SK hynix to Acquire Intel NAND Memory and Storage Business

Frequently Asked Questions

Q: What was announced? What is the timeline?
A: SK hynix and Intel announced that they have signed an agreement under which SK hynix would acquire Intel’s NAND memory and storage business for US $9 billion. The transaction includes the NAND SSD business, the NAND component and wafer business, and the Dalian NAND memory manufacturing facility in China. Intel will retain its distinct Intel® Optane™ business.

SK hynix and Intel will endeavor to obtain required governmental approvals, expected in late 2021. Following receipt of these approvals, SK hynix will acquire from Intel the NAND SSD business (including NAND SSD-associated IP and employees), as well as the Dalian facility, with the first payment of US $7 billion. SK hynix will acquire from Intel the remaining assets, including IP related to the manufacture and design of NAND flash wafers, R&D employees, and the Dalian fab workforce, upon a final closing, expected to occur in March 2025 with the remaining payment of US $2 billion. Per the agreement, Intel will continue to manufacture NAND wafers at the Dalian Memory Manufacturing Facility and retain all IP related to the manufacture and design of NAND flash wafers until the final closing.

Q: What motivated both SK hynix and Intel to sign this agreement?
A: SK hynix aims to enhance the competitiveness of its NAND flash solutions as one of the leading global semiconductor companies and grow the memory ecosystem for the benefit of customers, partners, employees and shareholders.

For Intel, this transaction will enable the company to invest transaction proceeds to deliver leadership products and advance its long-term growth priorities, including AI, 5G networking and the intelligent, autonomous edge.

Q: How will this transaction benefit customers?
A: SK hynix, a leader in innovative memory and storage technologies, will bring its strengths and capabilities to build on the success of Intel’s NAND technology at a greater scale, play a larger role in supporting our customers, and provide investment into other strategically-aligned technologies. For example, SK hynix expects to continue investing in floating-gate R&D providing customers with high capacity SSD solutions and access to a broader portfolio of 3D NAND technology.

Q: Will SK hynix continue to develop, sell and support 3D NAND products acquired from Intel?
A: Until the transaction closes, there is no change for Intel’s memory and storage customers. Intel will continue to deliver on its roadmap and customer commitments. After the transaction closes, SK hynix expects to fully utilize both companies’ capabilities and expects to continue selling the Intel 3D NAND SSD product portfolio, while investing to increase the scale, volume and value of the memory and storage business for customers.

Q: What happens to the Intel NAND Memory Technology and Manufacturing facility in Dalian, China?
A: SK hynix will acquire the facility when phase one of the transaction closes, subject to regulatory approval. Per the agreement, Intel will continue to manufacture NAND wafers at the facility, and retain all IP related to the manufacture and design of NAND flash wafers, until the final closing, expected to occur in March 2025.

Q: How does Intel’s memory and storage technology complement SK hynix’s existing technology?
A: SK hynix recently developed the world’s first Charge Trap Flash (CTF)-based, 96-layer 4D NAND flash in 2018 and 128-layer 4D NAND flash in 2019. SK hynix’s acquisition of Intel’s solutions technology and manufacturing capability will allow SK hynix to establish a higher value-added 3D NAND solutions portfolio, including enterprise SSDs.

Q: Why wasn’t Intel Optane included in the transaction and what are Intel’s future plans for this technology?
A: Intel is retaining the Intel Optane technology and intends to continue investing, developing and scaling the Optane business. Optane is a next generation memory technology that differentiates Intel platform products.

Forward Looking Statements
Statements in this press release that refer to future plans and expectations, including with respect to the transactions contemplated by SK hynix’s agreement to acquire Intel’s NAND memory and storage business, NAND manufacturing and supply arrangements and other relationships between Intel and SK hynix, and Intel’s business and investment plans, are forward-looking statements that involve a number of risks and uncertainties. Words such as “anticipates,” “expects,” “intends,” “goals,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “may,” “will,” “would,” “should,” “could,” “endeavor,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Statements that refer to or are based on estimates, forecasts, projections, uncertain events or assumptions, including statements relating to the benefits of the transactions contemplated by SK hynix’s agreement to acquire Intel’s NAND memory and storage business; the timing and closing conditions of such transactions, including with respect to applicable governmental approvals; anticipated trends in Intel’s businesses or the markets relevant to them; investment returns and benefits; and future products and technology and the availability and benefits of such products and technology also identify forward-looking statements. Such statements are based on current expectations and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Important factors that could cause actual results to differ materially from current expectations include, among others, that governmental authorities may not approve the transactions; that the first or second closings of the transactions may not occur or may be delayed; that expected financial or other benefits of the transactions may not be realized; that litigation related to the transactions or limitations or restrictions imposed by regulatory authorities may delay, permanently restrain or negatively impact the transactions; that unanticipated transition costs may be incurred; that the transactions may not be supported by third parties; that the announcement and pendency of the transactions may adversely affect Intel’s business relationships, operating results, or its business in general; that actions by competitors may negatively impact results; and that there may be negative changes in general economic or geopolitical conditions affecting the regions or the industries in which Intel and SK hynix operate; as well as the factors set forth in Intel’s most recent earnings release, which is included as an exhibit to Intel’s Form 8-K furnished to the SEC on the date of such release, and Intel’s SEC filings, including the company’s most recent reports on Forms 10-K and 10-Q. Copies of Intel’s Form 10-K, 10-Q and 8-K reports may be obtained by visiting Intel’s Investor Relations website at www.intc.com or the SEC’s website at www.sec.gov. Intel does not undertake, and expressly disclaims any duty, to update any statement made in this press release, whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law.