

Q4 2019

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.

Statements in this presentation that refer to business outlook, future plans, and expectations, including with respect to capacity expansion and stock repurchases, 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 estimates, forecasts, projections, uncertain events or assumptions, including statements relating to total addressable market (TAM) or market opportunity, future products and technology and the expected availability and benefits of such products and technology, and anticipated trends in our businesses or the markets relevant to them, also identify forward-looking statements. Such statements are based on management's expectations as of January 23, 2020 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 forth in Intel's earnings release dated January 23, 2020, 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 23, 2020. 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.

EXECUTIVE SUMMARY

**Strong close to a record year...
Q4 revenue up 8% and EPS up 19% YoY**

**Record Q4 Data-centric revenue led by 19% YoY growth in DCG...
PC-centric revenue up 2% YoY**

**Strengthened AI offering... Completed 5G smartphone modem / IMFT sale...
Generated \$16.9B FCF and returned 113% of FCF to shareholders in 2019**

**Focused on three priorities: accelerating growth, improving execution and
deploying capital for attractive returns**

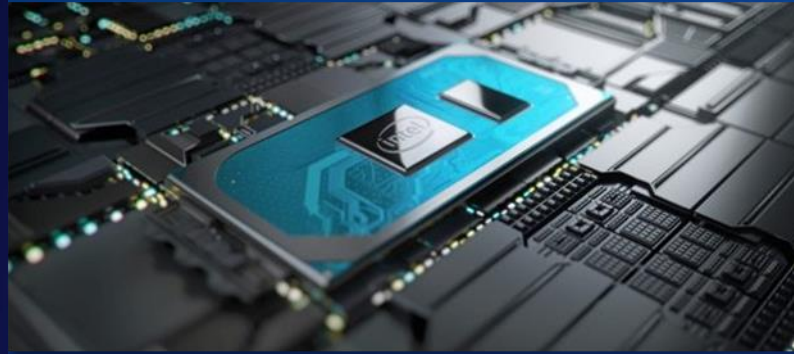
OUR PRIORITIES

ACCELERATING OUR GROWTH



- Cascade Lake fastest ramping Xeon
- Unveiled Tiger Lake, X^e GPU architecture and oneAPI beta
- New Mobileye engagements: REM data (SAIC), MaaS (RATP, Daegu City), and L4 AV (NIO)
- Strengthened AI portfolio with Habana Labs acquisition

IMPROVING OUR EXECUTION



- Adding 25% 2020 wafer capacity to support high-single digit PC unit volume growth
- 10nm yield ahead of expectations... accelerating transition with nine product releases in 2020
- 7nm lead product, Ponte Vecchio, on-track for Q4'21

DEPLOYING OUR CAPITAL



- Revenue up \$16B since 2015 while reducing spending by \$500M
- Deployed ~\$30B in R&D / Capex in '19... Expanding capacity & TAM
- Raising dividend by 5% to \$1.32
- Repurchased \$3.5B of \$20B share buyback commitment
- Closed IMFT and 5G smartphone modem sale

CREATING POSITIVE IMPACT

RESPONSIBILITY



- Broadly recognized for responsible & ethical business practices
- Employees volunteered one million hours in their communities two years in a row

DIVERSITY & INCLUSION



- Transparency leader; first to disclose U.S. pay data by gender & ethnicity
- Achieved gender pay equity globally
- Included in Bloomberg Gender-Equality Index

