

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

February 1, 2022

Date of Report (Date of earliest event reported)



ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of
Incorporation)

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.

Item 7.01 Regulation FD Disclosure.

On February 1, 2022, Advanced Micro Devices, Inc. (the "Company") announced its financial position and results of operations as of and for its fiscal quarter and fiscal year ended December 25, 2021 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 fiscal quarter and fiscal year ended December 25, 2021.

The Company will hold a conference call on February 1, 2022 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its fiscal quarter and fiscal year ended December 25, 2021 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 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 full year 2021, AMD uses a non-GAAP tax rate of 15%, which excludes the tax impact of pre-tax non-GAAP adjustments. For full year 2022, AMD uses a projected non-GAAP tax rate of 15%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information, and a projected cash tax rate of approximately 9% that includes the projected current income tax liability plus known foreign withholding tax obligations paid expressed as a percentage of non-GAAP profit before tax. 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. 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 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated February 1, 2022
99.2	Fourth Quarter and FY 2021 Financial Results Presentation
104	Inline XBRL for the cover page of this Current Report on Form 8-K

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 1, 2022

ADVANCED MICRO DEVICES, INC.

By:

/s/ Devinder Kumar

Name:

Devinder Kumar

Title:

**Executive Vice President, Chief Financial
Officer & Treasurer**



NEWS RELEASE

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AMD Reports Fourth Quarter and Full Year 2021 Financial Results

— Record quarterly revenue of \$4.8B up 49% y/y; Record full year revenue of \$16.4B up 68%;
Gross margin expanded and operating income more than doubled from prior year —

SANTA CLARA, Calif. — Feb. 1, 2022 — [AMD](#) (NASDAQ:AMD) today announced revenue for the fourth quarter of 2021 of \$4.8 billion, operating income of \$1.2 billion, net income of \$974 million and diluted earnings per share of \$0.80. On a non-GAAP⁽¹⁾ basis, operating income was \$1.3 billion, net income was \$1.1 billion and diluted earnings per share was \$0.92.

For full year 2021, the company reported revenue of \$16.4 billion, operating income of \$3.6 billion, net income of \$3.2 billion and diluted earnings per share of \$2.57. On a non-GAAP⁽¹⁾ basis, operating income was \$4.1 billion, net income was \$3.4 billion and diluted earnings per share was \$2.79.

GAAP Quarterly Financial Results

	Q4 2021	Q4 2020	Y/Y	Q3 2021	Q/Q
Revenue (\$M)	\$4,826	\$3,244	Up 49%	\$4,313	Up 12%
Gross profit (\$M)	\$2,426	\$1,451	Up 67%	\$2,086	Up 16%
Gross margin %	50%	45%	Up 560 bps	48%	Up 190 bps
Operating expenses (\$M)	\$1,223	\$881	Up 39%	\$1,141	Up 7%
Operating income (\$M)	\$1,207	\$570	Up 112%	948	Up 27%
Operating margin %	25%	18%	Up 7pp	22%	Up 3pp
Tax valuation allowance release benefit (\$M) ⁽¹⁾	-	\$1,301	-	-	-
Net income (\$M)	\$974	\$1,781	Down 45%	\$923	Up 6%
Earnings per share ⁽¹⁾	\$0.80	\$1.45	Down 45%	\$0.75	Up 7%

Non-GAAP^(*) Quarterly Financial Results

	Q4 2021	Q4 2020	Y/Y	Q3 2021	Q/Q
Revenue (\$M)	\$4,826	\$3,244	Up 49%	\$4,313	Up 12%
Gross profit (\$M)	\$2,427	\$1,452	Up 67%	\$2,087	Up 16%
Gross margin %	50%	45%	Up 560 bps	48%	Up 190 bps
Operating expenses (\$M)	\$1,103	\$789	Up 40%	\$1,035	Up 7%
Operating income (\$M)	\$1,328	\$663	Up 100%	\$1,055	Up 26%
Operating margin %	27%	20%	Up 7pp	24%	Up 3pp
Net income (\$M)	\$1,122	\$636	Up 76%	\$893	Up 26%
Earnings per share	\$0.92	\$0.52	Up 77%	\$0.73	Up 26%

Annual Financial Results

	GAAP			Non-GAAP ^(*)		
	2021	2020	Y/Y	2021	2020	Y/Y
Revenue (\$M)	\$16,434	\$9,763	Up 68%	\$16,434	\$9,763	Up 68%
Gross profit (\$M)	\$7,929	\$4,347	Up 82%	\$7,934	\$4,353	Up 82%
Gross margin %	48%	45%	Up 370 bps	48%	45%	Up 370bps
Operating expenses (\$M)	\$4,293	\$2,978	Up 44%	\$3,877	\$2,696	Up 44%
Operating income (\$M)	\$3,648	\$1,369	Up 166%	\$4,069	\$1,657	Up 146%
Operating margin %	22%	14%	Up 8pp	25%	17%	Up 8pp
Tax valuation allowance release benefit (\$M) ⁽¹⁾	-	\$1,301	-	-	-	-
Net income (\$M)	\$3,162	\$2,490	Up 27%	\$3,435	\$1,575	Up 118%
Earnings per share ⁽¹⁾	\$2.57	\$2.06	Up 25%	\$2.79	\$1.29	Up 117%

(1) The fourth quarter of 2020 included an income tax benefit of \$1.3 billion associated with a valuation allowance release which contributed \$1.06 per share to EPS for Q4 2020 and \$1.07 per share to EPS for FY 2020 on a GAAP basis.

“2021 was an outstanding year for AMD with record annual revenue and profitability,” said AMD President and CEO Dr. Lisa Su. “Each of our businesses performed extremely well, with data center revenue doubling year-over-year driven by growing adoption of AMD EPYC processors across cloud and enterprise customers. We expect another year of significant growth in 2022 as we ramp our current portfolio and launch our next generation of PC, gaming and data center products.”

Q4 2021 Results

- Revenue of \$4.8 billion was up 49 percent year-over-year and 12 percent quarter-over-quarter driven by higher revenue in the Computing and Graphics and Enterprise, Embedded and Semi-Custom segments.
- Gross margin was 50 percent, an increase of more than 5 percentage points year-over-year and approximately 2 percentage points quarter-over-quarter. The year-over-year and quarter-over-quarter increases were primarily driven by a richer product mix.

- Operating income was \$1.2 billion compared to \$570 million a year ago and \$948 million in the prior quarter. Non-GAAP operating income was \$1.3 billion compared to \$663 million a year ago and \$1.1 billion in the prior quarter. Operating income improvements were primarily driven by higher revenue and gross margin expansion.
- Net income was \$974 million compared to \$1.8 billion a year ago, which included a \$1.3 billion income tax benefit associated with a valuation allowance release, and \$923 million in the prior quarter. Non-GAAP net income was \$1.1 billion compared to \$636 million a year ago and \$893 million in the prior quarter.
- Diluted earnings per share was \$0.80 compared to \$1.45 a year ago, which included a \$1.06 per share income tax benefit, and \$0.75 in the prior quarter. Non-GAAP diluted earnings per share was \$0.92 compared to \$0.52 a year ago and \$0.73 in the prior quarter.
- Cash, cash equivalents and short-term investments were \$3.6 billion at the end of the quarter. The company repurchased \$756 million of common stock during the quarter.
- Cash from operations was \$822 million in the quarter compared to \$554 million a year ago and \$849 million in the prior quarter. Free cash flow was \$736 million in the quarter compared to \$480 million a year ago and \$764 million in the prior quarter. Fourth quarter cash from operations and free cash flow included strategic investments in long-term supply chain capacity to support future revenue growth.

