

OCTOBER 21, 2021



EARNINGS ALERT
INTEL

- EPS \$1.71 Adj. vs \$1.11 Est.
- Revenues \$18.1B vs. \$18.24B Est.

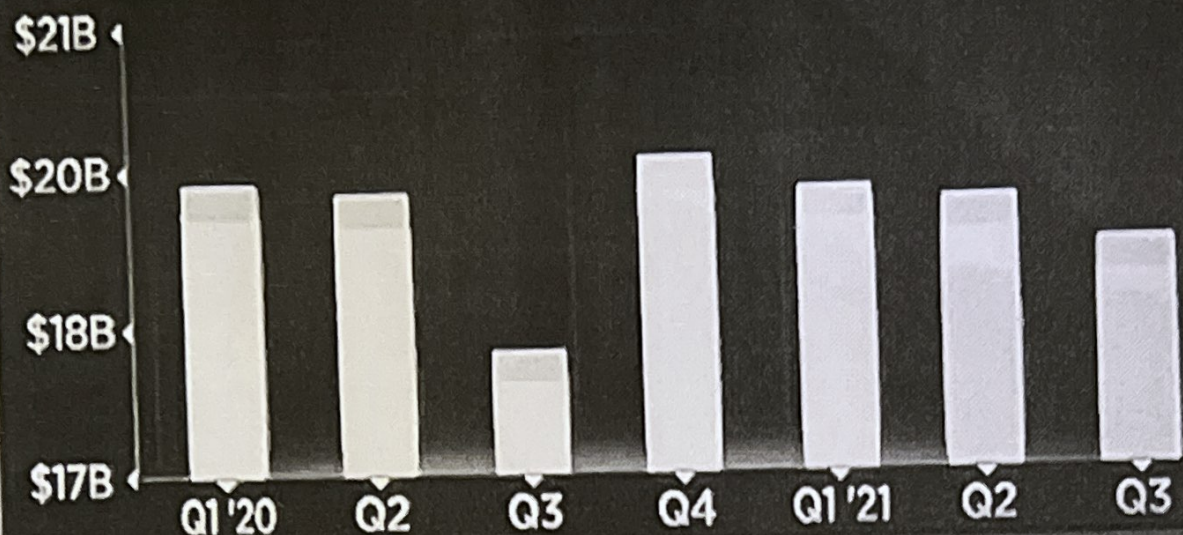
INTEL CALL UNDERWAY

Morgan Stanley (MS) 100.06 ▼ 0.60 Palantir Technologies (PL
rp (DWAC) 58.75 ▲ 48.79 Riot Blockchain (RIOT) 29.36 ▼ 2.08

NASDAQ
CHANGE
%CHANGE
WHIRLPOOL
199.14

INTEL REVENUE

DOLLARS IN BILLIONS



WHERE ANALYSTS STAND: INTEL (INTC)

SOURCE:
FACTSET

BUY

15

HOLD

15

SELL

10

EARNINGS
ALERT

INTEL CALL UNDERWAY
BREAKING DOWN THE QUARTER

CNBC

NASDAQ

CHANGE

%CHANGE

EXTENDED

M) 26.40 ▲ 0.05 iShares MSCI Brazil ETF (EWZ) 29.45 ▼ 2.17

EARNINGS ALERT

WEDBUSH'S MATT BRYSON ON INTEL

Q3 EPS Strong

Data Center Group - not as strong as expected

Q4 Guidance: EPS light, gross margins coming down,

OPEX going up

Costs will be higher

EARNINGS
ALERT

INTEL CALL UNDERWAY

8.04 Direxion Sml Cap Bear 32 (DZA) 26.94 ▼ 0.33

on Corp (DWAC) 58.30 ▲ 48.34 | Facebook (FB) 325.36 ▼ 15.42

CNBC

4 24

EURO

YEN

POUND

WHIRLPOOL
199.14

EXTENDED

Intel shares fell more than 8% in extended trading on Thursday on a weaker-than-expected sales report and after the company blamed an industry-wide component shortage for its PC chip business shrinking 2% during the quarter ending October 2.

Intel also warned on Thursday that its gross margin and free cash flow would decline to a lower level over the next two to three years as it invests in research and development and builds new chip factories.

Intel Corp. shares dropped in the extended session Thursday after the chip maker's revenue and data-center sales fell just short of Wall Street estimates while the company provided a big earnings beat but a lower-than-expected earnings forecast.

Intel **INTC** shares dropped 7% in the extended session, following a 1.1% rise in the regular session to close at \$56.00.

Intel reported third-quarter net income of \$6.82 billion, or \$1.67 a share, compared with \$4.28 billion, or \$1.02 a share, in the

year-ago period After adjusting for

Here's how Intel did versus Refinitiv estimates:

- **EPS:** \$1.71, adjusted, versus \$1.11 expected.
- **Revenue:** \$18.1 billion, adjusted, versus \$18.24 billion expected.

Intel said it expected around \$18.3 billion in adjusted sales in the fourth quarter, compared with analysts' expectations of \$18.24 billion.

Intel's largest business, its client computing group, was down 2% year-over-year to \$9.7 billion. That includes PC chip revenue. Intel said that PC sales were down primarily due to lower laptop volumes because of the chip shortage, a that its customers may have lacked other parts it needed to finish assembling computers.

Intel said its gross margin, the revenue left after accounting for the cost of goods sold, will decline, though it won't drop below 50%, and after that it will recover. For the third quarter, Intel reported a gross margin of 56%.

The company plans to shift its business model to become a manufacturer, or foundry, for other chip designers, in addition to continuing to design and manufacture its own processors.

The quest to become a foundry is an expensive initiative that could have its costs defrayed by government support in the U.S. and Europe, but could be extremely lucrative if the semiconductor industry doubles in size over the next 10 years, as Intel has predicted.



Intel's Data Center Group, which sells processors and other silicon for data centers, produced \$6.5 billion in sales, up 10% year-over-year, but fell short of analyst estimates of \$6.66 billion. Intel said that the annual increase was due to increased demand for on-premise servers for corporations and governments.

Intel is in a period of massive capital expenditure as it spends \$20 billion this year, including on a new semiconductor factory in Arizona. Investors are closely watching Intel's gross margin as the company spends on ramping up new production lines to catch rivals in semiconductor performance.



Earnings calls

Previous	EPS	Revenue	
Q3 2021	Beat 53.61%	Miss -1.02%	▼
Q2 2021	Beat 19.28%	Beat 4.13%	▼
Q1 2021	Beat 21.71%	Beat 3.46%	▼
Q4 2020	Beat 36.91%	Beat 14.13%	▼