



# FIRST QUARTER 2020 FINANCIAL RESULTS

APRIL 28, 2020

## CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as the expected number of Ryzen-powered consumer and commercial notebooks from OEMs; expectations and deployment of the exascale-class supercomputer, El Capitan; the features, functionality, performance, availability, timing and expected benefits of AMD products; AMD's financial outlook for the second quarter of 2020 and fiscal 2020, including, revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating expenses as a percentage of revenue, non-GAAP interest expense, taxes and other, non-GAAP taxes, and diluted share count; AMD's leadership roadmaps, execution excellence, sustained market share gains and strong financial 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: The ongoing COVID-19 pandemic could materially adversely affect our business, financial condition and results of operations; Intel Corporation's dominance of the microprocessor market and its aggressive business practices; the ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with features and performance levels that provide value to its customers while supporting and coinciding with significant industry transitions; AMD's ability to generate sufficient revenue and operating cash flow or obtain external financing for research and development or other strategic investments; the loss of a significant customer; AMD's ability to generate revenue from its semi-custom SoC products; global economic uncertainty; political, legal, economic risks and natural disasters; government actions and regulations such as export administration regulations, tariffs and trade protection measures may limit our ability to export our products to certain customers; potential security vulnerabilities; potential IT outages, data loss, data breaches and cyber-attacks; the ability of GlobalFoundries Inc. to satisfy AMD's manufacturing requirements; uncertainties involving the ordering and shipment of AMD's products; quarterly and seasonal sales patterns; the restrictions imposed by agreements governing AMD's notes and the secured credit facility; the competitive markets in which AMD's products are sold; the potential dilutive effect if the 2.125% Convertible Senior Notes due 2026 are converted; the market conditions of the industries in which AMD products are sold; 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 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; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's indebtedness; AMD's ability to generate sufficient cash to service its debt obligations or meet its working capital requirements; AMD's ability to repurchase its outstanding debt in the event of a change of control; the cyclical nature of the semiconductor industry; the impact of acquisitions, joint ventures and/or investments on AMD's business; the impact of modification or interruption of AMD's internal business processes and information systems; the availability of essential equipment, materials or manufacturing processes; compatibility of AMD's products with some or all industry-standard software and hardware; costs related to defective products; the efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's stock price volatility; 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 adequately protect its technology or other intellectual property; current and future claims and litigation; potential tax liabilities; and environmental laws, conflict minerals-related provisions and other laws or regulations. 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 ended December 28, 2019.

## 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 operating income, non-GAAP net income, non-GAAP earnings per share, free cash flow, and Adjusted EBITDA. We use a normalized tax rate in our computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For fiscal 2020, the projected non-GAAP tax rate is 3%. 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 comparable GAAP financial measures in the Appendices at the end of this presentation. This presentation also contains forward-looking non-GAAP measures concerning AMD's financial outlook such as gross margin, operating expenses, interest expense, taxes and other. Non-GAAP adjustments relating to the financial outlook typically includes stock-based compensation, non-cash interest expense related to convertible debt, provision for (benefit from) for income taxes, equity (income) loss in investee, and other non-recurring items such as loss on debt redemption/conversion, impairment charges, and loss contingency on legal matters. The timing and impact of such non-GAAP adjustments are dependent on future events that may be uncertain or outside of AMD's control. These forward-looking non-GAAP measures are based on current expectations, assumptions and beliefs that involve numerous risks and uncertainties.

# OUR JOURNEY

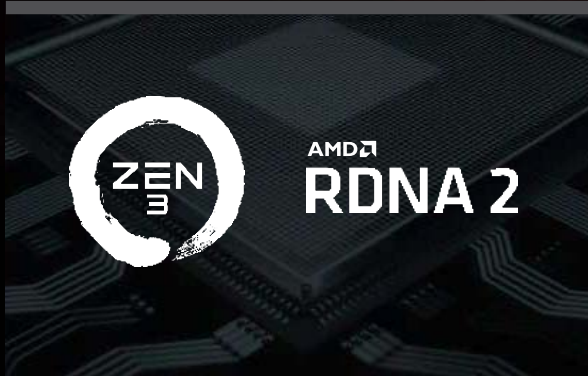
High-Performance  
Computing  
Leadership

