

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

**FORM 8-K**  
**CURRENT REPORT**

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

August 2, 2022  
Date of Report (Date of earliest event reported)



**ADVANCED MICRO DEVICES, INC.**

Delaware  
(State of  
Incorporation)

(Exact name of registrant as specified in its charter)

001-07882

(Commission  
File Number)

94-1692300  
(IRS Employer  
Identification Number)

2485 Augustine Drive  
Santa Clara, California 95054  
(Address of principal executive offices) (Zip Code)  
(408) 749-4000  
(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

On August 2, 2022, the Company announced its financial position and results of operations as of and for its second quarter ended June 25, 2022 in a press release that is attached hereto as Exhibit 99.1. Attached hereto as Exhibit 99.2 is a presentation regarding the Company's second quarter 2022.

The Company will hold a conference call on August 2, 2022 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its second quarter 2022 financial results and forward-looking financial guidance.

To supplement the Company's financial results presented on a U.S. Generally Accepted Accounting Principles ("GAAP") basis, the Company's earnings press release and presentation contains non-GAAP financial measures, including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP earnings per share, Adjusted EBITDA and free cash flow. The Company uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2022, 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 and a projected non-GAAP cash tax rate of approximately 10% that includes the projected current income tax liability plus known foreign withholding tax obligations paid expressed as a percentage of non-GAAP profit before tax. The Company believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance. The Company's non-GAAP financial measures should be viewed in addition to and not as a substitute for or superior to the Company's reported results prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the data tables at the end of the earnings press release and presentation.

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

## **Item 7.01 Regulation FD Disclosure.**

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

## **Item 9.01 Financial Statements and Exhibits.**

### ***(d) Exhibits.***

#### EXHIBIT INDEX

| Exhibit No. | Description  |
|-------------|--|
| 99.1        | <a href="#">Press Release dated August 2, 2022</a>                 |
| 99.2        | <a href="#">Second Quarter 2022 Financial Results Presentation</a> |
| 104         | Inline XBRL for the cover page of this Current Report on Form 8-K  |

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 2, 2022

**ADVANCED MICRO DEVICES, INC.**

**By:** */s/ Devinder Kumar*  
**Name:** Devinder Kumar  
**Title:** **Executive Vice President, Chief Financial  
Officer & Treasurer**



NEWS RELEASE

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**AMD Reports Second Quarter 2022 Financial Results**

— Record quarterly revenue of \$6.6 billion grew 70% year-over-year;  
Record quarterly operating cash flow exceeded \$1 billion —

**SANTA CLARA, Calif. — August 2, 2022** — AMD (NASDAQ:AMD) today announced revenue for the second quarter of 2022 of \$6.6 billion, gross margin of 46%, operating income of \$526 million, operating margin of 8%, net income of \$447 million and diluted earnings per share of \$0.27. On a non-GAAP(\*) basis, gross margin was 54%, operating income was \$2.0 billion, operating margin was 30%, net income was \$1.7 billion and diluted earnings per share was \$1.05.

**GAAP Quarterly Financial Results**

|                          | <b>Q2 2022</b> | <b>Q2 2021</b> | <b>Y/Y</b>   |
|--------------------------|----------------|----------------|--------------|
| Revenue (\$M)            | \$6,550        | \$3,850        | Up 70%       |
| Gross profit (\$M)       | \$3,028        | \$1,830        | Up 65%       |
| Gross margin %           | 46%            | 48%            | Down 140 bps |
| Operating expenses (\$M) | \$2,508        | \$1,000        | Up 151%      |
| Operating income (\$M)   | \$526          | \$831          | Down 37%     |
| Operating margin %       | 8%             | 22%            | Down 14 pp   |
| Net income (\$M)         | \$447          | \$710          | Down 37%     |
| Earnings per share       | \$0.27         | \$0.58         | Down 53%     |

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

|                          | <b>Q2 2022</b> | <b>Q2 2021</b> | <b>Y/Y</b> |
|--------------------------|----------------|----------------|------------|
| Revenue (\$M)            | \$6,550        | \$3,850        | Up 70%     |
| Gross profit (\$M)       | \$3,538        | \$1,832        | Up 93%     |
| Gross margin %           | 54%            | 48%            | Up 640 bps |
| Operating expenses (\$M) | \$1,562        | \$909          | Up 72%     |
| Operating income (\$M)   | \$1,982        | \$924          | Up 115%    |
| Operating margin %       | 30%            | 24%            | Up 6 pp    |
| Net income (\$M)         | \$1,707        | \$778          | Up 119%    |
| Earnings per share       | \$1.05         | \$0.63         | Up 67%     |

“We delivered our eighth straight quarter of record revenue based on our strong execution and expanded product portfolio,” said AMD Chair and CEO Dr. Lisa Su. “Each of our segments grew significantly year-over-year, led by higher sales of our data center and embedded products. We see continued growth in the back half of the year highlighted by our next generation 5nm product shipments and supported by our diversified business model.”

### **Q2 2022 Financial Summary**

- Revenue of \$6.6 billion increased 70% year-over-year driven by growth across all segments and the inclusion of Xilinx revenue.
- Gross margin was 46%, a decrease of 2 percentage points year-over-year, primarily due to amortization of intangible assets associated with the Xilinx acquisition. Non-GAAP gross margin was 54%, an increase of 6 percentage points year-over-year, primarily driven by higher Data Center and Embedded segment revenue.
- Operating income was \$526 million, or 8% of revenue, compared to \$831 million or 22% a year ago primarily due to amortization of intangible assets associated with the Xilinx acquisition. Record non-GAAP operating income was \$2.0 billion, or 30% of revenue, up from \$924 million or 24% a year ago primarily driven by higher revenue and gross profit.
- Net income was \$447 million compared to \$710 million a year ago primarily due to lower operating income. Record non-GAAP net income was \$1.7 billion, up from \$778 million a year ago primarily driven by higher operating income.
- Diluted earnings per share was \$0.27 compared to \$0.58 a year ago primarily due to lower net income and a higher share count as a result of the Xilinx acquisition. Non-GAAP diluted earnings per share was \$1.05 compared to \$0.63 a year ago primarily driven by higher net income.
- Cash, cash equivalents and short-term investments were \$6.0 billion at the end of the quarter and debt was \$2.8 billion. AMD repurchased \$920 million of common stock during the quarter.
- Cash from operations was a record \$1.04 billion in the quarter, compared to \$952 million a year ago. Free cash flow was \$906 million in the quarter compared to \$888 million a year ago.
- Goodwill and acquisition-related intangible assets associated with the acquisitions of Xilinx and Pensando were \$50.4 billion.

### **Quarterly Segment Financial Summary**

- AMD previously announced new segments beginning the second quarter to align financial reporting with the way AMD now manages its business in strategic end markets.
  - Data Center segment includes server CPUs, data center GPUs, Pensando and Xilinx data center products.
  - Client segment includes desktop and notebook PC processors and chipsets.

