

AMD

INVESTMENT THESIS: ADVANCED MICRO DEVICES (AMD)



PRESENTED BY JENS DITTBERNER



COMPANY OVERVIEW

A global leader in high-performance computing, designing CPUs (Central Processing Unit), GPUs (Graphics Processing Unit), FPGAs (Field-Programmable Gate Array), and SoCs (System on a Chip) for data centers, AI, gaming, and more.

Headquartered in Santa Clara, CA, founded in 1969, and led by CEO Lisa Su since 2014.

AMD

CEO

- Turned around AMD: Stock price from \$3 (2014) to \$99.51 (Feb 2025).
- Pioneered chiplet design and AI-focused GPUs (e.g., MI300).
- Secured partnerships with hyperscalers like Meta.

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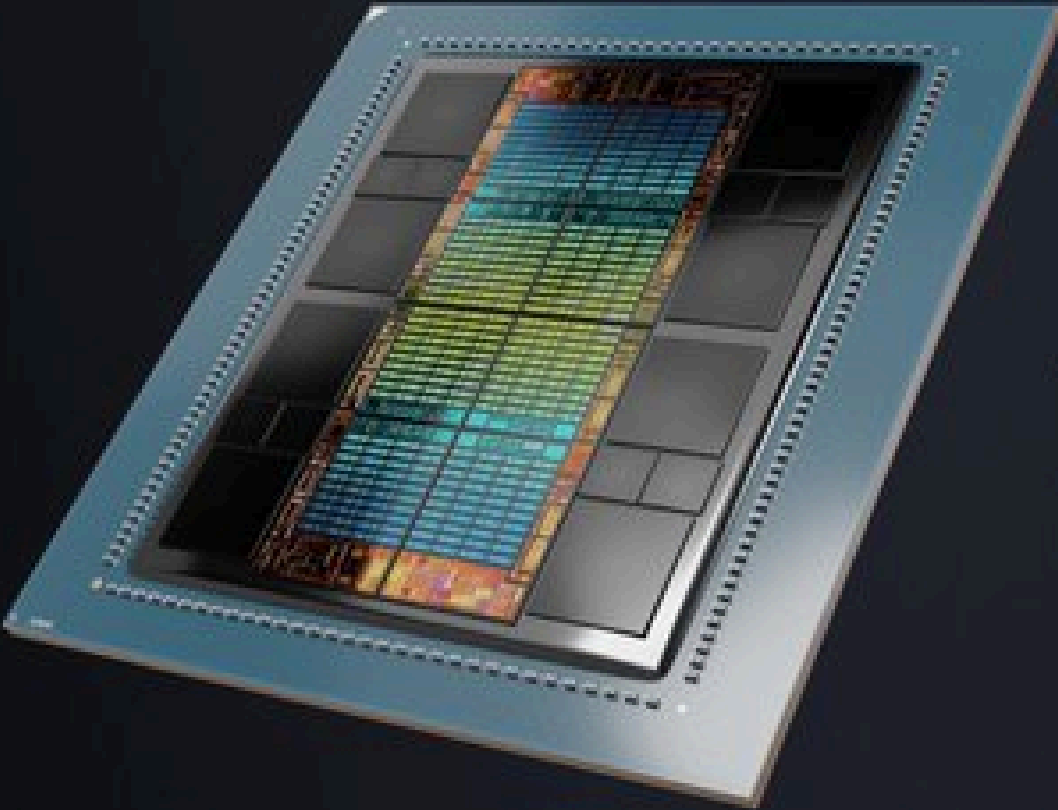


Lisa Su

INVESTMENT THESIS

AMD is undervalued with significant growth potential in the data center and AI markets.

- Explosive data center growth (69% YoY) not priced into the stock.
- Technological edge with chiplet design.
- Attractive valuation with upside potential by 2030.



