INTEL NDQ-INTC

RECENT PRICE **34.24** | P/E RATIO **14.5** (Trailing: 14.6 Median: 16.0) | RELATIVE P/E RATIO **0.83** | DIV'D YLD **2.8%** | **VALUE LINE**

TIMELINESS 3 Raised 10/30/15
SAFETY 1 Raised 4/10/09
TECHNICAL 3 Lowered 12/11/15
BETA 1.00 (1.00 = Market)

2018-20 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+60%)	*15%*
Low	45	(+30%)	*10%*

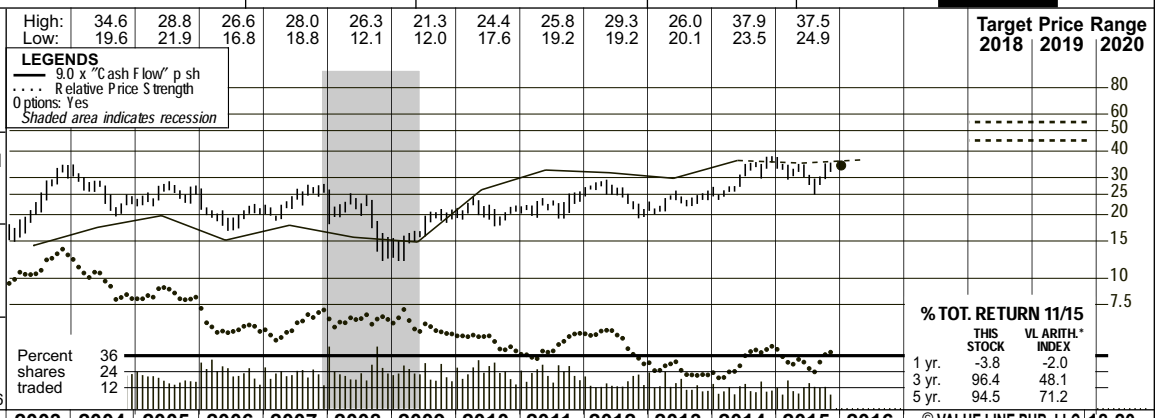
Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	0	0	0	1	1	0	0
to Sell	4	2	0	3	0	2	4	0	2

Institutional Decisions

	1Q2015	2Q2015	3Q2015
to Buy	774	707	701
to Sell	909	889	868
Hld's(0000)	3109760	3152255	3131566

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
High:	34.6	28.8	26.6	28.0	26.3	21.3	24.4	25.8	29.3	26.0	37.9	37.5								
Low:	19.6	21.9	16.8	18.8	12.1	12.0	17.6	19.2	19.2	20.1	23.5	24.9								
	4.41	5.02	3.97	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	*11.50*	*11.90*	Sales per sh	*13.50*
	1.68	2.07	1.16	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	*3.90*	*4.05*	"Cash Flow" per sh	*5.95*
	1.17	1.53	.53	.51	.86	1.16	1.40	.86	1.18	.92	.77	2.05	2.39	2.13	1.89	2.33	*2.25*	*2.35*	Earnings per sh [A]	*3.75*
	.05	.07	.08	.08	.08	.16	.32	.41	.45	.55	.56	.63	.78	.87	.90	.90	.96	*1.04*	Div'ds Decl'd per sh [B] ■	*1.18*
	.51	.99	1.09	.72	.56	.61	.98	1.00	.86	.93	.82	.94	2.15	2.23	2.16	2.13	*1.60*	*2.10*	Cap'l Spending per sh	*3.50*
	4.88	5.55	5.36	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	*12.30*	*13.45*	Book Value per sh	*16.00*
	6668.0	6721.0	6690.0	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	*4800.0*	*4850.0*	Common Shs Outst'g [C]	*5000.0*
	29.5	36.1	55.0	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	*14.2*		Avg Ann'l P/E Ratio	*13.0*
	1.68	2.35	2.82	2.50	1.57	1.17	.95	1.26	1.06	1.31	1.48	.64	.58	.74	.69	.70	*.70*		Relative P/E Ratio	*.80*
	.1%	.1%	.3%	.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%		Avg Ann'l Div'd Yield	*2.4%*
	38826	35382	38334	37586	35127	43623	53999	53341	52708	55870	*55245*	*57810*	Sales ($mill)	*67500*
	42.7%	30.8%	34.7%	37.3%	29.8%	45.9%	42.4%	39.9%	36.2%	41.7%	*38.5%*	*40.0%*	Operating Margin	*45.0%*
	4345.0	4654.0	4546.0	4360.0	4744.0	4398.0	5141.0	6357.0	6790.0	7380.0	*7800*	*8350*	Depreciation ($mill) [D]	*11000*
	8664.0	5044.0	6976.0	5292.0	4369.0	11692	12942	11005	9620.0	11704	*10800*	*11400*	Net Profit ($mill)	*18750*
	31.3%	28.6%	23.9%	31.1%	23.4%	28.7%	27.2%	26.0%	23.7%	25.9%	*25.0%*	*25.0%*	Income Tax Rate	*28.0%*
	22.3%	14.3%	18.2%	14.1%	12.4%	26.8%	24.0%	20.6%	18.3%	20.9%	*19.5%*	*19.7%*	Net Profit Margin	*27.8%*
	11960	9766.0	15314	12053	13566	22284	13844	18460	18516	11711	*21000*	*19000*	Working Cap'l ($mill)	*20000*
	2106.0	1848.0	1980.0	1886.0	2049.0	2077.0	7084.0	13136	13165	12107	*20000*	*17500*	Long-Term Debt ($mill)	*10000*
	36182	36752	42762	39088	41704	49430	45911	51203	58256	55865	*59000*	*65350*	Shr. Equity ($mill)	*80000*
	22.7%	13.1%	15.6%	12.9%	10.0%	22.8%	24.5%	17.2%	13.6%	17.3%	*13.5%*	*14.0%*	Return on Total Cap'l	*21.0%*
	23.9%	13.7%	16.3%	13.5%	10.5%	23.7%	28.2%	21.5%	16.5%	21.0%	*18.5%*	*17.5%*	Return on Shr. Equity	*23.5%*
	18.5%	7.4%	10.2%	5.6%	3.0%	16.6%	19.2%	13.0%	8.8%	13.1%	*10.5%*	*9.5%*	Retained to Com Eq	*16.0%*
	23%	46%	38%	59%	71%	30%	32%	40%	47%	38%	*43%*	*44%*	All Div'ds to Net Prof	*31%*



