

Intel Corporation (INTC)

\$40.01 (Stock Price as of 12/01/2025)

Price Target (6-12 Months): **\$45.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 07/21/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: C

Value: D

Growth: B

Momentum: A

Summary

Direct funding from the U.S. Department of Commerce for Intel's commercial semiconductor manufacturing projects will likely pave the way for innovation and growth. Its effort to optimize the portfolio with strategic divestiture is positive. Intel is undertaking various strategic decisions to gain a firmer footing in the expansive AI sector. The Intel Core Ultra features a neural processing unit that enables power-efficient AI acceleration, with 2.5 times better power efficiency than the previous generation. Increasing complex AI workloads in data centers are driving demand for Intel Xeon 6 processors. However, the intensifying competition from AMD in the commercial PC market is hindering growth. High debt levels remain a concern. Growing U.S.-China geopolitical tensions are likely to impact operations as it has an extensive presence in China.

Data Overview

52 Week High-Low	\$43.34 - \$17.67
20 Day Average Volume (sh)	74,845,864
Market Cap	\$191.1 B
YTD Price Change	99.6%
Beta	1.34
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Semiconductor - General
Zacks Industry Rank	Top 15% (36 out of 243)

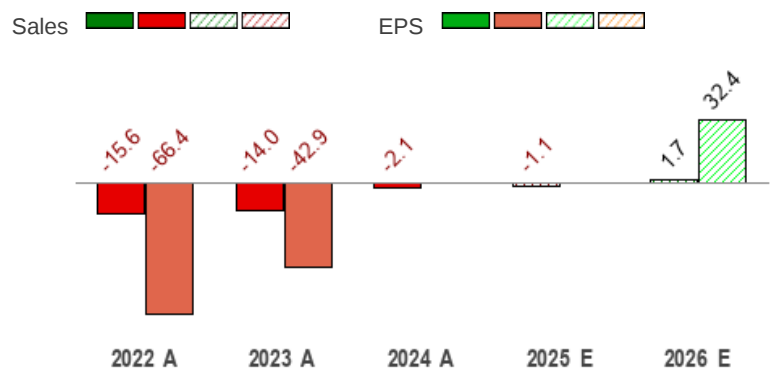
Last EPS Surprise	2,200.0%
Last Sales Surprise	4.1%
EPS F1 Est- 4 week change	11.4%
Expected Report Date	01/29/2026
Earnings ESP	18.9%

P/E TTM	102.6
P/E F1	117.7
PEG F1	0.9
P/S TTM	3.6

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	12,568 E	12,952 E	13,973 E	13,917 E	53,409 E
2025	12,667 A	12,859 A	13,653 A	13,357 E	52,536 E
2024	12,724 A	12,833 A	13,284 A	14,260 A	53,101 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.04 E	0.10 E	0.21 E	0.10 E	0.45 E
2025	0.13 A	-0.10 A	0.23 A	0.08 E	0.34 E
2024	0.18 A	0.02 A	-0.46 A	0.13 A	-0.13 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/01/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/01/2025.

Overview

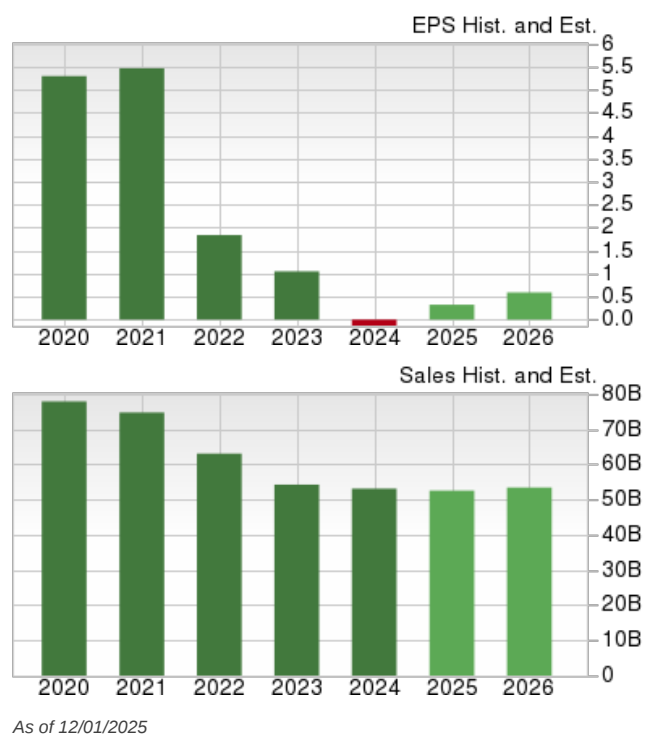
Headquartered in Santa Clara, CA, Intel Corporation, the world's largest semiconductor company and primary supplier of microprocessors and chipsets, is gradually reducing its dependence on the PC-centric business by moving into data-centric businesses — such as AI and autonomous driving.

