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AMD FINANCIAL RESULTS

Fourth Quarter and Full Year 2022

January 31, 2023

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; AMD's expected first quarter of 2023 and fiscal 2023 financial outlook, including revenue, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP interest expense, taxes and other, non-GAAP tax rates and diluted share count; AMD's total addressable market; and AMD's ability to drive long-term shareholder 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; global economic uncertainty; cyclical nature of the semiconductor industry; market conditions of the industries in which AMD products are sold; loss of a significant customer; impact of the COVID-19 pandemic on AMD's business, financial condition and results of operations; competitive markets in which AMD's products are sold; quarterly and seasonal sales patterns; AMD's ability to adequately protect its technology or other intellectual property; unfavorable currency exchange rate fluctuations; ability of third party manufacturers to manufacture AMD's products on a timely basis in sufficient quantities and using competitive technologies; availability of essential equipment, materials, substrates or manufacturing processes; ability to achieve expected manufacturing yields for AMD's products; AMD's ability to introduce products on a timely basis with expected features and performance levels; AMD's ability to generate revenue from its semi-custom SoC products; potential security vulnerabilities; potential security incidents including IT outages, data loss, data breaches and cyber-attacks; potential difficulties in upgrading and operating AMD's new enterprise resource planning system; uncertainties involving the ordering and shipment of AMD's products; 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 design, manufacture and supply of motherboards, software and other computer platform components; AMD's reliance on Microsoft 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; 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; efficiency of AMD's supply chain; AMD's ability to rely on third party supply-chain logistics functions; AMD's ability to effectively control sales of its products on the gray market; impact of government actions and regulations such as export administration regulations, tariffs and trade protection measures; AMD's ability to realize its deferred tax assets; potential tax liabilities; current and future claims and litigation; impact of environmental laws, conflict minerals-related provisions and other laws or regulations; impact of acquisitions, joint ventures and/or investments, including acquisitions of Xilinx and Pensando, on AMD's business and AMD's ability to integrate acquired businesses; impact of any impairment of the combined company's assets on the combined company's financial position and results of operation; restrictions imposed by agreements governing AMD's notes, the guarantees of Xilinx's notes and the revolving credit facility; AMD's indebtedness; AMD's ability to generate sufficient cash to meet its working capital requirements or generate sufficient revenue and operating cash flow to make all of its planned R&D or strategic investments; political, legal, economic risks and natural disasters; future impairments of goodwill and technology license purchases; AMD's ability to attract and retain qualified personnel; AMD's stock price volatility; and worldwide political conditions. 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 most recent reports on Forms 10-K and 10-Q.

NON-GAAP FINANCIAL MEASURES

In this presentation, in addition to GAAP financial results, AMD has provided non-GAAP financial measures including non-GAAP gross profit, 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 fiscal 2022, AMD uses a non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non-GAAP adjustments. For fiscal year 2023, AMD uses a projected non-GAAP tax rate of 13%, which excludes the tax impact of pre-tax non GAAP adjustments, reflecting currently available information. In addition, AMD provided pro forma revenue for the year ended December 31, 2022 and December 25, 2021 which include unaudited Xilinx pre-acquisition revenue from January 2, 2022 to February 13, 2022 and for the twelve months ended January 1, 2022, respectively, as supplemental information. 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 31, 2023, 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.

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OUR JOURNEY

Leadership Product Portfolio	Expanding Customer & Partner Ecosystem	Data Center and Embedded Growth	Strong Financial Foundation

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OUR LEADERSHIP TECHNOLOGY

Industry-Leading IP

Executing leadership CPU, GPU, DPU, FPGA and Adaptive SoC products and roadmaps

Advanced Technology

Driving leadership process technology and 3D chiplet packaging

Data Center Leadership

Delivering innovation in cloud, enterprise, AI and accelerated computing

Software Enablement

Open-source software co-designed with hardware and optimized for performance across heterogenous solutions

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OUR LEADERSHIP PRODUCTS

Data Center

Leadership data center solutions with server CPUs, GPUs, FPGAs, DPUs and Adaptive SoCs

Client

Leadership CPUs and APUs for notebook and desktop PCs and commercial workstations

