

Advanced Micro Devices (AMD)

\$217.97 (Stock Price as of 12/05/2025)

Price Target (6-12 Months): **\$228.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 08/08/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: D

Value: F

Growth: B

Momentum: D

Summary

AMD's prospects are benefiting from strong demand for EPYC processors that power cloud and enterprise workloads. Emerging AI use cases and rapid adoption of agentic AI are generating demand for general-purpose compute infrastructure, benefiting EPYC demand. Adoption of EPYC by the largest cloud hyperscalers is increasing significantly. Apart from EPYC, AMD's prospects are driven by strong demand for Instinct accelerators. The launch of the Instinct MI350 series that supports deployments powered by AMD CPUs, GPUs and NICs has strengthened AMD's system-level capabilities. A rich partner base that includes the likes of OpenAI, HPE, Dell, Lenovo, Super Micro, AWS, Oracle, Cisco, IBM, Cohere, Vultr, DigitalOcean and others is driving AMD's prospects. However, stiff competition from NVIDIA and Intel doesn't bode well for AMD.

Data Overview

| | |
|----------------------------|-----------------------------------------------|
| 52 Week High-Low | \$267.08 - \$76.48 |
| 20 Day Average Volume (sh) | 46,571,624 |
| Market Cap | \$354.9 B |
| YTD Price Change | 80.5% |
| Beta | 1.93 |
| Dividend / Div Yld | \$0.00 / 0.0% |
| Industry | Computer - Integrated Systems |
| Zacks Industry Rank | Top 7% (17 out of 243) |

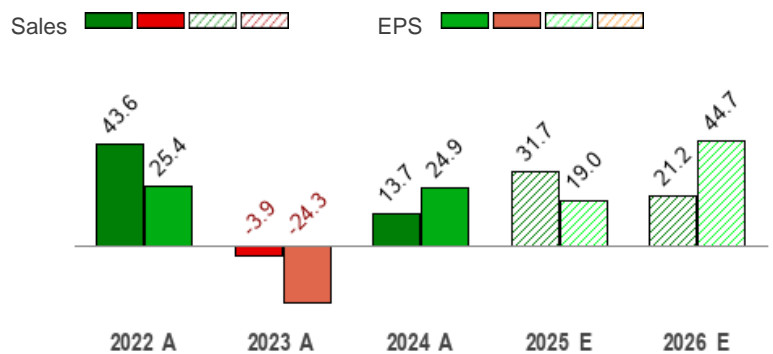
| | |
|---------------------------|------------|
| Last EPS Surprise | 0.0% |
| Last Sales Surprise | 6.0% |
| EPS F1 Est- 4 week change | -0.1% |
| Expected Report Date | 02/03/2026 |
| Earnings ESP | 0.2% |

| | |
|---------|------|
| P/E TTM | 58.4 |
| P/E F1 | 55.3 |
| PEG F1 | 1.8 |
| P/S TTM | 11.1 |

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|---------|---------|----------|----------|----------|
| 2026 | 8,960 E | 9,668 E | 11,203 E | 11,334 E | 41,166 E |
| 2025 | 7,438 A | 7,685 A | 9,246 A | 9,601 E | 33,970 E |
| 2024 | 5,473 A | 5,835 A | 6,819 A | 7,658 A | 25,785 A |

EPS Estimates⁽²⁾

| | Q1 | Q2 | Q3 | Q4 | Annual* |
|------|--------|--------|--------|--------|---------|
| 2026 | 1.10 E | 1.21 E | 1.67 E | 1.73 E | 5.70 E |
| 2025 | 0.96 A | 0.48 A | 1.20 A | 1.30 E | 3.94 E |
| 2024 | 0.62 A | 0.69 A | 0.92 A | 1.09 A | 3.31 A |

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/05/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/01/2025.

Overview

Advanced Micro Devices has strengthened its position in the semiconductor market on the back of its strong product portfolio. Santa Clara, CA-based AMD generated revenues of \$25.79 billion in 2024. The company reports operations under four segments – Data Center, Client, Gaming, and Embedded – which accounted for 48.7%, 27.4%, 10.1% and 13.8% of revenues, respectively.

AMD has emerged as a strong challenger to NVIDIA's dominance in the data center market based on Instinct MI200X, MI300X and MI325X graphic processing unit (GPUs) accelerators (based on AMD CDNA architecture), EPYC family of server processors and ROCm open software stack. AMD's visual cloud GPU offerings include Radeon PRO V families.

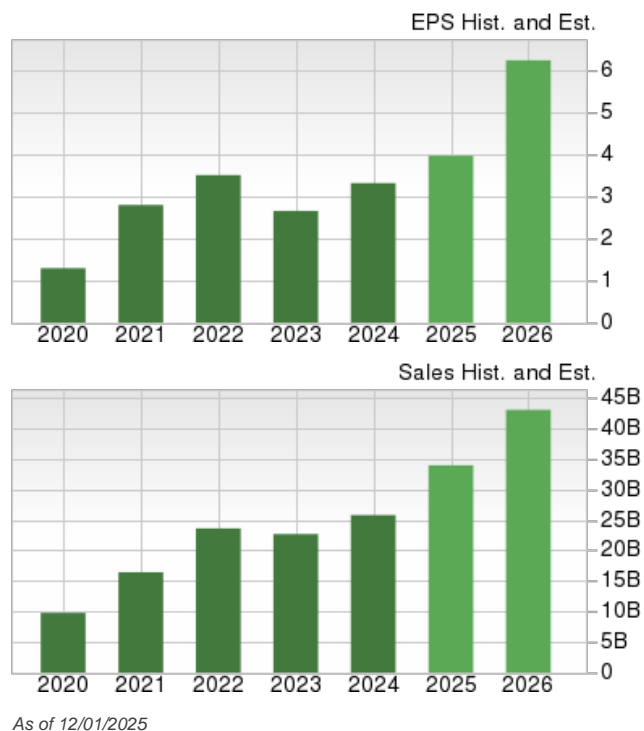
AMD offers Virtex and Kintex, Artix, and Spartan field programmable gate arrays (FPGAs) as well as System-on-Chip (SoC) like Zynq, Zynq UltraScale+ Multi-Processing System-on-a-Chip (MPSoC), Versal Adaptive SoC, Alveo accelerator cards, and Pensando data processing units (DPUs).

