

**ADVANCED MICRO DEVICES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

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

	Three Months Ended			Nine Months Ended	
	September 28, 2024	June 29, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net revenue	\$ 6,819	\$ 5,835	\$ 5,800	\$ 18,127	\$ 16,512
Cost of sales	3,167	2,740	2,843	8,590	8,236
Amortization of acquisition-related intangibles	233	231	210	694	727
Total cost of sales	3,400	2,971	3,053	9,284	8,963
Gross profit	3,419	2,864	2,747	8,843	7,549
Gross margin	50%	49%	47%	49%	46%
Research and development	1,636	1,583	1,507	4,744	4,361
Marketing, general and administrative	721	650	576	1,991	1,708
Amortization of acquisition-related intangibles	352	372	450	1,116	1,449
Licensing gain	(14)	(10)	(10)	(37)	(28)
Operating income	724	269	224	1,029	59
Interest expense	(23)	(25)	(26)	(73)	(79)
Other income (expense), net	36	55	59	144	148
Income before income taxes and equity income	737	299	257	1,100	128
Income tax provision (benefit)	(27)	41	(39)	(38)	(49)
Equity income in investee	7	7	3	21	10
Net income	\$ 771	\$ 265	\$ 299	\$ 1,159	\$ 187
Earnings per share					
Basic	\$ 0.48	\$ 0.16	\$ 0.18	\$ 0.72	\$ 0.12
Diluted	\$ 0.47	\$ 0.16	\$ 0.18	\$ 0.71	\$ 0.11
Shares used in per share calculation					
Basic	1,620	1,618	1,616	1,619	1,613
Diluted	1,636	1,637	1,629	1,638	1,625

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

	<b>September 28, 2024</b>	<b>December 30, 2023</b>
	(Unaudited)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,897	\$ 3,933
Short-term investments	647	1,840
Accounts receivable, net	7,241	5,376
Inventories	5,374	4,351
Receivables from related parties	29	9
Prepaid expenses and other current assets	1,547	1,259
<b>Total current assets</b>	18,735	16,768
Property and equipment, net	1,669	1,589
Operating lease right-of-use assets	647	633
Goodwill	24,839	24,262
Acquisition-related intangibles, net	19,572	21,363
Investment: equity method	137	99
Deferred tax assets	1,183	366
Other non-current assets	2,854	2,805
<b>Total Assets</b>	<b>\$ 69,636</b>	<b>\$ 67,885</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 2,530	\$ 2,055
Payables to related parties	461	363
Accrued liabilities	4,120	3,082
Current portion of long-term debt, net	-	751
Other current liabilities	389	438
<b>Total current liabilities</b>	7,500	6,689
Long-term debt, net of current portion	1,720	1,717
Long-term operating lease liabilities	518	535
Deferred tax liabilities	1,162	1,202
Other long-term liabilities	1,751	1,850
<b>Stockholders' equity:</b>		
Capital stock:		
Common stock, par value	17	17
Additional paid-in capital	60,896	59,676
Treasury stock, at cost	(5,812)	(4,514)
Retained earnings	1,882	723
Accumulated other comprehensive income (loss)	2	(10)
<b>Total stockholders' equity</b>	56,985	55,892
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 69,636</b>	<b>\$ 67,885</b>

**ADVANCED MICRO DEVICES, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Millions) (Unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 28, 2024</b>	<b>September 30, 2023</b>	<b>September 28, 2024</b>	<b>September 30, 2023</b>
Cash flows from operating activities:				
Net income	\$ 771	\$ 299	\$ 1,159	\$ 187
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	756	823	2,309	2,654
Stock-based compensation	351	353	1,068	1,010
Amortization of operating lease right-of-use assets	30	25	82	73
Deferred income taxes	(607)	(218)	(863)	(800)
Inventory loss at contract manufacturer	-	-	65	-
Other	(13)	(23)	(50)	(31)
Changes in operating assets and liabilities				
Accounts receivable, net	(1,489)	(743)	(1,862)	(929)
Inventories	(386)	122	(1,096)	(674)
Prepaid expenses and other assets	(16)	(143)	(250)	(380)
Receivables from and payables to related parties, net	36	14	78	(136)
Accounts payable	832	(547)	476	(238)
Accrued and other liabilities	363	459	626	550
Net cash provided by operating activities	628	421	1,742	1,286
Cash flows from investing activities:				
Purchases of property and equipment	(132)	(124)	(428)	(407)
Purchases of short-term investments	(142)	(496)	(707)	(3,312)
Proceeds from maturity of short-term investments	149	746	1,351	1,917
Proceeds from sale of short-term investments	589	-	591	248
Acquisitions, net of cash acquired	(548)	(14)	(548)	(14)
Related party equity method investment	(17)	-	(17)	-
Other	(37)	(10)	(129)	(5)
Net cash provided by (used in) investing activities	(138)	102	113	(1,573)
Cash flows from financing activities:				
Repayment of debt	-	-	(750)	-
Proceeds from sales of common stock through employee equity plans	4	4	152	148
Repurchases of common stock	(250)	(511)	(606)	(752)
Common stock repurchases for tax withholding on employee equity plans	(460)	(295)	(686)	(382)
Other	-	(1)	(1)	1
Net cash used in financing activities	(706)	(803)	(1,891)	(987)
Net increase (decrease) in cash and cash equivalents	(216)	(280)	(36)	(1,274)
Cash and cash equivalents at beginning of period	4,113	3,841	3,933	4,835
Cash and cash equivalents at end of period	\$ 3,897	\$ 3,561	\$ 3,897	\$ 3,561

