

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

FORM 8-K

CURRENT REPORT

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

October 29, 2024

Date of Report (Date of earliest event reported)



ADVANCED MICRO DEVICES, INC.

Delaware (State or Other Jurisdiction of Incorporation)	(Exact name of registrant as specified in its charter) 001-07882 (Commission File Number)	94-1692300 (IRS Employer Identification No.)
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2485 Augustine Drive
Santa Clara, California 95054
(Address of principal executive offices) (Zip Code)
(408) 749-4000

(Registrant's telephone number, including area code)

N/A

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

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Condition.

On October 29, 2024, Advanced Micro Devices, Inc. ("AMD") announced its financial results for its third quarter ended September 28, 2024 in a press release that is attached hereto as Exhibit 99.1. Attached hereto as Exhibit 99.2 is a presentation regarding AMD's third quarter 2024.

The attached Exhibits 99.1 and 99.2 include references to certain non-U.S. Generally Accepted Accounting Principles ("GAAP") financial information and forward-looking financial guidance. Certain of these non-GAAP measures will be used in AMD's earnings conference call. A reconciliation of these non-GAAP financial measures to their nearest GAAP equivalents is provided in the data tables at the end of the attached Exhibits 99.1 and 99.2. These non-GAAP financial measures should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP.

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 Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, if such subsequent filing specifically references the information furnished pursuant to Items 2.02 and 7.01 of this report.

Item 7.01 Regulation FD Disclosure.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated October 29, 2024
99.2	Third 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 Third Quarter 2024 Financial Results

SANTA CLARA, Calif. — October 29, 2024 — AMD (NASDAQ:AMD) today announced revenue for the third quarter of 2024 of \$6.8 billion, gross margin of 50%, operating income of \$724 million, net income of \$771 million and diluted earnings per share of \$0.47. On a non-GAAP⁽¹⁾ basis, gross margin was 54%, operating income was \$1.7 billion, net income was \$1.5 billion and diluted earnings per share was \$0.92.

“We delivered strong third quarter financial results with record revenue led by higher sales of EPYC and Instinct data center products and robust demand for our Ryzen PC processors,” said AMD Chair and CEO Dr. Lisa Su. “Looking forward, we see significant growth opportunities across our data center, client and embedded businesses driven by the insatiable demand for more compute.”

“We are pleased with our execution in the third quarter, delivering strong year-over-year expansion in gross margin and earnings per share,” said AMD EVP, CFO and Treasurer Jean Hu. “We are on-track to deliver record annual revenue for 2024 based on significant growth in our Data Center and Client segments.”

GAAP Quarterly Financial Results

	Q3 2024	Q3 2023	Y/Y	Q2 2024	Q/Q
Revenue (\$M)	\$6,819	\$5,800	Up 18%	\$5,835	Up 17%
Gross profit (\$M)	\$3,419	\$2,747	Up 24%	\$2,864	Up 19%
Gross margin	50%	47%	Up 3 ppts	49%	Up 1 ppt
Operating expenses (\$M)	\$2,709	\$2,533	Up 7%	\$2,605	Up 4%
Operating income (\$M)	\$724	\$224	Up 223%	\$269	Up 169%
Operating margin	11%	4%	Up 7 ppts	5%	Up 6 ppts
Net income (\$M)	\$771	\$299	Up 158%	\$265	Up 191%
Diluted earnings per share	\$0.47	\$0.18	Up 161%	\$0.16	Up 194%

Non-GAAP(*) Quarterly Financial Results

	Q3 2024	Q3 2023	Y/Y	Q2 2024	Q/Q
Revenue (\$M)	\$6,819	\$5,800	Up 18%	\$5,835	Up 17%
Gross profit (\$M)	\$3,657	\$2,963	Up 23%	\$3,101	Up 18%
Gross margin	54%	51%	Up 3 ppts	53%	Up 1 ppt
Operating expenses (\$M)	\$1,956	\$1,697	Up 15%	\$1,847	Up 6%
Operating income (\$M)	\$1,715	\$1,276	Up 34%	\$1,264	Up 36%
Operating margin	25%	22%	Up 3 ppts	22%	Up 3 ppts
Net income (\$M)	\$1,504	\$1,135	Up 33%	\$1,126	Up 34%
Diluted earnings per share	\$0.92	\$0.70	Up 31%	\$0.69	Up 33%

Segment Summary

- Record Data Center segment revenue of \$3.5 billion was up 122% year-over-year and 25% sequentially primarily driven by the strong ramp of AMD Instinct™ GPU shipments and growth in AMD EPYC™ CPU sales.
- Client segment revenue was \$1.9 billion, up 29% year-over-year and 26% sequentially primarily driven by strong demand for “Zen 5” AMD Ryzen™ processors.
- Gaming segment revenue was \$462 million, down 69% year-over-year and 29% sequentially primarily due to a decrease in semi-custom revenue.
- Embedded segment revenue was \$927 million, down 25% year-over-year as customers normalized their inventory levels. On a sequential basis, revenue increased 8% as demand improved in several end markets.

