

ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

| | Three Months Ended | | Year Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2022 | December 25, 2021 | December 31, 2022 | December 25, 2021 |
| Net revenue | \$ 5,599 | \$ 4,826 | \$ 23,601 | \$ 16,434 |
| Cost of sales | 2,753 | 2,400 | 11,550 | 8,505 |
| Amortization of acquisition-related intangibles | 443 | - | 1,448 | - |
| Total cost of sales | 3,196 | 2,400 | 12,998 | 8,505 |
| Gross profit | 2,403 | 2,426 | 10,603 | 7,929 |
| Gross margin % | 43% | 50% | 45% | 48% |
| Research and development | 1,366 | 811 | 5,005 | 2,845 |
| Marketing, general and administrative | 590 | 412 | 2,336 | 1,448 |
| Amortization of acquisition-related intangibles | 601 | - | 2,100 | - |
| Licensing gain | (5) | (4) | (102) | (12) |
| Operating income (loss) | (149) | 1,207 | 1,264 | 3,648 |
| Interest expense | (19) | (8) | (88) | (34) |
| Other income (expense), net | 32 | 4 | 8 | 55 |
| Income (loss) before income taxes and equity income | (136) | 1,203 | 1,184 | 3,669 |
| Income tax provision (benefit) | (154) | 229 | (122) | 513 |
| Equity income in investee | 3 | - | 14 | 6 |
| Net income | \$ 21 | \$ 974 | \$ 1,320 | \$ 3,162 |
| Earnings per share | | | | |
| Basic | \$ 0.01 | \$ 0.81 | \$ 0.85 | \$ 2.61 |
| Diluted | \$ 0.01 | \$ 0.80 | \$ 0.84 | \$ 2.57 |
| Shares used in per share calculation | | | | |
| Basic | 1,613 | 1,208 | 1,561 | 1,213 |
| Diluted | 1,618 | 1,222 | 1,571 | 1,229 |

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

| | <u>December 31,</u> <u>2022</u> | <u>December 25,</u> <u>2021</u> |
|---|------------------------------------|------------------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,835 | \$ 2,535 |
| Short-term investments | 1,020 | 1,073 |
| Accounts receivable, net | 4,126 | 2,706 |
| Inventories | 3,771 | 1,955 |
| Receivables from related parties | 2 | 2 |
| Prepaid expenses and other current assets | 1,265 | 312 |
| Total current assets | <u>15,019</u> | <u>8,583</u> |
| Property and equipment, net | 1,513 | 702 |
| Operating lease right-of use assets | 460 | 367 |
| Goodwill | 24,177 | 289 |
| Acquisition-related intangibles, net | 24,118 | - |
| Investment: equity method | 83 | 69 |
| Deferred tax assets | 58 | 931 |
| Other non-current assets | 2,152 | 1,478 |
| Total Assets | <u>\$ 67,580</u> | <u>\$ 12,419</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,493 | \$ 1,321 |
| Payables to related parties | 463 | 85 |
| Accrued liabilities | 3,077 | 2,424 |
| Current portion of long-term debt, net | - | 312 |
| Other current liabilities | 336 | 98 |
| Total current liabilities | <u>6,369</u> | <u>4,240</u> |
| Long-term debt, net of current portion | 2,467 | 1 |
| Long-term operating lease liabilities | 396 | 348 |
| Deferred tax liabilities | 1,934 | 12 |
| Other long-term liabilities | 1,664 | 321 |
| Stockholders' equity: | | |
| Capital stock: | | |
| Common stock, par value | 16 | 12 |
| Additional paid-in capital | 58,005 | 11,069 |
| Treasury stock, at cost | (3,099) | (2,130) |
| Accumulated deficit | (131) | (1,451) |
| Accumulated other comprehensive loss | (41) | (3) |
| Total stockholders' equity | <u>54,750</u> | <u>7,497</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 67,580</u> | <u>\$ 12,419</u> |

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

| | Three Months Ended | | Year Ended | |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | December 31, 2022 | December 25, 2021 | December 31, 2022 | December 25, 2021 |
| Net cash provided by (used in) | | | | |
| Operating activities | \$ 567 | \$ 822 | \$ 3,565 | \$ 3,521 |
| Investing activities | \$ 1,067 | \$ - | \$ 1,999 | \$ (686) |
| Financing activities | \$ (197) | \$ (727) | \$ (3,264) | \$ (1,895) |

ADVANCED MICRO DEVICES, INC.

