

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

October 31, 2023

Date of Report (Date of earliest event reported)



ADVANCED MICRO DEVICES, INC.

Delaware
(State of
Incorporation)

(Exact name of registrant as specified in its charter)

001-07882

(Commission
File Number)

94-1692300

(IRS Employer
Identification Number)

2485 Augustine Drive
Santa Clara, California 95054

(Address of principal executive offices) (Zip Code)

(408) 749-4000

(Registrant's telephone number, including area code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	AMD	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On October 31, 2023, the Company announced its financial position and results of operations as of and for its third quarter ended September 30, 2023 in a press release that is attached hereto as Exhibit 99.1. Attached hereto as Exhibit 99.2 is a presentation regarding the Company's third quarter 2023.

The Company will hold a conference call on October 31, 2023 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its third quarter 2023 financial results and forward-looking financial guidance.

To supplement the Company's financial results presented on a U.S. Generally Accepted Accounting Principles ("GAAP") basis, the Company's earnings press release and presentation contains non-GAAP financial measures, including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP diluted earnings per share, adjusted EBITDA and free cash flow. The Company uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2023, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information. The Company believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the earnings press release and presentation. The Company's non-GAAP financial measures should be viewed in addition to and not as a substitute for or superior to the Company's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the data tables at the end of the earnings press release and presentation.

The information in this report furnished pursuant to Items 2.02 and 7.01, including Exhibits 99.1 and 99.2 attached hereto, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, if such subsequent filing specifically references the information furnished pursuant to Items 2.02 and 7.01 of this report.

Item 7.01 Regulation FD Disclosure.

The information set forth under Item 2.02 "Results of Operations and Financial Condition" is incorporated into this Item 7.01 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated October 31, 2023
99.2	Third Quarter 2023 Financial Results Presentation
104	Inline XBRL for the cover page of this Current Report on Form 8-K



NEWS RELEASE

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AMD Reports Third Quarter 2023 Financial Results

SANTA CLARA, Calif. — Oct. 31, 2023 — AMD (NASDAQ:AMD) today announced revenue for the third quarter of 2023 of \$5.8 billion, gross margin of 47%, operating income of \$224 million, net income of \$299 million and diluted earnings per share of \$0.18. On a non-GAAP⁽¹⁾ basis, gross margin was 51%, operating income was \$1.3 billion, net income was \$1.1 billion and diluted earnings per share was \$0.70.

“We delivered strong revenue and earnings growth driven by demand for our Ryzen 7000 series PC processors and record server processor sales,” said AMD Chair and CEO Dr. Lisa Su. “Our data center business is on a significant growth trajectory based on the strength of our EPYC CPU portfolio and the ramp of Instinct MI300 accelerator shipments to support multiple deployments with hyperscale, enterprise and AI customers.”

“We executed well in the third quarter, delivering year-over-year growth in revenue, gross margin and earnings per share,” said AMD EVP, CFO and Treasurer Jean Hu. “In the fourth quarter, we expect to see strong growth in Data Center and continued momentum in Client, partially offset by lower sales in the Gaming segment and additional softening of demand in the embedded markets.”

GAAP Quarterly Financial Results

	Q3 2023	Q3 2022	Y/Y	Q2 2023	Q/Q
Revenue (\$M)	\$5,800	\$5,565	Up 4%	\$5,359	Up 8%
Gross profit (\$M)	\$2,747	\$2,354	Up 17%	\$2,443	Up 12%
Gross margin	47%	42%	Up 5 pts	46%	Up 1 ppt
Operating expenses (\$M)	\$2,533	\$2,426	Up 4%	\$2,471	Up 3%
Operating income (loss) (\$M)	\$224	\$(64)	Up 450%	\$(20)	Up 1,220%
Operating margin	4%	(1%)	Up 5 pts	0%	Up 4 pts
Net income (\$M)	\$299	\$66	Up 353%	\$27	Up 1,007%
Diluted earnings per share	\$0.18	\$0.04	Up 350%	\$0.02	Up 800%

Non-GAAP(*) Quarterly Financial Results

	Q3 2023	Q3 2022	Y/Y	Q2 2023	Q/Q
Revenue (\$M)	\$5,800	\$5,565	Up 4%	\$5,359	Up 8%
Gross profit (\$M)	\$2,963	\$2,776	Up 7%	\$2,665	Up 11%
Gross margin	51%	50%	Up 1 ppt	50%	Up 1 ppt
Operating expenses (\$M)	\$1,697	\$1,520	Up 12%	\$1,605	Up 6%
Operating income (\$M)	\$1,276	\$1,264	Flat	\$1,068	Up 19%
Operating margin	22%	23%	Down 1 ppt	20%	Up 2 pts
Net income (\$M)	\$1,135	\$1,095	Up 4%	\$948	Up 20%
Diluted earnings per share	\$0.70	\$0.67	Up 4%	\$0.58	Up 21%

Quarterly Segment Summary

- Data Center segment revenue was \$1.6 billion, flat year-over-year, as growth in 4th Gen AMD EPYC™ CPU sales was offset by a decline in adaptive System-on-Chip (SoC) data center products.
 - Revenue increased 21% sequentially as customer adoption of 4th Gen AMD EPYC CPUs accelerated during the quarter.
 - AMD Instinct™ MI300A and MI300X GPUs are on track for volume production in the fourth quarter to support deployments with several leading HPC, cloud and AI customers.
- Client segment revenue was \$1.5 billion, up 42% year-over-year driven primarily by higher Ryzen mobile processor sales.
 - Revenue grew 46% sequentially driven by an increase in AMD Ryzen™ 7000 Series CPU sales.
- Gaming segment revenue was \$1.5 billion, down 8% year-over-year, primarily due to a decline in semi-custom revenue, partially offset by an increase in AMD Radeon™ GPU sales.
 - Revenue declined 5% sequentially due to lower semi-custom sales.
- Embedded segment revenue was \$1.2 billion, down 5% year-over-year primarily due to a decrease in revenue in the communications market.
 - Revenue decreased 15% sequentially due to inventory correction at customers in several end markets.

