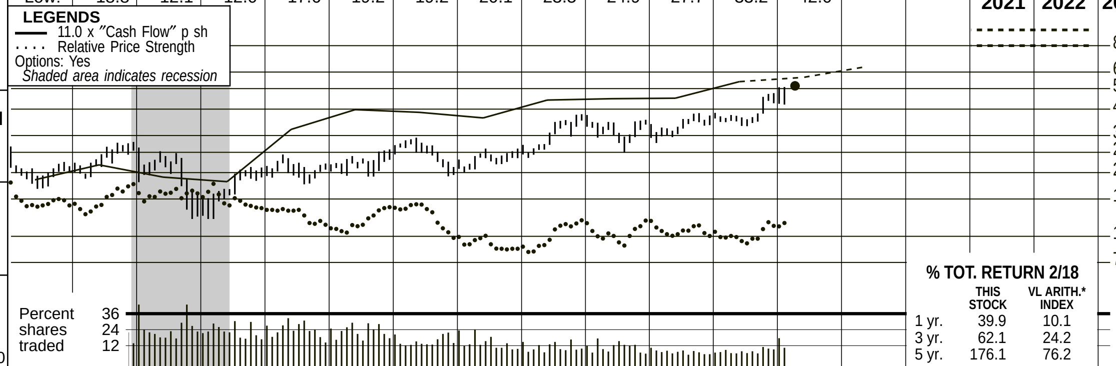
INTEL NDQ-INTC

RECENT PRICE 51.55 | P/E RATIO 14.6 (Trailing: 14.9 / Median: 13.0) | RELATIVE P/E RATIO 0.77 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS 1 Raised 3/2/18
SAFETY 1 Raised 4/10/09
TECHNICAL 4 Lowered 3/2/18
BETA 1.05 (1.00 = Market)

High:	28.0	26.3	21.3	24.4	25.8	29.3	26.0	37.9	37.5	38.4	47.6	53.8
Low:	18.8	12.1	12.0	17.6	19.2	19.2	20.1	23.5	24.9	27.7	33.2	42.0

LEGENDS
— 11.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



Target Price Range 2021 | 2022 | 2023

2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+85%)	18%
Low	80	(+55%)	13%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	1	0	0	0	0	0	0	0
Options	6	0	11	6	0	6	6	1	11
to Sell	2	0	2	2	0	4	1	1	2

Institutional Decisions

	2Q2017	3Q2017	4Q2017
to Buy	926	898	935
to Sell	870	891	840
Hld's(000)	3477260	3482856	3229200

Percent shares traded 36 24 12

% TOT. RETURN 2/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	39.9	10.1
3 yr.	62.1	24.2
5 yr.	176.1	76.2

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
4.07	4.65	5.47	6.56	6.14	6.59	6.76	6.36	7.92	10.80	10.79	10.61	11.77	11.72	12.56	13.39	*14.15*	*14.95*	Sales per sh	*18.65*
1.24	1.59	1.94	2.20	1.68	1.98	1.74	1.65	2.92	3.62	3.51	3.30	4.02	4.07	4.10	4.91	*5.15*	*5.80*	"Cash Flow" per sh	*7.80*
.51	.86	1.16	1.40	.86	1.18	.92	.77	2.05	2.39	2.13	1.89	2.31	2.33	2.72	3.47	*3.55*	*3.80*	Earnings per sh A	*5.75*
.08	.08	.16	.32	.41	.45	.55	.56	.63	.78	.87	.90	.90	.96	1.04	1.08	*1.20*	*1.24*	Div'ds Decl'd per sh B ■	*1.40*
.72	.56	.61	.98	1.00	.86	.93	.82	.94	2.15	2.23	2.16	2.13	1.55	2.03	2.51	*3.00*	*3.50*	Cap'l Spending per sh	*4.50*
5.40	5.83	6.17	6.11	6.37	7.35	7.03	7.55	8.97	9.18	10.36	11.73	11.77	13.12	14.19	14.73	*16.45*	*18.30*	Book Value per sh	*21.60*
6570.0	6487.0	6253.0	5919.0	5766.0	5818.0	5562.0	5523.0	5511.0	5000.0	4944.0	4967.0	4748.0	4725.0	4730.0	4687.0	*4600.0*	*4500.0*	Common Shs Outst'g C	*4400.0*
45.8	27.5	22.1	17.8	23.3	19.9	21.7	22.2	10.1	9.2	11.7	12.2	13.2	13.8	12.3	10.9	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
2.50	1.57	1.17	.95	1.26	1.06	1.31	1.48	.64	.58	.74	.69	.69	.69	.65	.54	*Value Line*		Relative P/E Ratio	*.85*
.3%	.3%	.6%	1.3%	2.0%	1.9%	2.8%	3.3%	3.0%	3.5%	3.5%	3.9%	3.0%	3.0%	3.1%	2.9%	*estimates*		Avg Ann'l Div'd Yield	*1.6%*