In the consumer-PC market, AMD has become a key challenger to Intel, courtesy of AMD Ryzen and AMD Ryzen Threadripper processors. Ryzen 9000 series processors feature "Zen 5" cores, along with X3D models featuring second-generation AMD 3D V-Cache technology. AMD's 7000-series Ryzen desktop processors include first-generation AMD 3D V-Cache technology.

For AI-powered PCs, AMD launched Ryzen AI 300 series processors based on "Zen 5" architecture and featuring a next-generation neural processing unit (NPU). AMD Ryzen 8000 Series mobile processors are built on the "Zen 4" and feature a first-generation NPU. AMD Ryzen 6000 and 5000 series mobile processors are powered by both "Zen 2" and "Zen 3+" core architectures.

AMD Ryzen AI PRO 300 series brings top-notch security, productivity, battery life, and AI capabilities to business notebooks and mobile workstations. AMD Ryzen PRO 200 series mobile processors have expanded the commercial CPU portfolio. AMD Ryzen PRO 8000G series desktops offer an integrated AI desktop solution for enterprises, while AMD Ryzen Threadripper PRO CPU powers premium workstations.

AMD offers semi-custom SoC products that power the Sony PlayStation 5, the Microsoft Xbox Series S and X game consoles, as well as the Valve Steam Deck PC.



Reasons To Buy:

- ▲ AMD is strengthening its footprint in the AI market through an expanding portfolio and rich partner base that includes the likes of Amazon, Alibaba, Microsoft, Meta Platforms and Oracle. The MI350 series instinct accelerator families strengthen its competitive position in the AI space. AMD introduced its Helios design supporting Meta Platforms' new Open Rack Wide specification. AWS launched Amazon EC2 M8a instances using 5th Gen EPYC CPUs, boosting performance up to 30% compared with the previous generation.
- ▲ AMD's footprint is strong in the data center market thanks to strong adoption of EPYC processors. It is benefiting from strong enterprise adoption, expanded cloud deployments and emerging AI use cases. Rapid adoption of agentic AI is creating additional demand for general-purpose compute infrastructure as customers are realizing that each token generated by a GPU triggers multiple CPU-intensive tasks. This is driving demand for AMD's fifth-gen EPYC Turin processors. AMD is expanding its footprint in markets like aerospace, streaming, financial services, retail, energy and telecom thanks to strong EPYC demand.
- ▲ In cloud, hyperscalers are deploying EPYC rapidly. Hyperscalers launched more than 160 EPYC-powered instances in the third quarter of 2025, including new Turin offerings from Google, Microsoft Azure, Alibaba and others. More than 1,350 public EPYC cloud instances are now available globally, up roughly 50% year over year. The launch of the EPYC 4005 series is expected to boost AMD's footprint among small and medium businesses as well as hosted IT service customers.
- ▲ Management execution has been good. As of Sept. 27, 2025, AMD had cash and cash equivalents (including marketable securities) of \$7.24 billion compared with total debt of \$3.22 billion. Operating cash flow was reported at \$1.79 billion while free cash flow was \$1.53 billion in the third quarter of 2025. AMD has \$9.4 billion remaining under its current program driven by strong liquid position.

AMD is well-poised to benefit from strong demand for its Instinct GPU accelerators, EPYC adoption and expanding clientele.

Reasons To Sell:

- ▼ AMD is suffering from a challenging macroeconomic environment. Moreover, AMD faces significant competition from NVIDIA in GPU market. AMD has had relatively greater success in the mobile segment and its current product lineup indicates that this focus will continue. However, competition in the mobile segment is likely to accelerate, with more ARM-based devices coming on the market.
- ▼ In the traditional PC market, which still generates a chunk of its revenues, AMD is up against Intel's strong market position. With Intel systems so well entrenched, there is an obvious preference for system integrators to choose Intel processors over AMD. In the past, AMD was forced to resort to penetration pricing, which severely impacted its profitability. Now that it is getting into the higher-range segment, it is facing very stiff competition from Intel.
- ▼ AMD faces significant customer concentration from Sony and Microsoft. Consequently, loss of any one of these customers is anticipated to massively hurt the top line. Also, AMD derives a significant proportion of its revenues from outside the United States, subjecting the company to exchange rate volatility.

AMD is suffering from declining PC shipments, intensifying competition in the traditional PC market as well as GPU segment. Customer concentration is a major headwind.

Last Earnings Report

AMD Q3 Earnings Top Estimates, Revenues Up Y/Y

Advanced Micro Devices reported third-quarter 2025 non-GAAP earnings of \$1.20 per share, which beat the Zacks Consensus Estimate by 2.56%. The figure jumped 30.4% year over year and 150% sequentially.

Revenues of \$9.25 billion beat the Zacks Consensus Estimate by 6.02%. The top-line figure increased 35.6% year over year and 20.3% sequentially.

