

EQUITY RESEARCH | COMPANY UPDATE

Intel Corporation

NASDAQ: INTC | Semiconductors – Integrated Design & Foundry | United States | Report date: August 15, 2026

RECOMMENDATION

WATCHLIST

Reaffirmed · own it lower, not here
Investment Score: 48 / 100 (was 46)

Last price (Aug 14, 2026 close)	\$102.50
Change since last report (Jul 23)	+2.3%
Intervening low / recovery	\$81.88 → +25.2%
Market capitalisation	~\$538.6B
Forward P/E (FY26E adj.)	~62x
Weighted scenario fair value	~\$114
Consensus (48 analysts)	Hold, target \$114.88
Preferred accumulation zone	\$70 – \$85

Investment Summary

Three weeks have delivered more than the flat share price suggests. Intel closed at \$102.50 on August 14, 2.3% above the \$100.23 in the July 24 report, but the path between the two was violent: an 18.3% slide to \$81.88 on July 29, then a 25.2% recovery. More consequentially, on August 10 Intel launched an underwritten common stock offering, initially \$15 billion and subsequently upsized to roughly \$20 billion, with a \$2.25 billion greenshoe on the base deal. At around \$100 a share that is close to 4% dilution on the 5.04 billion shares outstanding in mid-July, on top of a share count already up 13.3% year on year.

The raise is the substantive news, and it cuts both ways. It leaves Intel with roughly \$50 billion of liquidity against \$50.5 billion of debt and preserves the investment-grade rating management explicitly cited as a constraint, which is a genuine strengthening of a balance sheet that was the weakest part of the July assessment. It was also raised opportunistically near multi-year highs, which is good treasury practice. Against that, the capital is funding 14A capacity whose returns Intel's own roadmap places no earlier than 2028, for a customer list that still contains exactly one publicly named external name, Tesla, confirmed back in April for the Terafab project. Google, Apple, AMD and Nvidia are reported to be evaluating commitments once the PDK 0.9 design kit ships in late 2026. None has signed. Intel Foundry's external revenue in the second quarter was \$293 million against a \$2.1 billion segment operating loss.

That is the July thesis restated with more evidence rather than a new one: an improving business at a price that already assumes the improvement completes on schedule. The stock trades at roughly 62 times FY26 consensus adjusted earnings and 9.4 times sales while generating a trailing GAAP loss. The Investment Score rises from 46 to 48, entirely on the improved liquidity position and a firmer technical setup; valuation and risk are unchanged and remain the binding constraints. The rating stays **Watchlist**.

One level in the July report needs correcting, and it is the reason this update exists. That note set a preferred accumulation zone of \$65–\$80 and a thesis-break at a sustained close below \$84. The July 29 capitulation bottomed at \$81.79 intraday and \$81.88 on the close — inside the thesis-break band and \$1.79 above a zone the market never printed. An investor following those levels would have been simultaneously warned that the thesis was breaking and told not to buy. The zone is reset to \$70–\$85 and the thesis-break moved down to a sustained close below \$70, the rising 200-day average.

1. What Has Changed Since the Last Report

Item	July 24, 2026	August 15, 2026	Read
Share price	\$100.23	\$102.50	+2.3%, via an 18% round trip
Equity issuance	None pending	~\$20B offering launched Aug 10	New; ~4% dilution

Item	July 24, 2026	August 15, 2026	Read
Liquidity	\$29.7B cash vs \$48.5B debt	~\$50B cash vs \$50.5B debt	Materially improved
Named external 14A customers	Tesla only (Terafab)	Tesla only	No marquee win yet
Consensus target	~\$108 avg (~47 analysts)	\$114.88 avg (48 analysts)	Raised; still Hold
Target dispersion	\$75 – \$155	\$80 – \$200	Wider still
50-day moving average	\$115.8	\$109.40	Falling; price still below
100-day moving average	\$89.8	\$97.88	Rising; price now above
RSI (14) / MACD	41.9 / bearish	51.3 / histogram +1.81	Momentum repairing
Short interest	~2.5% of float	2.51% of float (120.96M)	Unchanged; few bears

Second-quarter 2026 results were reported on July 23 and were covered in the previous report. No further earnings release has occurred; third-quarter results are scheduled for October 22, 2026.

