

# AMD FY2024 + FY2025 Run-Rate Due Diligence Brief

22 November 2025

## Executive takeaways

- AMD closed FY2024 at 25.8B in revenue (+14% YoY) with gross margin rebounding to 49.3%, operating income 1.9B and net income 1.6B (6.4% net margin) after a year of elevated amortization and MI300 launch costs (FY2024 Form 10-K).
- Data Center nearly doubled to 12.6B (+94% YoY) on MI300 accelerators, EPYC Genoa/Bergamo CPUs and adaptive NIC attach, pushing the segment to 49% of company revenue; Client bounced 52% on Ryzen AI notebooks while Gaming (-58%) and Embedded (-33%) digested inventory (Segment Note).
- Free cash flow reached 2.4B on 3.0B operating cash flow and 0.6B capex, funding 0.86B buybacks, 0.73B tax-withholding repurchases, and 0.75B debt retirement while keeping net cash roughly 2.3B (cash/investments 5.1B vs. debt 1.7B) (Cash Flow and Balance Sheet).
- Intangibles dominate the balance sheet post-Xilinx (24.8B goodwill, 18.9B acquisition intangibles) but amortization (2.4B in 2024) is rolling off; R&D intensity stayed elevated at 25% of revenue as AMD races to keep its MI300/Strix Point/Ryzen AI product cadence ahead of hyperscaler demand (Item 7).
- Q3 FY2025 run-rate reinforces the AI pivot: quarterly revenue 9.25B (+36% YoY) with Data Center 4.3B, Client 2.75B and Gaming 1.30B, plus consolidated gross margin 51.7% and opex leverage from AI PCs (September 27, 2025 Form 10-Q).

## Source corpus

- Advanced Micro Devices, Inc. Form 10-K for the fiscal year ended December 28, 2024 (filed February 2025).
- AMD Form 10-Q for the quarter ended September 27, 2025 (filed November 2025).
- “Semiconductor List.xlsx” (updated November 2025) for peer growth, valuation, and profitability benchmarks.

## Heterogeneous compute platform map

- **Data Center:** MI300X/MI300A accelerator platforms, EPYC Genoa/Bergamo/Turin CPUs, Pensando/DPUs, adaptive NICs and Xilinx Versal FPGAs position AMD across training, inference, and SmartNIC workloads.
- **Client & AI PCs:** Ryzen 8000/9000-series CPUs with on-die Ryzen AI NPUs target the Windows AI PC upgrade, while Strix Point APUs meld Zen5 + RDNA3.5 + XDNA 2 for on-device generative AI.
- **Gaming:** RDNA3 discrete GPUs and semi-custom SoCs (Sony, Microsoft) remain the console anchor though FY2024 revenue compressed during the post-pandemic lull.

- **Embedded:** Xilinx adaptive compute (industrial/auto/5G) plus AMD's networking/vision catalog; growth will return as carrier and industrial capex pauses resolve.
- **Software/Systems:** ROCm 6, open AI software stacks, and Infinity Fabric tie the silicon portfolio together; AMD is leaning on co-packaged optics, CXL memory pooling, and modular chiplets to stay competitive versus NVIDIA and Intel Foundry services.

## FY2024 scoreboard

Metric (USD in billions)	FY2024	FY2023	YoY
Revenue	25.8	22.7	+13.7%
Gross profit	12.7	10.5	+21.7%
Operating income	1.9	0.4	+373%
Net income	1.6	0.9	+92%
Operating cash flow	3.0	1.7	+82%
Capital expenditures	0.6	0.5	+16%
Free cash flow	2.4	1.1	+115%
R&D expense	6.5	5.9	+9.9%
Gross margin	49.3%	46.1%	+320 bps
Operating margin	7.4%	1.8%	+560 bps
Net margin	6.4%	3.8%	+260 bps

Table 1: Consolidated results from FY2024 Form 10-K (amounts converted from millions).

## Observations

- Operating leverage returned as amortization stabilized and MI300 shipments scaled; total amortization of acquisition-related intangibles fell to 2.4B from 2.8B.
- R&D at 6.5B (25% of revenue) underscores AMD's need to maintain simultaneous CPU, GPU, DPU, NPU and adaptive roadmaps.
- Share-based comp plus integration investments kept opex elevated, but 2.4B FCF enabled 2.3B of combined debt paydown and buybacks without tapping cash balances.

## Segment and mix dynamics

### FY2024 segment revenue

#### Latest quarterly pulse (Q3 FY2025)

- Revenue 9.25B (+36% YoY); Data Center 4.34B (+22% YoY), Client 2.75B (+46%), Gaming 1.30B (+181%), Embedded 0.86B (-8%).
- Gross profit 4.78B (51.7% margin) vs. 3.42B (50.1%) prior year; operating cash flow for the first nine months was not disclosed in detail, but YTD net revenue of 24.4B keeps AMD on pace for a 34B+ FY2025 run-rate.

