



INVESTOR MEETING

FEBRUARY 2017





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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.

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.

A BRIEF RECAP

Industry leader

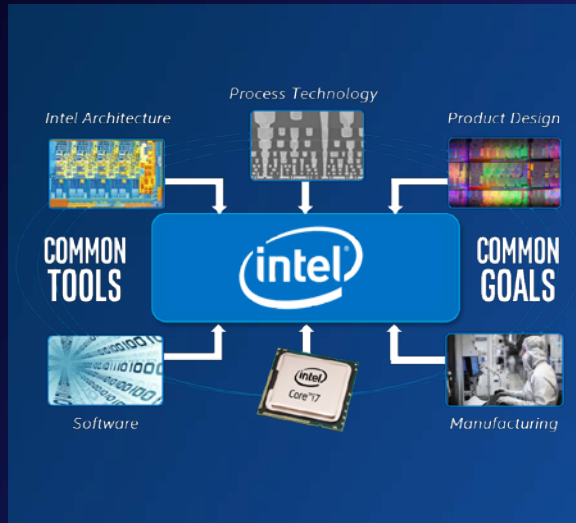
Expanding TAM... investing in the future

Industry trends playing to our strengths

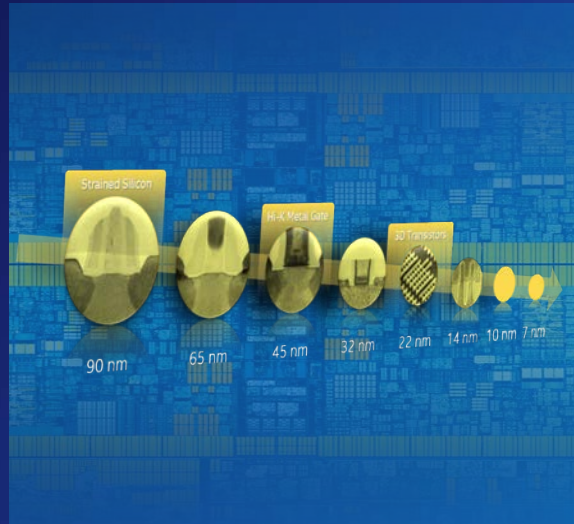
Great portfolio of businesses and assets

INDUSTRY LEADER

IDM ADVANTAGE



MOORE'S LAW LEADERSHIP



WORLD CLASS PRODUCTS



intel OPTANE >>>

WE HAVE A GREAT SET OF BUSINESSES WITH LEADING POSITIONS

CCG



DCG



IoTG



PSG



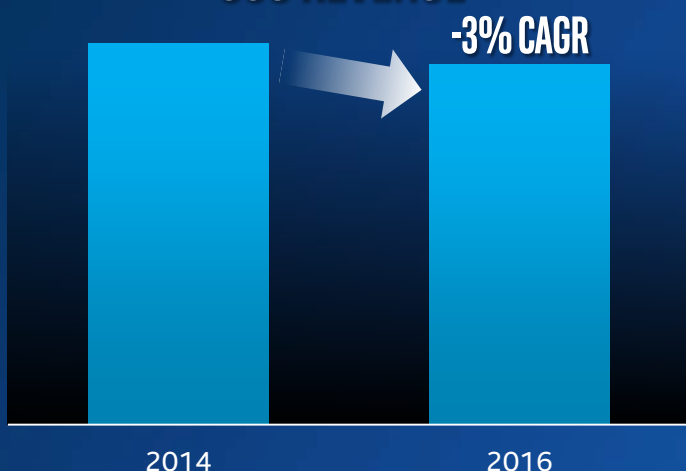
NSG



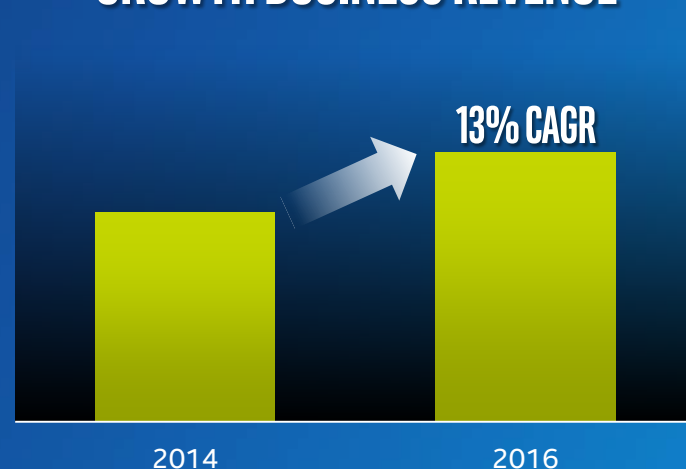
A SIGNIFICANT TRANSFORMATION...