CAPITAL STRUCTURE as of 9/26/15
Total Debt $21188 mill. **Due in 5 Yrs** $1715 mill.
LT Debt $20059 mill. **LT Interest** $200.0 mill. (26% of Cap'l)
Interest Coverage: 83.3x
Leases, Uncapitalized Annual rentals $205.0 mill.

Pension Assets-12/14 $623 mill. **Oblig.** $892 mill.
Pfd Stock None

Common Stock 4,719,000,000 shs.
as of 10/16/15
MARKET CAP: $162 billion (Large Cap)

CURRENT POSITION ($MILL.)	2013	2014	9/26/15
Cash Assets	20087	14054	20843
Receivables	3582	4427	4101
Inventory (FIFO)	4172	4273	4965
Other	4243	4976	6296
Current Assets	32084	27730	36205
Accts Payable	2969	2748	2449
Debt Due	281	1604	1129
Other	10318	11667	11502
Current Liab.	13568	16019	15080

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '12-'14 to '18-'20
Sales	9.0%	11.0%	*3.5%*
"Cash Flow"	8.5%	15.0%	*8.5%*
Earnings	9.5%	17.0%	*10.0%*
Dividends	23.5%	11.5%	*5.0%*
Book Value	7.0%	9.0%	*6.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	12906	13501	13457	13477	53341
2013	12580	12811	13483	13834	52708
2014	12764	13831	14554	14721	55870
2015	12781	13195	14465	*14804*	*55245*
2016	*13700*	*14000*	*14800*	*15310*	*57810*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.53	.54	.58	.48	2.13
2013	.41	.39	.58	.51	1.89
2014	.38	.55	.66	.74	2.33
2015	.41	.55	.64	*.65*	*2.25*
2016	*.50*	*.57*	*.62*	*.66*	*2.35*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.21	.21	.225	.225	.87
2013	.225	.225	.225	.225	.90
2014	.225	.225	.225	.225	.90
2015	.24	.24	.24	.24	
2016	.26				

BUSINESS: Intel Corp. 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 82% of '14 sales. R&D: 21% of sales. '14 dep. rate: 9.3%. Has 106,700 employees. Off./dir. own less than 1% of common 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.

Intel reported mixed results during the September quarter. Revenues were $14.465 billion, which was above our estimate of $14.240 billion, while share net came in a nickel better than we had thought. On the plus side, Data Center Group comparisons climbed 12% relative to 2014, while the Internet of Things division gained 10% on a year-over-year basis. Meantime, Software and Services revenues were roughly flat, while Client Computing Group comparisons fell 7% from 2014's like period.

We believe the December period was roughly as management anticipated. The top line probably clocked in at $14.8 billion (on par with the midpoint of company guidance), while the gross margin was likely in the neighborhood of 62%. This would equate to a bottom-line tally of about $0.65 a share. One area that was of particular concern was the Server segment. During the September-quarter conference call, management noted that reduced demand on the corporate side of the ledger hindered results in that segment during the fourth quarter. Indeed, many corporations are outsourcing more of their technology requirements overseas and, therefore, don't need as many servers. However, after a difficult 2015, management believes this segment will rebound 15% or so in 2016.

The chip behemoth's bottom line ought to bounce back in the year just begun, though we believe gains will be moderate. Our growth assumptions are based on a decent global economy.

Acquisitions are likely to remain a part of the company's long-term growth strategy. We feel this is necessary for Intel's long-term success, as its bread-and-butter Personal Computer division is mature and has diminishing growth potential, given the resounding popularity of tablets, smartphones, and laptops, among other portable devices. Last year, the company inked a $16.7 billion deal to buy Altera, which is likely to close in the first quarter of 2016.

Intel stock's Timeliness rank has inched up a notch to 3, Average. Total return prospects 3 to 5 years hence are solid on a risk-adjusted basis, too. A recent dividend increase sweetens the pot.

Alan G. House *January 1, 2016*

(A) Dil. egs. Excl. nonrecurr. gains (losses): '99, (11¢); '00, (2¢); '01, (34¢); '02, (5¢); '03, (1¢); '10, (4¢). Next egs. report mid-Jan.
(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	50

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