Equity Research Report: Advanced Micro Devices, Inc.

Business Overview

Founded in 1969, AMD is a global semiconductor company focused on high-performance and adaptive computing. Its products include CPUs, GPUs, APUs, and SoCs for data centers, PCs, gaming, and embedded markets. AMD's product portfolio leverages proprietary architectures and strategic acquisitions, supporting its leadership in innovation and energy efficiency across computing sectors.

Market Position

AMD has a strong global presence, earning 65% of revenue internationally. Major customers include hyperscale data centers, OEMs, and gaming console makers. AMD is a leader in semi-custom SoCs and holds significant share in data center and PC markets, competing with Intel and NVIDIA.

Operating Results

In 2024, AMD reported $22.7B revenue (down 4% YoY). Data Center segment grew 20% to $8.5B. Client and Gaming segments declined, offset by Embedded growth. Gross margin rose to 48%. Operating income was $1.9B (+12%), net income $1.6B. EPS was $1.01, up from $0.84.

Financial Metrics

FY (USD mn)	2021	2022	2023	2024	2025
Revenue	16434	23601	22680	25785	34639
Revenue Growth	-30.4%	4.1%	-12.0%	-25.6%	110.8%
Gross Revenue	7929	10603	10460	12725	17152
Gross Margin	0.48	0.45	0.46	0.49	0.5
EBITDA	4166	5534	4149	5258	7275
EBITDA Margin	0.25	0.23	0.18	0.2	0.21
FCF	3521	3565	1667	3041	7709
FCF Conversion	1.11	2.7	1.95	1.85	1.78
ROIC	37.0%	2.1%	0.6%	2.5%	5.4%
EV/EBITDA	42.1	17.91	57.12	38.27	47.85
PE Ratio	56.06	76.6	278.59	123.59	80.54
PB Ratio	23.65	1.85	4.26	3.52	5.54

FinRobot

https://ai4finance.org/

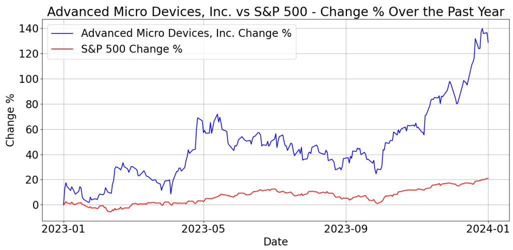
https://github.com/AI4Finance-Foundation/FinRobot

Report date: 2024-01-31

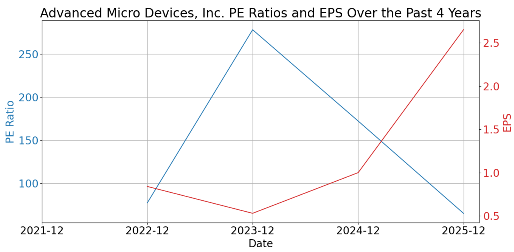
Key data

Rating	buy
Target Price	65.0 - 380.0 (md. 160.0)
6m avg daily vol (USDmn)	63.21
Closing Price (USD)	172.06
Market Cap (USDmn)	271154.73
52 Week Price Range (USD)	78.13 - 177.63
BVPS (USD)	34.63

Share Performance



PE & EPS



Risk Assessment

Key risks: (1) Intense competition from Intel, NVIDIA, and new entrants in AI/custom silicon; (2) Supply chain dependency on foundries like TSMC; (3) Rapid tech change and customer concentration. AMD mitigates with R&D;, partnerships, and diversified supply.

Competitors Analysis

NVIDIA’s 2024 revenue surged 60% to $59B, driven by AI/data center. Broadcom (AVGO) posted $35B, led by networking/custom silicon. TXN had $17B, QCOM $37B. AMD’s growth lagged NVIDIA, but gross margin and embedded/data center gains show resilience. AMD’s AI and adaptive computing focus position it for future growth.