FY Quarter Ending **12/31/2024**

| Earnings Reporting Date | Nov 04, 2025 |
|-------------------------|--------------|
| Sales Surprise | 6.00% |
| EPS Surprise | 0.00% |
| Quarterly EPS | 1.20 |
| Annual EPS (TTM) | 2.90 |

AMD's Q3 Top Line Rides on Data Center Growth

Data Center revenues increased 22.3% year over year to \$4.34 billion and accounted for 47% of total revenues. Sequentially, revenues climbed 34%. Strong demand for fifth-gen EPYC processors and Instinct MI350 series GPUs drove top-line growth. Hyperscalers launched more than 160 EPYC-powered instances in the reported quarter, including new Turin offerings from Google, Microsoft Azure, Alibaba and others. More than 1,350 public EPYC cloud instances are now available globally, up roughly 50% year over year.

A rich partner base that includes the likes of OpenAI, HPE, Dell Technologies, Lenovo, Super Micro, Amazon Web Services (AWS), Oracle, Cisco Systems, IBM, Cohere, Vultr, DigitalOcean and others is driving AMD's prospects. AMD introduced its Helios design supporting Meta Platforms' new Open Rack Wide specification. AWS launched Amazon EC2 M8a instances using 5th Gen EPYC CPUs, boosting performance up to 30% compared with the previous generation.

In the reported quarter, OpenAI selected AMD as a preferred partner to build 6 gigawatts (GW) of next-generation AI computing capacity. The rollout will begin with 1 GW of AMD Instinct MI450 GPUs in the second half of 2026. Oracle Cloud Infrastructure will launch the first publicly available AI supercluster using AMD's Helios rack design, featuring Instinct MI450 GPUs, EPYC Venice CPUs and Pensando Vulcano networking. The initial deployment includes 50,000 GPUs starting third-quarter 2026. Oracle also announced Compute Cloud@Customer X11 and Private Cloud Appliance X11 platforms powered by 5th Gen EPYC CPUs.

Cisco Systems, G42 and AMD has collaborated to deliver a secure AI cluster in the UAE powered by AMD Instinct MI355X GPUs. IBM and AMD inked a multi-year collaboration with Zyphra to support multimodal AI development using large clusters of Instinct MI350X GPUs. Moreover, AMD and IBM will integrate quantum computing with high-performance compute for scalable and open architectures. Cohere and AMD Expanded partnership to integrate AMD Instinct GPUs across the latter's complete enterprise AI platform. Vultr and AMD announced global rollout of Instinct MI355X GPUs on Vultr's cloud. DigitalOcean and AMD announced broader AMD GPU support for AI workloads with MI325X available currently and MI350X launching later this year.

AMD launched ROCm 7 software, which delivers an improved AI training and inference performance with richer enterprise deployment tools. ROCm 7 delivers up to 4.6 times higher inference and 3 times higher training performance compared to ROCm 6.

AMD Sees Soaring Growth in Client and Gaming Segment

The Client segment's revenues soared 46.2% year over year to \$2.75 billion and accounted for 29.7% of total revenues. Sequentially, revenues increased 10%. Strong demand for Ryzen processors and a richer product mix drove top-line growth.

The Gaming segment's revenues surged 181% year over year to \$1.3 billion and accounted for 14% of total revenues. Sequentially, revenues increased 15.7%. Higher semi-custom revenues and strong demand for Radeon gaming GPUs drove results.

On a consolidated basis, Client and Gaming revenues accounted for 43.8% of AMD's total revenues in the third quarter of 2025. The segment top-line figure increased 72.8% year over year and 11.8% sequentially.

In the reported quarter, AMD Launched Ryzen Threadripper 9000WX and Threadripper PRO 9000X processors for unmatched multi-core performance. The company stated that AMD FSR 4, an machine learning-based upscaling technology that enhances frame rates and visuals, saw rapid adoption and now supports more than 85 games.

AMD's Embedded Revenues Decline Y/Y

The Embedded segment revenues were \$857 million, down 7.6% year over year but up 4% sequentially. The segment accounted for 9.3% of total revenues.

In the reported quarter, AMD introduced EPYC Embedded 4005 Series for secure networking and industrial edge. The company also launched Ryzen Embedded 9000 processors delivering high performance-per-watt and low-latency compute for automation and machine-vision systems.

The company launched AMD Versal RF Series that delivers industry-leading compute performance for aerospace and defense applications. AMD bagain shipping Versal Premium Series Gen 2, the first adaptive compute devices supporting next-generation CXL and PCIe connectivity. AMD EPYC Embedded 4005 series processors was also launched in the third quarter of 2025.

AMD's Gross Margins Expand Y/Y in Q3

Non-GAAP gross margin expanded 40 basis points (bps) on a year-over-year basis to 54%. The reported quarter gross margin figure was significantly better than 43.3% AMD reported in the previous quarter.

Adjusted EBITDA increased 28.8% year over year to \$2.43 billion and jumped 123.4% sequentially. However, adjusted EBITDA margin contracted 140 bps year over year but improved significantly on a sequential basis.

Non-GAAP operating expenses jumped 41.8% year over year and sequentially to \$2.75 billion.

However, non-GAAP operating margin contracted 90 bps year over year to 24.2%. The reported quarter operating margin figure was significantly better than 11.7% AMD reported in the previous quarter.

Segment Operating Income Rides on Strong Client and Gaming

Segment wise, Client and Gaming operating income surged 201% year over year and 13% sequentially to \$867 million. Segment operating margin expanded 520 bps year over year but declined 60 bps sequentially.

Data Center operating income was \$1.07 billion against year-ago quarter's loss of \$155 million. Sequentially, operating income climbed 3.2% but operating margin contracted 190 bps.

Embedded operating income declined 24% year over year but increased 3% sequentially. However, operating margin contracted 240 bps year over year and 50 bps sequentially.

