



Q4 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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EXECUTIVE SUMMARY

3rd consecutive record year... Growing share in >\$300B TAM¹... Expect record '19

- Record FY'18 revenue in every business segment...Data-centric up 20%²...PC-centric up 9%
- Q4 revenue up 9%, but below Oct'18 expectations... weaker modem demand, slowdown in China, cloud customers absorbing capacity, and weakening NAND environment
- Strong product and technology momentum... 9th Gen Intel core desktop launch, 10nm ICL client and server power-on...Cascade Lake shipping
- Delivering product leadership through 6 pillars of innovation... Process, Architecture, Memory, Interconnect, Security Features and Software... Foveros first 3D logic packaging... Gen 11 int. graphics >1 TFLOP
- Strong progress in AI, 5G, Autonomous Driving... Mobileye won 28 new designs, 78 vehicle launches in 2018
- Attained major diversity and inclusion milestones... reached full representation in its U.S. workforce... achieved gender pay equity across our global workforce

1. Intel calculated 2022 TAM derived from industry analyst reports and internal estimates.

2. Data-centric businesses include DCG, IOTG, NSG, PSG and All Other, excluding McAfee

FINANCIAL HIGHLIGHTS

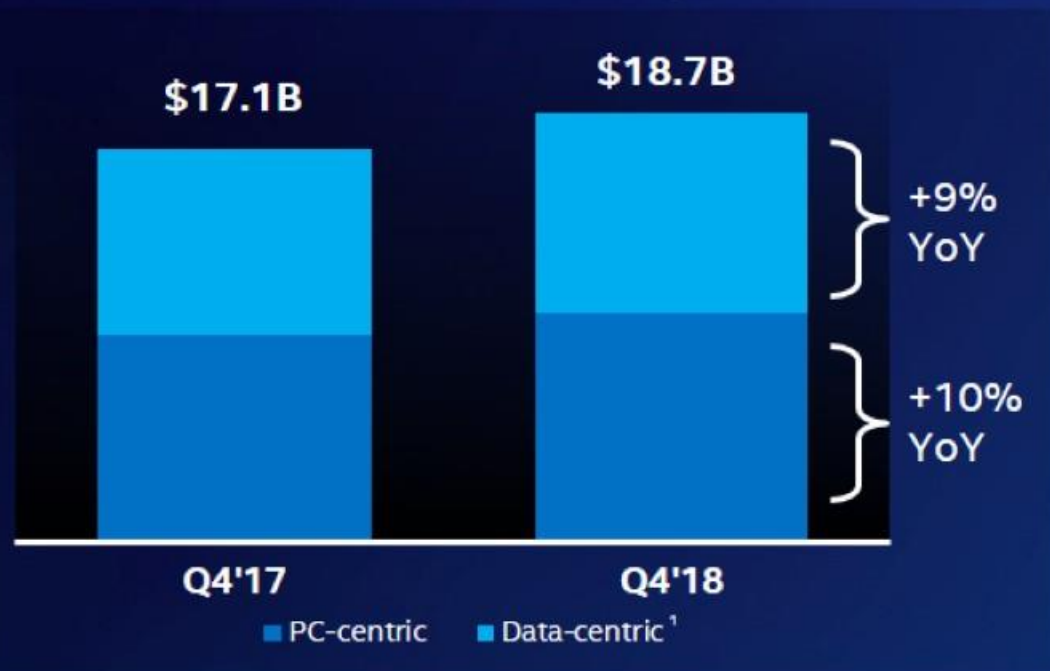
Record Year... Revenue up 13%... Non-GAAP EPS up 32%... FCF up 38% YoY

- Q4 Revenue \$18.7B, up 9% YoY... Data-centric up 9%... PC-centric up 10%
- Q4 Non-GAAP Operating margin 35.1%... spending leverage, offset by 10nm costs and impact of adjacency growth
- Delivered Q4 Non-GAAP EPS of \$1.28, up 18% YoY... strong revenue growth, excellent leverage, lower tax rate, lower shares outstanding
- Generated \$14.3B of 2018 free cash flow... Returned \$16.3B to shareholders... Paid dividends of \$5.5B... Repurchased ~217M shares... Increased buyback authorization by \$15B
- Exceeded Q4 EPS Guide... Lower spending and tax rate, partially offset by reduced modem demand, Cloud & Enterprise softness, and weaker NAND pricing

