

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

April 30, 2024

Date of Report (Date of earliest event reported)



ADVANCED MICRO DEVICES, INC.

Delaware
(State of
Incorporation)

(Exact name of registrant as specified in its charter)

001-07882

(Commission
File Number)

94-1692300

(IRS Employer
Identification Number)

2485 Augustine Drive
Santa Clara, California 95054

(Address of principal executive offices) (Zip Code)

(408) 749-4000

(Registrant's telephone number, including area code)

N/A

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

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Condition.

On April 30, 2024, the Company announced its financial position and results of operations as of and for its first quarter ended March 30, 2024 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 first quarter 2024.

The Company will hold a conference call on April 30, 2024 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its first quarter 2024 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 and margin, 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 2024, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information. The Company believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the earnings press release and presentation. The Company's non-GAAP financial measures should be viewed in addition to and not as a substitute for or superior to the Company's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the data tables at the end of the earnings press release and presentation.

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

Item 7.01 Regulation FD Disclosure.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated April 30, 2024
99.2	First Quarter 2024 Financial Results Presentation
104	Inline XBRL for the cover page of this Current Report on Form 8-K



NEWS RELEASE

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AMD Reports First Quarter 2024 Financial Results

SANTA CLARA, Calif. — Apr. 30, 2024 — AMD (NASDAQ:AMD) today announced revenue for the first quarter of 2024 of \$5.5 billion, gross margin of 47%, operating income of \$36 million, net income of \$123 million and diluted earnings per share of \$0.07. On a non-GAAP^(*) basis, gross margin was 52%, operating income was \$1.1 billion, net income was \$1.0 billion and diluted earnings per share was \$0.62.

“We delivered strong first quarter results with our Data Center and Client segments each growing more than 80% year-over-year driven by the ramp of MI300 AI accelerator shipments and the adoption of our Ryzen and EPYC processors,” said AMD Chair and CEO Dr. Lisa Su. “This is an incredibly exciting time for the industry as widespread deployment of AI is driving demand for significantly more compute across a broad range of markets. We are executing very well as we ramp our data center business and enable AI capabilities across our product portfolio.”

“AMD started the year strong, delivering record quarterly Data Center segment revenue,” said AMD EVP, CFO and Treasurer Jean Hu. “In addition, we drove solid gross margin expansion. Moving forward, we are well positioned to continue driving revenue growth and margin improvement while investing in the large AI opportunities ahead.”

GAAP Quarterly Financial Results

	Q1 2024	Q1 2023	Y/Y	Q4 2023	Q/Q
Revenue (\$M)	\$5,473	\$5,353	Up 2%	\$6,168	Down 11%
Gross profit (\$M)	\$2,560	\$2,359	Up 9%	\$2,911	Down 12%
Gross margin	47%	44%	Up 3 ppts	47%	Flat
Operating expenses (\$M)	\$2,537	\$2,514	Flat	\$2,575	Flat
Operating income (loss) (\$M)	\$36	\$(145)	Up 125%	\$342	Down 89%
Operating margin	1%	(3)%	Up 4 ppts	6%	Down 5 ppts
Net income (loss) (\$M)	\$123	\$(139)	Up 188%	\$667	Down 82%
Diluted earnings (loss) per share	\$0.07	\$(0.09)	Up 178%	\$0.41	Down 83%

Non-GAAP(*) Quarterly Financial Results

	Q1 2024	Q1 2023	Y/Y	Q4 2023	Q/Q
Revenue (\$M)	\$5,473	\$5,353	Up 2%	\$6,168	Down 11%
Gross profit (\$M)	\$2,861	\$2,675	Up 7%	\$3,133	Down 9%
Gross margin	52%	50%	Up 2 ppts	51%	Up 1 ppt
Operating expenses (\$M)	\$1,741	\$1,587	Up 10%	\$1,727	Flat
Operating income (\$M)	\$1,133	\$1,098	Up 3%	\$1,412	Down 20%
Operating margin	21%	21%	Flat	23%	Down 2 ppts
Net income (\$M)	\$1,013	\$970	Up 4%	\$1,249	Down 19%
Diluted earnings per share	\$0.62	\$0.60	Up 3%	\$0.77	Down 19%

Segment Summary

- Record Data Center segment revenue of \$2.3 billion was up 80% year-over-year driven by growth in both AMD Instinct™ GPUs and 4th Gen AMD EPYC™ CPUs. Revenue increased 2% sequentially driven by the first full quarter of AMD Instinct GPU sales, partially offset by a seasonal decline in server CPU sales.
- Client segment revenue was \$1.4 billion, up 85% year-over-year driven primarily by AMD Ryzen™ 8000 Series processor sales. Revenue decreased 6% sequentially.
- Gaming segment revenue was \$922 million, down 48% year-over-year and 33% sequentially due to a decrease in semi-custom revenue and lower AMD Radeon™ GPU sales.
- Embedded segment revenue was \$846 million, down 46% year-over-year and 20% sequentially as customers continued to manage their inventory levels.