CAPITAL STRUCTURE as of 12/31/17
Total Debt $26,813 mill. **Due in 5 Yrs** $2,280 mill.
LT Debt $25,037 mill. **LT Interest** $250.0 mill.
(23% of Cap'l)
Interest Coverage: 24.6x
Leases, Uncapitalized Annual rentals $229.0 mill.

Pens. Assets-12/16 $597 mill. **Oblig.** $1379 mill.
Pfd Stock None

Common Stock 4,687,000,000 shs.

MARKET CAP: $242 billion (Large Cap)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		21-23
37586	35127	43623	53999	53341	52708	55870	55355	59387	62761	*65000*	*67375*	Sales ($mill)	*82000*
37.3%	29.8%	45.9%	42.4%	39.9%	36.2%	41.7%	40.5%	35.9%	*37.0%*	*37.5%*	*38.0%*	Operating Margin	*40.0%*
4360.0	4744.0	4398.0	5141.0	6357.0	6790.0	7380.0	7821.0	6266.0	6752.0	*7000*	*7750*	Depreciation ($mill) D	*9000*
5292.0	4369.0	11692	12942	11005	9620.0	11704	11420	13146	16265	*16685*	*18240*	Net Profit ($mill)	*25300*
31.1%	23.4%	28.7%	27.2%	26.0%	23.7%	25.9%	19.6%	24.0%	22.5%	*14.0%*	*14.0%*	Income Tax Rate	*14.0%*
14.1%	12.4%	26.8%	24.0%	20.6%	18.3%	20.9%	20.6%	22.1%	25.9%	*25.6%*	*27.1%*	Net Profit Margin	*30.9%*
12053	13566	22284	13844	18460	18516	11711	24689	15206	12079	*13000*	*13750*	Working Cap'l ($mill)	*15000*
1886.0	2049.0	2077.0	7084.0	13136	13165	12107	20036	20649	25037	*24000*	*22500*	Long-Term Debt ($mill)	*20000*
39088	41704	49430	45911	51203	58256	55865	61982	67108	69019	*75750*	*82275*	Shr. Equity ($mill)	*95000*
12.9%	10.0%	22.8%	24.5%	17.2%	13.6%	17.3%	14.1%	15.3%	17.3%	*16.5%*	*17.5%*	Return on Total Cap'l	*22.0%*
13.5%	10.5%	23.7%	28.2%	21.5%	16.5%	21.0%	18.4%	19.6%	23.6%	*22.0%*	*22.0%*	Return on Shr. Equity	*26.5%*
5.6%	3.0%	16.6%	19.2%	13.0%	8.8%	13.1%	11.1%	12.3%	16.2%	*14.5%*	*14.0%*	Retained to Com Eq	*20.0%*
59%	71%	30%	32%	40%	47%	38%	40%	37%	31%	*34%*	*33%*	All Div'ds to Net Prof	*24%*

