Q4’17
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 projections, uncertain events or assumptions also identify forward-looking statements. Such statements are based on management's expectations as of January 25, 2018 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 in Intel's earnings release dated January 25, 2018, 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 January 25, 2018. 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.
CEO KEY MESSAGES

• Security is a top priority. We will restore confidence in data security with customer-first urgency, transparency, and timely communication.

• Q4 marked an all-time record quarter in an all-time record year. Met or exceeded all 2017 corporate and business unit revenue, spending, and profitability goals.

• Our Data-centric growth accelerated to 21% YoY in Q4 (excl. McAfee) and accounted for 47% of revenue. Our PC-centric business drove performance mix, profitability, and cash flow in a declining market.

• Execution on our big bets in Autonomous Driving, Artificial Intelligence, Memory, and 5G position Intel for leadership and growth in the new Data Economy.

• We expect 2018 to be another record year.... Raising dividend by 10%.
CFO KEY MESSAGES

Outstanding quarter... Record year... Building momentum into 2018

• Revenue of $17.1B up 8% (excl. McAfee) with record DCG, PSG, and IOTG revenue.

• Non-GAAP EPS up 37% driven by strong data-centric growth, Op Margin expansion, and ICAP portfolio gains.

• Capital Allocation: Monetized ASML... redeemed $1.6B Convertible debenture (reducing diluted share count by 59M shares)...tendered higher coupon debt for cash/ lower coupon.

• Tax reform levels playing field... improving competitiveness... $5.4B Q4 charge... 14% effective tax rate in 2018.

ON TRACK TO EXCEED 3-YEAR-PLAN TARGETS IN YEAR TWO
STRONG GROWTH... TRANSFORMATION CONTINUES
WITH ALL-TIME HIGH DATA-CENTRIC MIX
From PC-Centric to Data-Centric

Revenue up 8% excluding McAfee

$16.4B  $17.1B

Data-centric (excluding McAfee) up 21%...records across DCG, IOTG, PSG

PC-centric down 2%, significant source of profitability and cash flows

...DATA-CENTRIC REPRESENTS 47% OF TOTAL REVENUE

1. Q4’16 revenue includes McAfee.
2. Data-centric businesses include DCG, IOTG, NSG, PSG and All Other.
NON-GAAP EPS UP ~37%... OP MARGIN UP 5 PPTS

1. EPS and operating margin are presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.

Platform Execution
- Server: Excellent momentum in cloud, networking & product transitions
- Client: Record core mix, lower 14nm costs, offset by 10nm transition costs

Expanded TAM...Adjacent Business Growth
- Increasing contributor to EPS growth... at lower margins
- NSG +9%, Modem +26%, plus Mobileye

Spending
- Significant leverage, investing in growth

Treasury/Other
- ASML gains $1.5B... offset by $0.5B charge from treasury transactions

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

3. Adjacent Business Growth includes gross margin impact from non-platform products.
TOTAL SPENDING AS A % OF REVENUE DOWN FROM 33.2% TO 30.0%
...now expecting to meet 30% commitment by 2019, one year early

R&D... Down ~1ppt

- 20.0%
- 19.2%

Q4’16 | Q4’17

SG&A... Down >2ppt

- 13.2%
- 10.8%

Q4’16 | Q4’17

• Continued engineering efficiency efforts
• Driving Moore’s Law forward
• Investments in AI and Autonomous Driving

• Disciplined controls on spending
• Reductions in marketing, program changes
• Increased productivity with investments in growth businesses
Revenue ($B) down 2%

Q4'16: $9.1
Q4'17: $9.0

Operating Income ($B) down 7%

Q4'16: $3.5
Op Margin 39%
Q4'17: $3.3
Op Margin 36%

Adjacent TAM growth... Modem & Adjacencies up 15%

Operating Margin lower on 10nm transition costs

Record Core i7 and Core i9 Volume with continued ramp of 8th Gen

1. CCG adjacencies include modem, home gateway products and set-top box components.
2. The first number in the series reflects the impact of changes to the Intel Inside Program, whereas the second number does not.
### DATA CENTER GROUP... STRENGTH IN CLOUD & ADJACENCIES

#### Revenue ($B) up 20%

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform</td>
<td>$4.3</td>
<td>$5.6</td>
</tr>
<tr>
<td>Adjacencies</td>
<td>$0.4</td>
<td>$0.5</td>
</tr>
</tbody>
</table>

#### Operating Income ($B) up 59%

<table>
<thead>
<tr>
<th></th>
<th>Q4'16</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Op Margin 40%</td>
<td>$1.9</td>
<td></td>
</tr>
<tr>
<td>Op Margin 54%</td>
<td></td>
<td>$3.0</td>
</tr>
</tbody>
</table>

