



AMD Financial Results

Fourth Quarter and Full Year 2025
February 3, 2026

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 future AMD products; AMD's large growth opportunities across diverse set of markets; AMD's data center AI accelerator opportunity; AMD's expected first quarter 2026 financial outlook, including revenue, expected revenue from AMD Instinct MI308 sales to China, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP Interest Expense/Other Income (Expense), net, non-GAAP tax rate and diluted share count; AMD's large and compelling TAM; AMD's ability to expand Data Center and AI leadership; AMD's financial and operating performance; 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 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 are 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: impact of government actions and regulations such as export regulations, import tariffs, trade protection measures, and licensing requirements; competitive markets in which AMD's products are sold; the cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; AMD's ability to introduce products on a timely basis with expected features and performance levels; loss of a significant customer; economic and market uncertainty; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyberattacks; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software, memory and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; failure to maintain an efficient supply chain as customer demand changes; 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 climate change on AMD's business; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals related provisions and other laws or regulations; evolving expectations from governments, investors, customers and other stakeholders regarding corporate responsibility matters; issues related to the responsible use of AI; restrictions imposed by agreements governing AMD's notes, the guarantees of Xilinx's notes and the revolving credit agreement; AMD's ability to satisfy financial obligations under guarantees and other commercial commitments; impact of acquisitions, joint ventures and/or investments on AMD's business and AMD's ability to integrate acquired businesses; impact of any impairment of the combined company's assets; political, legal and economic risks and natural disasters; future impairments of technology license purchases; AMD's ability to attract and retain key employees; and AMD's stock price volatility. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates.

NON-GAAP Financial Measures

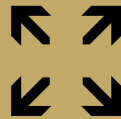
In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating expenses/revenue percent, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP diluted earnings per share. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2025, AMD used a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. Additionally, AMD has provided an adjusted non-GAAP gross profit and gross margin which excludes the impact from the release of inventory and related charges associated with U.S. export restrictions and AMD Instinct™ MI308 revenue to China. AMD also provides adjusted free cash flow as supplemental non-GAAP measures of its performance. 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/other income (expense), net, tax rate and diluted share count. These forward-looking non-GAAP measures are based on current expectations as of February 3, 2026, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its forward-looking statements made in this presentation except as may be required by law.

AMD

Our Journey



Leadership Product Portfolio



Expanding Customer & Partner Ecosystem



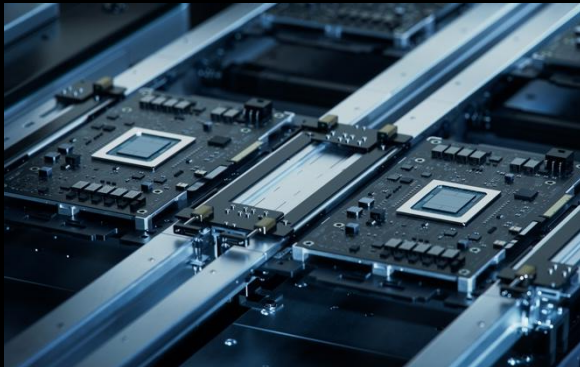
Data Center and AI Growth



Strong Financial Foundation

AMD | Strategic Pillars

Powering AI and High-Performance Compute Everywhere



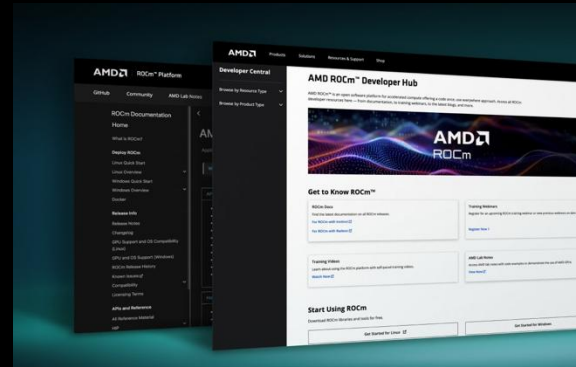
**Extend Compute
Technology Leadership**

**CPU, GPU, FPGA,
Networking, System-on-Chip,
Chiplets & Packaging**



**Expand Data Center
Leadership**

**Cloud, Enterprise and
Rack-Scale Solutions**



**Open Software Platforms
& Developer Enablement**

**Production-Grade
AMD ROCm™
Software Stack**



**Powering
AI Everywhere**

**High-Performance, Adaptive
and Custom AI Platforms**

Large Growth Opportunities

Across a Diverse Set of Markets



Data Center

Leadership performance and TCO across cloud, enterprise and AI workloads



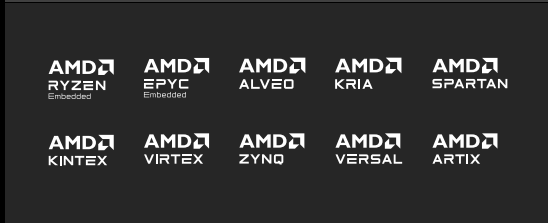
Client and Gaming

Performance, efficiency and AI capabilities for commercial and consumer PC and gaming experiences



