

ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Millions except per share amounts and percentages) (Unaudited)

| | Three Months Ended | | |
|---|--------------------|----------------------|-------------------|
| | March 26, 2022 | December 25, 2021 | March 27, 2021 |
| Net revenue | \$ 5,887 | \$ 4,826 | \$ 3,445 |
| Cost of sales | 2,883 | 2,400 | 1,858 |
| Amortization of acquisition-related intangibles | 186 | - | - |
| Total cost of sales | 3,069 | 2,400 | 1,858 |
| Gross profit | 2,818 | 2,426 | 1,587 |
| Gross margin % | 48% | 50% | 46% |
| Research and development | 1,060 | 811 | 610 |
| Marketing, general and administrative | 597 | 412 | 319 |
| Amortization of acquisition-related intangibles | 293 | - | - |
| Licensing gain | (83) | (4) | (4) |
| Operating income | 951 | 1,207 | 662 |
| Interest expense | (13) | (8) | (9) |
| Other income (expense), net | (42) | 4 | (11) |
| Income before income taxes and equity income | 896 | 1,203 | 642 |
| Income tax provision | 113 | 229 | 89 |
| Equity income in investee | 3 | - | 2 |
| Net income | \$ 786 | \$ 974 | \$ 555 |
| Earnings per share | | | |
| Basic | \$ 0.56 | \$ 0.81 | \$ 0.46 |
| Diluted | \$ 0.56 | \$ 0.80 | \$ 0.45 |
| Shares used in per share calculation | | | |
| Basic | 1,393 | 1,208 | 1,213 |
| Diluted | 1,410 | 1,222 | 1,231 |

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions)

| | <u>March 26,</u> <u>2022</u> | <u>December 25,</u> <u>2021</u> |
|---|---------------------------------|------------------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,740 | \$ 2,535 |
| Short-term investments | 1,792 | 1,073 |
| Accounts receivable, net | 3,677 | 2,706 |
| Inventories | 2,431 | 1,955 |
| Receivables from related parties | 4 | 2 |
| Prepaid expenses and other current assets | 725 | 312 |
| Total current assets | <u>13,369</u> | <u>8,583</u> |
| Property and equipment, net | 1,406 | 702 |
| Operating lease right-of use assets | 416 | 367 |
| Goodwill | 23,083 | 289 |
| Acquisition-related intangibles, net | 26,832 | - |
| Investment: equity method | 72 | 69 |
| Deferred tax assets | 32 | 931 |
| Other non-current assets | 1,705 | 1,478 |
| Total Assets | <u>\$ 66,915</u> | <u>\$ 12,419</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,476 | \$ 1,321 |
| Payables to related parties | 205 | 85 |
| Accrued liabilities | 3,070 | 2,424 |
| Short-term debt | 312 | 312 |
| Other current liabilities | 518 | 98 |
| Total current liabilities | <u>5,581</u> | <u>4,240</u> |
| Long-term debt, net | 1,475 | 1 |
| Long-term operating lease liabilities | 370 | 348 |
| Deferred tax liabilities | 3,109 | - |
| Other long-term liabilities | 1,047 | 333 |
| Stockholders' equity: | | |
| Capital stock: | | |
| Common stock, par value | 16 | 12 |
| Additional paid-in capital | 56,925 | 11,069 |
| Treasury stock, at cost | (941) | (2,130) |
| Accumulated deficit ⁽¹⁾ | (665) | (1,451) |
| Accumulated other comprehensive income | (2) | (3) |
| Total stockholders' equity | <u>\$ 55,333</u> | <u>\$ 7,497</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 66,915</u> | <u>\$ 12,419</u> |

(1) During the first quarter of 2021, the Company adopted ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, using the modified retrospective adoption method, which resulted in \$8 million of deferred tax liability associated with book-tax differences in a foreign equity method investment recognized in Accumulated deficit.

ADVANCED MICRO DEVICES, INC.
SELECTED CASH FLOW INFORMATION
(Millions) (Unaudited)

| | Three Months Ended | | |
|---------------------------------------|--------------------|----------------------|-------------------|
| | March 26, 2022 | December 25, 2021 | March 27, 2021 |
| Net cash provided by (used in) | | | |
| Operating activities | \$ 995 | \$ 822 | \$ 898 |
| Investing activities | \$ 3,158 | \$ - | \$ (722) |
| Financing activities | \$ (1,948) | \$ (727) | \$ (8) |