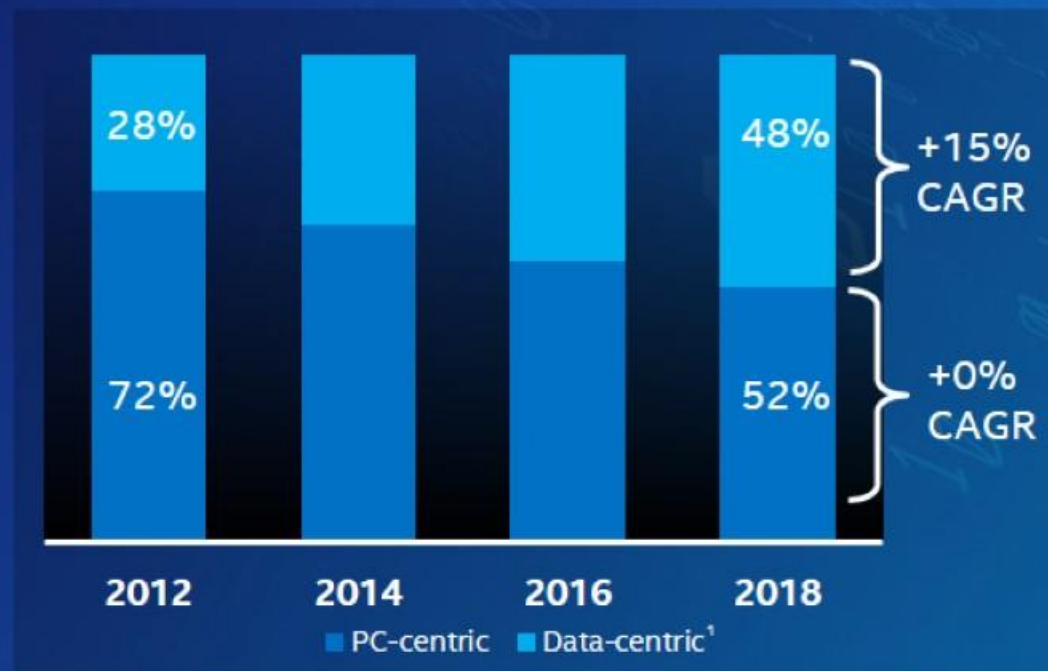
EXPECT RECORD 2019... RAISING DIVIDEND 5%

LEADERSHIP PRODUCTS WINNING IN AN EXPANDED TAM

Q4'18 Revenue up 9%



PC-Centric vs Data-Centric (excl. McAfee)



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

NON-GAAP EPS UP ~18%¹

Strong revenue growth, Opex leverage, and lower tax rate driving EPS growth

EPS Drivers Year-Over-Year



EPS up \$0.20 (up \$0.40 excl. Equity Adj.)

Platform Execution

- Server: Growth led by Cloud and Comms SP
- Client: PC up on strong mix

Expanded Adjacencies TAM

- NSG +25%, Modem +68% and Mobileye +43%

Disciplined Spending

- Increased data-centric investment, including big bets; offset by divestitures (Wind River, Saffron, Wearables)

