| $1 N$ | $\square$ | IN |  |  |  |  |  | $\begin{aligned} & \text { CENT } \\ & \text { ICE } \end{aligned}$ |  | $\begin{aligned} & \text { P/E } \\ & \text { RATI } \end{aligned}$ | $13$ | $\left(\begin{array}{l} \text { Trai } \\ \mathrm{MeO} \end{array}\right.$ | $\left.\begin{array}{l} : 14.4 \\ : 12.0 \end{array}\right)$ | $\begin{aligned} & \text { RELATIVE } \\ & \text { PIE RATIC } \end{aligned}$ | $0.7$ | $\begin{aligned} & \text { DIV'D } \\ & \text { YLD } \end{aligned}$ | 2.3 |  | $\begin{aligned} & \text { ALUE } \\ & \text { LINE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TIMELIN |  | Raised 3 |  | High： Low： | $\begin{array}{r} 28.0 \\ 18.8 \\ \hline \end{array}$ | $\begin{aligned} & 26.3 \\ & 12.1 \\ & \hline \end{aligned}$ | 21.3 12.0 | $\begin{aligned} & \hline 24.4 \\ & 17.6 \end{aligned}$ | $\begin{array}{l\|} \hline 25.8 \\ 19.2 \end{array}$ | $\begin{aligned} & 29.3 \\ & 19.2 \end{aligned}$ | $\begin{aligned} & 26.0 \\ & 20.1 \end{aligned}$ | $\begin{aligned} & 37.9 \\ & 23.5 \end{aligned}$ | $\begin{aligned} & 37.5 \\ & 24.9 \end{aligned}$ | $\begin{aligned} & 38.4 \\ & 27.7 \end{aligned}$ | $\begin{aligned} & 47.6 \\ & 33.2 \end{aligned}$ | $\begin{aligned} & 57.6 \\ & 42.0 \end{aligned}$ |  |  | Target Pric 20212022 | Range 2023 |
| SAFETY <br> TECHNI |  | Raised 4 |  | $\begin{array}{\|c\|} \hline \text { LEGEN } \\ \hline \ldots . \\ \text { Rel } \end{array}$ | $\begin{aligned} & \text { NDS } \\ & .0 \times \text { x } \\ & \text { jash } \\ & \text { jative Prich } \end{aligned}$ | Flow＂p Strength |  |  |  |  |  |  |  |  |  |  |  |  |  | 80 |
| BETA | $1.05 \quad(1.00$ | ＝Market） |  | Options： <br> Shaded | Yes area ind | ates rece |  |  |  |  |  |  |  |  |  |  |  |  |  | 60 |
|  | 1－23 PR | JECTIO |  |  |  |  |  |  |  |  |  |  |  |  |  | II |  |  |  | 50 40 |
|  |  |  | 促 |  |  |  |  |  |  |  |  |  |  | ${ }^{1111}$ | 1 |  |  |  |  | 30 |
| High | Price $95$ |  |  |  |  |  |  |  |  |  |  |  | I |  |  |  |  |  |  | －30 |
|  | $\begin{aligned} & 95 \\ & 80 \end{aligned}$ | $80 \%)$ |  |  | 耑 | 19， |  | 的 | ＇｜｜ |  | 小111 |  |  |  |  |  |  |  |  | $-20$ |
| Insider | Decis | ons |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 15 |
|  | $\begin{array}{lll} A & S & 0 \\ 0 & 0 & 0 \end{array}$ | $\begin{array}{ccc} N & D & J \\ 0 & 0 & 0 \\ \hline \end{array}$ | $\begin{array}{lll}\text { F M A } \\ 0 & 0 & \\ \end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  | －＊ |  |  |  | －10 |
| Options | 606 | 6111 | 5 15 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| to Sell | 204 | 112 | 402 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | RETURN 5／18 | ． 5 |
| Institut | tional | ecision |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | THIS VLARIT |  |
|  | 302017 | 402017 | 102018 | Percent |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $\begin{array}{cc}\text { STOCK } & \text { INDEX } \\ 56.8 & 14.3\end{array}$ |  |
| to Buy | $\begin{aligned} & 898 \\ & 891 \end{aligned}$ | $\begin{aligned} & 935 \\ & 840 \end{aligned}$ | $\begin{array}{r} 913 \\ 1154 \end{array}$ | shares |  |  |  |  |  |  |  |  |  |  |  |  |  | 1 yr. 3 yr. | $\begin{array}{ll}56.8 & 14.3 \\ 74.9 & 29.1\end{array}$ |  |
| Hild＇s（0000） | ） 3482856 | 3229200 | 146631 |  |  |  |  |  |  |  |  | Illل\｜ |  | ШШلШ | ШШШل｜ |  |  | 5 yr ． | $164.9 \quad 67.5$ |  |
