

Equity Research Report: Intel Corporation

Business Overview

Intel Corporation, a global technology leader, is at the forefront of designing and manufacturing essential technologies that power the cloud and an increasingly smart, connected world. Specializing in cloud computing, data center, Internet of Things (IoT), and PC solutions, Intel's innovative products and services are integral to running servers, networking, and communications infrastructure. Intel's commitment to research and development ensures its products remain at the cutting edge of technology, driving progress in artificial intelligence, 5G network transformation, and autonomous driving. Intel's business model focuses on leveraging its manufacturing capabilities, intellectual property portfolio, and global scale to deliver high-performance computing and communications solutions to a broad set of customers, including OEMs, cloud service providers, and enterprises.

Market Position

Intel's strategic positioning in the semiconductor industry is underscored by its diversified product portfolio across various segments, including the Client Computing Group (CCG), Data Center and AI (DCAI), Network and Edge Group (NEX), Mobileye, and Intel Foundry Services (IFS). Despite facing challenges such as decreased notebook and desktop volumes in CCG and a softening CPU data center market impacting DCAI revenues, Intel continues to leverage its technological innovations and market presence to maintain competitiveness. The growth in Mobileye and IFS revenues highlights Intel's ability to tap into emerging markets and expand its manufacturing services, reinforcing its market share and positioning amidst evolving industry dynamics.

Operating Results

Intel's financial performance in 2024 reflects a concerted effort to navigate the challenges and capitalize on opportunities within the semiconductor industry. The company's focus on improving profitability, as evidenced by an increased EBITDA Margin, alongside strategic investments in research and development and manufacturing facilities, demonstrates a commitment to sustaining growth and enhancing shareholder value. Despite a mixed financial picture marked by a decrease in operating cash flow and significant capital expenditures, Intel's improvements in key financial metrics such as Gross Margin and FCF Conversion rate indicate progress towards achieving operational efficiency and financial stability. The company's financial health, characterized by a comprehensive approach to managing investments and cash flows, positions Intel for continued success in a competitive landscape.

Financial Metrics

FY (USD mn)	2021	2022	2023	2024	2025
Revenue	79024	63054	54228	53101	52853
Revenue Growth	25.3%	16.3%	2.1%	0.5%	-33.1%
Gross Revenue	43815	26866	21711	17345	18375
Gross Margin	0.55	0.43	0.4	0.33	0.35
EBITDA	33874	21299	11242	1203	14354
EBITDA Margin	0.43	0.34	0.21	0.02	0.27
FCF	29456	15433	11471	8288	9697
FCF Conversion	1.48	1.93	6.79	-0.44	-36.32
ROIC	12.2%	1.5%	0.1%	-7.1%	-0.0%
EV/EBITDA	7.13	6.55	22.48	106.94	14.5
PE Ratio	10.48	13.55	124.66	-4.63	-658.38
PB Ratio	2.18	1.07	1.99	0.88	1.54

FinRobot

<https://ai4finance.org/>

<https://github.com/AI4Finance-Foundation/FinRobot>

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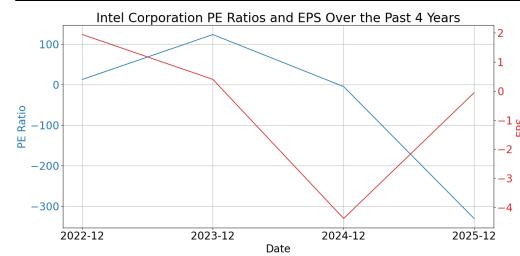
Key data

Rating	hold
Target Price	17.0 - 66.0 (md. 37.0)
6m avg daily vol (USDmn)	76.52
Closing Price (USD)	19.82
Market Cap (USDmn)	87077.15
52 Week Price Range (USD)	19.11 - 48.32
BVPS (USD)	24.54

Share Performance



PE & EPS



Risk Assessment

Intel Corporation navigates a complex risk landscape, marked by intense competition, substantial investments in technology and facilities, and the challenges of a global market. The semiconductor industry's volatility and rapid technological evolution present risks in maintaining market share and profitability. Intel's significant R&D, and manufacturing investments underscore its commitment to innovation but also expose the company to financial risks if anticipated returns are not achieved. Additionally, geopolitical tensions and regulatory changes pose external risks that could impact Intel's operations and strategic positioning. Despite these challenges, Intel's strategic initiatives and global presence provide a foundation to mitigate risks and capitalize on opportunities.

Competitors Analysis

Intel's comparative analysis against NVDA, AMD, and TSM reveals a company in recovery, making strides in profitability and operational efficiency. While TSM demonstrates superior profitability and NVDA excels in ROIC, Intel's improvements in EBITDA Margin and Gross Margin signal a positive trajectory. The undervalued EV/EBITDA ratio suggests potential for growth, attracting investors to Intel's recovering profile. Despite challenges, Intel's strategic focus on technological leadership and market expansion positions it to improve its competitive stance and justify its market valuation.