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# AMD Expands Data Center Solutions Capabilities with Acquisition of Pensando

## Pensando's distributed services platform expands AMD product portfolio with a high-performance packet processor and software stack already deployed at scale across cloud and enterprise customers including Goldman Sachs, IBM Cloud, Microsoft Azure and Oracle Cloud

SANTA CLARA, Calif., April 04, 2022 (GLOBE NEWSWIRE) -- AMD (NASDAQ: AMD) today announced a definitive agreement to acquire Pensando for approximately $1.9 billion before working capital and other adjustments. Pensando's distributed services platform includes a high-performance, fully programmable packet processor and comprehensive software stack that accelerate networking, security, storage and other services for cloud, enterprise and edge applications.

"To build a leading-edge data center with the best performance, security, flexibility and lowest total cost of ownership requires a wide range of compute engines," said Dr. Lisa Su, AMD chair and CEO. "All major cloud and OEM customers have adopted EPYC processors to power their data center offerings. Today, with our acquisition of Pensando, we add a leading distributed services platform to our high-performance CPU, GPU, FPGA and adaptive SoC portfolio. The Pensando team brings world-class expertise and a proven track record of innovation at the chip, software and platform level which expands our ability to offer leadership solutions for our cloud, enterprise and edge customers."

Pensando's products are already deployed at scale across cloud and enterprise customers, including Goldman Sachs, IBM Cloud, Microsoft Azure and Oracle Cloud. Pensando's high-performance, highly scalable distributed services platform includes a programmable packet processor that can be distributed throughout a network to efficiently accelerate multiple infrastructure services simultaneously, offloading workloads from the CPU and increasing overall system performance. Combined with Pensando's system software stack, the platform offers unprecedented performance, scale, flexibility and security. In real-world cloud deployments, Pensando's solution demonstrates between 8x and 13x greater performance compared to competitive solutions.

"We are excited to join the AMD family. Our shared cultures of innovation, excellence and relentless focus on partners and customers make this an ideal combination. Together, we have the talent and tools to deliver on our customers' vision for the future of computing," said Pensando CEO Prem Jain. "In less than five years Pensando has assembled a best-in-class engineering team that are experts in building systems together with a rich, deep ecosystem of partners and customers who have currently deployed over 100,000 Pensando platforms into production. Joining together with AMD will help accelerate growth in our core business and enable us to pursue a much larger customer base across more markets."

“Industry leadership is based on catching business model disruptions enabled by new technologies,” said John Chambers, chair of the board of Pensando. "Pensando is built upon strong customer relationships and a solution that is at least two years ahead in cloud, edge and enterprise. For example, the performance and scale of Pensando’s distributed services platform is 8x-13x of the largest cloud provider and uses less power. Pensando’s smart switching architecture has 100x the scale, 10x the performance at one-third the cost of ownership of any comparable products in the enterprise market. Pensando’s leadership position in software-defined cloud, compute, networking, security and storage services as part of the much larger AMD portfolio is in my opinion a perfect fit to shape the data center computing landscape for the next decade.”

CEO Prem Jain and the Pensando team will join AMD as part of the Data Center Solutions Group, led by AMD Senior Vice President and General Manager Forrest Norrod. Pensando will remain focused on executing their product and technology roadmaps, now with additional scale to accelerate their business and address growing market opportunities across a broader number of customers.

The acquisition is expected to close in the second quarter of 2022, following satisfaction of customary closing conditions including approval under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

**Advisors**

DBO Partners is acting as financial advisor to AMD and Latham & Watkins LLP is serving as its legal advisor. Centerview Partners is acting as financial advisor to Pensando and Wilson Sonsini Goodrich & Rosati is serving as legal counsel for Pensando.

**Supporting Customer Quotes**

**Goldman Sachs**

“Application security is a key issue for the financial services industry and our clients,” said Josh Matheus, managing director, Technology, Goldman Sachs. “Pensando’s east-west security innovation has enabled us to segment our data center network architecture to provide hyper-scale class technology and performance that is unparalleled across the sector.”

**Hewlett Packard Enterprise**

“Hewlett Packard Enterprise was an early partner of Pensando because we shared the vision that the world would become far more distributed, and that enterprises would need edge-to-cloud architectures to accelerate their insights and outcomes,” said Antonio Neri, president and CEO, HPE. “Together, we brought the cloud experience to the edge with the industry’s first distributed services switch, and we drove innovation across the data center by integrating future-proof Pensando distributed network and security services into our server portfolio and HPE GreenLake cloud services offering. We look forward to accelerating the development of these technologies with our long-standing partner AMD, whom we congratulate on this strategic acquisition.”

**Microsoft Azure**

“Pensando System’s full stack solution, complete with a P4 programmable processor and hyper scale software has enabled Microsoft Azure to rapidly augment its networking and

security services improving performance, latency, and scale," said Girish Bablani, corporate vice president, Microsoft Azure. "We have seen a 40x improvement in overall cloud based connection related performance. Pensando delivered this in less than 12 months. This partnership has enabled a transformational "limitless networking" shift that will ensure our customers have access to the highest performing products and services they expect from Microsoft Azure."

**Oracle Cloud**

"By partnering with Pensando, Oracle Cloud Infrastructure (OCI) has developed an industry leading Software Defined Networking stack, delivering infrastructure features to Oracle Cloud customers, that have the best price to performance characteristics in the cloud industry," said Clay Magouyrk, executive vice president, Oracle Cloud Infrastructure. "Pensando's P4 programmable platform enables OCI to continuously innovate and deliver secure and inexpensive network services with high velocity. The ability to rapidly add new features using a programmable hardware platform will help OCI leapfrog its cloud competitors. Pensando's engineering team, consisting of many industry experts, has collaborated very successfully with OCI engineering, and have operated at times as OCI's extension team. OCI views Pensando as a key strategic partner in achieving our goal of being the best infrastructure platform in the cloud industry."

**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.

**About Pensando**

Founded in 2017, Pensando Systems is pioneering distributed computing designed for the New Edge, powering software-defined cloud, compute, networking, storage and security services to transform existing architectures into the secure, ultra-fast environments demanded by next generation applications. For more information, please visit pensando.io

**CAUTIONARY STATEMENT**

This press release contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as the anticipated benefits from the acquisition of Pensando by AMD; and the expected timing of the closing of the Pensando acquisition, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this press release are based on current beliefs, assumptions and expectations, speak only as of the date of this press release and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those

expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; global economic uncertainty; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; market conditions of the industries in which AMD products are sold; cyclical nature of the semiconductor industry; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; uncertainties involving the ordering and shipment of AMD's products; AMD's reliance on third-party intellectual property to design and introduce new products in a timely manner; AMD's reliance on third-party companies for design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments on AMD's business and ability to integrate acquired businesses, including Xilinx, Inc. (Xilinx); the impact of the Xilinx merger on AMD's business; 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 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.

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