Capital Allocation & Other

- Lower 2018 tax rate and lower share count

1. EPS & 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.

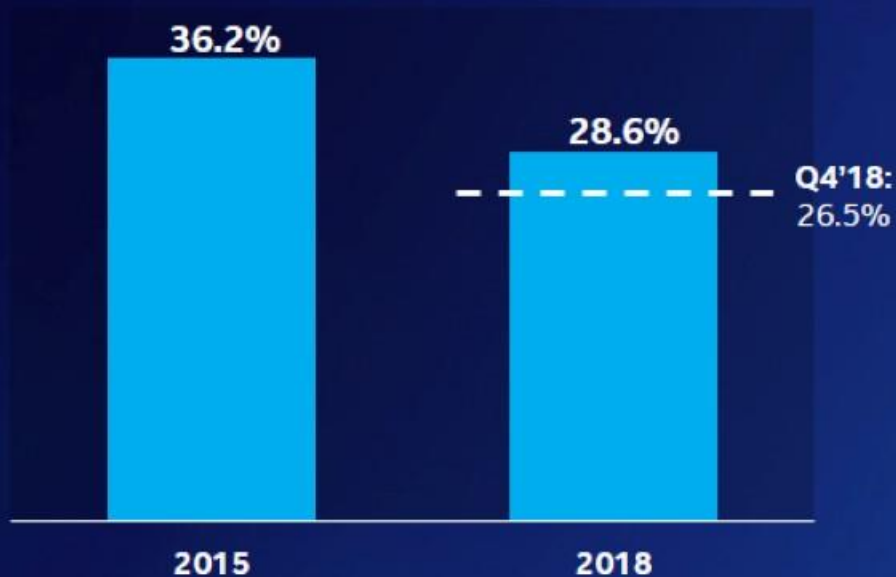
3. Platform includes CCG, DCG and IOTG microprocessors and chipsets.

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

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

DRIVING OPERATIONAL EFFICIENCIES...

Opex as % of Revenue



- Significant operating leverage... >25% increase in revenue per employee
- Thoughtful tradeoffs and divestitures (McAfee, Wind River, Saffron, Wearables), investing to accelerate growth & profitability

...WHILE INCREASING R&D SPENDING

R&D Spending (\$B)

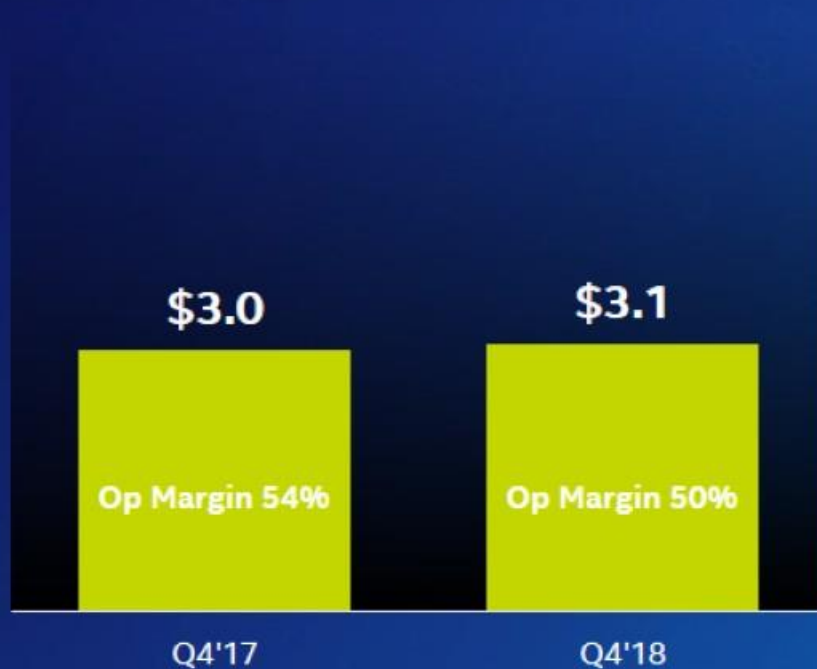


- Investing in higher growth segments of the market...expanded TAM
- R&D up \$1.4B or 12% since 2015 due to increasing data-centric investments

DATA CENTER GROUP... GROWTH FUELED BY CLOUD & COMMS SP

Revenue (\$B) up 9% YoY

Operating Income (\$B) up 2%



Q4'17 to Q4'18	YoY Revenue (\$)
Platform	10%
Adjacencies	(2%)

Market Segments	YoY Revenue (\$)
Cloud SP	24%
Comms SP	12%
Enterprise & Gov.	(5%)

DCG Platform	YoY Growth
Unit Volumes	9%
Average Selling Prices	1%

Strong rev. growth on tough comparison... below expectations on softer China demand & cloud deceleration
Platform ASP up 1%... Xeon ASP up 5% YoY, up ~2% QoQ, offset by higher SoC mix

