

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

January 31, 2023

Date of Report (Date of earliest event reported)



ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of
Incorporation)

001-07882

(Commission
File Number)

94-1692300

(IRS Employer
Identification Number)

2485 Augustine Drive
Santa Clara, California 95054

(Address of principal executive offices) (Zip Code)

(408) 749-4000

(Registrant's telephone number, including area code)

N/A

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

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

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

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

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

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

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

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

On January 31, 2023, Advanced Micro Devices, Inc. (the "Company") announced its financial position and results of operations as of and for its fiscal quarter and fiscal year ended December 31, 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 fiscal quarter and fiscal year ended December 31, 2022.

The Company will hold a conference call on January 31, 2023 at 2:00 p.m. PT (5:00 p.m. ET) to discuss its fiscal quarter and fiscal year ended December 31, 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 full year 2022, AMD uses a non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. For full year 2023, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information. In addition, AMD provided pro forma revenue for the year ended December 31, 2022 and December 25, 2021 which include unaudited Xilinx pre-acquisition revenue from January 2, 2022 to February 13, 2022 and for the twelve months ended January 1, 2022, respectively, as supplemental information. The Company believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance. The Company's non-GAAP financial measures should be viewed in addition to and not as a substitute for or superior to the Company's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the data tables at the end of the earnings press release and presentation.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated January 31, 2023
99.2	Fourth Quarter and FY 2022 Financial Results Presentation
104	Inline XBRL for the cover page of this Current Report on Form 8-K

SIGNATURE

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

Date: January 31, 2023

ADVANCED MICRO DEVICES, INC.

By:

/s/ Jean Hu

Name:

Jean Hu

Title:

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



NEWS RELEASE

Media Contact:
Drew Prairie
AMD Communications
512-602-4425
drew.prairie@amd.com

Investor Contact:
Suresh Bhaskaran
AMD Investor Relations
408-749-2845
suresh.bhaskaran@amd.com

AMD Reports Fourth Quarter and Full Year 2022 Financial Results

— Record full year revenue of \$23.6 Billion up 44% year-over-year —

SANTA CLARA, Calif. — Jan. 31, 2023 — AMD (NASDAQ:AMD) today announced revenue for the fourth quarter of 2022 of \$5.6 billion, gross margin of 43%, operating loss of \$149 million, net income of \$21 million and diluted earnings per share of \$0.01. On a non-GAAP^(*) basis, gross margin was 51%, operating income was \$1.3 billion, net income was \$1.1 billion and diluted earnings per share was \$0.69.

For full year 2022, the company reported revenue of \$23.6 billion, gross margin of 45%, operating income of \$1.3 billion, net income of \$1.3 billion and diluted earnings per share of \$0.84. On a non-GAAP^(*) basis, gross margin was 52%, operating income was \$6.3 billion, net income was \$5.5 billion and diluted earnings per share was \$3.50.

GAAP Quarterly Financial Results

	Q4 2022	Q4 2021	Y/Y
Revenue (\$M)	\$5,599	\$4,826	Up 16%
Gross profit (\$M)	\$2,403	\$2,426	Flat
Gross margin %	43%	50%	Down 740 bps
Operating expenses (\$M)	\$2,557	\$1,223	Up 109%
Operating income (loss) (\$M)	\$(149)	\$1,207	Down 112%
Operating margin %	(3)%	25%	Down 28pp
Net income (\$M)	\$21	\$974	Down 98%
Earnings per share	\$0.01	\$0.80	Down 99%

Non-GAAP(*) Quarterly Financial Results

	Q4 2022	Q4 2021	Y/Y
Revenue (\$M)	\$5,599	\$4,826	Up 16%
Gross profit (\$M)	\$2,859	\$2,427	Up 18%
Gross margin %	51%	50%	Up 70 bps
Operating expenses (\$M)	\$1,602	\$1,103	Up 45%
Operating income (\$M)	\$1,262	\$1,328	Down 5%
Operating margin %	23%	27%	Down 4pp
Net income (\$M)	\$1,113	\$1,122	Flat
Earnings per share	\$0.69	\$0.92	Down 25%

Annual Financial Results

	GAAP			Non-GAAP ^(*)		
	2022	2021	Y/Y	2022	2021	Y/Y
Revenue (\$M)	\$23,601	\$16,434	Up 44%	\$23,601	\$16,434	Up 44%
Gross profit (\$M)	\$10,603	\$7,929	Up 34%	\$12,273	\$7,934	Up 55%
Gross margin %	45%	48%	Down 330bps	52%	48%	Up 370bps
Operating expenses (\$M)	\$9,441	\$4,293	Up 120%	\$6,030	\$3,877	Up 56%
Operating income (\$M)	\$1,264	\$3,648	Down 65%	\$6,345	\$4,069	Up 56%
Operating margin %	5%	22%	Down 17pp	27%	25%	Up 2pp
Net income (\$M)	\$1,320	\$3,162	Down 58%	\$5,504	\$3,435	Up 60%
Earnings per share	\$0.84	\$2.57	Down 67%	\$3.50	\$2.79	Up 25%

"2022 was a strong year for AMD as we delivered best-in-class growth and record revenue despite the weak PC environment in the second half of the year," said AMD Chair and CEO Dr. Lisa Su. "We accelerated our data center momentum and closed our strategic acquisition of Xilinx, significantly diversifying our business and strengthening our financial model. Although the demand environment is mixed, we are confident in our ability to gain market share in 2023 and deliver long-term growth based on our differentiated product portfolio."

Q4 2022 Results

- Revenue of \$5.6 billion increased 16% year-over-year primarily driven by growth across the Embedded and Data Center segments, partially offset by lower Client and Gaming segment revenue.
- Gross margin was 43%, a decrease of 7 percentage points year-over-year, primarily due to amortization of intangible assets associated with the Xilinx acquisition. Non-GAAP gross margin was 51%, an increase of 1 percentage point year-over-year, primarily driven by a richer product mix with higher Embedded and Data Center segment revenue, partially offset by lower Client segment revenue.
- Operating loss was \$149 million, compared to operating income of \$1.2 billion, or 25% of revenue a year ago. The loss was primarily due to the amortization of intangible assets associated with the Xilinx acquisition. Non-GAAP operating income was \$1.3 billion, or 23% of

revenue, compared to \$1.3 billion or 27% a year ago. The non-GAAP operating margin decline was primarily due to lower Client segment operating income.

- Net income was \$21 million compared to net income of \$974 million a year ago primarily due to the amortization of intangible assets associated with the Xilinx acquisition, partially offset by a \$154 million tax benefit in the quarter. Non-GAAP net income was \$1.1 billion, flat from a year ago.
- Diluted earnings per share was \$0.01 compared to \$0.80 a year ago primarily due to the amortization of intangible assets associated with the Xilinx acquisition, partially offset by a \$154 million tax benefit in the quarter. Non-GAAP diluted earnings per share was \$0.69 compared to \$0.92 a year ago primarily due to lower Client segment operating income.
- Cash, cash equivalents and short-term investments were \$5.9 billion at the end of the quarter. The company returned \$250 million to shareholders through share repurchases in the quarter.
- Cash from operations was \$567 million in the quarter, compared to \$822 million a year ago. Free cash flow was \$443 million in the quarter compared to \$736 million a year ago.
- Goodwill and acquisition-related intangible assets associated with the acquisitions of Xilinx and Pensando were \$48.3 billion at the end of the quarter.