Disruptive Solutions  
Combining CPUs  
and GPUs

Strong and  
Predictable  
Execution

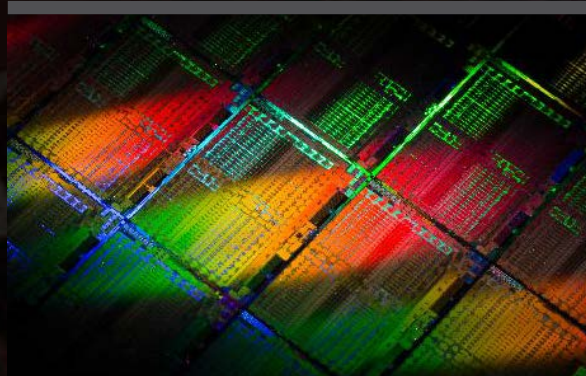
Best-in-Class  
Growth  
Franchise

# OUR TECHNOLOGY INVESTMENTS



## INDUSTRY-LEADING IP

Delivering Multi-generational Leadership CPU and GPU Roadmaps



## ADVANCED TECHNOLOGY

Leadership Process, Packaging and Interconnect Technology



## DATA CENTER LEADERSHIP

Innovation in Cloud, Enterprise, and Accelerated Computing

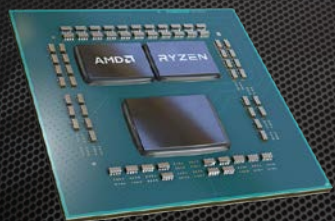


## PC/GAMING SOLUTIONS

Driving Leadership PC Experiences and Gaming Solutions



# OUR BEST PRODUCT PORTFOLIO EVER



**AMD**  
**RYZEN**

Leadership Desktop Processors  
with up to 16 “Zen 2” Cores



**AMD**  
**RYZEN**  
MOBILE PROCESSORS

Leadership Ultrathin and  
Gaming Notebook Processors



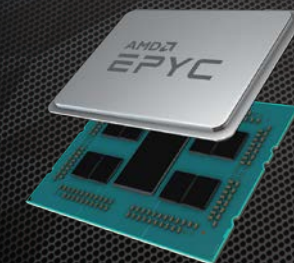
**AMD**  
**RYZEN**  
THREADRIPPER

Unmatched High-end Desktop  
with up to 64 “Zen 2” Cores



**AMD**  
**R A D E O N**

Price-performance Leadership  
with New RDNA Architecture



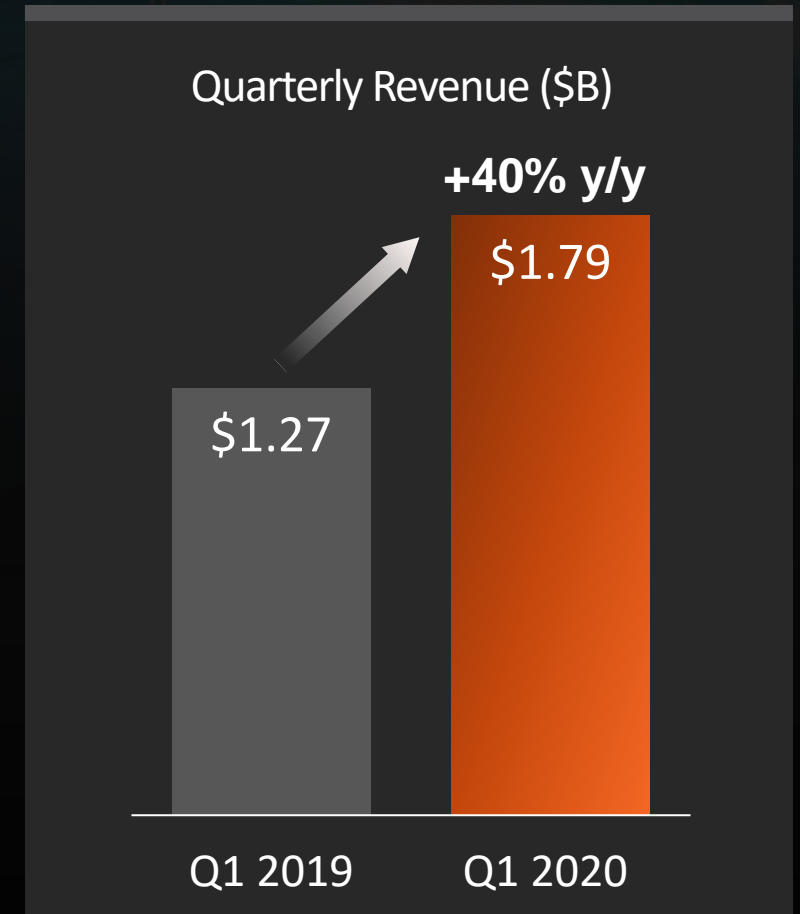
**AMD**  
**EPYC**

Up to 64 “Zen 2” Cores with  
up to 50% Lower TCO

**PERFORMANCE LEADERSHIP  
FROM NOTEBOOK TO DESKTOP TO DATA CENTER**

# FINANCIAL SUMMARY Q1 2020<sup>1</sup>

- Revenue of \$1.79 billion, up 40% y/y and down 16% q/q
  - Up y/y driven primarily by Computing and Graphics segment revenue
  - Down q/q due to lower revenue in both segments
  - Navigated pockets of supply chain disruption and demand shifts caused by COVID-19
- Gross margin of 46%
  - Up 5 percentage points y/y and 1 percentage point q/q, primarily driven by Ryzen™ and EPYC™ processor sales
- Operating expenses of \$641 million GAAP, \$584 million non-GAAP
- Profitability improvements y/y
  - Operating income of \$177 million; Non-GAAP operating income of \$236 million
  - Net income of \$162 million; Non-GAAP net income of \$222 million
  - Diluted EPS of \$0.14; Non-GAAP diluted EPS of \$0.18
- Cash, cash equivalents and marketable securities of \$1.4 billion
- Operating Cash Flow and Free Cash Flow improvements y/y



1. See Appendices for GAAP to Non-GAAP reconciliation

# COMPUTING AND GRAPHICS SEGMENT Q1 2020

- Revenue of \$1.44 billion
  - Up 73% y/y primarily driven by strong Ryzen processor and Radeon™ product channel sales
  - Down 13% q/q primarily due to lower graphics processor sales
- Average Selling Price (ASP)
  - Client processor ASP up y/y driven by Ryzen processor sales and down slightly q/q due to higher notebook sales
  - GPU ASP down y/y and q/q due to product mix
- Operating income of \$262 million
  - Up \$246 million y/y driven by significantly higher revenue and down \$98 million q/q primarily due to lower revenue
- Strategic news
  - Record quarterly notebook revenue
  - Gained commercial momentum with new Lenovo and HP systems
  - Strong initial ramp of Ryzen Mobile 4000 processors
  - Expecting over 135 new Ryzen-powered consumer and commercial notebooks from OEMs in the coming quarters
  - Apple announced notebooks with Radeon 5000M mobile GPUs
  - Microsoft Azure added virtual machines powered by Radeon Instinct MI25 GPUs