Recent PR Highlights

- Cloud adoption of AMD EPYC processors continues to grow significantly, with nearly 100 new instances from Microsoft Azure, AWS, Oracle and others available for preview and general access, including new AWS instances powered by 4th Gen AMD EPYC CPUs that deliver leadership performance and energy efficiency.
- AMD expanded the 4th Gen EPYC CPU portfolio with the launch of the AMD EPYC 8004 Series processors, purpose built to deliver exceptional energy efficiency and performance for cloud services, intelligent edge and telco.
- AMD made significant progress powering pervasive AI across the cloud, edge and end point devices:
 - AMD completed the acquisition of open-source AI software expert Nod.ai, expanding the company's open AI software capabilities. Nod.ai has developed an industry-leading software technology that accelerates the deployment of AI solutions optimized for AMD Instinct data center accelerators, Ryzen AI processors, EPYC processors, Versal™ SoCs and Radeon GPUs.
 - AMD acquired AI software leader Mipsology. With proven expertise delivering AI software and solutions running on top of AMD adaptive computing silicon, the Mipsology team will help develop the full AMD AI software stack and expand the open ecosystem of software tools, libraries and models.
 - AI startup Lamini unveiled that it has been running production-ready Large Language Models (LLMs) exclusively on AMD Instinct accelerators, enabling enterprise customers to deploy LLMs finetuned for their specific data across hundreds of AMD Instinct MI250 GPUs with only three lines of code.
- AMD expanded its AMD Ryzen processor lineup, delivering more performance and capabilities for enthusiasts, gamers and creators:
 - AMD announced the AMD Ryzen Threadripper™ PRO 7000 WX-Series and Ryzen Threadripper 7000 processors, delivering outstanding performance for the most demanding desktop platforms. Ryzen Threadripper PRO 7000 WX-Series processors will be available later this year to DIY customers, SI partners and through OEM partners including Dell Technologies, HP and Lenovo.
 - AMD launched new Ryzen 7045HX3D Series mobile processors, the first mobile processor with AMD 3D V-Cache™ technology, and the world's fastest mobile gaming processor.
 - AMD launched the AMD Ryzen 5 5600X3D processor, delivering incredible gaming performance with AMD 3D V-cache technology.
- Leadership AMD adaptive and embedded computing products are enabling new capabilities in key markets:

- AMD extended its leadership in radiation-tolerant, space-grade compute solutions with the announcement of the Versal AI Edge XQRVE2302, the second device in the Versal adaptive SoC portfolio to be qualified for space flight.
- AMD announced the AMD Alveo™ UL3524 accelerator card, a new fintech accelerator designed for electronic trading applications and AI-enabled trading strategies.
- AMD announced the AMD Kria™ K24 System-on-Module (SOM) and KD240 Drives Starter Kit, offering power-efficient compute in a small form factor for cost-sensitive industrial and commercial edge applications.
- New AMD graphics processors and software features are enabling incredible experiences for gamers and professionals:
 - AMD introduced the flagship laptop graphics processor, AMD Radeon RX 7900M, the fastest AMD Radeon GPU ever developed for laptops, delivering desktop-class performance for gaming and content creation.
 - AMD launched the Radeon RX 7800 XT and Radeon RX 7700 XT graphics cards, optimized to deliver incredibly high-performance, high-refresh 1440p gaming experiences for demanding AAA and esports titles.
 - AMD launched FidelityFX™ Super Resolution 3 in *Forspoken* and *Immortals of Aveum*, featuring new frame generation technology that delivers massive performance improvements over both native resolution and temporal upscaling.
 - AMD launched the latest version of the AMD Software: Adrenalin Edition application featuring AMD HYPR-RX technology, allowing AMD Radeon Super Resolution and AMD Radeon Boost technologies to work together to deliver greater performance.
 - AMD launched the Radeon PRO W7600 and Radeon PRO W7500 workstation graphics cards, engineered to tackle workloads across a range of professional industries.
- AMD published its annual Corporate Responsibility Report, detailing 2022 progress across focus areas spanning digital impact, environmental sustainability, supply chain responsibility, and diversity, belonging and inclusion.
- AMD announced plans to invest approximately \$400 million over the next five years to expand research, development and engineering operations in India, including the addition of approximately 3,000 new engineering roles by the end of 2028.

Current Outlook

AMD's outlook statements are based on current expectations. The following statements are forward-looking and actual results could differ materially depending on market conditions and the factors set forth under "Cautionary Statement" below.

For the fourth quarter of 2023, AMD expects revenue to be approximately \$6.1 billion, plus or minus \$300 million. At the mid-point of the revenue range, this represents year-over-year growth of approximately 9% and sequential growth of approximately 5%. Non-GAAP gross margin is expected to be approximately 51.5%.

AMD Teleconference

AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its third quarter 2023 financial results. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its website at www.amd.com.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(in millions, except per share data) (Unaudited)

	Three Months Ended					
	September 30, 2023		July 1, 2023		September 24, 2022	
GAAP gross profit	\$	2,747	\$	2,443	\$	2,354
GAAP gross margin		47 %		46 %		42 %
Stock-based compensation		6		10		8
Amortization of acquisition-related intangibles		210		212		412
Acquisition-related and other costs ⁽¹⁾		—		—		2
Non-GAAP gross profit	\$	2,963	\$	2,665	\$	2,776
Non-GAAP gross margin		51 %		50 %		50 %
GAAP operating expenses	\$	2,533	\$	2,471	\$	2,426
GAAP operating expenses/revenue %		44 %		46 %		44 %
Stock-based compensation		347		338		261
Amortization of acquisition-related intangibles		450		481		590
Acquisition-related and other costs ⁽¹⁾		39		47		55
Non-GAAP operating expenses	\$	1,697	\$	1,605	\$	1,520
Non-GAAP operating expenses/revenue %		29 %		30 %		27 %
GAAP operating income (loss)	\$	224	\$	(20)	\$	(64)
GAAP operating margin		4 %		0 %		(1)%
Stock-based compensation		353		348		269
Amortization of acquisition-related intangibles		660		693		1,002
Acquisition-related and other costs ⁽¹⁾		39		47		57
Non-GAAP operating income	\$	1,276	\$	1,068	\$	1,264
Non-GAAP operating margin		22 %		20 %		23 %

	Three Months Ended											
	September 30, 2023		July 1, 2023		September 24, 2022							
GAAP net income / diluted earnings per share	\$	299	\$	0.18	\$	27	\$	0.02	\$	66	\$	0.04
(Gains) losses on equity investments, net		(4)		—		3		—		3		—
Stock-based compensation		353		0.22		348		0.21		269		0.16
Equity income in investee		(3)		—		(6)		—		(4)		—
Amortization of acquisition-related intangibles		660		0.41		693		0.42		1,002		0.62
Acquisition-related and other costs ⁽¹⁾		39		0.02		47		0.03		57		0.04
Income tax provision		(209)		(0.13)		(164)		(0.10)		(298)		(0.19)
Non-GAAP net income / diluted earnings per share	\$	1,135	\$	0.70	\$	948	\$	0.58	\$	1,095	\$	0.67

(1) Acquisition-related and other costs primarily comprised of transaction costs, purchase price adjustments for inventory, certain compensation charges, contract termination and workforce rebalancing charges.

About AMD

For more than 50 years AMD has driven innovation in high-performance computing, graphics and visualization technologies. AMD employees are focused on building leadership high-performance and adaptive products that push the boundaries of what is possible. Billions of people, leading Fortune 500 businesses and cutting-edge scientific research institutions around the world rely on AMD technology daily to improve how they live, work and play. For more information about how AMD is enabling today and inspiring tomorrow, visit the AMD (NASDAQ: AMD) website, blog, Facebook and Twitter pages.