Embedded

Industry's broadest portfolio of adaptive and embedded computing platforms



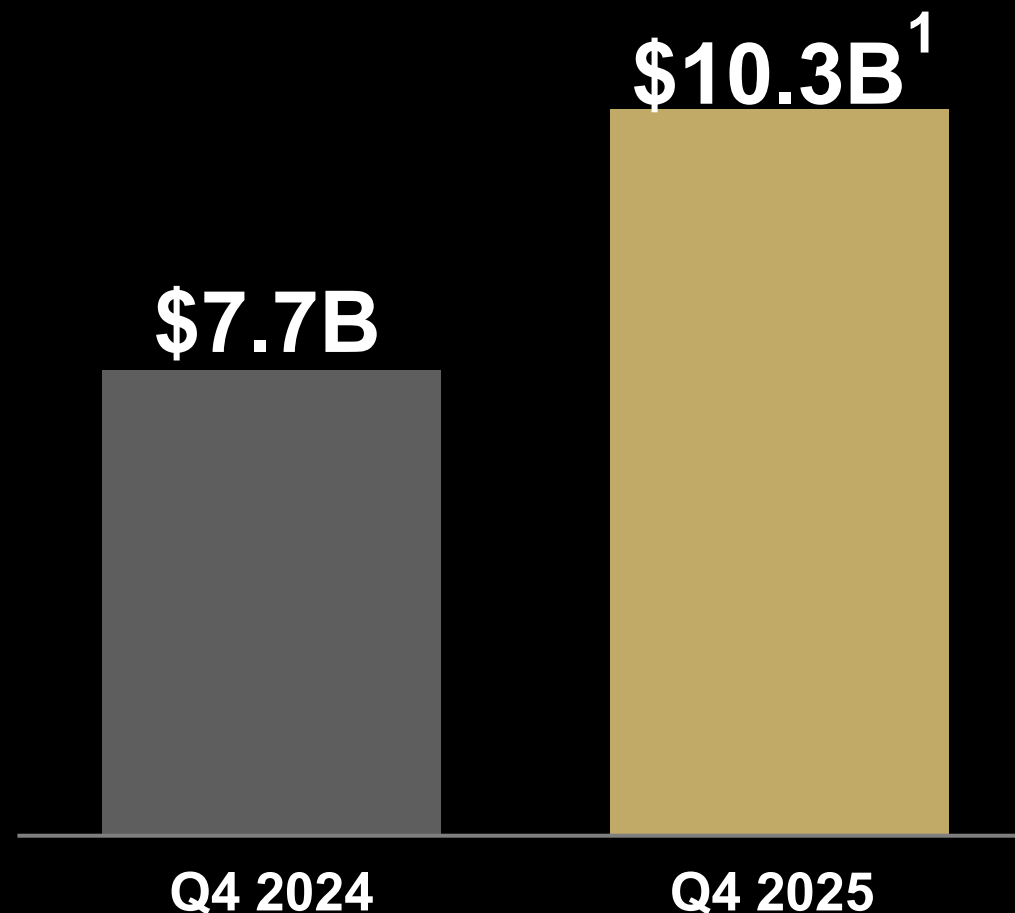
Q4 2025 Revenue



Record revenue of \$10.3 billion increased 34% y/y

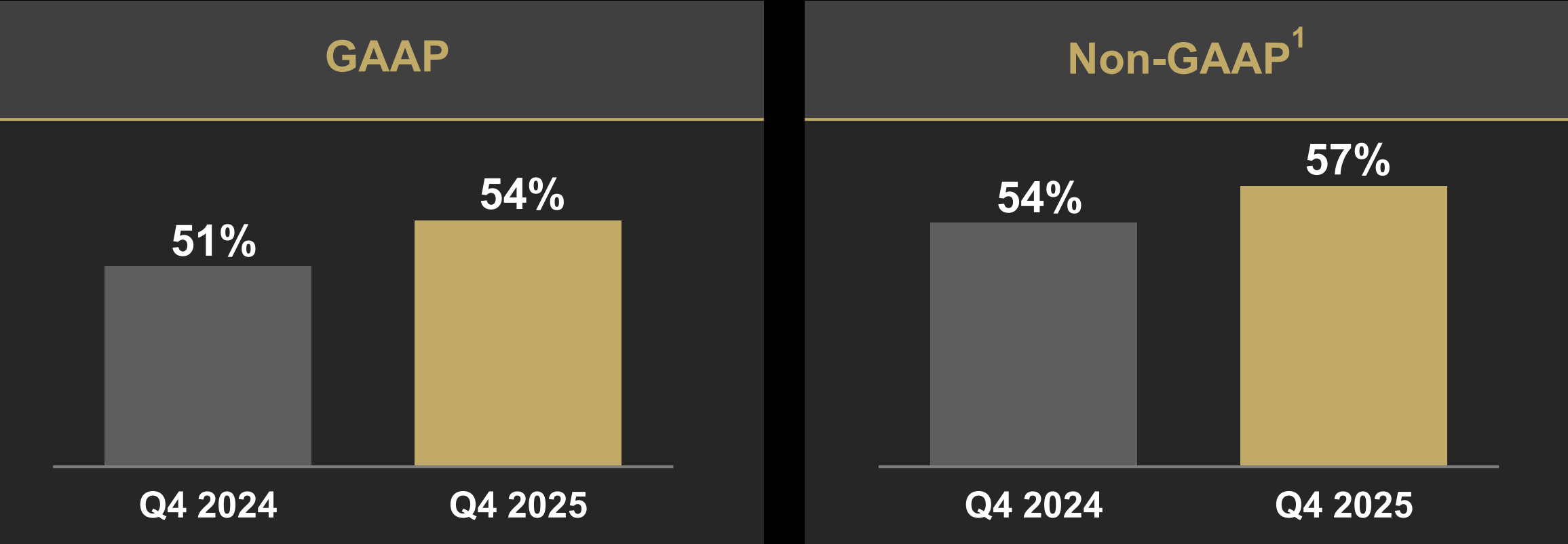


Growth driven by broad-based demand across our Data Center and Client and Gaming segments



1. Fourth quarter of 2025 results included AMD Instinct™ MI308 GPU product revenue to China of ~\$390 million

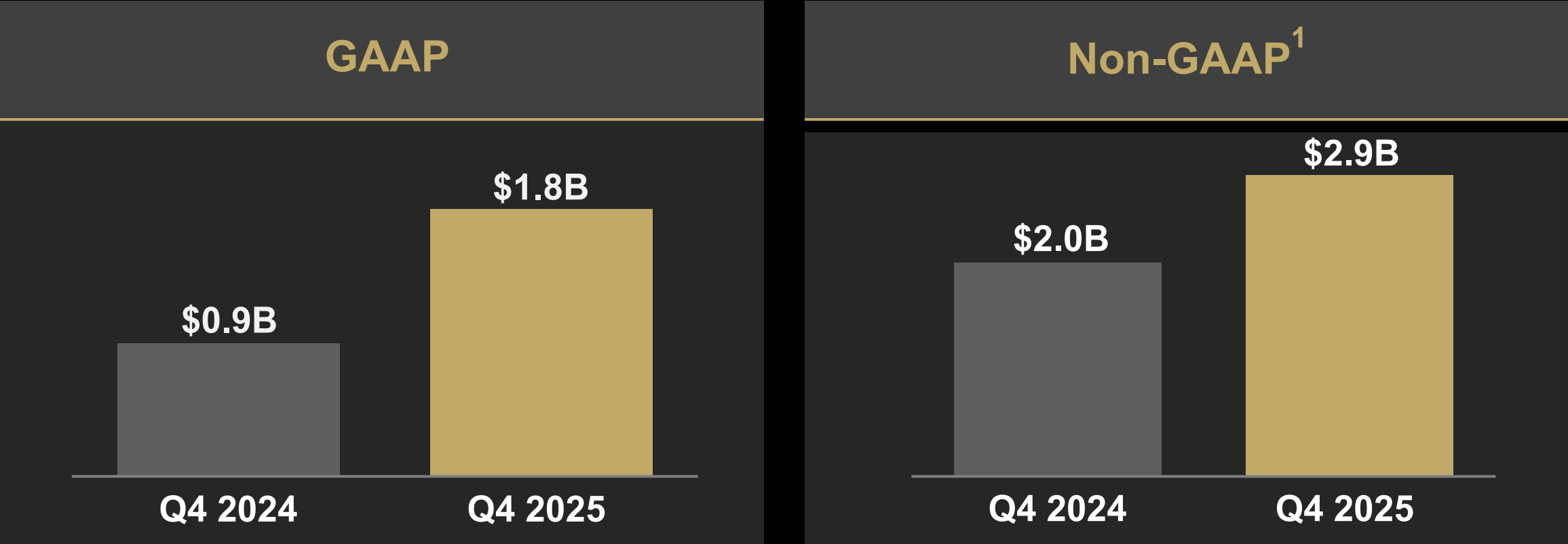
Q4 2025 Gross Margin



Excluding AMD Instinct™ MI308 inventory and related reserve release² and sales to China, Non-GAAP gross margin¹ would have been ~55% driven by a favorable product mix

1. See Appendices for GAAP to Non-GAAP reconciliation
2. Fourth quarter 2025 results included the release of inventory and related charges of ~\$360 million.

