

**AMD
FINANCIAL
RESULTS**

**Fourth Quarter and
Full Year 2023**

January 30, 2024

CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD), such as the features, functionality, performance, availability, timing and expected benefits of AMD products; AMD being uniquely positioned in AI; AMD's expected first quarter 2024 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP tax rate and diluted share count; expected AMD Instinct™ GPU demand and 2024 product ramp in the AI market; AMD's large and compelling TAM; AMD's ability to expand Data Center and AI leadership; and AMD's ability to drive long-term shareholder returns, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this presentation are based on current beliefs, assumptions and expectations, speak only as of the date of this presentation and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices; 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 operating AMD's newly upgraded 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, memory and other computer platform components; AMD's reliance on Microsoft and other software vendors' support to design and develop software to run on AMD's products; AMD's reliance on third-party distributors and add-in-board partners; impact of modification or interruption of AMD's internal business processes and information systems; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; 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; 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 and economic risks and natural disasters; future impairments of technology license purchases; AMD's ability to attract and retain qualified personnel; and AMD's stock price volatility. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's most recent reports on Forms 10-K and 10-Q.

NON-GAAP FINANCIAL MEASURES

In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP operating income, 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 year 2023, AMD used a non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. AMD is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because AMD believes it assists investors in comparing AMD's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance. The non-GAAP financial measures disclosed in this presentation should be viewed in addition to and not as a substitute for or superior to AMD's reported results prepared in accordance with GAAP and should be read only in conjunction with AMD's Consolidated Financial Statements prepared in accordance with GAAP. These non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in the Appendices at the end of this presentation. This presentation also contains forward-looking non-GAAP measures concerning AMD's financial outlook such as gross margin and operating expenses. These forward-looking non-GAAP measures are based on current expectations as of January 30, 2024, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its forward-looking statements made in this presentation except as may be required by law.

AMD

OUR JOURNEY

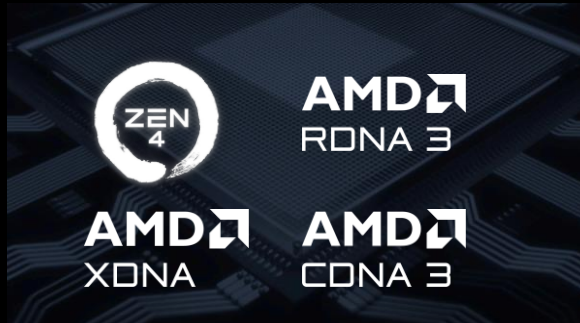
Leadership
Product Portfolio

Expanding Customer
& Partner Ecosystem

Data Center
and AI Growth

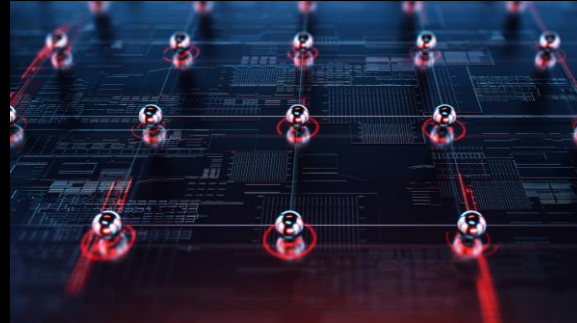
Strong
Financial Foundation

OUR LEADERSHIP TECHNOLOGY



Broad IP Portfolio

Executing leadership CPU, GPU, DPU, FPGA, Adaptive SoC and AI products



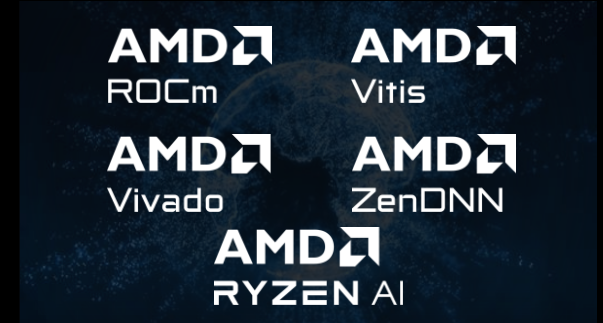
Advanced Technology

Driving leadership process technology and 3D chiplet packaging



Data Center Leadership

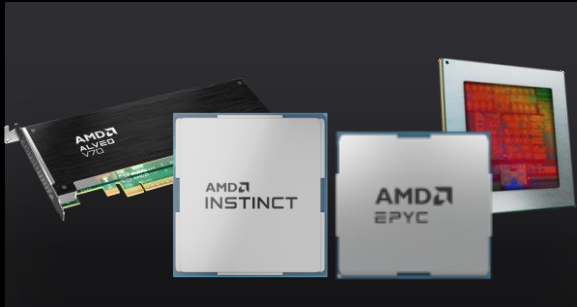
Delivering innovation in AI, cloud, enterprise and accelerated computing



Software Enablement

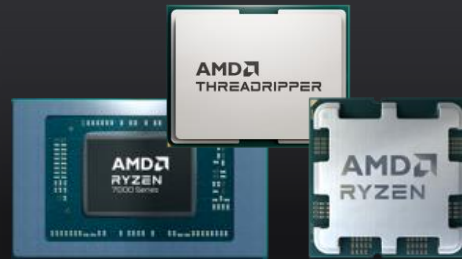
Open-source software optimized for performance across heterogenous solutions

OUR LEADERSHIP PRODUCTS



Data Center

Broad portfolio of data center and AI solutions with server CPUs, GPUs, FPGAs, DPUs and Adaptive SoCs



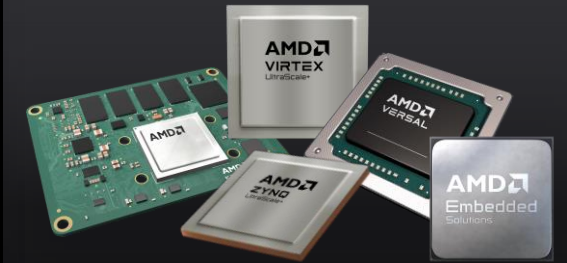
Client

Powerful and efficient CPUs and APUs for notebook and desktop PCs and commercial workstations



Gaming

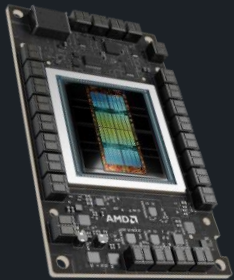
Top-to-bottom desktop and notebook GPUs, game console and semi-custom SoCs



Embedded

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

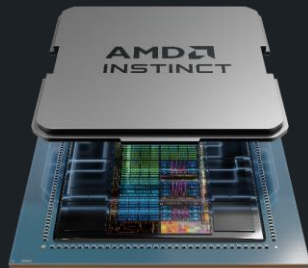
AMD IS UNIQUELY POSITIONED IN AI



Cloud

AMD Instinct™
MI300X
Accelerators

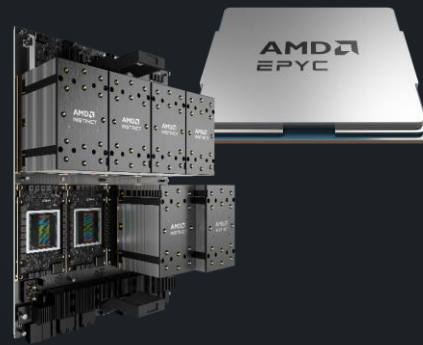
Leadership accelerator
for generative AI,
LLMs and inferencing



HPC

AMD Instinct™
MI300A
Accelerators

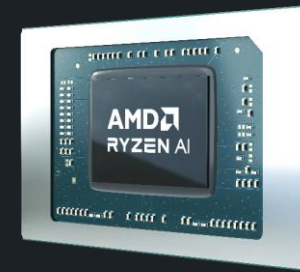
World's first data center
APU for HPC and AI



Enterprise

AMD Instinct MI300
Accelerators
4th Gen AMD EPYC™
Processors

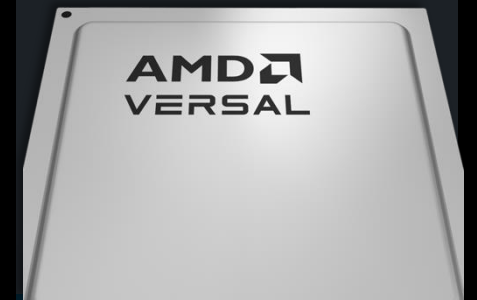
Broad ecosystem of OEM
and solution partners



PC

AMD Ryzen™ 8040
Mobile Processors
with Ryzen AI

Technology leadership with
upgraded on-die AI neural
processing unit (NPU)



