



FOURTH QUARTER AND FULL YEAR 2020 FINANCIAL RESULTS

JANUARY 26, 2021

CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) such as the features, functionality, performance, availability, timing and expected benefits of AMD products, including AMD Ryzen™ 5000 Series Mobile processors, AMD Radeon™ 6000 with RDNA™ 2 architecture and 3rd Generation AMD EPYC™ processors, codenamed "Milan"; AMD's financial outlook for the first quarter of 2021 and full year 2021, 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; and AMD's leadership products, consistent execution, growing 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: 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; the availability of essential equipment, materials or manufacturing processes; AMD's ability to introduce products on a timely basis with features and performance levels that provide value to its customers; global economic uncertainty; the loss of a significant customer; AMD's ability to generate revenue from its semi-custom SoC products; the impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; political, legal, economic risks and natural disasters; the impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; the impact of acquisitions, joint ventures and/or investments on AMD's business, including the announced acquisition of Xilinx, Inc. (Xilinx), and the failure to integrate acquired businesses; AMD's ability to complete the Xilinx merger; the impact of the announcement and pendency of the Xilinx merger on AMD's business; potential security vulnerabilities; potential IT outages, data loss, data breaches and cyber-attacks; 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 revolving credit facility; the competitive markets in which AMD's products are sold; 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; the potential dilutive effect if the 2.125% Convertible Senior Notes due 2026 are converted; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's ability to generate sufficient revenue and operating cash flow or obtain external financing for research and development or other strategic investments; 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 modification or interruption of AMD's internal business processes and information systems; 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 the impact of 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 Quarterly Report on Form 10-Q for the quarter ended September 26, 2020.

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 and free cash flow. AMD uses a normalized tax rate in its computation of the non-GAAP income tax provision to provide better consistency across the reporting periods. For full year 2020, AMD used a non-GAAP tax rate of 3%, which excluded the direct tax impacts of pre-tax non-GAAP adjustments. For full year 2021, AMD uses a projected non-GAAP tax rate of 15%, which excludes the direct tax impacts of pre-tax non-GAAP adjustments, reflecting currently available information. AMD uses a projected cash tax rate of approximately 3% 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. 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 also contains forward-looking non-GAAP measures concerning AMD's financial outlook such as gross margin, operating expenses, interest expense, taxes and other. These forward-looking non-GAAP measures are based on current expectations as of January 26, 2021 and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its forward-looking statements made in this presentation except as may be required by law.

AMD

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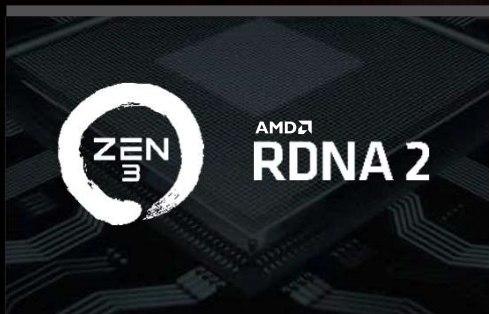
High-Performance
Computing
Leadership

Disruptive Solutions
Combining CPUs
and GPUs

Strong and
Predictable
Execution

Best-in-Class
Growth
Franchise

OUR LEADERSHIP TECHNOLOGY



INDUSTRY-LEADING IP

Delivering Multi-generational Leadership CPU and GPU Roadmaps



ADVANCED TECHNOLOGY

Leadership Process, Packaging and Interconnect Technology



DATA CENTER LEADERSHIP

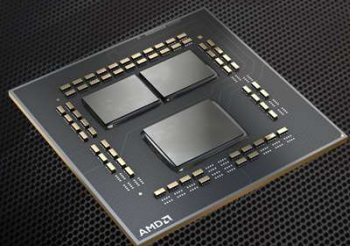
Innovation in Cloud, Enterprise and Accelerated Computing



PC/GAMING SOLUTIONS

Driving Leadership PC Experiences and Gaming Solutions

OUR BEST EVER **PRODUCT PORTFOLIO**



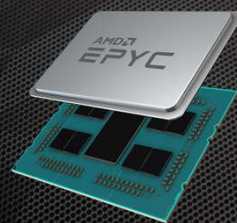
AMD **RYZEN** 5000 Series Desktop

World's Fastest Gaming, Productivity and Content Creation Processors



AMD **RYZEN** 5000 Series Mobile

Leadership Performance and Advanced Battery Life For Ultrathin, Gaming and Commercial Notebooks



