

Q2 2020

EARNINGS PRESENTATION

DISCLOSURES

This presentation contains non-GAAP financial measures. Earnings per share (EPS), gross margin, and operating margin are presented on a non-GAAP basis unless otherwise indicated, and this presentation also includes a non-GAAP free cash flow (FCF) measure. The Appendix provides a reconciliation of these measures to the most directly comparable GAAP financial measure. 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 "anticipate," "expect," "intend," "goals," "plans," "believe," "seek," "estimate," "continue," "committed," "on-track," "positioned," "launching," "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 technology and the expected availability and benefits of such products and technology, including our 10nm and 7nm process technologies, products, and product designs, 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 23, 2020 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, including risks related to the COVID-19 pandemic, are set forth in Intel's earnings release dated July 23, 2020, 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 July 23, 2020. 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

**Outstanding results in a challenging environment...
Q2 revenue up 20% and EPS up 16% YoY**

**Our technology is essential for delivering critical services
and enabling people to work, learn, and stay connected**

**Accelerating 10nm products... Launching Tiger Lake in Q3...
Ice Lake server wafers in production... 7nm CPU products shifting ~6 months**

**Focused on three priorities: accelerating growth, improving execution and
deploying capital for attractive returns**

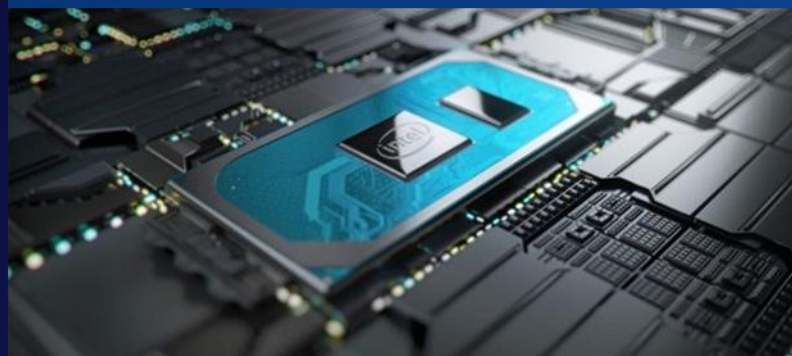
OUR PRIORITIES

ACCELERATING OUR GROWTH



- Introduced Cooper Lake, 3rd Gen Xeon Scalable processors optimized for AI
- Cloud up 47% YoY and Comms up 44% YoY
- Mobileye ADAS design win with Ford
- Launched i9-10900K, world's fastest gaming processor¹
- Launched Lakefield, leveraging Foveros 3D packaging technology
- Powered-on petaflop-scale GPU with our highest capacity EMIB

IMPROVING OUR EXECUTION



- On-track to return to our normal PC inventory levels
- Tiger Lake, delivering breakthrough performance, launching in Q3
- Ice Lake server expected end of year
- Sapphire Rapids, second 10nm Xeon SP, expected to sample in 2H
- Alder Lake, 10nm-based mobile and desktop CPUs, positioned for 2H'21
- 7nm CPU products push out ~6 months ...~12-month delay of 7nm process yield

DEPLOYING OUR CAPITAL



- Acquired Moovit to accelerate Mobileye's mobility-as-a-service offering
- YTD cash from operations \$17.3B and free cash flow of \$10.6B, up 88% YoY
- Paid dividends of \$2.8B YTD
- Preserving balance sheet strength to retain flexibility

1. See Appendix for configuration details. For more complete information about performance and benchmark results, visit www.intel.com/benchmarks.