AMD's Balance Sheet & Cash Flow

As of Sept. 27, 2025, AMD had cash, cash equivalents and short-term investments of \$7.24 billion compared with \$5.87 billion as of June 28.

As of Sept. 27, 2025, total debt was \$3.22 billion compared with \$3.21 billion as of June 28.

Operating cash flow was \$1.79 billion in the third quarter of 2025 compared with \$1.46 billion in the second quarter of 2025.

Free cash flow was \$1.53 billion in the third quarter of 2025 compared with \$1.18 billion in the second quarter of 2025. In the third quarter, free cash flow margin was 17%, up 200 bps sequentially.

In the third quarter of 2025, AMD returned \$89 million to shareholders through its share repurchase program. The company has \$9.4 billion remaining under its current authorization.

AMD Offers Positive Q4 Guidance

AMD expects fourth-quarter 2025 revenues of \$9.6 billion (+/- \$300 million). At the mid-point of the revenue range, this represents year-over-year growth of approximately 25% and sequential growth of approximately 4%.

For the fourth quarter, AMD expects non-GAAP gross margin to be roughly 54.5%. AMD expects non-GAAP operating expenses to be roughly \$2.8 billion.

Recent News

On Oct. 6, AMD and OpenAI announced a multi-year deal for 6 gigawatts of AMD Instinct GPUs, starting with 1 GW in 2026, to power large-scale AI infrastructure and deepen collaboration.

On Oct. 1, IBM and AMD announced a collaboration with Zephyra to deliver advanced AI infrastructure on IBM Cloud. Under the multi-year agreement, IBM will provide a large cluster of AMD Instinct MI300X GPUs for Zephyra to train multimodal foundation models.

On Sept. 25, AMD announced an agreement with Tech Mahindra to accelerate enterprise transformation through next-generation infrastructure, hybrid cloud, and AI adoption.

On Sept. 24, AMD expanded its global AI collaboration with Cohere, enabling customers to run Cohere's Command A series and North models on AMD Instinct GPU-powered infrastructure, while also adopting Cohere North into its internal enterprise AI portfolio.

On Aug. 26, AMD and IBM announced plans to develop next-generation computing architectures based on the combination of quantum computers and high-performance computing, known as quantum-centric supercomputing.

On June 24, AMD and HCLTech announced a strategic alliance to accelerate enterprise digital transformation worldwide through advanced solutions in AI, digital and cloud.

On June 12, AMD unveiled its new Instinct MI350 Series GPUs and open rack-scale AI infrastructure, showcasing significant AI performance and energy efficiency advancements alongside major industry partners.

On June 10, AMD announced that Nokia had adopted its fifth-gen EPYC 9005 Series processors for the Nokia Cloud Platform. These processors will enhance performance per watt for containerized workloads important to 5G Core, edge, and enterprise applications. The integration supports telecom networks in meeting rising data demands while improving energy efficiency and reducing environmental impact.

Valuation

Advanced Micro Devices shares have appreciated 89.8% in the past six-months and 53.2% over the trailing 12-month period. Stocks in the Zacks sub-industry returned 64.5%, while those in the Zacks Computer & Technology sector are up 28.8% in the past six-months period. In the past year, stocks in the Zacks sub-industry are up 61.2%, whereas the sector is up 27.6%.

The S&P 500 index is up 18.3% in the past six-months period and 16.2% in the past year.

The stock is currently trading at 36.03X forward 12-month earnings compared with 22.96X for the Zacks sub-industry, 28.71X for the Zacks sector and 23.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 76.91X and as low as 13.77X, with a 5-year median of 38.14X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$228 price target reflects 37.83X forward 12-month earnings.

The table below shows summary valuation data for AMD.

| Valuation Multiples - AMD | | | | | |
|---------------------------|---------------|-------|----------|--------|---------|
| | | Stock | Industry | Sector | S&P 500 |
| P/E F12M | Current | 36.03 | 22.96 | 28.71 | 23.57 |
| | 5-Year High | 76.91 | 32.76 | 30.04 | 23.82 |
| | 5-Year Low | 13.77 | 11.15 | 18.70 | 15.73 |
| | 5-Year Median | 38.14 | 19.8 | 26.45 | 21.19 |
| EV/Sales TTM | Current | 10.91 | 6.07 | 8.14 | 5.75 |
| | 5-Year High | 14.88 | 6.57 | 8.36 | 5.81 |
| | 5-Year Low | 3.81 | 2.23 | 4.17 | 3.77 |
| | 5-Year Median | 8.42 | 3.54 | 6.92 | 5.12 |

As of 11/28/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 7% (17 out of 243)



Top Peers⁽¹⁾

| Company (Ticker) | Rec | Rank |
|---------------------------------|--------------|------|
| Cirrus Logic, Inc. (CRUS) | Outperform | 1 |
| NVIDIA Corporation (NVDA) | Outperform | 1 |
| ASE Technology Holdi... (ASX) | Neutral | 3 |
| Broadcom Inc. (AVGO) | Neutral | 3 |
| Intel Corporation (INTC) | Neutral | 3 |
| Synaptics Incorporat... (SYNA) | Neutral | 3 |
| United Microelectron... (UMC) | Neutral | 3 |
| Infineon Technologie... (IFNNY) | Underperform | 5 |