- Gaming segment includes discrete graphics processors and semi-custom game console products.
- Embedded segment includes AMD and Xilinx embedded products.
- Prior period results have been conformed to the new reporting segments for comparison purposes.
- Data Center segment revenue was \$1.5 billion, up 83% year-over-year driven by strong sales of EPYC™ server processors. Operating income was \$472 million, or 32% of revenue, compared to \$204 million or 25% a year ago. Operating income improvement was primarily driven by higher revenue, partially offset by higher operating expenses.
- Client segment revenue was \$2.2 billion, up 25% year-over-year driven by Ryzen™ mobile processor sales. Client processor ASP increased year-over-year driven by a richer mix of Ryzen mobile processor sales. Operating income was \$676 million, or 32% of revenue, compared to \$538 million or 31% a year ago. Operating income improvement was primarily driven by higher revenue, partially offset by higher operating expenses.
- Gaming segment revenue was \$1.7 billion, up 32% year-over-year driven by higher semi-custom product sales, partially offset by a decline in gaming graphics revenue. Operating income was \$187 million, or 11% of revenue, compared to \$175 million or 14% a year ago. Operating income improvement was primarily driven by higher revenue, partially offset by higher operating expenses. Operating margin was lower primarily due to lower graphics revenue and higher operating expenses.
- Embedded segment revenue was \$1.3 billion, up 2,228% year-over-year driven by the inclusion of Xilinx embedded revenue. Operating income was \$641 million, or 51% of revenue, compared to \$6 million or 11% a year ago. Operating income and margin improvement was primarily driven by the inclusion of Xilinx revenue.
- All Other operating loss was \$1.5 billion as compared to \$92 million a year ago due to amortization of intangible assets largely associated with the Xilinx acquisition.

#### Recent PR Highlights

- At its Financial Analyst Day, AMD detailed leadership roadmaps and an expanded product portfolio to deliver its next phase of growth across the estimated \$300 billion market for high-performance and adaptive computing solutions, including:
  - New details on the “Zen 4” core architecture, expected to deliver significant performance and power efficiency improvements over the previous generation.
  - The “Zen 5” core planned for 2024, which is built from the ground up to extend performance and efficiency leadership across a broad range of workloads.
  - AMD CDNA™ 3 graphics architecture featuring 3D die stacking, 4<sup>th</sup> generation Infinity Architecture, next-generation AMD Infinity Cache™ technology and HBM memory in a

single package to power what are expected to be the world's first data center APUs, AMD Instinct™ MI300 accelerators.

- AMD RDNA™ 3 next generation graphics architecture expected to deliver more than 50% greater performance-per-watt compared to the prior generation.
- AMD XDNA™ technology, the foundational architecture IP from Xilinx that consists of key technologies including the FPGA fabric and AI Engine (AIE), which is planned to be integrated across the AMD product lineup starting with the “Zen 4”-architecture based “Phoenix Point” mobile processors planned for 2023.
- An expanded data center CPU portfolio, including the first AMD EPYC processor optimized for intelligent edge and communications deployments, codenamed “Siena,” and the “Bergamo” processors, expected to be the highest performance server processors for cloud native computing at their launch planned for the first half of 2023.
- AMD completed the acquisition of Pensando Systems in a transaction valued at approximately \$1.9 billion to expand AMD's data center product portfolio with a high-performance data processing unit (DPU) and software stack. Pensando DPUs are already deployed at scale across cloud and enterprise customers including Goldman Sachs, IBM Cloud, Microsoft Azure and Oracle Cloud.
- The Frontier supercomputer, powered by AMD EPYC CPUs and AMD Instinct Accelerators, achieved number one spots on the latest TOP500, GREEN500 and HPL-AI performance lists, an industry first, and was the first supercomputer to surpass the exaflop barrier.
- The HPC industry continues to show rapidly growing preference for AMD solutions, with a 95% year-over-year increase in the number of AMD-powered systems on the TOP500 list.
- The cloud computing industry continues to show growing preference for AMD products.
  - Google Cloud N2D and C2D virtual machines (VMs) are enabling enhanced security offerings with 3<sup>rd</sup> Gen AMD EPYC processors
  - As part of the Oracle Cloud VMware® solution product offering, new Oracle Cloud Infrastructure E4 Dense instances leverage AMD EPYC processors to deliver ideal performance for hybrid cloud environments
  - Microsoft Azure is the first public cloud provider to deploy AMD Instinct MI200 accelerators for large scale AI training.
- Canon selected the Versal™ AI Core series for the Canon Free Viewpoint Video System to power real-time AI processing at the edge, transforming live sports broadcasts.
- AMD introduced the Versal Premium series with AI Engines, optimized for signal processing-intensive applications in the aerospace and defense and test and measurement markets.
- AMD announced that its Xilinx® Zynq® UltraScale+™ RFSoc is enabling 4G/5G radio access network solutions to support the Meta Connectivity Evenstar Program.

- At COMPUTEX 2022, AMD provided new details on the new Ryzen 7000 Series desktop processors, based on the 5nm “Zen 4” architecture, expected to launch this fall; the AMD Socket AM5 platform, providing advanced connectivity for the most demanding enthusiasts and gamers; and new “Mendocino” processors bringing together “Zen 2” cores and AMD RDNA 2 architecture-based graphics to deliver great everyday performance in notebooks, available from OEM partners starting in Q4 2022.
- AMD announced the Radeon™ RX 6950 XT, RX 6750 XT and RX 6650 XT graphics cards, featuring faster game clocks, faster GDDR6 memory and enhanced software and firmware compared to previous-generation products.

### **Current Outlook**

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

For the third quarter of 2022, AMD expects revenue to be approximately \$6.7 billion, plus or minus \$200 million, an increase of approximately 55% year-over-year led by growth in the Data Center and Embedded segments. AMD expects non-GAAP gross margin to be approximately 54% in the third quarter of 2022.

For the full year 2022, AMD continues to expect revenue to be approximately \$26.3 billion, plus or minus \$300 million, an increase of approximately 60% over 2021 led by growth in the Data Center and Embedded segments. AMD continues to expect non-GAAP gross margin to be approximately 54% for 2022.

### **AMD Teleconference**

AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its second quarter 2022 financial results. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its website at [www.amd.com](http://www.amd.com).



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

|  | Three Months Ended |                  |
|--|--------------------|------------------|
|  | June 25,<br>2022   | June 26,<br>2021 |
| <b>GAAP gross profit</b>                   | <b>\$ 3,028</b>    | <b>\$ 1,830</b>  |
| GAAP gross margin %                        | 46 %               | 48 %             |
| Stock-based compensation                   | 8                  | 2                |
| Acquisition-related costs <sup>(1)</sup>   | 95                 | —                |
| Amortization of acquired intangible assets | 407                | —                |
| <b>Non-GAAP gross profit</b>               | <b>\$ 3,538</b>    | <b>\$ 1,832</b>  |
| Non-GAAP gross margin %                    | 54 %               | 48 %             |
| <b>GAAP operating expenses</b>             | <b>\$ 2,508</b>    | <b>\$ 1,000</b>  |
| GAAP operating expenses/revenue %          | 38 %               | 26 %             |
| Stock-based compensation                   | 251                | 81               |
| Acquisition-related costs <sup>(1)</sup>   | 79                 | 10               |
| Amortization of acquired intangible assets | 616                | —                |
| <b>Non-GAAP operating expenses</b>         | <b>\$ 1,562</b>    | <b>\$ 909</b>    |
| Non-GAAP operating expenses/revenue %      | 24 %               | 24 %             |
| <b>GAAP operating income</b>               | <b>\$ 526</b>      | <b>\$ 831</b>    |
| GAAP operating margin %                    | 8 %                | 22 %             |
| Stock-based compensation                   | 259                | 83               |
| Acquisition-related costs <sup>(1)</sup>   | 174                | 10               |
| Amortization of acquired intangible assets | 1,023              | —                |
| <b>Non-GAAP operating income</b>           | <b>\$ 1,982</b>    | <b>\$ 924</b>    |
| Non-GAAP operating margin %                | 30 %               | 24 %             |

|   | Three Months Ended |                |                  |                |
|---|--------------------|----------------|------------------|----------------|
|   | June 25,<br>2022   |                | June 26,<br>2021 |                |
| <b>GAAP net income / earnings per share</b>     | <b>\$ 447</b>      | <b>\$ 0.27</b> | <b>\$ 710</b>    | <b>\$ 0.58</b> |
| Loss on debt redemption/conversion              | —                  | —              | 1                | —              |
| (Gains) losses on equity investments, net       | 10                 | —              | —                | —              |
| Stock-based compensation                        | 259                | 0.16           | 83               | 0.06           |
| Equity income in investee                       | (4)                | —              | (2)              | —              |
| Acquisition-related costs <sup>(1)</sup>        | 174                | 0.11           | 10               | 0.01           |
| Amortization of acquired intangible assets      | 1,023              | 0.63           | —                | —              |
| Income tax provision                            | (202)              | (0.12)         | (24)             | (0.02)         |
| <b>Non-GAAP net income / earnings per share</b> | <b>\$ 1,707</b>    | <b>\$ 1.05</b> | <b>\$ 778</b>    | <b>\$ 0.63</b> |

