Intel

Downgrade to Neutral, turnaround pushed out on PC/supply headwinds

Rating Change: NEUTRAL | PO: 100.00 USD | Price: 92.07 USD

Agentic tide more than offset by PC/supply headwinds

We downgrade INTC to Neutral from Buy. In our view, the stock has not communicated enough traction with external foundry customers, while its data center strength is offset by a surprisingly sharp drop in PC shipments (down 25-30% QoQ in Q4, further inventory correction expected in 1H27). Data center CPU is doing well in a rising agentic tide, but faces a tight supply (substrate) environment, and products are not yet technically competitive against AMD/ARM-based rivals that are growing 2x-4x faster. On the positive side, we acknowledge INTC's longer-term ability to develop a competitive domestic foundry with any signs of traction potentially driving a recovery in a relatively under-owned stock.

Lower CY30 EPS power to $5-$6 from $6-$7 prior

Overall, we lower CY27/28E EPS by -16%/-4% to $1.69/$2.79. Our longer-term EPS model forecasts foundry wins becoming more prominent in CY28-30, driving EPS power towards $5.89, on which we apply a ~20x PE multiple, discounted back to CY28 to get to our $100 PO (down from $145 based on ~29x prior CY30 EPS power of $6.14). Our new $100 PO conceptually implies a $550bn market cap, made of: **1)** $450bn in Products (roughly half of AMD market cap which comprises an overlapping server CPU, but a distinct GPU business), and **2)** remaining ~$100bn in the emerging Foundry which could inflate as/when INTC announces external customer traction on 18A-P/14A. Best-in-class foundry TSMC trades ~11x P/S, so a $100bn implied valuation suggests an implicit $8-10bn in external business (of which can eventually expand to 8-10% of overall wafer foundry TAM of ~$380bn as a US-based second or third source supplier).

Read-across: positive AI/semicaps, incr. negative AMD

PC weakness is likely to weigh on rival AMD (up to $750mn PC headwind, offset by $500mn+ strong server CPU revenue), which reports next week, with consensus calling for client PC flat into Q4 vs. INTC down 25-30%. However, AMD Helios/MI ramp could be a strong positive offset. INTC data center strength is positive for AI semis NVDA, AVGO, MRVL, while spending intentions (CY27 growth, with a rising mix of equipment spend) are a positive for semicaps, especially KLAC, lithography, AMAT, LRCX.

Estimates (Dec) (US$)	2024A	2025A	2026E	2027E	2028E
EPS	0.59	0.43	1.49	1.69	2.79
GAAP EPS	(4.38)	(0.06)	(2.09)	1.22	2.24
EPS Change (YoY)	-43.8%	-27.1%	246.5%	13.4%	65.1%
Consensus EPS (Bloomberg)			1.55	2.12	3.20
Consensus EPS (Visible Alpha)			1.53	2.09	3.19
DPS	0.38	0	0	0	0
Valuation (Dec)					
P/E	156.1x	214.1x	61.8x	54.5x	33.0x
GAAP P/E	NM	NM	NM	75.5x	41.1x
Dividend Yield	0.4%	0%	0%	0%	0%
EV / EBITDA*	36.2x	33.8x	21.8x	18.7x	13.5x
Free Cash Flow Yield*	-3.2%	-1.0%	0%	-0.5%	0.4%

* For full definitions of iQmethod℠ measures, see page 13.

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Refer to important disclosures on page 14 to 16. Analyst Certification on page 12. Price Objective Basis/Risk on page 12. 13036907

Timestamp: 30 October 2026 01:32AM EDT

30 October 2026

Equity

Key Changes

(US$)	Previous	Current
Inv. Opinion	C-1-9	C-2-9
Inv. Rating	BUY	NEUTRAL
Price Obj.	145.00	100.00
2026E Rev (m)	62,861.9	61,726.5
2027E Rev (m)	73,115.6	67,103.1
2028E Rev (m)	84,702.9	80,409.0
2026E EPS	1.47	1.49
2027E EPS	2.01	1.69
2028E EPS	2.92	2.79

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Stock Data

Price	92.07 USD
Price Objective	100.00 USD
Date Established	30g-Oct-2026
Investment Opinion	C-2-9
52-Week Range	32.89 USD - 142.35 USD
Mrkt Val (mn) / Shares Out (mn)	486,596 USD / 5,285.1
Free Float	82.6%
Average Daily Value (mn)	9698.92 USD
BofA Ticker / Exchange	INTC / NAS
Bloomberg / Reuters	INTC US / INTC.OQ
ROE (2026E)	6.0%
Net Dbt to Eqty (Dec-2025A)	25.6%

See page 7 for Glossary

*iQ*profile℠ Intel

iQmethod℠ **– Bus Performance***

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Return on Capital Employed	1.7%	2.4%	4.4%	5.2%	7.8%
Return on Equity	2.4%	1.7%	6.0%	6.7%	10.3%
Operating Margin	5.4%	5.5%	14.8%	16.8%	22.6%
Free Cash Flow	(15,656)	(4,949)	154	(2,576)	1,720

iQmethod℠ **– Quality of Earnings***

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Cash Realization Ratio	3.3x	5.0x	2.3x	2.5x	2.1x
Asset Replacement Ratio	2.4x	1.4x	1.5x	1.9x	1.9x
Tax Rate	NM	31.8%	NM	10.5%	10.7%
Net Debt-to-Equity Ratio	39.8%	25.6%	23.3%	25.2%	23.7%
Interest Cover	NA	NA	0.8x	NA	NA

Income Statement Data (Dec)

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Sales	53,101	52,853	61,727	67,103	80,409
% Change	-2.1%	-0.5%	16.8%	8.7%	19.8%
Gross Profit	22,199	19,410	25,484	28,701	36,487
% Change	-6.1%	-12.6%	31.3%	12.6%	27.1%
EBITDA	12,797	13,673	21,199	24,714	34,257
% Change	2.3%	6.8%	55.0%	16.6%	38.6%
Net Interest & Other Income	(13,830)	1,898	(18,841)	(2,168)	(2,699)
Net Income (Adjusted)	**2,534**	**1,929**	**7,807**	**9,227**	**15,352**
% Change	**-42.7%**	**-23.9%**	**304.7%**	**18.2%**	**66.4%**

Free Cash Flow Data (Dec)

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Net Income from Cont Operations (GAAP)	(19,007)	3,283	(10,846)	8,165	13,818
Depreciation & Amortization	9,951	10,757	12,035	13,421	16,082
Change in Working Capital	1,103	(1,747)	(3,105)	(1,206)	(1,356)
Deferred Taxation Charge	6,132	328	56	0	0
Other Adjustments, Net	10,109	(2,924)	19,730	3,044	3,576
Capital Expenditure	(23,944)	(14,646)	(17,716)	(26,000)	(30,400)
Free Cash Flow	**-15,656**	**-4,949**	**154**	**-2,576**	**1,720**
% Change	**-9.6%**	**68.4%**	**NM**	**NM**	**NM**
Share / Issue Repurchase	0	0	0	0	0
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	687	(3,750)	4,000	0	0

Balance Sheet Data (Dec)

(US$ Millions)	2024A	2025A	2026E	2027E	2028E
Cash & Equivalents	8,249	14,265	19,087	14,331	13,071
Trade Receivables	3,478	3,839	3,844	4,725	5,460
Other Current Assets	35,597	45,584	57,074	57,976	60,099
Property, Plant & Equipment	107,919	105,414	109,712	122,292	136,610
Other Non-Current Assets	41,242	42,327	40,686	40,686	40,686
Total Assets	**196,485**	**211,429**	**230,403**	**240,010**	**255,926**
Short-Term Debt	3,729	2,499	3,817	3,817	3,817
Other Current Liabilities	31,937	29,076	33,935	34,513	36,014
Long-Term Debt	46,282	44,086	46,317	46,317	46,317
Other Non-Current Liabilities	9,505	9,408	13,305	13,305	13,305
Total Liabilities	**91,453**	**85,069**	**97,374**	**97,952**	**99,453**
Total Equity	**105,032**	**126,360**	**133,029**	**142,059**	**156,473**
Total Equity & Liabilities	**196,485**	**211,429**	**230,403**	**240,010**	**255,926**

* For full definitions of ***iQ***method℠ measures, see page 13.

Company Sector

Semiconductors

Company Description

Intel Corporation is one of the leading semiconductor companies worldwide, supplying advanced technology solutions for the computing industry. Intel's primary products include microprocessors, chipsets and motherboards.