#### All-time Revenue Record...

Accelerating Cloud, Adjacencies growth and Enterprise strength

Xeon Scalable ramping per expectations

Operating Margin growth from revenue scale, ASP strength and exclusion of '16 one-time charges

<table>
<thead>
<tr>
<th></th>
<th>Q4'16 to Q4'17</th>
<th>YoY Revenue ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform</td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>Adjacencies</td>
<td></td>
<td>35%</td>
</tr>
</tbody>
</table>

#### Market Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>YoY Revenue ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud SP</td>
<td>35%</td>
</tr>
<tr>
<td>Enterprise &amp; Gov.</td>
<td>11%</td>
</tr>
<tr>
<td>Comms SP</td>
<td>16%</td>
</tr>
</tbody>
</table>

#### DCG Platform

<table>
<thead>
<tr>
<th>Category</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Volumes</td>
<td>10%</td>
</tr>
<tr>
<td>Average Selling Prices</td>
<td>8%</td>
</tr>
</tbody>
</table>
IOTG, NSG & PSG BUSINESS SEGMENTS... REVENUE UP 19%

Expanded TAM... BUs increasingly relevant in size

IOTG + Mobileye ($M)

- All time record IOTG revenue; up 21% on Retail, Video & Transportation
- Op income up 43% with revenue scale
- Mobileye on track to deal thesis... Op Income lower from transfer of IOTG resources

NSG ($M)

- NSG revenue, up 9%, growing SSD TAM & MSS
- Ramping 64T 3D NAND
- Op margin positive with ramping yields and cost/GB declines
- Expect FY 2018 profitability

PSG ($M)

- All time record PSG revenue up 35%... strength in Data Center, Auto, Embedded, last-time-buys
- Op income up 95%, Op margin up 9 ppt to 27%
- 14nm Stratix10 in full production

1. Mobileye operating income is presented on a non-GAAP basis and excludes $28M negative impact from acquisition-related inventory valuation adjustments. Mobileye is not part of IOTG segment.
### SOURCES & USES OF CASH

**FY 2017 ($B)**

<table>
<thead>
<tr>
<th>Non-US</th>
<th>US</th>
<th>2017 Beg total cash investment</th>
<th>Cash from Operations</th>
<th>CapEx</th>
<th>Dividends</th>
<th>Buybacks</th>
<th>Mobileye acquisition</th>
<th>Net debt</th>
<th>McAfee proceeds + dividend</th>
<th>ASML/Other</th>
<th>2017 Ending total cash investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$13.6</td>
<td>$3.5</td>
<td>$17.1</td>
<td>$22.1</td>
<td>$(11.8)</td>
<td>$(5.1)</td>
<td>$(3.6)</td>
<td>$(14.5)</td>
<td>$3.9</td>
<td>$6.3</td>
<td>$14.0</td>
<td>$14.0</td>
</tr>
</tbody>
</table>

1. **Cash from operations** includes cash prepayments received under LT strategic supply agreements.
2. **Mobileye consideration** included approximately $185 million for short-term investments.
3. **Total cash investments** include cash and cash equivalents, short-term investments, and trading assets.
4. **Total debt** includes short-term and long-term debt.

### Notes:

1. **Strong free cash flow** $10.3B... funds buyback and dividend
2. **Repositioning portfolio**... ICAP monetization and McAfee divestiture to fund majority of Mobileye transaction
3. **Redeemed** $1.6B convertible debt, reducing 59M shares... tendered higher coupon debt for cash/lower coupon

### GAAP Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>2017 Beg total cash investment</th>
<th>Cash from Operations</th>
<th>Dividends</th>
<th>Buybacks</th>
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<tr>
<td>$5.6</td>
<td>$17.1</td>
<td>$(5.1)</td>
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<td>$(14.5)</td>
<td>$3.9</td>
<td>$6.3</td>
<td>$14.0</td>
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</tr>
</tbody>
</table>

### Total Cash Investments

<table>
<thead>
<tr>
<th>2017 Beg total cash investment</th>
<th>Cash from Operations</th>
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<th>Buybacks</th>
<th>Mobileye acquisition</th>
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<th>McAfee proceeds + dividend</th>
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<th>2017 Ending total cash investment</th>
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<tbody>
<tr>
<td>$25.3</td>
<td>$22.1</td>
<td>$(11.8)</td>
<td>$(5.1)</td>
<td>$(3.6)</td>
<td>$(14.5)</td>
<td>$3.9</td>
<td>$6.3</td>
<td>$14.0</td>
</tr>
</tbody>
</table>

