

Intel Corp**Intel shares jump on improved revenue as turnaround shows progress**

Investments from Nvidia, SoftBank and Trump administration strengthened chipmaker's finances



Lip-Bu Tan has faced pressure from the White House to continue its US chipmaking push © Annabelle Chih/Bloomberg

Michael Acton in San Francisco

Published YESTERDAY

Updated 01:43

Intel shares rallied after the struggling chipmaker reported better than expected revenue, adding to its momentum following big investments from the Trump administration, Nvidia and Japan's SoftBank.

The Santa Clara, California-based tech group reported revenue of \$13.7bn, up 3 per cent year-on-year — beating Wall Street expectations of \$13.2bn.

[Intel](#) expected revenue of between \$12.8bn and \$13.8bn for the fourth quarter, roughly in line with consensus estimates. Its shares rose 7.7 per cent in after-hours trading.

Executives said the strong earnings showed Intel is making progress on its turnaround effort after years of financial stress, as its huge bet on building [advanced chip manufacturing](#) in the US led to billions of dollars in losses.

Chief executive Lip-Bu Tan said the “solid” quarter demonstrated “improved execution delivered by the underlying growth in our core markets and a steady progress to rebuild the company”.

“We are taking the right steps to create sustainable shareholder value,” he added.

Intel shares had risen about 85 per cent in the six months leading up to Thursday’s earnings report. Investor confidence was boosted by the US government converting manufacturing grants into a 10 per cent equity stake — followed by SoftBank buying \$2bn in shares and Nvidia agreeing to a chip partnership and a [\\$5bn investment](#).

But Tan remains under pressure to stabilise the company and deliver on its US chipmaking ambitions.

Net income was \$4.1bn in the three months to the end of September, Intel’s first quarterly profit since 2023. This followed a record \$16.6bn net loss a year ago resulting from restructuring and impairment charges.

Intel also disclosed the extent of recent job cuts, saying it had shed almost 30 per cent of its staff in a year. Tan said he wants to cut middle management layers that have blunted the company’s ability to innovate, while hiring top engineers.

Personal computer chip sales exceeded expectations after several flat quarters, driven by upgrades to Microsoft’s operating system. Intel also cited a broader increase in sales of its PC and server products linked to artificial intelligence.

Intel’s gross margin improved to 38 per cent during the quarter, up from 15 per cent a year ago. Margins had been eroded by outsourcing Intel’s most advanced manufacturing to Taiwan’s TSMC.

However, its profitability remains under pressure because of the increased set-up costs for its new chips and manufacturing technology.

Intel is trying to win giant chip clients such as Apple, Qualcomm and Nvidia back from TSMC.

Tan said engagement with “multiple” potential customers had increased during the three months to September. Intel warned last quarter it could withdraw from the most advanced chip manufacturing if it is unable to land customers.

Tan on Thursday said he now had “a lot more confidence” in the company’s future.

Some analysts had expected Intel to sell the manufacturing unit. But Tan, who was appointed chief executive in March, has faced pressure from the Trump administration to continue the US chipmaking push, and has committed to holding the company together.

On top of the three multibillion-dollar investments this year, Intel has also benefited from deals to sell stakes in specialist chip company Altera and automotive technology company Mobileye.

Its upbeat guidance came despite losing income from its smaller share of Altera.

But the influx of cash has not resolved Intel’s long-term problems. Bernstein analysts cautioned in a recent note that the company’s position was “still precarious”, with continued uncertainty about the future of its manufacturing business and ongoing losses in its core chip business, leading to a “very stretchy valuation”.

[Copyright](#) The Financial Times Limited 2025. All rights reserved.

Follow the topics in this article

US companies

Technology sector

Corporate earnings and results

Semiconductors

Intel Corp