Cautionary Statement

This press release contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as the significant growth trajectory of AMD's data center business; that AMD expects to see strong growth in Data Center and continued momentum in Client, partially offset by lower sales in the Gaming segment and additional softening of demand in the embedded markets; that AMD Instinct™ MI300A and MI300X GPUs are on track for volume production in the fourth quarter of 2023 to support deployments with several leading HPC, Cloud and AI customers; the features, functionality, performance, availability, timing and expected benefits of AMD products; AMD's plans to invest approximately \$400 million over the next five years to expand research, development and engineering operations in India, including the addition of approximately 3,000 new engineering roles by the end of 2028; and AMD's expected fourth quarter 2023 financial outlook, including revenue and non-GAAP gross margin, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this press release are based on current beliefs, assumptions and expectations, speak only as of the date of this press release and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; global economic uncertainty; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; potential difficulties in upgrading and operating AMD's new enterprise resource planning system; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments on AMD's business and AMD's ability to integrate acquired businesses; impact of any impairment of AMD's tangible, definite-lived or indefinite-lived intangible assets, including goodwill, on AMD's financial position and results of operation; restrictions imposed by agreements governing AMD's notes, the guarantees of Xilinx's notes and the revolving credit facility; AMD's indebtedness; AMD's ability to generate sufficient cash to meet its working capital requirements or generate sufficient revenue and operating cash flow to make all of its planned R&D or strategic investments, as well as the impact of financial institution failure on AMD's cash and cash equivalents; political, legal, economic risks and natural disasters; future impairments of technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

(*) In this earnings press release, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP diluted earnings per share. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2023, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information. AMD also provided adjusted EBITDA and free cash flow as supplemental non-GAAP measures of its performance. These items are defined in the footnotes to the selected corporate data tables provided at the end of this earnings press release. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the footnotes to the selected data tables. The non-GAAP financial measures disclosed in this earnings press release should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the data tables in this earnings press release. This earnings press release also contains forward-looking non-GAAP gross margin concerning AMD's financial outlook, which is based on current expectations as of October 31, 2023 and assumptions and beliefs that involve numerous risks and uncertainties. Adjustments to arrive at the GAAP gross margin outlook typically include stock-based compensation, amortization of acquired intangible assets and acquisition-related and other costs. The timing and impact of such adjustments are dependent on future events that are typically uncertain or outside of AMD's control, therefore, a reconciliation to equivalent GAAP measures is not practicable at this time. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law.

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ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Millions except per share amounts and percentages) (Unaudited)

	Three Months Ended			Nine Months Ended	
	September 30, 2023	July 1, 2023	September 24, 2022	September 30, 2023	September 24, 2022
Net revenue	\$ 5,800	\$ 5,359	\$ 5,565	\$ 16,512	\$ 18,002
Cost of sales	2,843	2,704	2,799	8,236	8,797
Amortization of acquisition-related intangibles	210	212	412	727	1,005
Total cost of sales	3,053	2,916	3,211	8,963	9,802
Gross profit	2,747	2,443	2,354	7,549	8,200
Gross margin	47 %	46 %	42 %	46 %	46 %
Research and development	1,507	1,443	1,279	4,361	3,639
Marketing, general and administrative	576	547	557	1,708	1,746
Amortization of acquisition-related intangibles	450	481	590	1,449	1,499
Licensing gain	(10)	(8)	(8)	(28)	(97)
Operating income (loss)	224	(20)	(64)	59	1,413
Interest expense	(26)	(28)	(31)	(79)	(69)
Other income (expense), net	59	46	22	148	(24)
Income (loss) before income taxes and equity income	257	(2)	(73)	128	1,320
Income tax provision (benefit)	(39)	(23)	(135)	(49)	32
Equity income in investee	3	6	4	10	11
Net income	\$ 299	\$ 27	\$ 66	\$ 187	\$ 1,299
Earnings per share					
Basic	\$ 0.18	\$ 0.02	\$ 0.04	\$ 0.12	\$ 0.84
Diluted	\$ 0.18	\$ 0.02	\$ 0.04	\$ 0.11	\$ 0.84
Shares used in per share calculation					
Basic	1,616	1,612	1,615	1,613	1,542
Diluted	1,629	1,627	1,625	1,625	1,555

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions)

	September 30, 2023	December 31, 2022
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,561	\$ 4,835
Short-term investments	2,224	1,020
Accounts receivable, net	5,054	4,126
Inventories	4,445	3,771
Receivables from related parties	1	2
Prepaid expenses and other current assets	1,403	1,265
Total current assets	16,688	15,019
Property and equipment, net	1,566	1,513
Operating lease right-of-use assets	507	460
Goodwill	24,186	24,177
Acquisition-related intangibles, net	21,950	24,118
Investment: equity method	93	83
Deferred tax assets	76	58
Other non-current assets	2,560	2,152
Total Assets	\$ 67,626	\$ 67,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,245	\$ 2,493
Payables to related parties	325	463
Accrued liabilities	3,376	3,077
Current portion of long-term debt, net	752	—
Other current liabilities	929	336
Total current liabilities	7,627	6,369
Long-term debt, net of current portion	1,715	2,467
Long-term operating lease liabilities	395	396
Deferred tax liabilities	1,152	1,934
Other long-term liabilities	1,767	1,664
Stockholders' equity:		
Capital stock:		
Common stock, par value	17	16
Additional paid-in capital	59,182	58,005
Treasury stock, at cost	(4,235)	(3,099)
Retained earnings (Accumulated deficit)	56	(131)
Accumulated other comprehensive loss	(50)	(41)
Total stockholders' equity	\$ 54,970	\$ 54,750
Total Liabilities and Stockholders' Equity	\$ 67,626	\$ 67,580

