Moschovakis Capital

Intel Corporation

INTC

EQUITY RESEARCH REPORT

September 09, 2026

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INTEL CORPORATION (NASDAQ: INTC)

Report Date: 2026-09-09

Analyst: Moschovakis Capital Research

EXECUTIVE SUMMARY

Metric	Value
Recommendation	AVOID
Current Price	$104.47 / €89.85
Fair Value (Base Case)	$86.90 / €74.74
Margin of Safety	-16.8%
Target Entry	None (AVOID)

Return Profile	Value
Dividend Yield	0.0%
Expected Dividend Growth	0.0%
Expected Price Appreciation	-5.95% CAGR (3-year base)
Total Expected Return (Base)	-5.95% CAGR
Bear Case Total Return	-13.6% CAGR (3-year)
Bull Case Total Return	+1.0% CAGR (3-year)
Probability-Weighted Return	-6.1% CAGR

Risk Assessment	Value
Wealth Preservation Score	17 / 100
Downside Protection Score	15 / 100
Quality Score	18 / 100
Risk Level	ELEVATED
Probability of >50% Loss	>15%
Recession Profile	SENSITIVE

One-Line Thesis:

Intel is a capital-intensive, highly cyclical turnaround with negative trailing earnings, no dividend, and a 267% one-year price run that prices in execution the company has not yet delivered; this fails the wealth preservation mandate despite the AI-driven revenue acceleration.

INVESTMENT THESIS

Intel does not belong in a wealth preservation portfolio. The business is understandable, but it is not defensive. Intel designs and manufactures semiconductors across the full value chain, from logic design through fabrication, assembly, test, and packaging. Its Integrated Device Manufacturing 2.0 strategy, launched in 2021, attempts to rebuild process leadership and create a merchant foundry. The company reports revenue of $52.9 billion for fiscal 2025 and $57.03 billion on a trailing twelve-month basis as of June 27, 2026. The latest quarter posted 25.4% year-over-year revenue growth, and data center and AI revenue jumped 59% to $6.26 billion in Q2 2026. Those are real operating improvements. They are not, however, a durable moat.

The wealth preservation framework requires answering how much capital can be lost before asking how much can be gained. Intel fails that first test. The current quote of $104.47 reflects a 267.6% one-year gain and a more than 150% year-to-date advance. The cautious analyst base case from the supplied research is $86.90, meaning the stock trades 16.8% above that base valuation. The bear case sits at $67.32, a 35.6% decline from the current price. No dividend softens that loss. Intel eliminated its dividend, the payout ratio is negative at -127.02%, and the yield is zero. For an investor whose baseline is a 4% high-yield savings account plus inflation protection, Intel offers no income floor and substantial price risk.

The return profile is not asymmetric in favor of the investor. A move to the consensus target of $110 to $114.88 offers only 5% to 10% upside from $104.47. A move to the aggressive bull target of $150 requires another 64% gain on a stock with a beta above 2. The probability-weighted three-year return using the supplied scenario targets is roughly -6.1% per year. The base case total return is negative. The bear case is deeply negative. For a mandate requiring a base case total return of at least 7% and a bear case that preserves capital, Intel misses both thresholds by a wide margin.

What would change the assessment? Intel would need to show a normalised earnings base that supports the current multiple. That requires non-GAAP gross margin sustained above 40%, four consecutive quarters of positive trailing free cash flow, a named external customer on the 18A process, and ideally the resumption of a sustainable dividend. The company is moving toward some of these milestones, but it has not reached them. The foundry remains loss-making, the 14A process has no confirmed anchor customer, and the trailing twelve-month net loss is $11.29 billion. Until those facts change, Intel is a momentum and execution story, not a capital preservation vehicle.

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1. BUSINESS QUALITY ASSESSMENT

Intel's business quality has deteriorated from a dominant franchise to a contested turnaround. The company generated $53.10 billion of revenue in fiscal 2024 and $52.9 billion in fiscal 2025, with TTM revenue of $57.03 billion. The TTM gross margin is 38.9%, the EBITDA margin is roughly 29.5% per Yahoo Finance, and the reported operating margin is 12.19%. StockTitan's fiscal 2025 figures show a different set: an 18.0% EBITDA margin, a -4.2% operating margin, and a -0.5% net margin. The source conflict matters. It means the company's profitability is not stable enough to anchor a normalised earnings model.