Recent PR Highlights

- At the Advancing AI 2024 event this month, AMD and strategic partners including Dell, Google Cloud, HPE, Lenovo, Meta, Microsoft, Oracle Cloud Infrastructure, Supermicro and AI leaders Databricks, Essential AI, Fireworks AI, Luma AI and Reka AI unveiled a broad portfolio of solutions delivering enterprise AI at scale based on the latest AMD Instinct accelerators, EPYC CPUs, AMD networking solutions and Ryzen PRO CPUs:
 - New AMD EPYC 9005 Series processors, with record-breaking performance and energy efficiency for diverse data center needs, available in a wide range of platforms from leading OEMs and ODMs.

- [AMD Instinct MI325X accelerators](#), delivering leadership performance and memory capabilities for the most demanding AI workloads. AMD also shared new details on next-gen AMD Instinct accelerators planned to launch in 2025 and 2026.
- An expanded high performance networking portfolio to maximize performance, scalability and efficiency for AI systems, with the new AMD Pensando™ Salina DPU and [AMD Pensando Pollara 400 NIC](#).
- New [Ryzen AI PRO 300 Series mobile processors](#), powering next-gen AI PCs for the enterprise with 50+ AI TOPS and leadership performance, battery life, security and manageability features.
- AMD continues to extend leadership AI performance, optimizations and customer adoption for AMD Instinct accelerators and AMD ROCm™ open software:
 - Oracle Cloud Infrastructure [selected](#) AMD Instinct MI300X accelerators with AMD ROCm open software to power its latest OCI Compute Supercluster designed for demanding AI workloads.
 - AMD [unveiled](#) its first results on leading AI benchmark MLPerf, revealing excellent performance for AMD Instinct MI300X accelerators advanced by the AMD ROCm software platform, on-par with NVIDIA H100.
 - AMD [highlighted](#) support for the latest Llama 3.2 release from Meta, enabling developers to build new agentic applications and personalized AI experiences on AMD accelerators and processors from cloud to edge and AI PCs.
- AMD and ecosystem partners are enabling new AI PC platforms and capabilities:
 - In partnership with Microsoft, [AMD announced](#) that Copilot+ will be enabled on AMD CPU-powered AI PCs via a free upgrade planned to be available starting in November 2024.
 - OEM partners including [Acer](#), [HP](#), [Lenovo](#) and [Asus](#) announced new systems powered by AMD Ryzen AI 300 Series mobile processors, leveraging the leadership gaming, content creation and everyday performance of the new “Zen 5” architecture.
- AMD expanded its embedded portfolio for a range of applications, including:
 - New [AMD EPYC Embedded 8004 Series processors](#), designed to deliver outstanding performance and power efficiency for demanding workloads.
 - The smaller form factor, cost-optimized [AMD Alveo™ UL3422 Accelerator Card](#), a fintech accelerator for ultra-low latency electronic trading applications.
 - The [AMD Artix™ UltraScale+™ XA AU7P](#), a cost-optimized, automotive-qualified FPGA for ADAS sensor applications and in-vehicle infotainment.
- [AMD announced](#) an agreement to acquire ZT Systems, a leading provider of AI and general purpose compute infrastructure for the world’s largest hyperscale providers, to expand the company’s data center AI systems capabilities and accelerate deployment

of AMD AI rack scale systems with cloud and enterprise customers. The acquisition is subject to regulatory clearance and other customary closing conditions and is expected to close in the first half of 2025.

- AMD completed the acquisition of Silo AI to accelerate development and deployment of AI models on AMD hardware.
- AMD and Intel announced the creation of an x86 ecosystem advisory group with Broadcom, Dell, Google, HPE, HP, Lenovo, Meta, Microsoft, Oracle, Red Hat and industry luminaries Linus Torvalds and Tim Sweeney to collaborate on architectural interoperability and simplify software development.

Current Outlook

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

For the fourth quarter of 2024, AMD expects revenue to be approximately \$7.5 billion, plus or minus \$300 million. At the mid-point of the revenue range, this represents year-over-year growth of approximately 22% and sequential growth of approximately 10%. Non-GAAP gross margin is expected to be approximately 54%.

AMD Teleconference

AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its third quarter 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.

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 AMD's expectations for future growth in data center, client and embedded businesses; AMD being on track to deliver record annual revenue growth for 2024 based on significant growth in AMD's Data Center and Client segments; AMD's expectations about the demand for more compute; the features, functionality, performance, availability, timing and expected benefits of future AMD products; AMD's anticipated acquisition of ZT Systems and the expected timing of the transaction; and AMD's expected fourth 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; Nvidia's dominance in the graphics processing unit market and its aggressive business practices; the cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; competitive markets in which AMD's products are sold; economic and market uncertainty; 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; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products; 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; restrictions imposed by agreements governing AMD's notes, the guarantees of Xilinx's notes and the revolving credit agreement; the ability to obtain applicable regulatory approvals for the acquisition of ZT Systems in a timely manner or otherwise and to satisfy other closing conditions to the transaction; 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; 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 gross margin, non-GAAP operating expenses, non-GAAP operating expenses/revenue%, non-GAAP operating income, non-GAAP operating margin, 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, reflecting currently available information. AMD also provided adjusted EBITDA, free cash flow and free cash flow margin as supplemental non-GAAP measures of its performance. These items are defined in the footnotes to the selected corporate data tables provided at the end of this earnings press release. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the footnotes to the selected data tables. The non-GAAP financial measures disclosed in this earnings press release should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the data tables in this earnings press release. This earnings press release also contains forward-looking non-GAAP gross margin concerning AMD's financial outlook, which is based on current expectations as of October 29, 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.