Industry Comparison⁽¹⁾ Industry: Computer - Integrated Systems

| | AMD | X Industry | S&P 500 | CRUS | INTC | NVDA |
|----------------------------------|------------|------------|-----------|------------|------------|-------------|
| Zacks Recommendation (Long Term) | Neutral | - | - | Outperform | Neutral | Outperform |
| Zacks Rank (Short Term) | 3 | - | - | 1 | 3 | 1 |
| VGM Score | D | - | - | C | B | C |
| Market Cap | 354.86 B | 18.31 B | 38.93 B | 6.32 B | 197.82 B | 4,432.56 B |
| # of Analysts | 17 | 5 | 22 | 3 | 16 | 17 |
| Dividend Yield | 0.00% | 0.00% | 1.45% | 0.00% | 0.00% | 0.02% |
| Value Score | F | - | - | C | D | F |
| Cash/Price | 0.02 | 0.06 | 0.04 | 0.10 | 0.16 | 0.01 |
| EV/EBITDA | 66.56 | 24.53 | 14.51 | 11.42 | 1,248.15 | 50.84 |
| PEG Ratio | 1.77 | 1.12 | 2.19 | NA | 13.78 | 0.85 |
| Price/Book (P/B) | 5.84 | 4.34 | 3.45 | 3.11 | 1.69 | 37.28 |
| Price/Cash Flow (P/CF) | 47.19 | 26.76 | 15.08 | 16.85 | 23.25 | 59.66 |
| P/E (F1) | 55.32 | 25.37 | 19.92 | 16.02 | 127.91 | 39.44 |
| Price/Sales (P/S) | 11.08 | 5.32 | 2.99 | 3.24 | 3.70 | 23.69 |
| Earnings Yield | 1.82% | 3.85% | 5.00% | 6.24% | 0.77% | 2.53% |
| Debt/Equity | 0.04 | 0.00 | 0.57 | 0.00 | 0.38 | 0.06 |
| Cash Flow (\$/share) | 4.62 | 1.35 | 8.99 | 7.35 | 1.78 | 3.06 |
| Growth Score | B | - | - | D | B | B |
| Hist. EPS Growth (3-5 yrs) | 8.16% | 1.28% | 8.13% | 9.18% | -63.88% | 94.19% |
| Proj. EPS Growth (F1/F0) | 19.03% | 26.60% | 8.50% | 2.52% | NA | 54.52% |
| Curr. Cash Flow Growth | 10.35% | 10.35% | 6.96% | 16.24% | -31.25% | 140.54% |
| Hist. Cash Flow Growth (3-5 yrs) | 54.62% | 11.56% | 7.31% | 11.39% | -25.05% | 87.52% |
| Current Ratio | 2.31 | 1.18 | 1.19 | 6.50 | 1.60 | 4.47 |
| Debt/Capital | 3.72% | 1.86% | 38.15% | 0.00% | 27.40% | 5.91% |
| Net Margin | 10.32% | 10.32% | 12.82% | 19.48% | 0.37% | 53.01% |
| Return on Equity | 8.04% | 8.04% | 17.00% | 19.59% | -0.75% | 99.24% |
| Sales/Assets | 0.44 | 0.49 | 0.53 | 0.83 | 0.27 | 1.39 |
| Proj. Sales Growth (F1/F0) | 31.70% | 14.84% | 5.77% | -1.60% | -1.30% | 61.40% |
| Momentum Score | D | - | - | B | A | A |
| Daily Price Chg | 0.92% | 0.00% | 0.19% | 1.59% | 2.25% | -0.53% |
| 1 Week Price Chg | 6.75% | 1.51% | 0.31% | 1.88% | 17.57% | -1.05% |
| 4 Week Price Chg | -6.67% | -0.29% | 2.10% | 4.37% | 8.60% | -3.05% |
| 12 Week Price Chg | 37.46% | 0.00% | 4.35% | 6.02% | 71.97% | 2.58% |
| 52 Week Price Chg | 57.28% | -4.15% | 12.81% | 18.56% | 97.94% | 28.06% |
| 20 Day Average Volume | 46,571,624 | 2,759,613 | 2,743,849 | 489,244 | 80,846,960 | 198,943,824 |
| (F1) EPS Est 1 week change | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| (F1) EPS Est 4 week change | -0.14% | 0.00% | 0.05% | 1.69% | 11.43% | 3.91% |
| (F1) EPS Est 12 week change | -0.66% | 8.54% | 0.68% | 11.34% | 62.54% | 4.43% |
| (Q1) EPS Est Mthly Chg | -0.23% | 0.00% | 0.00% | -0.16% | 3.30% | 9.18% |

Analyst Earnings Model⁽²⁾

Advanced Micro Devices, Inc. (AMD)