| 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | $\bigcirc$ | JE 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 | 14.85 | 15.45 | Sales p | 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 | 5.02 | 5.50 | 5.95 | ＂Cash | low＂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 | 4.00 | 4.25 | Earnin | 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 | ecl＇d per sh ${ }^{\text {B }}$－ | 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＇ | ending 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 | 14.91 | 16.30 | 17.80 | Book | lue 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 | Comm | Shs Outst＇g ${ }^{\text {c }}$ | 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 figu | ures are | Avg A | ＇I 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 | ． 55 | 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\％ | estim |  | Avg An | ＇I Div＇d Yield | 1．6\％ |
| CAPITAL STRUCTURE as of $3 / 31 / 18$ <br> Total Debt $\$ 28,612$ mill．Due in 5 Yrs $\$ 2,430$ mill． LT Debt $\$ 24,770$ mill．LT Interest $\$ 245.0$ mill． （26\％of Cap＇） |  |  |  |  |  | 37586 | 35127 | 43623 | 53999 | 53341 | 52708 | 55870 | 55355 | 59387 | 62761 | 68200 | 69600 | Sales | mill） | 82000 |
|  |  |  |  |  |  | 37．3\％ | 29．8\％ | 45．9\％ | 42．4\％ | 39．9\％ | 36．2\％ | 41．7\％ | 40．5\％ | 35．9\％ | 40．2\％ | 41．0\％ | 42．0\％ | Opera | g Margin | 45．0\％ |
|  |  |  |  |  |  | 4360.0 | 4744.0 | 4398.0 | 5141.0 | 6357.0 | 6790.0 | 7380.0 | 7821.0 | 6266.0 | 6762.0 | 7000 | 7750 | Depre | ation（\＄mill）${ }^{\text {D }}$ | 9000 |
|  |  |  |  |  |  | 5292.0 | 4369.0 | 11692 | 12942 | 11005 | 9620.0 | 11704 | 11420 | 13146 | 16756 | 18400 | 19125 | Net Pro | it（\＄mill） | 25300 |
| Leases，Uncapitalized Annual rentals \＄215．0 mill． |  |  |  |  |  | 31．1\％ | 23．4\％ | 28．7\％ | 27．2\％ | 26．0\％ | 23．7\％ | 25．9\％ | 19．6\％ | 24．0\％ | 46．6\％ | 14．0\％ | 14．0\％ | Incom | Tax Rate | 14．0\％ |
|  |  |  |  |  |  | 14．1\％ | 12．4\％ | 26．8\％ | 24．0\％ | 20．6\％ | 18．3\％ | 20．9\％ | 20．6\％ | 22．1\％ | 26．7\％ | 27．0\％ | 27．5\％ | Net Pr | it Margin | 30．9\％ |
| Pens．Assets－12／17 \＄2287 mill．Oblig．\＄3842 mill． Pfd Stock None |  |  |  |  |  | 12053 | 13566 | 22284 | 13844 | 18460 | 18516 | 11711 | 24689 | 15206 | 12079 | 13000 | 13750 | Worki | Cap＇I（\＄mill） | 15000 |
|  |  |  |  |  |  | 1886.0 | 2049.0 | 2077.0 | 7084.0 | 13136 | 13165 | 12107 | 20036 | 20649 | 25037 | 24000 | 22500 | Long－T | m Debt（\＄mill） | 20000 |
| Common Stock 4，660，000，000 shs． |  |  |  |  |  | 39088 | 41704 | 49430 | 45911 | 51203 | 58256 | 55865 | 61982 | 67108 | 69885 | 75000 | 80000 | Shr．Eq | ity（\＄mill） | 95000 |
|  |  |  |  |  |  | 12．9\％ | 10．0\％ | 22．8\％ | 24．5\％ | 17．2\％ | 13．6\％ | 17．3\％ | 14．1\％ | 15．3\％ | 18．0\％ | 18．5\％ | 18．5\％ | Return | n Total Cap＇l | 22．0\％ |
| MARKET CAP：$\$ 247$ billion（Large Cap） |  |  |  |  |  | 13．5\％ | 10．5\％ | 23．7\％ | 28．2\％ | 21．5\％ | 16．5\％ | 21．0\％ | 18．4\％ | 19．6\％ | 24．0\％ | 24．5\％ | 24．0\％ | Return | o Shr．Equity | 26．5\％ |
| CURRENT POSITION $\mathbf{2 0 1 6}$ 2017 $\mathbf{3 / 3 1 / 1 8}$ <br> （SMILLL．） 17099 140002 16197 <br> Cash Assets 14607   |  |  |  |  |  | 5．6\％ | 3．0\％ | 16．6\％ | 19．2\％ | 13．0\％ | 8．8\％ | 13．1\％ | 11．1\％ | 12．3\％ | 16．7\％ | 17．0\％ | 17．0\％ | Retained to Com Eq All Div＇ds to Net Prof |  | 20．0\％ |
|  |  |  |  |  |  | 59\％ | 71\％ | 30\％ | 32\％ | 40\％ | 47\％ | 38\％ | 40\％ | 37\％ | 30\％ | 30\％ | 29\％ |  |  | 24\％ |


