



HIDEYOSHI
CAPITAL
SPECIAL SITUATIONS & CATALYST INVESTING

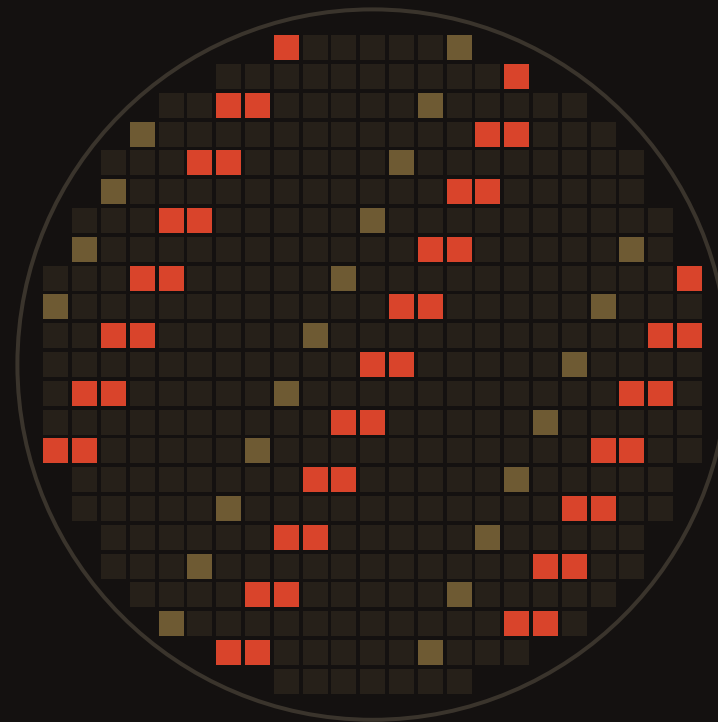
INTEL CORPORATION

NASDAQ: INTC

Q 2 - F Y 2 6 E A R N I N G S * J U L Y 2 3 A M C

~26% off ATH with an 11% two-session rip into the print; market is awaiting the Lip Bu Tan turnaround

Apple and Microsoft officially joining the 18A-P design-partner program on Jul 20, driving the stock from \$95 to \$105 in two sessions. The quarter itself is well-telegraphed; what Thursday decides is whether the pipeline continues to pump. That gap from commitments to actuals is the trade.