SELECTED CORPORATE DATA

(Millions) (Unaudited)

| Segment and Category Information ⁽¹⁾ | Three Months Ended | | Year Ended | |
|---|--------------------|-----------------|------------------|------------------|
| | December 31, | December 25, | December 31, | December 25, |
| | 2022 | 2021 | 2022 | 2021 |
| Data Center | | | | |
| Net revenue | \$ 1,655 | \$ 1,163 | \$ 6,043 | \$ 3,694 |
| Operating income | \$ 444 | \$ 369 | \$ 1,848 | \$ 991 |
| Client | | | | |
| Net revenue | \$ 903 | \$ 1,829 | \$ 6,201 | \$ 6,887 |
| Operating income (loss) | \$ (152) | \$ 530 | \$ 1,190 | \$ 2,088 |
| Gaming | | | | |
| Net revenue | \$ 1,644 | \$ 1,763 | \$ 6,805 | \$ 5,607 |
| Operating income | \$ 266 | \$ 407 | \$ 953 | \$ 934 |
| Embedded | | | | |
| Net revenue | \$ 1,397 | \$ 71 | \$ 4,552 | \$ 246 |
| Operating income | \$ 699 | \$ 18 | \$ 2,252 | \$ 44 |
| All Other | | | | |
| Net revenue | \$ - | \$ - | \$ - | \$ - |
| Operating loss | \$ (1,406) | \$ (117) | \$ (4,979) | \$ (409) |
| Total | | | | |
| Net revenue | \$ 5,599 | \$ 4,826 | \$ 23,601 | \$ 16,434 |
| Operating income (loss) | \$ (149) | \$ 1,207 | \$ 1,264 | \$ 3,648 |
| Other Data | | | | |
| Capital expenditures | \$ 124 | \$ 86 | \$ 450 | \$ 301 |
| Adjusted EBITDA ⁽²⁾ | \$ 1,438 | \$ 1,446 | \$ 6,971 | \$ 4,476 |
| Cash, cash equivalents and short-term investments | \$ 5,855 | \$ 3,608 | \$ 5,855 | \$ 3,608 |
| Free cash flow ⁽³⁾ | \$ 443 | \$ 736 | \$ 3,115 | \$ 3,220 |
| Total assets | \$ 67,580 | \$ 12,419 | \$ 67,580 | \$ 12,419 |
| Total debt | \$ 2,467 | \$ 313 | \$ 2,467 | \$ 313 |

See footnotes on the next page

(1) The Data Center segment primarily includes server microprocessors (CPUs) and graphics processing units (GPUs), data processing units (DPUs), Field Programmable Gate Arrays (FPGAs) and Adaptive System-on-Chip (SoC) products for data centers.

The Client segment primarily includes CPUs, accelerated processing units that integrate microprocessors and GPUs (APUs), and chipsets for desktop and notebook personal computers.

The Gaming segment primarily includes discrete GPUs, semi-custom SoC products and development services.

The Embedded segment primarily includes embedded CPUs and GPUs, FPGAs, and Adaptive SoC 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, such as acquisition-related intangible asset amortization expense, employee stock-based compensation expense, acquisition-related costs and licensing gain.

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

| | Three Months Ended | | Year Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2022 | December 25, 2021 | December 31, 2022 | December 25, 2021 |
| GAAP net income | \$ 21 | \$ 974 | \$ 1,320 | \$ 3,162 |
| Interest expense | 19 | 8 | 88 | 34 |
| Other (income) expense, net | (32) | (4) | (8) | (55) |
| Income tax provision (benefit) | (154) | 229 | (122) | 513 |
| Equity income in investee | (3) | - | (14) | (6) |
| Stock-based compensation | 310 | 112 | 1,012 | 379 |
| Depreciation and amortization | 176 | 118 | 626 | 407 |
| Amortization of acquired intangible assets | 1,044 | - | 3,548 | - |
| Acquisition-related costs | 57 | 9 | 521 | 42 |
| Adjusted EBITDA | <u>\$ 1,438</u> | <u>\$ 1,446</u> | <u>\$ 6,971</u> | <u>\$ 4,476</u> |

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 (benefit), 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 and year ended December 31, 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

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

| | Three Months Ended | | Year Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2022 | December 25, 2021 | December 31, 2022 | December 25, 2021 |
| GAAP net cash provided by operating activities | \$ 567 | \$ 822 | \$ 3,565 | \$ 3,521 |
| Operating cash flow margin % | 10% | 17% | 15% | 21% |
| Purchases of property and equipment | (124) | (86) | (450) | (301) |
| Free cash flow | <u>\$ 443</u> | <u>\$ 736</u> | <u>\$ 3,115</u> | <u>\$ 3,220</u> |
| Free cash flow margin % | 8% | 15% | 13% | 20% |

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, and free cash flow margin % is free cash flow expressed as a percentage of the Company's net revenue. 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