Recent PR Highlights

- AMD expanded its AI solutions for cloud, enterprise, embedded and PC markets:
 - [Lenovo](#) announced the highly performant ThinkSystem SR685a V3 8GPU server with AMD Instinct MI300X for both enterprise on-premise AI and public AI cloud service providers. [Dell Technologies](#) and [Supermicro](#) also showcased early performance of their AMD Instinct MI300X systems.
 - The AMD AI software ecosystem continues to mature with several key optimizations and additional features in the latest [AMD ROCm™ 6.1 software stack](#) that enable native

support for additional generative AI tools and frameworks, further extend the leadership performance of AMD Instinct MI300X solutions and expand support for AMD Radeon PRO W7800 and Radeon RX 7900 GRE workstation and desktop GPUs.

- AMD expanded its commercial AI PC processor portfolio with the launch of new AMD Ryzen™ PRO notebook and desktop processors with leadership AI and compute performance and advanced security. HP and Lenovo announced new enterprise PCs powered by Ryzen PRO 8000 Series processors.
- At the “Advancing AI PC Innovation Summit,” a broad set of partners joined AMD to showcase how AMD is enabling emerging AI experiences. OEMs including Lenovo and HP showcased over 100 AI experiences already available through AMD platforms, and AMD expects to have more than 150 ISVs developing for Ryzen AI by the end of the year.
- AMD launched new Versal™ Series Gen 2 devices, including the Versal AI Edge Series Gen 2 SoCs that combine multiple compute engines on a single chip for highly efficient end-to-end acceleration of AI-driven embedded systems. Subaru plans to deploy Versal AI Edge Series Gen 2 to power their next-gen EyeSight ADAS vision system.
- The new AMD Embedded+ architecture combines x86 embedded processors with adaptive SoCs to accelerate time to market for edge AI applications.
- Japanese bullet train operator JR Kyushu is using the AMD Kria™ K26 System-on-Module AI-based solution to automate track inspection.
- Sony Semiconductor Solutions selected the AMD Artix™-7 FPGA and Zynq™ UltraScale+™ MPSoC for its LiDAR automotive reference design.
- Leading partners expanded their application-optimized solutions powered by AMD EPYC processors:
 - Lenovo announced two new platforms powered by 4th Gen AMD EPYC processors, the ThinkAgile MX455 V3 Edge Premier Solution, an AI-optimized fully integrated solution with the Microsoft Azure Stack HCI, and the ThinkSystem SD535 V3, which is tailor made for mixed enterprise workloads.
 - AMD, Samsung and Vodafone demonstrated virtualized RAN solutions powered by AMD EPYC CPUs.
 - Ericsson and Telstra are using 4th Gen AMD EPYC processors to deliver energy efficiency and modernization for innovative 5G core functions.
- AMD continues to enhance its software offerings for gamers with AMD FidelityFX™ Super Resolution 3.1 that brings significant image quality improvements and expanded developer support, as well as AMD Fluid Motion Frames, increasing frame generation for thousands of games.

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 second quarter of 2024, AMD expects revenue to be approximately \$5.7 billion, plus or minus \$300 million. At the mid-point of the revenue range, this represents year-over-year growth of approximately 6% and sequential growth of approximately 4%. Non-GAAP gross margin is expected to be approximately 53%.

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 first quarter 2024 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					
	March 30, 2024		December 30, 2023		April 1, 2023	
GAAP gross profit	\$	2,560	\$	2,911	\$	2,359
GAAP gross margin		47 %		47 %		44 %
Stock-based compensation		6		6		8
Amortization of acquisition-related intangibles		230		215		305
Acquisition-related and other costs ⁽¹⁾		—		1		3
Inventory loss at contract manufacturer ⁽²⁾		65		—		—
Non-GAAP gross profit	\$	2,861	\$	3,133	\$	2,675
Non-GAAP gross margin		52 %		51 %		50 %
GAAP operating expenses	\$	2,537	\$	2,575	\$	2,514
GAAP operating expenses/revenue %		46 %		42 %		47 %
Stock-based compensation		365		368		297
Amortization of acquisition-related intangibles		392		420		518
Acquisition-related and other costs ⁽¹⁾		39		60		112
Non-GAAP operating expenses	\$	1,741	\$	1,727	\$	1,587
Non-GAAP operating expenses/revenue %		32 %		28 %		30 %
GAAP operating income (loss)	\$	36	\$	342	\$	(145)
GAAP operating margin		1 %		6 %		(3)%
Stock-based compensation		371		374		305
Amortization of acquisition-related intangibles		622		635		823
Acquisition-related and other costs ⁽¹⁾		39		61		115
Inventory loss at contract manufacturer ⁽²⁾		65		—		—
Non-GAAP operating income	\$	1,133	\$	1,412	\$	1,098
Non-GAAP operating margin		21 %		23 %		21 %

