



FIRST QUARTER 2018 FINANCIAL RESULTS

APRIL 25, 2018

CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as AMD's financial outlook for the second quarter of 2018 and fiscal 2018, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP interest expense, taxes and other, and inventory; and strategy and focus, 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; the ability of GF to satisfy AMD's manufacturing requirements; the ability of third party manufacturers to manufacture AMD products on a timely basis in sufficient quantities and using competitive technologies; the ability of third party manufacturers to achieve expected manufacturing yields; AMD's ability to introduce products on a timely basis with features and performance levels that provide value to its customers; AMD's ability to generate sufficient revenue and operating cash flow or obtain external financing; the loss of a significant customer; AMD's ability to generate revenue from its semi-custom SoC products; actual or perceived security vulnerabilities of AMD's products; global economic uncertainty; AMD's ability to generate sufficient cash to service its debt obligations or meet its working capital requirements; AMD's large amount of indebtedness; restrictions imposed by agreements governing AMD's debt and its secured revolving line of credit; the competitive nature of the markets in which AMD's products are sold; the dilutive effect on shareholders if West Coast Hitech L.P. exercises its warrants to purchase AMD's common stock, and the conversion of AMD's 2.125% Convertible Senior Notes due 2026; uncertainties involving the ordering and shipment of AMD's products; fluctuations in demand or a market decline for 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 the design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft Corporation's support and other software vendors; AMD's reliance on third-party distributors and AIB partners; AMD's ability to continue to attract and retain qualified personnel; AMD's ability to repurchase its debt in the event of a change of control; the highly cyclical nature of the semiconductor industry; future acquisitions, divestitures and/or joint ventures that may disrupt AMD's business; modification or interruption of internal business processes and information systems; potential data breaches and cyber-attacks; quarterly and seasonal sales patterns that may affect AMD's business; availability of essential equipment, materials or manufacturing processes to manufacture AMD's products; compatibility of AMD's products with industry-standard software and hardware; costs related to defective products; the efficiency of AMD's supply chain; AMD's ability to rely on third parties' certain supply-chain logistics functions, product distribution, transportation management and information technology support services; future impairments of goodwill; stock price volatility; political, legal and economic risks and natural disasters; worldwide political conditions; unfavorable currency exchange rate fluctuations; AMD's ability to effectively control the sales of its products on the gray market; AMD's ability to protect its technology or intellectual property; current and future litigation; potential tax liabilities; and environmental laws and conflict minerals-related provisions. 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 Annual Report on Form 10-K for the year ending December 30, 2017.

NON-GAAP FINANCIAL MEASURES

In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP research and development and marketing, general and administrative expenses, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP earnings (loss) per share, and Adjusted EBITDA. 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 at the end of AMD's earnings press release. 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 GAAP financial measures in the Appendices at the end of this presentation.

REVENUE ACCOUNTING STANDARD (ASC 606)

- AMD adopted revenue recognition standard, ASC 606 effective 2018, using the “full retrospective” method as of Q1 2018. ASC 606 primarily impacts AMD revenue recognition for:
 - Channel shipments on a sell-in basis (CPUs and GPUs),
 - Inventory of custom products with a non-cancellable purchase order (semi-custom products), and
 - Transactions that involve combined development and licensing arrangements.
- As of Q1 2018 all historical comparative periods in earnings reports are reported ASC 606
- The impact of ASC 606 was immaterial on 2017 adjusted annual revenue. In addition, AMD expects the impact of ASC 606 to be immaterial for 2018 annual revenue.
- All prior quarter results for 2017, plus full year 2017 and 2016 results, are available in AMD’s Form 8-K filed on February 27, 2018, which can be found here: <http://ir.amd.com/financial-information/sec-filings>

OUR JOURNEY

HIGH-PERFORMANCE
TECHNOLOGIES

GREAT
PRODUCTS

AMBITIOUS
GOALS

FOCUSED
EXECUTION

OUR STRATEGY AND FOCUS

GRAPHICS



Gaming

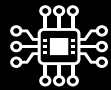


Machine
Intelligence



VR/AR

COMPUTE



Client
Systems



Infrastructure
& Cloud

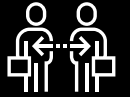
SOLUTIONS



Semi-
Custom



Vertical
Platforms



Partnerships

AMD HIGHLIGHTS Q1 2018

- Strong revenue of \$1.65 billion, up 40% y/y and 23% q/q
- Gross margin grew to 36% due to Ryzen™, Radeon™ and EPYC™ revenue contribution
- Fifth quarter of double digit y/y growth in the Computing and Graphics (CG) segment
 - Y/Y and Q/Q increase due to strong sales of Radeon and Ryzen products
- Enterprise, Embedded and Semi-Custom (EESC) segment
 - Y/Y decrease largely due to lower semi-custom revenue, partially offset by higher server and embedded revenue
 - Q/Q increase due to semi-custom, embedded and EPYC server processor growth
- GAAP and non-GAAP earnings per share grew significantly both y/y and q/q