Effective first-quarter 2024, Intel implemented an internal foundry operating model, creating a foundry relationship between its products business (collectively CCG, DCAI, and NEX) and its foundry business (formerly IFS). While Intel Products (92.7% of third-quarter 2025 operating segment revenues) include the design and development of CPUs and related solutions for third-party customers, Intel Foundry comprises process engineering, manufacturing and foundry services groups that provide manufacturing, test and assembly services to Intel Products business and to third-party customers.

The foundry operating model is a key component of the company's strategy and is designed to reshape operational dynamics and drive greater transparency, accountability and focus on costs and efficiency. Intel also reported Altera (which was previously included in the DCAI segment) as a standalone business beginning the first quarter of 2024. Altera is a part of All Other business (7.3% of third-quarter 2025 operating segment revenues) along with Mobileye and Other business. Consequently, Intel modified its segment reporting to align with this new operating model.

Client Computing Group (CCG), Datacenter and AI Group (DCAI), and Intel Foundry are regarded as reportable operating segments, while Network and Edge Group (NEX), Altera, and Mobileye do not qualify as reportable operating segments. In first-quarter 2025, Intel restructured its operating segments to integrate NEX into CCG and DCAI.

CCG focuses on high-growth businesses, thin-and-light, commercial and gaming, and growing opportunities in areas such as connectivity. DCAI seeks to develop leading data center products, including Intel Xeon server and field programmable gate array products, while overseeing overall artificial intelligence (AI) strategy. Mobileye offers driving assistance and self-driving solutions, while Intel Foundry offers wafer fabrication and related products and services, including sorting, assembly and test capabilities.



Reasons To Buy:

- ▲ Intel is strategically investing to expand its manufacturing capacity to accelerate its IDM 2.0 (Integrated Device Manufacturing) strategy. Intel's innovative AI solutions are set to benefit the broader semiconductor ecosystem by driving down costs, improving performance and fostering an open, scalable AI environment. The company has received \$7.86 billion in direct funding from the U.S. Department of Commerce for its commercial semiconductor manufacturing projects under the U.S. CHIPS and Science Act. The funds will support Intel in advancing critical semiconductor manufacturing and advanced packaging projects in Arizona, New Mexico, Ohio and Oregon, likely paving the way for innovation and growth. Intel has secured a \$5 billion investment from NVIDIA to jointly develop cutting-edge solutions that are likely to play an integral role in the evolution of the AI infrastructure ecosystem. Leveraging the core strengths of both firms, namely NVIDIA's AI and accelerated computing and Intel's CPU technologies and x86 ecosystem, the collaboration is expected to sow the seeds of innovation through the development of state-of-the-art custom data center and PC products. In August 2025, Softbank also invested \$2 billion in Intel to propel AI research and development initiatives that support digital transformation, cloud computing and next-generation infrastructure. These augur well for the long-term growth of the company.
- ▲ Intel's leading position in PC market, strength in servers, growing clout in software, IoT & ADAS domains and headway in process technology are positive indicators of future growth prospects.
- ▲ Intel is making solid progress in Intel Xeon processors with Intel Xeon 6 processor with Efficient-cores (E-cores), code-named Sierra Forest, marking the company's first Intel 3 server product architected for high-density, scale-out workloads. Intel Xeon 6 processors with Performance-cores (P-cores), code-named Granite Rapids, were launched in the third quarter of 2024, along with the Intel Gaudi 3 AI accelerator. The company also launched Intel Core Ultra 200V series processors (formerly named Lunar Lake) during third quarter and Arrow Lake in the fourth quarter of 2024, bringing the power of the AI PC to the desktop. It previewed Intel Core Ultra series 3 processor (code-named Panther Lake) and Xeon 6+ (code-named Clearwater Forest) in third-quarter 2025. Manufactured in a new, state-of-the-art factory in Chandler, AZ, both products are built on Intel 18A, the most advanced semiconductor process in the United States. Panther Lake is designed to power a broad spectrum of consumer and commercial AI PCs, gaming devices and edge solutions. Clearwater Forest is an E-core server processor that enables business enterprises to scale workloads, reduce energy costs and power more intelligent services. While Panther Lake will be available in the broad market from January, Clearwater Forest is slated to be launched in the first half of 2026.
- ▲ Intel has launched AI chips for data centers and PCs. This marks one of the largest architectural shifts for the company in 40 years. The strategic decision is primarily aimed at gaining a firmer footing in the expansive AI sector, spanning cloud and enterprise servers to networks, volume clients and ubiquitous edge environments, in tune with the evolving market dynamics. The company has unveiled Intel Core Ultra featuring the neural processing unit, which enables power-efficient AI acceleration with 2.5x better power efficiency than the previous generation. With superior GPU and CPU capabilities, it is capable of speeding up AI solutions. The company also launched the new vPro platform with Intel Core Ultra processor that delivers enhanced power efficiency. With dedicated AI acceleration capability spread across the central processing unit, graphics processing unit and the new neural processing unit, it will unlock an endless new wave of AI experiences across all apps.
- ▲ Intel is planning to spin off its venture capital business, Intel Capital, into a standalone entity to enable greater autonomy from the parent company. The move is also intended to attract external capital and align Intel Capital's corporate structure with that of other venture firms worldwide. The separation is likely to happen in the second half of 2025, and the new entity will start operating under a new name. Intel will remain the anchor investor in the spun-off firm. Intel Capital's proposed spin-off is probably an initiative to focus on core operations and free up capital to fuel growth. In the first quarter of 2025, Intel entered into a definitive agreement to sell a 51% ownership stake in Altera business to Silver Lake, a prominent global technology investment firm. The deal, which values Altera at \$8.75 billion, marks a significant strategic move for Intel, establishing Altera as an independent entity and the largest pure-play FPGA (field-programmable gate array) semiconductor solutions provider. Intel will continue to hold the remaining 49% ownership stake in Altera to help contribute to its future growth.
- ▲ Intel is gaining solid market traction in the AI infrastructure market. Super Micro Computer, a global leader in high-performance, energy-efficient IT solutions, has opted to deploy Intel's Xeon 6 Processors in its 4-socket servers for large-scale database and enterprise applications. Intel has also revealed that several industry leaders across industries, including AT&T, Verizon, Samsung, and Ericsson, are leveraging Xeon 6 for network transformation and AI acceleration. The AI infrastructure market is expected to grow substantially in the upcoming years. Intel's growing market traction in this vertical augurs well for long-term growth. The acquisition of Mobileye has helped the company to rapidly penetrate the autonomous car technology market, currently dominated by the likes of NVIDIA and Qualcomm. With the buyout, Intel has gained access to Mobileye's technologies related to cameras, in-car networking, sensor chips, roadway mapping, cloud software, machine learning and data management. This has increased its customer base and augmented its top-line growth.