Gaming

Top-to-bottom desktop and notebook GPUs, game console and semi-custom SoCs

Embedded

Leadership FPGAs, Adaptive SoCs and SoMs, and embedded CPUs and GPUs for a broad set of markets

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REVENUE SUMMARY FY 2022

- Revenue of $23.6 billion grew 44% y/y driven by higher Embedded, Data Center and Gaming segment revenue, partially offset by lower Client segment revenue
- Pro forma[1] revenue of $24.1 billion, up 20% compared to $20.1 billion in 2021, on combined AMD and Xilinx company basis

1. See Appendices for Pro-forma revenue reconciliation.

REVENUE SUMMARY Q4 2022

- Revenue of $5.6 billion grew 16% y/y driven by growth across the Embedded and Data Center segments, partially offset by lower Client and Gaming segment revenue

GROSS MARGIN SUMMARY FY 2022

- Gross margin decrease primarily due to amortization of Xilinx acquisition-related intangible assets

- Non-GAAP gross margin increase primarily driven by a richer product mix with higher Embedded and Data Center segment revenue, partially offset by lower Client segment revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

GROSS MARGIN SUMMARY Q4 2022

GAAP

- Gross margin decrease primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP[1]

- Non-GAAP gross margin increase primarily driven by a richer product mix with higher Embedded and Data Center segment revenue, partially offset by lower Client segment revenue

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME SUMMARY FY 2022

GAAP

- Operating income decrease primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP[1]

- Non-GAAP operating income primarily driven by higher revenue and gross margin expansion

1. See Appendices for GAAP to Non-GAAP reconciliation

OPERATING INCOME (LOSS) SUMMARY Q4 2022

- Operating loss primarily due to amortization of Xilinx acquisition-related intangible assets

- Non-GAAP operating income was flat y/y

1. See Appendices for GAAP to Non-GAAP reconciliation

EARNINGS PER SHARE SUMMARY FY 2022

GAAP

- Net income of $1.3 billion compared to $3.2 billion in prior year
- Earnings per share $0.84 compared to $2.57 in prior year

Non-GAAP[1]

- Non-GAAP net income of $5.5 billion compared to $3.4 billion, up 60% from the prior year
- Earnings per share $3.50 compared to $2.79 in prior year, primarily due to Data Center segment growth and the addition of Xilinx

1. See Appendices for GAAP to Non-GAAP reconciliation

EARNINGS PER SHARE SUMMARY Q4 2022

GAAP

- Net income of $21 million, decreased y/y primarily due to amortization of Xilinx acquisition-related intangible assets, partially offset by a $154 million tax benefit in the quarter
- EPS declined primarily due to amortization of Xilinx acquisition-related intangible assets

Non-GAAP[1]

- Non-GAAP net income of $1.1 billion, flat y/y
- Non-GAAP EPS declined primarily due to lower Client segment operating income

1. See Appendices for GAAP to Non-GAAP reconciliation

FY 2022 SUMMARY P&L | GAAP

($ in millions, except per share data)	2022	2021	Y/Y
Revenue	$23,601	$16,434	Up 44%
Gross Profit	$10,603	$7,929	Up 34%
Gross Margin %	45%	48%	Down 330bps
Operating Expenses	$9,441	$4,293	Up 120%
Operating Expense/Revenue %	40%	26%	Up 14 pp
Operating Income	$1,264	$3,648	Down 65%
Operating Margin %	5%	22%	Down 17 pp
Net Income	$1,320	$3,162	Down 58%
Earnings Per Share	$0.84	$2.57	Down 67%

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FY 2022 SUMMARY P&L | NON-GAAP[1]

($ in millions, except per share data)	2022	2021	Y/Y
Revenue	$23,601	$16,434	Up 44%
Gross Profit	$12,273	$7,934	Up 55%
Gross Margin %	52%	48%	Up 370 bps
Operating Expenses	$6,030	$3,877	Up 56%
Operating Expense/Revenue %	26%	24%	Up 2 pp
Operating Income	$6,345	$4,069	Up 56%
Operating Margin %	27%	25%	Up 2 pp
Net Income	$5,504	$3,435	Up 60%
Earnings Per Share[1]	$3.50	$2.79	Up 25%