	Three Months Ended					
	March 30, 2024		December 30, 2023		April 1, 2023	
GAAP net income (loss) / earnings (loss) per share	\$	123	\$	0.07	\$	(139)
(Gains) losses on equity investments, net		3		—		(1)
Stock-based compensation		371		0.23		305
Equity income in investee		(7)		—		(1)
Amortization of acquisition-related intangibles		622		0.38		823
Acquisition-related and other costs ⁽¹⁾		39		0.02		115
Inventory loss at contract manufacturer ⁽²⁾		65		0.04		—
Income tax provision		(203)		(0.12)		(132)
Non-GAAP net income / earnings per share	\$	1,013	\$	0.62	\$	970
				\$		\$
				1,249		0.77
						970
						\$
						0.60

(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) Inventory loss at contract manufacturer is related to an incident at a third-party contract manufacturing facility.

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](#), [LinkedIn](#) and [X](#) pages.

Cautionary Statement

This press release contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as expected AI opportunities; AMD's ability to ramp its Data Center business and enable AI capabilities across its product portfolio; AMD's ability to drive revenue growth and margin improvement while investing in future AI opportunities; the features, functionality, performance, availability, timing and expected benefits of AMD products; and AMD's expected second quarter 2024 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; economic and market uncertainty; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; public health crises, such as pandemics and epidemics; 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 cyberattacks; potential difficulties in operating AMD's newly upgraded 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, memory 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; long-term impact of climate change on AMD's business; impact of government actions and regulations such as export 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; evolving expectations from governments, investors, customers and other stakeholders regarding corporate responsibility matters; issues related to the responsible use of AI; 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 the combined company's assets; 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; political, legal and economic risks and natural disasters; future impairments of technology license purchases; AMD's ability to attract and retain qualified personnel; and AMD's stock price volatility. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

(*) In this earnings press release, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP diluted earnings per share. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2024, 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 April 30, 2024 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		
	March 30, 2024	December 30, 2023	April 1, 2023
Net revenue	\$ 5,473	\$ 6,168	\$ 5,353
Cost of sales	2,683	3,042	2,689
Amortization of acquisition-related intangibles	230	215	305
Total cost of sales	2,913	3,257	2,994
Gross profit	2,560	2,911	2,359
Gross margin	47 %	47 %	44 %
Research and development	1,525	1,511	1,411
Marketing, general and administrative	620	644	585
Amortization of acquisition-related intangibles	392	420	518
Licensing gain	(13)	(6)	(10)
Operating income (loss)	36	342	(145)
Interest expense	(25)	(27)	(25)
Other income (expense), net	53	49	43
Income (loss) before income taxes and equity income	64	364	(127)
Income tax provision (benefit)	(52)	(297)	13
Equity income in investee	7	6	1
Net income (loss)	\$ 123	\$ 667	\$ (139)
Earnings (loss) per share			
Basic	\$ 0.08	\$ 0.41	\$ (0.09)
Diluted	\$ 0.07	\$ 0.41	\$ (0.09)
Shares used in per share calculation			
Basic	1,617	1,616	1,611
Diluted	1,639	1,628	1,611

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

	March 30, 2024 (Unaudited)	December 30, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,190	\$ 3,933
Short-term investments	1,845	1,840
Accounts receivable, net	5,038	5,376
Inventories	4,652	4,351
Receivables from related parties	31	9
Prepaid expenses and other current assets	1,328	1,259
Total current assets	17,084	16,768
Property and equipment, net	1,624	1,589
Operating lease right-of-use assets	632	633
Goodwill	24,262	24,262
Acquisition-related intangibles, net	20,741	21,363
Investment: equity method	106	99
Deferred tax assets	433	366
Other non-current assets	3,013	2,805
Total Assets	\$ 67,895	\$ 67,885
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,418	\$ 2,055
Payables to related parties	438	363
Accrued liabilities	3,444	3,082
Current portion of long-term debt, net	750	751
Other current liabilities	424	438
Total current liabilities	6,474	6,689
Long-term debt, net of current portion	1,718	1,717
Long-term operating lease liabilities	530	535
Deferred tax liabilities	1,199	1,202
Other long-term liabilities	1,776	1,850
Stockholders' equity:		
Capital stock:		
Common stock, par value	17	17
Additional paid-in capital	60,053	59,676
Treasury stock, at cost	(4,690)	(4,514)
Retained earnings	846	723
Accumulated other comprehensive loss	(28)	(10)
Total stockholders' equity	\$ 56,198	\$ 55,892
Total Liabilities and Stockholders' Equity	\$ 67,895	\$ 67,885

