
**BUSINESS ENVIRONMENT**

DCG E&G Revenue vs IDC Infra Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>DCG E&amp;G Revenue</th>
<th>IDC Infra Spend</th>
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<tbody>
<tr>
<td>2014</td>
<td></td>
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<td>2015</td>
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<td>2016</td>
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<tr>
<td>2017</td>
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**FACTORS**

Macroeconomic Uncertainty + Evolving Cloud Strategies = IT Infrastructure Decline

**INDUSTRY SENTIMENT**

“We are seeing CIOs increasingly reconsidering data center build-out”

January 4, 2014

“...research shows steady drop in on-premise hardware spend”

April 10, 2016

Are Corporate Data Centers Obsolete In The Cloud Era?

June 11, 2016

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WE BELIEVED...

BUSINESS TRANSFORMATION is inevitable... and will drive Increased IT Investment

- Legacy infra will “age” faster
- Enterprise will “go hybrid” and adopt private clouds
- AI will drive on-prem infra growth

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BUSINESS TRANSFORMATION
is inevitable... and will drive
Increased IT Investment

▷ Legacy infra will “age” faster
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▷ AI will drive on-prem infra growth

...AND INVESTED IN

Accelerating Private / Hybrid Cloud
- Azure Stack
- Google Cloud Platform
- Red Hat
- VMware

Expanding Analytics & Growing AI
- Cloudera
- Oracle
- SAP
- SAS
- Spark

Intel select solution
Accelerating Time to Value

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OUR STRATEGY IS DELIVERING

PRIVATE CLOUD GROWTH
2013: 6% Adoption
2018: 12% Adoption

Source: IDC Cloud Infrastructure Tracker 1Q18, June 2018

CLOUD REPATRIATION
80% Of Companies
Report Repatriation Activity

Source: IDC Cloud and AI Adoption Survey, January 2018; n=400

AI / ANALYTICS ON PREM
CPU deployment
2X Growth Rate
('14 – '16) vs ('17 – '21)

Source: Intel estimate

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DCG E&G REVENUE
2014 - 2017
CAGR
4%

1H'18
( vs 1H'17)
6%

“Server Market Sizzles in Q1, Better Prospects Ahead in 2018”

June 4, 2018

1. Source: IDC Cloud Infrastructure Tracker 1Q18, June 2018
2. Source: IDC Cloud and AI Adoption Survey, January 2018; n=400
3. Source: Intel estimate

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INTEL® XEON® SCALABLE PROCESSOR

65% performance gain across broadest range of workloads\(^1\)

Leadership virtualization perf\(^2\)

Unified stack for unparalleled manageability and RAS consistency

INTEL® XEON® SCALABLE PROCESSOR: HEARTBEAT OF THE ENTERPRISE

CREATING AND DELIVERING VALUE

Fastest ramp & highest mix to top end skus since Intel Xeon processor E5 v2 Family.

Enterprise Segment CPU Mix\(^3\)

Performance results are based on testing as of 04/01/2018 and may not reflect all publicly available security updates. See configuration disclosure for details. No product can be absolutely secure. For more complete information about performance and benchmark results, visit www.intel.com/benchmarks. Configurations 1, 2: see slide Performance Benchmark Disclosure. 3: Source Intel

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CREATING AND DELIVERING VALUE

Fastest ramp & highest mix to top end skus since Intel Xeon processor E5 v2 Family.

Enterprise Segment CPU Mix\(^3\)

Platform Innovation

Intel Ethernet  
Intel Omni-Path Fabric  
Intel Silicon Photonics  
Intel FPGAs  
Intel SSDs

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ENABLING REVOLUTIONARY CAPABILITIES

Intel Xeon Platinum 9200 Series

SAP Founder Hasso Plattner
SAPPHIRE 2018 keynote

FASTER START TIMES FOR LESS DOWNTIME

51 MIN
DRAM with SSD Storage

4 MIN
Persistent Memory with SSD Storage

12.5X IMPROVEMENT

INCREASED MEMORY CAPACITY REDUCING TCO

>3 TB
TOTAL MEMORY CAPACITY
PER CPU SOCKET

Performance results are based on testing as of 06/06/2018 and may not reflect all publicly available security updates. See configuration disclosure for details. No product can be absolutely secure. For more complete information about performance and benchmark results, visit [www.intel.com/benchmarks](http://www.intel.com/benchmarks). Configurations 3: see slide Performance Benchmark Disclosure.

#IntelDCISummit
ACCELERATING ENTERPRISE AI

EXAMPLE: FINANCIAL SERVICES WORKFLOW

China Union Pay
Deploy Neural Network for
Fraud Detection On
Intel® Xeon® Processor

60% INCREASE IN COVERAGE
WITHOUT DISRUPTING THEIR WORKFLOW

20% INCREASE IN ACCURACY


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ENABLING THE EXASCALE ERA
CONVERGED ARCHITECTURE FOR HPC+AI

Executive Order -- Creating a National Strategic Computing Initiative

EXECUTIVE ORDER -- CREATING A NATIONAL STRATEGIC COMPUTING INITIATIVE

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to maximize benefits of high-performance computing (HPC) research, development, and deployment, it is hereby ordered as follows:

Section 1. Policy. In order to maximize the benefits of HPC for economic competitiveness and scientific discovery, the United States Government must create a coordinated Federal strategy in HPC research, development, and deployment. Investment in HPC has contributed substantially to national economic prosperity and rapidly accelerated scientific discovery. Creating deploying technology at the leading edge is vital to advancing my Administration’s priorities and spurring innovation. Accordingly, this establishes the National Strategic Computing Initiative (NSCI). The National Strategic Computing Initiative (NSCI) is a cross-government effort designed to create a cohesive, multi-agency, multi-disciplinary, multi-sector, multi-level, multi-institutional, multi-infrastructure strategic vision and Federal investment strategy, executed in collaboration with the United States, State, Tribal, and local government agencies, and with industry, academia, and the public, to maximize the benefits of HPC for the United States.

NEW CPU MICROARCHITECTURE
ADVANCED INTERCONNECT
NOVEL MEMORY / STORAGE HIERARCHY
HIGH PERFORMANCE CONVERGED SOFTWARE
WINNING WITH ...

ZERO DISTANCE FROM OUR CUSTOMERS
- Unmatched Global Sales Force
- Long-term Co-Design
- Joint Product Innovation

BREAKTHROUGH INNOVATIONS
- New Microarchitecture
- Silicon Photonics
- AI Acceleration

UNMATCHED PARTNER SCALE
- Software Optimization
- Solution with ISVs & SI
- Partner Marketing

UNMATCHED CAPABILITIES + SCALE + SCOPE

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