SUSTAINABILITY



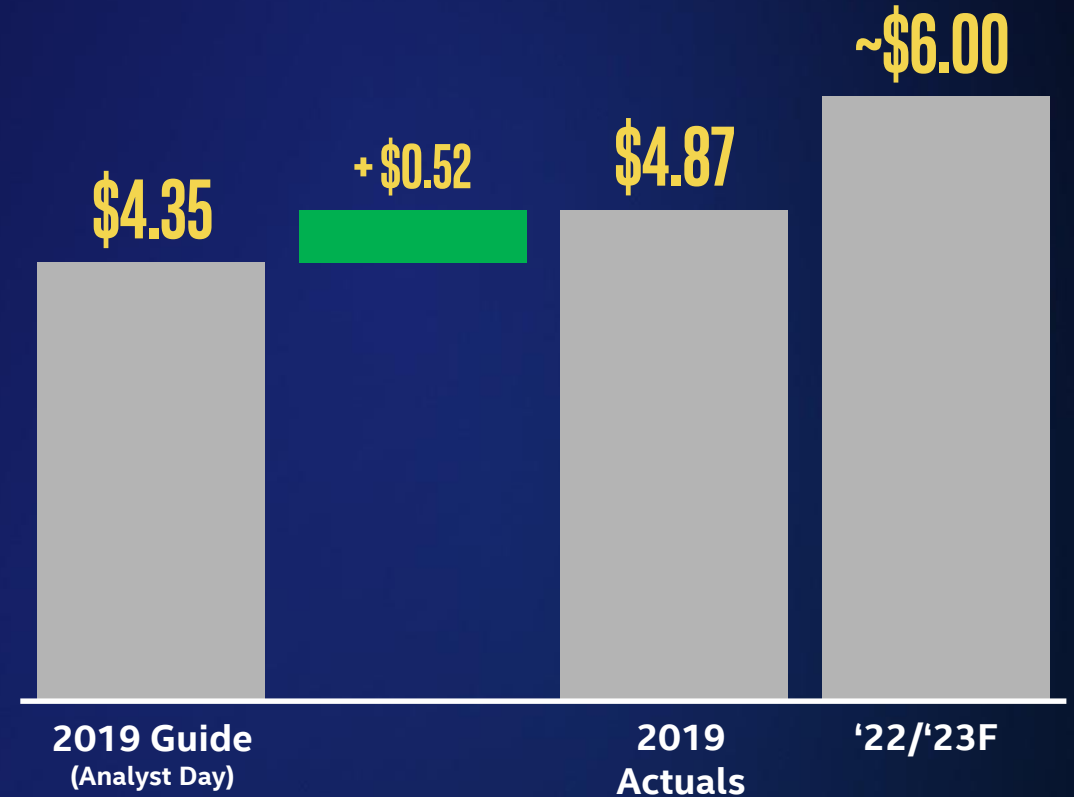
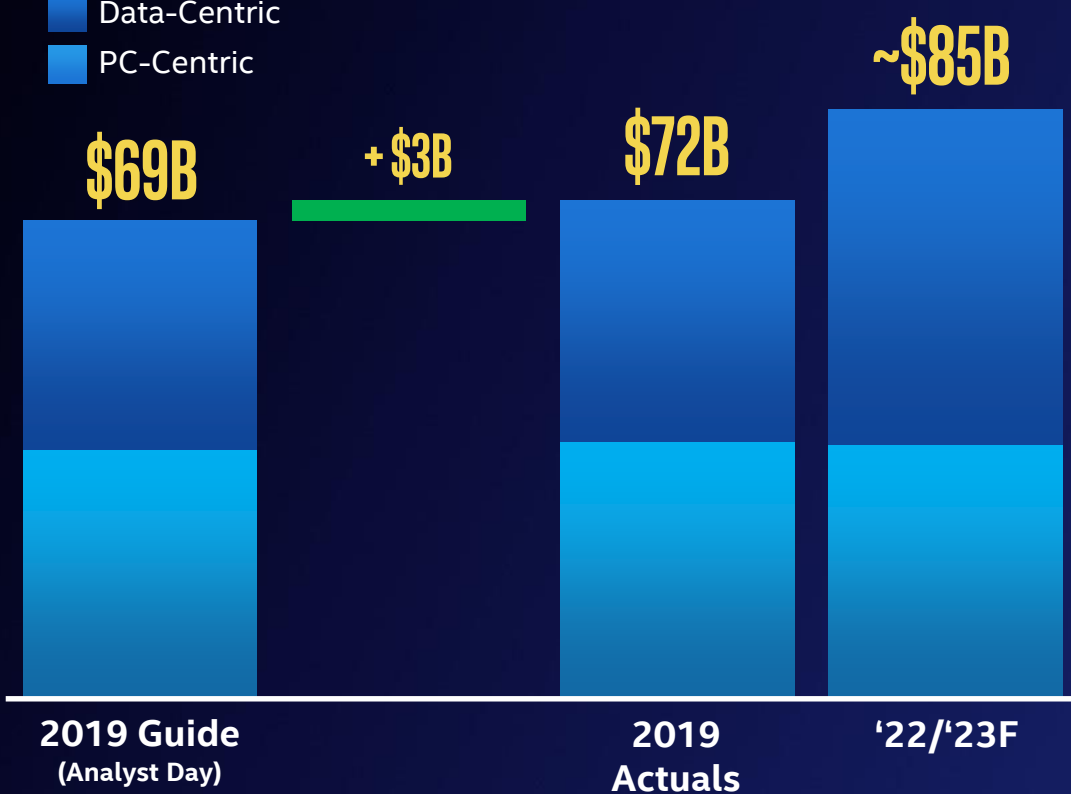
- Conserved >4.5B kWh of energy since 2012
- Goal to restore 100% of our global water use by 2025

