

Company: ADVANCED MICRO DEVICES	Ticker: AMD Current Price: \$250.05	Industry: Semiconductor
Target Price: \$273	TTM P/E: 135.58	Beta: 1.91
Stop Loss: \$234.72	Forward P/E: 21.69	Credit Rating: A (S&P)
52 Week High/Low: \$76.48-267.08	EPS: \$1.73	Rating Outlook: Stable

#### Company Background:

Advanced Micro Devices, Inc. is an American multinational semiconductor company headquartered in Santa Clara, California. It was founded in 1969 and is a leading designer of high-performance computing and graphics solutions. AMD's best-known products include Ryzen series processors for personal computers, EPYC series processors for data center servers, and Radeon series graphics processing units (GPUs) for gaming and professional visualization.

#### Industry Outlook:

CFRA Research maintains a positive outlook for the Semiconductors industry, viewing the March 2022 valuation compression as a potential buying opportunity for patient investors. The sector is positioned for long-term secular growth, with a projected industry CAGR of 6%-7%, led by data center and automotive content growth. The median chip stock was trading at a significant 27% discount to its 5-year historical average, with the S&P Semiconductor Index down ~24% from its Dec. 2021 high.

#### Investment Thesis:

AMD is a high-growth semiconductor leader, with LTM revenue of \$32.0B and a healthy balance sheet. Analysts project explosive revenue growth of 29-36% annually, driven by its leadership in AI accelerators and data center processors, positioning it to capitalize on the decade-long expansion in high-performance computing.

#### Investment Risks:

- 1- Intense Industry Competition:** AMD faces relentless competition from giants like Intel and NVIDIA, who possess substantial resources. This pressures pricing, market share, and profitability.
- 2- Cyclical Demand and Geopolitical Exposure:** The semiconductor industry is highly cyclical and vulnerable to global economic downturns. Furthermore, geopolitical tensions involving key manufacturing regions like Taiwan pose severe supply chain risks.
- 3- Technology Execution and Supply Chain Dependence:** AMD's growth is contingent on flawlessly executing its technology roadmap and securing advanced manufacturing capacity. Any missteps in design or constraints in chip supply from partners like TSMC would directly impair its competitive position.

#### 3-5 take away from last quarter investor call transcript:

- **Accelerating AI-Driven Growth:** Record Q3 revenue of \$9.2 billion reflects a significant step-up in AMD's growth, fueled by explosive demand for its data center AI accelerators and processors.
- **Securing Long-Term AI Leadership:** Massive strategic partnerships with OpenAI and Oracle for future GPU deployments cement AMD's position as a critical player in the long-term AI infrastructure build-out.
- **Expanding Profitability Amid Investment:** Strong operating income and record free cash flow demonstrate the company's ability to scale profitably while aggressively investing to capture the AI market opportunity.

Financial Performance: AMD								Discounted Cash Flow		
In millions*	2019	2020	2021	2022	2023	2024	TTM		2025-29	2030-35
Revenue*	6,731	9,763	16,434	23,601	22,680	25,785	32,027	Avg Revenue growth 3.9% NA	29.6%	N/A
Operating Profit*	631	1,369	3,648	1,264	401	2,086	2,999	Avg EBITDA Margin	20.7%	N/A
Net Income*	341	2,490	3,162	1,320	854	1,641	3,306	Avg Net EBIT Margin	21.6%	N/A
Revenue Growth %	4%	45%	68.3%	43.6%	-3.9%	13.7%	31.8%	Avg Debt/Equity	~.06	N/A
EBITDA%	12.7%	17.2%	24.7%	23%	17%	20%	18.8%	Avg FCF/Margin		N/A
Operating Profit %	9.4%	14%	22.2%	5.4%	1.8%	8.1%	9.4%	Cost of Debt		4.5%
Net Income Margin	5.1%	25.5%	19.2%	5.6%	3.8%	6.4%	10.3%	Tax Rate		19.3%
D/E	.12	.05	.09	.05	.05	.07	N/A	Cost of Equity		8.5%
EPS	.3	2.06	3.57	.84	.53	1	1.91	WACC		8.5%
PE Ratio	N/A	N/A	N/A	N/A	N/A	259.7x	130.9x	Perpetuity growth rate		7%
Current Ratio	2.02	2.36	2.25	2.51	2.74	2.31	N/A	<b>Analyst Opinion</b>		
ROE	5.8%	42.7%	42.1%	2.4%	1.5%	2.9%	N/A	Buy:	Hold:	Sell:
ROA	2.7%	20.8%	19%	2%	1.3%	2.4%	N/A		Rating	Target
Dividend Per share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	S&P Capital IQ	Buy/Outperform	\$253.87
FCF*	4.05	4.19	4.99	5.94	7.44	8.69	7.99	Morning Star	★★★	N/A

Relative Valuation					Total Return			
	Advanced Micro Devices (AMD)	Intel (INTC)	NVIDIA (NVDA)	PEER GROUP Avg.*		AMD	Industry	S&P 500
P/E	135.6x	N/A	56.6x	96.1x	YTD	107.01	26.86	15.13
P/B	7.3	1.7	48.3	19.1	Last 3 Years	296.4	172	77.88
Dividend Yield	0%	1%	.1%	.34%	Last 5 Years	201.27	174.36	92.9
PEG Ratio	N/A	N/A	N/A	N/A	<b>CSR Characteristics</b>			
EPS	1.91	.05	3.51	1.82				
Revn Grth	31.8%	-1.5%	71.6%	34%				
NI Grth	101.5%	N/A	1884%	992.7%				
Operating Margin	9.4%	-3.2%	58.1%	21.4%				
Debt/Equity	.07	.44	.11	.21	<b>Prepared by John Cordova (11/4/2025) using Bloomberg, S&amp;P Net Advantage, Morning Star, Yahoo Finance</b>			
Market Cap	\$405.79B	\$176.49B	\$4.828T	--				
Revenue TTM	32,027	53,439	165,218	--				
Net Income TTM	3.31	198	86.59	--				
FCF TTM	7.99	5.01	52.44	--				