2. The Capital Raise

Intel announced a \$15 billion underwritten public offering on August 10, with J.P. Morgan, Goldman Sachs, Morgan Stanley and Citigroup as joint bookrunners and a 30-day underwriter option for a further \$2.25 billion. The deal was subsequently upsized, with sell-side commentary describing a raise of roughly \$20 billion. Shares fell as much as 5% on the announcement, breaking below \$100 before recovering; semiconductor peers were flat, confirming a single-name capital-structure reaction rather than sector weakness.

The choice of equity over debt was deliberate and, on its own terms, defensible. Intel carried \$48.5 billion of debt in late June and management named the investment-grade rating as a constraint; another \$15–20 billion of borrowing would have risked a downgrade that raises the cost of the entire existing stack. Issuing stock near a multi-year high is the cheaper form of capital in that situation. Bank of America reiterated a Buy while cutting its target to \$145 from \$160, framing the raise as a signal of confidence in foundry demand and trimming 2026, 2027 and 2028 earnings estimates by 2%, 4% and 3% for the higher share count, to adjusted \$1.47, \$2.01 and \$2.92 respectively. The counter-argument is simpler and harder to dismiss: shareholders are funding capacity today for revenue that arrives in 2028, for customers who have not committed. Both readings are legitimate, which is precisely why the analyst target range has widened to \$80–\$200.

Dimension	Detail	Assessment
Size	\$15B base, upsized to ~\$20B; \$2.25B greenshoe on the base	Large but not balance-sheet rescue scale
Dilution	~3.0% at \$15B, ~4.0% at \$20B, on 5.044B shares (Jul 17)	Manageable in isolation
Cumulative dilution	Share count 4.28B (2024) to 5.25B now; +13.3% YoY	The pattern, not the event, is the issue
EPS impact	BofA estimates 4–5% earnings dilution	Estimates cut 2–4% across 2026–28
Use of proceeds	14A capacity, High-NA EUV tooling, advanced packaging	Risk production 2H27, volume 2028
Credit effect	Investment-grade rating preserved; bondholders better off	Clear positive for debt, dilutive for equity
Capex trajectory	2026 capex above \$20B (raised from \$18B); 2027 "significantly above"	Cash absorption continues

Sources: Intel newsroom, Bank of America via Benzinga (Aug 12, 2026), Tech Times (Aug 10, 2026).

3. Foundry: the Number That Still Has Not Moved

Everything about the Intel investment case reduces to whether the foundry works commercially, and the external revenue line remains the honest scoreboard. Intel Foundry generated \$293 million of external revenue in the second quarter of 2026. TSMC's external foundry revenue in the first quarter of 2026 was \$35.9 billion. Intel Foundry's segment operating loss was \$2.1 billion, an improvement of \$348 million on the prior quarter — narrowing, but at that rate breakeven is years

rather than quarters away.

The technology case is real. 14A is a 1.4nm-class node built on RibbonFET gate-all-around transistors and backside power delivery, and it is the first node globally planned for production on ASML's High-NA EUV scanners, which cost roughly \$380 million each. Intel projects 15–20% better performance than 18A, 30% higher density and 25–35% lower power. TSMC is targeting its comparable A14 node for 2028 without High-NA EUV, a divergence that is a genuine strategic bet rather than a detail. If both arrive in 2028, customers will choose on cost, yield and ecosystem — three areas where TSMC holds structural advantages. Risk production for 14A has been pulled forward to the second half of 2027, so the July report's downside trigger of a further timeline slip has not occurred.