2019 PERFORMANCE VS LONG-TERM OUTLOOK

REVENUE

EARNINGS PER SHARE

■ Data-Centric
■ PC-Centric



One year into our plan we've generated \$3B more revenue and 52 cents more EPS

FINANCIAL HIGHLIGHTS

Record Year... 2019 Revenue up 2%... EPS up 6%... FCF up 19%

- Record Q4 Revenue \$20.2B... Data-centric \$10.2B... PC-centric \$10.0B
- Q4 Operating Margin ~36%, up ~1ppt YoY... ~2ppts ahead of expectations
- Delivered Q4 EPS of \$1.52, up 19% YoY... \$0.28 above expectations
- Generated \$16.9B of free cash flow in 2019... Returned \$19.2B to shareholders... Paid dividends of \$5.6B... Repurchased 272M shares

Expect Record 2020... Raising dividend by 5%

EPS UP 19% YOY

Data-centric strength & thoughtful capital allocation

EPS Drivers Year-Over-Year



EPS up \$0.24

Transform to a Data-Centric Company

- Strong growth in Cloud and Comms

Invest in Product & Process Leadership

- Server ASP strength offset by higher 10nm cost

Expanded TAM

- Growth of lower-margin adjacencies & NAND ASP degradation

Intensity & Focus

- 5G smartphone modem exit, partially offset by investments in growth areas

Capital Allocation

- Equity gains, buyback execution, partially offset by 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.

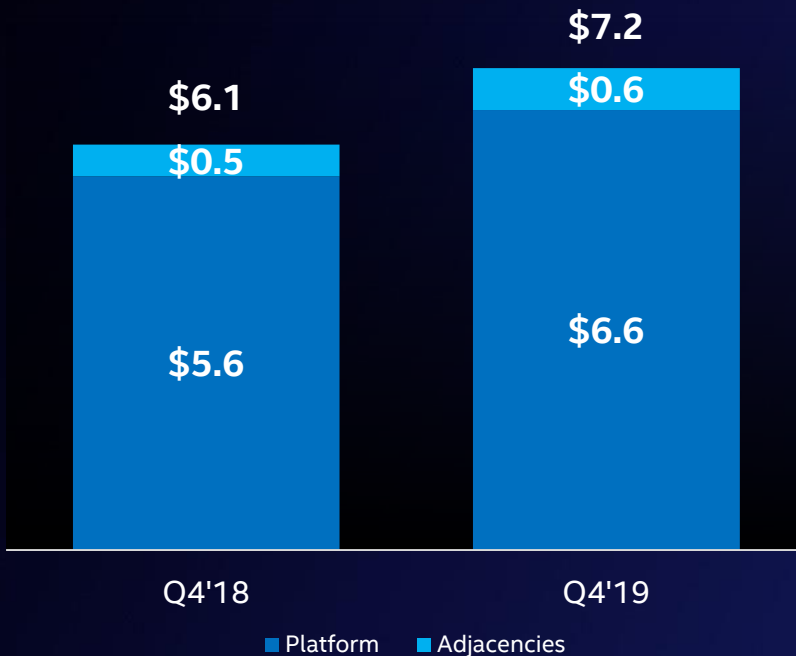
3. Expanded TAM is the gross margin impact from non-platform products, also referred to as adjacencies.

4. Intensity & Focus consists of spending.

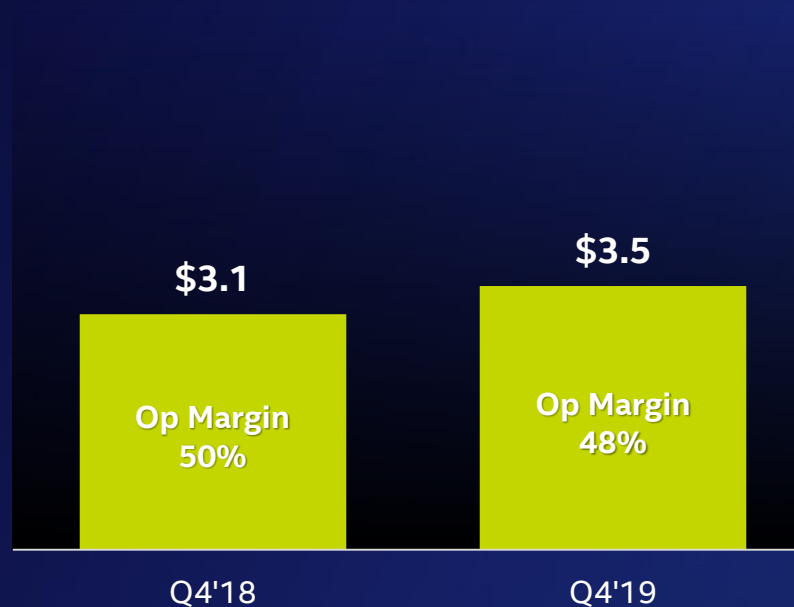
5. Capital Allocation includes impact of changes in share count, tax rate, gains/losses on equity investments, interest and other.