Introducing today

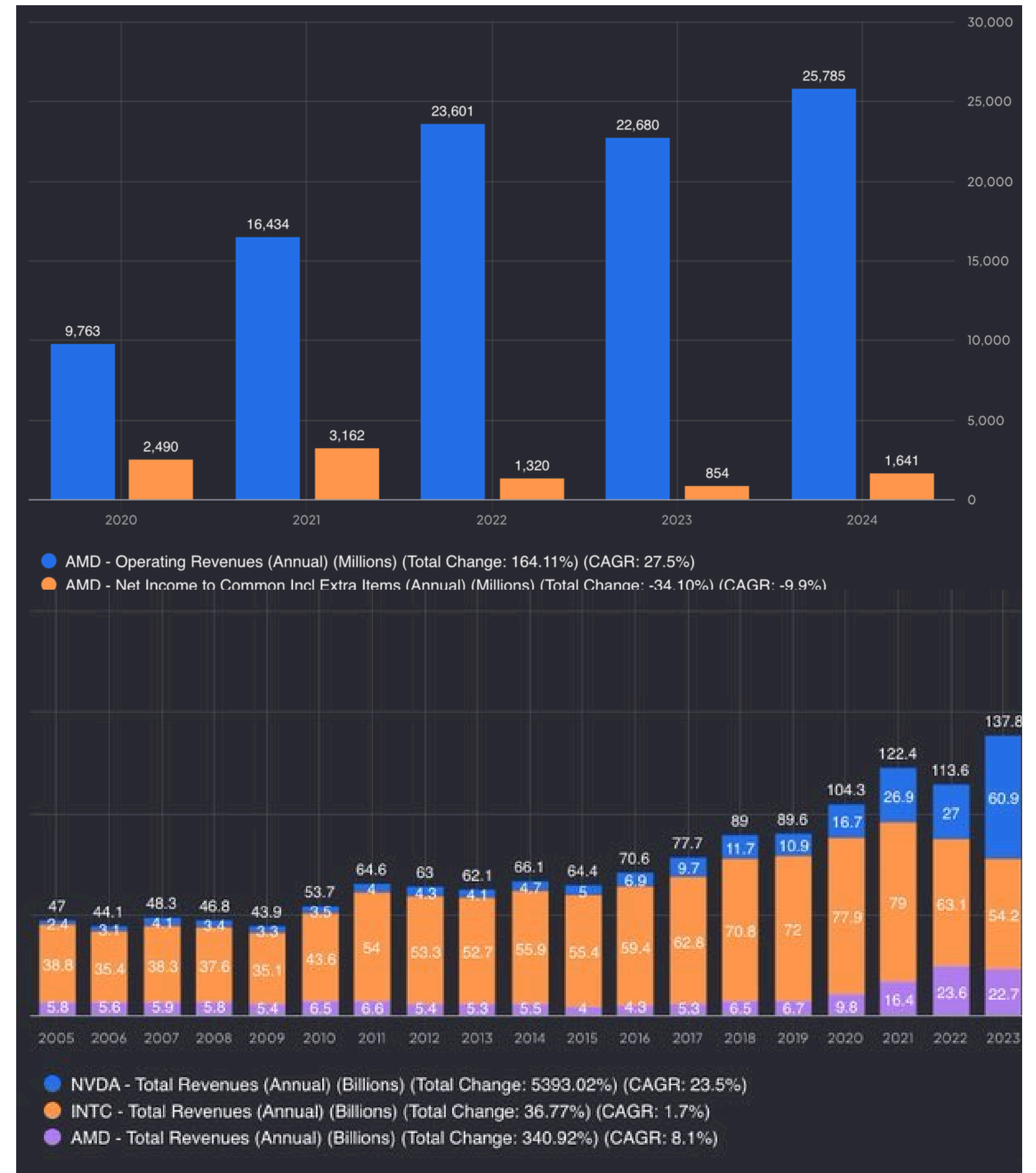
AMD Instinct™ MI300X

Leadership generative AI accelerator

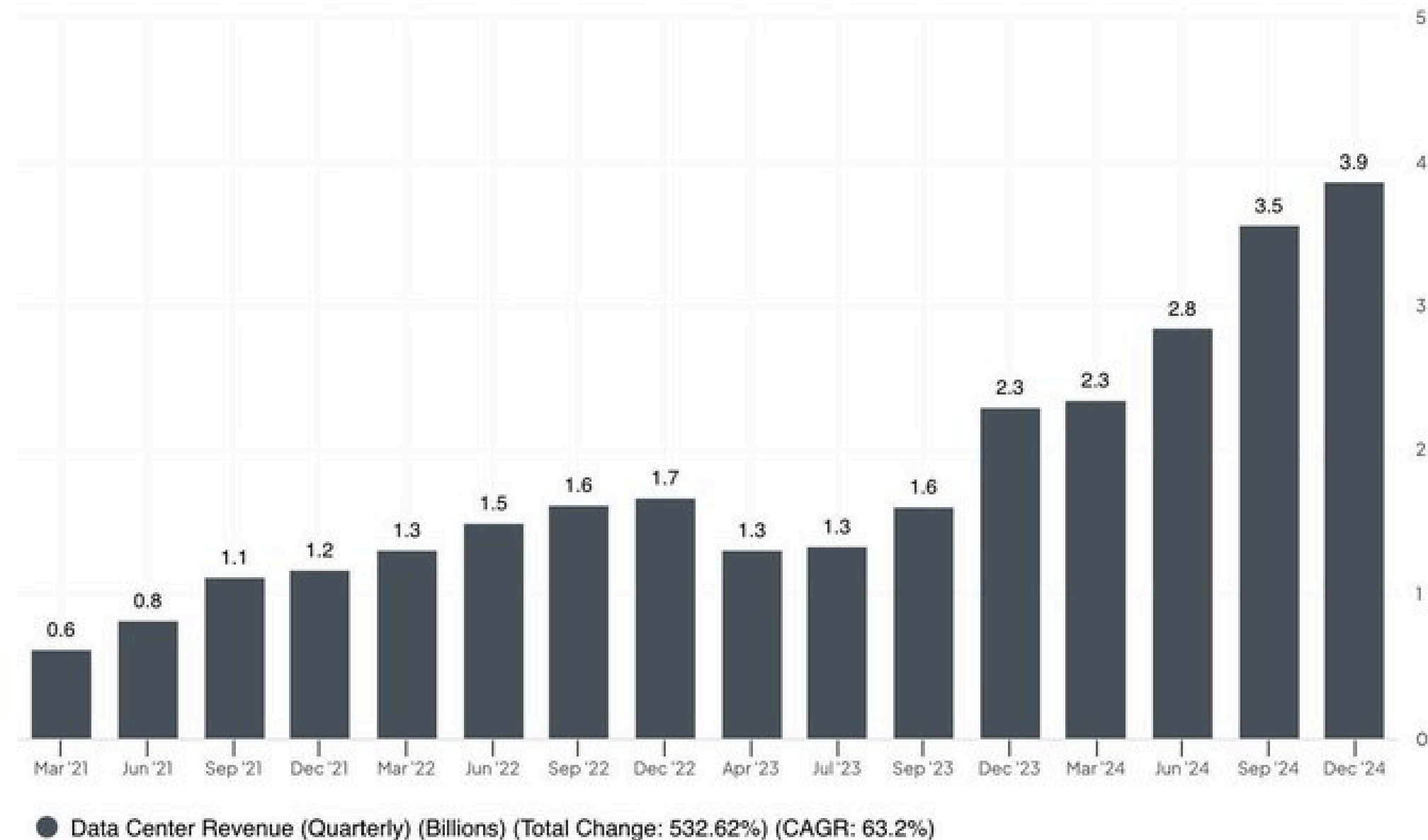
AMD CONA 3	192 GB HBM3	5.2 TB/s Memory Bandwidth	896 GB/s Infinity Fabric™ Bandwidth	153 B Transistors
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REVENUE GROWTH

- AMD's revenue nearly tripled in 5 years: \$9B (2019) to \$25B (2024).
- Growth driven by taking CPU market share from Intel and now expanding into GPUs
- Emerging opportunity: GPU market, especially in data centers.