4. Financial Position

The trailing twelve-month accounts remain difficult to read, and the gap between operating and reported results is the reason. Revenue of \$57.03 billion carries a 38.9% gross margin and positive operating income of \$4.46 billion, yet pretax income is negative \$9.85 billion and the net loss is \$11.29 billion, or \$2.30 per share. The roughly \$14 billion swing sits below the operating line in non-operating items, including mark-to-market on the government-linked instruments and investment write-downs, which is why an earnings multiple on trailing GAAP is meaningless here and why the forward adjusted figure is the only usable earnings anchor. Operating cash flow of \$14.94 billion against \$12.11 billion of capital expenditure leaves \$2.83 billion of free cash flow on the conventional definition; Intel's own adjusted free cash flow measure, which treats certain partner and government receipts differently, has been materially negative, and the two should not be compared directly.

Metric	Reading (TTM)	Comment
Revenue	\$57.03B	Growth reaccelerated to 25% in Q2 2026
Gross margin	38.87%	Recovering from the trough
Operating income	\$4.46B	Positive at the operating line
Pretax / net income	–\$9.85B / –\$11.29B	Non-operating items drive the loss
Loss per share	–\$2.30	Trailing P/E not meaningful
Operating cash flow	\$14.94B	Solid; the business funds itself operationally
Capital expenditure	–\$12.11B	2026 guided above \$20B; 2027 higher again
Free cash flow	\$2.83B (4.96% margin)	Thin; company-adjusted measure differs
Cash / total debt	\$29.73B / \$50.54B (pre-offering)	~\$50B cash post-raise
Book value per share	\$17.36	Price/book 5.90x
Return on equity / ROIC	–10.72% / 3.42%	Below cost of capital

Trailing twelve months per S&P; Global Market Intelligence as of August 15, 2026. Cash and debt are the last reported balance sheet and exclude the August offering proceeds.

5. Valuation

The valuation conclusion is unchanged from July and the arithmetic has, if anything, tightened slightly against the shareholder. At \$102.50 the market capitalisation is \$538.6 billion and the enterprise value \$559.2 billion, against \$57.03 billion of trailing revenue and a GAAP loss. Forward multiples depend entirely on which estimate is used: consensus implies roughly 62 times FY26 adjusted earnings of about \$1.66, while Bank of America's post-dilution \$1.47 implies nearly 70 times. Even on the 2028 estimate of \$2.92, which assumes the foundry inflection lands on schedule, the stock trades at 35 times. TSMC changes hands near 24 times forward earnings for a proven, profitable foundry. Intel's premium is entirely an option on execution, which is why a scenario-weighted approach is the only sensible lens.

Method	Basis	Implied read	Verdict
Forward P/E, consensus	~62x FY26E adj. EPS ~\$1.66	vs TSMC ~24x, AMD ~35x	Expensive
Forward P/E, BofA post-dilution	~70x FY26E \$1.47; 51x FY27E \$2.01	Dilution costs 2–4% of EPS	Expensive
Forward P/E on 2028E	~35x on \$2.92	Requires the inflection on schedule	Demanding
Price / sales	9.44x trailing, 8.00x forward	vs 0.7x in early 2025	Fully re-rated
EV / EBITDA	33.2x	On depressed EBITDA	Rich
Price / book	5.90x on \$17.36 BVPS	Asset-heavy business	Rich
Scenario-weighted FV	25 / 50 / 25 bull / base / bear	~\$114	Fair, fat tails
Consensus target	48 analysts, range \$80–\$200	\$114.88 (+12.1%)	Hold

Priced off the August 14, 2026 close of \$102.50. Trailing GAAP earnings multiples are not meaningful given the reported loss.

6. Sentiment and Positioning

The consensus remains Hold across 48 analysts with an average target of \$114.88, up from roughly \$108 in July, but the aggregate conceals an unusually wide disagreement: individual targets span \$80 to \$200. Revisions since the last report have moved in both directions — Morgan Stanley up to \$84 from \$75, Bank of America down to \$145 from \$160, Mizuho down to \$109 from \$135 — which is what a genuine two-sided debate looks like rather than a drifting consensus. Short interest is 120.96 million shares, 2.51% of float and down from 127.79 million the prior month, so almost nobody is positioned outright bearish despite the multiple. Institutional ownership is 65.2%; insider ownership is negligible at 0.08%.