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

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

| | Three Months Ended | | Year Ended | |
|--|--------------------|--------------|--------------|--------------|
| | December 31, | December 25, | December 31, | December 25, |
| | 2022 | 2021 | 2022 | 2021 |
| GAAP gross profit | \$ 2,403 | \$ 2,426 | \$ 10,603 | \$ 7,929 |
| GAAP gross margin % | 43% | 50% | 45% | 48% |
| Stock-based compensation | 9 | 1 | 29 | 5 |
| Acquisition-related costs ⁽¹⁾ | 4 | - | 193 | - |
| Amortization of acquired intangible assets | 443 | - | 1,448 | - |
| Non-GAAP gross profit | \$ 2,859 | \$ 2,427 | \$ 12,273 | \$ 7,934 |
| Non-GAAP gross margin % | 51% | 50% | 52% | 48% |
| GAAP operating expenses | \$ 2,557 | \$ 1,223 | \$ 9,441 | \$ 4,293 |
| GAAP operating expenses/revenue % | 46% | 25% | 40% | 26% |
| Stock-based compensation | 301 | 111 | 983 | 374 |
| Acquisition-related costs ⁽¹⁾ | 53 | 9 | 328 | 42 |
| Amortization of acquired intangible assets | 601 | - | 2,100 | - |
| Non-GAAP operating expenses | \$ 1,602 | \$ 1,103 | \$ 6,030 | \$ 3,877 |
| Non-GAAP operating expenses/revenue % | 29% | 23% | 26% | 24% |
| GAAP operating income (loss) | \$ (149) | \$ 1,207 | \$ 1,264 | \$ 3,648 |
| GAAP operating margin % | (3%) | 25% | 5% | 22% |
| Stock-based compensation | 310 | 112 | 1,012 | 379 |
| Acquisition-related costs ⁽¹⁾ | 57 | 9 | 521 | 42 |
| Amortization of acquired intangible assets | 1,044 | - | 3,548 | - |
| Non-GAAP operating income | \$ 1,262 | \$ 1,328 | \$ 6,345 | \$ 4,069 |
| Non-GAAP operating margin % | 23% | 27% | 27% | 25% |

| | Three Months Ended | | | | Year Ended | | | |
|--|--------------------|---------|--------------|---------|--------------|---------|--------------|---------|
| | December 31, | | December 25, | | December 31, | | December 25, | |
| | 2022 | | 2021 | | 2022 | | 2021 | |
| GAAP net income / earnings per share | \$ 21 | \$ 0.01 | \$ 974 | \$ 0.80 | \$ 1,320 | \$ 0.84 | \$ 3,162 | \$ 2.57 |
| Loss on debt redemption/conversion | - | - | - | - | - | - | 7 | - |
| (Gains) losses on equity investments, net | 5 | - | (4) | - | 62 | 0.04 | (56) | (0.04) |
| Stock-based compensation | 310 | 0.19 | 112 | 0.09 | 1,012 | 0.64 | 379 | 0.31 |
| Equity income in investee | (3) | - | - | - | (14) | (0.01) | (6) | - |
| Acquisition-related costs ⁽¹⁾ | 57 | 0.04 | 9 | - | 521 | 0.33 | 42 | 0.03 |
| Amortization of acquired intangible assets | 1,044 | 0.65 | - | - | 3,548 | 2.26 | - | - |
| Income tax provision | (321) | (0.20) | 31 | 0.03 | (945) | (0.60) | (93) | (0.08) |
| Non-GAAP net income / earnings per share | \$ 1,113 | \$ 0.69 | \$ 1,122 | \$ 0.92 | \$ 5,504 | \$ 3.50 | \$ 3,435 | \$ 2.79 |

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

RECONCILIATION OF AMD AS-REPORTED REVENUE TO PRO FORMA REVENUE

(in billions) (Unaudited)

| | Year Ended | |
|--|----------------------|----------------------|
| | December 31, 2022 | December 25, 2021 |
| AMD Net Revenue - As reported | \$ 23.6 | \$ 16.4 |
| Pre-Acquisition Revenue ⁽¹⁾ | 0.5 | 3.7 |
| AMD Net Revenue - Pro forma ⁽²⁾ | <u>\$ 24.1</u> | <u>\$ 20.1</u> |

(1) Pre-acquisition revenue for the year ended December 31, 2022 includes unaudited Xilinx revenue from January 2, 2022 to February 13, 2022. Pre-acquisition revenue for the year ended December 25, 2021 includes unaudited Xilinx revenue for the twelve months ended January 1, 2022.

(2) The unaudited AMD net revenue prepared on a pro forma basis represents the Company's consolidated revenue for the year ended December 31, 2022 and December 25, 2021, as if the acquisitions had been consummated as of the beginning of the fiscal year 2021 (i.e., December 27, 2020). The unaudited pro forma revenue is presented on the basis of the Company's fiscal year and combines the historical results of the fiscal periods of the Company with the following historical results of Xilinx: the year ended December 31, 2022 includes Xilinx revenue for the twelve-month period beginning January 2, 2022 through December 31, 2022; and the year ended December 25, 2021 includes Xilinx revenue for the twelve months ended January 1, 2022.

The unaudited pro forma financial revenue presented is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the Xilinx acquisitions were completed at the beginning of fiscal year 2021 and are not indicative of the future operating results of the combined company.