Embedded

Embedded
Versal™ AI Edge
Zynq™ MPSoC

Adaptive SoC + AI
for Embedded

ADVANCING END-TO-END AI INFRASTRUCTURE

LEADERSHIP DATA CENTER ACCELERATORS

AMD Instinct™
MI300X In Volume Production

Broad AI Solutions Ecosystem

Microsoft Meta ORACLE

DELL Technologies Hewlett Packard Enterprise Lenovo SUPERMICRO

ASUS GIGABYTE Ingrasys Inventec QCT Wistron

wiwynn Aligned ARKON ENERGY Cirrascale Crusoe

DENVR dataworks TENSORWAVE CISCO BROADCOM ARISTA

AMD Instinct™
MI300A In Volume Production

Hewlett Packard Enterprise EVIDEN an atos business GIGABYTE™ SUPERMICRO

Powering LLNL
El Capitan



AMD
ROCm

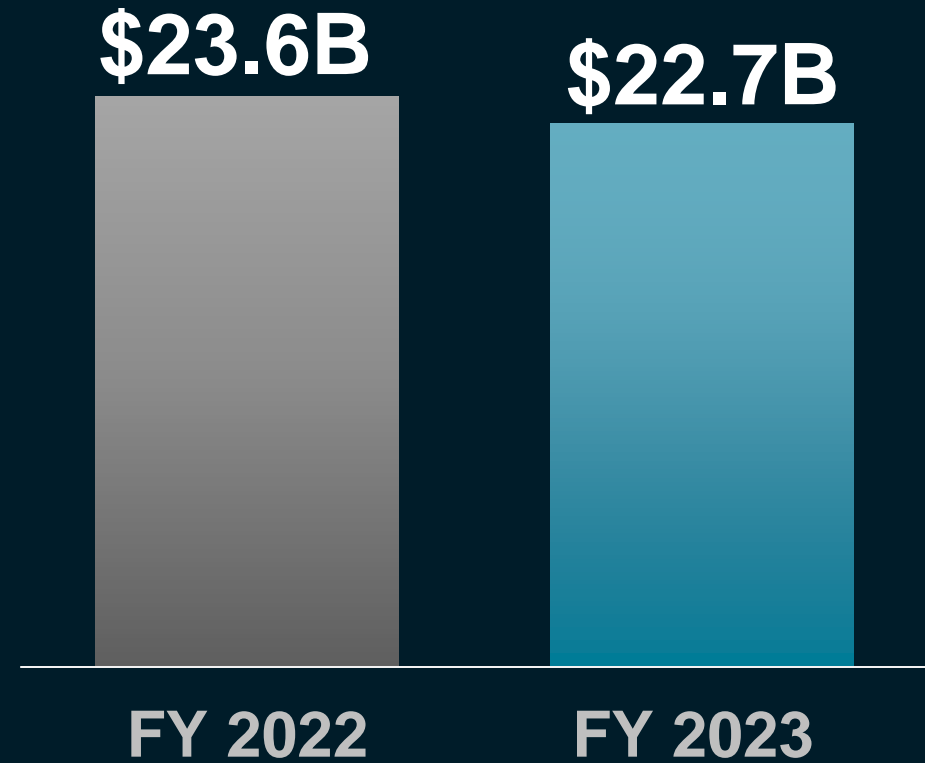
ROCm™ 6
 Open Software Ecosystem for AI and HPC

AI Software Ecosystem and Innovators

databricks DeepLearning.AI essential AI IBM LAMINI ONNX PyTorch TensorFlow

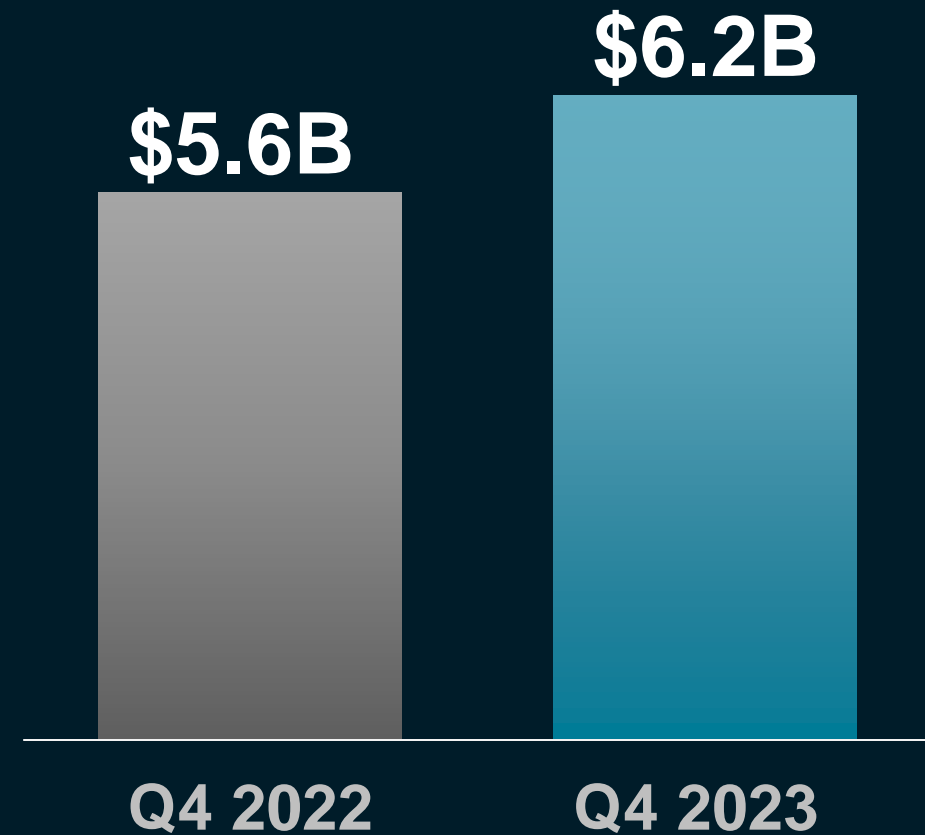
REVENUE FY 2023

- Revenue of \$22.7 billion decreased 4% y/y
- Growth in Embedded and Data Center segment revenue was more than offset by lower Client and Gaming segment revenue



REVENUE Q4 2023

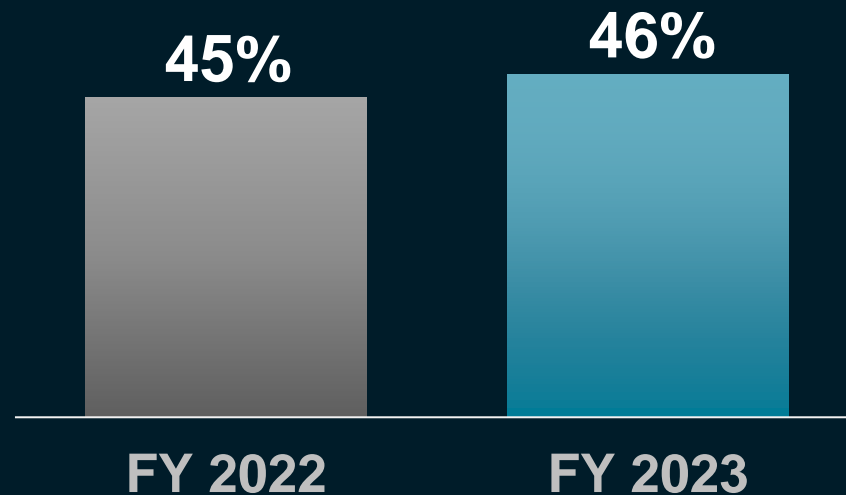
- Revenue of \$6.2 billion increased 10% y/y
- Growth in Data Center and Client segment revenue was partially offset by lower Embedded and Gaming segment revenue



GROSS MARGIN FY 2023

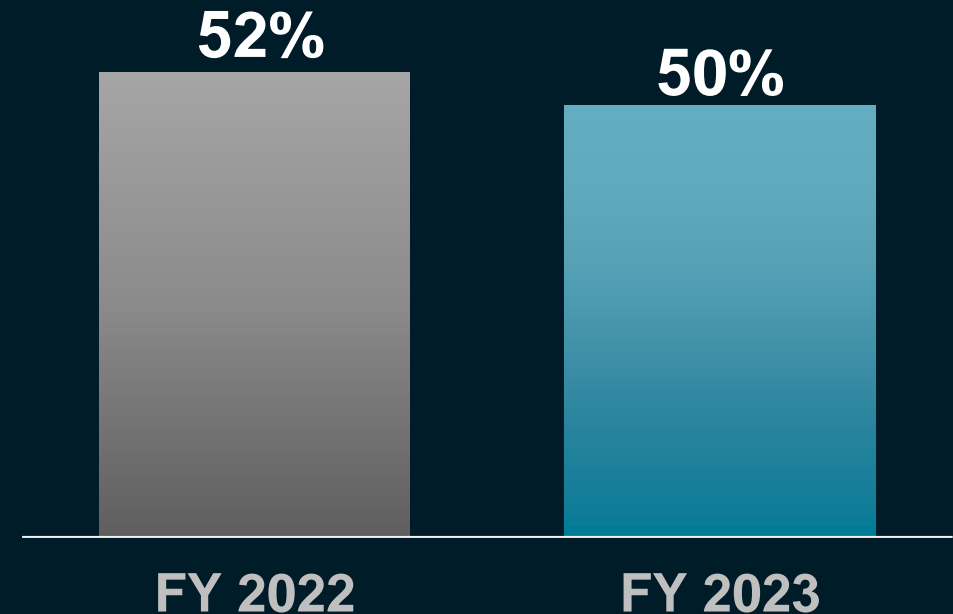


GAAP



- GAAP gross margin increase primarily driven by higher Embedded segment revenue, lower amortization of acquisition-related intangible assets, partially offset by lower Client segment revenue and product mix

