

Intel Corporation

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COMPANY PROFILE

Intel Corporation designs and manufactures semiconductor products, organized around three core segments: Client Computing Group (CCG), which makes processors for notebooks and desktops; Data Center and AI (DCAI), which supplies server and AI-related CPUs; and Intel Foundry, its internal and third-party chip manufacturing operation built around advanced process nodes such as 18A. Intel also holds a stake in Mobileye (autonomous-driving technology) and a retained 49% stake in Altera (programmable chips) following a 2025 partial divestiture. The company is in the middle of a major strategic transition, cutting costs and headcount while investing heavily to build Intel Foundry into an external contract manufacturer.

RECOMMENDATION

SELL

12-month horizon

CURRENT PRICE

109.84 USD

as of report date

TARGET PRICE

25.60 USD

12-month fundamental

IMPLIED UPSIDE

-76.7%

vs. current price

MARKET CAP

USD 552.1 bn

shares × price

ENTERPRISE VALUE

USD 642.8 bn

mcap + net debt

P/E 2026E

81.2×

EV/EBITDA 2026E

48.7×

FCF YIELD 2026E

-1.0%

DIVIDEND YIELD
2026E

1.0%

NET DEBT / EBITDA
2026E

2.7×

RESEARCH SNAPSHOT

The call, the math, and the three reasons why

02

A one-page summary of the recommendation and the evidence behind it; the following pages provide the detail.

RECOMMENDATION SELL 12-month horizon	TARGET PRICE 25.60 USD 12-month fundamental	CURRENT PRICE 109.84 USD as of report date	IMPLIED UPSIDE -76.7% vs. current price
MARKET CAP USD 552.1 bn shares × price	ENTERPRISE VALUE USD 642.8 bn mcap + net debt	P/E · EV/EBITDA 2026E 81.2x · 48.7x history + peers, see p. 18–19	FCF · DIV YIELD 2026E -1.0% · 1.0%



01 Foundry Cash Burn

Intel Foundry generated just \$200 million of external revenue against a \$9.2 billion operating loss in 2025, far short of the \$3.3 billion EBIT needed by 2029 to justify \$49.8 billion of allocated enterprise value.

-\$9.2B EBIT

02 Depreciation Front-Loading

Group EBIT swings from -\$23 million in 2025 to \$7.3 billion in 2026, then dips to -\$0.8 billion in 2027 as 18A depreciation front-loads, undermining the earnings base behind the target price.

-\$0.8B EBIT

03 Valuation Downside Risk

The weighted target price of USD 25.60 blends 22.0x EV/EBIT on \$4,783 million 2029e EBIT, and a bear case with unsigned external contracts pulls implied value toward just USD 6.62.

\$6.62

THESIS BREAKER

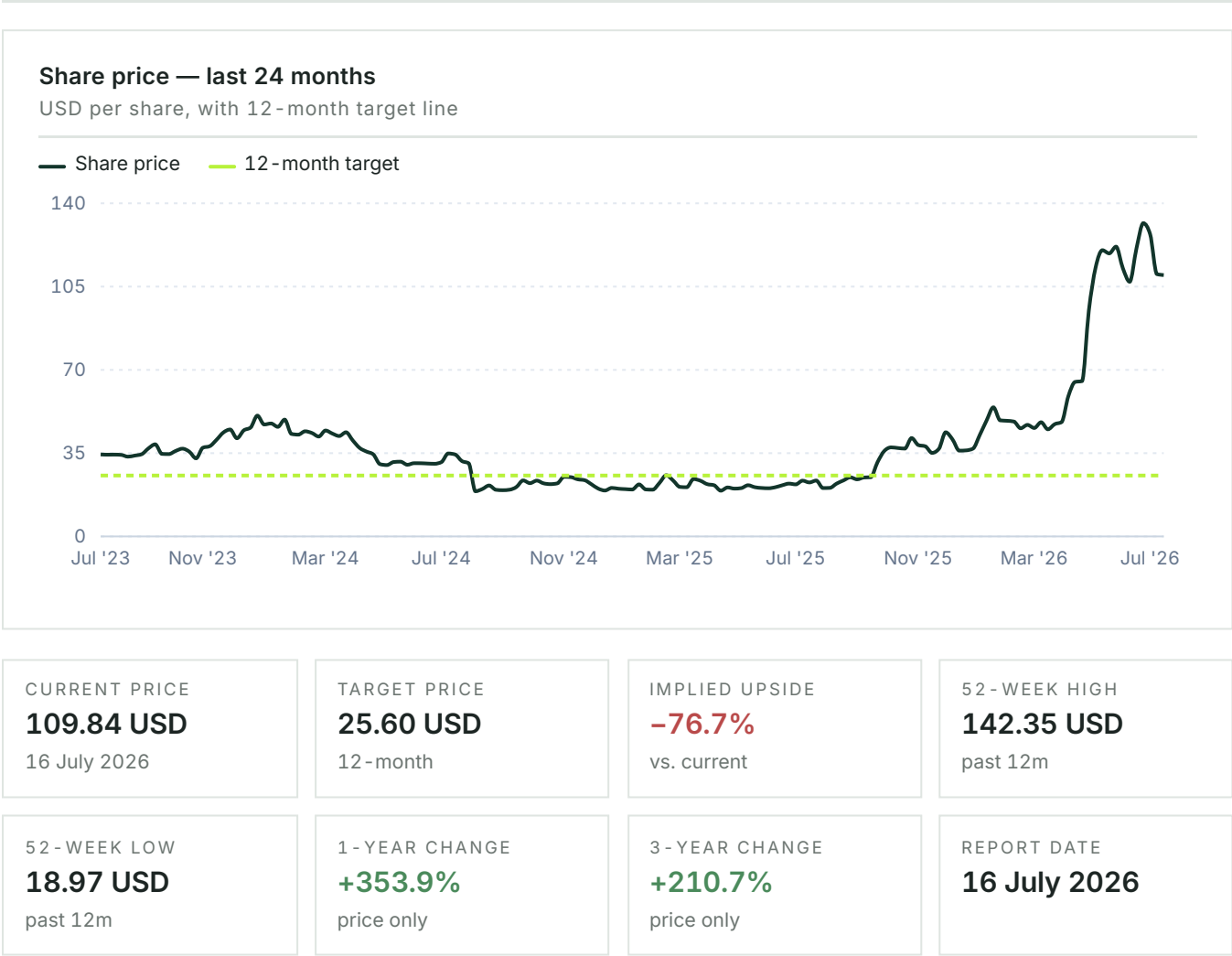
Binding, high-volume external customer commitments for the 18A node by late 2026.

SHARE PRICE DEVELOPMENT

Price trajectory and valuation anchors

03

Monthly closing prices over 24 months with the 12-month target price, alongside key market data.