AMD Data Center Revenues



DATA CENTER SEGMENT GROWTH

- Growing demand for Data Center and Ai solutions
- AMD's data center segment grew 69% YoY, driven by MI300 GPUs
- Hyperscalers are seeking alternatives to Nvidia due to supply constraints; AMD is the strongest alternative

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showing AMD's data center revenue growth (from \$0.6B in Mar 2021 to \$3.9B in Dec 2024, 63% CAGR).



STRATEGIC PARTNERSHIPS

- Meta's latest model now runs 100% on AMD chips, reporting significant cost efficiencies and minimal switching costs
- AMD is partnering with Meta to target the inference market, which Lisa Su believes will be larger than the training market

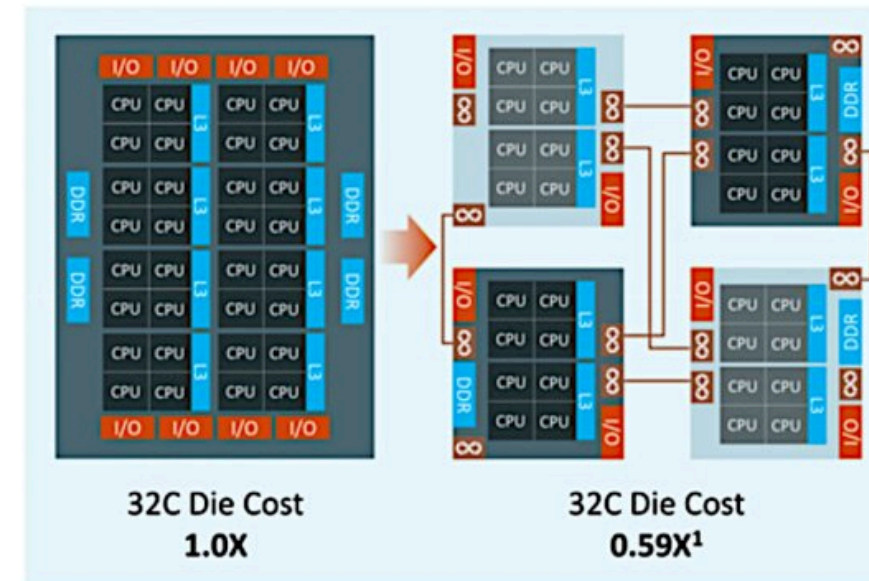


COMPETITIVE ADVANTAGE – CHIPLLET ARCHITECTURE

- AMD’s chiplet design provides a cost and performance edge over Nvidia and Intel’s monolithic designs
- Chiplet design separates cores and memory controllers, using high-speed interconnects, resulting in cheaper chips with higher yields
- MI300X chips offer 192GB H3 memory vs. Nvidia H200’s 142GB, enabling cheaper, more efficient inference workloads
- “AMD’s MI300X surpasses NVIDIA’s H200 in inference throughput by leveraging the SGLang framework, AMD’s AI Tensor Engine for ROCm (AITER), and targeted hyper-parameter tuning, positioning AMD to dominate the rapidly growing inference market—projected to outsize training, as noted by NVIDIA CEO Jensen Huang”