-30-

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ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended			Nine Months Ended	
	September 28, 2024	June 29, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net revenue	\$ 6,819	\$ 5,835	\$ 5,800	\$ 18,127	\$ 16,512
Cost of sales	3,167	2,740	2,843	8,590	8,236
Amortization of acquisition-related intangibles	233	231	210	694	727
Total cost of sales	3,400	2,971	3,053	9,284	8,963
Gross profit	3,419	2,864	2,747	8,843	7,549
Gross margin	50 %	49 %	47 %	49 %	46 %
Research and development	1,636	1,583	1,507	4,744	4,361
Marketing, general and administrative	721	650	576	1,991	1,708
Amortization of acquisition-related intangibles	352	372	450	1,116	1,449
Licensing gain	(14)	(10)	(10)	(37)	(28)
Operating income	724	269	224	1,029	59
Interest expense	(23)	(25)	(26)	(73)	(79)
Other income (expense), net	36	55	59	144	148
Income before income taxes and equity income	737	299	257	1,100	128
Income tax provision (benefit)	(27)	41	(39)	(38)	(49)
Equity income in investee	7	7	3	21	10
Net income	\$ 771	\$ 265	\$ 299	\$ 1,159	\$ 187
Earnings per share					
Basic	\$ 0.48	\$ 0.16	\$ 0.18	\$ 0.72	\$ 0.12
Diluted	\$ 0.47	\$ 0.16	\$ 0.18	\$ 0.71	\$ 0.11
Shares used in per share calculation					
Basic	1,620	1,618	1,616	1,619	1,613
Diluted	1,636	1,637	1,629	1,638	1,625

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

	September 28, 2024	December 30, 2023
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,897	\$ 3,933
Short-term investments	647	1,840
Accounts receivable, net	7,241	5,376
Inventories	5,374	4,351
Receivables from related parties	29	9
Prepaid expenses and other current assets	1,547	1,259
Total current assets	18,735	16,768
Property and equipment, net	1,669	1,589
Operating lease right-of-use assets	647	633
Goodwill	24,839	24,262
Acquisition-related intangibles, net	19,572	21,363
Investment: equity method	137	99
Deferred tax assets	1,183	366
Other non-current assets	2,854	2,805
Total Assets	\$ 69,636	\$ 67,885
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,530	\$ 2,055
Payables to related parties	461	363
Accrued liabilities	4,120	3,082
Current portion of long-term debt, net	—	751
Other current liabilities	389	438
Total current liabilities	7,500	6,689
Long-term debt, net of current portion	1,720	1,717
Long-term operating lease liabilities	518	535
Deferred tax liabilities	1,162	1,202
Other long-term liabilities	1,751	1,850
Stockholders' equity:		
Capital stock:		
Common stock, par value	17	17
Additional paid-in capital	60,896	59,676
Treasury stock, at cost	(5,812)	(4,514)
Retained earnings	1,882	723
Accumulated other comprehensive income (loss)	2	(10)
Total stockholders' equity	\$ 56,985	\$ 55,892
Total Liabilities and Stockholders' Equity	\$ 69,636	\$ 67,885

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

	Three Months Ended		Nine Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Cash flows from operating activities:				
Net income	\$ 771	\$ 299	\$ 1,159	\$ 187
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	756	823	2,309	2,654
Stock-based compensation	351	353	1,068	1,010
Amortization of operating lease right-of-use assets	30	25	82	73
Deferred income taxes	(607)	(218)	(863)	(800)
Inventory loss at contract manufacturer	—	—	65	—
Other	(13)	(23)	(50)	(31)
Changes in operating assets and liabilities				
Accounts receivable, net	(1,489)	(743)	(1,862)	(929)
Inventories	(386)	122	(1,096)	(674)
Prepaid expenses and other assets	(16)	(143)	(250)	(380)
Receivables from and payables to related parties, net	36	14	78	(136)
Accounts payable	832	(547)	476	(238)
Accrued and other liabilities	363	459	626	550
Net cash provided by operating activities	<u>628</u>	<u>421</u>	<u>1,742</u>	<u>1,286</u>
Cash flows from investing activities:				
Purchases of property and equipment	(132)	(124)	(428)	(407)
Purchases of short-term investments	(142)	(496)	(707)	(3,312)
Proceeds from maturity of short-term investments	149	746	1,351	1,917
Proceeds from sale of short-term investments	589	—	591	248
Acquisitions, net of cash acquired	(548)	(14)	(548)	(14)
Related party equity method investment	(17)	—	(17)	—
Other	(37)	(10)	(129)	(5)
Net cash provided by (used in) investing activities	<u>(138)</u>	<u>102</u>	<u>113</u>	<u>(1,573)</u>
Cash flows from financing activities:				
Repayment of debt	—	—	(750)	—
Proceeds from sales of common stock through employee equity plans	4	4	152	148
Repurchases of common stock	(250)	(511)	(606)	(752)
Common stock repurchases for tax withholding on employee equity plans	(460)	(295)	(686)	(382)
Other	—	(1)	(1)	1
Net cash used in financing activities	<u>(706)</u>	<u>(803)</u>	<u>(1,891)</u>	<u>(987)</u>
Net decrease in cash and cash equivalents	\$ (216)	\$ (280)	\$ (36)	\$ (1,274)
Cash and cash equivalents at beginning of period	4,113	3,841	3,933	4,835
Cash and cash equivalents at end of period	<u>\$ 3,897</u>	<u>\$ 3,561</u>	<u>\$ 3,897</u>	<u>\$ 3,561</u>