VALUE BREAKDOWN · PART 1

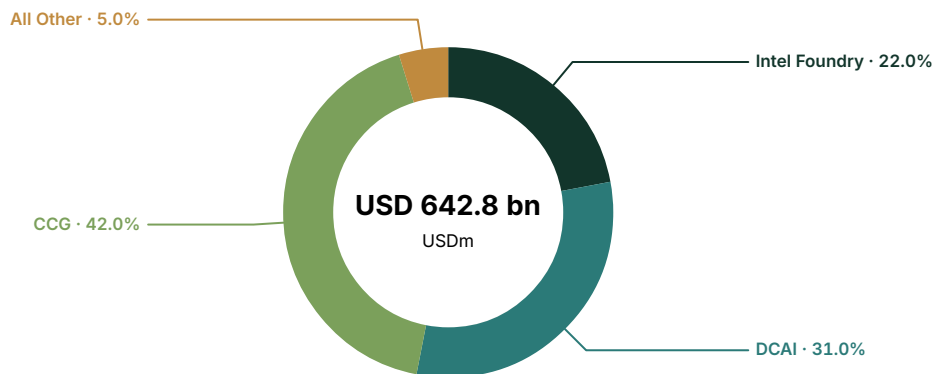
Enterprise - value allocation by segment

04

Each segment's contribution to group revenue, comparable EBIT and enterprise value.

Enterprise value by segment

USD millions · segment revenue/EBIT weights: FY2025A



SEGMENT ECONOMICS

Revenue and Comp. EBIT: FY2025A (source: Intel's FY2025 Form 10-K (segment note / MD&A tables) and the Q4/FY2025 earnings release). EV: current allocation.

	REVENUE	SHARE OF REVENUE / DIV.	COMP. EBIT	SHARE OF EBIT / DIV.	EV	EV %	ARCHETYPE
Intel Foundry	200	0.4%	-9,200	40000.0%	141,411	22.0%	Emerging option
DCAI	16,876	31.9%	3,414	-14843.5%	199,262	31.0%	Scaling
CCG	32,228	61.0%	9,317	-40508.7%	269,969	42.0%	Profit engine
All Other	3,549	6.7%	-150	652.2%	32,138	5.0%	Financial holding
Corporate	0	0.0%	-3,404	14800.0%	1	0.0%	Mixed
Total	52,853	100.0%	-23	100.0%	642,781	100.0%	

VALUE BREAKDOWN · PART 2

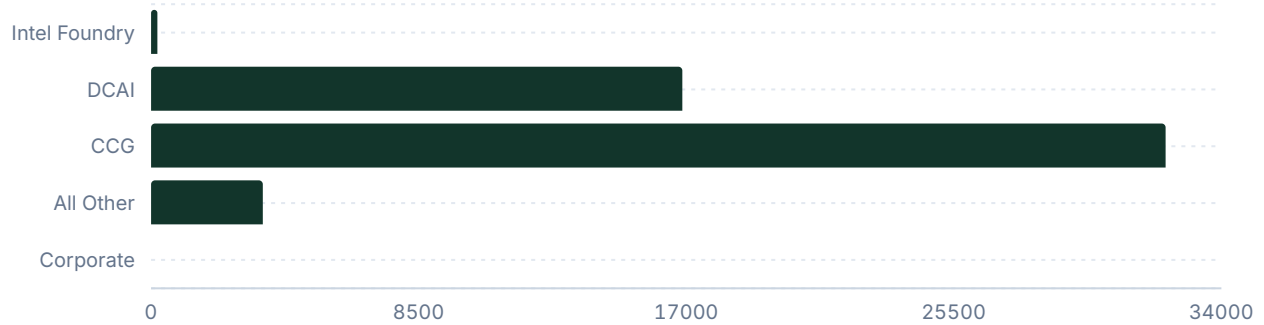
Net sales and EBIT by segment

05

Where the group's revenue and comparable EBIT originate, by segment.

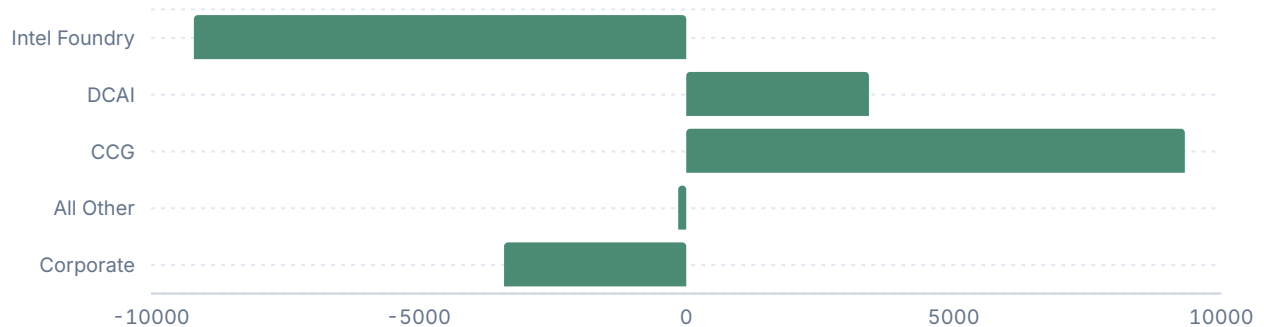
Net sales by segment

USD millions, FY2025A



Comparable EBIT by segment

USD millions, FY2025A



INTERPRETATION

Intel's \$226.7 billion enterprise value diverges sharply from current earnings: mature segments like CCG generate current profits at a low multiple, while the unprofitable Intel Foundry segment accounts for 22% of EV based entirely on future optionality and its asset base.

RECOMMENDATION

Why we land on the call we do

06

The rationale for the rating, the decision summary, and the three principal supporting arguments.

The single biggest swing factor for Intel's rating is whether Intel Foundry can turn its \$200 million of 2025 external revenue and \$9.2 billion operating loss into a viable merchant business earning roughly \$3.3 billion of EBIT by 2029 — the level needed to justify the \$49.8 billion (22% of the \$226.7 billion group EV) currently allocated to it. Without external wins for 18A, CCG's \$9.3 billion EBIT and DCAI's \$3.4 billion EBIT cannot offset Foundry's cash burn, and equity value keeps shifting toward the \$41.8 billion net-debt stack that already separates \$226.7 billion EV from \$175.8 billion equity value.

The three segments scale very differently. CCG: 61.0% of revenue (\$32.2B), 28.9% margin, \$9.3B EBIT, priced at just 10.2x EV/EBIT (\$95.2B EV, 42% of total) — no growth required, only defense against ARM/Qualcomm through 2027. DCAI: 31.9% of revenue (\$16.8B), 20.2% margin, \$3.4B EBIT, needs margin expansion to ~25% and \$4.6B EBIT by 2027-29 to support its \$70.2B EV (31%). Foundry: 0.4% of revenue (\$200M), -55% margin, -\$9.2B EBIT, must ship ~500-600k external wafers at \$20-25k each (\$12-15B revenue) at 25% margin to reach \$3.3B EBIT and back its \$49.8B EV (22%).

Group financials shift mechanically from the transition phase to normalization: net sales rise from \$52.9B (2025) to \$59.6B (2026) and \$62.2B (2029). The market is pricing a turnaround that current earnings do not yet support: the SOTP target price of \$25.60 sits roughly 77% below the \$109.84 quote, implying the market has already priced in far more Foundry optionality and DCAI durability than the 2029 estimates justify.