The moat is weak. Intel's historical advantages were its x86 installed base, scale, and process leadership. The supplied competitive analysis rates Intel "Underperform" on a quality and value framework. The same analysis rates AMD "High Quality," Broadcom and Qualcomm as winners in direct comparisons, and TSMC as the manufacturing benchmark. Intel's five-year total shareholder return is negative, while Broadcom's is roughly 350% over the same period. The trailing ROIC is 2.04%, below any reasonable cost of capital. The FCF margin is 4.96%. A business that earns less than its cost of capital destroys value; it does not preserve it.

There are signs of operational improvement. The Q2 2026 data center and AI revenue of $6.26 billion, up 59% year over year, is a genuine change. The ASIC business approaches a $2 billion annualised revenue run rate. Xeon 6 is described as one of the fastest ramping products in Intel history. 18A yields are trending ahead of targets set in March 2026, and output ran approximately 25% above target. Management raised 2026 capex by 21% year over year to more than $20 billion, citing long-term customer commitments. These observations support the bull case that Intel is recapturing relevance.

They do not support a wide moat. The company remains exposed to AMD, Nvidia, TSMC, and the Arm ecosystem. Customer concentration compounds the problem: sales to the three largest customers accounted for approximately 38% of total revenue in the historical disclosure. A loss of any large customer would hurt revenue disproportionately. The manufacturing turnaround is unproven at the customer-win level. No named major external 18A customer appears in the supplied research. The foundry business is loss-making and subject to strategic conflict between the CEO and the former chairman. For a wealth preservation mandate, Intel's moat durability is medium-low, the threat assessment is elevated, and the confidence in moat preservation over the next decade is low.

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2. FINANCIAL FORTRESS ANALYSIS

The solvency picture is marginal for a wealth preservation mandate. The framework requires a company that can survive a severe recession without a dilutive equity raise or a dividend cut. Intel's recent behavior suggests the opposite. The company raised $20 billion through an upsized common stock offering, according to Morningstar research in the packet. It has issued senior notes and filed shelf registration statements. That dilutes existing shareholders and increases financial leverage. A fortress balance sheet does not need an equity raise to fund operations.

The cash flow data are contradictory across sources. StockTitan reports fiscal 2025 free cash flow of -$4.9 billion, an improvement of 68.4% year over year. That means the company burned cash in its most recent fiscal year. TickerNerd reports trailing twelve-month free cash flow of $2.8 billion after $12.1 billion of capital spending, with revenue of $57.0 billion and cash from operations of $7.0 billion in Q2 2026. The improvement is plausible, but the two sources cannot be reconciled within the provided data. The more conservative reading for capital preservation is that free cash flow has been negative in the recent past and remains heavily dependent on massive capex.

The earnings quality is questionable. Yahoo Finance reports TTM net income attributable to common shareholders of -$11.29 billion and diluted EPS of -$2.09. StockTitan reports fiscal 2025 net income of only -$267 million and diluted EPS of -$0.06. Both are losses, but the scale differs by more than $11 billion. There are no accounting irregularities or restatements in the supplied research, so the divergence likely reflects impairment charges, depreciation, stock-based compensation, and restructuring costs. That level of earnings volatility makes normalized earnings unreliable. The framework requires operating cash flow consistently above 80% of net income. Here net income is deeply negative while cash flow is positive, which is technically impossible to score as clean earnings quality.

The exact debt-to-equity and interest coverage ratios are not supplied in the source packet. I cannot compute them. I can infer from the reported capital structure activity that management has leaned on debt and equity issuance. The current ratio and debt maturity schedule are also absent. The solvency assessment is therefore MARGINAL, not UNACCEPTABLE. The company has access to capital, cash from operations turned positive in Q2 2026, and no going concern warning appears in the SEC filings. But a marginal balance sheet with negative trailing earnings and massive capital intensity fails the wealth preservation requirement, which demands a

FORTRESS or ADEQUATE rating.

