UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): October 27, 2020

XILINX, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-18548
(Commission File Number)

77-0188631
(IRS Employer Identification No.)

2100 Logic Drive,
San Jose,
California
(Address of principal executive offices)

95124
(Zip Code)

Registrant’s telephone number, including area code: (408) 559-7778

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, $0.01 par value

Trading Symbol(s)
XLNX

Name of each exchange on which registered
The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
Item 7.01 Regulation FD Disclosure

On October 26, 2020, Xilinx, Inc., a Delaware corporation ("Xilinx"), entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Advanced Micro Devices, Inc., a Delaware corporation ("AMD"), Thrones Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of AMD, and Xilinx. On October 27, 2020, Xilinx distributed the following materials with respect to the proposed transactions contemplated by the Merger Agreement, the full text of which are attached hereto as Exhibits 99.1-99.7 and incorporated herein by reference:

- Investor Presentation, dated as of October 27, 2020 (Exhibit 99.1)
- Transcript of AMD Q3 2020 Earnings Conference Call (Exhibit 99.2)
- E-mail from CEO of Xilinx to Xilinx employees, sent on October 27, 2020 (Exhibit 99.3)
- E-mail from CEO of AMD to Xilinx employees, sent on October 27, 2020 (Exhibit 99.4)
- FAQ made available to employees of Xilinx on October 27, 2020 (Exhibit 99.5)
- Briefing document made available to Xilinx managers on October 27, 2020 (Exhibit 99.6)
- Social media posts by Xilinx relating to the Merger on October 27, 2020 (Exhibit 99.7)

These Exhibits 99.1-99.7, together with the furnished information pursuant to Item 7.01, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, if such subsequent filing specifically references the information furnished pursuant to Item 7.01 of this Current Report on Form 8-K.

Important Information about the Merger and Where to Find It

In connection with the proposed transaction, Advanced Micro Devices, Inc. ("AMD") intends to file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a joint proxy statement of Xilinx, Inc. ("Xilinx") and AMD and that will constitute a prospectus with respect to shares of AMD’s common stock to be issued in the proposed transaction ("Joint Proxy Statement/Prospectus"). Each of Xilinx and AMD may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the Joint Proxy Statement/Prospectus or any other document which Xilinx or AMD may file with the SEC. INVESTORS, XILINX STOCKHOLDERS AND AMD STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors, Xilinx stockholders and AMD stockholders will also be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents containing important information about Xilinx, AMD and the proposed transaction that are or will be filed with the SEC by Xilinx or AMD through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by AMD will also be available free of charge on AMD’s website at ir.AMD.com or by contacting AMD’s Corporate Secretary by email at Corporate.Secretary@AMD.com. Copies of the documents filed with the SEC by Xilinx will also be available free of charge or by contacting Xilinx’s investor relations department at the following:

Xilinx, Inc.
2100 Logic Drive
San Jose, California 95124
Attention: Investor Relations
(408) 559-7778
ir@xilinx.com
www.investor.xilinx.com

Participants in the Solicitation

Xilinx or AMD and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Xilinx’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in Xilinx’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on June 19, 2020. Information regarding AMD’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in AMD’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on March 26, 2020. Additional information regarding the direct and indirect interests of the participants in the solicitation of proxies in connection with the proposed transaction, including the interests of Xilinx and AMD directors and executive officers in the transaction, which may be different than those of Xilinx and AMD stockholders generally, will be contained in the Joint Proxy Statement/Prospectus and any other relevant documents that are or will be filed with the SEC relating to the transaction. You may obtain free copies of these documents using the sources indicated above.
No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Cautionary Note Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Xilinx’s current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management’s beliefs and certain assumptions made by Xilinx and AMD, all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “see,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “expect,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the transaction on a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of Xilinx’s and AMD’s businesses and other conditions to the completion of the transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Xilinx and AMD; (iii) the impact of the COVID-19 pandemic on Xilinx’s business and general economic conditions; (iv) Xilinx’s ability to implement its business strategy; (v) pricing trends, including Xilinx’s and AMD’s ability to achieve economies of scale; (vi) potential litigation relating to the proposed transaction that could be instituted against Xilinx, AMD or their respective directors; (vii) the risk that disruptions from the proposed transaction will harm Xilinx’s or AMD’s business, including current plans and operations; (viii) the ability of Xilinx or AMD to retain and hire key personnel; (ix) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (x) uncertainty as to the long-term value of AMD common stock; (xi) legislative, regulatory and economic developments affecting Xilinx’s and AMD’s businesses; (xii) general economic and market developments and conditions; (xiii) the evolving legal, regulatory and tax regimes under which Xilinx and AMD operate; (xiv) potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect Xilinx’s and/or AMD’s financial performance; (xv) restrictions during the pendency of the proposed transaction that may impact Xilinx’s or AMD’s ability to pursue certain business opportunities or strategic transactions; (xvi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Xilinx’s and AMD’s response to any of the aforementioned factors; (xvii) geopolitical conditions, including trade and national security policies and export controls and executive orders relating thereto; (xviii) Xilinx’s ability to provide a safe working environment for members during the COVID-19 pandemic; and (xix) failure to receive the approval of the stockholders of AMD and/or Xilinx. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus to be filed with the U.S. Securities and Exchange Commission in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the joint proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Xilinx’s or AMD’s consolidated financial condition, results of operations, or liquidity. Neither Xilinx nor AMD assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.
### Exhibits

<table>
<thead>
<tr>
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<tr>
<td>104</td>
<td>Cover Page Interactive Data File (the Cover Page XBRL tags are embedded within the Inline XBRL document)</td>
</tr>
</tbody>
</table>
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XILINX, INC.

Date: October 27, 2020

By: /s/ Victor Peng

Victor Peng

President and Chief Executive Officer
AMD to Acquire Xilinx
Creating the Industry’s High Performance Computing Leader

October 27, 2020
Cautionary Statement

The statements in this communication include forward-looking statements concerning AMD, Xilinx, Inc. (Xilinx), the proposed transaction described herein and other matters. Forward-looking statements may discuss goals, objectives, and expectations as to future plans, financial results, results of operations of financial condition, or otherwise, based on current beliefs and involve known and unknown risks and uncertainties that could cause actual results to differ materially from expectations. Forward-looking statements speak only as of the date they are made or as of the dates indicated in the statements and should not be relied upon as predictions of future events, as these dates in assurance that the events or circumstances described in these statements will be achieved or occur. Forward-looking statements can often, but not always, be identified by the use of forward-looking terminology including “believe,” “expect,” “may,” “will,” “intend,” “could,” “would,” “should,” “anticipate,” “estimate,” “target,” “plan,” “likely,” “future,” “enhance,” “intend,” “predict,” “is designed,” or the negative of these words and phrases, other variations of these words and phrases or comparable terminology. The forward-looking statements in this communication relate, among other things, obtaining applicable regulatory and stockholder approvals, satisfying other closing conditions to the proposed transaction, the expected tax treatment of the transaction, the expected timing of the transaction, and the integration of the businesses and the expected benefits, cost savings, synergies and growth to result therefrom. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. These risks include, among other things, the inability to obtain applicable regulatory or stockholder approvals in a timely manner or otherwise; failure to satisfy other closing conditions to the transaction or to complete the transaction on anticipated terms and timing; negative effects of the announcement of the transaction; risks that the businesses will not be integrated successfully or that the combined companies will not realize expected benefits, cost savings, synergies and/or growth; risks relating to unanticipated costs of integration; significant transaction and/or integration costs, or difficulties in connection with the transaction and/or unknown or inestimable liabilities; restrictions during the pendency of the transaction that may impair the ability to pursue certain business opportunities or strategic transactions; potential regulatory scrutiny of the transaction; the potential impact of the announcement or consummation of the transaction on AMD’s or Xilinx’s or the combined company’s relationships with suppliers, customers, employees, and regulators; pending and potential antitrust and competition proceedings; and the risk that disruptions from the transaction will harm business plans and operations. A more fulsome discussion of the risks related to the proposed transaction will be included in the joint proxy statement/prospectus. For a discussion of factors that could cause actual results to differ materially from those contemplated by forward-looking statements, see the sections captioned “Risk Factors” in each of AMD’s and Xilinx’s Annual Report on Form 10-K for the fiscal years ended December 28, 2019 and March 28, 2020, respectively, and Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission (SEC). While this list of factors presented herein is not exhaustive, it is intended to provide a reasonable basis for investors to evaluate the forward-looking statements made by AMD and Xilinx in this presentation and the risk that the forward-looking statements made herein may not be realized. AMD and Xilinx caution investors that they should not place undue reliance on any forward-looking statements made herein, and that these forward-looking statements speak only as of the dates of such statements. AMD and Xilinx specifically disclaim any obligation or undertaking to update or revise any such statements to reflect any change in expectations or in actual results, whether as a result of new information, future events, or otherwise.

NON-GAAP Financial Measures

In this presentation, in addition to GAAP financial results, AMD and Xilinx have provided non-GAAP financial measures including non-GAAP gross margin, non-GAAP operating income, free cash flow and free cash flow margin. AMD and Xilinx are providing these financial measures because they believe the non-GAAP presentation makes it easier for investors to compare AMD’s and Xilinx’s operating results for current and historical periods and also because AMD and Xilinx believe these measures provide useful information for investors about the companies’ operating results for periods presented in comparison with AMD’s and Xilinx’s historical results and the results of their respective core operating performance. The non-GAAP financial measures disclosed in this presentation should not be relied upon to the exclusion of, and not as a substitute for or superior to, GAAP financial measures presented 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.
No Offer or Solicitation

This presentation is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made, except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information about the Acquisition and Where to Find It

In connection with the proposed transaction, AMD intends to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of AMD and Xilinx and that shall constitute a prospectus of each with respect to shares of AMD’s common stock to be issued in the transaction (the “joint proxy statement/prospectus”). Each of AMD and Xilinx may also file other relevant documents with the SEC regarding the proposed transaction. This presentation is not a substitute for the joint proxy statement/prospectus or any other document filed by AMD and Xilinx with the SEC. The definitive joint proxy statement/prospectus (if and when available) will be mailed to stockholders of AMD and Xilinx. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC. AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the joint proxy statement/prospectus (if and when available) and other documents containing important information about AMD, Xilinx and the proposed transaction, once such documents are filed with the SEC through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by AMD will be available free of charge on AMD’s website at ir.amd.com or by contacting AMD’s Corporate Secretary by email at Corporate.Secretary@amd.com. Copies of the documents filed with the SEC by Xilinx will be available free of charge on Xilinx’s website at investor.xilinx.com or by contacting Xilinx’s Investor Relations department by phone at 408-879-4784. Participants in the Solicitation

AMD, Xilinx and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about the directors and executive officers of AMD, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in AMD’s proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on March 26, 2020. Information about the directors and executive officers of Xilinx, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Xilinx’s proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on June 19, 2020. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction. You may obtain free copies of these documents using the sources indicated above.
Our Journey

Graphics
- Cloud, Console & PC Gaming
- Compute and AI

Compute
- Client Systems
- Infrastructure and Cloud

Solutions
- Semi-Custom
- Vertical Platforms
- Partnerships

High-Performance Technologies | Ambitious Goals | Focused Execution | Profitable Growth
The Future of High Performance Computing

Best Positioned to Build the Intelligent World
AMD to Acquire Xilinx
Creating the Industry’s High Performance Computing Leader

- Enhances AMD’s industry-leading technology portfolio
- Expands AMD’s rapidly growing data center business
- Xilinx, a leading provider of adaptive computing solutions, increases AMD’s TAM to $110 billion
- Immediately accretive to AMD margins, cash flow and EPS
- All stock transaction with combined enterprise value of approximately $135 billion
Complementary Technologies and Platforms

**Graphics**
- Cloud, Console & PC Gaming
- Compute and AI

**Compute**
- Client Systems
- Infrastructure and Cloud

**Solutions**
- Semi-Custom
- Vertical Platforms
- Partnerships

**Adaptive Platforms**
- 5G
- Data Center
- Automotive
- Broadcast
- Consumer
- A&D
- Industrial
- TME
### Xilinx: Best-in-class Franchise

<table>
<thead>
<tr>
<th>Sales</th>
<th>Patents</th>
<th>Operating Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3B</td>
<td>4,800+</td>
<td>$1.2B</td>
</tr>
</tbody>
</table>

#### Revenue by Reportable Market

- **Wired & Wireless**: 29%
- **Data Center**: 11%
- **Auto, Broadcast, Consumer**: 15%
- **A&D, Industrial, TME**: 45%

#### FPGA Market Share (2019)

- **Xilinx**: 54%
- **Other**: 14%
- **Intel**: 32%

#### Revenue Split (Fiscal 2020)

- **FPGA**: 77%
- **SOC**: 23%
Xilinx: Driving Platform Transformation with Adaptive SOCs
Long-term TAMs

Enormous Opportunity

Data Center
$45B TAM

PCs
$32B TAM

Embedded
$21B TAM

Gaming
$12B TAM

$110B TAM
Greater Scale

AMD
$6.7B
2019 Revenue

AMD + Xilinx
$11.6B
LTM Revenue
9/28/20
Complementary Technology Leadership

Multi-Generation Architectures
Industry-leading CPUs, GPUs, FPGAs, and Adaptive SOCs

Advanced Process & Packaging Technology
Leadership Process, Packaging, Chiplet, Die Stacking and Interconnect Technology
Well-aligned methodology, foundry process and IP

Data Center Innovation
CPU, GPU, SmartNIC and computational storage across Cloud, Enterprise, HPC and Edge
AI training and inference solutions

Software Enablement
Open source software co-designed with hardware, and optimized for performance across heterogenous solutions
R&D Scale to **Accelerate Innovation**