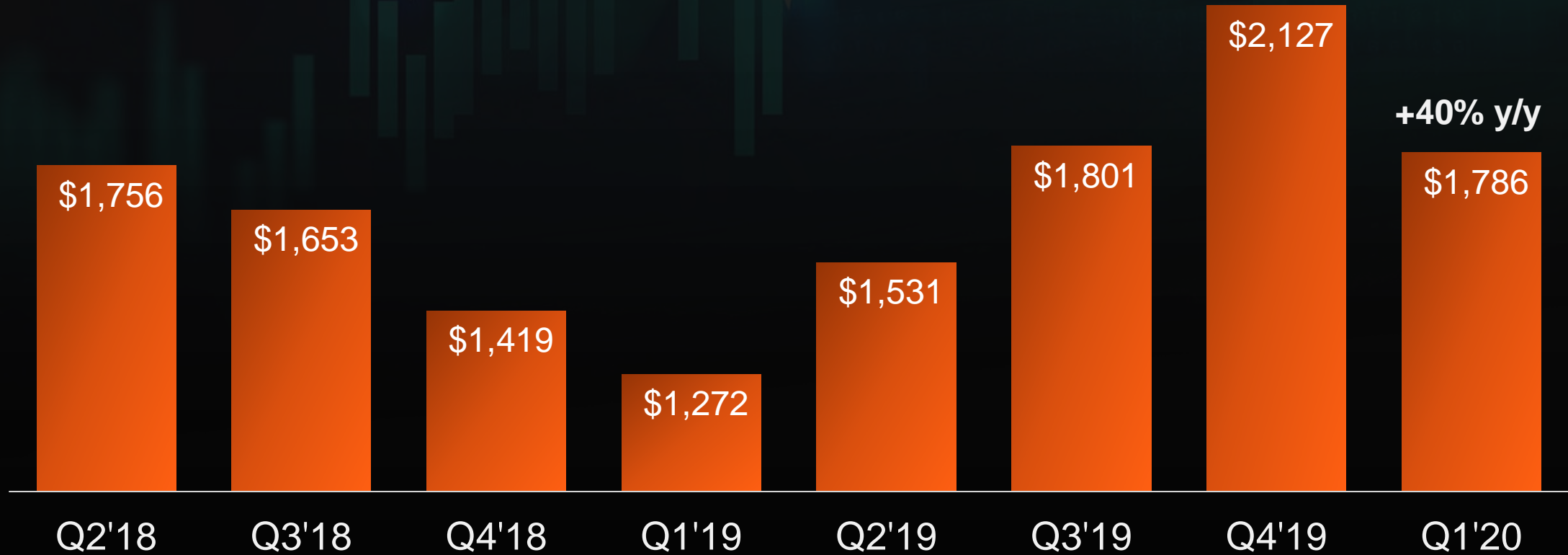
# ENTERPRISE, EMBEDDED AND SEMI-CUSTOM SEGMENT Q1 2020

- Revenue of \$348 million
  - Down 21% y/y and 25% q/q primarily due to lower semi-custom sales, partially offset by higher EPYC processor sales
- Operating loss of \$26 million
  - As compared to operating income of \$68 million in Q1 2019, which included a \$60 million licensing gain
  - As compared to operating income of \$45 million in Q4 2019, which had higher revenue and lower operating expenses
- Strategic news
  - Server unit shipments grew by double-digit percentage q/q
  - EPYC CPUs and Radeon Instinct GPUs will power Lawrence Livermore National Laboratory El Capitan Supercomputer
  - Microsoft Azure, Google and IBM announced new 2nd Gen AMD EPYC processor offerings
  - Higher demand from Cloud providers to accommodate working and learning from home



# REVENUE TREND

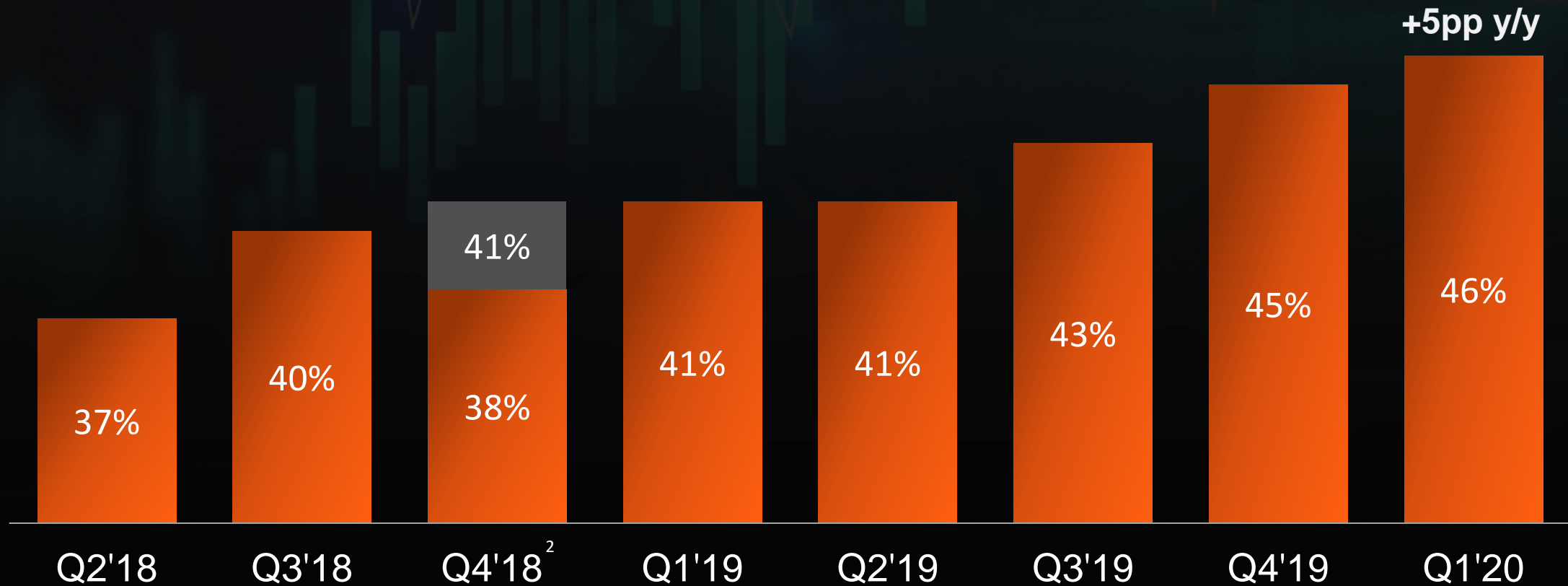
(\$ IN MILLIONS)



