

Q1 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.

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EXECUTIVE SUMMARY

COVID-19 is top of mind as we prioritize the well-being of our workforce and support for our customers and communities

**Outstanding results in a challenging environment...
Q1 revenue up 23% and EPS up 63% YoY**

Our purpose has never been more essential... To create world-changing technology that enriches the lives of every person on earth

Guided by our cultural values, competitive advantages and financial strength we will emerge from this situation even stronger

COVID-19 RESPONSE

OUR EMPLOYEES



- Protecting our employees is our first priority
 - 24/7 Pandemic Team
 - Closely following all social distancing and safety protocols
 - Vast majority working from home
- Investing more than \$100M to support our employees...
 - Added benefits (e.g. dependent care)
 - Recognition for employees working on-site

OUR CUSTOMERS



- Factories continuing to operate, >90% on-time deliveries
- Tech collaborations to fight the virus...
 - Working with Medtronic and Dyson on ventilators
 - Teamed with Lenovo and BGI Genomics to accelerate the analysis of genomic characteristics of COVID-19
- Providing support, relief to channel partners

OUR COMMUNITY



- \$50M Intel Pandemic Response Technology Initiative
 - Accelerating healthcare and scientific research
 - Improving access to online learning
 - Innovation fund for employees/ecosystem
- \$10M for relief efforts in local communities around the globe
- >1 million PPE for healthcare workers
- Granting free access to IP for COVID-19 researchers and scientists

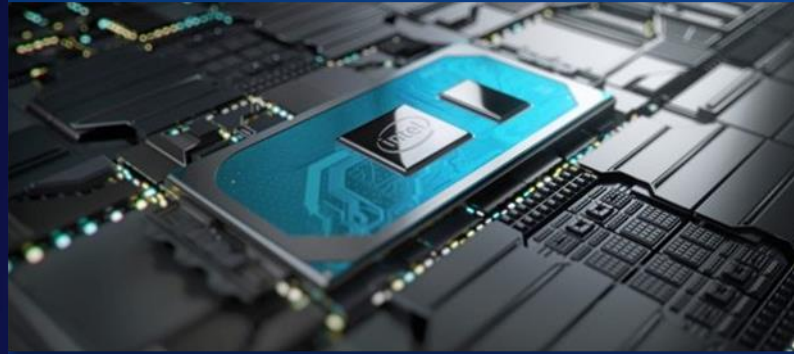
OUR PRIORITIES

ACCELERATING OUR GROWTH



- Cloud up >50% YoY and Comms up >30% YoY... Now ~70% of Data Center segment
- Expect base station silicon market leadership in 2021... One year pull-in
- Mobileye ADAS design win with major Asian OEM (first ever with this OEM)
- Sampling Habana's first deep learning training processor to large CSPs

IMPROVING OUR EXECUTION



- Despite COVID-related disruptions, fulfilled all committed client CPU orders
- Launched 10nm-based 5G base station SoC, Snow Ridge
- Tiger Lake client CPU coming mid-year
- Sampling Ice Lake server
- Launched 10th Gen Intel Core, Comet Lake, first to 5GHz+ in laptops