BUSINESS HIGHLIGHTS Q1 2018

- Growing momentum for AMD high-performance products across PC, gaming, datacenter
- Computing and Graphics segment
 - Launched Ryzen desktop APU; Ryzen-based notebooks and 2nd Generation Ryzen desktop saw strong demand
 - Graphics outperformed seasonality with Radeon Vega and 500 series sales for both gaming and blockchain
- EESC segment
 - Hyperscale clients ramping for volume EPYC deployments across a variety of workloads
 - Semi-custom performed as expected based upon maturity of current game console cycle
- Continued to drive increased product adoption across diverse customers and markets

FINANCIAL HIGHLIGHTS Q1 2018

- Computing and Graphics Segment revenue of \$1.12 billion, up 95% y/y and 23% q/q
 - Operating income of \$138 million, improved y/y and q/q driven by higher revenue and operating expense leverage
 - Client processor ASP increased y/y and q/q due to a greater percentage of revenue from Ryzen products
 - GPU ASP increased y/y and q/q driven by a greater percentage of revenue from new Radeon products
- EESC Segment revenue of \$532 million, down 12% y/y and up 23% q/q
 - Operating income was lower y/y due primarily to a licensing gain that occurred in Q1 2017
 - Operating income of \$14 million was up q/q due to higher semi-custom, embedded and EPYC processor revenue
- Total cash balance over \$1 billion
- Inventory increased slightly from prior quarter

Q1 2018 KEY METRICS

(\$ IN MILLIONS)

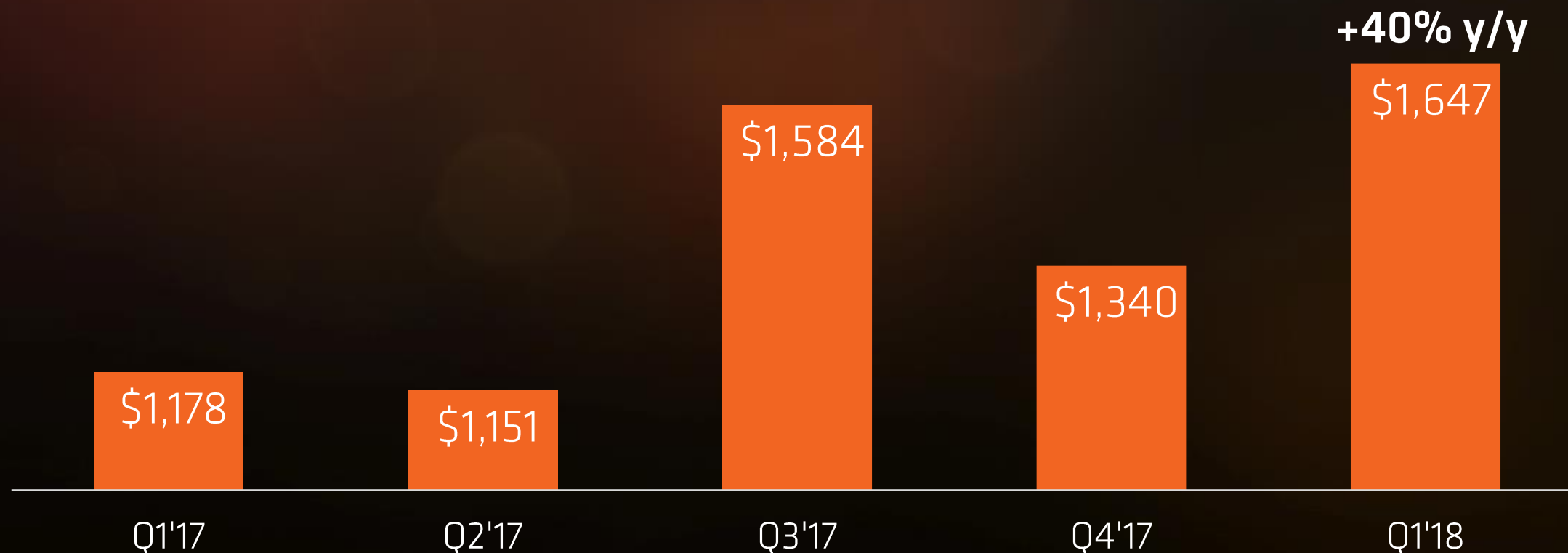
Quarterly Y/Y Revenue Growth



- Gross margin increased 420 basis points y/y
- Ryzen processors account for 60% of Client revenue
- EPYC processor units nearly doubled q/q
- Blockchain estimated to be ~10% of Q1 2018 revenue
- Non-GAAP⁽¹⁾ earnings per share grew \$0.11 y/y