Moving from PC Centric to powering the cloud and billions of smart, connected devices

CCG REVENUE



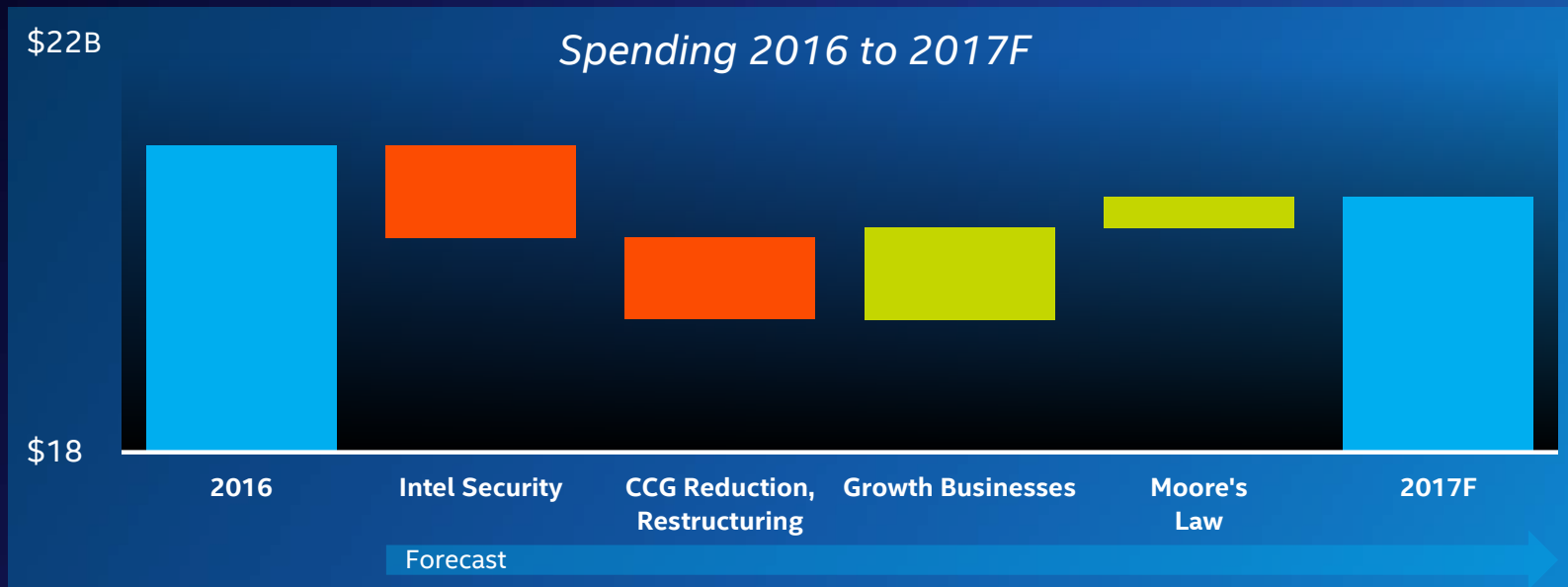
GROWTH BUSINESS REVENUE



CCG: Excellent performance in a declining market
Growth Business: Strong growth... continue to invest