The recession profile is sensitive. In a 30% revenue decline scenario, the company would likely burn cash, the foundry losses would deepen, and any dividend would already be gone. The framework asks whether the company would remain solvent, maintain its dividend, and avoid a dilutive raise. Intel would likely remain solvent given its access to debt and equity markets, but it would not maintain a dividend because it has none, and it has already demonstrated willingness to dilute shareholders. That is not fortress-like.

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3. DIVIDEND ANALYSIS

No dividend. Intel eliminated its dividend; the yield is 0% and the payout ratio is -127.02%. The dividend sustainability section does not apply.

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4. VALUATION ANALYSIS

Intel's valuation is full to expensive relative to its current fundamentals. The Finexus report dated March 11, 2026, when the stock traded at $45.58, shows a price-to-book ratio of 1.54x against a five-year average of 2.27x and an 86.4% discount to a peer median of 11.33x. At that time, EV/EBITDA was 18.6x against a five-year average of 19.0x. Those figures look less demanding because the stock was much lower. The current price of $104.47 is 129% above the March 2026 reference price. Every multiple has expanded dramatically since those data were compiled.

The trailing P/E is useless. KoalaGains, writing when Intel traded at $41.34, showed a TTM P/E of 903.39x and a forward P/E of 95.26x against a semiconductor industry average of roughly 35x. The source label was "significantly overvalued" on those metrics. The current forward earnings discussion uses a 2027 consensus EPS of $2.04. At $104.47, Intel trades at 51.2x that 2027 estimate. TickerNerd quotes a forward P/E of 45.1x based on analyst consensus. Yahoo and 24-7 Wall St. put the multiple at roughly 80x current forward EPS of $1.14, falling to roughly 45x against the 2027 estimate. None of those multiples is cheap for a business with negative trailing net income and a 2.04% ROIC.

The market value is not supported by the cautious valuation model. The supplied bear case is $67.32, the base case is $86.90, and the optimistic case is $107.81. The current price exceeds the base case by 16.8% and sits just below the optimistic case. The consensus analyst targets are higher: a median target of $110 in one source, an average target of $114.88 in another, and a mean target of $72.58 in a third. The spread is enormous. A $72.58 mean target implies 30% downside from the current price, while a $160 high target implies 53% upside. That dispersion is not the mark of a undervalued, stable business; it is the mark of a binary execution bet.

A simple normalisation check reinforces caution. If Intel reaches $2.04 of 2027 EPS and the market assigns a semiconductor-average multiple of 35x, the stock is worth $71.40, 32% below the current price. Even a generous 45x multiple on 2027 EPS yields $91.80, still 12% below the current quote. To justify $104.47, the market must believe the 2027 EPS estimate is conservative and that the multiple remains above 50x. That is an aggressive assumption for a company with no dividend and negative trailing earnings. The valuation assessment is FULL to EXPENSIVE with a negative margin of safety.

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5. SCENARIO ANALYSIS

I model a three-year horizon because Intel lacks a stable normalized earnings base. A ten-year model would require inventing a mid-cycle margin and growth rate that the current financials do not support. The supplied scenario targets provide the most honest anchor.

Scenario	Price Target	Total CAGR	Weight	Contribution
Bear	$67.32	-13.6%	25%	-3.4%
Base	$86.90	-5.95%	50%	-3.0%
Bull	$107.81	+1.0%	25%	+0.26%
Expected		-6.1%		

The bear case assumes the foundry remains loss-making, Intel 14A slips without an anchor external customer, and the AI-driven data center momentum fades. In that world, revenue growth stalls, gross margin stays near 36% to 37%, and the market compresses the forward multiple toward the 33x implied by the $67.32 target. From the current price of $104.47, that is a 35.6% capital loss with no dividend offset. The three-year CAGR is -13.6%. This outcome alone disqualifies Intel for a wealth preservation mandate, because the framework requires the bear case to preserve capital at a minimum.

The base case assumes Intel delivers on 18A yield improvement, keeps data center and AI revenue growth positive, and narrows foundry losses. The cautious model lands at $86.90. That is below the current price, which means an investor buying today receives a negative price return even in the base case. The three-year CAGR is -5.95%. The base case fails the 7% total return hurdle by roughly 13 percentage points before inflation.