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

	Three Months Ended	
	March 30, 2024	April 1, 2023
Cash flows from operating activities:		
Net income (loss)	\$ 123	\$ (139)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	784	982
Stock-based compensation	371	309
Amortization of operating lease right-of-use assets	26	24
Deferred income taxes	(66)	(308)
Inventory loss at contract manufacturer	65	—
Other	(22)	5
Changes in operating assets and liabilities		
Accounts receivable, net	338	86
Inventories	(368)	(464)
Prepaid expenses and other assets	(322)	(191)
Receivables from and payables to related parties, net	53	(109)
Accounts payable	(636)	73
Accrued and other liabilities	175	218
Net cash provided by operating activities	<u>521</u>	<u>486</u>
Cash flows from investing activities:		
Purchases of property and equipment	(142)	(158)
Purchases of short-term investments	(433)	(1,703)
Proceeds from maturity of short-term investments	441	473
Proceeds from sale of short-term investments	2	145
Other	(3)	6
Net cash used in investing activities	<u>(135)</u>	<u>(1,237)</u>
Cash flows from financing activities:		
Proceeds from sales of common stock through employee equity plans	5	3
Repurchases of common stock	(4)	(241)
Common stock repurchases for tax withholding on employee equity plans	(129)	(21)
Other	(1)	—
Net cash used in financing activities	<u>(129)</u>	<u>(259)</u>
Net increase (decrease) in cash and cash equivalents	257	(1,010)
Cash and cash equivalents at beginning of period	3,933	4,835
Cash and cash equivalents at end of period	<u>\$ 4,190</u>	<u>\$ 3,825</u>

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

	Three Months Ended		
	March 30, 2024	December 30, 2023	April 1, 2023
Segment and Category Information⁽¹⁾			
Data Center			
Net revenue	\$ 2,337	\$ 2,282	\$ 1,295
Operating income	\$ 541	\$ 666	\$ 148
Client			
Net revenue	\$ 1,368	\$ 1,461	\$ 739
Operating income (loss)	\$ 86	\$ 55	\$ (172)
Gaming			
Net revenue	\$ 922	\$ 1,368	\$ 1,757
Operating income	\$ 151	\$ 224	\$ 314
Embedded			
Net revenue	\$ 846	\$ 1,057	\$ 1,562
Operating income	\$ 342	\$ 461	\$ 798
All Other			
Net revenue	\$ —	\$ —	\$ —
Operating loss	\$ (1,084)	\$ (1,064)	\$ (1,233)
Total			
Net revenue	\$ 5,473	\$ 6,168	\$ 5,353
Operating income (loss)	\$ 36	\$ 342	\$ (145)
Other Data			
Capital expenditures	\$ 142	\$ 139	\$ 158
Adjusted EBITDA ⁽²⁾	\$ 1,295	\$ 1,576	\$ 1,257
Cash, cash equivalents and short-term investments	\$ 6,035	\$ 5,773	\$ 5,939
Free cash flow ⁽³⁾	\$ 379	\$ 242	\$ 328
Total assets	\$ 67,895	\$ 67,885	\$ 67,634
Total debt	\$ 2,468	\$ 2,468	\$ 2,467

- (1) The Data Center segment primarily includes server microprocessors (CPUs), graphics processing units (GPUs), accelerated processing units (APUs), data processing units (DPUs), Field Programmable Gate Arrays (FPGAs), Smart Network Interface Cards (SmartNICs), Artificial Intelligence (AI) accelerators and Adaptive System-on-Chip (SoC) products for data centers.

The Client segment primarily includes CPUs, APUs, and chipsets for desktop, notebook and handheld personal computers.

The Gaming segment primarily includes discrete GPUs, and semi-custom SoC products and development services.

The Embedded segment primarily includes embedded CPUs, GPUs, APUs, FPGAs, System on Modules (SOMs), 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, inventory loss at contract manufacturer, and licensing gain.