Non-GAAP¹



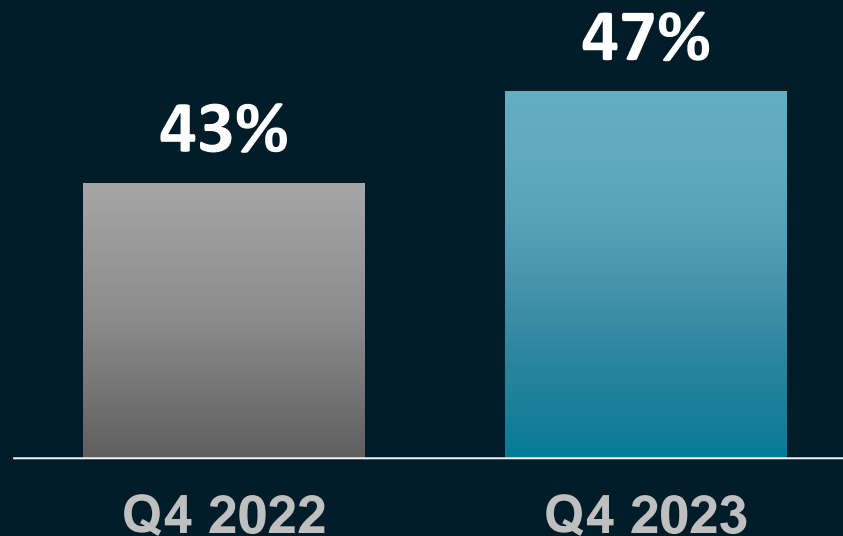
- Non-GAAP gross margin decrease primarily due to lower Client segment revenue and product mix, partially offset by higher Embedded segment revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

GROSS MARGIN Q4 2023

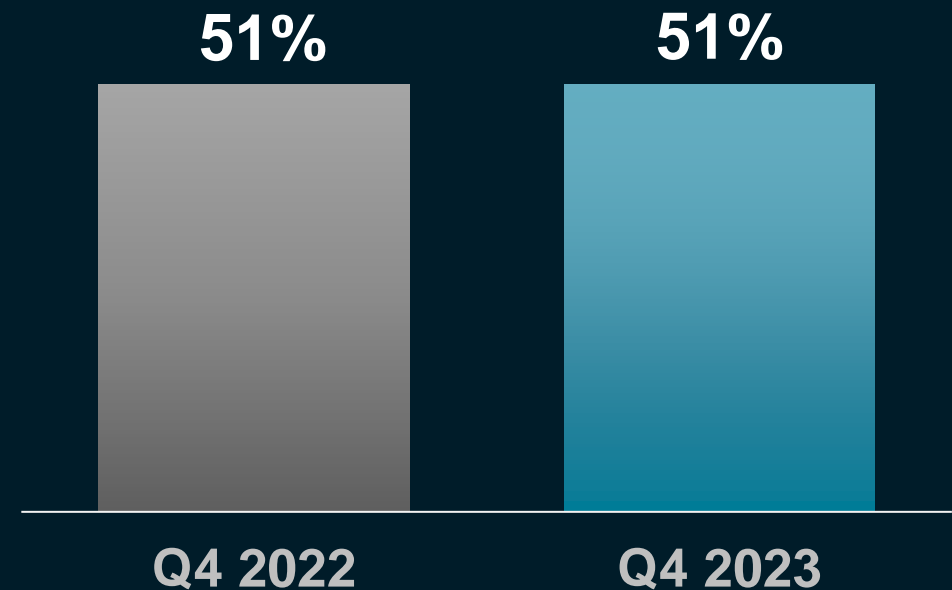


GAAP



- GAAP gross margin increase driven by higher revenue contribution from Data Center and Client segment revenue, lower amortization of acquisition-related intangible assets, partially offset by lower Embedded segment revenue

Non-GAAP¹



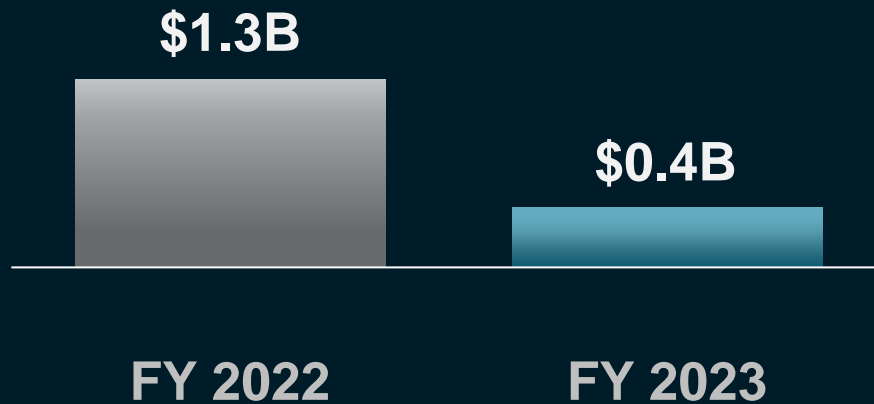
- Non-GAAP gross margin flat with higher revenue contribution from Data Center and Client segments offset by lower Embedded segment revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME FY 2023

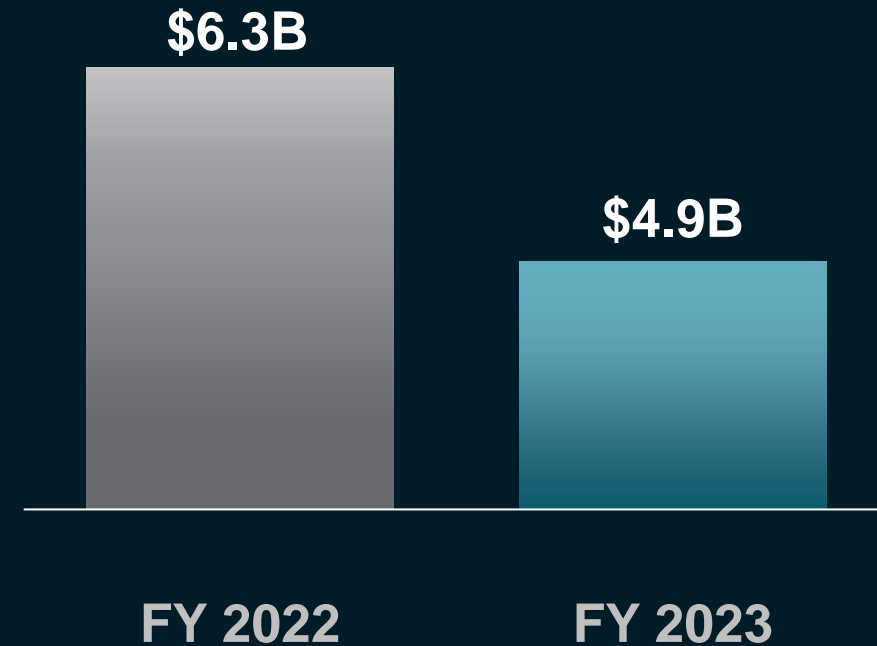


GAAP



- GAAP operating income decreased y/y primarily due to lower Client segment performance, increased R&D investments, partially offset by lower amortization of acquisition-related intangible assets

Non-GAAP¹



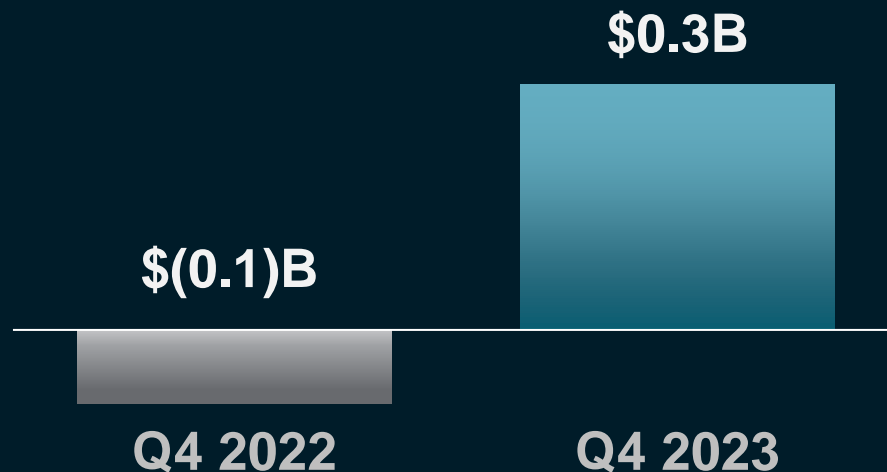
- Non-GAAP operating income decreased primarily due to lower Client segment performance and increased R&D investments