(1) Acquisition-related costs primarily comprised of transaction costs, purchase price adjustments for inventory and certain compensation charges

**About AMD**

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

## Cautionary Statement

This press release contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as AMD's expected growth in the back half of the year; the features, functionality, performance, availability, timing and expected benefits of AMD products; the estimated market for high-performance and adaptive computing solutions; and AMD's expected third quarter 2022 and fiscal 2022 financial outlook, including revenue and non-GAAP gross margin and expected drivers based on current expectations, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this press release are based on current beliefs, assumptions and expectations, speak only as of the date of this press release and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; global economic uncertainty; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; market conditions of the industries in which AMD products are sold; cyclical nature of the semiconductor industry; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments on AMD's business, and ability to integrate acquired businesses, such as Xilinx and Pensando; impact of any impairment of the combined company's assets on the combined company's financial position and results of operation; restrictions imposed by agreements governing AMD's notes, 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, economic risks and natural disasters; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility; and worldwide political conditions. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

(\*) In this earnings press release, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP earnings per share. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2022, 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 at the end of this earnings press release. This earnings press release also contains forward-looking non-GAAP gross margin concerning AMD's financial outlook, which is based on current expectations as of August 2, 2022 and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law.

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

ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

|   | Three Months Ended |                  | Six Months Ended |                  |
|---|--------------------|------------------|------------------|------------------|
|   | June 25,<br>2022   | June 26,<br>2021 | June 25,<br>2022 | June 26,<br>2021 |
| Net revenue                                     | \$ 6,550           | \$ 3,850         | \$ 12,437        | \$ 7,295         |
| Cost of sales                                   | 3,115              | 2,020            | 5,998            | 3,878            |
| Amortization of acquisition-related intangibles | 407                | —                | 593              | —                |
| Total cost of sales                             | 3,522              | 2,020            | 6,591            | 3,878            |
| Gross profit                                    | 3,028              | 1,830            | 5,846            | 3,417            |
| Gross margin %                                  | 46 %               | 48 %             | 47 %             | 47 %             |
| Research and development                        | 1,300              | 659              | 2,360            | 1,269            |
| Marketing, general and administrative           | 592                | 341              | 1,189            | 660              |
| Amortization of acquisition-related intangibles | 616                | —                | 909              | —                |
| Licensing gain                                  | (6)                | (1)              | (89)             | (5)              |
| Operating income                                | 526                | 831              | 1,477            | 1,493            |
| Interest expense                                | (25)               | (10)             | (38)             | (19)             |
| Other income (expense), net                     | (4)                | —                | (46)             | (11)             |
| Income before income taxes and equity income    | 497                | 821              | 1,393            | 1,463            |
| Income tax provision                            | 54                 | 113              | 167              | 202              |
| Equity income in investee                       | 4                  | 2                | 7                | 4                |
| Net income                                      | \$ 447             | \$ 710           | \$ 1,233         | \$ 1,265         |
| Earnings per share                              |                    |                  |                  |                  |
| Basic   | \$ 0.28            | \$ 0.58          | \$ 0.82          | \$ 1.04          |
| Diluted   | \$ 0.27            | \$ 0.58          | \$ 0.81          | \$ 1.03          |
| Shares used in per share calculation            |                    |                  |                  |                  |
| Basic   | 1,618              | 1,216            | 1,506            | 1,214            |
| Diluted   | 1,632              | 1,232            | 1,521            | 1,231            |

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

|   | June 25,<br>2022 | December 25,<br>2021 |
|---|------------------|----------------------|
|   | (Unaudited)      |                      |
| <b>ASSETS</b>                                     |                  |                      |
| <b>Current assets:</b>                            |                  |                      |
| Cash and cash equivalents                         | \$ 4,964         | \$ 2,535             |
| Short-term investments                            | 1,028            | 1,073                |
| Accounts receivable, net                          | 4,050            | 2,706                |
| Inventories                                       | 2,648            | 1,955                |
| Receivables from related parties                  | 3                | 2                    |
| Prepaid expenses and other current assets         | 769              | 312                  |
| <b>Total current assets</b>                       | <b>13,462</b>    | <b>8,583</b>         |
| Property and equipment, net                       | 1,441            | 702                  |
| Operating lease right-of use assets               | 482              | 367                  |
| Goodwill  | 24,193           | 289                  |
| Acquisition-related intangibles, net              | 26,159           | —                    |
| Investment: equity method                         | 76               | 69                   |
| Deferred tax assets                               | 32               | 931                  |
| Other non-current assets                          | 1,657            | 1,478                |
| <b>Total Assets</b>                               | <b>\$ 67,502</b> | <b>\$ 12,419</b>     |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                  |                      |
| <b>Current liabilities:</b>                       |                  |                      |
| Accounts payable                                  | \$ 1,518         | \$ 1,321             |
| Payables to related parties                       | 361              | 85                   |
| Accrued liabilities                               | 3,074            | 2,424                |
| Short-term debt                                   | 312              | 312                  |
| Other current liabilities                         | 258              | 98                   |
| <b>Total current liabilities</b>                  | <b>5,523</b>     | <b>4,240</b>         |
| Long-term debt, net                               | 2,465            | 1                    |
| Long-term operating lease liabilities             | 422              | 348                  |
| Deferred tax liabilities                          | 2,805            | —                    |
| Other long-term liabilities                       | 1,118            | 333                  |
| <b>Stockholders' equity:</b>                      |                  |                      |
| Capital stock:                                    |                  |                      |
| Common stock, par value                           | 16               | 12                   |
| Additional paid-in capital                        | 57,297           | 11,069               |
| Treasury stock, at cost                           | (1,893)          | (2,130)              |
| Accumulated deficit                               | (218)            | (1,451)              |
| Accumulated other comprehensive income            | (33)             | (3)                  |
| <b>Total stockholders' equity</b>                 | <b>\$ 55,169</b> | <b>\$ 7,497</b>      |
| <b>Total Liabilities and Stockholders' Equity</b> | <b>\$ 67,502</b> | <b>\$ 12,419</b>     |

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

|                                       | Three Months Ended |               | Six Months Ended |               |
|---------------------------------------|--------------------|---------------|------------------|---------------|
|                                       | June 25, 2022      | June 26, 2021 | June 25, 2022    | June 26, 2021 |
| <b>Net cash provided by (used in)</b> |                    |               |                  |               |
| Operating activities                  | \$ 1,038           | \$ 952        | \$ 2,033         | \$ 1,850      |
| Investing activities                  | \$ (928)           | \$ 119        | \$ 2,230         | \$ (603)      |
| Financing activities                  | \$ 114             | \$ (211)      | \$ (1,834)       | \$ (219)      |