18A wafer * Fab 52, Arizona

LONG

\$105.45

\$120 / +14%

-37% / +52%

Recommendation

Close 07/21 * ~\$530B mkt cap

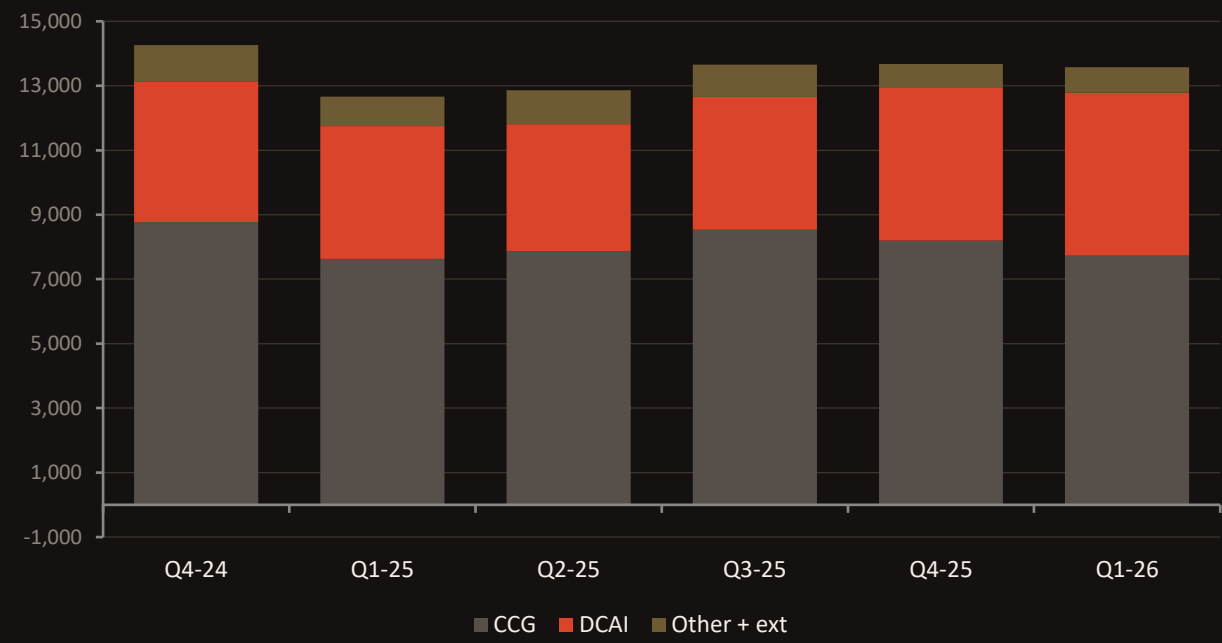
Base target * at the implied-move top

Downside / upside case

As of 07/21/26 close

Revenue estimates supported by the TSMC print

REVENUE MIX BY SEGMENT (\$ M)



DCAI has added roughly \$900M of quarterly revenue in two quarters and now commands 37% of the mix

Source: Hideyoshi INTC model * Historicals tab (CapIQ latest filings)

The earning bar

Consensus (\$14.7B / \$0.22) sits at the top of the guided range, and the two-session rip means part of a beat is already paid for. The market expects another quarter above guidance but is skeptical of the AI story.

The engine

Data Center & AI (DCAI) operating income is up 168% in five quarters with margins tripling to 30.5%, and TSMC just printed HPC up 20% q/q with a raised full-year outlook. This week's DCAI-focused headcount cuts read as margin ambition and operational efficiency not lack of demand.

The tape

Even after the rip, shares sit 26% below the May high. Implied vol on the September options is ~95% or the 100th percentile with a crowded call skew. Intel is a retail-heavy name, but the downside is anchored by strategic holders: Nvidia, the U.S. government, and SoftBank.

DCAI revenue	Foundry	External foundry	18A yield*	WIP build	Non-GAAP EPS
\$5.05B +22% y/y	\$5.42B +20% q/q	\$174M	~85%	\$9.0B +15% q/q	\$0.29 vs \$0.01e
*KeyBanc-reported, vs ~65% prior quarter					

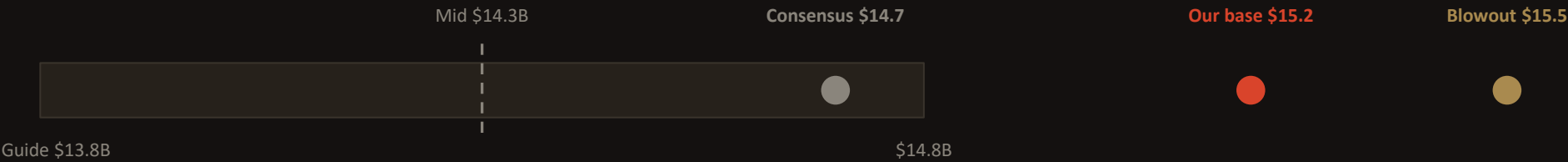
The catalyst board

3M units Google TPU * 2028 Reported by <i>The Information</i>, unconfirmed by either company. Roughly half of Google's TPU build that year.	SOFT-MED	\$25B TeraFab * Tesla on 14A Musk says Tesla's AI silicon runs on Intel 14A. No economics disclosed yet; the 10-Q commitments footnote may quantify exposure first.	SOFT	2H-26 14A decision window Management's own timeline for firm customer commitments opens with this call. Tesla is already in.	MEDIUM
Signed Fortinet (SP6) first named customer First named foundry customer under Lip Bu Tan (Jul 21, Intel 4), displacing TSMC on the SP6. Apple and Microsoft joined the 18A-P partner program on Jul 20 offering large foundry upside.	MED-HARD	>\$1B ASIC & packaging run-rate Doubled y/y, +30% q/q; AWS and DoD programs sit behind it. Earning should confirm a positive ramp in both demand and order fulfillment by Intel	MED-HARD	3 ramps Product & capacity Clearwater Forest shipping; Nova Lake and Crescent Island land in 2H-26. Capacity spend framed against committed demand.	MED-HARD

W H E N E A C H O N E R E S O L V E S



The beat math: guidance-anchored scenarios



Our base case sits above the entire guided range yet is grounded in fundamental Semi’s supply and demand

Scenario	Revenue	NG EPS	How it happens
Guide midpoint	\$14.3B	\$0.20	Management's number, tied out in the model at 39% gross margin. Street expects well above the guidance
Consensus	\$14.7B	\$0.24	Top of the range: CCG +5%, DCAI +13%, 39.5% GM. What the street has on paper after +11% revisions.
Base Case	\$15.2B	\$0.31	DCAI +18% (TSMC HPC +20% q/q and the KeyBanc capacity raise corroborate), foundry in line at ~\$200M external, 40.5% GM, OpEx \$4.15B on headcount actions.
Blowout	\$15.5B	\$0.33	Q1-magnitude repeat: DCAI +21%, GM 41.5% as the Panther Lake inventory ships; the Q1 analog moved the stock +23.6%.