CURRENT POSITION ($MILL.)	2015	2016	12/31/17
Cash Assets	25313	17099	14002
Receivables	4787	4690	5607
Inventory (FIFO)	5167	5553	6983
Other	5089	8166	2908
Current Assets	40356	35508	29500
Accts Payable	2063	2475	2928
Debt Due	2634	4634	1776
Other	10970	13193	12717
Current Liab.	15667	20302	17421

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '21-'23
Sales	7.0%	7.5%	*6.5%*
"Cash Flow"	7.5%	8.5%	*10.0%*
Earnings	8.0%	7.0%	*13.0%*
Dividends	12.5%	8.0%	*5.5%*
Book Value	7.5%	8.5%	*7.5%*

Cal-endar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	12781	13195	14465	14914	55355
2016	13702	13533	15778	16374	59387
2017	14796	14763	16149	17053	62761
2018	*15025*	*15550*	*16800*	*17625*	*65000*
2019	*15750*	*16300*	*17400*	*17925*	*67375*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.40	.55	.64	.74	2.33
2016	.54	.59	.80	.79	2.72
2017	.66	.72	1.01	1.08	3.47
2018	*.70*	*.80*	*.95*	*1.10*	*3.55*
2019	*.80*	*.87*	*1.00*	*1.13*	*3.80*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	.225	.225	.225	.225	.90
2015	.24	.24	.24	.24	.96
2016	.26	.26	.26	.26	1.04
2017	.26	.273	.273	.273	1.08
2018	.30				

BUSINESS: Intel is a leading manufacturer of integrated circuits. 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: about 78% of '16 sales. R&D: 21% of sales. '16 dep. rate: 7.0%. Has 106,000 empl. Off./dir. own less than 1% of common shares; The Vanguard Group, 6.6%; BlackRock, 6.3%. (4/17 proxy). Chair.: Andy Bryant. Pres.: Venkata Renduchintala. CEO: Brian Krzanich. Inc.: DE. Address: 2200 Mission College Blvd., Santa Clara, CA 95054. Tel.: 408-765-8080. Internet: www.intc.com.

Intel is firing on all cylinders. The company reported healthy results for the fourth quarter of last year. Specifically, share net, after excluding unusual items, clocked in at $1.08, which was 37% above the previous year's $0.79. Results exclude $1.23 a share related to the tax reform enacted in December. Going forward, management expects a tax rate of 14% for this year, a marked reduction from last year's 22.5%. Earnings advances were driven by the company's data-centric businesses, which now account for nearly half of aggregate revenues.

We look for moderate growth in the current year, with likely greater acceleration in 2019. Looking at it with more granularity, management gave promising news for the March quarter and for full-year 2018. First-period revenues are likely to be $15 billion, resulting in share net of $0.70, while full-year comparisons are likely to be about $65 billion and $3.55, respectively. Advances should continue to be driven by Intel's data-centric units (Data Center group, Internet of Things division, and Programmable Solutions segment). These units, in aggregate, climbed slightly north of 20%, year over year, during the fourth quarter of 2017. We look for this rate of ascent to continue over the next couple of years.

Acquisitions ought to continue to be a large part of the longer-term growth equation. The company's relatively recent purchase of Mobileye (automated cars) and data-centric focus ought to provide a nice one-two punch for the long haul. Recent rumors that the company many try to purchase Broadcom have fizzled some, as the latter's merger with Qualcomm was derailed by the Trump Administration.

Intel shares are on our recommended list for year-ahead price performance. Earnings momentum has been strong in recent quarters, which has helped to propel the stock price higher. Still, total return potential over the pull to 2021-2023 is above the *Value Line* average. This reflects that we have rolled out our projections by a year, but also that our average annual earnings growth rate for the company has increased. Investors seeking a relatively safe haven in the chip industry should consider these high-quality shares.

Alan G. House *March 30, 2018*

(A) Dil. egs. Excl. nonrecurr. gains (losses): '02, (5¢); '03, (1¢); '10, (4¢); '16, (60¢). Next egs. report due late 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	A++
Stock's Price Stability	75
Price Growth Persistence	55
Earnings Predictability	80