

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

August 1, 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.

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## **Item 2.02 Results of Operations and Financial Condition.**

On August 1, 2023, the Company announced its financial position and results of operations as of and for its second quarter ended July 1, 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 second quarter 2023.

The Company will hold a conference call on August 1, 2023 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its second 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	<a href="#">Press Release dated August 1, 2023</a>
99.2	<a href="#">Second Quarter 2023 Financial Results Presentation</a>
104	Inline XBRL for the cover page of this Current Report on Form 8-K

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**NEWS RELEASE**

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**AMD Reports Second Quarter 2023 Financial Results**

**SANTA CLARA, Calif. — Aug. 1, 2023 —** AMD (NASDAQ:AMD) today announced revenue for the second quarter of 2023 of \$5.4 billion, gross margin of 46%, operating loss of \$20 million, net income of \$27 million and diluted earnings per share of \$0.02. On a non-GAAP<sup>(\*)</sup> basis, gross margin was 50%, operating income was \$1.1 billion, net income was \$948 million and diluted earnings per share was \$0.58.

“We delivered strong results in the second quarter as 4<sup>th</sup> Gen EPYC and Ryzen 7000 processors ramped significantly,” said AMD Chair and CEO Dr. Lisa Su. “Our AI engagements increased by more than seven times in the quarter as multiple customers initiated or expanded programs supporting future deployments of Instinct accelerators at scale. We made strong progress meeting key hardware and software milestones to address the growing customer pull for our data center AI solutions and are on-track to launch and ramp production of MI300 accelerators in the fourth quarter.”

“We are pleased with our second quarter execution,” said AMD EVP, CFO and Treasurer Jean Hu. “Looking to the third quarter, we expect our Data Center and Client segment revenues to each grow by a double-digit percentage sequentially driven by increasing demand for our EPYC and Ryzen processors, partially offset by Gaming and Embedded segment declines.”

**GAAP Quarterly Financial Results**

	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>Y/Y</b>	<b>Q1 2023</b>	<b>Q/Q</b>
Revenue (\$M)	\$5,359	\$6,550	Down 18%	\$5,353	Flat
Gross profit (\$M)	\$2,443	\$3,028	Down 19%	\$2,359	Up 4%
Gross margin	46%	46%	Flat	44%	Up 2ppts
Operating expenses (\$M)	\$2,471	\$2,508	Down 1%	\$2,514	Down 2%
Operating income (loss) (\$M)	\$(20)	\$526	Down 104%	\$(145)	Up 86%
Operating margin	0%	8%	Down 8 ppts	(3)%	Up 3ppts
Net income (loss) (\$M)	\$27	\$447	Down 94%	\$(139)	Up 119%
Earnings (loss) per share	\$0.02	\$0.27	Down 93%	\$(0.09)	Up 122%

### Non-GAAP(\*) Quarterly Financial Results

	Q2 2023	Q2 2022	Y/Y	Q1 2023	Q/Q
Revenue (\$M)	\$5,359	\$6,550	Down 18%	\$5,353	Flat
Gross profit (\$M)	\$2,665	\$3,538	Down 25%	\$2,675	Flat
Gross margin	50%	54%	Down 4 pts	50%	Flat
Operating expenses (\$M)	\$1,605	\$1,562	Up 3%	\$1,587	Up 1%
Operating income (\$M)	\$1,068	\$1,982	Down 46%	\$1,098	Down 3%
Operating margin	20%	30%	Down 10 pts	21%	Down 1ppt
Net income (\$M)	\$948	\$1,707	Down 44%	\$970	Down 2%
Earnings per share	\$0.58	\$1.05	Down 45%	\$0.60	Down 3%

#### Quarterly Segment Summary

- Data Center segment revenue was \$1.3 billion, down 11% year-over-year primarily due to lower 3<sup>rd</sup> Gen EPYC processor sales as Enterprise demand was soft and Cloud inventory levels were elevated at some customers.
  - Revenue increased 2% sequentially, as 4<sup>th</sup> Gen AMD EPYC™ CPU revenue nearly doubled and EPYC CPU Enterprise sales increased, partially offset by a decline in adaptive System-on-Chip (SoC) data center products.
  - There are now more than 670 AMD-powered cloud instances publicly available.
  - AMD Instinct™ MI300A and MI300X GPUs are sampling to leading HPC, Cloud and AI customers.
- Client segment revenue was \$998 million, down 54% year-over-year due to reduced processor shipments resulting from a weaker PC market and a significant inventory correction across the PC supply chain.
  - Revenue increased 35% sequentially as AMD Ryzen™ 7000 Series CPU sales grew significantly, and PC market conditions improved.
  - More than 100 AMD-powered commercial PC platforms are set to launch this year.
- Gaming segment revenue was \$1.6 billion, down 4% year-over-year. Semi-custom revenue grew year-over-year, which was more than offset by lower gaming graphics revenue.
  - Revenue declined 10% sequentially primarily due to lower gaming graphics sales.
- Embedded segment revenue was \$1.5 billion, up 16% year-over-year primarily driven by strength in the Industrial, Vision and Healthcare, Automotive and Test and Emulation markets.
  - Revenue decreased 7% sequentially primarily driven by softness in the Communications market.
  - The new AMD Versal™ Premium VP1902 adaptive SoC, Spartan™ Ultrascale+™ FPGAs and enhanced versions of the Vivado™ and Vitis™ software platforms are expanding AMD's adaptive computing product leadership.

