



INVESTOR MEETING

FEBRUARY 2017





DIANE BRYANT

**EXECUTIVE VICE PRESIDENT & GENERAL MANAGER
DATA CENTER GROUP**

DISCLOSURES

Statements in this presentation that refer to Business Outlook, forecast, future plans and expectations 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 projections, uncertain events or assumptions also identify forward-looking statements. Such statements are based on management's expectations as of February 9, 2017 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 in Intel's earnings release dated January 26, 2017, 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.

KEY MESSAGES

Growth drivers remain:
move to cloud computing, network transformation, growth of data analytics

Near term:
period of enterprise transformation

Well positioned for long term growth with an unparalleled array of assets

DATA CENTER TAXONOMY

WHO BOUGHT
THE BOX?

ENTERPRISE & GOVERNMENT



CLOUD SERVICE PROVIDER



COMMS SERVICE PROVIDER



WHAT IS
THE BOX?

SERVER



STORAGE



NETWORK



WHAT'S IN
THE BOX?



CPUS



CHIPSETS



ETHERNET



INTEL®
OMNI-PATH
FABRIC



NETWORK
ASICS



SILICON
PHOTONICS



INTEL®
3D XPOINT™
DIMMS



FPGAS



SSDS

DATA CENTER TAXONOMY

2016 Actual
+8%
YOY

WHO BOUGHT
THE BOX?

ENTERPRISE & GOVERNMENT



-3%
YOY

CLOUD SERVICE PROVIDER



+24%
YOY

COMMS SERVICE PROVIDER



+19%
YOY

WHAT IS
THE BOX?

SERVER



STORAGE



NETWORK



WHAT'S IN
THE BOX?



CPUS



CHIPSETS



ETHERNET



INTEL®
OMNI-PATH
FABRIC



NETWORK
ASICS



SILICON
PHOTONICS



INTEL®
3D XPOINT™
DIMMS



FPGAS



SSDS

2017-2021 DATA CENTER GROWTH FORECAST

GROWTH BY END-USER

Enterprise & Government



2%
CAGR

Cloud Service Provider



>15%
CAGR

Comms Service Provider



>10%
CAGR

DATA CENTER REVENUE



DRIVERS OF CAGR DECLINE

- Stall in enterprise on-prem server deployments
- Delays in new product ramps

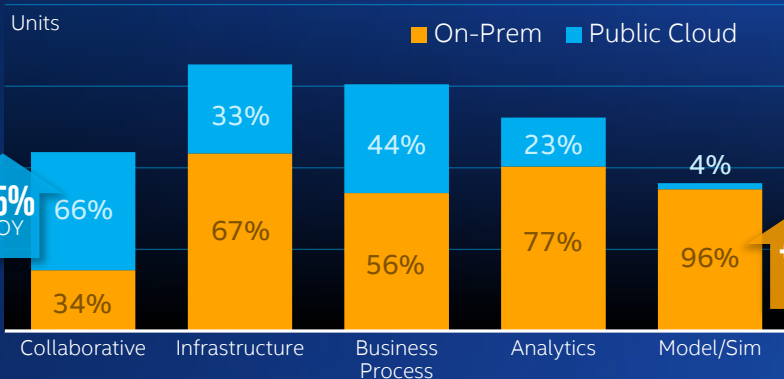
CHANGES TO OPERATING MARGIN

- Data center first to next process node
- Increased allocation of corporate expenses
- Increased contribution from adjacencies

