

Q1 2021

Earnings Presentation



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Executive Summary

Stronger-than-expected start to 2021

Exceeded January guidance on revenue by \$1.1B and EPS by 29 cents

Exceptional demand, innovation, and execution

Ice Lake server launch, record notebook and Mobileye revenue

IDM 2.0: Uniquely positioned to address unprecedented semiconductor demand

Incredible response to Intel Foundry Services announcement

Q1 Financial Highlights

Revenue

\$18.6B

\$1.1B above Jan. expectations

Flat
YoY

Gross Margin

58.4%

0.4 ppt above Jan. expectations

Down
~6 ppt
YoY

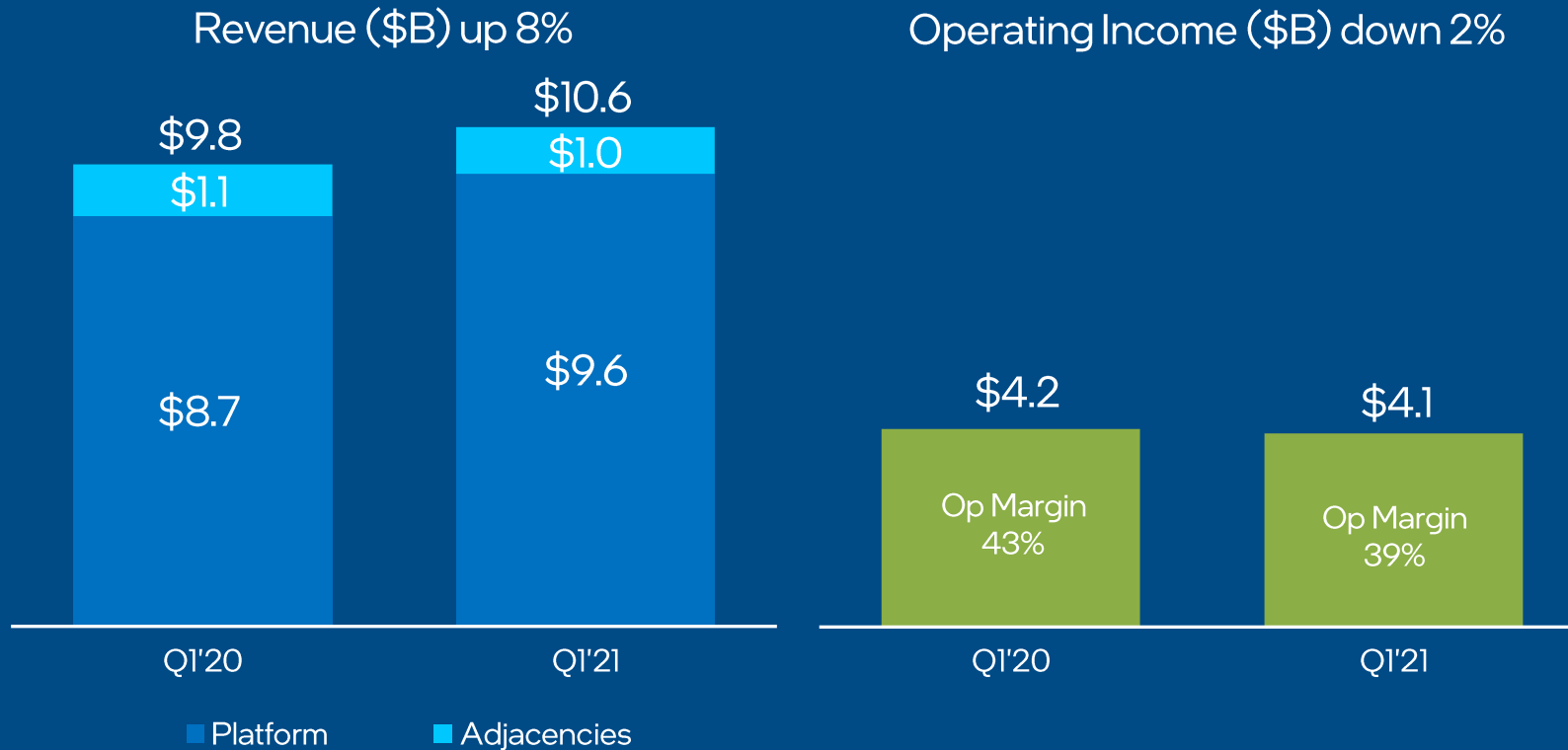
EPS

\$1.39

\$0.29 above Jan. expectations

Down
1%
YoY

Client Computing Group



Q1'20 to Q1'21	YoY Revenue
Platform	10%
Adjacencies ¹	(7%)

