

Advanced Micro Devices' stock soars after its chips are chosen to power Facebook data centers

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Advanced Micro Devices has signed a deal with Facebook, which recently rebranded to Meta, to use AMD chips in its data center computers.

Facebook is the latest company to adopt AMD's Epyc processors in its [data centers](#), AMD president and CEO Lisa Su said. With this partnership, AMD's Epyc processors are now being used in the data centers of 10 of the world's largest hyperscales, Su said.

"We've been working together to jointly define an open cloud-scale single-socket server designed for world-class performance and [power efficiency](#)," Su said.

Epyc is a brand of microprocessors designed by AMD for high-performance computing and artificial intelligence applications.

AMD is formally headquartered in California but most of its operations and executives are based in Austin. The chipmaker's stock surged Monday

following the announcement, ending the day up 10.1%, at \$150.16.

The deal with AD also comes in the wake of Facebook rebranding to Meta to reflect its growing focus on the metaverse.

A metaverse is a type of virtual environment designed to offer a fully immersive realm to users. The concept has been around for years, at least to some degree, in video games and virtual worlds like Second Life and Roblox.

AMD on Monday also announced a range of new chip offerings that will build on the company's Epyc processors aimed at the supercomputing market and the cloud computing market. It also announced a chip designed to support artificial intelligence and a new central processor designed to help cloud computing companies.

"We are in a high-performance computing megacycle that is driving demand for more compute to power the services and devices that impact every aspect of our daily lives," Su said. "We are building significant momentum in the data center with our leadership product portfolio, including Meta's adoption of AMD Epyc to power their infrastructure and the buildout of Frontier, the first U.S. exascale supercomputer which will be powered by Epyc and AMD Instinct processors."

AMD has been increasingly taking [market share](#) from rival and market leader Intel Corp., and AMD chips are being increasingly being used by leading cloud providers including Microsoft, Google and Amazon.

The deal with Meta comes on the heels of AMD's third-quarter earnings reports, which saw the company report that sales doubled on an annual

basis. AMD had record revenue of \$4.3 billion for the quarter.

Patrick Moorhead, a technology industry analyst and founder of Austin-based consulting firm Moor Insights and Strategy, said while AMD announced some competitive products for [high-performance computing](#), the partnership with Meta ultimately drove more excitement.

"What got investors excited was the announcement that Meta would be using its Epyc server chips," Moorhead said. "The new name affiliation is what got investors excited."

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