The bull case assumes 18A secures at least one named external customer, 14A tracks toward 2028 or 2029, ASIC revenue scales, and the market awards a premium multiple to a recovering franchise. At $107.81, the investor barely breaks even from the current $104.47 quote. The three-year CAGR is +1.0%. That is far below the 4% risk-free HYSA baseline and below the inflation-plus-4% hurdle. For a bull case to return only 1% per year, the risk-adjusted proposition is poor.

The probability-weighted expected return is -6.1% per year. This is not a situation where downside is capped and upside is open. The downside is large, the base case is negative, and the upside is modest. The framework rejects exactly this profile: a 50/50 risk profile where the range of outcomes does not compensate for the probability of loss.

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6. RISK ASSESSMENT

The risks are numerous and concentrated. The 2026 board-level risk report identifies foundry operations as loss-making and subject to strategic conflict between the CEO and the former chairman. Intel faces intense competition from AMD, Nvidia, TSMC, and the Arm ecosystem. Market share has eroded. The U.S.-China tech decoupling and export controls threaten the manufacturing footprint and partnerships. Supply-chain bottlenecks in advanced equipment and materials remain a persistent exposure. These are business-model vulnerabilities, not peripheral concerns.

Regulatory and geopolitical risks are elevated. The security narrative includes CEO Lip-Bu Tan's prior ties to China drawing political scrutiny. Trade restrictions and complex supply-chain vulnerabilities add pressure to an already strained operating environment. Macro uncertainty from inflation and capital costs has already delayed fabs in Germany, Malaysia, and Israel. The Strait of Hormuz disruption risk raises energy-intensive chip

manufacturing costs. These factors are outside management's control and can impair a capital-intensive turnaround.

The financial risk is valuation and multiple compression. The stock carries a forward P/E of 45x to 80x depending on the earnings horizon. TickerNerd's factor model shows a Revisions percentile of 97 and a Momentum percentile of 90, but Value of 37 and Quality of 30. That profile is characteristic of a momentum stock trading on estimates rather than reported earnings. If the recent EPS beats prove non-repeatable, the multiple has room to compress. The bear scenario at $67.32 implies roughly a 33x multiple on 2027 EPS, which is still not distressed by historical standards.

The probability of a greater than 50% permanent loss exceeds 15%. Intel has a beta above 2, no dividend cushion, negative trailing net income of $11.29 billion, and a 267% one-year gain driven by narrative. In a severe drawdown, a stock with these characteristics can fall more than 50% and take years to recover. The wealth preservation framework sets the acceptable probability of such a loss at less than 10%. Intel fails that test. The recession profile is SENSITIVE, not resilient. There is no income floor, no fortress balance sheet, and no demonstrated ability to maintain shareholder payouts through a downturn.

Litigation and IP risk add a further layer. Intel's Q1 2026 risk factors explicitly list IP-related litigation, regulatory proceedings, cybersecurity threats, and the need to attract and retain key talent. There is no specific Intel lawsuit identified in the research, but the exposure is broad. ESG risk is generic rather than company-specific, so I do not weight it heavily. The dominant risk is execution: if 18A or 14A slips, the current valuation has no earnings foundation.

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7. MANAGEMENT & GOVERNANCE

The management track record does not support a wealth preservation thesis. The supplied competitive analysis describes "strategic missteps and execution failures" and a negative five-year total shareholder return. In the same period, Broadcom delivered roughly 350% total shareholder return through operational execution and selective acquisitions. That comparison is not flattering. Capital allocation history is a critical input for preservation, and Intel's recent history shows value destruction.

CEO Lip-Bu Tan has not had time to prove a durable turnaround. His Q2 2026 statement called it the strongest revenue growth in more than 15 years, which is accurate. But the board-level risk report flags strategic conflict between the CEO and the former chairman. That is a governance red flag. A leadership fight during a capital-intensive turnaround raises execution risk. The report also notes that Tan's prior ties to China have drawn political scrutiny. That adds regulatory and geopolitical uncertainty to an already complicated situation.

Capital allocation actions are concerning for existing shareholders. Intel raised $20 billion through an upsized common stock offering. The company issued senior notes and filed shelf registration statements. An equity raise at what may be a favorable share price for the company is still dilution for current owners. The framework asks whether buybacks were accretive and acquisitions value-creating. The five-year record suggests not. Intel acquired Altera in 2015 and Mobileye in 2017; the competitive position eroded regardless. The company later sought to separate or sell assets, including the foundry restructuring. That is the opposite of compounding per-share value.

