainty. CCG revenue decreased due to lower notebook and desktop volumes on lower demand, while notebook ASPs decreased due to a higher mix of small core and older generation products. DCAI revenue decreased due to lower server volume resulting from a softening data center market, partially offset by an increase in revenue from the FPGA product line. NEX revenue decreased due to lower demand for Edge, Network Xeon, and Ethernet products.



## Key Developments

- CCG introduced the 13th Gen Intel® Core™ mobile processor family, led by the launch of the first 24-core processor for a laptop, and introduced the new Intel vPro® platform powered by the full lineup of 13th Gen Intel Core processors.
- DCAI launched the 4th Gen Intel® Xeon® Scalable processors, a critical part of our heterogeneous hardware and software portfolio to accelerate real-world workloads, including AI, and announced the 5th Gen Xeon Scalable processor.
- NEX launched the 4th Gen Intel® Xeon® Scalable processors with Intel® vRAN Boost, a new general-purpose chip that fully integrates Layer 1 acceleration into the Xeon SoC and is designed to eliminate the need for external accelerator cards.
- IFS announced a multigeneration agreement with Arm to enable chip designers to build low-power compute system-on-chips (SoCs) on the Intel 18A process.

<sup>1</sup> See "Non-GAAP Financial Measures" within MD&A.

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Washington, D.C. 20549

## FORM 10-Q

(Mark One)

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For the quarterly period ended July 1, 2023

or

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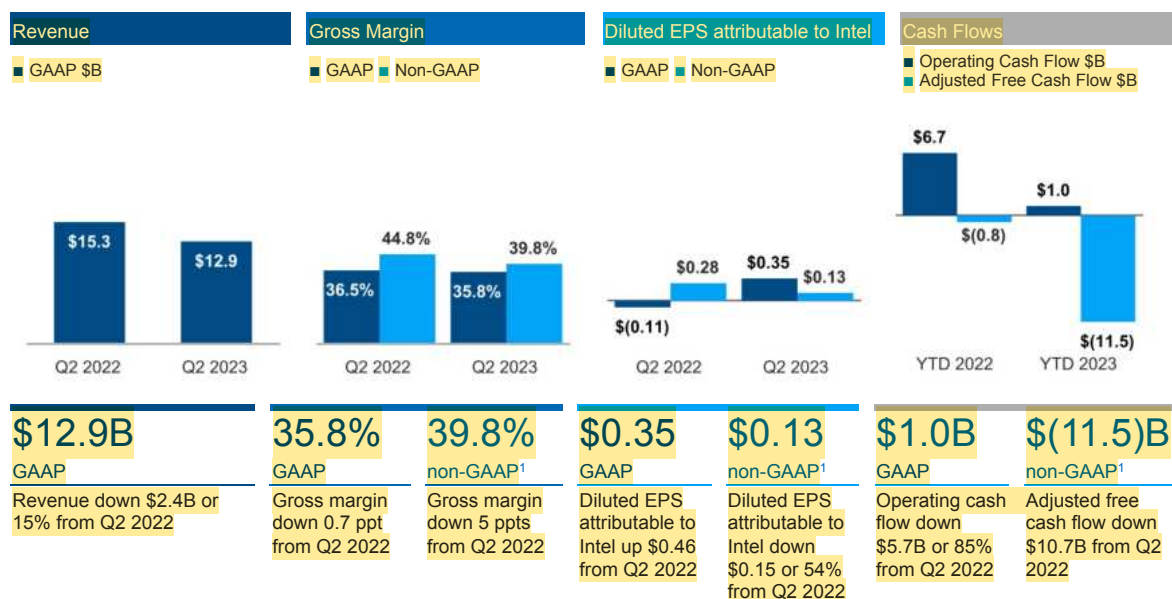
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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.