Quarterly Financial Segment Summary

- Computing and Graphics segment revenue was \$2.6 billion, up 32 percent year-over-year and up 8 percent quarter-over-quarter. The year-over-year and quarter-over-quarter increases were driven by Ryzen™ and Radeon™ processor sales.
 - Client processor average selling price (ASP) increased year-over-year and quarter-over-quarter due to a richer mix of Ryzen processor sales.
 - GPU ASP increased year-over-year primarily driven by Radeon product sales and decreased quarter-over-quarter due to product mix.
 - Operating income was \$566 million compared to \$420 million a year ago and \$513 million in the prior quarter. Operating income improvements were primarily driven by higher revenue, partially offset by higher operating expenses.
- Enterprise, Embedded and Semi-Custom segment revenue was \$2.2 billion, up 75 percent year-over-year and 17 percent quarter-over-quarter driven by higher EPYC™ and semi-custom processor sales.

- Operating income was \$762 million compared to \$243 million a year ago and \$542 million in the prior quarter. Operating income improvements were primarily driven by higher revenue and richer product mix, partially offset by higher operating expenses.
- All Other operating loss was \$121 million as compared to operating losses of \$93 million a year ago and \$107 million in the prior quarter.

2021 Annual Results

- Revenue of \$16.4 billion was up 68 percent over 2020 driven by higher revenue in the Computing and Graphics and Enterprise, Embedded and Semi-Custom segments.
- Gross margin was 48 percent, an increase of more than 3 percentage points over 2020. Gross margin expansion was driven by a richer mix of EPYC, Radeon and Ryzen processor sales.
- Operating income was \$3.6 billion compared to \$1.4 billion in the prior year. Non-GAAP operating income was \$4.1 billion compared to \$1.7 billion in the prior year. The operating income improvement was primarily driven by higher revenue and gross margin expansion.
- Net income was \$3.2 billion compared to \$2.5 billion in the prior year, which included a \$1.3 billion income tax benefit recorded in the fourth quarter of 2020. Non-GAAP net income was \$3.4 billion compared to \$1.6 billion in the prior year.
- Diluted earnings per share was \$2.57 compared to \$2.06 in the prior year (which included a \$1.07 per share income tax benefit). Non-GAAP diluted earnings per share was \$2.79 compared to \$1.29 in the prior year.
- Cash, cash equivalents and short-term investments were \$3.6 billion at the end of the year. The company repurchased \$1.8 billion of common stock during 2021.
- Cash from operations was \$3.5 billion compared to \$1.1 billion in the prior year. Free cash flow was \$3.2 billion compared to \$777 million in the prior year. Annual cash from operations and free cash flow in 2021 included strategic investments in long-term supply chain capacity to support future revenue growth.

Recent PR Highlights

- AMD [announced](#) it received approval from the State Administration for Market Regulation (SAMR) of the People's Republic of China for the acquisition of Xilinx. AMD anticipates that the acquisition will close in the first quarter of 2022.

- AMD continues to drive strong momentum in the data center with growing adoption of powerful AMD EPYC processors, AMD Instinct™ accelerators and data center solutions with new customers and expanded cloud offerings.
- Leading cloud providers expanded their AMD-powered offerings with more than 130 new public instances launching in the quarter including: Amazon Web Services, Inc. (AWS) introduced the new [Amazon EC2 Hpc6a instances](#) that make high performance computing more accessible for customers with compute-intensive workloads and the new [general-purpose Amazon EC2 M6a instances](#); [Google Cloud](#) launched multiple general purpose and compute- and memory-intensive instances; [IBM Cloud](#) launched new bare metal service offerings for demanding workloads and solutions; and [Microsoft Azure](#) announced the latest generation of Dasv5 and Easv5 Azure Virtual Machines (VMs) and new confidential VMs, DCasv5 and ECasv5.
- AMD and Meta worked together to define an open, cloud-scale, single-socket server based on AMD EPYC CPUs for Meta's newest "North Dome" systems with leadership performance-per-watt across major workloads.
- AMD [announced](#) the new AMD Instinct MI200 series accelerators, the fastest accelerators for HPC and AI applications. The MI200 series accelerators are powering Oak Ridge National Laboratory's Frontier supercomputer, the first Exascale supercomputer in the United States.
- In the [latest Top500 list](#), AMD now powers 73 supercomputers, a more than 3x increase compared to the November 2020 list. AMD also powers four out of the top 10 most powerful supercomputers in the world, as well as the most powerful supercomputer in EMEA.
- NVIDIA is adopting [Ryzen™ Threadripper™ PRO processors](#) to help power next-generation cloud gaming experiences.
- AMD [announced](#) the AMD Radeon PRO V620 GPU, delivering powerful data center visual performance for 3D workloads, modern office productivity applications and cloud gaming, including Tencent's [upcoming](#) cloud gaming service.
- At its [2022 Product Premiere event](#), AMD announced the [AMD Ryzen 6000 Series processors](#), built on the highly efficient 6nm "Zen 3+" core architecture, and including AMD RDNA™ 2 architecture-based integrated graphics to provide the fastest Ryzen mobile processor experience ever. AMD expects first system availability starting in February.
- AMD [announced](#) new updates to its graphics processor lineup and software portfolio, including new AMD Radeon RX 6000M Series and AMD Radeon RX 6000S Series mobile graphics for premium and thin-and-light gaming laptops, three new AMD Radeon RX 6000 Series desktop graphics cards

for 1080p gaming, and AMD Radeon Super Resolution, a new driver-based spatial upscaling technology available in the upcoming update to the AMD Software: Adrenalin Edition application.

- AMD delivered a first look at its next wave of leadership data center and desktop PC processors which will set the pace of industry innovation.
 - AMD [provided a preview](#) of 3rd Gen AMD EPYC processors with AMD 3D V-Cache™, the “Zen 4” processor core powering the next generation of EPYC processors, codenamed “Genoa,” and the new “Zen 4c” processor core, which is designed for cloud native workloads and will power the EPYC processor codenamed “Bergamo.”
 - AMD also [announced](#) the first AMD Ryzen processors with AMD 3D V-Cache technology to power incredible gaming experiences and previewed its [Ryzen 7000 Series processors](#), which will be based on the 5nm “Zen 4” architecture and are expected to be available in the second half of 2022.
- AMD was recognized on [Newsweek’s America’s Most Responsible Companies 2022 list](#) for environmental, social and corporate governance efforts.

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 first quarter of 2022, AMD expects revenue to be approximately \$5.0 billion, plus or minus \$100 million, an increase of approximately 45 percent year-over-year and approximately 4 percent quarter-over-quarter. The year-over-year increase is expected to be driven by growth across all businesses. The quarter-over-quarter increase is expected to be driven by higher server and client processor revenue. AMD expects non-GAAP gross margin to be approximately 50.5 percent in the first quarter of 2022.

For the full year 2022, AMD expects revenue to be approximately \$21.5 billion, an increase of approximately 31 percent over 2021 driven by growth across all businesses. AMD expects non-GAAP gross margin to be approximately 51 percent for 2022.