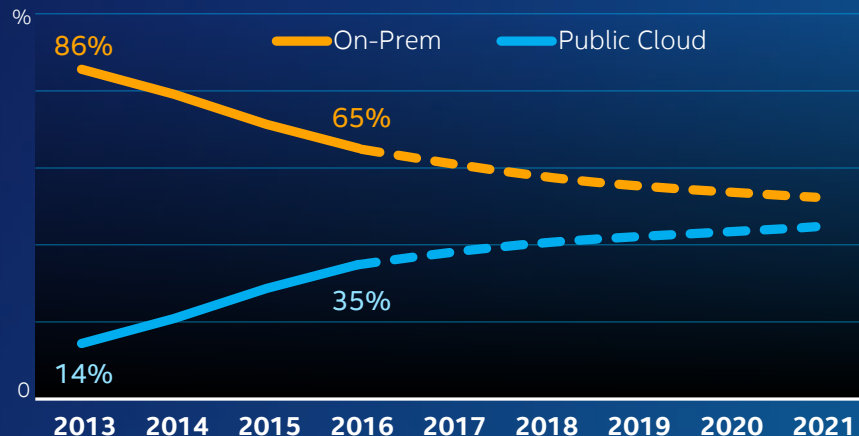


ENTERPRISE GOING THROUGH TRANSFORMATION

2016 DEPLOYMENT LOCATION BY WORKLOAD



ENTERPRISE WORKLOAD LOCATION TRENDS



WORKLOAD LOCATION CONSIDERATIONS

Workload Attributes

- Performance
- Security
- Integration complexity
- Data size

Business Needs

- Time to deployment
- Compliance/regulatory
- Geographic reach
- SLAs

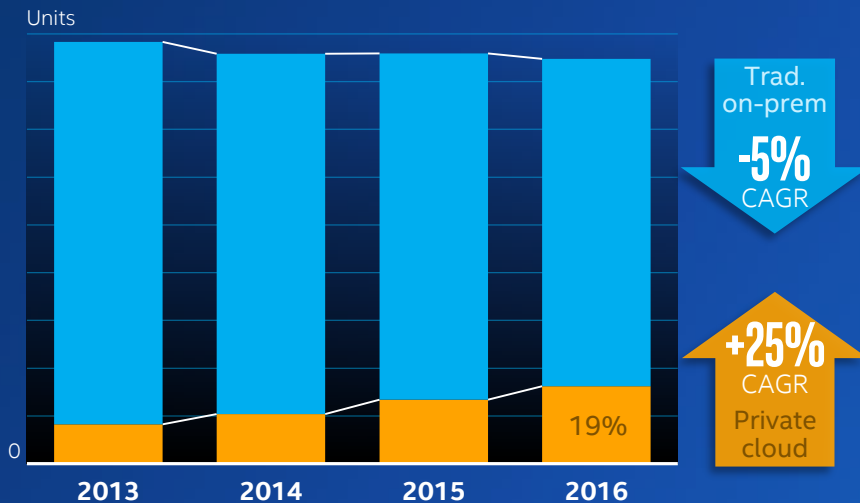
Ecosystem

- Maturity of SaaS offerings
- Viability of alternate services
- Availability of resellers / system integrators with private cloud expertise



HYBRID CLOUD DRIVES ENTERPRISE STABILIZATION

PRIVATE CLOUD GROWING AS % OF NEW DEPLOYMENTS



ENABLING HYBRID CLOUD



Microsoft
Azure Stack



vmware®

Coming 2H'2017

SERVER FORECAST

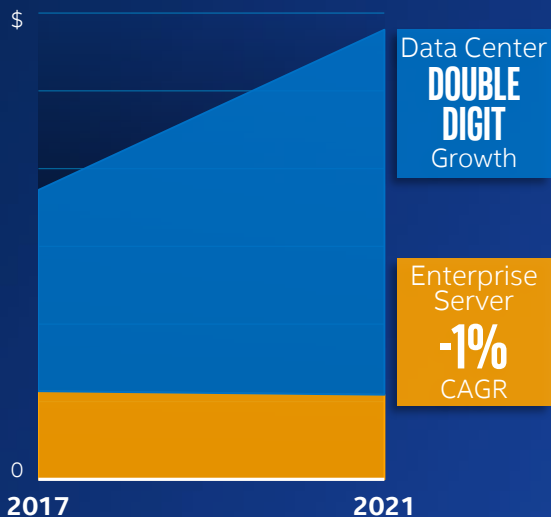
Assuming server contraction through the planning horizon