Market Segments	YoY Revenue
Notebook	19%
Desktop	(7%)

CCG Platform	YoY
PC Volumes	38%
Notebook ASP	(23%)
Desktop ASP	(5%)

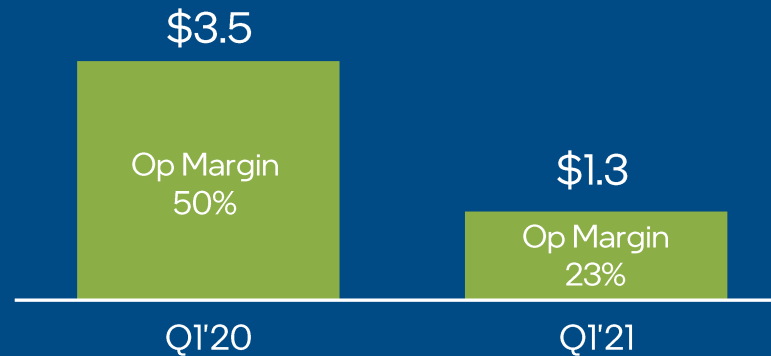
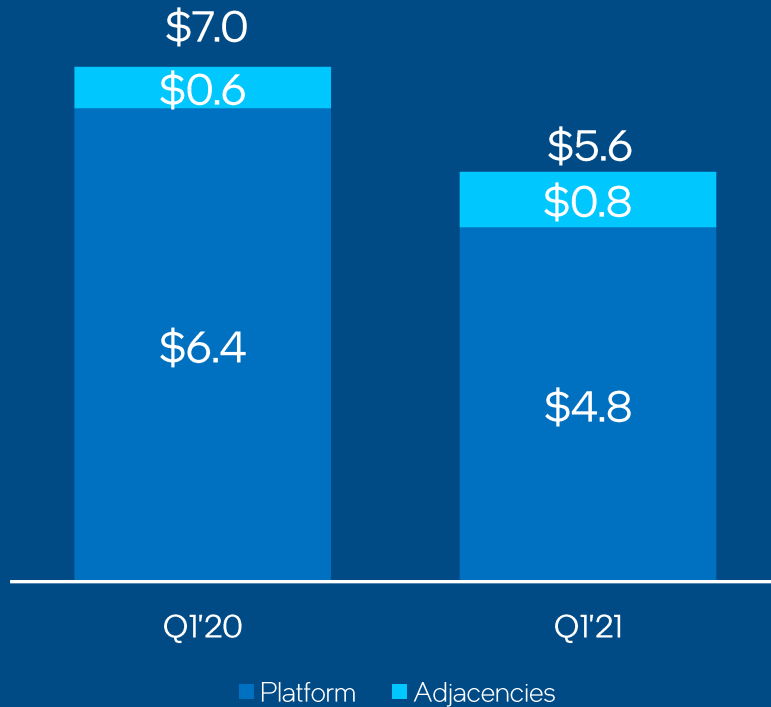
Higher revenue on record notebook, WiFi, and Thunderbolt volumes, partially offset by lower modem
Operating income down on higher 10nm mix and increased R&D investment

1. CCG adjacencies include modem, wireless communications, wired connectivity, and (prior to Q3 2020 divestiture) connected home products.