DATA CENTER GROUP

Revenue (\$B) up 19% YoY



Operating Income (\$B) up 14% YoY



Q4'18 to Q4'19	YoY Revenue
Platform	18%
Adjacencies	32%

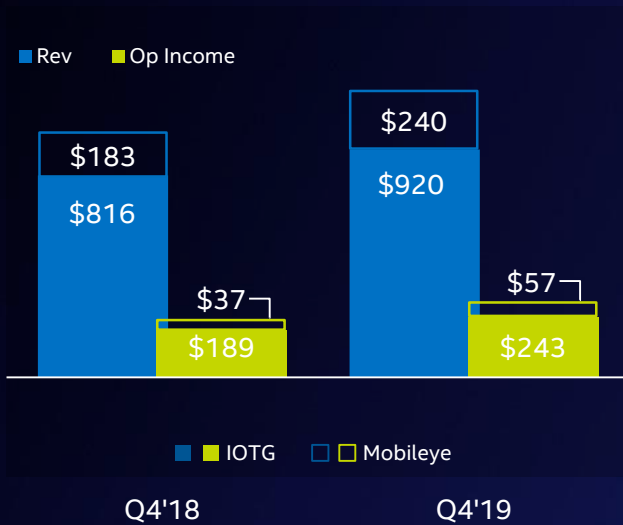
Market Segments	YoY Revenue
Cloud SP	48%
Enterprise & Gov.	(7%)
Comms SP	14%

DCG Platform	YoY Growth
Unit Volumes	12%
Average Selling Prices	5%

Record revenue on robust Cloud demand, strong platform mix, and adjacency growth
Record operating income while ramping 10nm capacity

OTHER DATA-CENTRIC BUSINESS SEGMENTS... REVENUE UP 6%

IOT: IOTG + Mobileye (\$M)



- IOTG revenue up 13% YoY on strength in retail and transportation. Operating income up 29% YoY on stronger mix and spending discipline
- Record Mobileye revenue up 31% YoY on increasing ADAS adoption

NSG (\$M)



- NSG revenue up 10% YoY on continued NAND & Optane™ bit growth, partially offset by lower ASPs
- Operating income down on NAND ASP degradation, partially offset by cost improvements

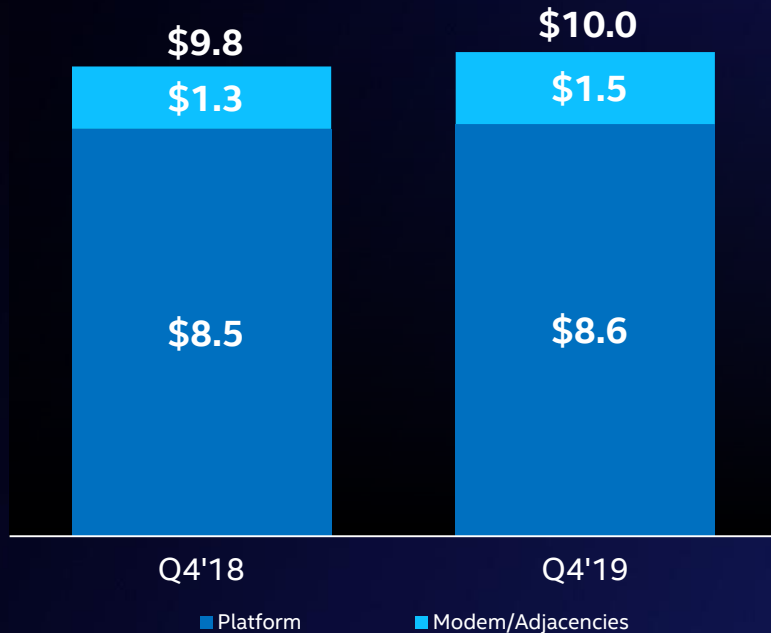
PSG (\$M)



- PSG revenue down 17% YoY on Embedded softness, primarily due to lower last-time buys, partially offset by 5G/Wireless strength
- Operating income down on lower revenue and segment product mix