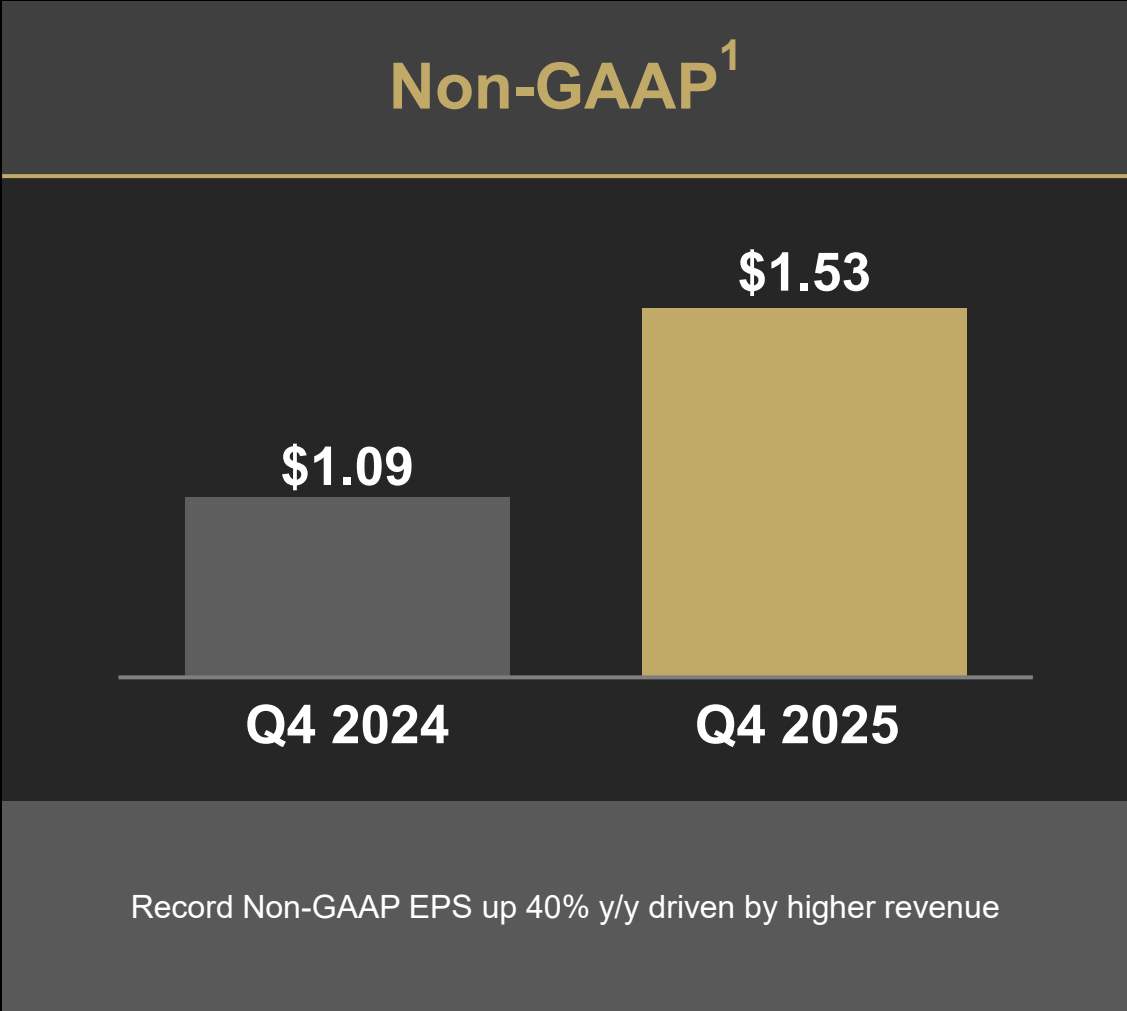
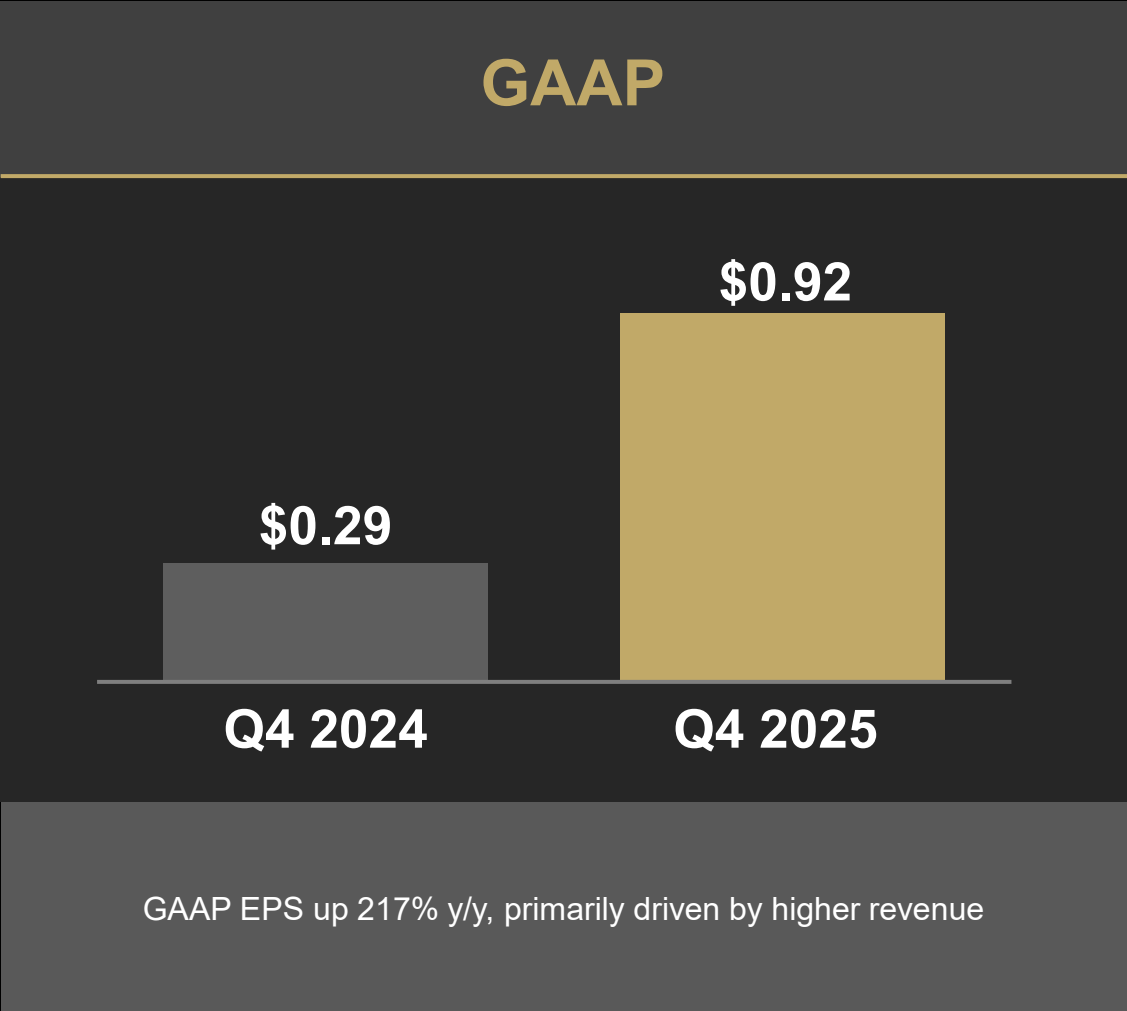
Q4 2025 Operating Income



Record operating income driven by higher revenue partially offset by higher operating expenses

1. See Appendices for GAAP to Non-GAAP reconciliation

Q4 2025 Diluted Earnings Per Share



1. See Appendices for GAAP to Non-GAAP reconciliation

Q4 2025 Summary P&L | GAAP

\$ in millions, except per share data and %	Q4'25 ¹	Q4'24	Y/Y	Q3'25	Q/Q
Revenue	\$10,270	\$7,658	Up 34%	\$9,246	Up 11%
Gross Profit	\$5,577	\$3,882	Up 44%	\$4,780	Up 17%
Gross Margin	54%	51%	Up 3 pts	52%	Up 2 pts
Operating Expenses	\$3,825	\$3,011	Up 27%	\$3,510	Up 9%
Operating Expense/Revenue %	37%	39%	Down 2%	38%	Down 1%
Operating Income	\$1,752	\$871	Up 101%	\$1,270	Up 38%
Operating Margin	17%	11%	Up 6 pts	14%	Up 3 pts
Net Income	\$1,511	\$482	Up 213%	\$1,243	Up 22%
Diluted Earnings Per Share	\$0.92	\$0.29	Up 217%	\$0.75	Up 23%

1. Fourth quarter of 2025 results included revenue from shipments of AMD Instinct™ MI308 GPU products to China of ~\$390 million and the release of inventory and related charges of ~\$360 million.

Q4 2025 Summary P&L | NON-GAAP¹

\$ in millions, except per share data and %	Q4'25 ²	Q4'24	Y/Y	Q3'25	Q/Q
Revenue	\$10,270	\$7,658	Up 34%	\$9,246	Up 11%
Gross Profit	\$5,855	\$4,140	Up 41%	\$4,992	Up 17%
Gross Margin	57%	54%	Up 3 pts	54%	Up 3 pts
Operating Expenses	\$3,001	\$2,114	Up 42%	\$2,754	Up 9%
Operating Expense/Revenue %	29%	28%	Up 1%	30%	Down 1%
Operating Income	\$2,854	\$2,026	Up 41%	\$2,238	Up 28%
Operating Margin	28%	26%	Up 2 pts	24%	Up 4 pts
Net Income	\$2,519	\$1,777	Up 42%	\$1,965	Up 28%
Diluted Earnings Per Share	\$1.53	\$1.09	Up 40%	\$1.20	Up 28%

1. See Appendices for GAAP to Non-GAAP reconciliation

2. Fourth quarter of 2025 results included revenue from shipments of AMD Instinct™ MI308 GPU products to China of ~\$390 million and the release of inventory and related charges of ~\$360 million.

