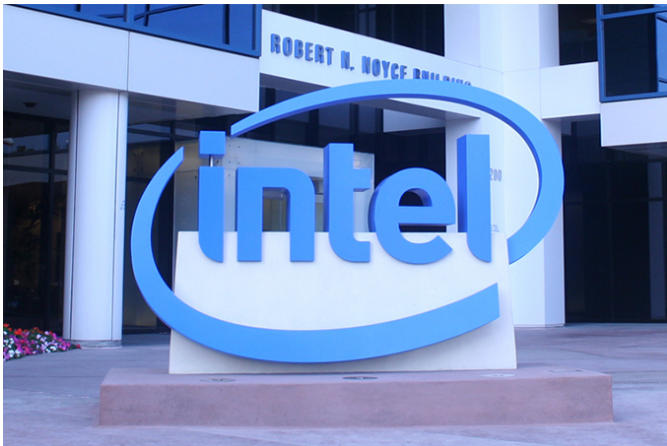


Intel Faces Flat Results in Q1 2019

Written by Alice Marshall
02 May 2019

Intel reports earnings worth \$16.1 billion in Q1 2019-- an essentially flat result on a Y-o-Y basis, with data-centric revenues dropping by -5% Y-o-Y and PC-centric revenues growing by 4% Y-o-Y.



"Results for Q1 2019 were slightly higher than our January expectations," Bob Swan says in his first earnings call as permanent Chipzilla CEO. "We shipped a strong mix of high-performance products and continued spending discipline while ramping 10nm and managing a challenging NAND pricing environment."

As mentioned earlier, data-centric revenues (covering datacentres, connected devices and memory) is down by -5% to \$7.4bn, a first decline in 5 quarters for what used to be a reliable earnings maker. Chipzilla points out a -12% decline in memory brought about by a "challenging pricing environment" as part of the reason behind the drop.

On the other hand PC-centric revenue, including processors for both consumer and commercial PCs, is up by 4% to \$8.6bn. Intel says such performance is thanks to a strong mix of high-performance products and strength in gaming, large commercial and modem. The segment promises to continue on such results in the future, at least if the 10nm Ice Lake processor line remains on track for a Q4 2019 launch.

That said, Intel is taking a cautious approach for the coming quarters, even if it hopes the market will improve by H2 2019. As Swan puts it, "our team is focused on expanding our market opportunity, accelerating our innovation and improving execution while evolving our culture. We aim to capitalise on key technology inflections that set us up to play a larger role in our customers' success, while improving returns for our owners."

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