
Intel: Analysis Of Assets And Liabilities

Balance sheets gathered from Morningstar.com indicate that Intel's total assets have increased from 2016 to 2018 by 14,63 billion. In 2016 their total assets were valued at 113,33 billion, in 2017 123,25 billion and in 2018 127,96 billion, these changes in total assets indicate that they have acquired more assets. Cash and cash equivalents are the lowest in 2018 at a 3,02 billion while in 2016 it was 5,56 billion.

During 2016, Intel has had higher total cash, cash equivalents and short-term investments than in 2018. The decrease is significant, as in 2018 their total was 11.65 billion whereas in 2016 it was 17.10 billion. All in all, the total has decreased 31.87%.

Intel's total inventories have increased in 2018 which is a result of increasing the total work-in-progress inventory that they have acquired. In 2018 their work-in-progress inventory was accountable for 4.51 billion whereas in 2016 it was 3.19 billion, therefore their WIP inventory has risen by 41.38% from 2016 to 2018. This can be explained by the fact that Intel has been producing new products, but they have not been able to bring them into the consumer markets just yet. It has been estimated that Intel will be able to sell their new 10th generation laptops during 2019 (Martindale, 2019), therefore the high WIP rate is understandable as these types of components take a long time to produce.

Intel's total assets have increased over the years, in 2016 their assets were valued at 113.33 billion, in 2017 their total assets had increased by 8.75% to 123.25 billion. In 2018 their total assets have risen by 3,82% to 127.96 billion.

When it comes to the total of current assets, they have been declining over the years as in 2016 they had 35.51 billion and in 2018 they had 28.79 billion, indicating a decrease of 18.92%. This can be explained by the fact that in 2016 and in 2017, Intel had more cash compared to 2018. On the other hand, these figures illustrate that Intel has used the cash available to invest into the company more and to pay back their loans to financial lenders. Also, Intel has paid higher dividends to stockholders in 2018 compared to the past years (Nasdaq.com, 2019).

Intel's non-current assets have increased from 2016 (77.82 billion) to 2018 (99.18 billion) 27.45%, as Intel has invested more into properties, machines and into construction. The main reason for Intel to invest into these assets is that they try to produce and develop new products which require investments into factors of production. On the other hand, their depreciation costs have risen along with the investments. Intel has been able to boost their total gross goodwill and intangible assets radically from 2016 (27.13 billion) to 2018 (41.30 billion). 2017 was a turning point for Intel as they started to step outside of their regular marker segment, PC market, and develop new era technology alongside their regular line of products, therefore they had been able to increase their goodwill and notably make Intel more well-known (Brugger, 2017).

Total liabilities have increased 14.63% from 46.22 billion in 2016 to 52.98 billion in 2018. Even though total liabilities have risen, Intel has been able to deduct their liabilities when comparing 2017 and 2018.

Current liabilities consisting of trade and accounts payable and accrued expenses have also risen in 2018, but the total of current liabilities has decreased over the years from 20.30 billion in 2016 to 16.63 billion in 2018. A remarkable hike up can be seen in total payables and accrued expenses as in 2016 the total was 8.57 billion, in 2017 10.46 billion and in 2018 11.74 billion. All in all, payables and accrued expenses increased 36.99%. A slight increase can be seen in provisions for employee entitlements from 2017(3.53 billion) to 2018 (3.62 billion). In order to accomplish the social goals, Intel had put to place, increasing provisions to employees is understandable. Intel has acquired commercial papers for 0.50 billion in 2018, to ensure funding to their projects. In 2016 or in 2016 Intel has not acquired any commercial papers, although during these years Intel had bank overdraft which did not occur in 2018. Therefore, Intel has found a way to fund their projects without an overdraft. All in all, Intel has been successfully brought their total current financial liabilities down from 4.63 billion in 2016 to 1.26 billion in 2018.