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME (LOSS) Q4 2023

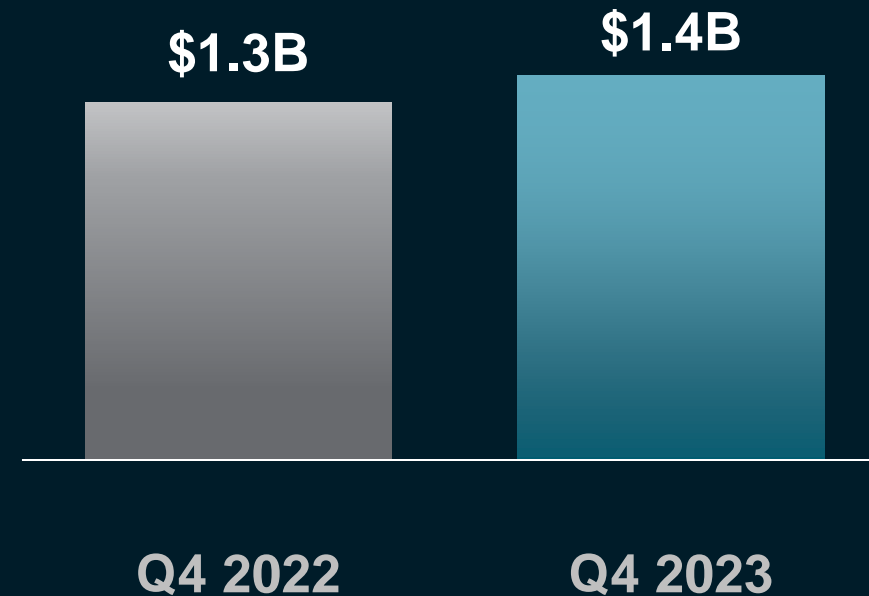


GAAP



- GAAP operating income driven by higher Data Center and Client segment revenue and lower amortization of acquisition-related intangible assets, partially offset by increased R&D and marketing investments

Non-GAAP¹



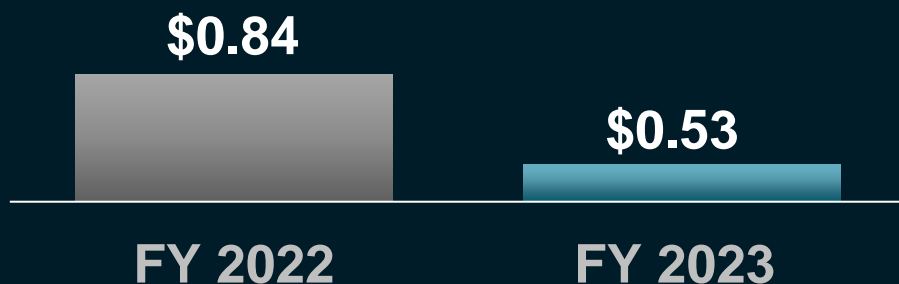
- Non-GAAP operating income up y/y with higher Data Center and Client segment revenue, partially offset by increased R&D and marketing investments

1. See Appendices for GAAP to Non-GAAP reconciliation

EARNINGS PER SHARE¹ FY 2023

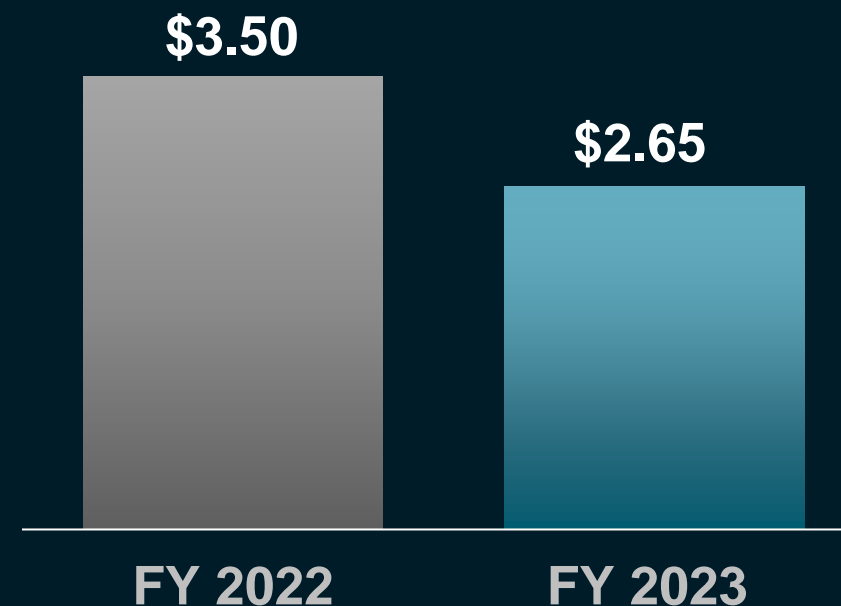


GAAP



- GAAP net income of \$854 million, down 35% y/y
- GAAP EPS of \$0.53, down 37% y/y, primarily due to lower Client segment performance, increased R&D investments, partially offset by lower amortization of acquisition-related intangible assets

Non-GAAP



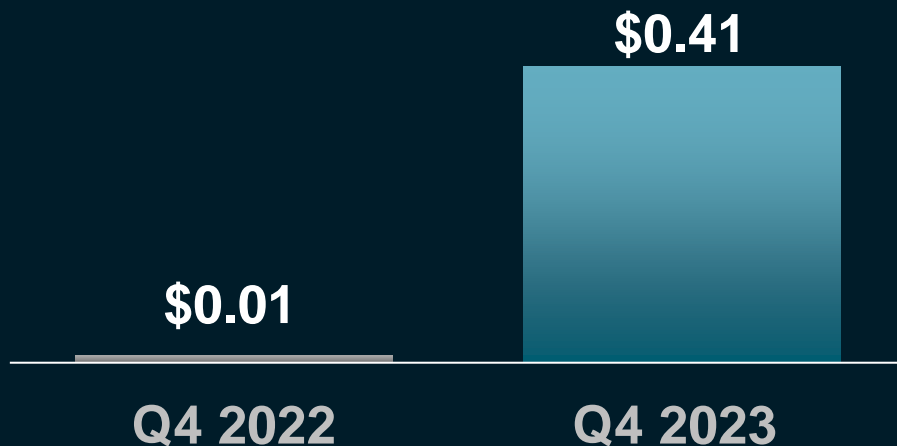
- Non-GAAP net income of \$4.3 billion, down 22% y/y
- Non-GAAP EPS of \$2.65, down 24% y/y, primarily due to lower Client segment performance and increased R&D investments

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

EARNINGS PER SHARE¹ Q4 2023

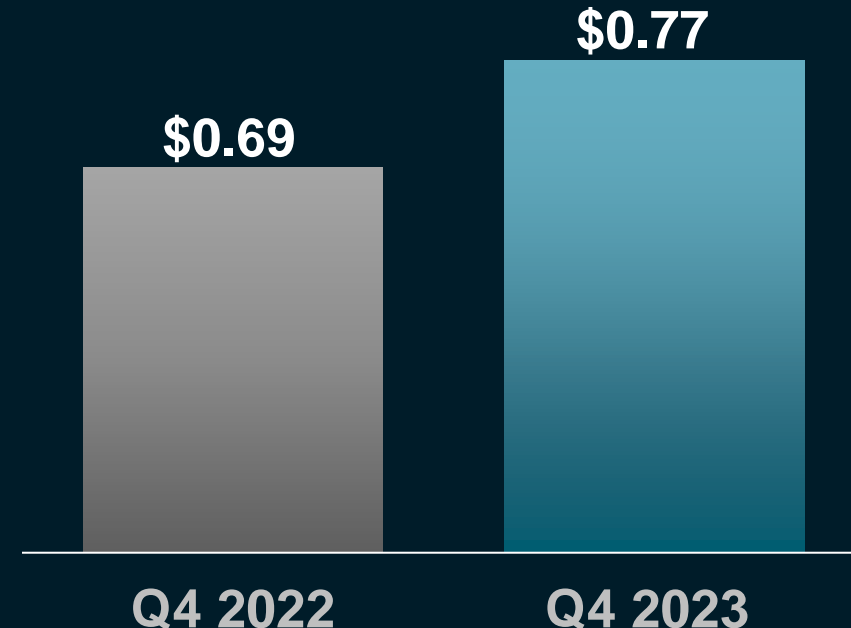


GAAP



- GAAP net income of \$667 million
- GAAP EPS of \$0.41 driven by higher Data Center and Client segment revenue and lower amortization of acquisition-related intangible assets, partially offset by increased R&D and marketing investments

Non-GAAP



- Non-GAAP net income of \$1.2 billion, up 12% y/y
- Non-GAAP EPS of \$0.77, up 12% y/y, primarily driven by higher Data Center and Client segment revenue, partially offset by increased R&D and marketing investments

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

FY 2023 SUMMARY P&L | GAAP

(\$ in millions, except per share data)	2023	2022	Y/Y
Revenue	\$22,680	\$23,601	Down 4%
Gross Profit	\$10,460	\$10,603	Down 1%
Gross Margin	46%	45%	Up 1 ppt
Operating Expenses	\$10,093	\$9,441	Up 7%
Operating Expense/Revenue %	45%	40%	Up 5 pts
Operating Income	\$401	\$1,264	Down 68%
Operating Margin	2%	5%	Down 3 pts
Net Income	\$854	\$1,320	Down 35%
Earnings Per Share ¹	\$0.53	\$0.84	Down 37%