AMD **EPYC**

3rd Gen AMD EPYC™ extend performance and TCO advantages, launching Q1 2021



AMD **RADEON**

Performance and Power Efficiency with AMD RDNA™ 2 Architecture



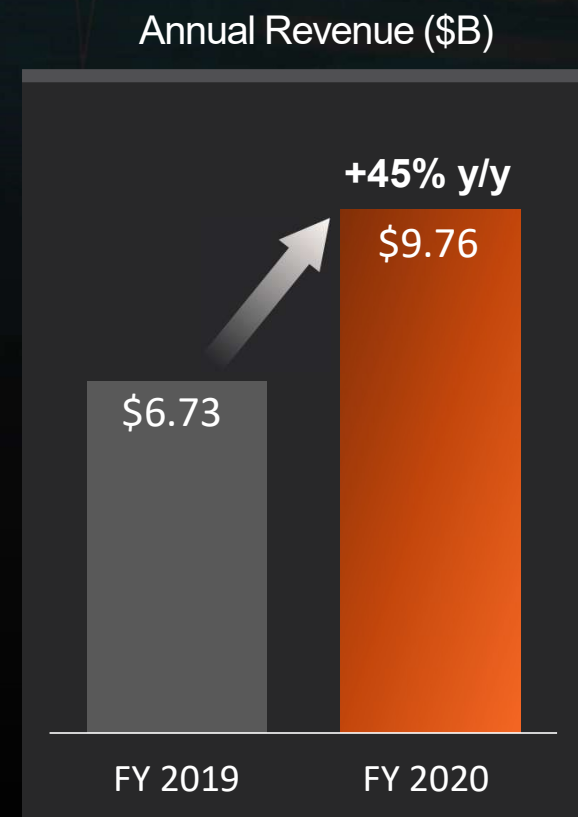
SEMI-CUSTOM

Latest game consoles powered by "Zen 2" and AMD RDNA™

PERFORMANCE LEADERSHIP FROM NOTEBOOK TO DESKTOP TO DATA CENTER

FINANCIAL ACCOMPLISHMENTS FY 2020

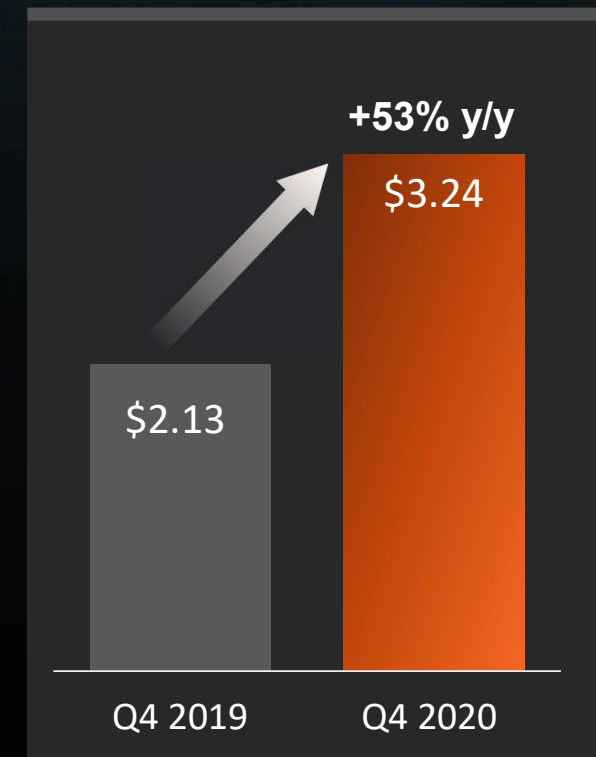
- Record revenue of \$9.76 billion, up 45% from 2019
- Gross margin of 45% increased for the 5th straight year
- Net Income and EPS more than doubled from prior year
 - Operating income of \$1.37 billion; non-GAAP operating income of \$1.66 billion
 - Operating margin of 14%; non-GAAP operating margin of 17%
 - Net income of \$2.49 billion; non-GAAP net income of \$1.58 billion
 - Diluted EPS of \$2.06; non-GAAP diluted EPS of \$1.29
- Operating cash flow of \$1.07 billion, up 117% y/y
Record free cash flow of \$777 million, up 182% y/y
- Strong balance sheet with \$2.29 billion in cash, cash equivalents and short-term investments



QUARTERLY SUMMARY Q4 2020¹

- Record revenue of \$3.24 billion, up 53% y/y and 16% q/q
- Gross margin of 45%, flat y/y and up 1 percentage point q/q
- OpEx of \$881 million; Non-GAAP OpEx of \$789 million
- Strong increase in profitability
 - Operating income of \$570 million; non-GAAP operating income of \$663 million
 - Operating margin of 18%; non-GAAP operating margin of 20%
 - Net income of \$1.78 billion; non-GAAP net income of \$636 million
 - Diluted EPS of \$1.45; non-GAAP diluted EPS of \$0.52
- Operating cash flow of \$554 million, up 25% y/y
Record quarterly free cash flow of \$480 million, up 20% y/y
- Cash, cash equivalents and short-term investments of \$2.29 billion

Quarterly Revenue (\$B)



1. See Appendices for GAAP to Non-GAAP reconciliation

TAX UPDATES AND INFORMATION

Q4 2020 AND FY 2021

- In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance. The release was driven by AMD's strong financial results and outlook
- The valuation allowance release had a \$1.3 billion benefit to Net Income and a \$1.06 benefit to Q4 2020 earnings per share on a GAAP basis
- AMD reported a \$1.2 billion net income tax benefit in Q4 2020 on a GAAP basis compared to a \$35 million expense in Q4 2019
- AMD's non-GAAP effective tax rate for FY 2021 is expected to be 15%, while the cash tax rate is expected to be approximately 3%