REVENUE TREND

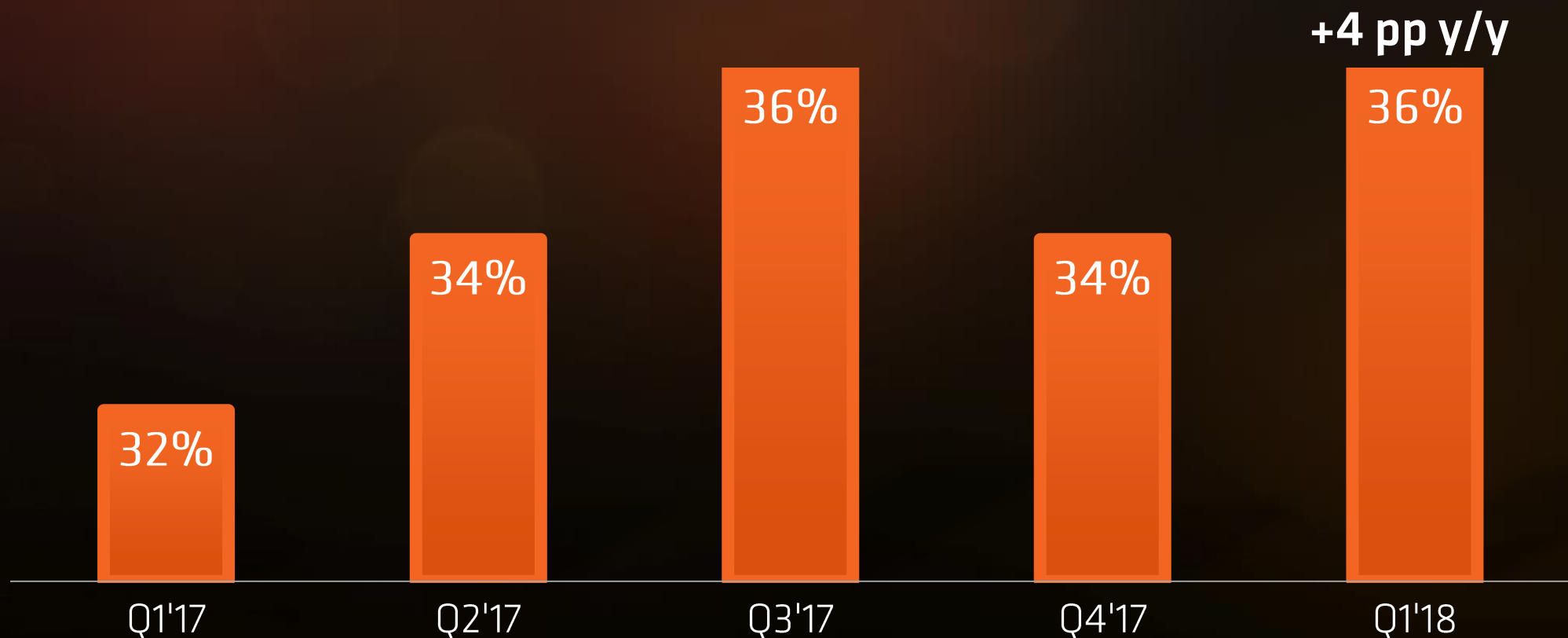
(\$ IN MILLIONS)