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

FY 2023 SUMMARY P&L | NON-GAAP¹

(\$ in millions, except per share data)	2023	2022	Y/Y
Revenue	\$22,680	\$23,601	Down 4%
Gross Profit	\$11,436	\$12,273	Down 7%
Gross Margin	50%	52%	Down 2 pts
Operating Expenses	\$6,616	\$6,030	Up 10%
Operating Expense/Revenue %	29%	26%	Up 3 pts
Operating Income	\$4,854	\$6,345	Down 23%
Operating Margin	21%	27%	Down 6 pts
Net Income	\$4,302	\$5,504	Down 22%
Earnings Per Share ¹	\$2.65	\$3.50	Down 24%

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

Q4 2023 SUMMARY P&L | GAAP

(\$ in millions, except per share data)	Q4'23	Q4'22	Y/Y	Q3'23	Q/Q
Revenue	\$6,168	\$5,599	Up 10%	\$5,800	Up 6%
Gross Profit	\$2,911	\$2,403	Up 21%	\$2,747	Up 6%
Gross Margin	47%	43%	Up 4 pts	47%	Flat
Operating Expenses	\$2,575	\$2,557	Flat	\$2,533	Up 2%
Operating Expense/Revenue %	42%	46%	Down 4 pts	44%	Down 2 pts
Operating Income (Loss)	\$342	\$(149)	Up 330%	\$224	Up 53%
Operating Margin	6%	(3)%	Up 9 pts	4%	Up 2 pts
Net Income	\$667	\$21	Up 3,076%	\$299	Up 123%
Earnings Per Share ¹	\$0.41	\$0.01	Up 4,000%	\$0.18	Up 128%

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

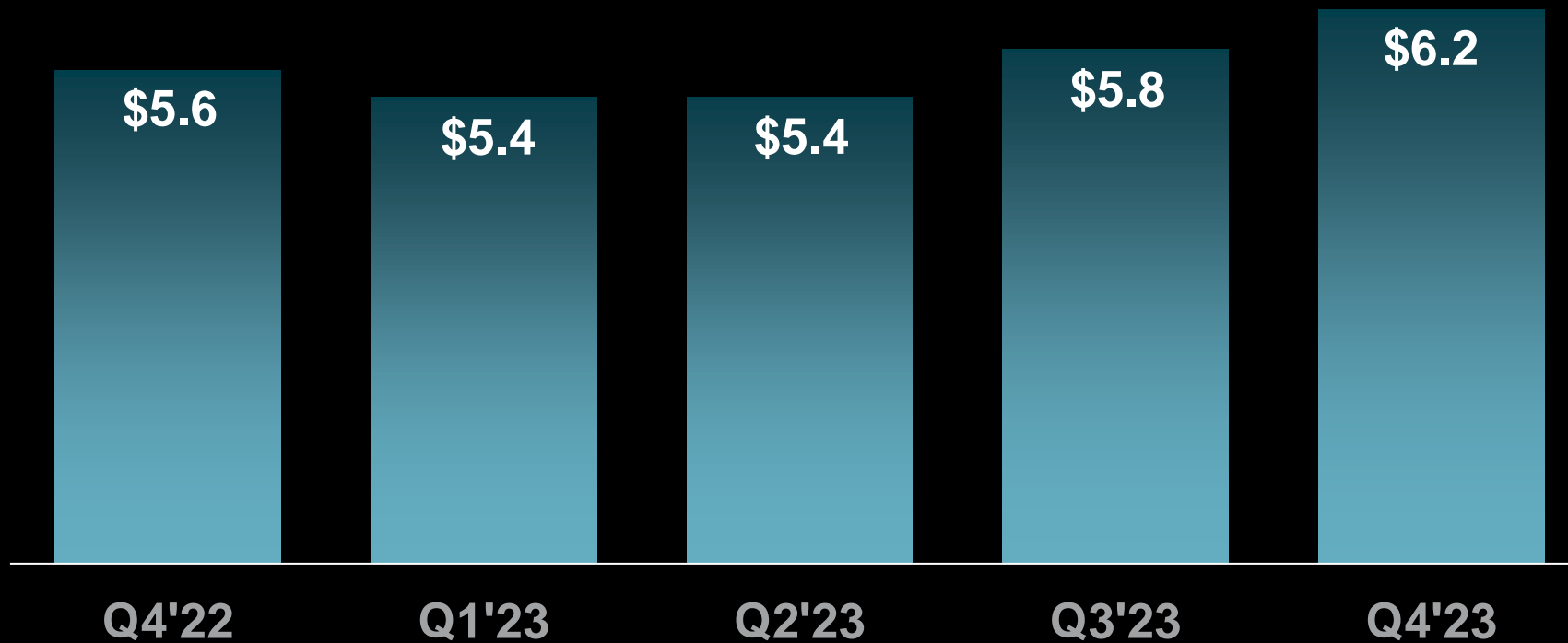
Q4 2023 SUMMARY P&L | NON-GAAP¹

(\$ in millions, except per share data)	Q4'23	Q4'22	Y/Y	Q3'23	Q/Q
Revenue	\$6,168	\$5,599	Up 10%	\$5,800	Up 6%
Gross Profit	\$3,133	\$2,859	Up 10%	\$2,963	Up 6%
Gross Margin	51%	51%	Flat	51%	Flat
Operating Expenses	\$1,727	\$1,602	Up 8%	\$1,697	Up 2%
Operating Expense/Revenue %	28%	29%	Down 1 ppt	29%	Down 1 ppt
Operating Income	\$1,412	\$1,262	Up 12%	\$1,276	Up 11%
Operating Margin	23%	23%	Flat	22%	Up 1 ppt
Net Income	\$1,249	\$1,113	Up 12%	\$1,135	Up 10%
Earnings Per Share ¹	\$0.77	\$0.69	Up 12%	\$0.70	Up 10%

1. Earnings Per Share (EPS) = Diluted earnings per share; see Appendices for GAAP to Non-GAAP reconciliation

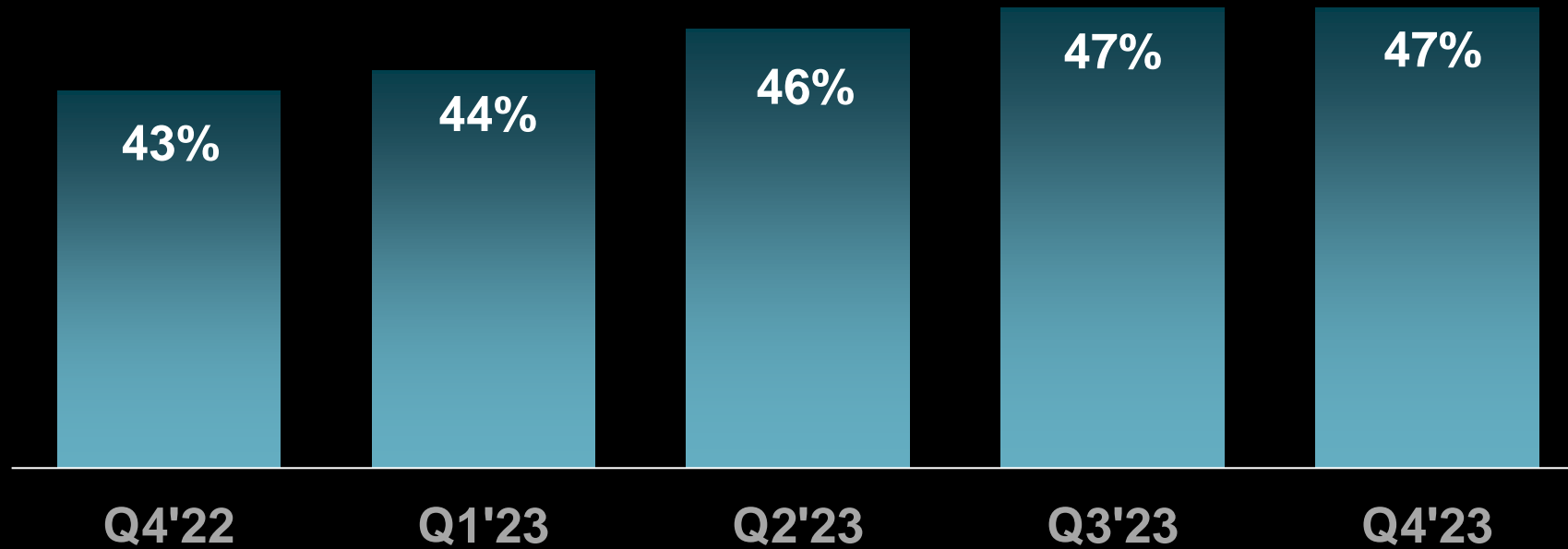
REVENUE

(\$ in Billions)