CREATING VALUE THROUGH CORPORATE RESPONSIBILITY

Responsible

Revolutionize how technology will improve health and safety

- Intel \$50M Pandemic Response Technology Initiative – To date, Intel has contributed >\$30M to >100 organizations
- 100 Best Corporate Citizens¹ – only Russell 1000 company to make the top 10 each year since 2012

Inclusive

Make technology fully inclusive and expand digital readiness

- Achieved 2020 goal of \$1B in annual spending with diverse-owned suppliers
- Commitment to address social injustice and anti-racism
- Goal to double the number of women and URMs in senior leadership by 2030

Sustainable

Achieve carbon neutral computing to address climate change

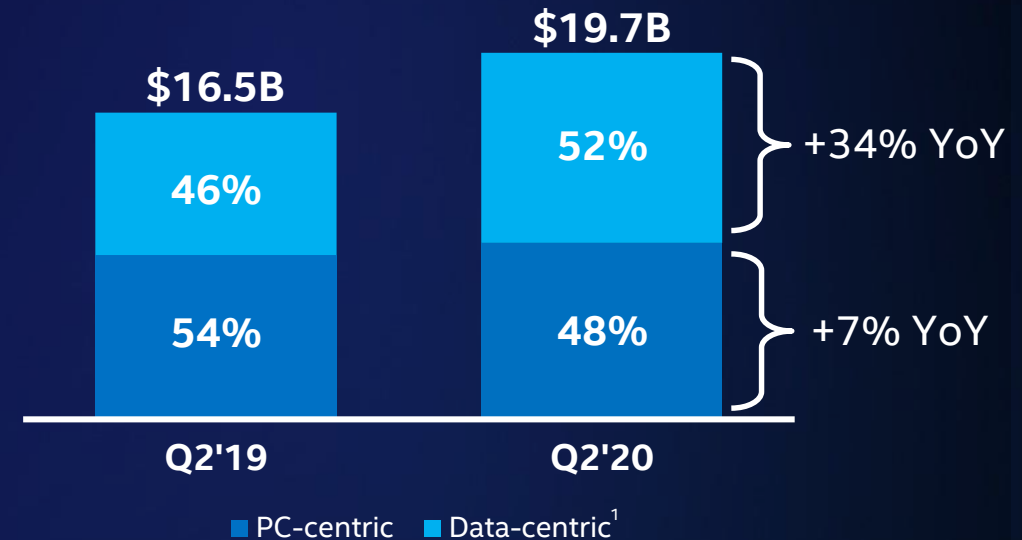
- Achieved our 2020 carbon, water conservation, and waste goals
- Restored 1B gallons of water to local watersheds



FINANCIAL HIGHLIGHTS

- Q2 Revenue \$19.7B... Data-centric \$10.2B... PC-centric \$9.5B
- Q2 Operating Margin 31%, flat YoY... 1ppt above expectations
- Delivered Q2 EPS of \$1.23, up 16% YoY... \$0.13 above expectations

Revenue up 20%... Data-centric up 5ppt YoY to 52%



**Q2 results well above expectations on notebook, NAND, 5G, and server...
10nm product acceleration continues**

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

EPS UP 16% YOY

Strength in server and NAND, partially offset by 10nm product acceleration

EPS Drivers Year-Over-Year



EPS up \$0.17

Transform to a Data-Centric Company

- Strong server demand
- Strong notebook demand, partially offset by desktop

Invest in Product and Process Leadership

- 10nm acceleration and Tiger Lake pre-PRQ reserves, partially offset by server and notebook ASP strength

Expanded TAM

- NAND bit, ASP growth and improved unit cost
- Modem and WiFi growth

Intensity & Focus

- 5G smartphone modem exit and OpEx efficiencies

Capital Allocation

- Paused share buyback, higher tax rate, smaller McAfee dividend

1. Transform to a Data-Centric Company includes CCG, DCG and IOTG platform volume. Platform products consist of microprocessors and chipsets.