Q1'18 revenue growth driven by Radeon, Ryzen and EPYC products

GROSS MARGIN TREND

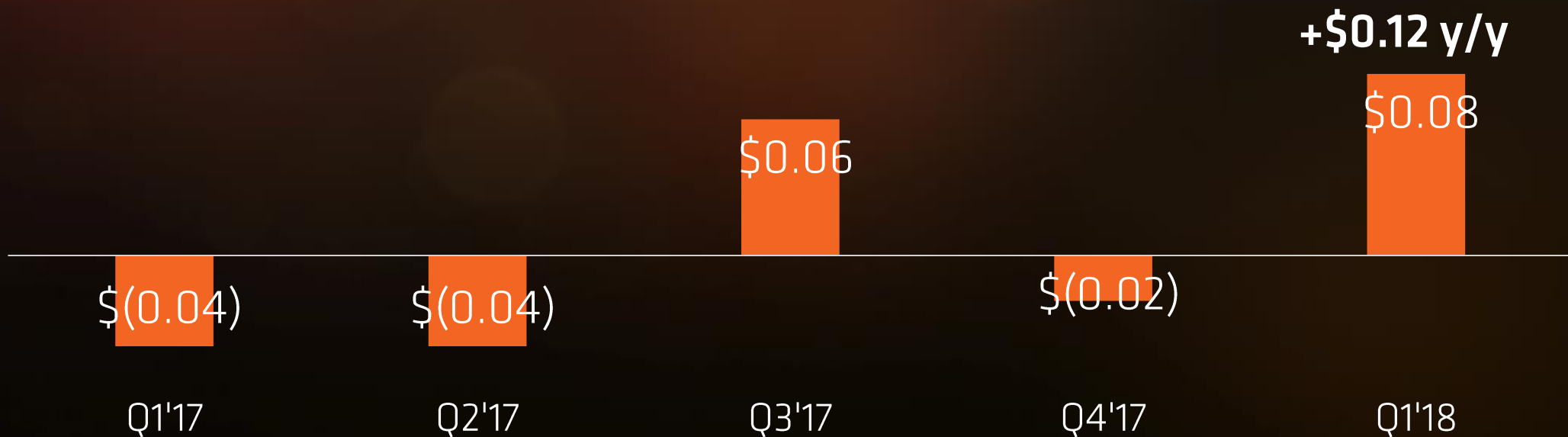
(AS A PERCENTAGE OF REVENUE, GAAP AND NON-GAAP)⁽¹⁾



Gross margin increase driven by a greater percentage of revenue from Ryzen, Radeon and EPYC products

EARNINGS PER SHARE TREND

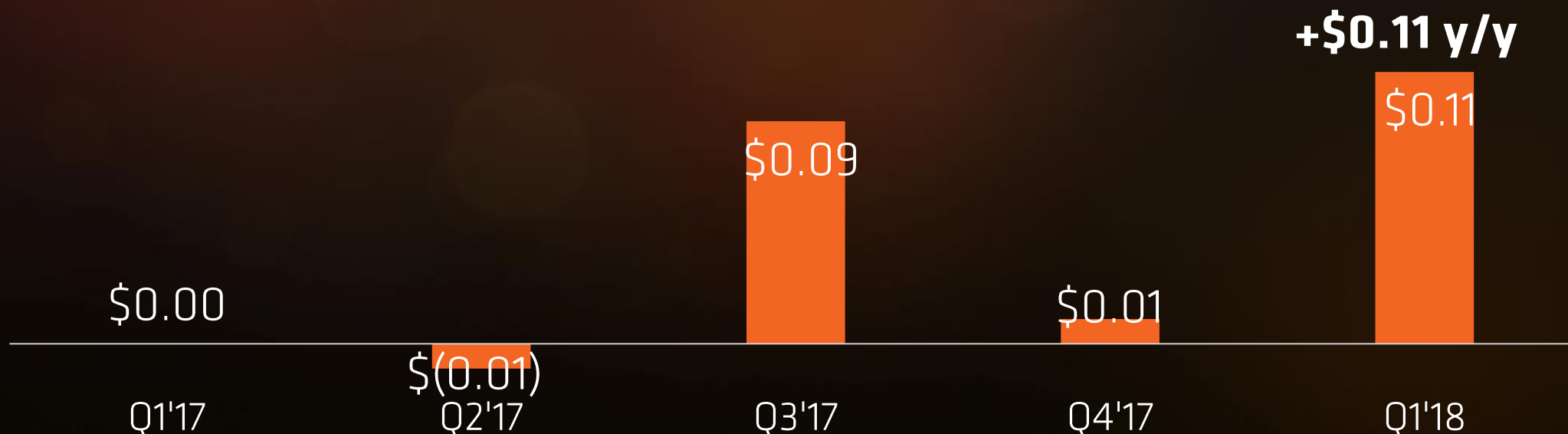
(GAAP)



Q1'18 EPS growth driven by new product revenue and gross margin expansion

EARNINGS PER SHARE TREND

(NON-GAAP)⁽¹⁾



Q1'18 EPS growth driven by new product revenue and gross margin expansion

Q1 2018 SUMMARY P&L – GAAP

	Q1 2018	Q1 2017	Y/Y	Q4 2017	Q/Q
Revenue	\$1,647M	\$1,178M	Up 40%	\$1,340M	Up 23%
Gross Margin	\$597M	\$378M	\$219M	\$452M	\$145M
Gross Margin %	36%	32%	Up 4 pp	34%	Up 2 pp
Operating Expenses	\$477M	\$394M	\$83M	\$454M	\$23M
Operating Expense %	29%	33%	Down 4 pp	34%	Down 5 pp
Operating Income (Loss)	\$120M	\$11M	\$109M	(\$2M)	\$122M
Net Income (Loss)	\$81M	(\$33M)	\$114M	(\$19M)	\$100M
Earnings (Loss) Per Share ⁽¹⁾	\$0.08	(\$0.04)	\$0.12	(\$0.02)	\$0.10

1. 1,039 million diluted shares were used to calculate EPS in Q1 2018.
See Appendices for additional information on share count calculation.