Q4 2025 Segment Results

\$ in millions	Q4'25	Q4'24	Y/Y	Q3'25	Q/Q
Data Center					
Net Revenue	5,380	3,859	Up 39%	4,341	Up 24%
Operating Income	1,752	1,157	Up 51%	1,074	Up 63%
Client & Gaming					
Net Revenue	3,940	2,876	Up 37%	4,048	Down 3%
Operating Income	725	496	Up 46%	867	Down 16%
Embedded					
Net Revenue	950	923	Up 3%	857	Up 11%
Operating Income	357	362	Down 1%	283	Up 26%

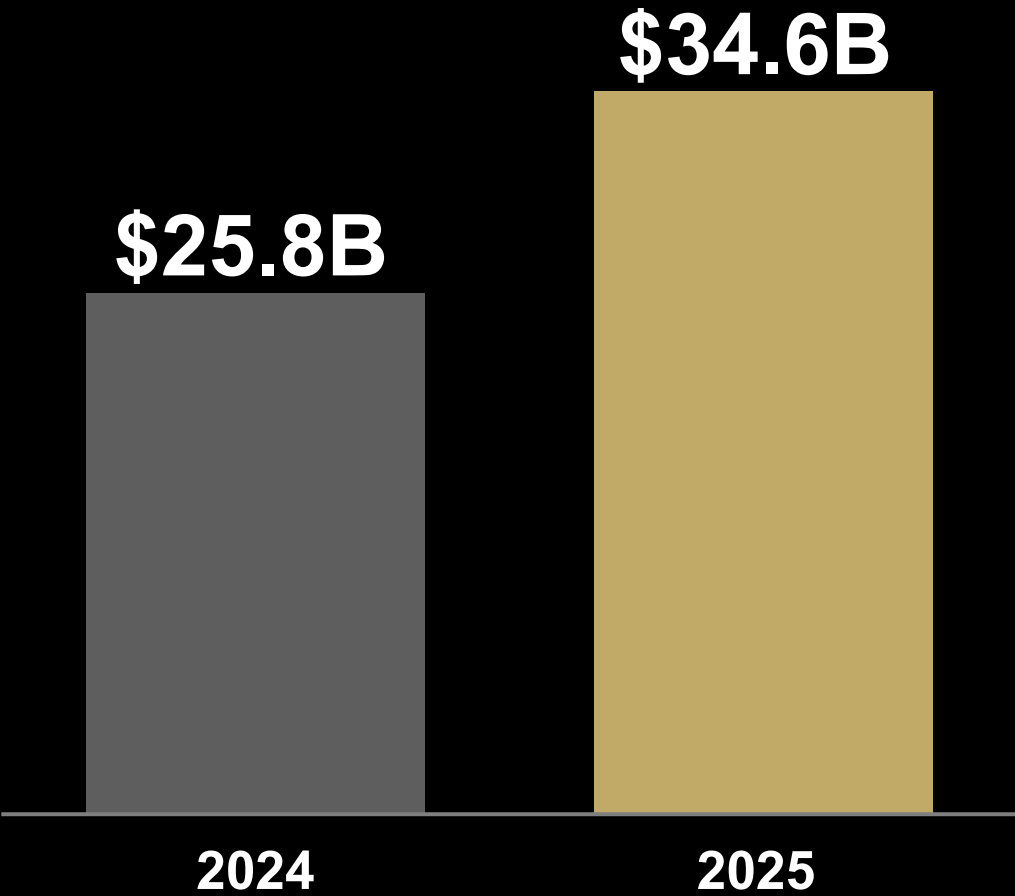
FY 2025 Revenue



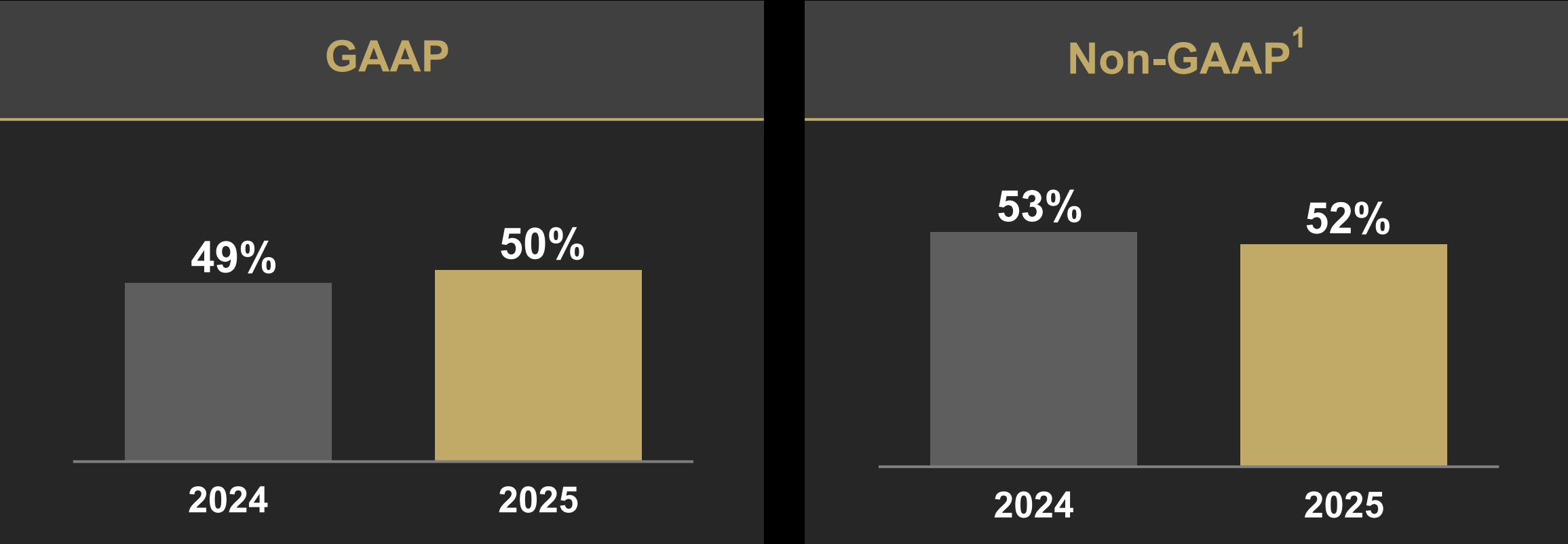
Record full year revenue of \$34.6 billion increased 34% y/y