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 fourth quarter and full year 2021 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			Year Ended	
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020
GAAP gross profit	\$ 2,426	\$ 2,086	\$ 1,451	\$ 7,929	\$ 4,347
<i>GAAP gross margin %</i>	50 %	48 %	45 %	48 %	45 %
Stock-based compensation	1	1	1	5	6
Non-GAAP gross profit	\$ 2,427	\$ 2,087	\$ 1,452	\$ 7,934	\$ 4,353
<i>Non-GAAP gross margin %</i>	50 %	48 %	45 %	48 %	45 %
GAAP operating expenses	\$ 1,223	\$ 1,141	\$ 881	\$ 4,293	\$ 2,978
<i>GAAP operating expenses/revenue %</i>	25 %	26 %	27 %	26 %	31 %
Stock-based compensation	111	98	78	374	268
Acquisition-related costs	9	8	14	42	14
Non-GAAP operating expenses	\$ 1,103	\$ 1,035	\$ 789	\$ 3,877	\$ 2,696
<i>Non-GAAP operating expenses/revenue%</i>	23 %	24 %	24 %	24 %	28 %
GAAP operating income	\$ 1,207	\$ 948	\$ 570	\$ 3,648	\$ 1,369
<i>GAAP operating margin %</i>	25 %	22 %	18 %	22 %	14 %
Stock-based compensation	112	99	79	379	274
Acquisition-related costs	9	8	14	42	14
Non-GAAP operating income	\$ 1,328	\$ 1,055	\$ 663	\$ 4,069	\$ 1,657
<i>Non-GAAP operating margin %</i>	27 %	24 %	20 %	25 %	17 %

	Three Months Ended			Year Ended						
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020					
GAAP net income / earnings per share	\$ 974	\$ 80	\$ 923	\$ 0.75	\$ 1,781	\$ 1.45	\$ 3,162	\$ 2.57	\$ 2,490	\$ 2.06
Loss on debt redemption/conversion	—	—	—	—	16	0.01	7	—	54	0.04
(Gains) losses on equity investments, net	(4)	—	(60)	(0.05)	—	—	(56)	(0.04)	—	—
Non-cash interest expense related to convertible debt	—	—	—	—	—	—	—	—	6	—
Stock-based compensation	112	0.09	99	0.08	79	0.06	379	0.31	274	0.22
Equity income in investee	—	—	(2)	—	(3)	—	(6)	—	(5)	—
Acquisition-related costs	9	—	8	0.01	14	0.01	42	0.03	14	0.01
Release of valuation allowance on deferred tax assets	—	—	—	—	(1,301)	(1.06)	—	—	(1,301)	(1.07)
Income tax provision	31	0.03	(75)	(0.06)	50	0.05	(93)	(0.08)	43	0.03
Non-GAAP net income / earnings per share	\$ 1,122	\$ 0.92	\$ 893	\$ 0.73	\$ 636	\$ 0.52	\$ 3,435	\$ 2.79	\$ 1,575	\$ 1.29

Shares used and net income adjustment in earnings per share calculation ⁽¹⁾

Shares used in per share calculation (GAAP)		1,222		1,230		1,226		1,229		1,207
Interest expense add-back to GAAP net income	\$	—	\$	—	\$	—	\$	—	\$	1
Shares used in per share calculation (Non-GAAP)		1,222		1,230		1,232		1,229		1,228
Interest expense add-back to Non-GAAP net income	\$	—	\$	—	\$	—	\$	—	\$	4

(1) For the three months ended December 26, 2020, GAAP diluted EPS calculations include 3 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$0 million interest expense add-back to net income under the "if converted" method.

For the year ended December 26, 2020, GAAP diluted EPS calculations include 3 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$1 million interest expense add-back to net income under the "if converted" method.

For the three months ended December 26, 2020, Non-GAAP diluted EPS calculations include 9 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$0 million add-back to net income under the "if converted" method.

For the year ended December 26, 2020, Non-GAAP diluted EPS calculations include 24 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$4 million interest expense add-back to net income under the "if converted" method.

About AMD

For more than 50 years, AMD has driven innovation in high-performance computing, graphics and visualization technologies - the building blocks for gaming, immersive platforms and the data center. Hundreds of millions of consumers, leading Fortune 500 businesses and cutting-edge scientific research facilities around the world rely on AMD technology daily to improve how they live, work and play. AMD employees around the world are focused on building great products that push the boundaries of what is possible. 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 features, functionality, performance, availability, timing and expected benefits of AMD products; AMD's expected first quarter 2022 and fiscal 2022 financial outlook including revenue and non-GAAP gross margin and expected drivers based on current expectations; expected growth in 2022; and the expected timing of the close of the Xilinx, Inc. transaction, 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; 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; market conditions of the industries in which AMD products are sold; cyclical nature of the semiconductor industry; 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; 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, including the announced acquisition of Xilinx, and ability to integrate acquired businesses; AMD's ability to complete the Xilinx merger; impact of the announcement and pendency of the Xilinx merger on AMD's business; impact of any impairment of the combined company's assets on the combined company's financial position and results of operation; restrictions imposed by agreements governing AMD'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; political, legal, economic risks and natural disasters; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility; and worldwide political conditions. 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 and non-GAAP 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 2021, AMD uses a non-GAAP tax rate of 15%, which excludes the tax impact of pre-tax non-GAAP adjustments. 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 at the end of 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 February 1, 2022 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.

-30-

AMD, the AMD Arrow logo, EPYC, Radeon, Ryzen, Instinct, Threadripper and combinations thereof, are trademarks of Advanced Micro Devices, Inc. Other names are for informational purposes only and used to identify companies and products and may be trademarks of their respective owner.

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Millions except per share amounts and percentages) (Unaudited)

	Three Months Ended			Year Ended	
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020
Net revenue	\$ 4,826	\$ 4,313	\$ 3,244	\$ 16,434	\$ 9,763
Cost of sales	2,400	2,227	1,793	8,505	5,416
Gross profit	2,426	2,086	1,451	7,929	4,347
Gross margin %	50 %	48 %	45 %	48 %	45 %
Research and development	811	765	573	2,845	1,983
Marketing, general and administrative	412	376	308	1,448	995
Licensing gain	(4)	(3)	—	(12)	—
Operating income	1,207	948	570	3,648	1,369
Interest expense	(8)	(7)	(9)	(34)	(47)
Other income (expense), net	4	62	(15)	55	(47)
Income before income taxes and equity income	1,203	1,003	546	3,669	1,275
Income tax provision	229	82	(1,232)	513	(1,210)
Equity income in investee	—	2	3	6	5
Net Income	\$ 974	\$ 923	\$ 1,781	\$ 3,162	\$ 2,490
Earnings per share					
Basic	\$ 0.81	\$ 0.76	\$ 1.48	\$ 2.61	\$ 2.10
Diluted	\$ 0.80	\$ 0.75	\$ 1.45	\$ 2.57	\$ 2.06
Shares used in per share calculation					
Basic	1,208	1,214	1,205	1,213	1,184
Diluted	1,222	1,230	1,226	1,229	1,207

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

	December 25, 2021	December 26, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,535	\$ 1,595
Short-term investments	1,073	695
Accounts receivable, net	2,706	2,066
Inventories	1,955	1,399
Receivables from related parties	2	10
Prepaid expenses and other current assets	312	378
Total current assets	8,583	6,143
Property and equipment, net	702	641
Operating lease right-of-use assets	367	208
Goodwill	289	289
Investment: equity method	69	63
Deferred tax assets	931	1,245
Other non-current assets	1,478	373
Total Assets	\$ 12,419	\$ 8,962
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	1,321	468
Payables to related parties	85	78
Accrued liabilities	2,424	1,796
Short-term debt	312	—
Other current liabilities	98	75
Total current liabilities	4,240	2,417
Long-term debt, net	1	330
Long-term operating lease liabilities	348	201
Other long-term liabilities	333	177
Stockholders' equity:		
Capital stock:		
Common stock, par value	12	12
Additional paid-in capital	11,069	10,544
Treasury stock, at cost	(2,130)	(131)
Accumulated deficit ⁽¹⁾	(1,451)	(4,605)
Accumulated other comprehensive income	(3)	17
Total stockholders' equity	\$ 7,497	\$ 5,837
Total Liabilities and Stockholders' equity	\$ 12,419	\$ 8,962

(1) During the first quarter of 2021, the Company adopted ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, using the modified retrospective adoption method, which resulted in \$8 million of deferred tax liability associated with book-tax differences in a foreign equity method investment recognized in Accumulated deficit.

