



# Q1 Earnings

April 24<sup>th</sup>, 2025



# 1<sup>st</sup> Quarter Earnings Presentation



**Lip-Bu Tan**  
Chief Executive Officer



**David Zinsner**  
Executive Vice President and  
Chief Financial Officer



# Non-GAAP Financial Measures and Forward-Looking Statements

- This presentation contains non-GAAP financial measures. Intel gross margin percentage, operating income, earnings per share attributable to Intel, and adjusted free cash flow, including year-over-year comparisons, are presented on a non-GAAP basis. This presentation also contains forward-looking estimates for non-GAAP R&D and MG&A and non-GAAP net capital spending. The Appendix provides a reconciliation of these measures to the most directly comparable GAAP financial measure. Non-GAAP financial measures should not be considered a substitute for, or superior to, the financial measures prepared in accordance with GAAP. Please refer to "Explanation of Non-GAAP Measures" in our earnings release dated April 24, 2025 for a detailed explanation of the adjustments made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide investors with useful supplemental information.
- Statements in this presentation that refer to business outlook, plans, and expectations are forward-looking statements that involve risks and uncertainties. Such statements may include, but not be limited to, those regarding: our business plans, strategy and leadership and anticipated benefits therefrom; projections of our future financial performance, including future revenue, gross margins, capital expenditures, profitability and cash flows; future cash requirements and the availability and sufficiency of funding; expectations regarding returns to stockholders; future products, services and technologies, and the expected goals, timeline, ramps, progress, availability, production, regulation and benefits of such products, services and technologies, including future process nodes and packaging technology, product roadmaps, schedules, future product architectures, expectations regarding process performance, per-watt parity, and metrics and expectations regarding product and process competitiveness; internal and external manufacturing plans; future production capacity and product supply; supply expectations; plans and goals related to Intel's foundry business, including with respect to anticipated customers, future manufacturing capacity and service, technology and IP offerings; expected timing and impact of acquisitions, divestitures, and other significant transactions; expected completion and impacts of restructuring activities and cost-saving or efficiency initiatives; social and environmental performance goals; our anticipated growth, future market share, and trends in our businesses and operations; projected market trends; anticipated trends and impacts related to industry component, substrate, and foundry capacity utilization, shortages and constraints; expectations regarding CHIPS Act and other government incentives; technology trends, such as AI; environmental and economic conditions; geopolitical tensions and conflicts, including with respect to international trade policies in areas such as tariffs and export controls, and their potential impact on our business; tax- and accounting-related expectations; expectations regarding certain sanctioned parties; and other characterizations of future events or circumstances.
- Such statements involve many risks and uncertainties that could cause our actual results to differ materially from those expressed or implied, including: the high level of competition and rapid technological change in our industry; the significant long-term and inherently risky investments we are making in R&D and manufacturing facilities that may not realize a favorable return; the complexities and uncertainties in developing and implementing new semiconductor products and manufacturing process technologies; implementing new business strategies and investing in new business and technologies; our ability to time and scale our capital investments appropriately and successfully secure favorable alternative financing arrangements and government grants; changes in demand for and margins on our products; macroeconomic conditions and geopolitical tensions and conflicts, including geopolitical and trade tensions between the US and China, tensions and conflict affecting Israel and the Middle East, rising tensions between mainland China and Taiwan, and the impacts of Russia's war on Ukraine; the evolving market for products with AI capabilities; our complex global supply chain, including from disruptions, delays, trade tensions and conflicts, or shortages; recently elevated geopolitical tensions, volatility and uncertainty with respect to international trade policies, including tariffs and export controls, impacting our business, the markets in which we compete and the world economy; product defects, errata and other product issues, particularly as we develop next-generation products and implement next-generation manufacturing process technologies; potential security vulnerabilities in our products; increasing and evolving cybersecurity threats and privacy risks; IP risks including related litigation and regulatory proceedings; the need to attract, retain, and motivate key talent; strategic transactions and investments; sales-related risks, including customer concentration and the use of distributors and other third parties; our debt obligations and our ability to access sources of capital; our having ceased to return capital to stockholders; complex and evolving laws and regulations across many jurisdictions; fluctuations in currency exchange rates; changes in our effective tax rate; catastrophic events; environmental, health, safety, and product regulations; our initiatives and new legal requirements with respect to corporate responsibility matters; and other risks and uncertainties described in this presentation, our earnings release dated April 24, 2025, most recent Annual Report on Form 10-K and other filings with the SEC.
- Unless specifically indicated otherwise, the forward-looking statements in this presentation do not reflect the potential impact of any divestitures, mergers, acquisitions, or other business combinations that have not been completed as of the date of this presentation. All information in this presentation reflects management's views as of April 24, 2025, unless an earlier date is specified. We do not undertake, and expressly disclaim any duty, to update such statements, whether as a result of new information, new developments, or otherwise, except to the extent that disclosure may be required by law.