COMPUTING AND GRAPHICS SEGMENT Q4 2020

- Revenue of \$1.96 billion
 - Up 18% y/y and q/q primarily driven by strong sales of Ryzen™ processors
- Average Selling Price (ASP)
 - Client processor ASP was lower y/y due to a higher mix of Ryzen mobile processor sales
 - Client processor ASP was higher q/q driven by Ryzen desktop processor sales
 - Radeon graphics product ASPs were higher y/y and q/q
- Operating income of \$420 million
 - Up \$60 million y/y and \$36 million q/q primarily driven by higher Ryzen processor sales
- Strategic news and highlights
 - Desktop CPU revenue grew y/y and q/q driven by strong demand across our Ryzen processor family
 - Record mobile CPU shipments grew y/y and q/q as Ryzen 4000 ramped to support 100 design wins launched in 2020
 - At CES 2021, launched Ryzen 5000 mobile processors featuring our “Zen 3” core with leadership performance and battery life; Ryzen 5000 notebook designs on track to increase by 50 percent compared to Ryzen 4000 series
 - GPU sales grew q/q driven by the ramp of Radeon 6000 with RDNA 2 architecture

ENTERPRISE, EMBEDDED AND SEMI-CUSTOM SEGMENT Q4 2020

- Revenue of \$1.28 billion
 - Up 176% y/y and 13% q/q driven by higher semi-custom and EPYC™ processor sales
 - Record quarterly Server revenue as both Cloud and Enterprise sales grew q/q
 - Semi-custom sales increased y/y and q/q based on strong demand for next-gen Sony and Microsoft game consoles
- Operating income of \$243 million
 - Up \$198 million y/y and \$102 million q/q primarily driven by higher revenue
- Strategic news and highlights
 - Launched 28 new AMD EPYC processor-powered public cloud instances with Alibaba, AWS and Oracle
 - In the enterprise, adoption of AMD-powered servers grew at Dell, HPE and Lenovo
 - In HPC, AMD-powered supercomputers on the TOP500 list grew significantly including two systems in the Top 10
 - 3rd Gen AMD EPYC “Milan” processors are on track to publicly launch in March with very strong ecosystem support
 - Semi-custom SoC sales are expected to be better than typical seasonality in 1H 2021 based on current strong demand

REVENUE TREND

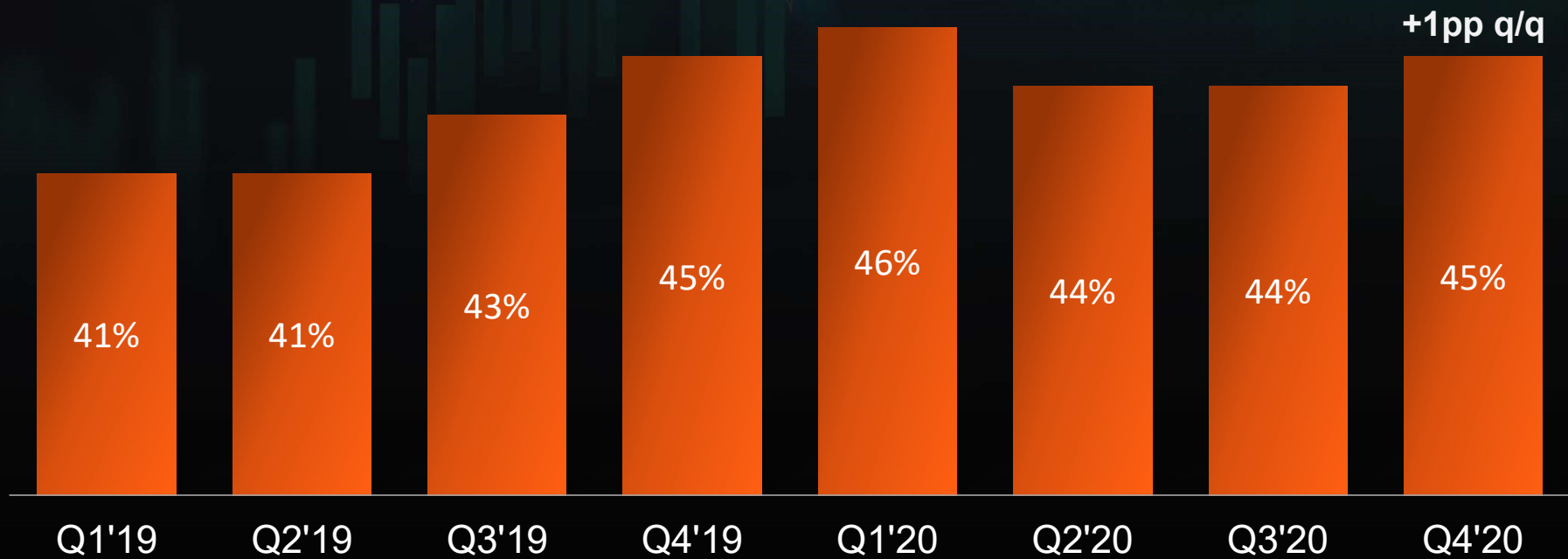
(\$ IN MILLIONS)



SIGNIFICANT Y/Y REVENUE GROWTH

GROSS MARGIN TREND

(GAAP AND NON-GAAP)¹



CONTINUED MARGIN EXPANSION

EARNINGS PER SHARE TREND

(GAAP)