**STRONG Y/Y REVENUE GROWTH**

# GROSS MARGIN TREND

(AS A PERCENTAGE OF REVENUE, GAAP AND NON-GAAP)<sup>1</sup>



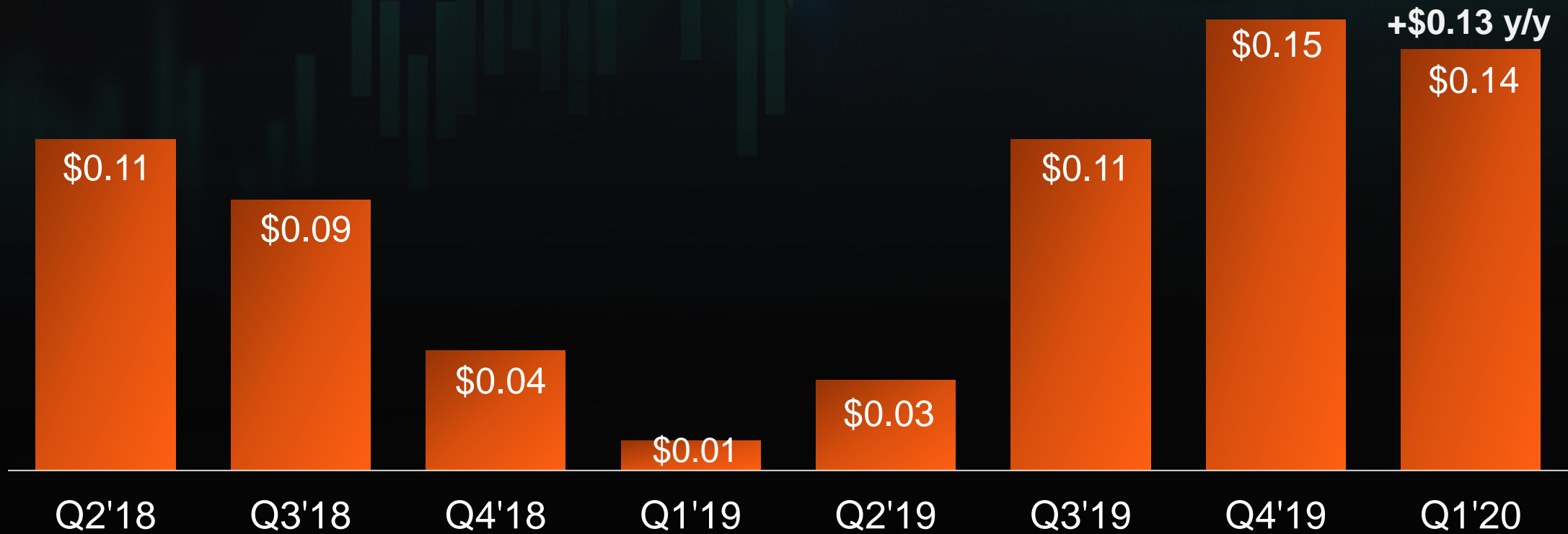
**SOLID Y/Y GROSS MARGIN EXPANSION**

1. See Appendices for GAAP to Non-GAAP reconciliation

2. Gross margin for both GAAP and Non-GAAP are the same for all periods except as indicated for Q4 2018

# EARNINGS PER SHARE TREND

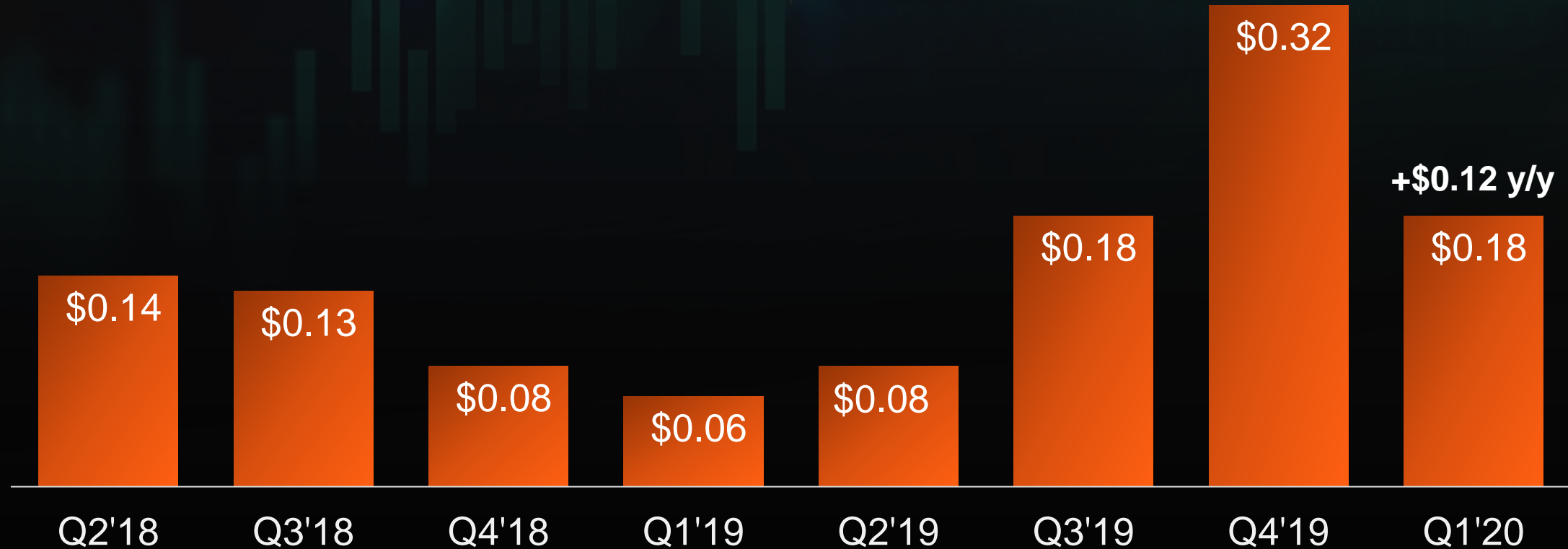
(GAAP)



**SIGNIFICANT Y/Y GROWTH IN EARNINGS PER SHARE**

# EARNINGS PER SHARE TREND

(NON-GAAP)<sup>1</sup>



SIGNIFICANT Y/Y GROWTH EARNINGS PER SHARE



# Q1 2020 SUMMARY P&L – GAAP

	Q1 2020	Q1 2019	Y/Y	Q4 2019	Q/Q
Revenue	\$1,786M	\$1,272M	Up 40%	\$2,127M	Down 16%
Gross Margin	\$818M	\$521M	Up \$297M	\$949M	Down \$131M
Gross Margin %	46%	41%	Up 5pp	45%	Up 1pp
Operating Expenses	\$641M	\$543M	Up \$98M	\$601M	Up \$40M
Operating Expense/Revenue %	36%	43%	Down 7pp	28%	Up 8pp
Operating Income	\$177M	\$38M	Up \$139M	\$348M	Down \$171M
Net Income	\$162M	\$16M	Up \$146M	\$170M	Down \$8M
Earnings Per Share <sup>1</sup>	\$0.14	\$0.01	Up \$0.13	\$0.15	Down \$0.01