SELL

TARGET PRICE

25.60 USD

CURRENT PRICE

109.84 USD

IMPLIED UPSIDE

-76.7%

12-MONTH VIEW

Intel's severe transition risks and heavy cash burn overshadow its current earnings, pointing to significant downside as future external foundry volumes remain highly uncertain.

MAIN DRIVER

Intel Foundry external customer volume

MAIN RISK

Rapid adoption of 18A external wafers



01 Foundry Cash Burn

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\$6.62

CORE ANALYSIS · EXECUTIVE MAP

07

How the company creates economic value

The framework underlying the segment deep dives that follow.

Intel currently makes almost all of its money in the Client Computing Group (CCG), which generates 61.0% of external revenue and effectively subsidizes the rest of the enterprise. Alongside the Data Center and AI (DCAI) segment, these two operating units generated over \$12.7 billion in segment operating income in 2025. However, group enterprise value is structured very differently. The market is assigning a \$49.8 billion enterprise value to Intel Foundry, a segment that currently generates negligible external revenue and posted an estimated \$9.2 billion operating loss in 2025.

The company's \$226.7 billion consolidated enterprise value bridges to its \$175.8 billion equity market cap through \$41.8 billion of net debt and roughly \$9.1 billion of implied minority interests and other residual claims tied to recent subsidiary stake sales. This EV allocation relies heavily on indirect, model-based methods because Intel's structural transition distorts reported consolidated profit.

The link between EV and current economics is broken by design. The market is pricing CCG at a conservative multiple of current earnings, reflecting structural concerns about PC market maturity and alternative architectures. Conversely, it prices Intel Foundry purely as an emerging option backed by substantial physical assets and government subsidies. The key analytical question is whether Intel Foundry can realistically close its \$9 billion profitability gap through external volume.

ANALYTICAL ANCHOR

The market prices CCG as a declining cash cow, while assigning almost \$50 billion in option value to the unproven Intel Foundry.

08

Intel Foundry

Segment deep dive — Emerging option.

The market values Intel Foundry not for its current cash flow, which is deeply negative, but for its strategic position, its large physical asset base, and its long-term optionality. The U.S. government, along with strategic investors like SoftBank, Silver Lake, and Nvidia, have recently confirmed the strategic case for a U.S.-based leading-edge foundry alternative to Taiwan Semiconductor Manufacturing Company (TSMC). The \$49.8 billion allocated enterprise value reflects a heavily discounted expectation that Intel's "Five Nodes in Four Years" strategy, culminating in the 18A process node, will eventually capture material external wafer volume, absorb fixed costs, and turn the business into a profitable merchant foundry.

The global semiconductor foundry market exceeds \$100 billion annually and is currently dominated by TSMC at the leading edge. Demand for sub-3nm nodes is overwhelmingly driven by hyperscale data centers, AI accelerator designers, and premium mobile SoC developers. These customers are willing to pay significant premiums—TSMC's 2nm-class wafers are reportedly priced near \$30,000—but they require flawless yield, massive capacity, and a mature ecosystem of electronic design automation (EDA) tools and intellectual property (IP). Currently, TSMC's 2nm capacity is effectively sold out to Apple, Nvidia, and AMD through 2026. This creates a structural supply shortage that Intel Foundry is uniquely positioned to address.

Intel Foundry operates at a severe competitive disadvantage today but is trying to leapfrog into a duopoly position. TSMC is the clear leader, with unmatched scale, a mature Open Innovation Platform (OIP), and deep ties to the world's largest fabless designers. Samsung is competing on price but struggling with yields on its Gate-All-Around (GAA) architecture. Intel Foundry's moat rests entirely on its 18A process technology, which introduces backside power delivery (PowerVia) and RibbonFET transistors. If 18A delivers better performance-per-watt than TSMC's N2, Intel can break the monopoly.

Foundry economics are driven by capacity × utilization × wafer pricing – depreciation – operating costs. To be profitable, a leading-edge fab must run utilization above 85% to absorb heavy depreciation charges. If Intel can sell 18A wafers to external customers for \$20,000 to \$25,000 each, it would need to ship roughly 500,000 to 600,000 external wafers a year to generate \$10 to \$15 billion in external revenue. At a normalized foundry EBIT margin of 25%, this volume would yield approximately \$3.0 to \$3.7 billion in operating profit — enough to justify the \$49.8 billion enterprise value.

INTEL FOUNDRY FACT SHEET

EMERGING OPTION

FY2025A REVENUE
USD 200m

FY2025A COMP. EBIT
USD -9,200m

2025 EXTERNAL REVENUE
\$200M

OPERATING LOSS
-\$9.2B

VALUATION BASIS
Asset value / option model

CENTRAL QUESTION
Can 18A attract material external volume?

DCAI

08

Segment deep dive — Scaling.

The market values DCAI mainly for its exposure to the secular tailwind of enterprise and hyperscale data center investment. While Nvidia dominates the AI accelerator (GPU) market, CPUs remain critical for data center infrastructure, database management, and hybrid AI inference workloads. The \$70.2 billion EV allocation reflects confidence that Intel's 2025 margin recovery is durable and that its new Xeon 6 architecture (Granite Rapids and Clearwater Forest) will halt the market share losses suffered over the past five years to AMD.

The server CPU market is heavily consolidated, traditionally split between enterprise on-premise servers and hyperscale cloud providers (AWS, Google, Microsoft). Historically, Intel held over 90% market share. Today, demand is bifurcating. Hyperscalers are increasingly designing their own custom ARM-based silicon for internal workloads to lower power consumption, while allocating their capital expenditure budgets to Nvidia GPUs. However, traditional enterprise data centers, which prioritize software compatibility and ecosystem stability, remain heavily reliant on x86 architectures, providing a strong baseline of demand for high-core-count processors capable of AI inference.

Intel's moat in the data center has eroded significantly but remains supported by deep enterprise OEM relationships and a large installed base. AMD's EPYC architecture has proven superior in density and power efficiency, letting AMD capture 27.8% of the market by late 2025. Intel's response is the Xeon 6 lineup, which splits the architecture into P-cores (performance) and E-cores (efficiency) to match AMD's density. If Xeon 6 matches AMD's Turin processors on performance-per-watt, Intel can stabilize its share around 60%.

Data center economics are driven by processor unit volume × Average Selling Price (ASP) × operating margin. Enterprise CPUs are highly profitable, often carrying gross margins well above 50%. However, aggressive pricing action required to defend market share against AMD has pressured Intel's historical profitability. To justify its EV, DCAI must maintain its recently recovered 20.2% operating margin on a stable revenue base. Moving from \$3.4 billion to \$4.6 billion in required EBIT represents achievable margin expansion back toward 25%.

DCAI FACT SHEET

SCALING

FY2025A REVENUE

USD 16,876m

FY2025A COMP. EBIT

USD 3,414m

2025 MARGIN

20.2%

MARKET SHARE

~60-65% server unit share

VALUATION BASIS

Indirect (revenue multiple)

CENTRAL QUESTION

Is the 2025 margin recovery durable?

CCG

08

Segment deep dive — Profit engine.

The market values CCG as a mature, cash-generative engine. The \$95.2 billion EV implies a multiple of just 10.2x 2025 EBIT. This below-market multiple indicates that investors view CCG as a slow-growth or potentially declining business, pricing in terminal risk from alternative PC architectures. Nonetheless, CCG is the financial bedrock of the company; its \$9.3 billion in operating profit is the sole reason Intel can service its debt and fund the Foundry build-out.

