

Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Neutral	\$180.00	31-Dec-25	\$214.90	-16.2%

Advanced Micro Devices, Inc. (AMD) manufactures and distributes integrated circuits for the personal, networked computer, and communications markets. The Company produces processors, flash memories, and programmable logic devices and products for communications and networking applications. AMD markets its products worldwide.



Note: All analysts forecasts are as of last note published on 06-Aug-2025

The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

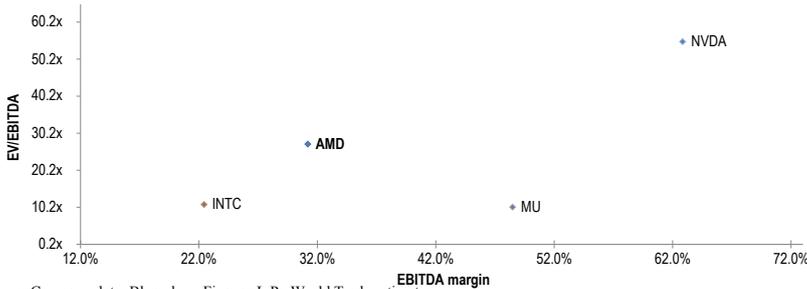
Source: Bloomberg Finance L.P., World Trade estimates.

Key Financials (\$mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	22,680	25,785	32,893	39,354	n/a
EBITDA	8,288	9,167	10,260	14,438	n/a
EBIT	4,819	6,090	7,247	11,410	n/a
Pretax Income	492	1,989	3,380	8,126	n/a
Net Profit	4,302	5,420	6,432	9,866	n/a
Total Assets	67,885	69,226	78,953	89,715	n/a
Shareholder Equity	55,892	57,568	63,798	74,560	n/a
Adjusted Net Debt/(Cash)	(4,056)	(3,411)	(4,064)	(5,494)	n/a
Capex	(608)	(634)	(832)	(832)	n/a
Free Cash Flow to firm	1,059	2,407	3,400	1,430	n/a
EPS (\$)	2.65	3.31	3.94	6.05	n/a
DPS	n/a	n/a	n/a	n/a	n/a

Key Ratios	FY23	FY24	FY25E	FY26E	FY27E
EBITDA Margin	36.5%	35.6%	31.2%	36.7%	n/a
EBIT Margin	21.2%	23.6%	22.0%	29.0%	n/a
Net Margin	19.0%	21.0%	19.6%	25.1%	n/a
Payout Ratio	n/a	n/a	n/a	n/a	n/a
Net Debt/Equity (excl MI)	NM	NM	NM	NM	n/a
FCF Yield	0.3%	0.7%	1.0%	0.4%	n/a
P/E	81.2x	64.9x	54.5x	35.5x	n/a
EV/EBITDA	33.8x	30.6x	27.3x	19.3x	n/a
ROE	7.8%	9.6%	10.6%	14.3%	n/a

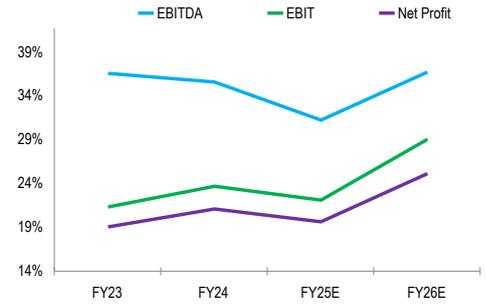
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25



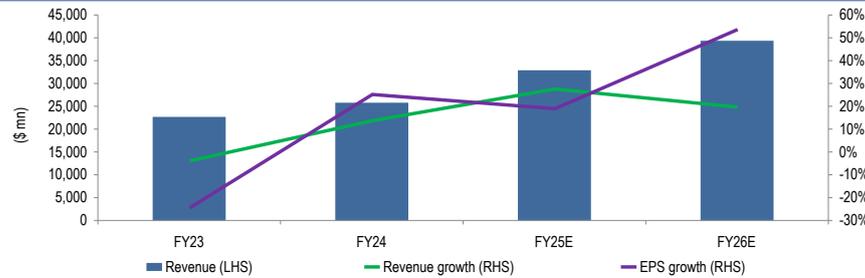
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (AMD)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	349,857
Shares O/S (mn)	1,628
Float	99.5%
Dividend Yield	n/a
EPS (\$)	3.94
3M - Avg daily volume (mn)	60.12
52 wk High/Low (\$)	240.10-76.48