Quarterly Financial Segment Summary

- Prior period results have been conformed to the current reporting segments for comparison purposes.
- Data Center segment revenue was \$1.7 billion, up 42% year-over-year primarily driven by strong sales of EPYC™ server processors. Operating income was \$444 million, or 27% of revenue, compared to \$369 million or 32% a year ago. The operating income increase was primarily driven by higher revenue, partially offset by higher R&D investments to support growth. The operating margin decrease was primarily due to higher R&D investments to support growth.
- Client segment revenue was \$903 million, down 51% year-over-year due to reduced processor shipments resulting from a weak PC market and a significant inventory correction across the PC supply chain. Client processor ASP was flat year-over-year. Operating loss was \$152 million, compared to operating income of \$530 million or 29% of revenue a year ago primarily due to lower revenue.
- Gaming segment revenue was \$1.6 billion, down 7% year-over-year driven by lower gaming graphics sales partially offset by higher semi-custom product revenue. Operating income was \$266 million, or 16% of revenue, compared to \$407 million or 23% a year ago. The operating income and margin decreases were primarily due to lower graphics revenue.

- Embedded segment revenue was \$1.4 billion, up 1,868% year-over-year primarily driven by the inclusion of Xilinx embedded revenue. Operating income was \$699 million, or 50% of revenue, compared to \$18 million or 25% a year ago. The operating income and margin increases were primarily driven by higher revenue.
- All Other operating loss was \$1.4 billion as compared to \$117 million a year ago primarily due to amortization of intangible assets largely associated with the Xilinx acquisition.

2022 Annual Results

- Revenue of \$23.6 billion was up 44% over 2021 driven by higher Embedded, Data Center, and Gaming segment revenue, partially offset by lower Client segment revenue. On a combined AMD and Xilinx company basis, 2022 pro forma revenue was \$24.1 billion, up 20% compared to \$20.1 billion in 2021.
- Gross margin was 45%, a decrease of 3 percentage points over 2021 primarily due to amortization of intangible assets associated with the Xilinx acquisition. Non-GAAP gross margin was 52%, an increase of 4 percentage points compared to a year ago, primarily driven by a richer product mix with higher Embedded and Data Center segment revenue, partially offset by lower Client segment revenue.
- Operating income was \$1.3 billion compared to \$3.6 billion in the prior year. The decrease was primarily due to the amortization of intangible assets associated with the Xilinx acquisition. Non-GAAP operating income was \$6.3 billion compared to \$4.1 billion in the prior year primarily driven by higher revenue and gross margin expansion.
- Net income was \$1.3 billion compared to \$3.2 billion in the prior year. Non-GAAP net income was \$5.5 billion compared to \$3.4 billion in the prior year.
- Diluted earnings per share was \$0.84 compared to \$2.57 in the prior year. Non-GAAP diluted earnings per share was \$3.50 compared to \$2.79 in the prior year.
- Cash, cash equivalents and short-term investments were \$5.9 billion at the end of the year. The company returned a total of \$3.7 billion to shareholders through share repurchases in 2022.
- Cash from operations was \$3.6 billion, compared to \$3.5 billion in the prior year. Free cash flow was \$3.1 billion compared to \$3.2 billion in the prior year.

Recent PR Highlights

- AMD showcased continued growth and momentum in the data center with AMD EPYC processors powering the modern data center and critical cloud workloads.
 - AMD announced the availability of 4th Gen AMD EPYC CPUs, delivering leadership performance and energy efficiency. The latest AMD EPYC processors, built on the “Zen 4” core, deliver next-generation architecture, technology and features to power the modern data center. Cloud service providers including Google Cloud, Microsoft and

Oracle Cloud Infrastructure announced planned solutions leveraging the performance and security features of 4th Gen AMD EPYC CPUs.

- AMD powers 101 supercomputers in the latest Top500 list of the most powerful supercomputers in the world and 75% of the top 20 systems on the Green500 list of the world's most energy efficient supercomputers.
- AMD delivered the opening keynote at CES 2023 alongside partners Microsoft, HP, Lenovo, Magic Leap and Intuitive Surgical highlighting next-generation AMD technologies advancing AI, hybrid work, gaming, healthcare, aerospace and sustainable computing. During the keynote, AMD announced:
 - The broadest portfolio of high-performance PC products for mobile and desktop applications, including Ryzen™ 7000X3D Series Desktop processors that bring the power of AMD 3D V-Cache™ technology to gamers and creators and Ryzen 7000 Series Mobile processors that deliver unparalleled performance for demanding workloads with up to 16 powerful “Zen 4” cores and bring new Ryzen AI technology to select laptop devices.
 - AMD Radeon™ RX 7000 Series Graphics for laptop PCs, built on AMD RDNA™ 3 architecture and designed to deliver exceptional energy efficiency and performance to power 1080p gaming at ultra-settings and advanced content creation applications on next-generation premium laptops.
 - The AMD Alveo™ V70 AI Accelerator with industry-leading performance and energy efficiency for multiple AI inference workloads.
 - A preview of the world's first integrated data center CPU and GPU, the AMD Instinct™ MI300. Designed for leadership HPC and AI performance, MI300 accelerators leverage chiplet design combining AMD CDNA™ 3 GPU architecture, “Zen 4” CPU cores, and HBM.
 - AMD Vitis™ Medical Imaging libraries to bring premium medical imaging products to market faster by reducing development times. These software libraries accelerate premium medical imaging on AMD Versal™ SoC devices with AI Engines to deliver healthcare providers and their patients high-quality, low-latency imaging.
- AMD continued to showcase its embedded market leadership.
 - AMD announced its collaboration with the Energy Sciences Network on the launch of ESnet6, the newest generation of the U.S. Department of Energy's high-performance network dedicated to science.
 - AMD announced it completed Class B qualification for the company's first space-grade Versal adaptive SoCs.
 - AMD shared that the AMD Xilinx Automotive (XA) Zynq™ UltraScale+™ MPSoC platform has been selected to power the Aisin Automated Parking-Assist (APA) system.

- AMD unveiled the new Alveo X3 series network cards, the first AMD network cards designed with screened FPGAs and optimized specifically for low latency trading.
- AMD and Viettel High Tech announced a collaboration on a 5G mobile network expansion.
- AMD announced that its adaptive computing technology is powering leading mobility supplier DENSO Corporation's next-generation LiDAR platform.
- AMD announced the Radeon RX 7900 series graphics cards, the world's first gaming graphics cards to feature an advanced AMD chiplet design, delivering exceptional performance and energy efficiency to power high-framerate 4K and higher resolution gaming in the most demanding titles.
- AMD announced changes to its senior leadership team, including the retirement of executive vice president, chief financial officer and treasurer Devinder Kumar after 39 years with the company. The company appointed Jean Hu as AMD executive vice president, chief financial officer and treasurer, effective January 23, 2023 and announced the promotion of Forrest Norrod to executive vice president and general manager of the Data Center Solutions business group.

Current Outlook

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

For the first quarter of 2023, AMD expects revenue to be approximately \$5.3 billion, plus or minus \$300 million, a decrease of approximately 10% year-over-year. Year-over-year the Client and Gaming segments are expected to decline, partially offset by Embedded and Data Center segment growth. AMD expects non-GAAP gross margin to be approximately 50% in the first quarter of 2023.