The global PC market (desktops and notebooks) is a mature, cyclical industry typically moving in high-single-digit volume ranges annually. Following a severe post-pandemic inventory correction, the market normalized in 2024 and 2025. The current demand catalyst is the "AI PC" upgrade cycle, which integrates Neural Processing Units (NPUs) directly into the silicon to handle local AI tasks. This drives ASPs higher but does not necessarily expand the total number of units shipped.

Intel remains the largest PC processor supplier by volume, with a commanding share of enterprise fleets. But its position is under serious pressure. Apple removed Intel entirely from its Mac lineup in favor of its own ARM-based silicon. More recently, Qualcomm has introduced capable ARM-based processors for Windows laptops, threatening Intel's position in premium notebooks by offering better battery life. AMD also remains a persistent threat in both the desktop and mobile markets.

CCG economics depend on unit volume × ASP × gross margin. The business is highly sensitive to factory utilization. Because Intel manufactures most of its PC chips internally, any drop in CCG unit volume causes underutilization in the fab, destroying gross margins. Therefore, defending market share is economically more important than maximizing ASP. To justify its \$95.2 billion EV, CCG simply needs to defend its current \$9.3 billion EBIT. The primary objective is to arrest margin decay.

CCG FACT SHEET

PROFIT ENGINE

FY2025A REVENUE

USD 32,228m

FY2025A COMP. EBIT

USD 9,317m

2025 MARGIN

28.9%

IMPLIED MULTIPLE

10.2x EBIT

VALUATION BASIS

Indirect (revenue multiple)

CENTRAL QUESTION

Can it defend 28.9% margins against ARM/AMD?

CORE ANALYSIS · SEGMENT DEEP DIVES

08

Smaller segments — grouped deep dives

Segments that don't warrant a full deep dive — a short fact strip each.

All Other

Financial holding — FY2025A revenue: USD 3,549m · FY2025A comp. EBIT: USD -150m · Key Assets: Altera, Mobileye, IMS · Valuation Basis: Transaction anchor + residual · Central Question: Is the retained stake realizable?

Corporate

Mixed — FY2025A revenue: USD 0m · FY2025A comp. EBIT: USD -3,404m · Valuation Basis: Not valued (cost center) · Central Question: Will unallocated restructuring normalize?

CORE ANALYSIS · CROSS-SEGMENT BRIDGE

Putting the segments back together

09

How the segment valuations aggregate to the group, and the re-rating the target price requires.

The forecast bridge moves mechanically from heavy restructuring and capital spend toward operational normalization. The jump from near-zero EBIT in 2025 to \$7.3 billion in 2026 rests on the current businesses: CCG holding its \$9 billion baseline while DCAI margins expand. It also relies heavily on the assumption that the \$3.4 billion of unallocated corporate drag fades away.

The long-term bridge to 2029, however, depends on future optionality in Intel Foundry. Free cash flow stays deeply negative through 2026 because the capital expenditure needed to finish the 18A fab network (\$20.4 billion in 2026) outstrips the combined operating cash flow of CCG and DCAI.

The bridge's weakest link is its free cash flow assumptions for the outer years. If Foundry fails to win external revenue to absorb depreciation, operating cash flow won't cover maintenance capex, pushing net debt structurally higher than the forecasted \$38.9 billion. For the forecast to hold, the capital absorption phase must conclude by 2027, moving the fabs into cash-generative volume production.

BRIDGE MECHANICS

Free cash flow remains deeply negative through 2026 as gross capital expenditures outstrip the combined operating cash flow of CCG and DCAI.

The valuation splits into two distinct groups. Under this allocation, roughly 73% of enterprise value (\$165.4 billion combined for CCG and DCAI) is supported by current and near-term recovering earnings. The remaining 27% (\$61.2 billion for Foundry and All Other) rests entirely on future optionality, strategic asset value, and transaction-anchored financial stakes.

The \$226.7 billion enterprise value bridges to the \$175.8 billion equity market cap mainly through the deduction of \$41.8 billion of net debt. This debt burden signals real risk for equity holders: because the company is running severe free cash flow deficits to fund the Foundry transition, enterprise value is shifting away from equity toward debt holders.

Every billion dollars spent on underutilized fabs destroys equity value if it is not eventually matched by external wafer sales.

The implied economics require that CCG does not experience structural margin collapse, and that Intel Foundry ultimately generates mid-single-digit billions in operating profit. The most fragile valuation assumption is that the market will permanently assign nearly \$50 billion in option value to the Foundry assets while absorbing \$9 billion annual losses.

The valuation holds up only because U.S. sovereign interest and major strategic partners provide a quasi-floor under the manufacturing assets — even in a failure scenario, the physical fabs would likely retain meaningful transaction value.

CORE ANALYSIS · SCENARIOS & VERDICT

10

Scenario logic and the bottom-line judgment

How the conclusion changes under less favourable scenarios.

The scenarios differ solely on the outcome of Intel Foundry's 18A node adoption and its effect on net debt. The largest valuation swing sits entirely within the Foundry segment.

In the downside scenario, if Intel fails to secure material external customers, the \$49.8 billion allocated to Foundry disappears. The failure to absorb fab capacity costs also crushes consolidated EBITDA, forcing the company to fund maintenance capex with more debt. This double penalty — falling EV and rising debt — severely compresses residual equity value.

Upside depends on 18A outperforming TSMC's N2, triggering a wave of hyperscaler manufacturing contracts. This would not only validate the Foundry EV but turn free cash flow positive, letting the company pay down the \$41.8 billion net debt quickly and drive a rapid expansion in equity value.

BOTTOM LINE

The central investment debate for Intel is whether it is a broken manufacturer running a structurally declining product business, or a strategically indispensable U.S. sovereign asset on the verge of a manufacturing turnaround. CCG is the largest segment and generates the cash the company needs, but Intel Foundry is the segment that matters most for the valuation trajectory. The equity thesis lives or dies on the viability of the 18A process node.

FINANCIAL BRIDGE · PART 1

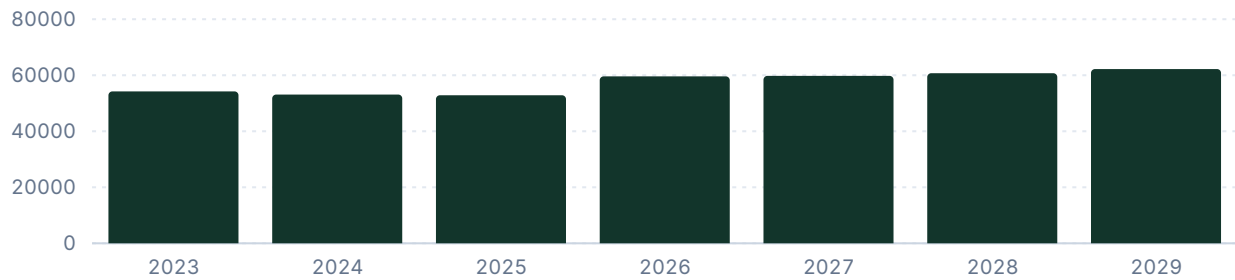
Net sales, EBITDA / EBIT, EBIT margin

14

Group-level trajectory for sales, earnings and margin; shaded bands mark forecast periods.