<table>
<thead>
<tr>
<th>Boosting R&amp;D Investment</th>
<th>13K World-Class Engineers</th>
<th>Post Close Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMD $1.8B</td>
<td>Xilinx $0.9B</td>
<td>Leadership multi-generational CPU, GPU, FPGA and adaptive SOC roadmaps</td>
</tr>
<tr>
<td>Xilinx $0.9B</td>
<td>Combined $2.7B</td>
<td>Best-in-class 2.5/3D die stacking and packaging technology</td>
</tr>
<tr>
<td>Combined $2.7B</td>
<td></td>
<td>Revolutionary chiplet and interconnect technology</td>
</tr>
</tbody>
</table>

Leadership multi-generational CPU, GPU, FPGA and adaptive SOC roadmaps
- Best-in-class 2.5/3D die stacking and packaging technology
- Revolutionary chiplet and interconnect technology
- Leading AI engines and domain-specific architectures
- Best-of-breed unified software platform
**Innovation from the Data Center to the Edge**

**Leadership x86 CPU**
Industry's best x86 compute engines driving leadership from Enterprise to Cloud to HPC

**Adaptive Acceleration**
Leadership FPGAs, accelerators and Adaptive SOCs enabling emerging workload acceleration, from AI to smart networking and software-defined infrastructure

**CDNA-Optimized Dense Compute**
High-performance engine for HPC, Artificial Intelligence, Big Data Analytics

High Performance Computing Leader
## Strong Product Portfolio

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCs</td>
<td>Leadership Desktop, Ultrathin and Gaming Notebook Processors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AMD Ryzen</td>
<td></td>
</tr>
<tr>
<td>Gaming</td>
<td>Top-to-bottom graphics cards and game consoles based on RDNA Architecture</td>
<td>AMD Radeon</td>
</tr>
<tr>
<td>Data Center</td>
<td>AMD EPYC and AMD Radeon Instinct leading the Exascale Era Fully programmable heterogeneous compute platforms</td>
<td></td>
</tr>
<tr>
<td>Comms</td>
<td>FPGAs and Adaptive SOCs for system optimization with scalable processor integration</td>
<td></td>
</tr>
<tr>
<td>Embedded</td>
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</tr>
</tbody>
</table>
# Deep Customer Relationships

<table>
<thead>
<tr>
<th>Compute</th>
<th>acer</th>
<th>ASUS</th>
<th>DELL</th>
<th>Lenovo</th>
<th>HP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaming</td>
<td></td>
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<td>Embedded</td>
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<td></td>
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</tr>
</tbody>
</table>

- acer
- ASUS
- DELL
- Lenovo
- HP

- Microsoft
- SONY
- STADIA
- Apple

- ERICSSON
- SAMSUNG
- Telefonica
- cisco
- ciena

- AWS
- 阿里云
- Google
- Microsoft Azure
- Tencent

- Atos
- DELL EMC
- Hewlett Packard Enterprise
- Lenovo
- IBM

- BAE SYSTEMS
- L3 HARRIS
- Raytheon
- ADVANCE
- cadence
- Qualcomm

- Synopsys
- TERADYNE
- Honeywell
- INTUITIVE
- Continental
- Subaru
Significant Revenue Synergy Opportunities

### Data Center
- Take advantage of AMD’s strong relationships and EPYC momentum
- Drive adoption of Xilinx SmartNIC and other acceleration solutions

### Communications Infrastructure
- Utilize Xilinx Comms expertise and deep relationships
- Drive adoption of high-performance EPYC processors in wired and wireless infrastructure

### Embedded
- Leverage broad customer base and distribution platform
- Extend AMD CPUs into key embedded segments
## Enhanced Financial Profile

GAAP LTM as of 9/26/20

<table>
<thead>
<tr>
<th>$b</th>
<th>AMD</th>
<th>Xilinx</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>$8.6</td>
<td>$3.0</td>
</tr>
<tr>
<td></td>
<td>Gross Profit Margin %</td>
<td>44%</td>
<td>69%</td>
</tr>
<tr>
<td></td>
<td>Operating Income Margin %</td>
<td>13%</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Cash Provided by Operating Activities</td>
<td>$0.9</td>
<td>$1.2</td>
</tr>
</tbody>
</table>

### Shareholder Value
- ~20% long-term revenue CAGR
- Expanding gross margins and profitability
- $300M COGS and opex synergies within 18 months of closing
- Accretive before synergies
## Enhanced Financial Profile

*Non-GAAP LTM as of 9/26/20*

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<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$8.6</td>
<td>$3.0</td>
<td><strong>$11.6</strong></td>
</tr>
<tr>
<td><strong>Gross Profit Margin %</strong></td>
<td>45%</td>
<td>70%</td>
<td><strong>51%</strong></td>
</tr>
<tr>
<td><strong>Operating Income Margin %</strong></td>
<td>16%</td>
<td>34%</td>
<td><strong>21%</strong></td>
</tr>
<tr>
<td><strong>Free Cash Flow Margin %</strong></td>
<td>8%</td>
<td>36%</td>
<td><strong>15%</strong></td>
</tr>
</tbody>
</table>

### Shareholder Value
- ~20% long-term revenue CAGR
- Expanding gross margins and profitability
- $300M COGS and opex synergies within 18 months of closing
- Accretive before synergies

See Appendices for GAAP to Non-GAAP reconciliation
Strong Capital Structure

Debt and Cash (as of 9/26/20)

- **AMD**: $0.4B Debt, $1.4B Cash, Net Cash: $1.0B
- **Xilinx**: $2.0B Debt, $1.1B Cash, Net Cash: $0.1B
- **Pro Forma**: $2.4B Debt, $2.5B Cash, Net Cash: $2.4B

Net cash is cash less debt. Cash includes cash, cash equivalents, and short-term investments.
## Transaction Summary

### Transaction Consideration
- All-stock transaction with enterprise value of $35 billion
- Xilinx stockholders receive 1.7234 shares of AMD common stock for each share of Xilinx stock
- Pro forma ownership: 74% AMD and 26% Xilinx

### Financial Impact
- Expected to be immediately accretive to EPS before synergies
- Attractive margin expansion and increased operating leverage
- Strong and diverse free cash flow at close with investment grade profile

### Management & Governance
- Dr. Lisa Su as CEO
- Devinder Kumar as CFO
- Victor Peng, Xilinx CEO, to join as president responsible for the Xilinx business and strategic growth initiatives
- At least 2 Xilinx directors to join AMD Board of Directors

### Approval and Closing
- Expected to close by calendar YE 2021; AMD and Xilinx shareholder approval required
- Subject to receipt of regulatory approvals and other customary conditions
High Performance Computing Leader

**Leadership Technologies and Roadmaps**
- Leading and broadest high performance and adaptive computing product portfolio in the industry
- Xilinx’s best-in-class FPGA, Adaptive SOCs and software platforms are highly complementary to AMD CPUs and GPUs
- Complementary focus on leading-edge process technology and packaging technologies

**Diverse Markets**
- Combines AMD strengths in PC, gaming, data center with Xilinx’s leadership position and established relationships in communications infrastructure, industrial, automotive, aerospace and defense and other key verticals
- Expands AMD TAM to $110B

**Continued Industry Leading Growth**
- Industry-leading revenue growth of ~20% CAGR
- Immediately accretive to margins and EPS
- Strengthens balance sheet and accelerates free cash flow generation

**Stronger Together**
- Strong and aligned vision, management teams and cultures focused on innovation, execution and customer collaboration
- Accelerate high performance and adaptive computing visions
- Combination creates a premier growth franchise
The Industry’s High Performance Computing Leader

- Comprehensive Processor Portfolio
- Diversified & Growing Markets
- Data Center Momentum
- Margin Expansion
- Immediately Accretive
## Appendix

### Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin
(LTM as of September 26, 2020)

<table>
<thead>
<tr>
<th>(Millions)</th>
<th>AMD</th>
<th>Xilinx</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP gross profit</td>
<td>$3,845</td>
<td>$2,048</td>
<td>$5,893</td>
</tr>
<tr>
<td>GAAP gross margin %</td>
<td>44%</td>
<td>69%</td>
<td>51%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>6</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Inventory valuation adjustment</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangibles</td>
<td>-</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$3,851</td>
<td>$2,087</td>
<td>$5,938</td>
</tr>
<tr>
<td>Non-GAAP gross margin %</td>
<td>45%</td>
<td>70%</td>
<td>51%</td>
</tr>
</tbody>
</table>
Appendix

Reconciliation of GAAP Operating Income to Non-GAAP Operating Income (LTM as of September 26, 2020)

<table>
<thead>
<tr>
<th>(Millions)</th>
<th>AMD</th>
<th>Xilinx</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating income</td>
<td>$ 1,147</td>
<td>$ 718</td>
<td>$ 1,865</td>
</tr>
<tr>
<td>GAAP operating margin %</td>
<td>13%</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>252</td>
<td>203</td>
<td>455</td>
</tr>
<tr>
<td>Inventory valuation adjustment</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Amortization of acquisition-related intangibles</td>
<td>-</td>
<td>36</td>
<td>39</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>-</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>-</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Non-GAAP operating income</td>
<td>$ 1,399</td>
<td>$ 998</td>
<td>$ 2,397</td>
</tr>
<tr>
<td>Non-GAAP operating margin %</td>
<td>16%</td>
<td>34%</td>
<td>21%</td>
</tr>
</tbody>
</table>
## Appendix

### Reconciliation of GAAP Net Cash Provided by Operating Activities to Free Cash Flow
(LTM as of September 26, 2020)

<table>
<thead>
<tr>
<th>(Millions)</th>
<th>AMD</th>
<th>Xilinx</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net cash provided by operating activities</td>
<td>$ 959</td>
<td>$ 1,182</td>
<td>$ 2,121</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(262)</td>
<td>(97)</td>
<td>(359)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$ 697</td>
<td>$ 1,086</td>
<td>$ 1,782</td>
</tr>
<tr>
<td>Free cash flow margin</td>
<td>8%</td>
<td>36%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Greetings, and welcome to the AMD Third Quarter 2020 and Xilinx acquisition conference call. At this time, all participants are in a listen-only mode. [Operator Instructions] A question-and-answer session will follow the formal presentation. As a reminder, this conference is being recorded. It's now my pleasure to turn the call over to Ruth Cotter, Senior Vice President, Worldwide Marketing, Human Resources and Investor Relations. Ruth, please go ahead.

Ruth Cotter
Advanced Micro Devices, Inc.

Thank you, and good morning, everyone, joining our call today. Participants on our conference call are Dr. Lisa Su, our President and Chief Executive Officer; Devinder Kumar, our Senior Vice President, Chief Financial Officer and Treasurer; and Victor Peng, President and Chief Executive Officer of Xilinx. This is a live call and will be replayed via webcast on our website, amd.com. We have a content-rich call for you this evening, so I refer you to our website, ir.amd.com for a copy of our third quarter 2020 financial results, including detailed slideshare, our acquisition of Xilinx's announcement and other helpful materials, including a presentation outlining the pertinent details of the acquisition.

Before we begin, please note that today's discussion contains forward-looking statements based on current beliefs, assumptions and expectations, speak only as of the current date and as such, involve risks and uncertainties that could cause actual results to differ materially from our current expectations.

Please refer to the cautionary statement in each press release for more information on risks related to any forward-looking statements that we may make. We will refer primarily to non-GAAP financial metrics during this call. The non-GAAP financial measures referenced are reconciled to their most directly comparable GAAP financial measures in today's press release and slides posted on our website.

Now, with that, I'd like to hand the call over to Lisa. Lisa?

Lisa T. Su
Advanced Micro Devices, Inc.

Thank you, Ruth, and good morning to all those listening in. Today marks a significant milestone in our journey to establish AMD as the industry's high performance computing leader. Before going into details on our strategic acquisition of Xilinx, I'd like to start with our very strong financial results. Our business accelerated in the third quarter, resulting in record quarterly revenue with net income and EPS more than doubling year-over-year. Revenue grew 56% year-over-year to $2.8 billion, driven by strong demand for our Ryzen, EPYC and semi custom processors.

Turning to our computing and graphics segment, third quarter revenue of $1.67 billion grew 31% year-over-year as higher Ryzen processor sales more than offset lower graphic sales. Our client processor business is performing extremely well. Desktop and notebook processor ASPs increased, and total unit shipments grew by a strong double digit percentage, both on a year-over-year and sequential basis. As a result, we set a record for quarterly client processor revenue and believe we gain client CPU share for the twelfth straight quarter.

In mobile, we set records for both quarterly notebook processor unit shipments and revenue as OEM sell through doubled year-over-year. We have the strongest notebook processor portfolio in our history. More than 105 AMD-based notebooks have launched in 2020, as we expand our presence in segments like gaming, commercial and education, where we have traditionally been underrepresented.

In commercial, the number of AMD based business notebooks for major OEMs has doubled year-over-year, and we are building significant momentum based on the superior performance and battery life of our Ryzen Pro processors. Our progress in the third quarter was highlighted by winning multiple large-scale deployments with fortune 1000 automotive, banking and pharmaceutical companies.
Earlier this month, we announced our upcoming Ryzen desktop processors would be the first to feature our newest Zen 3 core. I'm incredibly proud of what our CPU team has achieved with Zen 3. We have significantly enhanced nearly every aspect of the core to deliver a 19% increase in instructions per clock compared to Zen 2. As a result, our Ryzen 5000 desktop processors deliver absolute performance leadership across gaming, productivity and creative workloads, and are position to drive the biggest shift in the PC landscape since we launched the original Ryzen processor in 2017.

In graphics, revenue decline year-over-year and increased sequentially as we prepare to launch our next generation Radeon GPUs this quarter. Mobile GPU sales grew by a double-digit percentage year-over-year led by solid demand for our Radeon Pro 5000M series, powering Apple's MacBook Pro. We are very excited about our RDNA 2 graphics architecture launching later this week that delivers significant generational increases in both performance and performance-per-watt. Our next generation Radeon RX 6000 graphics cards powered by RDNA 2 are by far the most powerful gaming GPUs we have ever built and will return AMD to the high end of the graphics market.

