

Q3 2018

EARNINGS PRESENTATION

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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.

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Q3'18 EXECUTIVE SUMMARY

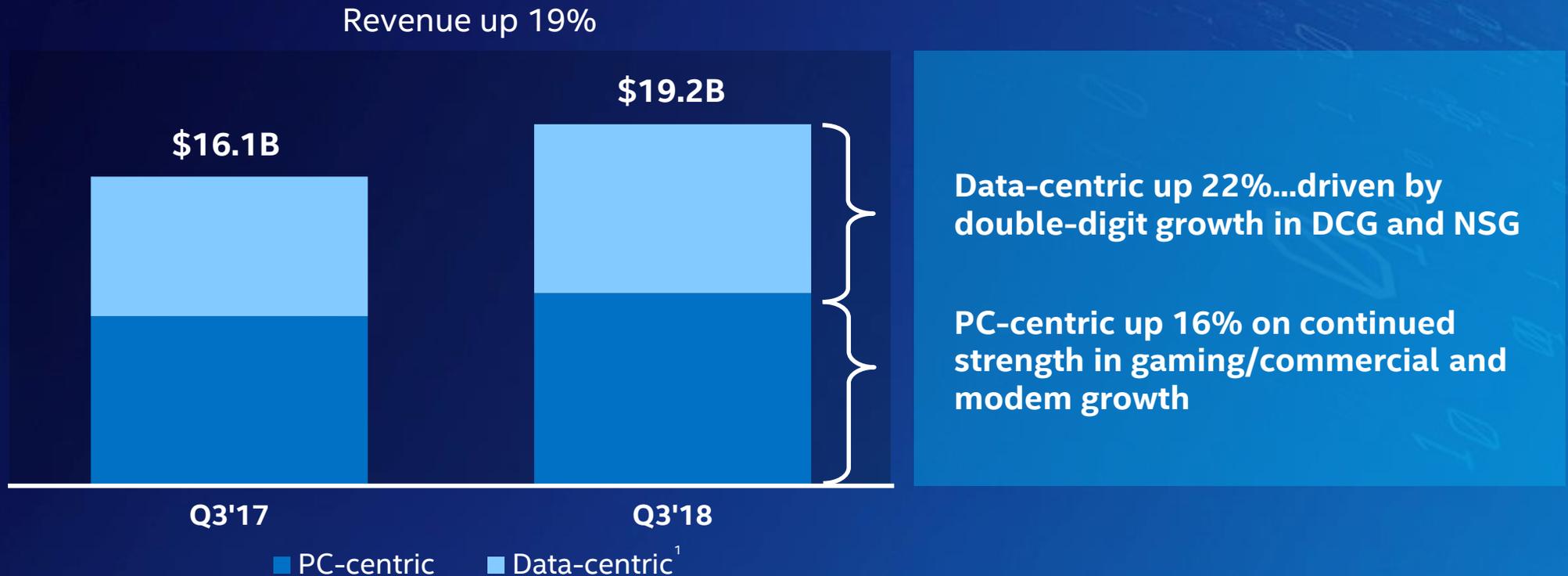
- Gaining share in an expanded >\$300B¹ TAM... All time record revenue of \$19.2B
- Customer preference for Intel's leadership performance driving strong mix and records across CCG, DCG, IOTG, NSG, and MBLV
- Data-centric investments, customization, and deep collaboration capitalizing on long-term secular workload growth in cloud, network, and AI
- Outstanding PC-centric results... 2018 PC TAM growing... Gaining modem share
- Big bets expanding opportunities & differentiation... Mobileye ADAS/AV leadership... shipping Optane DIMMS... PSG Data Center growth
- Outstanding factory response to strong customer demand... Investing to grow capacity... Prioritizing Xeon and Core... On track to 10nm milestones

Q3'18 FINANCIAL HIGHLIGHTS

- Accelerated revenue growth... \$19.2B, up 19%, driven by 22% data-centric growth and 16% PC-centric growth
- Expanded Op Margin by 5 points... Lowest spending as a % of revenue in over a decade
- Delivered Non-GAAP EPS of \$1.40, up 39%... Strong growth, excellent leverage, lower tax rate, lower shares outstanding
- Generated \$11.2B of free cash flow year-to-date... Returned \$12.6B to shareholders... Paid dividends of \$4.2B... Repurchased 167M shares
- Raising 2018 full-year revenue by ~\$1.7B to \$71.2B... Raising EPS by ~\$0.38 to \$4.53... FCF up ~\$0.5B to \$15.5B