DEPLOYING OUR CAPITAL

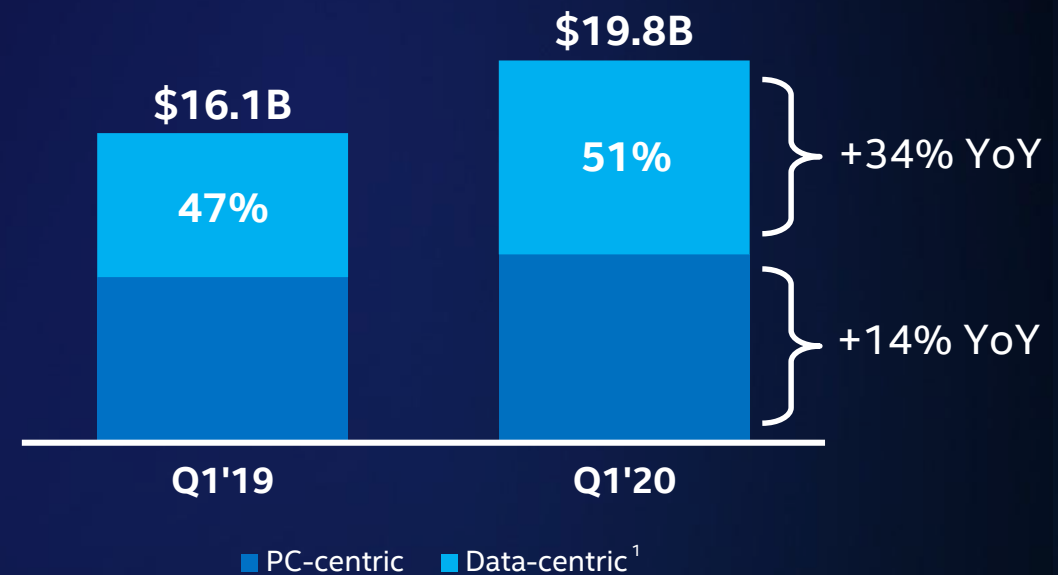


- Committed to maintaining the dividend
- Repurchased \$4.2B in shares
- Strengthened liquidity... \$10.3 billion in debt offerings... Suspended buybacks in-light of pandemic...
- Managing FCF through disciplined control of OpEx, CapEx and working capital

FINANCIAL HIGHLIGHTS

- Q1 Revenue \$19.8B... Data-centric \$10.1B... PC-centric \$9.8B
- Q1 Operating Margin 38%, up 10ppt YoY... 3ppt ahead of expectations
- Delivered Q1 EPS of \$1.45, up 63% YoY... \$0.15 above expectations

Q1'20 Revenue up 23%... Data-centric mix 51%



Q1 results above expectations amid significant economic uncertainty

EPS UP 63% YOY

Strong server demand and ASP, PC unit increase, and NAND growth

EPS Drivers Year-Over-Year



EPS up \$0.56

Transform to a Data-Centric Company

- Strong server and notebook demand

Invest in Product and Process Leadership

- Server ASP strength and lower reserves, partially offset by higher unit cost

Expanded TAM

- NAND bit and ASP growth and improved unit cost

Intensity & Focus

- 5G smartphone modem exit

Capital Allocation

- Significant share buyback, more than offset by lower investment income and higher tax rate

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.

Q1 2020 SOURCES & USES OF CASH

Strengthened liquidity position in response to market dynamics



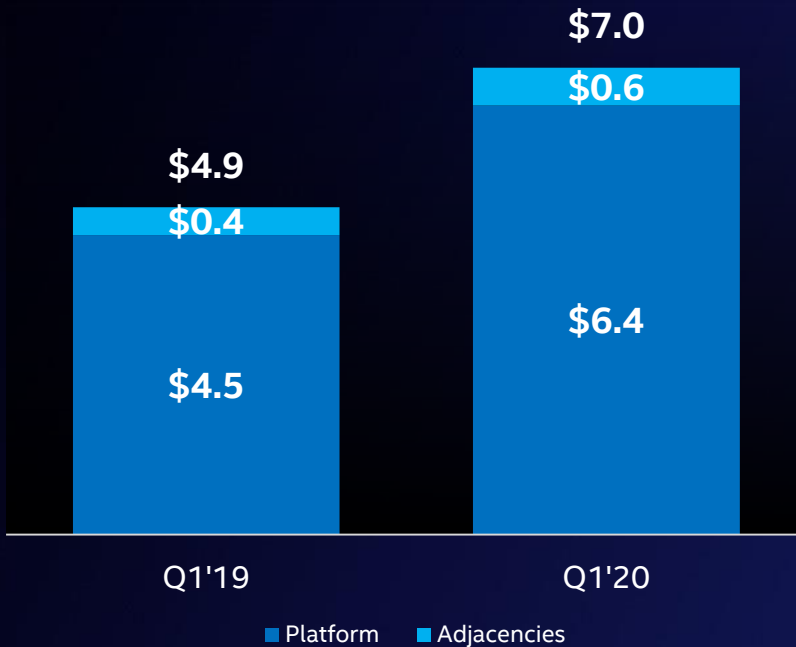
\$4.2	GAAP Cash and Cash Equivalents (\$B)	\$11.4
\$13.1	Total Cash Investments ¹	\$20.8
\$29.0	Total Debt ²	\$39.9

**Operating cash flow of \$6.2B... delivered \$2.9B of Free Cash Flow
Repurchased 71M shares for \$4.2B... raised \$10.3B in new debt**