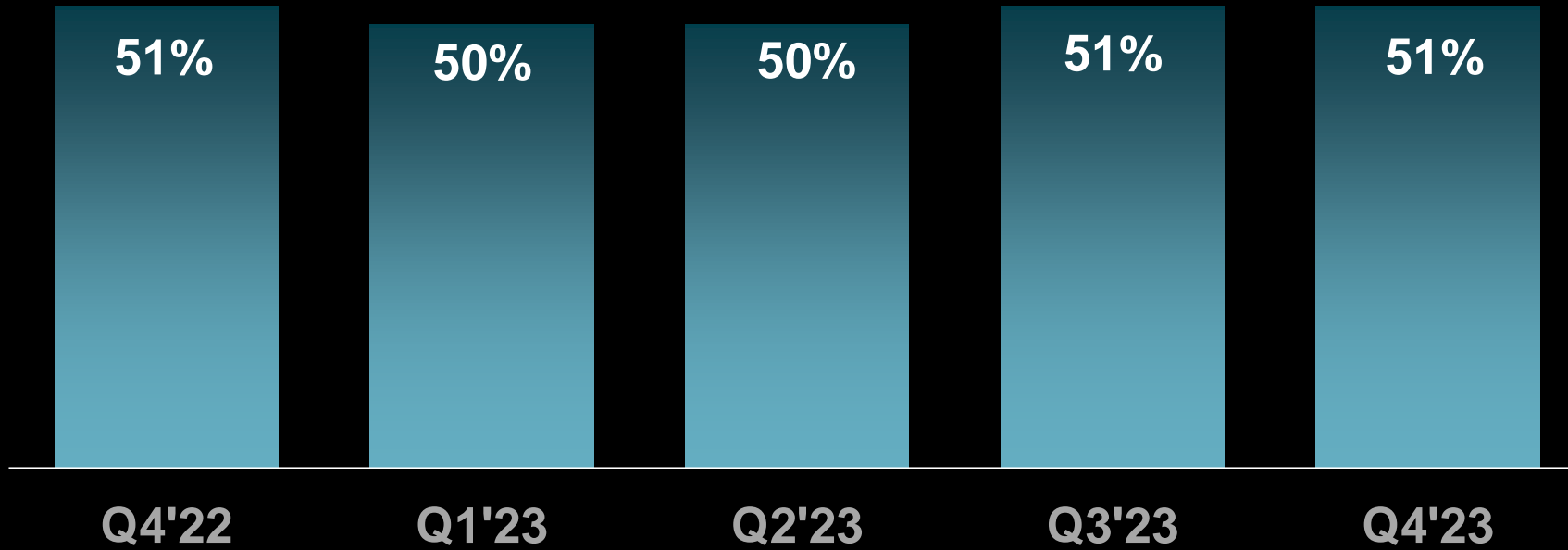
GROSS MARGIN

(GAAP)



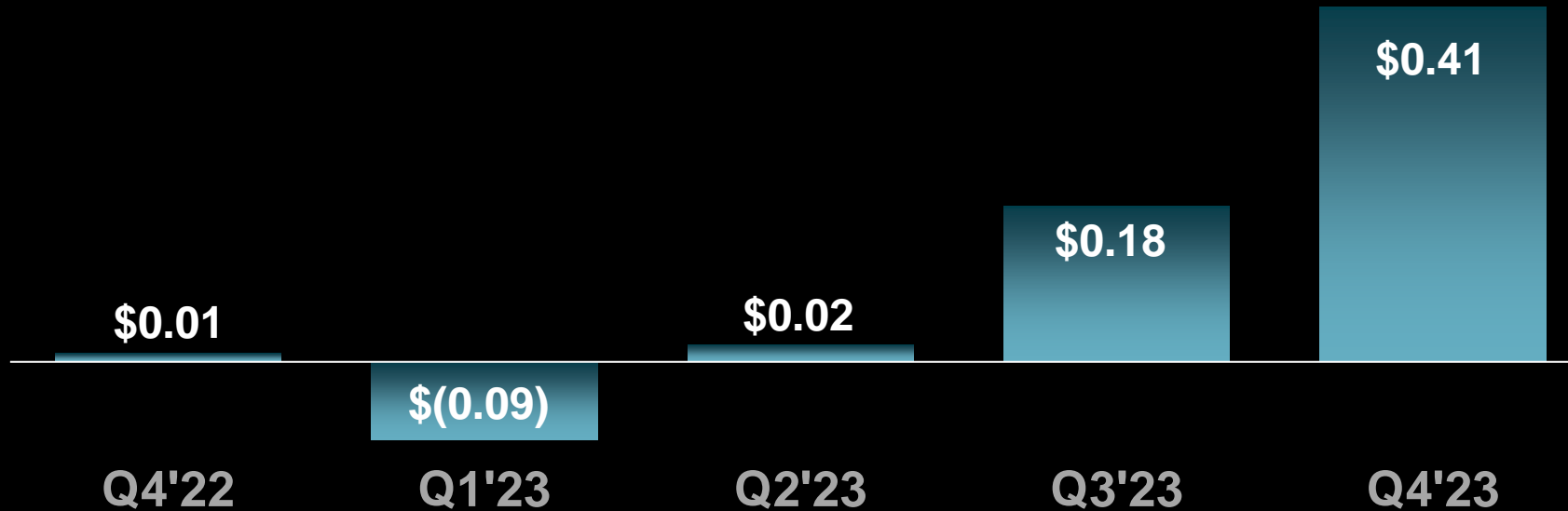
GROSS MARGIN

(Non-GAAP)¹



EARNINGS (LOSS) PER SHARE¹

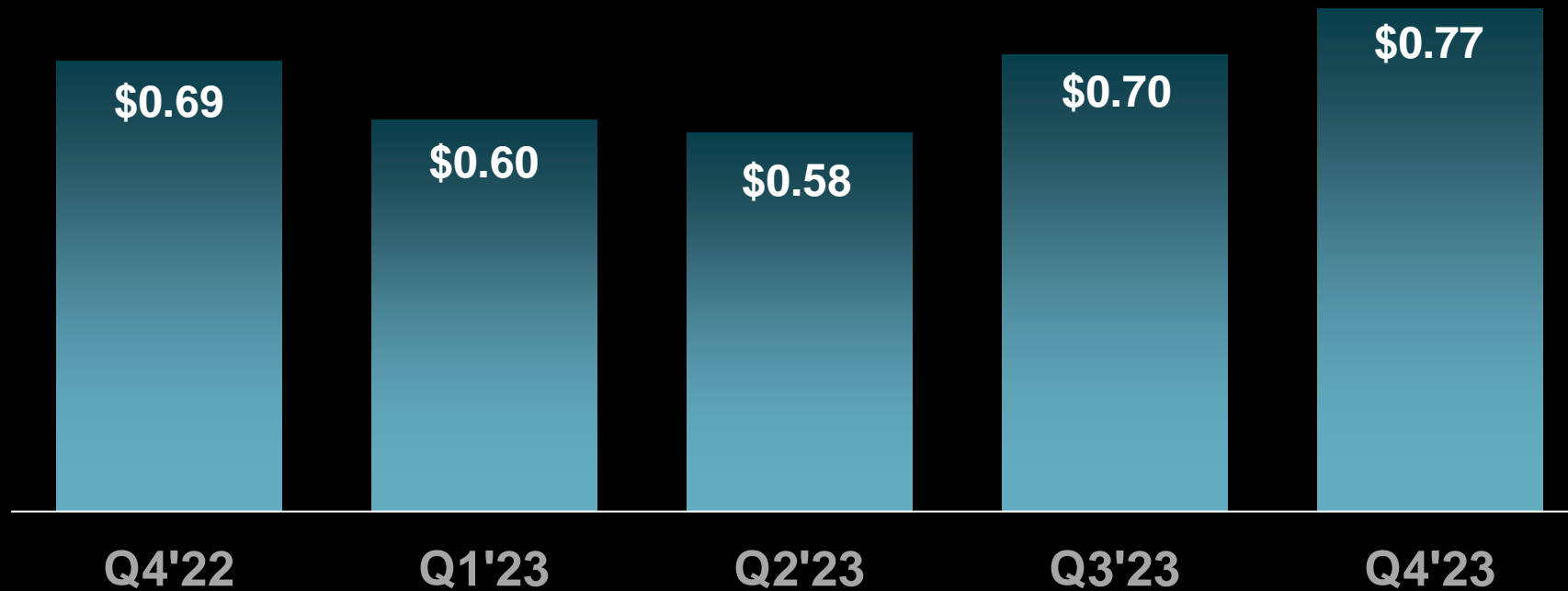
(GAAP)



1. Earnings Per Share (EPS) = Diluted earnings per share except for Q1'23 for which basic shares were used

EARNINGS PER SHARE

(Non-GAAP)¹



1. See Appendices for GAAP to Non-GAAP reconciliation; Earnings Per Share (EPS) = Diluted earnings per share

Q4 2023 SUMMARY BALANCE SHEET ITEMS

(\$ in millions)	Q4'23	Q3'23	Q/Q
Cash, Cash Equivalents and Short-term Investments	\$5,773	\$5,785	Flat
Accounts Receivable, Net	\$5,376	\$5,054	Up 6%
Inventories	\$4,351	\$4,445	Down 2%
Total Debt	\$2,468	\$2,467	Flat