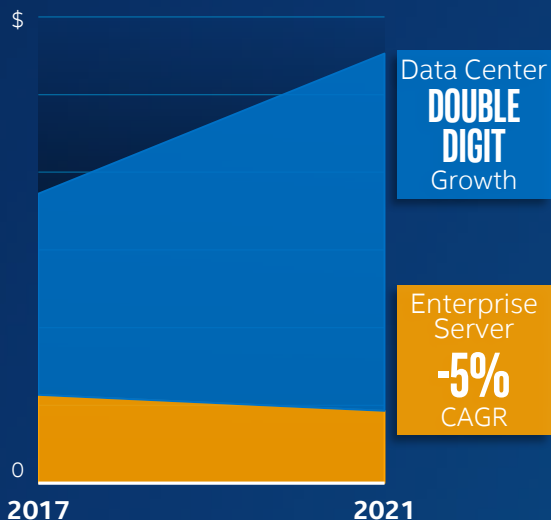
DOUBLE-DIGIT GROWTH* ASSUMES ENTERPRISE SERVER DECLINE

3 enterprise server CPU scenarios

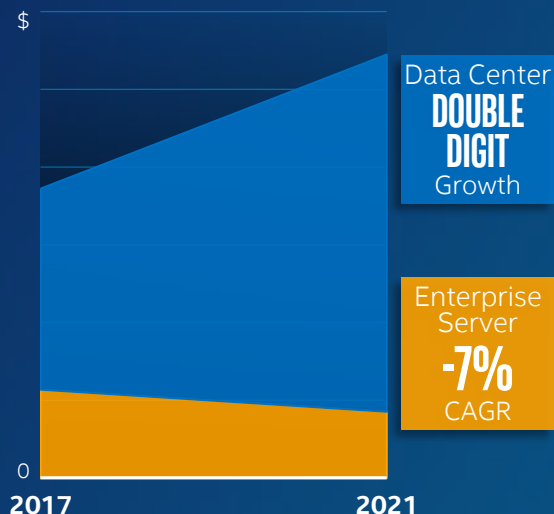
HIGH



MID



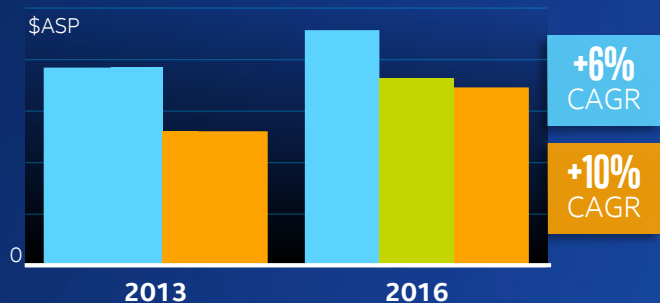
LOW





CLOUD SERVICE PROVIDER DYNAMICS

ENTERPRISE vs. CLOUD SERVICE PROVIDER SERVER CPU ASP GAP NARROWING

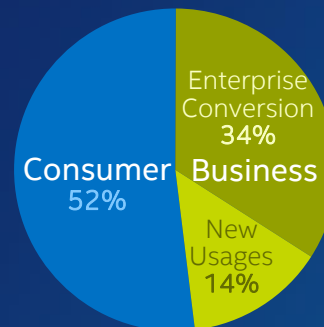


Enterprise

Cloud Service
Providers (All)

Cloud Service
Providers (Business)

2/3 OF THE CLOUD IS TAM EXPANSION



2016

BUSINESS CLOUD DELIVERS HIGHER VALUE SERVICES

2016

Business Cloud

11% ASP PREMIUM

vs. Consumer Cloud



COMMS SERVICE PROVIDER MOMENTUM



INTEL MOMENTUM

#1

IN WIRELESS ACCESS INFRASTRUCTURE

Based on existing designs and 2016 wins deploying over the next 4 years as 5G ramps

