



Q1 2018

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.

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CEO KEY MESSAGES

- Transformation accelerating... Data-centric businesses reach all-time high, approaching 50% of revenue
- Continued strong PC-centric execution funding data-centric investments
- Data-centric investments building momentum... Strength across all segments of DCG... Intel FPGAs winning data center designs... Mobileye demonstrating AD leadership
- Industry leading products on 14nm... Shipping low volume 10nm... Higher volume shifting to 2019
- Our Security-First Pledge... Not just the best performance... Best secure performance
- Record first-quarter... Driving free cash flow and shareholder returns... On track to Intel's best year ever

CFO KEY MESSAGES

Great start to 2018... Data-centric driving record Q1 Revenue & EPS

- Revenue of \$16.1B, up 13% (excl. McAfee) on strength across data-centric businesses
- Data-centric growth, strong Op Margin leverage, and lower tax rate drive non-GAAP EPS to \$0.87, up 32%
- Generated \$6.3B cash flow from operations... Returned \$3.3B to shareholders
- Raising full-year 2018 revenue to \$67.5B... Raising EPS to \$3.85... FCF up \$1.5B to \$14.5B

STRONG GROWTH... THE TRANSFORMATION CONTINUES

From PC-centric to Data-centric

Revenue up 13% excluding McAfee



DATA-CENTRIC APPROACHING 50% OF TOTAL REVENUE... ALL-TIME HIGH

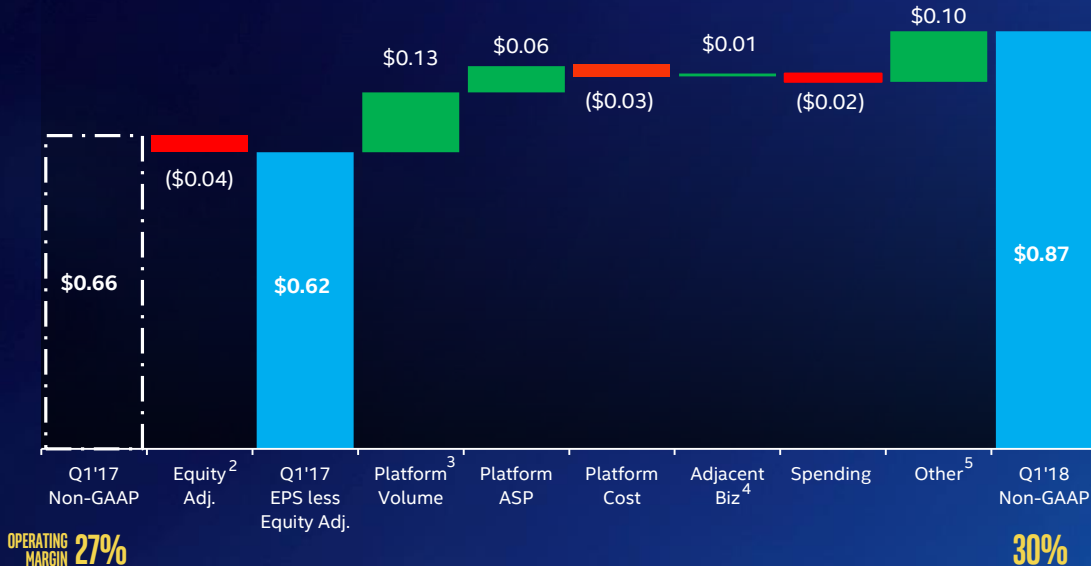
1. Q1'17 revenue includes McAfee.

2. Data-centric businesses include DCG, IOTG, NSG, PSG and All Other.

3. When compared with Mobileye Q1'17 reported revenue.

NON-GAAP EPS UP ~32%... OP MARGIN UP 3 PPTS¹

EPS Drivers Year-Over-Year



EPS up \$0.21 (up \$0.25 excl. Equity Adj.)

