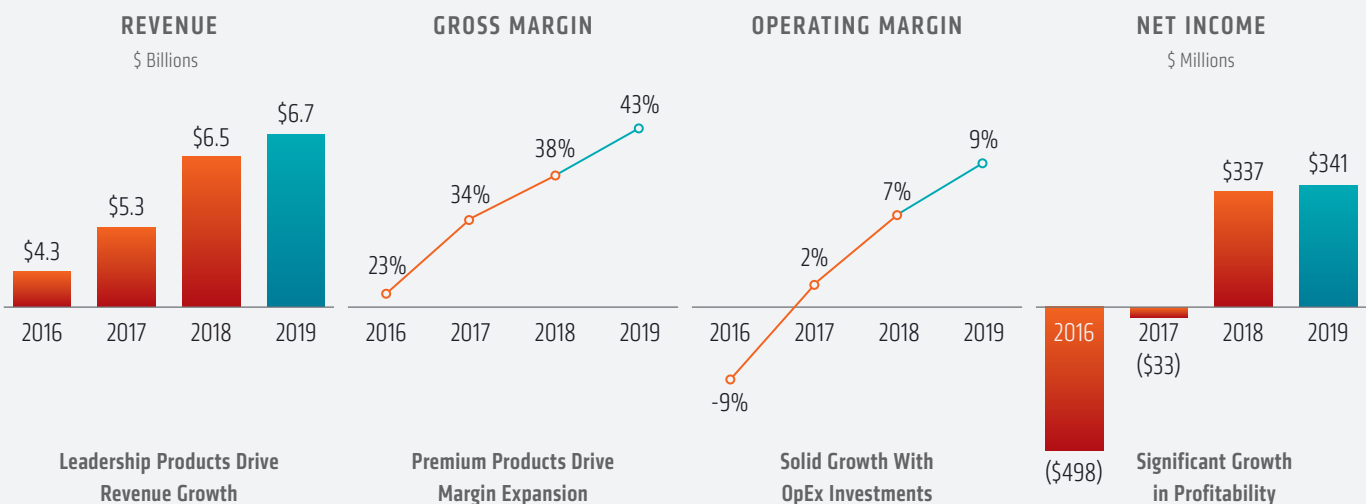




MARCH 2020

DEAR SHAREHOLDERS:

Five years ago, AMD set out on a journey. We established a clear focus on becoming a high-performance computing leader and defined an ambitious technology roadmap grounded in a series of key investments. As a company, we committed to strong execution and engaged deeply with our customers and partners, including industry leaders like Amazon, Apple, Google, HPE, Lenovo, Microsoft and Sony. 2019 was a major milestone in that journey. We introduced and successfully ramped the strongest product portfolio in our history spanning desktops, laptops, gaming and the data center, including the launches of the world's first 7nm x86 CPUs and PC GPUs. On the strength of this portfolio and strong execution, we delivered record annual revenue of \$6.73 billion, strong gross margin expansion and significant profitability growth. For the second year in a row, AMD was the best performing stock in the S&P 500. Strong customer demand for our 7nm Ryzen™ and EPYC™ processors powered by our next generation “Zen 2” processor core drove \$1.5 billion in client and server processor annual revenue growth in 2019.



Computing and Graphics segment revenue grew 14% in 2019 primarily based on strong demand for our AMD Ryzen™ desktop and mobile processors. Ryzen processor adoption accelerated sharply, helping drive significant double-digit percentage increases in client processor annual unit shipments, average selling price (ASP) and revenue. We launched a full family of 3rd Gen Ryzen™ desktop processors, including the 3rd Gen Ryzen™ Threadripper™ CPU which is the world's most powerful high-end desktop processor.

In notebooks, the largest PC companies expanded the number of AMD-powered platforms to include new premium offerings like the first ever AMD-powered Microsoft Surface Laptop 3. As a result, we gained over 4 points of both desktop and notebook processor unit share in 2019 and exited the year with our highest quarterly client processor unit shipments in more than six years.

In Graphics, we introduced our new RDNA architecture designed to drive the next generation of gaming across PCs, consoles, handhelds and the cloud. RDNA-powered Radeon™ RX 5000 series GPUs deliver up to a 50% performance-per-watt increase compared to our prior generation graphics cards, enabling the most powerful gaming GPU available for under \$300. Our data center GPU revenue grew by a strong double-digit percentage for the year as customer adoption of our Radeon GPUs for cloud gaming, AI and machine learning workloads increased.