ADVANCED MICRO DEVICES, INC.
SELECTED CASH FLOW INFORMATION
(Millions) (Unaudited)

	Three Months Ended			Year Ended	
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020
Net cash provided by (used in)					
Operating activities	\$ 822	\$ 849	\$ 554	\$ 3,521	\$ 1,071
Investing activities	\$ —	\$ (83)	\$ (294)	\$ (686)	\$ (952)
Financing activities	\$ (727)	\$ (949)	\$ 35	\$ (1,895)	\$ 6

SELECTED CORPORATE DATA
(Millions) (Unaudited)

Segment and Category Information	Three Months Ended			Year Ended	
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020
Computing and Graphics⁽¹⁾					
Net revenue	\$ 2,584	\$ 2,398	\$ 1,960	\$ 9,332	\$ 6,432
Operating income	\$ 566	\$ 513	\$ 420	\$ 2,090	\$ 1,266
Enterprise, Embedded and Semi-Custom⁽²⁾					
Net revenue	\$ 2,242	\$ 1,915	\$ 1,284	\$ 7,102	\$ 3,331
Operating income	\$ 762	\$ 542	\$ 243	\$ 1,979	\$ 391
All Other⁽³⁾					
Net revenue	\$ —	\$ —	\$ —	\$ —	\$ —
Operating loss	\$ (121)	\$ (107)	\$ (93)	\$ (421)	\$ (288)
Total					
Net revenue	\$ 4,826	\$ 4,313	\$ 3,244	\$ 16,434	\$ 9,763
Operating income	\$ 1,207	\$ 948	\$ 570	\$ 3,648	\$ 1,369

Other Data					
Capital expenditures	\$ 86	\$ 85	\$ 74	\$ 301	\$ 294
Adjusted EBITDA ⁽⁴⁾	\$ 1,446	\$ 1,152	\$ 753	\$ 4,476	\$ 1,969
Cash, cash equivalents and short-term investments	\$ 3,608	\$ 3,608	\$ 2,290	\$ 3,608	\$ 2,290
Free cash flow ⁽⁵⁾	\$ 736	\$ 764	\$ 480	\$ 3,220	\$ 777
Total assets	\$ 12,419	\$ 11,153	\$ 8,962	\$ 12,419	\$ 8,962
Total debt	\$ 313	\$ 313	\$ 330	\$ 313	\$ 330

- (1) The Computing and Graphics segment, which primarily includes desktop and notebook processors and chipsets, discrete and integrated graphics processing units (GPUs), data center and professional GPUs and development services. From time to time, the Company may also sell or license portions of its IP portfolio.
- (2) The Enterprise, Embedded and Semi-Custom segment, which primarily includes server and embedded processors, semi-custom System-on-Chip (SoC) products, development services and technology for game consoles. From time to time, the Company may also sell or license portions of its IP portfolio.
- (3) All Other category primarily includes certain expenses and credits that are not allocated to any of the operating segments. Also included in this category is stock-based compensation expense and acquisition-related costs.
- (4) **Reconciliation of GAAP Net Income to Adjusted EBITDA***

	Three Months Ended			Year Ended	
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020
GAAP net income	\$ 974	\$ 923	\$ 1,781	\$ 3,162	\$ 2,490
Interest expense	8	7	9	34	47
Other (income) expense, net	(4)	(62)	15	(55)	47
Income tax provision (benefit)	229	82	(1,232)	513	(1,210)
Equity income in investee	—	(2)	(3)	(6)	(5)
Stock-based compensation	112	99	79	379	274
Depreciation and amortization	118	97	90	407	312
Acquisition-related costs	9	8	14	42	14
Adjusted EBITDA	\$ 1,446	\$ 1,152	\$ 753	\$ 4,476	\$ 1,969

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

	Three Months Ended			Year Ended	
	December 25, 2021	September 25, 2021	December 26, 2020	December 25, 2021	December 26, 2020
GAAP net cash provided by operating activities	\$ 822	\$ 849	\$ 554	\$ 3,521	\$ 1,071
Operating cash flow margin %	17 %	20 %	17 %	21 %	11 %
Purchases of property and equipment	(86)	(85)	(74)	(301)	(294)
Free cash flow	\$ 736	\$ 764	\$ 480	\$ 3,220	\$ 777
Free cash flow margin %	15 %	18 %	15 %	20 %	8 %

* 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, equity income in investee, stock-based compensation, and depreciation and amortization expense. The Company also included acquisition-related costs for the three months ended December 25, 2021, September 25, 2021 and December 26, 2020, and for the year ended December 25, 2021 and December 26, 2020. 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.

** 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. 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.

The Company has provided reconciliations within the earnings press release of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.



FOURTH QUARTER AND FULL YEAR 2021 FINANCIAL RESULTS

FEBRUARY 1, 2022

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 first quarter 2022 and fiscal 2022 financial outlook, including revenue non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating expenses as a percentage of revenue, non-GAAP interest expense, taxes and other, non-GAAP tax rates and diluted share count; and the expected timing of the close of the Xilinx, Inc. transaction, 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; 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; market conditions of the industries in which AMD products are sold; cyclical nature of the semiconductor industry; 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; 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, including the announced acquisition of Xilinx, and ability to integrate acquired businesses; AMD's ability to complete the Xilinx merger; impact of the announcement and pendency of the Xilinx merger on AMD's business; impact of any impairment of the combined company's assets on the combined company's financial position and results of operation; restrictions imposed by agreements governing AMD'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; political, legal, economic risks and natural disasters; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility; and worldwide political conditions. 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, non-GAAP earnings per share and free cash flow. 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 full year 2021, AMD uses a non-GAAP tax rate of 15%, which excludes the tax impact of pre-tax non-GAAP adjustments. For full year 2022, AMD uses a projected non-GAAP tax rate of 15%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information, and a projected cash tax rate of approximately 9% that includes the projected current income tax liability plus known foreign withholding tax obligations paid expressed as a percentage of non-GAAP profit before tax. 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, operating expenses, interest expense, taxes and other. These forward-looking non-GAAP measures are based on current expectations as of February 1, 2022, 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

