BERNSTEIN
SOCIETE GENERALE GROUP

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Global Semiconductors

Global Semis: The CPU Renaissance? Beneficiaries of a $223bn TAM...


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The shift from gen AI paradigm from 1.0 (chatbot) to 2.0 (agent) greatly increases server CPU demand. As discussed in SoftBank, Arm: From GenAI to Agentic AI; Initiating with Outperform Ratings, Agentic AI involves heavily autonomous task orchestration and execution, which boosts the CPU workload vs. GPU. With the shift from chatbot to agentic AI, the CPU:GPU ratio for AI data center is surging from 1:4 or 1:8 to 1:1 or higher.

We raise server CPU TAM to $223bn ($137bn prior) in 2030 in the base case, 6x of the 2025 TAM of $37bn. This assumes $3.5tn of AI data center capex, and 1:1 CPU:GPU pairing ratio for inference. An alternative approach with 120mn CPU cores/GW yields similar TAM. Our previous forecast of $137bn is now the bear case (assuming $3tn AI capex, 1:2 CPU:GPU), while the upside now sits at $330bn ($4tn AI capex, 1.5:1 CPU:GPU).

Raising Arm PT to $500, as Arm is the structural beneficiary of the renaissance of CPUs for agentic AI. Arm architecture is suitable for agentic AI workload given its unparalleled power efficiency. In addition, Arm is shifting from just IP provider to CPU maker, aiming to capture $15bn revenue by CY2030, but we now forecast $22bn as we revise CPU TAM to $223bn in 2030 (from $137bn). Arm's 2030 EPS (FYE31) is now lifted to $11.79 ($9.83 prior). Based on 42x P/E (40x prior), we **lift Arm's PT to $500 (21% upside)**. Given the lifted PT of Arm, we also **raise SoftBank PT to ¥11,200 (58% upside)**, based on 30% discount to pro-forma NAV of $572bn.

Updating numbers, raising AMD and INTC PTs. Both companies should benefit from stronger (and more sustained) server demand, though AMD's products remain superior for now (and we believe they will continue their share gain trajectory). Our existing AMD model was already consistent with a stronger server CPU environment and estimates move marginally, however we are now bringing our INTC model inline with those assumptions and are raising estimates more materially; we also roll valuation horizon forward for both to CY27/28 avg (vs CY27 prior) given we are about halfway through the year. Our AMD PT moves to $600; INTC to $100. We rate AMD OP, INTC MP.

Hygon will benefit from strong x86 CPU demand and gain share in China. We expect China to outpace global x86 growth from 2028 onward, with the easing of advanced-node supply constraints in China and accelerating AI investment unlocking CPU potential. We expect Hygon to steadily expand its share of China's x86 server CPU market, exceeding 35% by 2030, as it increasingly penetrates into CSPs, beyond its traditional customer base of government and SOEs, supported by improved interoperability with domestic AI chips and potentially constrained supply from global vendors. We updated Hygon projection to reflect that, revising up 2027/2028 EPS to CNY 3.6 / 6.3, raising PT to CNY 450.

What could go wrong? We're still assessing if foundry/memory capacity will be sufficient to support the CPU growth. Additionally, the value of GPU/accelerator embeds the value of HBM & the markup charged by NVDA, etc. now but the high cost of memory including HBM may prompt hyperscalers to source directly from memory suppliers. Our projection is based on CPU/accelerator value & will have a downside risk if that happens.

See the Disclosure Appendix of this report for required disclosures, analyst certifications and other important information. Alternatively, visit our Global Research Disclosure Website.

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BERNSTEIN TICKER TABLE

			15 Jun 2026		TTM	Adjusted EPS				Adjusted P/E (x)	
Ticker	Rating	Cur	Closing Price	Price Target	Rel. Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
ARM (ARM Holdings)	O	USD	412.55	**500.00**	160.6%	USD	1.77	**2.25**	**3.21**	233.1	183.3	128.6
OLD				300.00				2.28	3.12			
9984.JP (SoftBank)	O	JPY	7,102.00	**11,200**	180.6%	JPY	872.47	**282.49**	**159.10**	8.1	25.1	44.6
OLD				8,200.00				251.35	152.44			
688041.CH (Hygon)	O	CNY	294.31	**450.00**	72.0%	CNY	1.10	**2.04**	**3.59**	267.6	144.0	81.9
OLD				280.00				2.42	3.48			
AMD (Advanced Micro)	O	USD	547.26	**600.00**	290.9%	USD	4.17	**6.98**	**14.61**	131.1	78.5	37.4
OLD				525.00				6.95	14.60			
INTC (Intel)	M	USD	127.86	**100.00**	457.2%	USD	0.43	**1.07**	**1.50**	299.9	119.4	85.0
OLD				65.00				1.04	1.35			
NVDA (NVIDIA)	O	USD	212.45	315.00	20.4%	USD	4.77	9.19	12.52	44.5	23.1	17.0
SPX			7,511.35									
JPL			2,631.42									
ASIAX			2,032.93									

PRICE TARGET CHANGE / ESTIMATE CHANGE IN BOLD

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

688041.CH estimate is Reported EPS; 688041.CH valuation is Reported P/E (x); ARM, NVDA base year is 2026;

In the ticker table, 2026 represents FY27/3 for SoftBank and FY26/3 for ARM.

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

We rate **SoftBank** (PT=¥11,200) and **Arm** (PT=$500.00) **Outperform**.

AMD (Outperform, $600.00): Expectations remain high, but exposure to AI demand driving both a CPU and GPU story can provide substantial growth.

INTC (Market-Perform, $100.00): Server strength is helping the company get back on their feet, and narrative/headlines may fuel the vibe for now.

NVDA (Outperform, $315.00): The datacenter opportunity is enormous, and still early.

We rate **Hygon** (PT=CNY 450.00) **Outperform**: we raise our PT from CNY 280 to CNY 450, based on 2028E EPS of CNY 6.30 (+32% vs Bern. Old) and 71x P/E (Previously was Outperform, 80x P/E based on 2027E EPS CNY 3.48, PT CNY 280).

DETAILS

We raise our 2030 server CPU TAM to $223bn on the back of higher AI investments and strong CPU:GPU pairing ratio, and our prior forecast of $137bn is now moved to the bear case (Exhibit 1). On the back of that, we raise PTs for Arm, SoftBank, AMD, Intel, Hygon. Our Server CPU Industry model can be downloaded here: Server CPU Industry Model. Updated Arm financial model can be downloaded here: Arm (Arm.US).

EXHIBIT 1: **We believe 2030 server CPU TAM will be $223bn in the base case of $3.5tn AI capex.**

CY	2025	2030 Base	2030 Bull	2030 Bear
AI GW additions	15	70	80	60
AI capex intensity (bn / GW)	40	50	50	50
AI capex ($ bn)	600	3,500	4,000	3,000
AI GPU/accelerator TAM ($ bn)	240	1,575	1,800	1,350
Inference ratio	35%	70%	70%	70%
AI GPU for inferencing ($ bn)	84	1,103	1,260	945
CPU:GPU ratio (inference)	0.25x	1.0x	1.5x	0.5x
AI GPU for training ($ bn)	156	473	540	405
CPU:GPU ratio (training)	0.25x	0.50x	0.50x	0.50x
CPU:GPU cost ratio	10.0%	13.0%	13.0%	13.0%
CPU for agentic AI ($ bn)	6.0	174.0	280.8	87.8
CPU for general CPU server ($ bn)	31.3	49.4	49.4	49.4
CPU TAM ($ bn)	**37.3**	**223.4**	**330.2**	**137.2**

Source: Company disclosures, Mercury, Bernstein estimates and analysis.

RENAISSANCE OF CPU IN THE AGENTIC AI PARADIGM

Since the rise of LLM, GPU/ASIC accelerators have been the core of AI computing. While training clusters once required a dense 4:1 ratio to handle heavy data-loading, the focus shifted toward eliminating the 'CPU tax' that plagued high-scale inferencing. In custom inference-optimized deployments like Google's TPU v6e and Meta's Grand Teton, the GPU-to-CPU socket ratio moved to 8:1.

Agentic AI is pushing the CPU back to center stage (Exhibit 2) because AI systems are no longer just running a model once and returning an answer. The GPU still performs the dens maths, but the CPU increasingly determines whether the system as a whole can orchestrate the surrounding workflow efficiently — feeding data, scheduling tasks, coordinating tool calls, manage memory and avoid accelerator idling.

This is why the next generation of AI infrastructure is likely to see more balance in terms of hardware pairing, meaning CPU is no longer a small support component attached to a large pool of accelerators in the agentic era. We expect the GPU-to-CPU ratio potentially narrowing back to 1:1 from a very GPU-heavy 4:1 or 8:1 configurations. The 2026 hardware roadmaps are already moving in that direction:

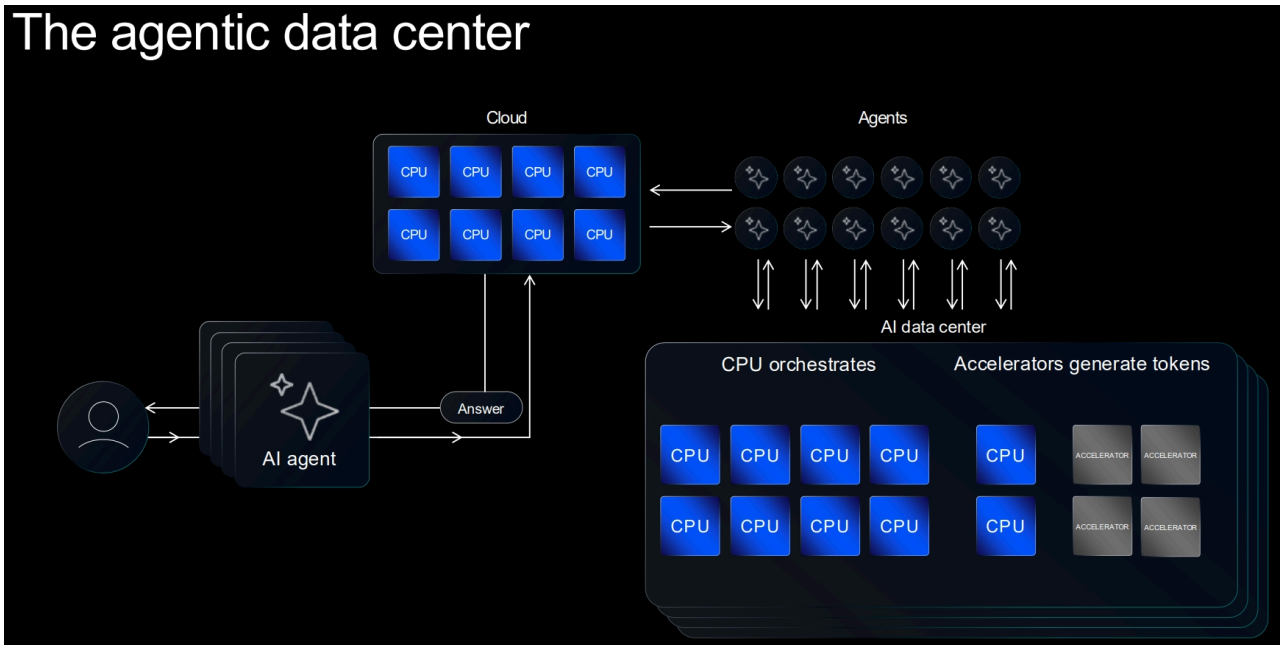
- AMD Venice: 1 CPU to 4 MI455X GPUs per compute tray.
- NVIDIA Vera: 1 CPU to 2 Rubin GPUs (4 GPU dies) per superchip.
- Google TPU7x: 1 CPU to 4 TPU chips per scale-up unit.

The GPU/CPU pairing is especially important in agentic workloads because inference is turning into a loop instead of a single pass. A request may trigger retrieval, planning, tool use, intermediate reasoning, another model call, and then action, which means the GPU does the heavy compute while the CPU keeps the workflow moving efficiently; if the CPU is weak, expensive GPUs can sit underutilized, and the overall system becomes slower and less efficient.

Agentic AI also increases pressure on networking and distributed infrastructure, which strengthens the CPU's role even further (Exhibit 3, Exhibit 4). As workloads stretch across servers, clusters, and locations, the system has to move state, manage traffic, and coordinate resources in real time, so the CPU becomes critical not only inside the server but across the wider data-center fabric that supports autonomous AI execution.

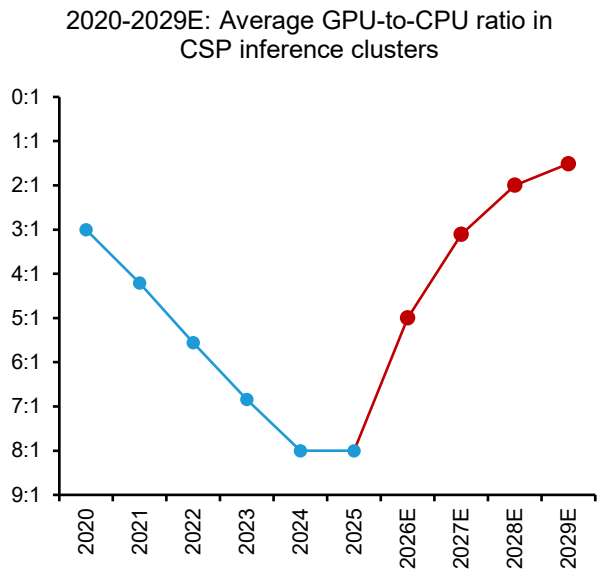
Arm CPUs stand out in this environment because the new bottleneck is not only peak performance but efficient orchestration under power and space limits. As operators need more CPU capacity to support growing numbers of AI agents, Arm's pitch around performance per watt, high core density, and scalable data-center compute becomes more compelling, which is why agentic AI is helping bring CPUs back into focus and giving Arm a stronger strategic role in the next phase of AI infrastructure.

EXHIBIT 2: **Arm argues that agentic AI shifts more work back to the CPU: accelerators generate tokens, but CPUs orchestrate the agents, memory and workflows needed to deliver answers, making Arm's efficient CPU architecture increasingly critical in AI data centers**



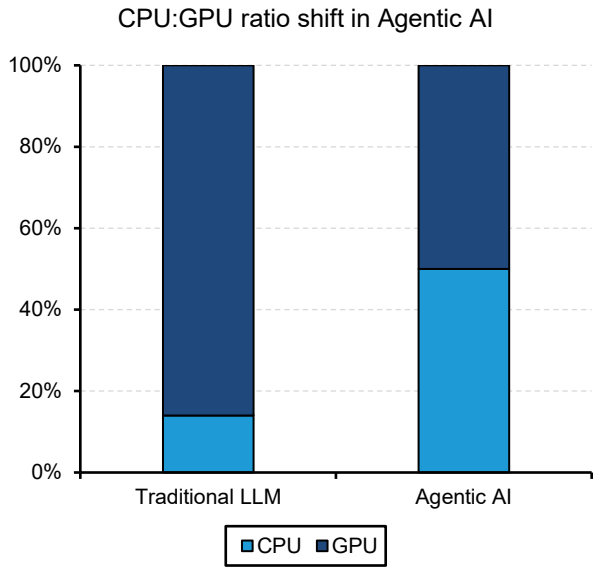
Source: Arm

EXHIBIT 3: **CPU is expected to play a more important role within inference, in the agentic area.**



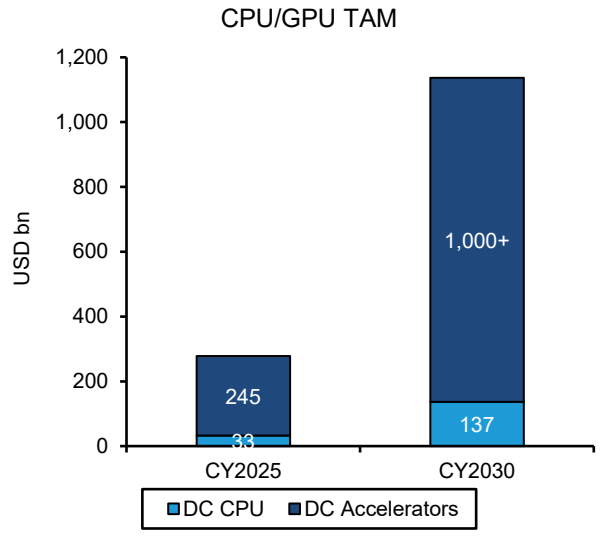
Source: Ciena estimates, Bernstein analysis.

EXHIBIT 4: **Agentic AI shifts compute balance toward CPUs, with CPU share rising from ~14% in Traditional LLMs to 50%, highlighting CPUs' growing orchestration role alongside GPUs in AI workloads at scale**



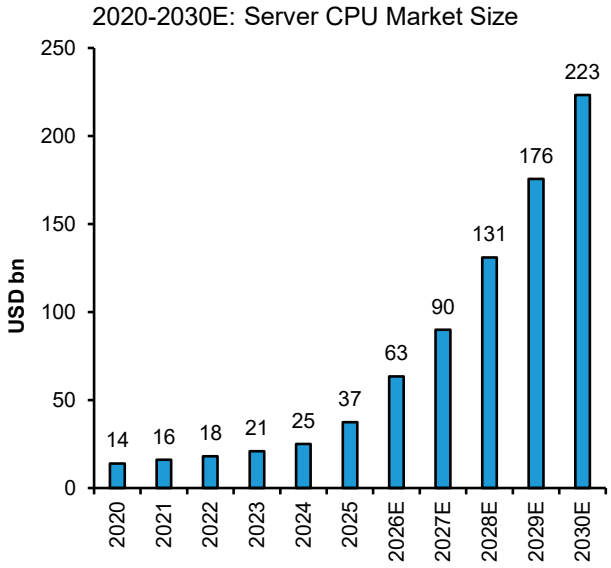
Source: TrendForce, Bernstein analysis

EXHIBIT 5: **AI infrastructure TAM expands sharply by CY30, led by data center accelerators reaching $1T, while data center CPU also quadruples from $33bn to $137bn.**



Source: Mercury, Company reports, Bernstein estimates and analysis.

EXHIBIT 6: **We expect the server CPU market to grow from US$37bn in 2025 to US$223bn in 2030, accelerating at a 43% CAGR, driven by Agentic AI adoption.**



Source: Mercury, Company reports, Bernstein analysis and estimates

RAISING 2030 SERVER CPU TAM FORECAST TO $223BN

Within our initiation of Arm, we forecast the CY30 data center CPU TAM of $137bn, well above both Arm's own estimates of $100bn and AMD's $120bn, on the basis that agentic workloads require much more CPU intensity.