Wireless Broadband

High bandwidth

Last mile connectivity

Real-time Control

Ultra low latency

Autonomous driving

IOT Sensors

Low energy, low bandwidth

Smart factories

Video Streaming

Ultra high bandwidth

HD movies

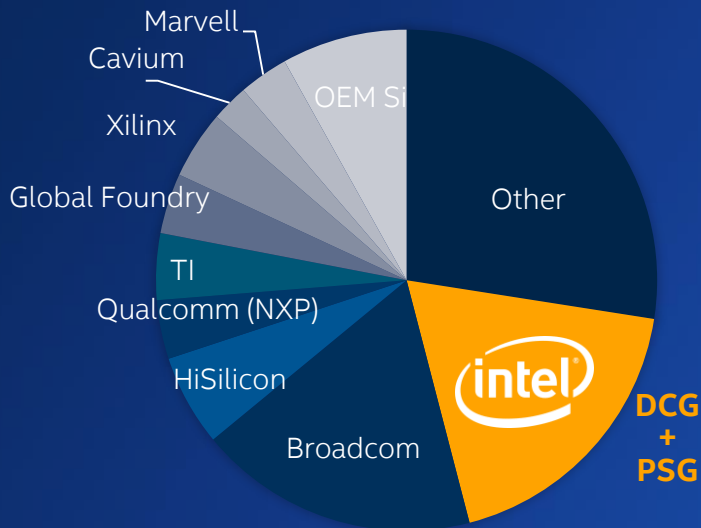


WINNING THE NETWORK

\$19.3B opportunity in 2017*

2016 NETWORK SILICON REVENUE MSS

\$18.6B TAM

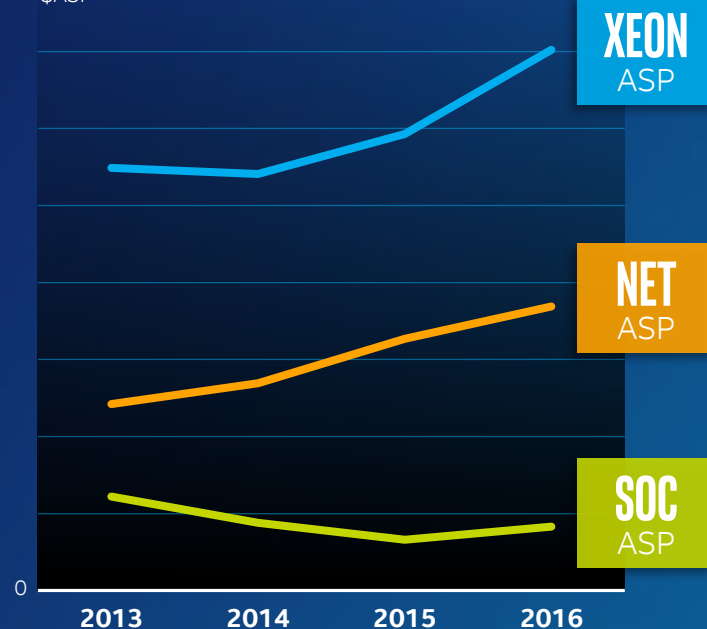


2016 GROWTH 10X THE MARKET SEGMENT

Source: Amalgamation of Intel financials, analyst data and Intel analysis. Intel revenue includes FPGAs.