Data Center Group

Revenue (\$B) down 20%

Operating Income (\$B) down 64%



Q1'20 to Q1'21	YoY Revenue
Platform	(25%)
Adjacencies ¹	33%

Market Segments	YoY Revenue
Cloud SP	(29%)
Enterprise & Gov.	(20%)
Comms SP	5%

DCG Platform	YoY
Unit Volumes	(13%)
ASPs	(14%)

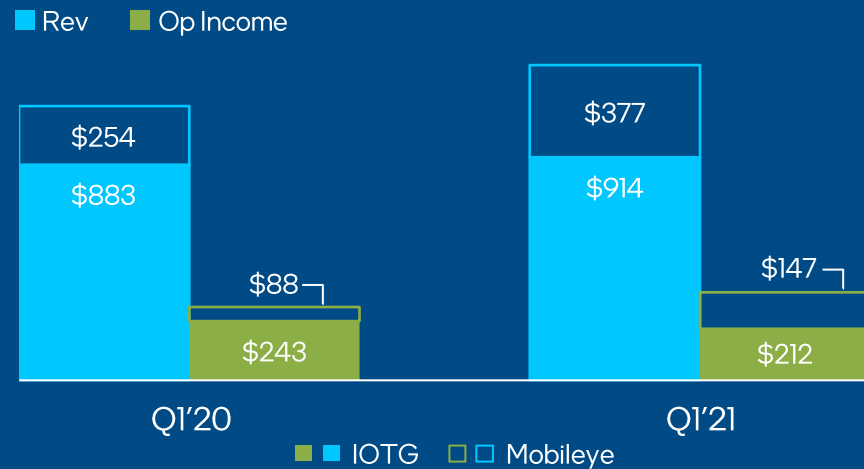
Revenue down on Cloud digestion and COVID-driven impact to E&G

Operating income down on lower revenue, 10nm ramp, and increased R&D investment

1. DCG adjacencies include Optane, AI accelerator, ethernet, 5G and silicon photonics products.

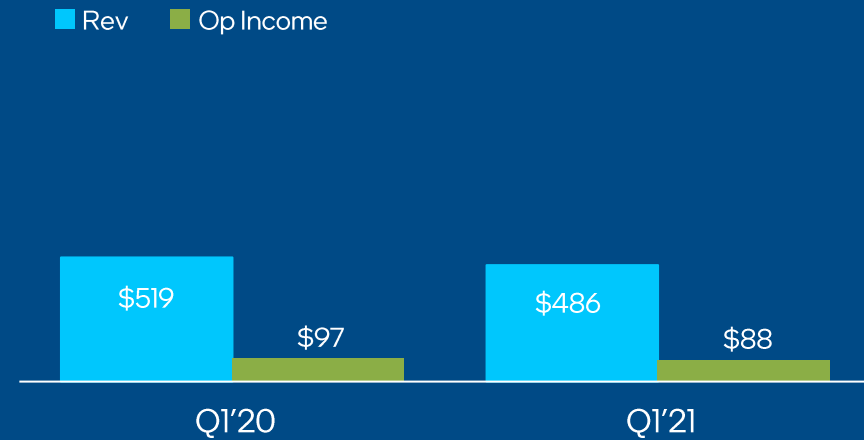
Other Business Segments

IOT: IOTG + Mobileye (\$M)



- IOTG revenue up 4% YoY on higher demand. Operating income down 13% YoY.
- Record MBLY revenue up 48% YoY on automotive recovery. Operating income up 67% YoY.

PSG (\$M)



- PSG revenue down 6% YoY on cloud and enterprise inventory digestion.
- Operating income down 9% YoY on lower revenue.