Revenue growth driven by growth in Data Center and Client and Gaming segments



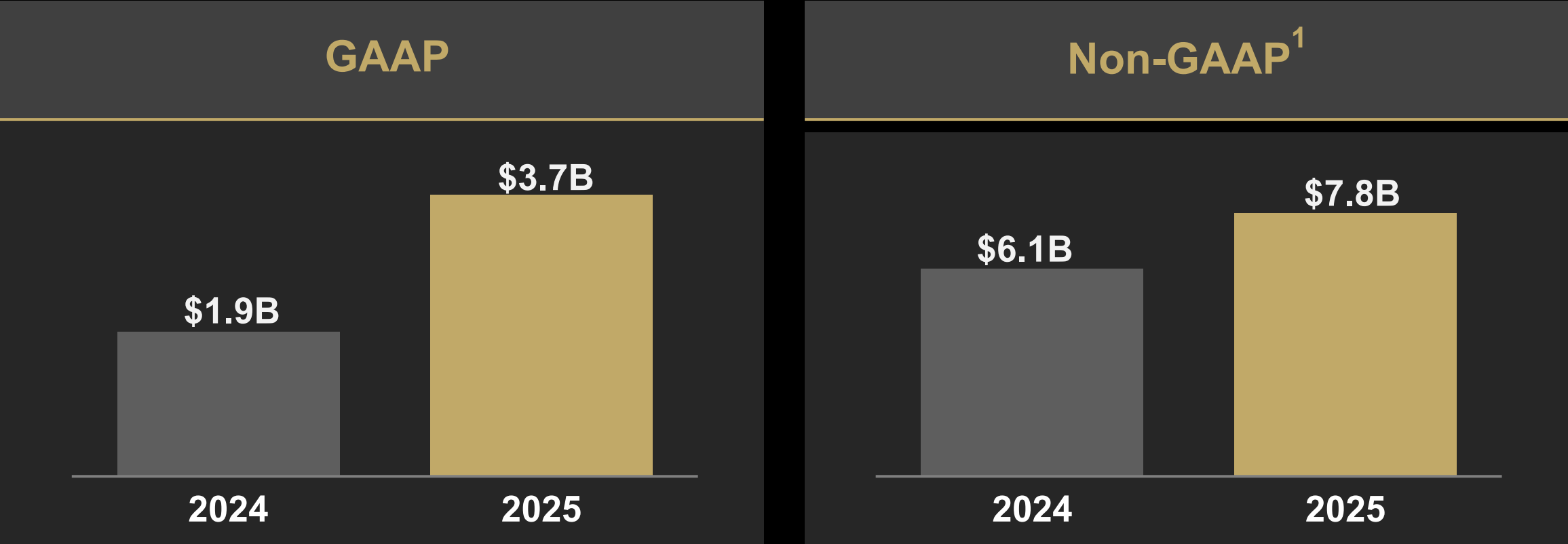
FY 2025 Gross Margin



Flat y/y driven by product mix offset by net inventory and related charges

1. See Appendices for GAAP to Non-GAAP reconciliation

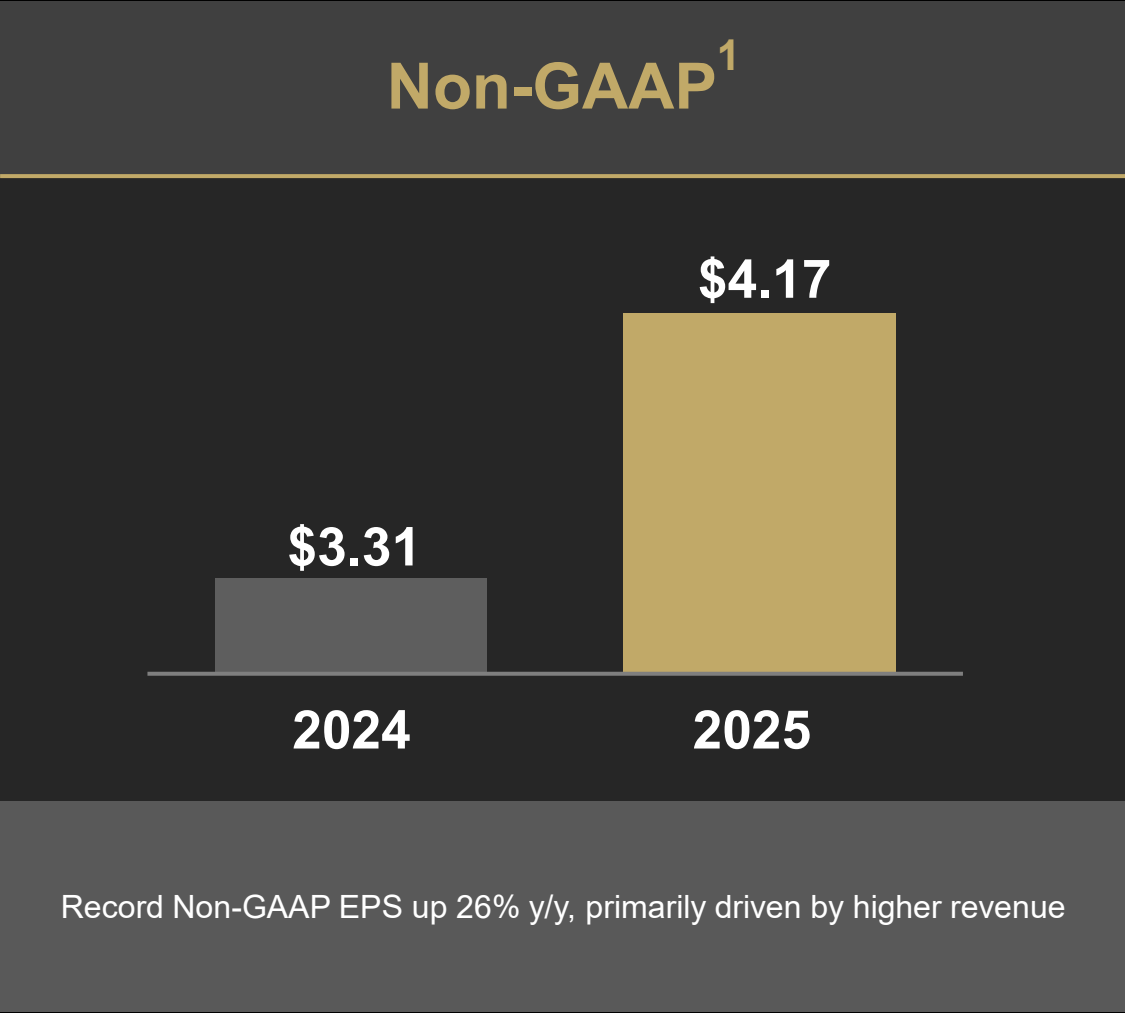
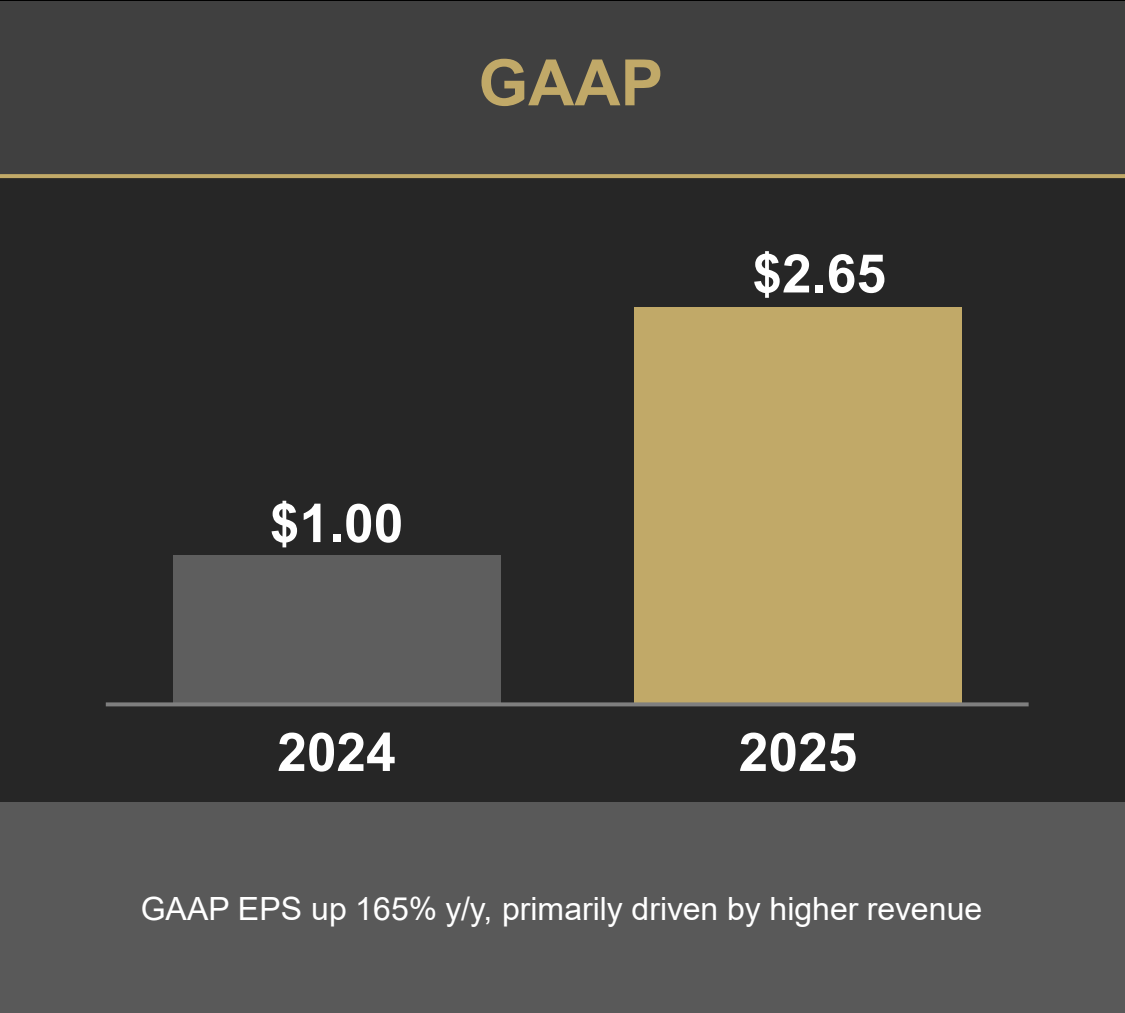
FY 2025 Operating Income