## Recent PR Highlights

- At the [Data Center and AI Technology Premier event](#), AMD announced the expansion of its leadership data center portfolio and shared details on its next generation AMD Instinct accelerator and software enablement for generative AI:
  - AMD [unveiled](#) two new, workload optimized 4<sup>th</sup> Gen AMD EPYC processors: AMD EPYC 97X4 CPUs, codenamed “Bergamo,” deliver leadership cloud native computing, while 4<sup>th</sup> Gen AMD EPYC processors with AMD 3D V-Cache™ technology, codenamed “Genoa-X,” provide leadership performance for highly demanding technical computing workloads.
  - AMD highlighted its partnership with industry leaders Hugging Face and PyTorch to enable an extensive array of AI models that are optimized and ready to use “out of the box” on AMD accelerators.
  - AMD showcased a robust networking portfolio, including the next generation AMD Pensando™ DPU, which aims to deliver enhanced performance and power efficiency.
- AMD continues to deliver high-performance and accelerated computing for the data center, cloud and supercomputing:
  - [AWS](#), [Alibaba](#), [Microsoft Azure](#) and [OCI](#) announced new instances powered by 4<sup>th</sup> Gen AMD EPYC processors. OCI also announced MySQL Heatwave based on 4<sup>th</sup> Gen AMD EPYC processors, enabling one service for transaction processing, real-time data analytics and machine learning across cloud services.
  - SAP [selected](#) AMD EPYC processors to power Rise with SAP applications hosted on Google Cloud.
  - AMD EPYC processors and AMD Instinct accelerators [continue to be](#) the solutions of choice behind the most innovative, energy efficient and powerful supercomputers in the world, powering 121 supercomputers on the latest Top500 list and seven of the top 10 supercomputers on the Green500 list.
  - Cerebras unveiled the Condor Galaxy 1 cloud-based AI supercomputer, enabled by more than 70,000 AMD EPYC CPU cores. Initial applications for the system include LLM training, healthcare and climate research.
  - AMD [announced](#) the release of the new AMD ROCm™ 5.6 open software platform, featuring enhanced capabilities for AI and HPC workloads, including new AI software add-ons for large language and other models, performance optimizations across the ROCm portfolio of libraries and additional support for the AI community.
- AMD embedded products are delivering optimized performance across a diverse set of markets:

- Adoption of AMD embedded products is expanding in enterprise storage, as Hewlett Packard Enterprise announced that AMD EPYC Embedded Series processors are powering its new modular storage solution, HPE Alletra Storage MP.
- AMD introduced two additions to the automotive-grade XA Artix™ UltraScale+ family: XAAU10P and XAAU15P FPGAs, which are optimized for use in ADAS sensor applications.
- AMD announced new Ryzen™ PRO 7040 Series Mobile processors, the most advanced x86 processors for premium Windows 11 business laptops and mobile workstations. AMD also announced the Ryzen PRO 7000 Series processors for desktop, bringing the power of “Zen 4” and AMD RDNA™ 2 integrated graphics to professional desktop users.
- New AMD gaming products deliver incredible experiences on the desktop or on the go:
  - AMD introduced the AMD Ryzen Z1 Series processors, the ultimate high-performance processor for handheld PC gaming consoles, which power the new Asus ROG Ally.
  - AMD launched the Radeon™ RX 7600 graphics card for next-generation, high-performance 1080p gaming, streaming and content creation with stunning visual fidelity.
- AMD announced plans to invest \$135 million to expand adaptive computing research, development and engineering operations in Ireland to fund strategic R&D projects for next generation AI, data center, networking and 6G communications infrastructure.
- AMD announced the appointment of Phil Guido to chief commercial officer, with responsibility for the AMD worldwide sales organization. Guido joins from IBM where he most recently served as general manager, global managing partner of Strategic Sales at IBM Consulting. He spent the last 30 years at IBM in a variety of sales and business leadership roles and brings extensive experience driving deep strategic relationships with data center, embedded and commercial customers.

#### **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 third quarter of 2023, AMD expects revenue to be approximately \$5.7 billion, plus or minus \$300 million, and expects non-GAAP gross margin to be approximately 51%.

#### **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 second 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](http://www.amd.com).

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

	Three Months Ended					
	July 1, 2023		April 1, 2023		June 25, 2022	
<b>GAAP gross profit</b>	<b>\$</b>	<b>2,443</b>	<b>\$</b>	<b>2,359</b>	<b>\$</b>	<b>3,028</b>
GAAP gross margin		46 %		44 %		46 %
Stock-based compensation		10		8		8
Amortization of acquisition-related intangibles		212		305		407
Acquisition-related and other costs <sup>(1)</sup>		—		3		95
<b>Non-GAAP gross profit</b>	<b>\$</b>	<b>2,665</b>	<b>\$</b>	<b>2,675</b>	<b>\$</b>	<b>3,538</b>
Non-GAAP gross margin		50 %		50 %		54 %
<b>GAAP operating expenses</b>	<b>\$</b>	<b>2,471</b>	<b>\$</b>	<b>2,514</b>	<b>\$</b>	<b>2,508</b>
GAAP operating expenses/revenue %		46 %		47 %		38 %
Stock-based compensation		338		297		251
Amortization of acquisition-related intangibles		481		518		616
Acquisition-related and other costs <sup>(1)</sup>		47		112		79
<b>Non-GAAP operating expenses</b>	<b>\$</b>	<b>1,605</b>	<b>\$</b>	<b>1,587</b>	<b>\$</b>	<b>1,562</b>
Non-GAAP operating expenses/revenue %		30 %		30 %		24 %
<b>GAAP operating income (loss)</b>	<b>\$</b>	<b>(20)</b>	<b>\$</b>	<b>(145)</b>	<b>\$</b>	<b>526</b>
GAAP operating margin		0 %		(3) %		8 %
Stock-based compensation		348		305		259
Amortization of acquisition-related intangibles		693		823		1,023
Acquisition-related and other costs <sup>(1)</sup>		47		115		174
<b>Non-GAAP operating income</b>	<b>\$</b>	<b>1,068</b>	<b>\$</b>	<b>1,098</b>	<b>\$</b>	<b>1,982</b>
Non-GAAP operating margin		20 %		21 %		30 %