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions) (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 24, 2022	September 30, 2023	September 24, 2022
Cash flows from operating activities:				
Net income	\$ 299	\$ 66	\$ 187	\$ 1,299
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	823	1,165	2,654	2,954
Stock-based compensation	353	275	1,010	766
Amortization of operating lease right-of-use assets	25	23	73	63
Amortization of inventory fair value adjustment	—	2	3	187
Loss on sale or disposal of property and equipment	3	—	10	15
Deferred income taxes	(218)	(710)	(800)	(1,328)
(Gains) losses on equity investments, net	(3)	3	(1)	57
Other	(23)	(5)	(43)	(9)
Changes in operating assets and liabilities				
Accounts receivable, net	(743)	(285)	(929)	(1,301)
Inventories	122	(723)	(674)	(997)
Receivables from related parties	1	—	1	(1)
Prepaid expenses and other assets	(143)	(588)	(380)	(825)
Payables to related parties	13	36	(137)	313
Accounts payable	(547)	783	(238)	811
Accrued and other liabilities	459	923	550	994
Net cash provided by operating activities	421	965	1,286	2,998
Cash flows from investing activities:				
Purchases of property and equipment	(124)	(123)	(407)	(326)
Purchases of short-term investments	(496)	(1,779)	(3,312)	(2,399)
Proceeds from maturity of short-term investments	746	615	1,917	2,864
Proceeds from sale of short-term investments	—	—	248	—
Cash received from acquisition of Xilinx	—	—	—	2,366
Acquisitions, net of cash acquired	(14)	—	(14)	(1,558)
Other	(10)	(11)	(5)	(15)
Net cash provided by (used in) investing activities	102	(1,298)	(1,573)	932
Cash flows from financing activities:				
Proceeds from debt, net of issuance costs	—	—	—	991
Repayment of debt	—	(312)	—	(312)
Proceeds from sales of common stock through employee equity plans	4	1	148	79
Repurchases of common stock	(511)	(617)	(752)	(3,452)
Common stock repurchases for tax withholding on employee equity plans	(295)	(305)	(382)	(371)
Other	(1)	—	(1)	(2)
Net cash used in financing activities	(803)	(1,233)	(987)	(3,067)
Net increase (decrease) in cash and cash equivalents	(280)	(1,566)	(1,274)	863
Cash and cash equivalents at beginning of period	3,841	4,964	4,835	2,535
Cash and cash equivalents at end of period	\$ 3,561	\$ 3,398	\$ 3,561	\$ 3,398

ADVANCED MICRO DEVICES, INC.
SELECTED CORPORATE DATA
(Millions) (Unaudited)

	Three Months Ended			Nine Months Ended	
	September 30, 2023	July 1, 2023	September 24, 2022	September 30, 2023	September 24, 2022
Segment and Category Information⁽¹⁾					
Data Center					
Net revenue	\$ 1,598	\$ 1,321	\$ 1,609	\$ 4,214	\$ 4,388
Operating income	\$ 306	\$ 147	\$ 505	\$ 601	\$ 1,404
Client					
Net revenue	\$ 1,453	\$ 998	\$ 1,022	\$ 3,190	\$ 5,298
Operating income (loss)	\$ 140	\$ (69)	\$ (26)	\$ (101)	\$ 1,342
Gaming					
Net revenue	\$ 1,506	\$ 1,581	\$ 1,631	\$ 4,844	\$ 5,161
Operating income	\$ 208	\$ 225	\$ 142	\$ 747	\$ 687
Embedded					
Net revenue	\$ 1,243	\$ 1,459	\$ 1,303	\$ 4,264	\$ 3,155
Operating income	\$ 612	\$ 757	\$ 635	\$ 2,167	\$ 1,553
All Other					
Net revenue	\$ —	\$ —	\$ —	\$ —	\$ —
Operating loss	\$ (1,042)	\$ (1,080)	\$ (1,320)	\$ (3,355)	\$ (3,573)
Total					
Net revenue	\$ 5,800	\$ 5,359	\$ 5,565	\$ 16,512	\$ 18,002
Operating income (loss)	\$ 224	\$ (20)	\$ (64)	\$ 59	\$ 1,413
Other Data					
Capital expenditures	\$ 124	\$ 125	\$ 123	\$ 407	\$ 326
Adjusted EBITDA ⁽²⁾	\$ 1,439	\$ 1,224	\$ 1,427	\$ 3,920	\$ 5,533
Cash, cash equivalents and short-term investments	\$ 5,785	\$ 6,285	\$ 5,591	\$ 5,785	\$ 5,591
Free cash flow ⁽³⁾	\$ 297	\$ 254	\$ 842	\$ 879	\$ 2,672
Total assets	\$ 67,626	\$ 67,967	\$ 67,811	\$ 67,626	\$ 67,811
Total debt	\$ 2,467	\$ 2,467	\$ 2,466	\$ 2,467	\$ 2,466

- (1) The Data Center segment primarily includes server microprocessors (CPUs) and graphics processing units (GPUs), data processing units (DPUs), Field Programmable Gate Arrays (FPGAs) and Adaptive System-on-Chip (SoC) products for data centers.
The Client segment primarily includes CPUs, accelerated processing units that integrate microprocessors and GPUs (APUs), and chipsets for desktop and notebook personal computers.
The Gaming segment primarily includes discrete GPUs, semi-custom SoC products and development services.
The Embedded segment primarily includes embedded CPUs and GPUs, APUs, FPGAs, and Adaptive SoC products.
From time to time, the Company may also sell or license portions of its IP portfolio.
All Other category primarily includes certain expenses and credits that are not allocated to any of the operating segments, such as amortization of acquisition-related intangible asset, employee stock-based compensation expense, acquisition-related and other costs, and licensing gain.

(2) **Reconciliation of GAAP Net Income to Adjusted EBITDA**

	Three Months Ended			Nine Months Ended	
	September 30, 2023	July 1, 2023	September 24, 2022	September 30, 2023	September 24, 2022
GAAP net income	\$ 299	\$ 27	\$ 66	\$ 187	\$ 1,299
Interest expense	26	28	31	79	69
Other (income) expense, net	(59)	(46)	(22)	(148)	24
Income tax provision (benefit)	(39)	(23)	(135)	(49)	32
Equity income in investee	(3)	(6)	(4)	(10)	(11)
Stock-based compensation	353	348	269	1,006	702
Depreciation and amortization	163	156	163	478	450
Amortization of acquisition-related intangibles	660	693	1,002	2,176	2,504
Acquisition-related and other costs	39	47	57	201	464
Adjusted EBITDA	<u>\$ 1,439</u>	<u>\$ 1,224</u>	<u>\$ 1,427</u>	<u>\$ 3,920</u>	<u>\$ 5,533</u>

The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting GAAP net income for interest expense, other income (expense), net, income tax provision (benefit), equity income in investee, stock-based compensation, depreciation and amortization expense (including amortization of acquisition-related intangibles), acquisition-related and other costs. The Company calculates and presents Adjusted EBITDA because management believes it is of importance to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. In addition, the Company presents Adjusted EBITDA because it believes this measure assists investors in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of income or GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities that can affect cash flows.

(3) **Reconciliation of GAAP Net Cash Provided by Operating Activities to Free Cash Flow**

	Three Months Ended			Nine Months Ended	
	September 30, 2023	July 1, 2023	September 24, 2022	September 30, 2023	September 24, 2022
GAAP net cash provided by operating activities	\$ 421	\$ 379	\$ 965	\$ 1,286	\$ 2,998
Operating cash flow margin %	7 %	7 %	17 %	8 %	17 %
Purchases of property and equipment	\$ (124)	\$ (125)	\$ (123)	\$ (407)	\$ (326)
Free cash flow	<u>\$ 297</u>	<u>\$ 254</u>	<u>\$ 842</u>	<u>\$ 879</u>	<u>\$ 2,672</u>
Free cash flow margin %	5 %	5 %	15 %	5 %	15 %

The Company also presents free cash flow as a supplemental Non-GAAP measure of its performance. Free cash flow is determined by adjusting GAAP net cash provided by operating activities for capital expenditures, and free cash flow margin % is free cash flow expressed as a percentage of the Company's net revenue. The Company calculates and communicates free cash flow in the financial earnings press release because management believes it is of importance to investors to understand the nature of these cash flows. The Company's calculation of free cash flow may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view free cash flow as an alternative to GAAP liquidity measures of cash flows from operating activities.