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

	Three Months Ended			Nine Months Ended	
	September 28, 2024	June 29, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Segment and Category Information⁽¹⁾					
Data Center					
Net revenue	\$ 3,549	\$ 2,834	\$ 1,598	\$ 8,720	\$ 4,214
Operating income	\$ 1,041	\$ 743	\$ 306	\$ 2,325	\$ 601
Client					
Net revenue	\$ 1,881	\$ 1,492	\$ 1,453	\$ 4,741	\$ 3,190
Operating income (loss)	\$ 276	\$ 89	\$ 140	\$ 451	\$ (101)
Gaming					
Net revenue	\$ 462	\$ 648	\$ 1,506	\$ 2,032	\$ 4,844
Operating income	\$ 12	\$ 77	\$ 208	\$ 240	\$ 747
Embedded					
Net revenue	\$ 927	\$ 861	\$ 1,243	\$ 2,634	\$ 4,264
Operating income	\$ 372	\$ 345	\$ 612	\$ 1,059	\$ 2,167
All Other					
Net revenue	\$ —	\$ —	\$ —	\$ —	\$ —
Operating loss	\$ (977)	\$ (985)	\$ (1,042)	\$ (3,046)	\$ (3,355)
Total					
Net revenue	\$ 6,819	\$ 5,835	\$ 5,800	\$ 18,127	\$ 16,512
Operating income	\$ 724	\$ 269	\$ 224	\$ 1,029	\$ 59
Other Data					
Capital expenditures	\$ 132	\$ 154	\$ 124	\$ 428	\$ 407
Adjusted EBITDA ⁽²⁾	\$ 1,887	\$ 1,430	\$ 1,439	\$ 4,612	\$ 3,920
Cash, cash equivalents and short-term investments	\$ 4,544	\$ 5,340	\$ 5,785	\$ 4,544	\$ 5,785
Free cash flow ⁽³⁾	\$ 496	\$ 439	\$ 297	\$ 1,314	\$ 879
Total assets	\$ 69,636	\$ 67,886	\$ 67,626	\$ 69,636	\$ 67,626
Total debt	\$ 1,720	\$ 1,719	\$ 2,467	\$ 1,720	\$ 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 to Adjusted EBITDA**

(Millions) (Unaudited)	Three Months Ended			Nine Months Ended	
	September 28, 2024	June 29, 2024	September 30, 2023	September 28, 2024	September 30, 2023
GAAP net income	\$ 771	\$ 265	\$ 299	\$ 1,159	\$ 187
Interest expense	23	25	26	73	79
Other (income) expense, net	(36)	(55)	(59)	(144)	(148)
Income tax provision (benefit)	(27)	41	(39)	(38)	(49)
Equity income in investee	(7)	(7)	(3)	(21)	(10)
Stock-based compensation	351	346	353	1,068	1,006
Depreciation and amortization	171	166	163	499	478
Amortization of acquisition-related intangibles	585	603	660	1,810	2,176
Inventory loss at contract manufacturer	—	—	—	65	—
Acquisition-related and other costs	56	46	39	141	201
Adjusted EBITDA	<u>\$ 1,887</u>	<u>\$ 1,430</u>	<u>\$ 1,439</u>	<u>\$ 4,612</u>	<u>\$ 3,920</u>

The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting GAAP net income for interest expense, other (income) expense, net, income tax provision (benefit), equity income in investee, stock-based compensation, depreciation and amortization expense, amortization of acquisition-related intangibles, inventory loss at contract manufacturer, and 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**

(Millions except percentages) (Unaudited)	Three Months Ended			Nine Months Ended	
	September 28, 2024	June 29, 2024	September 30, 2023	September 28, 2024	September 30, 2023
GAAP net cash provided by operating activities	\$ 628	\$ 593	\$ 421	\$ 1,742	\$ 1,286
Operating cash flow margin %	9 %	10 %	7 %	10 %	8 %
Purchases of property and equipment	(132)	(154)	(124)	(428)	(407)
Free cash flow	<u>\$ 496</u>	<u>\$ 439</u>	<u>\$ 297</u>	<u>\$ 1,314</u>	<u>\$ 879</u>
Free cash flow margin %	7 %	8 %	5 %	7 %	5 %

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

AMD
FINANCIAL
RESULTS

Third Quarter 2024

October 29, 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 large growth opportunities across diverse set of markets; AMD's anticipated acquisition of ZT Systems and the anticipated timing of the transaction; the expected benefits of AMD's acquisition of ZT Systems; AMD's expected fourth quarter 2024 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP Interest Expense/Other Income (Expense), net, 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; Nvidia's dominance in the graphics processing unit market and its aggressive business practices; the cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; competitive markets in which AMD's products are sold; economic and market uncertainty; 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; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products; 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; restrictions imposed by agreements governing AMD's notes, the guarantees of Xilinx's notes and the revolving credit agreement; the ability to obtain applicable regulatory approvals for the acquisition of ZT Systems in a timely manner or otherwise and to satisfy other closing conditions to the transaction; 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; 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 MEASURES