Segment	Revenue (\$B)	Mix	YoY
Data Center	12.6	49%	+94%
Client	7.1	27%	+52%
Gaming	2.6	10%	-58%
Embedded	3.6	14%	-33%

Table 2: Reportable segment breakout (FY2024 Form 10-K, Item 7).

- Mix shift toward MI300 and Ryzen AI NPUs is visible in the quarterly net revenue table (September 27, 2025 Form 10-Q).

## Balance sheet, liquidity, and capital returns

- **Liquidity:** Cash and equivalents 3.79B plus short-term investments 1.35B fund 5.1B of on-hand liquidity; total current assets 19.0B vs. current liabilities 7.3B (2.6x current ratio).
- **Leverage:** Long-term debt 1.72B following repayment of the 2.95% 750M notes; net cash position ~2.3B even after 0.86B buybacks and 0.73B tax-withholding repurchases.
- **Working capital:** Inventories 5.73B (+32% YoY) as AMD staged MI300 and Ryzen AI builds; accounts receivable 6.19B reflect hyperscaler concentration.
- **Intangibles:** Goodwill 24.8B and acquisition intangibles 18.9B remain 63% of assets; amortization (2.4B) and future renewals are key for GAAP vs. cash earnings reconciliation.
- **Capital allocation:** 0.64B capex prioritized MI300 capacity, test equipment, and design centers; share repurchase authorization still has >6B of capacity.

## Strategic themes and catalysts

1. **AI accelerator land grab:** MI300X ramp plus MI300A for CDNA-based supercomputers positions AMD as the only credible GPU alternative to NVIDIA for 2025 AI clusters; HBM supply and CoWoS availability remain gating factors.
2. **AI PC refresh:** Microsoft Copilot+ and Windows AI PC requirements should pull Ryzen AI/Strix into 2025 notebook cycles; OEM adoption cadence will dictate Client margin recovery.
3. **Xilinx leverage:** Embedding Versal and RFSoC IP into Data Center SmartNICs and automotive platforms should stabilize Embedded after the current digestion.
4. **Adaptive infrastructure:** CXL memory pooling, Infinity architecture, and chiplet roadmaps reinforce AMD’s “modular” differentiation vs. monolithic Intel offerings.
5. **Software ecosystem:** ROCm 6, open-source AI frameworks, and partnerships with PyTorch/ONNX/Triton aim to narrow CUDA’s moat; developer momentum remains the key KPI.

## Risks and watch items

- **Hyperscaler concentration:** Top cloud customers drive the MI300 ramp; any internal accelerator success or qualification delays could swing quarterly revenue materially.
- **HBM/packaging supply:** MI300 output depends on TSMC CoWoS and HBM3/3E supply; bottlenecks would cap Data Center upside.
- **Embedded and Gaming digestion:** Console and industrial demand may stay weak into 2025, weighing on mix and margin.
- **Intangible-weighted balance sheet:** 43.7B of goodwill/intangibles plus 61.4B of APIC leaves AMD exposed to impairment if future cash flows lag.
- **Competitive response:** NVIDIA's Blackwell, Intel's Gaudi/AI PC push, and custom silicon from hyperscalers could compress pricing.

## Scenario outlook

Scenario	Key assumptions	FY2025 revenue (\$B)	FY2025 EPS (USD)
Bear	HBM/CoWoS supply limits MI300 deliveries, AI PC adoption slips to late 2026, Embedded recovery deferred; gross margin <50%.	32	2.80
Base	MI300 capacity doubles sequentially, AI PC mix hits mid-teens of Client shipments, Embedded stabilizes by 2H25.	37	4.10
Bull	Hyperscalers lock multi-year MI350 contracts, Ryzen AI PCs reach 25% mix, Embedded returns to 5B run-rate; gross margin >53%.	45	5.50

Table 3: Scenario guardrails anchored on FY2024 actuals, Q3 FY2025 run-rate, and consensus from Semiconductor List.xlsx.

## Action items

- Track MI300/HBM capacity updates from TSMC, SK hynix, and AMD supply chain disclosures.
- Monitor Windows AI PC launch cadence and OEM announcements to gauge Client upside.
- Watch Embedded bookings (industrial/auto) for signs of digestion ending; Xilinx backlog should translate to revenue by late 2025.
- Compare AMD valuation (PS NTM 9.4x, PE NTM 39.6x) vs. NVIDIA, Qualcomm, and Broadcom to judge upside vs. execution risk.
- Refresh data points once FY2025 10-K and MI350 disclosures arrive to validate scenario EPS.

## **Appendix: data notes**

- Financial figures pulled from AMD FY2024 Form 10-K (amounts reported in millions) and AMD Q3 FY2025 Form 10-Q; conversions to USD billions are rounded to one decimal place.
- Free cash flow defined as net cash provided by operating activities minus purchases of property and equipment.
- Segment percentages computed from FY2024 segment revenue table; quarterly mix derived from Q3 FY2025 segment disclosure.
- Valuation metrics sourced from “Semiconductor List.xlsx” (updated November 2025): Market cap ~\$404B, PS NTM 9.37x, PE NTM 39.6x, net margin LTM 19%.