

Q2 2019

EARNINGS PRESENTATION

DISCLOSURES

This presentation contains non-GAAP financial measures relating to our performance. You can find the reconciliation of these measures to the most directly comparable GAAP financial measure in the Appendix at the end of this presentation. The non-GAAP financial measures disclosed by Intel should not be considered a substitute for, or superior to, the financial measures prepared in accordance with GAAP. Please refer to “Explanation of Non-GAAP Measures” in Intel's quarterly earnings release for a detailed explanation of the adjustments made to the comparable GAAP measures, the ways management uses the non-GAAP measures and the reasons why management believes the non-GAAP measures provide investors with useful supplemental information.

Statements in this presentation that refer to business outlook, future plans and expectations 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," 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 total addressable market (TAM) or market opportunity, future products and the expected availability and benefits of such products, and anticipated trends in our businesses or the markets relevant to them, also identify forward-looking statements. Such statements are based on management's expectations as of July 25, 2019 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 the company's expectations are set forth in Intel's earnings release dated July 25, 2019, which is included as an exhibit to Intel's Form 8-K furnished to the SEC on such date. Additional information regarding these and other factors that could affect Intel's results is included in 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 our Investor Relations website at www.intc.com or the SEC's website at www.sec.gov.

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EXECUTIVE SUMMARY

Strong Q2 results... customer preference for performance driving Xeon & Core ASPs up YoY... PC TAM improving

Continued focus on Expanded TAM, Product Leadership, Execution & Culture

Executing disciplined Big Bets framework... Mobileye EyeQ-equipped vehicles cross 40M mark... Selling smartphone modem business to Apple

Trade uncertainty driving pull-ins from 2H

OUR GAME PLAN...

EXPANDED TAM



5G: Sharpened focus on Network Transformation

IOT: Record IOTG revenue, Mobileye REM adoption accelerating

Cloud/AI: Acquired Barefoot Networks; Baidu partnering on Nervana NNP-T

ACCELERATING INNOVATION



Announced special edition of world's best gaming CPU² for Holiday 2019

Optane gaining momentum... SAP partnership and >150 customer POCs

Anthos hybrid cloud design with Google

EXECUTION & CULTURE



10nm Ice Lake Client shipping

10nm FPGAs shipping 2H'19

Announced 7nm on 2 year cadence

PC supply/demand balance in 2H'19

5G smartphone modem exit

¹ IOT (Internet of Things) is comprised of IOTG and Mobileye operating segments.

² For more complete information about performance and benchmark results, visit www.intel.com/benchmarks. Performance results are based on testing as of date specified in configuration and may not reflect all publicly available security updates. See configuration disclosure in Appendix for details.

5G SMARTPHONE MODEM DIVESTITURE

- Apple acquiring majority of 5G smartphone modem business for \$1 B
- Anticipate a net gain of approximately \$500M after tax, which will be excluded from non-GAAP results
- Approximately 2200 Intel employees will join Apple along with IP, equipment & leases
- Expect transaction to close in Q4 '19 subject regulatory approvals and other customary conditions
- No impact to Intel's 4G smartphone modem business

Q2'19 FINANCIAL HIGHLIGHTS

Revenue down... Non-GAAP EPS up 2% in challenging environment

- Q2 Revenue \$16.5B, down 3% YoY... Data-centric \$7.7B... PC-centric \$8.8B
- Q2 Non-GAAP Operating Margin 31%, down 2ppt... CPU ASP strength offset by platform volume declines & NAND pricing degradation
- Delivered Q2 Non-GAAP EPS of \$1.06, up 2% YoY
- Year-to-date generated \$5.7B of free cash flow... Returned \$8.4B to shareholders... Paid dividends of \$2.8B... Repurchased 117M shares

NON-GAAP EPS UP 2%¹

Platform ASP strength, lower costs & share count partially offset by demand softness & NAND pricing pressure