REVENUE EXPECTATIONS UP \$6.2B SINCE JAN... ON TRACK TO A RECORD 2018

LEADERSHIP PRODUCTS WINNING IN AN EXPANDED TAM



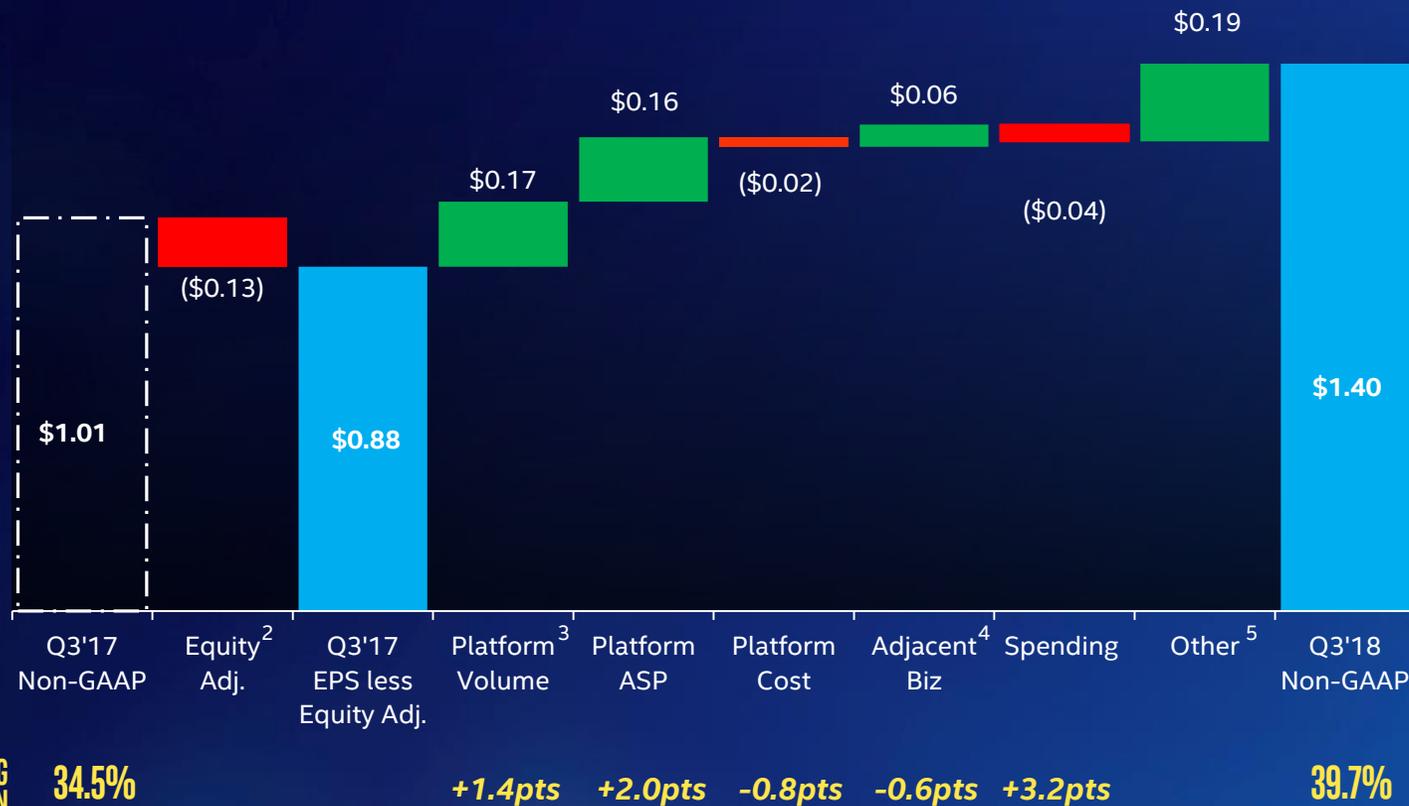
DATA-CENTRIC & PC-CENTRIC ACHIEVE DOUBLE DIGIT GROWTH

1. Data-Centric businesses include DCG, IOTG, NSG, PSG and All Other.

NON-GAAP EPS UP ~39%... OP MARGIN UP 5 PPTS¹

Expanding margins while investing for growth

EPS Drivers Year-Over-Year



EPS up \$0.39 (up \$0.52 excl. Equity Adj.)

