

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Three Months Ended			Year Ended	
	December 28, 2024	September 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Net revenue	\$ 7,658	\$ 6,819	\$ 6,168	\$ 25,785	\$ 22,680
Cost of sales	3,524	3,167	3,042	12,114	11,278
Amortization of acquisition-related intangibles	252	233	215	946	942
Total cost of sales	3,776	3,400	3,257	13,060	12,220
Gross profit	3,882	3,419	2,911	12,725	10,460
Gross margin	51%	50%	47%	49%	46%
Research and development	1,712	1,636	1,511	6,456	5,872
Marketing, general and administrative	792	721	644	2,783	2,352
Amortization of acquisition-related intangibles	332	352	420	1,448	1,869
Licensing gain	(11)	(14)	(6)	(48)	(34)
Restructuring charges	186	-	-	186	-
Operating income	871	724	342	1,900	401
Interest expense	(19)	(23)	(27)	(92)	(106)
Other income (expense), net	37	36	49	181	197
Income before income taxes and equity income	889	737	364	1,989	492
Income tax provision (benefit)	419	(27)	(297)	381	(346)
Equity income in investee	12	7	6	33	16
Net income	\$ 482	\$ 771	\$ 667	\$ 1,641	\$ 854
Earnings per share					
Basic	\$ 0.30	\$ 0.48	\$ 0.41	\$ 1.01	\$ 0.53
Diluted	\$ 0.29	\$ 0.47	\$ 0.41	\$ 1.00	\$ 0.53
Shares used in per share calculation					
Basic	1,623	1,620	1,616	1,620	1,614
Diluted	1,634	1,636	1,628	1,637	1,625

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

	December 28, 2024	December 30, 2023
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,787	\$ 3,933
Short-term investments	1,345	1,840
Accounts receivable, net	6,192	4,323
Inventories	5,734	4,351
Receivables from related parties	113	9
Prepaid expenses and other current assets	1,878	2,312
Total current assets	19,049	16,768
Property and equipment, net	1,802	1,589
Operating lease right-of-use assets	623	633
Goodwill	24,839	24,262
Acquisition-related intangibles, net	18,930	21,363
Investment: equity method	149	99
Deferred tax assets	688	366
Other non-current assets	3,146	2,805
Total Assets	\$ 69,226	\$ 67,885
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,990	\$ 2,055
Payables to related parties	476	363
Accrued liabilities	4,260	3,082
Current portion of long-term debt, net	-	751
Other current liabilities	555	438
Total current liabilities	7,281	6,689
Long-term debt, net of current portion	1,721	1,717
Long-term operating lease liabilities	491	535
Deferred tax liabilities	349	1,202
Other long-term liabilities	1,816	1,850
Stockholders' equity:		
Capital stock:		
Common stock, par value	17	17
Additional paid-in capital	61,362	59,676
Treasury stock, at cost	(6,106)	(4,514)
Retained earnings	2,364	723
Accumulated other comprehensive loss	(69)	(10)
Total stockholders' equity	57,568	55,892
Total Liabilities and Stockholders' Equity	\$ 69,226	\$ 67,885

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

	Three Months Ended		Year Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Cash flows from operating activities:				
Net income	\$ 482	\$ 667	\$ 1,641	\$ 854
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	172	164	671	642
Amortization of acquisition-related intangibles	583	635	2,393	2,811
Stock-based compensation	339	374	1,407	1,384
Amortization of operating lease right-of-use assets	31	25	113	98
Deferred income taxes	(300)	(219)	(1,163)	(1,019)
Inventory loss at contract manufacturer	-	-	65	-
Other	62	(23)	12	(54)
Changes in operating assets and liabilities				
Accounts receivable, net	96	(379)	(1,865)	(1,339)
Inventories	(362)	94	(1,458)	(580)
Prepaid expenses and other assets	494	(34)	343	(383)
Receivables from and payables to related parties, net	30	29	108	(107)
Accounts payable	(585)	(181)	(109)	(419)
Accrued and other liabilities	257	(771)	883	(221)
Net cash provided by operating activities	1,299	381	3,041	1,667
Cash flows from investing activities:				
Purchases of property and equipment	(208)	(139)	(636)	(546)
Purchases of short-term investments	(786)	(410)	(1,493)	(3,722)
Proceeds from maturity of short-term investments	65	770	1,416	2,687
Proceeds from sale of short-term investments	25	52	616	300
Acquisitions, net of cash acquired	-	(117)	(548)	(131)
Related party equity method investment	-	-	(17)	-
Issuance of loan to related party	(100)	-	(100)	-
Purchase of strategic investments	(210)	(6)	(341)	(11)
Other	-	-	2	-
Net cash provided by (used in) investing activities	(1,214)	150	(1,101)	(1,423)
Cash flows from financing activities:				
Repayment of debt	-	-	(750)	-
Proceeds from sales of common stock through employee equity plans	127	120	279	268
Repurchases of common stock	(256)	(233)	(862)	(985)
Common stock repurchases for tax withholding on employee equity plans	(42)	(45)	(728)	(427)
Other	-	(1)	(1)	(2)
Net cash used in financing activities	(171)	(159)	(2,062)	(1,146)
Net increase (decrease) in cash, cash equivalents and restricted cash	(86)	372	(122)	(902)
Cash, cash equivalents and restricted cash at beginning of period	3,897	3,561	3,933	4,835
Cash, cash equivalents and restricted cash at end of period	\$ 3,811	\$ 3,933	\$ 3,811	\$ 3,933