AMD Teleconference

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

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

	Three Months Ended		Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021
GAAP gross profit	\$ 2,403	\$ 2,426	\$ 10,603	\$ 7,929
GAAP gross margin %	43 %	50 %	45 %	48 %
Stock-based compensation	9	1	29	5
Acquisition-related costs ⁽¹⁾	4	—	193	—
Amortization of acquired intangible assets	443	—	1,448	—
Non-GAAP gross profit	\$ 2,859	\$ 2,427	\$ 12,273	\$ 7,934
Non-GAAP gross margin %	51 %	50 %	52 %	48 %
GAAP operating expenses	\$ 2,557	\$ 1,223	\$ 9,441	\$ 4,293
GAAP operating expenses/revenue %	46 %	25 %	40 %	26 %
Stock-based compensation	301	111	983	374
Acquisition-related costs ⁽¹⁾	53	9	328	42
Amortization of acquired intangible assets	601	—	2,100	—
Non-GAAP operating expenses	\$ 1,602	\$ 1,103	\$ 6,030	\$ 3,877
Non-GAAP operating expenses/revenue %	29 %	23 %	26 %	24 %
GAAP operating income (loss)	\$ (149)	\$ 1,207	\$ 1,264	\$ 3,648
GAAP operating margin %	(3)%	25 %	5 %	22 %
Stock-based compensation	310	112	1,012	379
Acquisition-related costs ⁽¹⁾	57	9	521	42
Amortization of acquired intangible assets	1,044	—	3,548	—
Non-GAAP operating income	\$ 1,262	\$ 1,328	\$ 6,345	\$ 4,069
Non-GAAP operating margin %	23 %	27 %	27 %	25 %

	Three Months Ended				Year Ended			
	December 31, 2022		December 25, 2021		December 31, 2022		December 25, 2021	
GAAP net income / earnings per share	\$ 21	\$ 0.01	\$ 974	\$ 0.80	\$ 1,320	\$ 0.84	\$ 3,162	\$ 2.57
Loss on debt redemption/conversion	—	—	—	—	—	—	7	—
(Gains) losses on equity investments, net	5	—	(4)	—	62	0.04	(56)	(0.04)
Stock-based compensation	310	0.19	112	0.09	1,012	0.64	379	0.31
Equity income in investee	(3)	—	—	—	(14)	(0.01)	(6)	—
Acquisition-related costs ⁽¹⁾	57	0.04	9	—	521	0.33	42	0.03
Amortization of acquired intangible assets	1,044	0.65	—	—	3,548	2.26	—	—
Income tax provision	(321)	(0.20)	31	0.03	(945)	(0.60)	(93)	(0.08)
Non-GAAP net income / earnings per share	\$ 1,113	\$ 0.69	\$ 1,122	\$ 0.92	\$ 5,504	\$ 3.50	\$ 3,435	\$ 2.79

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

RECONCILIATION OF AMD AS-REPORTED REVENUE TO PRO FORMA REVENUE

(in billions) (Unaudited)

	Year Ended	
	December 31, 2022	December 25, 2021
AMD Net Revenue - As reported	23.6	16.4
Pre-Acquisition Revenue ⁽¹⁾	0.5	3.7
AMD Net Revenue - Pro forma ⁽²⁾	24.1	20.1

(1) Pre-acquisition revenue for the year ended December 31, 2022 includes unaudited Xilinx revenue from January 2, 2022 to February 13, 2022. Pre-acquisition revenue for the year ended December 25, 2021 includes unaudited Xilinx revenue for the twelve months ended January 1, 2022.

(2) The unaudited AMD net revenue prepared on a pro forma basis represents the Company's consolidated revenue for the year ended December 31, 2022 and December 25, 2021, as if the acquisitions had been consummated as of the beginning of the fiscal year 2021 (i.e., December 27, 2020). The unaudited pro forma revenue is presented on the basis of the Company's fiscal year and combines the historical results of the fiscal periods of the Company with the following historical results of Xilinx: the year ended December 31, 2022 includes Xilinx revenue for the twelve-month period beginning January 2, 2022 through December 31, 2022; and the year ended December 25, 2021 includes Xilinx revenue for the twelve months ended January 1, 2022.

The unaudited pro forma financial revenue presented is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the Xilinx acquisitions were completed at the beginning of fiscal year 2021 and are not indicative of the future operating results of the combined company.

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 ability to gain market share in 2023 and deliver long-term growth based on its differentiated product portfolio; the features, functionality, performance, availability, timing and expected benefits of AMD products; and AMD's expected first quarter of 2023 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; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; potential difficulties in upgrading and operating AMD's new enterprise resource planning system; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray

market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments, including acquisitions of Xilinx and Pensando, on AMD's business and AMD's ability to integrate acquired businesses; 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 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 2022, AMD uses a non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. AMD also provided adjusted EBITDA and free cash flow as supplemental non-GAAP measures of its performance. These items are defined in the footnotes to the selected corporate data tables provided at the end of this earnings press release. In addition, AMD provided pro forma revenue for the year ended December 31, 2022 and December 25, 2021 which include unaudited Xilinx pre-acquisition revenue from January 2, 2022 to February 13, 2022 and for the twelve months ended January 1, 2022, respectively, as supplemental information. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance 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 January 31, 2023 and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law.

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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		Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021
Net revenue	\$ 5,599	\$ 4,826	\$ 23,601	\$ 16,434
Cost of sales	2,753	2,400	11,550	8,505
Amortization of acquisition-related intangibles	443	—	1,448	—
Total cost of sales	3,196	2,400	12,998	8,505
Gross profit	2,403	2,426	10,603	7,929
Gross margin %	43 %	50 %	45 %	48 %
Research and development	1,366	811	5,005	2,845
Marketing, general and administrative	590	412	2,336	1,448
Amortization of acquisition-related intangibles	601	—	2,100	—
Licensing gain	(5)	(4)	(102)	(12)
Operating income (loss)	(149)	1,207	1,264	3,648
Interest expense	(19)	(8)	(88)	(34)
Other income (expense), net	32	4	8	55
Income (loss) before income taxes and equity income	(136)	1,203	1,184	3,669
Income tax provision (benefit)	(154)	229	(122)	513
Equity income in investee	3	—	14	6
Net income	\$ 21	\$ 974	\$ 1,320	\$ 3,162
Earnings per share				
Basic	\$ 0.01	\$ 0.81	\$ 0.85	\$ 2.61
Diluted	\$ 0.01	\$ 0.80	\$ 0.84	\$ 2.57
Shares used in per share calculation				
Basic	1,613	1,208	1,561	1,213
Diluted	1,618	1,222	1,571	1,229

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

	December 31, 2022	December 25, 2021
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,835	\$ 2,535
Short-term investments	1,020	1,073
Accounts receivable, net	4,126	2,706
Inventories	3,771	1,955
Receivables from related parties	2	2
Prepaid expenses and other current assets	1,265	312
Total current assets	15,019	8,583
Property and equipment, net	1,513	702
Operating lease right-of use assets	460	367
Goodwill	24,177	289
Acquisition-related intangibles, net	24,118	—
Investment: equity method	83	69
Deferred tax assets	58	931
Other non-current assets	2,152	1,478
Total Assets	\$ 67,580	\$ 12,419
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,493	\$ 1,321
Payables to related parties	463	85
Accrued liabilities	3,077	2,424
Current portion of long-term debt, net	—	312
Other current liabilities	336	98
Total current liabilities	6,369	4,240
Long-term debt, net of current portion	2,467	1
Long-term operating lease liabilities	396	348
Deferred tax liabilities	1,934	12
Other long-term liabilities	1,664	321
Stockholders' equity:		
Capital stock:		
Common stock, par value	16	12
Additional paid-in capital	58,005	11,069
Treasury stock, at cost	(3,099)	(2,130)
Accumulated deficit	(131)	(1,451)
Accumulated other comprehensive loss	(41)	(3)
Total stockholders' equity	\$ 54,750	\$ 7,497
Total Liabilities and Stockholders' Equity	\$ 67,580	\$ 12,419