Platform Execution

- Server: Growth led by Cloud and Comms SP
- Client: PC up on Commercial and Gaming

Expanded TAM... Driving Adjacent Growth

- NSG +21%, Modem +131% and PSG +6%
- Contributor to GM \$ and EPS growth... dilutive to GM %

Spending

- Increased data-centric investment, including big bets, partially offset by Wind River divestiture

Other

- Lower 2018 tax rate and lower share count
- \$290M impairment of IMFT associated with Micron's announced intent to call

OPERATING MARGIN 34.5%

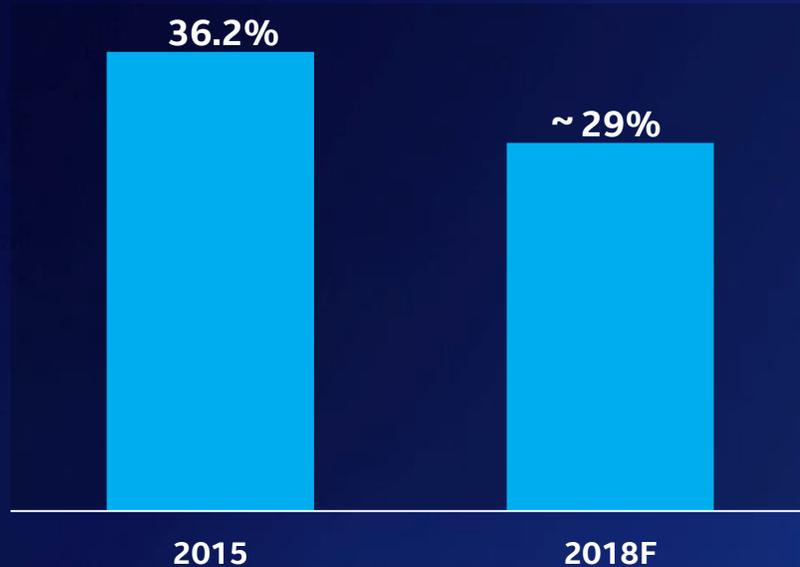
+1.4pts +2.0pts -0.8pts -0.6pts +3.2pts

39.7%

1. EPS and operating margin are presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.
 2. Adjustment for prior period realized gains and impairments on marketable equity securities, net of tax. 2018 Non-GAAP results exclude ongoing mark to market adjustments.
 3. Platform includes CCG, DCG and IOTG microprocessors and chipsets.
 4. Adjacent Business includes gross margin impact from non-platform products.
 5. Other includes McAfee, Interest and Other, and lower tax rate based on U.S. Tax Reform.

DRIVING OPERATIONAL EFFICIENCIES...

Opex as % of Revenue



- Investing in higher growth segments of the market...expanded TAM
- Significant operating leverage... >25% increase in revenue per employee