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

	Three Months Ended		
	March 30, 2024	December 30, 2023	April 1, 2023
GAAP net income (loss)	\$ 123	\$ 667	\$ (139)
Interest expense	25	27	25
Other (income) expense, net	(53)	(49)	(43)
Income tax provision (benefit)	(52)	(297)	13
Equity income in investee	(7)	(6)	(1)
Stock-based compensation	371	374	305
Depreciation and amortization	162	164	159
Amortization of acquisition-related intangibles	622	635	823
Inventory loss at contract manufacturer	65	—	—
Acquisition-related and other costs	39	61	115
Adjusted EBITDA	<u>\$ 1,295</u>	<u>\$ 1,576</u>	<u>\$ 1,257</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), inventory loss at contract manufacturer, 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		
	March 30, 2024	December 30, 2023	April 1, 2023
GAAP net cash provided by operating activities	\$ 521	\$ 381	\$ 486
Operating cash flow margin %	10 %	6 %	9 %
Purchases of property and equipment	(142)	(139)	(158)
Free cash flow	<u>\$ 379</u>	<u>\$ 242</u>	<u>\$ 328</u>
Free cash flow margin %	<u>7 %</u>	<u>4 %</u>	<u>6 %</u>

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

First Quarter 2024

April 30, 2024

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 second quarter 2024 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP tax rate and diluted share count; AMD's large and compelling TAM; AMD's ability to expand Data Center and AI leadership; and AMD's ability to drive long-term shareholder returns, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this presentation are based on current beliefs, assumptions and expectations, speak only as of the date of this presentation and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; economic and market uncertainty; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; public health crises, such as pandemics and epidemics; 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 cyberattacks; potential difficulties in operating AMD's newly upgraded 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, memory 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; long-term impact of climate change on AMD's business; impact of government actions and regulations such as export 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; evolving expectations from governments, investors, customers and other stakeholders regarding corporate responsibility matters; issues related to the responsible use of AI; 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 the combined company's assets; 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; political, legal and economic risks and natural disasters; future impairments of technology license purchases; AMD's ability to attract and retain qualified personnel; and AMD's stock price volatility. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

NON-GAAP FINANCIAL MEASURE

In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit and margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income and non-GAAP diluted earnings per share. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2024, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. 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 and tax rate. These forward-looking non-GAAP measures are based on current expectations as of April 30, 2024, 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 AI, cloud, enterprise and accelerated computing



Software Enablement

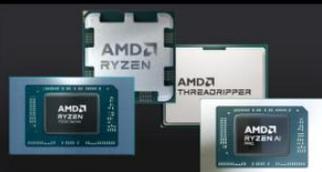
Open-source software optimized for performance across heterogeneous solutions

OUR LEADERSHIP PRODUCTS



Data Center

Broad portfolio of data center and AI solutions with server CPUs, GPUs, FPGAs, DPUs and Adaptive SoCs



Client

Powerful and efficient 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



Cloud

AMD Instinct™
MI300X
Accelerators

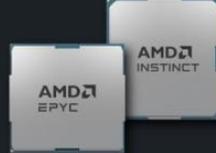
Leadership accelerator
for generative AI,
LLMs and inferencing



HPC

AMD Instinct
MI300A
Accelerators

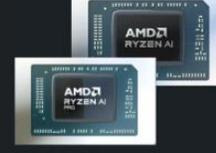
World's first data center
APU for HPC and AI



Enterprise

AMD Instinct MI300
Accelerators
4th Gen AMD EPYC™
Processors

Broad ecosystem of OEM
and solution partners



PC

AMD Ryzen™ 8040
Mobile Processors
with Ryzen AI

Technology leadership with
upgraded on-die AI neural
processing unit (NPU)



Embedded

AMD Versal™ AI
Edge Adaptive SoCs

Single Chip Intelligence
at the Edge for all
Embedded Markets

ADVANCING END-TO-END AI INFRASTRUCTURE

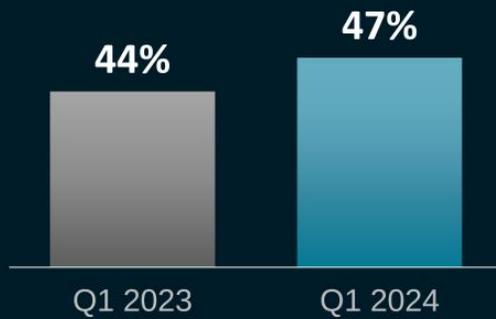
REVENUE Q1 2024

- Revenue of \$5.5 billion increased 2% y/y
- Revenue growth in Data Center and Client segments was partially offset by lower revenue in Gaming and Embedded segments



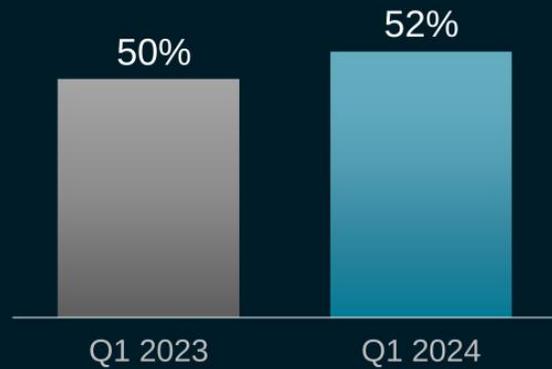
GROSS MARGIN Q1 2024

GAAP



- Increase driven by higher revenue contribution from Data Center and Client segments, lower amortization of acquisition-related intangible assets, partially offset by lower Embedded and Gaming segments revenue