EPS Drivers Year-Over-Year



EPS up \$0.02

Platform Execution

- Volume weakness due to Cloud capacity absorption, E&G TAM decline, PRC deceleration
- PC supply constraints impacting small-core Client MSS
- ASP strength driven by Client and Xeon
- Lower 10nm start-up costs on product qualification

Adjacencies

- NAND pricing pressure

Disciplined Spending

- Divestitures partially offset by investment in adjacencies

Capital Allocation & Other

- Lower share count
- McAfee dividend ~\$340M

1. EPS & Operating Margin are presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.

2. Platform includes CCG, DCG and IOTG microprocessors and chipsets.

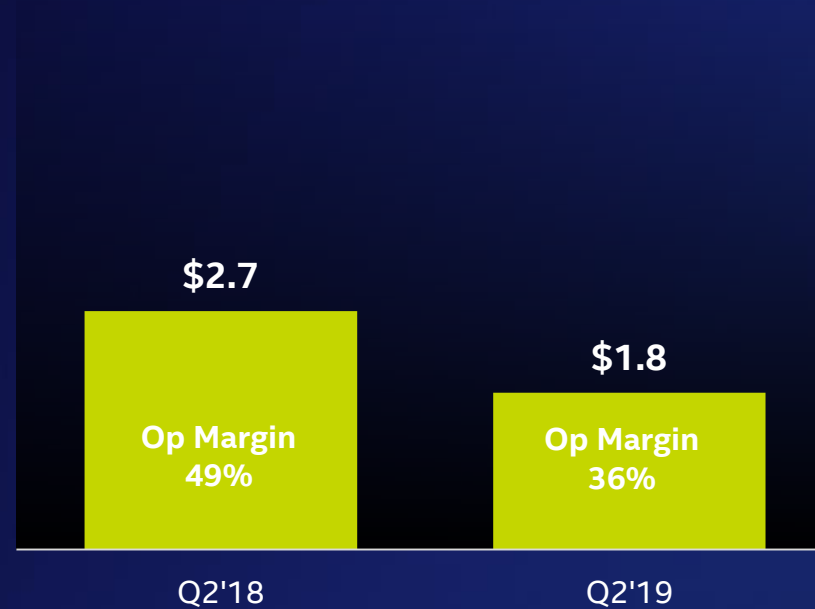
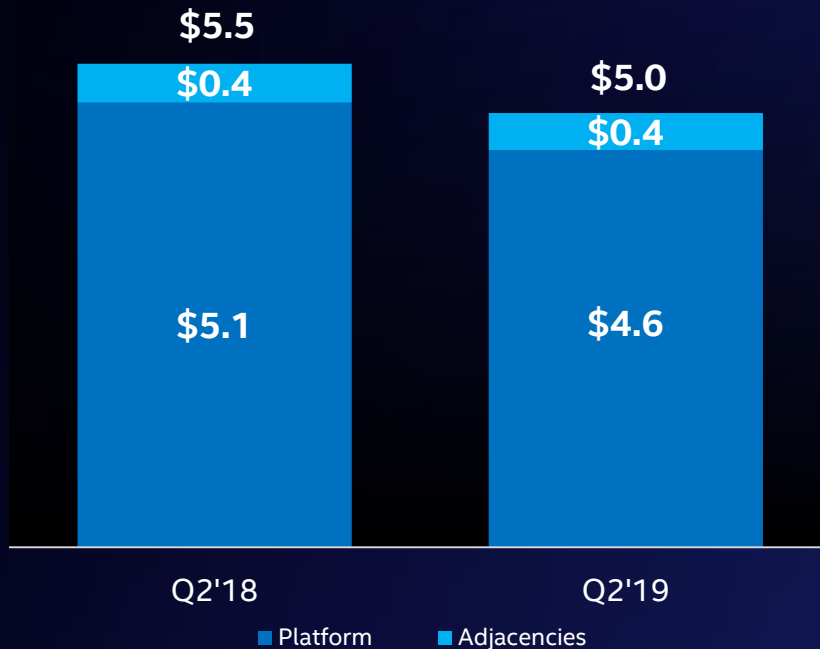
3. Adjacent Business includes gross margin impact from non-platform products.