Investment Rationale

We rate Intel Neutral. We see opportunity for potential turnaround with the newly appointed CEO and the long-awaited launch of 18A/14A node processes - towards both server CPU product and external foundry businesses which can lead to sustainable integrated Product/Foundry IDM over time and deliver longer-term earnings and cash flows. However, near-/medium-term execution risks in external foundry remain, alongside ongoing memory/PC unit headwind and supply constraints.

Stock Data

Average Daily Volume	104,824,319

Quarterly Earnings Estimates

	2025	2026
Q1	0.13A	0.29A
Q2	-0.10A	0.43A
Q3	0.23A	0.52A
Q4	0.16A	0.25E

EPS power, valuation framework

Fully established IDM by CY30, EPS power ~$5.89

Particularly, we now value INTC as a fully integrated IDM company with EPS power of ~$5.89 by CY30, with our PO based on 20x CY30E PE, discounted back two years.

- **Products:** We expect INTC DCAI (server CPUs + custom/merchant accelerators + offloads) sales to reach ~$60bn by CY30E (vast majority of DCAI segment is server CPUs). This implies about ~25% share of $220bn server CPU TAM.
- **Foundry:** While we are not changing our base case foundry segment model until there is further clarity on specific deal details, we present the multiple deals INTC is currently engaged with, size the potential opportunities below. Opportunities span across: Apple M-Series wafers, MediaTek TPU packaging, Terafab IP/packaging, and potentially other ARM-based server CPUs, edge AI expansion into Client – all made more possible via recent CDNS 14A collab announcement.

Exhibit 1: We expect ~$5.89 INTC EPS power by CY30, see total company value of $100
INTC Sales Power, EPS Power, Valuation Methodology

	CY26E	CY27E	CY28E	CY29E	CY30E	CY30E Methodology		CAGR
Products	**$57.9**	**$61.4**	**$72.3**	**$83.9**	**$95.1**			**13.2%**
CCG	$30.7	$25.2	$28.2	$31.7	$35.1			
DCAI	$27.1	$36.2	$44.1	$52.2	$60.0	~25%	Share of $220bn TAM + Non-CPUs	
Foundry	**$1.2**	**$2.7**	**$4.7**	**$26.8**	**$46.0**			**150.5%**
A/P				$4.2	$6.0	30.0%	Share of $20bn 2.5D/3D TAM	
Wafer				$22.6	$40.0	~8-10%	Share of $380bn Wafer Foundry TAM	
Apple				$8.0	$10.6	40.0%	Share of M-Series, 25% A-Series	
Terafab				$4.0	$10.0		IP, Packaging, Wafer (partial): mid-2028 begin	
ARM-based CPU				$5.0	$12.0		~10% of ARM-based server CPU TAM	
Other Products				$5.6	$7.4		Other HPC opp'ty	
Other	**$2.7**	**$3.0**	**$3.5**	**$3.8**	**$4.0**			
Net Sales	**$61.7**	**$67.1**	**$80.4**	**$114.5**	**$145.1**			**23.8%**
Products EBIT	**$19.5**	**$22.9**	**$28.3**	**$30.5**	**$36.6**	**38.5%**	**vs. OpM Target (38.5%)**	
Foundry EBIT	**-$8.3**	**-$7.0**	**-$3.8**	**$2.2**	**$8.1**	**17.5%**	**vs. OpM Target (27.5%)**	
Other, Unallocated	-$2.1	-$4.5	-$6.3	-$6.4	-$6.5			
Total EBIT (non-GAAP)	**$9.2**	**$11.3**	**$18.2**	**$26.3**	**$38.2**			**42.9%**
OpM (%)	**14.8%**	**16.8%**	**22.6%**	**23.0%**	**26.3%**			
Interest Income	$0.8	$0.4	$0.4	$0.4	$0.4			
EBT	$10.0	$11.7	$18.6	$26.7	$38.6			
Tax Rate	11.0%	11.0%	11.0%	11.0%	11.0%			
Net Income	$8.9	$10.4	$16.5	$23.8	$34.3			
NCI Adj.	-$1.1	-$1.2	-$1.2	-$1.2	-$1.3			
Net Income (non-GAAP)	**$7.8**	**$9.2**	**$15.4**	**$22.6**	**$33.0**			
EPS Power	**$1.49**	**$1.69**	**$2.79**	**$4.06**	**$5.89**			**41.0%**
Shares Outst.	5,234	5,459	5,495	5,550	5,605			
Multiple (P/E)					**20x**		AI Peer Average Level	
Price Objective			**$100**	**$110**	**$121**			
Discount			-9.0%	-9.0%				

Source: BofA Global Research estimates

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Summary of model changes

Table 1: Summary of INTC model changes
We change CY26/27/28E sales by -2%/-8%-5% and EPS by +1%/-16%/-4% to $1.49/$1.69/$2.79

	Non-GAAP Sales ($mn)			EPS (Non-GAAP, ex-SBC)		
	OLD	NEW	delta	OLD	NEW	delta
1Q26	$13,577	$13,577	$0	$0.29	$0.29	$0.00
2Q26	$16,128	$16,128	$0	$0.43	$0.43	$0.00
3Q26	$16,323	$16,513	$190	$0.37	$0.52	$0.15
4Q26E	$16,834	$15,509	($1,325)	$0.38	$0.25	($0.12)
2026E	**$62,862**	**$61,727**	**($1,135)**	**$1.47**	**$1.49**	**$0.02**
YoY%	18.9%	16.8%	-2%	244.8%	249.9%	1%
1Q27E	$16,979	$15,118	($1,862)	$0.40	$0.24	($0.16)
2Q27E	$17,795	$16,060	($1,735)	$0.46	$0.36	($0.10)
3Q27E	$18,702	$17,270	($1,432)	$0.54	$0.49	($0.05)
4Q27E	$19,640	$18,656	($983)	$0.61	$0.60	($0.00)
2027E	**$73,116**	**$67,103**	**($6,013)**	**$2.01**	**$1.69**	**($0.32)**
YoY%	16.3%	8.7%	-8%	36.6%	13.3%	-16%
1Q28E	$19,841	$18,880	($961)	$0.64	$0.63	($0.01)
2Q28E	$20,473	$19,493	($980)	$0.68	$0.66	($0.02)
3Q28E	$21,624	$20,501	($1,123)	$0.77	$0.72	($0.04)
4Q28E	$22,765	$21,535	($1,230)	$0.84	$0.78	($0.05)
2028E	**$84,703**	**$80,409**	**($4,294)**	**$2.92**	**$2.79**	**($0.12)**
YoY%	15.8%	19.8%	-5%	45.3%	65.3%	-4%

Source: BofA Global Research estimates, company report

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Q3 reported vs. expectations

Exhibit 2: Actual reported Q3 earnings vs. our/Consensus expectations
Q3 sales were in-line with Street, and EPS was 11c above on stronger server CPU trends in the quarter

	Sep-25	Jun-26	Sep-26							
			Guidance	Street	BofA	New BofA	Delta vs. Cons (%, bps)	Delta vs. Cons ($)	QoQ %	YoY %
Sales ($mn, Non-GAAP)	**$13,653**	**$16,128**	**$16,300**	**$16,541**	**$16,323**	**$16,513**	**(0.2%)**	**(28)**	**2.4%**	**20.9%**
QoQ%/YoY%	6.2%	18.8%		2.6%	1.2%	2.4%				
Client Computing, Physical AI (CCPG)	**$8,535**	**$8,877**		**$8,891**	**$8,957**	**$8,097**	**(8.9%)**	**(794)**	**(8.8%)**	**(5.1%)**
Data Center & AI (DCAI)	**$4,117**	**$6,262**		**$6,588**	**$6,445**	**$7,318**	**11.1%**	**730**	**16.9%**	**77.8%**
Intel Foundry	**$4,235**	**$5,765**		**$5,973**	**$5,497**	**$6,697**	**12.1%**	**724**	**16.2%**	**58.1%**
Intersegment Elim.	$4,227	$5,477		$5,677	$5,203	$6,291	10.8%	614	14.9%	48.8%
External (est.)	$8	$288		$296	$294	$406	37.3%	110	41.0%	4,975.0%
All Other	**$993**	**$701**		**$665**	**$628**	**$692**	**4.1%**	**27**	**(1.3%)**	**(30.3%)**
Gross Margin % (Non-GAAP)	**40.0%**	**41.8%**	**42.0%**	**42.1%**	**42.0%**	**44.1%**	**204**		**234**	**415**
Gross Profit	5,456	6,737			6,854	7,284			8.1%	33.5%
R&D	3,231	3,368			3,587	3,490			3.6%	8.0%
MG&A	1,129	1,175			1,216	1,030			(12.3%)	(8.8%)
Opex (Non-GAAP)	3,932	3,967		3,918	4,220	4,050	3.4%		2.1%	3.0%
Operating Income	1,524	2,770		2,703	2,634	3,234	19.6%	531	16.8%	112.2%
Operating Margin % (Non-GAAP)	**11.2%**	**17.2%**		**16.3%**	**16.1%**	**19.6%**	**324**		**241**	**842**
Financial Income	(95)	(46)			(150)	129				
Pretax Income	1,429	2,724			2,484	3,363			23.5%	135.3%
Tax expense	172	300			273	370			23.3%	115.1%
Tax rate (Non-GAAP)	12.0%	11.0%	11.0%		11.0%	11.0%			**(1)**	**(103)**
Net Income	1,023	2,197			1,941	2,756			25.4%	169.4%
Diluted EPS (Non-GAAP, ex-SBC)	**$0.23**	**$0.43**	**$0.38**	**$0.41**	**$0.37**	**$0.52**	**28.2%**	**$0.11**	20.6%	130.0%
Diluted Shares	4,531	5,104			5,233	5,307			4.0%	17.1%