...WHILE INCREASING R&D SPENDING

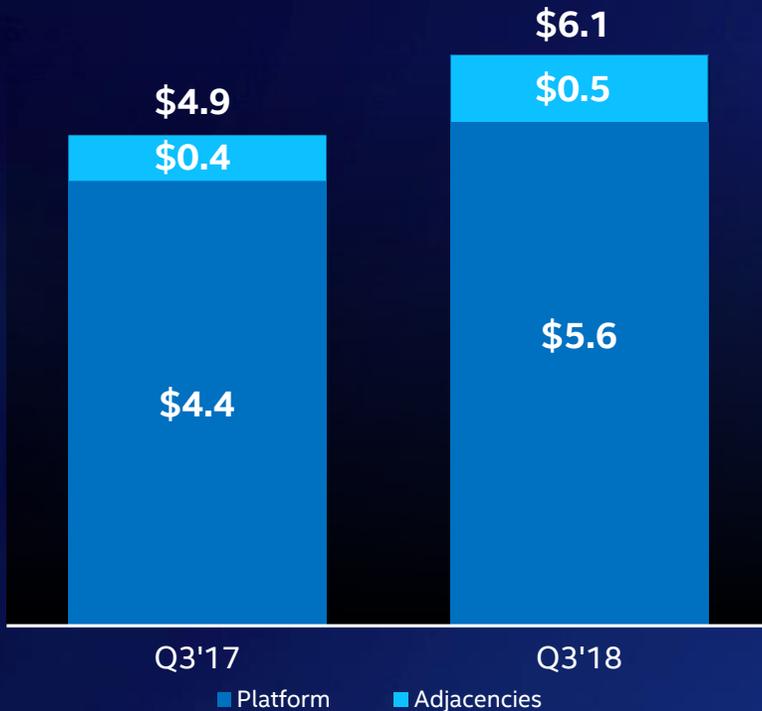
R&D Spending (\$B)



- R&D up ~\$1.4B, 11% since 2015
- Thoughtful tradeoffs (McAfee, Wind River, wearables), investing to accelerate growth and profitability

DATA CENTER GROUP... LEADERSHIP PRODUCTS... RECORD RESULTS

Revenue (\$B) up 26%



Operating Income (\$B) up 37%



Q3'17 to Q3'18	YoY Revenue (\$)
Platform	27%
Adjacencies	14%

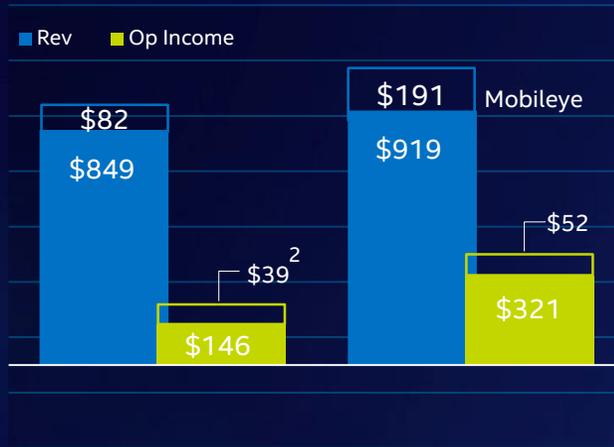
Market Segments	YoY Revenue (\$)
Cloud SP	50%
Comms SP	30%
Enterprise & Gov.	1%

DCG Platform	YoY Growth
Unit Volumes	15%
Average Selling Prices	10%

**Continued Cloud acceleration, Network transformation drives Comms SP share gains
ASP strength from leadership products & revenue scale drive operating margin expansion**

IOTG, NSG & PSG BUSINESS SEGMENTS...REVENUE GROWTH UP 13%

IOTG + Mobileye¹ (\$M)



Q3'17

Q3'18

- IOTG Revenue up 19%³ YoY (excl. Wind River) on broad business strength
- IOTG Op Income up on demand growth and revenue scale
- Record Mobileye revenue, up ~50%⁴ on increasing ADAS adoption

NSG (\$M)



Q3'17

Q3'18

- NSG revenue up 21% YoY driven by Datacenter and Optane adoption
- 64T conversion underway for both DC and Client SSDs as volume mix crossed 50%
- Op Income up on factory utilization, improved 64T mix, and one-time government grants; partially offset by NAND pricing environment

PSG (\$M)



Q3'17

Q3'18

- PSG revenue up 6% YoY driven by organic growth in Datacenter (up ~45%) partially offset by higher Q3'17 last-time buys
- Advanced products (28nm, 20nm, 14nm) up ~55%