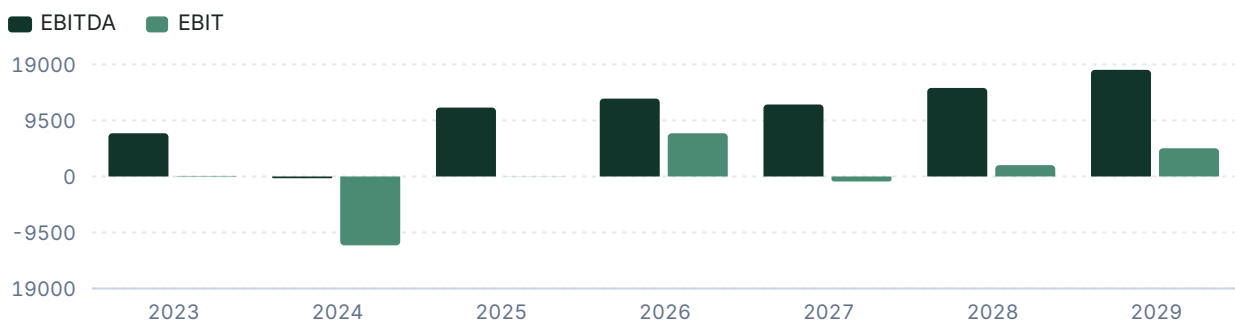
Net sales

USD millions



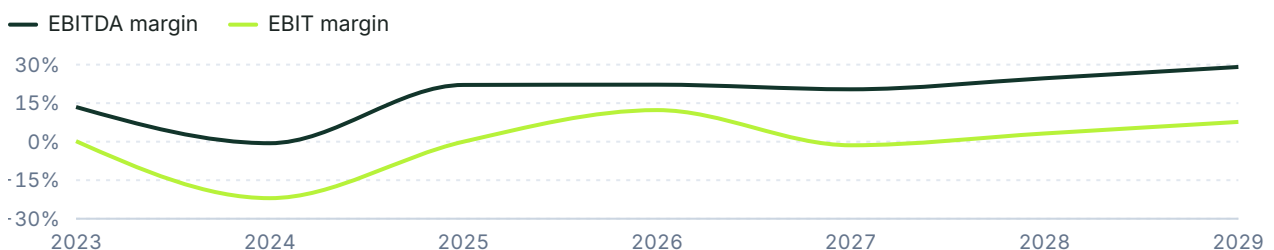
EBITDA & EBIT

USD millions



EBIT and EBITDA margin

% of net sales



FINANCIAL BRIDGE · PART 2

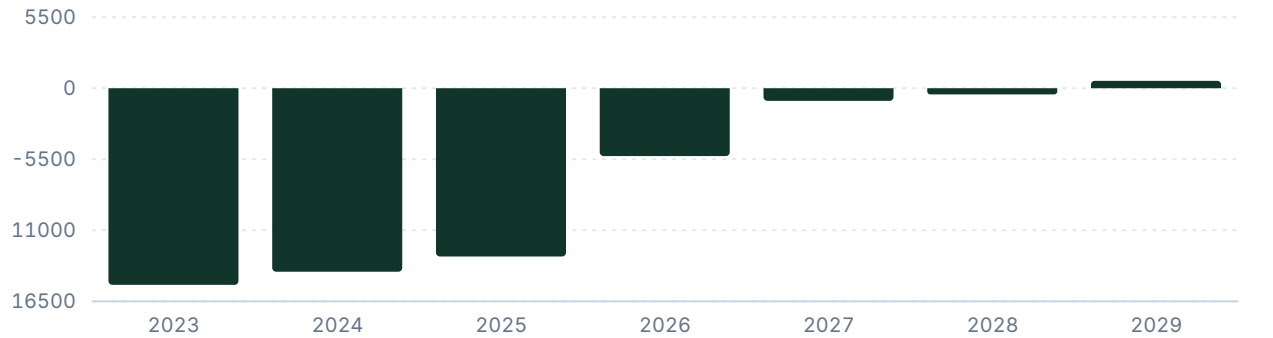
Free cash flow, leverage, and key financials

15

Cash generation and balance-sheet capacity.

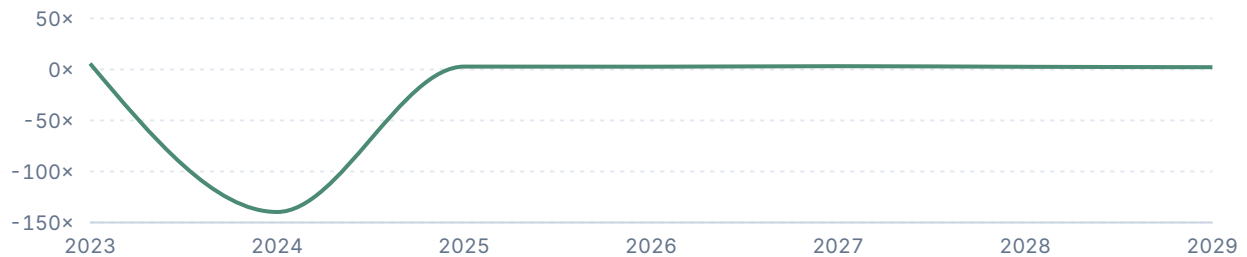
Free cash flow

USD millions



Net debt / EBITDA

Ratio



KEY FINANCIALS

	2025	2026	2027	2028	2029
Net Sales	52,853	59,600	59,775	60,722	62,202
EBITDA	11,683	13,205	12,205	15,014	18,082
Comparable EBIT	-23	7,327	-849	1,922	4,783
Net Earnings	26	6,566	1,731	3,787	5,975
EPS (USD)	0	1.4	0.4	0.8	1.2
DPS (USD)	0	1.1	0.3	0.6	1

VALUATION

Target price derivation

16

The rationale for the chosen valuation method and multiple, with the company's historical multiples.

The Sum-of-the-Parts (SOTP) approach using EV/EBIT on normalized 2029 estimates was selected as the primary valuation method because Intel's mature client computing segment demands an earnings-based multiple, while its foundry business acts as a highly capital-intensive, asset-backed option that distorts near-term consolidated metrics. Intel's selected fair multiple of 22.0x EV/EBIT reflects a premium to the peer median of 17.7x to account for the strategic optionality of its leading-edge foundry nodes, but represents a conservative discount to its own historical average of 27.55x as the company navigates elevated turnaround risks. EV/EBITDA is used as a supporting method (weighted at 32%) with a 16.0x multiple to capture cash generation potential before the heavy depreciation load of new fabs is applied. The XY scatter signal comparing ROE to P/BV implies a severely discounted \$26.10 share price and is included at a 20% weight, directly reflecting the market's punishment of asset-heavy businesses with currently depressed returns. The main valuation risk is that Intel's massive investments in the 18A node fail to attract sufficient external foundry volume, leaving the company with stranded depreciation costs and pushing fair multiples structurally lower.