SHIFTING OUR RESOURCES

Reduction... Reallocation... Reinvesting... Repositioning



**Restructuring in process...
while investing in growth segments and Moore's Law**

BY 2020

**AVG.
INTERNET USER 1.5 GB OF TRAFFIC / DAY**

**AUTONOMOUS
VEHICLES 4 TB OF DATA / DAY**

**CONNECTED
AIRPLANE 5 TB OF DATA / DAY**

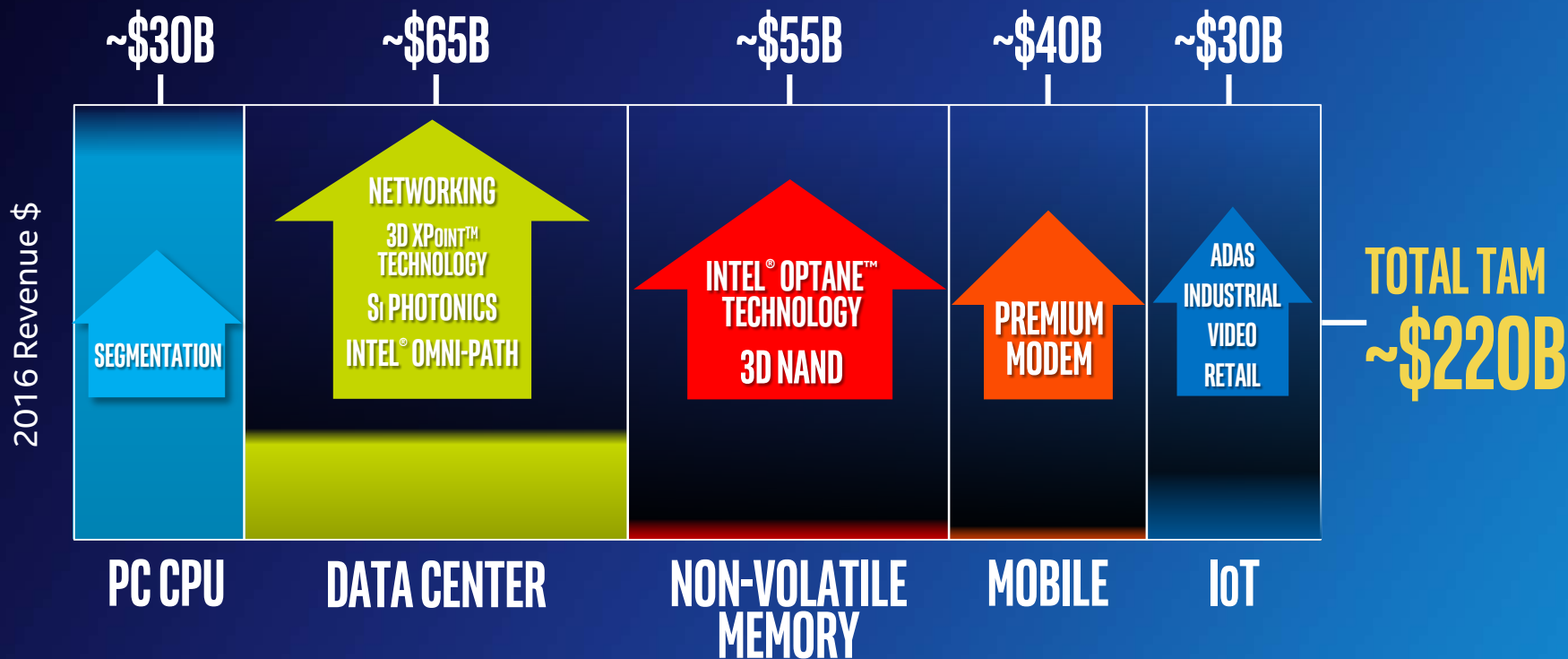
**SMART
FACTORY 1 PB OF DATA / DAY**

**CLOUD
VIDEO PROVIDERS 750 PB OF VIDEO / DAY**

**INDUSTRY TRENDS PLAYING TO
OUR STRENGTHS**

LEVERAGE OUR STRENGTHS TO EXPAND OUR TAM

2021F Si TAM (\$B)



WE UNDERSTAND KEY QUESTIONS EXIST...

NOMURA

“Intel is spreading itself too thin... Intel likes to spend.”

- Romit Shah

Morgan Stanley

“Intel's acquisition of Altera... We don't think the deal should change anyone's mind on Intel...”

- Joe Moore

COWEN
G R O U P

“‘Tick tock tock’ has much bigger and more worrisome implications...”

– Tim Arcuri

A close-up photograph of a person's index finger hovering just above a circular, glowing blue button. The button has a metallic silver rim and a dark center with the words 'FUTURE' and 'START' in white, separated by a horizontal line. The background is a dark, textured surface.