Reasons To Sell:

- ▼ Intel is witnessing intensifying competition in the server, storage and networking markets. The server segment has always generated strong margins and Intel's powerful architecture has always been considered supreme. However, it lagged NVIDIA on the innovation front with the latter's H100 and Blackwell graphics processing units (GPUs) being runaway successes. Leading technology companies are reportedly piling up NVIDIA's GPUs to build clusters of computers for their AI work leading to exponential revenue growth. The NVIDIA alliance with IBM is likely to increase competition in the HPC accelerator segment and is another indication of competitors teaming up against Intel. The company has been also facing stiff competition from AMD in the commercial PC market.
- ▼ Delay in 7 nm process-based chips, which is renamed as Intel 4, is a major concern. The company detected a defect mode in Intel 4, which caused yield degradation. Notably, Intel's chips utilize process technologies that are designed in-house. After much delay, Intel has released data center GPU design, Ponte Vecchio, in November 2022.
- ▼ China accounted for more than 29% of Intel's total revenues in 2024, making it the single largest market for the company. However, the communist nation's purported move to replace U.S.-made chips with domestic alternatives significantly affected its revenue prospects. The recent directive to phase out foreign chips from key telecom networks by 2027 underscores Beijing's accelerating efforts to reduce reliance on Western technology amid escalating U.S.-China tensions. As Washington tightens restrictions on high-tech exports to China through the imposition of astronomically high tariffs, Beijing has intensified its push for self-sufficiency in critical industries. This shift poses a dual challenge for Intel, as it faces potential market restrictions and increased competition from domestic chipmakers.
- ▼ Intel has a leveraged balance sheet. As of Sept. 30, 2025, the company's long-term debt was \$44.06 billion compared with \$44.02 billion as of June 30, 2025. Accumulating high debt levels might limit sufficient cash flow generation, which is required to meet future debt obligations. This may keep the company away from accessing the debt market and refinancing at suitable rates. Consequently, the company must constantly generate an adequate amount of operating cash flow to service its debt.

Intel's delay in launching chips based on 7 nm process, stiff competition from ARM-based devices, and impact of new product costs are major concerns amid significant foreign currency exposure.

