ModernGraham Valuation

Company Name: Advanced Micro Devices, Inc.

Company Ticker	AMD
Date of Analysis	2/24/2019

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	$24,489,084,253	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	1.78	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	-333.33%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	304.50	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	20.82	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	1.78	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.72	Pass
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		Pass
		Score		

Suitability

Defensive	**No**
Enterprising	**No**

Stage 2: Determination of Intrinsic Value

EPSmg	$0.08
MG Growth Estimate	15.00%
MG Value	**$3.08**
MG Value based on 3% Growth	$1.16
MG Value based on 0% Growth	$0.68
Market Implied Growth Rate	148.00%

MG Opinion

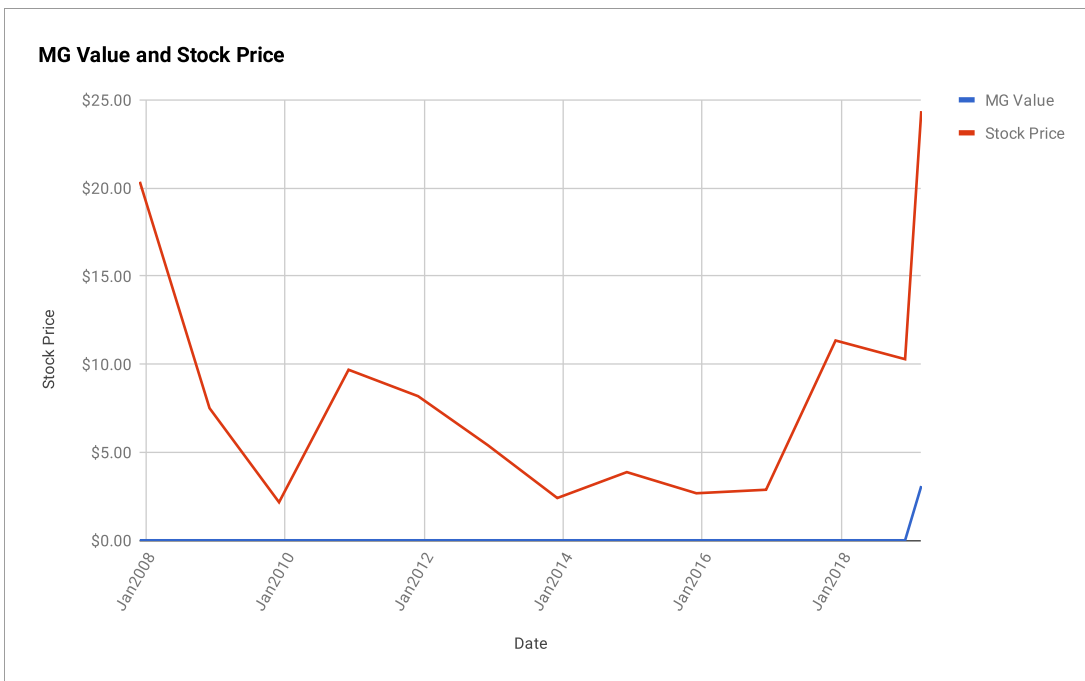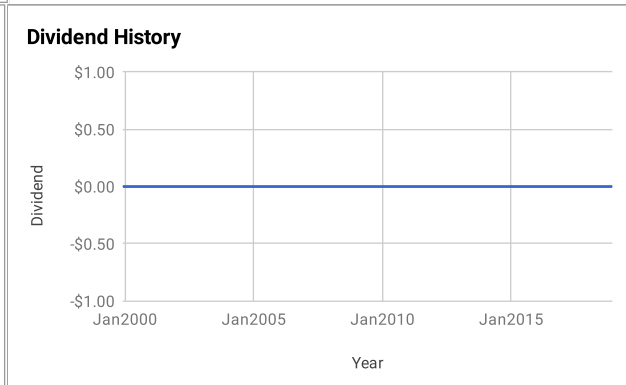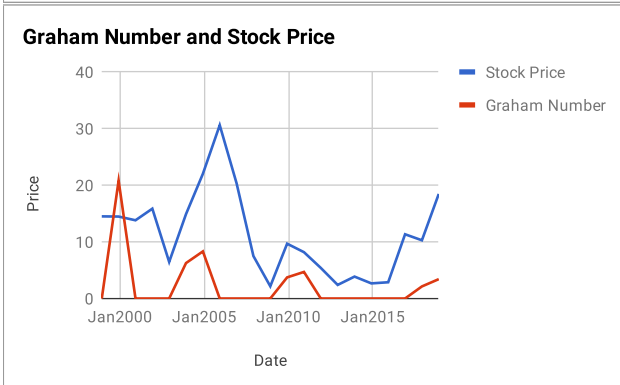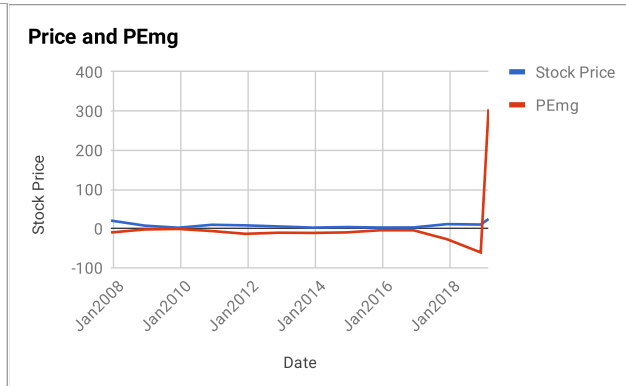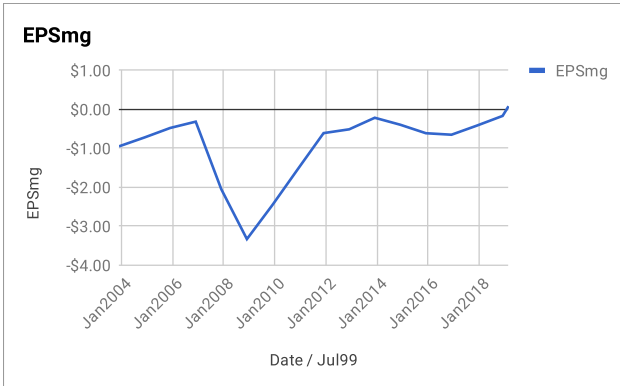|	
Current Price	$24.36
% of Intrinsic Value	790.91%
Opinion	**Overvalued**
MG Grade	**F**

