

Intel Foundry Forecast Dec 2023 (Mark Webb, MKW Ventures Consulting, www.mkwventures.com)

We have looked at Intel Plans, Customer reactions, and competitor reactions to develop a forecast for Intel Foundry

Today, Intel IFS includes sales of mask making products and services in its foundry revenue. It appears this is actually the largest revenue segment in IFS per Intel 10Q reports. Intel also includes packaging and assembly services for external companies.

Intel actual wafer sales to other companies (wafer foundry) is quite small today. We estimate \$100-200M per quarter. This would put them as the 15-20th largest wafer sales foundry in the world.

In the future, Intel has plans for technologies and is sampling with many companies. If they execute, they will have leading edge technologies and capacity to ramp them.

We expect all major customers to move slowly with small portion of foundry allocation to Intel until 2027 timeframe. Many are planning to use Intel as a backup or to provide price negotiation pressure. TSMC is a dominant force in foundry and this is not changing. TSMC considers Intel a large customer and not a threat in foundry. TSMC strategy is to have all Intel silicon outsourced to them over time. They may or may not be correct.

In our model, Intel always spends 2x the dollars outsourcing to TSMC as they receive in wafer foundry revenue from others.

The reported accounting will all change next year. Intel will try to report fab business as independent business selling to Intel BUs. They will quickly become a top 3 foundry. They will adjust the allocated cost to achieve the goals they want (ie: Allocate low cost to BUs to compare for TSMC foundry work).

The forecast for Intel External wafer sales is below: Note that this is based on Intel plans. If they do not execute or gain share, then they will go to the "Plan B" (Call us for what Plan B is)