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

	Three Months Ended		Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021
Net cash provided by (used in)				
Operating activities	\$ 567	\$ 822	\$ 3,565	\$ 3,521
Investing activities	\$ 1,067	\$ —	\$ 1,999	\$ (686)
Financing activities	\$ (197)	\$ (727)	\$ (3,264)	\$ (1,895)

SELECTED CORPORATE DATA
(Millions) (Unaudited)

	Three Months Ended		Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021
Segment and Category Information⁽¹⁾				
Data Center				
Net revenue	\$ 1,655	\$ 1,163	\$ 6,043	\$ 3,694
Operating income	\$ 444	\$ 369	\$ 1,848	\$ 991
Client				
Net revenue	\$ 903	\$ 1,829	\$ 6,201	\$ 6,887
Operating income (loss)	\$ (152)	\$ 530	\$ 1,190	\$ 2,088
Gaming				
Net revenue	\$ 1,644	\$ 1,763	\$ 6,805	\$ 5,607
Operating income	\$ 266	\$ 407	\$ 953	\$ 934
Embedded				
Net revenue	\$ 1,397	\$ 71	\$ 4,552	\$ 246
Operating income	\$ 699	\$ 18	\$ 2,252	\$ 44
All Other				
Net revenue	\$ —	\$ —	\$ —	\$ —
Operating loss	\$ (1,406)	\$ (117)	\$ (4,979)	\$ (409)
Total				
Net revenue	\$ 5,599	\$ 4,826	\$ 23,601	\$ 16,434
Operating income (loss)	\$ (149)	\$ 1,207	\$ 1,264	\$ 3,648
Other Data				
Capital expenditures	\$ 124	\$ 86	\$ 450	\$ 301
Adjusted EBITDA ⁽²⁾	\$ 1,438	\$ 1,446	\$ 6,971	\$ 4,476
Cash, cash equivalents and short-term investments	\$ 5,855	\$ 3,608	\$ 5,855	\$ 3,608
Free cash flow ⁽³⁾	\$ 443	\$ 736	\$ 3,115	\$ 3,220
Total assets	\$ 67,580	\$ 12,419	\$ 67,580	\$ 12,419
Total debt	\$ 2,467	\$ 313	\$ 2,467	\$ 313

- (1) The Data Center segment primarily includes server microprocessors (CPUs) and graphics processing units (GPUs), data processing units (DPUs), Field Programmable Gate Arrays (FPGAs) and Adaptive System-on-Chip (SoC) products for data centers.
The Client segment primarily includes CPUs, accelerated processing units that integrate microprocessors and GPUs (APUs), and chipsets for desktop and notebook personal computers.
The Gaming segment primarily includes discrete GPUs, semi-custom SoC products and development services.
The Embedded segment primarily includes embedded CPUs and GPUs, FPGAs, and Adaptive SoC products.
From time to time, the Company may also sell or license portions of its IP portfolio.
All Other category primarily includes certain expenses and credits that are not allocated to any of the operating segments, such as acquisition-related intangible asset amortization expense, employee stock-based compensation expense, acquisition-related costs and licensing gain.

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

	Three Months Ended		Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021
GAAP net income	\$ 21	\$ 974	\$ 1,320	\$ 3,162
Interest expense	19	8	88	34
Other (income) expense, net	(32)	(4)	(8)	(55)
Income tax provision (benefit)	(154)	229	(122)	513
Equity income in investee	(3)	—	(14)	(6)
Stock-based compensation	310	112	1,012	379
Depreciation and amortization	176	118	626	407
Amortization of acquired intangible assets	1,044	—	3,548	—
Acquisition-related costs	57	9	521	42
Adjusted EBITDA	\$ 1,438	\$ 1,446	\$ 6,971	\$ 4,476

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 and acquisition-related costs. The Company also included amortization of acquired intangible assets for the three months and year ended December 31, 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		Year Ended	
	December 31, 2022	December 25, 2021	December 31, 2022	December 25, 2021
GAAP net cash provided by operating activities	\$ 567	\$ 822	\$ 3,565	\$ 3,521
Operating cash flow margin %	10 %	17 %	15 %	21 %
Purchases of property and equipment	\$ (124)	\$ (86)	\$ (450)	\$ (301)
Free cash flow	\$ 443	\$ 736	\$ 3,115	\$ 3,220
Free cash flow margin %	8 %	15 %	13 %	20 %

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

Fourth Quarter and Full Year 2022

January 31, 2023

CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as the features, functionality, performance, availability, timing and expected benefits of AMD products; AMD's expected first quarter of 2023 and fiscal 2023 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP interest expense, taxes and other, non-GAAP tax rates and diluted share count; AMD's total addressable market; and AMD's ability to drive long-term shareholder returns, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this presentation are based on current beliefs, assumptions and expectations, speak only as of the date of this presentation and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; global economic uncertainty; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; potential difficulties in upgrading and operating AMD's new enterprise resource planning system; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments, including acquisitions of Xilinx and Pensando, on AMD's business and AMD's ability to integrate acquired businesses; 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 non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. For fiscal year 2023, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments, reflecting currently available information. In addition, AMD provided pro forma revenue for the year ended December 31, 2022 and December 25, 2021 which include unaudited Xilinx pre-acquisition revenue from January 2, 2022 to February 13, 2022 and for the twelve months ended January 1, 2022, respectively, as supplemental information. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance. The non-GAAP financial measures disclosed in this presentation should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the Appendices at the end of this presentation. This presentation also contains forward-looking non-GAAP measures concerning AMD's financial outlook such as gross margin, operating expenses, interest expense, taxes and other. These forward-looking non-GAAP measures are based on current expectations as of January 31, 2023, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its forward-looking statements made in this presentation except as may be required by law.

AMD

OUR JOURNEY

Leadership
Product Portfolio

Expanding Customer
& Partner Ecosystem

Data Center and
Embedded Growth

Strong
Financial Foundation

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

Delivering innovation in cloud, enterprise, AI and accelerated computing



Software Enablement

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

OUR LEADERSHIP PRODUCTS



Data Center

Leadership data center solutions with server CPUs, GPUs, FPGAs, DPU and Adaptive SoCs



Client

Leadership CPUs and APUs for notebook and desktop PCs and commercial workstations



Gaming

Top-to-bottom desktop and notebook GPUs, game console and semi-custom SoCs



Embedded

Leadership FPGAs, Adaptive SoCs and SoMs, and embedded CPUs and GPUs for a broad set of markets