4. Capital Alloc. & Other includes impact of changes in share count, tax rate, gains/losses on equity investments, interest and other.

DATA CENTER GROUP

Revenue (\$B) down 10% YoY

Operating Income (\$B) down 34% YoY



Q2'18 to Q2'19	YoY Revenue
Platform	(11%)
Adjacencies	(4%)

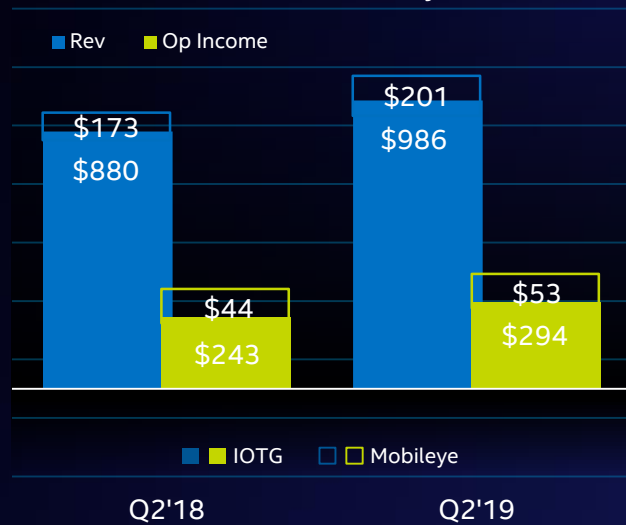
Market Segments	YoY Revenue
Cloud SP	(1%)
Enterprise & Gov.	(31%)
Comms SP	3%

DCG Platform	YoY Growth
Unit Volumes	(12%)
Average Selling Prices	2%

Revenue slightly ahead of expectations with Xeon ASPs up double digits YoY
Cloud capacity absorption... challenging E&G market, especially in China
Op margin down on 10nm transition & roadmap investment

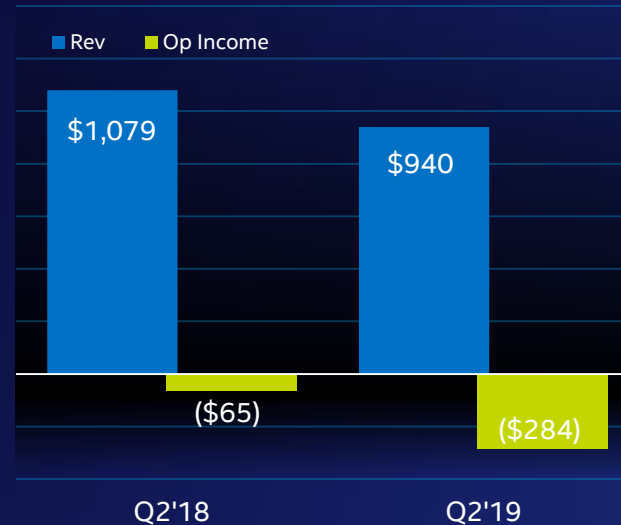
OTHER DATA-CENTRIC BUSINESS SEGMENTS... REVENUE DOWN 1%

IOT: IOTG + Mobileye (\$M)



- Record IOTG revenue, up 23%¹ on strength across all segments... operating income up 21% YoY on mix shift to higher performance products
- Mobileye revenue up ~16% YoY on continued ADAS momentum

NSG (\$M)



- NSG revenue down 13% on continued pricing pressure, partially offset by NAND bit growth
- Operating income down on ASP weakness resulting in inventory revaluation charges, partially offset by cost improvements

PSG (\$M)