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

Segment and Category Information <sup>(1)</sup>	Three Months Ended			Nine Months Ended	
	September 28, 2024	June 29, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Data Center					
Net revenue	\$ 3,549	\$ 2,834	\$ 1,598	\$ 8,720	\$ 4,214
Operating income	\$ 1,041	\$ 743	\$ 306	\$ 2,325	\$ 601
Client					
Net revenue	\$ 1,881	\$ 1,492	\$ 1,453	\$ 4,741	\$ 3,190
Operating income (loss)	\$ 276	\$ 89	\$ 140	\$ 451	\$ (101)
Gaming					
Net revenue	\$ 462	\$ 648	\$ 1,506	\$ 2,032	\$ 4,844
Operating income	\$ 12	\$ 77	\$ 208	\$ 240	\$ 747
Embedded					
Net revenue	\$ 927	\$ 861	\$ 1,243	\$ 2,634	\$ 4,264
Operating income	\$ 372	\$ 345	\$ 612	\$ 1,059	\$ 2,167
All Other					
Net revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operating loss	\$ (977)	\$ (985)	\$ (1,042)	\$ (3,046)	\$ (3,355)
<b>Total</b>					
<b>Net revenue</b>	<b>\$ 6,819</b>	<b>\$ 5,835</b>	<b>\$ 5,800</b>	<b>\$ 18,127</b>	<b>\$ 16,512</b>
<b>Operating income</b>	<b>\$ 724</b>	<b>\$ 269</b>	<b>\$ 224</b>	<b>\$ 1,029</b>	<b>\$ 59</b>
<b>Other Data</b>					
Capital expenditures	\$ 132	\$ 154	\$ 124	\$ 428	\$ 407
Adjusted EBITDA <sup>(2)</sup>	\$ 1,887	\$ 1,430	\$ 1,439	\$ 4,612	\$ 3,920
Cash, cash equivalents and short-term investments	\$ 4,544	\$ 5,340	\$ 5,785	\$ 4,544	\$ 5,785
Free cash flow <sup>(3)</sup>	\$ 496	\$ 439	\$ 297	\$ 1,314	\$ 879
Total assets	\$ 69,636	\$ 67,886	\$ 67,626	\$ 69,636	\$ 67,626
Total debt	\$ 1,720	\$ 1,719	\$ 2,467	\$ 1,720	\$ 2,467

See footnotes on the next page

<sup>(1)</sup> The Data Center segment primarily includes server microprocessors (CPUs), graphics processing units (GPUs), accelerated processing units (APUs), data processing units (DPUs), Field Programmable Gate Arrays (FPGAs), Smart Network Interface Cards (SmartNICs), Artificial Intelligence (AI) accelerators and Adaptive System-on-Chip (SoC) products for data centers.

The Client segment primarily includes CPUs, APUs, and chipsets for desktop, notebook and handheld personal computers.

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

The Embedded segment primarily includes embedded CPUs, GPUs, APUs, FPGAs, System on Modules (SOMs), 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 amortization of acquisition-related intangible asset, employee stock-based compensation expense, acquisition-related and other costs, inventory loss at contract manufacturer, and licensing gain.