Since our initiation, there are quite a few incremental developments, including better-than-expected agentic AI adoption, and higher-than-expected AI GW and capex spending. Nvidia also guided for a $20bn revenue from Vera CPU which should also be positive for Arm. The other notable data point that was provided by Nvidia was the annual AI infrastructure spending forecasts of over $1tn by 2027 and $3-4tn towards the end of the decade.

Based on these data points, we revise our top-down estimates for the server CPU TAM to $223bn (Exhibit 7), with the following assumptions:

- AI capex of $3.5 tn in 2030, implying 70 GW AI data center deployment at $50bn / GW
- AI GPU (including ASIC accelerator) market of $1.6 tn, or 45% of AI DC capex
- CPU:GPU unit ratio of 1:1 for inferencing and 0.5:1 for training, and CPU ASP as 13% of GPU
- This results in server CPU TAM of $223bn, including $174bn for agentic AI workload and $49bn for non-AI workload

We also did a sanity check based on an alternative method of CPU core count:

- According to Arm, agentic AI workload requires 120mn CPU cores / GW, vs. traditional data center requiring only 30mn cores / GW
- This translates into 8.4bn server CPU cores for 70 GW AI data center deployment in 2030
- AI CPU TAM would be $168bn in 2030 assuming $20/core (likely conservative), similar to the $174bn calculated above

Our sensitivity analyses suggest that even a rather conservative take of this figure implies a meaningful agentic CPU opportunity.

- In the bear case, the main assumptions are $3tn AI capex, combined with a CPU-to-GPU ratio of 0.5x for inference. The server CPU TAM then would be $137bn, matching our previous forecast which now looks somewhat conservative.
- In the bull case, we assume $4tn AI capex, combined with a CPU-to-GPU ratio of 1.5x for inference. The resulting server CPU TAM would be $330bn.

A sensitivity table for various assumptions is also listed in (Exhibit 8). Investors can play with these assumptions in the updated CPU TAM model.

EXHIBIT 7: **We believe 2030 server CPU TAM will be $223bn in the base case of $3.5tn AI capex.**

CY	2025	2030 Base	2030 Bull	2030 Bear
AI GW additions	15	70	80	60
AI capex intensity (bn / GW)	40	50	50	50
AI capex ($ bn)	600	3,500	4,000	3,000
AI GPU/accelerator TAM ($ bn)	240	1,575	1,800	1,350
Inference ratio	35%	70%	70%	70%
AI GPU for inferencing ($ bn)	84	1,103	1,260	945
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CPU for agentic AI ($ bn)	6.0	174.0	280.8	87.8
CPU for general CPU server ($ bn)	31.3	49.4	49.4	49.4
CPU TAM ($ bn)	**37.3**	**223.4**	**330.2**	**137.2**

Source: Company disclosures, Mercury, Bernstein estimates and analysis.

EXHIBIT 8: **Our sensitivity analysis on CPU tie ratio and AI infra TAM suggests a range of $137bn-$330bn.**

Total Server CPU TAM (USD bn)

CPU-to-GPU Tie ratio	AI infrastructure TAM (USD bn)				
(USD bn)	2,500	3,000	3,500	4,000	4,500
0.5:1	123	**137**	152	166	181
1.0:1	174	199	**223**	248	273
1.5:1	225	260	295	**330**	365
2.0:1	276	321	367	412	457
2.5:1	327	383	438	494	550

This sensitivity assumes non-AI CPU CAGR of 9.5%.
Source: Bernstein estimates and analysis.

ARM: STRUCTURAL BENEFICIARY OF SERVER CPU TAM

ARM'S SHARE GAIN IN SERVER CPU

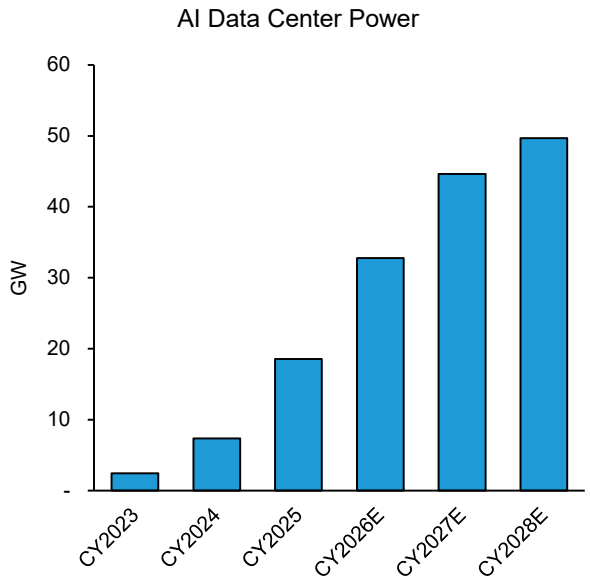
Why Arm could gain share from x86 in server CPU?

The core economic case is performance per watt and total cost of ownership. AWS states Graviton delivers up to 40% better price performance versus comparable x86 instances, up to 20% lower cost, and up to 60% lower energy consumption for equivalent workloads on certain use cases. Microsoft Azure notes that each vCPU on Cobalt 100 maps to a full physical core, making performance more predictable for server workloads versus x86 designs that use hyperthreading to inflate vCPU counts.

Beyond economics, hyperscalers gain architectural control. Designing in-house CPUs lets them shape the memory subsystem, I/O, accelerator interconnects, and security offload to fit their own infrastructure rather than relying on the roadmap of a merchant silicon vendor. This is why each major CSP has now committed to a multi-generation internal CPU program built on Arm Neoverse cores.

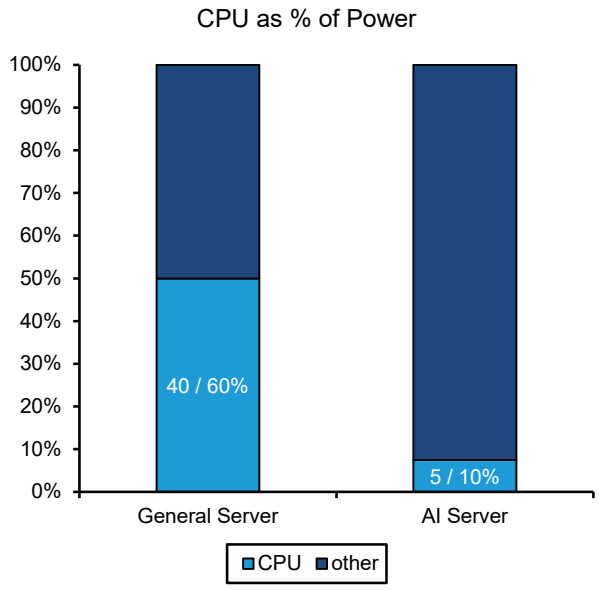
Above all, power consumption is one of the biggest reasons that Arm CPUs are much more likely to be adopted in AI data centers. The world is facing an energy issue that not enough electricity is available to power the new data centers. According to our forecast, AI accelerator power will almost 3x to reach 37 GW to be deployed in 2028. Including the power for CPU, memory, networking, etc, the total power consumption of AI data center would surpass 50 GW. As we can't do much to cut down power consumption of GPU/AI accelerators, using Arm server to reduce power consumption becomes the only viable choice.

EXHIBIT 9: **We estimate AI accelerator GPU power reaches ~37GW in 2028 versus 12.8GW in 2025, a 43% CAGR over 2025–2028E. If we assume GPUs to account for ~70% of server power, total AI data center demand scales from ~18GW in 2025 to ~53GW in 2028.**



Source: Company reports, Bernstein analysis and estimates

EXHIBIT 10: **CPU represents between 40% and 60% of power consumption in a general server, but only 5–10% in an AI server, where most power is consumed by AI accelerators.**



Source: Bernstein analysis and estimates

CSP CPU Roadmaps and Arm Penetration

AWS, Microsoft, and Google have each built Arm-based CPU programs (Exhibit 11) that are deepening Arm's data center presence across generations. According to Arm, their penetration at data centers has surpassed 50% among top hyperscalers with over 1bn Neoverse cores deployed.

- **AWS:** As the largest IaaS provider with 47% market share as of 2024, AWS is also the dominant deployer of Arm-based instances, with 57.2% of Arm instances across the public cloud as of 2024 year-end being deployed at AWS. AWS was the first mover to deploy Arm processors on public cloud, debuting their first arm-based instance back in 2018. As of December 24, according to Liftr Insights, Arm-based **Graviton** represented 25% of the total instances deployed at AWS.

- **Microsoft Azure:** As the second largest IaaS provider with 17% market share as of 2024, Azure also heavily deploys Arm-based instances, with an estimated 33% of chips being Arm-based as of Q4 2024. This is a rapid ramp considering their first Arm processor **Cobalt** 100 debuted only in 2024. (What performance and efficiency does Microsoft Azure Cobalt 100 VMs deliver using Arm Neoverse performance? - Arm Newsroom)

- **Google GCP:** Google was the third biggest IaaS provider as of 2024 with 7% market share, and they too have ramped Arm instances rapidly, with an estimated 21% share of all instances being **Axion**, which was introduced in 2024.

Why Nvidia uses Arm CPUs

Nvidia's motivation for Arm is distinct from the hyperscalers: in AI and HPC systems, the critical bottleneck is more in data movement between the CPU, memory pool, and GPU - rather than raw CPU instruction throughput or enterprise application compatibility. Nvidia says its **Grace** CPU (72 Neoverse V2 cores per die, 144 cores in the Grace CPU Superchip using dual-die NVLink-C2C delivering up to 1.0 TB/s of LPDDR5X memory bandwidth) benefits from the NVLink-C2C interconnect that carries up to 900 GB/s bidirectional bandwidth between the CPU and Blackwell GPU - versus PCIe Gen 5's ~128 GB/s. The second-generation NVLink-C2C used in GB200 racks achieves 1.8 TB/s of bidirectional bandwidth, 7x faster than PCIe Gen 6. (NVIDIA Grace CPU Delivers World-Class Data Center Performance and Breakthrough Energy Efficiency | NVIDIA Technical Blog, NVIDIA Grace CPU and Arm Architecture | NVIDIA)

Grace was first deployed in the **GH200 Grace-Hopper Superchip** for HPC/AI clusters starting in 2023. The major inflection came in 2025 when Nvidia standardized on the **DGX GB200** rack form factor - bundling one Grace CPU with two Blackwell GPUs per Superchip, with each DGX GB200 rack containing 36 Grace CPUs and 72 Blackwell GPUs, totaling 2,592 Arm Neoverse V2 cores per rack. This shift from the standalone HGX/MGX GPU tray format toward integrated DGX rack-scale deployment materially increased Arm CPU unit volume in AI server shipments.

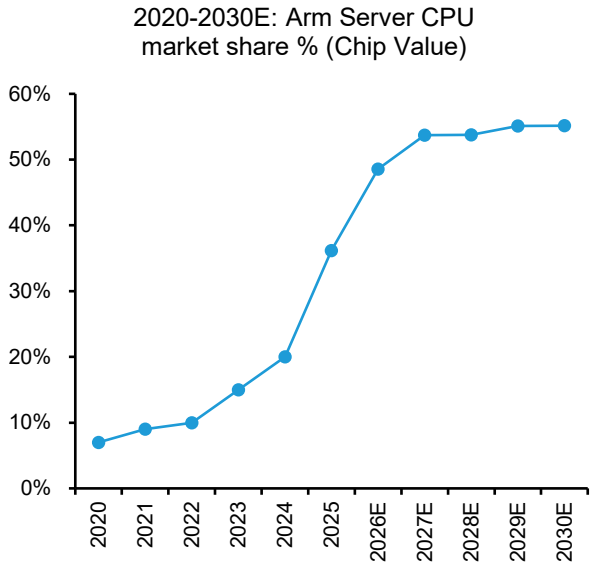
The Nvidia **Vera** CPU (successor to Grace, launching with Rubin GPUs in 2026) further raises the bar: Vera delivers up to 1.2 TB/s of memory bandwidth — twice the bandwidth at half the power compared to traditional x86 CPUs - and is built on Nvidia's proprietary Olympus CPU cores, a custom Arm architecture designed for Reinforcement Learning and agentic AI workloads. Vera enables software environments to run up to 50% faster with twice the efficiency of conventional CPU infrastructure. (Next Gen Data Center CPU | NVIDIA Vera CPU)

EXHIBIT 11: **Compariison of Server CPU specifications for Arm ASICs, Nvidia custom CPUs and x86.**

Specification	Arm Cloud ASICs			NVIDIA	x86 Flagships	
	Microsoft Cobalt 200	Google Axion C4A	AWS Graviton 5	NVIDIA Vera	Intel Xeon 6 6980P	AMD EPYC 9965
ISA	Arm v9	Arm v9	Arm v9	Arm v9	x86-64	x86-64
Microarchitecture	Neoverse V3 (CSS)	Neoverse V2	Neoverse V3	Nvidia Olympus (Custom)	Granite Rapids	Turin Zen 5c
Process Node	TSMC 3nm	TSMC 5nm	TSMC 3nm	TSMC 3nm	Intel 3 (~4nm)	TSMC 3nm
Deployment	Cloud (Azure)	Cloud (GCP)	Cloud (AWS)	Universal	Universal	Universal
Release Date	Nov 2025	Oct 2024	Dec 2025	2H 2026	Sep 2024	Oct 2024
Physical Cores	132	72	192	88	128	192

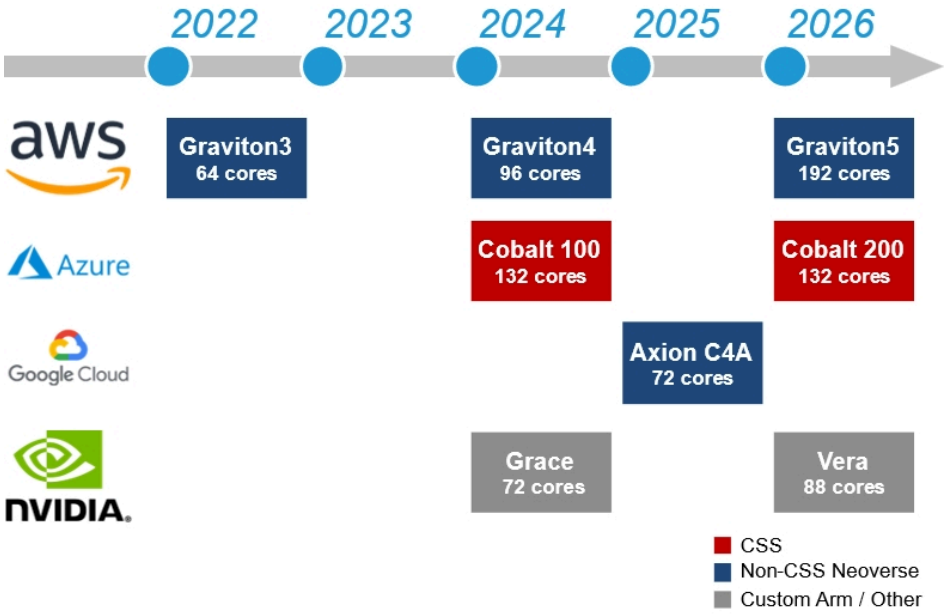
Source: Company disclosures, Bernstein analysis.

EXHIBIT 12: **We expect Arm's market share to continue the strong trend of growth.**



Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 13: **Roadmap of CPUs based on Arm IP**



Source: Company disclosures, Bernstein analysis

ARM AGI CPU: DRASTIC CHANGE IN BUSINESS MODEL TO CAPTURE THE GROWING OPPORTUNITY

At Arm Everywhere event in March 2026, Arm announced an important strategic move to provide their own silicon, the Arm AGI CPU, after decades of monetizing primarily through IP licensing and royalties, making clear that the silicon offering will complement - rather than replace - its existing IP and CSS businesses.

Their rationale was that not every client can design CPUs of their own, so companies like Meta, - which Arm identified as the first customer, lead partner and co-developer - and OpenAI can just buy Arm's CPUs, while other CSPs such as Amazon, Google

and Microsoft who can keep licensing Arm IPs for their CPU endeavours. Alongside Meta and OpenAI, they also confirmed many other partners including Cerebras, Cloudflare, F5, Positron, Rebellions, SAP and SK Telecom. These customers are expected to deploy Arm AGI CPU for agentic usage. Arm partners with OEMs and ODMs, as well as other supply chain partners across cloud, memory, networking, manufacturing and many other aspects, such as AWS, Broadcom, Google, Marvell, Micron, Nvidia, Samsung, SK hynix and TSMC among many others.

Financially, the model change is clearly margin dilutive in percentage terms, but very likely accretive in gross profit dollars and operating profit dollars. Management's event target was for the AGI CPU business to reach $15bn of revenue by FY31, with total company revenue of $25bn and non-GAAP EPS of $9, with AGI CPU OPM is expected to exceed 30% by FY31. We believe the key point is that Arm is choosing to trade some margin rate for a dramatically larger profit pool. Just as importantly, management said the required engineering investment is already largely embedded in today's cost base, meaning the near-term P&L is already carrying much of the R&D burden, while the revenue opportunity from silicon only starts to appear from much later on to bring the operating leverage once volume scales.

Our estimate bases on a more aggressive assumption and we forecast $22bn chip value as of FY31 (Exhibit 14) which roughly equates to c. 4.9mn CPU units based on $4.6k ASP in FY31. We believe Arm silicon should generate $7.7bn OP (or 52% of corporate OP) in FY31 in our forecast (Exhibit 15).

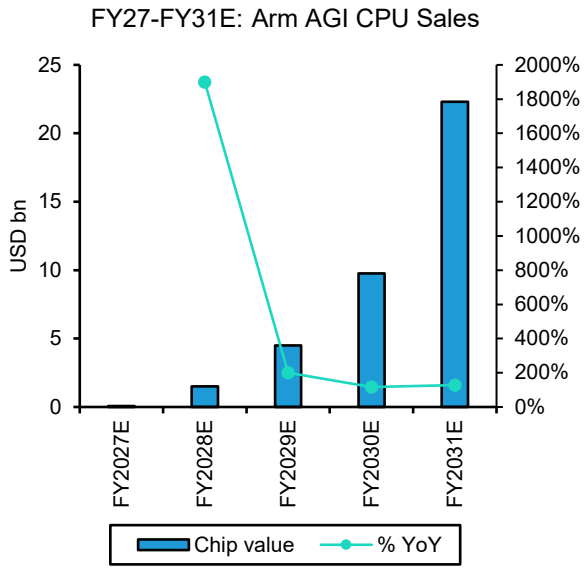
How we frame the server CPU model for Arm

Our key assumptions on how we think of the server CPU demand are as follows. First of all, we assume that the big 3 CSPs (AWS / Google Cloud / Azure) continue to mainly use their own captive ASIC CPU chips.