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 90% YoY



Q1'19 to Q1'20	YoY Revenue
Platform	43%
Adjacencies	35%

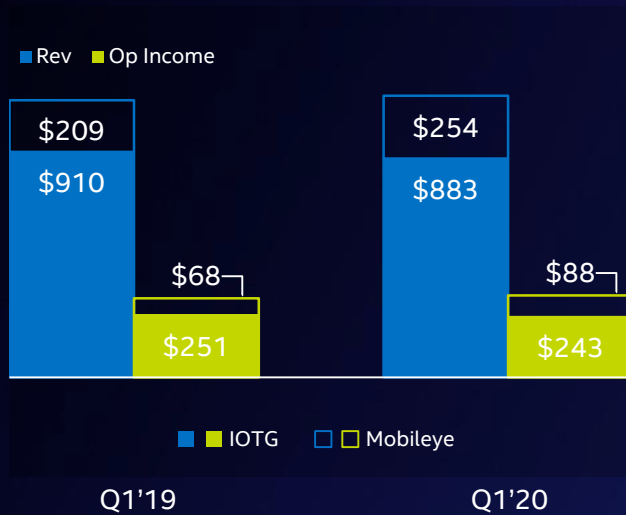
Market Segments	YoY Revenue
Cloud SP	53%
Enterprise & Gov.	34%
Comms SP	33%

DCG Platform	YoY Growth
Unit Volumes	27%
Average Selling Prices	13%

Strong revenue and operating income on continued Cloud strength, richer platform mix, and adjacency growth

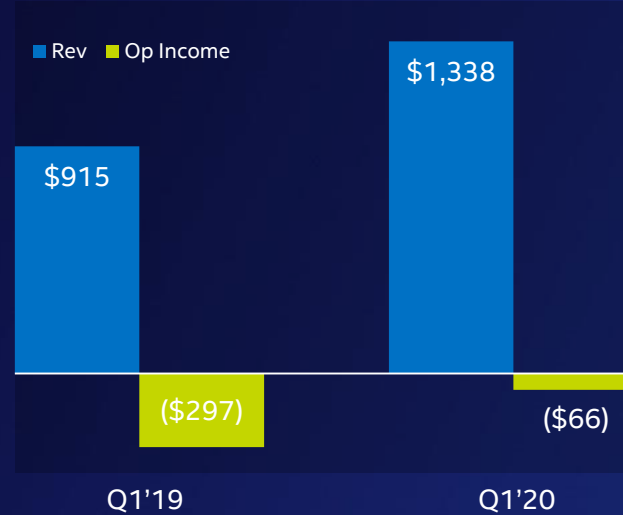
OTHER DATA-CENTRIC BUSINESS SEGMENTS... REVENUE UP 19%

IOT: IOTG + Mobileye (\$M)



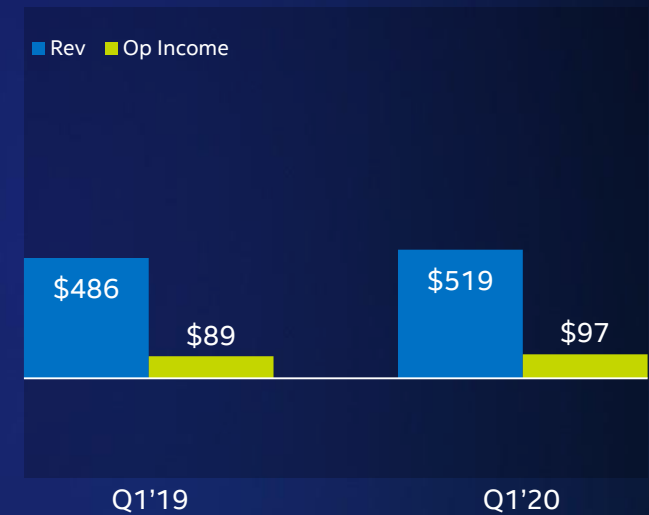
- IOTG revenue down 3% YoY and operating income down 3% YoY on COVID-19 impact
- Record Mobileye revenue up 22% YoY on increasing ADAS adoption

NSG (\$M)



- Record NSG revenue up 46% YoY on continued NAND and Optane™ bit growth and higher ASPs
- Operating income up on lower NAND unit cost and ASP improvements
- NAND profitable... Investing in Optane

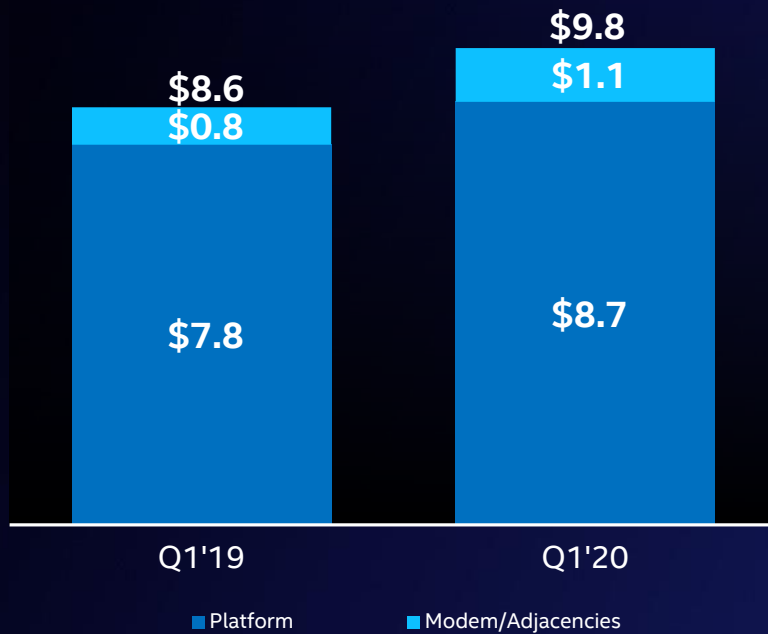
PSG (\$M)