Source: BofA Global Research estimates, company report, Bloomberg, Visible Alpha

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Q4 guidance vs. expectations

Table 2: Q4 guidance vs. our/Consensus expectations
Q4 sales guided below Street, and EPS guided also below

	Sep-26	Dec-26E			
		BofA	Street	Guidance	New BofA
Sales ($mn, Non-GAAP)	**$16,513**	**$16,834**	**$17,047**	**$15,500**	**$15,509**
QoQ%	2.4%	3.1%	3.1%		-6.1%
Client Computing, Physical AI (CCPG)	**$8,097**	**$8,381**	**$8,544**		**$6,047**
Data Center & AI (DCAI)	**$7,318**	**$7,506**	**$7,414**		**$8,494**
Intel Foundry	**$6,697**	**$5,782**	**$6,234**		**$6,904**
Intersegment Elim.	$6,291	$5,459	$5,873		$6,600
External (est.)	$406	$323	$361		$305
All Other	**$692**	**$623**	**$659**		**$663**
Gross Margin % (Non-GAAP)	**44.1%**	**42.7%**	**42.8%**	**38.0%**	**38.0%**
Gross Profit	7,284	7,186			5,893
R&D	3,490	3,766			3,685
MG&A	1,030	1,253			1,092
Opex (Non-GAAP)	4,050	4,419	3,987		4,401
Operating Income	3,234	2,767	2,908		1,492
Operating Margin % (Non-GAAP)	**19.6%**	**16.4%**	**20.4%**		**9.6%**
Financial Income	129	(200)			350
Pretax Income	3,363	2,567			1,842
Tax expense	370	282			203
Tax rate (Non-GAAP)	11.0%	11.0%		11.0%	11.0%
Net Income	2,756	2,015			1,369
Diluted EPS (Non-GAAP, ex-SBC)	**$0.52**	**$0.38**	**$0.43**	**$0.25**	**$0.25**
Diluted Shares	5,307	5,363			5,440

Source: BofA Global Research estimates, company report, Bloomberg, Visible Alpha

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Balance sheet, cash flow snapshot

Exhibit 3: Summary of Balance Sheet and Cash Flow Statement
Net cash per share increased QoQ. Inventory dollars increased and days increased QoQ

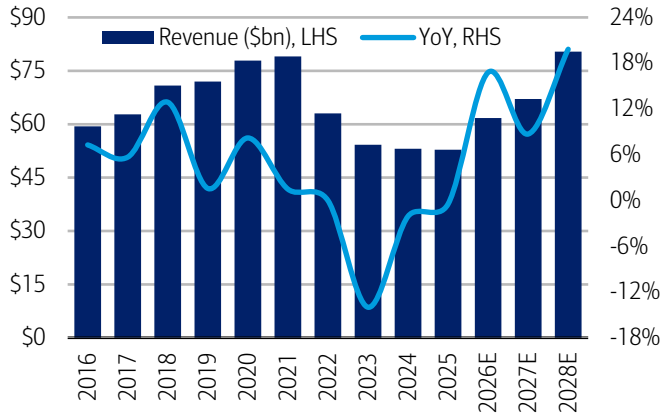
	3Q25	4Q25	1Q26	2Q26	3Q26		
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	QoQ	YoY
Total Cash	**$30,935**	**$37,416**	**$32,789**	**$29,727**	**$54,005**	**81.7%**	**74.6%**
ST Debt	$2,496	$2,499	$2,004	$1,988	$3,817		
LT Debt	$44,057	$44,086	$43,027	$48,549	$46,317		
Total Debt	$46,553	$46,585	$45,031	$50,537	$50,134		
Net Cash	($15,618)	($9,169)	($12,242)	($20,810)	$3,871		
Net Cash / Share	**($3.45)**	**($1.89)**	**($2.41)**	**($4.08)**	**$0.73**	**117.9%**	**121.2%**
Book Value / Share	$25.76	$26.02	$24.59	$20.21	$24.79	22.7%	-3.8%
Tangible Book Value / Share	$20.49	$21.10	$20.03	$15.70	$20.47	30.4%	-0.1%
Days Sales Outstanding (DSO)	21.3	25.5	27.3	22.8	22.6		
Days Payables Outstanding (DPO)	110.8	103.0	79.2	82.8	85.3		
Inventory $	**11,489**	**11,618**	**12,426**	**12,492**	**13,068**	**4.6%**	**13.7%**
Inventory Turns	2.9	3.0	2.6	3.1	2.9		
Inventory Days	**124.3**	**121.4**	**137.8**	**118.5**	**126.6**	**8.1**	**2.3**
Cash Conversion days	34.9	44.0	85.9	58.4	63.8		
Cash Flow from Ops	$2,546	$4,288	$1,096	$7,006	$5,082	-27.5%	99.6%
Capex (net)	(1,488)	(2,006)	(2,792)	(574)	(3,221)	461.1%	116.5%
Free cash flow	**$1,058**	**$2,282**	**($1,696)**	**$6,432**	**$1,861**	-71.1%	75.9%
Dividends paid	-	-	-	-	-		
Share repurchase amount	-	-	-	-	-		

Source: Company reports

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Key charts

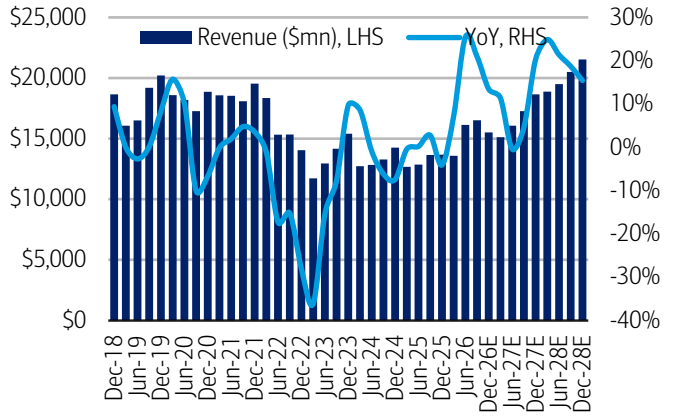
Chart 1: INTC annual revenue and YoY growth
We see sales increase in 2026E



Source: BofA Global Research estimates, company report

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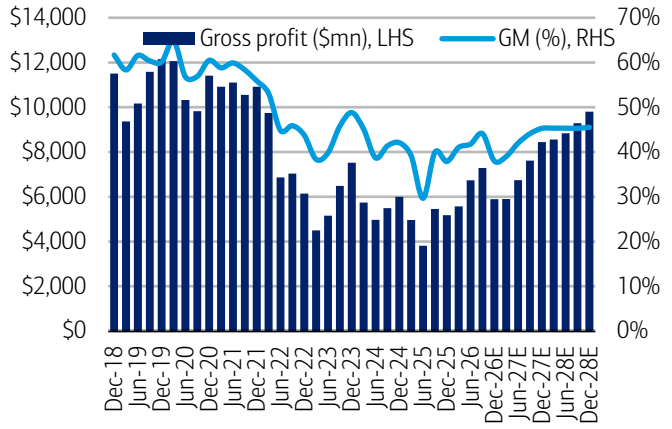
Chart 2: INTC quarterly revenue and YoY growth
We expect INTC quarterly revenue increase over time