FUTURE
START

**DELIVER THE PRESENT...
CREATE THE FUTURE**

DELIVER ON THE PRESENT... 2017 GUIDE (NON-GAAP)

REVENUE

**LOW SINGLE
DIGIT GROWTH**
(excluding Security Business)

GROSS MARGIN

~63%

EPS

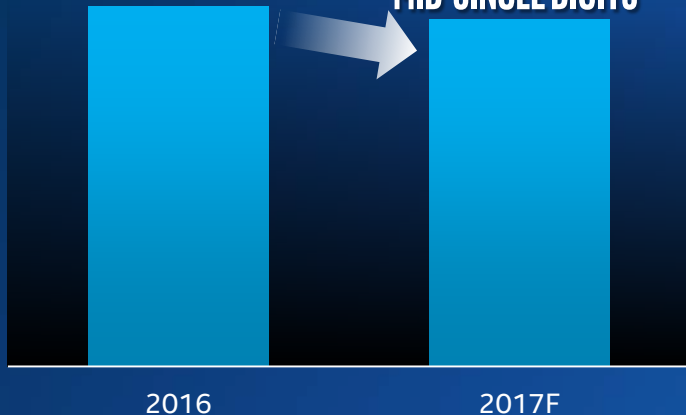
~\$2.80

THE TRANSFORMATION CONTINUES...

Moving from PC Centric to powering the cloud and billions of smart, connected devices

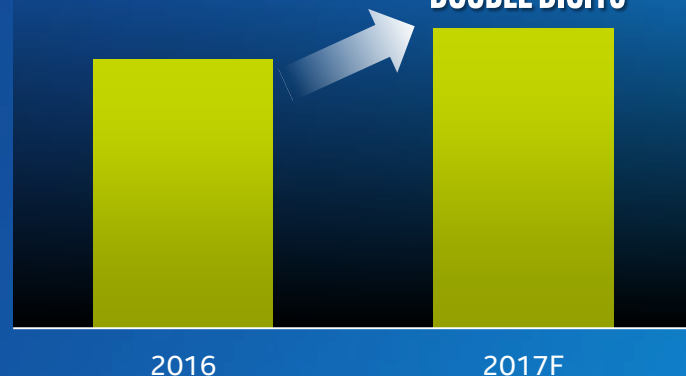
CCG REVENUE

DOWN
MID-SINGLE DIGITS



GROWTH BUSINESS REVENUE

UP LOW
DOUBLE DIGITS



CCG: Cautious outlook on PC TAM...
Growth Business: Well positioned... continue to invest

DELIVER ON THE PRESENT... DCG

REVENUE

HIGH SINGLE
DIGIT GROWTH

\$17.2B

2016

2017F

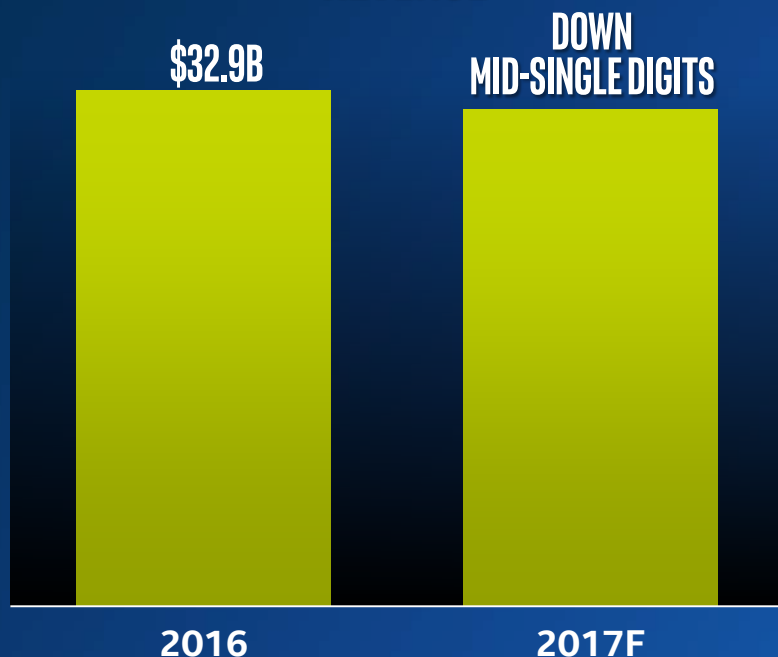
Expanding TAM...
investing in the future