In SMM, except per share data

| | 2022A FY | 2023A FY | 2024A FY | 1Q A 29-Mar-25 | 2Q A 28-Jun-25 | 2025E 3Q A 27-Sep-25 | 4Q E 27-Dec-25 | FY Dec-25 | 1Q E 28-Mar-26 | 2Q E 27-Jun-26 | 2026E 3Q E 26-Sep-26 | 4Q E 26-Dec-26 | FY Dec-26 | 2027E FY Dec-27 |
|--------------------------------------------------|-------------|-------------|-------------|-------------------|-------------------|----------------------------|-------------------|--------------|-------------------|-------------------|----------------------------|-------------------|--------------|-----------------------|
| FY Ends December 31st | Dec-22 | Dec-23 | Dec-24 | 29-Mar-25 | 28-Jun-25 | 27-Sep-25 | 27-Dec-25 | Dec-25 | 28-Mar-26 | 27-Jun-26 | 26-Sep-26 | 26-Dec-26 | Dec-26 | Dec-27 |
| Income Statement | | | | | | | | | | | | | | |
| Total Revenue | \$23,601.0 | \$22,680.0 | \$25,785.0 | \$7,438.0 | \$7,685.0 | \$9,246.0 | \$9,601.2 | \$33,970.2 | \$8,960.1 | \$9,668.2 | \$11,203.2 | \$11,334.0 | \$41,165.5 | \$50,759.1 |
| YoY % Chng | 43.6% | (3.9%) | 13.7% | 35.9% | 31.7% | 35.6% | 25.4% | 31.7% | 20.5% | 25.8% | 21.2% | 18.0% | 21.2% | 23.3% |
| Total Cost of Sales, Non-GAAP | \$11,328.0 | \$11,244.0 | \$12,026.0 | \$3,446.0 | \$4,359.0 | \$4,254.0 | \$4,367.6 | \$16,426.6 | \$4,235.2 | \$4,599.9 | \$5,065.8 | \$5,091.0 | \$18,992.0 | \$22,186.4 |
| YoY % Chng | 33.3% | (0.7%) | 7.0% | 31.9% | 59.4% | 34.5% | 24.1% | 36.6% | 22.9% | 5.5% | 19.1% | 16.6% | 15.6% | 16.8% |
| Total Cost of Sales, GAAP | \$12,998.0 | \$12,220.0 | \$13,060.0 | \$3,702.0 | \$4,626.0 | \$4,466.0 | \$4,588.8 | \$17,382.8 | \$4,436.6 | \$4,805.3 | \$5,274.3 | \$5,301.2 | \$19,817.4 | \$23,023.0 |
| YoY % Chng | 52.8% | (6.0%) | 6.9% | 27.1% | 55.7% | 31.4% | 21.5% | 33.1% | 19.8% | 3.9% | 18.1% | 15.5% | 14.0% | 16.2% |
| Gross Profit, Non-GAAP | \$12,273.0 | \$11,436.0 | \$13,759.0 | \$3,992.0 | \$3,326.0 | \$4,992.0 | \$5,233.6 | \$17,543.6 | \$4,724.8 | \$5,068.3 | \$6,137.3 | \$6,243.1 | \$22,173.5 | \$28,572.8 |
| YoY % Chng | 54.7% | (6.8%) | 20.3% | 39.5% | 7.3% | 36.5% | 26.4% | 27.5% | 18.4% | 52.4% | 22.9% | 19.3% | 26.4% | 28.9% |
| Gross Profit, GAAP | \$10,603.0 | \$10,460.0 | \$12,725.0 | \$3,736.0 | \$3,059.0 | \$4,780.0 | \$5,012.4 | \$16,587.4 | \$4,523.4 | \$4,863.0 | \$5,928.9 | \$6,032.8 | \$21,348.1 | \$27,736.2 |
| YoY % Chng | 33.7% | (1.3%) | 21.7% | 45.9% | 6.8% | 39.8% | 29.1% | 30.4% | 21.1% | 59.0% | 24.0% | 20.4% | 28.7% | 29.9% |
| Research and Development | \$5,005.0 | \$5,872.0 | \$6,456.0 | \$1,728.0 | \$1,894.0 | \$2,139.0 | \$2,193.1 | \$7,954.1 | \$2,102.3 | \$2,274.1 | \$2,407.6 | \$2,389.1 | \$9,173.1 | \$11,583.1 |
| YoY % Chng | 75.9% | 17.3% | 9.9% | 13.3% | 19.6% | 30.7% | 23.2% | 21.7% | 20.1% | 12.6% | 8.9% | 15.3% | 26.3% | 26.3% |
| Marketing, General and Administrative | \$2,336.0 | \$2,352.0 | \$2,783.0 | \$886.0 | \$991.0 | \$1,069.0 | \$1,137.0 | \$4,083.0 | \$1,079.9 | \$1,072.0 | \$1,191.6 | \$1,179.3 | \$4,522.8 | \$5,687.8 |
| YoY % Chng | 61.3% | 0.7% | 18.3% | 46.0% | 54.8% | 48.3% | 45.6% | 46.7% | 21.5% | 8.2% | 11.5% | 3.7% | 10.8% | 25.8% |
| Total Operating Expense, Non-GAAP | \$6,030.0 | \$6,616.0 | \$7,669.0 | \$2,213.0 | \$2,429.0 | \$2,754.0 | \$2,800.3 | \$10,196.3 | \$2,712.7 | \$2,844.1 | \$3,023.2 | \$2,977.4 | \$11,557.4 | \$14,669.6 |
| YoY % Chng | 55.5% | 9.7% | 15.9% | 28.1% | 32.2% | 40.8% | 32.5% | 33.0% | 22.6% | 17.1% | 9.8% | 6.3% | 13.3% | 26.9% |
| Total Operating Expense, GAAP | \$9,441.0 | \$10,093.0 | \$10,873.0 | \$2,930.0 | \$3,193.0 | \$3,510.0 | \$3,611.8 | \$13,244.8 | \$3,482.7 | \$3,643.3 | \$3,894.5 | \$3,862.1 | \$14,882.6 | \$18,454.1 |