Source: BofA Global Research estimates, company report

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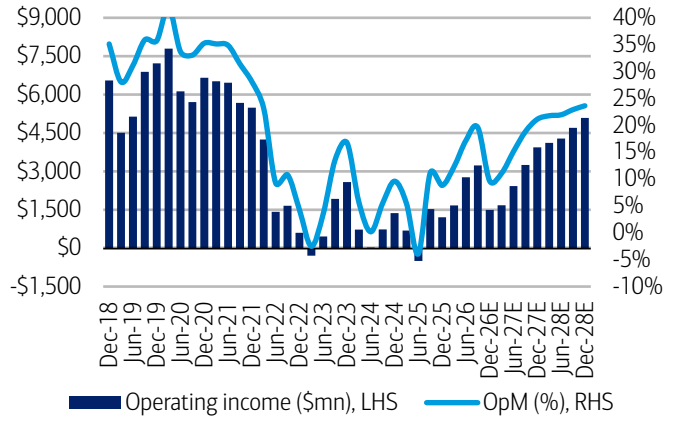
Chart 3: INTC quarterly gross profit and GM%
INTC gross margins under pressure, below historical 60%



Source: BofA Global Research estimates, company report

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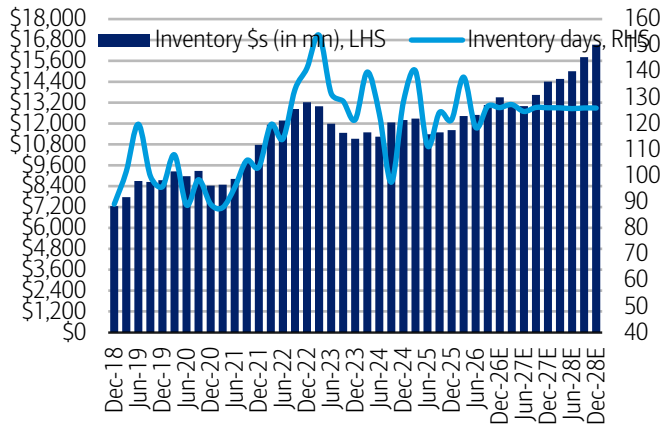
Chart 4: INTC quarterly operating income and OpM%
We expect operating margins in sub-30% range



Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

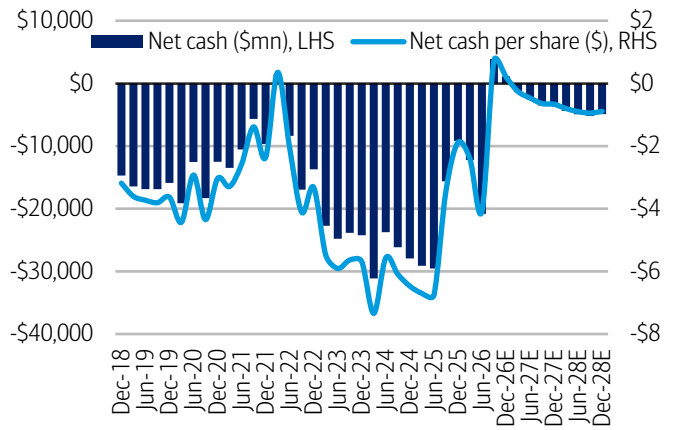
Chart 5: INTC quarterly inventory dollars and days
We expect inventory days to be in the 90-160 days range



Source: BofA Global Research estimates, company report

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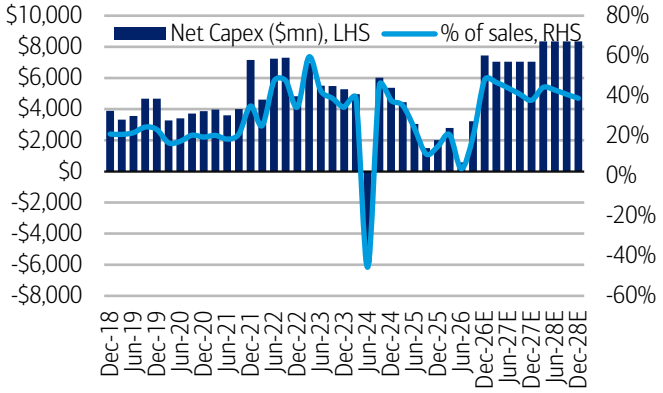
Chart 6: INTC quarterly net cash and net cash per share
Net cash position not expected through CY28E



Source: BofA Global Research estimates, company report

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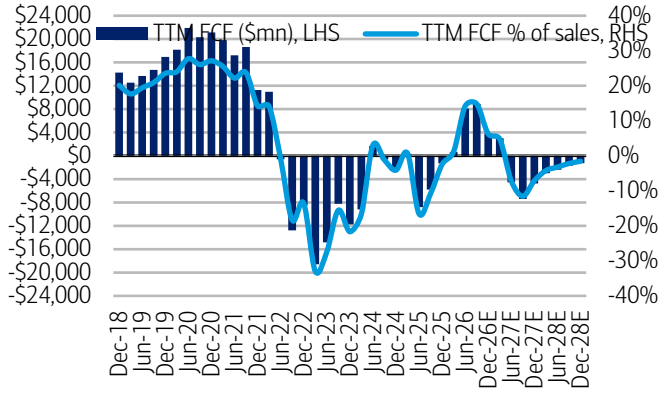
Chart 7: INTC quarterly net capex and YoY growth
INTC net capex to increase over time



Source: BofA Global Research estimates, company report

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Chart 8: INTC quarterly TTM FCF and TTM FCF as a % of sales
Higher capex will pressure FCF in the near- to medium-term



Source: BofA Global Research estimates, company report

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Glossary:

14A — Intel's 1.4nm-class (Angstrom) process node
2.5D/3D — 2.5D/3D chip packaging architectures
A/P — Advanced Packaging
AI — Artificial Intelligence
AMAT – Applied Materials
AMD — Advanced Micro Devices
ARM — Advanced RISC Machines (CPU architecture)
ASML — ASML Holding (semiconductor lithography equipment maker)
AVGO – Broadcom
b/e — Breakeven
CAGR — Compound Annual Growth Rate
CCG — Client Computing Group (Intel segment)
CDNS — Cadence Design Systems (ticker)
CPU — Central Processing Unit
DCAI — Data Center and AI (Intel segment)
HPC — High Performance Computing
KLAC – KLA Corporation
IDM — Integrated Device Manufacturer
INTC — Intel Corporation (ticker)
IP — Intellectual Property
LRCX – Lam Research
MRVL – Marvell
M-Series / A-Series — Apple silicon chip families
NCI — Non-Controlling Interest
NVDA – Nvidia
TAM — Total Addressable Market
TPU — Tensor Processing Unit
TSMC – Taiwan Semiconductor Manufacturing Company
WFE — Wafer Fab Equipment