Growth Drivers... Adjacencies,
Cloud, Skylake ramp

Margin Drivers... operating
income grows slower than
revenue, transition
to 14nm, allocations

DELIVER ON THE PRESENT... CCG

REVENUE



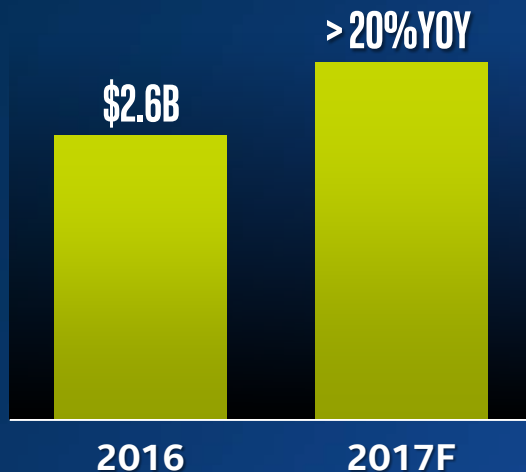
PC TAM declining... disciplined investments

Growth Drivers... segmentation and sell-up

Margin Drivers... Grow operating income faster than revenue, improved 14nm costs

DELIVER ON THE PRESENT...

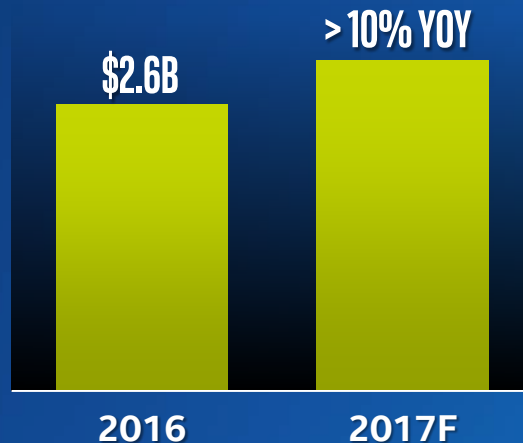
NSG REVENUE



Delivering Intel® Optane™ SSDs in 2017

Margin Drivers... phased capital investment

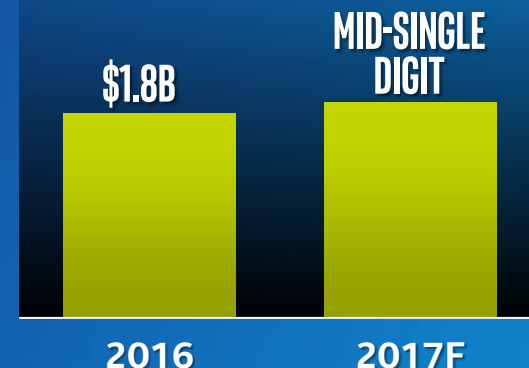
IOTG REVENUE



Design Wins with major players: BMW, Levi's & GE Digital

Margin Drivers... Investing in Auto, Video

PSG* REVENUE



Continued revenue growth in traditional embedded markets

Margin Drivers... mix, synergies

CREATING THE FUTURE... BIG BETS

MEMORY... TECH DISRUPTOR

+\$100B TAM

(in 2021F)



Today

2021F

NVM fastest growing segment
Positive Operating Margin late 2018
Disciplined, staged capital investment

AUTONOMOUS VEHICLES IN 2025

~\$10B TAM

(2025F L3+ Automated Semi)



SEMI CONTENT PER CAR

Today
2025

~\$100 to \$200
~10 to 15x

5G: CONNECTED DEVICES

+50B

(Connected Devices)



Diversification of devices onto the
wireless network
New market opportunities

A photograph of a semiconductor manufacturing facility, showing rows of complex machinery and equipment. The image is overlaid with a blue gradient. The text "CAPITAL ALLOCATION" is prominently displayed in white, bold, sans-serif font on the right side of the image.

CAPITAL ALLOCATION

OUR CAPITAL ALLOCATION PRIORITIES...

