

communications, industrial automation, military, and other electronic equipment. Main products: microprocessors (notably, the Pentium series), microcontrollers, and memory chips. Also sells computer modules and boards, and network products. Foreign busimon shares; BlackRock, 6.0%; The Vanguard Group, 5.5% (4/15 proxy). Chair.: Andy Bryant. Pres.: Renee James. CEO: Brian Krzanich. Incorp.: DE. Add.: 2200 Mission College Blvd., Santa Clara, CA 95054. Tele.: 408-765-8080. Internet: www.intc.com.

ANNUAL RATES Past Past Est'd '12-'14 to '19-'21 of change (per sh) 5 Yrs. 9.0% 8.5% 9.5% Sales 11.0% 3.0% 7.5% 'Cash Flow" 15.0% Earnings 17.0% 8.5% 23.5% 7.0% 11.5% 4.0% 5.0% Dividends Book Value

2969

281 10318

13568

2748 1604

16019

2063 2634

10970

15667

Accts Payable Debt Due

Current Liab.

QUARTERLY SALES (\$ mill.) Cal-Full Mar.31 Jun.30 Sep.30 Déc.31 endar 2013 12580 12811 13483 13834 52708 14554 2014 12764 13831 14721 55870 14465 2015 12781 13195 14914 55355 15000 58860 2016 13990 14310 15560 2017 14700 15000 15750 16050 61500 EARNINGS PER SHARE A Cal-Full Mar.31 Jun.30 Sep.30 Dec.31 endar Year 2013 1.89 .41 .39 .58 .51 .38 .74 .55 .66 2.33 2014 .55 .40 .74 .64 2.33 2015 2.40 2016 49 .56 .66 .69 .55 2017 .60 .71 2.65 QUARTERLY DIVIDENDS PAID B = Calendar Mar.31 Jun.30 Sep.30 Dec.31 Year 2012 .21 .21 .225 225 .87 2013 225 .225 .225 .225 .90 2014 .225 .225 .225 .225 .90 2015 .24 .24 .24 .24 .96 2016 .26

Intel announced somewhat mixed results during its December-quarter conference call. Share net matched the prior-year tally, as the Data Center group and Internet of Things unit led the way with positive comparisons on both a sequential and year-over-year basis. This performance wasn't bad, given the global economic challenges, most notably the slowdown in China. That said, the outlook for the just-concluded March period didn't quite live up to the hype. More specifically, revenue was probably in the range of \$13.5 billion to \$14.5 billion. We are slightly below the midpoint of that band as we believe global pressures curtailed demand, while a sluggish PC market also contributed to lackluster results.

We forecast a year-to-year improvement in earnings in 2016, while a more pronounced increase may be in the cards for next year. Last year was a difficult one for the company's bread-andbutter PC unit. Unit shipments of personal computers were down low double digits industrywide, though higher average selling prices helped to lessen the bleeding somewhat. We believe the global economic un-

certainty will begin to work itself out in the quarters ahead, and thus look for Intel's quarterly comparisons to improve more sharply, year over year, as we turn the calendar to 2017. The relatively recent purchase of Altera ought to be a contributor as that company is further assimilated into existing operations.

The company looks to further its presence in nonpersonal-computer re-lated businesses for the 3- to 5-year pull. One segment of particular interest is augmented reality. On point, Intel is developing a wearable headset to deliver an augmented-reality experience to its end user. This could be a lucrative avenue for growth over the long haul, though its effect on the bottom line is ill-defined at present.

These neutrally ranked shares offer good risk-adjusted total return potential for the pull to 2019-2021. Intel pays a well-covered, and steadily increasing, dividend that adds a degree of support to its shares. Stock Price Stability is also solid, particularly relative to its semicon-

ductor peers.

Alan G. House

April 1, 2016

(A) Dil. egs. Excl. nonrecurr. gains (losses): '00, (2¢); '01, (34¢); '02, (5¢); '03, (1¢); '10, (4¢). Next egs. report mid-April. (B) Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available. **(C)** In millions. (D) Excludes amortization of goodwill and other acquisition-related intangibles.

Company's Financial Strength Stock's Price Stability A++ 75 Price Growth Persistence 55 **Earnings Predictability** 50