	Three Months Ended											
	July 1, 2023		April 1, 2023		June 25, 2022							
<b>GAAP net income (loss) / earnings (loss) per share</b>	<b>\$</b>	<b>27</b>	<b>\$</b>	<b>0.02</b>	<b>\$</b>	<b>(139)</b>	<b>\$</b>	<b>(0.09)</b>	<b>\$</b>	<b>447</b>	<b>\$</b>	<b>0.27</b>
(Gains) losses on equity investments, net		3		—		(1)		—		10		—
Stock-based compensation		348		0.21		305		0.19		259		0.16
Equity income in investee		(6)		—		(1)		—		(4)		—
Amortization of acquisition-related intangibles		693		0.42		823		0.51		1,023		0.63
Acquisition-related and other costs <sup>(1)</sup>		47		0.03		115		0.07		174		0.11
Income tax provision		(164)		(0.10)		(132)		(0.08)		(202)		(0.12)
<b>Non-GAAP net income / earnings per share</b>	<b>\$</b>	<b>948</b>	<b>\$</b>	<b>0.58</b>	<b>\$</b>	<b>970</b>	<b>\$</b>	<b>0.60</b>	<b>\$</b>	<b>1,707</b>	<b>\$</b>	<b>1.05</b>

(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 expected launch and production ramp of AMD Instinct™ MI300 accelerators in the fourth quarter 2023; expected double digit revenue growth in AMD's Data Center and Client segments on a sequential basis driven by increasing demand for AMD's EPYC™ and Ryzen™ processors, partially offset by Gaming and Embedded segment declines; the features, functionality, performance, availability, timing and expected benefits of AMD products, and AMD's expected third 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; 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, 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 August 1, 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			Six Months Ended	
	July 1, 2023	April 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Net revenue	\$ 5,359	\$ 5,353	\$ 6,550	\$ 10,712	\$ 12,437
Cost of sales	2,704	2,689	3,115	5,393	5,998
Amortization of acquisition-related intangibles	212	305	407	517	593
Total cost of sales	2,916	2,994	3,522	5,910	6,591
Gross profit	2,443	2,359	3,028	4,802	5,846
Gross margin	46 %	44 %	46 %	45 %	47 %
Research and development	1,443	1,411	1,300	2,854	2,360
Marketing, general and administrative	547	585	592	1,132	1,189
Amortization of acquisition-related intangibles	481	518	616	999	909
Licensing gain	(8)	(10)	(6)	(18)	(89)
Operating income (loss)	(20)	(145)	526	(165)	1,477
Interest expense	(28)	(25)	(25)	(53)	(38)
Other income (expense), net	46	43	(4)	89	(46)
Income (loss) before income taxes and equity income	(2)	(127)	497	(129)	1,393
Income tax provision (benefit)	(23)	13	54	(10)	167
Equity income in investee	6	1	4	7	7
Net income (loss)	\$ 27	\$ (139)	\$ 447	\$ (112)	\$ 1,233
Earnings (loss) per share					
Basic	\$ 0.02	\$ (0.09)	\$ 0.28	\$ (0.07)	\$ 0.82
Diluted	\$ 0.02	\$ (0.09)	\$ 0.27	\$ (0.07)	\$ 0.81
Shares used in per share calculation					
Basic	1,612	1,611	1,618	1,612	1,506
Diluted	1,627	1,611	1,632	1,612	1,521

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

	July 1, 2023 (Unaudited)	December 31, 2022
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,841	\$ 4,835
Short-term investments	2,444	1,020
Accounts receivable, net	4,312	4,126
Inventories	4,567	3,771
Receivables from related parties	2	2
Prepaid expenses and other current assets	1,339	1,265
<b>Total current assets</b>	<b>16,505</b>	<b>15,019</b>
Property and equipment, net	1,541	1,513
Operating lease right-of-use assets	461	460
Goodwill	24,177	24,177
Acquisition-related intangibles, net	22,598	24,118
Investment: equity method	90	83
Deferred tax assets	68	58
Other non-current assets	2,527	2,152
<b>Total Assets</b>	<b>\$ 67,967</b>	<b>\$ 67,580</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,779	\$ 2,493
Payables to related parties	313	463
Accrued liabilities	2,971	3,077
Current portion of long-term debt, net	753	—
Other current liabilities	756	336
<b>Total current liabilities</b>	<b>7,572</b>	<b>6,369</b>
Long-term debt, net of current portion	1,714	2,467
Long-term operating lease liabilities	393	396
Deferred tax liabilities	1,365	1,934
Other long-term liabilities	1,787	1,664
<b>Stockholders' equity:</b>		
Capital stock:		
Common stock, par value	16	16
Additional paid-in capital	58,825	58,005
Treasury stock, at cost	(3,430)	(3,099)
Accumulated deficit	(243)	(131)
Accumulated other comprehensive loss	(32)	(41)
<b>Total stockholders' equity</b>	<b>\$ 55,136</b>	<b>\$ 54,750</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 67,967</b>	<b>\$ 67,580</b>