Data Center GPU revenue increased sequentially, and year-over-year based on new cloud based digital computing wins. Our Radeon instinct accelerators continue gaining momentum in the HPC market. Recently announced wins include Australia's most powerful supercomputer as well as the new LUMI supercomputer in Finland that is expected to deliver over 550 petaflops of peak performance.

Turning to our Enterprise, Embedded and Semi-Custom segment. Revenue of $1.13 billion increased 116% year-over-year driven by strong growth in both semi-custom and server processor sales.

In semi-custom, we ramped production and shipments of our next generation game console SoCs to support the November launches of the PlayStation 5 and Xbox Series X and Series S consoles. We now expect semi-custom shipments and revenue to increase sequentially in the fourth quarter based on strong demand.

Turning to server. We set a record for quarterly server processor revenue as sales grew by a double-digit percentage sequentially and more than doubled year-over-year driven by growing cloud and enterprise adoption.

In cloud, the largest hyperscale customers expanded their 2nd Gen EPYC processor deployments across both their internal infrastructures and publicly available instances.

In the third quarter, Microsoft Azure expanded their AMD offerings to 18 regions and 9 availability zones and launched new data analytic services powered by 2nd Gen EPYC processors that deliver 30% better performance than competitive offerings. Amazon rolled out multiple new high-performance AMD instances and Google announced general availability of their Cloud Confidential virtual machines powered exclusively by 2nd Gen EPYC processors.

Enterprise data center adoption continued to accelerate as well. We added multiple Fortune 1000 customer wins in the quarter across key verticals including financial services, automotive and EDA based on the performance and TCO advantages of EPYC processors.

We are on track to begin volume shipments of our next generation Milan server processors with Zen 3 to cloud and select HPC customers this quarter. We expect Tier 1 OEM platform availability to follow in the first quarter of 2021.

Customer interest in Milan is very high. We are seeing hyperscale HPC and OEM customers engage deeper and broader for Milan than they did prior to the launch of our 2nd Gen EPYC processors. We believe we are well-positioned for continued share gains based on our expanding cloud engagements, strong supercomputing wins and the more than 100 new or refreshed Milan platforms in development.

In summary, our strong third quarter results and fourth quarter outlook demonstrate the acceleration in our business. We are successfully executing our strategy to drive best-in-class growth based on delivering leading-edge CPUs, GPUs and differentiated solutions for the PC, gaming and data center markets. We feel very confident our next generation Zen 3 CPUs, RDNA 2 GPUs and CDNA accelerators can drive further share gains and growth in 2021 and beyond.
Now let's turn to the transaction. Looking out over the next decade, high performance computing is increasingly at the center of nearly every major trend shaping the future. Whether in the cloud, at the edge or across the growing number of intelligent end devices, we are seeing increasing demand for high performance computing, which enables a host of new experiences and services.

While our CPUs and GPUs will remain critical engines for those devices, in a world where algorithms are always advancing and new standards are continually emerging, we see demand growing for adaptive computing capabilities that can accelerate evolving workloads. That is why today, I'm excited to outline the next leg in our journey with the strategic acquisition of Xilinx. Together we will create the industry's high performance computing leader and the partner of choice for the largest and most important technology companies.

Xilinx is the ideal match for AMD. As the industry's number one provider of FPGAs and adaptive SoCs, they are the market leader. Xilinx is successfully executing multi-generation hardware and software roadmaps to extend that leadership. Xilinx is a technology leader, beyond their core innovation in FPGAs and associated software design environments, they have industry leading capabilities in SoC design, SerDes, and high-speed I/O, mixed signal RF, advanced 2.5 and 3D silicon integration and packaging, as well as targeted software stacks for key verticals.

Xilinx has also built deep strategic partnerships across a diverse set of growing markets. In 5G communications, data center, automotive, industrial, aerospace, and defense Xilinx has established themselves as a strategic technology partner to a broad set of industry leaders. Lastly, Xilinx has a very strong business model characterized by long product life cycles with the best-in-class gross margin profile and significant free cash flow generation.

As we bring AMD and Xilinx together, there considerable product, technology, market and financial benefits. AMD will offer the strongest portfolio of high performance and adaptive computing products in the industry, spanning leadership CPUs, GPUs, FPGAs and adaptive SoCs. This will enable us to take a leadership position accelerating a diverse set of emerging workloads from AI to smart networking and software defined infrastructure.

And while our product portfolios are highly complimentary, our approach to technology development is actually very similar. Both companies are laser focused on developing leadership products based on multi-generation architectures, modular, SoC designs, leading-edge manufacturing and advanced packaging technologies. In manufacturing, we will be able to apply learnings from AMD's early adoption and high-volume production ramp of advanced process nodes across Xilinx's products.

In packaging, Xilinx has demonstrated leadership and significant IP in the 2.5D and 3D die stacking technologies that are becoming increasingly important as Moore’s Law slows. Looking beyond hardware, we see opportunities to combine our open source software offerings into a unified stack, optimized to accelerate computing at the platform and the system level. By combining our efforts, we bring together two world-class engineering teams with the technology capability and scale to build even stronger products and solutions.

From a market perspective, we will cover the most important markets and customers in the world. We will have a combined TAM of $110 billion, building on AMD's $80 billion TAM with an additional $30 billion of very attractive Xilinx TAM. As we look at growth drivers in the three-to-five year timeframe, we see significant revenue synergy opportunities that can build on AMD strong organic growth.

In the data center our EPYC processors have a strong foundation with the largest hyperscale cloud providers. We are also gaining significant momentum with enterprise customers and playing a leading role in supercomputing, where our products are powering the world's most powerful exascale computers. Xilinx has also invested significantly in the data center with leadership, networking, computing and storage technologies, notably with significant smartNIC wins with global hyperscalers. Together, we will be a stronger strategic force powering the next generation data center.

To drive longer-term adoption of our processors in the telecom, edge, industrial and networking markets, where we have a nation presence today, we can offer solutions that combine our CPU and GPU compute engines with Xilinx's flexible accelerators, SmartNIC products, software stacks and domain expertise, to unlock additional levels of performance on critical workloads.

In telecom for instance, where Xilinx has solutions capabilities and relationships with industry leaders including Samsung and Ericsson, we will now have an accelerated path to market to better address the largely untapped $5 billion market opportunity for our EPYC processors.
Financially, the acquisition diversifies our revenue streams and is expected to be immediately accretive to margins, EPS and free cash flow generation, all while delivering industry leading growth.

Finally, I would like to talk about culture. For the last several years, AMD has collaborated with Xilinx as a close partner and I've had the chance to get to know Victor and his leadership team.

I can unequivocally say that the Xilinx team is one of the best in the industry. And I’m thrilled to welcome them to the AMD family. Both AMD and Xilinx share a common culture, focused on innovation, execution, and collaborating deeply with customers.

From a leadership standpoint, Victor and I have a shared vision, of where we can take high performance and adaptive computing in the future and I am extremely happy that he will be joining AMD as President, responsible for the Xilinx business and strategic growth initiatives after the deal closes.

Now I’d like to turn the call over to Devinder, to provide some additional color on our third quarter performance and some specific financial details of the acquisition. Devinder?

Devinder Kumar
Advanced Micro Devices, Inc.

Thank you, Lisa. Let me start first with our third quarter results. Third quarter revenue was $2.8 billion, up 56%, from a year ago, driven by very strong Ryzen, and EPYC. And the ramp of our new Semi-Custom, associates.

Gross margin was 44%, up one percentage point from a year ago, driven by server and client processors. Operating expenses was $706 million compared to $539 million a year ago, driven by increases in R&D and Marketing as we accelerated investments in the business to drive future market growth and higher variable compensation-related expense.

Operating income more than doubled, year-over-year to $525 million up $285 million or 119% from a year ago driven primarily by significantly higher revenue. Net income was $501 million up $282 million or 129% from a year ago, and diluted earnings per share, was $0.41 per share more than doubled the $0.18 per share, a year ago.

Turning to the balance sheet, cash equivalents and short-term investments total $1.8 billion. We reduced principle debt by $365 million in the quarter, including $200 million of our revolving line of credit and $165 million of convertible senior notes.

Conversion of the senior notes resulted in a $38 million non-cash GAAP charge and the issuance of $20 million shares with no impact to the diluted share count. Total principal debt outstanding was $398 million at the end of the quarter.

Free cash flow was $265 million. In addition, our senior unsecured credit rating was raised to investment grade by Moody's Investor Service in the third quarter, reflecting our strong financial results and outlook.

Let me turn to the fourth quarter guidance. Today's outlook is based on current expectations. We expect revenue to be approximately $3 billion plus or minus $100 million, an increase of approximately 41% year-over-year and 7% sequentially.

In addition for Q4 2020, we expect non-GAAP gross margin to be approximately 45%, non-GAAP operating expenses to be approximately $750 million, non-GAAP interest expense, taxes, and other to be approximately $30 million hands, the diluted share count in the fourth quarter is expected to be approximately 1.23 billion shares.

For the full year, 2020, we now expect higher year-over-year revenue growth of approximately 41%, driven by the strength of our PC, gaming, and data center products. We continue to expect gross margin of approximately 45% for the full year up 1 percentage point from the prior year.
Now, I’d like to turn to today’s announcement. We have signed a definitive agreement to acquire Xilinx in a strategic transaction valued at $35 billion. This is a very compelling transaction from a financial perspective.

Xilinx has a strong business model, characterized by long product lifecycles, best-in-class margins, and strong cash flow, all of which are significantly additive to AMD’s financial model. The acquisition is expected to be immediately accretive to gross and operating margins, EPS and free cash flow generation, and the combined company is expected to continue to deliver industry leading growth.

In addition, we believe we can achieve approximately 300 million of overall cost savings on an annualized basis within 18 months of closing the transaction. Based on the trailing 12 months, the two companies combined would have had revenue of $11.6 billion, gross margin of 51%, operating profit of approximately 21%, and generated approximately $1.8 billion of free cash flow.

Turning to the capital structure, the balance sheet of the combined company will be very strong, with low leverage and an investment-grade profile. On a combined basis, as of the most recent quarter of both companies, the total cash balance is $4.9 billion and the debt is $2.4 billion, with a gross leverage of 0.85 times.

Now, let me cover some details of the transaction structure. At close, Xilinx shareholders will receive 1.7234 shares of AMD for each common share of Xilinx. This represents approximately $143 per share of Xilinx, based on AMD’s VWAP for the ten-trading day period, up to and including October 8th. The pro forma ownership would be approximately 74% for AMD shareholders and 26% for Xilinx shareholders.

We currently expect the acquisition to close by the end of calendar year 2021, subject to required approvals and other customary closing conditions. Until then, the two companies remain separate and will operate independently.

Today is an exciting day for AMD on many fronts. We are very pleased with our market and financial momentum. Our strong lineup of products continues to drive strong revenue growth, margin expansion, and improved profitability. Our acquisition of Xilinx is additive to our financial model and is expected to result in meaningful revenue synergy opportunities over the longer-term.

Let me now turn it over to Xilinx CEO, Victor Peng, for some remarks. Victor?

Victor Peng
Xilinx, Inc.

Thanks, Devinder. Let me start by echoing Lisa’s enthusiasm about the combination of two premier semiconductor companies and the many opportunities that will create for our customers, for our employees, and for our shareholders. The exponential growth of unstructured data, the rapid expansion of connected devices and the plethora of data-intensive applications with embedded AI are driving the need for more efficient high performance computing solutions.

AMD and Xilinx together will accelerate our ability to define this new era of computing, by providing the most comprehensive product portfolio and computing solutions. Our products will power a wide range of intelligent applications from the largest data center to the edge and to the smallest endpoint.

This expanded product portfolio together with our industry leading engineering capabilities and market expertise will enable our customers to deploy differentiated solutions to market faster.

Our companies share the same vision for transforming people’s lives through high performance computing. As Lisa mentioned, we have very similar cultures of innovation, execution, excellence and collaboration that make this an exciting new chapter for Xilinx employees.

I’m excited about the future of the combined company and accelerating our opportunities to grow the business and lead the new era of computing. And on a personal note, this is my second time joining AMD, and to do that with the Xilinx team just couldn’t be more thrilling for me.
For Xilinx shareholders, this transaction provides a great opportunity for long-term value creation, given the significant diversification benefits they will receive through exposure to a broader and much larger growth business when this transaction closes.

So, I very much look forward to bringing our great companies together. Let me now turn it back to Lisa.

Lisa T. Su  
Advanced Micro Devices, Inc.

Thanks, Victor. To sum up, we are very pleased with the acceleration of our business in the third quarter. We are on track to deliver significant annual revenue growth this year and have never been more confident in our trajectory.

Our strategic acquisition of Xilinx is compelling for all stakeholders, with significant value creation for AMD and Xilinx shareholders, who will benefit from the future growth and upside potential of the combined company.

We have always been very ambitious in our goals. The acquisition of Xilinx is a natural next step in our journey. Xilinx is an ideal match for AMD, combining a highly complementary set of products, customers and markets with differentiated IP and world-class talent.

With that, let's go to questions please. Ruth.

Ruth Cotter  
Advanced Micro Devices, Inc.

Thank you, Lisa, and Kevin, if you could call the audience for questions please and we request that the audience stick to two questions. One, as it pertains to the third quarter and one on today's news of the acquisition. Thank you.

Question & Answer Section

Operator

Thanks. We'll now be conducting a question-and-answer session. [Operator Instructions] And to echo Ruth, please limit yourselves to two questions. Our first question today is coming from Matt Ramsay from Cowen. Your line is now live.