1. See Appendices for GAAP to Non-GAAP reconciliation and share count reference

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Q4 2022 SUMMARY P&L | GAAP

($ in millions, except per share data)	Q4'22	Q4'21	Y/Y
Revenue	$5,599	$4,826	Up 16%
Gross Profit	$2,403	$2,426	Flat
Gross Margin %	43%	50%	Down 740 bps
Operating Expenses	$2,557	$1,223	Up 109%
Operating Expense/Revenue %	46%	25%	Up 21 pp
Operating Income (Loss)	$(149)	$1,207	Down 112%
Operating Margin %	(3)%	25%	Down 28 pp
Net Income	$21	$974	Down 98%
Earnings Per Share	$0.01	$0.80	Down 99%

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Q4 2022 SUMMARY P&L | NON-GAAP[1]

($ in millions, except per share data)	Q4'22	Q4'21	Y/Y
Revenue	$5,599	$4,826	Up 16%
Gross Profit	$2,859	$2,427	Up 18%
Gross Margin %	51%	50%	Up 70 bps
Operating Expenses	$1,602	$1,103	Up 45%
Operating Expense/Revenue %	29%	23%	Up 6 pp
Operating Income	$1,262	$1,328	Down 5%
Operating Margin %	23%	27%	Down 4 pp
Net Income	$1,113	$1,122	Flat
Earnings Per Share[1]	$0.69	$0.92	Down 25%

1. See Appendices for GAAP to Non-GAAP reconciliation and share count reference

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REVENUE

($ in Billions)

EMBEDDED AND DATA CENTER SEGMENTS GREW Y/Y, CLIENT AND GAMING SEGMENT LOWER Y/Y

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GROSS MARGIN

(GAAP)

Y/Y DECREASE PRIMARILY DUE TO AMORTIZATION OF XILINX ACQUISITION-RELATED INTANGIBLE ASSETS

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GROSS MARGIN

(Non-GAAP)*

Y/Y INCREASE PRIMARILY DRIVEN BY RICHER PRODUCT MIX WITH HIGHER EMBEDDED AND DATA CENTER SEGMENT REVENUE, PARTIALLY OFFSET BY LOWER CLIENT SEGMENT REVENUE

*See Appendices for GAAP to Non-GAAP reconciliation.

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EARNINGS PER SHARE

(GAAP)

Y/Y DECREASE PRIMARILY DUE TO AMORTIZATION OF XILINX ACQUISITION-RELATED INTANGIBLE ASSETS

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EARNINGS PER SHARE

(Non-GAAP)*

Q4 DOWN Y/Y PRIMARILY DUE TO LOWER CLIENT OPERATING INCOME

*See Appendices for GAAP to Non-GAAP reconciliation

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Q4 & FY 2022 SUMMARY BALANCE SHEET ITEMS

($ in millions)	Q4'22	Q4'21	Y/Y
Cash, Cash Equivalents and Short-term Investments	$5,855	$3,608	Up $2,247
Accounts Receivable, Net	$4,126	$2,706	Up $1,420
Inventories	$3,771	$1,955	Up $1,816
Total Debt, Net	$2,467	$313	Up $2,154

STRONG NET CASH POSITION

Returned $3.7 billion to shareholders in FY'22 through share repurchases

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Q4 & FY 2022 SEGMENT RESULTS
(GAAP)

($ in millions)	Q4'22	Q4'21	Y/Y	2022	2021	Y/Y
Data Center						
Net Revenue	$1,655	$1,163	Up 42%	$6,043	$3,694	Up 64%
Operating Income	$444	$369	Up 20%	$1,848	$991	Up 86%
Client						
Net Revenue	$903	$1,829	Down 51%	$6,201	$6,887	Down 10%
Operating Income (Loss)	$(152)	$530	Down 129%	$1,190	$2,088	Down 43%
Gaming						
Net Revenue	$1,644	$1,763	Down 7%	$6,805	$5,607	Up 21%
Operating Income	$266	$407	Down 35%	$953	$934	Up 2%
Embedded						
Net Revenue	$1,397	$71	Up 1,868%	$4,552	$246	Up 1,750%
Operating Income	$699	$18	Up 3,783%	$2,252	$44	Up 5,018%

