

Q1 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 April 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 April 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.

All information in this presentation reflects management's views as of April 25, 2019. Intel does not undertake, and expressly disclaims any duty, to update any statement made in this presentation, whether as a result of new information, new developments or otherwise, except to the extent that disclosure may be required by law.

EXECUTIVE SUMMARY

Q1 results slightly above January expectations

Revising full year expectations based on customer feedback

Intensifying our focus in three key areas

EXPANDING TAM... ACCELERATING INNOVATION... IMPROVING EXECUTION & EVOLVING CULTURE

EXPANDED TAM



Data-centric portfolio launch
Mobileye REM wins N.A. OEM
Sharpened 5G focus

ACCELERATING INNOVATION



1st US exascale supercomputer
New 9th Gen mobile processors
Improved 10nm factory velocity

EXECUTION & CULTURE



Increasing 14nm capacity
Ice Lake 10nm qual Q2
Raising 2019 10nm volume

FULL YEAR 2019 OUTLOOK

REVENUE

\$69B

DOWN ~3%
YOY

Data-centric down low single digits YoY
DCG down mid single digits YoY
NSG down high single digits YoY
PC-centric down low single digits YoY

(DOWN \$2.5B vs JAN GUIDE)

OPERATING MARGIN¹

32%

DOWN <3PPT
YOY

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

Partly offset by spending
reductions ~\$1B YoY

(DOWN 2 PPT vs JAN GUIDE)

EPS¹

\$4.35

DOWN 5%
YOY

Tax rate ~12%

(DOWN \$0.25 vs JAN GUIDE)

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

FCF at ~\$15B... down \$1B vs January guide on lower op income, partially offset by leaner working capital



Q1'19 RESULTS

Q1'19 FINANCIAL HIGHLIGHTS

Revenue flat... Non-GAAP EPS up 2%

- Q1 Revenue \$16.1B, flat YoY... Data-centric \$7.5B... PC-centric \$8.6B
- Q1 Non-GAAP Operating Margin 28%, down 2ppt... lower spending & ASP strength offset by impact of 10nm ramp & NAND reserves
- Delivered Q1 Non-GAAP EPS of \$0.89, up 2% YoY... McAfee dividends & lower share count partially offset by lower operating margin
- Year-to-date generated \$1.6B of free cash flow... Returned \$3.9B to shareholders... Paid dividends of \$1.4B... Repurchased 49M shares

NON-GAAP EPS UP 2%¹

Strong mix, spending discipline & reduced share count partially offset by 10nm ramp costs

EPS Drivers Year-Over-Year



EPS up \$0.02

Platform Execution

- Enterprise & Government inventory correction
- PC supply constraints partially offset by strong mix
- Platform costs driven by 10nm ramp

Adjacencies

- NAND pricing pressure
- Modem and Mobileye revenue growth

Disciplined Spending

- Lower spending due to divestitures and SG&A leverage

Capital Allocation & Other

- Lower share count
- McAfee dividend

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.