Matt Ramsay  
Cowen & Company

Thank you very much. Good morning, everybody. I know a lot of folks will probably say congratulations, but Lisa, Victor, really mean it from our end. I think a great outcome from all, everybody stakeholders.

I guess for my first question, Lisa, on the deal I noticed in the slides that you guys put together, obviously, a pro forma model that combines the companies as of the end of the third quarter. But you also mentioned, as you did at your Analyst Day back in February, a 20% growth CAGR for the business. I wonder if that might apply to the two companies after you put them together post close and how confident you are in that growth rate, given that in the recent times, maybe Xilinx growth has been a little bit slower than the core AMD business growth. But, obviously, there is revenue synergy potential as well. So any comments there would be helpful? Thank you.

Lisa T. Su  
Advanced Micro Devices, Inc.

Yeah. Absolutely, Matt. Thanks for the question. So first of all, we feel – we're really excited about today. We feel great about our base business. I think you can see that in the strength of our results in the third quarter and our full year updated guidance. That strategy is playing out very well as we expected with very strong products driving market momentum.
All – as we look forward, at our financial Analyst Day, we talked about 20% CAGR as the right target for our company. I think all of that stays on track. We are a high-growth business, and we want to remain a high-growth business. I think Xilinx brings a lot of opportunities that are additive to that model when you look at the markets and the capabilities and just the margins and the free cash flow generation. So 20% CAGR is the right target for the combined business. I think we feel very good about the organic growth, and we feel very good about the growth initiatives that Victor has started.

Matt Ramsay  
Cowen & Company

Thank you for clearing that up. I appreciate it. My question on the results in the core business. You guys put up server revenue sales that more than doubled year-over-year. Your competitor had some – a rather interesting set of results, some pretty disappointing results, I think, from their enterprise and government segments. And they guided for their combined data-centric business. I know that’s not exactly the same as server, but they guided for that to be down, I think, 25% year-over-year in the fourth quarter. You guys have some momentum. You’re going to launch Milan and I think you mentioned in the release some progress on the enterprise side as well. But maybe, Lisa, you could back up and give us your context of where the server market is overall right now and how it might mean for your revenue into the fourth quarter? Thank you.

Lisa T. Su  
Advanced Micro Devices, Inc.

Sure, Matt. So look, the data center business, particularly on the server side, is very important to us. We performed very well. Here in the third quarter, as you said, doubled it from a year-over-year standpoint, sequential double-digit growth. We see good momentum across the cloud hyperscalers, as well as in the enterprise business. We have more platforms that continue to launch here in the third quarter.

As we look forward from a data center environment, I would say that the overall data center environment is actually good. As we go here into the fourth quarter, we are starting to launch Milan in terms of shipments to cloud as well as some HPC customers this quarter. OEMs are preparing to launch Milan platforms in the first quarter. And I would say it’s very much a customer-specific message. Some of our cloud customers are going to continue to ramp Rome in the fourth quarter. Several are also preparing for a transition from Rome to Milan.

But overall, we believe that the demand environment is good. And the thing that excites us is Milan is just very strong. It’s coming in as we expected, Zen 3, we previewed some of that performance on the desktop side, but we see a strong translation into TCO benefits and performance benefits for our server products. So, we look forward to talking about that more as we go through the quarter. But yes, overall, I think the data center business continues to be very strategic and performs well for us.

Matt Ramsay  
Cowen & Company

Thank you very much. Congrats again everybody.

Lisa T. Su  
Advanced Micro Devices, Inc.

Thanks, Matt.

Operator

Thank you. Our next question today is coming from Vivek Arya from Bank of America. Your line is now live.
Vivek Arya  
BofA Global Research

Thanks for taking my question and congratulations on the strong results. I'll actually just focus on the core business. Lisa, for my first question, you're raising second half sales growth by nearly, I think, about $600 million or so, could you help us dissect and quantify how much of that is coming from the main areas of PCs and EPYC servers and semi-custom and GPU? I mean, this is a significant guide ahead, and I'm curious what created this level of surprise?

Lisa T. Su  
Advanced Micro Devices, Inc.

Yes. So Vivek, thanks for the question. Our core business is doing very well. I think if you look at some of the components of that, the PC market environment is strong. If you look at all the work from home, school from home trends, I think that has certainly helped this year. On top of that, our Ryzen 4000 series notebooks are doing very, very well. So we're seeing strong traction in areas that that we hadn't been that present before like gaming and commercial. So that's one big element.

We are ramping our game consoles here in the second half of the year. Those are very highly anticipated launches that are coming up shortly, and demand for that has been quite strong. And our server business has also performed well. You'll see us start with -- you asked about graphics; we'll see gaming graphics here grow sequentially in the fourth quarter as we launch our Radeon 6000 series. So, we just have a combination of a lot of product momentum, product cycles. I will also say that our supply situation has also improved as our demand environment has gotten stronger. We've worked closely with our suppliers to ensure that we can satisfy as much of that as possible. And so those are all of the elements for the strong second half.

Vivek Arya  
BofA Global Research

Got it. Thank you. And for my follow-up, Lisa, you're now at the 10-ish percent server share mark of the TAM that you have identified. Does the next 10% get easier or more difficult? You mentioned you're launching Milan soon. Your competitor is launching their Ice Lake. So, from the outside, it looks like a like a lot of hand-to-hand combat every quarter in the server business. How do we think about the journey for your server business from here? Again, does the next 10% become more easier or difficult and why? Thank you.

Lisa T. Su  
Advanced Micro Devices, Inc.

Well, I would say it this way, Vivek. I think, we have made a tremendous amount of progress in the server business. I think the -- if you look at the leadership performance and TCO that we have with Rome, we've seen broad adoption across cloud as well as enterprise, and we've done very, very well in HPC. We think that Milan is even better and our mantra to our customers has been strong road map. You can count on us. We will be there when you need us. I think the traction from Milan is stronger than for Rome. I think, we continue to work hard with our customers to ramp as fast as possible.

But you'll see broader cloud adoption. I think you'll see faster cloud adoption. And I think you'll see broader enterprise platforms, especially with Zen 3. We talked about some of the single-threaded performance improvements that really round out the server portfolio. So, I think we're very focused on the data center, and we'll continue to be that as a combined company as well.

Vivek Arya  
BofA Global Research

Thank you and good luck.

Lisa T. Su  
Advanced Micro Devices, Inc.

Thanks, Vivek.
Thank you. Our next question today is coming from Toshiya Hari from Goldman Sachs. Your line is now live.

Toshiya Hari
Goldman Sachs

Hey good morning. Thanks for taking the question and congrats to both teams. Lisa, as a follow-up to the first question, I wanted to get your view on some of the markets within Xilinx. You mentioned in response to the first question that you're comfortable with the 20% growth rate for the combined business.

We've heard from Victor and his team over the past couple of years in terms of how they're thinking about their opportunity set in 5G, data center and the core businesses. But how are you thinking about sort of a three to five-year CAGR for data center, comms, and some of the core markets? Then I've got a follow-up.

Lisa T. Su
Advanced Micro Devices, Inc.

Yes. Sure, Toshiya. Thanks for the question. So, clearly, when we look at our core business or the AMD core business, I think we feel very good about the growth in our core across PC, gaming, and data center. I think the product portfolio is very strong.

As we add Xilinx to the portfolio, I think we are -- we've both chosen data center as our strategic focus. I think the investments that Victor and the Xilinx team have made are very strategic investments in the data center for us. We have the CPU and GPU strength. Xilinx brings the accelerator capability and very strategic smart NIC technology.

I think that's a strong growth vector for the combined company. I think the broader markets in communications, in automotive, in industrial, and aerospace and defense, those are all very attractive markets that can use CPUs and GPUs. And so I think the market presence that Xilinx has and the leadership in those markets also help -- sort of have the ability to bring some of the base AMD technology in there.

So, I think, together, there are a lot of opportunities. I want to be clear, though, first and foremost, both businesses are executing very well, and Victor and I intend to keep it that way. So, I think the base growth profiles of both businesses are very strong. And then we do see significant revenue synergy opportunities as we look out into the three to five-year timeframe as we bring these portfolios together.

Toshiya Hari
Goldman Sachs

Great. And then as a quick follow-up, just on market share trends in both the client business and the server CPU business, based on what you're guiding to for Q4 and based on what your competitor is guiding to, where do you feel like -- where do you see yourselves landing from a market share perspective in both the client business and the server business exiting this year?

And more importantly, based on the design wins that you've already secured, where do you see yourselves kind of in the middle part of 2021 or exiting 2021? Thank you.

Lisa T. Su
Advanced Micro Devices, Inc.

Well, what I would say is, based on our performance in the third quarter and our view for the second half of the year, we do believe we'll gain share in both markets. And I think I've always said, this is a journey. So, the key for us is to continue to execute very well. I think the customer momentum is definitely there and sort of our goal is to continue to delight our customers and execute well. So, I do think we're making progress on that journey for share gain, and we'll continue to do that.
Stacy Rasgon
Bernstein Research

Hi guys. Thanks for taking my questions. For my company question or business question, in Q4, you're up 41% year-over-year with the guidance. Do you think you can keep that kind of magnitude of growth into the first half of next year, especially as the PC market maybe comes under more pressure just given the potential pull forward from the work-from-home dynamics? How should we be thinking about that trajectory?

Lisa T. Su
Advanced Micro Devices, Inc.

So Stacy, sorry, we made you wake up early this morning.

Stacy Rasgon
Bernstein Research

I'm up always. No worries.

Lisa T. Su
Advanced Micro Devices, Inc.

So, look, I think there's no question. It's a very strong demand environment for us right now. As we look into the first half of the year, it's a little bit early to be specific about 2021. But what I will say is that we believe there is some market phenomena here, but there's also very AMD-specific product gains that we're seeing.

I think our notebook portfolio has never been better. And if I look at the strength of the new platforms that are coming up and what we see into 2021, I think we're really excited about that. Our desktop products with our recent launch of Ryzen 5000 is very strong. This is the first year of the console cycle, so the console cycle is a little bit different in the first year. I think you will see some very strong demand there. And then we're right in the middle of launching Milan and EPYC.

So I think we feel good about the growth prospects into 2021. We'll get into a little bit more of the quarterly dynamics as we finish out this year. But I think there is market, and then there is just what our product portfolio is doing right now.

Stacy Rasgon
Bernstein Research

Got it. Thank you. That's helpful. For my Xilinx question, so the idea of a CPU company buying an FPGA company, obviously, has been tried before. Your competitor tried this as well. It was not terribly successful to this point. How would you say your vision for what you can do with Xilinx is different maybe from what Intel might have viewed with Altera? And maybe what lessons have you potentially learned from the issues that they've had with that deal?
Lisa T. Su  
Advanced Micro Devices, Inc.

Yes. Absolutely, Stacy. I'll make a few comments, and then I'm sure Victor will have a few comments. Look, we've been thinking about this for some time. And I think it's actually a very different situation. Xilinx is the market leader. I mean, if you look at how their business has grown over the last few years, their market share has continued to grow. I think both companies are executing really well.

So you ask why now? I mean, why now is actually -- we feel very good about our base businesses. I think the people look at our businesses, and say, they're complementary, and they are very complementary from a product and market standpoint. But we have sort of important intersections around the data center focus, and then also around the technology sort of strategy, right?

I mean, we're both leading-edge technology users. We both are partnered with TSMC. We both have really leaned into this modular design environment and Xilinx is a leader in some of that - some of the 2.5D, 3D integration. We're both invested in software and open source. So there are a lot of synergies that are sort of under the covers that we see, and we see very strongly. And I think you'll see, as road maps execute.

And then the last point I'll mention is I think our cultures are very, very aligned. And we're both -- Victor and I are both engineers at heart. We love the technology. We have a common vision. I'm really, really happy that he's joining me on this journey. I think we have a bold vision of what we think we can do for the industry and for our joint companies. And I think that's what we see as what's different.

And as you know, Stacy, I mean, I haven't been big on M&A. We're not doing M&A for M&A's sake. I mean this is such a unique opportunity there actually is no better match in the industry for us than Xilinx. Vic, do you want to add some comments?

Victor Peng  
President & Chief Executive Officer, Xilinx, Inc.

Yes. I think you put it very well, Lisa. I think this is completely different than that transaction. And I guess I'll just lean into the fact that, as Lisa said, we have very common vision for the transformations that are happening, not only in the data center, but I would say at the edge and even endpoint applications. And I'm super excited about joining back with AMD and with Xilinx team. And I think we really do have very similar cultures, very focused on innovating, very focused on execution and strong teamwork culture for both within the company and also with customers. And I think this is what it's all about. We're going to create tremendous value for customers, and I'm really excited to bring some of the underlying technologies that Lisa talked about to the floor, and you'll see that over time. So -- and personally, I'm all in. So we'll make sure that we integrate well.

Stacy Rasgon  
Bernstein Research

Yeah. Got it. Thank you guys. Good luck.

Lisa T. Su  
Advanced Micro Devices, Inc.

Thanks, Stacy.

Victor Peng  
President & Chief Executive Officer, Xilinx, Inc.

Thank you, Stacy.

Operator

Thanks. Our next question today is coming from Mark Lipacis from Jefferies. Your line is now live.
Mark Lipacis  
Jefferies

Hi. Thanks for taking my questions, and congratulations on the announcement. I guess, I would like to pick up on Victor's point about the computing at the edge. It seems like there's a lot of talk at edge computing. It seems like base stations are a logical place for that to happen, especially as 5G is deployed. And as you think about delivering a joint solution, joint AMD-Xilinx solution, does the architecture of the compute platform at the edge, does it differ from — does it differ from the kind of what we think about today as the core data center? And is the value proposition for AMD and Xilinx together, is it particularly advantaged or unique from the other solutions, other kind of architectural that have been proposed out there? That's the first question. I have a follow-up, too.