**INCREASED PROFITABILITY Y/Y**

# Q1 2020 SUMMARY P&L – NON-GAAP<sup>1</sup>

	Q1 2020	Q1 2019	Y/Y	Q4 2019	Q/Q
Revenue	\$1,786M	\$1,272M	Up 40%	\$2,127M	Down 16%
Gross Margin	\$820M	\$522M	Up \$298M	\$950M	Down \$130M
Gross Margin %	46%	41%	Up 5pp	45%	Up 1pp
Operating Expenses	\$584M	\$498M	Up \$86M	\$545M	Up \$39M
Operating Expense/Revenue %	33%	39%	Down 6pp	26%	Up 7pp
Operating Income	\$236M	\$84M	Up \$152M	\$405M	Down \$169M
Net Income	\$222M	\$62M	Up \$160M	\$383M	Down \$161M
Earnings Per Share <sup>1</sup>	\$0.18	\$0.06	Up \$0.12	\$0.32	Down \$0.14

**INCREASED PROFITABILITY Y/Y**

# Q1 2020 SEGMENT RESULTS

	Q1 2020	Q1 2019	Y/Y	Q4 2019	Q/Q
<b>Computing and Graphics</b>					
Net Revenue	\$1,438M	\$831M	Up 73%	\$1,662M	Down 13%
Operating Income	\$262M	\$16M	Up \$246M	\$360M	Down \$98M
<b>Enterprise, Embedded and Semi-Custom</b>					
Net Revenue	\$348M	\$441M	Down 21%	\$465M	Down 25%
Operating Income (Loss)	\$(26M)	\$68M	Down \$94M	\$45M	Down \$71M
<b>All Other Category</b>					
Operating Loss	\$(59M)	\$(46M)	Down \$13M	\$(57M)	Down \$2M
<b>TOTAL</b>					
Net Revenue	\$1,786M	\$1,272M	Up \$514M	\$2,127M	Down \$341M
Operating Income	\$177M	\$38M	Up \$139M	\$348M	Down \$171M