7. Technical Picture

The July correction ran its course and reversed hard. From the \$142.35 June high the stock fell 42% to \$81.79 intraday on July 29, then recovered 25% in eleven sessions on very heavy volume, including two sessions above 160 million shares. Price now sits above the 20-day at \$96.82 and the 100-day at \$97.88 but remains below the falling 50-day at \$109.40, so the intermediate picture is a repair in progress rather than a resumed uptrend. MACD is still negative at –1.59 but its histogram has turned positive at +1.81, a narrowing that typically precedes a crossover. RSI at 51.3 is neutral with room in both directions. ATR of \$7.20 is 7.0% of price: this remains a stock that can move 10% in a session, and position sizing matters more than entry precision.

Indicator	Value	Signal
Close (Aug 14, 2026)	\$102.50	—
SMA 20 / 50	\$96.82 / \$109.40	Above the 20-day, below the 50-day
SMA 100	\$97.88	Price above; rising
SMA 200	Not computed (100-session series)	Cited elsewhere near \$70; primary uptrend intact
RSI (14)	51.3	Neutral
MACD (12,26,9)	–1.59, signal –3.40, histogram +1.81	Negative but improving
ATR (14)	\$7.20 (7.0% of price)	Very high volatility
Volume (20-day avg)	119.3M vs 121.5M 50-day	Heavy throughout the round trip
Support / resistance	\$98, \$91, \$82 / \$109, \$122, \$142	Range to watch

Computed from 100 daily bars (Mar 24 to Aug 14, 2026), Wilder smoothing for RSI and ATR. The 200-day average is not computed because the series used is shorter than the required window.

8. Risks

Risk	Description	Probability	Severity
Valuation	~62x forward earnings and 9.4x sales already price in a successful foundry	High	High
Further dilution	Share count up 13.3% YoY; 2027 capex guided higher again	Med-High	Medium
Foundry customer risk	Only Tesla named on 14A; Apple, Google, AMD, Nvidia still evaluating	Medium	High
Execution / yields	18A and 14A yields and High-NA EUV tooling are unproven at volume	Medium	High
Competitive	TSMC's A14 targets the same 2028 window with cost and ecosystem advantages	High	Medium
Volatility	Beta 2.24, ATR 7% of price; an 18% drawdown occurred within this reporting gap	High	Medium
Earnings quality	GAAP distorted by non-operating marks; adjusted figures do the work	High	Medium
Capital intensity	Capex above \$20B in 2026 against \$2.8B of free cash flow	High	Medium

9. Scorecard

Component		Score	Weight	Commentary
Business Quality		5/10	15%	Improving but structurally challenged; foundry still bleeds
Financial Strength		5/10	15%	Raised from 4: ~\$50B liquidity, rating preserved, FCF positive
Competitive Advantage		5/10	12%	Only Western leading-edge foundry, but behind TSMC
Management		6/10	10%	Opportunistic raise well executed; customer proof still absent
Growth Potential		7/10	15%	Genuine inflection: +25% revenue, DCAI +59%, large TAM
Valuation		3/10	18%	~62x forward and 9.4x sales already price in success
Risk (10 = lowest risk)		3/10	10%	Beta 2.24, execution and dilution risk, wide outcome range
Technical Setup		5/10	5%	Raised from 4: above 20 and 100-day, MACD histogram positive

Scored 1–10, where 10 is always best, including Risk. Weights sum to 100%. Weighted total: $7.5 + 7.5 + 6.0 + 6.0 + 10.5 + 5.4 + 3.0 + 2.5 = 48 / 100$, up from 46 in July. The prior report used the same direction convention for Risk, so the component scores are directly comparable. Two moved: Financial Strength 4 to 5 on the capital raise, and Technical Setup 4 to 5 on the recovery. Valuation and Risk are unchanged and remain the binding constraints on the rating.

10. Recommendation and Reference Levels

Rating: **WATCHLIST**, reaffirmed. Nothing in the last three weeks resolved the question the July report posed. Intel is executing operationally — fastest revenue growth since 2011, margin recovery, data-centre momentum, and now a fortified balance sheet — while the market already pays roughly 62 times forward earnings for a company whose decisive commercial proof point is a 2028 event. The equity raise makes the survival case stronger and the per-share case slightly weaker at the same time, which is a fair summary of why this remains a Watchlist name rather than a Buy or an Avoid.