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

|   | Three Months Ended |               | Six Months Ended |               |
|---|--------------------|---------------|------------------|---------------|
|   | June 25, 2022      | June 26, 2021 | June 25, 2022    | June 26, 2021 |
| <b>Segment and Category Information<sup>(1)</sup></b> |                    |               |                  |               |
| Data Center   |                    |               |                  |               |
| Net revenue   | \$ 1,486           | \$ 813        | \$ 2,779         | \$ 1,423      |
| Operating income                                      | \$ 472             | \$ 204        | \$ 899           | \$ 314        |
| Client  |                    |               |                  |               |
| Net revenue   | \$ 2,152           | \$ 1,728      | \$ 4,276         | \$ 3,366      |
| Operating income                                      | \$ 676             | \$ 538        | \$ 1,368         | \$ 1,068      |
| Gaming  |                    |               |                  |               |
| Net revenue   | \$ 1,655           | \$ 1,255      | \$ 3,530         | \$ 2,410      |
| Operating income                                      | \$ 187             | \$ 175        | \$ 545           | \$ 296        |
| Embedded  |                    |               |                  |               |
| Net revenue   | \$ 1,257           | \$ 54         | \$ 1,852         | \$ 96         |
| Operating income                                      | \$ 641             | \$ 6          | \$ 918           | \$ 3          |
| All Other   |                    |               |                  |               |
| Net revenue   | \$ —               | \$ —          | \$ —             | \$ —          |
| Operating loss  | \$ (1,450)         | \$ (92)       | \$ (2,253)       | \$ (188)      |
| <b>Total</b>  |                    |               |                  |               |
| Net revenue   | \$ 6,550           | \$ 3,850      | \$ 12,437        | \$ 7,295      |
| Operating income                                      | \$ 526             | \$ 831        | \$ 1,477         | \$ 1,493      |
| <b>Other Data</b>                                     |                    |               |                  |               |
| Capital expenditures                                  | \$ 132             | \$ 64         | \$ 203           | \$ 130        |
| Adjusted EBITDA <sup>(2)</sup>                        | \$ 2,139           | \$ 1,021      | \$ 4,106         | \$ 1,878      |
| Cash, cash equivalents and short-term investments     | \$ 5,992           | \$ 3,793      | \$ 5,992         | \$ 3,793      |
| Free cash flow <sup>(3)</sup>                         | \$ 906             | \$ 888        | \$ 1,830         | \$ 1,720      |
| Total assets  | \$ 67,502          | \$ 10,691     | \$ 67,502        | \$ 10,691     |
| Total debt  | \$ 2,777           | \$ 313        | \$ 2,777         | \$ 313        |

- (1) The Data Center segment primarily includes server microprocessors, GPUs, data processing units (DPUs), Field Programmable Gate Arrays (FPGAs) and adaptive SoC products for data centers.  
The Client segment primarily includes microprocessors, accelerated processing units (APUs) that integrate microprocessors and graphics, and chipsets for desktop and notebook personal computers.  
The Gaming segment primarily includes discrete graphics processing units (GPUs), semi-custom System-on-Chip (SoC) products and development services.  
The Embedded segment primarily includes embedded microprocessors, GPUs, FPGAs, adaptive SoC products, and Adaptive Compute Acceleration Platform (ACAP) 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. Also included in this category are acquisition-related intangible asset amortization expense, stock-based compensation expense, acquisition-related costs and licensing gain.

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

|  | Three Months Ended |               | Six Months Ended |               |
|--|--------------------|---------------|------------------|---------------|
|  | June 25, 2022      | June 26, 2021 | June 25, 2022    | June 26, 2021 |
| GAAP net income                            | \$ 447             | \$ 710        | \$ 1,233         | \$ 1,265      |
| Interest expense                           | 25                 | 10            | 38               | 19            |
| Other (income) expense, net                | 4                  | —             | 46               | 11            |
| Income tax provision                       | 54                 | 113           | 167              | 202           |
| Equity income in investee                  | (4)                | (2)           | (7)              | (4)           |
| Stock-based compensation                   | 259                | 83            | 433              | 168           |
| Depreciation and amortization              | 157                | 97            | 287              | 192           |
| Amortization of acquired intangible assets | 1,023              | —             | 1,502            | —             |
| Acquisition-related costs                  | 174                | 10            | 407              | 25            |
| Adjusted EBITDA                            | \$ 2,139           | \$ 1,021      | \$ 4,106         | \$ 1,878      |

The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting GAAP net income for interest expense, other income (expense), net, income tax provision, equity income in investee, stock-based compensation, depreciation and amortization expense and acquisition-related costs. The Company also included amortization of acquired intangible assets for the three months and six months ended June 25, 2022. The Company calculates and presents Adjusted EBITDA because management believes it is of importance to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. In addition, the Company presents Adjusted EBITDA because it believes this measure assists investors in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of income or GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities that can affect cash flows.

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

|  | Three Months Ended |               | Six Months Ended |               |
|--|--------------------|---------------|------------------|---------------|
|  | June 25, 2022      | June 26, 2021 | June 25, 2022    | June 26, 2021 |
| GAAP net cash provided by operating activities | \$ 1,038           | \$ 952        | \$ 2,033         | \$ 1,850      |
| Operating cash flow margin %                   | 16 %               | 25 %          | 16 %             | 25 %          |
| Purchases of property and equipment            | (132)              | (64)          | (203)            | (130)         |
| Free cash flow                                 | \$ 906             | \$ 888        | \$ 1,830         | \$ 1,720      |
| Free cash flow margin %                        | 14 %               | 23 %          | 15 %             | 24 %          |

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



**AMD  
FINANCIAL  
RESULTS**

**Second Quarter 2022**

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August 2, 2022

## CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as the features, functionality, performance, availability, timing and expected benefits of AMD products and AMD's expected third quarter 2022 and fiscal 2022 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating expenses as a percentage of revenue, non-GAAP interest expense, taxes and other, non-GAAP tax rates and diluted share count, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this presentation are based on current beliefs, assumptions and expectations, speak only as of the date of this presentation and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; global economic uncertainty; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; market conditions of the industries in which AMD products are sold; cyclical nature of the semiconductor industry; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments on AMD's business, and ability to integrate acquired businesses, such as Xilinx and Pensando; impact of any impairment of the combined company's assets on the combined company's financial position and results of operation; restrictions imposed by agreements governing AMD's notes, 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, economic risks and natural disasters; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility; and worldwide political conditions. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

## NON-GAAP FINANCIAL MEASURES

In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, non-GAAP net income, non-GAAP earnings per share and free cash flow. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2022, 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, and a projected non-GAAP cash tax rate of approximately 10% that includes the projected current income tax liability plus known foreign withholding tax obligations paid expressed as a percentage of non-GAAP profit before tax. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance. The non-GAAP financial measures disclosed in this presentation should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the Appendices at the end of this presentation. This presentation also contains forward-looking non-GAAP measures concerning AMD's financial outlook such as gross margin, operating expenses, interest expense, taxes and other. These forward-looking non-GAAP measures are based on current expectations as of August 2, 2022, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its forward-looking statements made in this presentation except as may be required by law.