AMD
FINANCIAL
RESULTS

Third Quarter 2023

October 31, 2023

CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD), such as the features, functionality, performance, availability, timing and expected benefits of AMD products; AMD's expected fourth quarter 2023 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP tax rate and diluted share count; AMD's large and compelling TAM; AMD's ability to expand Data Center and AI leadership; and AMD's ability to drive long-term shareholder returns, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this presentation are based on current beliefs, assumptions and expectations, speak only as of the date of this presentation and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; global economic uncertainty; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; potential difficulties in upgrading and operating AMD's new enterprise resource planning system; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments on AMD's business and AMD's ability to integrate acquired businesses; impact of any impairment of AMD's tangible, definite-lived or indefinite-lived intangible assets, including goodwill, on AMD's financial position and results of operation; restrictions imposed by agreements governing AMD's notes, the guarantees of Xilinx's notes and the revolving credit facility; AMD's indebtedness; AMD's ability to generate sufficient cash to meet its working capital requirements or generate sufficient revenue and operating cash flow to make all of its planned R&D or strategic investments, as well as the impact of financial institution failure on AMD's cash and cash equivalents; political, legal, economic risks and natural disasters; future impairments of technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

NON-GAAP FINANCIAL MEASURES

In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income and non-GAAP diluted earnings per share. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal year 2023, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance. The non-GAAP financial measures disclosed in this presentation should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the Appendices at the end of this presentation. This presentation also contains forward-looking non-GAAP measures concerning AMD's financial outlook such as gross margin and operating expenses. These forward-looking non-GAAP measures are based on current expectations as of October 31, 2023, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its forward-looking statements made in this presentation except as may be required by law.

AMD

OUR JOURNEY

Leadership
Product Portfolio

Expanding Customer
& Partner Ecosystem

Data Center
and AI Growth

Strong
Financial Foundation

OUR LEADERSHIP TECHNOLOGY



Broad IP Portfolio

Executing leadership CPU, GPU, DPU, FPGA, Adaptive SoC and AI products



Advanced Technology

Driving leadership process technology and 3D chiplet packaging



Data Center Leadership

Delivering innovation in cloud, enterprise, AI and accelerated computing



Software Enablement

Open-source software optimized for performance across heterogenous solutions

OUR LEADERSHIP PRODUCTS



Data Center

Leadership data center and AI solutions with server CPUs, GPUs, FPGAs, DPUs and Adaptive SoCs



Client

Leadership CPUs and APUs for notebook and desktop PCs and commercial workstations



Gaming

Top-to-bottom desktop and notebook GPUs, game console and semi-custom SoCs



Embedded

Leadership FPGAs, Adaptive SoCs and SoMs, and embedded CPUs and GPUs for a broad set of markets

AMD IS UNIQUELY POSITIONED IN AI



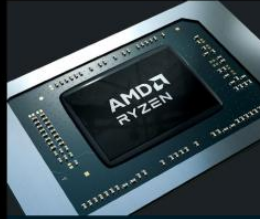
AMD Instinct™
MI250 & MI300
Accelerators

Data Center HPC
and AI Solutions



AMD 4th Gen EPYC™
Processors

Leadership
Server Solutions



Ryzen™ 7040
Mobile processors
with AI accelerator

First x86 CPU with
Integrated AI accelerator



Embedded
Versal™ AI Edge
Zynq™ MPSoC

Adaptive SoC + AI
for Embedded



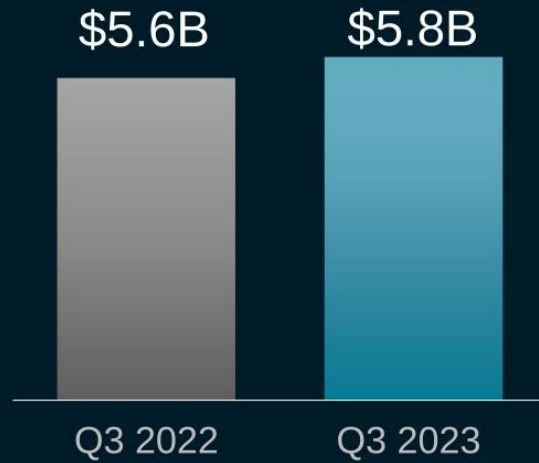
AMD Alveo™
Accelerators

AI Inference
Optimized Solutions

DELIVERING A COMPREHENSIVE AI COMPUTE PORTFOLIO

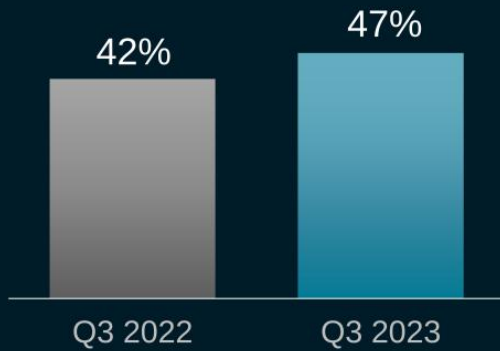
REVENUE Q3 2023

- Revenue of \$5.8 billion increased 4% y/y as growth in Client segment revenue was partially offset by lower Gaming and Embedded segment revenue



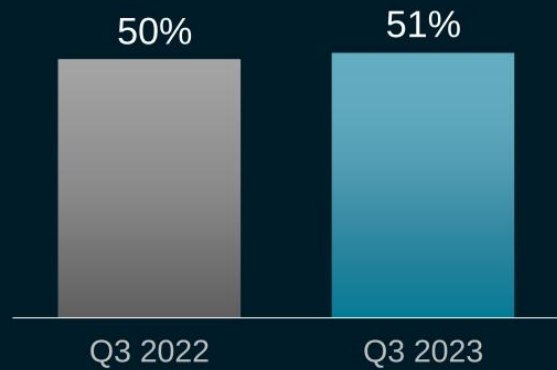
GROSS MARGIN Q3 2023

GAAP



- GAAP gross margin increase driven by lower amortization of acquisition-related intangible assets, stronger Client segment revenue and product mix

