

Q2 2018

EARNINGS PRESENTATION

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Q2'18 EXECUTIVE SUMMARY

- Expanded TAM creating significant growth opportunities... Accelerating Transformation
- Data-centric growth driven by cloud, network transformation, artificial intelligence & analytics... Data-centric approaching 50% of revenue
- Customer preference for Intel's highest performance products driving strong mix... Leadership 14nm product lineup for 2019... 10nm yields on track with systems on shelf 2H'19
- Big Bets building momentum... Mobileye EyeQ and RSS selected for Baidu AV platform... announced Industry's first QLC 64L NAND... Shipping Intel's first CDMA and multi-sim capable modem
- Outstanding PC-centric execution... PC demand trends improving

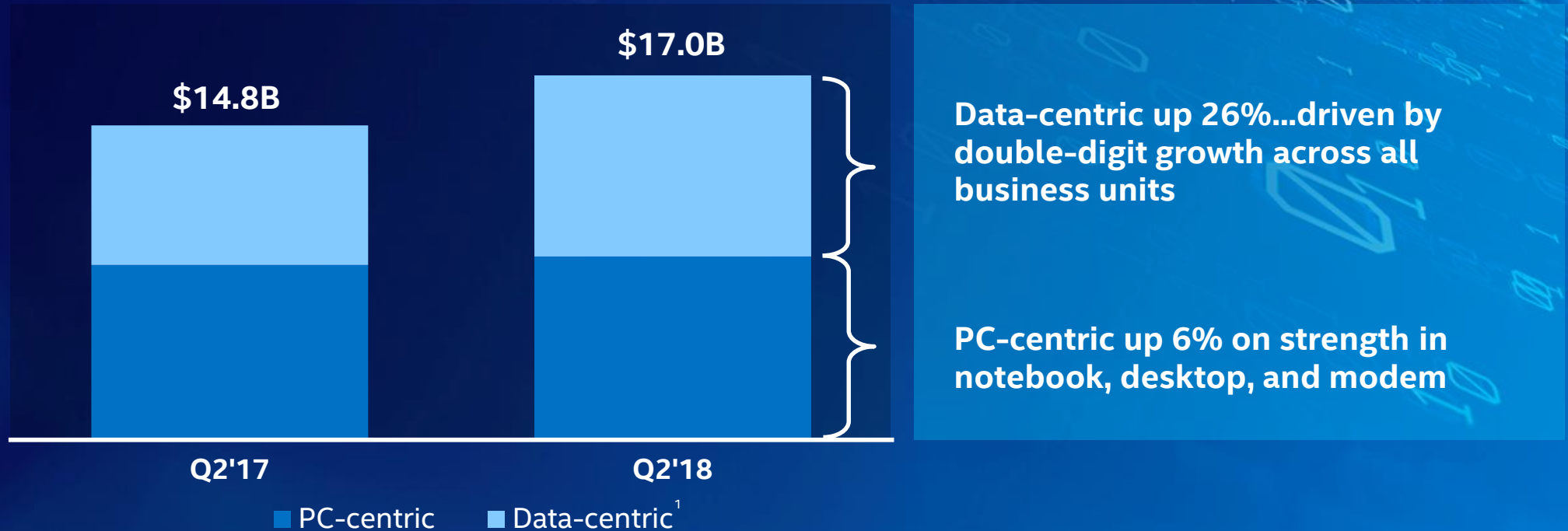
Q2'18 FINANCIAL HIGHLIGHTS

Transformation accelerating... From PC-centric to Data-centric

- Record Q2 revenue of \$17.0B, up 15% with strong performance across all business units... Record revenue in NSG, IoTG, and Mobileye
- Data-centric up 26%, strong Op Margin leverage and lower tax rate drive non-GAAP EPS of \$1.04, up 44%... while investing for growth
- Year-to-date generated \$6.3B of free cash flow... Returned \$8.6B to shareholders... Paid dividend of \$2.8B... Repurchased ~117M shares
- Raising full-year 2018 revenue by \$2B to \$69.5B... Raising EPS by \$0.30 to \$4.15... FCF up \$0.5B to \$15.0B