Outlook

Q2 2021 Outlook

Revenue

\$17.8B

Down
2%
YoY

Gross Margin

57%

Up
~1 ppt
YoY

EPS

\$1.05

Down
8%
YoY

FY 2021 Outlook

Revenue

\$72.5B

Increased \$0.5B from prior outlook

Down
1%
YoY

Gross Margin

56.5%

Down
~3 ppt
YoY

EPS

\$4.60

Increased \$0.05 from prior outlook

Down
10%
YoY

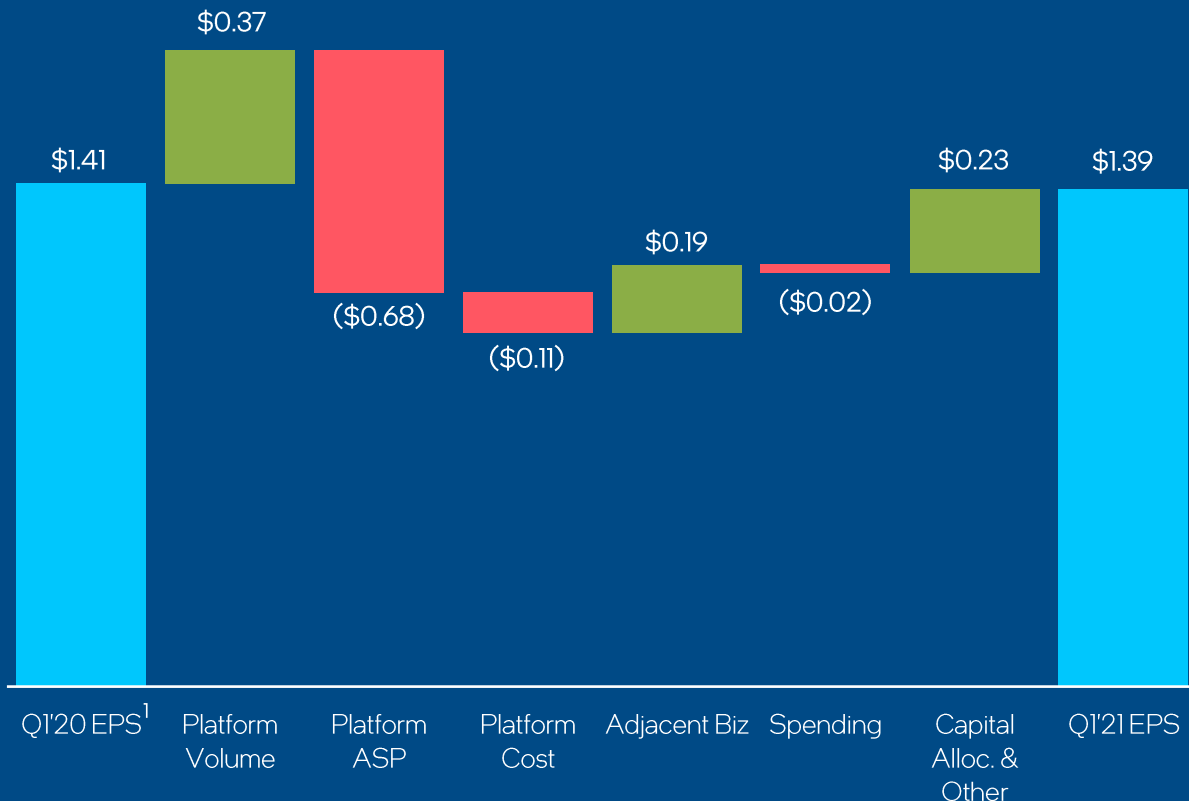
Capital Expenditures \$19-20B

Free Cash Flow \$10.5B, increased \$0.5B from prior outlook

Appendix

EPS down 1%

EPS Drivers Year-Over-Year



Platform²

- Strong notebook demand, partially offset by decline in server and desktop demand
- ASP down on mix shifts in Client and Data Center
 - Desktop to notebook and increased entry/education volume
 - DCG SoC volume growth and mix
- Higher factory startup and increased mix of 10nm products

Adjacencies³

- Corporate revenue from a prepaid supply agreement and adjacency cost improvements