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

Segment and Category Information ⁽¹⁾	Three Months Ended			Year Ended	
	December 28, 2024	September 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Data Center					
Net revenue	\$ 3,859	\$ 3,549	\$ 2,282	\$ 12,579	\$ 6,496
Operating income	\$ 1,157	\$ 1,041	\$ 666	\$ 3,482	\$ 1,267
Client					
Net revenue	\$ 2,313	\$ 1,881	\$ 1,461	\$ 7,054	\$ 4,651
Operating income (loss)	\$ 446	\$ 276	\$ 55	\$ 897	\$ (46)
Gaming					
Net revenue	\$ 563	\$ 462	\$ 1,368	\$ 2,595	\$ 6,212
Operating income	\$ 50	\$ 12	\$ 224	\$ 290	\$ 971
Embedded					
Net revenue	\$ 923	\$ 927	\$ 1,057	\$ 3,557	\$ 5,321
Operating income	\$ 362	\$ 372	\$ 461	\$ 1,421	\$ 2,628
All Other					
Net revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operating loss	\$ (1,144)	\$ (977)	\$ (1,064)	\$ (4,190)	\$ (4,419)
Total					
Net revenue	\$ 7,658	\$ 6,819	\$ 6,168	\$ 25,785	\$ 22,680
Operating income	\$ 871	\$ 724	\$ 342	\$ 1,900	\$ 401
Other Data					
Capital expenditures	\$ 208	\$ 132	\$ 139	\$ 636	\$ 546
Adjusted EBITDA ⁽²⁾	\$ 2,212	\$ 1,887	\$ 1,576	\$ 6,824	\$ 5,496
Cash, cash equivalents and short-term investments	\$ 5,132	\$ 4,544	\$ 5,773	\$ 5,132	\$ 5,773
Free cash flow ⁽³⁾	\$ 1,091	\$ 496	\$ 242	\$ 2,405	\$ 1,121
Total assets	\$ 69,226	\$ 69,636	\$ 67,885	\$ 69,226	\$ 67,885
Total debt	\$ 1,721	\$ 1,720	\$ 2,468	\$ 1,721	\$ 2,468

See footnotes on the next page

⁽¹⁾ The Data Center segment primarily includes Artificial Intelligence (AI) accelerators, 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) and Adaptive System-on-Chip (SoC) products for data centers.

The Client segment primarily includes CPUs, APUs, and chipsets for desktops and notebooks.

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, restructuring charges and licensing gain.

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

(Millions) (Unaudited)	Three Months Ended			Year Ended	
	December 28,	September 28,	December 30,	December 28,	December 30,
	2024	2024	2023	2024	2023
GAAP net income	\$ 482	\$ 771	\$ 667	\$ 1,641	\$ 854
Interest expense	19	23	27	92	106
Other (income) expense, net	(37)	(36)	(49)	(181)	(197)
Income tax provision (benefit)	419	(27)	(297)	381	(346)
Equity income in investee	(12)	(7)	(6)	(33)	(16)
Stock-based compensation	339	351	374	1,407	1,380
Depreciation and amortization	186	171	164	685	642
Amortization of acquisition-related intangibles	584	585	635	2,394	2,811
Inventory loss at contract manufacturer	-	-	-	65	-
Acquisition-related and other costs	46	56	61	187	262
Restructuring charges	186	-	-	186	-
Adjusted EBITDA	\$ 2,212	\$ 1,887	\$ 1,576	\$ 6,824	\$ 5,496

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, acquisition-related and other costs, and restructuring charges. 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**