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 expenses/revenue %, non-GAAP operating income, non-GAAP operating margin, 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 October 29, 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

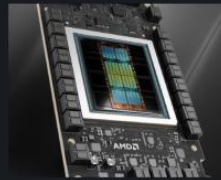
Our Strategy

HIGH PERFORMANCE COMPUTING LEADERSHIP



Leadership Foundational IP

Accelerating innovation in silicon architecture, advanced packaging, and software



Broad Product Portfolio

Scaling IP across a breadth of platforms, systems and solutions for diverse markets



Open, Proven Software Ecosystem

Delivering a productive, performant, and accessible development stack




Deep, Collaborative Partnerships

Computing partner of choice across AI, the data center, embedded, PCs, and gaming

LARGE GROWTH OPPORTUNITIES

Across Diverse Set of Markets




Data Center

Leadership performance and TCO across cloud, enterprise and AI workloads



AMD EPYC
AMD INSTINCT
AMD ALVEO
AMD VIRTEX
AMD KINTEX
AMD SOLARFLARE
AMD ZYNQ
AMD VERSAL



Client

Performance and energy efficiency for productivity, AI, gaming and content creation



AMD RYZEN



Gaming

Stunning visuals and immersive experiences for PC and console gaming



AMD RADEON



Embedded

Computing leadership for diverse markets and devices



AMD RYZEN
AMD EPYC
AMD ALVEO
AMD KRIA
AMD SPARTAN
AMD KINTEX
AMD VIRTEX
AMD ZYNQ
AMD VERSAL
AMD ARTIX

Announced at Advancing AI 2024
LEADERSHIP AI SOLUTIONS

Data Center CPUs



5th Generation
AMD EPYC™ “Turin”

Shipping Now

Data Center GPUs



AMD Instinct™
MI325X Series

Production Q4'24,
Systems Q1'25

Networking



AMD Pensando™
Pollara 400, Salina 400

Coming 1H'25

AI PCs



3rd Generation
AMD Ryzen™ AI PRO

Shipping Now

AMD to Acquire ZT Systems*

EXPANDING DATA CENTER AI SOLUTIONS CAPABILITIES

Technical Expertise

Systems architecture
design validation

Best-in-Class Talent

~2,500 employees worldwide:
~1,000 design engineers and ~1,500
manufacturing employees

Hyperscaler Experience

15+ years of designing and
deploying compute infrastructure

Engineering Competencies

Design Architecture



Mechanical



Thermal
Liquid Cooling



Network



Product Validation



Software Design



AC / DC Power

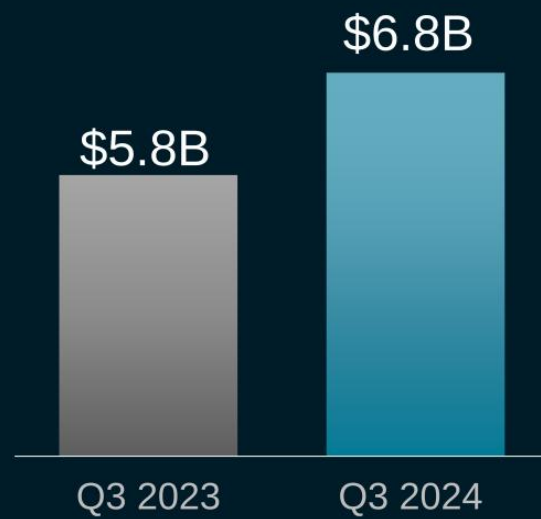


Scale Test

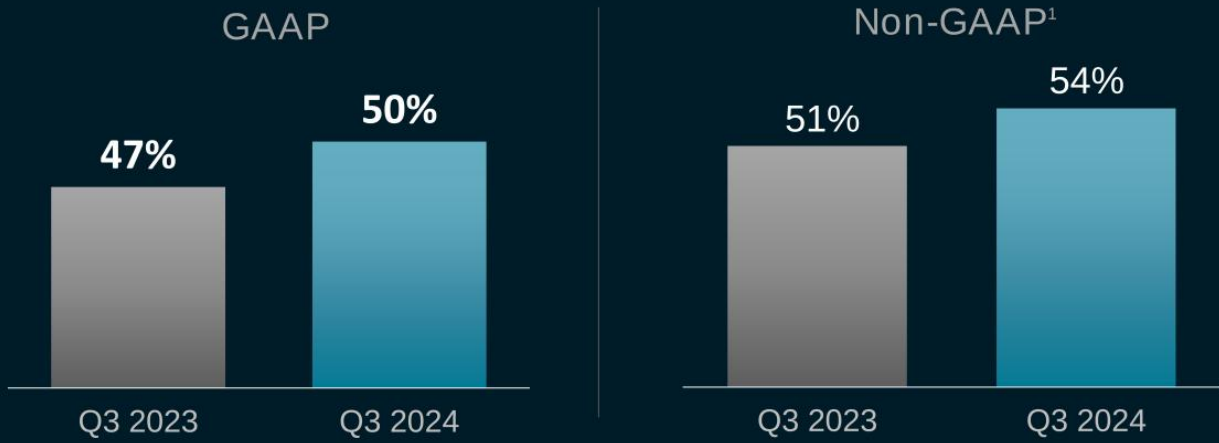


REVENUE Q3 2024

- Revenue of \$6.8 billion increased 18% y/y
- Revenue growth in Data Center and Client segments partially offset by lower revenue in Gaming and Embedded segments