Dividend policy is a separate issue. Intel eliminated its dividend, which removes the single most reliable shareholder return mechanism for a preservation mandate. Management has prioritized capex and foundry investment over shareholder returns. That may be strategically necessary, but it is not aligned with the needs of a wealth-preservation investor. The governance assessment is CONCERNING. The capital allocation track

record is POOR over the past five years.

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8. PEER COMPARISON

Dimension	INTC	AMD	TSM	NVDA	Best for Preservati
P/E ratio	-146.37x	149.71x	34.66x	34.99x	TSM / NVDA
Dividend yield	0%	0%	0.8%	0.02%	TSM
EV/EBITDA	30.6x	n.s.	n.s.	n.s.	n/a
Payout ratio	-127.02%	n.s.	n.s.	n.s.	unknown
FCF margin	4.96%	n.s.	n.s.	n.s.	unknown
ROIC	2.04%	n.s.	n.s.	n.s.	unknown
Revenue growth	7.18%	n.s.	n.s.	n.s.	unknown

The peer data in the research packet are incomplete. Balance sheet metrics and coverage ratios are not supplied for AMD, TSM, and NVDA, so I cannot build the full wealth preservation quality score I would normally use. The available figures still tell a clear story. Intel shows a negative P/E of -146.37x, a dividend yield of zero, a payout ratio of -127.02%, an FCF margin of 4.96%, and a ROIC of 2.04%. On every supplied metric that matters for preservation, Intel ranks last.

TSM looks superior on the data available. It trades at 34.66x earnings and pays a 0.8% dividend. NVDA trades at 34.99x earnings. AMD trades at 149.71x earnings, which is also expensive, but AMD is rated "High Quality" in the supplied competitive analysis, while Intel is rated "Underperform." Intel's forward P/E is 45x to 80x, well above TSM and NVDA on a trailing basis but below AMD. The dividend yield comparison is decisive: TSM pays a small income; Intel pays nothing.

The search summary claims NVDA screens best for capital preservation, but that conclusion is not independently verifiable from the supplied balance sheet and coverage data. The only support offered is an internally inconsistent note about low dividend yield and high payout ratio. I do not rely on it. The defensible conclusion from the available data is that Intel is the weakest preservation candidate among its direct peers because it combines negative earnings, zero income, low capital efficiency, and a narrative-driven valuation. TSM and NVDA, despite their own risks, offer stronger fundamental support.

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9. KEY METRICS SUMMARY

Metric	Value
Current price	$104.47 / €89.85
FY2025 revenue	$52.9B
TTM revenue (as of 6/27/2026)	$57.03B
TTM gross margin	38.9%

Metric	Value
TTM EBITDA	$16.84B
TTM net income	-$11.29B
TTM diluted EPS	-$2.09
FY2025 free cash flow	-$4.9B (StockTitan)
TTM free cash flow	$2.8B (TickerNerd conflict)
Analyst EPS estimate (Q3 2026)	$0.39
Most recent actual EPS (Q2 2026)	$0.42
Dividend yield	0%
ROIC	2.04%
FCF margin	4.96%
Forward P/E	45x to 80x
2027 consensus EPS	$2.04
Cautious base target	$86.90
Bear target	$67.32
Optimistic target	$107.81
Beta	>2

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10. MONITORING CHECKLIST

Metric	Bull threshold	Bear threshold	Frequency
Non-GAAP gross margin	>40%	<36.5%	Quarterly
Data Center and AI revenue	>$4.5B	<$4.4B	Quarterly
Foundry 18A external customer	Named customer confirmed	No customer named	Event
Trailing free cash flow	Positive 4 consecutive quarters	Negative or near zero	Quarterly
Capex	Demand-linked, not speculative	>$20B cash burn persists	Quarterly
Price vs. bear case	Holds above $86.90	Breaks below $67.32	Daily
Analyst EPS revisions	Continued upward revisions	First wave of cuts	Monthly
Dividend	Reinstated	Remains suspended	Event

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11. MARKET EXPECTATIONS & CONSENSUS

The current stock price implies aggressive growth. The search-result aggregation states that current market expectations imply a 22.9% growth rate for INTC, though the derivation is not disclosed. Stockstelegraph shows analysts projecting 46.04% EPS growth over the next five years. The current quote of $104.47 translates to roughly 51x the 2027 consensus EPS of $2.04, and to roughly 80x the current forward EPS of $1.14. A market that assigns 45x to 80x earnings to a company with negative trailing net income is pricing in a successful multi-year turnaround.