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

	Three Months Ended		Six Months Ended	
	July 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
Cash flows from operating activities:				
Net income (loss)	27	447	(112)	1,233
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	849	1,180	1,831	1,789
Stock-based compensation	348	292	657	491
Amortization of operating lease right-of-use assets	24	21	48	40
Amortization of inventory fair value adjustment	1	96	3	185
Loss on sale or disposal of property and equipment	1	—	7	15
Deferred income taxes	(274)	(276)	(582)	(618)
(Gains) losses on equity investments, net	3	10	2	54
Other	(18)	(2)	(20)	(4)
Changes in operating assets and liabilities				
Accounts receivable, net	(272)	(344)	(186)	(1,016)
Inventories	(332)	(248)	(796)	(274)
Receivables from related parties	—	—	—	(1)
Prepaid expenses and other assets	(46)	23	(237)	(237)
Payables to related parties	(41)	156	(150)	277
Accounts payable	236	24	309	28
Accrued and other liabilities	(127)	(341)	91	71
Net cash provided by operating activities	379	1,038	865	2,033
Cash flows from investing activities:				
Purchases of property and equipment	(125)	(132)	(283)	(203)
Purchases of short-term investments	(1,113)	(520)	(2,816)	(620)
Proceeds from maturity of short-term investments	698	1,285	1,171	2,248
Proceeds from sale of short-term investments	103	—	248	1
Cash received from acquisition of Xilinx	—	—	—	2,366
Acquisition of Pensando, net of cash acquired	—	(1,558)	—	(1,558)
Other	(1)	(3)	5	(4)
Net cash provided by (used in) investing activities	(438)	(928)	(1,675)	2,230
Cash flows from financing activities:				
Proceeds from debt, net of issuance costs	—	991	—	991
Proceeds from sales of common stock through employee equity plans	141	76	144	78
Repurchases of common stock	—	(921)	(241)	(2,835)
Common stock repurchases for tax withholding on employee equity plans	(66)	(31)	(87)	(66)
Other	—	(1)	—	(2)
Net cash provided by (used in) financing activities	75	114	(184)	(1,834)
Net increase (decrease) in cash and cash equivalents	16	224	(994)	2,429
Cash and cash equivalents at beginning of period	3,825	4,740	4,835	2,535
Cash and cash equivalents at end of period	3,841	4,964	3,841	4,964

**SELECTED CORPORATE DATA**  
(Millions) (Unaudited)

	Three Months Ended			Six Months Ended	
	July 1, 2023	April 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
<b>Segment and Category Information<sup>(1)</sup></b>					
Data Center					
Net revenue	\$ 1,321	\$ 1,295	\$ 1,486	\$ 2,616	\$ 2,779
Operating income	\$ 147	\$ 148	\$ 472	\$ 295	\$ 899
Client					
Net revenue	\$ 998	\$ 739	\$ 2,152	\$ 1,737	\$ 4,276
Operating income (loss)	\$ (69)	\$ (172)	\$ 676	\$ (241)	\$ 1,368
Gaming					
Net revenue	\$ 1,581	\$ 1,757	\$ 1,655	\$ 3,338	\$ 3,530
Operating income	\$ 225	\$ 314	\$ 187	\$ 539	\$ 545
Embedded					
Net revenue	\$ 1,459	\$ 1,562	\$ 1,257	\$ 3,021	\$ 1,852
Operating income	\$ 757	\$ 798	\$ 641	\$ 1,555	\$ 918
All Other					
Net revenue	\$ —	\$ —	\$ —	\$ —	\$ —
Operating loss	\$ (1,080)	\$ (1,233)	\$ (1,450)	\$ (2,313)	\$ (2,253)
<b>Total</b>					
Net revenue	\$ 5,359	\$ 5,353	\$ 6,550	\$ 10,712	\$ 12,437
Operating income (loss)	\$ (20)	\$ (145)	\$ 526	\$ (165)	\$ 1,477
<b>Other Data</b>					
Capital expenditures	\$ 125	\$ 158	\$ 132	\$ 283	\$ 203
Adjusted EBITDA <sup>(2)</sup>	\$ 1,224	\$ 1,257	\$ 2,139	\$ 2,481	\$ 4,106
Cash, cash equivalents and short-term investments	\$ 6,285	\$ 5,939	\$ 5,992	\$ 6,285	\$ 5,992
Free cash flow <sup>(3)</sup>	\$ 254	\$ 328	\$ 906	\$ 582	\$ 1,830
Total assets	\$ 67,967	\$ 67,634	\$ 67,502	\$ 67,967	\$ 67,502
Total debt	\$ 2,467	\$ 2,467	\$ 2,777	\$ 2,467	\$ 2,777

- (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, 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 (Loss) to Adjusted EBITDA**

	Three Months Ended			Six Months Ended	
	July 1, 2023	April 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
GAAP net income (loss)	\$ 27	\$ (139)	\$ 447	\$ (112)	\$ 1,233
Interest expense	28	25	25	53	38
Other (income) expense, net	(46)	(43)	4	(89)	46
Income tax provision (benefit)	(23)	13	54	(10)	167
Equity income in investee	(6)	(1)	(4)	(7)	(7)
Stock-based compensation	348	305	259	653	433
Depreciation and amortization	156	159	157	315	287
Amortization of acquisition-related intangibles	693	823	1,023	1,516	1,502
Acquisition-related and other costs	47	115	174	162	407
Adjusted EBITDA	<u>\$ 1,224</u>	<u>\$ 1,257</u>	<u>\$ 2,139</u>	<u>\$ 2,481</u>	<u>\$ 4,106</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 (loss) 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			Six Months Ended	
	July 1, 2023	April 1, 2023	June 25, 2022	July 1, 2023	June 25, 2022
GAAP net cash provided by operating activities	\$ 379	\$ 486	\$ 1,038	\$ 865	\$ 2,033
Operating cash flow margin %	7 %	9 %	16 %	8 %	16 %
Purchases of property and equipment	(125)	(158)	(132)	(283)	(203)
Free cash flow	<u>\$ 254</u>	<u>\$ 328</u>	<u>\$ 906</u>	<u>\$ 582</u>	<u>\$ 1,830</u>
Free cash flow margin %	5 %	6 %	14 %	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