GROSS MARGIN Q3 2024

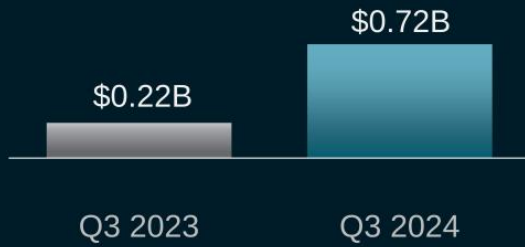


Increase in both GAAP and non-GAAP gross margin primarily driven by higher Data Center revenue

¹. See Appendices for GAAP to Non-GAAP reconciliation

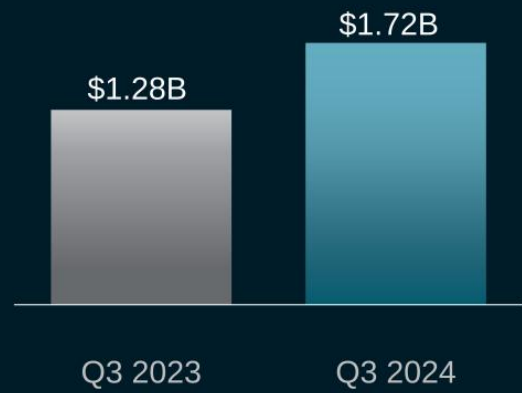
OPERATING INCOME Q3 2024

GAAP



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

Non-GAAP¹



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

1. See Appendices for GAAP to Non-GAAP reconciliation

EARNINGS PER SHARE Q3 2024

GAAP



- GAAP net income of \$771 million
- GAAP EPS up 161%, primarily driven by higher revenue and gross margin and lower amortization of acquisition-related intangible assets, partially offset by higher operating expenses

Non-GAAP¹



- Non-GAAP net income of \$1.5 billion
- Non-GAAP EPS up 31%, primarily driven by higher revenue and gross margin, partially offset by higher operating expenses

1. See Appendices for GAAP to Non-GAAP reconciliation

Q3 2024 SUMMARY P&L | GAAP

\$ in millions, except per share data and %	Q3'24	Q3'23	Y/Y	Q2'24	Q/Q
Revenue	\$6,819	\$5,800	Up 18%	\$5,835	Up 17%
Gross Profit	\$3,419	\$2,747	Up 24%	\$2,864	Up 19%
Gross Margin	50%	47%	Up 3 ppts	49%	Up 1 ppt
Operating Expenses	\$2,709	\$2,533	Up 7%	\$2,605	Up 4%
Operating Expense/Revenue %	40%	44%	Down 4 ppts	45%	Down 5 ppts
Operating Income	\$724	\$224	Up 223%	\$269	Up 169%
Operating Margin	11%	4%	Up 7 ppts	5%	Up 6 ppts
Net Income	\$771	\$299	Up 158%	\$265	Up 191%
Earnings Per Share	\$0.47	\$0.18	Up 161%	\$0.16	Up 194%

Q3 2024 SUMMARY P&L | NON-GAAP¹

\$ in millions, except per share data and %	Q3'24	Q3'23	Y/Y	Q2'24	Q/Q
Revenue	\$6,819	\$5,800	Up 18%	\$5,835	Up 17%
Gross Profit	\$3,657	\$2,963	Up 23%	\$3,101	Up 18%
Gross Margin	54%	51%	Up 3 pts	53%	Up 1 ppt
Operating Expenses	\$1,956	\$1,697	Up 15%	\$1,847	Up 6%
Operating Expense/Revenue %	29%	29%	Flat	32%	Down 3 pts
Operating Income	\$1,715	\$1,276	Up 34%	\$1,264	Up 36%
Operating Margin	25%	22%	Up 3 pts	22%	Up 3 pts
Net Income	\$1,504	\$1,135	Up 33%	\$1,126	Up 34%
Earnings Per Share	\$0.92	\$0.70	Up 31%	\$0.69	Up 33%

1. See Appendices for GAAP to Non-GAAP reconciliation

Q3 2024 SUMMARY BALANCE SHEET ITEMS

(\$ in millions)	Q3'24	Q2'24	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$4,544	\$5,340	Down 15%
Accounts Receivable, Net	\$7,241	\$5,749	Up 26%
Inventories	\$5,374	\$4,991	Up 8%
Total Debt	\$1,720	\$1,719	Flat