Lisa T. Su  
Advanced Micro Devices, Inc.

Yes. Sure, Mark. So look, we'll have a very strong portfolio if you look at all of the elements between CPUs, GPUs, the traditional FPGAs as well as the adaptive SoCs that that Xilinx has been investing in. I think that portfolio lends a lot of solution capability when you look at specific workloads. So on the accelerator side, as you know, we've been investing on the GPUs with Radeon Instinct and the focus has been on training and has been on HPC environments. Victor's focus has actually been quite a bit at the edge. I think we share the idea that a common software environment is so important to try to accelerate the usage of those solutions in the market. And so I think we'll have sort of a basket of technology that can be used very well from the infrastructure cloud side to the edge and endpoint. I don't know, Victor, if you'd like to add anything there?

Victor Peng  
Xilinx, Inc.

Yes, sure. I mean, I think there's a lot that we can leverage from a technology and architecture perspective, but I think some of the differences are obviously primarily the workload and also there is more evident for meeting more real time kind of responses, low latency. I think the fact that the workloads are different, you want to customize some of those things. That's were I think the combination of AMD and Xilinx is very powerful, because we can handle lot of the customizations and optimizations and fast real time response. But then because there is some of the really very heavy compute intensive things, there is a lot of great technology out of AMD. And putting the 2 together CMC also with software, really make that powerful solution. And I think that's what this is about comprehensive power solutions. They tell us the workload whether that's the edge — even end points and of course, in the cloud.

Mark Lipacis  
Jefferies

That's very helpful and insightful. Thank you. The follow-up is, obviously, there's going to be a level of integration with AMD and Xilinx products together. Can you help us understand to what extent is the integration happen on the hardware side in your kind of vision versus the software? Is it FPGAs and CPUs and GPUs integrated on monolithic dies or with interposers? Or is there -- you have an architecture with a -- you demonstrate a successful architecture with Infinity fabric and you stitch them together that way, and then you have a software layer also that's integrating these things? If you can provide any color on that vision, that would be helpful? Thank you.

Lisa T. Su  
Advanced Micro Devices, Inc.

Sure, Mark. Look, I think the days of monolithic integration are probably over. We've been on this chiplet methodology because it's the right thing to do. You get the right compute for the right workloads. Xilinx team is also very advanced and thinking on this area. I think there will be some, let's call it, opportunities for us to do things on the hardware side.

But I view it more as market-specific optimization as we think about what customers need. And then certainly, on the software environment, we are very focused on doubling down on the software environment because that's really the key to accelerate adoption. So lots of opportunities for us to bring the portfolios together, but really, I think the opportunity is at the solution level with customers and the important workloads.
Very helpful. Thank you.

Our next question today is coming from Joe Moore from Morgan Stanley. Your line is now live.

Joe Moore
Morgan Stanley

Great. Thank you. On the deal, you talked about $300 million in cost savings 18 months out. Can you talk about where that might come from? And what are the priorities in terms of -- I assume you want to keep the sales force intact and things like that. Just how are you going to approach that cost savings?

Lisa T. Su
Advanced Micro Devices, Inc.

Yes. Sure, Joe. So the majority of those cost savings are really on just the scale of bringing the two companies together. So if you think about our opportunities on the COGS side as well as some of the public company functions and those kinds of things. Our intent on R&D is, we've been growing, and we're going to continue to grow R&D. I think what it allows us to do is actually there will be some synergy, some things like the robots doing like some of the IPs that are just sort of necessary IPs. But it will allow us to invest more in things like AI and software and so on. So we're not counting on any major changes at all to either business from the running of the business.

I think the emphasis here is that both companies are executing extremely well, and we're going to continue to keep that way. And so Victor will continue to run the Xilinx business. And obviously, we have a lot to execute on the AMD side. But these synergies are really more from COGS and just public company type stuff that go on.

Joe Moore
Morgan Stanley

Great. Thank you. And then in terms of the business, can you talk about data center GPU? You mentioned HPC opportunities. Can you give us just a short update on cloud gaming and then the timing of CDNA? Thank you.

Lisa T. Su
Advanced Micro Devices, Inc.

Yes. So you'll hear more about CDNA later this year. So in the -- here in a couple of -- in a month or two. As we look at the data center GPU space, I think the cloud opportunities that we have are continuing to ramp, I would say, but the large HPC opportunities really come into play in 2021. So we should see a significant ramp in our data center GPU business in 2021 as some of those wins are publicly announced and will ramp next year.

Joe Moore
Morgan Stanley

Thank you.

Lisa T. Su
Advanced Micro Devices, Inc.

Thank you.
Operator

Thank you. Our next question today is coming from John Pitzer from Credit Suisse. Your line is now live.

John Pitzer
Credit Suisse

Yes. Good morning. Congratulations, Lisa and Victor, both on the deal and Lisa on the solid results. My first question is just on the core business and gross margins. And I apologize because I've been bouncing around a couple of calls this morning. But Lisa, I'm wondering, how much – there were some news press in the calendar third quarter that perhaps the ramp on the gaming side had incurred some more costs than originally expected.

But I guess, importantly, when you look at gaming as a percent of mix and the fact that Q3 is kind of the first gaming quarter, which just tends to be the lowest gross margin quarter, it strikes me that September should be a gross margin bottom for the overall business. I'm wondering if you could just help me understand if that's a fair comment and how I should think about improvement in gross margin in gaming over time.

Lisa T. Su
Advanced Micro Devices, Inc.

Yes. Sure, John. So certainly, we ramped heavily the console business here in the third quarter. I think we were right at our March guidance. As we go sequentially into the fourth quarter, we see an increase in margins from 44% to 45%. I think there are a couple of aspects there. So we do have the console business growing sequentially. And so that is a bit margin-decrementive.

However, we also have our other businesses growing as well that offset that. It is true that the early parts of console ramp are – typically, we're working through some ramp issues. I would say the ramp is going quite well, and the demand environment is very strong overall, and we continue to work on satisfying all of the demand.

John Pitzer
Credit Suisse

That's helpful. And then going back to the deal, the rationale around both the data center and wireless/wireline is fairly straightforward and obvious. I'd love to get your view kind of on the broader industrial and auto buckets that Xilinx plays in today. Distribution channel, which is not necessarily something that you guys deal with in your core business. And specifically, on the auto side, is there incremental silicon opportunity for core AMD on the auto side with Xilinx?

Lisa T. Su
Advanced Micro Devices, Inc.

Yes. Absolutely, John. So clearly, there's a lot of synergy on the data center and the comm side, as you mentioned. But that core market business, Xilinx's core market business is a beautiful business. I mean, if you just look at the product life cycles, the customer – the customer diversity and just how those go. So we're very happy with adding that for the portfolio. I think it adds sort of a different rhythm to the rest of our business and as I said earlier, we're very cognizant that it's a different business.

It will continue to run as it runs today. You know, it had some experience in the embedded business before, so we expect that to continue to be a very important driver of the overall financial model that we're putting together.

Victor Peng
Xilinx, Inc.

And if I could add to that you know, I definitely see opportunity for AMD's products in the auto business. We do a lot there but if you look at the amount of computing that's being done in domain control, essential units, there's a lot of need for some very, very powerful computing.

14
And we handle a lot of the sense of fusion in real-time kind of applications and so I absolutely think that there's opportunity there and there are, certainly, things of course we learn through the more than two decades of servicing the auto business that we can help have some mutual learning back and forth and how to go to market with and support those customers.

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. Absolutely, Victor, that's a great point. I think automotive is a long term opportunity for us with the technology that we have.

John Pitzer
Credit Suisse

Helpful guys and congratulations again.

Lisa T. Su
Advanced Micro Devices, Inc.

Thanks, John. Operator, we'll take two more questions, please.

Operator

Certainly. Our next question is coming from Hans Mosesmann from Rosenblatt Securities. Your line is now live.

Hans Mosesmann
Rosenblatt Securities

Hey, thanks. Congrats guys. Good stuff here. A question on capacity. Lisa, you mentioned that it got better here in the back half of 2020. But as you look at 2021, the 7-nanometer, and I assume 5-nanometer specifically, it was the end, I suppose, how is that capacity looking like? And then I have a follow-up. Thanks.

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. Thanks, Hans. So, look, our second half has certainly been very strong, and it was stronger than we originally planned. And so – and we've worked closely with our suppliers to improve the supply availability. And I would say that, even with that, demand still exceeds supply in certain segments.

As we go into 2021, I think we are planning for success. And so, we're working very closely across the supply chain to ensure that we have enough wafer capacity as well as back end capacity. And we're going to continue to work on that. But certainly, there are areas where we would like the supply to be higher, and we're working on that.

Hans Mosesmann
Rosenblatt Securities

Okay. And that's for both 7 and 5, just as a general comment, that you're saying?

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. Yeah, I'm not making a specific technology statement. But other than to say that, we believe we will have the ability to support our strong growth objectives.

15
Okay. That's helpful. And then a question on the Xilinx part of this deal. They have, as you know, a very good CUDA-like software compiler platform, Vitis. And I believe that AMD would benefit from that. But how do you see that kind of being woven into AMD? And does AMD have something like that in the works? How would that play out? Thanks.

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. No, we've both been investing in the software environment to really make our products easier to use. I agree with you. I think Xilinx has a very strong software platform. We've also been investing in the ROCm platform for our GPUs. And so, those will be some of the things that we bring together over time.

Victor Peng
Xilinx, Inc.

Yeah. On that note, I'd just like to point out, many people may not be aware that we've been collaborating on ROCm and some other of the HSA in the past and a lot of the other initiatives that AMD has been driving in sort of the open development environment.

Hans Mosesmann
Rosenblatt Securities

Okay. Great. Thanks again.

Lisa T. Su
Advanced Micro Devices, Inc.

Thanks, Hans.

Operator

Thank you. Our final question today is coming from Aaron Rakers from Wells Fargo. Your line is now live.

Aaron Rakers
Wells Fargo Securities

Yeah. Thanks for taking the question. I have one on the business and then one on the acquisition as well. Just real quickly on the business, as we think about the EESC segment, sort of, guide into this current quarter, I'm just curious if you can help us appreciate how you're looking at the semi-custom business relative to the EPYC server business and what you're necessarily seeing in the competitive landscape right now? And then I have a quick follow-up.

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. So I think the -- as I mentioned in the prepared remarks, we're seeing a strong semi-custom environment here in the first quarter. Usually, Q3 is the peak for us in Semi-Custom. And this year, we'll see sequential growth into Q4, just given the strong demand environment. But I think that's a result of, the product space.

I think as -- look, when you talk about the competitive environment, I think the competitive environment, I mean, it's about the same. I mean, I think, it's -- it's always a competitive environment. But our focus has been on our product strategy and working with our customers.
So I wouldn't say I've seen a change in the dynamic. I think there's a lot of excitement, in our server business around Milan. And bringing Milan to market, even -- ramping that even faster than we, ramped Rome. And so, yeah, that's where the focus is.

Aaron Rakers
Wells Fargo Securities

And then on the acquisition side, I'm just curious of how you see or envision the role of SmartNIC? And how quickly, you see the kind of the portfolios combining with regard to the SmartNIC category, with regard to the Xilinx and then embedding some of the core AMD compute capabilities along with that SmartNIC. I'm just curious on, what you see happening, data center architecture-wise around that evolution?

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. Look, we -- the SmartNIC Technology and just the overall acceleration technology in the data center, we think, is very important. I think Xilinx has made significant investments there. That's additive to our data center portfolio today.

I think both of us have been very engaged in the top hyperscalers. And we will continue to do that. We also see opportunities over time, in the enterprise segment as well. So I think the relationships that we have across all the top customers can help accelerate, some of that solution development. And that will be a key focus for the combined company.

And if I could add, just maybe getting a little bit deeper, on the technology side. AMD has been leading in core density. And with SmartNIC offloading the cores, it improves the overall throughput and TCO for the data center.

And again, we also both have very high-speed interconnect leadership. So I think it's really -- that is a good example of delivering a better overall solution, for the data center customers.

Operator

Thank you. We've reached end of our question-and-answer session. I'd like to turn the floor back over, for any further closing comments.

Ruth Cotter
Advanced Micro Devices, Inc.

Thank you.

Lisa T. Su
Advanced Micro Devices, Inc.

Yeah. Thank you ...

Ruth Cotter
Advanced Micro Devices, Inc.

Yeah. Go ahead.
Lisa T. Su  
Advanced Micro Devices, Inc.

Yeah. No, I was just going to say, so thanks all for joining today. I know we covered a tremendous amount of material, across our business and the acquisition. We look forward to -- really look forward to bringing these two companies together. I think it's a very special and unique moment for us. And we look forward to talking more about it, as we go forward.

Operator

Thank you. That does conclude today's teleconference. You may disconnect your lines at this time. And have a wonderful day. We thank you for your participation today.