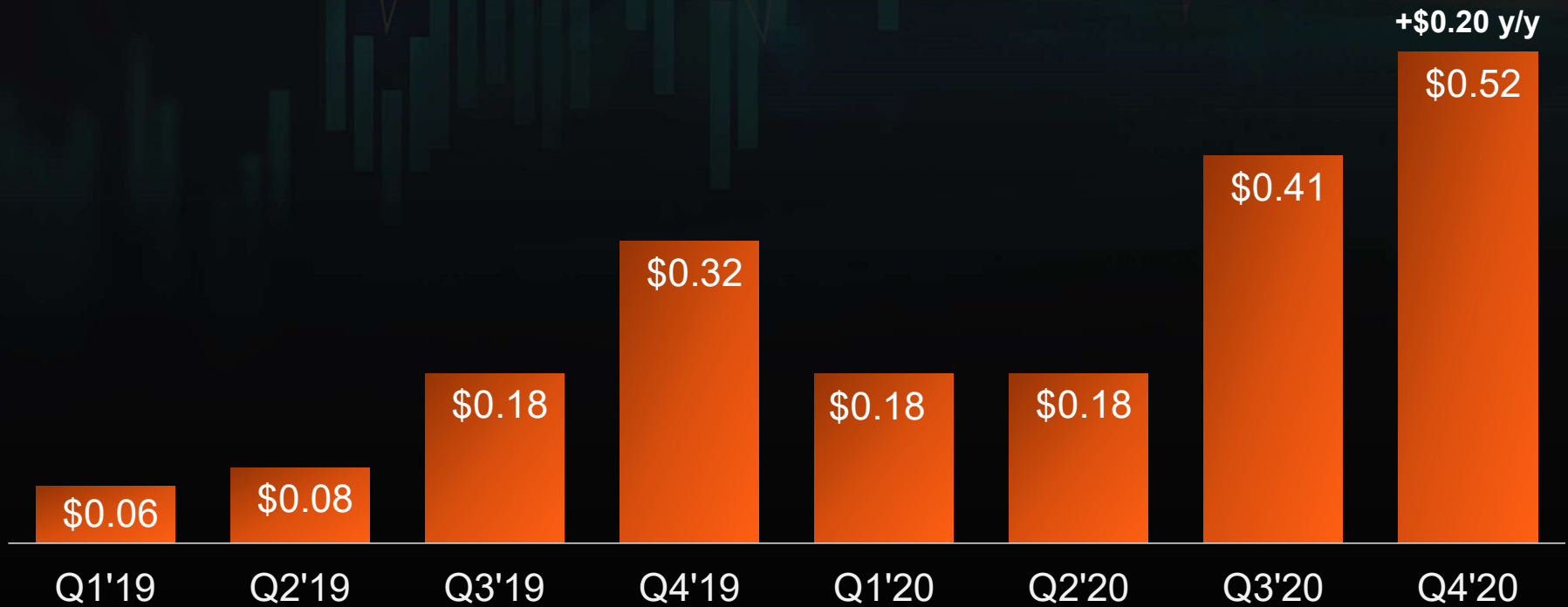


SIGNIFICANT EPS GROWTH Y/Y AND Q/Q

1. In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance. The valuation allowance release had a \$1.06 benefit to Q4 2020 earnings per share. See Slide 8 for additional information.

EARNINGS PER SHARE TREND

(NON-GAAP)¹



SIGNIFICANT EPS GROWTH Y/Y AND Q/Q

FY 2020 SUMMARY P&L – GAAP

| | 2020 | 2019 | Y/Y |
|-----------------------------------|----------|----------|----------|
| Revenue | \$9,763M | \$6,731M | Up 45% |
| Gross Profit | \$4,347M | \$2,868M | Up 52% |
| Gross Margin % | 45% | 43% | Up 2pp |
| Operating Expenses | \$2,978M | \$2,297M | Up 30% |
| Operating Expenses/Revenue % | 31% | 34% | Down 3pp |
| Operating Income | \$1,369M | \$631M | Up 117% |
| Operating Margin % | 14% | 9% | Up 5pp |
| Net Income | \$2,490M | \$341M | Up 630% |
| Earnings Per Share ^{1,2} | \$2.06 | \$0.30 | Up 587% |

1. In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance. The valuation allowance release had a \$1.07 benefit to annual earnings per share. See Slide 8 for additional information.

2. See Appendices for share count reference.

FY 2020 SUMMARY P&L – NON-GAAP¹

| | 2020 | 2019 | Y/Y |
|---------------------------------|----------|----------|----------|
| Revenue | \$9,763M | \$6,731M | Up 45% |
| Gross Profit | \$4,353M | \$2,874M | Up 51% |
| Gross Margin % | 45% | 43% | Up 2pp |
| Operating Expenses | \$2,696M | \$2,094M | Up 29% |
| Operating Expenses/Revenue % | 28% | 31% | Down 3pp |
| Operating Income | \$1,657M | \$840M | Up 97% |
| Operating Margin % | 17% | 12% | Up 5pp |
| Net Income | \$1,575M | \$756M | Up 108% |
| Earnings Per Share ¹ | \$1.29 | \$0.64 | Up 102% |