NETWORK ASP

\$ASP

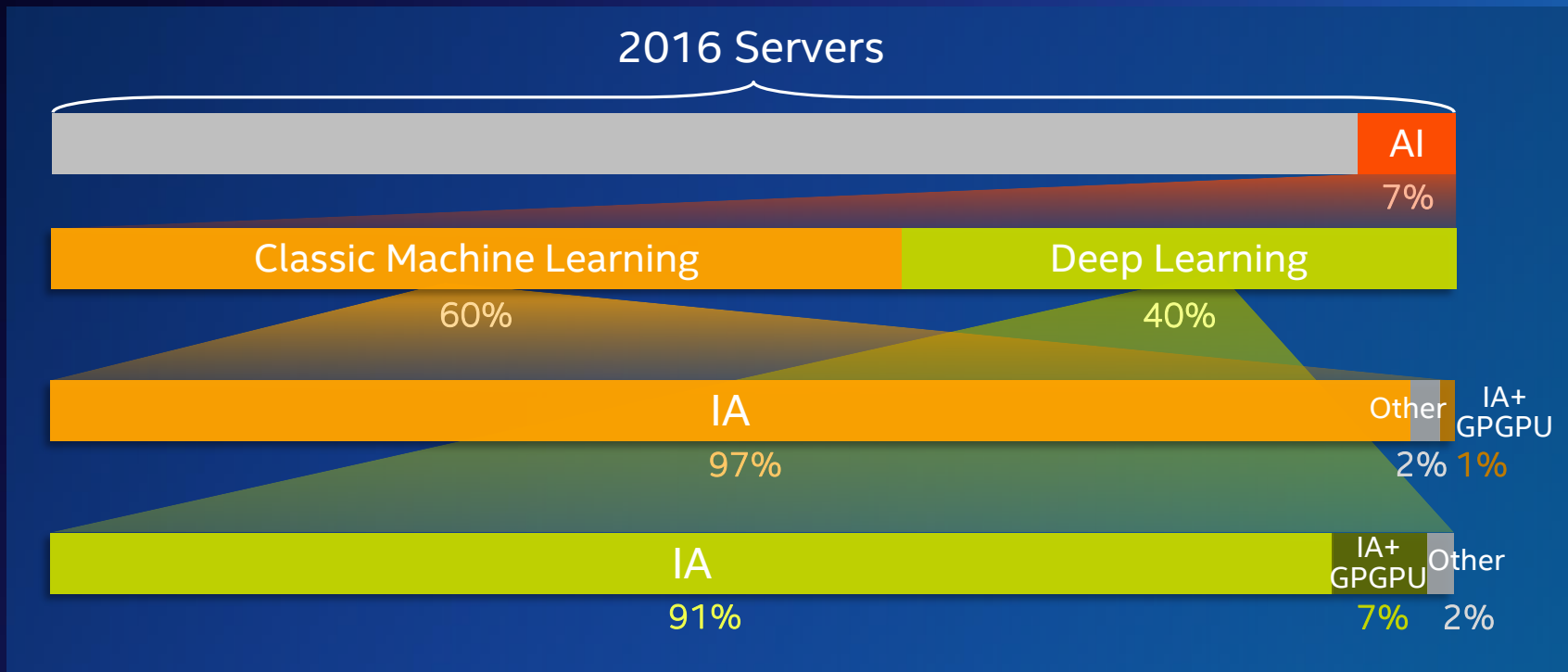


Source: Intel.

*Forecast is Intel estimate, based upon current expectations and available information and is subject to change without notice.

ARTIFICIAL INTELLIGENCE OPPORTUNITY

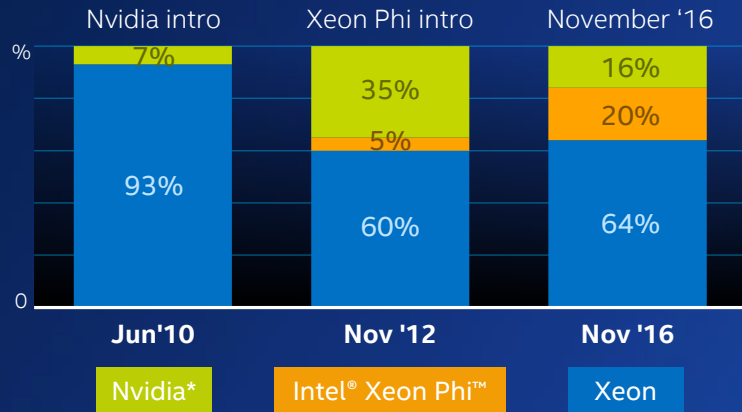
AI is the fastest growing data center workload



