

Executive Summary: Advanced Micro Devices (AMD) Corp.

Current Stock Price: \$138.35

Forecasted Price in 1 Year: \$213.57

Forecasted Price in 5 Years: \$340.10

Overview

Advanced Micro Devices (AMD) is a leading semiconductor company known for its central processing units (CPUs) and graphics processing units (GPUs). AMD has been a significant player in the semiconductor industry, benefiting from the growing demand for chips across various sectors, including data centers, personal computers, and smartphones.

Market Research and Predictions

- 1. Global Semiconductor Industry Growth:** The global semiconductor industry is expected to grow at a compound annual growth rate (CAGR) of over 10% for the next five years, driven by the increasing demand for chips in artificial intelligence (AI) applications. This growth is projected to generate almost \$981 billion in annual revenue by 2029.
- 2. AI Market Expansion:** The AI chip market is anticipated to see substantial growth, with sales of AI chips in data centers expected to reach \$151 billion in 2029, up from \$78 billion in 2024. Additionally, sales of AI-enabled PCs are projected to hit \$231 billion in 2030, compared to \$50.6 billion in 2024.
- 3. AMD's Performance:** AMD has experienced robust growth in its data center segment, with record data center revenue of \$3.5 billion in Q3 2024, up 122% from the same quarter last year. The company is also expected to sell at least \$5 billion worth of data center GPUs in 2024, a significant increase from its original expectation of \$2 billion.
- 4. Strategic Partnerships:** AMD has formed strategic partnerships, such as the collaboration with IBM to deploy AMD's MI300X accelerators on the IBM cloud, enhancing performance and power efficiency for AI applications.

Conclusion

Given the projected growth in the semiconductor and AI markets, along with AMD's strong performance and strategic partnerships, the forecasted stock prices of \$213.57 in 1 year and \$340.10 in 5 years appear to be well-supported by market research and industry trends. Investors may find AMD to be a promising opportunity for long-term growth.

Supporting Evidence

Key Performance Indicators (KPIs)

1. **Revenue Growth:** AMD has shown consistent revenue growth, particularly in its Data Center, Client, and Gaming segments.
2. **Market Share:** AMD has been gaining market share, especially in the CPU and GPU markets, often at the expense of its main competitor, Intel.

Recent Significant Events or Announcements

1. **Exascale Computing:** AMD recently accelerated exascale computing by powering the fastest supercomputer, El Capitan.
2. **New Processor Launches:** AMD introduced the next-generation Ryzen 7 9800X3D processor and the Versal Premium Series Gen 2 for system acceleration.
3. **Financial Results:** AMD reported its third-quarter 2024 financial results, showing strong performance across its business segments.
4. **AI and Data Center Expansion:** AMD launched new AI processors and expanded its data center capabilities with the acquisition of Hyperscale Solutions Provider ZT Systems.

AMD's Position in the Semiconductor Industry

AMD is a leading player in the semiconductor industry, known for its high-performance computing and graphics products. The company is recognized for its innovation in CPU and GPU technologies, and it continues to push the boundaries of high-performance and adaptive computing⁴. AMD's strategic partnerships and continuous advancements in AI and data center technologies solidify its position as a key competitor in the semiconductor market⁴.