2. Invest in Product & Process Leadership consists of platform ASP and costs.

3. Expanded TAM is the gross margin impact from non-platform products, also referred to as adjacencies.

4. Intensity & Focus consists of spending.

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

2020 YTD SOURCES & USES OF CASH



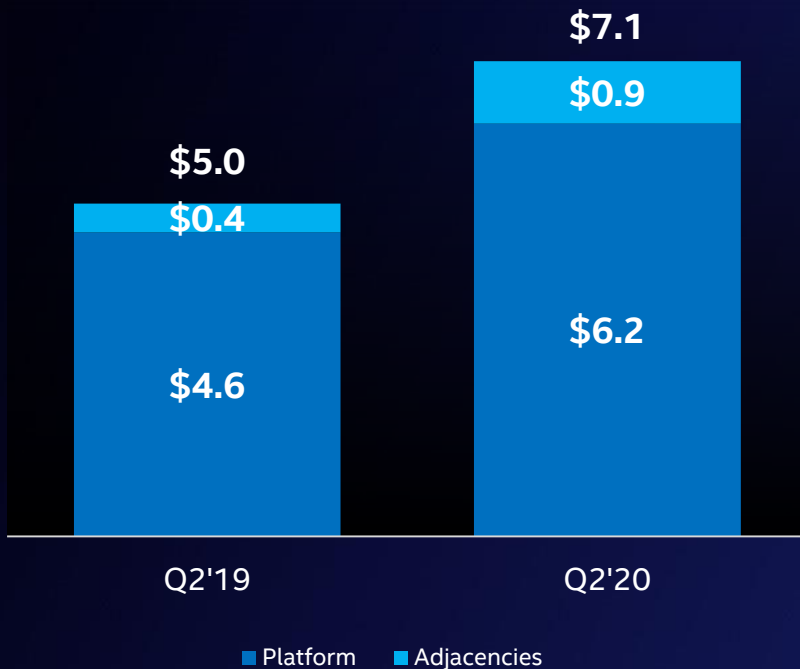
\$4.2	GAAP Cash and Cash Equivalents (\$B)	\$8.7
\$13.1	Total Cash Investments ¹	\$25.8
\$29.0	Total Debt ²	\$38.3

Operating cash flow of \$17.3B... delivered \$10.6B of Free Cash Flow YTD

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.

DATA CENTER GROUP

Revenue (\$B) up 43% YoY



Operating Income (\$B) up 72% YoY



Q2'19 to Q2'20	YoY Revenue
Platform	36%
Adjacencies	118%

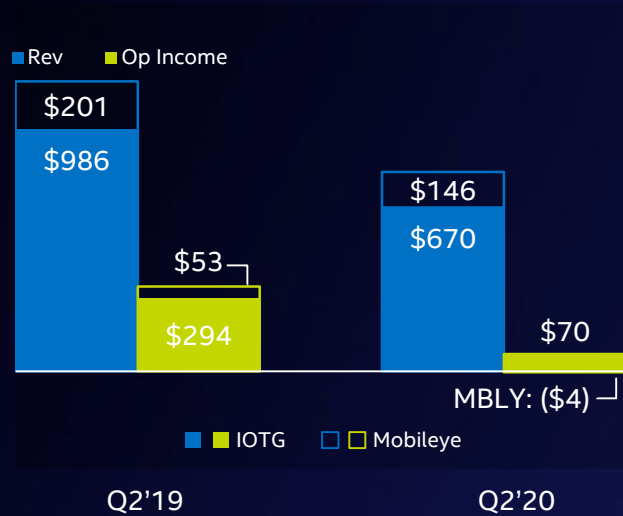
Market Segments	YoY Revenue
Cloud SP	47%
Enterprise & Gov.	34%
Comms SP	44%

DCG Platform	YoY Growth
Unit Volumes	29%
Average Selling Prices	5%

**Continued strong demand, robust mix producing higher ASPs, and 5G deployment
Operating margin growth on increased revenue**