Also, for Nvidia, we believe that aside from the CPUs bundled within the superchips (CPUs packaged with GPUs), Nvidia is to release standalone CPU racks for agentic workloads, but the important distinction being these will be entirely sold in rack-scale and as a system, rather than bare-metal CPUs.

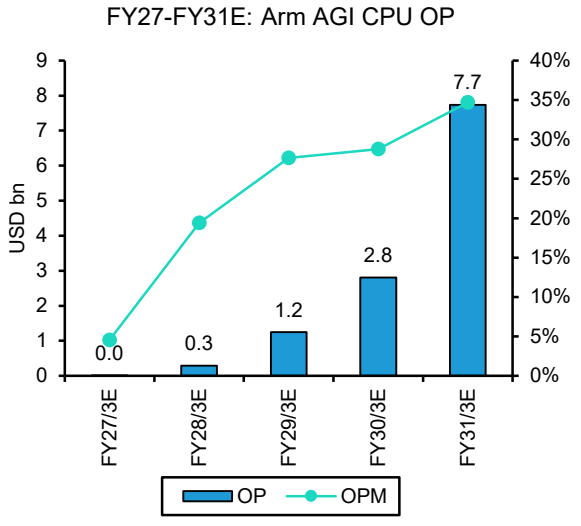
Lastly, Arm AGI CPU will address the need for merchant CPU for any CSPs and/or customers who elect to build their own systems based on Arm architectured CPUs, instead of buying a full system from a third-party vendor (including Nvidia), to suit their specific computing needs.

EXHIBIT 14: **We now forecast Arm AGI CPU sales to reach $22bn by FY31.**



Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 15: **We believe OP contribution from Arm silicon could go as high as $7.7bn as of FY31.**



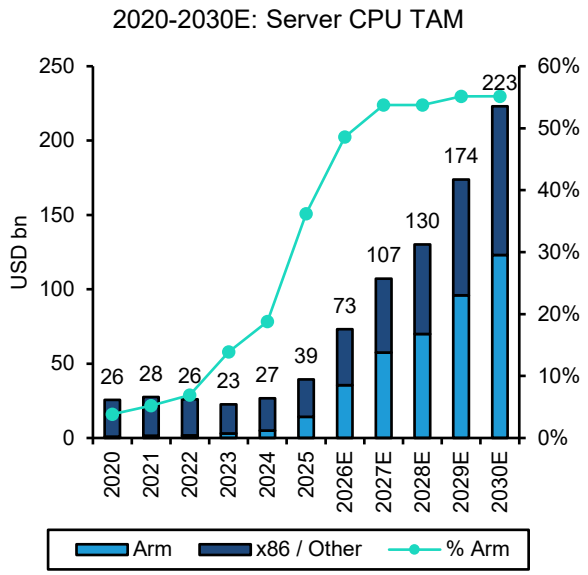
Source: Company disclosures, Bernstein estimates and analysis.

Our Arm server CPU model is built bottom-up across four distinct sets of demand: 1. Nvidia-related Arm CPUs, 2. hyperscaler in-house CPUs, 3. Arm's own CPU silicon business, and 4. other merchant / enterprise Arm CPUs . We believe this segmentation

enables us to identify the different adoption driver, volume logic, royalty profile as well as strategic implications for Arm. At a high level, we estimate the server CPU TAM rising sharply towards the end of the decade as agentic demand shifts the balance between accelerators and CPUs. Our bottom-up 2030 server CPU TAM is $223bn, of which we estimate Arm to take $123bn (Exhibit 16).

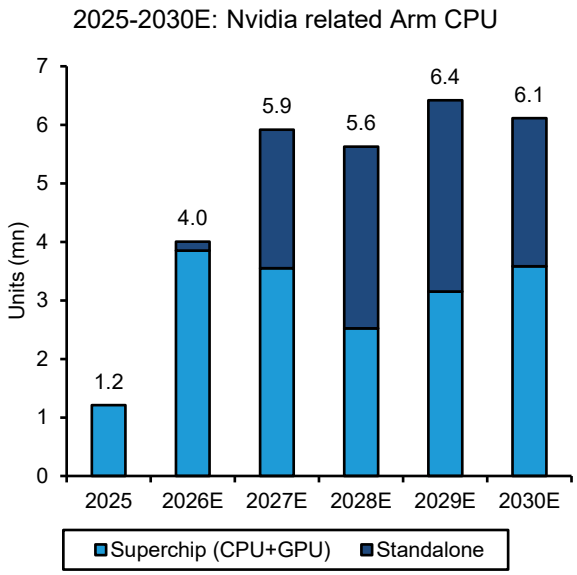
In terms of the different demands, firstly on Nvidia, we break it down further into GPU-attached racks and standalone CPU racks. The former is based largely on our CoWoS-based GPU estimates and the attach rate (or rather, how much GPU is sold in rack-scale instead of standalone), and the latter is based on how much agentic demand will be met by Nvidia CPUs, and how many CPUs are to be attached as a result. We model it to grow significantly from 1.2mn units in CY25 to 6.1mn units in CY30 (Exhibit 17).

EXHIBIT 16: **We estimate a 2030 server CPU TAM of $223bn, of which we believe Arm will be around $123bn.**



Source: Company disclosures, Mercury, Bernstein estimates and analysis.

EXHIBIT 17: **We estimate Nvidia-related Arm CPU units to grow by 5x by 2030.**

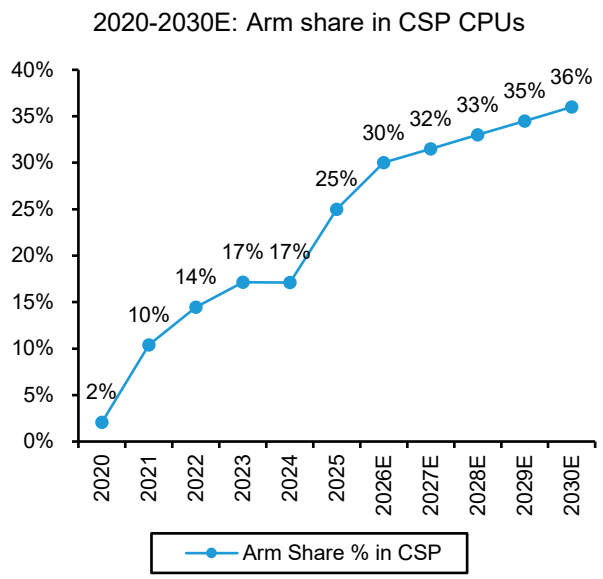


Source: Company disclosures, Bernstein estimates and analysis.

For hyperscaler in-house CPUs, such as AWS Graviton and Google Axion, we model it as a function of server unit assumptions as well as ODM-direct server exposures, and applying Arm penetration within the CSP server base. In our model, we assume Arm penetration to grow from 25% in CY25 to 36% in CY30 (Exhibit 18).

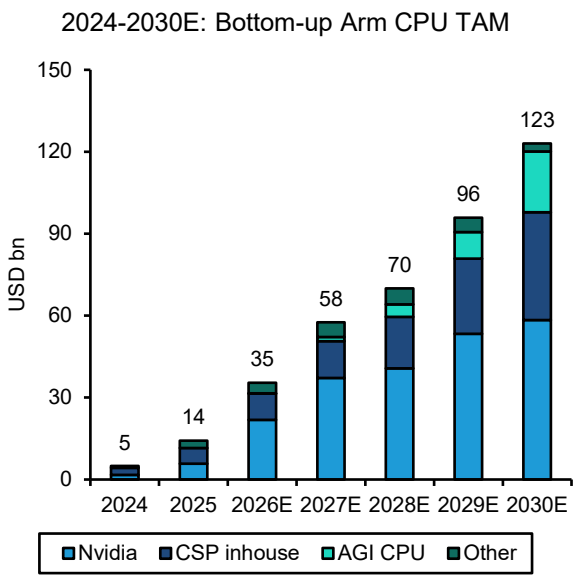
Including other / merchant Arm CPUs including Arm's own AGI CPU, our bottom up TAM estimates for 2030 closely matches the top-down $123bn, of which in Nvidia related demand comprises $58bn, CSP ASIC portion $39bn, Arm AGI CPU $22bn (Exhibit 19), with the majority still being Nvidia / CSP-related custom chip demand.

EXHIBIT 18: **We expect a stable increase in Arm's share within CSP CPUs, reaching 36% in 2030.**



Source: Company disclosures, Mercury, IDC, Bernstein estimates and analysis.

EXHIBIT 19: **Within the estimated 2030 TAM of $123bn, Nvidia / CSP demand comprises the majority.**



Source: Company disclosures, Bernstein estimates and analysis.

ARM'S ROYALTY IN SERVER CPUS

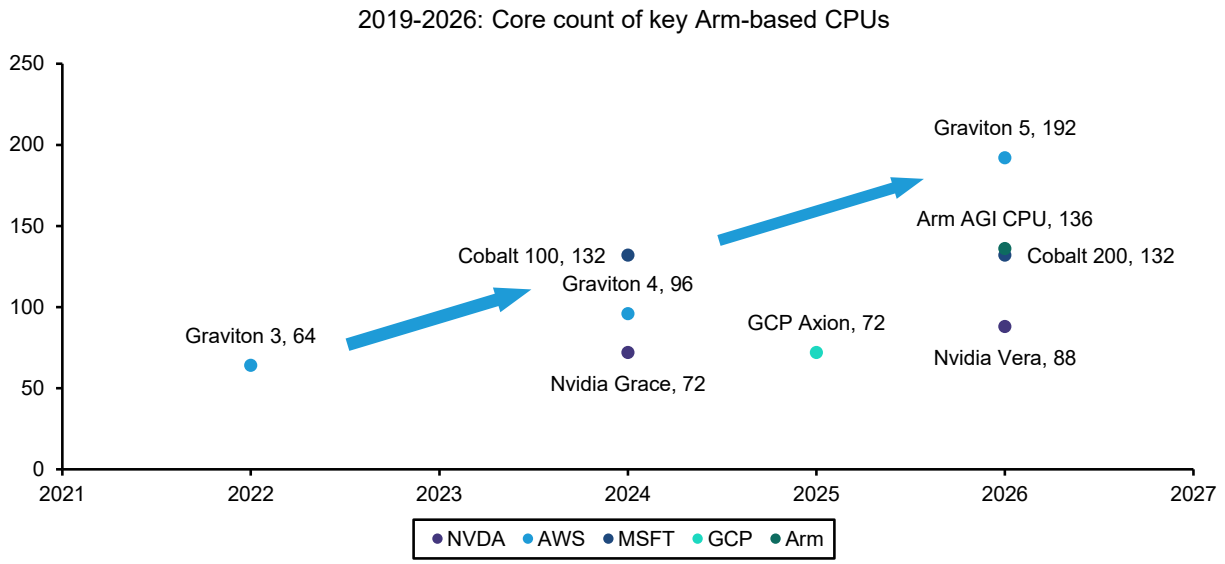
Royalty increase in Arm server CPUs driven by core count and increased royalty rate

Even before the AGI CPU contribution, Arm's cloud CPU royalty model is already becoming materially more attractive. Arm said in its Q3 2026 earnings that cloud AI / general-purpose data-center royalty revenue grew more than 100% YoY, Neoverse deployments surpassed 1bn cores, and Arm's share among top hyperscalers was expected to approach 50%.

The first driver is that **core counts** are rising fast (Exhibit 20). AWS Graviton 5 now has 192 cores, up 2x versus Graviton 4; NVIDIA Vera has 88 Arm-based cores versus 72 for Grace; and Microsoft's Cobalt 200 has 132 cores. At Arm Everywhere event, management indicated that the next wave of cloud CPUs could move into the 200-300 core range and, in some cases, toward 500 cores over time.

We think the underlying reason is the same one driving the AGI CPU opportunity: the workload mix is changing. Agentic and always-on inference shifts more of the bottleneck toward orchestration, memory handling and coordination work, which in turn increases the need for higher core count, power-efficient CPUs in AI clusters. Arm themselves said the shift toward agent-based inference is redefining AI data-center designs and raising demand for CPU chips with even more power-efficient cores.

EXHIBIT 20: **Core count for server-side CPUs is increasing.**



Source: Company disclosures, Bernstein analysis.

The second driver is **higher royalty per core**. Currently, Arm's licensees pay roughly $0.50/core for first-generation v9 server CPUs, around $1/core for first-generation CSS (Compute Subsystem), and potentially $1.50/core for later CSS generations, with more upside in future generations. In other words, Arm is not only getting paid on more cores, but on more valuable cores, and CSS is central to that step-up.

Arm describes CSS as pre-integrated, pre-validated, performance-validated subsystem products that help partners reach production silicon faster. In other words, CSS sits above the core level: it wraps CPU cores with coherent interconnect, MMU/NOC system IP, memory channels, and I/O so a chip company does not have to assemble the whole server platform from scratch.

The company has said CSS adoption is a major tailwind to royalty growth, and customers can save substantial engineering effort and accelerate time-to-market by up to roughly a year. Arm also says CSS customers have reported getting from kickoff to working silicon in 13 months and saving 80 engineering years by offloading non-differentiated design and validation work. That higher value proposition is what allows Arm to charge materially higher royalties than for core IP alone.

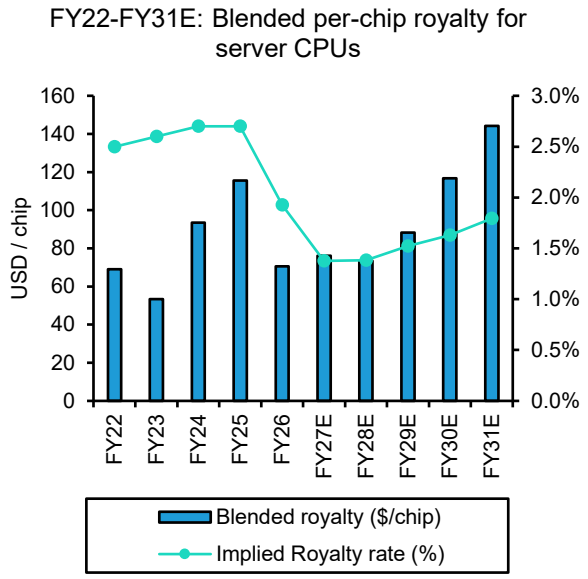
CSS includes more than Neoverse cores alone, bundling the cores with CMN mesh, system IP, system management, power management, software, and development tools needed to bring a platform to market quickly. Arm positions this as the fastest path to production silicon for cloud, AI, 5G, and networking chips because partners can focus on customization instead of rebuilding the common infrastructure around the cores.

The cadence of product refreshes also matters. Management's notes suggest server CPUs used to refresh every two to three years, but increasingly move on an annual cadence, which in practice makes CSS more valuable because customers need faster turn times to stay on the latest node and architecture. That dynamic should support both more frequent licensing activity and a faster mix shift toward higher-royalty generations.

In cloud specifically, the early evidence of that shift is already visible. Microsoft's Cobalt family is explicitly built on Neoverse CSS. Company also mentioned that CSS should exceed 10% of cloud AI royalty by FY27, and rise above 30% by FY29 and exceed 50% by FY31. If that progression is broadly right, the royalty mix should keep skewing toward higher-value server designs over the next several years.

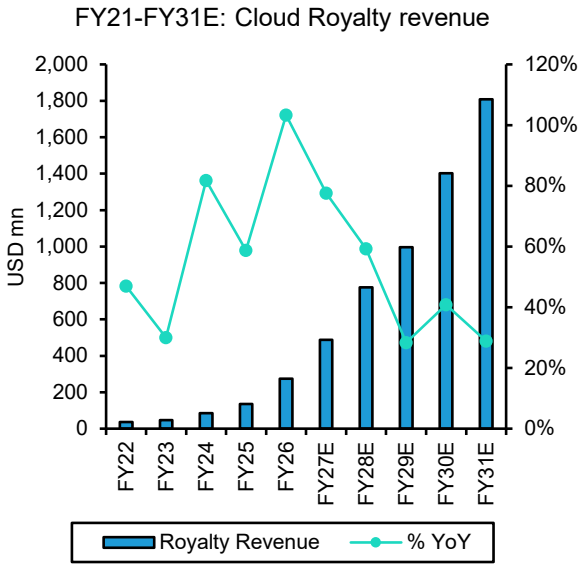
In conclusion, we see strong growth in Arm's server royalty revenue (Exhibit 22), reaching $1.8bn in FY31 from ~$135mn in FY25, driven by the increasing core count as well as higher per-core royalty rate, resulting in as structural server CPU royalty growth even before giving Arm any credit for its own AGI CPU silicon revenue.

EXHIBIT 21: **We expect per-chip royalty to drop in FY26-FY27 due to Grace / Vera, but expect strong growth going forward due to increase in royalty rate.**



Source: Company disclosures, IDC, Mercury, Bernstein estimates and analysis.

EXHIBIT 22: **We expect a strong growth in cloud royalty revenue.**



Source: Company disclosures, Bernstein estimates and analysis.

FINANCIALS AND VALUATION CHANGE

Exhibit 23 summarizes our estimate changes. We keep our estimates for all the segments other than server CPUs.

In terms of valuation, Arm has rerated significantly over the past month, and Arm's current share price now implies 174x multiple on 1-year forward P/E, which is near $+5\,\sigma$ of historical trading range (Exhibit 24). As such, we believe it to be more sensible to value Arm on FY31E financials, when the Arm AGI CPU business is expected to normalize to some degree. CY2030 is also where most of the discussion on CPU TAM anchors on including Arm's TAM estimates as well as our own.

Therefore, we shift the valuation anchor from our usual Q5-Q8 EPS framework to FY31E EPS, as the market debate is increasingly centred on the company's FY31 opportunities. We value the IP businesses at 70x and silicon businesses at 40x (30x prior, raised in expectation of acceleration in CPU market growth) respectively, blend the multiples by net income contribution to derive a 54.5x FY31E P/E, and discount that back 2.75 years at a 10% WACC to reconcile the anchor year with our usual 24-month forward valuation horizon.