| YoY % Chng | 119.9% | 6.9% | 7.7% | 16.1% | 23.0% | 29.6% | 20.0% | 21.8% | 18.9% | 14.1% | 11.0% | 6.9% | 12.4% | 24.0% |
| Adjusted EBITDA | \$6,971.0 | \$5,496.0 | \$6,824.0 | \$1,954.0 | \$1,088.0 | \$2,431.0 | \$2,658.0 | \$8,131.0 | \$2,219.6 | \$2,446.8 | \$3,367.3 | \$3,526.7 | \$11,560.4 | \$15,065.5 |
| YoY % Chng | 55.7% | (21.2%) | 24.2% | 50.9% | (23.9%) | 28.8% | 20.2% | 19.2% | 13.6% | 124.9% | 38.5% | 32.7% | 42.2% | 30.3% |
| EBITDA, GAAP | \$1,890.0 | \$1,043.0 | \$2,585.0 | \$981.0 | \$55.0 | \$1,462.0 | \$1,624.2 | \$4,122.2 | \$1,247.2 | \$1,441.3 | \$2,286.5 | \$2,430.8 | \$7,405.8 | \$10,440.4 |
| YoY % Chng | (53.4%) | (44.8%) | 147.8% | 395.5% | (87.4%) | 63.4% | 53.7% | 59.5% | 27.1% | 2,520.5% | 56.4% | 59.7% | 79.7% | 41.0% |
| Share-Based Compensation Expense | \$1,012.0 | \$1,380.0 | \$1,407.0 | \$364.0 | \$369.0 | \$419.0 | \$495.8 | \$1,647.8 | \$434.4 | \$467.6 | \$542.8 | \$558.0 | \$2,002.6 | \$2,473.0 |
| YoY % Chng | 167.0% | 36.4% | 2.0% | (1.9%) | 6.6% | 19.4% | 46.2% | 17.1% | 19.3% | 26.7% | 29.5% | 12.6% | 21.5% | 23.5% |
| Depreciation and Amortization | \$626.0 | \$642.0 | \$685.0 | \$175.0 | \$189.0 | \$192.0 | \$223.6 | \$779.6 | \$206.5 | \$221.6 | \$252.2 | \$260.0 | \$940.3 | \$1,158.3 |
| YoY % Chng | 53.8% | 2.6% | 6.7% | 8.0% | 13.9% | 12.3% | 20.2% | 13.8% | 18.0% | 17.3% | 31.3% | 16.3% | 20.6% | 23.2% |
| Acquisition-Related Costs | \$521.0 | \$262.0 | \$187.0 | \$42.0 | \$94.0 | \$42.0 | \$42.0 | \$220.0 | \$42.0 | \$42.0 | \$42.0 | \$42.0 | \$168.0 | \$168.0 |
| YoY % Chng | 1,140.5% | (49.7%) | (28.6%) | 7.7% | 104.3% | (25.0%) | (8.7%) | 17.6% | 0.0% | (55.3%) | 0.0% | 0.0% | (23.6%) | 0.0% |
| Total Amortization of Acquired Intangible Assets | \$3,548.0 | \$2,811.0 | \$2,394.0 | \$567.0 | \$568.0 | \$562.0 | \$562.0 | \$2,259.0 | \$562.0 | \$562.0 | \$562.0 | \$562.0 | \$2,248.0 | \$2,248.0 |
| YoY % Chng | (14.8%) | (20.8%) | (8.8%) | (8.8%) | (5.8%) | (3.9%) | (3.8%) | (5.6%) | (0.9%) | (1.1%) | 0.0% | 0.0% | (0.5%) | 0.0% |
| Operating Income, Non-GAAP | \$6,345.0 | \$4,854.0 | \$6,138.0 | \$1,779.0 | \$897.0 | \$2,238.0 | \$2,433.3 | \$7,347.3 | \$2,012.1 | \$2,224.2 | \$3,114.1 | \$3,265.7 | \$10,616.1 | \$13,903.1 |
| YoY % Chng | 55.9% | (23.5%) | 26.5% | 57.0% | (29.0%) | 30.5% | 20.1% | 19.7% | 13.1% | 148.0% | 39.1% | 34.2% | 44.5% | 31.0% |
| Operating Income, GAAP | \$1,264.0 | \$401.0 | \$1,900.0 | \$806.0 | (\$134.0) | \$1,270.0 | \$1,400.6 | \$3,342.6 | \$1,040.7 | \$1,219.6 | \$2,034.4 | \$2,170.7 | \$6,465.5 | \$9,282.1 |
| YoY % Chng | (65.4%) | (68.3%) | 373.8% | 2,138.9% | (149.8%) | 75.4% | 60.8% | 75.9% | 29.1% | 1,010.2% | 60.2% | 55.0% | 93.4% | 43.6% |
| Interest Expense | \$88.0 | \$106.0 | \$92.0 | \$20.0 | \$38.0 | \$37.0 | \$37.0 | \$132.0 | \$34.7 | \$40.3 | \$44.5 | \$44.9 | \$164.4 | \$203.0 |
| YoY % Chng | 158.8% | 20.5% | (13.2%) | (20.0%) | 52.0% | 60.9% | 34.5% | 43.4% | 73.4% | 6.0% | 20.3% | 21.6% | 24.6% | 23.5% |
| Other Expense (Income), Net | (\$8.0) | (\$197.0) | (\$181.0) | (\$39.0) | (\$98.0) | (\$82.0) | (\$85.7) | (\$304.7) | (\$75.7) | (\$95.2) | (\$102.2) | (\$101.8) | (\$374.9) | (\$456.9) |
| YoY % Chng | 85.5% | (2,362.5%) | 8.1% | 26.4% | (78.2%) | (127.8%) | (131.6%) | (68.3%) | (94.1%) | 2.8% | (24.6%) | (18.9%) | (23.1%) | (21.9%) |
| Pre-Tax Income, Non-GAAP | \$6,265.0 | \$4,945.0 | \$6,227.0 | \$1,798.0 | \$957.0 | \$2,283.0 | \$2,482.0 | \$7,520.0 | \$2,053.1 | \$2,279.1 | \$3,171.8 | \$3,322.6 | \$10,826.7 | \$14,157.0 |
| YoY % Chng | 53.2% | (21.1%) | 25.9% | 54.9% | (26.0%) | 32.1% | 21.4% | 20.8% | 14.2% | 138.2% | 38.9% | 33.9% | 44.0% | 30.8% |