# Second Quarter 2023

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August 1, 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 third quarter of 2023 and fiscal 2023 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP tax rate and diluted share count; 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; 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 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 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, operating expenses. These forward-looking non-GAAP measures are based on current expectations as of August 1, 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



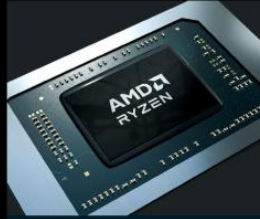
AMD Instinct™  
MI250 & MI300  
Accelerators

Data Center HPC  
and AI Solutions



AMD 4th Gen EPYC™  
Processors

Industry-Leading  
Server Solutions



Ryzen™ 7040  
Mobile processors  
with AI accelerator

First x86 with  
Integrated AI accelerator



Embedded  
Versal™ AI Edge  
Zynq™ MPSoC

Adaptive SoC + AI  
for Embedded



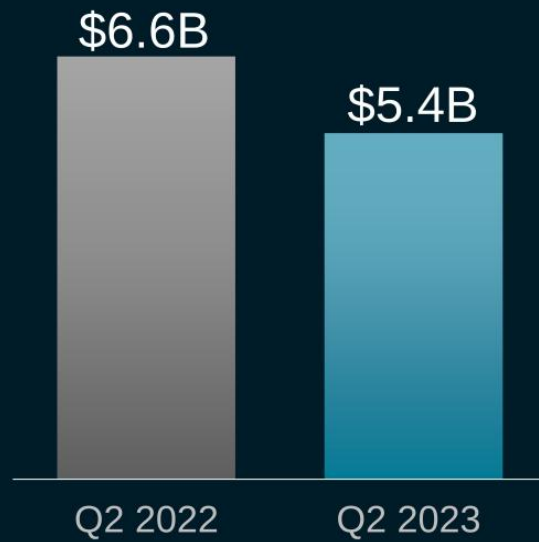
AMD Alveo™  
Accelerators

AI Inference  
Optimized Solutions

## DELIVERING A COMPREHENSIVE AI COMPUTE PORTFOLIO

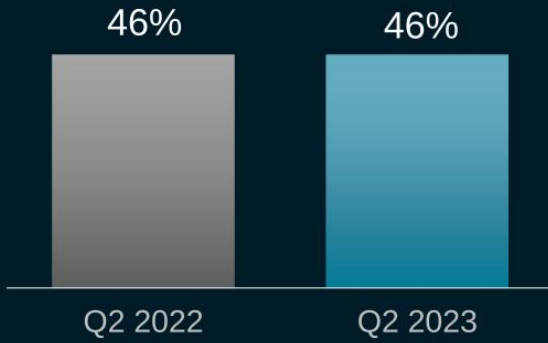
## REVENUE Q2 2023

- Revenue of \$5.4 billion declined 18% y/y as Embedded segment strength was more than offset primarily by lower Client segment revenue
  - Client segment revenue was impacted by a weaker PC market and a significant inventory correction across the PC supply chain



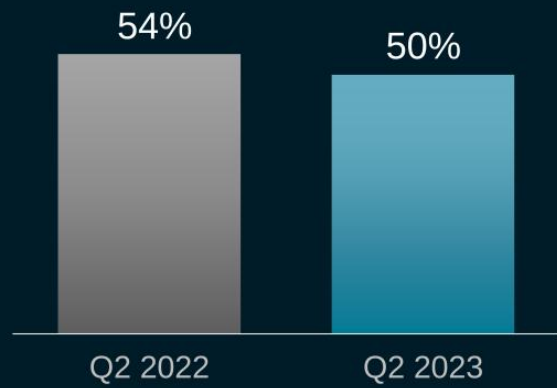
# GROSS MARGIN Q2 2023

## GAAP



- Gross margin flat due to lower Client segment performance offset by strong Embedded segment performance and lower amortization of acquisition-related intangible assets

## Non-GAAP<sup>1</sup>



- Non-GAAP gross margin decrease primarily due to lower Client segment performance partially offset by strong Embedded segment performance

1. See Appendices for GAAP to Non-GAAP reconciliation

# OPERATING INCOME (LOSS) Q2 2023

## GAAP



- Operating loss primarily due to lower Client segment performance

## Non-GAAP<sup>1</sup>



- Non-GAAP operating income declined due to lower Client segment performance

1. See Appendices for GAAP to Non-GAAP reconciliation



# EARNINGS PER SHARE Q2 2023

## GAAP



- Net income of \$27 million, down 94% y/y
- EPS of \$0.02, compared to EPS of \$0.27, declined primarily due to Client segment performance

## Non-GAAP<sup>1</sup>



- Non-GAAP net income of \$948 million, down 44% y/y
- Non-GAAP EPS of \$0.58, compared to non-GAAP EPS of \$1.05, declined primarily due to Client segment performance

1. See Appendices for GAAP to Non-GAAP reconciliation

## Q2 2023 SUMMARY P&L | GAAP

(\$ in millions, except per share data)	Q2'23	Q2'22	Y/Y	Q1'23	Q/Q
Revenue	\$5,359	\$6,550	Down 18%	\$5,353	Flat
Gross Profit	\$2,443	\$3,028	Down 19%	\$2,359	Up 4%
Gross Margin	46%	46%	Flat	44%	Up 2ppts
Operating Expenses	\$2,471	\$2,508	Down 1%	\$2,514	Down 2%
Operating Expense/Revenue %	46%	38%	Up 8 ppts	47%	Down 1ppt
Operating Income (Loss)	\$(20)	\$526	Down 104%	\$(145)	Up 86%
Operating Margin	0%	8%	Down 8 ppts	(3)%	Up 3 ppts
Net Income (Loss)	\$27	\$447	Down 94%	\$(139)	Up 119%
Earnings (Loss) Per Share	\$0.02	\$0.27	Down 93%	\$(0.09)	Up 122%