- PSG revenue up 7% YoY on Cloud and Enterprise strength, partially offset by weaker Embedded and Comms
- Operating income up on strength in Cloud and Enterprise

CLIENT COMPUTING GROUP

Revenue (\$B) up 14%



Operating Income (\$B) up 38%



Q1'19 to Q1'20	YoY Revenue
Platform	11%
Modem/Adjacencies ¹	40%

Market Segments	YoY Revenue
Notebook	19%
Desktop	(2%)

CCG Platform	YoY Growth
PC Volumes	13%
Notebook ASP	(3%)
Desktop ASP	4%

Revenue up YoY on higher notebook demand, improved supply, and increased modem sales
Operating income up on decreased spending due to 5G smartphone modem exit

1. CCG adjacencies include modem, home gateway platform, wireless communications and wired connectivity.



OUTLOOK

Q2'20 OUTLOOK

REVENUE

\$18.5B

UP 12%
YOY

Data-centric up ~25% YoY
PC-centric flat to slightly up YoY

OPERATING MARGIN

~30%

DOWN 1PPT
YOY

GM ~56%, down ~5.5 ppt YoY,
largely offset by lower spending on
higher revenue

EPS

\$1.10

UP 4%
YOY

Tax Rate ~13%

2020 HEADWINDS & TAILWINDS

Market Dynamics	<ul style="list-style-type: none">• Data center demand strong in 1H; 2H expect weaker Enterprise & Government demand• Strong Q1 notebook demand (work/learn from home), offset by expected contraction of global GDP• Auto/Industrial/Retail verticals down• Impact of market volatility on ICAP & trading asset portfolio remains a watch item
Actions Taken	<ul style="list-style-type: none">• Raised \$10.3B in new debt & suspended share buybacks• Actions to strengthen liquidity are expected to impact FY EPS by ~\$0.12
Levers	<ul style="list-style-type: none">• Focused on cash flow management without constraining growth/technology development• Expect FCF to be resilient as COVID impacts are tempered by 1H demand strength, OpEx savings initiatives, capital actions and tight working capital oversight



***“Bad companies are destroyed by crises;
good companies survive them;
great companies are improved by them.”***

- ANDY GROVE



APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Mar 28, 2020	Mar 30, 2019
GAAP OPERATING INCOME	\$7,038	\$4,174
Acquisition-related adjustments	339	331
Restructuring and other charges	162	—
NON-GAAP OPERATING INCOME	\$7,539	\$4,505
GAAP OPERATING MARGIN	35.5%	26.0%
Acquisition-related adjustments	1.7%	2.1%
Restructuring and other charges	0.8%	—%
NON-GAAP OPERATING MARGIN	38.0%	28.0%
GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.31	\$0.87
Acquisition-related adjustments	0.08	0.07
Restructuring and other charges	0.04	—
Ongoing mark-to-market on marketable equity securities	0.03	(0.05)
Income tax effect	(0.01)	—
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.45	\$0.89

FREE CASH FLOW (In Billions)	Three Months Ended	
	Mar 28, 2020	
GAAP CASH FROM OPERATIONS	\$6.2	
Additions to property, plant and equipment	(3.3)	
FREE CASH FLOW	\$2.9	
GAAP CASH USED FOR INVESTING	(\$3.7)	
GAAP CASH PROVIDED BY (USED FOR) FINANCING	\$4.8	

RECONCILIATION OF NON-GAAP OUTLOOK

	Q2 2020 Outlook
	Approximately
GAAP GROSS MARGIN	54%
Acquisition-related adjustments	2%
NON-GAAP GROSS MARGIN	56%
GAAP OPERATING MARGIN	28%
Acquisition-related adjustments	2%
NON-GAAP OPERATING MARGIN	30%
GAAP EARNINGS PER SHARE	\$1.04
Acquisition-related adjustments	0.07
Income tax effect	(0.01)
NON-GAAP EARNINGS PER SHARE	\$1.10