LEADERSHIP PRODUCTS WINNING IN AN EXPANDED TAM

Revenue up 15%



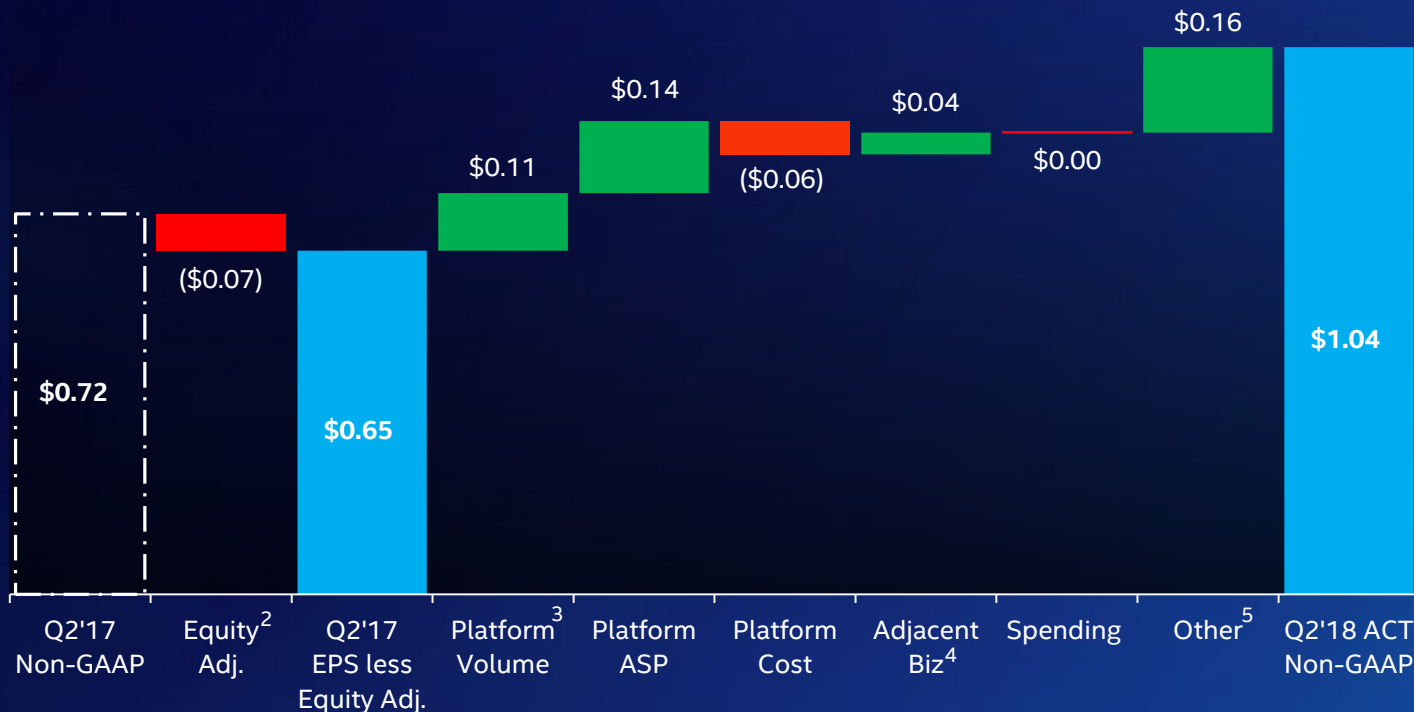
DATA-CENTRIC APPROACHING 50% OF TOTAL REVENUE

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

NON-GAAP EPS UP ~44%... OP MARGIN UP 5 PPTS

Expanding margins while investing for growth

EPS Drivers Year-Over-Year



OPERATING MARGIN **28%**

OPERATING MARGIN **33%**

EPS up \$0.32 (up \$0.39 excl. 2017 Equity Adj.)

Platform Execution

- Server: Strength across all segments (Cloud SP, Comms SP, and Enterprise)
- Client: PC up on Commercial and Gaming
- Global economic strength driving favorable enterprise trends across business segments

Expanded TAM... Accelerating "Adjacent" Growth

- NSG +23%, Modem +35%, PSG +18%, and MBLY +37%

Disciplined Spending... While investing for Growth

- Flat (down ~5ppts as % of revenue), R&D optimization & marketing savings funding Data-centric investments

Other

- Lower 2018 tax rate and lower share count

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.