INVEST IN BUSINESS

- R&D ~22% of revenue...
'17 flat to '16
- Capex at 20% of revenue...
Memory Driven
- Strategic M&A

SHAREHOLDER RETURNS

- Paid out over 100% of FCF over
last 10 years ~40% dividends,
~60% buyback
- Dividends grow with non-GAAP
earnings
- Share buyback to offset dilution

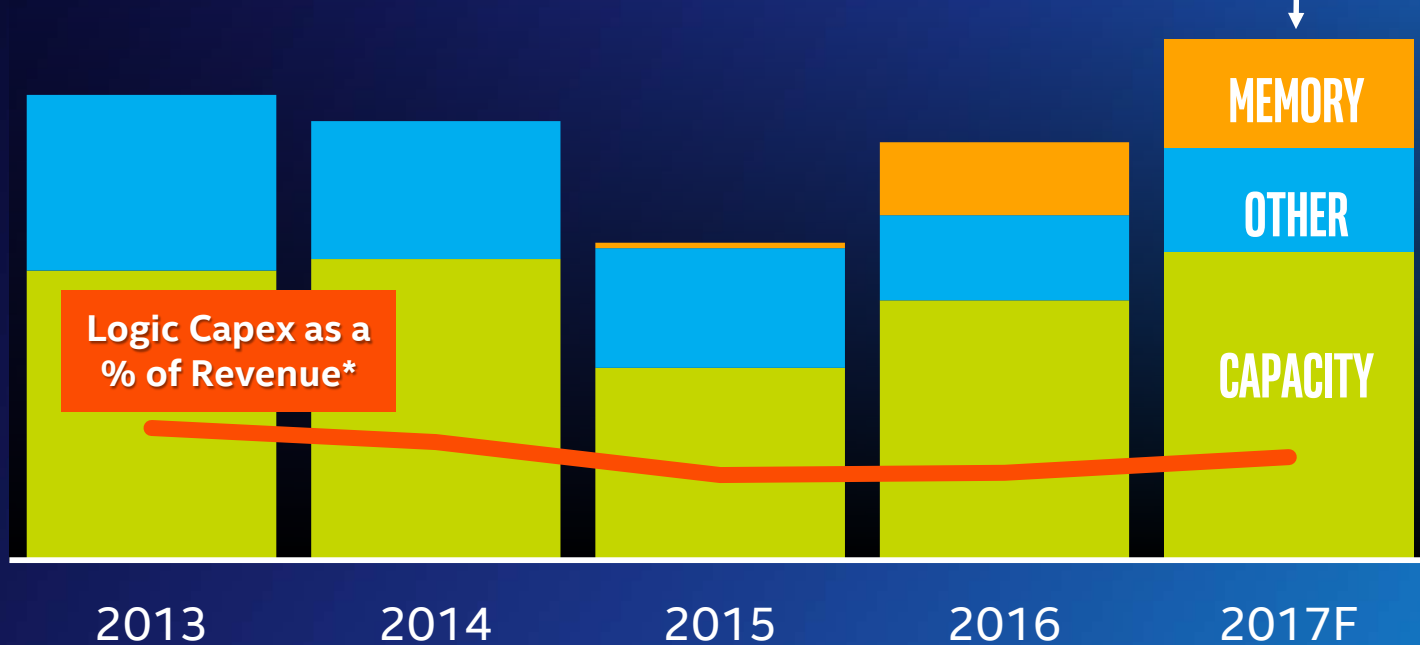
**... While maintaining a strong credit rating
and financial flexibility**