The consensus bull case rests on continued 18A yield improvement, early volume commitments from foundry customers, reduced cash burn as depreciation peaks, and stabilization in PC demand with growing AI compute needs. Morningstar argues Intel is well-positioned to ride the agentic AI wave. Yahoo and 24-7 Wall St. note that analysts raised FY26 EPS estimates 32 times in the trailing 30 days with zero cuts. TickerNerd's factor model ranks Intel at the 71st percentile, with Revisions at 97 and Momentum at 90.

The consensus bear case argues Intel's best days are behind it. Morningstar's bear case says Intel faces AMD, Nvidia, and Apple in processors, its manufacturing arm is at a disadvantage, and there are no guarantees on 14A in 2028 or 2029. The cautious model in the packet shows a base case of $86.90, an optimistic case of $107.81, and a bear case of $67.32. TickerNerd's financials show trailing net income of -$11.2 billion, a -19.6% net margin, and a trailing P/E of 809x.

Analyst ratings are mixed. One source lists 2 strong buy, 12 buy, 31 hold, 2 sell, and 1 strong sell. The consensus target is $110 to $114.88, with a high of $160 and a low of $20. Short interest and days-to-cover are not provided in the source packet. The forward valuation table cannot be completed from the supplied deep_dive_metrics because those fields are absent. I use the available forward P/E range of 45x to 80x, EV/EBITDA of 30.6x, and beta above 2. A beta above 2 means factor exposure is heavily cyclical and growth-oriented, not defensive.

Outcomes that would validate the consensus include continued 18A yield gains, a named external foundry customer, and reduced cash burn. Outcomes that would disappoint include foundry losses persisting, 14A slipping, and the Q2 2026 EPS beat proving non-repeatable. The Q3 2026 earnings report on October 22, 2026, with a consensus EPS estimate of $0.39, is the next test. Zacks expects Intel to miss by 3.99%. The date conflict in the research suggests October 26 is possible, so I treat the date as unconfirmed.

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12. KEY BUSINESS DRIVERS

Driver 1: Non-GAAP gross margin

Why it matters: Gross margin is the primary tell on whether cost actions and process improvements are converting into profitability.

Current level: 37.2% LTM actual; Q4 guide 36.5% midpoint.

Bull threshold: 40% or higher, with any print above 37% validating the turnaround.

Bear threshold: Below 36.5%, or a miss on profitability against a 77x forward P/E.

Next data point: Q3 2026 earnings on or around October 22, 2026.

Driver 2: Data Center and AI revenue

Why it matters: This is the proof point that Intel is capturing AI infrastructure spend.

Current level: Q2 2026 actual $6.26 billion, up 59% year over year; ASIC run-rate approaching $2 billion.

Bull threshold: $4.5 billion or higher in the next reported quarter.

Bear threshold: Below $4.4 billion, signaling Intel is not converting AI demand.

Next data point: Q3 2026 earnings.

Driver 3: Foundry 18A external customer win

Why it matters: A named major external customer would validate the foundry strategy and 18A process.

Current level: No named major external 18A customer in the packet; losses narrowed $350 million sequentially.

Bull threshold: Confirmation of at least one major external customer such as Microsoft using 18A.

Bear threshold: No named customer and continued 14A slippage into 2028 or 2029.

Next data point: Earnings call commentary and separate customer announcements.

Driver 4: Free cash flow generation

Why it matters: Wealth preservation requires the company to fund itself without continuous dilution.

Current level: FY2025 FCF -$4.9B per StockTitan; TTM FCF $2.8B per TickerNerd; capex above $12.1B TTM.

Bull threshold: Four consecutive quarters of positive FCF with declining cash burn after depreciation peaks.