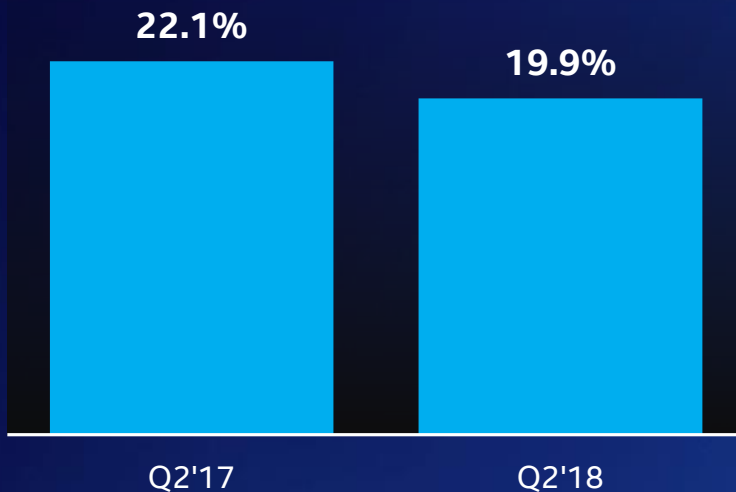
4. Adjacent Business includes gross margin impact from non-platform products.

5. Other includes McAfee, Interest and Other, and lower tax rate based on U.S. Tax Reform.

TOTAL SPENDING AS A % OF REVENUE DOWN FROM 34.6% TO 30.0%

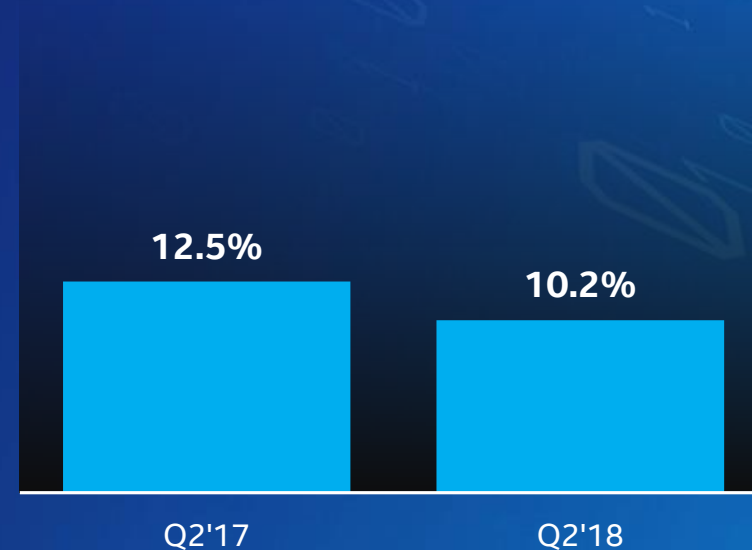
...on track to 30% for 2018, two years ahead of original schedule

R&D... down ~2 ppt



- Balancing R&D leverage and efficiency with growing revenue
- Investing in product leadership, AI and Autonomous Driving
- Program co-location and IP efficiency initiatives

SG&A... down ~2 ppt

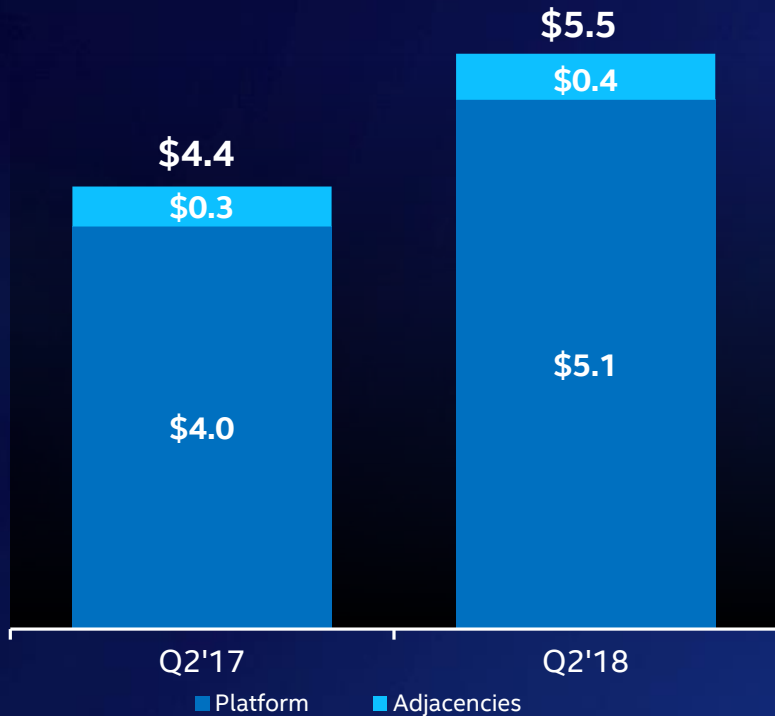


- Realizing SG&A leverage and efficiency with growing revenue
- Intel Inside program changes drive reductions

