

# CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) 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 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 and economic risks, natural disasters, and public health risks, including the impact of COVID-19; 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 a third party manufacturer 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 historical GAAP financial results, AMD has provided historical non-GAAP financial measures including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP earnings per share, Adjusted EBITDA, and non-GAAP and cash tax rates. 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 contains forward-looking non-GAAP measures concerning Advanced Micro Devices, Inc.'s (AMD) long-term financial model such as gross margin, operating expenses, operating margin, free cash flow margin\*, and tax measures\*\*. These forward-looking non-GAAP measures are based on current expectations, assumptions and beliefs that involve numerous risks and uncertainties. AMD is unable to provide a full reconciliation of forward-looking non-GAAP measures used in its long-term financial model without unreasonable efforts as certain information to calculate such GAAP measures is not available and dependent on future events outside of AMD's control. Moreover, with respect to certain elements reported in GAAP results such as stock-based compensation, certain debt related items, and other non-recurring items, AMD is unable to accurately estimate or predict the amount or timing of such elements. \* Free cash flow margin is calculated as free cash flow divided by revenue. Free cash flow is determined by adjusting GAAP net cash provided by (used in) operating activities for capital expenditures. \*\*Tax Measures: AMD uses a long-term projected non-GAAP tax rate to provide better consistency across reporting periods. When projecting this long-term rate, AMD excludes the direct tax impacts of pre-tax non-GAAP adjustments. For fiscal 2020, AMD uses a projected non-GAAP tax rate of approximately 3% which reflects currently available information. In the longer term, AMD anticipates using a projected non-GAAP tax rate of approximately 15%. The higher non-GAAP tax rate is due to AMD's continuing and projected profitability and reflects AMD's expected tax profile in the long term. The non-GAAP tax rate could be subject to change for a variety of reasons, including the rapidly evolving global tax environment, significant changes in AMD's geographic earnings mix or other changes to AMD's strategy or business operations. AMD will re-evaluate its long-term rate as appropriate. AMD uses a projected cash tax rate that includes the projected current income tax liability plus known foreign withholding tax obligations paid expressed as a percentage of non-GAAP profit before tax. Over many years, AMD has accumulated significant amount of tax losses and credits, and until exhausted, AMD expects the cash tax rate to be low. For the long-term target financial model, including fiscal 2020, the projected cash tax rate is approximately 3%. All statements made in this presentation are based on current expectations as of March 5, 2020. AMD undertakes no intent or obligation to publicly update or revise any statement in this presentation whether as a result of new information, future events or otherwise, except to the extent that disclosure may be required by law.