Platform Execution

- Server: Strength across Cloud and Comms SP segments
- Client: PC up on strong mix and Commercial segment growth

Adjacent Business Growth

- NSG +20%, Modem +8% and PSG +17%

Spending

- Significant leverage, investing in growth

Other

- Lower 2018 tax rate due to Tax Reform

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 mark to market adjustments.

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

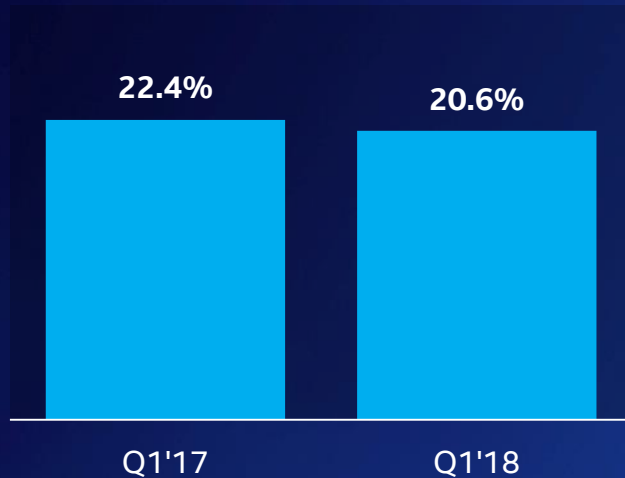
4. Adjacent Business includes gross margin impact from non-platform products.

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 36.6% TO 32.4%

...Tracking to 30% by 2018, two years ahead of original commitment

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

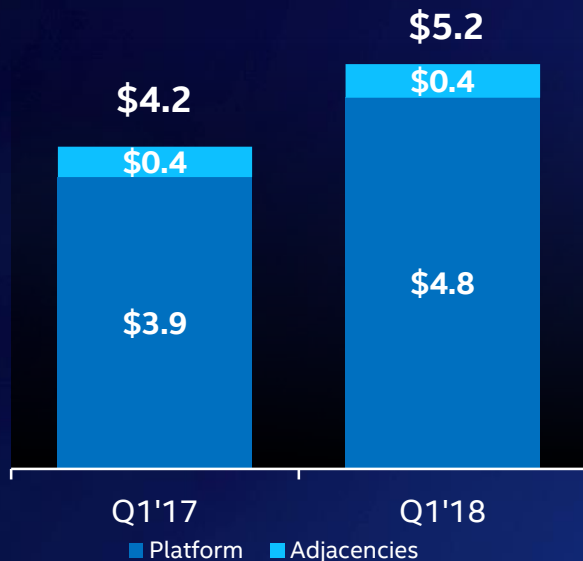
SG&A... down >2 ppt



- Realizing SG&A leverage and efficiency with growing revenue
- McAfee spin-out drives ~1 ppt reduction
- Intel Inside program changes drive reductions

DATA CENTER GROUP... GROWTH FUELED BY THE CLOUD

Revenue (\$B) up 24%



Operating Income (\$B) up 75%



Q1'17 to Q1'18	YoY Revenue (%)
Platform	24%
Adjacencies	16%

Market Segments	YoY Revenue (%)
Cloud SP	45%
Comms SP	33%
Enterprise & Gov.	3%

DCG Platform	YoY Growth (%)
Unit Volumes	16%
Average Selling Prices	7%

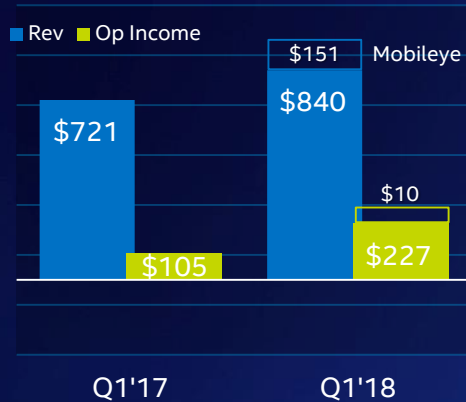
Cloud Capex accelerating, hybrid cloud lifting Enterprise, network transformation driving Comms SP share gains

ASP strength from leadership products & revenue scale drive operating margin expansion