Increase driven by higher revenue partially offset by higher operating expenses

1. See Appendices for GAAP to Non-GAAP reconciliation

FY 2025 Diluted Earnings Per Share



1. See Appendices for GAAP to Non-GAAP reconciliation

FY 2025 Summary P&L | GAAP

\$ in millions, except per share data and %	2025 ¹	2024	Y/Y
Revenue	\$34,639	\$25,785	Up 34%
Gross Profit	\$17,152	\$12,725	Up 35%
Gross Margin	50%	49%	Up 1 ppt
Operating Expenses	\$13,458	\$10,825	Up 24%
Operating Expense/Revenue %	39%	42%	Down 3%
Operating Income	\$3,694	\$1,900	Up 94%
Operating Margin	11%	7%	Up 4 pts
Net Income	\$4,335	\$1,641	Up 164%
Diluted Earnings Per Share	\$2.65	\$1.00	Up 165%

1. Fiscal year 2025 results included ~\$440 million in net inventory and related charges as a result of the U.S. Government's export control on AMD Instinct™ MI308 data center GPU products.

FY 2025 Summary P&L | NON-GAAP¹

\$ in millions, except per share data and %	2025 ²	2024	Y/Y
Revenue	\$34,639	\$25,785	Up 34%
Gross Profit	\$18,165	\$13,759	Up 32%
Gross Margin	52%	53%	Down 1 ppt
Operating Expenses	\$10,397	\$7,621	Up 36%
Operating Expense/Revenue %	30%	30%	Flat
Operating Income	\$7,768	\$6,138	Up 27%
Operating Margin	22%	24%	Down 2 pts
Net Income	\$6,831	\$5,420	Up 26%
Diluted Earnings Per Share	\$4.17	\$3.31	Up 26%

1. See Appendices for GAAP to Non-GAAP reconciliation

2. Fiscal year 2025 results included ~\$440 million in net inventory and related charges as a result of the U.S. Government's export control on AMD Instinct™ MI308 data center GPU products.

FY 2025 Segment Results

\$ in millions	2025	2024	Y/Y
Data Center			
Net Revenue	\$16,635	\$12,579	Up 32%
Operating Income	\$3,603	\$3,482	Up 3%
Client & Gaming			
Net Revenue	\$14,550	\$9,649	Up 51%
Operating Income	\$2,855	\$1,187	Up 141%
Embedded			
Net Revenue	\$3,454	\$3,557	Down 3%
Operating Income	\$1,243	\$1,421	Down 13%

Q4 2025 Summary Balance Sheet Items

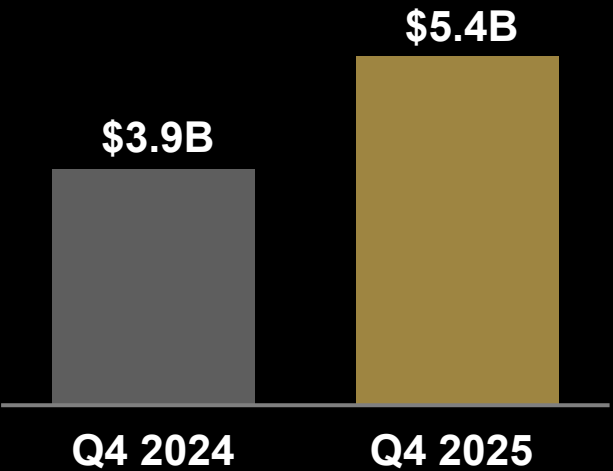
\$ in millions	Q4'25	Q3'25	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$10,552	\$7,243	Up 46%
Accounts Receivable, Net	\$6,315	\$6,201	Up 2%
Inventories	\$7,920	\$7,313	Up 8%
Total Debt	\$3,222	\$3,220	Flat

Record cash from operating activities of continuing operations of \$2.3 billion; record free cash flow of \$2.1 billion¹

1. See Appendices for GAAP to Non-GAAP reconciliation

Q4 2025 Data Center Segment

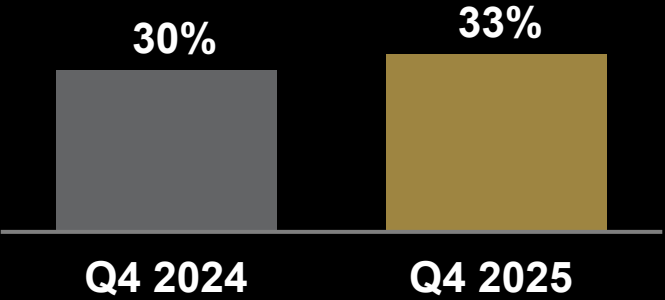
Revenue



Revenue
\$5.4 Billion
Up 39% y/y

Driven by strong demand for AMD EPYC™ processors and continued ramp of AMD Instinct™ GPUs

Operating Margin



Operating Income
\$1.8 Billion
vs. \$1.2 Billion a year ago

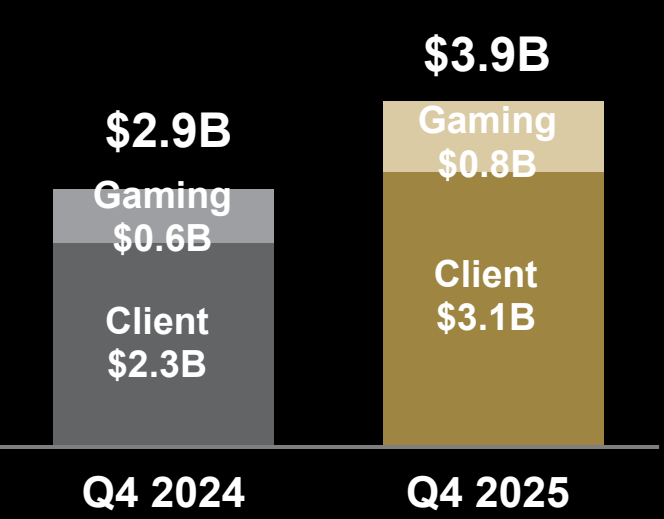
Driven by higher revenue and the MI308 inventory reserve release

Strategic Highlights

- At CES, AMD previewed the AMD Helios rack-scale platform, the blueprint for yotta-scale AI and unveiled the AMD Instinct MI440X GPU for enterprise AI.
- HPE will adopt AMD Helios and deliver the Herder supercomputer, powered by AMD Instinct MI430X GPUs and EPYC “Venice” CPUs.
- AMD, Cisco and HUMAIN announced a joint venture with plans to deploy 1 GW of AI infrastructure by 2030.
- Announced a strategic partnership with Tata Consultancy Services to co-develop and deploy enterprise AI solutions.
- AWS launched new instances powered by 5th Gen AMD EPYC CPUs, delivering the highest x86 performance in the AWS cloud.