Last Earnings Report

Intel Outpaces Q3 Earnings Estimates on Solid Revenues

Intel reported strong third-quarter 2025 results, with adjusted earnings and revenues beating the respective Zacks Consensus Estimate. With solid traction from an accelerated ramp-up of artificial intelligence (AI) PCs, a diligent execution of operational plans amid stringent cost discipline and initiatives to drive higher efficiency and agility buoyed margins.

Intel has made significant strides in its cost-cutting plan to rebuild a sustainable growth engine. With better-than-expected quarterly results, shares were significantly up in after-market trading.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 23, 2025
Sales Surprise	4.13%
EPS Surprise	2,200.00%
Quarterly EPS	0.23
Annual EPS (TTM)	0.39

Net Income

The company reported GAAP earnings of \$4.06 billion or 90 cents per share against a net loss of \$16.64 billion or a loss of \$3.88 per share in the year-ago quarter. The radical improvement was primarily due to high restructuring costs and income tax provision in the year-earlier period.

Excluding non-recurring items, non-GAAP earnings in the reported quarter were \$1.02 billion or 23 cents per share against a loss of \$1.98 billion or a loss of 46 cents per share a year ago. The bottom line surpassed the Zacks Consensus Estimate by 22 cents.

Revenues

GAAP revenues in the reported quarter were up 2.79% year over year to \$13.65 billion. The quarterly revenues exceeded the higher end of the guided range and beat the consensus estimate of \$13.11 billion. The company witnessed healthy growth momentum in the Intel 18A process node and Lunar Lake. Management envisions robust growth opportunities with a strong product roadmap and semiconductor ecosystem, likely setting it apart from the competition.

Segment Performance

Client Computing Group (CCG) revenues increased to \$8.53 billion from \$8.16 billion, driven by a seasonally stronger total addressable market (TAM), Windows 11-driven refreshes and a stronger pricing mix with the ramp of Lunar Lake and Arrow Lake. Intel witnessed healthy traction in AI PCs that have taken the market by storm and remains firmly on track to ship more than 100 million by 2025. Panther Lake – the chip based on Intel 18A and the architectural successor to the well-received Lunar Lake – is slated to be widely available in the market later this year after its launch in early October, while Clearwater Forest – the first Intel 18A server product – is likely to be unveiled in the first half of 2026.

Datacenter and AI Group (DCAI) revenues declined to \$4.12 billion from \$4.14 billion, as solid demand for host CPUs for AI servers and storage compute led by Xeon 6 processors (code-named Granite Rapids) was more than offset by supply constraints.

While total Intel Products revenues were up to \$12.65 billion from \$12.3 billion, Intel Foundry revenues decreased to \$4.23 billion from \$4.34 billion owing to a challenging macroeconomic environment. All Other revenues, which include Altera, Mobileye and Other businesses, were \$993 million.

Other Operating Details

Non-GAAP gross margin increased to 40% from 18% a year ago, while non-GAAP operating margin was up from negative 17.8% to 11.2%. Margins were boosted by higher revenues, a more favorable product mix and lower inventory reserves. The company has reduced its capital expenditures and is focusing on simplifying parts of its portfolio to unlock efficiencies and create value.

Cash Flow & Liquidity

As of Sept. 27, 2025, Intel had cash and cash equivalents of \$11.14 billion with \$44.06 billion of long-term debt. For the first nine months of 2025, Intel generated \$5.41 billion of cash from operating activities compared with \$5.12 billion a year ago.

During the quarter, Intel secured a \$5 billion investment from NVIDIA to jointly develop cutting-edge solutions that are likely to play an integral role in the evolution of the AI infrastructure ecosystem. In August 2025, Softbank invested \$2 billion in Intel to propel AI research and development initiatives that support digital transformation, cloud computing and next-generation infrastructure. The U.S. government will also invest \$8.9 billion in Intel (out of which \$5.7 billion was received during the reported quarter) to support critical semiconductor manufacturing and advanced packaging projects in Arizona, New Mexico, Ohio and Oregon, likely paving the way for innovation and growth.

Outlook

For the fourth quarter of 2025, Intel expects GAAP revenues to be within \$12.8-\$13.8 billion. Non-GAAP gross margin is likely to be 36.5%. Non-GAAP earnings are expected to be 8 cents per share.

Recent News

On Nov 05, 2025, Intel announced that it is collaborating with Cisco to develop a first-of-its-kind integrated platform for distributed AI workloads. The solution combines Intel Xeon 6 system-on-chip and Cisco Unfired Edge to bring compute, networking, storage and security closer to data generated at the edge. This efficiently supports agentic workloads and real time AI inferencing.

