

Patrick Moorhead: Lisa, thank you so much for coming to the Six Five Summit for the second year in a row. You're doing the big keynote for semiconductors and devices. Thank you so much.

Lisa Su: It's great to be here, Pat. Thanks for having me this year.

Patrick Moorhead: Absolutely. It's been very busy year for AMD. So maybe the best place to start is maybe catch us up on some of the highlights and what you've been up to for the last year.

Lisa Su: So Pat, it has been an incredibly busy year, I think, for all of us. And we're always focused on bringing our new technologies to market and really focused on high performance computing as our cornerstone. And it's been a busy year. Lots of new products. We launched new products with our Zen 3 architectures and our RDNA 2 architecture and across all of our markets. So PCs, gaming, data center. So it's been an incredibly busy time.

Patrick Moorhead: There doesn't go a week where I don't see some big home run announcement or something going on with AMD. It's exciting place to be. And it's fun to say I used to work there. So-

Lisa Su: Right here.

Patrick Moorhead: Exactly. Right here. So the theme of this year's summit is the roaring twenties. And we're not out of COVID yet, but boy, we are slowly inching. We see the light at the end of the tunnel. Can you look into your crystal ball and talk about how are you looking for the opportunities of, some people call it the new normal. What comes next? But we certainly are in a new period. I've seen roadmaps particularly on SaaS properties and collaboration get pulled in years. And I know that that has to have an impact. There's a huge growth in the cloud. But what are you seeing for this next new normal?

Lisa Su: I mean, I think you're right. There's been just so much acceleration of the pace of innovation. And again, the way I look at it, actually, I would call it hopefully the better normal, not even the new normal. But the better normal is we've now lived in a world where everybody realizes how important semiconductors and compute are to everything that we do, right? Whether you're a business or you're a person or you're... All of these applications need more chips, need more computing. And so what we really see is this vicious positive cycle, right? So the cycle is we've now adopted compute to every aspect of our lives. And that's true also in terms of digital transformation in businesses. We've worked out some kinks this year. Frankly, the technology hasn't been perfect, but now it's better and it's more capable and we're going to make it even accelerate the use of technology going forward. So I think it's an incredible time to be in the business.

Patrick Moorhead: It is funny, even 10 years ago when people are saying software is eating the world, I would say, "Well, software has to run on something." And it is incredible when you align semi-conductors, software and the cloud. And I'd like to double click in on the data center and under... you're in the middle of all of that. And I'm wondering, what are you seeing, some of the major trends the next three to five years in the data center and how is AMD prepared to take advantage of that?

Lisa Su: Well, look, the data center's extremely strategic to us and it's, I think, strategic to everyone. And we look at the data center as sort of an evolving environment that is increasingly more and more heterogeneous. So the idea that one size doesn't fit all, frankly, with as much data that is out there and as much as you want to do with it, you actually need to optimize for various workloads. And so you need CPU's and GPU's and ASICs, and FPGAs. And from an AMD standpoint, our job is to really provide the foundational technology, but then also the ability to mix and match the IP as you need in the data center and work very closely with our customers to bring that innovation to the market.

Patrick Moorhead: And the other thing that I'm seeing too is it's not just in a huge building. I mean, it's on the edge, it's in the mid edge. And we get into these debates on what is the edge, what is the data center edge? But I think that's all goodness because you have to build this out to be able to take advantage of all that data that's being created on the edge. So we're seeing a lot out there. Well, actually not a lot, but a few people designing their own chips, leveraging ARM ecosystem out there. What are your thoughts on maybe how that plays out? What does that mean and how does that relate to AMD?

Lisa Su: Well, again, I think in the data center, it's all about workload optimization. So when you think about what the big cloud providers are doing, or large enterprises, they're really trying to optimize their compute for the data that they're processing or the workload that they're trying to handle. And so I think there's a place for ARM in the data center, but it's more of a conversation of what are you trying to do? What workload are you trying to handle? x86 really handles the highest performance, general purpose workloads. There's a lot of accelerated computing growth. So you have GPU's and other accelerators. And then there are some ARM-based compute instances as well. And our goal is actually to pick the best compute for each workload. So that's really the way we think about it.

Patrick Moorhead: Heterogeneity is important. And one of the things that I always try to explain to people is, hey, don't confuse instruction set with performance or even wattage. I mean, it really comes down to who's developing it, how much you're willing to invest in. And I think we see that playing out every day. Speaking of heterogeneity, AMD announced its intention to acquire Xilinx. And Xilinx brings, a lot of really interesting IP and products to the table. What does it mean for the data center? What do people need to think about when it comes to Xilinx and AMD and the data center?