Chiplet vs. monolithic

DELIVERS HIGHER YIELDS, INCREASES PEAK COMPUTE, MAXIMIZES PLATFORM VALUE



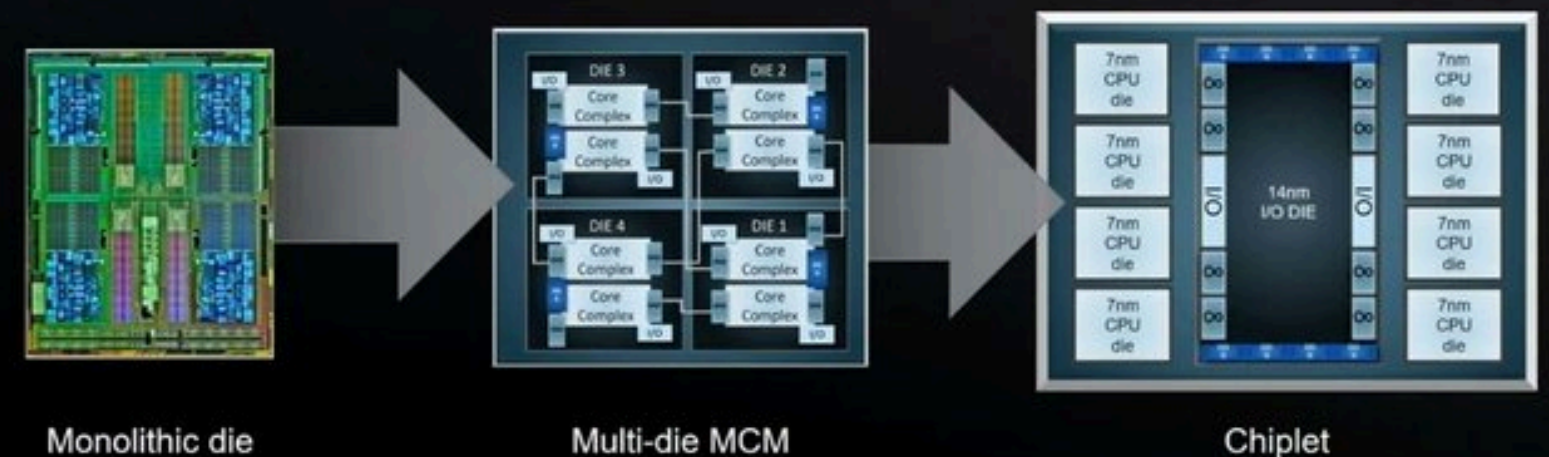
EPYC™ Processors split a traditional monolithic die into 4 tightly coupled components