Source: Hideyoshi INTC model * Scenario Grid tab

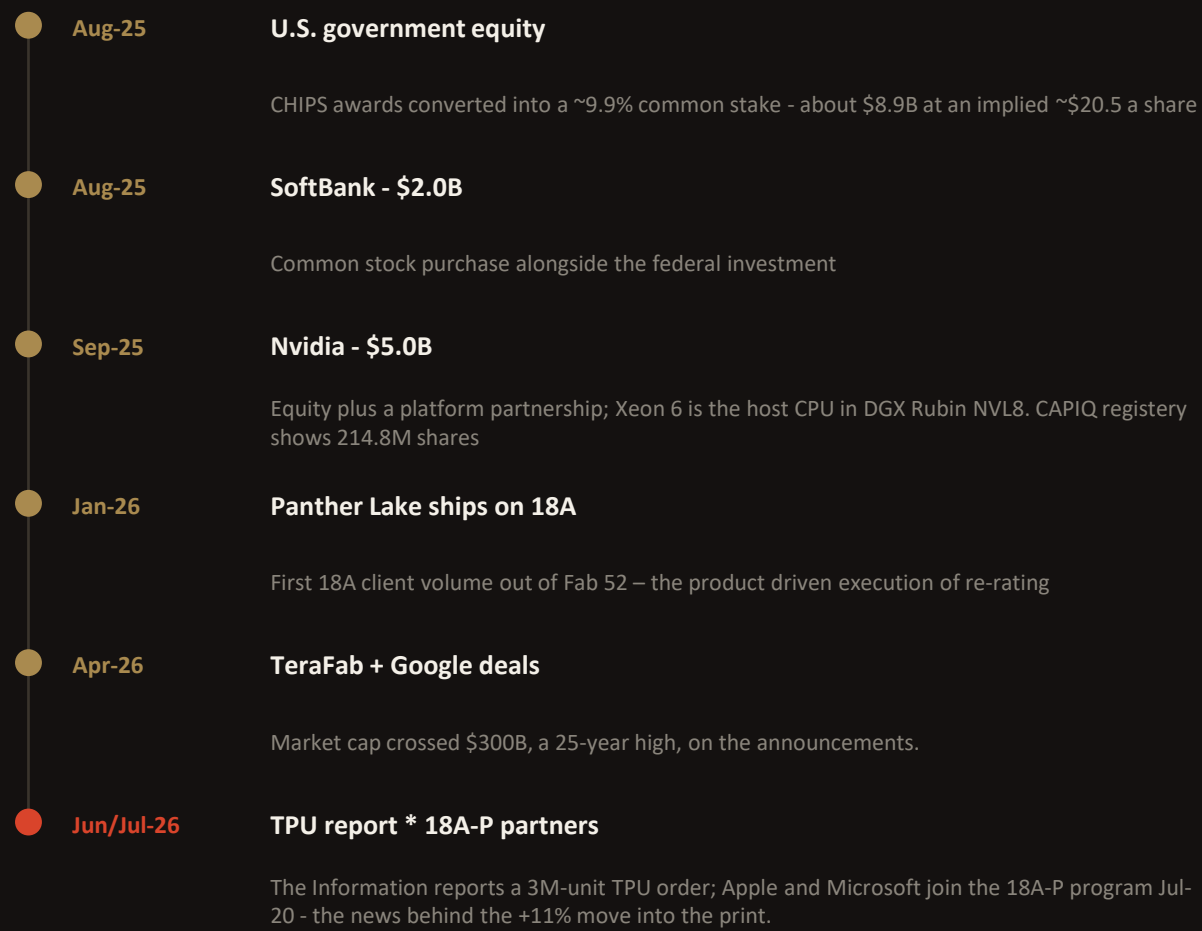
The Q3 guide is the real print: holding full-year consensus (\$58.9B) takes ~\$15.3B a quarter in the back half. Confirmation of guidance raises will calm a fearful market regarding the AI buildout