1. Mobileye is not part of IOTG segment.

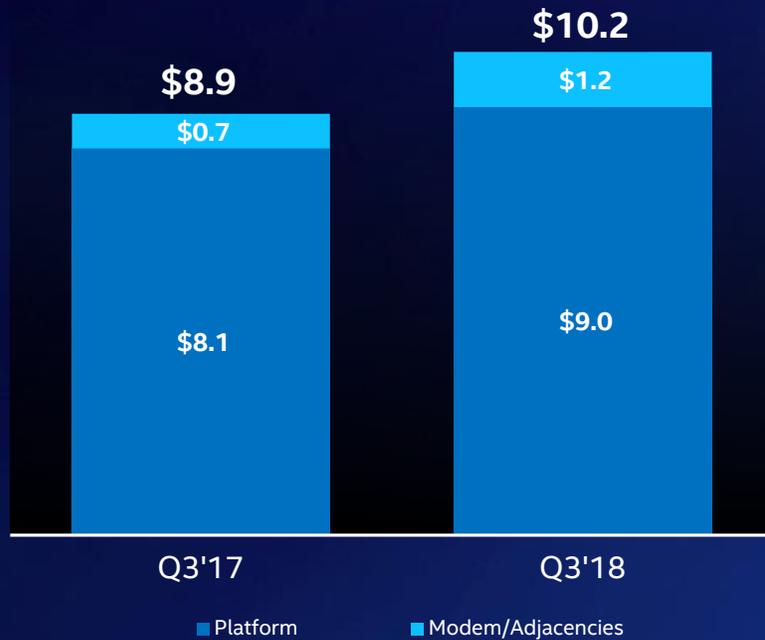
2. Mobileye non-GAAP operating income excludes \$27M negative impact from acquisition-related inventory valuation adjustments.

3. IOTG growth rate excludes \$75M for Wind River revenue.

4. Mobileye revenue growth rate includes Q3'17 results prior to our acquisition on August 8, 2017.

CLIENT COMPUTING GROUP... CONTINUED EXECUTION... RECORD RESULTS

Revenue (\$B) up 16%



Operating Income (\$B) up 26%



Q3'17 to Q3'18	YoY Revenue (\$)
Platform	11%
Modem/Adjacencies ¹	66%

Market Segments	YoY Revenue (\$)
Notebook	13%
Desktop	9%

CCG Platform	YoY Growth
PC Volumes	6%
Notebook ASP	4%
Desktop ASP	10%

**PC revenue expansion driven by strength in Commercial & Gaming
Modem ramp accelerating... gaining share**

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

YTD SOURCES & USES OF CASH

Excellent balance sheet... strong cash flows... attractive shareholder returns



\$3.4	GAAP Cash and Cash Equivalents	\$3.4
\$14.0	Total Cash Investments ²	\$13.2
\$26.8	Total Debt ³	\$27.9

Data-centric growth and PC-centric execution produced strong operating cash flow of ~\$22.5B
Repurchased 167M shares YTD (~50M shares in Q3) for \$8.5B
Returned ~112% of FCF to shareholders

1. Cash from operations includes \$1.6B net impact of NSG customer prepayments.
 2. Total cash investments include cash and cash equivalents, short-term investments and trading assets.
 3. Total debt includes short-term and long-term debt.



OUTLOOK

FULL YEAR 2018 OUTLOOK

REVENUE

\$71.2B

UP 13%

(UP \$1.7B VS PRIOR)

Data-centric up ~20% YoY

PC-centric up ~9% YoY

OPERATING MARGIN¹

~34.5%

UP 3 PPTS

(UP 2.5PPT VS PRIOR)

Spending ~29% of rev, down ~3.5 ppts YoY

EPS¹

\$4.53

UP 31%

UP 49%

excl. Equity Adj.²

(UP \$0.38 VS PRIOR)

Broad based business strength

Raising Gross Capex \$0.5B to ~\$15.5B... Net Capital deployed ~\$14B... ~\$1.5B customer pre-payments

Raising FCF to ~\$15.5B... on broad business strength

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

2. Adjustment for prior period realized gains and impairments on marketable equity securities, net of tax. 2018 Non-GAAP results exclude ongoing mark to market adjustments.