CAPITAL TRENDS: 2013 – 2017F

2017 CAPITAL
\$12B +/- 500M
(includes ~\$2.5B for Memory)

100%

\$



\$0

2013

2014

2015

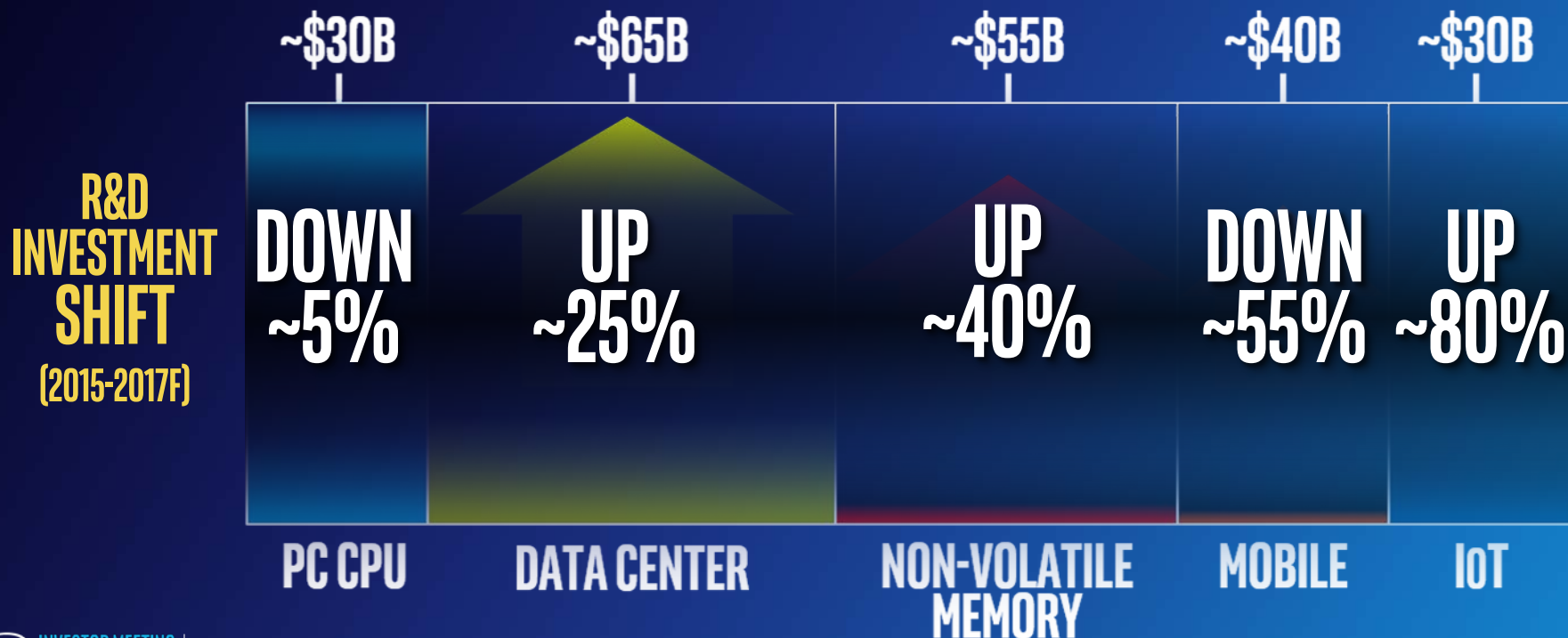
2016

2017F

0%

R&D SPENDING... LEVERAGE OUR STRENGTH TO EXPAND OUR TAM

2021F Si TAM (\$B)



STRATEGIC M&A... STRENGTHENING OUR INTEGRATION

Strategic Combination Creates Significant Value

Product Synergies

- Addresses emerging customer workloads in the ~\$37B data center logical market segment
- New IoT products expected to expand serviceable market by ~\$11B
- Expected to be ~60% of total value created

Cost & Manufacturing Synergies

- OpEx reductions which increase over time
- Manufacturing leadership which is expected to improve existing Altera product portfolio and market segment share
- Expected to be ~40% of total value created