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Important Information about the Merger and Where to Find It

In connection with the proposed transaction, Advanced Micro Devices, Inc. (“AMD”) intends to file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 that will include a joint proxy statement of Xilinx, Inc. (“Xilinx”) and AMD and that will constitute a prospectus with respect to shares of AMD’s common stock to be issued in the proposed transaction (“Joint Proxy Statement/Prospectus”). Each of Xilinx and AMD may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the Joint Proxy Statement/Prospectus or any other document which Xilinx or AMD may file with the SEC. INVESTORS, XILINX STOCKHOLDERS AND AMD STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors, Xilinx stockholders and AMD stockholders will also be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents containing important information about Xilinx, AMD and the proposed transaction that are or will be filed with the SEC by Xilinx or AMD through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by AMD will also be available free of charge on AMD’s website at ir.AMD.com or by contacting AMD’s Corporate Secretary by email at Corporate.Secretary@AMD.com. Copies of the documents filed with the SEC by Xilinx will also be available free of charge or by contacting Xilinx’s investor relations department at the following:

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In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “expect,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond Xilinx’s and AMD’s control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the transaction on a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of Xilinx’s and AMD’s businesses and other conditions to the completion of the transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Xilinx and AMD; (iii) the impact of the COVID-19 pandemic on Xilinx’s business and general economic conditions; (iv) Xilinx’s ability to implement its business strategy; (v) pricing trends, including Xilinx’s and AMD’s ability to achieve economies of scale; (vi) potential litigation relating to the proposed transaction that could be instituted against Xilinx, AMD or their respective directors; (vii) the risk that disruptions from the proposed transaction will harm Xilinx’s or AMD’s business, including current plans and operations; (viii) the ability of Xilinx or AMD to retain and hire key personnel; (ix) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (x) uncertainty as to the long-term value of AMD common stock; (xi) legislative, regulatory and economic developments affecting Xilinx’s and AMD’s businesses; (xii) financial condition and results of operations; (xiii) pricing trends, including Xilinx’s and AMD’s ability to achieve economies of scale; (xiv) general economic and market developments and conditions; (xvi) business relationships, during the pendency of the merger that could affect Xilinx’s and/or AMD’s financial performance; (xv) restrictions during the pendency of the proposed transaction that may impact Xilinx’s or AMD’s ability to pursue certain business opportunities or strategic transactions; (xv) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (xvi) uncertainty as to the long-term value of AMD common stock; (xvii) legislative, regulatory and economic developments affecting Xilinx’s and AMD’s businesses; (xviii) general economic and market developments and conditions; (xvii) the evolving legal, regulatory and tax regimes under which Xilinx and AMD operate; (xviii) potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect Xilinx’s and/or AMD’s financial performance; and (xix) to the extent that the proposed transaction is not completed, the effects of announcement and pendency of the proposed transaction on Xilinx’s and AMD’s respective stock prices, as well as those of their respective stockholders; (xx) the risk that the proposed transaction does not close in the anticipated timeframe; (xxi) the availability and terms of financing; (xxii) the remainder of the risk factors and uncertainties described in the joint proxy statement/prospectus to be filed with the U.S. Securities and Exchange Commission in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the joint proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Xilinx’s or AMD’s consolidated financial condition, results of operations, or liquidity. Neither Xilinx nor AMD assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.
The following is the text of an e-mail sent by the CEO of Xilinx, Inc. to employees of Xilinx, Inc. on October 27, 2020.

From: Victor Peng, President & CEO
Sent: Tuesday, October 27, 2020 3:56 AM
Subject: An Exciting Announcement About the Future of Xilinx

Xilinx Team,

I’m very excited to announce that Xilinx has signed a definitive agreement to join the AMD team, creating the industry’s high-performance computing leader. Together, the combined company will offer an outstanding portfolio of industry-leading CPUs, GPUs, FPGAs, in addition to adaptive SOCs and platforms. We each bring complementary strengths in high-growth areas including data center, PC, gaming, 5G, automotive, and our core market verticals for a combined TAM/SAM of greater than $110B. This is truly a perfect match of two companies that not only have complementary products and markets, but a shared belief in the importance of growing the data center business where Xilinx’s high performance and adaptive products and platforms will drive innovation across a variety of applications from the cloud, to the edge, and end devices.

With last 12-month revenues of $11.6 billion, $2.7 billion in R&D investment, nearly $5 billion in cash, operating margins greater than 20%, and anticipated double-digit revenue growth rate, the combined company will be a semiconductor leader. Joining AMD provides us with greater scale, growth opportunities, and significantly expands the breadth of our opportunities in data centers. Our strength in 5G, automotive, and other core markets greatly enhances AMD’s ability to bring not only diversified, higher-margin revenue streams but also greater resilience to market volatility. Our applications, domain knowledge, and recent investments in software and platforms will serve the combined company well in multiple markets. You can read more about the transaction in the press release.

Three years ago, we articulated our mission and embarked on a transformation to become a platform company and adopted a growth strategy focused on the data center, accelerating core markets, and driving adaptive computing. Focusing on growth and becoming a mainstream platform is one path to scale. Beyond the financial benefits of scale and growth, we also focused on increasing our business velocity because we believe that is the best way to achieve our mission. Joining AMD greatly accelerates our journey to achieving our mission, which is all about improving people’s lives through high performance and adaptive computing.

Through many interactions with AMD leaders, I’ve come to learn we have very similar cultures of innovation, excellence, and collaboration. We both have world-class R&D teams, as well as highly-motivated and experienced talent across all our organizations. I am very confident that the combined company will significantly benefit from sharing best practices that bringing together our teams enables. Xilinx employees will also benefit from expanded professional development and growth opportunities as part of a larger, more diverse company. We expect the combined company will become an even more compelling destination for the industry’s best talent.

Today is just the first step on this exciting new journey. Many details of this transaction will be worked out over the coming months. Following the close of the transaction, the combined company will maintain AMD’s name and headquarters in Santa Clara, CA. Upon closing of the transaction, Lisa Su will remain CEO of AMD, and I am happy to announce that I will assume the role of President, responsible for the Xilinx business and strategic growth initiatives. I look forward to working closely with Lisa and the management team to ensure we make the integration of our companies a success.
We expect the transaction to close by the end of calendar year 2021, subject to both Xilinx and AMD shareholder and regulatory approvals as well as other customary closing conditions. Until then, we will conduct business as usual, with Xilinx and AMD continuing to operate as separate and independent companies. We should stay focused on executing our current operating plan.

What's Next

We will host employee meetings later today at 9:00 pm PDT and tomorrow morning at 9:00 am PDT. We will share more details regarding the transaction and do our best to answer your top questions. You are welcome to attend one or both sessions. Additionally, we will have two more sessions later in the week and Lisa Su, the AMD CEO, will join us. She is excited to get to know you.

We have created an AMD-Xilinx Acquisition Resource Center on myXilinx. Over the coming days, we will post more information about the deal. We will also utilize the site to keep you updated as the deal progresses. Please be patient and trust that we will be as open, candid, and transparent in sharing as much as we are legally allowed during the coming months.

An announcement of this nature will likely have increased media attention and may lead to inquiries from outside parties. It is imperative that you decline to comment and forward any calls or emails you receive related to this matter to Tara Sims (…) who will review and respond.

My Commitment

Like many of you, I am a long-time Xilinx employee who loves this company and what we do. I am so proud of what we have accomplished and who we are. We are a phenomenal team, with an amazing culture, unparalleled work ethic, groundbreaking innovation, and a history of #excellence #teamwork and #accountability. Thank you so much for your contributions and commitment to Xilinx and to each other.

It is understandable that while joining AMD is compelling from many perspectives, you may initially feel mixed emotions because Xilinx will no longer be an independent company. I had the same emotions during early discussions with AMD. Becoming the CEO of Xilinx has been the greatest honor and privilege of my life. The commitment I made to you, and all Xilinx stakeholders, was that I would always act in the best interest of the company and give our mission my all. After countless hours engaging with AMD’s CEO and senior leaders, thinking deeply about the combination, and many discussions with our Board, we firmly believe this is the best path forward for all Xilinx stakeholders.

I’m extremely excited about our future together and the great things we will accomplish. My commitment to you, now and once we’ve joined the AMD team, will remain just as it is today as the steward of Xilinx. I will do what’s best for the combined company and give it my all. Together we’ll do amazing things.

Victor
Important Information about the Merger and Where to Find It

In connection with the proposed transaction, Advanced Micro Devices, Inc. ("AMD") intends to file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a joint proxy statement of Xilinx, Inc. ("Xilinx") and AMD and that will constitute a prospectus with respect to shares of AMD's common stock to be issued in the proposed transaction ("Joint Proxy Statement/Prospectus"). Each of Xilinx and AMD may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the Joint Proxy Statement/Prospectus or any other document which Xilinx or AMD may file with the SEC. INVESTORS, XILINX STOCKHOLDERS AND AMD STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors, Xilinx stockholders and AMD stockholders will also be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents containing important information about Xilinx, AMD and the proposed transaction that are or will be filed with the SEC by Xilinx or AMD through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by AMD will also be available free of charge on AMD's website at ir.AMD.com or by contacting AMD's Corporate Secretary by email at Corporate.Secretary@AMD.com. Copies of the documents filed with the SEC by Xilinx will also be available free of charge or by contacting Xilinx's investor relations department at the following:

Xilinx, Inc.
2100 Logic Drive
San Jose, California 95124
Attention: Investor Relations
(408) 559-7778
ir@xilinx.com
www.investor.xilinx.com

Participants in the Solicitation

Xilinx or AMD and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Xilinx’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in Xilinx’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on June 19, 2020. Information regarding AMD’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in AMD’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on March 26, 2020. Additional information regarding the direct and indirect interests of the participants in the solicitation of proxies in connection with the proposed transaction, including the interests of Xilinx and AMD directors and executive officers in the transaction, which may be different than those of Xilinx and AMD stockholders generally, will be contained in the Joint Proxy Statement/Prospectus and any other relevant documents that are or will be filed with the SEC relating to the transaction. You may obtain free copies of these documents using the sources indicated above.

No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.
Cautionary Note Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Xilinx’s current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management’s beliefs and certain assumptions made by Xilinx and AMD, all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “see,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “expect,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the transaction on a timely manner or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of Xilinx’s and AMD’s businesses and other conditions to the completion of the transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Xilinx and AMD; (iii) the impact of the COVID-19 pandemic on Xilinx’s business and general economic conditions; (iv) Xilinx’s ability to implement its business strategy; (v) pricing trends, including Xilinx’s and AMD’s ability to achieve economies of scale; (vi) potential litigation relating to the proposed transaction that could be instituted against Xilinx, AMD or their respective directors; (vii) the risk that disruptions from the proposed transaction will harm Xilinx’s or AMD’s business, including current plans and operations; (viii) the ability of Xilinx or AMD to retain and hire key personnel; (ix) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (x) uncertainty as to the long-term value of AMD common stock; (xi) legislative, regulatory and economic developments affecting Xilinx’s and AMD’s businesses; (xii) general economic and market developments and conditions; (xiii) the evolving legal, regulatory and tax regimes under which Xilinx and AMD operate; (xiv) potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect Xilinx’s and/or AMD’s financial performance; (xv) restrictions during the pendency of the proposed transaction that may impact Xilinx’s or AMD’s ability to pursue certain business opportunities or strategic transactions; (xvi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Xilinx’s and AMD’s response to any of the aforementioned factors; (xvii) geopolitical conditions, including trade and national security policies and export controls and executive orders relating thereto; (xviii) Xilinx’s ability to provide a safe working environment for members during the COVID-19 pandemic; and (xix) failure to receive the approval of the stockholders of AMD and/or Xilinx. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus to be filed with the U.S. Securities and Exchange Commission in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the joint proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may impact Xilinx’s or AMD’s ability to pursue certain business opportunities or strategic transactions. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Xilinx’s or AMD’s consolidated financial condition, results of operations, or liquidity. Neither Xilinx nor AMD assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.
Xilinx team,

Today is an exciting and historic day for both AMD and Xilinx. Victor has outlined the many reasons we believe combining the two companies is so compelling, but I wanted to take this opportunity to introduce myself and AMD before we talk later this week.

When I started my career as a young engineer, I fell in love with semiconductors because they are at the heart and soul of all innovation in this world. The products we build and the experiences we enable change people’s lives. I became CEO of AMD a little more than six years ago, and over the last few years we have focused on building the strong technical and operational foundation required to make AMD a leader in high performance computing and the partner of choice for many of the industry’s biggest and best companies.

We now have the strongest product portfolio in our history and are delivering best-in-class revenue growth. We announced our third quarter financial results this morning highlighted by record revenue as our business is accelerating significantly. And while I am very proud of what the AMD team has accomplished, I also know that we can do even more to shape the industry going forward. Having the Xilinx team join AMD is the strategic next step in our journey.

Like Xilinx, AMD believes high performance and adaptive computing play a critical role helping to build a better world. By bringing our talented people, technology capability, product portfolio, and market knowledge together, we can create the leader in high performance computing and the best growth franchise in tech.

It is normal at times like this to ask: “What will change?” Until we close, it is business as usual and the companies remain separate and independent. Once we close, we will have plenty of opportunities to consider how we accelerate our roadmaps, leverage technologies across the joint portfolio, and broaden our customer solutions. Right now, I think it is more important to understand what stays the same. Victor has outlined a very compelling strategy for Xilinx, and you have built a very successful business based on your strong products and execution. All of that stays the same. AMD and Xilinx share similar cultures that value technology innovation, product execution, and customer collaboration. It’s that spirit that will be the foundation of our combined company.
I look forward to meeting you later this week to discuss our new journey. I am so excited about what we will accomplish together.

Best,

--Lisa.

LISA SU
President & Chief Executive Officer | AMD

Additional Information about the Acquisition and Where to Find It

In connection with the proposed transaction, Advanced Micro Devices, Inc. (AMD) intends to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of AMD and Xilinx, Inc. (Xilinx) and that also will constitute a prospectus with respect to shares of AMD’s common stock to be issued in the proposed transaction (the “joint proxy statement/prospectus”). Each of AMD and Xilinx may also file other relevant documents with the SEC regarding the proposed transaction. This document is not a substitute for the joint proxy statement/prospectus or any other document that AMD or Xilinx may file with the SEC. The definitive joint proxy statement/prospectus (if and when available) will be mailed to stockholders of AMD and Xilinx. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the joint proxy statement/prospectus (if and when available) and other documents containing important information about AMD, Xilinx and the proposed transaction, once such documents are filed with the SEC through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by AMD will be available free of charge on AMD’s website at ir.AMD.com or by contacting AMD’s Corporate Secretary by email at Corporate.Secretary@AMD.com. Copies of the documents filed with the SEC by Xilinx will be available free of charge on Xilinx’s website at investor.Xilinx.com or by contacting Xilinx’s Investor Relations department by email at ir@xilinx.com.