Non-GAAP¹



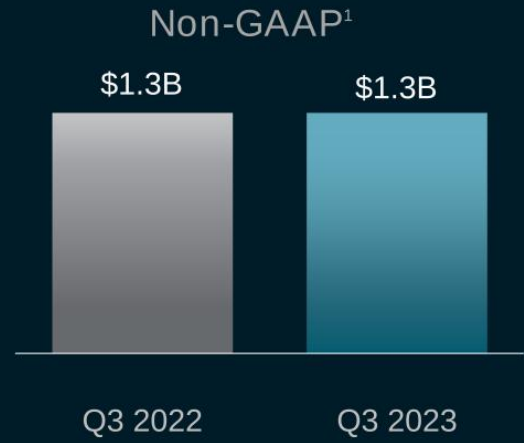
- Non-GAAP gross margin increase primarily driven by stronger Client segment revenue and product mix

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME (LOSS) Q3 2023



- GAAP operating income driven by lower amortization of acquisition-related intangible assets, stronger Client segment revenue and product mix, partially offset by increased R&D investments in AI

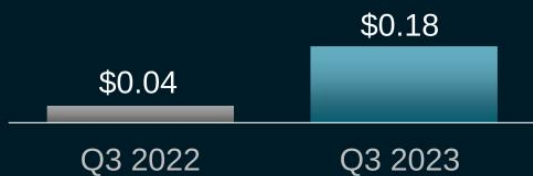


- Non-GAAP operating income flat y/y due to stronger Client segment revenue and product mix, offset by increased R&D investments in AI

1. See Appendices for GAAP to Non-GAAP reconciliation

EARNINGS PER SHARE¹ Q3 2023

GAAP



- GAAP net income of \$299 million, up 353% y/y
- GAAP EPS of \$0.18, up 350% y/y, primarily driven by lower amortization of acquisition-related intangible assets and stronger Client segment revenue

Non-GAAP



- Non-GAAP net income of \$1.1 billion, up 4% y/y
- Non-GAAP EPS of \$0.70, up 4% y/y, primarily driven by stronger Client segment revenue

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

Q3 2023 SUMMARY P&L | GAAP

(\$ in millions, except per share data)	Q3'23	Q3'22	Y/Y	Q2'23	Q/Q
Revenue	\$5,800	\$5,565	Up 4%	\$5,359	Up 8%
Gross Profit	\$2,747	\$2,354	Up 17%	\$2,443	Up 12%
Gross Margin	47%	42%	Up 5 ppts	46%	Up 1 ppt
Operating Expenses	\$2,533	\$2,426	Up 4%	\$2,471	Up 3%
Operating Expense/Revenue %	44%	44%	Flat	46%	Down 2 ppts
Operating Income (Loss)	\$224	(\$64)	Up 450%	(\$20)	Up 1,220%
Operating Margin	4%	(1%)	Up 5 ppts	0%	Up 4 ppts
Net Income	\$299	\$66	Up 353%	\$27	Up 1,007%
Earnings Per Share ¹	\$0.18	\$0.04	Up 350%	\$0.02	Up 800%

1. Earnings Per Share (EPS) = Diluted earnings per share

Q3 2023 SUMMARY P&L | NON-GAAP¹

(\$ in millions, except per share data)	Q3'23	Q3'22	Y/Y	Q2'23	Q/Q
Revenue	\$5,800	\$5,565	Up 4%	\$5,359	Up 8%
Gross Profit	\$2,963	\$2,776	Up 7%	\$2,665	Up 11%
Gross Margin	51%	50%	Up 1 ppt	50%	Up 1 ppt
Operating Expenses	\$1,697	\$1,520	Up 12%	\$1,605	Up 6%
Operating Expense/Revenue %	29%	27%	Up 2 ppts	30%	Down 1 ppt
Operating Income	\$1,276	\$1,264	Flat	\$1,068	Up 19%
Operating Margin	22%	23%	Down 1 ppt	20%	Up 2 ppt
Net Income	\$1,135	\$1,095	Up 4%	\$948	Up 20%
Earnings Per Share	\$0.70	\$0.67	Up 4%	\$0.58	Up 21%

1. See Appendices for GAAP to Non-GAAP reconciliation; Earnings Per Share (EPS) = Diluted earnings per share

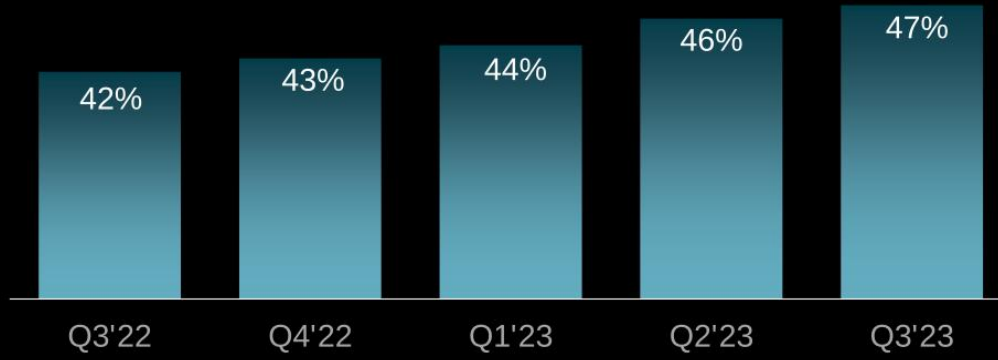
REVENUE

(\$ in Billions)



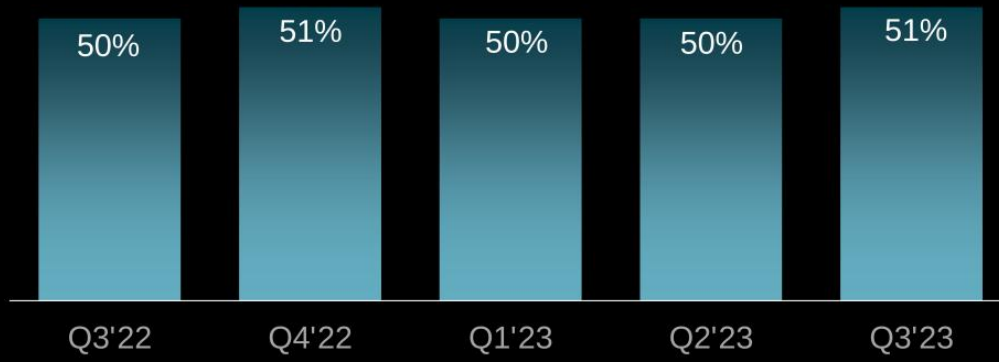
GROSS MARGIN

(GAAP)



GROSS MARGIN

(Non-GAAP)¹



EARNINGS (LOSS) PER SHARE¹

(GAAP)



1. Earnings Per Share (EPS) = Diluted earnings per share except for Q1'23 for which basic shares were used

EARNINGS PER SHARE

(Non-GAAP)¹



1. See Appendices for GAAP to Non-GAAP reconciliation; Earnings Per Share (EPS) = Diluted earnings per share

Q3 2023 SUMMARY BALANCE SHEET ITEMS

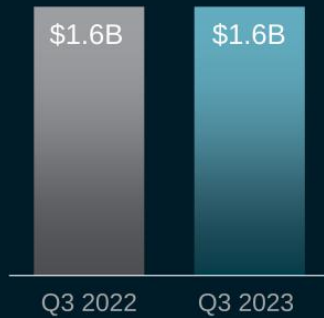
(\$ in millions)	Q3'23	Q2'23	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$5,785	\$6,285	Down 8%
Accounts Receivable, Net	\$5,054	\$4,312	Up 17%
Inventories	\$4,445	\$4,567	Down 3%
Total Debt	\$2,467	\$2,467	Flat