REVENUE SUMMARY FY 2022

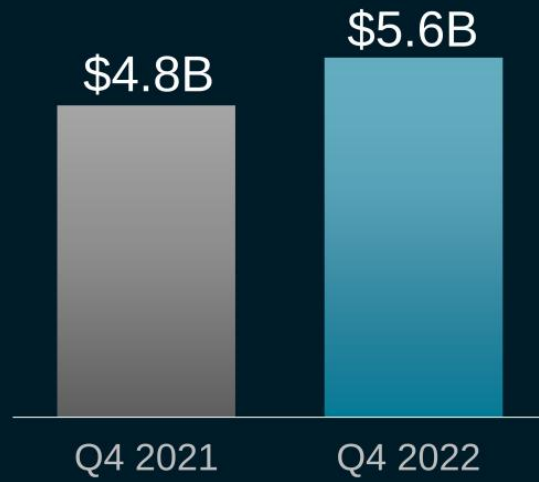
- Revenue of \$23.6 billion grew 44% y/y driven by higher Embedded, Data Center and Gaming segment revenue, partially offset by lower Client segment revenue
- Pro forma¹ revenue of \$24.1 billion, up 20% compared to \$20.1 billion in 2021, on combined AMD and Xilinx company basis



1. See Appendices for Pro-forma revenue reconciliation.

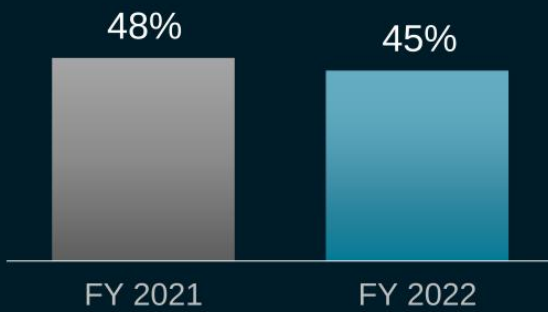
REVENUE SUMMARY Q4 2022

- Revenue of \$5.6 billion grew 16% y/y driven by growth across the Embedded and Data Center segments, partially offset by lower Client and Gaming segment revenue



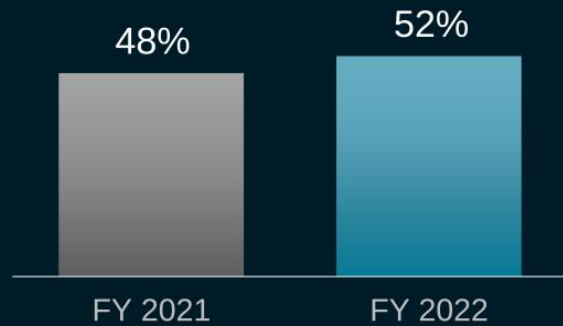
GROSS MARGIN SUMMARY FY 2022

GAAP



- Gross margin decrease primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP¹

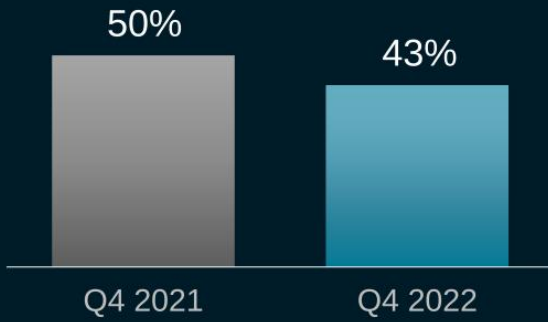


- Non-GAAP gross margin increase primarily driven by a richer product mix with higher Embedded and Data Center segment revenue, partially offset by lower Client segment revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

GROSS MARGIN SUMMARY Q4 2022

GAAP



- Gross margin decrease primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP¹



- Non-GAAP gross margin increase primarily driven by a richer product mix with higher Embedded and Data Center segment revenue, partially offset by lower Client segment revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME SUMMARY FY 2022

GAAP



- Operating income decrease primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP¹



- Non-GAAP operating income primarily driven by higher revenue and gross margin expansion

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME (LOSS) SUMMARY Q4 2022

GAAP



- Operating loss primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP¹

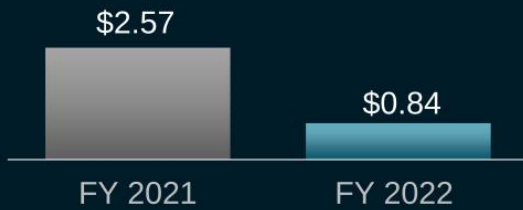


- Non-GAAP operating income was flat y/y

1. See Appendices for GAAP to Non-GAAP reconciliation

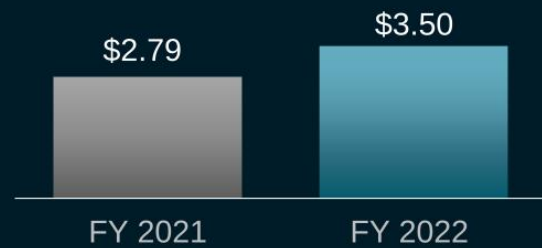
EARNINGS PER SHARE SUMMARY FY 2022

GAAP



- Net income of \$1.3 billion compared to \$3.2 billion in prior year
- Earnings per share \$0.84 compared to \$2.57 in prior year

Non-GAAP¹



- Non-GAAP net income of \$5.5 billion compared to \$3.4 billion, up 60% from the prior year
- Earnings per share \$3.50 compared to \$2.79 in prior year, primarily due to Data Center segment growth and the addition of Xilinx

1. See Appendices for GAAP to Non-GAAP reconciliation

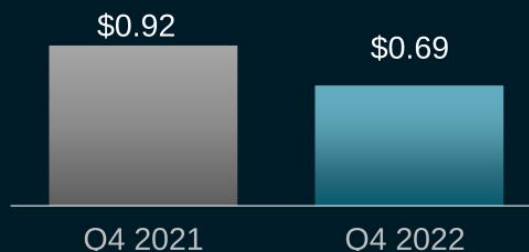
EARNINGS PER SHARE SUMMARY Q4 2022

GAAP



- Net income of \$21 million, decreased y/y primarily due to amortization of Xilinx acquisition-related intangible assets, partially offset by a \$154 million tax benefit in the quarter
- EPS declined primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP¹



- Non-GAAP net income of \$1.1 billion, flat y/y
- Non-GAAP EPS declined primarily due to lower Client segment operating income

1. See Appendices for GAAP to Non-GAAP reconciliation

FY 2022 SUMMARY P&L | GAAP

(\$ in millions, except per share data)	2022	2021	Y/Y
Revenue	\$23,601	\$16,434	Up 44%
Gross Profit	\$10,603	\$7,929	Up 34%
Gross Margin %	45%	48%	Down 330bps
Operating Expenses	\$9,441	\$4,293	Up 120%
Operating Expense/Revenue %	40%	26%	Up 14 pp
Operating Income	\$1,264	\$3,648	Down 65%
Operating Margin %	5%	22%	Down 17 pp
Net Income	\$1,320	\$3,162	Down 58%
Earnings Per Share	\$0.84	\$2.57	Down 67%

FY 2022 SUMMARY P&L | NON-GAAP¹

(\$ in millions, except per share data)	2022	2021	Y/Y
Revenue	\$23,601	\$16,434	Up 44%
Gross Profit	\$12,273	\$7,934	Up 55%
Gross Margin %	52%	48%	Up 370 bps
Operating Expenses	\$6,030	\$3,877	Up 56%
Operating Expense/Revenue %	26%	24%	Up 2 pp
Operating Income	\$6,345	\$4,069	Up 56%
Operating Margin %	27%	25%	Up 2 pp
Net Income	\$5,504	\$3,435	Up 60%
Earnings Per Share ¹	\$3.50	\$2.79	Up 25%