Participants in the Solicitation

AMD, Xilinx and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about the directors and executive officers of AMD, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in AMD’s proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on March 26, 2020. Information about the directors and executive officers of Xilinx, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in Xilinx’s proxy statement for its 2020 annual meeting of stockholders, which was filed with the SEC on June 19, 2020. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction. You may obtain free copies of these documents using the sources indicated above.
No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward Looking Statements

The statements in this communication include forward-looking statements concerning AMD, Xilinx, the proposed transaction and other matters. Forward-looking statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. Forward-looking statements speak only as of the date they are made or as of the dates indicated in the statements and should not be relied upon as predictions of future events, as there can be no assurance that the events or circumstances reflected in these statements will be achieved or will occur. Forward-looking statements can often, but not always, be identified by the use of forward-looking terminology including “believes,” “expects,” “may,” “will,” “should,” “seeks,” “intends,” “plans,” “pro forma,” “estimates,” “anticipates,” “designed,” or the negative of these words and phrases, or other variations of these words and phrases or comparable terminology.

The forward-looking statements in this communication relate to, among other things, obtaining applicable regulatory and stockholder approvals, satisfying other closing conditions to the proposed transaction, the expected tax treatment of the transaction, the expected timing of the transaction, and the integration of the businesses and the expected benefits, cost savings, accretion, synergies and growth to result therefrom. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. These risks include, among other things: failure to obtain applicable regulatory or stockholder approvals in a timely manner or otherwise; failure to satisfy other closing conditions to the transaction or to complete the transaction on anticipated terms and timing; negative effects of the announcement of the transaction; risks that the businesses will not be integrated successfully or that the combined companies will not realize expected benefits, cost savings, accretion, synergies and/or growth, or that such benefits may take longer to realize than expected; the risk that disruptions from the transaction will harm business plans and operations; risks relating to unanticipated costs of integration; significant transaction and/or integration costs, or difficulties in connection with the transaction and/or unknown or insurmountable liabilities; restrictions during the pendency of the transaction that may impact the ability to pursue certain business opportunities or strategic transactions, potential litigation associated with the transaction; the potential impact of the announcement or consummation of the transaction on AMD’s or the combined company’s relationships with suppliers, customers, employers and regulators; and demand for the combined company’s products. A more fulsome discussion of the risks related to the proposed transaction will be included in the joint proxy statement/prospectus. For a discussion of factors that could cause actual results to differ materially from those contemplated by forward-looking statements, see the section captioned “Risk Factors” in AMD’s Annual Report on Form 10-K for the year ended December 28, 2019, subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. While the list of factors presented here is, and the list of factors presented in the joint proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements Many of these risks and uncertainties may be exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result. AMD does not assume, and hereby disclaims, any obligation to update forward-looking statements, except as may be required by law.
Announcement Questions and Answers

Who is AMD? Why is Xilinx being acquired by AMD?
AMD is a U.S. semiconductor company, headquartered in Santa Clara, California, and with operations worldwide, that drives innovation in high-performance computing, graphics, and visualization technologies — the building blocks for gaming, immersive platforms, and the data center. AMD has ~13,000 employees; $6.7B revenue (2019) with operations spanning over 35 locations worldwide. At transaction close, we expect the combined company to offer one of the most comprehensive portfolios of high performance and adaptive computing products in the industry, including CPUs, GPUs, FPGAs, and Adaptive SOCs. The combination will enable us to take a leadership position, accelerating a diverse set of emerging workloads from AI to smart networking and software-defined infrastructure.

Xilinx announced a new strategy in early 2018, when Victor became CEO. The sense was that we were on a strong, independent path. Why are we doing this transaction now? Is this an acquisition or a merger?
While Xilinx was comfortable with its independent path, Victor and our Board of Directors felt that the combination with AMD offered clear strategic benefits when coupled with a meaningful premium and future participation in the upside created from the combination. We are entering into a new era where the pace of innovation is accelerating. To define and capitalize on this new era requires computing technologies that are not only high performance but also adaptive to meet the needs of a full range of workloads. AMD is acquiring Xilinx.

What is AMD’s growth strategy?
High-performance computing has been the foundation of AMD’s strategic focus for many years now and AMD sees a growing demand in the cloud, at the edge, and across a growing number of intelligent end devices. This will enable a host of new experiences and services that were previously impossible. AMD has seen very strong growth in its existing product portfolio, as its premium leadership products have gained share in the market, increased revenue and gross margin, and expanded its customer base. To further its growth strategy, AMD sees a strategic opportunity to expand into a broader set of compute engines that will enable it to enhance its customer offerings at the forefront of the industry across a diverse set of emerging workloads, from AI to smart networking and software-defined infrastructure. This acquisition will further extend the combined companies’ leadership IP and go-to-market capabilities as it pursues an ambitious goal to make AMD a best-in-class growth franchise.

What is the impact on Xilinx between now and when the transaction closes at the end of calendar year 2021?
We expect to close the transaction by the end of calendar 2021, subject to customary conditions, including regulatory and shareholder approvals. Until close, Xilinx and AMD will continue to operate as independent companies, which means that everything remains business as usual for the time being. It’s important that all Xilinx employees remain focused on maintaining the same level of service to our customers and other stakeholders that we’ve always strived for. We want a strong close to the last chapter of Xilinx. Most employees will likely see little change in day-to-day responsibilities; some may be engaged in joint integration discovery and planning to help determine the future combined state.
What does this announcement mean for Xilinx’s customers, partners, and suppliers?

Until the close of the transaction, it’s business as usual for our two separate, independent companies. We remain committed to all our customers and do not see that changing after close. Together, we expect that the combined company will enhance our ability to meet the needs of our customers and partners and will accelerate the impact we can have on our customers’ ability to drive innovation in their industries. Communications to customers and partners are going out this week; follow-on meetings will be scheduled as appropriate.

Why is this an all-stock transaction?

AMD was viewed by Victor and our Board as the logical strategic partner for Xilinx. Based on the size of the transaction, AMD needed to offer a significant amount of stock. The Board carefully considered the value of their shares being offered and felt that an all-stock transaction was compelling given the meaningful upfront premium as well as the opportunity for Xilinx stockholders to share in the future value creation from the combined company.

What was the rationale behind the exchange ratio?

The exchange ratio of 1.7234 was calculated as a function of an offer price of $143 per Xilinx share divided by the Trailing 10-day volume-weighted average trading price for AMD shares leading up to and including October 8, the day the transaction was publicly rumored in the press.

How are AMD’s values and culture like ours?

AMD and Xilinx have a shared vision and a common passion for solving complex customer problems. Combined, we will have more than ~17,000 talented employees working towards a common goal to accelerate high-performance and adaptive computing, and drive innovation for our customers. Both companies have a deep history of innovation, execution, and customer-centricity, and we share a common vision for the future of high-performance and adaptive computing. Several Xilinx leaders (including Victor, who previously worked at AMD) and product/engineering teams know each other well, having collaborated together over the last several years.

What will happen to my Xilinx Restricted Stock Units (RSUs) during this pre- and post-close period? Can employees sell Xilinx stock? Are there any restrictions to my stock holdings and ability to exercise?

Until the close of the transaction, it’s business as usual for our two separate, independent companies; Xilinx RSUs will continue to vest during this period per our normal vesting schedule. Xilinx employees can continue to sell stock (unless you’ve been notified otherwise by Legal), subject to normal blackout periods. Post-close, Xilinx RSUs will be converted into AMD RSUs (with equivalent terms).

Will there be layoffs (as a result of this transaction)? If so, will there be severance?

AMD fully recognizes the expertise and professionalism of the people who make up the Xilinx team. We expect that the net reductions in the workforce will be fairly modest, for a transaction of this size, given the substantial growth opportunities afforded by the combined company’s growth profile at scale. After transaction close, we will identify cost synergies, deployment opportunities, and through that process, we may identify a small number of redundant positions which will be eliminated. However, given the rate and pace of growth expected from the combined companies, as well as the R&D demands from growing markets, we expect that the opportunities for redeployment of talent will be significant.

We will be transparent and timely about impacts and employees will be offered a financial transition plan.

How will this impact the projects that have been approved for FY21 and our goals for the year?

Our strategy and business priorities remain unchanged. We will continue to operate as an independent company until the transaction is closed. We need to focus on executing second half FY21 commitments as well as our FY22 planning with goals, new initiatives, a balanced operating plan, sales targets, etc. In some areas, we will adjust projects and/or priorities given we expect the transaction to close in 2021. It will take some time to determine what adjustments are appropriate so for the near-term everyone should continue executing current plans.

How will this impact our compensation and benefits? Will there be a bonus and raises for FY21 Focal?

We do not expect any changes to our comp and benefit programs as we will continue to operate independently through transaction closes. Competitive compensation and benefits are critical to attracting and retaining our amazing talent, which means we will continue to design compensation and benefit programs in the best interest of Xilinx employees, including a robust end of year Focal.
Products

How does this impact our product roadmaps?
For now, it’s business as usual, and vitally important that we remain focused on executing our existing leadership roadmap, gaining share with our current/planned products, and capitalizing on our very strong growth opportunities in the near-term. We will review the respective companies’ product roadmaps and determine the most effective way to integrate product schedules and roadmaps once closed, as appropriate.

Integration / Next Steps

Can we reach out to interact with AMD employees? What if we know them socially?
Until the transaction closes, Xilinx and AMD will continue to operate as separate, independent companies. Everything remains business as usual for the time being. Accordingly, the transaction should not be discussed, nor of course, may there be any joint sales calls (presuming such calls didn’t occur pre-announcement), discussions of joint roadmap opportunities, conversations about pricing/margins, etc. Some employees will likely be asked to engage in joint integration discovery and planning in the weeks ahead. Details will be shared when available. If you know AMD employees socially, you should be cautious about what you share and treat all Xilinx confidential information as still confidential.

What is the integration plan and how will I get information specific to my job?
We plan to be as transparent as possible throughout and will provide additional information on the process and outcomes as we move forward. AMD and Xilinx will begin integration planning but will not implement plans or begin combining operations in any way until after closing. We expect that the AMD team will look to commence integration discovery and planning in the weeks ahead; it is still very early in the process, so details have yet to be worked out. Furthermore, a dedicated joint team will be focused on determining how best to bring Xilinx and AMD together and capitalize on the strengths and talent across each organization after close.

What regulatory approval and from which countries are needed for this deal to close?
Given the size of the transaction, anti-trust approvals will be required from the U.S., EU, and China, among other countries.

Can I talk about this deal on myXilinx, Slack, or on Social Media or other external sources?
You can re-tweet or re-post company issued content. Other than that, no – you should not share personal commentary on the transaction. Because this transaction requires approval by both the shareholders of Xilinx and AMD, there are SEC rules that require the filing of certain written communications. It’s best to limit your commentary to avoid the possibility of your communications becoming publicly known and on file with the SEC. You should also refrain from disclosing any non-public information about Xilinx or the transaction. For more information, please review the SEC 425 Filing Considerations on myXilinx.
Important Information about the Merger and Where to Find It

In connection with the proposed transaction, Advanced Micro Devices, Inc. (“AMD”) intends to file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 that will include a joint proxy statement of Xilinx, Inc. (“Xilinx”) and AMD and that will constitute a prospectus with respect to shares of AMD’s common stock to be issued in the proposed transaction (“Joint Proxy Statement/Prospectus”). Each of Xilinx and AMD may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the Joint Proxy Statement/Prospectus or any other document which Xilinx or AMD may file with the SEC. INVESTORS, XILINX STOCKHOLDERS AND AMD STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors, Xilinx stockholders and AMD stockholders will also be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents containing important information about Xilinx, AMD and the proposed transaction that are or will be filed with the SEC by Xilinx or AMD through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by AMD will also be available free of charge on AMD’s website at ir.AMD.com or by contacting AMD’s Corporate Secretary by email at Corporate.Secretary@AMD.com. Copies of the documents filed with the SEC by Xilinx will also be available free of charge or by contacting Xilinx’s investor relations department at the following:

Xilinx, Inc.
2100 Logic Drive
San Jose, California 95124
Attention: Investor Relations
(408) 559-7778
ir@xilinx.com
www.investor.xilinx.com

Participants in the Solicitation

Xilinx or AMD and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Xilinx’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in Xilinx’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on June 19, 2020. Information regarding AMD’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in AMD’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on March 26, 2020. Additional information regarding the direct and indirect interests of the participants in the solicitation of proxies in connection with the proposed transaction, including the interests of Xilinx and AMD directors and executive officers in the transaction, which may be different than those of Xilinx and AMD stockholders generally, will be contained in the Joint Proxy Statement/Prospectus and any other relevant documents that are or will be filed with the SEC relating to the transaction. You may obtain free copies of these documents using the sources indicated above.