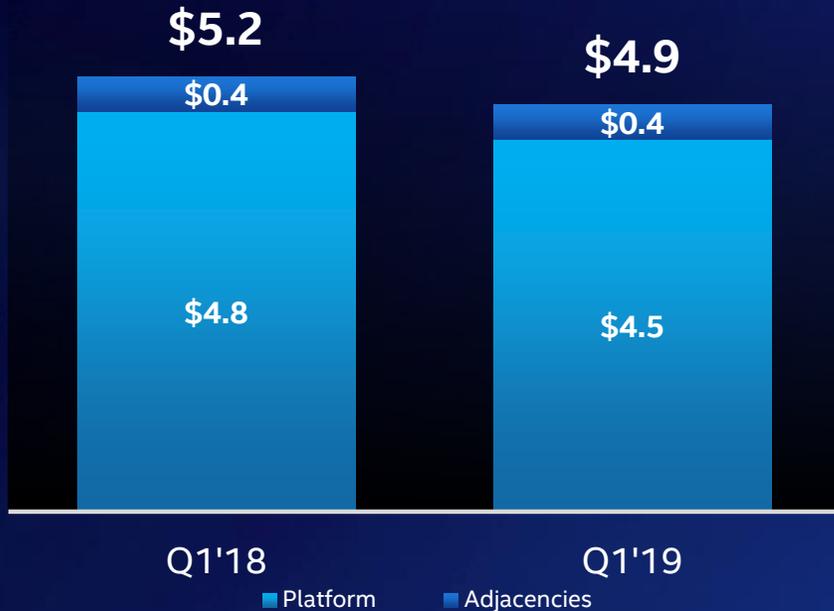
TOTAL SPENDING AS % OF REVENUE DOWN FROM 32.4% TO 30.3% YOY



Creating opex leverage while maintaining R&D

DATA CENTER GROUP

Revenue (\$B) down 6% YoY



Operating Income (\$B) down 29% YoY



Q1'18 to Q1'19	YoY Revenue (\$)
Platform	(7%)
Adjacencies	2%

Market Segments	YoY Revenue (\$)
Cloud SP	5%
Enterprise & Gov.	(21%)
Comms SP	(4%)

DCG Platform	YoY Growth
Unit Volumes	(8%)
Average Selling Prices	1%

**China weakness & inventory correction broadly impacting DCG... Cloud absorbing capacity
Op margin down on lower revenue, initial 10nm costs and increased roadmap investments**

OTHER DATA-CENTRIC BUSINESS SEGMENTS... REVENUE FLAT

IOTG + Mobileye (\$M)



- IOTG revenue up 19%¹ on strength in video and industrial... operating income up 11% YoY on mix shift to higher performance products
- Record Mobileye revenue, up 38% on continued customer momentum

NSG (\$M)



- NSG revenue down YoY on continued pricing pressure, offset by NAND bit growth
- Operating income down on market weakness resulting in inventory revaluation, partially offset by cost improvements
- Reducing 2019 NAND output

PSG (\$M)



- PSG revenue down 2% YoY on weakness in Cloud & Enterprise (-55%), partially offset by strength in Wireless (+30%)... Advanced node products (+30%)
- Operating income down 8% on lower revenue

1. IOTG growth rate excludes Q1'18 \$74M for Wind River revenue.

CLIENT COMPUTING GROUP

Revenue (\$B) up 4%



Operating Income (\$B) up 10%



Q1'18 to Q1'19	YoY Revenue (\$)
Platform	3%
Modem/Adjacencies ¹	26%

Market Segments	YoY Revenue (\$)
Notebook	5%
Desktop	(1%)

CCG Platform	YoY Growth
PC Volumes	(7%)
Notebook ASP	13%
Desktop ASP	7%

Revenue growth on richer product mix... strength in gaming, large commercial & modem
Op margin up on revenue, lower spending, partially offset by 10nm ramp

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

Q1'19 SOURCES & USES OF CASH

Financial Flexibility... Returning Cash to Shareholders



\$3.0	GAAP Cash and Cash Equivalents	\$3.2
\$11.7	Total Cash Investments ¹	\$12.0
\$26.4	Total Debt ²	\$28.5

Operating cash flow of \$5B... Investing to expand 14nm capacity & ramp 10nm
Dividend up 5%... Repurchased 49M shares for \$2.5B

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.

Q2'19 OUTLOOK

REVENUE

\$15.6B **DOWN 8%
YOY**

Data-centric down high single digits YoY
DCG ~flat QoQ
PC-centric down high single digits YoY

OPERATING MARGIN¹

29% **DOWN 4 PPT
YOY**

Lower platform revenue, NAND pricing
and ramping modem

EPS¹

\$0.89 **DOWN 14%
YOY**

Tax rate ~11.5%



APPENDIX

RECONCILIATION OF NON-GAAP OUTLOOK

	Q2 2019 Outlook	Full-year 2019 Outlook
GAAP OPERATING MARGIN	Approximately 27%	Approximately 30%
Amortization of acquisition-related intangible assets	2%	2%
NON-GAAP OPERATING MARGIN	29%	32%
GAAP EARNINGS PER SHARE	\$0.83	\$4.14
Amortization of acquisition-related intangible assets	0.07	0.29
Ongoing mark-to-market on marketable equity securities	—	(0.06)
Income tax effect	(0.01)	(0.02)
NON-GAAP EARNINGS PER SHARE	\$0.89	\$4.35

	Full-year 2019 Outlook
FREE CASH FLOW (In Billions)	
GAAP CASH FROM OPERATIONS	\$30.5
Additions to property, plant and equipment	(15.5)
FREE CASH FLOW	\$15.0