Q4 2022 SUMMARY P&L | GAAP

(\$ in millions, except per share data)	Q4'22	Q4'21	Y/Y
Revenue	\$5,599	\$4,826	Up 16%
Gross Profit	\$2,403	\$2,426	Flat
Gross Margin %	43%	50%	Down 740 bps
Operating Expenses	\$2,557	\$1,223	Up 109%
Operating Expense/Revenue %	46%	25%	Up 21 pp
Operating Income (Loss)	\$(149)	\$1,207	Down 112%
Operating Margin %	(3)%	25%	Down 28 pp
Net Income	\$21	\$974	Down 98%
Earnings Per Share	\$0.01	\$0.80	Down 99%

Q4 2022 SUMMARY P&L | NON-GAAP¹

(\$ in millions, except per share data)	Q4'22	Q4'21	Y/Y
Revenue	\$5,599	\$4,826	Up 16%
Gross Profit	\$2,859	\$2,427	Up 18%
Gross Margin %	51%	50%	Up 70 bps
Operating Expenses	\$1,602	\$1,103	Up 45%
Operating Expense/Revenue %	29%	23%	Up 6 pp
Operating Income	\$1,262	\$1,328	Down 5%
Operating Margin %	23%	27%	Down 4 pp
Net Income	\$1,113	\$1,122	Flat
Earnings Per Share ¹	\$0.69	\$0.92	Down 25%

REVENUE

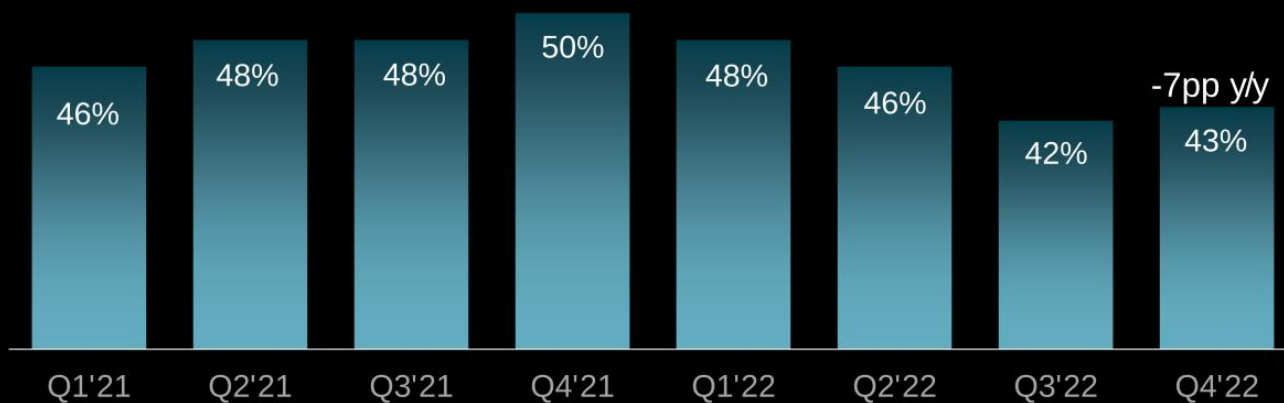
(\$ in Billions)



EMBEDDED AND DATA CENTER SEGMENTS GREW Y/Y,
CLIENT AND GAMING SEGMENT LOWER Y/Y

GROSS MARGIN

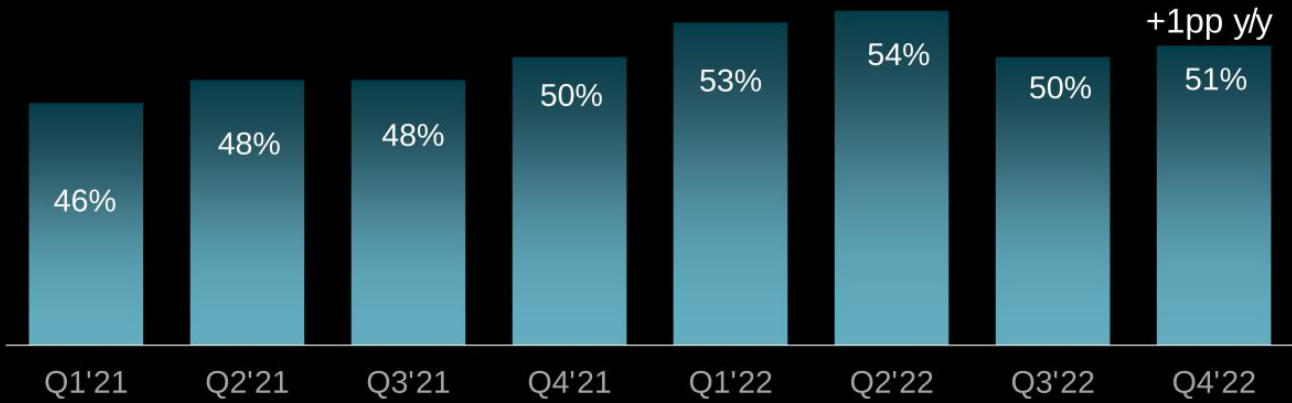
(GAAP)



Y/Y DECREASE PRIMARILY DUE TO AMORTIZATION OF XILINX ACQUISITION-RELATED INTANGIBLE ASSETS

GROSS MARGIN

(Non-GAAP)*



Y/Y INCREASE PRIMARILY DRIVEN BY RICHER PRODUCT MIX WITH HIGHER EMBEDDED AND DATA CENTER SEGMENT REVENUE, PARTIALLY OFFSET BY LOWER CLIENT SEGMENT REVENUE

EARNINGS PER SHARE (GAAP)



Y/Y DECREASE PRIMARILY DUE TO AMORTIZATION OF
XILINX ACQUISITION-RELATED INTANGIBLE ASSETS

EARNINGS PER SHARE

(Non-GAAP)*



Q4 DOWN Y/Y PRIMARILY DUE TO
LOWER CLIENT OPERATING INCOME

Q4 & FY 2022 SUMMARY BALANCE SHEET ITEMS

(\$ in millions)	Q4'22	Q4'21	Y/Y
Cash, Cash Equivalents and Short-term Investments	\$5,855	\$3,608	Up \$2,247
Accounts Receivable, Net	\$4,126	\$2,706	Up \$1,420
Inventories	\$3,771	\$1,955	Up \$1,816
Total Debt, Net	\$2,467	\$313	Up \$2,154

STRONG NET CASH POSITION

Returned \$3.7 billion to shareholders in FY'22 through share repurchases

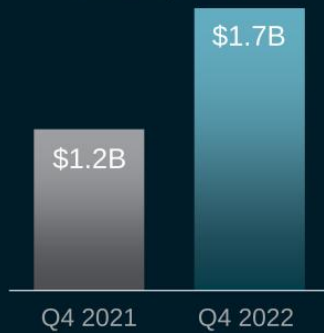
Q4 & FY 2022 SEGMENT RESULTS

(GAAP)

(\$ in millions)	Q4'22	Q4'21	Y/Y	2022	2021	Y/Y
Data Center						
Net Revenue	\$1,655	\$1,163	Up 42%	\$6,043	\$3,694	Up 64%
Operating Income	\$444	\$369	Up 20%	\$1,848	\$991	Up 86%
Client						
Net Revenue	\$903	\$1,829	Down 51%	\$6,201	\$6,887	Down 10%
Operating Income (Loss)	\$(152)	\$530	Down 129%	\$1,190	\$2,088	Down 43%
Gaming						
Net Revenue	\$1,644	\$1,763	Down 7%	\$6,805	\$5,607	Up 21%
Operating Income	\$266	\$407	Down 35%	\$953	\$934	Up 2%
Embedded						
Net Revenue	\$1,397	\$71	Up 1,868%	\$4,552	\$246	Up 1,750%
Operating Income	\$699	\$18	Up 3,783%	\$2,252	\$44	Up 5,018%