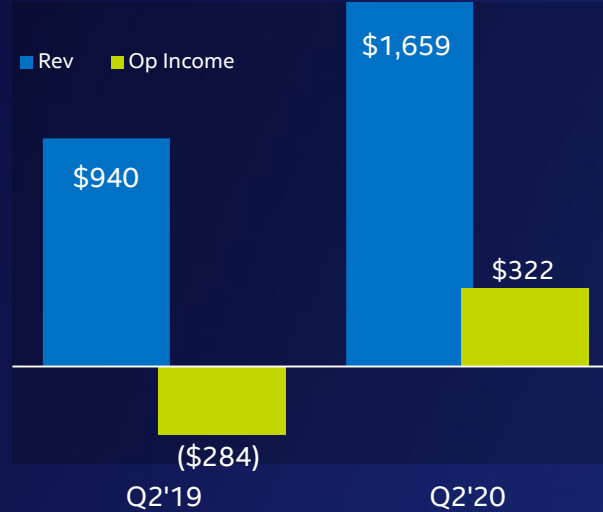
OTHER DATA-CENTRIC BUSINESS SEGMENTS... REVENUE UP 14%

IOT: IOTG + Mobileye (\$M)



- IOTG revenue down 32% YoY and operating income down 76% YoY on COVID-19 impact and U.S. government Entity List publication
- Mobileye revenue down 27% YoY on lower automotive production due to COVID-19

NSG (\$M)



- Record NSG revenue up 76% YoY on continued NAND bit growth and higher ASPs
- Higher operating income on increased ASP, bit growth, and lower unit cost

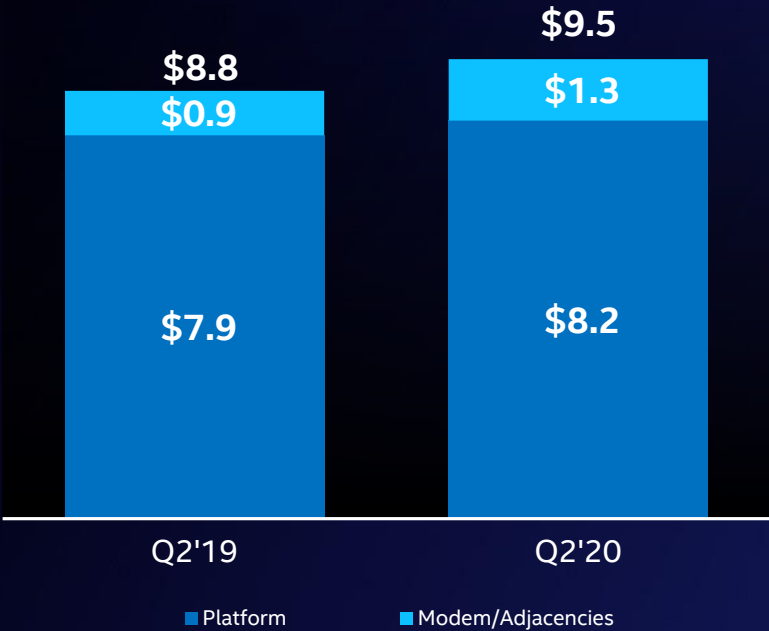
PSG (\$M)



- PSG revenue up 2% YoY on Cloud strength, partially offset by weaker Embedded and Comms
- Operating income up 54% YoY on product mix shift and unit cost improvement

CLIENT COMPUTING GROUP

Revenue (\$B) up 7%



Operating Income (\$B) down 24%



Q2'19 to Q2'20	YoY Revenue
Platform	4%
Modem/Adjacencies ¹	38%

Market Segments	YoY Revenue
Notebook	14%
Desktop	(14%)

CCG Platform	YoY Growth
PC Volumes	2%
Notebook ASP	5%
Desktop ASP	3%

Increased revenue on notebook strength, modem and WiFi growth
Lower operating margin on 10nm acceleration, including Tiger Lake pre-PRQ reserves