IOTG, NSG & PSG BUSINESS SEGMENTS... REVENUE UP 9%

IOTG + Mobileye (\$M)¹



- IOTG Revenue up 4% YoY₃(excl. Wind River) limited primarily due to supply tightness
- Mobileye revenue, up 43% on ramping designs and increasing ADAS adoption

NSG (\$M)



- NSG revenue up 25% YoY driven by Datacenter growth & Optane adoption... below expectations on weaker NAND pricing environment
- 64T conversion continues in both DC and Client with volume mix >75%
- Full year NSG approx. break-even

PSG (\$M)



- Revenue up 8% YoY driven by strength in Datacenter and Comms, Advanced node products, partially offset by higher Q4'17 last-time buys
- Continued momentum in Data Center business, up ~50%
- Advanced Products (28nm, 20nm, 14nm) up ~70%

1. Mobileye is not part of IOTG segment.

2. Mobileye non-GAAP operating income excludes \$28M negative impact from acquisition-related inventory valuation adjustments.

3. IOTG revenue growth rate excludes Q4'17 ~\$93M for Wind River revenue

CLIENT COMPUTING GROUP... CONTINUED EXECUTION

Revenue (\$B) up 10%



Operating Income (\$B) up 12%



Q4'17 to Q4'18	YoY Revenue (\$)
Platform	6%
Modem/Adjacencies ¹	45%

Market Segments	YoY Revenue (\$)
Notebook	8%
Desktop	3%

CCG Platform	YoY Growth
PC Volumes	(2%)
Notebook ASP	6%
Desktop ASP	13%

Strength in Commercial & Gaming, focused investments & segmentation strategy driving results
Modem share gains driving adjacency growth, but revenue ~\$200M lower than expectations

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

2018 SOURCES & USES OF CASH

Excellent balance sheet... record cash from operations... attractive shareholder returns



\$3.4	GAAP Cash and Cash Equivalents	\$3.0
\$14.0	Total Cash Investments ²	\$11.7
\$26.8	Total Debt ³	\$26.4

Data-centric growth and PC-centric execution produced record operating cash flow of ~\$29.4B

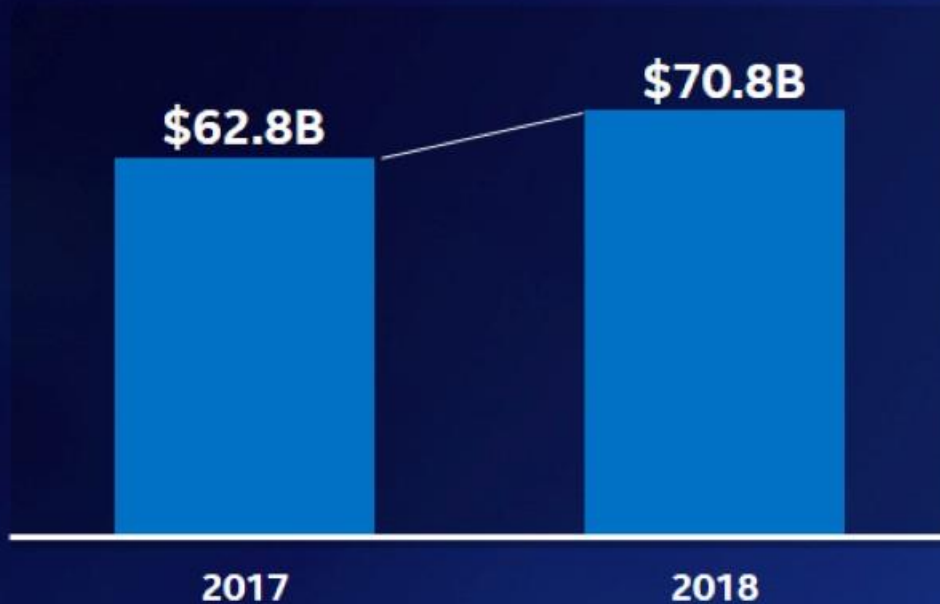
Repurchased 217M shares (~51M shares in Q4) for \$10.7B... Settled \$2.4B convertible debt reducing shares ~23M

Returned ~114% of FCF... Reduced FCF to earnings gap by ~4.5 ppts... Increased buyback authorization by \$15B

1. Cash from operations includes \$1.4B 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.

FULL YEAR 2018... ANOTHER RECORD YEAR

Revenue up 13%



Expanding EPS¹... up 32%
(up 51% excl. Equity Adj.)