Exhibit 4: INTC - Income statement ($mn)
INTC delivered SepQ revenue of $16.5bn

FY(Dec)	1Q26 Mar-26	2Q26 Jun-26	3Q26 Sep-26	4Q26E Dec-26E	1Q27E Mar-27E	2Q27E Jun-27E	3Q27E Sep-27E	4Q27E Dec-27E	1Q28E Mar-28E	2Q28E Jun-28E	3Q28E Sep-28E	4Q28E Dec-28E	2024 Dec-24	2025 Dec-25	2026E Dec-26	2027E Dec-27	2028E Dec-28
Net Revenue	**$13,577**	**$16,128**	**$16,513**	**$15,509**	**$15,118**	**$16,060**	**$17,270**	**$18,656**	**$18,880**	**$19,493**	**$20,501**	**$21,535**	**$53,101**	**$52,853**	**$61,727**	**$67,103**	**$80,409**
QoQ	-0.7%	18.8%	2.4%	-6.1%	-2.5%	6.2%	7.5%	8.0%	1.2%	3.2%	5.2%	5.0%					
YoY	7.2%	25.4%	20.9%	13.4%	11.3%	-0.4%	4.6%	20.3%	24.9%	21.4%	18.7%	15.4%	-2.1%	-0.5%	16.8%	8.7%	19.8%
Cost of sales	8,230	9,619	9,417	9,776	9,414	9,516	9,866	10,433	10,547	10,890	11,454	11,980	35,756	34,478	37,042	39,230	44,871
Gross Profit (GAAP)	5,347	6,509	7,096	5,733	5,704	6,543	7,403	8,223	8,333	8,603	9,047	9,555	17,345	18,375	24,685	27,873	35,538
Gross Profit (Non GAAP)	5,570	6,737	7,284	5,893	5,896	6,744	7,615	8,447	8,559	8,835	9,288	9,805	22,199	19,410	25,484	28,701	36,487
R&D Expense	3,375	3,368	3,490	3,685	3,630	3,721	3,795	3,947	3,908	4,005	4,065	4,187	16,546	13,774	13,918	15,094	16,166
SG&A Expense	1,038	1,175	1,030	1,092	1,075	1,108	1,119	1,152	1,141	1,169	1,175	1,210	5,507	4,624	4,335	4,454	4,696
Total Opex (GAAP)	8,483	4,713	4,574	4,977	4,706	4,829	4,914	5,099	5,048	5,175	5,241	5,398	29,023	20,589	22,747	19,548	20,862
Total Opex (Non GAAP)	3,902	3,967	4,050	4,401	4,222	4,316	4,364	4,507	4,449	4,556	4,591	4,716	19,353	16,494	16,320	17,408	18,311
Operating Income (GAAP)	(3,136)	1,796	2,522	756	998	1,714	2,489	3,123	3,284	3,428	3,807	4,157	(11,678)	(2,214)	1,938	8,325	14,676
Operating Income (Non GAAP)	1,668	2,770	3,234	1,492	1,674	2,428	3,251	3,940	4,110	4,279	4,697	5,089	2,846	2,916	9,164	11,293	18,175
Net Fin. Income	(810)	(12,615)	1,460	350	100	100	100	100	100	100	100	100	468	3,771	(11,615)	400	400
Pre-Tax Income (GAAP)	(3,946)	(10,819)	3,982	1,106	1,098	1,814	2,589	3,223	3,384	3,528	3,907	4,257	(11,210)	1,557	(9,677)	8,725	15,076
Tax Expense	335	29	462	343	121	200	285	355	372	388	430	468	8,023	1,531	1,169	960	1,659
Net Income (GAAP)	(4,281)	(10,848)	3,520	763	977	1,615	2,304	2,869	3,012	3,140	3,477	3,789	(19,233)	26	(10,846)	7,765	13,418
Net Income (Non-GAAP)	1,485	2,197	2,756	1,369	1,284	1,955	2,687	3,301	3,452	3,602	3,975	4,323	2,534	1,929	7,807	9,227	15,352
EPS (diluted, GAAP)	($0.73)	($2.16)	$0.63	$0.09	$0.13	$0.25	$0.37	$0.47	$0.50	$0.52	$0.58	$0.64	($4.38)	($0.06)	($2.09)	$1.22	$2.24
EPS (diluted, Non GAAP, ex-SBC)	**$0.29**	**$0.43**	**$0.52**	**$0.25**	**$0.24**	**$0.36**	**$0.49**	**$0.60**	**$0.63**	**$0.66**	**$0.72**	**$0.78**	**$0.59**	**$0.43**	**$1.49**	**$1.69**	**$2.79**
Diluted Share Count	5,083	5,104	5,307	5,440	5,447	5,455	5,463	5,472	5,481	5,490	5,500	5,510	4,280	4,525	5,234	5,459	5,495
Margins (%) (Non GAAP)																	
Gross Margin	**41.0%**	**41.8%**	**44.1%**	**38.0%**	**39.0%**	**42.0%**	**44.1%**	**45.3%**	**45.3%**	**45.3%**	**45.3%**	**45.5%**	**41.8%**	**36.7%**	**41.3%**	**42.8%**	**45.4%**
Op Margin	**12.3%**	**17.2%**	**19.6%**	**9.6%**	**11.1%**	**15.1%**	**18.8%**	**21.1%**	**21.8%**	**21.9%**	**22.9%**	**23.6%**	**5.4%**	**5.5%**	**14.8%**	**16.8%**	**22.6%**
Tax Rate	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	-4.1%	12.0%	11.0%	11.0%	11.0%
Net Income	10.9%	13.6%	16.7%	8.8%	8.5%	12.2%	15.6%	17.7%	18.3%	18.5%	19.4%	20.1%	4.8%	3.6%	12.6%	13.7%	19.1%
Margins (%) (GAAP)																	
Gross Margin	**39.4%**	**40.4%**	**43.0%**	**37.0%**	**37.7%**	**40.7%**	**42.9%**	**44.1%**	**44.1%**	**44.1%**	**44.1%**	**44.4%**	**32.7%**	**34.8%**	**40.0%**	**41.5%**	**44.2%**
R&D	24.9%	20.9%	21.1%	23.8%	24.0%	23.2%	22.0%	21.2%	20.7%	20.5%	19.8%	19.4%	31.2%	26.1%	22.5%	22.5%	20.1%
SG&A	7.6%	7.3%	6.2%	7.0%	7.1%	6.9%	6.5%	6.2%	6.0%	6.0%	5.7%	5.6%	10.4%	8.7%	7.0%	6.6%	5.8%
Op Margin	**-23.1%**	**11.1%**	**15.3%**	**4.9%**	**6.6%**	**10.7%**	**14.4%**	**16.7%**	**17.4%**	**17.6%**	**18.6%**	**19.3%**	**-22.0%**	**-4.2%**	**3.1%**	**12.4%**	**18.3%**

Source: BofA Global Research estimates, company reports

Exhibit 5: INTC – Segment Model ($mn)
We forecast total sales of $61.7bn in 2026E