Q4 2025 Client and Gaming Segment

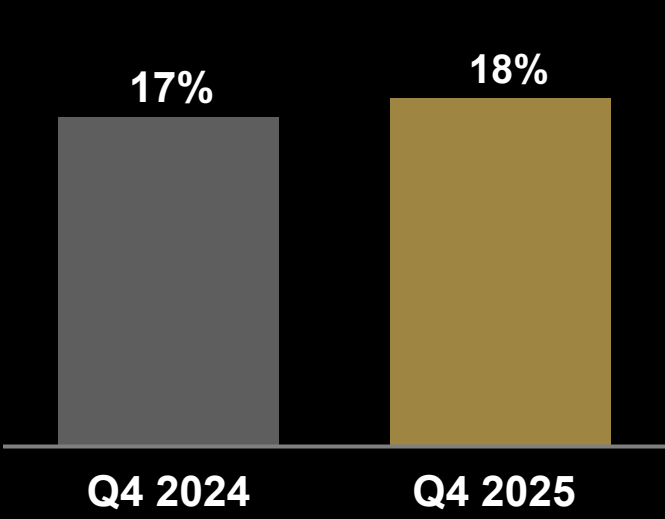
Revenue



Revenue
\$3.9 Billion
Up 37% y/y

Primarily driven by record sales of Ryzen™ processors, higher semi-custom revenue and strong demand for Radeon™ gaming GPUs

Operating Margin



Operating Income
\$725 Million
vs. \$496 Million a year ago

Driven by higher revenue and favorable product mix partially offset by higher cost of sales and operating expenses

Strategic Highlights

AMD
RYZEN

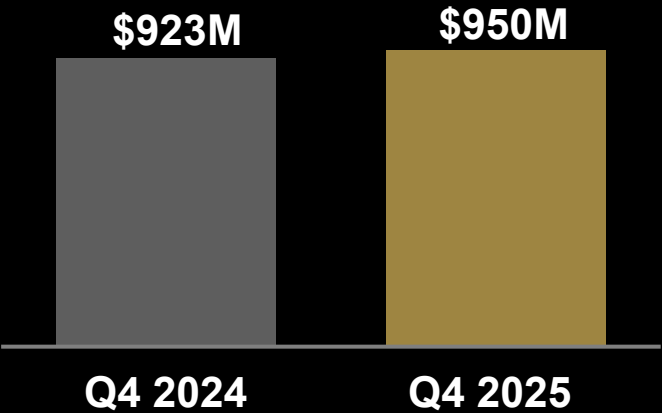
AMD
RYZEN
PRO

AMD
THREADRIPPER
PRO

- AMD extended its PC performance leadership and gaming capabilities with:
- The new AMD Ryzen AI 400 and PRO 400 Series platforms and Ryzen AI Max+ 392 and Ryzen AI Max+ 388.
- The new Ryzen 7 9850X3D, the fastest gaming processor, powered by the “Zen 5” architecture and AMD 3D V-Cache technology.
- FSR™ “Redstone” for AMD Radeon graphics cards is AMD’s most advanced AI-powered upscaling technology delivering higher image quality and smoother frame rates for gamers.
- Introduced the Ryzen AI Halo Platform, the first AMD branded AI developer platform with a compact footprint that can run models of up to 200 billion parameters locally.

Q4 2025 Embedded Segment

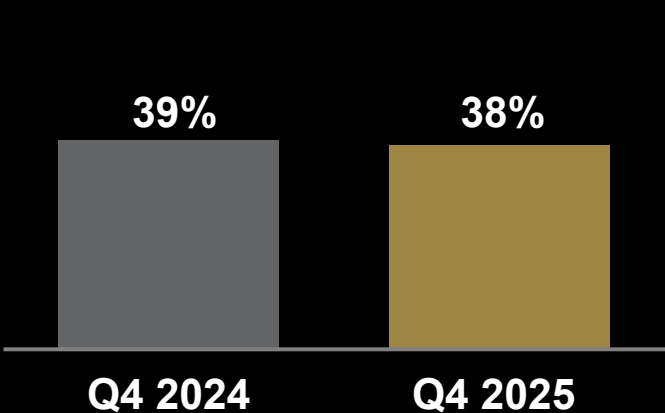
Revenue



Revenue
\$950 Million
Up 3% y/y

Demand strengthened across several end markets

Operating Margin



Operating Income
\$357 Million
vs. \$362 Million a year ago

Decline primarily due to product mix

Strategic Highlights

AMD SPARTAN

AMD VERSAL

AMD ALVEO

AMD ZYNQ

AMD EPYC Embedded

AMD RYZEN Embedded

AMD expanded its embedded processor portfolio with:

- The Ryzen™ AI Embedded P100 and X100 Series processors, designed for AI-driven applications across automotive, industrial automation and physical AI.
- New additions to the AMD space-grade portfolio; the AMD Versal™ RF Series and Versal AI Edge Series Gen 2 adaptive SoCs for extreme space environments.
- The AMD EPYC Embedded 2005 Series processors delivering enhanced performance, efficiency and high-speed connectivity for networking security and industrial-edge applications.

Financial Outlook – NON-GAAP¹

Q1'26

Revenue

~\$9.8 Billion, +/- \$300 Million
Including ~\$100 Million of AMD Instinct MI308 sales to China

Gross Margin

~55%

Operating Expenses

~\$3.05 Billion

Interest Expense/Other Income (Expense), net

~\$35 Million

Effective Tax Rate

~13% of pre-tax income

Diluted Share Count²

~1.65 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 February 3, 2026, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law. All items, except revenue, are on a non-GAAP basis. Adjustments to arrive at the GAAP financial outlook typically include stock-based compensation, amortization of acquired intangible assets, income tax provision, and other non-recurring items such as impairment charges and acquisition-related costs. A reconciliation to equivalent GAAP measures is not practicable at this time as the timing and impact of such adjustments are dependent on future events that are typically uncertain or outside of AMD's control. Such events may include unanticipated changes in AMD's GAAP effective tax rate, unanticipated one-time charges related to asset impairments, unanticipated acquisition-related expenses, unanticipated gains, losses, and impairments, and other unanticipated non-recurring items not reflective of ongoing operations.

2. Refer to Diluted Share Count overview in the Appendices.

Q4 2025 Summary¹

Record Revenue
\$10.3B
Up 34% Y/Y

Data Center Segment
Revenue \$5.4B
Up 39% Y/Y

Client and Gaming
Segment Revenue \$3.9B
Up 37% Y/Y

Gross Margin 54%

Non-GAAP
Gross Margin 57%

Diluted EPS \$0.92

Non-GAAP
Diluted EPS \$1.53

Revenue growth driven by broad based demand across our Data Center and Client and Gaming segments

1. See Appendices for GAAP to Non-GAAP reconciliation

Corporate Responsibility at AMD

Environmental	Social	Governance
Advancing environmental solutions in our products, supply chain and operations, while accelerating energy efficiency for IT users	Fostering a workplace where all voices are welcomed and valued, partnering with suppliers, and positively impacting our communities	Integrating corporate responsibility and governance across product design, supply chain, operations, and external engagement