On Sept. 18, 2025, Intel announced that NVIDIA will invest \$5 billion in Intel to jointly develop cutting-edge solutions that are likely to play an integral role in the evolution of the AI infrastructure ecosystem. Leveraging the core strengths of both firms, namely NVIDIA's AI and accelerated computing and Intel's CPU technologies and x86 ecosystem, the collaboration is expected to sow the seeds of innovation through the development of state-of-the-art custom data center and PC products.

On Aug. 23, 2025, Intel announced that it had reached an agreement with the Trump Administration to advance critical semiconductor manufacturing and advanced packaging projects in Arizona, New Mexico, Ohio and Oregon. Per the agreement, the U.S. government will make an \$8.9 billion investment in Intel for passive ownership to facilitate the expansion of the domestic semiconductor industry.

On Aug. 19, 2025, Intel announced that it had inked an investment agreement valued at \$2 billion with SoftBank Group Corp. Per the agreement, SoftBank is set to pay \$23 per share for Intel common stock. This is a significant capital infusion that will provide Intel with much-needed liquidity for its restructuring and AI innovation initiatives.

Valuation

Intel's shares are up 105.4% in the past six months and up 69.5% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 28.6% in the past six months, while those in the Zacks Computer and Technology sector are up 28.8%. Over the past year, the Zacks sub-industry is up 26.1% and the sector is up 27.6%.

The S&P 500 Index is up 18.3% in the past six months and 16.2% in the past year.

The stock is currently trading at 1.52X trailing 12-month book values, which compared to 31.32X for the Zacks sub-industry, 10.66X for the Zacks sector and 8.52X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 3.45X and as low as 0.67X, with a 5-year median of 1.39X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$45 price target reflects 29.6X trailing 12-month book value.

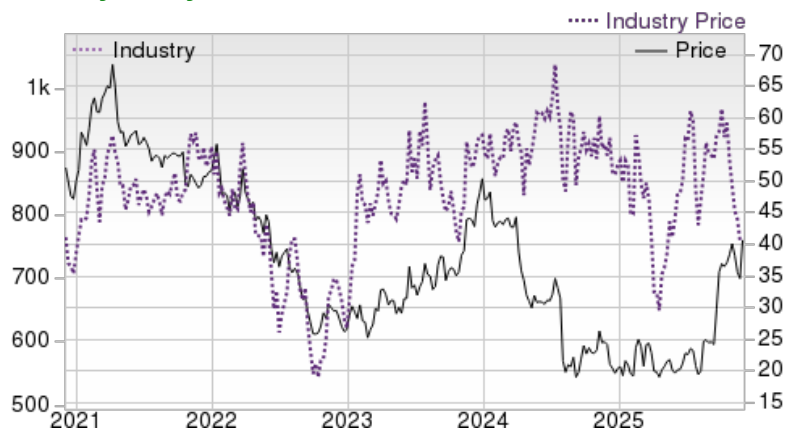
The table below shows summary valuation data for INTC.

Valuation Multiples - INTC					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	1.52	31.32	10.66	8.52
	5-Year High	3.45	49.08	11.68	9.16
	5-Year Low	0.67	11.04	6.52	6.6
	5-Year Median	1.40	25.43	9.56	8.03
P/S F12M	Current	3.59	12.76	6.73	5.33
	5-Year High	3.92	23.26	7.4	5.52
	5-Year Low	1.44	10.96	4.25	3.84
	5-Year Median	2.45	16.7	6.29	5.04
EV/Sales TTM	Current	3.57	21.53	8.14	5.75
	5-Year High	4.46	43.11	8.36	5.82
	5-Year Low	1.55	10.62	4.17	3.77
	5-Year Median	2.64	23.18	6.92	5.12

As of 11/28/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 15% (36 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
NVIDIA Corporation (NVDA)	Outperform	1
Advanced Micro Devic...(AMD)	Neutral	3
Amtech Systems, Inc. (ASYS)	Neutral	3
Qorvo, Inc. (QRVO)	Neutral	3
STMicroelectronics N...(STM)	Neutral	3
SUMCO (SUOPY)	Neutral	
Thk Co., Ltd. (THKLY)	Neutral	3
Texas Instruments In...(TXN)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Semiconductor - General