Transformation Continues... Growing in an expanded >\$300B TAM

Record Revenue, EPS & Cash from Ops

OUTLOOK

2019 EXPECTATIONS: OCTOBER VS CURRENT

OCTOBER '18 ASSESSMENT

CURRENT ASSESSMENT

	Revenue headwinds & tailwinds balanced	Trade & macro concerns intensifying... esp. in China; CSPs absorbing capacity; NAND pricing deteriorating
	Gross Margin % down slightly from Q4'18 but remains in upper half of historical 55 to 65% range	~Consistent with October assessment
	Operating Margin % ~flat YoY	Operating Margin % down <1 ppt YoY
	Tax rate up a couple points YoY	~Consistent with October assessment
	Capex: logic slightly up, memory a little lower	~Consistent with October assessment

FULL YEAR 2019 OUTLOOK

REVENUE

\$71.5B



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

OPERATING MARGIN¹

34%

DOWN < 1 PPT
YOY

Modest YoY declines in GM
(10nm ramp, growth of adjacencies)
partly offset by increased spending leverage

EPS¹

\$4.60



Tax rate ~13.5%
Raising Quarterly Dividend by 5% to \$1.26

Gross Capex \$15.5B... logic up, memory down... no customer pre-payments

FCF at ~\$16.0B... investing to increase capacity and advance 10nm and 7nm

Q1 2019 OUTLOOK

REVENUE

\$16B

FLAT YOY
excl. Wind River

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

OPERATING MARGIN¹

29%

DOWN ~1 PPT
YOY

Modest YoY declines in GM
(10nm ramp, growth of adjacencies)
partly offset by increased spending leverage

EPS¹

\$0.87

FLAT YOY

Tax rate ~14%

APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Dec 29, 2018	Dec 30, 2017
GAAP OPERATING INCOME	\$6,224	\$5,435
Inventory valuation adjustments	—	28
Amortization of acquisition-related intangible assets	329	315
Restructuring and other charges	—	195
NON-GAAP OPERATING INCOME	\$6,553	\$5,973
GAAP DILUTED EARNINGS (LOSS) PER COMMON SHARE	\$1.12	\$(0.15)
Inventory valuation adjustments	—	0.01
Amortization of acquisition-related intangible assets	0.07	0.06
Restructuring and other charges	—	0.04
Ongoing mark-to-market on marketable equity securities	0.11	—
Tax Reform	—	1.14
Income tax effect	(0.02)	(0.02)
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.28	\$1.08

	Twelve Months Ended
	Dec 29, 2018
FREE CASH FLOW (In Billions)	
GAAP CASH FROM OPERATIONS	\$29.4
Additions to property, plant and equipment	(15.2)
FREE CASH FLOW	\$14.3
GAAP CASH USED FOR INVESTING	\$(11.2)
GAAP CASH USED FOR FINANCING	\$(18.6)

RECONCILIATION OF NON-GAAP OUTLOOK

	Q1 2019 Outlook	Full-year 2019 Outlook
	Approximately	Approximately
GAAP OPERATING MARGIN	27%	32%
Amortization of acquisition-related intangible assets	2%	2%
NON-GAAP OPERATING MARGIN	29%	34%
GAAP EARNINGS PER SHARE	\$0.81	\$4.35
Amortization of acquisition-related intangible assets	0.07	0.29
Income tax effect	(0.01)	(0.04)
NON-GAAP EARNINGS PER SHARE	\$0.87	\$4.60

	Full-year 2019 Outlook
FREE CASH FLOW (In Billions)	
GAAP CASH FROM OPERATIONS	\$31.5
Additions to property, plant and equipment	(15.5)
FREE CASH FLOW	\$16.0