Q4 2020 SUMMARY P&L – GAAP

| | Q4'20 | Q4'19 | Y/Y | Q3'20 | Q/Q |
|-----------------------------------|----------|----------|----------|----------|----------|
| Revenue | \$3,244M | \$2,127M | Up 53% | \$2,801M | Up 16% |
| Gross Profit | \$1,451M | \$949M | Up 53% | \$1,230M | Up 18% |
| Gross Margin % | 45% | 45% | Flat | 44% | Up 1pp |
| Operating Expenses | \$881M | \$601M | Up 47% | \$781M | Up 13% |
| Operating Expense/Revenue % | 27% | 28% | Down 1pp | 28% | Down 1pp |
| Operating Income | \$570M | \$348M | Up 64% | \$449M | Up 27% |
| Operating Margin % | 18% | 16% | Up 2pp | 16% | Up 2pp |
| Net Income | \$1,781M | \$170 | Up 948% | \$390M | Up 357% |
| Earnings Per Share ^{1,2} | \$1.45 | \$0.15 | Up 867% | \$0.32 | Up 353% |

1. In Q4 2020, AMD released \$1.3 billion of its \$2.9 billion income tax valuation allowance. The valuation allowance release had a \$1.06 benefit to Q4 2020 earnings per share. See Slide 8 for additional information.

2. See Appendices for share count reference.

Q4 2020 SUMMARY P&L – NON-GAAP¹

| | Q4'20 | Q4'19 | Y/Y | Q3'20 | Q/Q |
|---------------------------------|----------|----------|----------|----------|----------|
| Revenue | \$3,244M | \$2,127M | Up 53% | \$2,801M | Up 16% |
| Gross Profit | \$1,452M | \$950M | Up 53% | \$1,231M | Up 18% |
| Gross Margin % | 45% | 45% | Flat | 44% | Up 1pp |
| Operating Expenses | \$789M | \$545M | Up 45% | \$706M | Up 12% |
| Operating Expense/Revenue % | 24% | 26% | Down 2pp | 25% | Down 1pp |
| Operating Income | \$663M | \$405M | Up 64% | \$525M | Up 26% |
| Operating Margin % | 20% | 19% | Up 1pp | 19% | Up 1pp |
| Net Income | \$636M | \$383M | Up 66% | \$501M | Up 27% |
| Earnings Per Share ¹ | \$0.52 | \$0.32 | Up 63% | \$0.41 | Up 27% |

Q4 AND FY 2020 SEGMENT RESULTS

| | Q4'20 | Q4'19 | Y/Y | Q3'20 | Q/Q | 2020 | 2019 | Y/Y |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Computing and Graphics | | | | | | | | |
| Net Revenue | \$1,960M | \$1,662M | Up 18% | \$1,667M | Up 18% | \$6,432M | \$4,709M | Up 37% |
| Operating Income | \$420M | \$360M | Up 17% | \$384M | Up 9% | \$1,266M | \$577M | Up 119% |
| Enterprise, Embedded and Semi-Custom | | | | | | | | |
| Net Revenue | \$1,284M | \$465M | Up 176% | \$1,134M | Up 13% | \$3,331M | \$2,022M | Up 65% |
| Operating Income | \$243M | \$45M | Up 440% | \$141M | Up 72% | \$391M | \$263M | Up 49% |
| All Other Category | | | | | | | | |
| Operating Loss | \$(93M) | \$(57M) | Down 63% | \$(76M) | Down 22% | \$(288M) | \$(209M) | Down 38% |
| TOTAL | | | | | | | | |
| Net Revenue | \$3,244M | \$2,127M | Up 53% | \$2,801M | Up 16% | \$9,763M | \$6,731M | Up 45% |
| Operating Income | \$570M | \$348M | Up 64% | \$449M | Up 27% | \$1,369M | \$631M | Up 117% |

Q4 AND FY 2020 SUMMARY BALANCE SHEET ITEMS

| | Q4'20 | Q4'19 | Y/Y | Q3'20 | Q/Q |
|---|----------|----------|-------------|----------|------------|
| Cash, Cash Equivalents and Short-term Investments | \$2,290M | \$1,503M | Up \$787M | \$1,771M | Up \$519M |
| Accounts Receivable, Net | \$2,066M | \$1,859M | Up \$207M | \$2,134M | Down \$68M |
| Inventories | \$1,399M | \$982M | Up \$417M | \$1,292M | Up \$107M |
| Total Debt (principal amount) ¹ | \$338M | \$563M | Down \$225M | \$398M | Down \$60M |
| Total Debt, Net ¹ | \$330M | \$486M | Down \$156M | \$373M | Down \$43M |

STRONG BALANCE SHEET

FINANCIAL OUTLOOK – NON-GAAP¹

| | Q1 2021 | FY 2021 |
|--|-------------------------------------|-----------------------|
| Revenue | ~\$3.2 Billion +/- \$100 Million | Growth of ~37% y/y |
| Gross Margin % | ~46% | ~47% |
| Operating Expenses Operating Expenses/Revenue % | ~\$830 Million | ~26% |
| Interest Expense, Taxes and Other | ~\$105 Million | -- |
| Effective Tax Rate | 15% of pre-tax income | 15% of pre-tax income |
| Cash Tax Rate | ~3% of pre-tax income | ~3% of pre-tax income |
| Diluted Share Count ² | ~1.23 billion shares | ~1.24 billion shares |