# AMD

## OUR JOURNEY

Best Product  
Portfolio in History

Expanding Customer  
& Partner Ecosystem

Significant Business  
Acceleration

Outstanding Financial  
Performance

# OUR LEADERSHIP TECHNOLOGY



## Industry-Leading IP

Executing leadership CPU, GPU, DPU, FPGA and Adaptive SOC products and roadmaps



## Advanced Technology

Driving leadership process technology and 3D chiplet packaging



## Data Center Leadership

Driving innovation in cloud, enterprise, AI and accelerated computing



## Software Enablement

Open-source software co-designed with hardware and optimized for performance across heterogeneous solutions

# OUR BEST EVER PRODUCT PORTFOLIO



## Data Center

Leadership data center solutions with EPYC™ server processors, AMD Instinct™ GPUs, FPGAs, DPUs, SmartNICs, and adaptive SOCs



## Client

Leadership Ryzen™ processors for notebook and desktop PCs and commercial workstations



## Gaming

Top-to-bottom Radeon™ desktop and notebook GPUs and premium game console and semi-custom products



## Embedded

Leadership FPGAs, Adaptive SOCs and Embedded CPUs and GPUs for a broad set of markets

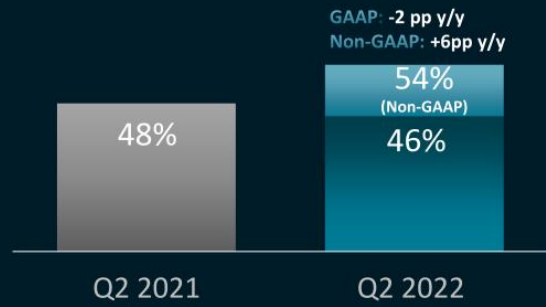
# QUARTERLY SUMMARY Q2 2022<sup>1</sup>

## Revenue



- Record revenue of \$6.6 billion grew 70% y/y
- Growth across all segments: Data Center, Client, Gaming and Embedded

## Gross Margin



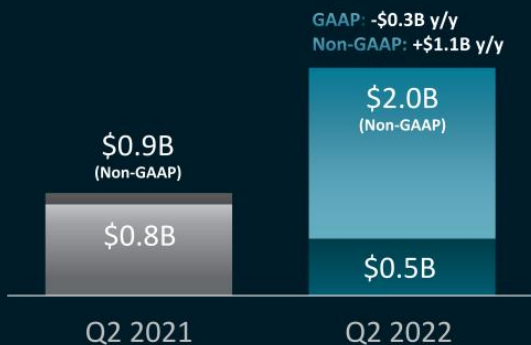
- GAAP gross margin includes amortization of acquisition-related intangible assets
- Non-GAAP gross margin primarily driven by higher Data Center and Embedded revenue

1. See Appendices for GAAP to Non-GAAP reconciliation



# QUARTERLY SUMMARY Q2 2022<sup>1</sup>

## Operating Income



- Operating income includes amortization of acquisition-related intangible assets
- Record non-GAAP operating income of \$2.0B

## Earnings Per Share



- Net income \$447 million; Non-GAAP net income \$1.7 billion
- EPS reflects lower net income and higher share count as a result of Xilinx acquisition; Non-GAAP EPS primarily driven by higher net income

1. See Appendices for GAAP to Non-GAAP reconciliation

## Q2 2022 SUMMARY P&L | GAAP

| (\$ in millions, except per share data) | Q2'22   | Q2'21   | Y/Y          |
|---|---------|---------|--------------|
| Revenue                                 | \$6,550 | \$3,850 | Up 70%       |
| Gross Profit                            | \$3,028 | \$1,830 | Up 65%       |
| Gross Margin %                          | 46%     | 48%     | Down 140 bps |
| Operating Expenses                      | \$2,508 | \$1,000 | Up 151%      |
| Operating Expense/Revenue %             | 38%     | 26%     | Up 12 pp     |
| Operating Income                        | \$526   | \$831   | Down 37%     |
| Operating Margin %                      | 8%      | 22%     | Down 14 pp   |
| Net Income                              | \$447   | \$710   | Down 37%     |
| Earnings Per Share                      | \$0.27  | \$0.58  | Down 53%     |

Q2'22 includes a full quarter of amortization of intangible assets associated with the Xilinx acquisition.



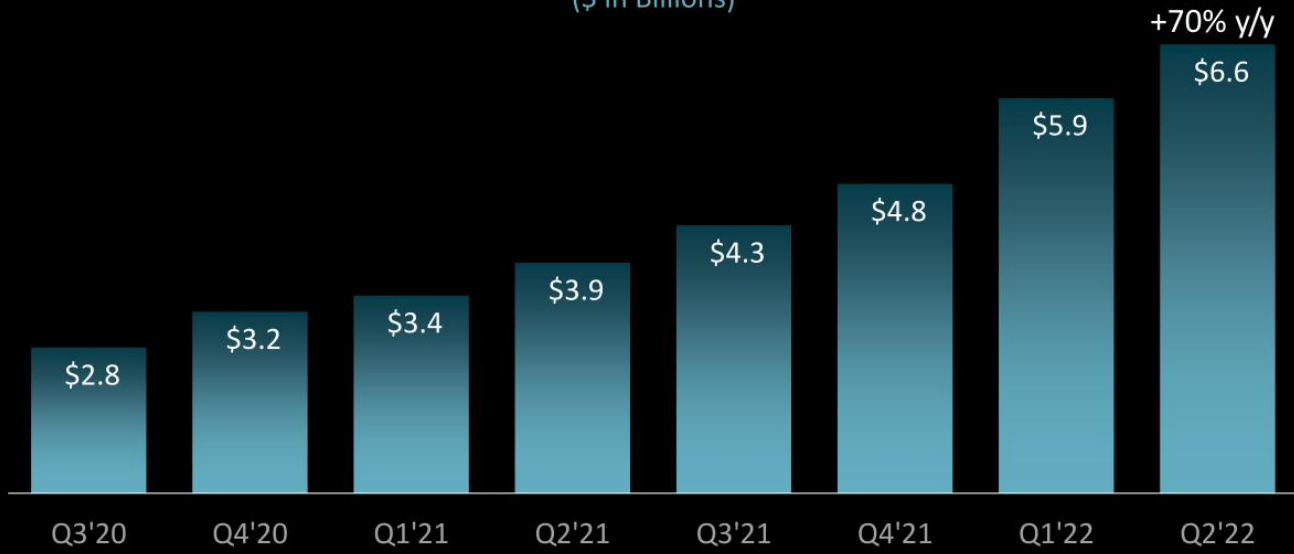
## Q2 2022 SUMMARY P&L | NON-GAAP<sup>1</sup>

| (\$ in millions, except per share data) | Q2'22   | Q2'21   | Y/Y        |
|---|---------|---------|------------|
| Revenue                                 | \$6,550 | \$3,850 | Up 70%     |
| Gross Profit                            | \$3,538 | \$1,832 | Up 93%     |
| Gross Margin %                          | 54%     | 48%     | Up 640 bps |
| Operating Expenses                      | \$1,562 | \$909   | Up 72%     |
| Operating Expense/Revenue %             | 24%     | 24%     | Flat       |
| Operating Income                        | \$1,982 | \$924   | Up 115%    |
| Operating Margin %                      | 30%     | 24%     | Up 6 pp    |
| Net Income                              | \$1,707 | \$778   | Up 119%    |
| Earnings Per Share <sup>1</sup>         | \$1.05  | \$0.63  | Up 67%     |

1. See Appendices for GAAP to Non-GAAP reconciliation and share count reference

# REVENUE TREND

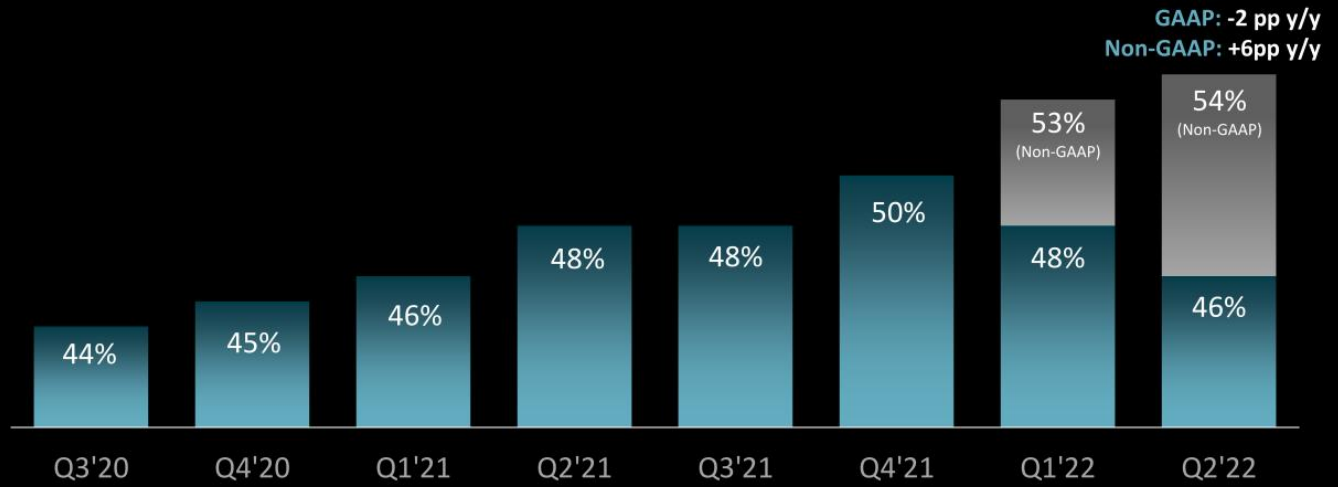
(\$ in Billions)