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DATA CENTER SEGMENT Q4 2022

Quarterly Revenue

Revenue
$1.7 Billion
Up 42% y/y

Strong sales of EPYC™ server processors

Operating Margin

Operating Income
$444 Million
vs. $369 Million a year ago

Growth in operating income primarily driven by higher revenue, partially offset by higher R&D investments to support growth

AMD EPYC AMD INSTINCT AMD XILINX AMD PENSANDO

Strategic Highlights

- Announced availability of 4th Gen EPYC CPU processors delivering leadership performance and energy efficiency
- Previewed AMD Instinct™ MI300 designed for leadership HPC and AI performance
- Powering 101 supercomputers in Top500 list of most powerful supercomputers
- Record sales of Xilinx data center and networking products, and significant ramp of Pensando DPU sales from prior quarter

CLIENT SEGMENT Q4 2022

Quarterly Revenue

Revenue
$903 Million
Down 51% y/y

Due to reduced processor shipments

Operating Margin

Operating Income (Loss)
$(152) Million
vs. $530 Million a year ago

Operating loss primarily due to lower revenue

AMD RYZEN | AMD RYZEN PRO | AMD THREADRIPPER PRO

Strategic Highlights

- Announced broadest portfolio of high-performance PC products for mobile and desktop applications, including:
  - Ryzen™ 7040 CPU Series for ultrathin notebooks, industry's 1st x86 CPUs with a dedicated, on-chip AI inference engine
  - Ryzen 7045 CPU Series, AMD's 1st mobile processors based on chiplet design delivering significantly higher performance for gaming and content creation applications

GAMING SEGMENT Q4 2022

Quarterly Revenue

Revenue
$1.6 Billion
Down 7% y/y

Driven by lower gaming graphics sales partially offset by higher semi-custom product revenue

Operating Margin

Operating Income
$266 Million
vs. $407 Million a year ago

Decline in operating income primarily due to lower graphics revenue

AMD RADEON

Strategic Highlights

- Announced Radeon™ RX 7900 series graphics cards, world's 1st gaming graphics card with advanced AMD chiplet design
- Announced AMD Radeon 7000 Series Graphics for laptop PCs designed for exceptional energy efficiency and performance

EMBEDDED SEGMENT Q4 2022

Quarterly Revenue

Revenue
$1.4 Billion
Up 1,868% y/y

Primarily driven by inclusion of Xilinx embedded revenue

Operating Margin

Operating Income
$699 Million
vs. $18 Million a year ago

Growth in operating income primarily driven by inclusion of Xilinx revenue

AMD ZYNQ UltraScale+ AMD VERSAL

Strategic Highlights

- Announced multiple new wins for AMD's automotive grade Zynq™ Ultrascale+™ MP SoC platforms with several of the largest vehicle equipment suppliers
- AMD Vitis™ Medical Imaging libraries to bring premium medical imaging products to market faster

FINANCIAL OUTLOOK – NON-GAAP[1]

($ in millions)	Q1'23	FY 2023
Revenue	~$5.3 Billion +/- $300 Million Decrease of ~10% y/y	Data Center and Embedded segments expected to grow y/y
Gross Margin %	~50%	~flattish in 1H 2023, expansion in 2H 2023
Operating Expenses	~$1.6 Billion	~flat quarterly with Q1'23 until demand environment improves
Interest Expense, Taxes and Other	~$146 Million	--
Effective Tax Rate	~13% of pre-tax income	~13% of pre-tax income
Diluted Share Count[2]	~1.62 Billion shares	~1.62 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 31, 2023, 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, amortization of acquired intangible assets, income tax provision, equity income in investee, and other non-recurring items such as loss on debt redemption/conversion, impairment charges and acquisition-related costs. 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

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FY 2022 SUMMARY[1]

Revenue $23.6B Up 44% Y/Y	Strong Data Center, Embedded and Gaming Segment Performance	Gross Margin 45% Non-GAAP GM 52%	Operating Cash Flow $3.6B Free Cash Flow $3.1B

RECORD ANNUAL REVENUE, NON-GAAP GROSS MARGIN AND PROFITABILITY[1]