### Total Debt

<table>
<thead>
<tr>
<th>2017 Beg total cash investment</th>
<th>Cash from Operations</th>
<th>Dividends</th>
<th>Buybacks</th>
<th>Mobileye acquisition</th>
<th>Net debt</th>
<th>McAfee proceeds + dividend</th>
<th>ASML/Other</th>
<th>2017 Ending total cash investment</th>
</tr>
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<tbody>
<tr>
<td>$26.8</td>
<td>$22.1</td>
<td>$(11.8)</td>
<td>$(5.1)</td>
<td>$(3.6)</td>
<td>$(14.5)</td>
<td>$3.9</td>
<td>$6.3</td>
<td>$14.0</td>
</tr>
</tbody>
</table>
# ICAP/TREASURY ITEMS... DISCIPLINED CAPITAL ALLOCATION

<table>
<thead>
<tr>
<th>ICAP PORTFOLIO</th>
<th>2035 CONVERTIBLE</th>
<th>DEBT RESTRUCTURING</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sold 11.4M ASML shares in Q4</td>
<td>• Redeemed 2035 convertible debenture</td>
<td>• Successfully tendered $2.3B of higher-coupon debt</td>
</tr>
<tr>
<td>• Cash proceeds of $2.0B, gain of $1.5B</td>
<td>• $2.8B cash outflow</td>
<td>• Exchanged $1.9B of old debt into $2B 30-year new debt, reducing coupon rate by ~1%</td>
</tr>
<tr>
<td>• Mark-to-market adjustments of $2.7B unrealized gains booked to retained earnings on 1st day of fiscal 2018</td>
<td>• Non-cash Q4 loss of $385M</td>
<td>• Redeemed $425M of old debt for cash</td>
</tr>
</tbody>
</table>

**Reduces diluted shares 59M**

**Tax efficient... Reduces leverage and annual interest expense**
FULL YEAR 2017... ANOTHER RECORD YEAR

Revenue\(^1\) up 9% excluding McAfee

![Revenue Comparison Chart]

- 2016: $59.5B
- 2017: $62.8B

- Up 16% (Excl McAfee)
- Up 3%

Expanding EPS\(^2\)... up 27%

- 2016: $2.72
- 2017: $3.46

- ICAP Net Gains\(^3\) = $0.35

Accelerating transformation... Data-Centric approaching 50% of revenue
Growing Earnings faster than Revenue... Excellent execution, disciplined spending

Outstanding year!

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1. 2016 revenue includes McAfee.
2. Numbers presented on a non-GAAP basis.
3. ICAP Net Gains = Net gains (losses) on equity investments and Interest & Other, excluding McAfee divestiture impact.
TAX REFORM IMPACT & CAPITAL ALLOCATION

TAX IMPACTS

- One-time Tax Impact is Q4’17 net charge of $5.4B for U.S. tax reform:
  - $6.1B charge for the accrual of tax on un-repatriated foreign earnings, payable over 8 years
  - Deferred Tax Re-measurement: $0.7B benefit to re-measure net deferred tax liability to the reduced statutory tax rate of 21%
- Post-2017 effective tax rate expected to be ~14%
- EPS impact in 2018 ~$0.28

CAPITAL ALLOCATION

- Tax Cuts & Jobs Act significantly improves Intel competitiveness
- Intel among the top 5 exporters and R&D investors in the U.S.
- Fab 42 fit-up committed last year, creating thousands of jobs at completion
- Overall investment profile and priorities remain unchanged
- Reduced tax rate driving EPS and FCF, supporting 10% dividend increase
2018 ACCOUNTING CHANGES

REVENUE RECOGNITION

• New accounting rules require revenue recognition upon transfer of control on shipment for direct customers and sales-in for channel customers

• Impact: $0.7B adjustment to retained earnings, primarily from deferred income, on 1st day of fiscal 2018, no material impact to revenue

EQUITY GAINS/LOSSES

• New accounting rules for financial instruments require recognition of unrealized price changes each quarter

• Mark-to-market adjustments will flow through earnings

• Expect greater volatility from MTM adjustments

• Gains from sales (e.g. ASML) will not repeat going forward

• Impact: $2.7B of net unrealized gains booked to retained earnings on 1st day of fiscal 2018

• Gains and losses will be adjusted from non GAAP results
Full Year 2018 Outlook... Investments Paying Off

**Revenue**

- $65.0B up 4% excl. McAfee
- Data-centric up mid-teens
- PC-centric declines low single-digits

**Operating Margin**

- 30% down ~1pt
- Gross margins down 2-2.5ppt on growth of adjacent businesses & 10nm ramp
- Spending down 1-1.5ppt

**EPS**

- $3.55 up 3%
- Tax reform drives ~$0.28
- Presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.