Put simply, we use the equivalent multiple of 42x on FY31 EPS of $11.86 to derive the PT of $500 (Exhibit 28) and reiterate Outperform.

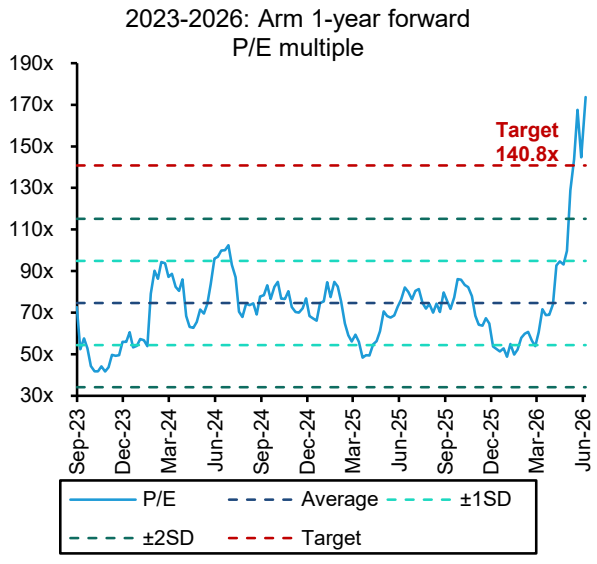
Within this valuation framework, we believe two of the biggest swing factor for Arm would be how much the total AI capex spending would be, as well as how much market share Arm silicon is able to take. Our sensitivity analyses (Exhibit 26, Exhibit 27) suggest an FY31E EPS range of $9-$16, and a valuation range of $379-$677.

EXHIBIT 23: **Arm: Summary of estimate changes**

Arm: change in estimates	FY26/3	1Q27E	2Q27E	3Q27E	4Q27E	FY27/3E	FY28/3E	FY29/3E
Revenue (USD mn)								
Bernstein - Old	**4,920.0**	**1,282.7**	**1,353.2**	**1,609.4**	**1,934.1**	**6,179.5**	**8,180.8**	**10,352.2**
Growth YoY	22.8%	21.8%	19.2%	29.6%	29.8%	25.6%	32.4%	26.5%
Bernstein - New	**4,920.0**	**1,275.6**	**1,353.0**	**1,609.5**	**1,908.6**	**6,146.7**	**8,636.6**	**12,743.8**
Growth YoY	22.8%	21.1%	19.2%	29.6%	28.1%	24.9%	40.5%	47.6%
Consensus		**1,264.3**	**1,351.2**	**1,527.2**	**1,860.3**	**6,007.1**	**7,931.9**	**10,163.9**
Growth YoY		20.1%	19.0%	23.0%	24.9%	22.1%	32.0%	28.1%
New vs. old		**-0.6%**	**0.0%**	**0.0%**	**-1.3%**	**-0.5%**	**5.6%**	**23.1%**
Bernstein vs. consensus		**0.9%**	**0.1%**	**5.4%**	**2.6%**	**2.3%**	**8.9%**	**25.4%**
Operating profit (USD mn)								
Bernstein - Old	**2,115.0**	**497.6**	**535.3**	**717.5**	**991.3**	**2,741.6**	**3,794.3**	**4,837.1**
Growth YoY	13.0%	358.7%	371.3%	393.2%	581.5%	29.6%	38.4%	27.5%
Margin	43.0%	38.8%	39.6%	44.6%	51.3%	44.4%	46.4%	46.7%
Bernstein - New	**2,115.0**	**490.6**	**535.1**	**717.6**	**966.2**	**2,709.5**	**3,894.1**	**5,611.8**
Growth YoY	13.0%	352.2%	371.1%	368.7%	531.0%	28.1%	43.7%	44.1%
Margin	43.0%	38.5%	39.5%	44.6%	50.6%	44.1%	45.1%	44.0%
Consensus		**480.4**	**537.0**	**672.9**	**940.1**	**2,550.6**	**3,473.6**	**4,567.6**
Growth YoY		287.5%	395.0%	492.5%	514.0%	20.6%	36.2%	31.5%
Margin		38.0%	39.7%	44.1%	50.5%	42.5%	43.8%	44.9%
New vs. old		**-1.4%**	**0.0%**	**0.0%**	**-2.5%**	**-1.2%**	**2.6%**	**16.0%**
Bernstein vs. consensus		**2.1%**	**-0.4%**	**6.6%**	**2.8%**	**6.2%**	**12.1%**	**22.9%**
EPS (USD)								
Bernstein - Old	**1.77**	**0.42**	**0.45**	**0.60**	**0.82**	**2.28**	**3.12**	**3.94**
Growth YoY	8.6%	6.7%	4.0%	-0.7%	-53.8%	28.7%	37.1%	26.3%
Bernstein - New	**1.77**	**0.41**	**0.45**	**0.60**	**0.80**	**2.25**	**3.21**	**4.58**
Growth YoY	8.6%	5.3%	4.0%	-0.6%	-54.9%	27.2%	42.5%	42.9%
Consensus		**0.40**	**0.45**	**0.55**	**0.78**	**2.20**	**3.03**	**3.85**
Growth YoY		15.4%	14.1%	28.8%	29.8%	24.4%	37.7%	27.0%
New vs. old		**-1.4%**	**0.0%**	**0.0%**	**-2.5%**	**-1.1%**	**2.7%**	**16.3%**
Bernstein vs. consensus		**1.7%**	**0.5%**	**7.6%**	**2.5%**	**2.2%**	**5.8%**	**19.0%**

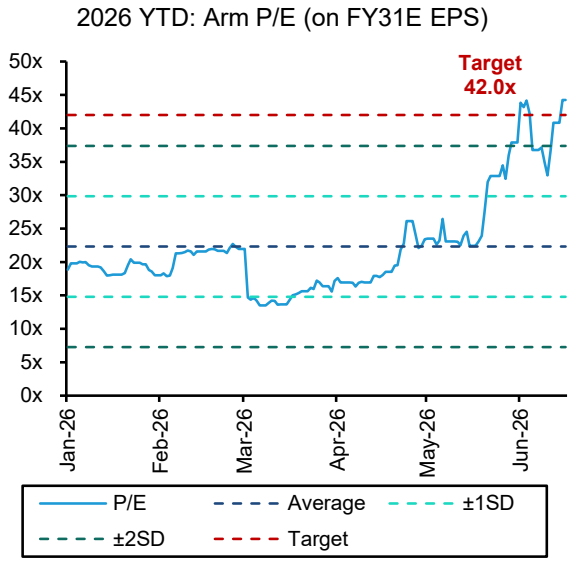
Source: Company disclosures, Bloomberg, Bernstein estimates and analysis.

EXHIBIT 24: **Arm has rerated significantly over the past month, and is currently valued at +5SD of historical range, on a 1-year forward P/E basis.**



Source: Bloomberg, Bernstein analysis and estimates

EXHIBIT 25: **As such, we feel it's more sensible to value Arm on FY31E EPS, on which the company anchors their projection. On FY31E EPS, the stock currently trades at 44x, close to +3SD of YTD range.**



Source: Bloomberg, Bernstein analysis.

EXHIBIT 26: **Our sensitivity analysis implies FYE31 EPS range of $9.0-$16.1.**

Sensitivity analysis - Arm EPS

Arm Silicon Market Share (USD)	CY30 Server CPU TAM (USD bn) 122.5	173.7	223.4	295.1	330.2
5.0%	6.9	7.9	8.8	10.1	10.8
7.5%	7.7	9.0	10.3	12.1	13.0
10.0%	8.6	10.2	11.8	14.1	15.3
12.5%	9.4	11.4	13.3	16.1	17.5
15.0%	10.2	12.6	14.9	18.2	19.8

Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 27: **Our sensitivity analysis implies a valuation range of $379-$677 as a result.**

Sensitivity analysis - Arm Valuation

Arm Silicon Market Share (USD)	CY30 Server CPU TAM (USD bn) 122.5	173.7	223.4	295.1	330.2
5%	290	330	368	424	452
8%	324	379	432	509	546
10%	359	429	496	593	640
13%	394	478	560	677	734
15%	429	528	623	761	828

Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 28: **Taking the blended average of P/E multiple for the two segments yields an implied target P/E of 42x, and a target price of $500.**

FY31E Financials	**IP / CSS**	**Arm Silicon**
Segment OP	7,209	7,733
PF Net Income (USD mn)	6,128	6,573
1-year Forward P/E	70x	40x
PF Market Cap (USD mn)	428,941	262,934
Arm PF Market Cap		691,874
Arm PF Net Income (USD mn)		12,701
PF Blended Fwd P/E (FY31E)		54.5x
Discount Factor (2.75y, WACC=10%)		1.30
Implied P/E (Discounted to 2y Fwd)		**41.9x**
Arm EPS (SCBe)		$11.86
Target Price		**$500**

Source: Company disclosures, Bernstein estimates and analysis.

SOFTBANK: AN INDIRECT BENEFICIARY OF AGENTIC AI CPU

Following the uplift to our forecasts and price target for Arm, we correspondingly raise our estimates for SoftBank's NAV, given Arm remains one of its largest consolidated subsidiaries. Excluding Arm and share price movements in SoftBank's listed equity holdings, we keep the rest of our SoftBank forecasts unchanged (Exhibit 29, Exhibit 30). Reflecting the higher NAV, we raise our price target to **¥11,200** (vs. ¥8,200 previously), based on a 30% NAV discount. We reiterate our **Outperform** rating on the stock.

EXHIBIT 29: **SoftBank: Summary of estimate changes**

SoftBank: summary of estimate changes	FY26/3	1Q27/3E	2Q27/3E	3Q27/3E	4Q27/3E	FY27/3E	FY28/3E	FY29/3E
Revenue (JPY bn)								
Bernstein - Old	**7,798.7**	**1,947.1**	**2,055.0**	**2,156.0**	**2,261.4**	**8,419.5**	**9,054.1**	**9,369.3**
Growth YoY	7.7%	7.0%	7.2%	8.8%	8.8%	8.0%	7.5%	3.5%
Bernstein - New	**7,798.7**	**1,961.0**	**2,068.8**	**2,169.5**	**2,274.1**	**8,473.5**	**9,178.3**	**10,060.9**
Growth YoY	7.7%	7.7%	7.9%	9.4%	9.4%	8.7%	8.3%	9.6%
Consensus		**1,970.2**	**2,014.9**	**2,133.6**	**2,259.1**	**8,319.0**	**8,857.7**	**9,504.9**
Growth YoY		8.2%	5.1%	7.6%	8.6%	6.7%	6.5%	7.3%
New vs. old		**0.7%**	**0.7%**	**0.6%**	**0.6%**	**0.6%**	**1.4%**	**7.4%**
Bernstein vs. consensus		**-0.5%**	**2.7%**	**1.7%**	**0.7%**	**1.9%**	**3.6%**	**5.8%**
Pretax profit (JPY bn)								
Bernstein - Old	**6,134.9**	**985.3**	**341.3**	**352.5**	**326.2**	**2,012.5**	**1,220.6**	**1,447.9**
Growth YoY	259.9%	42.8%	-88.6%	-27.0%	-83.4%	-67.2%	-39.3%	18.6%
Margin	78.7%	50.6%	16.6%	16.4%	14.4%	23.9%	13.5%	15.5%
Bernstein - New	**6,134.9**	**1,085.3**	**394.3**	**405.5**	**381.9**	**2,261.9**	**1,273.9**	**1,647.2**
Growth YoY	259.9%	57.3%	-86.8%	-16.0%	-80.6%	-63.1%	-43.7%	29.3%
Margin	78.7%	55.3%	19.1%	18.7%	16.8%	26.7%	13.9%	16.4%
Consensus		**456.9**	**227.6**	**376.9**	**132.6**	**1,247.7**	**1,099.0**	**1,214.7**
Growth YoY		-33.8%	-92.4%	-21.9%	-93.3%	-79.7%	-11.9%	10.5%
Margin		23.2%	11.3%	17.7%	5.9%	15.0%	12.4%	12.8%
New vs. old		**10.1%**	**15.5%**	**15.0%**	**17.1%**	**12.4%**	**4.4%**	**13.8%**
Bernstein vs. consensus		**137.5%**	**73.2%**	**7.6%**	**188.0%**	**81.3%**	**15.9%**	**35.6%**
EPS (JPY)								
Bernstein - Old	**872.5**	**122.5**	**43.2**	**44.6**	**40.0**	**251.3**	**152.4**	**180.8**
Growth YoY	349.8%	68.3%	-90.1%	6.1%	-87.5%	-71.2%	-39.4%	18.6%
Bernstein - New	**872.5**	**135.4**	**49.1**	**50.5**	**47.5**	**282.5**	**159.1**	**205.7**
Growth YoY	349.8%	85.9%	-88.8%	19.9%	-85.1%	-67.6%	-43.7%	29.3%
Consensus		**36.2**	**14.0**	**32.1**	**16.7**	**131.4**	**101.6**	**102.4**
Growth YoY		-50.3%	-96.8%	-23.7%	-94.8%	-84.9%	-22.7%	0.8%
New vs. old		**10.5%**	**13.5%**	**13.1%**	**18.9%**	**12.4%**	**4.4%**	**13.8%**
Bernstein vs. consensus		**273.9%**	**251.4%**	**57.2%**	**184.7%**	**115.0%**	**56.6%**	**100.9%**

Source: Company disclosures, Bloomberg, Bernstein estimates and analysis.

EXHIBIT 30: **SoftBank Valuation: Scenario Analysis**

Softbank's 1-year NAV to valuation (USDbn)		
	Pro Forma	**Current**
Arm per share value (USD)	500.00	412.55
Share Count (mn)	1,052	1,052
Market cap (USD bn)	526,000	434,003
% holding	86.9%	86.9%
OpenAI Valuation (USD bn)	852	852
% holding	10.7%	10.7%
Future NAV (USD bn)		
Arm	457.0	377.1
OpenAI	91.6	91.6
Others	23.7	23.7
Total	**572.3**	**492.3**
Total (JPY tn)	*91.1*	*78.4*
Discount	30%	48%
Share Count (mn)	5,699	5,699
Target Price (JPY)	**11,200**	n.a.
Current Price (JPY)	7,102	**7,102**
Upside/Downside	58%	n.a.

SoftBank's share price as of 16th June 2026; Arm's share price as of 15th June 2026.
Source: Company disclosures, Bloomberg, Bernstein estimates and analysis.

X86 WILL ALSO ENJOY THE TAILWIND FROM AGENTIC AI SERVER CPU WORKLOAD

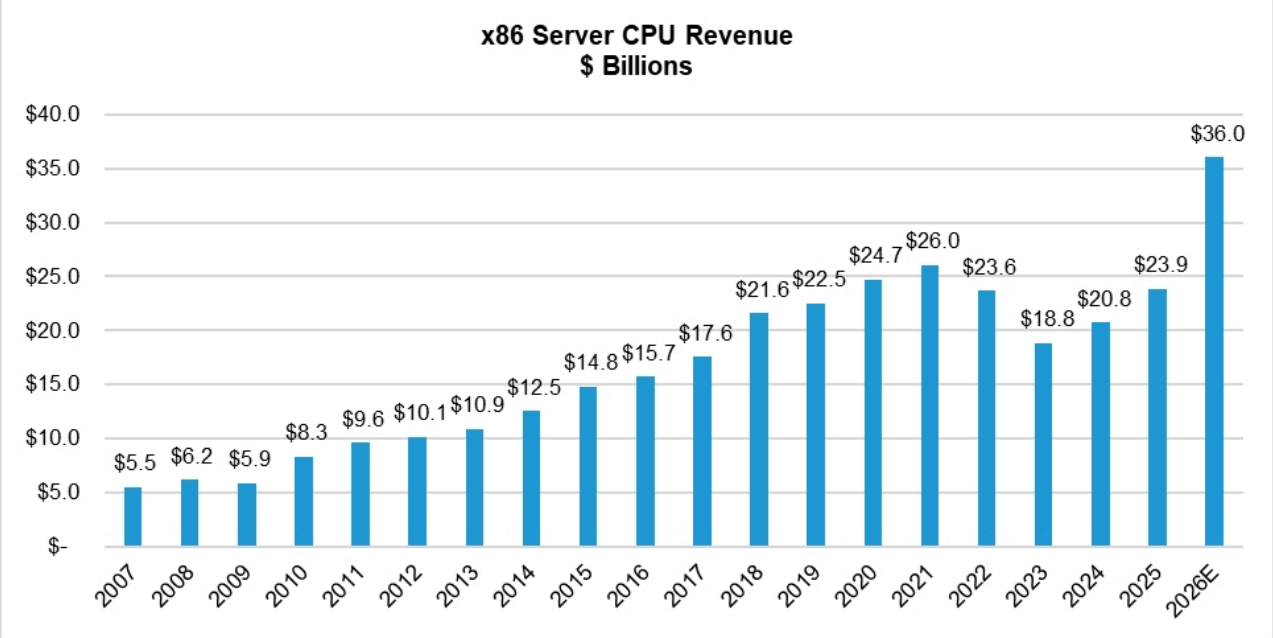
Intel and AMD are currently benefitting from incredibly strong server demand, a function of both cyclical recovery following several years of post-COVID shortfalls as well as (more recent) a sharp upward revision in demand related to agentic AI requirements (Exhibit 31) with both Intel and AMD benefitting.

We note the company's response (or even awareness) of the potential for agentic AI to drive CPU demand differed. Intel appeared caught significantly off-guard (they were in fact selling off supposedly "excess" tooling last July on the belief that demand would remain subdued, and were surprised at the end of last year where they had to scramble (suffering shortfalls in Q1 though they are in the process of correcting their mistake now). AMD was more proactive in securing capacity, and their sequential x86 share gains accelerated in Q1 as Intel found themselves constrained (Exhibit 32). However, Intel also benefited from the demand environment, that was so strong in fact that they managed to sell previously-written-off parts they had (presumably) trashed, but which still found homes as customers proved willing to buy up anything they could get their hands on.

At their analyst day in November AMD laid out expectations for a ~$60B CPU TAM by 2030 on the rise of agentic AI. Clearly the pace and trajectory of the ramp surprised them as well though as they doubled the number in May on their Q126 earnings call to $120B. And the company is also benefitting not only from the demand environment but also their competitive positioning as they continue to take share given their superior product portfolio (Intel hopes to close the gap in a few years on the launch of Coral Rapids, but admits that their current offerings leave something to be desired).