| Cash Assets | 17099 | 140002 | 16197 |
| :---: | :---: | :---: | :---: |
| Receivables | 4690 | 5607 | 4879 |
| Inventory（FIFO） | 5553 | 6983 | 7146 |
| Other | 8166 | 2908 | 3408 |
| Current Assets | 35508 | 29500 | 31630 |
| Accts Payable | 2475 | 2928 | 4415 |
| Debt Due | 4634 | 1776 | 3842 |
| Other | 13193 | 12717 | 11704 |
| Current Liab． | 20302 | 17421 | 19961 |



BUSINESS：Intel is a leading manufacturer of integrated circuits． Markets served：primarily makers of personal computers；also com－ munications，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 continues to shine．On point，dur－ ing the March period，share net dialed in at $\$ 0.87$ on a non－GAAP basis（excludes nonrecurring items），a sharp advance over the previous year＇s $\$ 0.66$ tally．The chip behemoth＇s results continued to be fueled by data－centric businesses，which now ac－ count for nearly one－half of the top line． The Data Center group posted gains across all markets and experienced in－ creased adoption of Xeon Scalable proces－ sors，including for artificial intelligence．
We believe the good times will contin－ ue at least through 2019．Given a strong domestic economy，we look for healthy gains across most product groups over the 12 to 18 months ahead．Specifically，the Non－Volatile Memory Solutions division ought to continue to register double－digit top－line advances thanks to healthy storage demand．Furthermore，the Pro－ grammable Solutions group should reap the benefits of several recent design wins． Finally，the Client Computing segment is poised to benefit from a lineup of high－ performance mobile processors．
Intel has done a fine job of diversify－
about $80 \%$ of＇ 17 sales．R\＆D：20．9\％of sales．＇ 17 dep．rate： $6.8 \%$ ． Has 103，700 empl．Off．／dir．own less than $1 \%$ of common shares； The Vanguard Group，7．3\％；BlackRock，6．3\％．（4／18 proxy）．Chair．： Andy Bryant．Pres．：Venkata Renduchintala．Interim CEO：Robert Swan．Inc．：DE．Address： 2200 Mission College Blvd．，Santa Clara， CA 95054．Tel．：408－765－8080．Internet：www．intc．com．
business．It appears that Intel＇s focus on the data－centric businesses is bearing fruit．Big data is very important in today＇s world，and having the ability to analyze and use that data could add meaningfully to profits．Another arena to keep an eye on is driverless cars．Intel entered the fray with the relatively recent acquisition of Mobileye．Though the mass production of autonomous cars may be several years away，Intel appears to have a strong entryway into this market．Overall，the company＇s stellar balance sheet provides for myriad options moving forward．
These shares are ranked 1 （Highest） for year－ahead price performance． Despite their recent strong performance， INTC shares offer solid risk－adjusted total return potential over the pull to 2021－ 2023．Intel also pays a healthy dividend， which is well covered by earnings from op－ erations．Of note，Brian Krzanich resigned as CEO due to a violation of Intel＇s non－ fraternization policy．CFO Robert Swan was named Interim CEO immediately after the resignation．We expect no long term ill effects．
Alan G．House
J une 29， 2018

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[^0]:    （A）Dil．egs．Excl．nonrecurr．gains（losses）：June，September，and December．■ Dividend 02，（5¢）；＇03，（1¢）；＇10，（4¢）；＇16，（60\＄）．Next reinvestment plan available．（C）In millions． egs．report due late July．