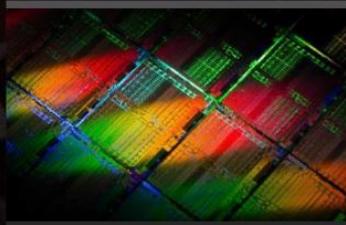
Best Product
Portfolio in
History

Expanding
Customer & Partner
Ecosystem

Significant
Business
Acceleration

Best-in-Class
Financial
Performance

OUR LEADERSHIP TECHNOLOGY

 <p>AMD RDNA 2 AMD CDNA 2</p>			
<p>INDUSTRY LEADING IP</p> <p>Executing Multi-generational CPU and GPU Products & Roadmaps</p>	<p>ADVANCED TECHNOLOGY</p> <p>Leadership Process Technology and 3D Chiplet Packaging</p>	<p>DATA CENTER LEADERSHIP</p> <p>Driving Innovation in Cloud, Enterprise and Accelerated Computing</p>	<p>PC/GAMING SOLUTIONS</p> <p>Delivering Robust PC Experiences and Gaming Solutions</p>

OUR BEST EVER **PRODUCT PORTFOLIO**



AMD RYZEN

Leadership desktop and mobile performance and advanced battery life



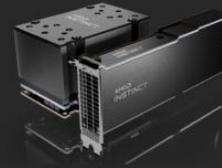
AMD EPYC

3rd Gen AMD EPYC™ CPUs extend performance and TCO advantages



AMD RADEON

Performance and power efficiency with AMD RDNA™ 2 Architecture



AMD INSTINCT

Heterogenous computing re-imagined for the exascale era with AMD CDNA™ 2 Architecture



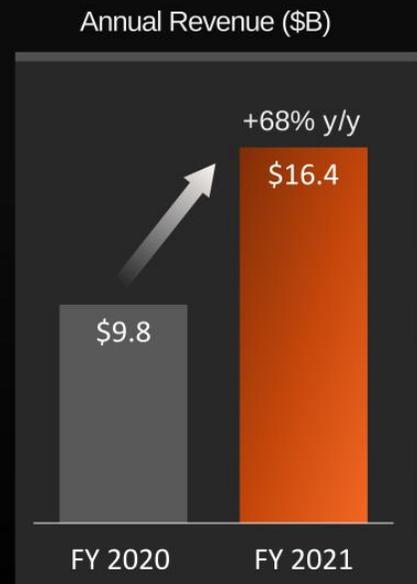
SEMI-CUSTOM

Latest game consoles powered by "Zen" and AMD RDNA Architectures

PERFORMANCE LEADERSHIP IN PCs, DATA CENTER AND GAMING

FINANCIAL SUMMARY FY 2021¹

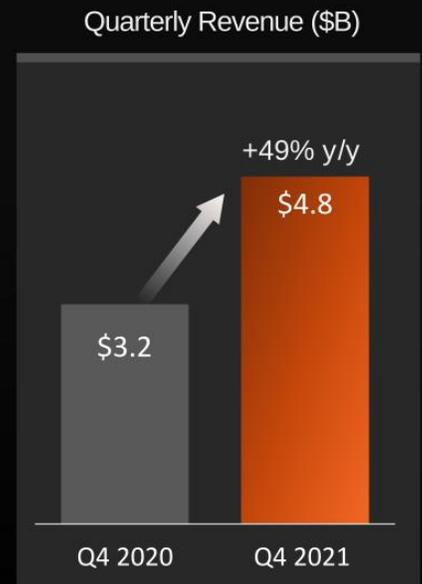
- Record revenue \$16.4 billion, up 68% from 2020
- Gross margin of 48% up 370 bps from prior year
- Significant growth in profitability
 - Operating income \$3.6 billion; Non-GAAP operating income \$4.1 billion
 - Operating margin 22%; Non-GAAP operating margin 25%
 - Net income \$3.2 billion; Non-GAAP net income \$3.4 billion
 - Diluted EPS \$2.57; Non-GAAP diluted EPS \$2.79
- Operating cash flow \$3.5 billion, up 229% y/y
- Record free cash flow of \$3.2 billion, up 314% y/y
 - \$1 billion in strategic investments in long-term supply chain capacity
- Repurchased \$1.8 billion of common stock
- Strong balance sheet with \$3.6 billion in cash, cash equivalents and short-term investments



1. See Appendices for GAAP to Non-GAAP reconciliation

QUARTERLY SUMMARY Q4 2021¹

- Record revenue \$4.8 billion, up 49% y/y and 12% q/q
- Gross margin 50%, up 560 bps y/y and up 190 bps q/q
- OpEx \$1.2 billion; Non-GAAP OpEx \$1.1 billion
- Strong quarterly profitability
 - Operating income \$1.2 billion; Non-GAAP operating income \$1.3 billion
 - Operating margin 25%; Non-GAAP operating margin 27%
 - Net income \$974 million; Non-GAAP net income \$1.1 billion
 - Diluted EPS \$0.80; Non-GAAP diluted EPS \$0.92
- Operating cash flow \$822 million, up 48% y/y
- Free cash flow of \$736 million, up 53% y/y
- Repurchased \$756 million of common stock



1. See Appendices for GAAP to Non-GAAP reconciliation

COMPUTING AND GRAPHICS SEGMENT Q4 2021

- Revenue \$2.6 billion
 - Up 32% y/y and 8% q/q driven by Ryzen™ and Radeon™ processor sales
- Higher Average Selling Prices (ASP)
 - Client processor ASP grew y/y and q/q due to a richer mix of Ryzen processor sales
 - GPU ASP increased y/y primarily driven by Radeon product sales; decreased q/q due to product mix
- Operating Income
 - Operating income \$566 million compared to \$420 million a year ago and \$513 million in the prior quarter
 - Up y/y and q/q primarily driven by higher revenue, partially offset by higher operating expenses
- Strategic news and highlights
 - Strong demand for premium desktop and notebook PCs built with Ryzen 5000 processors
 - Announced Ryzen processors with AMD 3D V-Cache™ technology to power incredible gaming experiences
 - Launched “Zen 3+” Ryzen 6000 notebook CPUs at CES 2022 featuring Ryzen CPUs, Radeon GPUs and Radeon software
 - Updated the Radeon 6000 Series lineup featuring AMD RDNA™ 2 to include new mobile and desktop platforms
 - Previewed Ryzen 7000 Series desktop processors coming in 2H 2022 based on 5nm “Zen 4” architecture

ENTERPRISE, EMBEDDED AND SEMI-CUSTOM SEGMENT Q4 2021

- Revenue \$2.2 billion
 - Up 75% y/y and 17% q/q driven by higher EPYC™ and semi-custom processor sales
- Higher Operating Income
 - Operating income \$762 million compared to \$243 million a year ago and \$542 million in the prior quarter
 - Up y/y and q/q primarily driven by higher revenue and richer product mix, partially offset by higher operating expenses
- Strategic news and highlights
 - Expanded internal deployments of 3rd Gen EPYC processors at multiple leading Cloud providers
 - Significant growth in both Cloud and Enterprise, including more than 100 3rd Gen EPYC platforms available from OEMs
 - Previewed 4th Gen EPYC processors, codenamed “Genoa”, coming later in 2022 and featuring up to 96 “Zen 4” cores with next-gen memory and I/O
 - Announced 4th Gen EPYC processors, codenamed “Bergamo”, coming in 1H 2023 and featuring up to 128 cores and power efficiency for Cloud
 - Game console demand continues to outpace all prior generations