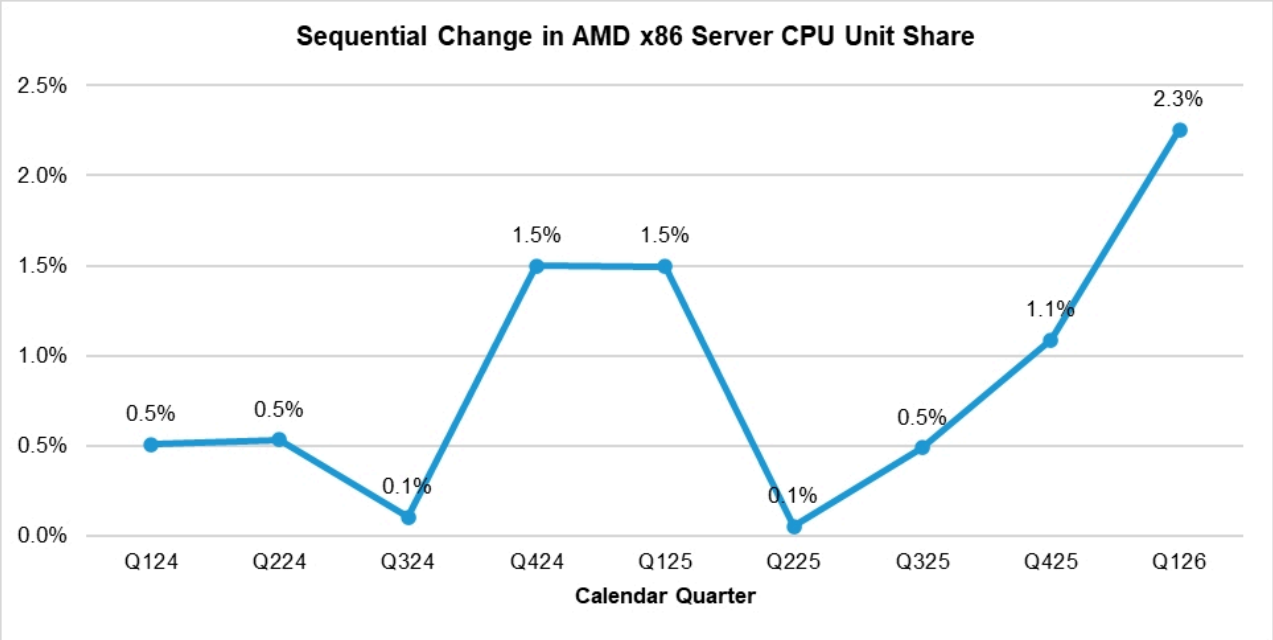
We update numbers and price targets for AMD and Intel today. Both companies should benefit from stronger (and more sustained) server demand, though AMD's products remain superior for now (and we believe they will continue their share gain trajectory). Changes to our estimates can be found in Exhibit 33 (AMD) and Exhibit 34 (Intel). Our existing AMD model was already consistent with a stronger server CPU environment and estimates move marginally, however we are now bringing our INTC model inline with those assumptions and are raising estimates more materially; we also roll valuation horizon forward for both to CY27/28 avg (vs CY27 prior) given we are about halfway through the year. Our AMD PT moves to $600; INTC to $100. We rate AMD OP, INTC MP.

EXHIBIT 31: **Agentic AI has driven a sharp upward revision in x86 server CPU growth this year**



Source: Mercury Research, Bernstein estimates and analysis

EXHIBIT 32: **AMD's x86 share gains accelerated in Q1 as Intel found themselves constrained**



Source: Mercury Research, Bernstein analysis

EXHIBIT 33: **AMD - Bernstein annual changes to estimates**

Year	2026E			2027E			2028E		
	New	Old	Change	New	Old	Change	New	Old	Change
Revenue	$47,944	$47,899	0.1%	$82,189	$82,206	0.0%	$107,210	$107,053	0.1%
Pro-Forma Gross Margin	55.6%	55.6%	5bps	54.9%	54.9%	5bps	56.2%	56.1%	6bps
Pro-Forma Opex	$13,495	$13,495	0.0%	$15,700	$15,700	0.0%	$17,450	$17,450	0.0%
Non-GAAP Operating Margin	27.5%	27.4%	7bps	35.8%	35.8%	4bps	39.9%	39.8%	9bps
Non-GAAP Diluted EPS	$6.98	$6.95	0.4%	$14.61	$14.60	0.1%	$19.53	$19.46	0.4%

Source: Bernstein estimates and analysis

EXHIBIT 34: **Intel - Bernstein annual changes to estimates**

Year	2026E			2027E			2028E		
	New	Old	Change	New	Old	Change	New	Old	Change
Non-GAAP Revenue	$57,604	$57,249	0.6%	$63,339	$61,176	3.5%	$68,799	$64,944	5.9%
Pro-Forma Gross Margin	40.9%	40.9%	1bps	43.2%	43.3%	-8bps	44.7%	44.3%	37bps
Non-GAAP Opex	$16,502	$16,502	0.0%	$17,300	$17,300	0.0%	$17,800	$17,800	0.0%
Non-GAAP Operating Margin	12.2%	12.1%	19bps	15.9%	15.0%	89bps	18.8%	16.9%	191bps
Non-GAAP Diluted EPS	$1.07	$1.04	2.5%	$1.50	$1.35	11.2%	$1.96	$1.63	20.2%

Source: Bernstein estimates and analysis

WHAT COULD GO WRONG?

Our projection above does not consider production capacity, but it is possible that capacity of TSMC and Intel, and to a lesser degree Samsung may be insufficient to support the projected growth. The capacity at TSMC is particularly critical, as most suppliers find TSMC their top choice given TSMC's leading technology, efficiency and execution. At the same time, nearly all GPU/accelerator suppliers are using TSMC for production too and they also find TSMC's capacity insufficient to fulfill their needs. TSMC and these customers together need to strike a balance between these needs, as AI needs both CPU and GPU/accelerator to grow.

Memory capacity can be another bottleneck. CPU needs to be paired with an adequate amount of memory to perform its functions, and so does GPU/accelerator too. Memory capacity hence can be another bottleneck that makes our projection above too high.

We are trying to answer both questions now and will update investors with any notable findings.

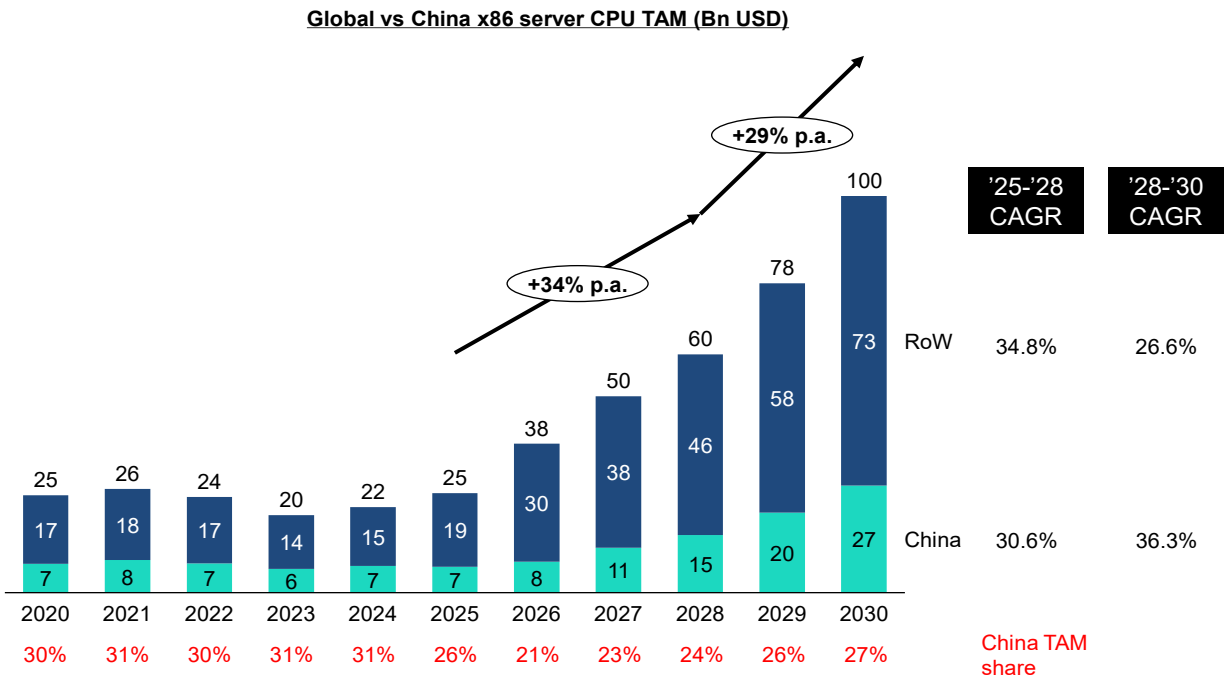
Another important but less known consideration is HBM is packaged together with GPU/accelerator. The cost of HBM is therefore part of the COGS of these chips. This cost is then "marked up" by NVIDIA, etc. so that these GPU/accelerator suppliers can command high margins, often as high as 60s to 70s% gross margin, on the entire packaged chip. For AI hyperscalers, the burden from this "markup" was smaller before, but is becoming much heavier quickly as memory price surge is propagating to HBM too. Hyperscalers hence will attempt to source HBM directly from memory suppliers to avoid this "markup". Alchip and MediaTek are offering this business model in their ASIC business currently. They perform necessary qualification & test to ensure HBM sourced by hyperscalers is compatible with the rest of ASIC chips, and have proven this business model is technologically feasible. Should hyperscalers adopt this model broadly, HBM value will be removed and the size of GPU/accelerator will become smaller. Since our CPU projection above anchors on GPU/accelerator market size, the business model of hyperscalers sourcing HBM directly is a downside risk to our projection.

CHINA X86 SERVER CPU MARKET DYNAMICS

CHINA TAM VS GLOBAL TAM

China's share of global x86 server CPU TAM is entering a period of near-term compression before a structurally driven recovery over the medium term. Historically steady at ~30% during 2020–2024, we expect China's share will decline to a trough of ~21–23% in 2026–2027, as illustrated in Exhibit 35. We attribute this near-term compression primarily to structural constraints in China's AI server build-out. Limited access to AI chips, driven by export control on leading global GPUs as well as supply shortages of domestic alternatives due to foundry capacity constraints, has slowed the pace of AI infrastructure deployment in China. Moreover, China CSP capex expansion has been comparatively more moderate than US hyperscalers, which are aggressively investing in AI infrastructure, particularly rapid deployment of servers for agentic AI workloads. This dynamic is further amplified by global CPU vendors prioritizing supply allocation toward large US CSPs and AI labs, where demand visibility and monetization pathways are stronger, thereby boosting CPU attach rates for AMD and Intel in those markets. As a result, China's TAM growth lags that of the Rest of World in the early phase of the cycle (China +30.6% CAGR in 2025–2028 vs. RoW +34.8%), leading to a temporary demand share loss. However, we expect this dynamic to reverse in the outer years: as domestic AI chip supply improves and AI investment accelerates, China's TAM growth re-accelerates (+36.3% CAGR in 2028–2030 vs. RoW +26.6%), driving a recovery in share to ~27% by 2030. Overall, the chart highlights a near-term dislocation followed by a catch-up phase, with China remaining a meaningful contributor to global x86 server CPU demand over the medium term.

EXHIBIT 35: **China's share of global x86 server CPU TAM is entering a period of near-term compression, before structurally recovery after 2027**



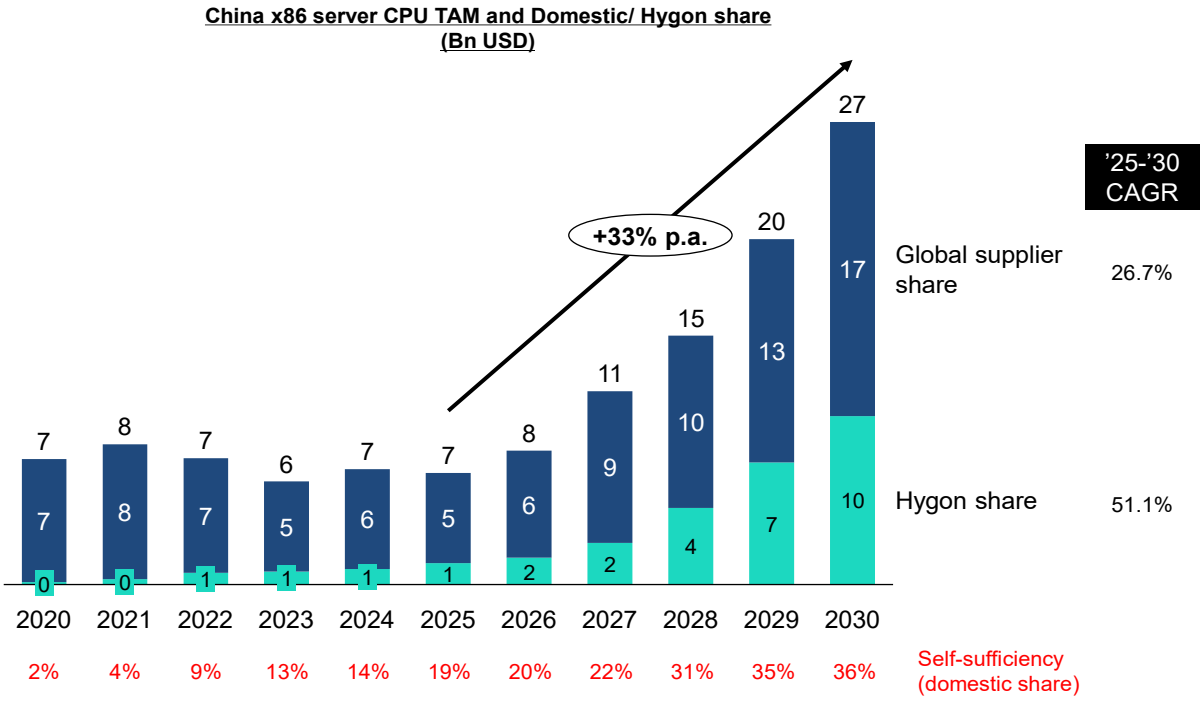
Source: Gartner, Mercury, Bernstein analysis and estimates

INCREASING LOCALIZATION SHARE

The China x86 server CPU market is undergoing a steady shift toward domestic substitution, with Hygon consistently gaining share and poised for further acceleration. Exhibit 36 shows Hygon's share has increased from LSD in the early 2020s to ~20% by 2026–2027, primarily driven by localization requirements from government and state-owned enterprise (SoE) customers. This policy-driven adoption has provided a stable foundation for domestic CPU penetration, even as overall China TAM growth remains constrained in the near term. Looking ahead, we expect Hygon's share gains to accelerate

meaningfully from 2028 onward, with domestic share rising to ~35% by 2029–2030. This inflection is underpinned by continued product improvements (e.g., performance and ecosystem compatibility) and, importantly, better interoperability with domestic AI accelerators, which should make Hygon platforms increasingly viable for cloud service providers (CSPs) beyond the traditional government/SoE customer base. At the same time, tight global supply conditions are likely to persist, with AMD and Intel prioritizing higher-value and more strategic US customers. This supply allocation dynamic further reinforces the opportunity for Hygon to expand its footprint in China, driving a structurally higher level of self-sufficiency in the domestic x86 server CPU market over the medium term.

EXHIBIT 36: **Hygon has been consistently gaining share and poised for further acceleration after 2027**



Source: Mercury, companies reports, Bernstein analysis and estimates

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 37: **Arm: Income Statement**

USD mn	FY26/3	1Q27E	2Q27E	3Q27E	4Q27E	FY27/3E	FY28/3E	FY29/3E	FY30/3E	FY31/3E
Revenue	**4,920.0**	**1,275.6**	**1,353.0**	**1,609.5**	**1,908.6**	**6,146.7**	**8,636.6**	**12,743.8**	**19,285.2**	**33,186.7**
Gross profit	**4,832.0**	**1,252.3**	**1,327.9**	**1,579.3**	**1,830.0**	**5,989.6**	**7,603.4**	**10,131.7**	**14,032.1**	**22,439.5**
SG&A	806.0	218.3	215.2	245.6	280.3	959.4	1,133.3	1,492.4	1,940.1	2,719.9
R&D	1,911.0	543.4	577.7	616.1	583.5	2,320.7	2,576.0	3,027.5	3,882.7	4,777.2
Other opex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit	**2,115.0**	**490.6**	**535.1**	**717.6**	**966.2**	**2,709.5**	**3,894.1**	**5,611.8**	**8,209.3**	**14,942.4**
D&A	249.0	60.8	64.5	76.7	90.9	292.9	411.5	607.3	919.0	1,493.4
EBITDA	**2,364.0**	**551.4**	**599.6**	**794.3**	**1,057.2**	**3,002.4**	**4,305.7**	**6,219.1**	**9,128.2**	**16,435.8**
Non-OP income / (expense)	107.0	25.5	27.1	32.2	38.2	122.9	172.7	254.9	385.7	663.7
Pretax Income	**2,222.0**	**516.1**	**562.1**	**749.8**	**1,004.4**	**2,832.4**	**4,066.8**	**5,866.7**	**8,595.0**	**15,606.2**
Income tax expense	253.0	77.4	84.3	112.5	150.7	424.9	610.0	880.0	1,289.2	2,340.9
Net income before minority interest	1,889.0	438.7	477.8	637.3	853.7	2,407.5	3,456.8	4,986.7	7,305.7	13,265.2
Net Income	**1,889.0**	**438.7**	**477.8**	**637.3**	**853.7**	**2,407.5**	**3,456.8**	**4,986.7**	**7,305.7**	**13,265.2**
Diluted EPS (USD)	**1.77**	**0.41**	**0.45**	**0.60**	**0.80**	**2.25**	**3.21**	**4.58**	**6.63**	**11.86**
Margins										
Gross profit	98.2%	98.2%	98.1%	98.1%	95.9%	97.4%	88.0%	79.5%	72.8%	67.6%
Operating profit	43.0%	38.5%	39.5%	44.6%	50.6%	44.1%	45.1%	44.0%	42.6%	45.0%
EBITDA	48.0%	43.2%	44.3%	49.3%	55.4%	48.8%	49.9%	48.8%	47.3%	49.5%
Profit before tax	45.2%	40.5%	41.5%	46.6%	52.6%	46.1%	47.1%	46.0%	44.6%	47.0%
Net income	38.4%	34.4%	35.3%	39.6%	44.7%	39.2%	40.0%	39.1%	37.9%	40.0%
Growth YoY										
Revenue	22.8%	-68.2%	28.5%	41.8%	53.7%	24.9%	40.5%	47.6%	51.3%	72.1%
Gross profit	23.3%	-68.1%	28.8%	41.6%	49.9%	24.0%	26.9%	33.3%	38.5%	59.9%
Operating profit	13.0%	-73.8%	29.9%	53.7%	91.3%	28.1%	43.7%	44.1%	46.3%	82.0%
EBITDA	15.1%	-73.2%	27.0%	52.2%	86.1%	27.0%	43.4%	44.4%	46.8%	80.1%
Profit before tax	11.3%	-74.2%	27.8%	52.7%	87.0%	27.5%	43.6%	44.3%	46.5%	81.6%
Net income	8.8%	-74.7%	27.8%	52.8%	86.8%	27.5%	43.6%	44.3%	46.5%	81.6%

Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 38: **Arm: Balance Sheet**

USD mn	FY24/3	FY25/3	FY26/3	FY27/3E	FY28/3E	FY29/3E	FY30/3E	FY31/3E
Cash and cash equivalents	2,923.0	2,825.0	3,601.0	6,245.8	9,787.0	14,209.8	20,219.3	30,838.6
Accounts receivable	781.0	1,107.0	1,300.0	1,258.4	1,768.1	2,444.0	3,698.5	5,455.3
Contract assets - Current	336.0	642.0	977.0	1,251.5	1,440.4	2,229.2	3,321.4	5,496.9
Other current assets	157.0	256.0	358.0	362.0	362.0	362.0	362.0	362.0
Total current assets	**4,197.0**	**4,830.0**	**6,236.0**	**9,117.7**	**13,357.6**	**19,245.0**	**27,601.2**	**42,152.8**
Property, plant and equipment, net	420.0	714.0	1,220.0	1,418.8	1,525.5	1,555.4	1,600.7	1,268.9
Long-term investments	741.0	565.0	387.0	387.0	387.0	387.0	387.0	387.0
Other non-current assets	2,569.0	2,823.0	2,860.0	2,949.9	3,011.8	3,270.1	3,627.9	4,340.4
Total assets	**7,927.0**	**8,932.0**	**10,703.0**	**13,873.4**	**18,281.8**	**24,457.6**	**33,216.8**	**48,149.1**
ST Debt and Lease Obligations	27.0	30.0	39.0	39.0	39.0	39.0	39.0	39.0
Other current liabilities	1,478.0	899.0	1,001.0	1,001.0	1,001.0	1,001.0	1,001.0	1,001.0
Total current liabilities	**1,505.0**	**929.0**	**1,040.0**	**1,040.0**	**1,040.0**	**1,040.0**	**1,040.0**	**1,040.0**
LT Debt and Lease Obligations	194.0	316.0	393.0	393.0	393.0	393.0	393.0	393.0
Other non-current liabilities	933.0	848.0	984.0	984.0	984.0	984.0	984.0	984.0
Total liabilities	**2,632.0**	**2,093.0**	**2,417.0**	**2,417.0**	**2,417.0**	**2,417.0**	**2,417.0**	**2,417.0**
Shareholders' equity	**5,295.0**	**6,839.0**	**8,286.0**	**11,456.4**	**15,864.8**	**22,040.6**	**30,799.8**	**45,732.1**
Total liabilities & shareholders' equity	**7,927.0**	**8,932.0**	**10,703.0**	**13,873.4**	**18,281.8**	**24,457.6**	**33,216.8**	**48,149.1**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 39: **Arm: Cash Flow Statement**

USD mn	FY24/3	FY25/3	FY26/3	FY27/3E	FY28/3E	FY29/3E	FY30/3E	FY31/3E
Net Income	**1,324.0**	**1,737.0**	**1,889.0**	**2,407.5**	**3,456.8**	**4,986.7**	**7,305.7**	**13,265.2**
D&A	162.0	183.0	249.0	292.9	411.5	607.3	919.0	1,493.4
Changes in working capital	-757.8	-1,483.0	190.0	-322.7	-760.6	-1,723.0	-2,704.4	-4,644.9
Other adjustments	361.8	-860.0	-804.0	1,036.5	1,292.9	1,615.5	1,974.7	2,265.0
Cash flow from operations	**1,090.0**	**-423.0**	**1,524.0**	**3,414.2**	**4,400.6**	**5,486.4**	**7,495.0**	**12,378.8**
Capex	-92.0	-219.0	-545.0	-491.7	-518.2	-637.2	-964.3	-1,161.5
Other	-424.0	184.0	220.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investments	**-516.0**	**-35.0**	**-325.0**	**-491.7**	**-518.2**	**-637.2**	**-964.3**	**-1,161.5**
Cash flow from financing	**-208.0**	**-202.0**	**-548.0**	**-277.6**	**-341.3**	**-426.4**	**-521.3**	**-597.9**
Net effect of exchange rate changes	3.0	2.0	15.0	0.0	0.0	0.0	0.0	0.0
Net change in cash	**-568.0**	**-660.0**	**651.0**	**2,644.8**	**3,541.2**	**4,422.8**	**6,009.5**	**10,619.3**

Source: Company reports, Bernstein analysis and estimates

EXHIBIT 40: **SoftBank: Income Statement**

JPY bn	FY23/3	FY24/3	FY25/3	FY26/3	FY27/3E	FY28/3E	FY29/3E
Revenue	**6,570.4**	**6,756.5**	**7,243.8**	**7,798.7**	**8,473.5**	**9,178.3**	**10,060.9**
Gross profit	**3,328.0**	**3,542.4**	**3,754.2**	**4,016.1**	**4,415.8**	**4,838.1**	**5,388.7**
SG&A	2,695.3	2,982.4	3,024.4	4,020.9	5,744.9	3,992.5	4,376.5
Non-operating income	-266.8	57.1	-2,726.2	-1,146.8	-2,102.6	-2,086.1	-2,086.1
Pretax Income	**-469.1**	**57.8**	**1,704.7**	**6,134.9**	**2,261.9**	**1,273.9**	**1,647.2**
Income tax expense	320.7	-151.4	101.6	502.9	565.5	318.5	411.8
Net income before minority interest	-789.8	209.2	1,603.1	5,632.0	1,696.4	955.4	1,235.4
Net Income	**-970.1**	**-227.6**	**1,153.3**	**5,002.3**	**1,617.1**	**910.8**	**1,177.7**
Diluted EPS (JPY)	**-154.6**	**-44.2**	**194.0**	**872.5**	**282.5**	**159.1**	**205.7**
Margins							
Gross profit	50.7%	52.4%	51.8%	51.5%	52.1%	52.7%	53.6%
EBITDA	59.9%	60.3%	121.3%	153.7%	111.5%	96.0%	95.7%
Profit before tax	-7.1%	0.9%	23.5%	78.7%	26.7%	13.9%	16.4%
Net income	-14.8%	-3.4%	15.9%	64.1%	19.1%	9.9%	11.7%
Growth YoY							
Revenue	5.6%	2.8%	7.2%	7.7%	8.7%	8.3%	9.6%
Gross profit	1.9%	6.4%	6.0%	7.0%	10.0%	9.6%	11.4%
EBITDA	261.7%	3.6%	115.7%	36.4%	-21.1%	-6.7%	9.2%
Profit before tax	N.M.	N.M.	2849.3%	259.9%	-63.1%	-43.7%	29.3%
Net income	N.M.	N.M.	N.M.	333.7%	-67.7%	-43.7%	29.3%

Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 41: **SoftBank: Balance Sheet**

JPY bn	FY23/3	FY24/3	FY25/3	FY26/3	FY27/3E	FY28/3E	FY29/3E
Cash and cash equivalents	7,105.4	6,437.8	3,976.2	5,362.2	-1,996.1	-145.5	2,051.7
Accounts receivable	2,358.9	2,562.1	2,679.7	3,302.6	3,611.9	3,912.3	4,288.5
Inventories	163.8	161.9	198.3	240.2	257.5	275.4	296.5
Other current assets	958.4	2,279.6	2,578.8	2,910.7	2,910.7	2,910.7	2,910.7
Total current assets	**10,586.5**	**11,441.4**	**9,432.9**	**11,815.6**	**4,783.9**	**6,952.9**	**9,547.3**
Property, plant and equipment, net	2,639.7	2,642.2	3,688.1	4,368.2	6,504.7	5,349.7	4,431.8
Long-term investments	18,196.2	20,076.5	19,597.5	27,760.3	38,166.6	38,166.6	38,166.6
Other non-current assets	12,513.9	12,564.2	12,295.2	16,805.4	16,805.4	16,805.4	16,805.4
Total assets	**43,936.4**	**46,724.2**	**45,013.8**	**60,749.5**	**66,260.6**	**67,274.6**	**68,951.2**
Accounts payable and accrued expenses	3,081.1	3,232.2	3,038.1	3,799.2	4,073.1	4,356.6	4,689.9
ST Debt and Lease Obligations	5,313.2	8,420.9	5,795.0	7,436.3	7,436.3	7,436.3	7,436.3
Other current liabilities	2,186.5	2,367.1	3,768.6	3,598.1	3,598.1	3,598.1	3,598.1
Total current liabilities	**10,580.7**	**14,020.3**	**12,601.7**	**14,833.5**	**15,107.5**	**15,391.0**	**15,724.3**
LT Debt and Lease Obligations	15,002.0	12,941.1	13,118.3	18,227.3	21,602.3	21,602.3	21,602.3
Other non-current liabilities	7,704.4	6,525.7	5,340.7	7,220.3	7,220.3	7,220.3	7,220.3
Total liabilities	**33,287.2**	**33,487.1**	**31,060.7**	**40,281.1**	**43,930.0**	**44,213.6**	**44,546.9**
Shareholders' equity	**10,649.2**	**13,237.2**	**13,953.0**	**20,468.4**	**22,330.6**	**23,061.0**	**24,404.3**
Total liabilities & shareholders' equity	**43,936.4**	**46,724.2**	**45,013.8**	**60,749.5**	**66,260.6**	**67,274.6**	**68,951.2**

Source: Company disclosures, Bernstein estimates and analysis.

EXHIBIT 42: **SoftBank: Cash Flow Statement**

JPY bn	FY23/3	FY24/3	FY25/3	FY26/3	FY27/3E	FY28/3E	FY29/3E
Net Income	**-970.1**	**-227.6**	**1,153.3**	**5,002.3**	**1,617.1**	**910.8**	**1,177.7**
D&A	893.5	858.6	866.8	918.8	1,027.2	1,112.7	1,219.7
Changes in working capital	4,241.5	-1,870.1	-124.1	-1,448.9	-52.7	-34.8	-64.0
Other adjustments	-3,423.5	1,489.7	-1,692.5	-4,901.0	-5,693.6	0.0	0.0
Cash flow from operations	**741.3**	**250.5**	**203.6**	**-428.8**	**-3,101.9**	**1,988.6**	**2,333.3**
Capex	-633.8	-622.6	-854.2	-1,733.8	-2,846.0	-275.3	-301.8
Other	1,181.3	-218.8	-777.4	-2,773.3	-4,712.7	0.0	0.0
Cash flow from investments	**547.6**	**-841.5**	**-1,631.5**	**-4,507.2**	**-7,558.7**	**-275.3**	**-301.8**
Cash flow from financing	**191.5**	**-606.2**	**-1,116.4**	**6,377.3**	**3,302.3**	**137.4**	**165.6**
Net effect of exchange rate changes	211.7	529.5	82.7	-55.3	0.0	0.0	0.0
Net change in cash	**1,692.1**	**-667.6**	**-2,544.3**	**1,441.3**	**-7,358.3**	**1,850.6**	**2,197.1**

Source: Company disclosures, Bernstein estimates and analysis.

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EXHIBIT 43: **Bernstein AMD Income Statement**

AMD: Income Statement ($M)																								
AMD (Calendar)	**2025**	**2026E**	**2027E**	**2028E**	**Q125**	**Q225**	**Q325**	**Q425**	**Q126**	**Q226E**	**Q326E**	**Q426E**	**Q127E**	**Q227E**	**Q327E**	**Q427E**
Revenue	**$ 34,639.0**	**$ 47,943.8**	**$ 82,189.4**	**$ 107,210.2**	**$ 7,438.0**	**$ 7,685.0**	**$ 9,246.0**	**$ 10,270.0**	**$ 10,253.0**	**$ 11,233.0**	**$ 11,730.2**	**$ 14,727.6**	**$ 18,885.3**	**$ 19,670.5**	**$ 21,401.8**	**$ 22,231.9**
COGS	**$ 17,487.0**	**$ 22,226.3**	**$ 37,957.5**	**$ 47,901.1**	**$ 3,702.0**	**$ 4,626.0**	**$ 4,466.0**	**$ 4,693.0**	**$ 4,837.0**	**$ 5,162.3**	**$ 5,379.5**	**$ 6,847.5**	**$ 8,806.5**	**$ 9,077.4**	**$ 9,851.3**	**$ 10,222.4**
Gross Profit	**$ 17,152.0**	**$ 25,717.4**	**$ 44,231.9**	**$ 59,309.1**	**$ 3,736.0**	**$ 3,059.0**	**$ 4,780.0**	**$ 5,577.0**	**$ 5,416.0**	**$ 6,070.7**	**$ 6,350.8**	**$ 7,880.0**	**$ 10,078.8**	**$ 10,593.1**	**$ 11,550.5**	**$ 12,009.5**
R&D	$ 8,091.0	$ 10,447.0	$ 12,200.0	$ 13,700.0	$ 1,728.0	$ 1,894.0	$ 2,139.0	$ 2,330.0	$ 2,397.0	$ 2,550.0	$ 2,700.0	$ 2,800.0	$ 2,900.0	$ 3,000.0	$ 3,100.0	$ 3,200.0
SG&A	$ 4,144.0	$ 5,053.0	$ 5,700.0	$ 6,150.0	$ 886.0	$ 991.0	$ 1,069.0	$ 1,198.0	$ 1,253.0	$ 1,250.0	$ 1,250.0	$ 1,300.0	$ 1,350.0	$ 1,400.0	$ 1,450.0	$ 1,500.0
Amortization of Intangibles	$ 1,223.0	$ 1,160.0	$ 1,160.0	$ 1,160.0	$ 316.0	$ 308.0	$ 302.0	$ 297.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0
Licensing (Gain)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Operating Expense/(Income)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total GAAP Operating Expenses	$ 13,458.0	$ 16,660.0	$ 19,060.0	$ 21,010.0	$ 2,930.0	$ 3,193.0	$ 3,510.0	$ 3,825.0	$ 3,940.0	$ 4,090.0	$ 4,240.0	$ 4,390.0	$ 4,540.0	$ 4,690.0	$ 4,840.0	$ 4,990.0
Total Pro-Forma Operating Expenses	$ 10,397.0	$ 13,495.0	$ 15,700.0	$ 17,450.0	$ 2,213.0	$ 2,429.0	$ 2,754.0	$ 3,001.0	$ 3,145.0	$ 3,300.0	$ 3,450.0	$ 3,600.0	$ 3,700.0	$ 3,850.0	$ 4,000.0	$ 4,150.0
Operating Income	**$ 3,694.0**	**$ 9,057.4**	**$ 25,171.9**	**$ 38,299.1**	**$ 806.0**	**$ (134.0)**	**$ 1,270.0**	**$ 1,752.0**	**$ 1,476.0**	**$ 1,980.7**	**$ 2,110.8**	**$ 3,490.0**	**$ 5,538.8**	**$ 5,903.1**	**$ 6,710.5**	**$ 7,019.5**
Net Interest Income (Loss)	$ 6.0	$ (44.0)	$ 60.0	$ 60.0	$ 19.0	$ 60.0	$ (37.0)	$ (36.0)	$ (37.0)	$ (37.0)	$ 15.0	$ 15.0	$ 15.0	$ 15.0	$ 15.0	$ 15.0
Other Non-operating Income (Loss)	$ 440.0	$ 262.0	$ -	$ -	$ -	$ -	$ 82.0	$ 358.0	$ 165.0	$ 97.0	$ -	$ -	$ -	$ -	$ -	$ -
EBT before equity investment	**$ 4,140.0**	**$ 9,275.4**	**$ 25,231.9**	**$ 38,359.1**	**$ 825.0**	**$ (74.0)**	**$ 1,315.0**	**$ 2,074.0**	**$ 1,604.0**	**$ 2,040.7**	**$ 2,125.8**	**$ 3,505.0**	**$ 5,553.8**	**$ 5,918.1**	**$ 6,725.5**	**$ 7,034.5**
Equity in net income (loss) of investee	$ 15.0	$ 6.0	$ -	$ -	$ 7.0	$ 8.0	$ -	$ -	$ 6.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Income Before Taxes	**$ 4,155.0**	**$ 9,281.4**	**$ 25,231.9**	**$ 38,359.1**	**$ 832.0**	**$ (66.0)**	**$ 1,315.0**	**$ 2,074.0**	**$ 1,610.0**	**$ 2,040.7**	**$ 2,125.8**	**$ 3,505.0**	**$ 5,553.8**	**$ 5,918.1**	**$ 6,725.5**	**$ 7,034.5**
Provision for Income Taxes	$ (103.0)	$ 1,235.3	$ 3,280.2	$ 4,986.7	$ 123.0	$ (834.0)	$ 153.0	$ 455.0	$ 238.0	$ 265.3	$ 276.4	$ 455.7	$ 722.0	$ 769.4	$ 874.3	$ 914.5
Equity in income (loss) of ATMP JV	$ -	$ -	$ -	$ -	$ -	$ 104.0	$ 81.0	$ (108.0)	$ 11.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
GAAP Net Income	**$ 4,258.0**	**$ 8,046.2**	**$ 21,951.8**	**$ 33,372.4**	**$ 709.0**	**$ 872.0**	**$ 1,243.0**	**$ 1,511.0**	**$ 1,383.0**	**$ 1,775.4**	**$ 1,849.4**	**$ 3,049.4**	**$ 4,831.8**	**$ 5,148.8**	**$ 5,851.2**	**$ 6,120.0**
Pro Forma Reconciliation																
+Amortization of Intangibles	$ 1,223.0	$ 1,160.0	$ 1,160.0	$ 1,160.0	$ 316.0	$ 308.0	$ 302.0	$ 297.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0	$ 290.0
Share Based Compensation	$ 1,612.0	$ 1,979.0	$ 2,200.0	$ 2,400.0	$ 359.0	$ 363.0	$ 412.0	$ 478.0	$ 479.0	$ 500.0	$ 500.0	$ 500.0	$ 550.0	$ 550.0	$ 550.0	$ 550.0
Other Adjustments	$ (339.0)	$ 392.2	$ 346.2	$ 320.2	$ 182.0	$ (762.0)	$ 8.0	$ 233.0	$ 113.0	$ 93.1	$ 93.1	$ 93.0	$ 86.5	$ 86.6	$ 86.6	$ 86.6
Pro-Forma Net Income	**$ 6,831.0**	**$ 11,588.3**	**$ 25,658.0**	**$ 37,252.6**	**$ 1,566.0**	**$ 781.0**	**$ 1,965.0**	**$ 2,519.0**	**$ 2,265.0**	**$ 2,658.4**	**$ 2,732.5**	**$ 3,932.4**	**$ 5,758.4**	**$ 6,075.3**	**$ 6,777.7**	**$ 7,046.6**
GAAP Basic EPS ($)	**$ 2.62**	**$ 4.90**	**$ 12.91**	**$ 19.34**	**$ 0.44**	**$ 0.54**	**$ 0.76**	**$ 0.93**	**$ 0.85**	**$ 1.08**	**$ 1.12**	**$ 1.85**	**$ 2.84**	**$ 3.03**	**$ 3.44**	**$ 3.60**
GAAP Diluted EPS ($)	**$ 2.60**	**$ 4.85**	**$ 12.66**	**$ 17.95**	**$ 0.44**	**$ 0.53**	**$ 0.76**	**$ 0.92**	**$ 0.84**	**$ 1.07**	**$ 1.11**	**$ 1.83**	**$ 2.80**	**$ 2.98**	**$ 3.37**	**$ 3.51**
PF Basic EPS ($)	**$ 4.20**	**$ 7.05**	**$ 15.08**	**$ 21.58**	**$ 0.97**	**$ 0.48**	**$ 1.21**	**$ 1.55**	**$ 1.39**	**$ 1.62**	**$ 1.66**	**$ 2.38**	**$ 3.39**	**$ 3.57**	**$ 3.98**	**$ 4.14**
PF Diluted EPS ($)	**$ 4.17**	**$ 6.98**	**$ 14.61**	**$ 19.53**	**$ 0.96**	**$ 0.48**	**$ 1.20**	**$ 1.53**	**$ 1.37**	**$ 1.60**	**$ 1.65**	**$ 2.35**	**$ 3.32**	**$ 3.47**	**$ 3.85**	**$ 3.97**
Weighted Average Basic Shares	1,625	1,644	1,701	1,726	1,620	1,623	1,626	1,630	1,631	1,641	1,651	1,651	1,701	1,701	1,701	1,701
Weighted Average Diluted Shares	1,637	1,661	1,756	1,907	1,626	1,630	1,641	1,649	1,650	1,660	1,661	1,674	1,737	1,749	1,762	1,775