Cloud+Comms SP >60% of revenue

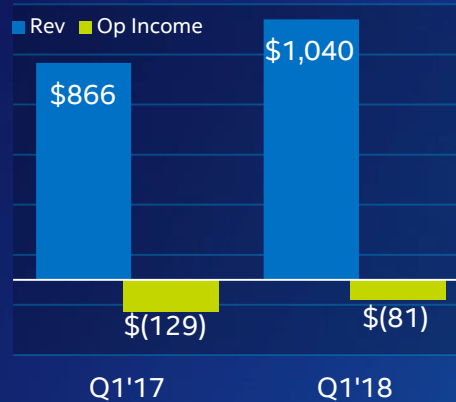
IOTG, NSG & PSG BUSINESS SEGMENTS... REVENUE UP 18%

IOTG + Mobileye (\$M)¹



- IOTG revenue up 17% on Retail & Video
- IOTG Op margin up on revenue scale & autonomous driving (AD) investment shift to Mobileye
- Intel autonomous vehicle test fleet operating in Israel and expanding to other geographies

NSG (\$M)



- NSG revenue up 20%
- 3D NAND cost improving with TLC/64L ramp
- Announced Intel® Optane™ SSD 800P for storage in client systems

PSG (\$M)

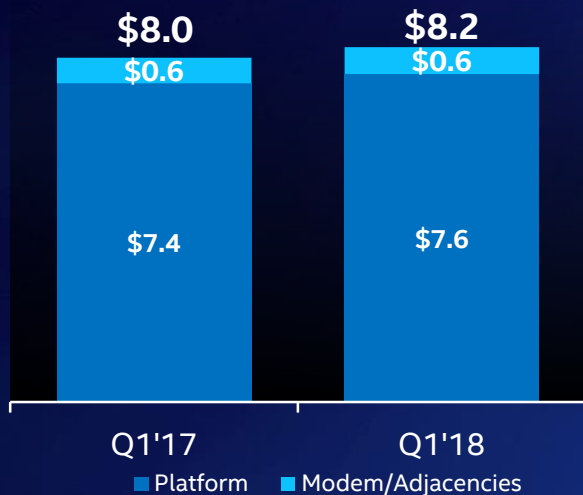


- PSG revenue up 17% driven by strength in Datacenter, Embedded & last-time-buys
- Data Center business more than doubled YoY; Advanced products (28nm, 20nm, 14nm) grew >40%
- Largest design win quarter ever

1. Mobileye is not part of IOTG segment.

CLIENT COMPUTING GROUP... CONTINUED EXECUTION

Revenue (\$B) up 3%



Operating Income (\$B) down 8%



Q1'17 to Q1'18	YoY Revenue (\$)
Platform	3%
Modem/Adjacencies ¹	4%

Market Segments	YoY Revenue (\$)
Notebook	4%
Desktop	2%

CCG Platform	YoY Growth
PC Volumes	flat
Notebook ASP	1%
Desktop ASP	7%

Client growth driven by strength in Commercial

Operating Margin lower on 10nm transition costs and modem ramp, partially offset by strong mix

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

SOURCES & USES OF CASH

2018 YTD (\$B)



\$3.4	GAAP Cash and Cash Equivalents	\$3.6
\$14.0	Total Cash Investments ¹	\$16.2
\$26.8	Total Debt ²	\$28.6

Strong cash flow from operations... funds Capex & shareholder returns

\$1.7B NAND strategic customer supply agreements... fund capital expansion & reduce market risk

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.