REVENUE TREND

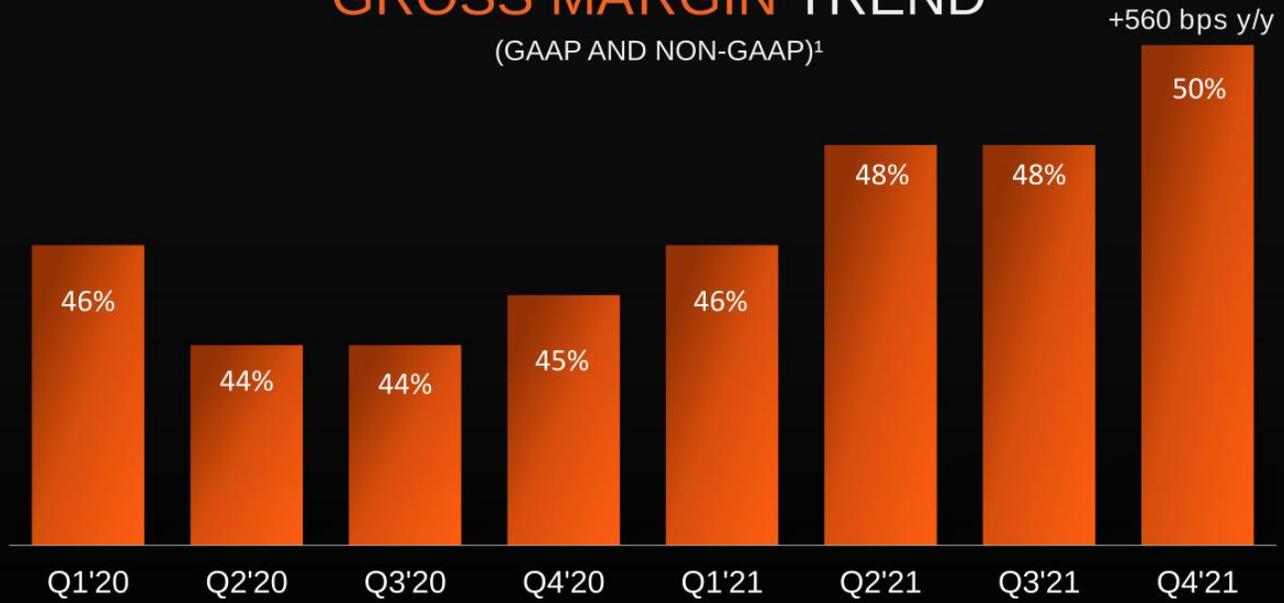
(\$ IN MILLIONS)



OUTSTANDING REVENUE GROWTH

GROSS MARGIN TREND

(GAAP AND NON-GAAP)¹



STRONG GROSS MARGIN EXPANSION

EARNINGS PER SHARE TREND

(GAAP)



SIGNIFICANT GROWTH IN PROFITABILITY

¹ In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance. The valuation allowance release had a \$1.06 benefit to Q4 2020 earnings per share.

EARNINGS PER SHARE TREND

(NON-GAAP)¹



SIGNIFICANT GROWTH IN PROFITABILITY

FY 2021 SUMMARY P&L – GAAP

(\$ in millions, except per share data)	2021	2020	Y/Y
Revenue	\$16,434	\$9,763	Up 68%
Gross Profit	\$7,929	\$4,347	Up 82%
Gross Margin %	48%	45%	Up 370bps
Operating Expenses	\$4,293	\$2,978	Up 44%
Operating Expenses/Revenue %	26%	31%	Down 5pp
Operating Income	\$3,648	\$1,369	Up 166%
Operating Margin %	22%	14%	Up 8pp
Net Income ^{1,2}	\$3,162	\$2,490	Up 27%
Earnings Per Share ^{1,2,3}	\$2.57	\$2.06	Up 25%

1. Includes a higher tax rate beginning in Q1 2021
2. In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance.
The valuation allowance release had a \$1.07 benefit to annual earnings per share.
3. See Appendices for share count reference.

FY 2021 SUMMARY P&L – NON-GAAP¹

(\$ in millions, except per share data)	2021	2020	Y/Y
Revenue	\$16,434	\$9,763	Up 68%
Gross Profit	\$7,934	\$4,353	Up 82%
Gross Margin %	48%	45%	Up 370bps
Operating Expenses	\$3,877	\$2,696	Up 44%
Operating Expenses/Revenue %	24%	28%	Down 4pp
Operating Income	\$4,069	\$1,657	Up 146%
Operating Margin %	25%	17%	Up 8pp
Net Income	\$3,435	\$1,575	Up 118%
Earnings Per Share ¹	\$2.79	\$1.29	Up 117%

1. Includes a higher tax rate beginning in Q1 2021. See Appendices for GAAP to Non-GAAP reconciliation and share count reference

Q4 2021 SUMMARY P&L – GAAP

(\$ in millions, except per share data)	Q4'21	Q4'20	Y/Y	Q3'21	Q/Q
Revenue	\$4,826	\$3,244	Up 49%	\$4,313	Up 12%
Gross Profit	\$2,426	\$1,451	Up 67%	\$2,086	Up 16%
Gross Margin %	50%	45%	Up 560bps	48%	Up 190bps
Operating Expenses	\$1,223	\$881	Up 39%	\$1,141	Up 7%
Operating Expense/Revenue %	25%	27%	Down 2pp	26%	Down 1pp
Operating Income	\$1,207	\$570	Up 112%	\$948	Up 27%
Operating Margin %	25%	18%	Up 7pp	22%	Up 3pp
Net Income ^{1,2}	\$974	\$1,781	Down 45%	\$923	Up 6%
Earnings Per Share ^{1,2,3}	\$0.80	\$1.45	Down 45%	\$0.75	Up 7%

1. Includes a higher tax rate beginning in Q1 2021.

2. In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance. The valuation allowance release had a \$1.06 benefit to Q4 2020 earnings per share.

3. See Appendices for share count reference.

Q4 2021 SUMMARY P&L – NON-GAAP¹

(\$ in millions, except per share data)	Q4'21	Q4'20	Y/Y	Q3'21	Q/Q
Revenue	\$4,826	\$3,244	Up 49%	\$4,313	Up 12%
Gross Profit	\$2,427	\$1,452	Up 67%	\$2,087	Up 16%
Gross Margin %	50%	45%	Up 560bps	48%	Up 190bps
Operating Expenses	\$1,103	\$789	Up 40%	\$1,035	Up 7%
Operating Expense/Revenue %	23%	24%	Down 1pp	24%	Down 1pp
Operating Income	\$1,328	\$663	Up 100%	\$1,055	Up 26%
Operating Margin %	27%	20%	Up 7pp	24%	Up 3pp
Net Income	\$1,122	\$636	Up 76%	\$893	Up 26%
Earnings Per Share ¹	\$0.92	\$0.52	Up 77%	\$0.73	Up 26%

1. Includes a higher tax rate beginning in Q1 2021. See Appendices for GAAP to Non-GAAP reconciliation and share count reference

Q4 AND FY 2021 SEGMENT RESULTS

(\$ in millions)	Q4'21	Q4'20	Y/Y	Q3'21	Q/Q	2021	2020	Y/Y
Computing and Graphics								
Net Revenue	\$2,584	\$1,960	Up 32%	\$2,398	Up 8%	\$9,332	\$6,432	Up 45%
Operating Income	\$566	\$420	Up 35%	\$513	Up 10%	\$2,090	\$1,266	Up 65%
Enterprise, Embedded and Semi-Custom								
Net Revenue	\$2,242	\$1,284	Up 75%	\$1,915	Up 17%	\$7,102	\$3,331	Up 113%
Operating Income	\$762	\$243	Up 214%	\$542	Up 41%	\$1,979	\$391	Up 406%
All Other Category								
Operating Loss	\$(121)	\$(93)	Down 30%	\$(107)	Down 13%	\$(421)	\$(288)	Down 46%
TOTAL								
Net Revenue	\$4,826	\$3,244	Up 49%	\$4,313	Up 12%	\$16,434	\$9,763	Up 68%
Operating Income	\$1,207	\$570	Up 112%	\$948	Up 27%	\$3,648	\$1,369	Up 166%