HISTORICAL AND FORECAST MULTIPLES

METRIC	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	NORM. AVG	SELECTED FAIR MULTIPLE
P/E	9.46x	10.48x	13.54x	125.70x	-4.52x	6761.05x	81.36x	305.11x	140.82x	11.16x	
EV/EBIT	9.64x	12.42x	60.60x	2811.51x	-11.45x	-9855.96x	80.20x	-696.67x	307.48x	27.55x	22.0x
EV/EBITDA	6.35x	7.73x	9.20x	35.68x	-447.12x	19.40x	44.50x	48.46x	39.36x	7.76x	16.0x
P/FCF	18.88x	292.93x	-35.41x	-13.83x	-6.11x	-13.49x	-105.07x	-563.90x	-1154.93x	155.90x	
P/BV	2.44x	2.18x	1.07x	1.99x	0.88x	1.54x	4.15x	4.27x	4.19x	1.68x	
P/S	2.54x	2.64x	1.72x	3.88x	1.64x	3.33x	9.26x	9.24x	9.09x	2.62x	
EV/Sales	2.93x	3.06x	2.24x	4.82x	2.52x	4.29x	9.86x	9.89x	9.73x	3.31x	
Dividend yield	2.8%	2.7%	5.5%	1.5%	1.8%	n/a	1.0%	0.3%	0.5%	2.2%	

VALUATION

Peers and target price bridge

17

Validated peer multiples, each method's implied price and weight, and the sensitivity of the target.

PEER COMPARISON										
COMPANY	COUNTRY	MKT CAP	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV	EBIT MARGIN	ROE	DIV YIELD
Taiwan Semiconductor Manufacturing Company Limited (TSM)	Taiwan	1176.2 TWDbn	n/a	n/a	n/a	n/a	n/a	43.1%	24.1%	n/a
Samsung Electronics Co., Ltd. (005930)	South Korea	342.1 KRWbn	n/a	n/a	n/a	n/a	n/a	12.4%	11.5%	n/a
GLOBALFOUNDRIES Inc. (GFS)	United States	38.1 USDbn	-198.3x	-120.2x	16.2x	15.0x	3.6x	-1.1%	-1.8%	n/a
Advanced Micro Devices, Inc. (AMD)	United States	909.7 USDbn	119.9x	67.0x	62.1x	41.6x	12.8x	28.0%	11.3%	n/a
NVIDIA Corporation (NVDA)	United States	4071.6 USDbn	38.0x	19.4x	34.2x	15.4x	29.0x	60.4%	101.5%	0.0%
QUALCOMM Incorporated (QCOM)	United States	202.6 USDbn	22.9x	22.1x	11.7x	12.4x	7.7x	33.1%	38.0%	2.5%
Marvell Technology, Inc. (MRVL)	United States	163.6 USDbn	25.4x	143.7x	26.5x	102.6x	4.7x	16.3%	19.3%	0.1%
Micron Technology, Inc. (MU)	United States	1082.1 USDbn	740.7x	517.8x	103.7x	85.9x	22.7x	8.4%	3.1%	n/a
Mobileye Global Inc. (MBLY)	United States	7.7 USDbn	-13.2x	-19.2x	-19.6x	-45.8x	0.7x	-57.9%	-5.4%	n/a
Peer median			22.9x	10.1x	21.4x	15.2x	2.2x	22.1%	15.4%	0.1%
Peer average			17.4x	10.5x	22.2x	21.1x	2.8x	23.6%	17.9%	0.1%

TARGET PRICE BRIDGE					
METHOD	FORECAST METRIC	METRIC VALUE	SELECTED MULTIPLE	IMPLIED PRICE	WEIGHT
EV/EBIT	2029e EBIT	4,783	22.0x	10.81 USD	48%
EV/EBITDA	2029e EBITDA	18,082	16.0x	47.44 USD	32%
XY scatter (ROE/P/BV)	Average forecast BVPS	23.7	1.1x	26.10 USD	20%
Weighted target price				25.6 USD	100%

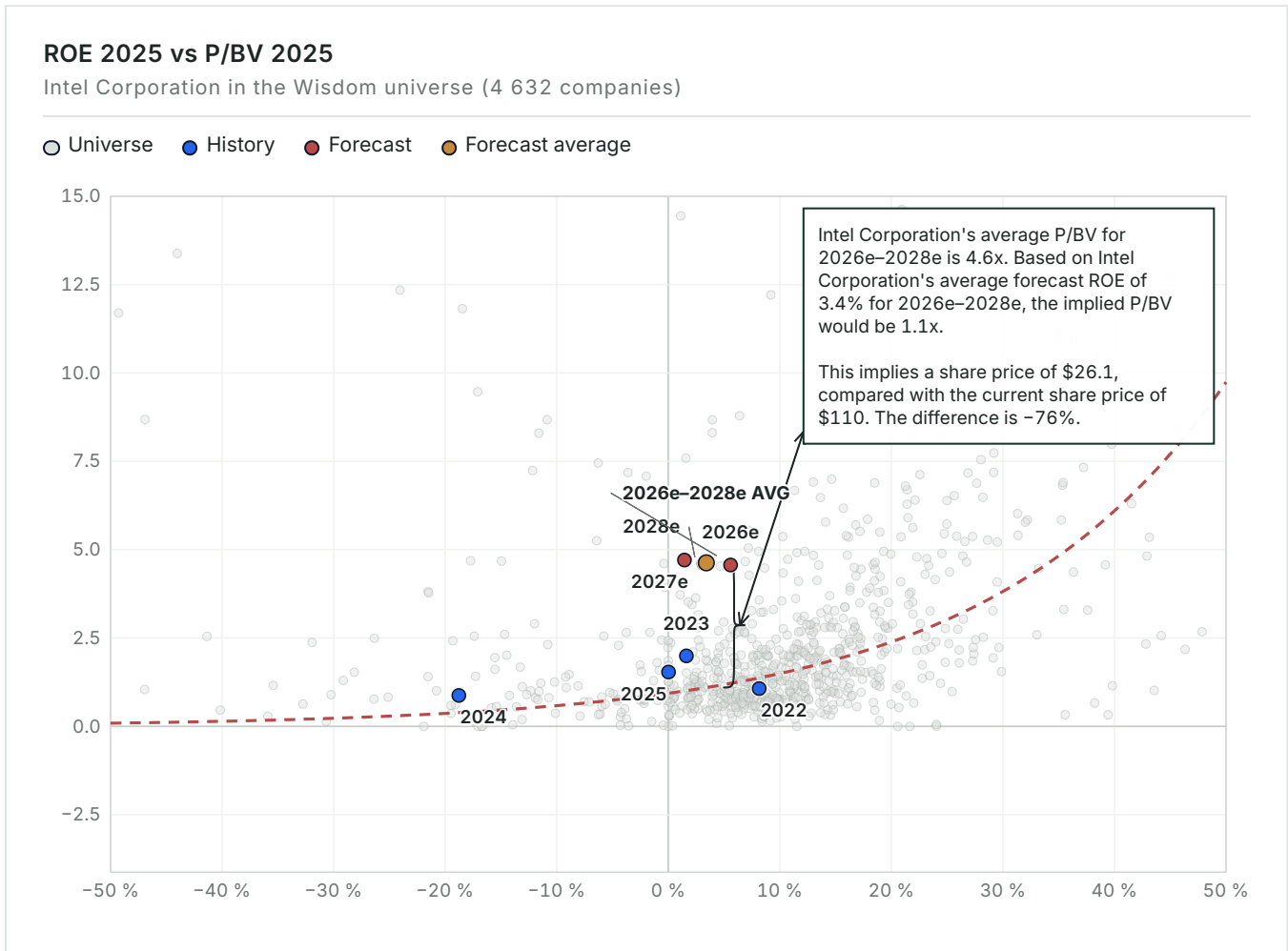
SENSITIVITY — IMPLIED SHARE PRICE			
2029E EBIT (USDM)	MULTIPLE 21.0X	MULTIPLE 22.0X (BASE)	MULTIPLE 23.0X
3,826 (-20%)	5.86	6.62	7.38
4,305 (-10%)	7.86	8.72	9.57
4,783 (Base)	9.86	10.81	11.76
5,261 (+10%)	11.85	12.90	13.95
5,740 (+20%)	13.86	15.00	16.14