WTS EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
3.94	6.05	3.95	6.22

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap (\$mn)	EV/EBITDA	P/BV	P/E	ROE				
							FY25E	FY26E	FY25E	FY26E	FY25E	FY26E		
Local peers														
Intel	INTC	2024/12	19-Sep-25	UW	\$21.00	155,484	10.9x	9.1x	1.5x	1.4x	NM	NM	0.5%	2.7%
NVIDIA Corporation	NVDA	2025/1	19-Sep-25	OW	\$215.00	4,725,859	54.9x	35.8x	59.1x	32.0x	63.2x	41.7x	121.4%	99.0%
Micron Technology	MU	2025/8	24-Sep-25	OW	\$220.00	197,944	10.2x	5.4x	3.8x	2.8x	21.9x	10.0x	19.1%	32.7%
Global peers														
NEC (6701)	6701.T	2025/3	21-Aug-25	OW	¥5,200	41,869	0.3x	NM	3.4x	3.1x	36.6x	30.8x	9.1%	10.2%
Infinion Technologies	IFXGm.DE	2024/9	04-Sep-25	N	€39.20	48,102	9.9x	8.8x	2.4x	2.3x	21.7x	18.0x	11.2%	13.0%
Fujitsu (6702)	6702.T	2025/3	21-Aug-25	OW	¥4,200	43,550	23.3x	16.8x	3.9x	3.5x	31.2x	17.0x	12.6%	21.4%
Murata Manufacturing (6981)	6981.T	2025/3	22-Jul-25	N	¥2,200	34,578	10.1x	7.7x	2.1x	2.0x	22.6x	28.3x	9.1%	7.2%
Advanced Micro Devices	AMD	2024/12	06-Aug-25	N	\$180.00	349,857	27.3x	19.3x	5.5x	4.7x	54.5x	35.5x	10.6%	14.3%
Median							10.6x	9.1x	3.6x	3.0x	31.2x	28.3x	10.9%	13.6%
Mean							18.4x	14.7x	10.2x	6.5x	36.0x	25.9x	24.2%	25.1%
High							54.9x	35.8x	59.1x	32.0x	63.2x	41.7x	121.4%	99.0%
Low							0.3x	5.4x	1.5x	1.4x	21.7x	10.0x	0.5%	2.7%

Source: Company data, World Trade estimates.



Investment Thesis

Although AMD has improved its competitiveness across CPU and GPU products with Ryzen, EPYC, and Radeon platforms and is on track to improve its market share and drive meaningful revenue growth in the near term, we believe long-term share gains are less certain. In addition, AMD will have to invest heavily in operating expense (especially R&D) in order to keep pace with the market leaders. While we are encouraged by AMD's execution, we remain Neutral as shares appear to be nearly fully valued.

Valuation

Our Dec 2025 price target of \$180 assumes shares trade at a 30x P/E multiple (in line with peer multiples of ~25-40x) applied to \$6.00 in CY26E. The increase in our PT is due to EPS estimates moving higher as well as expansion of peer valuation multiples (over the last couple of months, given the market move higher).

Risks to Rating and Price Target

AMD typically derives ~50% of its revenue from the core PC end market, which is highly correlated with macroeconomic conditions. If the PC end market is weaker/stronger than expected, this could lead to a decrease/increase in microprocessor and GPU shipments, which could result in a downward/upward revision of our revenue and EPS estimates for AMD.

AMD competes with Intel and NVIDIA in the microprocessor and graphics markets, respectively. Therefore, any material share gains/losses could result in upside / downside to our revenue and EPS estimates, which could cause us to reassess our Neutral rating on AMD.