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



OUTLOOK

Q3'20 OUTLOOK

REVENUE

\$18.2B **DOWN 5%
YOY**

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

OPERATING MARGIN

~30% **DOWN 6PPT
YOY**

GM ~57%, down 3.5ppt YoY

EPS

\$1.10 **DOWN 22%
YOY**

Tax Rate ~15.5%

FULL YEAR 2020 OUTLOOK

REVENUE

\$75B



UP 4%
YOY

Data-centric up ~10% YoY
PC-centric flat to slightly down YoY

UP \$1.5B vs JAN GUIDE

OPERATING MARGIN

~32%



DOWN 1PPT
YOY

GM ~58%, down 2ppt YoY
Spending ~26% of revenue

DOWN 1 PPT vs JAN GUIDE

EPS

\$4.85



~FLAT YOY

Tax Rate ~14.5%

DOWN \$0.15 vs JAN GUIDE

Gross CapEx ~\$15.0B... down \$1.2B YoY

FCF ~\$17.5B... up \$0.6B YoY



APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Jun 27, 2020	Jun 29, 2019
GAAP OPERATING INCOME	\$5,697	\$4,617
Acquisition-related adjustments	352	337
Restructuring and other charges	9	184
NON-GAAP OPERATING INCOME	\$6,058	\$5,138
GAAP OPERATING MARGIN	28.9%	28.0%
Acquisition-related adjustments	1.8%	2.0%
Restructuring and other charges	—%	1.1%
NON-GAAP OPERATING MARGIN	30.7%	31.1%
GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.19	\$0.92
Acquisition-related adjustments	0.08	0.08
Restructuring and other charges	—	0.04
Ongoing mark-to-market on marketable equity securities	(0.04)	0.04
Income tax effect	—	(0.02)
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.23	\$1.06

FREE CASH FLOW (In Billions)	Three Months Ended	Six Months Ended
	Jun 27, 2020	Jun 27, 2020
GAAP CASH FROM OPERATIONS	\$11.2	\$17.3
Additions to property, plant and equipment	(3.4)	(6.7)
FREE CASH FLOW	\$7.7	\$10.6
GAAP CASH USED FOR INVESTING	(\$10.6)	(\$14.3)
GAAP CASH PROVIDED BY (USED FOR) FINANCING	(\$3.2)	\$1.6

RECONCILIATION OF NON-GAAP OUTLOOK

	Q3 2020 Outlook Approximately	Full-year Outlook Approximately
GAAP GROSS MARGIN	55%	56%
Acquisition-related adjustments	2%	2%
NON-GAAP GROSS MARGIN	57%	58%
GAAP OPERATING MARGIN	28%	30%
Acquisition-related adjustments	2%	2%
NON-GAAP OPERATING MARGIN	30%	32%
GAAP EARNINGS PER SHARE	\$1.02	\$4.53
Acquisition-related adjustments	0.08	0.33
Restructuring and other charges	—	0.04
Ongoing mark-to-market on marketable equity securities	—	(0.01)
Income tax effect	—	(0.04)
NON-GAAP EARNINGS PER SHARE	\$1.10	\$4.85
FREE CASH FLOW (In Billions)	Full-year 2020 Outlook	
GAAP CASH FROM OPERATIONS		\$32.5
Additions to property, plant and equipment		(15.0)
FREE CASH FLOW		\$17.5

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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 April 17, 2020 and may not reflect all publicly available updates. See backup for configuration details. No product or component can be absolutely secure.

World's Fastest Gaming Processor: As measured by in-game benchmark mode performance (score or frames per second) where available, or frames per second where benchmark mode is unavailable. PC Gaming Processors Compared: 10th Gen Intel® Core™ i9-10900K, Intel® Core™ i9-9900KS, AMD Ryzen™ 9 3950X. Prices of compared products may differ. Configurations: Graphics: Nvidia GeForce RTX 2080 Ti, Memory: 4x8GB DDR4 (2666, 2933 or 3200 per highest speed of the corresponding processor), Storage: Intel Optane SSD 905P, OS Windows 10 Pro 1909 v720 19H2(RS6). Results: 10th Gen Intel® Core™ i9-10900K scored better on the majority of the 25+ game titles tested.

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