Lisa Su: Well, we are really excited about the acquisition of Xilinx. I think it's a phenomenal team that we're going to bring as a part of AMD. And it's really the idea of let us have the broadest portfolio of sort of high performance computing elements. And we want to put them together in the most efficient way. So Xilinx brings just leadership in adaptive computing. Their FPGA leadership. Our goal is to make sure that we can integrate that with our CPU's and GPU's and system solutions for people. And when you look at the data center, that's exactly what people want, right? They want to be able to choose these different types of compute. And I'm also excited about some of the other markets that Xilinx have capabilities in. It's like 5G and communications and automotive and industrial. So those are all areas that we think we can take our high performance computing technology and really extend it into a broader set of customers.

Patrick Moorhead: I am many times having to explain the Xilinx business on what they do. And they might be known for FPGAs, but they're heterogeneous designs they have, I think are really super exciting. I can't wait to see when the deal goes through how AMD integrates all of that together.

Lisa Su: I mean, if you think about it, we'll have the full spectrum of general purpose CPUs straight to GPUs, ASICs, FPGAs really in a total system solution that we can provide and work with customers on. So I'm excited as well.

Patrick Moorhead: And even not to mention some ASICs that are slid in there in those designs as well. So the full bailiwick. So let's talk a little about what's going on in the semiconductor industry. People are waking up and saying, hey, semiconductors are really important. I can't buy my car or I can't get my Chromebook for my kid or my home or my PC, or even a PS5 or something like that. And it really put a spotlight on two things. I think the first of all is supply. And also there's been a lot of talk about where chips should be built, where they shouldn't be built. What are your viewpoints on those?

Lisa Su: Well, look, I think there's no question that semiconductors have really become so much more pervasive. They're in everything. I mean, basically everything. And what the pandemic has unveiled is really sort of the demand for semiconductors far exceeded what any of us as an industry predicted. And so we do have this sort of imbalance between demand and supply. That being said, I mean, you know our colleagues in the business are working extraordinarily hard to get more capacity online and that's significant capital investments, that's doing all kinds of engineering work to qualify and bring more supply to bear. So we'll work through this like we have worked through other times.

But no question, there's significantly high demand and it's put a spotlight on the industry. I think on your broader question of what does it say about the industry? I think as semiconductors have now become so essential, it's the right conversation, right? You want to have geographic diversity, you want to be able to ensure that you have assurance of supply. And so I think it's a great thing that we're talking about how do we, as an industry and as a country, invest more

from a research and development standpoint, as well as an onshore manufacturing standpoint.

Patrick Moorhead: I love it, if nothing else, that it reinforces something that I've been seeing for 30 years is that semiconductors are strategic. And whether you're a business, whether you're an OEM or an ODM, you can use semiconductors to get a strategic competitive advantage. And that's why I even like to see people doing their own designs and it is more competition. And I know AMD knows this, more competition is better.

Lisa Su: Completely agree.

Patrick Moorhead: When it comes to designs or even when it comes to manufacturing, more is better. And I think it will rise. And I can't wait to see what the next five to 10 years hold for us.

Lisa Su: I agree. I agree with that.

Patrick Moorhead: So I'm going to give you the last word here. And we have your investors, we have your biggest customers, we have your biggest ecosystem partners. Actually your biggest ecosystem partners participating in the show as well. Any final last words, any words of wisdom you'd like to share with them?

Lisa Su: Well, I'll say that it's an incredible time to be in the semiconductor business. I feel extremely fortunate and humbled that all of our technology is powering some of these incredibly important applications. And what I would say to to your viewers is, look, this is a chance for us to partner and accelerate the pace of innovation. And that really comes when people put all of their sort of technologies and know-how together. And so that's very much what we're about is accelerating the pace of innovation in the high performance computing market. So look forward to seeing folks in person sooner rather than later. And thanks for having us.

Patrick Moorhead: Those are great words of wisdom. And I feel good that they're very consistent, Lisa. I mean, as long as we've known each other, you've been very consistent on what AMD wants to be and what AMD wants to do and how it's going to do it. And I appreciate that. And I think your customers, your ecosystem partners appreciate that as well. And I'm excited. I'm a technology optimist and I really believe that technology can help us solve our hardest problems that are out there. And we need more high performance computing to get there.

Lisa Su: Fantastic. Thank you so much, Pat.

Patrick Moorhead: So Lisa, thank you so much for being a part of the show and you've made it so much better. Thanks. So this is Pat Moorhead with Moor Insights & Strategy signing off from the Six Five Summit, 2021 with AMD CEO, Lisa Su.