# Executive Summary



## **Solid Q1 Financial Results**

Revenue, Gross Margin and EPS above expectations

## **Improving our Execution**

Eliminating complexity. Refocusing portfolio. Reducing costs.

## **Building the New Intel**

Reigniting Innovation. Engineering focused. Customer First.

# Driving Execution & Innovation

## Refocus on Core Product Franchise

Valuable & durable client and data center computing ecosystem

## Refine our AI Strategy

Focus on emerging areas of disruption

## Build Trust with Foundry Customers

Deliver on time across power, performance, area and cost

## Strengthen the Balance Sheet

Prudently managing capital and monetizing non-core assets



# Q1 Financial Highlights

**\$12.7B**

Revenue

**Down 0.4% YoY**

\$0.5B above Jan outlook <sup>1</sup>

**39.2%**

Gross Margin <sup>2</sup>

**Down 5.9 ppts YoY <sup>2</sup>**

3.2 ppts above Jan outlook <sup>1</sup>

**\$0.13**

EPS <sup>3</sup>

**Down \$0.05 YoY <sup>3</sup>**

\$0.13 above Jan outlook <sup>1</sup>

- <sup>1</sup> Comparisons are based on the mid-point of revenue outlook
- <sup>2</sup> Non-GAAP results shown; GAAP gross margin 36.9%, down 4.1 ppts YoY
- <sup>3</sup> Non-GAAP results shown; GAAP EPS (\$0.19), down \$0.1 YoY





(\$B)



Q1 above expectations on Data Center strength, favorable product mix and spending discipline



<sup>1</sup> GAAP GM%: Q1'24 41.0%, Q2'24 35.4%, Q3'24 15.0%, Q4'24 39.2%, Q1'25 36.9%  
<sup>2</sup> GAAP Op Income/Loss: Q1'24 (\$1.1), Q2'24 (\$2.0), Q3'24 (\$9.1), Q4'24 \$0.4, Q1'25 (\$0.3)

# intel products

## CCG

(\$B)



Client results in line with expectations on higher volume offset by product mix & competitive environment

## DCAI

(\$B)



Data Center better than expected on hyperscaler AI host CPUs and storage compute



# intel foundry

(\$B)



Ramping Intel 18A to support first Panther Lake SKU by year end

**intel**  
**foundry**  
Direct Connect

April 29  
San Jose, CA

# All Other

(\$M)



- Mobileye 1st major design win for Surround ADAS platform
- Altera planned majority stake sale to Silver Lake
- IMS deliveries above expectations



The "All Other" category includes the results of operations from other non-reportable segments not otherwise presented, including our Altera and Mobileye businesses, our IMS business, start-up businesses that support our initiatives, and historical results of operations from divested businesses.



# Outlook

# Q2 2025 Outlook

**\$11.2-12.4B**

Revenue

Down \$1.0B YoY<sup>1</sup>

**36.5%**

Gross Margin

Down 2.2 pts YoY<sup>1</sup>

**\$0.00**

EPS

Down \$0.02 YoY<sup>1</sup>

1. Revenue growth comparison, non-GAAP gross margin outlook and non-GAAP EPS attributable to Intel outlook based on the mid-point of the revenue range



# Appendix

# Recast Segment Results (2024-2023)

FY 2024

(In Millions)	Intel Products									
	CCG		DCAI		Total Intel Products	Intel Foundry	All Other	Corporate Unallocated	Intersegment Eliminations	Total Consolidated
Revenue	\$	33,346	\$	16,125	\$ 49,471	\$ 17,317	\$ 3,601	\$ —	\$ (17,288)	\$ 53,101
Cost of sales		15,943		8,382	24,325	25,386	1,658	1,864	(17,477)	35,756
Operating expenses		5,809		6,329	12,138	5,222	2,000	9,313	350	29,023
Operating income (loss)	\$	11,594	\$	1,414	\$ 13,008	\$ (13,291)	\$ (57)	\$ (11,177)	\$ (161)	\$ (11,678)