Q1 2018 SUMMARY P&L – NON-GAAP⁽¹⁾

	Q1 2018	Q1 2017	Y/Y	Q4 2017	Q/Q
Revenue	\$1,647M	\$1,178M	Up 40%	\$1,340M	Up 23%
Gross Margin	\$598M	\$378M	\$220M	\$452M	\$146M
Gross Margin %	36%	32%	Up 4 pp	34%	Up 2 pp
Operating Expenses	\$446M	\$371M	\$75M	\$433M	\$13M
Operating Expense %	27%	31%	Down 4 pp	32%	Down 5pp
Operating Income	\$152M	\$34M	\$118M	\$19M	\$133M
Net Income	\$121M	\$2M	\$119M	\$8M	\$113M
Earnings Per Share ⁽²⁾	\$0.11	\$0.00	\$0.11	\$0.01	\$0.10

1. See Appendices for GAAP to Non-GAAP reconciliation.

2. 1,140 million diluted shares were used to calculate EPS in Q1 2018. See Appendices for additional information on share count calculation.

Q1 2018 SEGMENT RESULTS

	Q1 2018	Q1 2017	Y/Y	Q4 2017	Q/Q
Computing and Graphics					
Net Revenue	\$1,115M	\$573M	Up 95%	\$908M	Up 23%
Operating Income (Loss)	\$138M	(\$21M)	\$159M	\$33M	\$105M
Enterprise, Embedded and Semi-Custom					
Net Revenue	\$532M	\$605M	Down 12%	\$432M	Up 23%
Operating Income (Loss)	\$14M	\$55M	(\$41M)	(\$13M)	\$27M
All Other Category					
Operating Loss	(\$32M)	(\$23M)	(\$9M)	(\$22M)	(\$10M)
TOTAL					
Net Revenue	\$1,647M	\$1,178M	Up 40%	\$1,340M	Up 23%
Operating Income (Loss)	\$120M	\$11M	\$109M	(\$2M)	\$122M

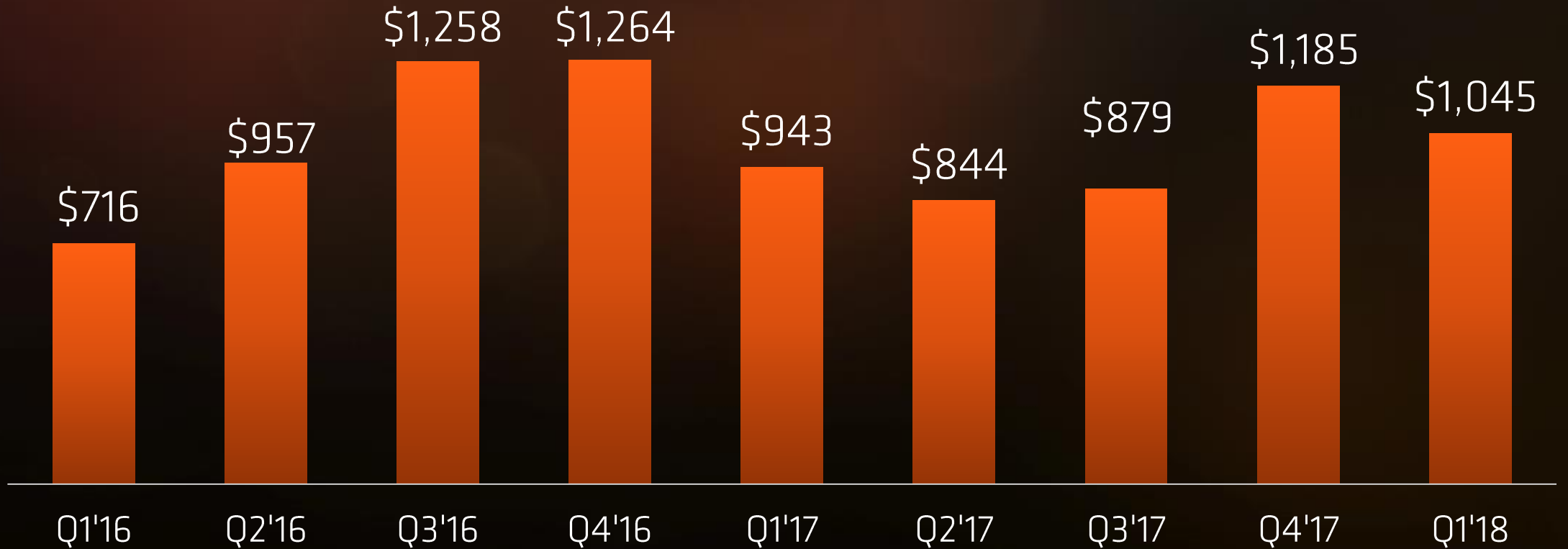
Q1 2018 SUMMARY BALANCE SHEET ITEMS

	Q1 2018	Q1 2017	Y/Y	Q4 2017	Q/Q
Cash, Cash Equivalents & Marketable Securities	\$1,045M	\$943M	\$102M	\$1,185M	(\$140M)
Inventories, Net	\$715M	\$615M	\$100M	\$694M	\$21M
Total Debt ⁽¹⁾	\$1,388M	\$1,408M	(\$20M)	\$1,395M	(\$7M)