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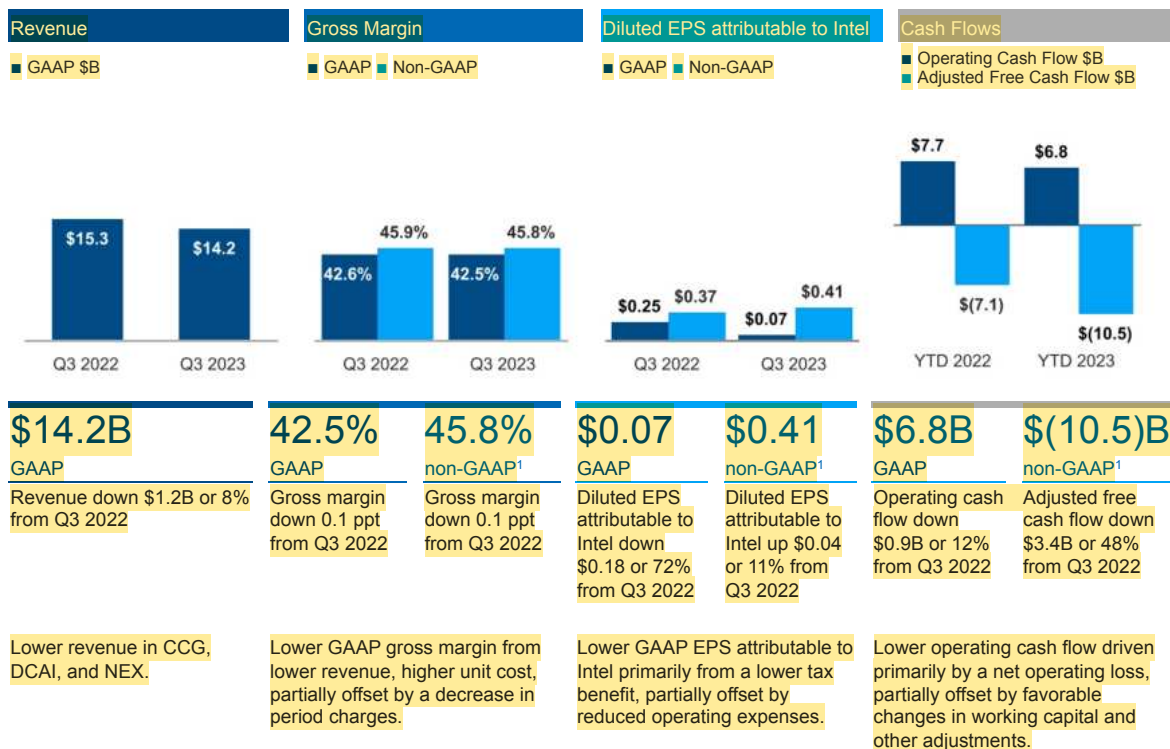
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

## A Quarter in Review

Total revenue of \$14.2 billion was down \$1.2 billion or 8% from Q3 2022, as CCG revenue decreased 3%, DCAI revenue decreased 10%, and NEX revenue decreased 32%. CCG revenue decreased due to lower desktop volume from lower demand across business market segments and lower notebook ASPs due to a higher mix of small core products combined with a higher mix of older generation products. This was partially offset by higher notebook volume, as customer inventory levels began to normalize and higher desktop ASPs 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 a lower mix of hyperscale customer-related revenue and a higher mix of high core count products. NEX revenue decreased as customers tempered purchases to reduce inventories and adjust to a lower demand environment across product lines.



### Key Developments

- Our Ireland fab began high-volume production of Intel 4 technology. This is the first use of extreme ultraviolet (EUV) technology in high-volume manufacturing in Europe.
- We announced our upcoming Intel® Core™ Ultra processors, featuring our first integrated neural processing unit, for power-efficient AI acceleration and local inference on the PC, which is expected to launch in Q4 2023.
- We mutually agreed with Tower to terminate the agreement we entered into during the first quarter of 2022 to acquire Tower, due to our inability to obtain regulatory approval in a timely manner.
- We announced a commercial agreement with Tower, where we will provide foundry services and manufacturing capacity through our New Mexico facility for 300mm advanced analog processing.
- We received a \$600 million grant from the State of Ohio to support the ongoing construction of our two chip factories in the state.

<sup>1</sup> See "Non-GAAP Financial Measures" within MD&A.