OUTLOOK

FULL YEAR 2018 OUTLOOK... INVESTMENTS PAYING OFF

REVENUE

\$67.5B

(UP \$2.5B VS PRIOR)

Data-centric up high teens YoY
PC-centric approximately flat YoY

OPERATING MARGIN¹

31%

(UP 1PPT VS PRIOR)

Gross margin ~flat vs prior
Hitting ~30% spending as % of rev

EPS¹

\$3.85

(UP \$0.30 VS PRIOR)

Broad based business strength
Tax rate down ~1 ppt vs prior

Gross Capex ~\$14.5B... Net Capital deployed ~\$12.5B... ~\$2B customer pre-payments

Raising FCF \$1.5B to ~\$14.5B... on broad business strength

Q2 2018 OUTLOOK... STRONG GROWTH CONTINUES

REVENUE

\$16.3B  **UP 10%**
from Q2'17

Continued data-centric strength


OPERATING MARGIN¹

30%  **UP ~1 PPT**
from Q2'17

Gross margin down ~1.5 ppts on 10nm costs, adjacency ramp

Spending down ~3 ppts

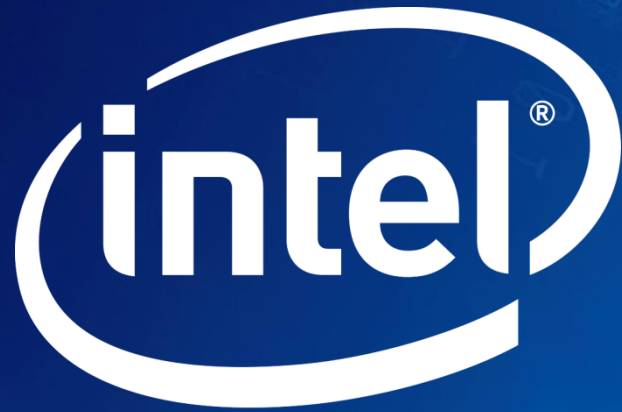
EPS¹

\$0.85  **UP 18%**
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 mark to market adjustments.





Q&A



APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Mar 31, 2018	April 1, 2017
GAAP NET REVENUE	\$16,066	\$14,796
ISecG (McAfee) net revenue	—	534
NON-GAAP NET REVENUE EXCLUDING ISecG (McAfee)	\$16,066	\$14,262
GAAP OPERATING INCOME	\$4,470	\$3,632
Amortization of acquisition-related intangibles	325	247
Restructuring and other charges	—	80
NON-GAAP OPERATING INCOME	\$4,795	\$3,959
ISecG (McAfee) operating income	—	95
NON-GAAP OPERATING INCOME EXCLUDING ISecG (McAfee)	\$4,795	\$3,864
GAAP DILUTED EARNINGS (LOSS) PER COMMON SHARE	\$0.93	\$0.61
Amortization of acquisition-related intangibles	0.07	0.05
Restructuring and other charges	—	0.01
Mark to Market on marketable equity securities	(0.13)	—
Income tax effect	—	(0.01)
NON-GAAP DILUTED EARNINGS PER COMMON ITEMS	\$0.87	\$0.66
FREE CASH FLOW	Mar 31, 2018	
(In Millions)		
GAAP CASH FROM OPERATIONS	\$6,284	
Additions to property, plant and equipment	(2,910)	
FREE CASH FLOW	\$3,374	

RECONCILIATION OF NON-GAAP OUTLOOK

	Q2 2018 Outlook	Full-year 2018 Outlook
GAAP OPERATING MARGIN	28% approximately	29% approximately
Amortization of acquisition-related intangibles	2%	2%
NON-GAAP OPERATING MARGIN	30% approximately	31% approximately
GAAP TAX RATE	14% approximately	13% approximately
Adjustment for the divestiture of Wind River	(1)%	—%
NON-GAAP TAX RATE	13% approximately	13% approximately
GAAP EARNINGS PER SHARE	\$0.85 +/- 5 cents	\$3.79 +/- 5 %
Amortization of acquisition-related intangibles	0.07	0.27
(Gains) losses from divestiture	(0.08)	(0.08)
Mark to market on marketable equity securities	—	(0.13)
Income tax effect	0.01	—
NON-GAAP EARNINGS PER SHARE	\$0.85 +/- 5 cents	\$3.85 +/- 5 %
FREE CASH FLOW		Full-year 2018 Outlook
(In Billions)		
GAAP CASH FROM OPERATIONS		\$29.0
Additions to property, plant and equipment		(14.5)
FREE CASH FLOW		\$14.5