Bear threshold: Negative FCF and further equity or debt raises.

Next data point: Quarterly cash flow statement.

Driver 5: EPS and profitability conversion

Why it matters: Revenue and data center demand have beaten, but earnings conversion has lagged.

Current level: Q4 2025 EPS -$0.12 missed the $0.0813 estimate; Q2 2026 EPS $0.42 beat the $0.21 consensus.

Bull threshold: Q3 2026 EPS at or above the $0.39 consensus, with gross margin above guidance.

Bear threshold: A miss on EPS, triggering multiple compression on the 45x to 80x forward multiple.

Next data point: Q3 2026 earnings.

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13. PROXY TRACKERS & LEADING INDICATORS

Proxy	Ticker/Symbol	Relationship	Signal
iShares Semiconductor ETF	SOXX	Leads/sector-wide sentiment	Bullish if SOXX holds above its 50-day m
VanEck Semiconductor ETF	SMH	Correlates with AI and semi exposure	Bullish if SMH outperforms S&P 500; bea
Advanced Micro Devices	AMD	Direct CPU competitor	Bullish for INTC if AMD server share gain
Taiwan Semiconductor	TSM	Foundry benchmark and supplier	Bullish for INTC if TSM reports tight capa
NVIDIA	NVDA	AI infrastructure demand proxy	Bullish for INTC if NVDA data center grow

Monitoring rule: If SOXX breaks below its 50-day moving average and Intel simultaneously loses the $90 level, re-evaluate the thesis within five trading days, with particular attention to Data Center and AI revenue and gross margin guidance.

EXIT TRIGGERS

- **Non-GAAP gross margin below 36.5% for two consecutive quarters:** This would confirm that cost actions are not converting. Action: remove from any consideration.
- **Foundry 14A slip beyond 2029 with no named 18A external customer:** This would break the manufacturing turnaround thesis. Action: remove from any consideration.
- **Trailing free cash flow turns negative for two consecutive quarters:** This would indicate the company cannot fund itself without dilution. Action: remove from any consideration.
- **Price falls below $67.32 without a corresponding improvement in fundamentals:** This would validate the bear case. Action: reassess only if gross margin exceeds 45% and a named foundry customer appears.
- **Dividend reinstated with a sustainable FCF payout ratio below 70%:** This would be a positive change but insufficient alone. Action: re-run the full framework before considering a position.

FINAL RECOMMENDATION

RECOMMENDATION: AVOID

Intel does not meet the wealth preservation standard. The bear case shows a 35.6% price decline from the current quote of $104.47. The base case is $86.90, below the current price. The bull case offers only a 1% three-year CAGR from this entry point. The probability-weighted three-year return is roughly -6.1% per year. There is no dividend, trailing net income is -$11.29 billion, ROIC is 2.04%, and the stock trades at 45x to 80x forward earnings after a 267% one-year run. Solvency is marginal, management governance is concerning, and the probability of a greater than 50% permanent loss exceeds 15%. All of these factors trigger the AVOID criteria.

ANALYST NOTES

Key Assumptions:

- The scenario targets of $67.32 / $86.90 / $107.81 from the supplied research represent a reasonable three-year outcome range.
- The 2027 consensus EPS of $2.04 is a fair normalised earnings anchor, though it has not been achieved.
- The source conflicts in free cash flow and net income require conservative weighting.

Limitations:

- The research packet does not provide full balance sheet data, debt-to-equity, interest coverage, current ratio, or debt maturity schedule for Intel or its peers.
- The market cap figure of $666 billion cited in one source is inconsistent with the other data and was not used.
- Analyst price targets have enormous dispersion, from $20 to $160, reducing their usefulness.
- The next earnings date is cited as both October 22 and October 26, 2026, so the catalyst timing is unconfirmed.

Confidence Level: LOW. The data conflicts and missing balance sheet inputs make precise valuation and solvency scoring unreliable. The direction of the recommendation, however, is robust: a no-dividend, negative-earnings, high-beta stock trading above its cautious base case does not belong in a wealth preservation portfolio.

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Vantage	MT4/MT5 execution
Binance	Digital asset infrastructure
Hostinger	Web infrastructure

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