Margins	**2025**	**2026E**	**2027E**	**2028E**	**Q125**	**Q225**	**Q325**	**Q425**	**Q126**	**Q226E**	**Q326E**	**Q426E**	**Q127E**	**Q227E**	**Q327E**	**Q427E**
Gross Margin	49.5%	53.6%	53.8%	55.3%	50.2%	39.8%	51.7%	54.3%	52.8%	54.0%	54.1%	53.5%	53.4%	53.9%	54.0%	54.0%
PF Gross Margin	52.4%	55.6%	54.9%	56.2%	53.7%	43.3%	54.0%	57.0%	55.4%	56.0%	56.1%	55.0%	54.6%	55.0%	55.0%	55.0%
GAAP R&D % of Sales	23.4%	21.8%	14.8%	12.8%	23.2%	24.6%	23.1%	22.7%	23.4%	22.7%	23.0%	19.0%	15.4%	15.3%	14.5%	14.4%
GAAP SG&A % of Sales	12.0%	10.5%	6.9%	5.7%	11.9%	12.9%	11.6%	11.7%	12.2%	11.1%	10.7%	8.8%	7.1%	7.1%	6.8%	6.7%
Pro-Forma Opex % of Sales	30.0%	28.1%	19.1%	16.3%	29.8%	31.6%	29.8%	29.2%	30.7%	29.4%	29.4%	24.4%	19.6%	19.6%	18.7%	18.7%
GAAP Operating Margin	10.7%	18.9%	30.6%	35.7%	10.8%	-1.7%	13.7%	17.1%	14.4%	17.6%	18.0%	23.7%	29.3%	30.0%	31.4%	31.6%
Pro-Forma Operating Margin	22.4%	27.5%	35.8%	39.9%	23.9%	11.7%	24.2%	27.8%	24.8%	26.7%	26.6%	30.6%	35.0%	35.4%	36.3%	36.4%
Tax Rate	-2.5%	13.3%	13.0%	13.0%	14.8%	1263.6%	11.6%	21.9%	14.8%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Pro-Forma Net Margin	19.7%	24.2%	31.2%	34.7%	21.1%	10.2%	21.3%	24.5%	22.1%	23.7%	23.3%	26.7%	30.5%	30.9%	31.7%	31.7%
GAAP Net Margin	12.3%	16.8%	26.7%	31.1%	9.5%	11.3%	13.4%	14.7%	13.5%	15.8%	15.8%	20.7%	25.6%	26.2%	27.3%	27.5%

Year-over-Year Change (%)	**2025**	**2026E**	**2027E**	**2028E**	**Q125**	**Q225**	**Q325**	**Q425**	**Q126**	**Q226E**	**Q326E**	**Q426E**	**Q127E**	**Q227E**	**Q327E**	**Q427E**
Total Revenues	34.3%	38.4%	71.4%	30.4%	35.9%	31.7%	35.6%	34.1%	37.8%	46.2%	26.9%	43.4%	84.2%	75.1%	82.4%	51.0%
Pro-Forma Gross Margin	(92)bp	317 bp	(70)bp	125 bp	140 bp	(987)bp	36 bp	295 bp	178 bp	1,277 bp	207 bp	(198)bp	(89)bp	(105)bp	(104)bp	(0)bp
GAAP Research and Development	25.3%	29.1%	16.8%	12.3%	13.3%	19.6%	30.7%	36.1%	38.7%	34.6%	26.2%	20.2%	21.0%	17.6%	14.8%	14.3%
GAAP Selling, General and Administrative	48.9%	21.9%	12.8%	7.9%	42.9%	52.5%	48.3%	51.3%	41.4%	26.1%	16.9%	8.5%	7.7%	12.0%	16.0%	15.4%
GAAP Operating Expenses	24.3%	23.8%	14.4%	10.2%	15.5%	22.6%	29.6%	34.9%	34.5%	28.1%	20.8%	14.8%	15.2%	14.7%	14.2%	13.7%
GAAP Operating Margin	330 bp	823 bp	1,173 bp	510 bp	1,018 bp	(635)bp	312 bp	326 bp	356 bp	1,938 bp	426 bp	664 bp	1,493 bp	1,238 bp	1,336 bp	788 bp
Pro-Forma Net Margin	(130)bp	445 bp	705 bp	353 bp	255 bp	(913)bp	(79)bp	132 bp	104 bp	1,350 bp	204 bp	217 bp	840 bp	722 bp	837 bp	499 bp
GAAP Net Margin	593 bp	449 bp	993 bp	442 bp	728 bp	681 bp	214 bp	599 bp	396 bp	446 bp	232 bp	599 bp	1,210 bp	1,037 bp	1,157 bp	682 bp
Pro-Forma Diluted EPS	26.0%	67.1%	109.5%	33.7%	55.8%	-30.3%	30.3%	40.5%	42.6%	234.2%	37.4%	53.8%	141.6%	116.9%	133.8%	69.0%
PF incl Share based comp Diluted EPS	29.4%	81.6%	133.7%	38.5%	87.7%	-46.5%	33.8%	40.1%	45.9%	407.0%	42.0%	66.3%	179.1%	145.6%	166.8%	81.1%
Weighted Average Diluted Shares	0.1	24.6	94.6	151.2	(12.5)	(7.0)	5.0	15.0	23.5	30.0	20.0	24.8	86.6	89.4	101.2	101.2

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 44: **Bernstein AMD Balance Sheet and Cash Flow Statement**

AMD: Balance Sheet ($ MM)																				
AMD (Calendar)	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Cash & Short Term Investments	$ 10,552.0	$ 14,781.4	$ 29,796.6	$ 59,311.6	$ 7,310.0	$ 5,867.0	$ 7,243.0	$ 10,552.0	$ 12,347.0	$ 12,821.6	$ 14,049.4	$ 14,781.4	$ 15,519.5	$ 20,271.5	$ 24,436.8	$ 29,796.6
Accounts Receivable	$ 6,315.0	$ 8,668.8	$ 13,085.9	$ 16,101.8	$ 5,443.0	$ 5,115.0	$ 6,201.0	$ 6,315.0	$ 6,035.0	$ 6,611.8	$ 6,904.5	$ 8,668.8	$ 11,116.0	$ 11,578.2	$ 12,597.2	$ 13,085.9
Inventories	$ 7,920.0	$ 10,301.7	$ 15,551.5	$ 18,394.8	$ 6,416.0	$ 6,677.0	$ 7,313.0	$ 7,920.0	$ 8,045.0	$ 8,777.5	$ 9,163.5	$ 10,301.7	$ 13,348.9	$ 13,770.4	$ 14,974.2	$ 15,551.5
Other Current Assets	$ 2,160.0	$ 3,681.9	$ 5,558.0	$ 6,838.9	$ 2,426.0	$ 6,860.0	$ 6,243.0	$ 2,160.0	$ 2,201.0	$ 2,471.3	$ 2,932.6	$ 3,681.9	$ 4,721.3	$ 4,917.6	$ 5,350.4	$ 5,558.0
Total Current Assets	**$ 26,947.0**	**$ 37,433.8**	**$ 63,992.0**	**$ 100,647.1**	**$ 21,595.0**	**$ 24,519.0**	**$ 27,000.0**	**$ 26,947.0**	**$ 28,628.0**	**$ 30,682.2**	**$ 33,049.9**	**$ 37,433.8**	**$ 44,705.8**	**$ 50,537.7**	**$ 57,358.7**	**$ 63,992.0**
Net PP&E	$ 2,312.0	$ 2,751.4	$ 3,338.7	$ 4,175.1	$ 1,921.0	$ 2,128.0	$ 2,205.0	$ 2,312.0	$ 2,723.0	$ 2,704.5	$ 2,697.7	$ 2,751.4	$ 2,883.4	$ 3,019.4	$ 3,177.8	$ 3,338.7
Investment in GLOBALFOUNDRIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Acquisition-related intangible assets, net	$ 16,705.0	$ 15,284.0	$ 14,124.0	$ 12,964.0	$ 18,363.0	$ 17,812.0	$ 17,250.0	$ 16,705.0	$ 16,154.0	$ 15,864.0	$ 15,574.0	$ 15,284.0	$ 14,994.0	$ 14,704.0	$ 14,414.0	$ 14,124.0
Goodwill	$ 25,126.0	$ 25,344.0	$ 25,344.0	$ 25,344.0	$ 24,839.0	$ 25,083.0	$ 25,083.0	$ 25,126.0	$ 25,344.0	$ 25,344.0	$ 25,344.0	$ 25,344.0	$ 25,344.0	$ 25,344.0	$ 25,344.0	$ 25,344.0
Other Long-Term Assets	$ 5,836.0	$ 9,070.0	$ 13,786.2	$ 16,963.7	$ 4,832.0	$ 5,278.0	$ 5,353.0	$ 5,836.0	$ 6,793.0	$ 7,010.9	$ 7,137.5	$ 9,070.0	$ 11,855.2	$ 12,177.0	$ 13,221.6	$ 13,786.2
Total Long-Term Assets	**$ 49,979.0**	**$ 52,449.3**	**$ 56,592.9**	**$ 59,446.7**	**$ 49,955.0**	**$ 50,301.0**	**$ 49,891.0**	**$ 49,979.0**	**$ 51,014.0**	**$ 50,923.4**	**$ 50,753.2**	**$ 52,449.3**	**$ 55,076.6**	**$ 55,244.4**	**$ 56,157.4**	**$ 56,592.9**
Total Assets	**76,926.0**	**89,883.2**	**120,584.9**	**160,093.8**	**71,550.0**	**74,820.0**	**76,891.0**	**76,926.0**	**79,642.0**	**81,605.6**	**83,803.1**	**89,883.2**	**99,782.4**	**105,782.1**	**113,516.1**	**120,584.9**
Accounts Payable	$ 2,929.0	$ 4,563.7	$ 7,034.6	$ 8,690.4	$ 2,206.0	$ 3,080.0	$ 3,483.0	$ 2,929.0	$ 2,997.0	$ 3,805.1	$ 3,791.7	$ 4,563.7	$ 5,968.5	$ 6,333.4	$ 6,801.1	$ 7,034.6
Accounts payable to GLOBALFOUNDRIES	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Current portion of long-term debt and capital lease obligations	$ 874.0	$ -	$ -	$ -	$ 947.0	$ -	$ 873.0	$ 874.0	$ 874.0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other current liabilities	$ 5,652.0	$ 9,180.7	$ 13,950.9	$ 17,177.0	$ 4,550.0	$ 6,763.0	$ 7,344.0	$ 5,652.0	$ 6,635.0	$ 7,108.0	$ 7,334.6	$ 9,180.7	$ 11,924.4	$ 12,357.2	$ 13,420.3	$ 13,950.9
Total Current Liabilities	**$ 9,455.0**	**$ 13,744.4**	**$ 20,985.4**	**$ 25,867.4**	**$ 7,703.0**	**$ 9,843.0**	**$ 11,700.0**	**$ 9,455.0**	**$ 10,506.0**	**$ 10,913.2**	**$ 11,126.3**	**$ 13,744.4**	**$ 17,892.9**	**$ 18,690.6**	**$ 20,221.4**	**$ 20,985.4**
Long-Term Debt and Capital Lease	$ 2,973.0	$ 2,350.0	$ 2,350.0	$ 2,350.0	$ 3,217.0	$ 3,886.0	$ 2,347.0	$ 2,973.0	$ 2,350.0	$ 2,350.0	$ 2,350.0	$ 2,350.0	$ 2,350.0	$ 2,350.0	$ 2,350.0	$ 2,350.0
Other Long-Term Liabilities	$ 1,499.0	$ 2,652.6	$ 3,961.5	$ 4,816.1	$ 2,749.0	$ 1,426.0	$ 2,054.0	$ 1,499.0	$ 2,324.0	$ 2,105.1	$ 2,240.0	$ 2,652.6	$ 3,521.5	$ 3,524.8	$ 3,826.8	$ 3,961.5
Total Liabilities	**$ 13,927.0**	**$ 18,747.0**	**$ 27,297.0**	**$ 33,033.5**	**$ 13,669.0**	**$ 15,155.0**	**$ 16,101.0**	**$ 13,927.0**	**$ 15,180.0**	**$ 15,368.2**	**$ 15,716.3**	**$ 18,747.0**	**$ 23,764.4**	**$ 24,565.4**	**$ 26,398.2**	**$ 27,297.0**
Shareholders' Equity	**$ 62,999.0**	**$ 71,136.2**	**$ 93,287.9**	**$ 127,060.3**	**$ 57,881.0**	**$ 59,665.0**	**$ 60,790.0**	**$ 62,999.0**	**$ 64,462.0**	**$ 66,237.4**	**$ 68,086.8**	**$ 71,136.2**	**$ 76,018.0**	**$ 81,216.7**	**$ 87,117.9**	**$ 93,287.9**
Total Liabilities & Shareholders' Equity	**$ 76,926.0**	**$ 89,883.2**	**$ 120,584.9**	**$ 160,093.8**	**$ 71,550.0**	**$ 74,820.0**	**$ 76,891.0**	**$ 76,926.0**	**$ 79,642.0**	**$ 81,605.6**	**$ 83,803.1**	**$ 89,883.2**	**$ 99,782.4**	**$ 105,782.1**	**$ 113,516.1**	**$ 120,584.9**