1. See Appendices for Total Debt reconciliation

TOTAL CASH BALANCE⁽¹⁾

(\$ IN MILLIONS)

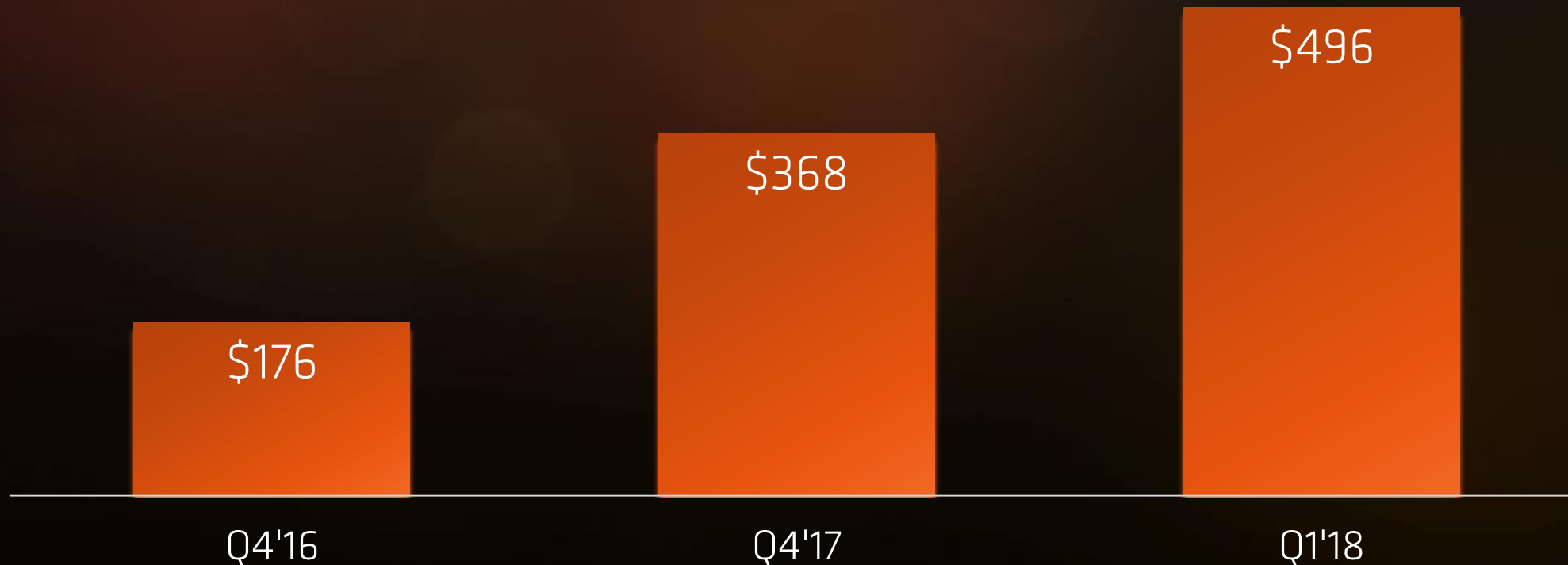


Approximately 96% of cash⁽¹⁾ held domestically exiting the quarter

1. Cash, cash equivalents and marketable securities

EBITDA TREND

(\$ IN MILLIONS, CALCULATED AS TRAILING TWELVE MONTHS)⁽¹⁾

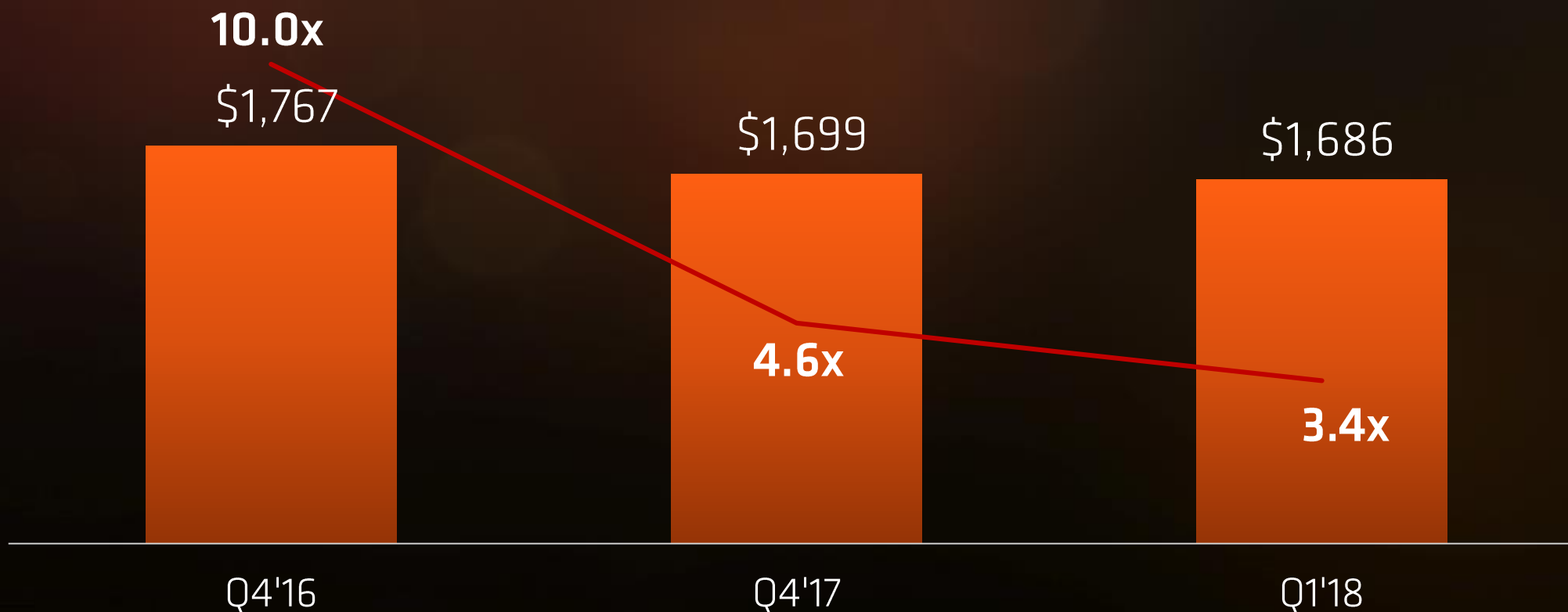


Business and financial strength drove increase in EBITDA

1. See Appendices for reconciliation

DEBT TREND

(PRINCIPAL AMOUNT, \$ IN MILLIONS, GROSS LEVERAGE TREND)^(1,2)



Focused debt reduction and improved gross leverage
Term debt of \$153M due March 2019

1. See Appendices for reconciliation to Total Debt

2. Leverage = Current + long-term debt divided by last 12 months adjusted EBITDA

Q2 2018 AND FY 2018 FINANCIAL OUTLOOK – NON GAAP⁽¹⁾

	Q2 2018	FY 2018
Revenue	\$1.725 Billion Up 50 percent y/y +/- \$50 Million	Up mid-20s percent y/y
Gross Margin %	~37%	>37%
Operating Expense	~\$460 Million	–
Operating Expense %	~27%	~28%
Interest Expense, Taxes and Other	~\$35 Million	–
Tax Rate	–	~ 10%
Inventory	Up slightly compared to Q1'18	–
Free Cash Flow	–	Positive

1. These are forward looking statements. See Cautionary Statement on Slide 2. AMD's outlook statements are based on current expectations and speak only as of the date of this presentation. AMD undertakes no intent or obligation to publicly update or revise its outlook statements whether as a result of new information, future events or otherwise, except to the extent that disclosure may be required by law.