AMD

Our Momentum

Large and
Compelling TAM

Technology
Leadership

Expanding Data
Center and AI
Leadership

World-Class
Execution and
Focus

Strong Balance
Sheet

Driving Long-term Shareholder Returns

Appendices

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

\$ in millions, except % (Unaudited)	Q4'25	Q4'24	Q3'25	2025	2024
GAAP gross profit	\$ 5,577	\$ 3,882	\$ 4,780	\$ 17,152	\$ 12,725
<i>GAAP gross margin</i>	54%	51%	52%	50%	49%
Stock-based compensation	8	6	7	26	22
Amortization of acquisition-related intangibles	260	252	260	1,031	946
Acquisition-related and other costs ⁽¹⁾	1	-	-	2	1
Inventory loss at (recovery from) contract manufacturer ⁽²⁾	-	-	(67)	(67)	65
Loss contingency on legal matter	9	-	12	21	-
Non-GAAP gross profit	\$ 5,855	\$ 4,140	\$ 4,992	\$ 18,165	\$ 13,759
<i>Non-GAAP gross margin</i>	57%	54%	54%	52%	53%

Reconciliation of GAAP to Non-GAAP Operating Expenses

\$ in millions, except % (Unaudited)	Q4'25	Q4'24	Q3'25	2025	2024
GAAP operating expenses ⁽³⁾	\$ 3,825	\$ 3,011	\$ 3,510	\$ 13,458	\$ 10,825
<i>GAAP operating expenses/revenue %</i>	37%	39%	38%	39%	42%
Stock-based compensation	478	333	412	1,612	1,385
Amortization of acquisition-related intangibles	297	332	302	1,223	1,448
Acquisition-related and other costs ⁽¹⁾	49	46	42	226	185
Restructuring charges ⁽⁴⁾	-	186	-	-	186
Non-GAAP operating expenses ⁽³⁾	\$ 3,001	\$ 2,114	\$ 2,754	\$ 10,397	\$ 7,621
<i>Non-GAAP operating expenses/revenue %</i>	29%	28%	30%	30%	30%

(1) Acquisition-related and other costs primarily include transaction costs, purchase price fair value adjustments for inventory, certain compensation charges, and workforce rebalancing charges.

(2) Inventory loss at (recovery from) contract manufacturer is related to losses due to an incident at a third-party contract manufacturing facility in Q1'24 and the corresponding recovery.

(3) Effective first quarter of 2025, licensing gain is reclassified against Marketing, general and administrative expenses as the amounts were immaterial.

(4) Restructuring charges are related to the 2024 Restructuring Plan which comprised of employee severance charges and non-cash asset impairments.

Appendices

Reconciliation of GAAP to Adjusted Non-GAAP Financial Measures

\$ in millions, except % (Unaudited)	Q4'25
GAAP gross profit	\$ 5,577
<i>GAAP gross margin</i>	<i>54%</i>
Stock-based compensation, amortization of acquisition-related intangibles, acquisition-related and other costs	278
Impact from the release of inventory and related charges associated with U.S. export restrictions and AMD Instinct MI308 revenue to China	(430)
Adjusted Non-GAAP gross profit	\$ 5,425
<i>Adjusted Non-GAAP gross margin</i>	<i>55%</i>

Appendices

Reconciliation of GAAP Operating Income to Non-GAAP Operating Income

\$ in millions, except % (Unaudited)	Q4'25	Q4'24	Q3'25	2025	2024
GAAP operating income	\$ 1,752	\$ 871	\$ 1,270	\$ 3,694	\$ 1,900
<i>GAAP operating margin</i>	17%	11%	14%	11%	7%
Stock-based compensation	486	339	419	1,638	1,407
Amortization of acquisition-related intangibles	557	584	562	2,254	2,394
Acquisition-related and other costs ⁽¹⁾	50	46	42	228	186
Inventory loss at (recovery from) contract manufacturer ⁽²⁾	-	-	(67)	(67)	65
Loss contingency on legal matter	9	-	12	21	-
Restructuring charges ⁽³⁾	-	186	-	-	186
Non-GAAP operating income	\$ 2,854	\$ 2,026	\$ 2,238	\$ 7,768	\$ 6,138
<i>Non-GAAP operating margin</i>	28%	26%	24%	22%	24%

(1) Acquisition-related and other costs primarily include transaction costs, purchase price fair value adjustments for inventory, certain compensation charges, and workforce rebalancing charges.

(2) Inventory loss at (recovery from) contract manufacturer is related to losses due to an incident at a third-party contract manufacturing facility in Q1'24 and the corresponding recovery.

(3) Restructuring charges are related to the 2024 Restructuring Plan which comprised of employee severance charges and non-cash asset impairments.

Appendices

Reconciliation of GAAP to Non-GAAP Net Income / Diluted Earnings Per Share

\$ in millions, except per share data (Unaudited)	Q4'25		Q4'24		Q3'25		2025		2024	
GAAP net income / earnings per share	\$ 1,511	\$ 0.92	\$ 482	\$ 0.29	\$ 1,243	\$ 0.75	\$ 4,335	\$ 2.65	\$ 1,641	\$ 1.00
Stock-based compensation	486	0.29	339	0.21	419	0.26	1,638	1.00	1,407	0.86
Amortization of acquisition-related intangibles	557	0.34	584	0.36	562	0.34	2,254	1.38	2,394	1.46
Acquisition-related and other costs ⁽¹⁾	50	0.03	46	0.03	43	0.03	231	0.14	187	0.11
Inventory loss at (recovery from) contract manufacturer ⁽²⁾	-	-	-	-	(67)	(0.04)	(67)	(0.04)	65	0.04
Loss contingency on legal matter	9	0.01	-	-	12	0.01	21	0.01	-	-
(Gains) losses on long-term investments, net	(280)	(0.17)	-	-	(26)	(0.02)	(365)	(0.22)	2	-
Equity income in investee	(1)	-	(12)	(0.01)	(10)	-	(26)	(0.02)	(33)	(0.02)
Restructuring charges ⁽³⁾	-	-	186	0.11	-	-	-	-	186	0.11
Release of reserves for uncertain tax positions ⁽⁴⁾	-	-	-	-	-	-	(853)	(0.52)	-	-
Income tax provision	78	0.04	152	0.10	(140)	(0.09)	(271)	(0.17)	(429)	(0.25)
Loss (Income) from discontinued operations, net of tax ⁽⁵⁾	109	0.07	-	-	(71)	(0.04)	(66)	(0.04)	-	-
Non-GAAP net income / earnings per share	\$ 2,519	\$ 1.53	\$ 1,777	\$ 1.09	\$ 1,965	\$ 1.20	\$ 6,831	\$ 4.17	\$ 5,420	\$ 3.31

(1) Acquisition-related and other costs primarily include transaction costs, purchase price fair value adjustments for inventory, certain compensation charges, and workforce rebalancing charges.

(2) Inventory loss at (recovery from) contract manufacturer is related to losses due to an incident at a third-party contract manufacturing facility and the corresponding recovery.

(3) Restructuring charges are related to the 2024 Restructuring Plan which comprised of employee severance charges and non-cash asset impairments.

(4) Release of reserves for uncertain tax positions pertains to the reasonable cause relief related to dual consolidated losses approved by the IRS in the second quarter of 2025.

(5) Loss (Income) from discontinued operations relates to ZT Systems' manufacturing business which was divested in the fourth quarter of 2025.

Appendices

Reconciliation of GAAP Net Cash Provided by Operating Activities of Continuing Operations to Free Cash Flow

\$ in millions, except % (Unaudited)	Q4'25
GAAP net cash provided by operating activities of continuing operations	\$ 2,304
<i>Operating cash flow margin % from continuing operations</i>	22%
Purchases of property and equipment	(222)
Free cash flow	\$ 2,082
<i>Free cash flow margin %</i>	20%

Appendices

Share Count Overview

Shares (millions) (Unaudited) ⁽¹⁾	Q4'25	2025	Q1'26
	Actual	Actual	Estimate
Basic shares	1,630	1,624	1,631
Dilutive impact from employee equity grants ⁽²⁾	19	12	20
Diluted shares	1,649	1,636	1,651

The table above provides actual share count for Q4'25 and 2025 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q1'26.

(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 on the average stock price during the period. The Q4'25 average stock price was \$223. The estimated dilutive impact of employee equity grants in Q1'26 is based on the average stock price of \$224 between December 29, 2025 and January 23, 2026.