Non-GAAP¹



- Increase driven by higher revenue contribution from Data Center and Client segments, partially offset by lower Embedded and Gaming segments revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME (LOSS) Q1 2024

GAAP



- Increase driven by higher gross margin and lower amortization of acquisition-related intangible assets, partially offset by increased operating expenses

Non-GAAP¹



- Increase driven by higher gross margin, partially offset by increased operating expenses

1. See Appendices for GAAP to Non-GAAP reconciliation

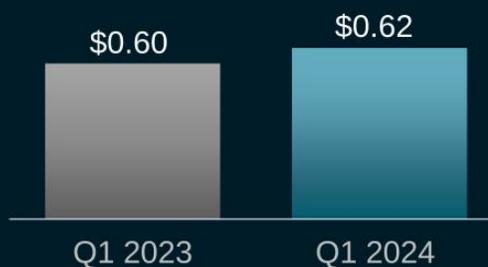
EARNINGS (LOSS) PER SHARE Q1 2024

GAAP



- GAAP net income of \$123 million
- GAAP EPS of \$0.07 primarily driven by higher gross margin and lower amortization of acquisition-related intangible assets, partially offset by increased operating expenses

Non-GAAP¹



- Non-GAAP net income of \$1.0 billion
- Non-GAAP EPS of \$0.62, up 3%, primarily driven by higher gross margin, partially offset by increased operating expenses

1. See Appendices for GAAP to Non-GAAP reconciliation

Q1 2024 SUMMARY P&L | GAAP

\$ in millions, except per share data and %	Q1'24	Q1'23	Y/Y	Q4'23	Q/Q
Revenue	\$5,473	\$5,353	Up 2%	\$6,168	Down 11%
Gross Profit	\$2,560	\$2,359	Up 9%	\$2,911	Down 12%
Gross Margin	47%	44%	Up 3 pts	47%	Flat
Operating Expenses	\$2,537	\$2,514	Flat	\$2,575	Flat
Operating Expense/Revenue %	46%	47%	Down 1 ppt	42%	Up 4 pts
Operating Income (Loss)	\$36	\$(145)	Up 125%	\$342	Down 89%
Operating Margin	1%	(3)%	Up 4 pts	6%	Down 5 pts
Net Income (Loss)	\$123	\$(139)	Up 188%	\$667	Down 82%
Earnings (Loss) Per Share	\$0.07	\$(0.09)	Up 178%	\$0.41	Down 83%

Q1 2024 SUMMARY P&L | NON-GAAP¹

\$ in millions, except per share data and %	Q1'24	Q1'23	Y/Y	Q4'23	Q/Q
Revenue	\$5,473	\$5,353	Up 2%	\$6,168	Down 11%
Gross Profit	\$2,861	\$2,675	Up 7%	\$3,133	Down 9%
Gross Margin	52%	50%	Up 2 pts	51%	Up 1 ppt
Operating Expenses	\$1,741	\$1,587	Up 10%	\$1,727	Flat
Operating Expense/Revenue %	32%	30%	Up 2 pts	28%	Up 4 pts
Operating Income	\$1,133	\$1,098	Up 3%	\$1,412	Down 20%
Operating Margin	21%	21%	Flat	23%	Down 2 pts
Net Income	\$1,013	\$970	Up 4%	\$1,249	Down 19%
Earnings Per Share	\$0.62	\$0.60	Up 3%	\$0.77	Down 19%

1. See Appendices for GAAP to Non-GAAP reconciliation

Q1 2024 SUMMARY BALANCE SHEET ITEMS

(\$ in millions)	Q1'24	Q4'23	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$6,035	\$5,773	Up 5%
Accounts Receivable, Net	\$5,038	\$5,376	Down 6%
Inventories	\$4,652	\$4,351	Up 7%
Total Debt	\$2,468	\$2,468	Flat

Q1 2024 SEGMENT RESULTS

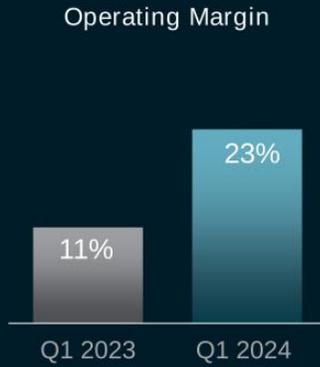
(\$ in millions)	Q1'24	Q1'23	Y/Y	Q4'23	Q/Q
Data Center					
Net Revenue	\$2,337	\$1,295	Up 80%	\$2,282	Up 2%
Operating Income	\$541	\$148	Up 266%	\$666	Down 19%
Client					
Net Revenue	\$1,368	\$739	Up 85%	\$1,461	Down 6%
Operating Income (Loss)	\$86	\$(172)	Up 150%	\$55	Up 56%
Gaming					
Net Revenue	\$922	\$1,757	Down 48%	\$1,368	Down 33%
Operating Income	\$151	\$314	Down 52%	\$224	Down 33%
Embedded					
Net Revenue	\$846	\$1,562	Down 46%	\$1,057	Down 20%
Operating Income	\$342	\$798	Down 57%	\$461	Down 26%