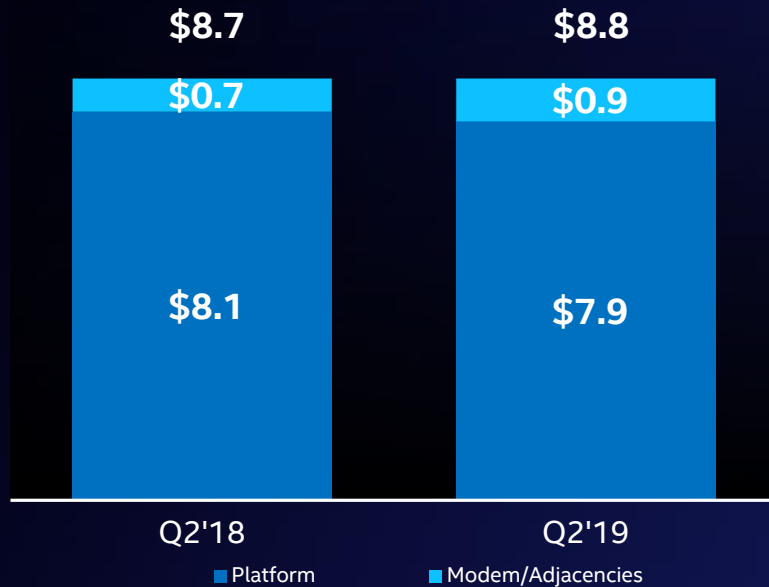


- PSG revenue declined 5% YoY as softness in Cloud and Enterprise demand more than offset growth in 5G/Wireless. Advanced products grew 15% YoY
- Operating income down on segment mix and roadmap investment on 10nm

1. IOTG growth rate excludes Q2'18 \$80M for Wind River revenue

CLIENT COMPUTING GROUP

Revenue (\$B) up 1%



Operating Income (\$B) up 16%



Q2'18 to Q2'19 ACT	YoY Revenue
Platform	(2%)
Modem/Adjacencies ¹	38%

Market Segments	YoY Revenue
Notebook	1%
Desktop	(6%)

CCG Platform	YoY Growth
PC Volumes	(5%)
Notebook ASP	3%
Desktop ASP	5%

Revenue up on ASP strength due to richer product mix

Volume down on small-core constraint partially offset by strength in commercial & pull-ins

Op margin improvement with 10nm qualification

1. CCG adjacencies include modem, connected home products, wireless communications and wired connectivity.

YTD SOURCES & USES OF CASH

Financial Flexibility... Returned >100% of FCF to Shareholders



\$3.0	GAAP Cash and Cash Equivalents	\$2.9
\$11.7	Total Cash Investments ¹	\$11.9
\$26.4	Total Debt ²	\$28.8

Operating cash flow of \$12.5B... ramping 10nm capacity & investing in 7nm
Repurchased 117M shares YTD for \$5.6B

1. Total cash investments include cash and cash equivalents, short-term investments and trading assets.
2. Total debt includes short-term and long-term debt.



OUTLOOK

FULL YEAR 2019 OUTLOOK

REVENUE

\$69.5B **DOWN ~2%
YOY**

Data-centric down low single digits YoY
PC-centric down low single digits YoY

UP \$0.5B vs APRIL GUIDE

OPERATING MARGIN¹

32% **DOWN <3PPT
YOY**

GM down YoY on 10nm ramp,
NAND pricing & lower revenue

Partly offset by spending
reductions ~\$0.9B YoY

FLAT vs APRIL GUIDE

EPS¹

\$4.40 **DOWN ~4%
YOY**

2H Tax Rate ~13%

UP \$0.05 vs APRIL GUIDE

Gross Capex \$15.5B... unchanged vs April guide

FCF at ~\$15B... unchanged vs April guide

1. Presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.

Q3'19 OUTLOOK

REVENUE

\$18B

DOWN 6%
YOY

Data-centric down mid single digits YoY
PC-centric down mid single digits YoY

OPERATING MARGIN¹

35%

DOWN 5PPT
YOY

Gross margin down YoY on 10nm ramp
& adjacency businesses

EPS¹

\$1.24

DOWN 11%
YOY

2H Tax Rate ~13%



APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Jun 29, 2019	Jun 30, 2018
GAAP OPERATING INCOME	\$4,617	\$5,273
Amortization of acquisition-related intangible assets	337	325
Restructuring and other charges	184	—
NON-GAAP OPERATING INCOME	\$5,138	\$5,598
GAAP DILUTED EARNINGS (LOSS) PER COMMON SHARE	\$0.92	\$1.05
Amortization of acquisition-related intangible assets	0.08	0.07
Restructuring and other charges	0.04	—
(Gains) losses from divestitures	—	(0.10)
Ongoing mark-to-market on marketable equity securities	0.04	0.05
Tax Reform	—	(0.04)
Income tax effect	(0.02)	0.01
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.06	\$1.04