Q3 2024 SEGMENT RESULTS

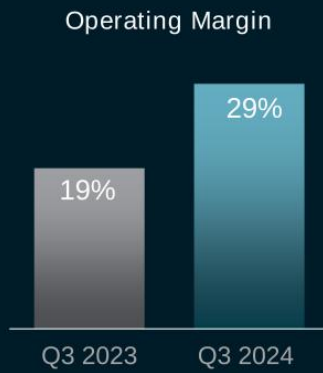
(\$ in millions)	Q3'24	Q3'23	Y/Y	Q2'24	Q/Q
Data Center					
Net Revenue	\$3,549	\$1,598	Up 122%	\$2,834	Up 25%
Operating Income	\$1,041	\$306	Up 240%	\$743	Up 40%
Client					
Net Revenue	\$1,881	\$1,453	Up 29%	\$1,492	Up 26%
Operating Income	\$276	\$140	Up 97%	\$89	Up 210%
Gaming					
Net Revenue	\$462	\$1,506	Down 69%	\$648	Down 29%
Operating Income	\$12	\$208	Down 94%	\$77	Down 84%
Embedded					
Net Revenue	\$927	\$1,243	Down 25%	\$861	Up 8%
Operating Income	\$372	\$612	Down 39%	\$345	Up 8%

DATA CENTER SEGMENT Q3 2024



Revenue
\$3.5 Billion
Up 122% y/y

Driven primarily by strong ramp of AMD Instinct GPU shipments and growth in AMD EPYC CPU sales



Operating Income
\$1.0 Billion
vs. \$306 Million a year ago

Primarily driven by higher revenue, partially offset by higher operating expenses

AMD EPYC AMD INSTINCT AMD XILINX AMD PENSANDO

Strategic Highlights

- Launched AMD EPYC 9005 Series ("Turin") processors with record-breaking performance and energy efficiency
- Unveiled AMD Instinct MI325X accelerators delivering leadership performance and memory capabilities for the most demanding AI workloads
- Microsoft, Oracle Cloud and multiple AI-specialized cloud providers expanded their MI300X public cloud instance availability
- Announced agreement to acquire ZT Systems to expand data center AI systems capabilities and accelerate deployment of AMD AI rack scale systems with cloud and enterprise customers

CLIENT SEGMENT Q3 2024

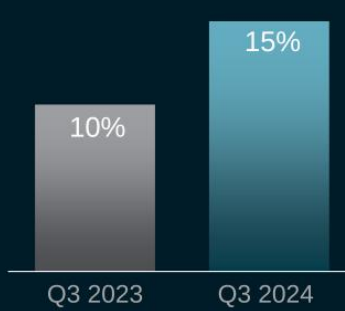
Revenue



Revenue
\$1.9 Billion
Up 29% y/y

Primarily driven by strong demand for "Zen 5" AMD Ryzen processors

Operating Margin



Operating Income
\$276 Million
vs. \$140 Million a year ago

Primarily driven by higher revenue, partially offset by higher operating expenses



Strategic Highlights

- Introduced new Ryzen AI PRO 300 Series mobile processors, powering next-gen AI PCs for the enterprise with 50+ AI TOPS and delivering extended battery life
- Acer, HP, Lenovo and Asus announced new consumer and commercial notebooks supported by Ryzen AI 300 Series mobile processors
- Ramped AMD Ryzen 9000 Series processors based on "Zen 5" architecture; on track to launch next-gen Ryzen 9000 X3D processors in Q4'24
- Released Ryzen AI software 1.2 for developers to build AI-enhanced applications and maximize the performance of Ryzen AI CPU, GPU and NPU architecture

GAMING SEGMENT Q3 2024

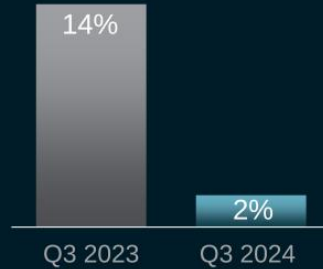
Revenue



Revenue
\$462 Million
Down 69% y/y

Primarily due to lower semi-custom revenue

Operating Margin



Operating Income
\$12 Million
vs. \$208 Million a year ago

Primarily due to lower revenue

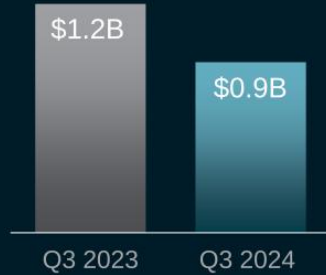


Strategic Highlights

- Sony launched PS5 Pro with an updated AMD semi-custom SoC for significantly increased visual fidelity and 4k ray tracing gameplay
- Released latest AMD Software: Adrenaline Edition update, delivering new features, tools and optimizations to enhance PC performance and gaming experiences
- Introduced AMD Fluid Motion Adrenaline Software, a frame generation technology that uses AI to improve visual smoothness across thousands of games

EMBEDDED SEGMENT Q3 2024

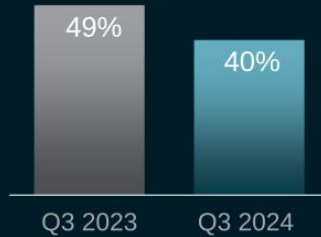
Revenue



Revenue
\$927 Million
Down 25% y/y

Primarily due to inventory normalization among customers

Operating Margin



Operating Income
\$372 Million
vs. \$612 Million a year ago

Primarily due to lower revenue

AMD
VERSAL ALVEO ZYNQ EPYC RYZEN
Embedded Embedded

Strategic Highlights

- Broad adoption of AMD Versal™ across multiple aerospace customers, including SpaceX whose latest generation broadband satellites are powered by Versal AI Core adaptive SoCs
- Introduced AMD Artix™ UltraScale+™ XA AU7P, an automotive-qualified FPGA optimized for use in ADAS sensor applications and in-vehicle infotainment
- Introduced AMD EPYC Embedded 8004 Series processors, designed to deliver outstanding performance for high-demand workloads while optimizing power efficiency
- Launched AMD Alveo™ UL3422 Accelerator Card, AMD's newest fintech accelerator for ultra-low latency electronic trading applications

