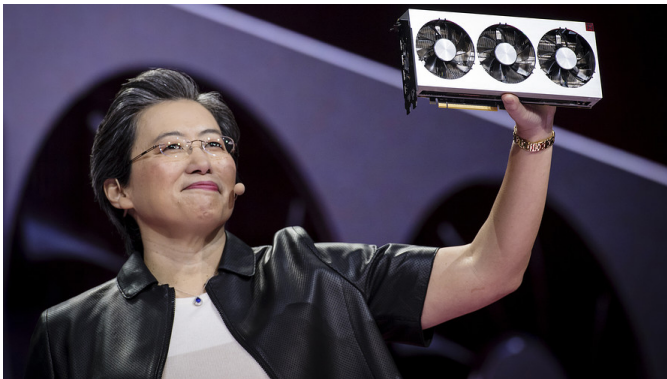


Second Year of Growth for AMD

Written by Frederick Douglas
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AMD reports revenues for 2018 total \$6.48 billion, a 23% increase, with operating income of \$451 million and net income of \$337m. As for Q4 2018, revenues reached \$1.42bn (a 6% Y-o-Y increase) with operating income worth \$28m and net income of \$38m.



“In 2018 we delivered our second straight year of significant revenue growth, market share gains, expanded gross margin and improved profitability based on our high-performance products. Importantly, we more than doubled our EPYC processor shipments sequentially and delivered record GPU datacenter revenue in the quarter,” CEO Dr. Lisa Su says. “Despite near-term graphics headwinds, 2019 is shaping up to be another exciting year driven by the launch of our broadest and most competitive product portfolio ever with our next-generation 7nm Ryzen, Radeon, and EPYC products.”

Driving results in both Q4 2018 and full-year 2018 was the Computing and Graphics segment, with Q4 2018 revenues growing by 9% Y-o-Y to \$986m. The company points out strong Ryzen processor sales as a main driver for the quarter. The success of Ryzen also brought an increase in client processor ASPs. On the other hand, the Enterprise, Embedded and Semi-Custom segment sees flat revenues worth \$433m, due to seasonally lower semi-custom sales, if with some offset from strong EPYC datacentre processor sales.

The results presentation also sees AMD announce a 7th amendment to the wafer supply agreement with GlobalFoundries-- GF will remain a "long-term strategic partner" with AMD for the 12nm node and above, but AMD gets full flexibility for the purchase of 7nm (and beyond) wafers from any foundry without any one-time payments or royalties.

Looking to the future AMD expects Q1 2019 revenues to reach \$1.25bn (plus or minus \$50m), a -24% Y-o-Y decrease brought about by continued softness in the graphics channel, the result of

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excess inventory, the absence of blockchain-related GPU revenue and lower memory sales.

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