	1Q26 Mar-26	2Q26 Jun-26	3Q26 Sep-26	4Q26E Dec-26E	1Q27E Mar-27E	2Q27E Jun-27E	3Q27E Sep-27E	4Q27E Dec-27E	1Q28E Mar-28E	2Q28E Jun-28E	3Q28E Sep-28E	4Q28E Dec-28E	2024 Dec-24	2025 Dec-25	2026E Dec-26	2027E Dec-27	2028E Dec-28
Intel Products	**12,779**	**15,139**	**15,415**	**14,541**	**13,988**	**14,732**	**15,730**	**16,959**	**17,035**	**17,533**	**18,421**	**19,273**	**49,471**	**49,147**	**57,874**	**61,409**	**72,262**
Client Computing, Physical AI (CCPG)	7,727	8,877	8,097	6,047	5,652	5,981	6,390	7,210	6,902	6,758	7,052	7,497	33,346	32,228	30,748	25,232	28,209
Data Center & AI (DCAI)	5,052	6,262	7,318	8,494	8,337	8,751	9,340	9,749	10,133	10,775	11,369	11,776	16,125	16,919	27,126	36,177	44,054
Intel Foundry	**5,421**	**5,765**	**6,697**	**6,904**	**6,945**	**7,117**	**7,671**	**8,123**	**7,939**	**8,016**	**8,381**	**8,822**	**17,317**	**17,826**	**24,787**	**29,855**	**33,157**
Internal Only	5,251	5,477	6,291	6,600	6,534	6,521	6,884	7,218	6,926	6,901	7,177	7,498	17,288	17,683	23,619	27,157	28,501
External Only	170	288	406	305	411	596	787	905	1,013	1,115	1,204	1,324	29	143	1,169	2,699	4,656
All Other	**628**	**701**	**692**	**663**	**718**	**731**	**753**	**792**	**832**	**846**	**876**	**938**	**3,601**	**3,563**	**2,684**	**2,995**	**3,491**
Total Gross	**18,828**	**21,605**	**22,804**	**22,108**	**21,651**	**22,580**	**24,154**	**25,874**	**25,806**	**26,394**	**27,678**	**29,032**	**70,389**	**70,536**	**85,345**	**94,260**	**108,910**
(Less intersegment elimination)	-5,251	-5,477	-6,291	-6,600	-6,534	-6,521	-6,884	-7,218	-6,926	-6,901	-7,177	-7,498	-17,288	-17,683	-23,619	-27,157	-28,501
Total Reported (Net)	**13,577**	**16,128**	**16,513**	**15,509**	**15,118**	**16,060**	**17,270**	**18,656**	**18,880**	**19,493**	**20,501**	**21,535**	**53,101**	**52,853**	**61,727**	**67,103**	**80,409**
QoQ% (Annual YoY%)																	
Intel Products	**-1.2%**	**18.5%**	**1.8%**	**-5.7%**	**-3.8%**	**5.3%**	**6.8%**	**7.8%**	**0.4%**	**2.9%**	**5.1%**	**4.6%**	**2.5%**	**-0.7%**	**17.8%**	**6.1%**	**17.7%**
Client Computing, Physical AI (CCPG)	-5.7%	14.9%	-8.8%	-25.3%	-6.5%	5.8%	6.8%	12.8%	-4.3%	-2.1%	4.3%	6.3%	3.2%	-3.4%	-4.6%	-17.9%	11.8%
Data Center & AI (DCAI)	6.6%	24.0%	16.9%	16.1%	-1.9%	5.0%	6.7%	4.4%	3.9%	6.3%	5.5%	3.6%	0.9%	4.9%	60.3%	33.4%	21.8%
Intel Foundry	**20.3%**	**6.3%**	**16.2%**	**3.1%**	**0.6%**	**2.5%**	**7.8%**	**5.9%**	**-2.3%**	**1.0%**	**4.6%**	**5.3%**	**-8.4%**	**2.9%**	**39.1%**	**20.4%**	**11.1%**
All Other	**9.4%**	**11.6%**	**-1.3%**	**-4.1%**	**8.3%**	**1.8%**	**3.0%**	**5.2%**	**4.9%**	**1.7%**	**3.6%**	**7.0%**	**-35.8%**	**-1.1%**	**-24.7%**	**11.6%**	**16.5%**
Total Gross	**4.5%**	**14.7%**	**5.5%**	**-3.1%**	**-2.1%**	**4.3%**	**7.0%**	**7.1%**	**-0.3%**	**2.3%**	**4.9%**	**4.9%**	**-2.5%**	**0.2%**	**21.0%**	**10.4%**	**15.5%**
Total Reported (Net)	**-0.7%**	**18.8%**	**2.4%**	**-6.1%**	**-2.5%**	**6.2%**	**7.5%**	**8.0%**	**1.2%**	**3.2%**	**5.2%**	**5.0%**	**-2.1%**	**-0.5%**	**16.8%**	**8.7%**	**19.8%**
% of Sales (Net)																	
Intel Products	**94.1%**	**93.9%**	**93.4%**	**93.8%**	**92.5%**	**91.7%**	**91.1%**	**90.9%**	**90.2%**	**89.9%**	**89.9%**	**89.5%**	**93.2%**	**93.0%**	**93.8%**	**91.5%**	**89.9%**
Client Computing, Physical AI (CCPG)	56.9%	55.0%	49.0%	39.0%	37.4%	37.2%	37.0%	38.6%	36.6%	34.7%	34.4%	34.8%	62.8%	61.0%	49.8%	37.6%	35.1%
Data Center & AI (DCAI)	37.2%	38.8%	44.3%	54.8%	55.1%	54.5%	54.1%	52.3%	53.7%	55.3%	55.5%	54.7%	30.4%	32.0%	43.9%	53.9%	54.8%
Intel Foundry	**39.9%**	**35.7%**	**40.6%**	**44.5%**	**45.9%**	**44.3%**	**44.4%**	**43.5%**	**42.0%**	**41.1%**	**40.9%**	**41.0%**	**32.6%**	**33.7%**	**40.2%**	**44.5%**	**41.2%**
All Other	**4.6%**	**4.3%**	**4.2%**	**4.3%**	**4.8%**	**4.6%**	**4.4%**	**4.2%**	**4.4%**	**4.3%**	**4.3%**	**4.4%**	**6.8%**	**6.7%**	**4.3%**	**4.5%**	**4.3%**
Total Gross	**138.7%**	**134.0%**	**138.1%**	**142.6%**	**143.2%**	**140.6%**	**139.9%**	**138.7%**	**136.7%**	**135.4%**	**135.0%**	**134.8%**	**132.6%**	**133.5%**	**138.3%**	**140.5%**	**135.4%**
(Less intersegment elimination)	-38.7%	-34.0%	-38.1%	-42.6%	-43.2%	-40.6%	-39.9%	-38.7%	-36.7%	-35.4%	-35.0%	-34.8%	-32.6%	-33.5%	-38.3%	-40.5%	-35.4%
Total Reported (Net)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating Income%																	
Intel Products	**31.8%**	**31.8%**	**34.5%**	**36.5%**	**36.9%**	**37.1%**	**37.3%**	**37.5%**	**38.2%**	**38.9%**	**39.4%**	**39.8%**	**26.3%**	**25.9%**	**33.7%**	**37.2%**	**39.1%**
Client Computing, Physical AI (CCPG)	32.6%	26.4%	28.2%	29.0%	29.2%	29.5%	29.7%	30.5%	31.2%	32.0%	32.7%	33.5%	34.8%	28.9%	28.9%	29.8%	32.4%
Data Center & AI (DCAI)	30.5%	39.5%	41.5%	41.8%	42.0%	42.3%	42.5%	42.8%	43.0%	43.3%	43.5%	43.8%	8.8%	20.2%	39.1%	42.4%	43.4%
Intel Foundry	**-45.0%**	**-36.2%**	**-27.7%**	**-27.2%**	**-25.2%**	**-24.2%**	**-23.2%**	**-22.2%**	**-19.2%**	**-14.2%**	**-9.2%**	**-4.2%**	**-76.8%**	**-57.9%**	**-33.3%**	**-23.6%**	**-11.4%**
Total	**9.2%**	**13.7%**	**16.0%**	**16.3%**	**16.6%**	**17.4%**	**17.8%**	**18.5%**	**20.2%**	**22.4%**	**24.3%**	**26.0%**	**-0.5%**	**3.8%**	**14.0%**	**17.6%**	**23.4%**
Less: Intersegment Eliminations	-4.2%	-4.6%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	-3.5%	-1.4%	1.0%	1.0%
Total GAAP Operating Income	**-23.1%**	**11.1%**	**15.3%**	**4.9%**	**6.6%**	**10.7%**	**14.4%**	**16.7%**	**17.4%**	**17.6%**	**18.6%**	**19.3%**	**-22.0%**	**-4.2%**	**3.1%**	**12.4%**	**18.3%**
Adjustments (add back)	35.4%	6.0%	4.3%	4.7%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.3%	4.3%	27.4%	9.7%	11.7%	4.4%	4.4%
Non-GAAP Operating income	**12.3%**	**17.2%**	**19.6%**	**9.6%**	**11.1%**	**15.1%**	**18.8%**	**21.1%**	**21.8%**	**21.9%**	**22.9%**	**23.6%**	**5.4%**	**5.5%**	**14.8%**	**16.8%**	**22.6%**

