

ModernGraham Valuation

Company Name:

Company Ticker AMD

Date of Analysis

1/4/2017

Advanced Micro
Devices, Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,738,914,751	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.92	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-81.78%	Fail
6. Moderate PEmg Ratio	PEmg < 20	-17.73	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	24.32	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.92	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.21	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Fail
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	-\$0.65
MG Growth Estimate	-3.96%
MG Value	-\$0.38
MG Value based on 3% Growth	-\$9.40
MG Value based on 0% Growth	-\$5.51
Market Implied Growth Rate	-13.12%

MG Opinion

Current Price	\$11.49
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D

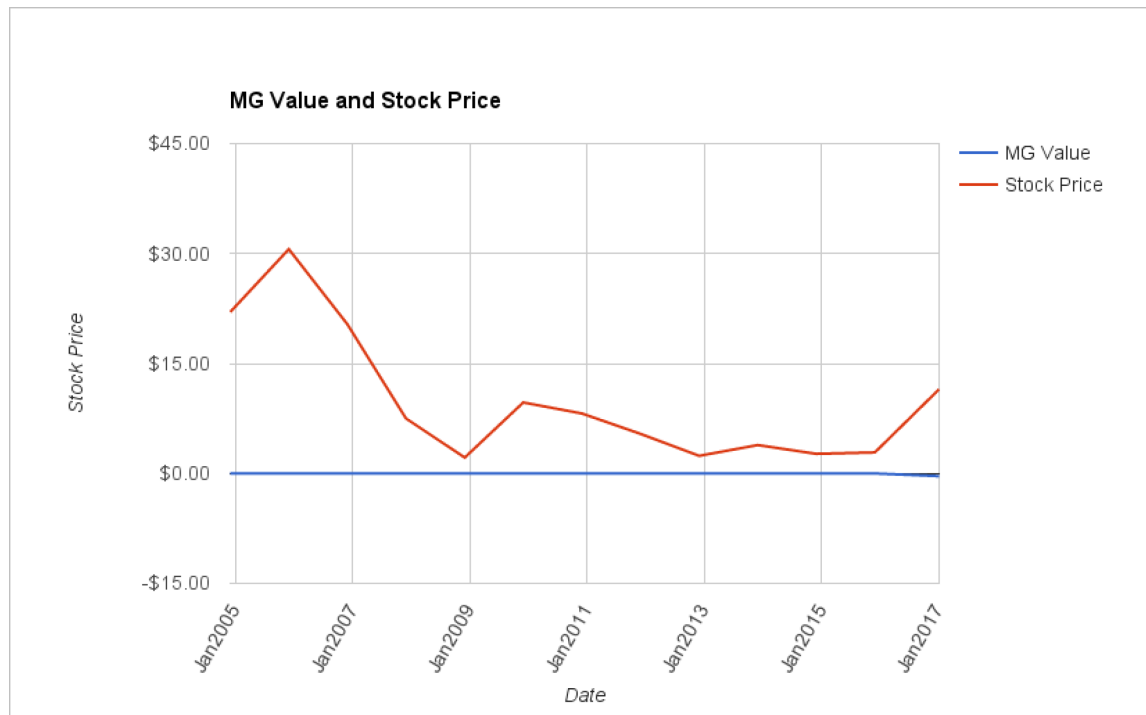
Stage 3: Information for Further Research