FY 2023

(In Millions)	FY 2023									
	Intel Products									
	CCG	DCAI	Total Intel Products	Intel Foundry	All Other	Corporate Unallocated	Intersegment Eliminations	Total Consolidated		
Revenue	\$ 32,305	\$ 15,980	\$ 48,285	\$ 18,504	\$ 5,463	\$ —	\$ (18,024)	\$ 54,228		
Cost of sales	15,945	8,857	24,802	21,296	2,030	2,140	(17,751)	32,517		
Operating expenses	6,232	6,178	12,410	4,291	1,926	3,059	(68)	21,618		
Operating income (loss)	\$ 10,128	\$ 945	\$ 11,073	\$ (7,083)	\$ 1,507	\$ (5,199)	\$ (205)	\$ 93		



# Recast Segment Results (2024)

Q1 2024

(In Millions)

	Intel Products			Intel Foundry	All Other	Corporate Unallocated	Intersegment Eliminations	Total Consolidated
	CCG	DCAI	Total Intel Products					
Revenue	\$ 8,273	\$ 3,828	\$ 12,101	\$ 4,356	\$ 643	\$ —	\$ (4,376)	\$ 12,724
Cost of sales	4,004	1,745	5,749	5,617	341	701	(4,901)	7,507
Operating expenses	1,447	1,666	3,113	1,180	472	1,486	35	6,286
Operating income (loss)	\$ 2,822	\$ 417	\$ 3,239	\$ (2,441)	\$ (170)	\$ (2,187)	\$ 490	\$ (1,069)

Q2 2024

(In Millions)

	Intel Products			Intel Foundry	All Other	Corporate Unallocated	Intersegment Eliminations	Total Consolidated
	CCG	DCAI	Total Intel Products					
Revenue	\$ 8,143	\$ 3,805	\$ 11,948	\$ 4,282	\$ 881	\$ —	\$ (4,278)	\$ 12,833
Cost of sales	3,916	1,825	5,741	5,767	413	389	(4,024)	8,286
Operating expenses	1,586	1,738	3,324	1,317	514	1,319	37	6,511
Operating income (loss)	\$ 2,641	\$ 242	\$ 2,883	\$ (2,802)	\$ (46)	\$ (1,708)	\$ (291)	\$ (1,964)

Q3 2024

(In Millions)

	Intel Products			Intel Foundry	All Other	Corporate Unallocated	Intersegment Eliminations	Total Consolidated
	CCG	DCAI	Total Intel Products					
Revenue	\$ 8,161	\$ 4,141	\$ 12,302	\$ 4,339	\$ 964	\$ —	\$ (4,321)	\$ 13,284
Cost of sales	3,784	2,251	6,035	8,785	439	364	(4,336)	11,287
Operating expenses	1,440	1,509	2,949	1,353	520	6,138	94	11,054
Operating income (loss)	\$ 2,937	\$ 381	\$ 3,318	\$ (5,799)	\$ 5	\$ (6,502)	\$ (79)	\$ (9,057)

Q4 2024

(In Millions)

	Intel Products			Intel Foundry	All Other	Corporate Unallocated	Intersegment Eliminations	Total Consolidated
	CCG	DCAI	Total Intel Products					
Revenue	\$ 8,769	\$ 4,351	\$ 13,120	\$ 4,340	\$ 1,113	\$ —	\$ (4,313)	\$ 14,260
Cost of sales	4,239	2,561	6,800	5,217	465	410	(4,216)	8,676
Operating expenses	1,336	1,416	2,752	1,372	494	370	184	5,172
Operating income (loss)	\$ 3,194	\$ 374	\$ 3,568	\$ (2,249)	\$ 154	\$ (780)	\$ (281)	\$ 412