Source: BofA Global Research estimates, company reports

Exhibit 6: INTC – Balance Sheet ($mn)
INTC has $0.73 net cash/share

FY (Dec)	1Q26 Mar-26	2Q26 Jun-26	3Q26 Sep-26	4Q26E Dec-26E	1Q27E Mar-27E	2Q27E Jun-27E	3Q27E Sep-27E	4Q27E Dec-27E	1Q28E Mar-28E	2Q28E Jun-28E	3Q28E Sep-28E	4Q28E Dec-28E	2024 Dec-24	2025 Dec-25	2026E Dec-26	2027E Dec-27	2028E Dec-28
Assets																	
Cash & eqv.	32,789	29,727	54,005	51,246	48,726	47,597	46,616	46,490	45,735	45,201	44,917	45,230	22,062	37,416	51,246	46,490	45,230
Acc. Receivable	4,066	4,033	4,093	3,844	3,950	4,043	4,356	4,725	4,808	4,931	5,193	5,460	3,478	3,839	3,844	4,725	5,460
Inventories	12,426	12,492	13,068	13,507	13,127	12,996	13,639	14,409	14,565	15,001	15,811	16,532	12,198	11,618	13,507	14,409	16,532
Total current assets	**62,157**	**57,213**	**82,574**	**80,005**	**77,212**	**76,045**	**76,019**	**77,033**	**76,516**	**76,542**	**77,328**	**78,630**	**47,324**	**63,688**	**80,005**	**77,033**	**78,630**
PP&E (net)	104,458	105,741	105,314	109,712	113,189	116,477	119,523	122,292	126,116	129,817	133,317	136,610	107,919	105,414	109,712	122,292	136,610
Marketable Securities	8,481	8,410	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	5,383	8,512	8,798	8,798	8,798
Goodwill	23,187	23,010	22,909	22,909	22,909	22,909	22,909	22,909	22,909	22,909	22,909	22,909	24,693	23,912	22,909	22,909	22,909
Total Assets	**$205,332**	**$202,439**	**$228,574**	**$230,403**	**$231,087**	**$233,208**	**$236,227**	**$240,010**	**$243,318**	**$247,045**	**$251,331**	**$255,926**	**$196,485**	**$211,429**	**$230,403**	**$240,010**	**$255,926**
Liabilities & Stock Equity																	
ST Debt	2,004	1,988	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,817	3,729	2,499	3,817	3,817	3,817
Acc. Payable	7,159	8,756	8,831	9,167	8,603	8,802	9,162	9,665	9,740	10,082	10,606	11,086	12,556	9,882	9,167	9,665	11,086
Accrued liabilities	2,824	3,748	3,905	3,925	3,945	3,965	3,985	4,005	4,025	4,045	4,065	4,085	3,343	3,990	3,925	4,005	4,085
Deferred income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	**26,885**	**35,670**	**37,396**	**37,752**	**37,208**	**37,427**	**37,807**	**38,330**	**38,425**	**38,787**	**39,331**	**39,831**	**35,666**	**31,575**	**37,752**	**38,330**	**39,831**
LT Debt	43,027	48,549	46,317	46,317	46,317	46,317	46,317	46,317	46,317	46,317	46,317	46,317	46,282	44,086	46,317	46,317	46,317
Other LT Liabilities	10,431	15,077	13,305	13,305	13,305	13,305	13,305	13,305	13,305	13,305	13,305	13,305	9,505	9,408	13,305	13,305	13,305
Total stockholders' equity	124,989	103,143	131,556	133,029	134,256	136,158	138,799	142,059	145,271	148,636	152,378	156,473	105,032	126,360	133,029	142,059	156,473
Total Liabilities & Equity	**$205,332**	**$202,439**	**$228,574**	**$230,403**	**$231,087**	**$233,208**	**$236,227**	**$240,010**	**$243,318**	**$247,045**	**$251,331**	**$255,926**	**$196,485**	**$211,429**	**$230,403**	**$240,010**	**$255,926**
Key Metrics																	
Cash & equivalents	$32,789	$29,727	$54,005	$51,246	$48,726	$47,597	$46,616	$46,490	$45,735	$45,201	$44,917	$45,230	$22,062	$37,416	$51,246	$46,490	$45,230
Short-term debt	$2,004	$1,988	$3,817	$3,817	$3,817	$3,817	$3,817	$3,817	$3,817	$3,817	$3,817	$3,817	$3,729	$2,499	$3,817	$3,817	$3,817
Long-term debt	$43,027	$48,549	$46,317	$46,317	$46,317	$46,317	$46,317	$46,317	$46,317	$46,317	$46,317	$46,317	$46,282	$44,086	$46,317	$46,317	$46,317
Net Cash/Share	**($2.41)**	**($4.08)**	**$0.73**	**$0.20**	**($0.26)**	**($0.47)**	**($0.64)**	**($0.67)**	**($0.80)**	**($0.90)**	**($0.95)**	**($0.89)**	**($6.53)**	**($2.03)**	**$0.21**	**($0.67)**	**($0.89)**
Days Sales Outstanding	27.3	22.8	22.6	22.6	23.8	22.9	23.0	23.0	23.2	23.0	23.0	23.1					
Payables Days	79.2	82.8	85.3	85.3	83.2	84.2	84.5	84.3	84.0	84.2	84.3	84.2					
Inventory Turns	2.6	3.1	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9					
Inventory Days	137.8	118.5	126.6	126.1	127.2	124.6	126.1	126.0	126.0	125.7	126.0	125.9					
Cash conversion days	85.9	58.4	63.8	63.3	67.9	63.4	64.6	64.8	65.1	64.5	64.7	64.8					

Source: BofA Global Research estimates, company reports

BofA GLOBAL RESEARCH

Exhibit 7: INTC – Cash Flow Model ($mn)
INTC has $0.35 of adjusted free cash flow per share

FY (Dec)	1Q26 Mar-26	2Q26 Jun-26	3Q26 Sep-26	4Q26E Dec-26E	1Q27E Mar-27E	2Q27E Jun-27E	3Q27E Sep-27E	4Q27E Dec-27E	1Q28E Mar-28E	2Q28E Jun-28E	3Q28E Sep-28E	4Q28E Dec-28E	2024 Dec-24	2025 Dec-25	2026E Dec-26	2027E Dec-27	2028E Dec-28
Cash Flow - Operations																	
Net income	(4,281)	(10,848)	3,520	763	977	1,615	2,304	2,869	3,012	3,140	3,477	3,789	(19,233)	26	(10,846)	7,765	13,418
Depreciation	2,902	2,989	3,042	3,102	3,024	3,212	3,454	3,731	3,776	3,899	4,100	4,307	9,951	10,757	12,035	13,421	16,082
Amortization	234	235	190	190	190	190	190	190	190	190	190	190	1,428	949	849	760	760
Stock Compensation	621	686	587	465	605	642	691	746	755	780	820	861	3,410	2,434	2,359	2,684	3,216
Changes In																	
Accounts receivable	(217)	(4)	(60)	249	(106)	(93)	(312)	(370)	(82)	(124)	(261)	(268)	(75)	(449)	(32)	(881)	(735)
Inventories	(808)	(66)	(576)	(439)	380	131	(643)	(770)	(156)	(436)	(810)	(721)	(1,105)	(138)	(1,889)	(902)	(2,123)
Accounts payable	(142)	452	511	336	(564)	199	360	503	75	342	524	480	634	297	1,157	497	1,422
Accrued benefits	(1,175)	803	165	20	20	20	20	20	20	20	20	20	(218)	788	(187)	80	80
Cash Flow from Operations	**1,096**	**7,006**	**5,082**	**4,686**	**4,525**	**5,916**	**6,064**	**6,919**	**7,591**	**7,811**	**8,060**	**8,658**	**8,288**	**9,697**	**17,870**	**23,424**	**32,120**
Cash Flows - Investing																	
Capex Spending	(3,636)	(2,556)	(4,024)	(7,500)	(6,500)	(6,500)	(6,500)	(6,500)	(7,600)	(7,600)	(7,600)	(7,600)	(23,944)	(14,646)	(17,716)	(26,000)	(30,400)
Investment Purchases	(7,190)	(5,547)	(19,414)	0	0	0	0	0	0	0	0	0	(37,940)	(24,319)	(32,151)	0	0
Investment Sales	14,448	4,285	4,346	0	0	0	0	0	0	0	0	0	42,510	16,058	23,079	0	0
Cash Flow from Investing	**3,093**	**(3,762)**	**(19,590)**	**(7,400)**	**(6,400)**	**(6,400)**	**(6,400)**	**(6,400)**	**(7,500)**	**(7,500)**	**(7,500)**	**(7,500)**	**(18,256)**	**(14,821)**	**(27,659)**	**(25,600)**	**(30,000)**
Cash Flows - Financing																	
ST Debt Change	0	13,000	0	0	0	0	0	0	0	0	0	0	0	0	13,000	0	0
LT Debt Change	0	0	0	0	0	0	0	0	0	0	0	0	2,975	0	0	0	0
Employee Stock Comp Sales	427	0	23,366	0	0	0	0	0	0	0	0	0	987	771	23,793	0	0
Stock Repurchases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividend Payments	0	0	0	0	0	0	0	0	0	0	0	0	(1,599)	0	0	0	0
Cash Flow from Financing	**(1,206)**	**(7,342)**	**23,309**	**(45)**	**(645)**	**(645)**	**(645)**	**(645)**	**(845)**	**(845)**	**(845)**	**(845)**	**11,138**	**11,587**	**14,716**	**(2,580)**	**(3,380)**
Change in Cash & Eqv.	2,983	(4,098)	8,801	(2,759)	(2,520)	(1,129)	(981)	(126)	(754)	(534)	(285)	313	1,170	6,463	4,927	(4,756)	(1,260)
Beginning cash & equivalents	14,712	17,695	13,597	22,398	19,639	17,119	15,990	15,009	14,883	14,128	13,594	13,310	7,079	8,249	14,712	19,639	14,883
Ending cash & equivalents	**17,695**	**13,597**	**22,398**	**19,639**	**17,119**	**15,990**	**15,009**	**14,883**	**14,128**	**13,594**	**13,310**	**13,623**	**8,249**	**14,712**	**19,639**	**14,883**	**13,623**
Free cash flow	($1,696)	$6,432	$1,861	($2,759)	($2,520)	($1,129)	($981)	($126)	($754)	($534)	($285)	$313	($2,184)	($1,290)	$3,838	($4,756)	($1,260)
FCF/Share	($0.33)	$1.26	$0.35	($0.51)	($0.46)	($0.21)	($0.18)	($0.02)	($0.14)	($0.10)	($0.05)	$0.06	($0.51)	($0.29)	$0.73	($0.87)	($0.23)
Trailing 4Q Free Cash Flow	$646	$8,076	$8,879	$3,838	$3,014	($4,547)	($7,389)	($4,756)	($2,991)	($2,396)	($1,699)	($1,260)					
Trailing 4Q FCF as % of sales	1%	14%	15%	6%	5%	-7%	-12%	-7%	-4%	-3%	-2%	-2%					