VALUATION MAP

ROE vs P/BV — pricing versus profitability

18

The whole Wisdom universe as context: how the market prices profitability on average, and what the company's forecast position would imply for the share price.



Intel's forecast average for 2026–2028 places it well above the market universe curve: its projected 3.4% ROE is valued at a 4.6x P/BV, though the curve suggests a multiple of only 1.1x for that level of profitability. This indicates the stock is significantly overvalued relative to how the broader market typically relates returns to valuation. As a result, the curve-implied share price of USD 26.1 represents a 76% downside versus the current price of USD 109.8.

MULTIPLES & SENSITIVITY

Forward multiples and EBITDA × multiple grid

19

How the implied valuation responds to changes in EBITDA and the applied multiple.

FORWARD MULTIPLES	
	2026
P/E	81.2×
EV/EBITDA	48.7×
EV/EBIT	87.7×
P/FCF	-101.5×
P/BV	4.6×
Dividend Yield	1.0%
Net Debt / EBITDA	2.7×

EBITDA × EV/EBITDA sensitivity						
EBITDA EV/EBITDA →	12.0×	14.0×	16.0×	18.0×	20.0×	
-20% USD 10,564m	USD 126,768m USD 18.80 / sh	USD 147,896m USD 23.00 / sh	USD 169,024m USD 27.20 / sh	USD 190,152m USD 31.40 / sh	USD 211,280m USD 35.60 / sh	
-10% USD 11,885m	USD 142,620m USD 21.90 / sh	USD 166,390m USD 26.70 / sh	USD 190,160m USD 31.40 / sh	USD 213,930m USD 36.10 / sh	USD 237,700m USD 40.90 / sh	
Base USD 13,205m	USD 158,460m USD 25.10 / sh	USD 184,870m USD 30.40 / sh	USD 211,280m USD 35.60 / sh	USD 237,690m USD 40.90 / sh	USD 264,100m USD 46.10 / sh	
+10% USD 14,526m	USD 174,312m USD 28.30 / sh	USD 203,364m USD 34.00 / sh	USD 232,416m USD 39.80 / sh	USD 261,468m USD 45.60 / sh	USD 290,520m USD 51.40 / sh	
+20% USD 15,846m	USD 190,152m USD 31.40 / sh	USD 221,844m USD 37.70 / sh	USD 253,536m USD 44.00 / sh	USD 285,228m USD 50.30 / sh	USD 316,920m USD 56.60 / sh	

SCENARIO VALUATION

Bear / Base / Bull bridge

20

Revenue, EBITDA, multiple, EV, equity, value-per-share and upside in each scenario.

SCENARIO BRIDGE

	REVENUE	EBITDA	MARGIN	MULTIPLE	EV	EQUITY	VALUE / SHARE	UPSIDE
Bear	60,000	12,000	20.0%	11.7×	140,040	107,720	USD 21.43	-80.5%
Base	62,202	18,082	29.1%	12.4×	224,940	192,620	USD 38.32	-65.1%
Bull	70,000	22,000	31.4%	13.6×	300,080	267,760	USD 53.27	-51.5%

KEY CONDITIONS

The scenarios differ strictly based on the outcome of Intel Foundry's 18A node adoption and the corresponding impact on net debt. The base and bull cases assume successful conversion of unproven technology into viable external demand and subsequent deleveraging, whereas the bear case assumes failure to absorb fab capacity costs, driving EV compression and escalating debt.

THESIS BREAKER

Binding, high-volume external customer commitments for the 18A node by late 2026.

CATALYSTS

Monitoring checklist

21

Near-, medium- and long-term events that could change the recommendation.

CATALYST REGISTER				
	TIMING	SEGMENT	INDICATOR	VALUATION IMPACT
18A External Customer Wins	NEAR-TERM	Intel Foundry	Binding volume agreements with MSFT, AWS, or Apple	Validates \$49.8B Foundry valuation
Xeon 6 Server Deployment	NEAR-TERM	DCAI	Quarterly data center market share vs AMD Turin	Margin expansion back toward 25%
ARM PC Penetration	MEDIUM-TERM	CCG	Qualcomm/Apple premium laptop unit volume	Defends current \$9.3B EBIT run-rate
Altera / Mobileye Monetization	MEDIUM-TERM	All Other	IPO filing or outright sale of remaining stakes	Debt paydown unlocking residual equity
READ - THROUGH The most critical catalyst is the announcement of high-volume external customers for the 18A process node. This matters most because it would validate the \$49.8 billion Foundry valuation. The easiest metric to track is DCAI's quarterly operating margin through 2026; if margins stall below 20%, it signals AMD is forcing Intel into margin-destroying price wars. The catalyst most likely to be misread is monetization of the remaining Altera stake. Selling the stake would generate cash to pay down debt, but it would not fix the operating economics of the core business.				

RISKS

Risk register

22

Each risk's segment, mechanism, early-warning trigger, impact band and structural type.

RISK REGISTER					
	SEGMENT	MECHANISM	EARLY WARNING	IMPACT	TYPE
Foundry Volume Failure	Intel Foundry	Inability to absorb depreciation destroys group FCF.	18A yields uncompetitive	HIGH	THESIS BREAKER
x86 Architecture Decline	CCG & DCAI	ARM-based custom silicon permanently shrinks addressable market.	Hyperscaler custom silicon shift	HIGH	STRUCTURAL
Capex Debt Trap	Group Equity	Extended negative FCF transfers value from equity to debt holders.	Maintenance capex exceeding internal OCF	HIGH	STRUCTURAL
Pricing War with AMD	DCAI	Margin compression required to defend server unit share.	DCAI margins stalling below 20%	MEDIUM	MANAGEABLE
READ - THROUGH The most thesis-breaking risk is a volume failure at Intel Foundry. If 18A yields are uncompetitive, the fabs will sit empty while depreciating rapidly, burning billions in cash annually and pushing net debt higher. This risk spreads across segments: if Foundry fails to win external customers, CCG and DCAI must absorb the full cost of the fab network, crushing their operating margins too. The structural risk to x86 from ARM is already partly priced into CCG's low 10x EV/EBIT multiple. However, the market may underestimate how quickly cloud hyperscalers can shift away from x86 for their internal workloads. Early warning signs include TSMC's quarterly commentary on 2nm capacity utilization and AMD's data center revenue growth; consistent outperformance by these peers points directly to Intel failing to stabilize its market position.					