SEMIS CATALYSTS



Institutional floor; Washington is the second-largest shareholder

HOW THE REGISTER GOT HERE



TOP HOLDERS (VALUES AT \$105.45)

Holder	Shares	% out	Value
BlackRock	447.6M	8.90	\$47.2B
United States	433.3M	8.62	\$45.7B
Vanguard	282.0M	5.61	\$29.7B
GPU Ventures (NVDA)	214.8M	4.27	\$22.7B
State Street	214.3M	4.26	\$22.6B

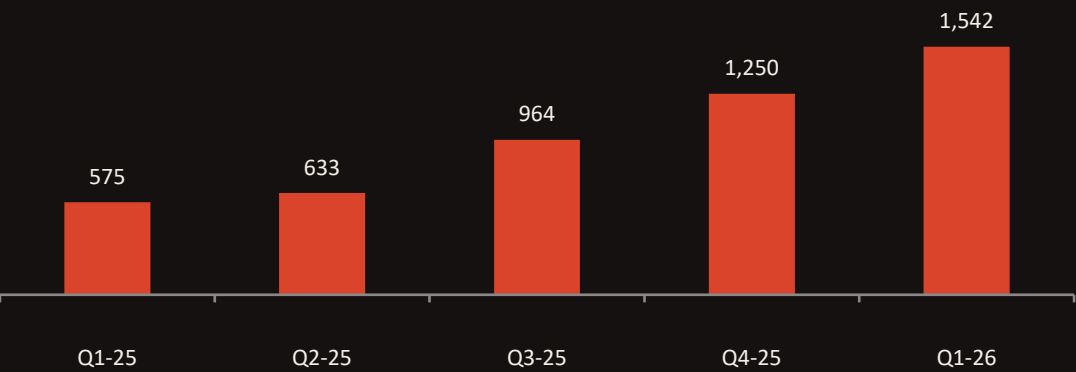
Why it matters for the trade

Roughly 13% of the register sits with holders who bought for strategic reasons at \$20-23 and don't sell - the government, Nvidia, SoftBank. That means less float, and federal policy pushing towards the same direction as the equity: CHIPS money, Secure Enclave awards, trade posture. The floor is sizably underneath current valuations, but these strategic investors continue to add benefits to intel beyond lower float.

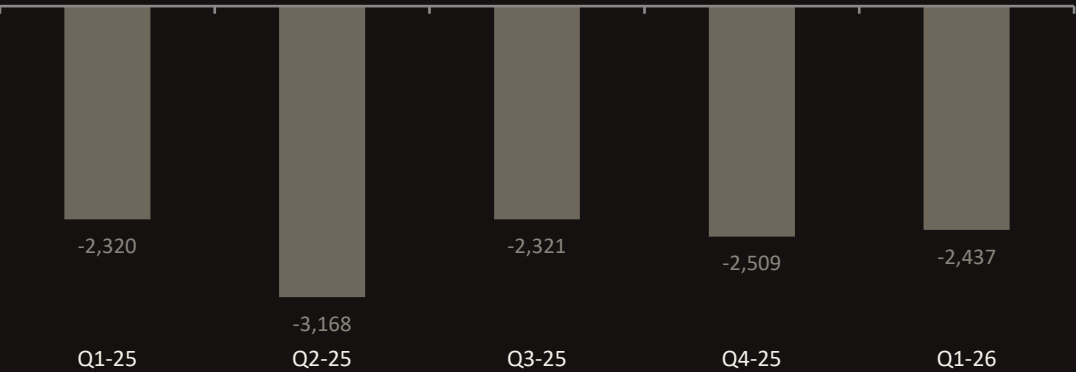
Source: CAPIQ aggregated ownership as of 07/18/26, U.S. Gov't stake is from Intel 8-k filed 08/25/25

DCAI & Foundry: the internal engine and the external prize

DCAI Segment Operating Income (\$M)



Foundry Segment Operating Loss (\$M)



