
 Other
Current Assets Accts Payable Debt Due Other Current Liab. ANNUAL RATES
of change (per sh) Sales "Cash Flow Earnings Dividends
Book Value

| 4273 | 5167 |
| :--- | :--- |
| 4976 | 5089 |


| 27730 | $\frac{5089}{40356} \quad \frac{7712}{36216}$ |
| :--- | :--- | :--- |


$\begin{array}{rrr}2748 & 2063 & 3181 \\ 1604 & 2634 & 3573\end{array}$ | 11667 | $\frac{10970}{16019}$ | 13667 |
| :--- | :--- | :--- |
| 13339 |  |  |


| Past | Past | Est'd '13-'15 |
| :---: | :---: | :---: |
| 0 Yrs. | 5 Yrs. | to'19.21 |
| $7.5 \%$ | $10.0 \%$ | $3.0 \%$ |
| $7.0 \%$ | $12.5 \%$ | $8.0 \%$ |
| $6.5 \%$ | $12.0 \%$ | $9.5 \%$ |
| $17.5 \%$ | $9.5 \%$ | $4.0 \%$ |
| $7.5 \%$ | $9.0 \%$ | $4.5 \%$ |

Markets served: primarily makers of personal computers; also 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 business:
Intel probably finished 2016 in fine fashion. We believe that earnings per share clocked in at $\$ 0.77$ during the December period, a $4.1 \%$ uptick from the previous-year period. We estimate revenues were roughly in line with the midpoint of management's guidance of $\$ 15.7$


[^0]billion, plus or minus $\$ 500$ million. Expectations would have been higher, but for some likely inventory adjustments in the personal computer supply chain.
Earnings gains might well slow in 2017, though off a likely high base. We believe that Intel's earnings will be about $\$ 2.70$ in 2016, which is a tough mark to beat. Further integration of the Altera acquisition ought to lend a helping hand to margins next year. One factor to keep an eye on is potential slowing in the data center group (one of the company's high-flying divisions), reflecting a possible hangover from a strong fourth quarter whereby volumes increased 13\% quarter over quarter. A 1\% decrease in average selling prices in that stanza may be a precursor to a hiccup in the near term.
One of the industry behemoth's main long-term objectives is to diversify
about $80 \%$ of ' 15 sales. R\&D: $22 \%$ of sales. ' 15 dep. rate: $9.4 \%$. Has 107,300 employees. Off./dir. own less than $1 \%$ of common shares; BlackRock, 6.1\%; The Vanguard Group, 6.0\% (4/16 proxy). Chair:: Andy Bryant. Pres.: Venkata Renduchintala. CEO: Brian Krzanich. Incorp.: DE. Add.: 2200 Mission College Blvd., Santa Clara, CA 95054. Tele.: 408-765-8080. Internet: www.intc.com.
beyond its core personal computer operations. Intel has been an industry stalwart in the personal computer market for a while. However, this industry has been in the mature stage for sometime now, and hence Intel has made efforts to diversify its operations. In addition to the aforementioned Altera purchase, the company recently announced a partnership with ARM Holdings, which is set to begin in the first half of 2017.

## These shares are now ranked unfavor-

 ably for year-ahead price action (Timeliness rank: 4). Intel stock has lost a bit of ground since our September report, while the broader market indices have marched markedly higher. That said, total return potential for the pull to 2019-2021 is enticing on a risk-adjusted basis. The company's yield is above the Value Line median, while its Safety score is top-notch. Conservative accounts seeking a bellwether name in the technology sector ought to look here. While relatively unexciting compared to some higher-flying names, Intel's stability ought to put investors' minds at ease.Alan G. House
December 30, 2016


[^0]:    A) Dil. egs. Excl. nonrecurr. gains (losses): '00, (2c); '01, (34¢); '02, (5¢); '03, (1¢); '10, $00,(2 ¢) ; ' 01,(34 ¢) ;{ }^{\prime} 02,(5 ¢) ;$
    $(4 \mathrm{C})$. Next egs. report mid-Jan. 4C). Next egs. report mid-Jan.

    ## ; 03, (1¢); '10,

    June, September, and December. - Dividend reinvestment plan available. (C) In millions. (B) Dis (D) Excludes amortization of goodwill and other in early March, acquisition-related intangibles.