More Performance
> reticle limit silicon on the package

Lower Cost
Inverse-exponential reduction in yield with die size

Flexibility
Many product configurations from single tapeout

MULTICHIP ARCHITECTURE REVOLUTION



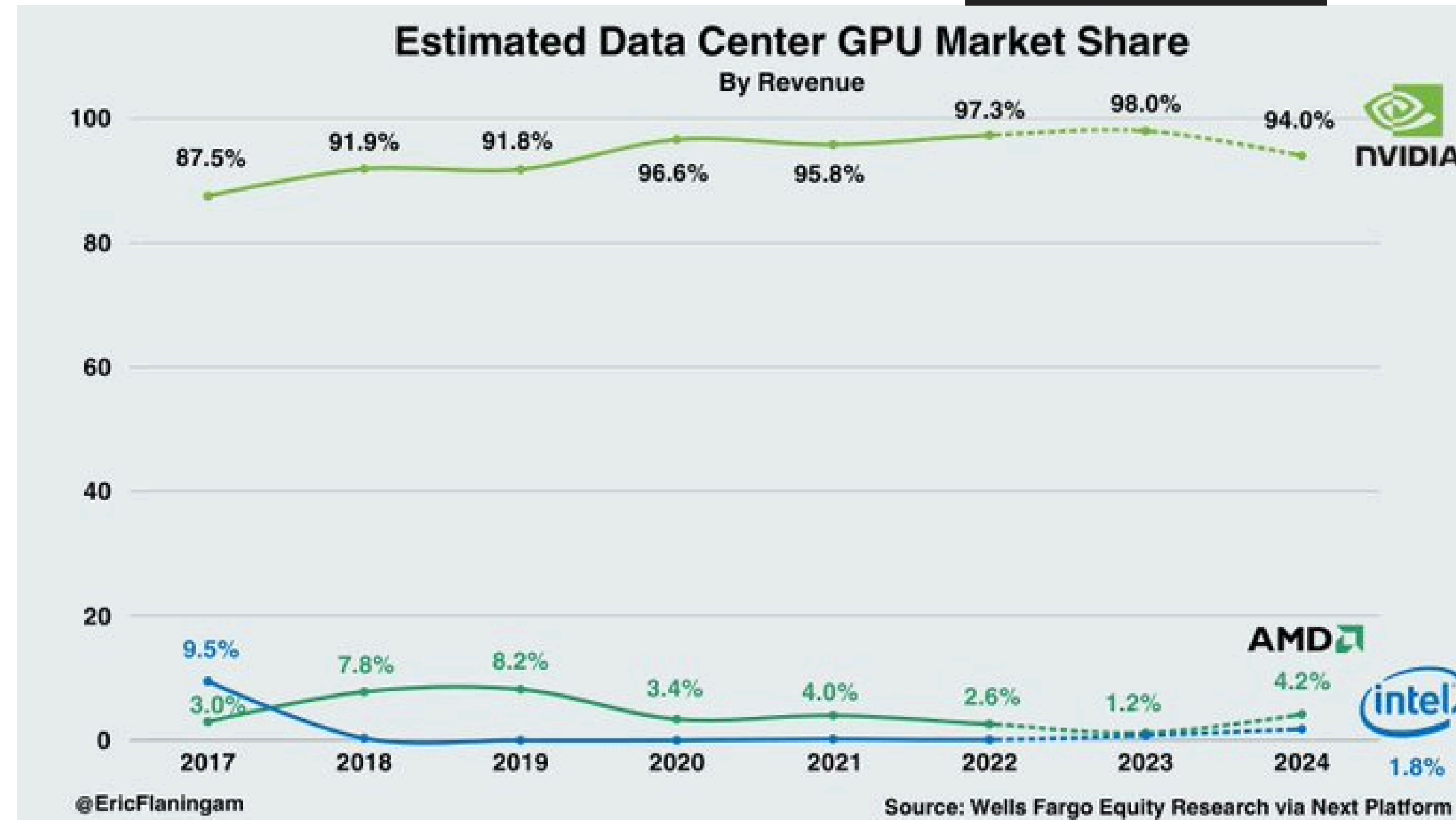
Monolithic die

Multi-die MCM

Chiplet

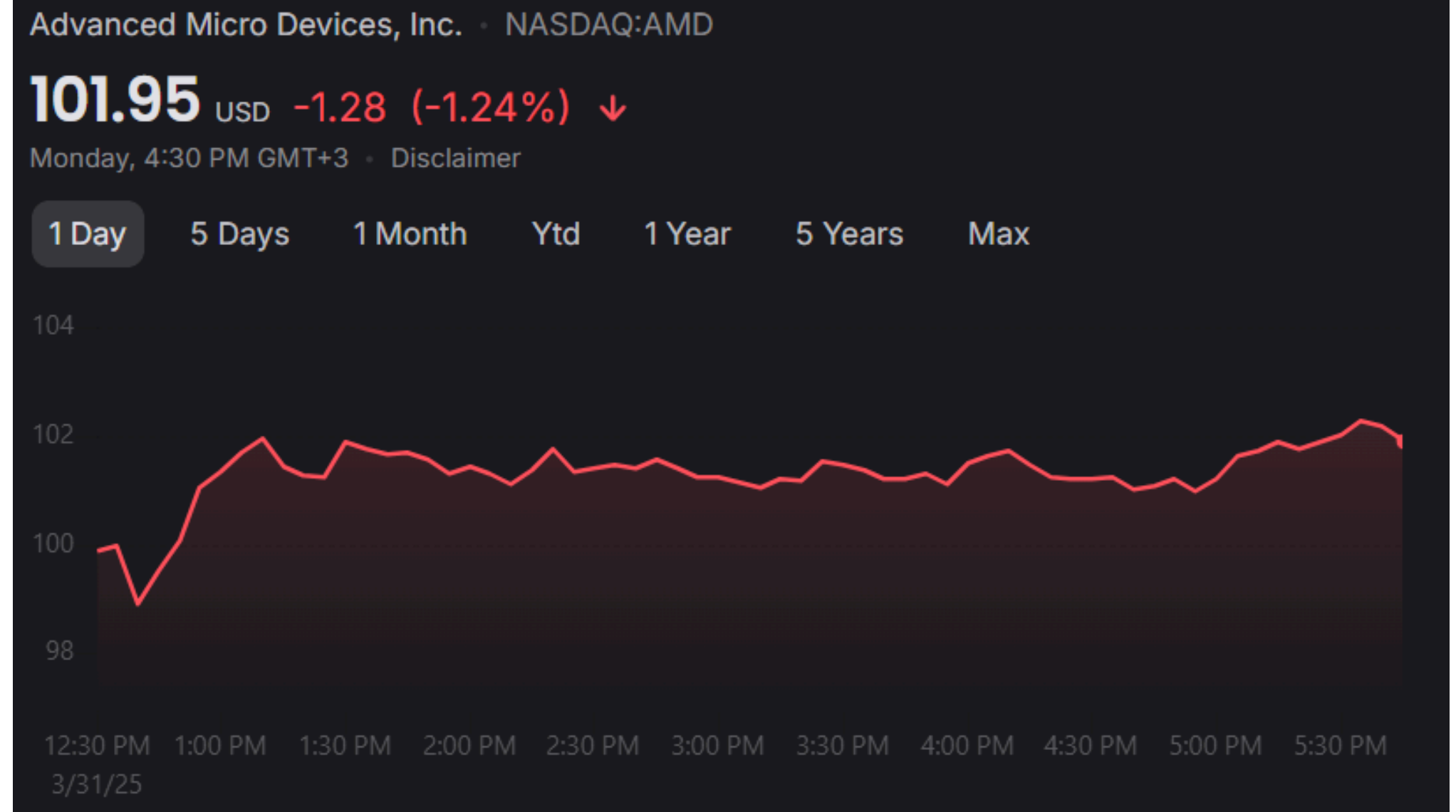
MARKET SHARE OPPORTUNITY

- Nvidia's data center GPU market share declined from 98% in 2023 to 94% in 2024; AMD's share rose to 6%
- If AMD captures 10% market share, it could generate \$30B+ from this segment alone



VALUATION AND UPSIDE POTENTIAL

- AMD trades at 23x forwards earnings (\$6.1 EPS), with the market pricing zero growth beyond 2026
- Analysts expect \$4.6 EPS in 2025 and \$6.1 EPS in 2026
- Assuming 15% annual EPS growth post-2026, AMD could reach \$10 EPS by 2030; at a 25x P/E, “this implies a \$250 stock price”
- Current price: \$102 (down 43.63% over the past year), “offering 150%+ upside”