FREE CASH FLOW (In Billions)	Six Months Ended
	Jun 29, 2019
GAAP CASH FROM OPERATIONS	\$12.5
Additions to property, plant and equipment	(6.9)
FREE CASH FLOW	\$5.7
GAAP CASH USED FOR INVESTING	\$(6.0)
GAAP CASH USED FOR FINANCING	\$(6.7)

RECONCILIATION OF NON-GAAP OUTLOOK

	Q3 2019 Outlook	Full-year 2019 Outlook
	Approximately	Approximately
GAAP OPERATING MARGIN	33%	30%
Amortization of acquisition-related intangible assets	2%	2%
NON-GAAP OPERATING MARGIN	35%	32%
GAAP EARNINGS PER SHARE	\$1.16	\$4.10
Amortization of acquisition-related intangible assets	0.08	0.30
Restructuring and other charges	0.02	0.06
Ongoing mark-to-market on marketable equity securities	—	(0.02)
Income tax effect	(0.02)	(0.04)
NON-GAAP EARNINGS PER SHARE	\$1.24	\$4.40
FREE CASH FLOW	Full-year 2019 Outlook	
(In Billions)		
GAAP CASH FROM OPERATIONS	\$30.5	
Additions to property, plant and equipment	(15.5)	
FREE CASH FLOW	\$15.0	

CONFIGURATION

Software and workloads used in performance tests may have been optimized for performance only on Intel microprocessors.

Performance tests, such as SYSmark and MobileMark, are measured using specific computer systems, components, software, operations and functions. Any change to any of those factors may cause the results to vary. You should consult other information and performance tests to assist you in fully evaluating your contemplated purchases, including the performance of that product when combined with other products. For more complete information visit www.intel.com/benchmarks.

Performance results are based on testing as of the date set forth in this Configuration and may not reflect all publicly available security updates. No product or component can be absolutely secure.

Altering clock frequency or voltage may damage or reduce the useful life of the processor and other system components, and may reduce system stability and performance. Product warranties may not apply if the processor is operated beyond its specifications. Check with the manufacturers of system and components for additional details.

World's Best Gaming CPU: As measured October 2018 by in-game benchmark mode performance where available, or highest median frames per second (FPS) where benchmark mode is unavailable. PC Gaming Processors Compared: 9th Gen Intel® Core™ i9-9900K, Intel® Core™ i9-9980XE Extreme Edition, and Intel® Core™ i9-9900X X-series; 8th Gen Intel® Core™ i7-8700K and i7-8086K; and AMD Ryzen™ 7 2700X, AMD Ryzen™ Threadripper 2990WX, and AMD Ryzen™ Threadripper 2950X. Prices of compared products may differ. Configurations: Graphics: NVIDIA GeForce GTX 1080 TI, Memory: 4x16GB DDR4 (2666 or 2933 per highest speed of the corresponding processor), Storage: 1TB, OS: Windows* 10 RS4 Build 1803, Samsung 970 Pro SSD. Results: Intel® Core™ i9-9900K scored better on the majority of the 19 game titles tested. The Intel® Core™ i9-9900K scored the same as the Intel® Core™ i7-8700K and the Intel® Core™ i7-8086K on “Middle Earth: Shadow of War,” and scored less than the Intel® Core™ i9-9980XE Extreme Edition on “Rise of the Tomb Raider.” More detail on workloads, test methodology, and configurations available at [<http://facts.pt/11u9e2>].