## Q2 2023 SUMMARY P&L | NON-GAAP<sup>1</sup>

(\$ in millions, except per share data)	Q2'23	Q2'22	Y/Y	Q1'23	Q/Q
Revenue	\$5,359	\$6,550	Down 18%	\$5,353	Flat
Gross Profit	\$2,665	\$3,538	Down 25%	\$2,675	Flat
Gross Margin	50%	54%	Down 4 pts	50%	Flat
Operating Expenses	\$1,605	\$1,562	Up 3%	\$1,587	Up 1%
Operating Expense/Revenue %	30%	24%	Up 6 pts	30%	Flat
Operating Income	\$1,068	\$1,982	Down 46%	\$1,098	Down 3%
Operating Margin	20%	30%	Down 10 pts	21%	Down 1 ppt
Net Income	\$948	\$1,707	Down 44%	\$970	Down 2%
Earnings Per Share	\$0.58	\$1.05	Down 45%	\$0.60	Down 3%

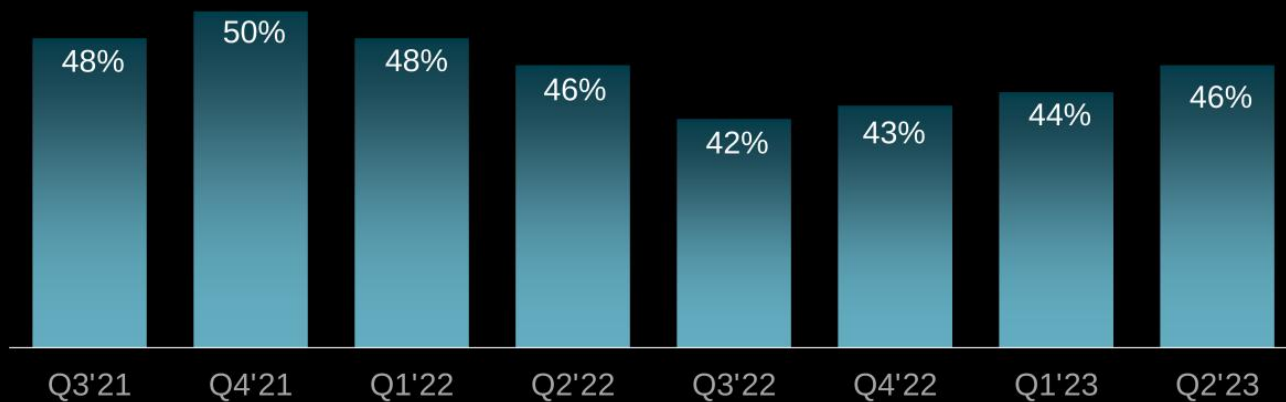
# REVENUE

(\$ in Billions)



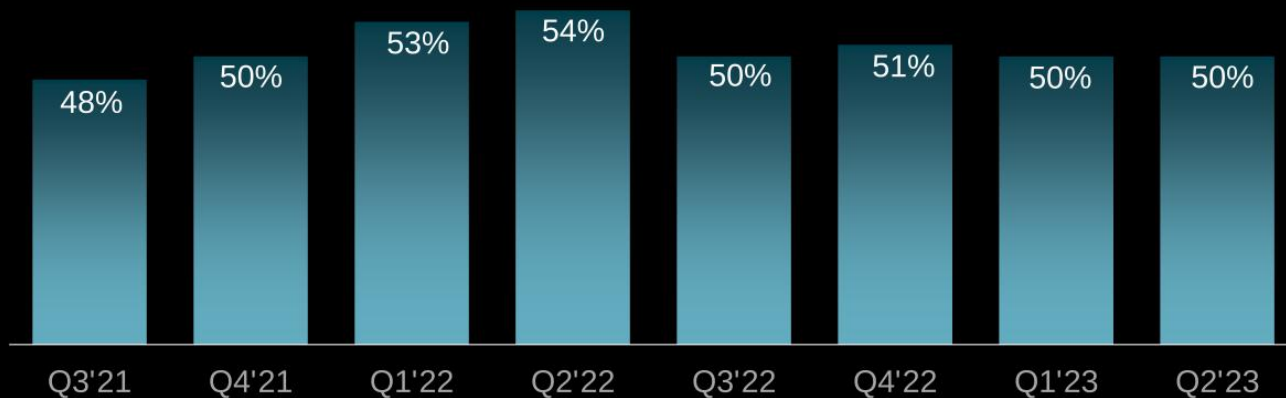
# GROSS MARGIN

(GAAP)



# GROSS MARGIN

(Non-GAAP)<sup>1</sup>



# EARNINGS (LOSS) PER SHARE (GAAP)



# EARNINGS PER SHARE

(Non-GAAP)<sup>1</sup>





## Q2 2023 SUMMARY BALANCE SHEET ITEMS

(\$ in millions)	Q2'23	Q1'23	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$6,285	\$5,939	Up 6%
Accounts Receivable, Net	\$4,312	\$4,040	Up 7%
Inventories	\$4,567	\$4,235	Up 8%
Total Debt, Net	\$2,467	\$2,467	Flat