In our Enterprise, Embedded and Semi-Custom segment, we saw strong server revenue growth, although annual revenue decreased due to lower semi-custom sales in advance of the next-generation console launches from Microsoft and Sony planned for 2020. In August 2019, we introduced our 2nd Gen EPYC™ processor, the world's first 7nm data center CPU, and it is ramping significantly faster than the first generation. We doubled the number of AMD EPYC™ CPU-based platforms and cloud instances in 2019 and adoption is accelerating among enterprise and cloud customers globally. Based on our breakthrough architecture and leadership performance, we secured multiple large supercomputing wins in 2019, including U.S., French, German, and U.K. national supercomputing center deployments. We are particularly proud to be collaborating with the U.S. Department of Energy, the Oak Ridge National Laboratory and Cray Inc. on Frontier, expected to be the world's fastest exascale-class supercomputer when delivered in 2021.

In addition to delivering strong annual financial results, AMD received recognition for our environmental and sustainability initiatives, earning a place on the Forbes Just 100 list of best U.S. corporate citizens for the third consecutive year. We also achieved a 100% score on the Human Rights Campaign Foundation's Corporate Equality Index. We were also proud to have been named one of Fast Company's "Best Workplaces for Innovators" and Fortune Magazine's "World's Most Admired Companies."

2020: ACCELERATING GROWTH

2019 was a year of significant product launches, and in 2020 we will build on our portfolio to accelerate growth. With more than twenty 7nm products in production or development, we are well-positioned to continue to innovate and extend our performance leadership.

- ▲ In client computing, we started 2020 strong with the launch of our new Ryzen™ 4000 series mobile processors, enabling the industry's first ultrathin notebooks with 8 cores. We expect more than 135 AMD-powered notebooks to come to market in 2020, helping drive continued market share gains across consumer and commercial. We will build on this momentum with the launch of our next-generation Ryzen CPUs powered by our "Zen 3" processor core late in the year.

- ▲ In gaming, we plan to introduce multiple products powered by our next generation AMD RDNA 2 architecture, including new desktop GPUs for the premium enthusiast portion of the market. We are also proud to power both the PlayStation® 5 and Xbox® Series X next-generation game consoles scheduled to launch this year.
- ▲ In data center, deployments of our 2nd generation EPYC processors into large-scale cloud, enterprise and HPC customers continue to expand. We expect to have more than 140 AMD EPYC™ CPU-based platforms and more than 150 AMD EPYC™ CPU-based cloud instances in 2020. We are on-track to accelerate our data center business with the introduction of our third-generation EPYC processor family late in the year. To gain share in the high-growth data center GPU market, we also plan to launch our first compute-specific graphics architecture in late 2020. AMD Compute DNA (AMD CDNA) has been optimized to deliver leadership performance and efficiency for AI, machine learning, and high-performance computing workloads. We continue to invest in our Radeon Open Compute (ROCm) software tools, and plan to release a complete software stack this year to make it easier for developers to take full advantage of the performance of our data center GPUs.

AMD: BUILDING THE BEST

2019 was a record year for AMD as key investments paid off and great products, operational discipline and focused execution drove strong financial performance and growing customer momentum. 2020 marks the next leg of our multi-year journey. We have established a path to sustained growth, CPU and GPU leadership and innovation in exascale and AI solutions based on our foundation of industry-leading IP.

As exciting as the last few years have been, we are just getting started. We entered 2020 with strong momentum – and the products, the partners and the determination to win. We remain committed to building the best based on multi-generational leadership roadmaps and strong, predictable execution. Thank you for being part of our journey and our success.



Dr. Lisa Su
President and Chief Executive Officer

CAUTIONARY STATEMENT

The forward-looking statements contained in this letter, including but not limited to the expected performance, timing and availability of the Frontier exascale system; the expected number of AMD-powered notebooks to come to market in 2020 and the expected market share gains across consumer and commercial notebook markets as a result of those new AMD-powered notebooks; the features, functionality, availability, timing, performance, expectations, adoption and expected benefits related to AMD's future products, including AMD's "next generation RDNA2 gaming architecture and AMD's third-generation EPYC™ processor family, AMD Compute DNA, next generation Radeon Open Compute (ROCm) software tools; expected number of AMD EPYC CPU-based platforms and AMD EPYC CPU-based cloud instances in 2020; the availability of AMD powered next generation Playstation 5 and Xbox Series X game consoles; and the availability of future high-performance RDNA architecture-powered products, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements contained herein involved risk and uncertainties that could cause actual results to differ materially from current expectations. We urge investors to review in detail the risk and uncertainties in our Securities and Exchange Commission filings, including but not limited to our Annual Report on Form 10-K for the year ended December 28, 2019.