1. See Cautionary Statement on Slide 2. These forward-looking outlook statements and non-GAAP measures are based on current expectations as of January 26, 2021 and assumptions and beliefs that involve numerous risks and uncertainties. AMD undertakes no intent or obligation to publicly update or revise its outlook statements as a result of new information, future events or otherwise, except as may be required by law. All items, except revenue are on a non-GAAP basis. Adjustments to arrive at the GAAP financial outlook typically include stock-based compensation, non-cash interest expense related to convertible debt, income tax provision, equity (income) loss in investee, and other non-recurring items such as loss on debt redemption/conversion, impairment charges, acquisition-related costs and loss contingency on legal matters. The timing and impact of such adjustments are dependent on future events that are typically uncertain or outside of AMD's control; therefore, a reconciliation to equivalent GAAP measures is not practicable at this time.

2. Refer to Diluted Share Count overview in the Appendices

Q4 2020 SUMMARY

Record Quarterly
Revenue
Up 53% Y/Y, 16% Q/Q

Growth Driven by
Ryzen, EPYC and
Semi-Custom

Profitability & EPS
Grew Significantly
Y/Y and Q/Q

Record Quarterly
Free Cash Flow

FY 2020 SUMMARY

Record Annual
Revenue
Up 45% Y/Y

Gross Margin
Expanded to 45%
up 190 bps Y/Y

Net Income and
EPS More Than
Doubled

Announced the
proposed acquisition
of Xilinx



BUILDING THE BEST

Leadership
Roadmaps

Execution
Excellence

Sustained Market
Share Gains

Strong
Shareholder
Returns

APPENDICES

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

| (Millions) | Q1'19 | Q2'19 | Q3'19 | Q4'19 | Q1'20 | Q2'20 | Q3'20 | Q4'20 | 2019 | 2020 |
|--------------------------|--------|--------|--------|--------|--------|--------|----------|----------|----------|----------|
| GAAP gross profit | \$ 521 | \$ 621 | \$ 777 | \$ 949 | \$ 818 | \$ 848 | \$ 1,230 | \$ 1,451 | \$ 2,868 | \$ 4,347 |
| GAAP gross margin % | 41% | 41% | 43% | 45% | 46% | 44% | 44% | 45% | 43% | 45% |
| Stock-based compensation | 1 | 2 | 2 | 1 | 2 | 2 | 1 | 1 | 6 | 6 |
| Non-GAAP gross profit | \$ 522 | \$ 623 | \$ 779 | \$ 950 | \$ 820 | \$ 850 | \$ 1,231 | \$ 1,452 | \$ 2,874 | \$ 4,353 |
| Non-GAAP gross margin % | 41% | 41% | 43% | 45% | 46% | 44% | 44% | 45% | 43% | 45% |

Reconciliation of GAAP to Non-GAAP Operating Expenses

| (Millions) | Q4'20 | Q4'19 | Q3'20 | 2020 | 2019 |
|---------------------------------------|--------|--------|--------|----------|----------|
| GAAP operating expenses | \$ 881 | \$ 601 | \$ 781 | \$ 2,978 | \$ 2,297 |
| GAAP Operating Expenses/Revenue % | 27% | 28% | 28% | 31% | 34% |
| Stock-based compensation | 78 | 56 | 75 | 268 | 191 |
| Loss contingency on legal matter | — | — | — | — | 12 |
| Acquisition-related costs | 14 | — | — | 14 | — |
| Non-GAAP operating expenses | \$ 789 | \$ 545 | \$ 706 | \$ 2,696 | \$ 2,094 |
| Non-GAAP Operating Expenses/Revenue % | 24% | 26% | 25% | 28% | 31% |

APPENDICES

Reconciliation of GAAP Operating Income to Non-GAAP Operating Income

| (Millions) | Q4'20 | Q4'19 | Q3'20 | 2020 | 2019 |
|----------------------------------|--------|--------|--------|----------|--------|
| GAAP operating income | \$ 570 | \$ 348 | \$ 449 | \$ 1,369 | \$ 631 |
| GAAP operating margin % | 18% | 16% | 16% | 14% | 9% |
| Stock-based compensation | 79 | 57 | 76 | 274 | 197 |
| Loss contingency on legal matter | — | — | — | — | 12 |
| Acquisition-related costs | 14 | — | — | 14 | — |
| Non-GAAP operating income | \$ 663 | \$ 405 | \$ 525 | \$ 1,657 | \$ 840 |
| Non-GAAP operating margin % | 20% | 19% | 19% | 17% | 12% |