Q1 2018 SUMMARY

SIGNIFICANT
REVENUE GROWTH
OF 40% Y/Y

INCREASING
MOMENTUM OF
NEW PRODUCTS

GROSS MARGIN
EXPANDED
420 BPS Y/Y

SOLID
PROFITABILITY
GROWTH

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APPENDICES

Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions)	Q118	Q417	Q317	Q217	Q117
GAAP Gross Margin	\$ 597	\$ 452	\$ 571	\$ 386	\$ 378
GAAP Gross Margin %	36%	34%	36%	34%	32%
Stock-based compensation	1	-	1	1	-
Non-GAAP Gross Margin	\$ 598	\$ 452	\$ 572	\$ 387	\$ 378
Non-GAAP Gross Margin %	36%	34%	36%	34%	32%

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q118	Q417	Q117
GAAP operating expenses	\$ 477	\$ 454	\$ 394
Stock-based compensation	31	21	23
Non-GAAP operating expenses	\$ 446	\$ 433	\$ 371

(Millions)	Q118			Q417			Q117		
	R&D	SG&A	Total	R&D	SG&A	Total	R&D	SG&A	Total
GAAP R&D & SG&A	\$ 343	\$ 134	\$ 477	\$ 320	\$ 134	\$ 454	\$ 271	\$ 123	\$ 394
Stock-based compensation	21	10	31	12	9	21	14	9	23
Non-GAAP R&D & SG&A	\$ 322	\$ 124	\$ 446	\$ 308	\$ 125	\$ 433	\$ 257	\$ 114	\$ 371

APPENDICES

Reconciliation of GAAP Operating Income (loss) to Non-GAAP Operating Income

(Millions)	Q118	Q117	Q417
GAAP operating income (loss)	\$ 120	\$ 11	\$ (2)
Stock-based compensation	32	23	21
Non-GAAP operating income	\$ 152	\$ 34	\$ 19