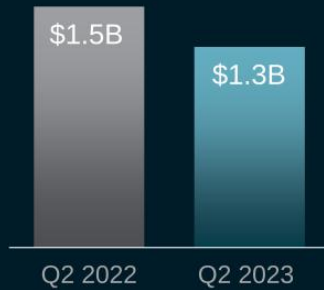
- Inventories up q/q to support the continued ramp of advanced technology products

# Q2 2023 SEGMENT RESULTS

(\$ in millions)	Q2'23	Q2'22	Y/Y	Q1'23	Q/Q
<b>Data Center</b>					
Net Revenue	\$1,321	\$1,486	Down 11%	\$1,295	Up 2%
Operating Income	\$147	\$472	Down 69%	\$148	Down 1%
<b>Client</b>					
Net Revenue	\$998	\$2,152	Down 54%	\$739	Up 35%
Operating Income (Loss)	\$(69)	\$676	Down 110%	\$(172)	Up 60%
<b>Gaming</b>					
Net Revenue	\$1,581	\$1,655	Down 4%	\$1,757	Down 10%
Operating Income	\$225	\$187	Up 20%	\$314	Down 28%
<b>Embedded</b>					
Net Revenue	\$1,459	\$1,257	Up 16%	\$1,562	Down 7%
Operating Income	\$757	\$641	Up 18%	\$798	Down 5%

# DATA CENTER SEGMENT Q2 2023

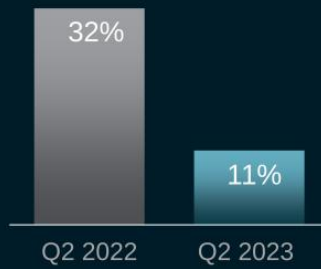
## Revenue



Revenue  
**\$1.3 Billion**  
Down 11% y/y

Primarily due to lower sales of 3<sup>rd</sup> Gen EPYC™ processors

## Operating Margin



Operating Income  
**\$147 Million**  
vs. \$472 Million a year ago

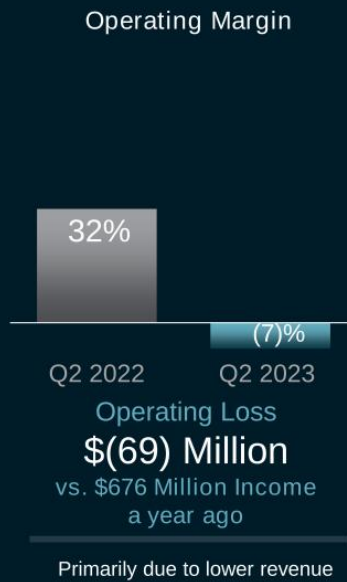
Primarily due to lower revenue and increased R&D investments

AMD EPYC AMD Instinct XILINX AMD PENSANDO

## Strategic Highlights

- AWS, Microsoft Azure and OCI announced new cloud instances powered by 4th Gen AMD EPYC™ processors
- Expanding enterprise customer adoption of EPYC processors including with Banco de Brasil, BNP Paribas, Petronas and Uber
- AMD now powers 121 supercomputers in Top500 list and 7 of top 10 supercomputers on Green500 list
- AMD Instinct™ MI300A and MI300X accelerators for HPC and AI on track to launch and ramp production in Q4'23

# CLIENT SEGMENT Q2 2023



## Strategic Highlights

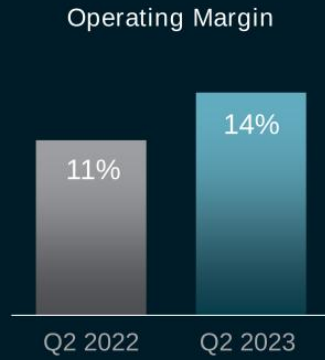
- Announced new Ryzen™ PRO 7040 Series Mobile processors, the most advanced x86 processors for premium Windows 11 business laptops and mobile workstations
- Launched Ryzen PRO 7000 Series processors for desktop, bringing the power of “Zen 4” and AMD RDNA™ 2 integrated graphics to professional desktop users

# GAMING SEGMENT Q2 2023



Revenue  
**\$1.6 Billion**  
Down 4% y/y

Semi-custom revenue grew y/y,  
more than offset by lower gaming  
graphics revenue



Operating Income  
**\$225 Million**  
vs. \$187 Million a year ago

Primarily due to higher  
semi-custom revenue



## Strategic Highlights

- Strong semi-custom SoC sales driven by healthy game console demand based on improved global retail availability and new AAA game launches
- Launched Radeon™ RX 7600 graphics card for next-generation, high-performance 1080p gaming, streaming and content creation
- On-track to expand RDNA 3 GPU offerings with launch of new enthusiast class Radeon 7000 series cards in Q3'23

# EMBEDDED SEGMENT Q2 2023



Revenue  
**\$1.5 Billion**  
Up 16% y/y

Primarily driven by strength in Industrial, Vision and Healthcare, Automotive and Test and Emulation markets



Operating Income  
**\$757 Million**  
vs. \$641 Million a year ago

Primarily driven by higher revenue



## Strategic Highlights

- Announced Versal™ Premium VP1902 adaptive SoC, the industry's largest and most performant solution for emulating and verifying next generation ASICs and SoCs
- AMD EPYC Embedded Series processors power HPE's new modular storage solution, HPE Alletra Storage MP
- Introduced automotive-grade XA Artix™ UltraScale+™ family additions, optimized for use in ADAS sensor applications