**Accretive to Non-GAAP EPS & Free Cash Flow
in the First Year After Close**

Source: Intel Estimates

ALTERA®

now part of Intel

ACCELERATE OUR CAPABILITIES STRATEGIC M&A



nervana



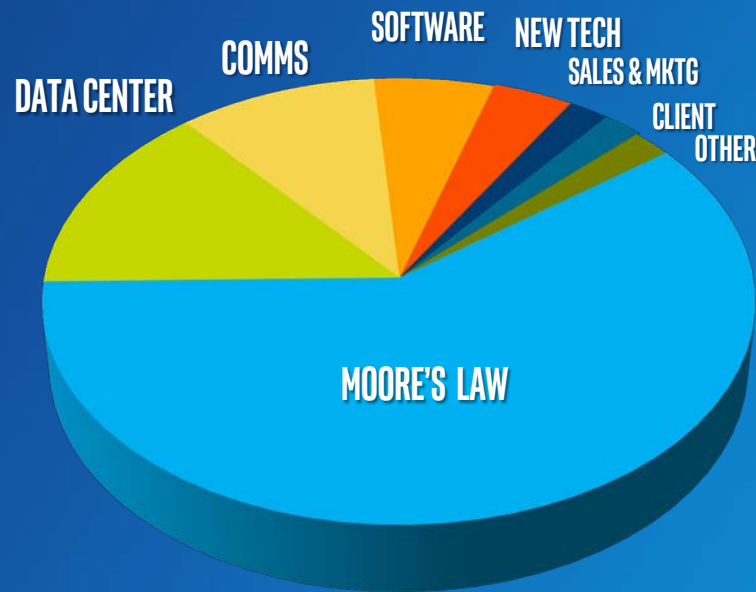
ACCELERATING OUR CAPABILITY... ICAP PORTFOLIO

Strategically aligned

**Supports and accelerates
disruptive future technologies**

**Enables early technology
pathfinding and market sensing**

INTEL CAPITAL PORTFOLIO*



SHAREHOLDER RETURNS... DIVIDEND INCREASE PLANNED STARTING IN Q2 '17



OVER THE NEXT 3 YEARS...

REVENUE GROWTH

CCG declines
low single digits

'Growth' businesses
double digit growth

Low-single digit growth

OPERATING EFFICIENCY

Gross Margins decline
modestly... remain in top
half of historical range

Direct spending as a %
of revenue declines

R&D Efficiency &
SG&A Leverage

Operating income growth > Revenue

EARNINGS

Net cash
growth and/or
opportunistic buybacks

ICAP portfolio returns

Effective tax rate
flat or down

EPS growth > Operating income

Grow dividend in line with non-GAAP EPS

IN CLOSING

Transformation continues... from PC centric to powering the cloud and billions of smart, connected devices

A data oriented company... expanding our TAM

We are making big bets... but will improve our efficiency

Capital returns remain a high priority

Q&A



INVESTOR MEETING

FEBRUARY 2017



APPENDIX

APPENDIX: 2016 NON-GAAP RECONCILIATION

	Twelve Months Ended		Twelve Months Ended
(\$ in Millions, except per share amounts)	Dec 31, 2016		Dec 31, 2016
GAAP NET REVENUE	\$59,387	GAAP NET INCOME	\$10,316
Deferred revenue write-down	99	Deferred revenue write-down, net of cost of sales	64
NON-GAAP NET REVENUE	\$59,486	Inventory valuation	387
		Amortization of acquisition-related intangibles	1,231
GAAP GROSS MARGIN PERCENTAGE	60.90%	Restructuring and other charges	1,886
Deferred revenue write-down, net of cost of sales	—%	Other acquisition-related charges	100
Inventory valuation	0.70%	Income tax effect	(745)
Amortization of acquisition-related intangibles	1.60%	NON-GAAP NET INCOME	\$13,239
NON-GAAP GROSS MARGIN PERCENTAGE	63.20%		
		GAAP DILUTED EARNINGS PER COMMON SHARE	\$2.12
GAAP OPERATING INCOME	\$12,874	Deferred revenue write-down, net of cost of sales	0.01
Deferred revenue write-down, net of cost of sales	64	Inventory valuation	0.08
Inventory valuation	387	Amortization of acquisition-related intangibles	0.25
Amortization of acquisition-related intangibles	1,231	Restructuring and other charges	0.39
Restructuring and other charges	1,886	Other acquisition-related charges	0.02
Other acquisition-related charges	100	Income tax effect	(0.15)
NON-GAAP OPERATING INCOME	\$16,542	NON-GAAP DILUTED EARNINGS PER COMMON SHARE	\$2.72

APPENDIX: 2017 NON-GAAP RECONCILIATION

	2017 Outlook
GAAP GROSS MARGIN PERCENTAGE	62%
Adjustment for amortization of acquisition-related intangibles	1%
NON-GAAP GROSS MARGIN PERCENTAGE	63%
GAAP EARNINGS PER SHARE	\$2.53
Adjustment for restructuring and other charges	\$0.08
Adjustment for amortization of acquisition-related intangibles	\$0.19
(Gains) losses from divestiture	(\$0.08)
Income tax effect	\$0.08
NON-GAAP EARNINGS PER SHARE	\$2.80
	Twelve Months Ended
(\$ in Billions)	Dec 31, 2016
GAAP PSG NET REVENUE	\$1.7
Deferred revenue write-down	\$0.1
NON-GAAP PSG NET REVENUE	\$1.8