APPENDICES

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

| (Millions, except per share data) | Q1'19 | | Q2'19 | | Q3'19 | | Q4'19 | | Q1'20 | | Q2'20 | | Q3'20 | | Q4'20 | |
|---|-------|---------|-------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--------|---------|----------|---------|
| GAAP net income / earnings per share | \$ 16 | \$ 0.01 | \$ 35 | \$ 0.03 | \$ 120 | \$ 0.11 | \$ 170 | \$ 0.15 | \$ 162 | \$ 0.14 | \$ 157 | \$ 0.13 | \$ 390 | \$ 0.32 | \$ 1,781 | \$ 1.45 |
| Loss on debt redemption/conversion | 8 | 0.01 | – | – | 40 | 0.03 | 128 | 0.10 | – | – | – | – | 38 | 0.03 | 16 | 0.01 |
| Non-cash interest expense related to convertible debt | 6 | 0.01 | 6 | – | 6 | – | 4 | – | 2 | – | 2 | – | 2 | – | – | – |
| Stock-based compensation | 41 | 0.04 | 45 | 0.04 | 54 | 0.04 | 57 | 0.05 | 59 | 0.04 | 60 | 0.05 | 76 | 0.06 | 79 | 0.06 |
| Equity (income) loss in investee | 1 | – | – | – | (1) | – | – | – | – | – | (1) | – | (1) | – | (3) | – |
| Loss contingency on legal matter | 5 | – | 7 | 0.01 | – | – | – | – | – | – | – | – | – | – | – | – |
| Acquisition-related costs | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 14 | 0.01 |
| Release of valuation allowance on deferred tax assets | – | – | – | – | – | – | – | – | – | – | – | – | – | – | (1,301) | (1.06) |
| Income tax provision (benefit) | (15) | (0.01) | (1) | – | – | – | 24 | 0.02 | (1) | – | (2) | – | (4) | – | 50 | 0.05 |
| Non-GAAP net income / earnings per share | \$ 62 | \$ 0.06 | \$ 92 | \$ 0.08 | \$ 219 | \$ 0.18 | \$ 383 | \$ 0.32 | \$ 222 | \$ 0.18 | \$ 216 | \$ 0.18 | \$ 501 | \$ 0.41 | \$ 636 | \$ 0.52 |

Shares used and net income adjustment in earnings per share calculation

| | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Shares used in per share calculation (GAAP) ⁽¹⁾ | 1,094 | 1,109 | 1,117 | 1,188 | 1,224 | 1,227 | 1,215 | 1,226 |
| Interest expense add back to GAAP net income ⁽¹⁾ | \$ - | \$ - | \$ - | \$ 4 | \$ 4 | \$ 3 | \$ 1 | \$ - |
| Shares used in per share calculation (Non-GAAP) | 1,195 | 1,210 | 1,212 | 1,216 | 1,224 | 1,227 | 1,230 | 1,232 |
| Interest expense add back to Non-GAAP net income | \$ 5 | \$ 5 | \$ 4 | \$ 2 | \$ 2 | \$ 1 | \$ 1 | \$ - |

(1) Q1'19, Q2'19 and Q3'19 GAAP diluted EPS calculation did not include shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated interest expense add-back to net income under the "if converted" method as their inclusion would have been anti-dilutive. Q4'19, Q1'20 and Q2'20 GAAP diluted EPS calculation includes 31 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$4 million, \$4 million and \$3 million interest expense, respectively, 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. Q3'20 and Q4'20 GAAP diluted EPS calculation includes 11 million and 3 million shares, respectively, related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$1 million and \$0 million interest expense, respectively, add-back to net income under the "if converted" method. The 20 million (15 million weighted-average) and 8 million shares (6 million weighted-average) issued in exchange for \$165 million and \$60 million of convertible debt in Q3'20 and Q4'20, respectively, were not included as their inclusion would have been anti-dilutive.

APPENDICES

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

| (Millions, except per share data) | 2019 | | 2020 | |
|---|--------|---------|----------|---------|
| GAAP net income / earnings per share | \$ 341 | \$ 0.30 | \$ 2,490 | \$ 2.06 |
| Loss on debt redemption/conversion | 176 | 0.15 | 54 | 0.04 |
| Non-cash interest expense related to convertible debt | 22 | 0.02 | 6 | – |
| Stock-based compensation | 197 | 0.16 | 274 | 0.22 |
| Equity income in investee | – | – | (5) | – |
| Loss contingency on legal matter | 12 | 0.01 | – | – |
| Acquisition-related costs | – | – | 14 | 0.01 |
| Release of valuation allowance on deferred tax assets | – | – | (1,301) | (1.07) |
| Income tax provision (benefit) | 8 | – | 43 | 0.03 |
| Non-GAAP net income / earnings per share | \$ 756 | \$ 0.64 | \$ 1,575 | \$ 1.29 |

Shares used and net income adjustment in earnings per share calculation

| | | |
|---|-------|-------|
| Shares used in per share calculation (GAAP) ⁽¹⁾ | 1,120 | 1,207 |
| Interest expense add back to GAAP net income ⁽¹⁾ | \$ - | \$ 1 |
| Shares used in per share calculation (Non-GAAP) | 1,209 | 1,228 |
| Interest expense add back to Non-GAAP net income | \$ 16 | \$ 4 |

(1) FY'20 GAAP diluted EPS calculation includes 3 million shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated \$1 million interest expense add-back to net income under the "if converted" method. The 28 million (21 million weighted-average) issued in exchange for \$225 million of convertible debt in FY'20 were not included as their inclusion would have been anti-dilutive. FY'19 GAAP diluted EPS calculation did not include shares related to the assumed conversion of the Company's 2026 Convertible Notes and the associated interest expense add-back to net income under the "if converted" method as their inclusion would have been anti-dilutive.