	INTC	X Industry	S&P 500	AMD	STM	TXN
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	C	-	-	D	C	F
Market Cap	191.13 B	14.53 B	37.90 B	357.78 B	20.80 B	152.79 B
# of Analysts	16	7	22	17	2	10
Dividend Yield	0.00%	0.58%	1.46%	0.00%	1.32%	3.38%
Value Score	D	-	-	F	B	D
Cash/Price	0.16	0.15	0.04	0.02	0.23	0.03
EV/EBITDA	1,208.58	8.37	14.39	67.11	4.93	21.37
PEG Ratio	0.95	4.10	2.19	1.28	5.21	2.98
Price/Book (P/B)	1.50	1.84	3.33	5.89	1.15	9.19
Price/Cash Flow (P/CF)	22.47	18.59	14.87	47.57	6.27	24.00
P/E (F1)	126.35	39.44	20.10	55.49	39.93	30.79
Price/Sales (P/S)	3.58	1.87	3.04	11.17	1.76	8.85
Earnings Yield	0.80%	2.50%	4.96%	1.80%	2.50%	3.25%
Debt/Equity	0.38	0.16	0.57	0.04	0.11	0.81
Cash Flow (\$/share)	1.78	3.38	8.99	4.62	3.69	7.01
Growth Score	B	-	-	B	F	C
Hist. EPS Growth (3-5 yrs)	-63.88%	-6.89%	8.16%	8.16%	-5.07%	-8.10%
Proj. EPS Growth (F1/F0)	NA%	7.54%	8.35%	19.64%	-65.06%	5.00%
Curr. Cash Flow Growth	-31.25%	-18.85%	7.00%	10.35%	-42.53%	-17.18%
Hist. Cash Flow Growth (3-5 yrs)	-25.05%	0.63%	7.31%	54.62%	11.47%	1.01%
Current Ratio	1.60	3.03	1.19	2.31	3.22	4.45
Debt/Capital	27.40%	13.59%	38.15%	3.72%	9.54%	44.89%
Net Margin	0.37%	3.20%	12.82%	10.32%	4.55%	29.21%
Return on Equity	-0.75%	2.98%	17.00%	8.04%	4.06%	30.41%
Sales/Assets	0.27	0.58	0.53	0.44	0.47	0.50
Proj. Sales Growth (F1/F0)	-1.10%	2.03%	5.70%	31.60%	-11.40%	13.10%
Momentum Score	A	-	-	F	C	D
Daily Price Chg	-1.36%	0.13%	-0.53%	1.03%	0.74%	-0.07%
1 Week Price Chg	17.57%	5.10%	1.60%	6.75%	4.64%	5.56%
4 Week Price Chg	1.29%	-5.58%	-0.57%	-15.36%	-5.08%	4.15%
12 Week Price Chg	63.44%	-3.58%	4.89%	45.14%	-12.97%	-9.50%
52 Week Price Chg	67.20%	17.30%	12.66%	54.69%	-11.33%	-16.66%
20 Day Average Volume	74,845,864	2,517,585	2,737,368	52,259,244	4,921,522	7,298,566
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-0.16%	0.00%	0.00%
(F1) EPS Est 4 week change	11.43%	0.00%	0.06%	-0.58%	0.00%	-0.79%
(F1) EPS Est 12 week change	62.54%	0.00%	0.62%	-0.95%	5.80%	-2.47%
(Q1) EPS Est Mthly Chg	3.30%	0.00%	0.00%	-1.86%	0.00%	-0.85%

Analyst Earnings Model⁽²⁾

Intel Corporation (INTC)