| Pre-Tax Income, GAAP | \$1,184.0 | \$492.0 | \$1,989.0 | \$825.0 | (\$74.0) | \$1,315.0 | \$1,449.3 | \$3,515.3 | \$1,081.7 | \$1,274.6 | \$2,092.1 | \$2,227.6 | \$6,676.0 | \$9,536.0 |
| YoY % Chng | (67.7%) | (58.4%) | 304.3% | 1,189.1% | (124.7%) | 78.4% | 63.0% | 76.7% | 31.1% | 1,622.4% | 59.1% | 53.7% | 89.5% | 42.8% |
| Income Tax, Non-GAAP | \$761.0 | \$643.0 | \$807.0 | \$232.0 | \$176.0 | \$318.0 | \$323.4 | \$1,049.4 | \$267.5 | \$296.9 | \$413.3 | \$432.9 | \$1,410.6 | \$1,844.5 |
| YoY % Chng | 16.2% | (15.5%) | 25.0% | 56.8% | 4.8% | 42.0% | 21.1% | 30.0% | 15.3% | 68.7% | 30.0% | 33.9% | 34.4% | 30.8% |
| Income Tax, GAAP | (\$122.0) | (\$346.0) | \$381.0 | \$123.0 | (\$834.0) | \$153.0 | \$166.7 | (\$391.3) | \$124.4 | \$146.8 | \$240.6 | \$256.2 | \$767.7 | \$1,096.6 |
| YoY % Chng | (123.8%) | (183.6%) | 210.1% | 336.5% | (2,134.1%) | 666.7% | (60.2%) | (202.7%) | 1.1% | 117.6% | 57.2% | 53.7% | 296.2% | 42.8% |
| Tax Rate, Non-GAAP | 12.1% | 13.0% | 13.0% | 12.9% | 18.4% | 13.9% | 13.0% | 14.0% | 13.0% | 13.0% | 13.0% | 13.0% | 13.0% | 13.0% |
| Tax Rate, GAAP | (10.3%) | (68.0%) | 19.0% | 14.8% | 1,263.6% | 11.5% | 11.5% | (11.1%) | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% |
| Equity (Income) /Loss | (\$14.0) | (\$16.0) | (\$33.0) | (\$7.0) | (\$8.0) | (\$10.0) | (\$10.0) | (\$35.0) | (\$10.0) | (\$10.0) | (\$10.0) | (\$10.0) | (\$40.0) | (\$40.0) |
| YoY % Chng | (133.3%) | (14.3%) | (108.3%) | 0.0% | (14.3%) | (42.9%) | 16.7% | (6.1%) | (25.0%) | 0.0% | 0.0% | 0.0% | (14.3%) | 0.0% |
| Income From Continuing Operations, Net of Tax | | | \$709.0 | \$709.0 | \$768.0 | \$1,172.0 | \$1,292.6 | \$3,941.6 | \$967.3 | \$1,138.0 | \$1,861.5 | \$1,981.5 | \$5,948.3 | \$8,479.4 |
| YoY % Chng | | | 476.4% | 476.4% | 476.8% | 52.0% | 36.4% | 48.2% | 36.4% | 48.2% | 58.8% | 53.3% | 50.9% | 42.6% |
| Net Income, Non-GAAP | \$5,504.0 | \$4,302.0 | \$5,420.0 | \$1,566.0 | \$781.0 | \$1,965.0 | \$2,150.4 | \$6,462.4 | \$1,830.7 | \$2,034.5 | \$2,833.2 | \$2,968.4 | \$9,666.9 | \$12,668.4 |
| YoY % Chng | 60.2% | (21.8%) | 26.0% | 54.6% | (30.6%) | 30.7% | 21.0% | 49.2% | 16.9% | 160.5% | 44.2% | 38.0% | 49.6% | 31.0% |
| Net Income, GAAP | \$1,320.0 | \$854.0 | \$1,641.0 | \$709.0 | \$872.0 | \$1,243.0 | \$1,396.6 | \$4,220.6 | \$967.3 | \$1,138.0 | \$1,861.5 | \$1,981.5 | \$5,948.3 | \$8,479.4 |
| YoY % Chng | (88.3%) | (35.3%) | 92.2% | 476.4% | 229.1% | 61.2% | 1,69.8% | 157.2% | 36.4% | 30.5% | 49.9% | 41.9% | 40.5% | 42.5% |
| Basic Shares Outstanding | 1,561.0 | 1,614.0 | 1,620.0 | 1,620.0 | 1,623.0 | 1,626.0 | 1,631.4 | 1,625.1 | 1,636.8 | 1,642.3 | 1,647.7 | 1,653.1 | 1,645.0 | 1,666.7 |
| YoY % Chng | 28.7% | 3.4% | 0.4% | 0.2% | 0.3% | 0.4% | 0.5% | 0.3% | 1.0% | 1.2% | 1.3% | 1.3% | 1.2% | 1.3% |
| Diluted Shares Outstanding, Non-GAAP | 1,571.0 | 1,625.0 | 1,637.0 | 1,626.0 | 1,630.0 | 1,641.0 | 1,655.4 | 1,638.1 | 1,669.8 | 1,684.3 | 1,698.7 | 1,713.1 | 1,691.5 | 1,749.2 |
| YoY % Chng | 27.8% | 3.4% | 0.7% | (0.8%) | (0.4%) | 0.3% | 1.3% | 0.1% | 2.7% | 3.3% | 3.5% | 3.5% | 3.3% | 3.4% |
| Diluted Shares Outstanding, GAAP | 1,571.0 | 1,625.0 | 1,637.0 | 1,626.0 | 1,630.0 | 1,641.0 | 1,655.4 | 1,638.1 | 1,669.8 | 1,684.3 | 1,698.7 | 1,713.1 | | |

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

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Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

| | |
|----------------|---|
| Value Score | F |
| Growth Score | B |
| Momentum Score | D |
| VGM Score | D |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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