Gross Capex ~$14B... Net Capital deployed ~$12B...~$2B customer pre-payments

Free cash flow at ~$13B... Dividend raise of 10%...Transformation continues
Q1’ 2018 Outlook... Strong Start to the Year

**Revenue**

- $15.0B up 5% excl. McAfee from Q1’17
- Data-centric up mid-teens, led by strong memory growth
- PC-centric declines low single-digits

**Operating Margin** *

- 27% ~flat from Q1’17
- Gross margin down ~3 ppt on ramp of adjacent businesses and 10nm ramp
- Spending down ~3 pts

**EPS** *

- $0.70 up 6% up 11%
- Adjacent business growth, spending reductions & lower effective tax rate

*Presented on a non-GAAP basis. Refer to the Appendix for a reconciliation of these non-GAAP measures.
APPENDIX
### RECONCILIATION OF NON-GAAP ACTUALS

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>GAAP NET REVENUE</td>
<td>$17,053</td>
<td>$16,374</td>
</tr>
<tr>
<td>ISecG (McAfee) net revenue</td>
<td>—</td>
<td>550</td>
</tr>
<tr>
<td>NON-GAAP NET REVENUE EXCLUDING ISecG (McAfee)</td>
<td>$17,053</td>
<td>$15,824</td>
</tr>
<tr>
<td>GAAP OPERATING INCOME</td>
<td>$5,395</td>
<td>$4,526</td>
</tr>
<tr>
<td>Inventory valuation</td>
<td>28</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangibles</td>
<td>315</td>
<td>273</td>
</tr>
<tr>
<td>Restructuring and other charges</td>
<td>195</td>
<td>100</td>
</tr>
<tr>
<td>NON-GAAP OPERATING INCOME</td>
<td>$5,933</td>
<td>$4,899</td>
</tr>
<tr>
<td>ISecG (McAfee) operating income</td>
<td>—</td>
<td>103</td>
</tr>
<tr>
<td>NON-GAAP OPERATING INCOME EXCLUDING ISecG (McAfee)</td>
<td>$5,933</td>
<td>$4,796</td>
</tr>
<tr>
<td>GAAP DILUTED EARNINGS (LOSS) PER COMMON SHARE</td>
<td>($0.15)</td>
<td>$0.73</td>
</tr>
<tr>
<td>Inventory valuation</td>
<td>0.01</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangibles</td>
<td>0.06</td>
<td>0.06</td>
</tr>
<tr>
<td>Restructuring and other charges</td>
<td>0.04</td>
<td>0.02</td>
</tr>
<tr>
<td>Income tax reform</td>
<td>1.14</td>
<td>—</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>(0.02)</td>
<td>(0.02)</td>
</tr>
<tr>
<td>NON-GAAP DILUTED EARNINGS PER COMMON ITEMS</td>
<td>$1.08</td>
<td>$0.79</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FREE CASH FLOW</th>
<th>Dec 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In Millions)</td>
<td>$22,110</td>
</tr>
<tr>
<td>GAAP CASH FROM OPERATIONS</td>
<td>$22,110</td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(11,778)</td>
</tr>
<tr>
<td>FREE CASH FLOW</td>
<td>$10,332</td>
</tr>
</tbody>
</table>

1 Non-GAAP EPS has been calculated based on common shares of 4,790 for the three months ended December 30, 2017, which is the number of weighted average common shares outstanding on a diluted basis determined as if the Company had net income for such period.
### RECONCILIATION OF NON-GAAP OUTLOOK

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018 Outlook</th>
<th>Full-year 2018 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP OPERATING MARGIN</strong></td>
<td>25%</td>
<td>28% approximately</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangibles</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>NON-GAAP OPERATING MARGIN</strong></td>
<td>27% approximately</td>
<td>30% approximately</td>
</tr>
<tr>
<td><strong>GAAP EARNINGS PER SHARE</strong></td>
<td>$0.65 +/- 5 cents</td>
<td>$3.30 +/- 5 %</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangibles</td>
<td>0.06</td>
<td>0.28</td>
</tr>
<tr>
<td>Income tax effect</td>
<td>(0.01)</td>
<td>(0.03)</td>
</tr>
<tr>
<td><strong>NON-GAAP EARNINGS PER SHARE</strong></td>
<td>$0.70 +/- 5 cents</td>
<td>$3.55 +/- 5 %</td>
</tr>
</tbody>
</table>

**FREE CASH FLOW**

<table>
<thead>
<tr>
<th></th>
<th>Full-year 2018 Outlook</th>
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</thead>
<tbody>
<tr>
<td>(In Billions)</td>
<td></td>
</tr>
<tr>
<td><strong>GAAP CASH FROM OPERATIONS</strong></td>
<td>$27.0</td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(14.0)</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW</strong></td>
<td></td>
</tr>
</tbody>
</table>