23

APPENDIX

Income statement

INCOME STATEMENT — USD MILLIONS						
	2023	2024	2025	2026 E	2027 E	2028 E
Net Sales	54,228	53,101	52,853	59,600	59,775	60,722
EBITDA	7,329	-299	11,683	13,205	12,205	15,014
EBITDA margin	13.5%	-0.6%	22.1%	22.2%	20.4%	24.7%
Depreciation	-7,236	-11,379	-11,706	-5,878	-13,053	-13,091
Operating Profit (EBIT)	93	-11,678	-23	7,327	-849	1,922
EBIT margin	0.2%	-22.0%	-0.0%	12.3%	-1.4%	3.2%
Net financial items	669	468	1,580	3,274	3,188	3,195
Pre-tax Profit	762	-11,210	1,557	10,601	2,339	5,118
Net Earnings	1,675	-19,233	26	6,566	1,731	3,787
PER SHARE						
EPS	0.4	-4.5	0	1.4	0.4	0.8
DPS	0.7	0.4	0	1.1	0.3	0.6
Payout ratio	185.1%	-8.3%	—	80.0%	80.0%	80.0%

E = Valuatum estimate (not yet actualised)

24

APPENDIX

Balance sheet

BALANCE SHEET — USD MILLIONS						
	2023	2024	2025	2026 E	2027 E	2028 E
ASSETS						
Tangible assets	97,152	107,919	105,414	119,660	120,012	121,913
Intangibles	4,589	3,691	2,772	3,126	3,135	3,185
Goodwill	27,591	24,693	23,912	23,912	23,912	23,912
Non-current assets	148,303	149,161	147,741	162,341	162,702	164,653
Inventories	11,127	12,198	11,618	13,308	13,347	13,558
Receivables	25,063	26,877	37,805	38,146	38,158	38,225
Cash & equivalents	7,079	8,249	14,265	13,696	13,737	13,954
Current assets	43,269	47,324	63,688	65,150	65,242	65,737
Total Assets	191,572	196,485	211,429	227,491	227,943	230,390
EQUITY & LIABILITIES						
Equity	109,965	105,032	126,360	132,926	129,404	131,807
Long-term debt	46,978	46,282	44,086	24,621	26,578	26,436
Short-term debt	2,300	3,729	2,499	24,621	26,578	26,436
Long-term liabilities	53,554	55,787	53,494	34,029	35,986	35,844
Current liabilities	28,053	35,666	31,575	60,536	62,553	62,740
Total liabilities & equity	191,572	196,485	211,429	227,491	227,943	230,390
CAPITAL STRUCTURE & RATIOS						
Net debt	42,199	41,762	32,320	35,546	39,419	38,917
Capital invested	152,164	146,794	158,680	168,472	168,823	170,723
Equity ratio	57.4%	53.5%	59.8%	58.4%	56.8%	57.2%
Gearing	38.4%	39.8%	25.6%	26.7%	30.5%	29.5%
Net debt / EBITDA	5.8×	-139.7×	2.8×	2.7×	3.2×	2.6×
Current ratio	1.5	1.3	2	1.1	1	1.1

E = Valuatum estimate (not yet actualised)

25

APPENDIX

Cash flow

CASH FLOW — USD MILLIONS						
	2023	2024	2025	2026 E	2027 E	2028 E
OPERATIONS						
CF from operations	11,515	-4,555	-1,477	17,253	14,794	16,930
Operating cash flow	14,268	-4,901	-2,646	15,225	12,435	14,565
Change in working capital	-994	-3,299	13,209	-4,808	-9	-51
INVESTING & FREE CASH						
Gross capex	27,293	12,237	10,286	20,478	13,413	15,043
Capex (ex. M&A)	-27,293	-12,237	-10,286	-20,478	-13,413	-15,043
Free Operating Cash Flow	-15,225	-14,209	-13,029	-5,254	-979	-478
Free cash flow to firm	-15,225	-14,209	-13,029	-5,254	-979	-478
FINANCING						
CF from financing	10,075	17,962	17,779	2,657	-1,340	-1,669
Dividends paid	-5,998	-3,101	-1,605	—	-5,253	-1,385
Net change in cash	-5,703	1,170	6,016	-569	40	218

E = Valuatum estimate (not yet actualised)

26

APPENDIX

Quarterly snapshot

HISTORICAL QUARTERS — LAST TWO COMPLETED YEARS, USD MILLIONS								
	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25
Net Sales	12,724	12,833	13,284	14,260	12,667	12,859	13,653	13,674
EBITDA	1,482	605	-5,445	3,059	2,373	-163	3,675	3,577
EBITDA margin	11.6%	4.7%	-41.0%	21.5%	18.7%	-1.3%	26.9%	26.2%
Comparable EBIT	-1,069	-1,964	-9,057	412	-301	-3,176	683	550
EBIT margin	-8.4%	-15.3%	-68.2%	2.9%	-2.4%	-24.7%	5.0%	4.0%
Net Earnings	-437	-1,654	-16,989	-153	-887	-3,024	4,270	-333
EPS	-0.1	-0.4	-4	-0	-0.2	-0.6	0.9	-0.1

CURRENT YEAR — QUARTERLY, USD MILLIONS				
	Q1/26	Q2/26 E	Q3/26 E	Q4/26 E
Net Sales	13,577	14,400	15,901	15,722
EBITDA	0	3,600	7,876	7,748
EBITDA margin	—	25.0%	49.5%	49.3%
Comparable EBIT	-3,136	858	4,884	4,721
EBIT margin	-23.1%	6.0%	30.7%	30.0%
Net Earnings	-4,281	1,020	6,494	3,337
EPS	-0.9	0.2	1.3	0.7

E = Valuatum estimate (not yet actualised)

27

SOURCES & DISCLAIMER

Sources, assumptions, and standard disclaimer

SOURCES REGISTER			
	VALUE	CATEGORY	USED IN
Current Stock Price (\$109.84)	\$109.84	MARKET DATA	Cover Page, Valuation Setup
Enterprise Value (\$226,687M)	\$226,687M	COMPANY VALUE MAP	Pages 2 & 18
FY2025 Revenue (\$52,853M)	\$52,853M	FINANCIAL SNAPSHOT	Income Statement, Value Pools
2029e EBITDA (\$18,082M)	\$18,082M	GENERATED ESTIMATE	Valuation Bridge, Scenarios
2029e EBIT (\$4,783M)	\$4,783M	GENERATED ESTIMATE	SOTP Target Price
Consensus 2026 EBIT (\$7,327M)	\$7,327M	CONSENSUS ESTIMATES	Estimates Comparison
Target Price (\$25.60)	\$25.60	MODEL OUTPUT	Recommendation, Page 6
Net Debt (\$41,762M)	\$41,762M	FINANCIAL SNAPSHOT	Enterprise Value to Equity Bridge
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