FY 2023 SEGMENT RESULTS

(\$ in millions)	2023	2022	Y/Y
Data Center			
Net Revenue	\$6,496	\$6,043	Up 7%
Operating Income	\$1,267	\$1,848	Down 31%
Client			
Net Revenue	\$4,651	\$6,201	Down 25%
Operating Income (Loss)	(\$46)	\$1,190	Down 104%
Gaming			
Net Revenue	\$6,212	\$6,805	Down 9%
Operating Income	\$971	\$953	Up 2%
Embedded			
Net Revenue	\$5,321	\$4,552	Up 17%
Operating Income	\$2,628	\$2,252	Up 17%

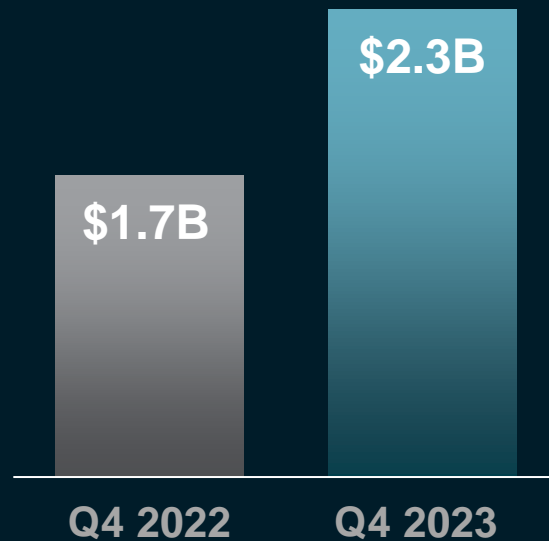
Q4 2023 SEGMENT RESULTS

(\$ in millions)	Q4'23	Q4'22	Y/Y	Q3'23	Q/Q
Data Center					
Net Revenue	\$2,282	\$1,655	Up 38%	\$1,598	Up 43%
Operating Income	\$666	\$444	Up 50%	\$306	Up 118%
Client					
Net Revenue	\$1,461	\$903	Up 62%	\$1,453	Flat
Operating Income (Loss)	\$55	(\$152)	Up 136%	\$140	Down 61%
Gaming					
Net Revenue	\$1,368	\$1,644	Down 17%	\$1,506	Down 9%
Operating Income	\$224	\$266	Down 16%	\$208	Up 8%
Embedded					
Net Revenue	\$1,057	\$1,397	Down 24%	\$1,243	Down 15%
Operating Income	\$461	\$699	Down 34%	\$612	Down 25%

DATA CENTER SEGMENT Q4 2023



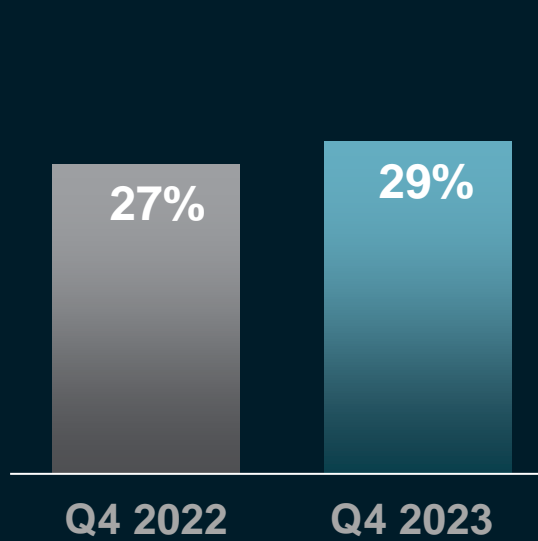
Revenue



Revenue
\$2.3 Billion
Up 38% y/y

Strong growth in both AMD Instinct GPUs and 4th Gen AMD EPYC CPU sales

Operating Margin



Operating Income
\$666 Million
vs. \$444 Million a year ago

Primarily due to operating leverage driven by higher revenue

AMD EPYC INSTINCT XILINX PENSANDO

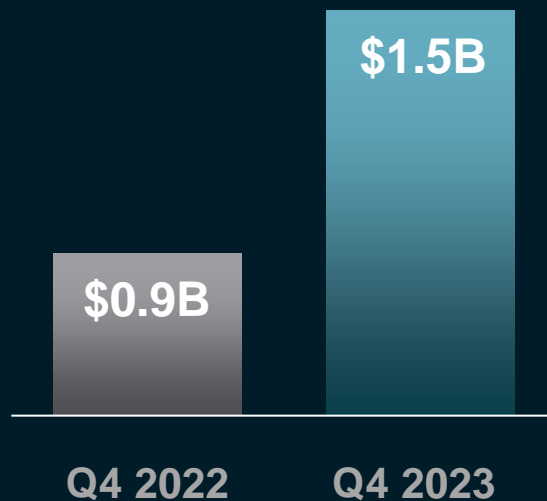
Strategic Highlights

- Announced availability of AMD Instinct MI300X GPU with leadership generative AI performance and AMD Instinct MI300A APU for HPC
- Microsoft, Meta, Oracle, and other cloud providers announced MI300X deployments; Dell Technologies, HPE, Lenovo, Supermicro and others announced new AMD Instinct MI300 enterprise and HPC platforms
- Unveiled open-source ROCm™ 6 software stack optimized for generative AI
- Over 800 AMD EPYC CPU-based public cloud instances now available
- AMD processors power 140 supercomputers in Top500 supercomputer list, and 8 of top 10 in Green500 list of most energy-efficient supercomputers

CLIENT SEGMENT Q4 2023



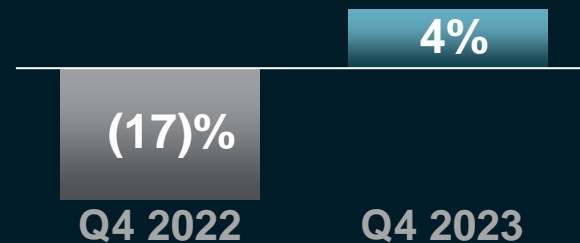
Revenue



Revenue
\$1.5 Billion
Up 62% y/y

Primarily driven by increase in AMD Ryzen 7000 Series CPU sales

Operating Margin



Operating Income
\$55 Million
vs. \$152 Million Loss
a year ago

Primarily driven by higher revenue

AMD
RYZEN

AMD
RYZEN
PRO

AMD
THREADRIPPER
PRO

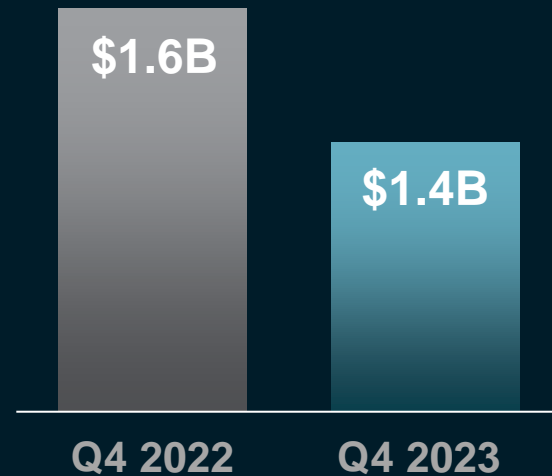
Strategic Highlights

- Announced Ryzen 8040 Series mobile processors with an AI NPU delivering up to 60% more AI performance than Ryzen 7040
- Millions of Ryzen AI-enabled PCs have shipped from all the leading PC OEMs with Ryzen CPUs now powering more than 90% of AI-enabled PCs currently in market
- Launched AMD Ryzen 8000G CPUs, the world's first desktop PC processors with a dedicated AI NPU
- Announced next generation "Strix" processors with second generation XDNA NPU expected to deliver 3x more AI performance than Ryzen 7040 series processors

GAMING SEGMENT Q4 2023



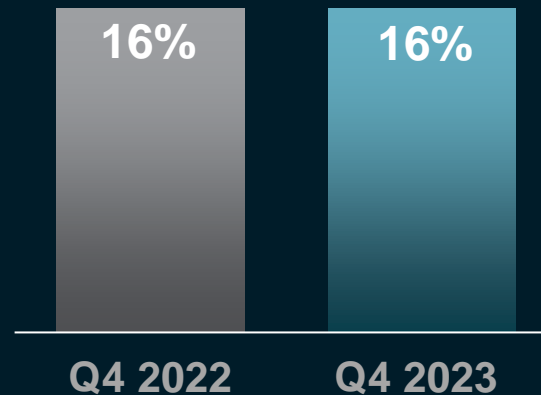
Revenue



Revenue
\$1.4 Billion
Down 17% y/y

Lower semi-custom revenue, partially offset by increased Radeon GPU sales

Operating Margin



Operating Income
\$224 Million
vs. \$266 Million a year ago

Primarily due to lower revenue



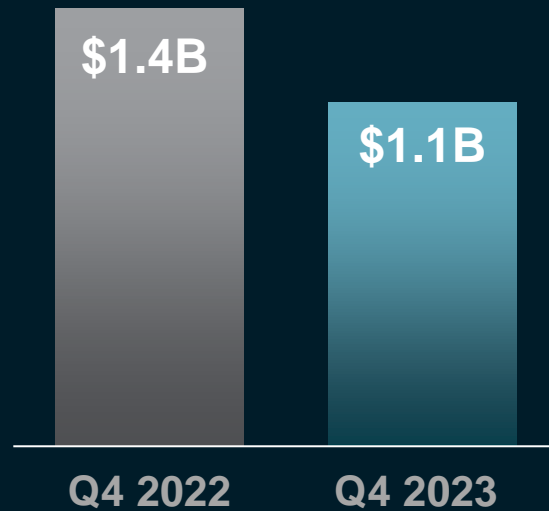
Strategic Highlights

- Introduced Radeon RX 7600 XT GPU, a high-performance graphics card for immersive 1080P gaming experiences
- Launched new open source FidelityFX Super Resolution 3 software that delivers significantly higher gaming frame rates on virtually all modern GPUs and APUs