# Reconciliation of Non-GAAP Actuals

	<u>Q1 2024</u>	<u>Q2 2024</u>	<u>Q3 2024</u>	<u>Q4 2024</u>	<u>Q1 2025</u>
(In Billions, Except Percentages and Per Share Amounts)					
GAAP gross margin percentage	41.0%	35.4%	15.0%	39.2%	36.9%
Acquisition-related adjustments	1.8%	1.7%	1.7%	1.5%	0.9%
Share-based compensation	2.3%	1.5%	1.3%	1.5%	1.4%
Non-GAAP gross margin percentage	<u>45.1%</u>	<u>38.7%</u>	<u>18.0%</u>	<u>42.1%</u>	<u>39.2%</u>
GAAP operating income (loss)	\$(1.1)	\$(2.0)	\$(9.1)	\$0.4	\$(0.3)
Acquisition-related adjustments	0.3	0.3	0.3	0.2	0.1
Share-based compensation	1.2	0.8	0.8	0.7	0.7
Restructuring and other charges	0.3	0.9	5.6	0.0	0.2
Non-GAAP operating income (loss)	<u>\$0.7</u>	<u>\$0.0</u>	<u>\$(2.4)</u>	<u>\$1.3</u>	<u>\$0.7</u>
GAAP earnings (loss) per share attributable to Intel - diluted	\$(0.09)				\$(0.19)
Acquisition-related adjustments	0.06				0.03
Share-based compensation	0.28				0.16
Restructuring and other charges	0.08				0.04
(Gains) losses on equity investments, net	(0.05)				0.03
(Gains) losses from divestiture	(0.01)				0.02
Adjustments attributable to non-controlling interest	—				(0.01)
Income tax effects <sup>1</sup>	(0.09)				0.05
Non-GAAP earnings (loss) per share attributable to Intel - diluted	<u>\$0.18</u>				<u>\$0.13</u>

<sup>1</sup> Income tax effects are calculated using a fixed long-term projected tax rate. For 2025 and 2024, we determined the projected non-GAAP tax rates to be 12% and 13%, respectively.



# Reconciliation of Non-GAAP Q2 Outlook

	Q2 2025 Outlook <sup>1</sup> Approximately	Q2 2024 Actuals
<b>GAAP gross margin percentage</b>	<b>34.3%</b>	<b>35.4%</b>
Acquisition-related adjustments	0.9%	1.7%
Share-based compensation	1.3%	1.5%
<b>Non-GAAP gross margin percentage</b>	<b>36.5%</b>	<b>38.7%</b>
<b>GAAP earnings (loss) per share attributable to Intel—diluted</b>	<b>\$(0.32)</b>	<b>\$(0.38)</b>
Acquisition-related adjustments	0.03	0.06
Share-based compensation	0.16	0.18
Restructuring and other charges	0.01	0.22
(Gains) losses on equity investments, net	--	0.03
(Gains) losses from divestiture	--	(0.01)
Adjustments attributable to non-controlling interest	(0.01)	--
Income tax effects <sup>2</sup>	0.13	(0.08)
<b>Non-GAAP earnings (loss) per share attributable to Intel—diluted</b>	<b>\$0.00</b>	<b>\$0.02</b>

<sup>1</sup> Non-GAAP gross margin percentage and non-GAAP earnings (loss) per share attributable to Intel outlook based on the mid-point of the revenue range

<sup>2</sup> Income tax effects are calculated using a fixed long-term projected tax rate. For 2025 and 2024, we determined the projected non-GAAP tax rates to be 12% and 13%, respectively.



# Reconciliation of Other Non-GAAP Forward-Looking Estimates

(In Billions)	Full-Year 2025 Approximately	Full-Year 2026 Approximately
<b>GAAP additions to property, plant and equipment (gross capital expenditures)</b>	<b>\$18.0</b>	
Proceeds from capital-related government incentives	(3.0 – 5.0)	
Partner contributions, net	(4.0 – 5.0)	
<b>Non-GAAP net capital expenditures</b>	<b>\$8.0 – \$11.0</b>	
<b>GAAP R&amp;D and MG&amp;A</b>	<b>\$19.9</b>	<b>\$19.0</b>
Acquisition-related adjustments	(0.1)	(0.1)
Share-based compensation	(2.8)	(2.9)
<b>Non-GAAP R&amp;D and MG&amp;A</b>	<b>\$17.0</b>	<b>\$16.0</b>

# Reconciliation of Non-GAAP Adjusted Free Cash Flow

(In Billions)	Q1 2025
<b>GAAP net cash provided by (used for) operating activities</b>	<u>\$0.8</u>
Additions to property, plant, and equipment (gross capital expenditures)	(6.2)
Proceeds from capital-related government incentives	0.8
Partner contributions, net	<u>0.9</u>
Net purchase of property, plant, and equipment (net capital expenditures)	(4.5)
Payments on finance leases	<u>(0.0)</u>
<b>Adjusted free cash flow</b>	<u><u>\$(3.7)</u></u>