1. See Appendices for GAAP to Non-GAAP reconciliation

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Q4 2022 SUMMARY[1]

Revenue $5.6B Up 16% Y/Y	Growth in Embedded and Data Center Segments	Gross Margin 43% Non-GAAP GM 51%	Operating Cash Flow $567M Free Cash Flow $443M

DATA CENTER AND EMBEDDED PRODUCTS >50% OF 4TH QUARTER REVENUE

1. See Appendices for GAAP to Non-GAAP reconciliation

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AMD COMMITMENT TO ESG

SEAL AWARD WINNER 2022

SILVER 2022 ecovadis Sustainability Rating

Bloomberg Gender-Equality Index 2022

BEST PLACES TO WORK for LGBTQ+ Equality 2022 100% CORPORATE EQUALITY INDEX

3BL MEDIA 100 Best Corporate Citizens 2022

Corporate ESG Performance Prime RATED BY ISS ESG

Environmental

Steadfast commitment to environmental sustainability and contributing to our local communities

Social

Creating a culture that drives innovation by fostering diversity, inclusion and belonging

Governance

Delivering industry leading products with integrity, innovation and quality in order to help solve global challenges

PURPOSE-DRIVEN HIGH-PERFORMANCE AND ADAPTIVE COMPUTING

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OUR NEXT JOURNEY

- Large and Compelling $300B TAM
- Unmatched Technology Leadership
- Expanding Data Center Leadership and Pervasive AI
- World-Class Execution and Focus
- Strong Balance Sheet

DRIVING LONG-TERM SHAREHOLDER RETURNS

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APPENDICES

RECONCILIATION OF AS-REPORTED REVENUE TO AMD PRO FORMA REVENUE

(Billions) (Unaudited)	2022	2021
AMD Net Revenue – As Reported	$ 23.6	$ 16.4
Pre-Acquisition Revenue (1)	0.5	3.7
AMD Net Revenue – Pro Forma (2)	$ 24.1	$ 20.1

(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.

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APPENDICES

RECONCILIATION OF GAAP TO NON-GAAP GROSS PROFIT AND GROSS MARGIN

(Millions) (Unaudited)	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	2021	2022
GAAP gross profit	$ 1,587	$ 1,830	$ 2,086	$ 2,426	$ 2,818	$ 3,028	$ 2,354	$ 2,403	$ 7,929	$ 10,603
GAAP gross margin %	46%	48%	48%	50%	48%	46%	42%	43%	48%	45%
Stock-based compensation	1	2	1	1	4	8	8	9	5	29
Acquisition-related costs (1)	–	–	–	–	92	95	2	4	–	193
Amortization of acquired intangible assets	–	–	–	–	186	407	412	443	–	1,448
Non-GAAP gross profit	$ 1,588	$ 1,832	$ 2,087	$ 2,427	$ 3,100	$ 3,538	$ 2,776	$ 2,859	$ 7,934	$ 12,273
Non-GAAP gross margin %	46%	48%	48%	50%	53%	54%	50%	51%	48%	52%

RECONCILIATION OF GAAP TO NON-GAAP OPERATING EXPENSES

(Millions) (Unaudited)	Q4'22	Q4'21	2022	2021
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%

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

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APPENDICES

RECONCILIATION OF GAAP OPERATING INCOME TO NON-GAAP OPERATING INCOME

(Millions) (Unaudited)	Q4'22	Q4'21	2022	2021
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%