Q4 2018 OUTLOOK

REVENUE

\$19.0B



Continued data-centric & PC-centric strength

OPERATING MARGIN¹

~34.5%



Gross margin ~62%¹
Spending as % of rev down ~2.5 ppts YoY

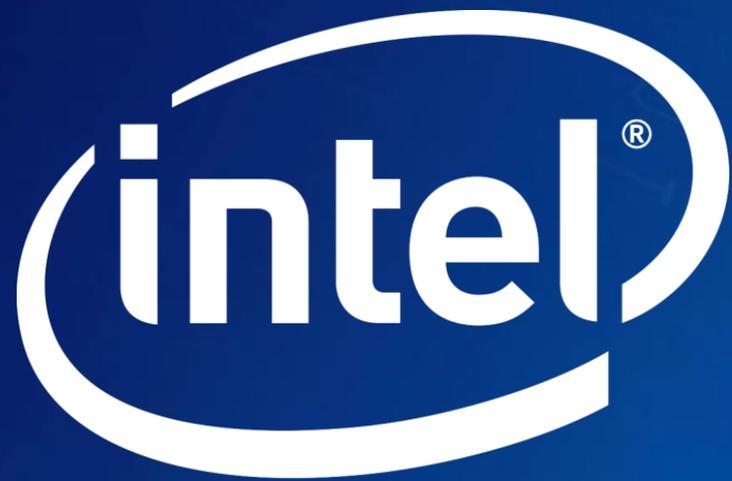
EPS¹

\$1.22



Business growth, spending leverage & lower effective tax rate

1. Presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.
2. Adjustment for prior period realized gains and impairments on marketable equity securities, net of tax. 2018 Non-GAAP results exclude ongoing mark to market adjustments.





Q&A



APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Sep 29, 2018	Sep 30, 2017
GAAP R&D plus MG&A SPENDING	\$5,033	\$4,870
Other acquisition-related charges	—	(113)
NON-GAAP R&D plus MG&A SPENDING	\$5,033	\$4,757
GAAP OPERATING INCOME	\$7,349	\$5,141
Inventory valuation adjustments	—	27
Amortization of acquisition-related intangible assets	326	292
Other acquisition-related charges	—	113
Restructuring and other charges	(72)	4
NON-GAAP OPERATING INCOME	\$7,603	\$5,577
GAAP DILUTED EARNINGS (LOSS) PER COMMON SHARE	\$1.38	\$0.94
Inventory valuation adjustments	—	0.01
Amortization of acquisition-related intangible assets	0.07	0.06
Other acquisition-related charges	—	0.02
Restructuring and other charges	(0.02)	—
Tax Reform	(0.02)	—
Income tax effect	(0.01)	(0.02)
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.40	\$1.01

FREE CASH FLOW (In Billions)	Nine Months
	Ended
GAAP CASH FROM OPERATIONS	Sep 30, 2018
	\$22.5
Additions to property, plant and equipment	(11.3)
FREE CASH FLOW	\$11.2

RECONCILIATION OF NON-GAAP OUTLOOK

	Q4 2018 Outlook	Full-year 2018 Outlook
	Approximately	Approximately
GAAP GROSS MARGIN PERCENTAGE	60.5%	
Amortization of acquisition-related intangible assets	1.5%	
NON-GAAP GROSS MARGIN PERCENTAGE	<u>62.0%</u>	
GAAP OPERATING MARGIN	33.0%	33.0%
Amortization of acquisition-related intangible assets	1.5%	1.5%
NON-GAAP OPERATING MARGIN	<u>34.5%</u>	<u>34.5%</u>
GAAP TAX RATE	13.0%	11.0%
Other	—%	1.0%
NON-GAAP TAX RATE	<u>13.0%</u>	<u>12.0%</u>
GAAP EARNINGS PER SHARE	\$1.16	\$4.52
Restructuring and other charges	—	(0.02)
Amortization of acquisition-related intangible assets	0.07	0.28
Ongoing mark to market on marketable equity securities	—	(0.08)
(Gains) losses from divestiture	—	(0.11)
Tax Reform	—	(0.06)
Income tax effect	(0.01)	—
NON-GAAP EARNINGS PER SHARE	<u>\$1.22</u>	<u>\$4.53</u>
FREE CASH FLOW (In Billions)	<u>Full-year 2018 Outlook</u>	
GAAP CASH FROM OPERATIONS		\$31.0
Additions to property, plant and equipment		(15.5)
FREE CASH FLOW		<u>\$15.5</u>