

Deal of the Week: Advanced Micro Devices to Buy Xilinx for \$35B

Announcement Date	<ul style="list-style-type: none"> October 27, 2020 	
Acquirer	<ul style="list-style-type: none"> Advanced Micro Devices, Inc. (NASDAQ: AMD) 	
Acquirer Description	<ul style="list-style-type: none"> Operates as a semiconductor company worldwide in two segments: Computing and Graphics; and Enterprise, Embedded and Semi-Custom. It serves original equipment and design manufacturers, datacenters, original design manufacturers, system integrators, independent distributors, online retailers, and add-in-board manufacturers through its direct sales force, independent distributors, and sales representatives Founded in 1969 and headquartered in Santa Clara, CA 	
Acquirer Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$91.8 billion EV: \$90.6 billion LTM Revenue: \$8.7 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$1.4 billion LTM EV / Revenue: 10.4x LTM EV / EBITDA: NM
Target Company	<ul style="list-style-type: none"> Xilinx, Inc. (NASDAQ: XLNX) 	
Target Description	<ul style="list-style-type: none"> Designs, develops and markets complete programmable logic solutions, including advanced integrated circuits (ICs), software design tools, predefined system functions delivered as intellectual property (IP) cores, design services, customer training, field engineering and technical support. The company offers its products to electronic equipment manufacturers in sub-markets, such as data center, wireless, wireline, aerospace and defense, test and measurement, industrial, scientific and medical, automotive, audio, video and broadcast, and consumer Founded in 1984 and headquartered in San Jose, CA 	
Target Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$28.3 billion EV: \$27.5 billion LTM Revenue: \$3.0 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$936.2 million LTM EV / Revenue: 9.2x LTM EV / EBITDA: 29.4x
Acquirer Advisors	<ul style="list-style-type: none"> Credit Suisse, DBO Partners 	
Target Advisor	<ul style="list-style-type: none"> Morgan Stanley, Bank of America 	
Price / Consideration	<ul style="list-style-type: none"> \$35 billion 	<ul style="list-style-type: none"> Stock
Rationale	<ul style="list-style-type: none"> The combination will create the industry's leading high performance computing company, significantly expanding the breadth of AMD's product portfolio and customer set across diverse growth markets where Xilinx is an established leader The transaction is expected to be immediately accretive to AMD margins, EPS and free cash flow generation and deliver industry-leading growth AMD expects to achieve operational efficiencies of approximately \$300 million within 18 months of closing the transaction, primarily based on synergies in costs of goods sold, shared infrastructure and through streamlining common areas The deal expands AMD's rapidly growing data center business, and increases AMD's total addressable market to \$110 billion "This is truly a compelling combination that will create significant value for all stakeholders, including AMD and Xilinx shareholders who will benefit from the future growth and upside potential of the combined company," AMD President and CEO Dr. Lisa Su said 	
Deal Points	<ul style="list-style-type: none"> Xilinx stockholders will receive a fixed exchange ratio of 1.7234 shares of AMD common stock (\$143 per share) for each share of Xilinx common stock they hold The combined enterprise value of the merged companies will be about \$135 billion Post-closing, current AMD stockholders will own approximately 74% of the combined company on a fully diluted basis, while Xilinx stockholders will own approximately 26% The transaction is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes 	