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	$0.23
Graham Number	$3.42
PEmg	304.50
Current Ratio	1.78
PB Ratio	20.82
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	$0.41	Next Fiscal Year Estimate	$0.08
Dec2018	$0.32	Dec2018	-$0.17
Dec2017	-$0.03	Dec2017	-$0.42
Dec2016	-$0.60	Dec2016	-$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	**Balance Sheet Information**	**12/1/2018**
Dec2001	-$0.18	Total Current Assets	$3,540,000,000
Dec2000	$2.89	Total Current Liabilities	$1,984,000,000
Dec1999	-$0.30	Long-Term Debt	$1,114,000,000
		Total Assets	$4,556,000,000
		Intangible Assets	$515,000,000
		Total Liabilities	$3,290,000,000
		Shares Outstanding (Diluted Average)	1,082,000,000

MG Value and Stock Price

EPSmg

Price and PEmg

Graham Number and Stock Price

Dividend History

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:

Other ModernGraham posts about the company	Advanced Micro Devices Inc Valuation – May 2018 $AMD
	Advanced Micro Devices Inc Valuation – January 2017 $AMD
	Advanced Micro Devices Inc. Analysis – Initial Coverage $AMD
	Valuation: Advanced Micro Devices (AMD)

Other ModernGraham posts about related companies	Qorvo Inc Valuation – February 2019 $QRVO
	FLIR Systems Inc Valuation – February 2019 $FLIR
	NetApp Inc Valuation – February 2019 $NTAP
	Applied Materials Inc Valuation – February 2019 $AMAT
	Microchip Technology Inc Valuation – February 2019 $MCHP
	Broadcom Inc Valuation – February 2019 $AVGO
	KLA-Tencor Corp Valuation – January 2019 $KLAC
	TE Connectivity Ltd Valuation – January 2019 $TEL
	NVIDIA Corp Valuation – January 2019 $NVDA
	Seagate Technology PLC Valuation – January 2019 $STX