Reconciliation of EBITDA (TTM)

(Millions) (TTM)	Q416	Q417	Q118
GAAP operating income (loss)	(373)	127	236
Stock-based compensation	86	97	106
Depreciation and amortization	133	144	154
Restructuring and other special charges, net	(10)	-	-
Charge related to the sixth amendment to the WSA with GF	340	-	-
Adjusted EBITDA	\$ 176	\$ 368	\$ 496

APPENDICES

Reconciliation of GAAP Net Income (Loss) / Earnings (Loss) Per Share to Non-GAAP Net Income / Earning Per Share*

(Millions)	Q118		Q417		Q117	
GAAP net income (loss) /earnings (loss) per share	\$ 81	\$ 0.08	\$ (19)	\$ (0.02)	\$ (33)	\$ (0.04)
Loss on debt redemption	1	-	3	-	4	-
Non-cash interest expense related to convertible debt	6	-	5	-	6	0.01
Stock-based compensation	32	0.03	21	0.02	23	0.02
Gain on sale of 85% of ATMP	-	-	(3)	-	-	-
Tax provision related to sale of 85% of ATMP JV	-	-	1	-	-	-
Equity loss in investee	1	-	-	-	2	-
Non-GAAP net income / earnings per share	\$ 121	\$ 0.11	\$ 8	\$ 0.01	\$ 2	\$ -

Q1 2018 non-GAAP diluted EPS is calculated based on 1,140 million shares, which include 100.6 million shares related to the Company's 2026 Convertible Notes and a \$5 million cash interest expense add-back to net income under the "if converted" method.

APPENDICES

Share Count Overview

Shares (millions) ⁽³⁾	Q1-18 Actual	Q2-18 Estimate
Basic Shares	968	973
Dilutive impacts from:		
Employee Equity Grants ⁽¹⁾	34	34
75 million share Warrant ⁽¹⁾	37	37
Diluted Shares (without 2026 Convertible Notes)	1,039	1,044
2026 Convertible Notes ⁽²⁾	100.6	100.6
Diluted Shares (with 2026 Convertible Notes)	1,140	1,145

Future basic and diluted earnings per share calculations:

Moving forward, assuming positive earnings per share, there are potential factors that may impact AMD's diluted share count, including:

- The 2.125% Convertible Senior Notes due 2026 (2026 Convertible Notes) which have cash and non-cash interest expense components. There are 100.6 million shares underlying the 2026 Convertible Notes
- The warrant to purchase 75 million shares (Warrant) granted in 2016 to a Mubadala entity, in consideration for rights under the sixth amendment to our WSA with GLOBALFOUNDRIES, and
- On-going employee equity grants.

The table above provides an estimate of shares that may be used when calculating GAAP and non-GAAP diluted earnings per share.

(1) The dilutive impact from the Warrant and employee equity grants are based on the Treasury Stock method and is dependent upon the average stock price during the period. Q1 2018 average quarterly price was \$11.86 (which was the average stock price assumed for Q2 2018 estimate).

(2) The dilutive impact from the 2026 Convertible Notes is based on the If-Converted method, where the interest costs associated with the 2026 Convertible Notes are added back to the Net Income and the 100.6 million shares underlying the 2026 Convertible Notes are assumed to be converted and are added to the share count. The impact from the 2026 Convertible Notes, if dilutive, is included in diluted EPS calculation. For the GAAP computation, the add-back to net income includes cash and non-cash interest expense, while only the cash interest expense is added back to non-GAAP net income.

(3) Share counts are weighted average shares.

APPENDICES

Total Debt (Net)

(Millions)	Q1-18	Q1-17	Q4-17	Q4-16
6.75% Senior Notes due 2019	\$ 153	\$ 191	\$ 166	\$ 196
7.50% Senior Notes due 2022	347	347	347	350
7.00% Senior Notes due 2024	311	390	311	416
2.125% Convertible Senior Notes due 2026	805	805	805	805
Borrowings from secured revolving line of credit, net	70	-	70	-
Total Debt (principal amount)	\$ 1,686	\$ 1,733	\$ 1,699	\$ 1,767
Unamortized debt discount associated with 2.125% Convertible Senior Notes due 2026	(280)	(302)	(286)	(308)
Unamortized debt issuance costs	(19)	(24)	(19)	(25)
Other	1	1	1	1
Total Debt (net)	\$ 1,388	\$ 1,408	\$ 1,395	\$ 1,435

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The information contained herein is for informational purposes only, and is subject to change without notice. Timelines, roadmaps, and/or product release dates shown in these slides are plans only and subject to change. “Polaris”, “Vega”, “Radeon Vega”, “Navi”, “Zen” and “Naples” are codenames for AMD architectures, and are not product names.

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