## SIGNIFICANT REVENUE GROWTH

# GROSS MARGIN TREND

(GAAP and Non-GAAP)\*

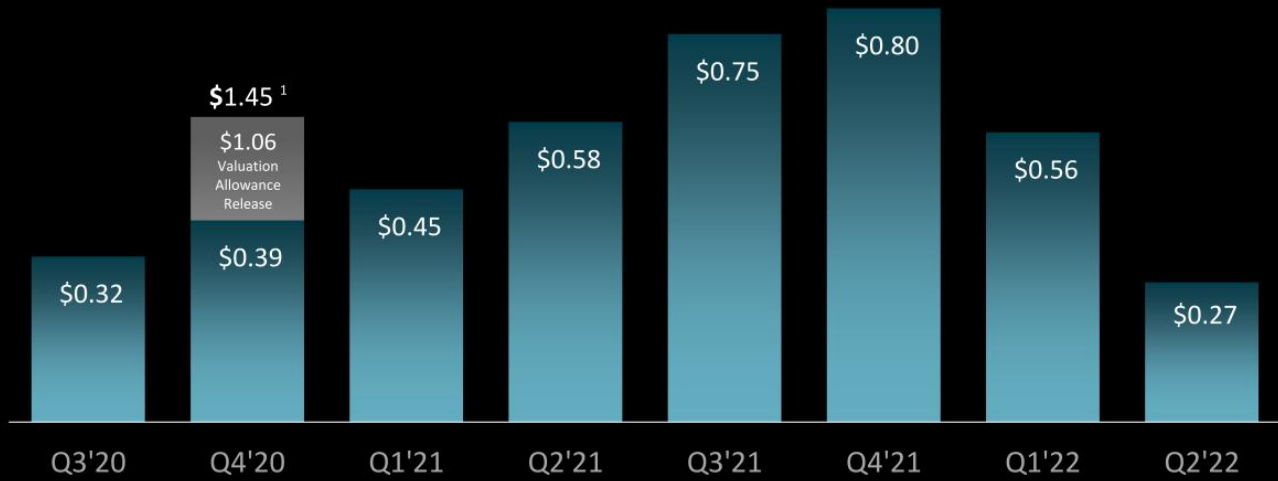


## DATA CENTER & EMBEDDED GROWTH DRIVE HIGHER MARGIN

\*See Appendices for GAAP to Non-GAAP reconciliation. GAAP and non-GAAP gross margin are the same for all quarters except for Q1'22 and Q2'22.

# EARNINGS PER SHARE TREND

(GAAP)



2022 EPS INCLUDES ACQUISITION-RELATED AMORTIZATION

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

# EARNINGS PER SHARE TREND

(Non-GAAP)\*



SIGNIFICANT Y/Y GROWTH IN NON-GAAP EPS

## Q2 2022 SUMMARY BALANCE SHEET ITEMS

| (\$ in millions)                                  | Q2'22   | Q2'21   | Y/Y        |
|---|---------|---------|------------|
| Cash, Cash Equivalents and Short-term Investments | \$5,992 | \$3,793 | Up \$2,199 |
| Accounts Receivable, Net                          | \$4,050 | \$2,020 | Up \$2,030 |
| Inventories                                       | \$2,648 | \$1,765 | Up \$883   |
| Total Debt (principal amount) <sup>1</sup>        | \$2,813 | \$313   | Up \$2,500 |
| Total Debt, Net <sup>1</sup>                      | \$2,777 | \$313   | Up \$2,464 |

## STRONG & GROWING CASH POSITION

Cash from operations \$1.04 billion; free cash flow \$906 million<sup>2</sup>  
 Repurchased \$920 million of common stock

1. See Appendices for Total Debt reconciliation
2. See Appendices for GAAP to Non-GAAP reconciliation

# Q2 2022 SEGMENT RESULTS

(GAAP)

| (\$ in millions)   | Q2'22   | Q2'21   | Y/Y        |
|--------------------|---------|---------|------------|
| <b>Data Center</b> |         |         |            |
| Net Revenue        | \$1,486 | \$813   | Up 83%     |
| Operating Income   | \$472   | \$204   | Up 131%    |
| <b>Client</b>      |         |         |            |
| Net Revenue        | \$2,152 | \$1,728 | Up 25%     |
| Operating Income   | \$676   | \$538   | Up 26%     |
| <b>Gaming</b>      |         |         |            |
| Net Revenue        | \$1,655 | \$1,255 | Up 32%     |
| Operating Income   | \$187   | \$175   | Up 7%      |
| <b>Embedded</b>    |         |         |            |
| Net Revenue        | \$1,257 | \$54    | Up 2,228%  |
| Operating Income   | \$641   | \$6     | Up 10,583% |

# DATA CENTER SEGMENT Q2 2022

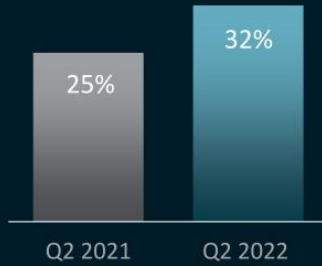
## Quarterly Revenue



Revenue  
**\$1.5 Billion**  
Up 83% y/y

Strong sales of EPYC™ server processors

## Operating Margin



Operating Income  
**\$472 Million**  
vs. \$204 Million a year ago

Growth in operating income primarily driven by higher revenue, partially offset by higher operating expenses

AMD  
EPYC

AMD  
INSTINCT

AMD  
XILINX

AMD  
PENSANDO

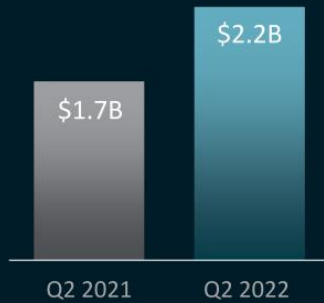
## Strategic Highlights

- 60+ new EPYC processor-based cloud instances across Tier 1 customers
- Enterprise OEM adoption accelerated in Q2
- Frontier supercomputer #1 spot on TOP500 and GREEN500 lists
- Microsoft Azure deploying AMD Instinct MI200 accelerators
- Successfully completed the acquisition of Pensando Systems



# CLIENT SEGMENT Q2 2022

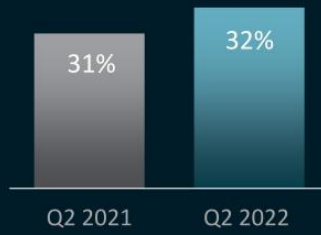
## Quarterly Revenue



Revenue  
**\$2.2 Billion**  
Up 25% y/y

Driven by Ryzen™  
mobile processor sales

## Operating Margin



Operating Income  
**\$676 Million**  
vs. \$538 Million a year ago

Growth in operating income primarily  
driven by higher revenue, partially  
offset by higher operating expenses