DATA CENTER SEGMENT Q4 2022

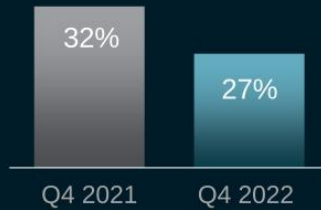
Quarterly Revenue



Revenue
\$1.7 Billion
Up 42% y/y

Strong sales of EPYC™ server processors

Operating Margin



Operating Income
\$444 Million
vs. \$369 Million a year ago

Growth in operating income primarily driven by higher revenue, partially offset by higher R&D investments to support growth

AMD
EPYC

AMD
INSTINCT

AMD
XILINX

AMD
PENSANDO

Strategic Highlights

- Announced availability of 4th Gen EPYC CPU processors delivering leadership performance and energy efficiency
- Previewed AMD Instinct™ MI300 designed for leadership HPC and AI performance
- Powering 101 supercomputers in Top500 list of most powerful supercomputers
- Record sales of Xilinx data center and networking products, and significant ramp of Pensando DPU sales from prior quarter

CLIENT SEGMENT Q4 2022

Quarterly Revenue



Due to reduced processor shipments

Operating Margin



Operating loss primarily due to lower revenue

AMD
RYZEN

AMD
RYZEN
PRO

AMD
THREADRIPPER
PRO

Strategic Highlights

- Announced broadest portfolio of high-performance PC products for mobile and desktop applications, including:
 - Ryzen™ 7040 CPU Series for ultrathin notebooks, industry's 1st x86 CPUs with a dedicated, on-chip AI inference engine
 - Ryzen 7045 CPU Series, AMD's 1st mobile processors based on chiplet design delivering significantly higher performance for gaming and content creation applications

GAMING SEGMENT Q4 2022

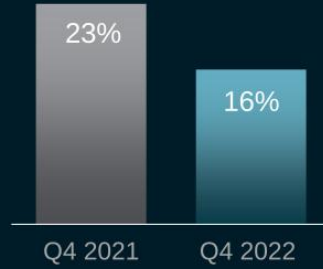
Quarterly Revenue



Revenue
\$1.6 Billion
Down 7% y/y

Driven by lower gaming graphics sales partially offset by higher semi-custom product revenue

Operating Margin



Operating Income
\$266 Million
vs. \$407 Million a year ago

Decline in operating income primarily due to lower graphics revenue

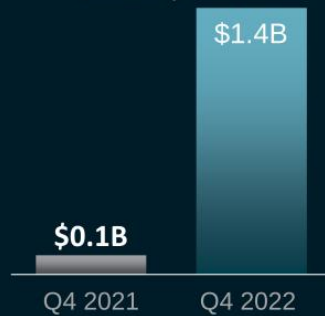


Strategic Highlights

- Announced Radeon™ RX 7900 series graphics cards, world's 1st gaming graphics card with advanced AMD chiplet design
- Announced AMD Radeon 7000 Series Graphics for laptop PCs designed for exceptional energy efficiency and performance

EMBEDDED SEGMENT Q4 2022

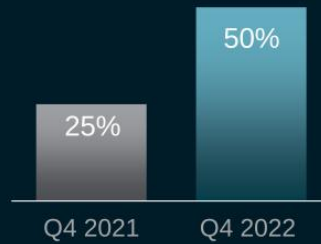
Quarterly Revenue



Revenue
\$1.4 Billion
Up 1,868% y/y

Primarily driven by inclusion of
Xilinx embedded revenue

Operating Margin



Operating Income
\$699 Million
vs. \$18 Million a year ago

Growth in operating income
primarily driven by inclusion of
Xilinx revenue

AMD
ZYNQ
UltraScale+

AMD
VERSA

Strategic Highlights

- Announced multiple new wins for AMD's automotive grade Zynq™ UltraScale+™ MP SoC platforms with several of the largest vehicle equipment suppliers
- AMD Vitis™ Medical Imaging libraries to bring premium medical imaging products to market faster

FINANCIAL OUTLOOK – NON-GAAP¹

(\$ in millions)	Q1'23	FY 2023
Revenue	~\$5.3 Billion +/- \$300 Million Decrease of ~10% y/y	Data Center and Embedded segments expected to grow y/y
Gross Margin %	~50%	~flattish in 1H 2023, expansion in 2H 2023
Operating Expenses	~\$1.6 Billion	~flat quarterly with Q1'23 until demand environment improves
Interest Expense, Taxes and Other	~\$146 Million	--
Effective Tax Rate	~13% of pre-tax income	~13% of pre-tax income
Diluted Share Count ²	~1.62 Billion shares	~1.62 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 January 31, 2023, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law. All items, except revenue, are on a non-GAAP basis. Adjustments to arrive at the GAAP financial outlook typically include stock-based compensation, amortization of acquired intangible assets, income tax provision, 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.

FY 2022 SUMMARY¹

Revenue \$23.6B
Up 44% Y/Y

Strong Data Center,
Embedded and Gaming
Segment Performance

Gross Margin 45%
Non-GAAP GM 52%

Operating Cash Flow
\$3.6B
Free Cash Flow \$3.1B

RECORD ANNUAL REVENUE,
NON-GAAP GROSS MARGIN AND PROFITABILITY¹

Q4 2022 SUMMARY¹

Revenue \$5.6B
Up 16% Y/Y

Growth in Embedded
and Data Center
Segments

Gross Margin 43%
Non-GAAP GM 51%

Operating Cash Flow
\$567M
Free Cash Flow \$443M

DATA CENTER AND EMBEDDED PRODUCTS
>50% OF 4TH QUARTER REVENUE

AMD COMMITMENT TO ESG



Environmental

Steadfast commitment to environmental sustainability and contributing to our local communities

Social

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

Governance

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

PURPOSE-DRIVEN HIGH-PERFORMANCE AND ADAPTIVE COMPUTING

OUR NEXT JOURNEY

Large and
Compelling
\$300B TAM

Unmatched
Technology
Leadership

Expanding
Data Center
Leadership and
Pervasive AI

World-Class
Execution
and Focus

Strong
Balance Sheet

DRIVING LONG-TERM SHAREHOLDER RETURNS

APPENDICES

RECONCILIATION OF AS-REPORTED REVENUE TO AMD PRO FORMA REVENUE

(Billions) (Unaudited)	2022	2021
AMD Net Revenue – As Reported	\$ 23.6	\$ 16.4
Pre-Acquisition Revenue ⁽¹⁾	0.5	3.7
AMD Net Revenue – Pro Forma ⁽²⁾	\$ 24.1	\$ 20.1

(1) Pre-acquisition revenue for the year ended December 31, 2022 includes unaudited Xilinx revenue from January 2, 2022 to February 13, 2022. Pre-acquisition revenue for the year ended December 25, 2021 includes unaudited Xilinx revenue for the twelve months ended January 1, 2022.