(Millions except percentages) (Unaudited)	Three Months Ended			Year Ended	
	December 28,	September 28,	December 30,	December 28,	December 30,
	2024	2024	2023	2024	2023
GAAP net cash provided by operating activities	\$ 1,299	\$ 628	\$ 381	\$ 3,041	\$ 1,667
Operating cash flow margin %	17%	9%	6%	12%	7%
Purchases of property and equipment	(208)	(132)	(139)	(636)	(546)
Free cash flow	\$ 1,091	\$ 496	\$ 242	\$ 2,405	\$ 1,121
Free cash flow margin %	14%	7%	4%	9%	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			Year Ended	
	December 28, 2024	September 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
GAAP gross profit	\$ 3,882	\$ 3,419	\$ 2,911	\$ 12,725	\$ 10,460
<i>GAAP gross margin</i>	<i>51%</i>	<i>50%</i>	<i>47%</i>	<i>49%</i>	<i>46%</i>
Stock-based compensation	6	5	6	22	30
Amortization of acquisition-related intangibles	252	233	215	946	942
Acquisition-related and other costs ⁽¹⁾	-	-	1	1	4
Inventory loss at contract manufacturer ⁽²⁾	-	-	-	65	-
Non-GAAP gross profit	\$ 4,140	\$ 3,657	\$ 3,133	\$ 13,759	\$ 11,436
<i>Non-GAAP gross margin</i>	<i>54%</i>	<i>54%</i>	<i>51%</i>	<i>53%</i>	<i>50%</i>
GAAP operating expenses	\$ 3,022	\$ 2,709	\$ 2,575	\$ 10,873	\$ 10,093
<i>GAAP operating expenses/revenue %</i>	<i>39%</i>	<i>40%</i>	<i>42%</i>	<i>42%</i>	<i>45%</i>
Stock-based compensation	333	346	368	1,385	1,350
Amortization of acquisition-related intangibles	332	352	420	1,448	1,869
Acquisition-related and other costs ⁽¹⁾	46	55	60	185	258
Restructuring charges ⁽³⁾	186	-	-	186	-
Non-GAAP operating expenses	\$ 2,125	\$ 1,956	\$ 1,727	\$ 7,669	\$ 6,616
<i>Non-GAAP operating expenses/revenue %</i>	<i>28%</i>	<i>29%</i>	<i>28%</i>	<i>30%</i>	<i>29%</i>
GAAP operating income	\$ 871	\$ 724	\$ 342	\$ 1,900	\$ 401
<i>GAAP operating margin</i>	<i>11%</i>	<i>11%</i>	<i>6%</i>	<i>7%</i>	<i>2%</i>
Stock-based compensation	339	351	374	1,407	1,380
Amortization of acquisition-related intangibles	584	585	635	2,394	2,811
Acquisition-related and other costs ⁽¹⁾	46	55	61	186	262
Inventory loss at contract manufacturer ⁽²⁾	-	-	-	65	-
Restructuring charges ⁽³⁾	186	-	-	186	-
Non-GAAP operating income	\$ 2,026	\$ 1,715	\$ 1,412	\$ 6,138	\$ 4,854
<i>Non-GAAP operating margin</i>	<i>26%</i>	<i>25%</i>	<i>23%</i>	<i>24%</i>	<i>21%</i>

	Three Months Ended						Year Ended			
	December 28, 2024		September 28, 2024		December 30, 2023		December 28, 2024		December 30, 2023	
GAAP net income / earnings per share	\$ 482	\$ 0.29	\$ 771	\$ 0.47	\$ 667	\$ 0.41	\$ 1,641	\$ 1.00	\$ 854	\$ 0.53
(Gains) losses on equity investments, net	-	-	(1)	-	1	-	2	-	(1)	-
Stock-based compensation	339	0.21	351	0.21	374	0.23	1,407	0.86	1,380	0.85
Equity income in investee	(12)	(0.01)	(7)	-	(6)	-	(33)	(0.02)	(16)	(0.01)
Amortization of acquisition-related intangibles	584	0.36	585	0.36	635	0.39	2,394	1.46	2,811	1.73
Acquisition-related and other costs ⁽¹⁾	46	0.03	56	0.03	61	0.04	187	0.11	262	0.16
Inventory loss at contract manufacturer ⁽²⁾	-	-	-	-	-	-	65	0.04	-	-
Restructuring charges ⁽³⁾	186	0.11	-	-	-	-	186	0.11	-	-
Income tax provision	152	0.10	(251)	(0.15)	(483)	(0.30)	(429)	(0.25)	(988)	(0.61)
Non-GAAP net income / earnings per share	\$ 1,777	\$ 1.09	\$ 1,504	\$ 0.92	\$ 1,249	\$ 0.77	\$ 5,420	\$ 3.31	\$ 4,302	\$ 2.65

⁽¹⁾ Acquisition-related and other costs primarily include transaction costs, purchase price fair value adjustments for inventory, certain compensation charges, contract termination costs and workforce rebalancing charges.

⁽²⁾ Inventory loss at contract manufacturer is related to an incident at a third-party contract manufacturing facility.

⁽³⁾ Restructuring charges are related to the 2024 Restructuring Plan which comprised of employee severance charges and non-cash asset impairments.