AMD  
RYZEN    AMD  
RYZEN  
PRO    AMD  
THREADRIPPER  
PRO

## Strategic Highlights

- Announced Ryzen 7000 Series desktop processors based on 5nm “Zen 4” architecture
- HP and Lenovo launched 50+ AMD Ryzen processor-based commercial notebooks
- Dell announced its 1st AMD processor-based Precision workstation

# GAMING SEGMENT Q2 2022

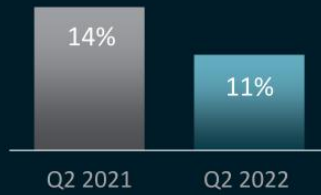
## Quarterly Revenue



Revenue  
**\$1.7 Billion**  
Up 32% y/y

Driven by higher semi-custom product sales, partially offset by a decline in gaming graphics

## Operating Margin



Operating Income  
**\$187 Million**  
vs. \$175 Million a year ago

Growth in operating income driven by higher semi-custom revenue, partially offset by higher operating expenses

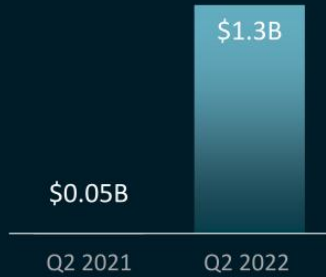


## Strategic Highlights

- Announced new Radeon™ RX 6950 XT, RX 6750 XT, and RX 6650 XT graphics cards
- Launched AMD Advantage gaming notebooks; Alienware m17 named best gaming laptop by Laptop Magazine
- Continued strong demand for semi-custom game consoles; on track for record annual revenue

# EMBEDDED SEGMENT Q2 2022

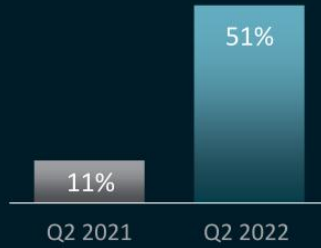
## Quarterly Revenue



Revenue  
**\$1.3 Billion**  
Up 2,228% y/y

Primarily driven by inclusion of  
Xilinx embedded revenue

## Operating Margin



Operating Income  
**\$641 Million**  
vs. \$6 Million a year ago

Growth in operating income  
primarily driven by higher revenue



## Strategic Highlights

- Canon selected Versal™ AI Core series for Canon Free Viewpoint Video System transforming live sports broadcasts
- Introduced Versal Premium series with AI Engines for the aerospace, defense and test and measurement markets

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

| (\$ in millions)                                   | Q3'22  | FY 2022   |
|--|--|---|
| Revenue  | ~\$6.7 Billion +/- \$200 Million<br>Growth of ~55% y/y | ~\$26.3 Billion +/- \$300 Million<br>Growth of ~60% y/y |
| Gross Margin %                                     | ~54%   | ~54%  |
| Operating Expenses<br>Operating Expenses/Revenue % | ~\$1.64 Billion<br>~24.5%                              | ~24%  |
| Interest Expense, Taxes and Other                  | ~\$270 Million   | --  |
| Effective Tax Rate                                 | ~13% of pre-tax income                                 |   |
| Cash Tax Rate                                      | --   | ~10% of pre-tax income                                  |
| Diluted Share Count <sup>2</sup>                   | ~1.63 billion shares                                   | ~1.57 billion shares                                    |

1. See Cautionary Statement on Slide 2. These forward-looking outlook statements and non-GAAP measures are based on current expectations as of August 2, 2022, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law. All items, except revenue, are on a non-GAAP basis. Adjustments to arrive at the GAAP financial outlook typically include stock-based compensation, amortization of acquired intangible assets, income tax provision, equity income in investee, and other non-recurring items such as loss on debt redemption/conversion, impairment charges and acquisition-related costs. The timing and impact of such adjustments are dependent on future events that are typically uncertain or outside of AMD's control; therefore, a reconciliation to equivalent GAAP measures is not practicable at this time.

2. Refer to Diluted Share Count overview in the Appendices

# Q2 2022 SUMMARY<sup>1</sup>

Revenue \$6.6B  
Up 70% Y/Y

Gross Margin of 46%  
Non-GAAP GM of 54%

Cash from Ops \$1.04B  
Free Cash Flow \$906M

Repurchased \$920M  
Common Stock

STRONG REVENUE DIVERSITY AND CASH GENERATION

# AMD COMMITMENT TO ESG



## Environmental

Steadfast commitment to environmental stewardship and contributing to our local communities



## Social

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



## Governance

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

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# OUR NEXT JOURNEY

Large and  
Compelling  
\$300B TAM

Unmatched  
Technology  
Leadership

Expanding  
Data Center  
Leadership and  
Pervasive AI

World-Class  
Execution  
and Focus

Best-in-Class  
Growth

DRIVING COMPELLING SHAREHOLDER RETURNS

# APPENDICES

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

| (Millions) (Unaudited)                     | Q3'20    | Q4'20    | Q1'21    | Q2'21    | Q3'21    | Q4'21    | Q1'22    | Q2'22    |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| GAAP gross profit                          | \$ 1,230 | \$ 1,451 | \$ 1,587 | \$ 1,830 | \$ 2,086 | \$ 2,426 | \$ 2,818 | \$ 3,028 |
| GAAP gross margin %                        | 44%      | 45%      | 46%      | 48%      | 48%      | 50%      | 48%      | 46%      |
| Stock-based compensation                   | 1        | 1        | 1        | 2        | 1        | 1        | 4        | 8        |
| Acquisition-related costs <sup>(1)</sup>   | –        | –        | –        | –        | –        | –        | 92       | 95       |
| Amortization of acquired intangible assets | –        | –        | –        | –        | –        | –        | 186      | 407      |
| Non-GAAP gross profit                      | \$ 1,231 | \$ 1,452 | \$ 1,588 | \$ 1,832 | \$ 2,087 | \$ 2,427 | \$ 3,100 | \$ 3,538 |
| Non-GAAP gross margin %                    | 44%      | 45%      | 46%      | 48%      | 48%      | 50%      | 53%      | 54%      |

## RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

| (Millions) (Unaudited)                     | Q2'22    | Q2'21    |
|--|----------|----------|
| GAAP operating expenses                    | \$ 2,508 | \$ 1,000 |
| GAAP Operating Expenses/Revenue %          | 38%      | 26%      |
| Stock-based compensation                   | 251      | 81       |
| Acquisition-related costs <sup>(1)</sup>   | 79       | 10       |
| Amortization of acquired intangible assets | 616      | –        |
| Non-GAAP operating expenses                | \$ 1,562 | \$ 909   |
| Non-GAAP Operating Expenses/Revenue %      | 24%      | 24%      |



# APPENDICES

## RECONCILIATION OF GAAP OPERATING INCOME TO NON-GAAP OPERATING INCOME

| (Millions) (Unaudited)                     | Q2'22    | Q2'21  |
|--|----------|--------|
| GAAP operating income                      | \$ 526   | \$ 831 |
| GAAP operating margin %                    | 8%       | 22%    |
| Stock-based compensation                   | 259      | 83     |
| Acquisition-related costs <sup>(1)</sup>   | 174      | 10     |
| Amortization of acquired intangible assets | 1,023    | —      |
| Non-GAAP operating income                  | \$ 1,982 | \$ 924 |
| Non-GAAP operating margin %                | 30%      | 24%    |