# Q1 2020 SUMMARY BALANCE SHEET ITEMS

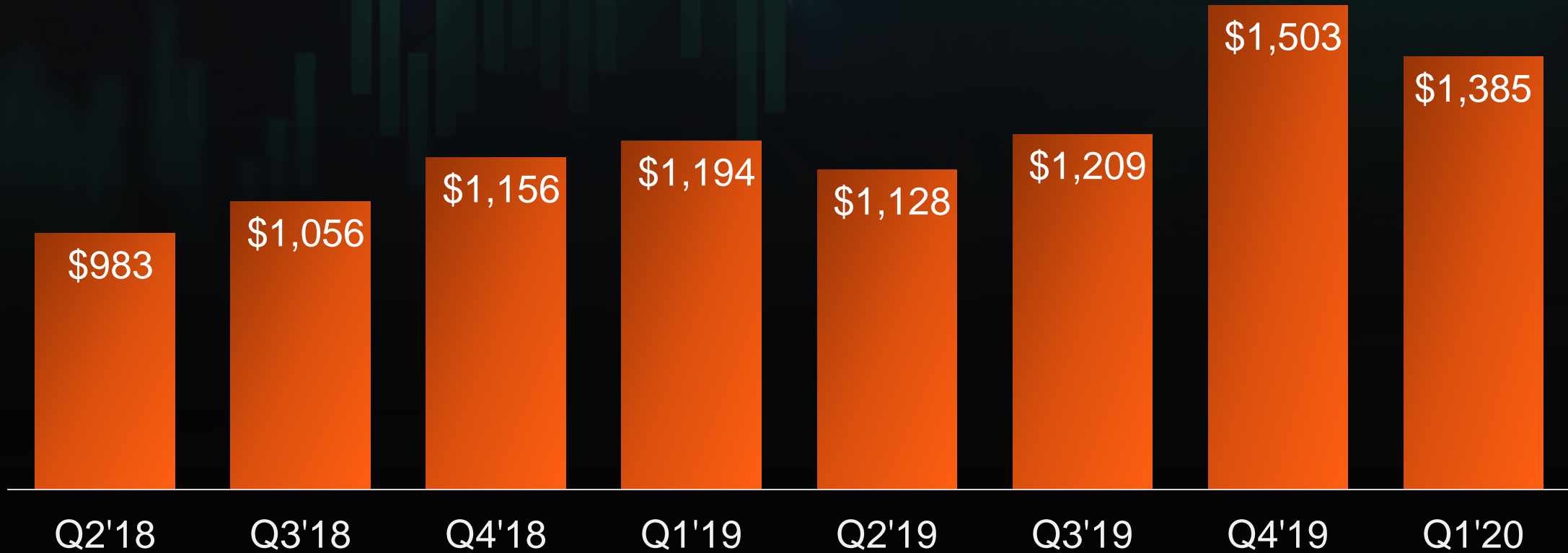
	Q1 2020	Q1 2019	Y/Y	Q4 2019	Q/Q
Cash, Cash Equivalents & Marketable Securities	\$1,385M	\$1,194M	Up \$191M	\$1,503M	Down \$118M
Accounts Receivable, Net	\$1,691M	\$1,241M	Up \$450M	\$1,859M	Down \$168M
Inventories, Net	\$1,056M	\$955M	Up \$101M	\$982M	Up \$74M
Total Debt (principal amount) <sup>1</sup>	\$563M	\$1,363M	Down \$800M	\$563M	Flat
Total Debt, Net <sup>1</sup>	\$488M	\$1,094M	Down \$606M	\$486M	Up \$2M

1. See Appendices for Total Debt reconciliation



# TOTAL CASH BALANCE<sup>1</sup>

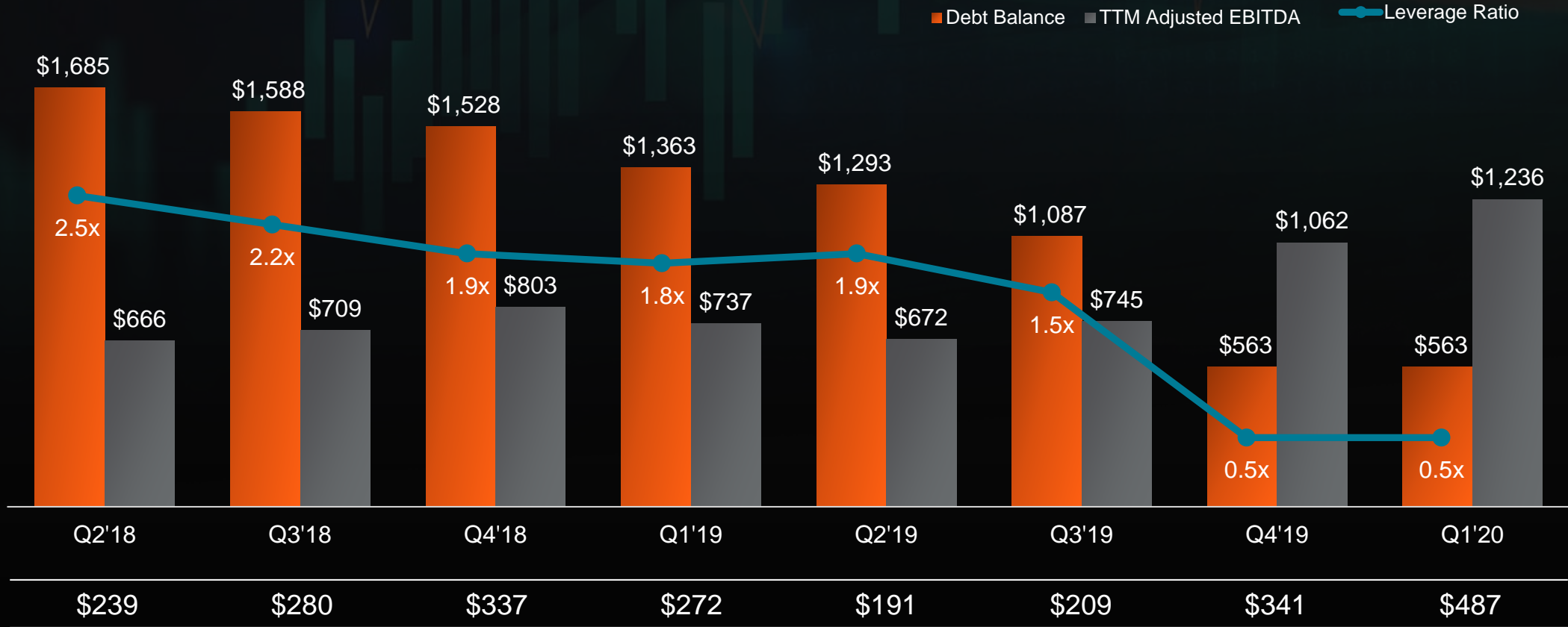
(\$ IN MILLIONS)