Q3 2023 SEGMENT RESULTS

(\$ in millions)	Q3'23	Q3'22	Y/Y	Q2'23	Q/Q
Data Center					
Net Revenue	\$1,598	\$1,609	Flat	\$1,321	Up 21%
Operating Income	\$306	\$505	Down 39%	\$147	Up 108%
Client					
Net Revenue	\$1,453	\$1,022	Up 42%	\$998	Up 46%
Operating Income (Loss)	\$140	(\$26)	Up 638%	(\$69)	Up 303%
Gaming					
Net Revenue	\$1,506	\$1,631	Down 8%	\$1,581	Down 5%
Operating Income	\$208	\$142	Up 46%	\$225	Down 8%
Embedded					
Net Revenue	\$1,243	\$1,303	Down 5%	\$1,459	Down 15%
Operating Income	\$612	\$635	Down 4%	\$757	Down 19%

DATA CENTER SEGMENT Q3 2023

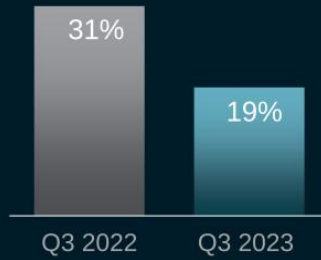
Revenue



Revenue
\$1.6 Billion
 Flat y/y

Growth in 4th Gen EPYC™ CPU sales
 offset by decrease in adaptive
 System-on-Chip (SoC) product sales

Operating Margin



Operating Income
\$306 Million
 vs. \$505 Million a year ago

Primarily due to increased R&D
 investments to support future AI revenue
 growth and product mix

Strategic Highlights

- Almost 100 new AMD processor-powered cloud instances launched from Amazon, Google, Microsoft, Oracle, Tencent and others
- Enterprise wins in automotive, aerospace, financial services, pharmaceutical and technology
- Launched 4th Gen EPYC "Siena" processors for intelligent edge and telco applications
- Announced acquisitions of Mipsology and Nod.ai to support expanding AI software capabilities
- AMD Instinct™ MI300A and MI300X GPU production shipments expected during Q4'23

CLIENT SEGMENT Q3 2023



Revenue
\$1.5 Billion
Up 42% y/y

Primarily driven by higher
Ryzen mobile processor sales

Operating Margin



Operating Income
\$140 Million
vs. \$26 Million Loss
a year ago

Primarily driven by higher revenue
and lower operating expenses



Strategic Highlights

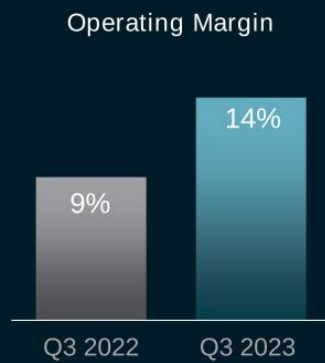
- Growth driven by strong demand for Ryzen™ 7000 series desktop and notebook processors
- More than 50 notebook designs powered by Ryzen AI in market
- Launched first Threadripper™ PRO workstation CPUs based on “Zen 4” core with Dell, HP and Lenovo announcing workstations powered by new Threadripper PRO processors

GAMING SEGMENT Q3 2023



Revenue
\$1.5 Billion
Down 8% y/y

Primarily due to decreased semi-custom revenue, partially offset by increased Radeon GPU sales



Operating Income
\$208 Million
vs. \$142 Million a year ago

Primarily driven by increased Radeon GPU revenue

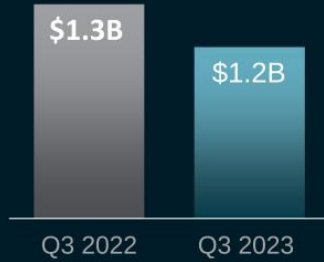


Strategic Highlights

- Launched new Radeon™ RX 7000 enthusiast desktop GPUs offering leadership price/performance for 1440P gamers
- Launched first AMD RDNA 3 architecture-based mobile GPU enabling desktop-level performance in Alienware's newest m18 gaming laptop

EMBEDDED SEGMENT Q3 2023

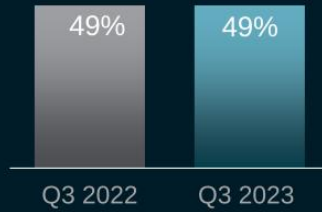
Revenue



Revenue
\$1.2 Billion
Down 5% y/y

Primarily due to lower revenue in the communications market

Operating Margin



Operating Income
\$612 Million
vs. \$635 Million a year ago

Slight decline in operating income primarily due to higher R&D expenses

AMD ALVED AMD VERSAL AMD ZYNQ AMD EPYC AMD RYZEN
Embedded Embedded

Strategic Highlights

- Launched first AMD adaptive SoCs with on-chip HBM memory delivering significant performance and efficiency for data center, network, test and aerospace applications
- Announced next-generation space-grade Versal SoC integrating an enhanced AI Engine
- Launched Alveo accelerator card for fintech market delivering 7x improvement in latency compared to prior generation*

FINANCIAL OUTLOOK – NON-GAAP¹

(\$ in millions)	Q4'23
Revenue	~\$6.1 Billion +/- \$300 Million Increase of ~9% y/y and ~5% q/q
Gross Margin	~51.5%
Operating Expenses	~\$1.74 Billion
Effective Tax Rate	~13% of pre-tax income
Diluted Share Count ²	~1.63 Billion shares

1. See Cautionary Statement on Slide 2. These forward-looking outlook statements and non-GAAP measures are based on current expectations as of October 31, 2023, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law. All items, except revenue, are on a non-GAAP basis. Adjustments to arrive at the GAAP financial outlook typically include stock-based compensation, amortization of acquired intangible assets, income tax provision, and other non-recurring items such as impairment charges and acquisition-related costs. The timing and impact of such adjustments are dependent on future events that are typically uncertain or outside of AMD's control, therefore, a reconciliation to equivalent GAAP measures is not practicable at this time.