No Offer or Solicitation

This communication is not intended to and shall not constitute an offer to sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.
This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Xilinx’s current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management’s beliefs and certain assumptions made by Xilinx and AMD, all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “see,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “expect,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the transaction on a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of Xilinx’s and AMD’s businesses and other conditions to the completion of the transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Xilinx and AMD; (iii) the impact of the COVID-19 pandemic on Xilinx’s business and general economic conditions; (iv) Xilinx’s ability to implement its business strategy; (v) pricing trends, including Xilinx’s and AMD’s ability to achieve economies of scale; (vi) potential litigation relating to the proposed transaction that could be instituted against Xilinx, AMD or their respective directors; (vii) the risk that disruptions from the proposed transaction will harm Xilinx’s or AMD’s business, including current plans and operations; (viii) the ability of Xilinx or AMD to retain and hire key personnel; (ix) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (x) uncertainty as to the long-term value of AMD common stock; (xi) legislative, regulatory and economic developments affecting Xilinx’s and AMD’s businesses; (xii) general economic and market developments and conditions; (xiii) the evolving legal, regulatory and tax regimes under which Xilinx and AMD operate; (xiv) potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect Xilinx’s and/or AMD’s financial performance; (xv) restrictions during the pendency of the proposed transaction that may impact Xilinx’s or AMD’s ability to pursue certain business opportunities or strategic transactions; (xvi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Xilinx’s and AMD’s response to any of the aforementioned factors; (xvii) geopolitical conditions, including trade and national security policies and export controls and executive orders relating thereto; (xviii) Xilinx’s ability to provide a safe working environment for members during the COVID-19 pandemic; and (xix) failure to receive the approval of the stockholders of AMD and/or Xilinx. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus to be filed with the U.S. Securities and Exchange Commission in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the joint proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Xilinx’s or AMD’s consolidated financial condition, results of operations, or liquidity. Neither Xilinx nor AMD assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.
The following is a briefing document made available to managers of Xilinx, Inc. on October 27, 2020.

**Briefing Document – AMD Acquisition of Xilinx**

**Updated: 10/26/20**

**Purpose**
- To help you communicate accurately and consistently about the AMD acquisition of Xilinx and guide your teams through this change
- To understand the DOs and DON'Ts of communication of this deal

**IMPORTANT: Please don’t deviate from the approved messaging nor use any materials other than what is provided to you by Employee Communication or that you access via the “AMD-Xilinx Acquisition Resource Center” [add URL] on myXilinx.**

All deal-related written communications shared externally and posted and/or recorded internally must be filed with the SEC and become part of the public record. Remember to consult with Legal if you are considering any broader-based communications with your team or externally. The SEC filing requirement includes investor decks, customer letters, plus FAQs and other material posted to the intranet, among others; it also includes a requirement to transcribe and file employee and staff meetings if a recording is made available on our Intranet. It’s important for you to understand the rules and to stay on script by leveraging the approved messaging and FAQs. Please also convey to your teams this SEC filing requirement and the importance of not including your own opinions in communications.

**Contacts**
- Direct media inquiries to Tara Sims (…)
- Direct investor inquiries to Suresh Bhaskaran Nair (…)
- Direct employee questions to Angela Volfer (…)

**Background**
- On October 26, Xilinx reached a definitive agreement for AMD to acquire Xilinx in an all-stock transaction valued at $35 billion.
- The transaction has been unanimously approved by the AMD and Xilinx Boards of Directors.
- Combining Xilinx’s position as the number one provider of adaptive computing platforms with AMD’s processor leadership and high-growth businesses will create an industry leader with an unrivaled product roadmap, significant R&D scale, broad engineering capability and deep domain expertise.
- At close, the transaction is expected to be immediately accretive to AMD margins and EPS while significantly increasing free cash flow generation.
- Under the terms of the agreement, Xilinx stockholders will receive a fixed exchange ratio of 1.7234 shares of AMD common stock for each share of Xilinx common stock they hold at the closing of the transaction.
- Xilinx employees will benefit from expanded professional development and growth opportunities as part of the larger, more diverse company.
- The closing is expected by the end of calendar year 2021, subject to Xilinx’s shareholder and regulatory approvals as well as other customary closing conditions.
- Until the transaction closes, Xilinx and AMD will continue to operate as separate and independent companies and we will conduct business as usual.
Talking Points

- While this announcement may elicit mixed emotions (which is normal,) this transaction is a testament to all that we have built for the past 36 years.
- The exponential growth of unstructured data, the rapid expansion of connected devices, and the plethora of data-intensive applications with embedded AI are driving the need for more efficient, high performance computing solutions. AMD and Xilinx together will accelerate our ability to define this new era of computing by providing the most comprehensive product portfolio and adaptive computing platforms to power a wide range of intelligent applications from the largest data center to the edge to the smallest endpoint.
- We will have a combined TAM of $110 billion, building on AMD’s $80 billion TAM with an additional $30 billion of Xilinx TAM.
- The combination of the two companies will bring together CPU, GPU, FPGA, and Adaptive SoC with deep software expertise that will enable us to drive innovation from cloud to edge and end devices quickly.
- AMD brings significant scale to Xilinx, which will allow us to expand in many areas, including with Edge AI, Networking, and Adaptable, Intelligent Systems, among others.
- This expanded product portfolio, together with our industry-leading engineering capabilities and market expertise, will enable our customers to bring products to market faster.
- This transaction is primarily about revenue growth via our combined strengths. AMD fully realizes the incredible expertise and amazing talent of the Xilinx team.
- AMD fully recognizes the expertise and professionalism of the people who make up the Xilinx team. We expect that the net reductions in the workforce will be fairly modest, for a transaction of this size, given the substantial growth opportunities afforded by the combined company’s growth profile at scale. After close, we will identify cost synergies, activate deployment opportunities, and through that process we may identify a small number of redundant positions which will be eliminated.
- The future is very exciting for the combined company.

Answers to Key Questions

- Why AMD in particular, and why now? We are entering into a new era where the pace of innovation is accelerating. To define and capitalize on this requires computing technologies that are not only high performance but also adaptive to meet the needs of a full range of workloads. The AMD and Xilinx combination would create an industry leader for this new computing era. While we were not looking to sell, the combination of AMD and Xilinx is compelling. Both companies have excellent independent paths, together we are a leader in high performance and adaptive computing and are extremely well-positioned to capitalize on the emerging new era of computing. The combined company will offer the industry’s strongest portfolio of high-performance processor technologies, combining CPUs, GPUs, FPGAs, Adaptive SoCs, and deep software expertise to enable leadership computing platforms for cloud, edge, and end devices. Together, the combined company will have the ability to capitalize on opportunities across diverse and growing markets, spanning from the data center to gaming, PCs, communications, automotive, industrial, and aerospace.
- Is this an acquisition or a merger? This is an acquisition.
- Why did the parties agree to an all-stock deal? AMD was viewed by our Board as the logical strategic partner for Xilinx. Based on the size of the transaction, AMD needed to offer a significant amount of stock. The Board carefully considered the value of their shares being offered and felt that an all-stock transaction was compelling given the meaningful upfront premium as well as the opportunity for Xilinx stockholders to share in the future value creation from the combined company.
- How will this transaction impact Xilinx employees? This transaction is primarily about revenue growth via our combined strengths, and AMD fully realizes the expertise and professionalism of the people who make up the Xilinx team. Employees will benefit from expanded career and development opportunities as part of a larger, more diverse company. Public transactions like this do normally uncover duplication of resources in some specific areas. Any impacts to individual employees will be determined later in the process as we move toward closing the transaction. As usual, we will be as transparent and timely as we can with communications related to such impacts. It’s important that all of us remain focused on maintaining the same level of service to our customers and other stakeholders that we’ve always strived for. We want a strong close to the last chapter of Xilinx.
Will there be changes to employee compensation and benefits? We do not expect any changes to our comp and benefit programs as we will continue to operate independently through transaction close. Competitive compensation and benefits are critical to attracting and retaining our amazing talent, which means we will continue to design compensation and benefit programs in the best interest of Xilinx employees, including a robust end of year Focal.

If my future is uncertain, should I start looking for other jobs now if you cannot guarantee me employment? We are obligated to operate as two separate companies until closing. Further planning and job mapping will occur in the coming months. We have great confidence in what the combined company might do in the future, and the opportunities it will provide. We hope all employees allow time for the process to play out.

Can I contact my counterpart at the other company before the deal closes? What if I know them socially? Until the transaction closes, Xilinx and AMD will continue to operate as separate, independent companies. Everything remains business as usual for the time being. Accordingly, the transaction should not be discussed, nor of course, may there be any joint sales calls (presuming such calls didn’t occur pre-announcement), discussions of joint roadmap opportunities, conversations about pricing/margins, etc. Some employees will likely be asked to engage in joint integration discovery and planning in the weeks ahead. Details will be shared when available. If you know AMD employees socially, you should be cautious about what you share and treat all Xilinx confidential information as still confidential.

Important Information about the Merger and Where to Find It

In connection with the proposed transaction, Advanced Micro Devices, Inc. (“AMD”) intends to file with the Securities and Exchange Commission (“SEC”) a registration statement on Form S-4 that will include a joint proxy statement of Xilinx, Inc. (“Xilinx”) and AMD that will constitute a prospectus with respect to shares of AMD’s common stock to be issued in the proposed transaction (“Joint Proxy Statement/Prospectus”). Each of Xilinx and AMD may also file other documents with the SEC regarding the proposed transaction. This document is not a substitute for the Joint Proxy Statement/Prospectus or any other document which Xilinx or AMD may file with the SEC. INVESTORS, XILINX STOCKHOLDERS AND AMD STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.

ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors, Xilinx stockholders and AMD stockholders will also be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents containing important information about Xilinx, AMD and the proposed transaction that are or will be filed with the SEC by Xilinx or AMD through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with the SEC by AMD will also be available free of charge on AMD’s website at ir.AMD.com or by contacting AMD’s Corporate Secretary by email at Corporate.Secretary@AMD.com. Copies of the documents filed with the SEC by Xilinx will also be available free of charge or by contacting Xilinx’s investor relations department at the following:

Xilinx, Inc.
2100 Logic Drive
San Jose, California 95124
Attention: Investor Relations
(408) 559-7778
ir@xilinx.com
www.investor.xilinx.com

Participants in the Solicitation
Xilinx or AMD and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Xilinx’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in Xilinx’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on June 19, 2020. Information regarding AMD’s directors and executive officers, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in AMD’s proxy statement for its 2020 annual meeting of stockholders which was filed with the SEC on March 26, 2020.

Additional information regarding the direct and indirect interests of the participants in the solicitation of proxies in connection with the proposed transaction, including the interests of Xilinx and AMD directors and executive officers in the transaction, which may be different than those of Xilinx and AMD stockholders generally, will be contained in the Joint Proxy Statement/Prospectus and any other relevant documents that are or will be filed with the SEC relating to the transaction. You may obtain free copies of these documents using the sources indicated above.
Cautionary Note Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Xilinx’s current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management’s beliefs and certain assumptions made by Xilinx and AMD, all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “could,” “seek,” “see,” “will,” “may,” “would,” “might,” “potentially,” “estimate,” “continue,” “expect,” “target,” similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make or take any filing or other action required to consummate the transaction on a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of Xilinx’s and AMD’s businesses and other conditions to the completion of the transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Xilinx and AMD; (iii) the impact of the COVID-19 pandemic on Xilinx’s business and general economic conditions; (iv) Xilinx’s ability to implement its business strategy; (v) pricing trends, including Xilinx’s and AMD’s ability to achieve economies of scale; (vi) potential litigation relating to the proposed transaction that could be instituted against Xilinx, AMD or their respective directors; (vii) the risk that disruptions from the proposed transaction will harm Xilinx’s or AMD’s business, including current plans and operations; (viii) the ability of Xilinx or AMD to retain and hire key personnel; (ix) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (x) uncertainty as to the long-term value of AMD common stock; (xi) legislative, regulatory and economic developments affecting Xilinx’s and AMD’s businesses; (xii) general economic and market developments and conditions; (xiii) the evolving legal, regulatory and tax regimes under which Xilinx and AMD operate; (xiv) potential business uncertainty, including changes to existing business relationships, during the pendency of the merger that could affect Xilinx’s and/or AMD’s financial performance; (xv) restrictions during the pendency of the proposed transaction that may impact Xilinx’s or AMD’s ability to pursue certain business opportunities or strategic transactions; (xvi) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Xilinx’s and AMD’s response to any of the aforementioned factors; (xvii) geopolitical conditions, including trade and national security policies and export controls and executive orders relating thereto; (xviii) Xilinx’s ability to provide a safe working environment for members during the COVID-19 pandemic; and (xix) failure to receive the approval of the stockholders of AMD and/or Xilinx. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the joint proxy statement/prospectus to be filed with the U.S. Securities and Exchange Commission in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the joint proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Xilinx’s or AMD’s consolidated financial condition, results of operations, or liquidity. Neither Xilinx nor AMD assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.
The following is a repost on October 27, 2020 from Xilinx, Inc.'s official LinkedIn account of a post by Advanced Micro Devices, Inc.

AMD and Xilinx announce an agreement for AMD to acquire Xilinx, creating the industry's leading high performance computing company. The acquisition will expand AMD’s rapidly growing data center business and the breadth of its product portfolio and customer set across diverse growth markets where Xilinx is an established leader. AMD is proud to welcome Xilinx to the AMD family.

The following is a repost on October 27, 2020 from the CEO of Xilinx, Inc.'s LinkedIn account of a post by Advanced Micro Devices, Inc.

Looking forward to joining AMD to create the industry's leading high performance computing company!

AMD and Xilinx announce an agreement for AMD to acquire Xilinx, creating the industry's leading high performance computing company. The acquisition will expand AMD's rapidly growing data center business and the breadth of its product portfolio and customer set across diverse growth markets where Xilinx is an established leader. AMD is proud to welcome Xilinx to the AMD family.

The following are “retweets” on October 27, 2020 from Xilinx, Inc.’s official Twitter accounts of “tweets” by Advanced Micro Devices, Inc.

Lisa Su @LisaSu - 4h
Big day @AMD with our strong financial results and strategic acquisition of @XilinxInc. So proud of our upcoming @AMDRyzen, @Radeon and @AMDServer products and very much looking forward to welcoming Victor and the Xilinx team on the next leg of our journey.

AMD @AMD - 9h
AMD and @Xilinx announce an agreement for AMD to acquire Xilinx —expanding our rapidly growing data center business and creating the industry’s leading high performance computing company.

AMD to Acquire Xilinx
amd.com