DATA CENTER GROUP... GROWTH FUELED BY ALL SEGMENTS

Revenue (\$B) up 27%

Operating Income (\$B) up 65%



Q2'17 to Q2'18	YoY Revenue (\$)
Platform	27%
Adjacencies	30%

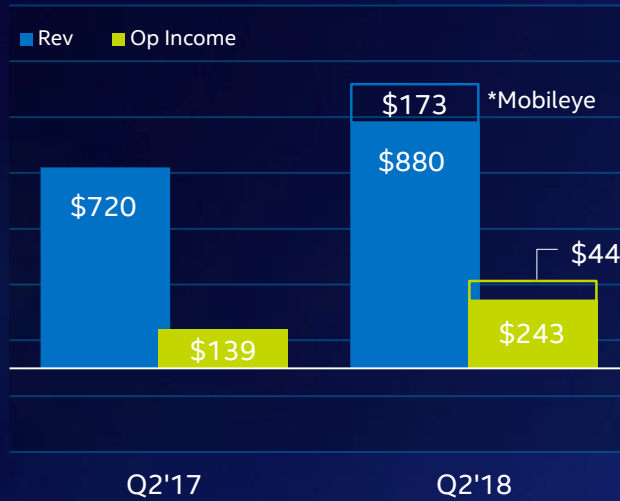
Market Segments	YoY Revenue (\$)
Cloud SP	41%
Comms SP	30%
Enterprise & Gov.	10%

DCG Platform	YoY Growth
Unit Volumes	14%
Average Selling Prices	11%

Double digit growth across Cloud SP, Comms SP, & Enterprise... increasingly driven by higher growth segments
Customer preference for leadership products driving Xeon Scalable adoption, strong mix & ASP
Outstanding execution and spending leverage deliver ~65% operating income growth

IOTG, NSG & PSG BUSINESS SEGMENTS... REVENUE UP 22%

IOTG + Mobileye (\$M)



- Record IOTG revenue, up 22% YoY on record volume, strength in Retail & Industrial
- Wind River transaction closed (~\$150M revenue impact 2H'18)
- Record Mobileye revenue, up 37% YoY on increasing ADAS adoption

NSG (\$M)



- NSG revenue up 23% YoY
- Optane momentum building
- On track to full-year 2018 profitability with revenue scale and 64T conversion

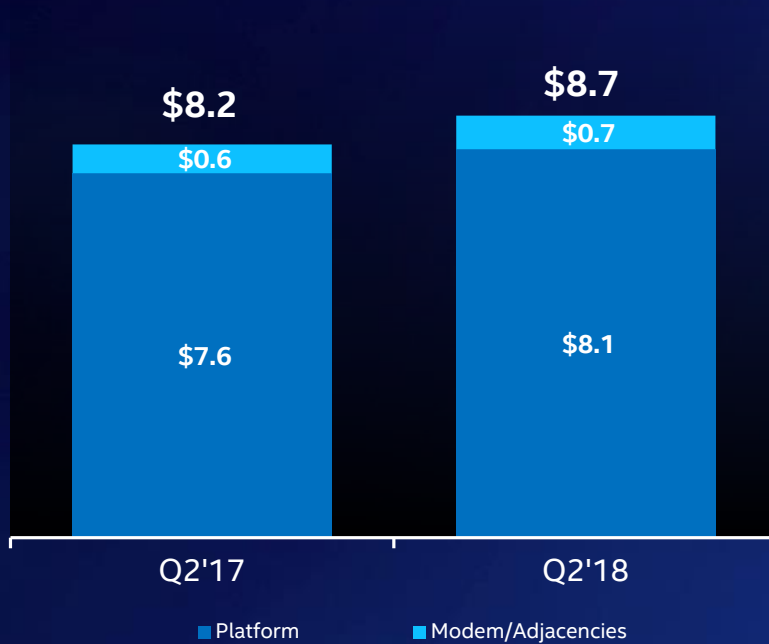
PSG (\$M)



- PSG revenue up 18% YoY driven by strength in Datacenter, Advanced node products
- Continued momentum in Data Center business, up ~140%
- Advanced products (28nm, 20nm, 14nm) up ~70%