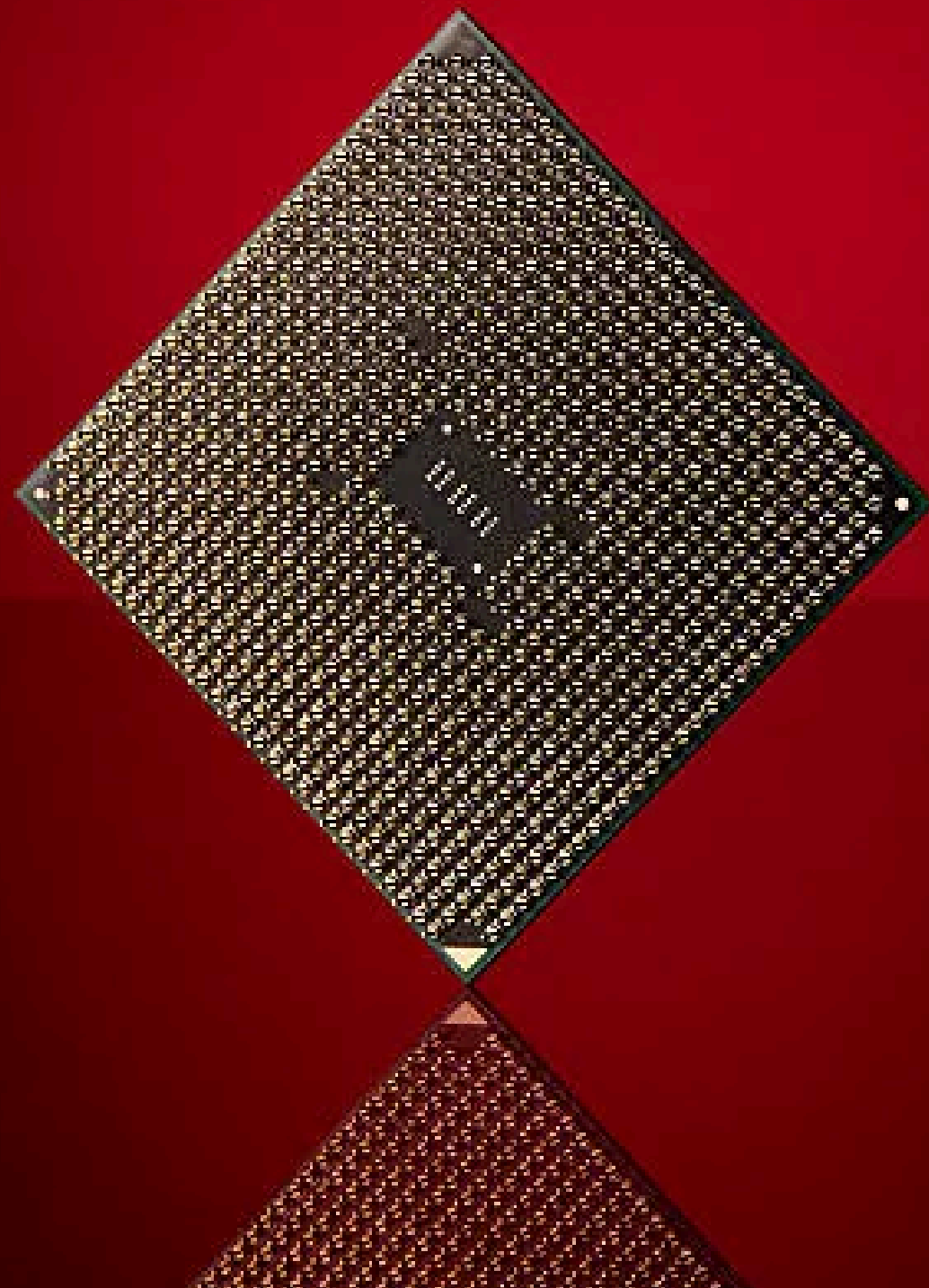
RISKS AND MITIGANTS

Risks:

- Nvidia's dominance (94% GPU market share) and strong ecosystem
- Market volatility: AMD's stock down 43.63% in the past year

Mitigants:

- AMD's cost-effective chiplet design and partnerships (e.g., Meta) position it as a strong alternative
- Focus on inference market offers a new growth avenue



CONCLUSION

AMD offers explosive growth (69% YoY data center growth), a technological edge (chiplet design), and an attractive valuation (16x 2026 earnings, "150%+ upside to \$250 by 2030").