(2) The unaudited AMD net revenue prepared on a pro forma basis represents the Company's consolidated revenue for the year ended December 31, 2022 and December 25, 2021, as if the acquisitions had been consummated as of the beginning of the fiscal year 2021 (i.e., December 27, 2020). The unaudited pro forma revenue is presented on the basis of the Company's fiscal year and combines the historical results of the fiscal periods of the Company with the following historical results of Xilinx: the year ended December 31, 2022 includes Xilinx revenue for the twelve-month period beginning January 2, 2022 through December 31, 2022; and the year ended December 25, 2021 includes Xilinx revenue for the twelve months ended January 1, 2022. The unaudited pro forma financial revenue presented is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the Xilinx acquisitions were completed at the beginning of fiscal year 2021 and are not indicative of the future operating results of the combined company.

APPENDICES

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

(Millions) (Unaudited)	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	2021	2022
GAAP gross profit	\$ 1,587	\$ 1,830	\$ 2,086	\$ 2,426	\$ 2,818	\$ 3,028	\$ 2,354	\$ 2,403	\$ 7,929	\$ 10,603
GAAP gross margin %	46%	48%	48%	50%	48%	46%	42%	43%	48%	45%
Stock-based compensation	1	2	1	1	4	8	8	9	5	29
Acquisition-related costs ⁽¹⁾	–	–	–	–	92	95	2	4	–	193
Amortization of acquired intangible assets	–	–	–	–	186	407	412	443	–	1,448
Non-GAAP gross profit	\$ 1,588	\$ 1,832	\$ 2,087	\$ 2,427	\$ 3,100	\$ 3,538	\$ 2,776	\$ 2,859	\$ 7,934	\$ 12,273
Non-GAAP gross margin %	46%	48%	48%	50%	53%	54%	50%	51%	48%	52%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(Millions) (Unaudited)	Q4'22	Q4'21	2022	2021
GAAP operating expenses	\$ 2,557	\$ 1,223	\$9,441	\$4,293
GAAP Operating Expenses/Revenue %	46%	25%	40%	26%
Stock-based compensation	301	111	983	374
Acquisition-related costs ⁽¹⁾	53	9	328	42
Amortization of acquired intangible assets	601	–	2,100	–
Non-GAAP operating expenses	\$ 1,602	\$ 1,103	\$6,030	\$3,877
Non-GAAP Operating Expenses/Revenue %	29%	23%	26%	24%

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

APPENDICES

RECONCILIATION OF GAAP OPERATING INCOME TO NON-GAAP OPERATING INCOME

(Millions) (Unaudited)	Q4'22	Q4'21	2022	2021
GAAP operating income (loss)	\$ (149)	\$ 1,207	\$1,264	\$3,648
GAAP operating margin %	(3%)	25%	5%	22%
Stock-based compensation	310	112	1,012	379
Acquisition-related costs ⁽¹⁾	57	9	521	42
Amortization of acquired intangible assets	1,044	-	3,548	-
Non-GAAP operating income	\$ 1,262	\$ 1,328	\$6,345	\$4,069
Non-GAAP operating margin %	23%	27%	27%	25%

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

APPENDICES

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

(Millions, except per share data) (Unaudited)	Q1'21		Q2'21		Q3'21		Q4'21		Q1'22		Q2'22		Q3'22		Q4'22	
GAAP net income / earnings per share	\$ 555	\$ 0.45	\$ 710	\$ 0.58	\$ 923	\$ 0.75	\$ 974	\$ 0.80	\$ 786	\$ 0.56	\$ 447	\$ 0.27	\$ 66	\$ 0.04	\$ 21	\$ 0.01
Loss on debt redemption/conversion	6	0.01	1	–	–	–	–	–	–	–	–	–	–	–	–	–
(Gains) losses on equity investments, net	8	0.01	–	–	(60)	(0.05)	(4)	–	44	0.03	10	–	3	–	5	–
Stock-based compensation	85	0.07	83	0.06	99	0.08	112	0.09	174	0.12	259	0.16	269	0.16	310	0.19
Equity income in investee	(2)	–	(2)	–	(2)	–	–	–	(3)	–	(4)	–	(4)	–	(3)	–
Acquisition-related costs ⁽¹⁾	15	0.01	10	0.01	8	0.01	9	–	233	0.17	174	0.11	57	0.04	57	0.04
Amortization of acquired intangible assets	–	–	–	–	–	–	–	–	479	0.34	1,023	0.63	1,002	0.62	1,044	0.65
Income tax provision	(25)	(0.03)	(24)	(0.02)	(75)	(0.06)	31	0.03	(124)	(0.09)	(202)	(0.12)	(298)	(0.19)	(321)	(0.20)
Non-GAAP net income / earnings per share	\$ 642	\$ 0.52	\$ 778	\$ 0.63	\$ 893	\$ 0.73	\$1,122	\$ 0.92	\$1,589	\$ 1.13	\$1,707	\$ 1.05	\$1,095	\$ 0.67	\$1,113	\$ 0.69

Shares used and net income adjustment in earnings per share calculation

Shares used in per share calculation (GAAP) ⁽²⁾	1,231	1,232	1,230	1,222	1,410	1,632	1,625	1,618
Shares used in per share calculation (Non-GAAP) ⁽²⁾	1,233	1,232	1,230	1,222	1,410	1,632	1,625	1,618

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

(2) GAAP and non-GAAP diluted EPS include the assumed conversion of the Company's 2026 Convertible Notes under the "if converted" method.

APPENDICES

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

(Millions, except per share data) (Unaudited)	2021		2022	
GAAP net income / earnings per share	\$ 3,162	\$ 2.57	\$1,320	\$0.84
Loss on debt redemption/conversion	7	–	–	–
(Gains) losses on equity investments, net	(56)	(0.04)	62	0.04
Stock-based compensation	379	0.31	1,012	0.64
Equity income in investee	(6)	–	(14)	(0.01)
Acquisition-related costs ⁽¹⁾	42	0.03	521	0.33
Amortization of acquired intangible assets	–	–	3,548	2.26
Income tax provision	(93)	(0.08)	(945)	(0.60)
Non-GAAP net income / earnings per share	\$3,435	\$ 2.79	\$5,504	\$3.50

Shares used and net income adjustment in earnings per share calculation			
Shares used in per share calculation (GAAP) ⁽²⁾		1,229	1,571
Shares used in per share calculation (Non-GAAP) ⁽²⁾		1,229	1,571

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

(2) GAAP and non-GAAP diluted EPS include the assumed conversion of the Company's 2026 Convertible Notes under the "if converted" method.

APPENDICES

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

(Millions) (Unaudited)	Q4'22	2022
Operating cash flow	567	3,565
Operating cash flow margin %	10%	15%
Purchases of property and equipment	(124)	(450)
Free cash flow	443	3,115
Free cash flow margin %	8%	13%

APPENDICES

SHARE COUNT OVERVIEW

Shares (millions) ⁽¹⁾	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	2023
	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Basic shares	1,393	1,618	1,615	1,613	1,561	1,612	1,619
Dilutive impact from employee equity grants and warrant ⁽²⁾	17	14	10	5	10	5	6
Diluted shares	1,410	1,632	1,625	1,618	1,571	1,617	1,625

The table above provides actual share count for Q1'22, Q2'22, Q3'22, Q4'22, and 2022 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q1'23 and FY 2023.

(1) Share counts are weighted average shares.

(2) The dilutive impact of employee equity grants is based on the Treasury Stock method and is dependent upon the average stock price during the period. The Q1'22, Q2'22, Q3'22, and Q4'22 average stock price was \$121.81, \$96.04, \$86.37, and \$66.00, respectively. The Q4'22 average stock price of \$66.00 was assumed for Q1'23 and FY23 average stock price estimates.

AMD 
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