Source: Hideyoshi INTC model * Historicals tab

EXTERNAL REVENUE LADDER

Status	Program	Scale Per Year (est)
TODAY	3% of foundry revenues are external customers, INTC operates with a narrowing loss on its foundry	~\$0.7B/yr
SIGNED Jul-21-26	Fortinet SP6 security ASIC on Intel 4 - first named foundry customer under Tan and first external customer for the node; the prior SP5 was TSMC-built	~\$0.1-0.2B/yr (our est.)
SIGNED 2024-25	Microsoft 18A chip (ramp pending) * AWS custom Xeon 6 + 18A AI fabric chip * DoD + RAMP-C brings in Boeing, Northrop, IBM as defense partners	\$0.3B DoD & \$0.5B Hyperscaler (our est.)
REPORTED	Google order for 3M+ TPUs, 2028 delivery (The Information, Jun-8; unconfirmed by either company - ~half of Google's est. output that year)	multi-\$B/yr if confirmed
OPTION	TeraFab / Tesla silicon on 14A * Apple + Microsoft in the 18A-P early design-partner program (Jul-20)	\$10B+/yr Prime anchor

Tesla committed on 14A (Apr-26); Apple + MSFT entered 18A-P on Jul-20; the 2H-26 growth window opens with the Jul-23 print. The missing anchor is now a scheduled question on the earnings call.

The trade: September \$150 call - bought to sell into the move

The structure	
Long INTC 18-Sep-26 \$150 call	
Entry (live)	\$4.65 / \$465 per contract (ref \$105.45)
Composition	all extrinsic * 42% OTM
Breakeven	\$154.65 at expiry (+46.7%) * PoP 17.3%
Risk / delta	max loss \$465 (-100%) / Δ ~0.24 * IV ~95%
Hold plan	the print + days, not until expiration

Why this structure

\$465 of defined risk and buys cheap convexity into the print.

The entire return lives in the first two weeks. The base case (\$120 post-print) pays ~+79%; a bull tape at \$130-140 pays +160-260%. This is bought to sell into the post-print move, not to hold.

High IV and Call skew make a weekly or short-term expiration unattractive for the risk. While earnings actuals and guidance have strong confidence, the stock reaction is harder to judge, and the mid September expiration gives time to close the position

P A Y O F F M A P * P & L A S % O F P R E M I U M						
		Jul-25	Aug-07	Aug-21	Sep-04	Sep-18
155		+442%	+381%	+303%	+202%	+8%
Strike 150		+378%	+318%	+241%	+140%	-100%
140		+261%	+204%	+132%	+40%	-100%
130		+161%	+110%	+46%	-29%	-100%
Base 120		+79%	+35%	-16%	-70%	-100%
111		+20%	-15%	-54%	-89%	-100%
Spot 105.4		-9%	-39%	-70%	-94%	-100%
95		-51%	-71%	-89%	-99%	-100%

Live quote via dealer calculator at the 7/21 close; matrix is Black-Scholes calibrated to the \$4.65 mark (~95% IV, flat) and matches the dealer grid within ~2 points. Probability of profit 17.3% per the calculator.

Intel Earnings Catalyst Trade: The Outlook

Entry & sizing

Full position on by Wednesday's close - nothing gets added once the print is live. Sized so a total loss of premium stays inside normal single-name limits. Holding INTC stock versus paying for options with ~95% vol is the cost of admission for a scheduled binary.

Checkpoints

Jul-22	Alphabet reports the night before the print - the capex guide either de-risks Thursday or raises the bar
Jul-23	The print and the call: Q3 guide, margin path, DCAI, and what they say about TPU and 14A
Jul-24	The 10-Q: customer prepayments, TeraFab in the commitments footnote, inventory mix
2H-26	The 14A window, Crescent Island sampling, Nova Lake - for the equity book, not this option

If it works

Sell 50-70% into the first post-print session regardless of print economics - at 0.24 delta and 95% vol, this structure bleeds roughly 9% in the first flat session and 70% by late August. If the call delivers on the pipeline and the stock is through \$120, let the remainder ride the momentum for days, not weeks. Roll up and out rather than add more options, but note earnings economics for regular equity investing

What can go wrong

A 17.3%-probability structure by construction - most paths lose the premium. When faced with bearish market sentiment a strong beat can still be punished and an options expression does not hold the same extended market liquidity that a stock position would. If IV follows the modeled -15% crush, then options lose out in addition to a theta bleed.

Exit at the print if any one of these hits: Q3 guide under \$15.0B * gross margin guided under 39% with ramp costs bleeding into 2027 * DCAI under \$5.3B * nothing substantive on TPU or 14A.