# APPENDICES

## RECONCILIATION OF GAAP TO NON-GAAP NET INCOME / EARNINGS PER SHARE

| (Millions, except per share data) (Unaudited)         | Q3'20  |         | Q4'20    |         | Q1'21  |         | Q2'21  |         | Q3'21  |         | Q4'21    |         | Q1'22    |         | Q2'22    |         |
|---|--------|---------|----------|---------|--------|---------|--------|---------|--------|---------|----------|---------|----------|---------|----------|---------|
| GAAP net income / earnings per share                  | \$ 390 | \$ 0.32 | \$ 1,781 | \$ 1.45 | \$ 555 | \$ 0.45 | \$ 710 | \$ 0.58 | \$ 923 | \$ 0.75 | \$ 974   | \$ 0.80 | \$ 786   | \$ 0.56 | \$ 447   | \$ 0.27 |
| Loss on debt redemption/conversion                    | 38     | 0.03    | 16       | 0.01    | 14     | 0.02    | 1      | -       | -      | -       | -        | -       | -        | -       | -        | -       |
| (Gains) losses on equity investments, net             | -      | -       | -        | -       | -      | -       | -      | -       | (60)   | (0.05)  | (4)      | -       | 44       | 0.03    | 10       | -       |
| Non-cash interest expense related to convertible debt | 2      | -       | -        | -       | -      | -       | -      | -       | -      | -       | -        | -       | -        | -       | -        | -       |
| Stock-based compensation                              | 76     | 0.06    | 79       | 0.06    | 85     | 0.07    | 83     | 0.06    | 99     | 0.08    | 112      | 0.09    | 174      | 0.12    | 259      | 0.16    |
| Equity income in investee                             | (1)    | -       | (3)      | -       | (2)    | -       | (2)    | -       | (2)    | -       | -        | -       | (3)      | -       | (4)      | -       |
| Acquisition-related costs <sup>(1)</sup>              | -      | -       | 14       | 0.01    | 15     | 0.01    | 10     | 0.01    | 8      | 0.01    | 9        | -       | 233      | 0.17    | 174      | 0.11    |
| Amortization of acquired intangible assets            | -      | -       | -        | -       | -      | -       | -      | -       | -      | -       | -        | -       | 479      | 0.34    | 1,023    | 0.63    |
| Release of valuation allowance on deferred tax assets | -      | -       | (1,301)  | (1.06)  | -      | -       | -      | -       | -      | -       | -        | -       | -        | -       | -        | -       |
| Income tax provision                                  | (4)    | -       | 50       | 0.05    | (25)   | (0.03)  | (24)   | (0.02)  | (75)   | (0.06)  | 31       | 0.03    | (124)    | (0.09)  | (202)    | (0.12)  |
| Non-GAAP net income / earnings per share              | \$ 501 | \$ 0.41 | \$ 636   | \$ 0.52 | \$ 642 | \$ 0.52 | \$ 778 | \$ 0.63 | \$ 893 | \$ 0.73 | \$ 1,122 | \$ 0.92 | \$ 1,589 | \$ 1.13 | \$ 1,707 | \$ 1.05 |

### Shares used and net income adjustment in earnings per share calculation

|   |       |       |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Shares used in per share calculation (GAAP) <sup>(2)</sup>  | 1,215 | 1,226 | 1,231 | 1,232 | 1,230 | 1,222 | 1,410 | 1,632 |
| Interest expense add back to GAAP net income <sup>(2)</sup> | \$ 1  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |
| Shares used in per share calculation (Non-GAAP)             | 1,230 | 1,232 | 1,233 | 1,232 | 1,230 | 1,222 | 1,410 | 1,632 |
| Interest expense add back to Non-GAAP net income            | \$ 1  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  | \$ -  |

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

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

# APPENDICES

## RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

| (Millions) (Unaudited)              | Q2'22 |
|-------------------------------------|-------|
| Operating cash flow                 | 1,038 |
| Operating cash flow margin %        | 16%   |
| Purchases of property and equipment | (132) |
| Free cash flow                      | 906   |
| Free cash flow margin %             | 14%   |

## TOTAL DEBT (NET)

| (Millions) (Unaudited)                       | Q2'22    | Q2'21  |
|--|----------|--------|
| 7.50% Senior Notes due 2022                  | \$ 312   | \$ 312 |
| 2.95% Senior Notes due 2024                  | 750      | –      |
| 2.125% Convertible Senior Notes due 2026     | 1        | 1      |
| 2.375% Senior Notes due 2030                 | 750      | –      |
| 3.924% Senior Notes due 2032                 | 500      | –      |
| 4.393% Senior Notes due 2052                 | 500      | –      |
| Total Debt (principal amount)                | \$ 2,813 | \$ 313 |
| Unamortized debt discount and issuance costs | (36)     | –      |
| Total Debt (net)                             | \$ 2,777 | \$ 313 |

# APPENDICES

## SHARE COUNT OVERVIEW

| Shares (millions) <sup>(1)</sup>                  | Q1'22  | Q2'22  | Q3'22    | 2022     |
|---|--------|--------|----------|----------|
|   | Actual | Actual | Estimate | Estimate |
| Basic shares                                      | 1,393  | 1,618  | 1,617    | 1,563    |
| Dilutive impact from:                             |        |        |          |          |
| Employee equity grants and warrant <sup>(2)</sup> | 17     | 14     | 11       | 11       |
| Diluted shares                                    | 1,410  | 1,632  | 1,628    | 1,574    |

The table above provides actual share count for Q1'22 and Q2'22 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q3'22 and FY 2022.

(1) Share counts are weighted average shares.

(2) The dilutive impact of employee equity grants is based on the Treasury Stock method and is dependent upon the average stock price during the period. The Q1'22 and Q2'22 average stock price was \$121.81 and \$96.04, respectively. The Q2'22 average stock price of \$96.04 was assumed for Q3'22 and FY22 average stock price estimates.

# APPENDICES

## HISTORICAL SEGMENT RESULTS

| (\$ in millions)        | Q1'21   | Q2'21   | Q3'21   | Q4'21   | Q1'22   | Q2'22     | 2020    | 2021     |
|-------------------------|---------|---------|---------|---------|---------|-----------|---------|----------|
| Data Center             |         |         |         |         |         |           |         |          |
| Net Revenue             | \$610   | \$813   | \$1,108 | \$1,163 | \$1,293 | \$1,486   | \$1,685 | \$3,694  |
| Operating Income        | \$110   | \$204   | \$308   | \$369   | \$427   | \$472     | \$198   | \$991    |
| Client                  |         |         |         |         |         |           |         |          |
| Net Revenue             | \$1,638 | \$1,728 | \$1,692 | \$1,829 | \$2,124 | \$2,152   | \$5,189 | \$6,887  |
| Operating Income        | \$530   | \$538   | \$490   | \$530   | \$692   | \$676     | \$1,608 | \$2,088  |
| Gaming                  |         |         |         |         |         |           |         |          |
| Net Revenue             | \$1,155 | \$1,255 | \$1,434 | \$1,763 | \$1,875 | \$1,655   | \$2,746 | \$5,607  |
| Operating Income (Loss) | \$121   | \$175   | \$231   | \$407   | \$358   | \$187     | \$(138) | \$934    |
| Embedded                |         |         |         |         |         |           |         |          |
| Net Revenue             | \$42    | \$54    | \$79    | \$71    | \$595   | \$1,257   | \$143   | \$246    |
| Operating Income (Loss) | \$(3)   | \$6     | \$23    | \$18    | \$277   | \$641     | \$(11)  | \$44     |
| All Other               |         |         |         |         |         |           |         |          |
| Operating Loss          | \$(96)  | \$(92)  | \$(104) | \$(117) | \$(803) | \$(1,450) | \$(288) | \$(409)  |
| TOTAL                   |         |         |         |         |         |           |         |          |
| Net Revenue             | \$3,445 | \$3,850 | \$4,313 | \$4,826 | \$5,887 | \$6,550   | \$9,763 | \$16,434 |
| Operating Income        | \$662   | \$831   | \$948   | \$1,207 | \$951   | \$526     | \$1,369 | \$3,648  |

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