Q4 AND FY 2021 SUMMARY BALANCE SHEET ITEMS

(\$ in millions)	Q4 & FY21	Q4 & FY20	Y/Y	Q3'21	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$3,608	\$2,290	Up \$1,318	\$3,608	Flat
Accounts Receivable, Net	\$2,706	\$2,066	Up \$640	\$2,224	Up \$482
Inventories	\$1,955	\$1,399	Up \$556	\$1,902	Up \$53
Total Debt (principal amount) ¹	\$313	\$338	Down \$25	\$313	Flat
Total Debt, Net ¹	\$313	\$330	Down \$17	\$313	Flat

STRONG BALANCE SHEET

FINANCIAL OUTLOOK – NON-GAAP¹

	Q1 2022	FY 2022
Revenue	~\$5.0 Billion +/- \$100 Million	~\$21.5 Billion Growth of ~31% y/y
Gross Margin %	~50.5%	~51%
Operating Expenses Operating Expenses/Revenue %	~\$1.2 Billion ~24%	~24%
Interest Expense, Taxes and Other	~\$207 Million	--
Effective Tax Rate	~15% of pre-tax income	
Cash Tax Rate	~9% of pre-tax income	
Diluted Share Count ²	~1.22 billion shares	

Note: Guidance does not contemplate the addition of Xilinx as the transaction has not yet closed.

1. See Cautionary Statement on Slide 2. These forward-looking outlook statements and non-GAAP measures are based on current expectations as of February 1, 2022, 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, non-cash interest expense related to convertible debt, income tax provision, equity income in investee, and other non-recurring items such as loss on debt redemption/conversion, 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

Q4 2021 SUMMARY

Record Revenue \$4.8B
Up 49% Y/Y, 12% Q/Q

Gross Margin of 50%
Up More Than 5 pp Y/Y

Operating Income
Doubled Y/Y

Operating Cash Flow
of \$822M

FREE CASH FLOW OF \$736 MILLION

FY 2021 SUMMARY

Record Annual Revenue
of \$16.4B, Up 68% Y/Y

Gross Margin of 48%
Up More Than 3 pp Y/Y

Operating Cash Flow
of \$3.5B, Up 229% Y/Y

Repurchased \$1.8B
in Common Stock

RECORD GAAP & NON-GAAP PROFITABILITY & EPS

AMD'S COMMITMENT TO ESG



ENVIRONMENTAL

Steadfast commitment to environmental stewardship and contributing to our local communities



SOCIAL

Creating a culture that drives innovation by fostering diversity, inclusion and belonging



GOVERNANCE

Delivering leadership products with integrity, innovation and quality in order to help solve global challenges

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BUILDING THE BEST

Leadership
Roadmaps

Increasing
Market Share

Execution
Excellence

Outstanding
Financial
Performance



The Industry's **High Performance** and
Adaptive Computing Leader

**EXPECT COMPLETION OF THE TRANSACTION
IN THE FIRST QUARTER 2022**

APPENDICES

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

(Millions)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	2020	2021
GAAP gross profit	\$ 818	\$ 848	\$ 1,230	\$ 1,451	\$ 1,587	\$ 1,830	\$ 2,086	\$ 2,426	\$ 4,347	\$ 7,929
GAAP gross margin %	46%	44%	44%	45%	46%	48%	48%	50%	45%	48%
Stock-based compensation	2	2	1	1	1	2	1	1	6	5
Non-GAAP gross profit	\$ 820	\$ 850	\$ 1,231	\$ 1,452	\$ 1,588	\$ 1,832	\$ 2,087	\$ 2,427	\$ 4,353	\$ 7,934
Non-GAAP gross margin %	46%	44%	44%	45%	46%	48%	48%	50%	45%	48%

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q4'21	Q4'20	Q3'21	2021	2020
GAAP operating expenses	\$ 1,223	\$ 881	\$ 1,141	\$ 4,293	\$ 2,978
GAAP Operating Expenses/Revenue %	25%	27%	26%	26%	31%
Stock-based compensation	111	78	98	374	268
Acquisition-related costs	9	14	8	42	14
Non-GAAP operating expenses	\$ 1,103	\$ 789	\$ 1,035	\$ 3,877	\$ 2,696
Non-GAAP Operating Expenses/Revenue %	23%	24%	24%	24%	28%

APPENDICES

Reconciliation of GAAP Operating Income to Non-GAAP Operating Income

(Millions)	Q4'21	Q4'20	Q3'21	2021	2020
GAAP operating income	\$ 1,207	\$ 570	\$ 948	\$ 3,648	\$ 1,369
GAAP operating margin %	25%	18%	22%	22%	14%
Stock-based compensation	112	79	99	379	274
Acquisition-related costs	9	14	8	42	14
Non-GAAP operating income	\$ 1,328	\$ 663	\$ 1,055	\$ 4,069	\$ 1,657
Non-GAAP operating margin %	27%	20%	24%	25%	17%

APPENDICES

Reconciliation of GAAP to Non-GAAP Net Income / Earnings Per Share

(Millions, except per share data)	Q1'20		Q2'20		Q3'20		Q4'20		Q1'21		Q2'21		Q3'21		Q4'21	
GAAP net income / earnings per share	\$ 162	\$ 0.14	\$ 157	\$ 0.13	\$ 390	\$ 0.32	\$ 1,781	\$ 1.45	\$ 555	\$ 0.45	\$ 710	\$ 0.58	\$ 923	\$ 0.75	\$ 974	\$ 0.80
Loss on debt redemption/conversion	-	-	-	-	38	0.03	16	0.01	14	0.02	1	-	-	-	-	-
(Gains) losses on equity investments, net	-	-	-	-	-	-	-	-	-	-	-	-	(60)	(0.05)	(4)	-
Non-cash interest expense related to convertible debt	2	-	2	-	2	-	-	-	-	-	-	-	-	-	-	-
Stock-based compensation	59	0.04	60	0.05	76	0.06	79	0.06	85	0.07	83	0.06	99	0.08	112	0.09
Equity income in investee	-	-	(1)	-	(1)	-	(3)	-	(2)	-	(2)	-	(2)	-	-	-
Acquisition-related costs	-	-	-	-	-	-	14	0.01	15	0.01	10	0.01	8	0.01	9	-
Release of valuation allowance on deferred tax assets	-	-	-	-	-	-	(1,301)	(1.06)	-	-	-	-	-	-	-	-
Income tax provision	(1)	-	(2)	-	(4)	-	50	0.05	(25)	(0.03)	(24)	(0.02)	(75)	(0.06)	31	0.03
Non-GAAP net income / earnings per share	\$ 222	\$ 0.18	\$ 216	\$ 0.18	\$ 501	\$ 0.41	\$ 636	\$ 0.52	\$ 642	\$ 0.52	\$ 778	\$ 0.63	\$ 893	\$ 0.73	\$ 1,122	\$ 0.92

