



Company: Advanced Micro Devices
Unlevered Free Cash Flows



Assumptions

Date	Saturday, March 13, 2021
Discount Rate	12.44%
Tax Rate	21%
Revenue Growth Rate	10%

Year	2020	2021	2022	2023	2024	2025
Revenue	9,763	10,739	11,813	12,995	14,294	15,723
COGS	(5,416)	(2,685)	(2,685)	(2,685)	(2,685)	(2,685)
Selling/General/Admin. Expenses, Total	(995)	(995)	(995)	(995)	(995)	(995)
Research & Development	(1,983)	(1,983)	(1,983)	(1,983)	(1,983)	(1,983)
Other Operating Expenses	(54)	(54)	(54)	(54)	(54)	(54)
Interest/Invest Income - Non-Operating	8	-	-	-	-	-
EBITDA	1,323	5,022	6,096	7,278	8,577	10,007
Depreciation/Amortization	-	-	-	-	-	-
EBIT	1,323	5,022	6,096	7,278	8,577	10,007
Tax	1,210	(1,055)	(1,280)	(1,528)	(1,801)	(2,101)
EBIT (1-t)	2,533	3,968	4,816	5,749	6,776	7,905
Add Back Depreciation	-	-	-	-	-	-
Change in Net Working Capital	-	-	-	-	-	-
CAPEX	(294)	(294)	(294)	(294)	(294)	(294)
Unlevered Free Cash Flows	2,239	3,674	4,522	5,455	6,482	7,611
PV Unlevered Free Cash Flows		3,267	3,577	3,838	4,055	4,235
SUM PV Free Cash Flows	18,972					

Terminal value - Growing perpetuity

Long term growth rate	2%
2025 FCF x (1+g)	7,763
Terminal value in 2025	74,362
PV Terminal Value	41,376

Enterprise Value 60,348

Terminal value - EBITDA Multiple

EBITDA multiple	8
Terminal value in 2025	80,053
PV Terminal Value	44,542
	63,514

Net Debt

Total Debt	330
Cash and Short Term Investments	2,290
Net Debt	(1,960)

Enterprise Value

Market Cap	95,151
Total Debt	330
Less Cash	(2,290)
Enterprise Value	93,191

Total Shares Outstanding

478.7

Share Price Target

Growing Perpetuity	\$ 130.16
EBITDA Multiple	\$ 136.78

Ratios

2021 EV/EBITDA	18.55
2021 EV/Sales	8.68