Source: BofA Global Research estimates, company reports

BofA GLOBAL RESEARCH

Price objective basis & risk

Intel (INTC)
Our $100 price objective is based on 20x CY30E EPS power of $5.89, discounted back two years, given the company's key server CPU and external foundry wafer/packaging opportunities that extend far out. Our PO implies 6.6x our total company 2028E EV/S which is well above historical 1.7x-4x range but we view as appropriate given increasing server CPU and external foundry opportunity, offset by near-/medium-term PC unit headwinds and manufacturing ramp-up uncertainties.

Upside risks to our price objective are 1) key external foundry packaging/wafer deals that could significantly boost sales/utilization, 2) greater than expected yields/ramps at 18A and upcoming 14A nodes, resulting in greater GM/utilization profile, 3) stronger than expected PC market from Windows 10 refresh or AI uplift, 4) geopolitical tensions boosting sentiment for domestic manufacturing asset.

Downside risks to our price objective are 1) lower than yield/ramp at Intel Foundry, particularly for its new 18A and upcoming 14A nodes, 2) lack of material external foundry customer in wafer processing, 3) weaker-than-expected trends in a mature PC market, which is largest revenue generator for Intel, 4) accelerated share loss to major CPU competitors.

Analyst Certification

I, Vivek Arya, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Special Disclosures

BofA Securities is currently acting as financial advisor to One Investment Management Ltd in connection with the proposed acquisition with PayPay Corporation, a subsidiary of SoftBank Group Corp., of shares of T&D Financial Life Insurance Company, a consolidated subsidiary of T&D Holdings, Inc., which was announced on June 4, 2026.

BofA Securities is currently acting as joint financial advisor to ABB Ltd in connection with the sale of its Robotics Division to SoftBank Group Corp, which was announced on October 8, 2025.

US - Semiconductors and Semiconductor Capital Equipment Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Advanced Energy Industries	AEIS	AEIS US	Duksan Jang
	Advanced Micro Devices, Inc	AMD	AMD US	Vivek Arya
	Allegro Microsystems	ALGM	ALGM US	Vivek Arya
	Analog Devices Inc.	ADI	ADI US	Vivek Arya
	Applied Materials, Inc.	AMAT	AMAT US	Vivek Arya
	Broadcom Inc	AVGO	AVGO US	Vivek Arya
	Cadence	CDNS	CDNS US	Vivek Arya
	Camtek	CAMT	CAMT US	Micha
	Credo Technology	CRDO	CRDO US	Vivek
	Diodes Inc.	DIOD	DIOD US	Micha
	IonQ Inc	IONQ	IONQ US	Vivek
	KLA Corporation	KLAC	KLAC US	Vivek
	Lam Research Corp.	LRCX	LRCX US	Vivek
	M/A-Com	MTSI	MTSI US	Vivek
	Marvell Technology, Inc.	MRVL	MRVL US	Vivek



US - Semiconductors and Semiconductor Capital Equipment Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Microchip	MCHP	MCHP US	Vivek Arya
	Micron Technology, Inc	MU	MU US	Vivek Arya
	MKS Instruments	MKSI	MKSI US	Michael Mani
	Nova	NVMI	NVMI US	Michael Mani
	NVIDIA Corporation	NVDA	NVDA US	Vivek Arya
	onsemi	ON	ON US	Vivek Arya
	Quantinuum	QNT	QNT US	Vivek Arya
	Synopsys	SNPS	SNPS US	Vivek Arya
	Teradyne	TER	TER US	Vivek Arya
	Texas Instruments Inc.	TXN	TXN US	Vivek Arya
NEUTRAL				
	Ambarella	AMBA	AMBA US	Vivek Arya
	Ambiq Micro, Inc.	AMBQ	AMBQ US	Vivek Arya
	Arm Holdings	ARM	ARM US	Vivek Arya
	Astera Labs Inc	ALAB	ALAB US	Vivek Arya
	Coherent Corp	COHR	COHR US	Vivek Arya
	Intel	INTC	INTC US	Vivek Arya
	Lumentum Holdings	LITE	LITE US	Vivek Arya
	NXP Semiconductors NV	NXPI	NXPI US	Vivek Arya
UNDERPERFORM				
	Axcelis Technologies	ACLS	ACLS US	Duksan Jang
	GlobalFoundries	GFS	GFS US	Vivek Arya
	Lattice Semiconductor	LSCC	LSCC US	Duksan Jang
	Qualcomm	QCOM	QCOM US	Vivek Arya
	Skyworks Solutions, Inc.	SWKS	SWKS US	Vivek Arya
RVW				
	Wolfspeed Inc	WOLF	WOLF US	Vivek Arya

*iQ*method℠ Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill Amortization
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5 Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
Quality of Earnings	**Numerator**	**Denominator**
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt – Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
Valuation Toolkit	**Numerator**	**Denominator**
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap = Current Share Price × Current Basic Shares
Enterprise Value / Sales	EV = Current Share Price × Current Shares + Minority Equity + Net Debt + Other LT Liabilities	Sales
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

iQmethod℠ is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

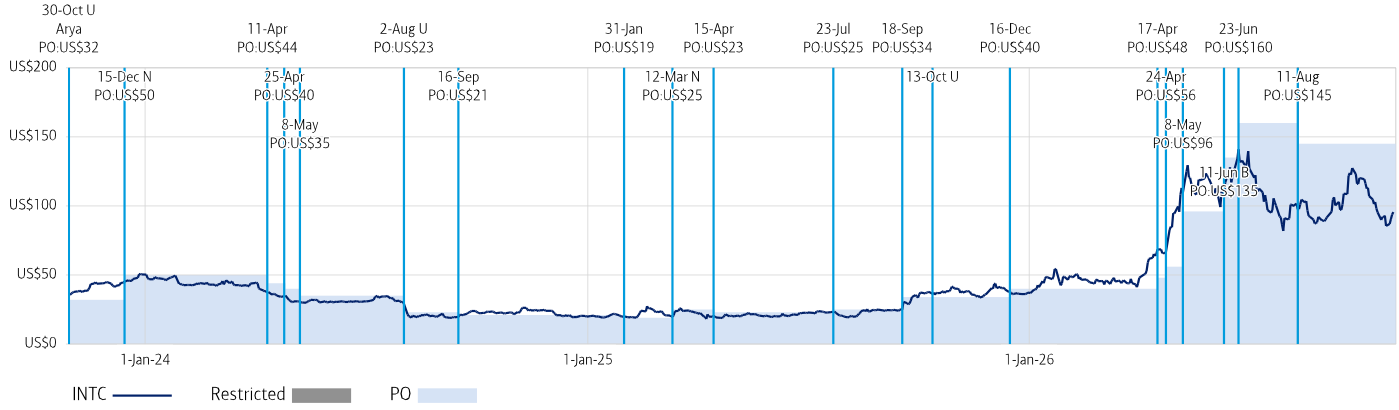
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Disclosures

Important Disclosures

Intel (INTC) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Technology Group (as of 30 Sep 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	255	62.04%	Buy	157	61.57%
Hold	82	19.95%	Hold	46	56.10%
Sell	74	18.00%	Sell	31	41.89%

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2026)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	2057	57.03%	Buy	1386	67.38%
Hold	806	22.35%	Hold	563	69.85%
Sell	744	20.63%	Sell	446	59.95%

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. VOLATILITY RISK RATINGS, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. INVESTMENT RATINGS reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster[R2]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R2] Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the Price Charts website, or call 1-800-MERRILL to have them mailed.
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BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Intel.
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