EMBEDDED SEGMENT Q4 2023



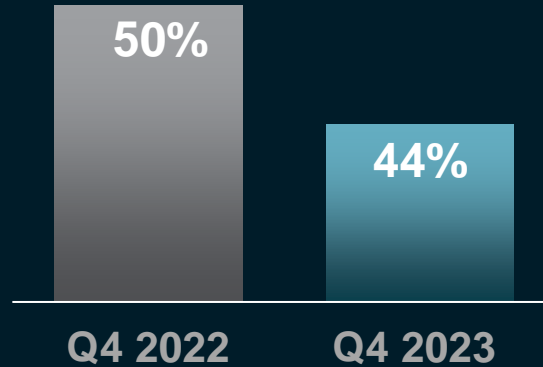
Revenue



Revenue
\$1.1 Billion
Down 24% y/y

Primarily due to customers reducing their inventory levels

Operating Margin



Operating Income
\$461 Million
vs. \$699 Million a year ago

Primarily due to lower revenue



Strategic Highlights

- Launched Versal Prime Adaptive SoCs with industry-first support for DDR5 memory and increased DSP capability compared to prior generation
- Launched new Versal SoC solutions bringing industry-leading AI compute capabilities and advanced safety and security features to next generation vehicles
- Launched Ryzen embedded processors for industrial automation, machine vision, robotics and edge server applications

FINANCIAL OUTLOOK – NON-GAAP¹

(\$ in millions)	Q1'24
Revenue	~\$5.4 Billion, +/- \$300 Million
Gross Margin	~52%
Operating Expenses	~\$1.73 Billion
Effective Tax Rate	~13% of pre-tax income
Diluted Share Count ²	~1.63 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 30, 2024, and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law. All items, except revenue, are on a non-GAAP basis. Adjustments to arrive at the GAAP financial outlook typically include stock-based compensation, amortization of acquired intangible assets, income tax provision, and other non-recurring items such as impairment charges and acquisition-related costs. The timing and impact of such adjustments are dependent on future events that are typically uncertain or outside of AMD's control, therefore, a reconciliation to equivalent GAAP measures is not practicable at this time.

2. Refer to Diluted Share Count overview in the Appendices

FY 2023 SUMMARY¹

Revenue
\$22.7B
Down 4% y/y

Data Center Segment
Revenue Up 7% y/y,
Embedded Up 17% y/y

Gross Margin 46%
Non-GAAP
Gross Margin 50%

EPS \$0.53
Non-GAAP EPS \$2.65

RECORD 2023 DATA CENTER AND EMBEDDED SEGMENT REVENUE

Q4 2023 SUMMARY¹

Revenue
\$6.2B
Up 10% y/y

Data Center Segment
Revenue \$2.3B
Up 38% y/y

Gross Margin 47%
Non-GAAP
Gross Margin 51%

EPS \$0.41
Non-GAAP EPS \$0.77

LAUNCHED AMD INSTINCT GPU_s
POSITIONED FOR STRONG 2024 RAMP IN THE AI MARKET

AMD COMMITMENT TO ESG



Environmental

Advancing environmental solutions in our products, supply chain and operations, while accelerating energy efficiency for IT users

Social

Fostering a culture of diversity, belonging and inclusion, partnering with suppliers and positively impacting our communities

Governance

Integrating corporate responsibility and governance across product design, supply chain, operations and external engagement

TOGETHER WE ADVANCE CORPORATE RESPONSIBILITY

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

(Millions) (Unaudited)	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	2023	2022
GAAP gross profit	\$ 2,403	\$ 2,359	\$ 2,443	\$ 2,747	\$ 2,911	\$ 10,460	\$ 10,603
GAAP gross margin	43%	44%	46%	47%	47%	46%	45%
Stock-based compensation	9	8	10	6	6	30	29
Amortization of acquisition-related intangibles	443	305	212	210	215	942	1,448
Acquisition-related and other costs ⁽¹⁾	4	3	-	-	1	4	193
Non-GAAP gross profit	\$ 2,859	\$ 2,675	\$ 2,665	\$ 2,963	\$ 3,133	\$ 11,436	\$ 12,273
Non-GAAP gross margin	51%	50%	50%	51%	51%	50%	52%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(Millions) (Unaudited)	Q4'23	Q4'22	Q3'23	2023	2022
GAAP operating expenses	\$ 2,575	\$ 2,557	\$ 2,533	\$ 10,093	\$ 9,441
GAAP operating expenses/revenue %	42%	46%	44%	45%	40%
Stock-based compensation	368	301	347	1,350	983
Amortization of acquisition-related intangibles	420	601	450	1,869	2,100
Acquisition-related and other costs ⁽¹⁾	60	53	39	258	328
Non-GAAP operating expenses	\$ 1,727	\$ 1,602	\$ 1,697	\$ 6,616	\$ 6,030
Non-GAAP operating expenses/revenue %	28%	29%	29%	29%	26%

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

APPENDICES

RECONCILIATION OF GAAP OPERATING INCOME (LOSS) TO NON-GAAP OPERATING INCOME

(Millions) (Unaudited)	Q4'23	Q4'22	Q3'23	2023	2022
GAAP operating income (loss)	\$ 342	\$ (149)	\$ 224	\$ 401	\$ 1,264
GAAP operating margin	6%	(3%)	4%	2%	5%
Stock-based compensation	374	310	353	1,380	1,012
Amortization of acquisition-related intangibles	635	1,044	660	2,811	3,548
Acquisition-related and other costs ⁽¹⁾	61	57	39	262	521
Non-GAAP operating income	\$ 1,412	\$ 1,262	\$ 1,276	\$ 4,854	\$ 6,345
Non-GAAP operating margin	23%	23%	22%	21%	27%

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

APPENDICES

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME (LOSS) / EARNINGS (LOSS) PER SHARE⁽²⁾

(Millions, except per share data) (Unaudited)	Q4'22		Q1'23		Q2'23		Q3'23		Q4'23		2023		2022	
GAAP net income (loss) / earnings (loss) per share ⁽²⁾	\$ 21	\$ 0.01	\$ (139)	\$ (0.09)	\$ 27	\$ 0.02	\$ 299	\$ 0.18	\$ 667	\$ 0.41	\$ 854	\$ 0.53	\$ 1,320	\$ 0.84
(Gains) losses on equity investments, net	5	–	(1)	–	3	–	(4)	–	1	–	(1)	–	62	0.04
Stock-based compensation	310	0.19	305	0.19	348	0.21	353	0.22	374	0.23	1,380	0.85	1,012	0.64
Equity income in investee	(3)	–	(1)	–	(6)	–	(3)	–	(6)	–	(16)	(0.01)	(14)	(0.01)
Amortization of acquisition-related intangibles	1,044	0.65	823	0.51	693	0.42	660	0.41	635	0.39	2,811	1.73	3,548	2.26
Acquisition-related and other costs ⁽¹⁾	57	0.04	115	0.07	47	0.03	39	0.02	61	0.04	262	0.16	521	0.33
Income tax provision	(321)	(0.20)	(132)	(0.08)	(164)	(0.10)	(209)	(0.13)	(483)	(0.30)	(988)	(0.61)	(945)	(0.60)
Non-GAAP net income / earnings per share ⁽²⁾	\$1,113	\$ 0.69	\$970	\$ 0.60	\$948	\$ 0.58	\$1,135	\$ 0.70	\$1,249	\$ 0.77	\$4,302	\$ 2.65	\$5,504	\$ 3.50
Shares used in earnings per share calculation														
Shares used in per share calculation (GAAP)	1,618		1,611		1,627		1,629		1,628		1,625		1,571	
Shares used in per share calculation (Non-GAAP)	1,618		1,618		1,627		1,629		1,628		1,625		1,571	

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

(2) Earnings Per Share (EPS) = Diluted earnings per share except for Q1'23 for which basic shares were used.

APPENDICES

SHARE COUNT OVERVIEW

Shares (millions) ⁽¹⁾	Q4'23	Q1'24
	Actual	Estimate
Basic shares	1,616	1,617
Dilutive impact from employee equity grants ⁽²⁾	12	14
Diluted shares	1,628	1,631

The table above provides actual share count for Q4'23 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q1'24.

(1) Share counts are weighted average shares.

(2) The dilutive impact of employee equity grants is based on the Treasury Stock method and is dependent upon the average stock price during the period. The Q4'23 average stock price was \$117.86. The Q4'23 average stock price of \$117.86 was assumed for Q1'24 average stock price estimates.

AMD 
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