<sup>(2)</sup> **Reconciliation of GAAP Net Income to Adjusted EBITDA**

(Millions) (Unaudited)	Three Months Ended			Nine Months Ended	
	September 28,	June 29,	September 30,	September 28,	September 30,
	2024	2024	2023	2024	2023
GAAP net income	\$ 771	\$ 265	\$ 299	\$ 1,159	\$ 187
Interest expense	23	25	26	73	79
Other (income) expense, net	(36)	(55)	(59)	(144)	(148)
Income tax provision (benefit)	(27)	41	(39)	(38)	(49)
Equity income in investee	(7)	(7)	(3)	(21)	(10)
Stock-based compensation	351	346	353	1,068	1,006
Depreciation and amortization	171	166	163	499	478
Amortization of acquisition-related intangibles	585	603	660	1,810	2,176
Inventory loss at contract manufacturer	-	-	-	65	-
Acquisition-related and other costs	56	46	39	141	201
Adjusted EBITDA	\$ 1,887	\$ 1,430	\$ 1,439	\$ 4,612	\$ 3,920

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, amortization of acquisition-related intangibles, inventory loss at contract manufacturer, and acquisition-related and other costs. 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.

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

(Millions except percentages) (Unaudited)	Three Months Ended			Nine Months Ended	
	September 28,	June 29,	September 30,	September 28,	September 30,
	2024	2024	2023	2024	2023
GAAP net cash provided by operating activities	\$ 628	\$ 593	\$ 421	\$ 1,742	\$ 1,286
Operating cash flow margin %	9%	10%	7%	10%	8%
Purchases of property and equipment	(132)	(154)	(124)	(428)	(407)
Free cash flow	\$ 496	\$ 439	\$ 297	\$ 1,314	\$ 879
Free cash flow margin %	7%	8%	5%	7%	5%

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 measures.

# RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

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

	Three Months Ended		
	September 28, 2024	June 29, 2024	September 30, 2023
<b>GAAP gross profit</b>	<b>\$ 3,419</b>	<b>\$ 2,864</b>	<b>\$ 2,747</b>
<i>GAAP gross margin</i>	<i>50%</i>	<i>49%</i>	<i>47%</i>
Stock-based compensation	5	5	6
Amortization of acquisition-related intangibles	233	231	210
Acquisition-related and other costs <sup>(1)</sup>	-	1	-
<b>Non-GAAP gross profit</b>	<b>\$ 3,657</b>	<b>\$ 3,101</b>	<b>\$ 2,963</b>
<i>Non-GAAP gross margin</i>	<i>54%</i>	<i>53%</i>	<i>51%</i>
<b>GAAP operating expenses</b>	<b>\$ 2,709</b>	<b>\$ 2,605</b>	<b>\$ 2,533</b>
<i>GAAP operating expenses/revenue %</i>	<i>40%</i>	<i>45%</i>	<i>44%</i>
Stock-based compensation	346	341	347
Amortization of acquisition-related intangibles	352	372	450
Acquisition-related and other costs <sup>(1)</sup>	55	45	39
<b>Non-GAAP operating expenses</b>	<b>\$ 1,956</b>	<b>\$ 1,847</b>	<b>\$ 1,697</b>
<i>Non-GAAP operating expenses/revenue %</i>	<i>29%</i>	<i>32%</i>	<i>29%</i>
<b>GAAP operating income</b>	<b>\$ 724</b>	<b>\$ 269</b>	<b>\$ 224</b>
<i>GAAP operating margin</i>	<i>11%</i>	<i>5%</i>	<i>4%</i>
Stock-based compensation	351	346	353
Amortization of acquisition-related intangibles	585	603	660
Acquisition-related and other costs <sup>(1)</sup>	55	46	39
<b>Non-GAAP operating income</b>	<b>\$ 1,715</b>	<b>\$ 1,264</b>	<b>\$ 1,276</b>
<i>Non-GAAP operating margin</i>	<i>25%</i>	<i>22%</i>	<i>22%</i>

	Three Months Ended					
	September 28, 2024		June 29, 2024		September 30, 2023	
<b>GAAP net income / earnings per share</b>	<b>\$ 771</b>	<b>\$ 0.47</b>	<b>\$ 265</b>	<b>\$ 0.16</b>	<b>\$ 299</b>	<b>\$ 0.18</b>
(Gains) losses on equity investments, net	(1)	-	-	-	(4)	-
Stock-based compensation	351	0.21	346	0.21	353	0.22
Equity income in investee	(7)	-	(7)	-	(3)	-
Amortization of acquisition-related intangibles	585	0.36	603	0.37	660	0.41
Acquisition-related and other costs <sup>(1)</sup>	56	0.03	46	0.03	39	0.02
Income tax provision	(251)	(0.15)	(127)	(0.08)	(209)	(0.13)
<b>Non-GAAP net income / earnings per share</b>	<b>\$ 1,504</b>	<b>\$ 0.92</b>	<b>\$ 1,126</b>	<b>\$ 0.69</b>	<b>\$ 1,135</b>	<b>\$ 0.70</b>

<sup>(1)</sup> Acquisition-related and other costs primarily comprised of transaction costs, purchase price adjustments for inventory, certain compensation charges, contract termination and workforce rebalancing charges.