DATA CENTER SEGMENT Q1 2024



Revenue
\$2.3 Billion
Up 80% y/y

Strong growth in both AMD Instinct GPUs and 4th Gen AMD EPYC CPU sales



Operating Income
\$541 Million
vs. \$148 Million a year ago

Primarily due to operating leverage driven by higher revenue

AMD EPYC INSTINCT XILINX AMD PENSANDO

Strategic Highlights

- Record data center GPU sales with MI300 surpassing \$1B in cumulative sales since Q4'23 launch
- Nearly 900 public cloud instances powered by AMD EPYC processors now available from AWS, Google, Oracle Cloud, Microsoft Azure and others
- Enterprise adoption of EPYC CPUs accelerating with key deployments at American Airlines, DBS, Emirates Bank, Shell and ST Micro
- Released ROCm 6.1 with expanded open-source libraries and frameworks and significantly increasing generative AI performance
- Next-gen "Turin" EPYC processors, based on "Zen 5" core, on track to launch later this year

CLIENT SEGMENT Q1 2024



Revenue
\$1.4 Billion
Up 85% y/y

Primarily driven by AMD Ryzen 8000 Series processor sales



Operating Income
\$86 Million
vs. \$172 Million Loss
a year ago

Primarily driven by higher revenue

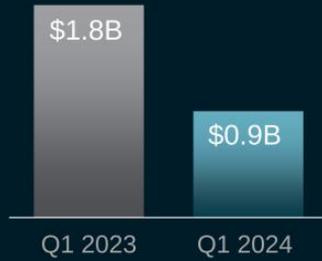


Strategic Highlights

- HP and Lenovo announced new high-performance laptops powered by the latest Ryzen PRO 8040 Series CPUs
- Launched Ryzen PRO 8000 Series desktop CPUs, the first processors with dedicated, on-chip AI accelerators for commercial desktop PCs
- 150 ISVs on track to be developing for AMD AI PCs by the end of 2024
- Next-gen "Strix Point" processors on track to launch second half 2024

GAMING SEGMENT Q1 2024

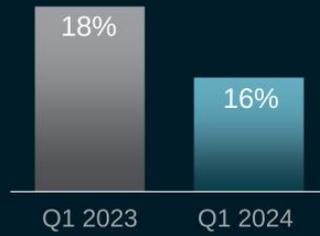
Revenue



Revenue
\$922 Million
Down 48% y/y

Due to lower semi-custom
and Radeon GPU sales

Operating Margin



Operating Income
\$151 Million
vs. \$314 Million a year ago

Primarily due to lower revenue

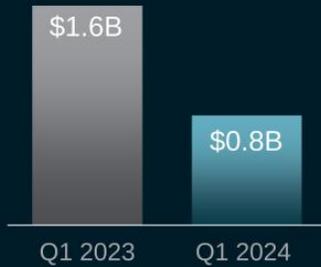


Strategic Highlights

- Global availability of the Radeon™ RX 7900 GRE graphics card providing 1440p/4K performance
- Released FidelityFX™ Super Resolution 3.1 offering significant image quality improvements for gamers
- Launched AMD Fluid Motion Frames enabling frame generation and increased performance on Radeon RX 6000 and Radeon RX 7000 Series graphics cards

EMBEDDED SEGMENT Q1 2024

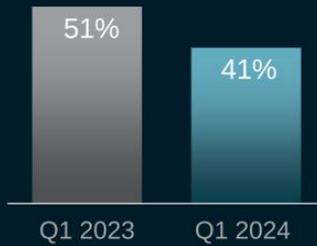
Revenue



Revenue
\$846 Million
Down 46% y/y

Primarily due to customers continuing to manage their inventory levels

Operating Margin



Operating Income
\$342 Million
vs. \$798 Million a year ago

Primarily due to lower revenue

AMD ALVEO AMD VERSAL AMD ZYNQ AMD EPYC AMD RYZEN
Embedded Embedded

Strategic Highlights

- Launched Versal AI Edge Series Gen 2 SoCs that combine multiple compute engines on a single chip for AI-driven embedded systems
- Subaru adopted Versal AI Edge Series Gen 2 devices to power their next-gen EyeSight ADAS vision system
- Sony Semiconductor Solutions selected Artix™-7 FPGA and Zynq™ UltraScale+™ MPSoC for its LiDAR automotive reference designs