Spending

- Increased R&D investment

Capital Allocation⁴

- Share buyback and higher ICAP portfolio gains

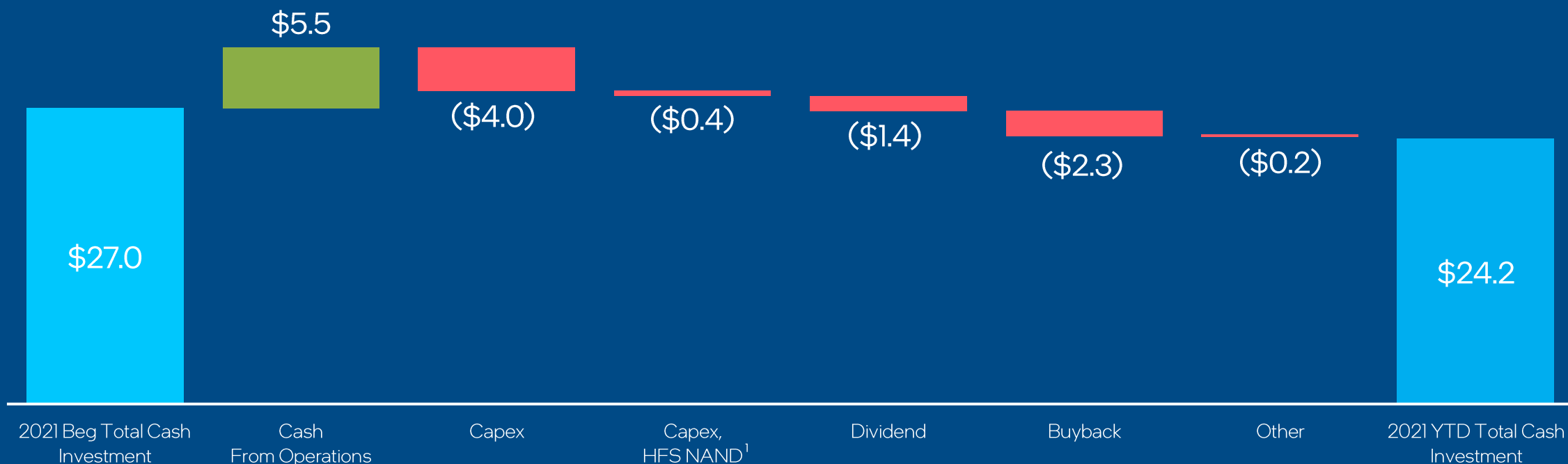
1. Adjusted to exclude NAND.

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.

2021 YTD Sources & Uses of Cash



\$5.9	GAAP Cash and Cash Equivalents (\$B)	\$5.2
\$27.0	Total Cash and Investments ²	\$24.2
\$36.4	Total Debt ³	\$35.9

1. NAND capital expenditures subsequent to the held for sale date.

2. Total cash investments include cash and cash equivalents, short-term investments, trading assets, other long-term investments, loans receivable, and other.

3. Total debt includes short-term and long-term debt.

Reconciliation of Non-GAAP Actuals

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Mar 27, 2021	Mar 28, 2020
GAAP revenue	\$19.7	\$19.8
NAND memory business	(1.1)	(1.2)
Non-GAAP revenue	\$18.6	\$18.6
GAAP gross margin	\$10.9	\$12.0
Acquisition-related adjustments	.3	.3
NAND memory business	(.3)	(.3)
Non-GAAP gross margin	\$10.8	\$12.0
GAAP gross margin percentage	55.2%	60.6%
Acquisition-related adjustments	1.6%	1.5%
NAND memory business	1.7%	2.4%
Non-GAAP gross margin percentage	58.4%	64.5%
GAAP earnings per share—diluted	\$0.82	\$1.31
Acquisition-related adjustments	0.09	0.08
Restructuring and other charges	0.54	0.04
Ongoing mark-to-market on marketable equity securities	0.07	0.03
NAND memory business	(0.04)	(0.05)
Income tax effect	(0.09)	-
Non-GAAP earnings per share—diluted	\$1.39	\$1.41

(In Billions)	Three Months Ended	
	Mar 27, 2021	
GAAP cash from operations	\$5.6	
Additions to property, plant and equipment	(4.0)	
Free cash flow	\$1.6	
GAAP cash used for investing activities	\$(2.5)	
GAAP cash provided by (used for) financing activities	\$(3.7)	