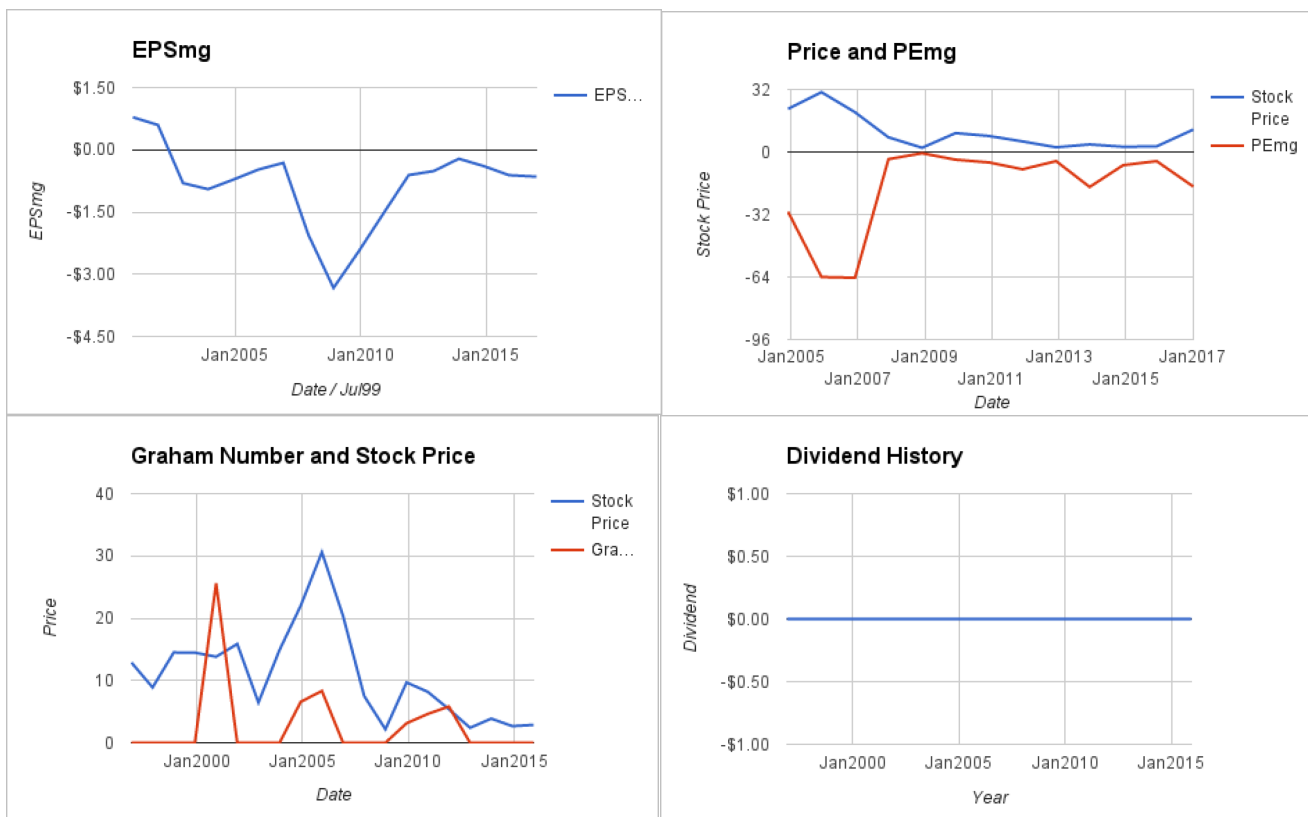
Net Current Asset Value (NCAV)	-\$0.50
Graham Number	\$0.00
PEmg	-17.73
Current Ratio	1.92
PB Ratio	24.32
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	-0.59	Next Fiscal Year Estimate	-0.65
Dec2015	-\$0.84	Dec2015	-\$0.61
Dec2014	-\$0.53	Dec2014	-\$0.40
Dec2013	-\$0.11	Dec2013	-\$0.22
Dec2012	-\$1.60	Dec2012	-\$0.51
Dec2011	\$0.66	Dec2011	-\$0.61
Dec2010	\$0.64	Dec2010	-\$1.53
Dec2009	\$0.45	Dec2009	-\$2.45
Dec2008	-\$5.15	Dec2008	-\$3.33
Dec2007	-\$6.06	Dec2007	-\$2.05
Dec2006	-\$0.34	Dec2006	-\$0.32
Dec2005	\$0.40	Dec2005	-\$0.48
Dec2004	\$0.25	Dec2004	-\$0.72
Dec2003	-\$0.79	Dec2003	-\$0.95
Dec2002	-\$3.81	Dec2002	-\$0.80
Dec2001	-\$0.18	Dec2001	\$0.60
Dec2000	\$2.89	Dec2000	\$0.78
Dec1999	-\$0.30	Balance Sheet Information 9/1/2016	
Dec1998	-\$0.36	Total Current Assets	\$2,824,000,000
Dec1997	-\$0.08	Total Current Liabilities	\$1,473,000,000
Dec1996	-\$0.26	Long-Term Debt	\$1,632,000,000
		Total Assets	\$3,616,000,000
		Intangible Assets	\$524,000,000
		Total Liabilities	\$3,231,000,000
		Shares Outstanding (Diluted Average)	815,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

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[Valuation: Advanced Micro Devices \(AMD\)](#)

Other ModernGraham posts about related companies [ScanSource Inc Valuation – Initial Coverage \\$SCSC](#)
[Cognex Corporation Valuation – Initial Coverage \\$CGNX](#)
[AMETEK Inc Valuation – December 2016 \\$AME](#)
[Ingram Micro Inc Valuation – Initial Coverage \\$IM](#)
[Sanmina Corp Valuation – Initial Coverage \\$SANM](#)
[Qorvo Inc Valuation – December 2016 Update \\$QRVO](#)
[IIVI Inc Valuation – Initial Coverage \\$IIVI](#)
[CEVA Inc Valuation – Initial Coverage \\$CEVA](#)
[NetApp Inc Valuation – August 2016 \\$NTAP](#)
[Applied Materials Inc Valuation – August 2016 \\$AMAT](#)