Shares used and net income adjustment in earnings per share calculation	Q1'20		Q2'20		Q3'20		Q4'20		Q1'21		Q2'21		Q3'21		Q4'21	
Shares used in per share calculation (GAAP) ⁽¹⁾	1,224		1,227		1,215		1,226		1,231		1,232		1,230			1,222
Interest expense add back to GAAP net income ⁽¹⁾	\$ 4		\$ 3		\$ 1		\$ -		\$ -		\$ -		\$ -			\$ -
Shares used in per share calculation (Non-GAAP)	1,224		1,227		1,230		1,232		1,233		1,232		1,230			1,222
Interest expense add back to Non-GAAP net income	\$ 2		\$ 1		\$ 1		\$ -		\$ -		\$ -		\$ -			\$ -

(1) Q1'20 and Q2'20 GAAP diluted EPS calculation includes 31 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$4 million and \$3 million interest expense, respectively, add-back to net income under the "if converted" method. Q3'20 and Q4'20 GAAP diluted EPS calculation includes 11 million and 3 million shares, respectively, related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$1 million and \$0 million interest expense, respectively, add-back to net income under the "if converted" method. The 20 million (15 million weighted-average), 8 million shares (6 million weighted-average) and 3 million shares (2 million weighted-average) issued in exchange for \$165 million, \$60 million and \$24 million of convertible debt in Q3'20, Q4'20 and Q1'21, respectively, were not included as their inclusion would have been anti-dilutive.

APPENDICES

Reconciliation of GAAP to Non-GAAP Net Income / Earnings Per Share

(Millions, except per share data)	2020		2021	
GAAP net income / earnings per share	\$ 2,490	\$ 2.06	\$ 3,162	\$ 2.57
Loss on debt redemption/conversion	54	0.04	7	–
(Gains) losses on equity investments, net	–	–	(56)	(0.04)
Non-cash interest expense related to convertible debt	6	–	–	–
Stock-based compensation	274	0.22	379	0.31
Equity income in investee	(5)	–	(6)	–
Acquisition-related costs	14	0.01	42	0.03
Release of valuation allowance on deferred tax assets	(1,301)	(1.07)	–	–
Income tax provision	43	0.03	(93)	(0.08)
Non-GAAP net income / earnings per share	\$ 1,575	\$ 1.29	\$ 3,435	\$ 2.79

Shares used and net income adjustment in earnings per share calculation

Shares used in per share calculation (GAAP) ⁽¹⁾	1,207	1,229
Interest expense add back to GAAP net income ⁽¹⁾	\$ 1	\$ –
Shares used in per share calculation (Non-GAAP)	1,228	1,229
Interest expense add back to Non-GAAP net income	\$ 4	\$ –

(1) For the year ended December 26, 2020, GAAP diluted EPS calculations include 3 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$1 million interest expense add-back to net income under the "if converted" method. For the year ended December 26, 2020, Non-GAAP diluted EPS calculations include 24 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$4 million interest expense add-back to net income under the "if converted" method.

APPENDICES

Share Count Overview

Shares (millions) ⁽¹⁾	Q1'21	Q2'21	Q3'21	Q4'21	2021	Q1'22	2022
	Actual	Actual	Actual	Actual	Actual	Estimate ⁽⁴⁾	Estimate ⁽⁴⁾
Basic Shares	1,213	1,216	1,214	1,208	1,213	1,202	1,205
Dilutive impacts from:							
Employee Equity Grants ⁽²⁾	18	16	16	14	16	14	11
Diluted Shares (without 2026 Convertible Notes)	1,231	1,232	1,230	1,222	1,229	1,216	1,216
2026 Convertible Notes – GAAP ⁽³⁾	-	-	-	-	-	-	-
Diluted Shares (with 2026 Convertible Notes) – GAAP	1,231	1,232	1,230	1,222	1,229	1,216	1,216
2026 Convertible Notes – Non-GAAP ⁽³⁾	2	-	-	-	-	-	-
Diluted Shares (with 2026 Convertible Notes) – Non-GAAP	1,233	1,232	1,230	1,222	1,229	1,216	1,216

The table above provides actual share count for Q1'21, Q2'21, Q3'21, Q4'21 and FY 2021 and an estimate of share count that may be used when calculating GAAP and non-GAAP diluted earnings per share for Q1'22 and FY 2022.

(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 Q1'21, Q2'21 and Q3'21 average stock price was \$86.88, \$80.20, and \$101.58, respectively. Q4'21 average stock price was \$131.29. This price was assumed for Q1'22 and FY22 average stock price estimates.

(3) The dilutive impact from the 2.125% Convertible Senior Notes due 2026 (2026 Convertible Notes) is based on the If-Converted method, where the interest costs associated with the 2026 Convertible Notes are added back to the Net Income and the shares underlying the 2026 Convertible Notes are assumed to be converted and are added to the share count. The impact from the 2026 Convertible Notes, if dilutive, is included in diluted EPS calculation. For the GAAP computation, the add-back to net income includes cash and non-cash interest expense, while only the cash interest expense is added back to the non-GAAP net income. The dilutive shares associated with the 2026 Convertible Notes reflect the weighted average shares subject to conversion during each period.

During Q1'21, 3 million shares of the Company's common stock (2 million shares weighted) were issued to convert \$24 million of the outstanding 2026 Convertible Notes.

(4) Includes common stock repurchases subsequent to FY 2021 year end through February 1, 2022

APPENDICES

Reconciliation of Operating Cash Flow to Free Cash Flow

(Millions)	Q4'21	Q4'20	2021	2020
Operating cash flow	\$ 822	\$ 554	\$ 3,521	\$ 1,071
Operating cash flow margin %	17%	17%	21%	11%
Purchases of property and equipment	(86)	(74)	(301)	(294)
Free cash flow	\$ 736	\$ 480	\$ 3,220	\$ 777
Free cash flow margin %	15%	15%	20%	8%

Total Debt (Net)

(Millions)	Q4'21	Q4'20	Q3'21
7.50% Senior Notes due 2022	\$ 312	\$ 312	\$ 312
2.125% Convertible Senior Notes due 2026	1	26	1
Total Debt (principal amount)	\$ 313	\$ 338	\$ 313
Unamortized debt discount associated with 2.125% Convertible Senior Notes due 2026	—	(7)	—
Unamortized debt issuance costs	—	(1)	—
Total Debt (net)	\$ 313	\$ 330	\$ 313

ENDNOTES

R5K-002: Testing by AMD Performance labs as of 5/28/2021 based on the average FPS of 20 PC games at 1920x1080 with the High image quality preset using an AMD Ryzen™ 9 5900X processor vs. Core i9-11900K. For Ryzen 5000 G-Series processors testing as of 5/5/2021 based on the average FPS of 11 PC games at 1920x1080 with the low image quality preset using an AMD Ryzen™ 7 5700G vs Core i7-11700, both configured with integrated graphics. Results may vary. R5K-002.R5K-050: Testing by AMD Performance Labs as of December 11, 2020 using an AMD Ryzen 9 5900 and Intel Core i9-10900, each similarly configured and tested with an NVIDIA GeForce RTX 2080 Ti graphics card. Results may vary. R5K-002.

CZM-35: Tested by AMD Labs in December 2020. The Ryzen 5000 series mobile processors are the fastest mobile processors with the highest-performing single-thread and multi-thread performance available on an x86 mobile processor, measured with Cinebench R.20 1T and Cinebench R20 nT respectively, using similarly configured systems with Ryzen 9 4900H, Ryzen 9 5980HX and Ryzen 5980HS processors vs i9-10980HK, Core i7-1185G7 processors. Performance may vary. CZM-35.

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