Reconciliation of Non-GAAP Outlook

	Q2 2020 Actuals	Q2 2021 Outlook	Full-year 2020 Actuals	Full-year 2021 Outlook
(In Billions, Except Per Share Amounts)		Approximately		Approximately
GAAP net revenue	\$19.7	\$18.9	\$77.9	\$77.0
NAND memory business	(1.5)	(1.1)	(5.0)	(4.5)
Non-GAAP net revenue	\$18.2	\$17.8	\$72.9	\$72.5
GAAP gross margin	53.3%	54.9%	56.0%	54.5%
Acquisition-related adjustments	1.5%	1.6%	1.6%	1.6%
NAND memory business	1.4%	0.5%	1.8%	0.4%
Non-GAAP gross margin	56.3%	57.0%	59.4%	56.5%
GAAP earnings per share—diluted	\$1.19	\$1.05	\$4.94	\$4.00
Acquisition-related adjustments	0.08	0.09	0.33	0.35
Restructuring and other charges	--	0.01	0.05	0.57
(Gains) losses from divestiture	--	--	--	(0.24)
Ongoing mark-to-market on marketable equity securities	(0.04)	--	0.03	0.06
NAND memory business	(0.10)	(0.10)	(0.22)	(0.42)
Income tax effects	0.01	--	(0.03)	0.28
Non-GAAP earnings per share—diluted	\$1.14	\$1.05	\$5.10	\$4.60
(In Billions)			Full-year 2021 Outlook	
GAAP cash from operations				\$30.2
Additions to property, plant and equipment				(19.7)
Free cash flow				\$10.5

2020 Non-GAAP Adjustments

(In Billions, Except Per Share Amounts)	Q1 2020 Actuals	Q2 2020 Actuals	Q3 2020 Actuals	Q4 2020 Actuals	Full-year 2020 Actuals
GAAP net revenue	\$19.8	\$19.7	\$18.3	\$20.0	\$77.9
NAND memory business	(1.2)	(1.5)	(1.1)	(1.1)	(5.0)
Non-GAAP net revenue	\$18.6	\$18.2	\$17.3	\$18.9	\$72.9
GAAP gross margin	\$12.0	\$10.5	\$9.7	\$11.3	\$43.6
Acquisition-related adjustments	.3	.3	.3	.3	1.2
NAND memory business	(.3)	(.6)	(.3)	(.3)	(1.5)
Non-GAAP gross margin	\$12.0	\$10.2	\$9.7	\$11.3	\$43.3
GAAP gross margin percentage	60.6%	53.3%	53.1%	56.8%	56.0%
Acquisition-related adjustments	1.5%	1.5%	1.7%	1.6%	1.6%
NAND memory business	2.4%	1.4%	1.6%	1.7%	1.8%
Non-GAAP gross margin percentage	64.5%	56.3%	56.5%	60.0%	59.4%
GAAP operating income	\$7.0	\$5.7	\$5.1	\$5.9	\$23.7
Acquisition-related adjustments	.3	.4	.4	.4	1.4
Restructuring and other charges	.2	--	--	.1	.2
NAND memory business	(.2)	(.4)	(.1)	(.2)	(.9)
Non-GAAP operating income	\$7.3	\$5.6	\$5.3	\$6.1	\$24.4
GAAP operating margin	35.5%	28.9%	27.6%	29.5%	30.4%
Acquisition-related adjustments	1.7%	1.8%	2.0%	1.8%	1.8%
Restructuring and other charges	0.8%	--	(0.1)%	0.3%	0.3%
NAND memory business	1.5%	0.4%	0.9%	0.9%	0.9%
Non-GAAP operating margin	39.5%	31.0%	30.4%	32.4%	33.4%
GAAP earnings per share—diluted	\$1.31	\$1.19	\$1.02	\$1.42	\$4.94
Acquisition-related adjustments	0.08	0.08	0.09	0.09	0.33
Restructuring and other charges	0.04	--	(0.01)	0.02	0.05
Ongoing mark-to-market on marketable equity securities	0.03	(0.04)	0.03	0.01	0.03
NAND memory business	(0.05)	(0.10)	(0.04)	(0.04)	(0.22)
Income tax effects	--	0.01	(0.01)	(0.02)	(0.03)
Non-GAAP earnings per share—diluted	\$1.41	\$1.14	\$1.08	\$1.48	\$5.10

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