STABLE NET CASH POSITION

# DEBT AND LEVERAGE TREND

(DEBT PRINCIPAL AMOUNT, TRAILING TWELVE MONTHS ADJUSTED EBITDA AND NET INCOME TREND, \$ IN MILLIONS)<sup>1,2,3</sup>



**ACCESSED \$200M FROM \$500M REVOLVING LINE OF CREDIT IN EARLY Q2 2020**

1. See Appendices for reconciliation to Total Debt (Net)  
 2. See Appendices for TTM Adjusted EBITDA and TTM GAAP Net Income  
 3. Gross Leverage = Principal debt divided by TTM adjusted EBITDA



# AMD RESPONSE TO COVID-19

- AMD is contributing over \$2 million in monetary and medical PPE donations
- AMD joined forces with medical research to help fight the global pandemic:
  - Launched a COVID-19 High Performance Computing Fund with an initial donation of \$15 million of high-performance systems powered by AMD EPYC CPUs and AMD Radeon Instinct GPUs
  - Contributing AMD Radeon Instinct MI50 GPUs to the Lawrence Livermore National Laboratory to upgrade their Corona high performance computing cluster
    - The upgrades will nearly double peak system performance and will be made available to researchers through the COVID-19 High Performance Computing Consortium.
- AMD joined the White House COVID-19 High Performance Computing Consortium that brings together government, industry and university leaders to provide free compute time and resources on world-class supercomputers to help fight the global pandemic

# Q2 2020 AND FY 2020 FINANCIAL OUTLOOK – NON-GAAP<sup>1</sup>

	Q2 2020	FY 2020
Revenue	~\$1.85 Billion +/- \$100 Million	Growth of ~25% +/- 5 percentage points
Gross Margin %	~44%	~45%
Operating Expenses Operating Expenses/Revenue %	~\$600M	~29%
Interest Expense, Taxes and Other	~\$20 Million	--
Taxes	--	~3% of pre-tax income
Diluted Share Count <sup>2</sup>	1.23 billion shares	1.23 billion shares

1. These are forward-looking statements. See Cautionary Statement on Slide 2. AMD's outlook statements are based on current expectations as of April 28, 2020. 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. All items except revenue are on a non-GAAP basis.

2. Refer to Diluted Share Count overview in the Appendices



# Q1 2020 **SUMMARY**

Quarterly Revenue  
Increased 40% Y/Y

Growth Driven by  
Ryzen and EPYC  
Processor Sales

Strong Y/Y  
Gross Margin  
Expansion

Significant Y/Y  
Net Income and  
EPS Growth



# BUILDING THE BEST

Leadership  
Roadmaps

Execution  
Excellence

Sustained Market  
Share Gains

Strong  
Financial Returns

# APPENDICES

## Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions)	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
GAAP gross margin	\$ 652	\$ 661	\$ 537	\$ 521	\$ 621	\$ 777	\$ 949	\$ 818
GAAP gross margin %	37%	40%	38%	41%	41%	43%	45%	46%
Impairment of technology licenses	–	–	45	–	–	–	–	–
Stock-based compensation	1	1	1	1	2	2	1	2
Non-GAAP gross margin	\$ 653	\$ 662	\$ 583	\$ 522	\$ 623	\$ 779	\$ 950	\$ 820
Non-GAAP gross margin %	37%	40%	41%	41%	41%	43%	45%	46%

## Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q1'20	Q1'19	Q4'19
GAAP operating expenses	\$ 641	\$ 543	\$ 601
GAAP Operating Expenses/Revenue %	36%	43%	28%
Stock-based compensation	57	40	56
Loss contingency on legal matter	–	5	–
Non-GAAP operating expenses	\$ 584	\$ 498	\$ 545
Non-GAAP Operating Expenses/Revenue %	33%	39%	26%

# APPENDICES

## Reconciliation of GAAP Operating Income to Non-GAAP Operating Income

(Millions)	Q1'20	Q1'19	Q4'19
GAAP operating income	\$ 177	\$ 38	\$ 348
Stock-based compensation	59	41	57
Loss contingency on legal matter	—	5	—
Non-GAAP operating income	\$ 236	\$ 84	\$ 405

## Reconciliation of GAAP Net Income to Adjusted EBITDA (Calculated as Trailing Twelve Months)

(Millions)	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
GAAP net income	\$ 239	\$ 280	\$ 337	\$ 272	\$ 191	\$ 209	\$ 341	\$ 487
Interest expense	124	123	121	117	111	105	94	80
Other (income) expense, net	(1)	2	—	8	6	36	165	154
Provision for (benefit from) income taxes	24	14	(9)	(30)	(34)	(39)	31	50
Equity loss (income) in investee	4	2	2	2	1	—	—	(1)
Stock-based compensation	115	122	137	146	158	176	197	215
Depreciation and amortization	161	166	170	172	182	201	222	244
Impairment of technology licenses	—	—	45	45	45	45	—	—
Loss contingency on legal matter	—	—	—	5	12	12	12	7
Adjusted EBITDA	\$ 666	\$ 709	\$ 803	\$ 737	\$ 672	\$ 745	\$ 1,062	\$ 1,236