FINANCIAL OUTLOOK – NON-GAAP¹

(\$ in millions)	Q4'24
Revenue	~\$7.5 Billion, +/- \$300 Million
Gross Margin	~54.0%
Operating Expenses	~\$2.05 Billion
Interest Expense/Other Income (Expense), net	~\$17 Million
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 October 29, 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

Q3 2024 SUMMARY¹

Revenue
\$6.8B
Up 18% y/y

Data Center Segment
Revenue \$3.5B
Up 122% y/y

Gross Margin 50%
Non-GAAP
Gross Margin 54%

EPS \$0.47
Non-GAAP EPS \$0.92

RECORD DATA CENTER SEGMENT REVENUE DRIVEN BY
AMD INSTINCT GPU AND AMD EPYC CPU PORTFOLIOS

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)	Q3'24	Q3'23	Q2'24
GAAP gross profit	\$3,419	\$2,747	\$2,864
GAAP gross margin	50%	47%	49%
Stock-based compensation	5	6	5
Amortization of acquisition-related intangibles	233	210	231
Acquisition-related and other costs ⁽¹⁾	-	-	1
Non-GAAP gross profit	\$3,657	\$2,963	\$3,101
Non-GAAP gross margin	54%	51%	53%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(\$ in millions, except %) (Unaudited)	Q3'24	Q3'23	Q2'24
GAAP operating expenses	\$2,709	\$2,533	\$2,605
GAAP operating expenses/revenue %	40%	44%	45%
Stock-based compensation	346	347	341
Amortization of acquisition-related intangibles	352	450	372
Acquisition-related and other costs ⁽¹⁾	55	39	45
Non-GAAP operating expenses	\$1,956	\$1,697	\$1,847
Non-GAAP operating expenses/revenue %	29%	29%	32%

(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 TO NON-GAAP OPERATING INCOME

(\$ in millions, except %) (Unaudited)	Q3'24	Q3'23	Q2'24
GAAP operating income	\$ 724	\$ 224	\$ 269
GAAP operating margin	11%	4%	5%
Stock-based compensation	351	353	346
Amortization of acquisition-related intangibles	585	660	603
Acquisition-related and other costs ⁽¹⁾	55	39	46
Non-GAAP operating income	\$ 1,715	\$ 1,276	\$ 1,264
Non-GAAP operating margin	25%	22%	22%

(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 / EARNINGS PER SHARE

(Millions, except per share data) (Unaudited)	Q3'24		Q3'23		Q2'24	
GAAP net income / earnings per share	\$ 771	\$ 0.47	\$ 299	\$ 0.18	\$ 265	\$ 0.16
(Gains) losses on equity investments, net	(1)	–	(4)	–	–	–
Stock-based compensation	351	0.21	353	0.22	346	0.21
Equity income in investee	(7)	–	(3)	–	(7)	–
Amortization of acquisition-related intangibles	585	0.36	660	0.41	603	0.37
Acquisition-related and other costs ⁽¹⁾	56	0.03	39	0.02	46	0.03
Income tax provision	(251)	(0.15)	(209)	(0.13)	(127)	(0.08)
Non-GAAP net income / earnings per share	\$1,504	\$ 0.92	\$1,135	\$ 0.70	\$1,126	\$ 0.69
Shares used in earnings per share calculation						
Shares used in per share calculation (GAAP and Non-GAAP)		1,636		1,629		1,637

(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

SHARE COUNT OVERVIEW

Shares (millions) ⁽¹⁾	Q3'24	Q4'24
	Actual	Estimate
Basic shares	1,620	1,624
Dilutive impact from employee equity grants ⁽²⁾	16	13
Diluted shares	1,636	1,637

The table above provides actual share count for Q3'24 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q4'24.

(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 Q3'24 average stock price was \$151.75. The Q3'24 average stock price of \$151.75 was assumed for Q4'24 average stock price estimates.

ENDNOTES

STX-04: Based on AMD product specifications and competitive products announced as of May 2024. AMD Ryzen™ AI 300 Series processors' NPU offer up to 50 peak TOPS. AI PC is defined as a laptop PC with a processor that includes a neural processing unit (NPU). STX-04.

GD-220c: Ryzen™ AI is defined as the combination of a dedicated AI engine, AMD Radeon™ graphics engine, and Ryzen processor cores that enable AI capabilities. OEM and ISV enablement is required, and certain AI features may not yet be optimized for Ryzen AI processors. Ryzen AI is compatible with: (a) AMD Ryzen 7040 and 8040 Series processors except Ryzen 5 7540U, Ryzen 5 8540U, Ryzen 3 7440U, and Ryzen 3 8440U processors; (b) AMD Ryzen AI 300 Series processors, and (c) all AMD Ryzen 8000G Series desktop processors except the Ryzen 5 8500G/GE and Ryzen 3 8300G/GE. Please check with your system manufacturer for feature availability prior to purchase. GD-220c.

AMD 
together we advance_