2. Refer to Diluted Share Count overview in the Appendices

Q3 2023 SUMMARY¹

Revenue
\$5.8B
Up 4% y/y

Client Segment
Revenue \$1.5B
Up 42% y/y

Gross Margin 47%
Non-GAAP
Gross Margin 51%

EPS \$0.18
Non-GAAP EPS \$0.70

Y/Y GROWTH IN REVENUE, GROSS MARGIN AND EPS

STRONG DEMAND FOR 4TH GEN EPYC
AND RYZEN 7000 PROCESSORS

AMD COMMITMENT TO ESG



Environmental

Advancing environmental solutions in our products, supply chain and operations, while accelerating energy efficiency for IT users

Social

Fostering a culture of diversity, belonging and inclusion, partnering with suppliers and positively impacting our communities

Governance

Integrating corporate responsibility and governance across product design, supply chain, operations and external engagement

TOGETHER WE ADVANCE CORPORATE RESPONSIBILITY

OUR MOMENTUM

Large and
Compelling
TAM

Technology
Leadership

Expanding
Data Center and
AI Leadership

World-Class
Execution
and Focus

Strong
Balance Sheet

DRIVING LONG-TERM SHAREHOLDER RETURNS

APPENDICES

RECONCILIATION OF GAAP TO NON-GAAP GROSS PROFIT AND GROSS MARGIN

(Millions) (Unaudited)	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
GAAP gross profit	\$ 2,354	\$ 2,403	\$ 2,359	\$ 2,443	\$ 2,747
GAAP gross margin	42%	43%	44%	46%	47%
Stock-based compensation	8	9	8	10	6
Amortization of acquisition-related intangibles	412	443	305	212	210
Acquisition-related and other costs ⁽¹⁾	2	4	3	-	-
Non-GAAP gross profit	\$ 2,776	\$ 2,859	\$ 2,675	\$ 2,665	\$ 2,963
Non-GAAP gross margin	50%	51%	50%	50%	51%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(Millions) (Unaudited)	Q3'23	Q3'22	Q2'23
GAAP operating expenses	\$ 2,533	\$ 2,426	\$ 2,471
GAAP operating expenses/revenue %	44%	44%	46%
Stock-based compensation	347	261	338
Amortization of acquisition-related intangibles	450	590	481
Acquisition-related and other costs ⁽¹⁾	39	55	47
Non-GAAP operating expenses	\$ 1,697	\$ 1,520	\$ 1,605
Non-GAAP operating expenses/revenue %	29%	27%	30%

(1) Acquisition-related and other costs primarily comprised of transaction costs, purchase price adjustments for inventory, certain compensation charges, contract termination and workforce rebalancing charges.

APPENDICES

RECONCILIATION OF GAAP OPERATING INCOME (LOSS) TO NON-GAAP OPERATING INCOME

(Millions) (Unaudited)	Q3'23	Q3'22	Q2'23
GAAP operating income (loss)	\$ 224	\$ (64)	\$ (20)
GAAP operating margin	4%	(1%)	0%
Stock-based compensation	353	269	348
Amortization of acquisition-related intangibles	660	1,002	693
Acquisition-related and other costs ⁽¹⁾	39	57	47
Non-GAAP operating income	\$ 1,276	\$ 1,264	\$ 1,068
Non-GAAP operating margin	22%	23%	20%

(1) Acquisition-related and other costs primarily comprised of transaction costs, purchase price adjustments for inventory, certain compensation charges, contract termination and workforce rebalancing charges.

APPENDICES

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME (LOSS) / EARNINGS (LOSS) PER SHARE⁽³⁾

(Millions, except per share data) (Unaudited)	Q3'22		Q4'22		Q1'23		Q2'23		Q3'23	
GAAP net income (loss) / earnings (loss) per share ⁽³⁾	\$ 66	\$ 0.04	\$ 21	\$ 0.01	\$ (139)	\$ (0.09)	\$ 27	\$ 0.02	\$ 299	\$ 0.18
(Gains) losses on equity investments, net	3	–	5	–	(1)	–	3	–	(4)	–
Stock-based compensation	269	0.16	310	0.19	305	0.19	348	0.21	353	0.22
Equity income in investee	(4)	–	(3)	–	(1)	–	(6)	–	(3)	–
Amortization of acquisition-related intangibles	1,002	0.62	1,044	0.65	823	0.51	693	0.42	660	0.41
Acquisition-related and other costs ⁽¹⁾	57	0.04	57	0.04	115	0.07	47	0.03	39	0.02
Income tax provision	(298)	(0.19)	(321)	(0.20)	(132)	(0.08)	(164)	(0.10)	(209)	(0.13)
Non-GAAP net income / earnings per share ⁽³⁾	\$1,095	\$ 0.67	\$1,113	\$ 0.69	\$970	\$ 0.60	\$948	\$ 0.58	\$1,135	\$ 0.70
Shares used in earnings per share calculation										
Shares used in per share calculation (GAAP) ⁽²⁾	1,625		1,618		1,611		1,627		1,629	
Shares used in per share calculation (Non-GAAP) ⁽²⁾	1,625		1,618		1,618		1,627		1,629	

(1) Acquisition-related and other costs primarily comprised of transaction costs, purchase price adjustments for inventory, certain compensation charges, contract termination and workforce rebalancing charges.

(2) GAAP and non-GAAP diluted EPS include the assumed conversion of the Company's 2026 Convertible Notes under the "if converted" method.

(3) Earnings Per Share (EPS) = Diluted earnings per share except for Q1'23 for which basic shares were used.

APPENDICES

SHARE COUNT OVERVIEW

Shares (millions) ⁽¹⁾	Q3'23	Q4'23
	Actual	Estimate
Basic shares	1,616	1,617
Dilutive impact from employee equity grants ⁽²⁾	13	10
Diluted shares	1,629	1,627

The table above provides actual share count for Q3'23 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q4'23.

(1) Share counts are weighted average shares.

(2) The dilutive impact of employee equity grants is based on the Treasury Stock method and is dependent upon the average stock price during the period. The Q3'23 average stock price was \$108.55. The Q3'23 average stock price of \$108.55 was assumed for Q4'23 average stock price estimates.

ENDNOTES

ALV-10: Testing conducted by AMD Performance Labs as of 8/16/23 on the Alveo UL3524 accelerator card, using Vivado™ Design Suite 2023.1 and running on Vivado Lab (Hardware Manager) 2023.1. Based on the GTF Latency Benchmark Design configured to enable GTF transceivers in internal near-end loopback mode. GTF TX and RX clocks operate at same frequency of ~644MHz with a 180 degrees phase shift. GTF Latency Benchmark Design measures latency in hardware by latching value of a single free running counter. Latency is measured as the difference between when TX data is latched at the GTF transceiver and when TX data is latched at the GTF receiver prior to routing back into the FPGA fabric. Latency measurement does not include protocol overhead, protocol framing, programmable logic (PL) latency, TX PL interface setup time, RX PL interface clock-to-out, package flight time, and other sources of latency. Benchmark test was run 1,000 times with 250 frames per test. Cited measurement result is based on GTF transceiver "RAW Mode", where PCS (physical medium attachment) of the transceiver passes data 'as-is' to FPGA fabric. Latency measurement is consistent across all test runs for this configuration. System manufacturers may vary configurations, yielding different results. ALV-10

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