ADVANCED MICRO DEVICES, INC.**SELECTED CORPORATE DATA****(Millions) (Unaudited)**

| Segment and Category Information ⁽¹⁾ | Three Months Ended | | |
|---|--------------------|----------------------|-------------------|
| | March 26, 2022 | December 25, 2021 | March 27, 2021 |
| Computing and Graphics | | | |
| Net revenue | \$ 2,802 | \$ 2,584 | \$ 2,100 |
| Operating income | \$ 723 | \$ 566 | \$ 485 |
| Enterprise, Embedded and Semi-Custom | | | |
| Net revenue | \$ 2,526 | \$ 2,242 | \$ 1,345 |
| Operating income | \$ 881 | \$ 762 | \$ 277 |
| Xilinx | | | |
| Net revenue | \$ 559 | \$ - | \$ - |
| Operating income | \$ 233 | \$ - | \$ - |
| All Other | | | |
| Net revenue | \$ - | \$ - | \$ - |
| Operating loss | \$ (886) | \$ (121) | \$ (100) |
| Total | | | |
| Net revenue | \$ 5,887 | \$ 4,826 | \$ 3,445 |
| Operating income | \$ 951 | \$ 1,207 | \$ 662 |
| Other Data | | | |
| Capital expenditures | \$ 71 | \$ 86 | \$ 66 |
| Adjusted EBITDA ⁽²⁾ | \$ 1,967 | \$ 1,446 | \$ 857 |
| Cash, cash equivalents and short-term investments | \$ 6,532 | \$ 3,608 | \$ 3,116 |
| Free cash flow ⁽³⁾ | \$ 924 | \$ 736 | \$ 832 |
| Total assets | \$ 66,915 | \$ 12,419 | \$ 10,047 |
| Total debt | \$ 1,787 | \$ 313 | \$ 313 |

See footnotes on the next page

⁽¹⁾ The Computing and Graphics segment primarily includes desktop and notebook processors and chipsets, discrete and integrated graphics processing units (GPUs), data center and professional GPUs and development services.

The Enterprise, Embedded and Semi-Custom segment primarily includes server and embedded processors, semi-custom System-on-Chip (SoC) products, development services and technology for game consoles.

The Xilinx segment primarily includes Field Programmable Gate Arrays (FPGAs), adaptive System-on-Chips (SoCs), and Adaptive Compute Acceleration Platform (ACAP) products.

From time to time, the Company may also sell or license portions of its IP portfolio.

All Other category primarily includes certain expenses and credits that are not allocated to any of the operating segments. Also included in this category are acquisition-related intangible asset amortization expense, stock-based compensation expense and acquisition-related costs.

⁽²⁾ **Reconciliation of GAAP Net Income to Adjusted EBITDA**

| | Three Months Ended | | |
|--|--------------------|----------------------|-------------------|
| | March 26, 2022 | December 25, 2021 | March 27, 2021 |
| GAAP net income | \$ 786 | \$ 974 | \$ 555 |
| Interest expense | 13 | 8 | 9 |
| Other (income) expense, net | 42 | (4) | 11 |
| Income tax provision | 113 | 229 | 89 |
| Equity income in investee | (3) | - | (2) |
| Stock-based compensation | 174 | 112 | 85 |
| Depreciation and amortization | 130 | 118 | 95 |
| Amortization of acquired intangible assets | 479 | - | - |
| Acquisition-related costs | 233 | 9 | 15 |
| Adjusted EBITDA | \$ 1,967 | \$ 1,446 | \$ 857 |

The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting GAAP net income for interest expense, other income (expense), net, income tax provision, equity income in investee, stock-based compensation, depreciation and amortization expense and acquisition-related costs. The Company also included amortization of acquired intangible assets for the three months ended March 26, 2022. The Company calculates and presents Adjusted EBITDA because management believes it is of importance to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. In addition, the Company presents Adjusted EBITDA because it believes this measure assists investors in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of income or GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities that can affect cash flows. The Company has provided reconciliations within the earnings press release of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.

⁽³⁾ **Reconciliation of GAAP Net Cash Provided by Operating Activities to Free Cash Flow**

| | Three Months Ended | | |
|--|--------------------|----------------------|-------------------|
| | March 26, 2022 | December 25, 2021 | March 27, 2021 |
| GAAP net cash provided by operating activities | \$ 995 | \$ 822 | \$ 898 |
| Operating cash flow margin % | 17% | 17% | 26% |
| Purchases of property and equipment | (71) | (86) | (66) |
| Free cash flow | \$ 924 | \$ 736 | \$ 832 |
| Free cash flow margin % | 16% | 15% | 24% |

The Company also presents free cash flow as a supplemental Non-GAAP measure of its performance. Free cash flow is determined by adjusting GAAP net cash provided by operating activities for capital expenditures. The Company calculates and communicates free cash flow in the financial earnings press release because management believes it is of importance to investors to understand the nature of these cash flows. The Company's calculation of free cash flow may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view free cash flow as an alternative to GAAP liquidity measures of cash flows from operating activities. The Company has provided reconciliations within the earnings press release of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(in millions, except per share data) (Unaudited)