FINANCIAL OUTLOOK – NON-GAAP¹

(\$ in millions)	Q2'24
Revenue	~\$5.7 Billion, +/- \$300 Million
Gross Margin	~53%
Operating Expenses	~\$1.8 Billion
Effective Tax Rate	~13% of pre-tax income
Diluted Share Count ²	~1.64 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 April 30, 2024, 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

Q1 2024 SUMMARY¹

Revenue
\$5.5B
Up 2% y/y

Data Center Segment
Revenue \$2.3B
Up 80% y/y

Gross Margin 47%
Non-GAAP
Gross Margin 52%

EPS \$0.07
Non-GAAP EPS \$0.62

**RECORD DATA CENTER SEGMENT REVENUE
DRIVEN BY STRONG AMD INSTINCT GPU RAMP**

CORPORATE RESPONSIBILITY AT AMD

Environmental

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

Social

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

Governance

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



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

(\$ in millions, except %) (Unaudited)	Q1'24	Q1'23	Q4'23
GAAP gross profit	\$2,560	\$ 2,359	\$ 2,911
GAAP gross margin	47%	44%	47%
Stock-based compensation	6	8	6
Amortization of acquisition-related intangibles	230	305	215
Acquisition-related and other costs ⁽¹⁾	-	3	1
Inventory loss at contract manufacturer ⁽²⁾	65	-	-
Non-GAAP gross profit	\$2,861	\$ 2,675	\$ 3,133
Non-GAAP gross margin	52%	50%	51%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(\$ in millions, except %) (Unaudited)	Q1'24	Q1'23	Q4'23
GAAP operating expenses	\$2,537	\$ 2,514	\$ 2,575
GAAP operating expenses/revenue %	46%	47%	42%
Stock-based compensation	365	297	368
Amortization of acquisition-related intangibles	392	518	420
Acquisition-related and other costs ⁽¹⁾	39	112	60
Non-GAAP operating expenses	\$1,741	\$ 1,587	\$ 1,727
Non-GAAP operating expenses/revenue %	32%	30%	28%

(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) Inventory loss at contract manufacturer is related to an incident at a third-party contract manufacturing facility.

APPENDICES

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

(\$ in millions, except %) (Unaudited)	Q1'24	Q1'23	Q4'23
GAAP operating income (loss)	\$ 36	\$ (145)	\$ 342
GAAP operating margin	1%	(3%)	6%
Stock-based compensation	371	305	374
Amortization of acquisition-related intangibles	622	823	635
Acquisition-related and other costs ⁽¹⁾	39	115	61
Inventory loss at contract manufacturer ⁽²⁾	65	-	-
Non-GAAP operating income	\$ 1,133	\$ 1,098	\$ 1,412
Non-GAAP operating margin	21%	21%	23%

(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) Inventory loss at contract manufacturer is related to an incident at a third-party contract manufacturing facility.

APPENDICES

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

(Millions, except per share data) (Unaudited)	Q1'24		Q1'23		Q4'23	
GAAP net income (loss) / earnings (loss) per share	\$ 123	\$ 0.07	\$ (139)	\$ (0.09)	\$ 667	\$ 0.41
(Gains) losses on equity investments, net	3	–	(1)	–	1	–
Stock-based compensation	371	0.23	305	0.19	374	0.23
Equity income in investee	(7)	–	(1)	–	(6)	–
Amortization of acquisition-related intangibles	622	0.38	823	0.51	635	0.39
Acquisition-related and other costs ⁽¹⁾	39	0.02	115	0.07	61	0.04
Inventory loss at contract manufacturer ⁽²⁾	65	0.04	–	–	–	–
Income tax provision	(203)	(0.12)	(132)	(0.08)	(483)	(0.30)
Non-GAAP net income / earnings per share	\$1,013	\$ 0.62	\$970	\$ 0.60	\$1,249	\$ 0.77
Shares used in earnings per share calculation						
Shares used in per share calculation (GAAP)		1,639		1,611		1,628
Shares used in per share calculation (Non-GAAP)		1,639		1,618		1,628

(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) Inventory loss at contract manufacturer is related to an incident at a third-party contract manufacturing facility.

APPENDICES

SHARE COUNT OVERVIEW

Shares (millions) ⁽¹⁾	Q1'24	Q2'24
	Actual	Estimate
Basic shares	1,617	1,619
Dilutive impact from employee equity grants ⁽²⁾	22	22
Diluted shares	1,639	1,641

The table above provides actual share count for Q1'24 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q2'24.

(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 Q1'24 average stock price was \$174.81. The Q1'24 average stock price of \$174.81 was assumed for Q2'24 average stock price estimates.

AMD 
together we advance_