APPENDICES

Share Count Overview

| Shares (millions) ⁽¹⁾ | Q1'20 | Q2'20 | Q3'20 | Q4'20 | 2020 | Q1'21 | 2021 |
|---|--------|--------|--------|--------|--------|----------|----------|
| | Actual | Actual | Actual | Actual | Actual | Estimate | Estimate |
| Basic Shares | 1,170 | 1,174 | 1,184 | 1,205 | 1,184 | 1,213 | 1,217 |
| Dilutive impacts from: | | | | | | | |
| Employee Equity Grants ⁽²⁾ | 23 | 22 | 20 | 18 | 20 | 17 | 15 |
| Diluted Shares (without 2026 Convertible Notes) | 1,193 | 1,196 | 1,204 | 1,223 | 1,204 | 1,230 | 1,232 |
| 2026 Convertible Notes – GAAP ⁽³⁾ | 31 | 31 | 11 | 3 | 3 | 3 | 3 |
| Diluted Shares (with 2026 Convertible Notes) – GAAP | 1,224 | 1,227 | 1,215 | 1,226 | 1,207 | 1,233 | 1,235 |
| 2026 Convertible Notes – Non-GAAP ⁽³⁾ | 31 | 31 | 26 | 9 | 24 | 3 | 3 |
| Diluted Shares (with 2026 Convertible Notes) – Non-GAAP | 1,224 | 1,227 | 1,230 | 1,232 | 1,228 | 1,233 | 1,235 |

The table above provides actual share count for Q1'20, Q2'20, Q3'20, Q4'20, FY 2020 and an estimate of share count that may be used when calculating GAAP and non-GAAP diluted earnings per share for Q1'21 and FY 2021.

(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, Q2'20, Q3'20, Q4'20 and FY 2020 average stock price was \$48.14, \$52.87, \$73.20, \$85.71 and \$65.05, respectively. The Q4'20 average stock price of \$85.71 was assumed for the Q1'21 and FY 2021 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 the non-GAAP net income. The dilutive shares associated with the 2026 Convertible Notes reflect the weighted average shares subject to conversion during each period.

During Q4'20, 8 million shares of the Company's common stock were issued to convert \$60 million of the outstanding 2026 Convertible Notes.

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 have 3 million underlying shares.

APPENDICES

Reconciliation of Operating Cash Flow to Free Cash Flow

| (Millions) | Q4'20 | Q4'19 | 2020 | 2019 |
|-------------------------------------|--------|--------|----------|--------|
| Operating cash flow | \$ 554 | \$ 442 | \$ 1,071 | \$ 493 |
| Purchases of property and equipment | (74) | (42) | (294) | (217) |
| Free cash flow | \$ 480 | \$ 400 | \$ 777 | \$ 276 |

Total Debt (Net)

| (Millions) | Q4'20 | Q4'19 | Q3'20 |
|--|--------|--------|--------|
| 7.50% Senior Notes due 2022 | \$ 312 | \$ 312 | \$ 312 |
| 2.125% Convertible Senior Notes due 2026 | 26 | 251 | 86 |
| Total Debt (principal amount) | \$ 338 | \$ 563 | \$ 398 |
| Unamortized debt discount associated with 2.125% Convertible Senior Notes due 2026 | (7) | (73) | (23) |
| Unamortized debt issuance costs | (1) | (4) | (2) |
| Total Debt (net) | \$ 330 | \$ 486 | \$ 373 |

ENDNOTES

R5K-002: Testing by AMD performance labs as of 9/2/2020 based on the average FPS of 40 PC games at 1920x1080 with the High image quality preset using an AMD Ryzen™ 9 5900X processor vs. Core i9-10900K. Results may vary. R5K-002

R5K-050: Testing by AMD Performance Labs as of December 11, 2020 using an AMD Ryzen 9 5900 and Intel Core i9-10900, each similarly configured and tested with an NVIDIA GeForce RTX 2080 Ti graphics card. Results may vary. R5K-050

R5K-033: Testing by AMD Performance Labs as of September 23, 2020 using a Ryzen 7 5800X, Ryzen 9 5900X, Ryzen 9 5950X and Core i9-10900K, each configured with DDR4-3600C16 memory and NVIDIA GeForce RTX 2080 Ti graphics in AutoCAD, Revit 2020 and SOLIDWORKS 2019. Benchmarks run at default settings. Results may vary. R5K-033

CZM-11: Testing by AMD Performance Labs as of 09/02/2020 utilizing an engineering platform configured with Ryzen 7 5800U and Ryzen 7 4800U processors, each with 32GB RAM, 512MB SSD, Radeon™ Graphics, and Win 10 vs. a similarly configured Dell XPS 7390 laptop with a Core i7-1065G7 processor, Integrated Graphics and 16GB RAM, in the following benchmarks: Cinebench R20 nT, Cinebench R20 1T and 3DMark Physics for gaming performance. Performance may vary. 3DMark is a registered trademark of Futuremark Corporation. CZM-11

CZM-35: Tested by AMD Labs in December 2020. The Ryzen 5000 series mobile processors are the fastest mobile processors with the highest-performing single-thread and multi-thread performance available on an x86 mobile processor, measured with Cinebench R.20 1T and Cinebench R20 nT respectively, using similarly configured systems with Ryzen 9 4900H, Ryzen 9 5980HX and Ryzen 5980HS processors vs. i9-10980HK, Core i7-1185G7 processors. Performance may vary. CZM-35

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