CLIENT COMPUTING GROUP... CONTINUED EXECUTION

Revenue (\$B) up 6%



Operating Income (\$B) up 7%



Q2'17 to Q2'18	YoY Revenue (\$)
Platform	6%
Modem/Adjacencies ¹	15%

Market Segments	YoY Revenue (\$)
Notebook	6%
Desktop	6%

CCG Platform	YoY Growth
PC Volumes	(1%)
Notebook ASP	2%
Desktop ASP	13%

Product leadership and customer preference for performance driving PC-centric growth
Commercial segment up on Windows 10 refresh... Outstanding gaming segment results

1. CCG adjacencies include modem, home gateway products and set-top box components

YTD SOURCES & USES OF CASH

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



\$3.4	GAAP Cash and Cash Equivalents	\$2.6
\$14.0	Total Cash Investments ³	\$12.2
\$26.8	Total Debt ⁴	\$28.1

Data-centric growth and PC-centric execution produce strong operating cash flow of \$13.7B
Repurchased ~ 117M shares YTD (~76M shares in Q2) for \$6.0B at average price of \$51.15
Settlement of convertible debt reduced diluted shares by ~12M

1. Cash from operations includes \$1.6B net impact of NSG customer prepayments.
2. Cash used for buybacks differs from total repurchases due to unsettled cash at quarter end.
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.



OUTLOOK

FULL YEAR 2018 OUTLOOK... INVESTMENTS PAYING OFF

REVENUE

\$69.5B

UP 11%

(UP \$2B VS PRIOR)

Data-centric up ~20% YoY

PC-centric modest growth YoY

OPERATING MARGIN¹

32%

UP 1 PPT

(UP 1 PPT VS PRIOR)

Gross margin down ~2 ppts YoY

Spending ~30% of rev, down ~3 ppts YoY

EPS¹

\$4.15

UP 20%
UP 37%
excl. Equity Adj.²

(UP \$0.30 VS PRIOR)

Broad based business strength

Raising Gross Capex \$0.5B to ~\$15B... Net Capital deployed ~\$13B... ~\$2B customer pre-payments

Raising FCF \$0.5B to ~\$15.0B... 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.

Q3 2018 OUTLOOK... STRONG GROWTH CONTINUES

REVENUE

\$18.1B  **UP 12%**
from Q3'17

Continued data-centric strength

OPERATING MARGIN¹

34%  **~ FLAT**
from Q3'17

Gross margin down ~1 ppt YoY
Spending as % of rev down ~1 ppt YoY

EPS¹

\$1.15  **UP 14%**
UP 31%
excl. Equity Adj.²

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	
	June 30, 2018	July 1, 2017
GAAP OPERATING INCOME	\$5,273	\$3,842
Amortization of acquisition-related intangibles	325	235
Restructuring and other charges	—	105
NON-GAAP OPERATING INCOME	\$5,598	\$4,182
GAAP DILUTED EARNINGS (LOSS) PER COMMON SHARE	\$1.05	\$0.58
Amortization of acquisition-related intangibles	0.07	0.05
Restructuring and other charges	—	0.02
Ongoing mark to market on marketable equity securities	0.05	—
(Gains) losses from divestitures	(0.10)	(0.08)
Tax Reform	(0.04)	—
Income tax effect	0.01	0.15
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.04	\$0.72

(In Millions)	Six Months
	Ended
FREE CASH FLOW	June 30, 2018
GAAP CASH FROM OPERATIONS	\$13,697
Additions to property, plant and equipment	(7,440)
FREE CASH FLOW	\$6,257

RECONCILIATION OF NON-GAAP OUTLOOK

	Q3 2018 Outlook	Full-year 2018 Outlook
GAAP OPERATING MARGIN	32.5% approximately	30.5% approximately
Amortization of acquisition-related intangibles	1.5%	1.5%
NON-GAAP OPERATING MARGIN	34.0% approximately	32% approximately
GAAP TAX RATE	13.0% approximately	12.0% approximately
Other	—%	0.5%
NON-GAAP TAX RATE	13.0% approximately	12.5% approximately
GAAP EARNINGS PER SHARE	\$1.09 +/- 5 cents	\$4.10 +/- 5%
Amortization of acquisition-related intangibles	0.07	0.28
Ongoing mark to market on marketable equity securities	—	(0.08)
(Gains) losses from divestitures	—	(0.10)
Tax Reform	—	(0.04)
Income tax effect	(0.01)	(0.01)
NON-GAAP EARNINGS PER SHARE	\$1.15 +/- 5 cents	\$4.15 +/- 5%
FREE CASH FLOW (In Billions)		Full-year 2018 Outlook
GAAP CASH FROM OPERATIONS		\$30.0
Additions to property, plant and equipment		(15.0)
FREE CASH FLOW		\$15.0