# APPENDICES

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

(Millions, except per share data)	Q2'18		Q3'18		Q4'18		Q1'19		Q2'19		Q3'19		Q4'19		Q1'20	
GAAP net income / earnings per share	\$ 116	\$ 0.11	\$ 102	\$ 0.09	\$ 38	\$ 0.04	\$ 16	\$ 0.01	\$ 35	\$ 0.03	\$ 120	\$ 0.11	\$ 170	\$ 0.15	\$ 162	\$ 0.14
Loss on debt redemption/conversion	–	–	6	–	5	–	8	0.01	–	–	40	0.03	128	0.10	–	–
Non-cash interest expense related to convertible debt	6	–	6	0.01	6	0.01	6	0.01	6	–	6	–	4	–	2	–
Stock-based compensation	33	0.03	36	0.03	36	0.03	41	0.04	45	0.04	54	0.04	57	0.05	59	0.04
Impairment of technology licenses	–	–	–	–	45	0.04	–	–	–	–	–	–	–	–	–	–
Equity (income) loss in investee	1	–	–	–	–	–	1	–	–	–	(1)	–	–	–	–	–
Loss contingency on legal matter	–	–	–	–	–	–	5	–	7	0.01	–	–	–	–	–	–
Provision for (benefit from) income taxes	–	–	–	–	–	–	(15)	(0.01)	(1)	–	–	–	24	0.02	(1)	–
Withholding tax refund including interest	–	–	–	–	(43)	(0.04)	–	–	–	–	–	–	–	–	–	–
Non-GAAP net income / earnings per share	\$ 156	\$ 0.14	\$ 150	\$ 0.13	\$ 87	\$ 0.08	\$ 62	\$ 0.06	\$ 92	\$ 0.08	\$ 219	\$ 0.18	\$ 383	\$ 0.32	\$ 222	\$ 0.18

### Shares used and net income adjustment in earnings per share calculation

Shares used in per share calculation (GAAP) <sup>(1)</sup>	1,147	1,076	1,079	1,094	1,109	1,117	1,188	1,224
Interest expense add back to GAAP net income <sup>(1)</sup>	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 4
Shares used in per share calculation (Non-GAAP)	1,147	1,177	1,180	1,195	1,210	1,212	1,216	1,224
Interest expense add back to Non-GAAP net income	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 4	\$ 2	\$ 2

<sup>(1)</sup> Q2'18 GAAP diluted EPS calculation includes 100.6 million shares related to the Company's 2026 Convertible Notes and the associated \$11 million interest expense add-back to net income under the "if converted" method. Q4'19 and Q1'20 GAAP diluted EPS calculation includes 31 million shares related to the Company's 2026 Convertible Notes and the associated \$4 million interest expense add-back to net income under the "if converted" method. The 53 million shares (28 million weighted-average) issued in exchange for \$428 million of convertible debt in Q4'19 were not included as their inclusion would have been anti-dilutive.

# APPENDICES

## Share Count Overview

Shares ( <i>millions</i> ) <sup>(1)</sup>	Q4'19	Q1'20	Q2'20	2020
	Actual	Actual	Estimate	Estimate
Basic Shares	1,140	1,170	1,173	1,177
Dilutive impacts from:				
Employee Equity Grants <sup>(2)</sup>	17	23	22	20
Diluted Shares (without 2026 Convertible Notes)	1,157	1,193	1,195	1,197
2026 Convertible Notes <sup>(3)</sup>	59	31	31	31
Diluted Shares (with 2026 Convertible Notes)	1,216	1,224	1,226	1,228

The table above provides actual share count for Q4'19 and Q1'20, and an estimate of share count that may be used when calculating GAAP and non-GAAP diluted earnings per share for Q2'20 and FY'20.

(1) Share counts are weighted average shares.

(2) The dilutive impact of employee equity grants is based on the Treasury Stock method and is dependent upon the average stock price during the period. The Q1'20 and Q4'19 average stock price was \$48.14 and \$36.41, respectively. The Q1'20 average stock price of \$48.14 was assumed for the Q2'20 and FY'20 estimates.

(3) The dilutive impact from the 2.125% Convertible Senior Notes due 2026 (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 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. The dilutive shares associated with the 2026 Convertible Notes reflect the weighted average shares subject to conversion during each period.

Moving forward, assuming positive earnings per share, the potential factors we expect may impact AMD's diluted share count include:

- On-going employee equity grants, and
- The 2026 Convertible Notes, which has 31 million underlying shares.

# APPENDICES

## Total Debt (Net)

(Millions)	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
6.75% Senior Notes due 2019	\$ 153	\$ 66	\$ 66	\$ –	\$ –	\$ –	\$ –	\$ –
7.50% Senior Notes due 2022	347	337	337	312	312	312	312	312
7.00% Senior Notes due 2024	310	310	250	176	176	96	–	–
2.125% Convertible Senior Notes due 2026	805	805	805	805	805	679	251	251
Borrowings from secured revolving line of credit, net	70	70	70	70	–	–	–	–
<b>Total Debt (principal amount)</b>	<b>\$ 1,685</b>	<b>\$ 1,588</b>	<b>\$ 1,528</b>	<b>\$ 1,363</b>	<b>\$ 1,293</b>	<b>\$ 1,087</b>	<b>\$ 563</b>	<b>\$ 563</b>
Unamortized debt discount associated with 2.125% Convertible Senior Notes due 2026	(274)	(268)	(262)	(256)	(250)	(205)	(73)	(71)
Unamortized debt issuance costs	(18)	(17)	(16)	(13)	(12)	(10)	(4)	(4)
Other	–	–	–	–	–	–	–	–
<b>Total Debt (net)</b>	<b>\$ 1,393</b>	<b>\$ 1,303</b>	<b>\$ 1,250</b>	<b>\$ 1,094</b>	<b>\$ 1,031</b>	<b>\$ 872</b>	<b>\$ 486</b>	<b>\$ 488</b>