# FINANCIAL OUTLOOK – NON-GAAP<sup>1</sup>

(\$ in millions)	Q3'23	FY 2023
Revenue	~\$5.7 Billion +/- \$300 Million Increase of ~2.5% y/y	Data Center and Embedded Segments expected to grow y/y
Gross Margin	~51%	Expansion in 2H
Operating Expenses	~\$1.65 Billion	Modest increase in 2H
Effective Tax Rate	~13% of pre-tax income	~13% of pre-tax income
Diluted Share Count <sup>2</sup>	~1.63 Billion shares	~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 August 1, 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

# Q2 2023 SUMMARY<sup>1</sup>

Revenue  
\$5.4B

Data Center and  
Embedded Segments  
>50% of Revenue

Gross Margin 46%  
Non-GAAP  
Gross Margin 50%

EPS \$0.02  
Non-GAAP EPS \$0.58

## EXECUTING WELL TO OUR STRATEGIC PRIORITIES



# AMD COMMITMENT TO ESG



## Environmental

Steadfast commitment to environmental sustainability and contributing to our local communities

## Social

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

## Governance

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

## PURPOSE-DRIVEN HIGH-PERFORMANCE AND ADAPTIVE COMPUTING

# 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)	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
GAAP gross profit	\$ 2,086	\$ 2,426	\$ 2,818	\$ 3,028	\$ 2,354	\$ 2,403	\$ 2,359	\$ 2,443
GAAP gross margin	48%	50%	48%	46%	42%	43%	44%	46%
Stock-based compensation	1	1	4	8	8	9	8	10
Amortization of acquisition-related intangibles	—	—	186	407	412	443	305	212
Acquisition-related and other costs <sup>(1)</sup>	—	—	92	95	2	4	3	-
Non-GAAP gross profit	\$ 2,087	\$ 2,427	\$ 3,100	\$ 3,538	\$ 2,776	\$ 2,859	\$ 2,675	\$ 2,665
Non-GAAP gross margin	48%	50%	53%	54%	50%	51%	50%	50%

## RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(Millions) (Unaudited)	Q2'23	Q2'22	Q1'23
GAAP operating expenses	\$ 2,471	\$ 2,508	\$ 2,514
GAAP operating expenses/revenue %	46%	38%	47%
Stock-based compensation	338	251	297
Amortization of acquisition-related intangibles	481	616	518
Acquisition-related and other costs <sup>(1)</sup>	47	79	112
Non-GAAP operating expenses	\$ 1,605	\$ 1,562	\$ 1,587
Non-GAAP operating expenses/revenue %	30%	24%	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)	Q2'23	Q2'22	Q1'23
GAAP operating income (loss)	\$ (20)	\$ 526	\$ (145)
GAAP operating margin	0%	8%	(3)%
Stock-based compensation	348	259	305
Amortization of acquisition-related intangibles	693	1,023	823
Acquisition-related and other costs <sup>(1)</sup>	47	174	115
Non-GAAP operating income	\$ 1,068	\$ 1,982	\$ 1,098
Non-GAAP operating margin	20%	30%	21%

(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

(Millions, except per share data) (Unaudited)	Q3'21		Q4'21		Q1'22		Q2'22		Q3'22		Q4'22		Q1'23		Q2'23	
GAAP net income (loss) / earnings (loss) per share	\$ 923	\$ 0.75	\$ 974	\$ 0.80	\$ 786	\$ 0.56	\$ 447	\$ 0.27	\$ 66	\$ 0.04	\$ 21	\$ 0.01	\$ (139)	\$ (0.09)	\$ 27	\$ 0.02
(Gains) losses on equity investments, net	(60)	(0.05)	(4)	–	44	0.03	10	–	3	–	5	–	(1)	–	3	–
Stock-based compensation	99	0.08	112	0.09	174	0.12	259	0.16	269	0.16	310	0.19	305	0.19	348	0.21
Equity income in investee	(2)	–	–	–	(3)	–	(4)	–	(4)	–	(3)	–	(1)	–	(6)	–
Amortization of acquisition-related intangibles	–	–	–	–	479	0.34	1,023	0.63	1,002	0.62	1,044	0.65	823	0.51	693	0.42
Acquisition-related and other costs <sup>(1)</sup>	8	0.01	9	–	233	0.17	174	0.11	57	0.04	57	0.04	115	0.07	47	0.03
Income tax provision	(75)	(0.06)	31	0.03	(124)	(0.09)	(202)	(0.12)	(298)	(0.19)	(321)	(0.20)	(132)	(0.08)	(164)	(0.10)
Non-GAAP net income / earnings per share	\$ 893	\$ 0.73	\$1,122	\$ 0.92	\$1,589	\$ 1.13	\$1,707	\$ 1.05	\$1,095	\$ 0.67	\$1,113	\$ 0.69	\$970	\$ 0.60	\$948	\$ 0.58
Shares used in earnings per share calculation																
Shares used in per share calculation (GAAP) <sup>(2)</sup>	1,230		1,222		1,410		1,632		1,625		1,618		1,611		1,627	
Shares used in per share calculation (Non-GAAP) <sup>(2)</sup>	1,230		1,222		1,410		1,632		1,625		1,618		1,618		1,627	

(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, if the impact is dilutive.

# APPENDICES

## SHARE COUNT OVERVIEW

Shares (millions) <sup>(1)</sup>	Q2'23	Q3'23	2023
	Actual	Estimate	Estimate
Basic shares	1,612	1,618	1,618
Dilutive impact from employee equity grants <sup>(2)</sup>	15	12	10
Diluted shares	1,627	1,630	1,628

The table above provides actual share count for Q2'23 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q3'23 and FY 2023.

(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 Q2'23 average stock price was \$104.00. The Q2'23 average stock price of \$104.00 was assumed for Q3'23 and FY23 average stock price estimates.

**AMD**   
together we advance\_

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