CLIENT COMPUTING GROUP

Revenue (\$B) up 2% YoY



Operating Income (\$B) up 12%



Q4'18 to Q4'19	YoY Revenue
Platform	~flat
Modem/Adjacencies ¹	13%

Market Segments	YoY Revenue
Notebook	(1%)
Desktop	2%

CCG Platform	YoY Growth
PC Volumes	1%
Notebook ASP	~flat
Desktop ASP	(4%)

Revenue up YoY from higher modem and desktop volume
Operating income up from lower spending driven by 5G smartphone modem exit

1. CCG adjacencies include modem, connected home products, wireless communications and wired connectivity.

2019 SOURCES & USES OF CASH

Returned 113% of FCF to Shareholders



\$3.0	GAAP Cash and Cash Equivalents (\$B)	\$4.2
\$11.7	Total Cash Investments ¹	\$13.1
\$26.4	Total Debt ²	\$29.0

Record operating cash flow of \$33.1B

Delivered \$16.9B Free Cash Flow while ramping capacity & investing in 7nm

Repurchased 272M shares for \$13.6B

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 2020 OUTLOOK

REVENUE

\$73.5B



UP 2%
YOY

Data-centric up high single digits YoY
PC-centric down low single digits YoY

OPERATING MARGIN

~33%



~FLAT YOY

GM ~59%, down ~1ppt YoY
Spending ~26% of revenue

EPS

\$5.00



UP 3%
YOY

Tax Rate ~13%

Gross Capex ~\$17B... up \$0.8B YoY

FCF ~\$16.5B... down \$0.4B YoY

Q1'20 OUTLOOK

REVENUE

\$19B



Data-centric up >25% YoY
PC-centric up >10% YoY

OPERATING MARGIN

~35%



GM ~61%, up ~3ppt YoY

EPS

\$1.30



Tax Rate ~13%



APPENDIX

RECONCILIATION OF NON-GAAP ACTUALS

(In Millions, Except Per Share Amounts)	Three Months Ended		Twelve Months Ended
	Dec 28, 2019	Dec 29, 2018	Dec 28, 2019
GAAP OPERATING INCOME	\$6,797	\$6,224	
Acquisition-related adjustments	318	329	
Restructuring and other charges	105	—	
NON-GAAP OPERATING INCOME	\$7,220	\$6,553	
GAAP OPERATING MARGIN	33.6%	33.4%	
Acquisition-related adjustments	1.6%	1.8%	
Restructuring and other charges	0.5%	—	
NON-GAAP OPERATING MARGIN	35.7%	35.1%	
GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.58	\$1.12	\$4.71
Acquisition-related adjustments	0.07	0.07	0.29
Restructuring and other charges	0.02	—	0.09
(Gains) losses from divestiture	(0.16)	—	(0.16)
Ongoing mark-to-market on marketable equity securities	(0.02)	0.11	(0.06)
Income tax effect	0.03	(0.02)	—
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$1.52	\$1.28	\$4.87

	Twelve Months Ended
	Dec 28, 2019
FREE CASH FLOW (In Billions)	
GAAP CASH FROM OPERATIONS	\$33.1
Additions to property, plant and equipment	(16.2)
FREE CASH FLOW	\$16.9
GAAP CASH USED FOR INVESTING	(\$14.4)
GAAP CASH USED FOR FINANCING	(\$17.6)

RECONCILIATION OF NON-GAAP OUTLOOK

	Q1 2020 Outlook	Full-year 2020 Outlook
	Approximately	Approximately
GAAP GROSS MARGIN	59%	57%
Acquisition-related adjustments	2%	2%
NON-GAAP GROSS MARGIN	61%	59%
GAAP OPERATING MARGIN	33%	31%
Acquisition-related adjustments	2%	2%
NON-GAAP OPERATING MARGIN	35%	33%
GAAP EARNINGS PER SHARE	\$1.23	\$4.71
Acquisition-related adjustments	0.08	0.33
Income tax effect	(0.01)	(0.04)
NON-GAAP EARNINGS PER SHARE	\$1.30	\$5.00
FREE CASH FLOW (In Billions)		Full-year 2020 Outlook
GAAP CASH FROM OPERATIONS		\$33.5
Additions to property, plant and equipment		(17.0)
FREE CASH FLOW		\$16.5

Forward-looking non-GAAP earnings per share measures relating to fiscal years 2022 and beyond represent approximate targets and are based on internal forecasts subject to significant uncertainty. We are unable to provide a full reconciliation of such measures to GAAP measures without unreasonable efforts as we cannot reliably project the amount or timing of certain elements that are included in reported GAAP results, such as acquisition-related adjustments. We believe such a reconciliation would also imply a degree of precision that could be confusing or inappropriate for these forward-looking measures.