In \$MM, except per share data

	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement														
Total Revenue, Non-GAAP	\$63,054.0	\$54,228.0	\$53,101.0	\$12,667.0	\$12,859.0	\$13,653.0	\$13,357.2	\$52,536.2	\$12,568.0	\$12,951.9	\$13,972.9	\$13,916.5	\$53,409.2	\$56,133.7
NAND Memory Business	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Revenue, GAAP	\$63,054.0	\$54,228.0	\$53,101.0	\$12,667.0	\$12,859.0	\$13,653.0	\$13,357.2	\$52,536.2	\$12,568.0	\$12,951.9	\$13,972.9	\$13,916.5	\$53,409.2	\$56,133.7
Cost of Goods Sold, Non-GAAP	\$33,260.0	\$30,578.0	\$34,002.0	\$7,706.0	\$9,046.0	\$8,197.0	\$8,479.9	\$33,428.9	\$8,105.6	\$8,279.6	\$8,223.2	\$8,774.1	\$33,382.6	\$33,569.3
Cost of Goods Sold, GAAP	\$36,188.0	\$32,517.0	\$35,756.0	\$7,995.0	\$9,317.0	\$8,435.0	\$8,743.0	\$34,490.0	\$8,349.0	\$8,528.4	\$9,393.9	\$9,347.3	\$35,618.7	\$39,000.1
Gross Profit, Non-GAAP	\$29,797.0	\$23,651.0	\$19,099.0	\$4,961.0	\$3,813.0	\$5,456.0	\$4,877.3	\$19,107.3	\$4,462.3	\$4,672.3	\$5,749.7	\$5,142.4	\$20,026.7	\$22,564.4
Gross Profit, GAAP	\$26,866.0	\$21,711.0	\$17,345.0	\$4,672.0	\$3,542.0	\$5,218.0	\$4,614.2	\$18,046.2	\$4,219.0	\$4,423.5	\$4,579.0	\$4,569.1	\$17,790.6	\$17,133.6
Research and Development	\$17,528.0	\$16,046.0	\$16,546.0	\$3,640.0	\$3,684.0	\$3,231.0	\$3,596.1	\$14,151.1	\$3,375.5	\$3,431.9	\$3,540.2	\$3,656.1	\$14,003.7	\$14,549.8
Marketing, General and Administrative	\$7,002.0	\$5,634.0	\$5,507.0	\$1,177.0	\$1,144.0	\$1,129.0	\$1,094.9	\$4,544.9	\$1,225.6	\$1,222.6	\$1,173.6	\$1,175.5	\$4,797.3	\$5,024.9
R&D and MG&A, Non-GAAP	\$21,880.0	\$18,984.0	\$19,353.0	\$4,271.0	\$4,316.0	\$3,932.0	\$4,260.8	\$16,779.8	\$3,988.4	\$4,030.5	\$4,457.4	\$4,329.6	\$16,805.9	\$16,042.1
R&D and MG&A, GAAP	\$24,530.0	\$21,680.0	\$22,053.0	\$4,817.0	\$4,828.0	\$4,360.0	\$4,691.0	\$18,696.0	\$4,601.1	\$4,654.5	\$4,713.8	\$4,831.6	\$18,801.0	\$19,574.7
Restructuring and Other Charges	\$2.0	(\$62.0)	\$6,970.0	\$156.0	\$1,890.0	\$175.0	\$176.3	\$2,397.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Operating Expenses, GAAP	\$24,532.0	\$21,618.0	\$29,023.0	\$4,973.0	\$6,718.0	\$4,535.0	\$4,867.2	\$21,093.2	\$4,601.1	\$4,654.5	\$4,713.8	\$4,831.6	\$18,801.0	\$19,574.7
Depreciation	\$11,128.0	\$7,847.0	\$9,951.0	\$2,425.0	\$2,788.0	\$2,758.0	\$2,717.1	\$10,688.1	\$2,867.4	\$3,008.9	\$3,401.4	\$3,265.2	\$12,543.0	\$15,215.4
Amortization of Intangibles	\$1,907.0	\$1,755.0	\$1,428.0	\$249.0	\$225.0	\$234.0	\$246.6	\$954.6	\$226.9	\$236.3	\$260.1	\$259.8	\$983.1	\$1,076.9
Depreciation & Amortization	\$13,035.0	\$9,602.0	\$11,379.0	\$2,674.0	\$3,013.0	\$2,992.0	\$2,963.7	\$11,642.7	\$3,094.3	\$3,245.2	\$3,661.5	\$3,525.1	\$13,526.1	\$16,292.3
EBITDA, Non-GAAP	\$20,952.0	\$14,269.0	\$11,125.0	\$3,364.0	\$2,510.0	\$4,516.0	\$3,580.2	\$13,970.2	\$3,568.2	\$3,886.9	\$4,953.8	\$4,337.9	\$16,746.8	\$22,814.6
EBITDA, GAAP	\$15,369.0	\$9,695.0	(\$299.0)	\$2,373.0	(\$163.0)	\$3,675.0	\$2,710.7	\$8,595.7	\$2,712.2	\$3,014.2	\$3,526.7	\$3,262.6	\$12,515.6	\$13,851.2
Operating Income, Non-GAAP	\$7,917.0	\$4,667.0	(\$254.0)	\$690.0	(\$503.0)	\$1,524.0	\$616.5	\$2,327.5	\$473.9	\$641.7	\$1,292.3	\$812.8	\$3,220.7	\$6,522.3