ARTIFICIAL INTELLIGENCE PLAN

BRINGING THE HPC STRATEGY TO AI

Top 500 % FLOPs



INTEL® NERVANA™ PORTFOLIO



Most widely
deployed machine
learning solution



High performance,
classic machine
learning

COMING 2017
SKYLAKE

COMING 2017
KNIGHTS MILL



Programmable,
low-latency
inference

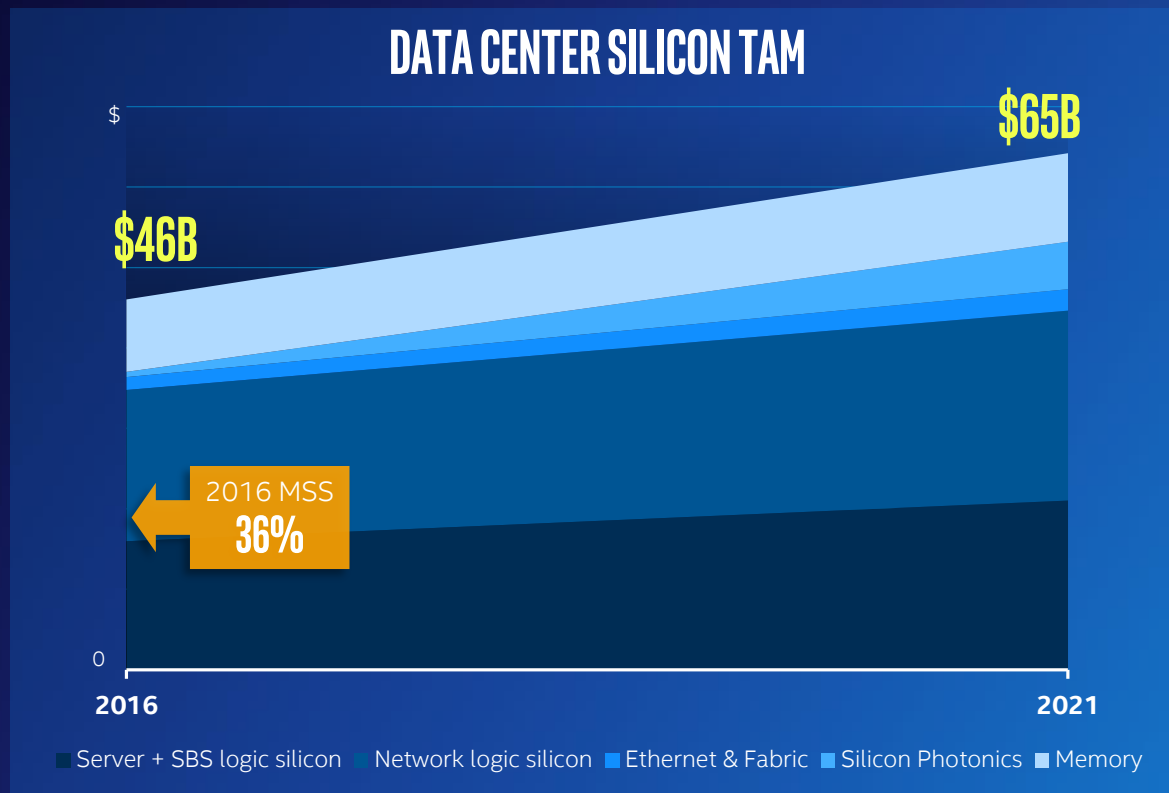


Best in class
neural network
performance

SDVs SHIPPING TODAY
BROADWELL + ARRIA 10

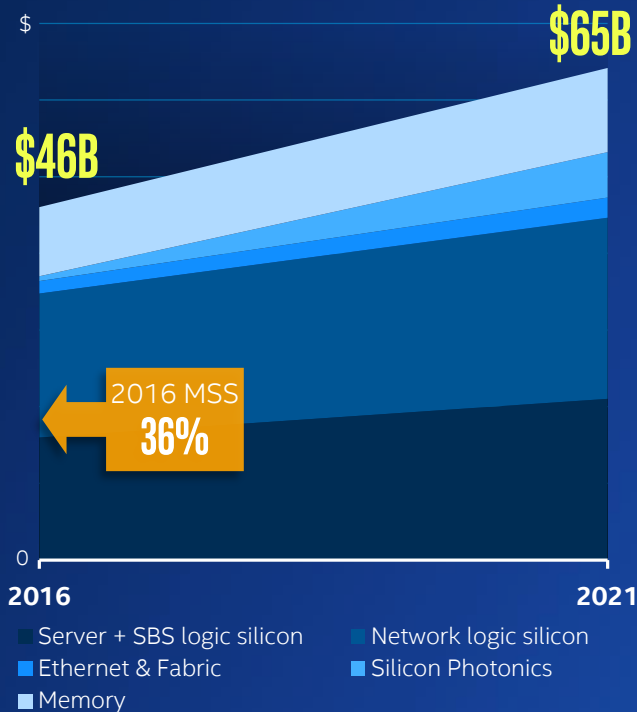
COMING 2017
LAKE CREST

ADDRESSING THE FULL DATA CENTER OPPORTUNITY



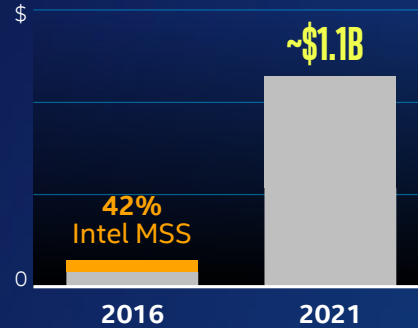
ADDRESSING THE FULL DATA CENTER OPPORTUNITY

DATA CENTER SILICON TAM



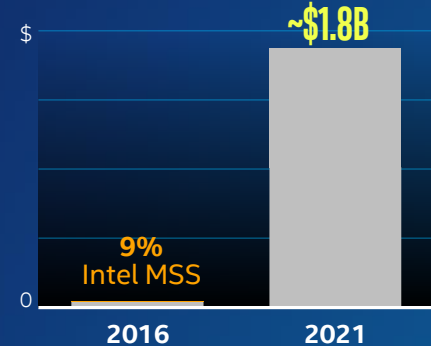
INTEL® OMNI-PATH FABRIC

High Performance Fabric SAM



INTEL® SILICON PHOTONICS

SAM



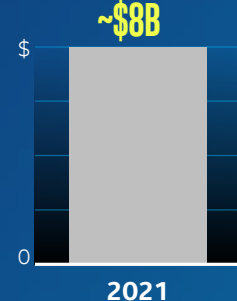
RACK SCALE DESIGN

Next transformation in application delivery

Architecting the Intel portfolio to deliver **2X** the performance at the lowest TCO

3D XPOINT™ DIMMS

SAM



SUMMARY

GROWTH BY END-USER

2017-2021

Enterprise & Government



2%
CAGR

Cloud Service Provider



>15%
CAGR

Comms Service Provider



>10%
CAGR

Growth drivers remain:
move to cloud computing, network transformation,
growth of data analytics

Delivering low double digit data center growth;
Reducing dependency on Enterprise server CPU

Well positioned for long term growth with an
unparalleled array of assets and
unique integration capabilities



INVESTOR MEETING

FEBRUARY 2017