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

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APPENDICES

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME / EARNINGS PER SHARE

(Millions, except per share data) (Unaudited)	Q1'21		Q2'21		Q3'21		Q4'21		Q1'22		Q2'22		Q3'22		Q4'22	
GAAP net income / earnings per share	$ 555	$ 0.45	$ 710	$ 0.58	$ 923	$ 0.75	$ 974	$ 0.80	$ 786	$ 0.56	$ 447	$ 0.27	$ 66	$ 0.04	$ 21	$ 0.01
Loss on debt redemption/conversion	6	0.01	1	–	–	–	–	–	–	–	–	–	–	–	–	–
(Gains) losses on equity investments, net	8	0.01	–	–	(60)	(0.05)	(4)	–	44	0.03	10	–	3	–	5	–
Stock-based compensation	85	0.07	83	0.06	99	0.08	112	0.09	174	0.12	259	0.16	269	0.16	310	0.19
Equity income in investee	(2)	–	(2)	–	(2)	–	–	–	(3)	–	(4)	–	(4)	–	(3)	–
Acquisition-related costs (1)	15	0.01	10	0.01	8	0.01	9	–	233	0.17	174	0.11	57	0.04	57	0.04
Amortization of acquired intangible assets	–	–	–	–	–	–	–	–	479	0.34	1,023	0.63	1,002	0.62	1,044	0.65
Income tax provision	(25)	(0.03)	(24)	(0.02)	(75)	(0.06)	31	0.03	(124)	(0.09)	(202)	(0.12)	(298)	(0.19)	(321)	(0.20)
Non-GAAP net income / earnings per share	$ 642	$ 0.52	$ 778	$ 0.63	$ 893	$ 0.73	$1,122	$ 0.92	$1,589	$ 1.13	$1,707	$ 1.05	$1,095	$ 0.67	$1,113	$ 0.69
Shares used and net income adjustment in earnings per share calculation																
Shares used in per share calculation (GAAP) (2)		1,231		1,232		1,230		1,222		1,410		1,632		1,625		1,618
Shares used in per share calculation (Non-GAAP) (2)		1,233		1,232		1,230		1,222		1,410		1,632		1,625		1,618

(1) Acquisition-related costs primarily comprised of transaction costs, purchase price adjustments for inventory and certain compensation charges.
(2) GAAP and non-GAAP diluted EPS include the assumed conversion of the Company's 2026 Convertible Notes under the "if converted" method.

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APPENDICES

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME / EARNINGS PER SHARE

(Millions, except per share data) (Unaudited)	2021		2022	
GAAP net income / earnings per share	$ 3,162	$ 2.57	$1,320	$0.84
Loss on debt redemption/conversion	7	–	–	–
(Gains) losses on equity investments, net	(56)	(0.04)	62	0.04
Stock-based compensation	379	0.31	1,012	0.64
Equity income in investee	(6)	–	(14)	(0.01)
Acquisition-related costs (1)	42	0.03	521	0.33
Amortization of acquired intangible assets	–	–	3,548	2.26
Income tax provision	(93)	(0.08)	(945)	(0.60)
Non-GAAP net income / earnings per share	$3,435	$ 2.79	$5,504	$3.50

Shares used and net income adjustment in earnings per share calculation				
Shares used in per share calculation (GAAP) (2)		1,229		1,571
Shares used in per share calculation (Non-GAAP) (2)		1,229		1,571

(1) Acquisition-related costs primarily comprised of transaction costs, purchase price adjustments for inventory and certain compensation charges.
(2) GAAP and non-GAAP diluted EPS include the assumed conversion of the Company's 2026 Convertible Notes under the "if converted" method.

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APPENDICES

RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW

(Millions) (Unaudited)	**Q4'22**	2022
Operating cash flow	567	3,565
Operating cash flow margin %	10%	15%
Purchases of property and equipment	(124)	(450)
Free cash flow	443	3,115
Free cash flow margin %	8%	13%

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APPENDICES

SHARE COUNT OVERVIEW

Shares (millions) [1]	Q1'22	Q2'22	Q3'22	Q4'22	2022	Q1'23	2023
	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate
Basic shares	1,393	1,618	1,615	1,613	1,561	1,612	1,619
Dilutive impact from employee equity grants and warrant [2]	17	14	10	5	10	5	6
Diluted shares	1,410	1,632	1,625	1,618	1,571	1,617	1,625

The table above provides actual share count for Q1'22, Q2'22, Q3'22, Q4'22, and 2022 and an estimate of share count to use when calculating GAAP and non-GAAP diluted earnings per share for Q1'23 and FY 2023.

(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 Q1'22, Q2'22, Q3'22, and Q4'22 average stock price was $121.81, $96.04, $86.37, and $66.00, respectively. The Q4'22 average stock price of $66.00 was assumed for Q1'23 and FY23 average stock price estimates.

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