What moves the rating to Buy: a binding, named marquee external 14A customer beyond Tesla, most plausibly after PDK 0.9 ships in late 2026; foundry operating losses narrowing decisively rather than by \$300 million a quarter; or a pullback into the \$70–\$85 zone. What moves it to Avoid: an 18A or 14A timeline slip beyond 2028, loss of a prospective foundry customer, a further equity raise before the first one is deployed, or a sustained close below the \$70 two-hundred-day average.

Parameter	Level	Change vs. July	Note
Current price	\$102.50	—	August 14, 2026 close
Preferred accumulation zone	\$70 – \$85	Raised from \$65–\$80	Captures the July 29 capitulation low of \$81.79
Weighted fair value	~\$114	Raised from ~\$108	Higher estimates, offset by ~4% dilution
Near-term support	\$98 / \$91 / \$82	Rebuilt	20 and 100-day cluster, then the July low
Near-term resistance	\$109 / \$122 / \$142	Unchanged	50-day, prior shelf, all-time high
Thesis-break level	Sustained close < \$70	Lowered from < \$84	The 200-day; \$84 was inside the normal trading range

Illustrative reference levels only, not a recommendation to transact. With ATR at 7% of price, any position should be sized for high volatility rather than for conviction.

11. Scenario Analysis

Scenario	Prob.	Drivers	Fair value
Bull	25%	A marquee 14A customer signs after PDK 0.9; 18A reaches profitability; foundry loss halves; DCAI compounds	\$150 – \$185
Base	50%	18A ramps; Tesla plus one mid-size win; foundry loss narrows slowly; capex stays elevated	\$100 – \$120
Bear	25%	PDK 0.9 slips or no additional customer; capex climbs again; a further equity raise is required	\$60 – \$75

*Probabilities sum to 100%. Probability-weighted fair value on scenario midpoints ($0.25 \times \$167.50 + 0.50 \times \$110.00 + 0.25 \times \$67.50$) is **\$113.75**, 11.0% above the August 14 close and effectively in line with the \$114.88 consensus target.*

12. Final Verdict

Would a disciplined investor commit fresh capital to Intel at \$102.50 today? Still no, and the August offering sharpens rather than softens the reason. The company has just asked its shareholders for roughly \$20 billion to build capacity whose returns its own roadmap places in 2028, for a node with one publicly named external customer. Management is right that equity was the cheaper instrument and right that the rating had to be protected. But a business that must fund its central strategic bet by diluting holders near a multi-year high is telling the market something about where it sits in its own capital cycle, and buying that stock at 62 times forward earnings means paying a premium for an outcome that has not yet been underwritten by a single large customer signature.

The single biggest concern remains unchanged: valuation and execution-timeline risk compound each other. Three weeks ago that risk expressed itself as an 18% drawdown in six sessions, and the fact that it reversed just as fast is not reassurance, it is a description of how much this stock now moves on sentiment rather than results. What would change the view is a customer, not a capital raise. Until a name of consequence commits to 14A, or the price comes to the \$70–\$85 zone where the option is worth underwriting, the disciplined position is to watch.

This report is for informational purposes only and does not constitute investment, legal or tax advice or a recommendation to buy or sell any security. It is not personalised to any individual's circumstances. Figures are drawn from company filings and public sources believed reliable as of August 15, 2026; the share price referenced is \$102.50, the August 14, 2026 close. Second-quarter 2026 results were released on July 23 and were analysed in the previous report of July 24; no earnings release or earnings call has occurred since, so no new call transcript was applicable to this update. Third-quarter results are scheduled for October 22, 2026. Balance-sheet figures are the last reported and exclude proceeds from the August offering, which had not settled as of the data cut. Forward estimates are illustrative and subject to material uncertainty. Investing involves risk, including loss of principal. Readers should conduct their own due diligence and consult a licensed financial adviser before making any investment decision.