| | Three Months Ended | | |
|--|--------------------|----------------------|-------------------|
| | March 26, 2022 | December 25, 2021 | March 27, 2021 |
| GAAP gross profit | \$ 2,818 | \$ 2,426 | \$ 1,587 |
| <i>GAAP gross margin %</i> | <i>48%</i> | <i>50%</i> | <i>46%</i> |
| Stock-based compensation | 4 | 1 | 1 |
| Acquisition-related costs ⁽¹⁾ | 92 | - | - |
| Amortization of acquired intangible assets | 186 | - | - |
| Non-GAAP gross profit | \$ 3,100 | \$ 2,427 | \$ 1,588 |
| <i>Non-GAAP gross margin %</i> | <i>53%</i> | <i>50%</i> | <i>46%</i> |
| GAAP operating expenses | \$ 1,950 | \$ 1,223 | 929 |
| <i>GAAP operating expenses/revenue %</i> | <i>33%</i> | <i>25%</i> | <i>27%</i> |
| Stock-based compensation | 170 | 111 | 84 |
| Acquisition-related costs ⁽¹⁾ | 141 | 9 | 15 |
| Amortization of acquired intangible assets | 293 | - | - |
| Non-GAAP operating expenses | \$ 1,346 | \$ 1,103 | \$ 830 |
| <i>Non-GAAP operating expenses/revenue %</i> | <i>23%</i> | <i>23%</i> | <i>24%</i> |
| GAAP operating income | \$ 951 | \$ 1,207 | \$ 662 |
| <i>GAAP operating margin %</i> | <i>16%</i> | <i>25%</i> | <i>19%</i> |
| Stock-based compensation | 174 | 112 | 85 |
| Acquisition-related costs ⁽¹⁾ | 233 | 9 | 15 |
| Amortization of acquired intangible assets | 479 | - | - |
| Non-GAAP operating income | \$ 1,837 | \$ 1,328 | \$ 762 |
| <i>Non-GAAP operating margin %</i> | <i>31%</i> | <i>27%</i> | <i>22%</i> |

| | Three Months Ended | | | | | |
|---|--------------------|----------------|----------------------|----------------|-------------------|----------------|
| | March 26, 2022 | | December 25, 2021 | | March 27, 2021 | |
| GAAP net income / earnings per share | \$ 786 | \$ 0.56 | \$ 974 | \$ 0.80 | \$ 555 | \$ 0.45 |
| Loss on debt redemption/conversion | - | - | - | - | 6 | 0.01 |
| (Gains) losses on equity investments, net | 44 | 0.03 | (4) | - | 8 | 0.01 |
| Stock-based compensation | 174 | 0.12 | 112 | 0.09 | 85 | 0.07 |
| Equity income in investee | (3) | - | - | - | (2) | - |
| Acquisition-related costs ⁽¹⁾ | 233 | 0.17 | 9 | - | 15 | 0.01 |
| Amortization of acquired intangible assets | 479 | 0.34 | - | - | - | - |
| Income tax provision | (124) | (0.09) | 31 | 0.03 | (25) | (0.03) |
| Non-GAAP net income / earnings per share | \$ 1,589 | \$ 1.13 | \$ 1,122 | \$ 0.92 | \$ 642 | \$ 0.52 |

⁽¹⁾ Acquisition-related costs primarily comprised of transaction costs, purchase price adjustments for inventory and certain compensation charges

RECONCILIATION OF AMD GAAP TO AMD NON-GAAP EXCLUDING XILINX

(in millions) (Unaudited)

| | Three Months Ended March 26, 2022 | | | | |
|--|-----------------------------------|-----------------|----------------|------------------|--------------------|
| | Revenue | Gross Profit | Gross Margin % | Operating Income | Operating Margin % |
| AMD GAAP | \$ 5,887 | \$ 2,818 | 48% | \$ 951 | 16% |
| Stock-based compensation | - | 4 | | 174 | |
| Acquisition-related costs ⁽¹⁾ | - | 92 | | 233 | |
| Amortization of acquired intangible assets | - | 186 | | 479 | |
| AMD Non-GAAP | \$ 5,887 | \$ 3,100 | 53% | \$ 1,837 | 31% |
| Less: Xilinx segment | 559 | 388 | | 233 | |
| AMD Non-GAAP Excluding Xilinx | \$ 5,328 | \$ 2,712 | 51% | \$ 1,604 | 30% |

⁽¹⁾ Acquisition-related costs primarily comprised of transaction costs, purchase price adjustments for inventory and certain compensation charges

RECONCILIATION OF XILINX SEGMENT REVENUE TO XILINX PRO FORMA REVENUE

(in millions) (Unaudited)

| | Three Months Ended March 26, 2022 | |
|--|--------------------------------------|--------------|
| | Revenue | |
| Xilinx Segment ⁽¹⁾ | \$ | 559 |
| Xilinx Pre-Acquisition ⁽²⁾ | | 477 |
| Xilinx Pro Forma ⁽³⁾ | \$ | 1,036 |

⁽¹⁾ Represents unaudited Xilinx revenue from the date of acquisition, February 14, 2022, through March 26, 2022

⁽²⁾ Represents unaudited Xilinx revenue from January 2, 2022 to February 13, 2022

⁽³⁾ The unaudited Xilinx pro forma revenue represents the three-month period beginning January 2, 2022 through March 26, 2022. The pro forma revenue is presented for informational purposes only.