Operating Income, GAAP	\$2,334.0	\$93.0	(\$11,678.0)	(\$301.0)	(\$3,176.0)	\$683.0	(\$253.0)	(\$3,047.0)	(\$382.1)	(\$231.0)	(\$134.8)	(\$262.5)	(\$1,010.4)	(\$2,441.1)
Interest Expense (Income) and Other, Net	\$1,166.0	\$629.0	\$226.0	(\$173.0)	(\$95.0)	\$3,670.0	(\$121.3)	\$3,280.7	(\$528.6)	(\$469.9)	(\$415.3)	(\$476.2)	(\$1,889.9)	(\$2,067.7)
Loss (Gain) on Equity Investment, Net	\$4,268.0	\$40.0	\$242.0	(\$112.0)	\$502.0	\$221.0	\$198.3	\$809.3	\$322.9	\$247.3	\$272.2	\$286.2	\$1,128.6	\$1,166.5
Total Other Expense (Income) Net, Non-GAAP	(\$2.0)	(\$424.0)	(\$9,516.0)	\$37.0	\$10.0	\$329.0	\$185.6	\$561.6	\$243.6	\$123.9	\$179.6	\$310.3	\$857.4	\$435.8
Total Other Expense (Income) Net, GAAP	\$5,434.0	\$669.0	\$468.0	(\$285.0)	\$407.0	\$3,891.0	\$76.9	\$4,089.9	(\$205.7)	(\$222.5)	(\$143.1)	(\$190.0)	(\$761.3)	(\$901.2)
Pre-Tax Income, Non-GAAP	\$7,919.0	\$5,090.0	\$9,262.0	\$653.0	(\$513.0)	\$1,195.0	\$430.9	\$1,765.9	\$230.2	\$517.9	\$1,112.7	\$502.6	\$2,363.3	\$6,086.5
Pre-Tax Income, GAAP	\$7,768.0	\$762.0	(\$11,210.0)	(\$586.0)	(\$2,769.0)	\$4,574.0	(\$176.1)	\$1,042.9	(\$587.8)	(\$453.5)	(\$277.9)	(\$452.5)	(\$1,771.7)	(\$3,342.3)
Taxes, Non-GAAP	\$1,029.0	\$668.0	\$9,828.0	\$73.0	(\$72.0)	\$172.0	\$51.7	\$224.7	\$27.6	\$62.1	\$133.5	\$60.3	\$283.6	\$730.4
Taxes, GAAP	(\$249.0)	(\$913.0)	\$8,023.0	\$301.0	\$255.0	\$304.0	(\$838.3)	\$21.7	\$293.9	\$226.8	\$138.9	\$226.2	\$885.8	\$1,671.1
Tax Rate, Non-GAAP	12.6%	8.6%	13.0%	12.0%	12.0%	12.0%	12.0%	12.7%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Tax Rate, GAAP	(3.2%)	(119.8%)	71.6%	(51.4%)	(9.2%)	6.6%	476.0%	2.1%	(50.0%)	(50.0%)	(50.0%)	(50.0%)	(50.0%)	(50.0%)
Net Income (loss) Attributable to Non-Controlling Interests	\$3.0	(\$14.0)	(\$477.0)	(\$66.0)	(\$106.0)	\$207.0	(\$350.0)	(\$315.0)	(\$350.0)	(\$350.0)	(\$350.0)	(\$350.0)	(\$1,400.0)	(\$1,400.0)
Net Income, Non-GAAP	\$6,891.0	\$4,423.0	(\$566.0)	\$580.0	(\$441.0)	\$1,023.0	\$379.2	\$1,541.2	\$202.6	\$465.7	\$979.2	\$442.2	\$2,079.7	\$5,356.1
Net Income, GAAP	\$8,014.0	\$1,689.0	(\$18,756.0)	(\$821.0)	(\$2,918.0)	\$4,063.0	\$1,012.2	\$1,336.2	(\$531.7)	(\$330.3)	(\$66.8)	(\$328.7)	(\$1,257.5)	(\$3,613.4)
Basic Shares Outstanding	4,108.0	4,190.0	4,280.0	4,343.0	4,369.0	4,514.0	4,551.0	4,444.3	4,571.0	4,591.0	4,611.0	4,631.0	4,601.0	4,681.0
Diluted Shares Outstanding	4,123.0	4,212.0	4,280.0	4,343.0	4,369.0	4,531.0	4,551.0	4,448.5	4,571.0	4,591.0	4,611.0	4,631.0	4,601.0	4,681.0
Basic EPS	\$1.95	\$0.40	(\$4.38)	(\$0.19)	(\$0.67)	\$0.90	\$0.22	\$0.26	(\$0.12)	(\$0.07)	(\$0.01)	(\$0.07)	(\$0.27)	(\$0.77)
Diluted EPS, Non-GAAP	\$1.67	\$1.05	(\$0.13)	\$0.13	(\$0.10)	\$0.23	\$0.08	\$0.34	\$0.04	\$0.10	\$0.21	\$0.10	\$0.45	\$1.14
Diluted EPS, GAAP	\$1.94	\$0.40	(\$4.38)	(\$0.19)	(\$0.67)	\$0.90	\$0.22	\$0.26	(\$0.12)	(\$0.07)	(\$0.01)	(\$0.07)	(\$0.27)	(\$0.77)
Dividend per Share	\$1.81	\$0.74	\$1.46	\$0.00	\$0.25	\$0.00	\$0.00	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	D
Growth Score	B
Momentum Score	A
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.