AMD: Cash Flow Statement ($MM)																
AMD (Calendar)	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Net Income	$ 4,258.0	$ 8,046.2	$ 21,951.8	$ 33,372.4	$ 709.0	$ 872.0	$ 1,243.0	$ 1,511.0	$ 1,383.0	$ 1,775.4	$ 1,849.4	$ 3,049.4	$ 4,831.8	$ 5,148.8	$ 5,851.2	$ 6,120.0
D&A	$ 3,004.0	$ 2,352.5	$ 2,216.4	$ 2,467.9	$ 742.0	$ 757.0	$ 754.0	$ 751.0	$ 757.0	$ 533.1	$ 531.5	$ 530.9	$ 535.7	$ 547.4	$ 559.6	$ 573.7
Other	$ 447.0	$ (1,881.4)	$ (5,509.2)	$ (2,181.1)	$ (512.0)	$ 382.0	$ 162.0	$ 338.0	$ 815.0	$ (235.2)	$ (418.6)	$ (2,053.6)	$ (3,751.7)	$ (50.8)	$ (1,317.4)	$ (389.3)
Cash Flow From Operations	**$ 7,709.0**	**$ 8,517.2**	**$ 18,659.0**	**$ 33,659.1**	**$ 939.0**	**$ 2,011.0**	**$ 2,159.0**	**$ 2,600.0**	**$ 2,955.0**	**$ 2,073.3**	**$ 1,962.3**	**$ 1,526.6**	**$ 1,615.8**	**$ 5,645.4**	**$ 5,093.3**	**$ 6,304.4**
Capex	$ (974.0)	$ (1,142.8)	$ (1,643.8)	$ (2,144.2)	$ (212.0)	$ (282.0)	$ (258.0)	$ (222.0)	$ (389.0)	$ (224.7)	$ (234.6)	$ (294.6)	$ (377.7)	$ (393.4)	$ (428.0)	$ (444.6)
Other	$ (4,559.0)	$ (2,176.0)	$ -	$ -	$ (145.0)	$ (2,016.0)	$ (1,079.0)	$ (1,319.0)	$ (2,176.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash Flow From Investments	**$ (5,533.0)**	**$ (3,318.8)**	**$ (1,643.8)**	**$ (2,144.2)**	**$ (357.0)**	**$ (2,298.0)**	**$ (1,337.0)**	**$ (1,541.0)**	**$ (2,565.0)**	**$ (224.7)**	**$ (234.6)**	**$ (294.6)**	**$ (377.7)**	**$ (393.4)**	**$ (428.0)**	**$ (444.6)**
Net Stock Issuance (Repurchase)	(1,031.0)	(1,716.0)	(2,000.0)	(2,000.0)	(745.0)	(323.0)	(79.0)	116.0	(216.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)
Change in long-term debt and capital lease obligations	$ 1,494.0	$ (874.0)	$ -	$ -	$ 1,494.0	$ -	$ -	$ -	$ -	$ (874.0)	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ (894.0)	$ (134.0)	$ -	$ -	$ 917.0	$ (996.0)	$ (371.0)	$ (444.0)	$ (134.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cash Flow From Financing	**$ (431.0)**	**$ (2,724.0)**	**$ (2,000.0)**	**$ (2,000.0)**	**$ 1,666.0**	**$ (1,319.0)**	**$ (450.0)**	**$ (328.0)**	**$ (350.0)**	**$ (1,374.0)**	**$ (500.0)**	**$ (500.0)**	**$ (500.0)**	**$ (500.0)**	**$ (500.0)**	**$ (500.0)**
Cash, Short, and Long Term Investments at Beginning of Period	5,132.0	10,552.0	14,781.4	29,796.6	5,132.0	7,310.0	5,867.0	7,243.0	10,552.0	12,347.0	12,821.6	14,049.4	14,781.4	15,519.5	20,271.5	24,436.8
Cash, Short, and Long Term Investments at End of Period	10,552.0	14,781.4	29,796.6	59,311.6	7,310.0	5,867.0	7,243.0	10,552.0	12,347.0	12,821.6	14,049.4	14,781.4	15,519.5	20,271.5	24,436.8	29,796.6

AMD (Calendar)	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Cash Flow from Operations	$ 7,160.0	$ 8,517.2	$ 18,659.0	$ 33,659.1	$ 939.0	$ 1,462.0	$ 2,159.0	$ 2,600.0	$ 2,955.0	$ 2,073.3	$ 1,962.3	$ 1,526.6	$ 1,615.8	$ 5,645.4	$ 5,093.3	$ 6,304.4
subtract Capex	$ (974.0)	$ (1,142.8)	$ (1,643.8)	$ (2,144.2)	$ (212.0)	$ (282.0)	$ (258.0)	$ (222.0)	$ (389.0)	$ (224.7)	$ (234.6)	$ (294.6)	$ (377.7)	$ (393.4)	$ (428.0)	$ (444.6)
FCF	**$ 6,186.0**	**$ 7,374.4**	**$ 17,015.2**	**$ 31,514.9**	**$ 727.0**	**$ 1,180.0**	**$ 1,901.0**	**$ 2,378.0**	**$ 2,566.0**	**$ 1,848.6**	**$ 1,727.7**	**$ 1,232.1**	**$ 1,238.1**	**$ 5,252.0**	**$ 4,665.3**	**$ 5,859.8**
Operating Income	$ 3,694.0	$ 9,057.4	$ 25,171.9	$ 38,299.1	$ 806.0	$ (134.0)	$ 1,270.0	$ 1,752.0	$ 1,476.0	$ 1,980.7	$ 2,110.8	$ 3,490.0	$ 5,538.8	$ 5,903.1	$ 6,710.5	$ 7,019.5
add back D&A	$ 3,004.0	$ 2,352.5	$ 2,216.4	$ 2,467.9	$ 742.0	$ 757.0	$ 754.0	$ 751.0	$ 757.0	$ 533.1	$ 531.5	$ 530.9	$ 535.7	$ 547.4	$ 559.6	$ 573.7
EBITDA	**$ 6,698.0**	**$ 11,409.9**	**$ 27,388.4**	**$ 40,766.9**	**$ 1,548.0**	**$ 623.0**	**$ 2,024.0**	**$ 2,503.0**	**$ 2,233.0**	**$ 2,513.8**	**$ 2,642.2**	**$ 4,020.9**	**$ 6,074.5**	**$ 6,450.6**	**$ 7,270.1**	**$ 7,593.3**

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 45: **Bernstein INTC Income Statement**

Intel: Income Statement ($M)

INTC (Calendar)	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
GAAP Revenue	52,853.0	57,603.7	63,339.3	68,799.1	12,667.0	12,859.0	13,653.0	13,674.0	13,577.0	14,310.9	14,864.8	14,851.0	15,166.1	15,388.0	16,321.9	16,463.3
Non-GAAP Revenue	52,853.0	57,603.7	63,339.3	68,799.1	12,667.0	12,859.0	13,653.0	13,674.0	13,577.0	14,310.9	14,864.8	14,851.0	15,166.1	15,388.0	16,321.9	16,463.3
COGS	34,478.0	35,082.3	37,250.7	39,427.8	7,995.0	9,317.0	8,435.0	8,731.0	8,230.0	8,950.4	9,069.7	8,832.2	9,098.4	9,194.3	9,434.3	9,523.7
GAAP Gross Profit	18,375.0	22,521.4	26,088.7	29,371.2	4,672.0	3,542.0	5,218.0	4,943.0	5,347.0	5,360.5	5,795.1	6,018.8	6,067.7	6,193.7	6,887.6	6,939.6
Non-GAAP Gross Profit	19,410.0	23,553.3	27,355.4	30,747.2	4,961.0	3,813.0	5,456.0	5,180.0	5,570.0	5,575.1	6,092.4	6,315.8	6,371.1	6,501.5	7,214.1	7,268.8
R&D	13,774.0	14,025.0	14,750.0	15,350.0	3,640.0	3,684.0	3,231.0	3,219.0	3,375.0	3,500.0	3,550.0	3,600.0	3,650.0	3,650.0	3,700.0	3,750.0
SG&A	4,624.0	4,563.0	4,850.0	4,950.0	1,177.0	1,144.0	1,129.0	1,174.0	1,038.0	1,125.0	1,200.0	1,200.0	1,200.0	1,200.0	1,225.0	1,225.0
Other Operating Expenses	2,191.0	4,070.0	-	-	156.0	1,890.0	175.0	(30.0)	4,070.0	-	-	-	-	-	-	-
Total GAAP Operating Expenses	20,589.0	22,658.0	19,600.0	20,300.0	4,973.0	6,718.0	4,535.0	4,363.0	8,483.0	4,625.0	4,750.0	4,800.0	4,850.0	4,850.0	4,925.0	4,975.0
Total Non-GAAP Operating Expenses	16,494.0	16,502.0	17,300.0	17,800.0	4,271.0	4,316.0	3,932.0	3,975.0	3,902.0	4,100.0	4,225.0	4,275.0	4,275.0	4,275.0	4,350.0	4,400.0
GAAP Operating Income	(2,214.0)	(136.6)	6,488.7	9,071.2	(301.0)	(3,176.0)	683.0	580.0	(3,136.0)	735.5	1,045.1	1,218.8	1,217.7	1,343.7	1,962.6	1,964.6
Non-GAAP Operating Income	2,916.0	7,051.3	10,055.4	12,947.2	690.0	(503.0)	1,524.0	1,205.0	1,668.0	1,475.1	1,867.4	2,040.8	2,096.1	2,226.5	2,864.1	2,868.8
Gains (losses) on Investments, Net	514.0	(72.0)	-	-	(112.0)	502.0	221.0	(97.0)	(72.0)	-	-	-	-	-	-	-
Other Non-operating Income (Loss)	3,257.0	(788.0)	-	-	(173.0)	(95.0)	3,670.0	(145.0)	(738.0)	(50.0)	-	-	-	-	-	-
Pre-Tax Income	1,557.0	(996.6)	6,488.7	9,071.2	(586.0)	(2,769.0)	4,574.0	338.0	(3,946.0)	685.5	1,045.1	1,218.8	1,217.7	1,343.7	1,962.6	1,964.6
Income Tax Provision	1,531.0	611.4	713.8	997.8	301.0	255.0	304.0	671.0	335.0	27.4	115.0	134.1	134.0	147.8	215.9	216.1
Adjustements / Non-Controlling Interest	(293.0)	(197.0)	(1,100.0)	(1,100.0)	66.0	106.0	(207.0)	(258.0)	553.0	(250.0)	(250.0)	(250.0)	(275.0)	(275.0)	(275.0)	(275.0)
GAAP Net Income	(267.0)	(1,805.1)	4,674.9	6,973.4	(821.0)	(2,918.0)	4,063.0	(591.0)	(3,728.0)	408.1	680.1	834.7	808.8	920.9	1,471.7	1,473.5
Non-GAAP tax rate adjustment and other	267.9	3,664.5	3,174.4	3,449.6	1,263.7	813.8	(3,194.0)	1,384.4	1,590.7	610.3	731.8	731.6	781.7	785.7	802.3	804.8
Acquisition-related Opex (tax adjusted)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition-Related Amortization and Restructuring(tax a	1,928.1	3,622.3	-	-	137.3	1,663.2	154.0	(26.4)	3,622.3	-	-	-	-	-	-	-
Acquisition-Related Charges in GM (tax adjusted)	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP Net Income	1,929.0	5,481.7	7,849.3	10,423.0	580.0	(441.0)	1023.0	767.0	1485.0	1018.4	1412.0	1566.3	1590.5	1706.6	2274.0	2278.3
GAAP Basic EPS ($)	**$ (0.08)**	**$ (0.36)**	**$ 0.89**	**$ 1.31**	**$ (0.19)**	**$ (0.67)**	**$ 0.90**	**$ (0.12)**	**$ (0.73)**	**$ 0.08**	**$ 0.13**	**$ 0.16**	**$ 0.16**	**$ 0.18**	**$ 0.28**	**$ 0.28**
GAAP Diluted EPS ($)	**$ (0.08)**	**$ (0.36)**	**$ 0.89**	**$ 1.31**	**$ (0.19)**	**$ (0.67)**	**$ 0.90**	**$ (0.12)**	**$ (0.73)**	**$ 0.08**	**$ 0.13**	**$ 0.16**	**$ 0.16**	**$ 0.18**	**$ 0.28**	**$ 0.28**
Non-GAAP Diluted EPS	**$ 0.43**	**$ 1.07**	**$ 1.50**	**$ 1.96**	**$ 0.13**	**$ (0.10)**	**$ 0.23**	**$ 0.16**	**$ 0.29**	**$ 0.20**	**$ 0.28**	**$ 0.30**	**$ 0.31**	**$ 0.33**	**$ 0.43**	**$ 0.43**
Incl Share-Based Compensation	*$ (0.06)*	*$ 0.70*	*$ 1.13*	*$ 1.56*	*$ (0.01)*	*$ (0.23)*	*$ 0.12*	*$ 0.06*	*$ 0.18*	*$ 0.11*	*$ 0.19*	*$ 0.22*	*$ 0.21*	*$ 0.23*	*$ 0.34*	*$ 0.34*
Weighted Average Basic Shares	4,521	5,121	5,221	5,321	4,343	4,369	4,514	4,856	5,083	5,108	5,133	5,158	5,183	5,208	5,233	5,258
Weighted Average Diluted Shares	4,525	5,121	5,221	5,321	4,343	4,369	4,531	4,856	5,083	5,108	5,133	5,158	5,183	5,208	5,233	5,258

Margins	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
GAAP Gross Margin	34.8%	39.1%	41.2%	42.7%	36.9%	27.5%	38.2%	36.1%	39.4%	37.5%	39.0%	40.5%	40.0%	40.3%	42.2%	42.2%
Pro-Forma Gross Margin	36.7%	40.9%	43.2%	44.7%	39.2%	29.7%	40.0%	37.9%	41.0%	39.0%	41.0%	42.5%	42.0%	42.3%	44.2%	44.2%
R&D % of Sales	26.1%	24.3%	23.3%	22.3%	28.7%	28.6%	23.7%	23.5%	24.9%	24.5%	23.9%	24.2%	24.1%	23.7%	22.7%	22.8%
SG&A % of Sales	8.7%	7.9%	7.7%	7.2%	9.3%	8.9%	8.3%	8.6%	7.6%	7.9%	8.1%	8.1%	7.9%	7.8%	7.5%	7.4%
GAAP Operating Margin	-4.2%	-0.2%	10.2%	13.2%	-2.4%	-24.7%	5.0%	4.2%	-23.1%	5.1%	7.0%	8.2%	8.0%	8.7%	12.0%	11.9%
Non-GAAP Operating Margin	5.5%	12.2%	15.9%	18.8%	5.4%	-3.9%	11.2%	8.8%	12.3%	10.3%	12.6%	13.7%	13.8%	14.5%	17.5%	17.4%
GAAP Tax Rate	98.3%	-61.4%	11.0%	11.0%	-51.4%	-9.2%	6.6%	198.5%	-8.5%	4.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Non-GAAP Tax Rate	12.0%	11.0%	11.0%	11.0%	12.0%	12.0%	12.0%	12.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
GAAP Net Margin	-0.5%	-3.1%	7.4%	10.1%	-6.5%	-22.7%	29.8%	-4.3%	-27.5%	2.9%	4.6%	5.6%	5.3%	6.0%	9.0%	9.0%
Non-GAAP Net Margin	3.6%	9.5%	12.4%	15.1%	4.6%	-3.4%	7.5%	5.6%	10.9%	7.1%	9.5%	10.5%	10.5%	11.1%	13.9%	13.8%

Year-over-Year Change (%)	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Total Revenues	-0.5%	9.0%	10.0%	8.6%	-0.4%	0.2%	2.8%	-4.1%	7.2%	11.3%	8.9%	8.6%	11.7%	7.5%	9.8%	10.9%
GAAP Gross Margin	210 bp	433 bp	209 bp	150 bp	(412)bp	(789)bp	2,319 bp	(301)bp	250 bp	991 bp	77 bp	438 bp	63 bp	279 bp	321 bp	162 bp
Non-GAAP Gross Margin	76 bp	416 bp	230 bp	150 bp	(594)bp	(904)bp	2,195 bp	(420)bp	186 bp	930 bp	102 bp	465 bp	98 bp	329 bp	321 bp	162 bp
R&D	-16.8%	1.8%	5.2%	4.1%	-16.9%	-13.1%	-20.2%	-17.0%	-7.3%	-5.0%	9.9%	11.8%	8.1%	4.3%	4.2%	4.2%
SG&A	-16.0%	-1.3%	6.3%	2.1%	-24.4%	-13.9%	-18.4%	-5.2%	-11.8%	-1.7%	6.3%	2.2%	15.6%	6.7%	2.1%	2.1%
GAAP Operating Expenses	-29.1%	10.0%	-13.5%	3.6%	-20.9%	3.2%	-59.0%	-15.6%	70.6%	-31.2%	4.7%	10.0%	-42.8%	4.9%	3.7%	3.6%
Non-GAAP Operating Expenses	-14.8%	0.0%	4.8%	2.9%	-14.9%	-12.7%	-17.4%	-14.2%	-8.6%	-5.0%	7.5%	7.5%	9.6%	4.3%	3.0%	2.9%
GAAP Operating Margin	1,780 bp	395 bp	1,048 bp	294 bp	603 bp	(939)bp	7,318 bp	135 bp	(2,072)bp	2,984 bp	203 bp	397 bp	3,113 bp	359 bp	499 bp	373 bp
Non-GAAP Operating Margin	600 bp	672 bp	363 bp	294 bp	(23)bp	(410)bp	2,900 bp	(78)bp	684 bp	1,422 bp	140 bp	493 bp	154 bp	416 bp	498 bp	368 bp
GAAP Net Margin	3,482 bp	(263)bp	1,051 bp	276 bp	(349)bp	(1,015)bp	15,501 bp	(344)bp	(2,098)bp	2,554 bp	(2,518)bp	994 bp	3,279 bp	313 bp	444 bp	333 bp
Non-GAAP Net Margin	472 bp	587 bp	288 bp	276 bp	(139)bp	(408)bp	2,237 bp	163 bp	636 bp	1,055 bp	201 bp	494 bp	(45)bp	397 bp	443 bp	329 bp
Diluted GAAP EPS	-98.1%	338.5%	-349.0%	46.4%	110.5%	77.0%	-123.1%	317.2%	288.0%	-112.0%	-85.2%	-233.0%	-121.3%	121.3%	112.3%	73.2%
Diluted Non-GAAP EPS	-422.4%	151.1%	40.4%	30.3%	-25.4%	-618.9%	-149.0%	20.1%	118.8%	-297.5%	21.8%	92.3%	5.0%	64.4%	58.0%	42.7%
Weighted Average Diluted Shares	244.8	595.7	100.0	100.0	101.0	102.0	239.0	537.0	740.0	739.0	602.0	302.0	100.0	100.0	100.0	100.0

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 46: **Bernstein INTC Balance Sheet and Cash Flow Statement**

Intel: Balance Sheet ($ MM)																
INTC (Calendar)	**2025**	**2026E**	**2027E**	**2028E**	**Q125**	**Q225**	**Q325**	**Q425**	**Q126**	**Q226E**	**Q326E**	**Q426E**	**Q127E**	**Q227E**	**Q327E**	**Q427E**
Cash & Short Term Investments	37,416.0	26,980.9	30,917.2	33,901.4	21,048.0	21,206.0	30,935.0	37,416.0	32,789.0	23,328.5	25,114.6	26,980.9	27,645.4	28,301.3	29,796.4	30,917.2
Accounts Receivable	3,839.0	4,066.0	4,066.0	4,066.0	3,064.0	2,360.0	3,202.0	3,839.0	4,066.0	4,066.0	4,066.0	4,066.0	4,066.0	4,066.0	4,066.0	4,066.0
Inventories	11,618.0	11,776.3	12,698.3	13,503.9	12,281.0	11,377.0	11,489.0	11,618.0	12,426.0	12,431.1	12,092.9	11,776.3	12,636.6	12,769.9	12,579.1	12,698.3
Other Current Assets	10,815.0	12,876.0	12,876.0	12,876.0	5,741.0	8,432.0	6,105.0	10,815.0	12,876.0	12,876.0	12,876.0	12,876.0	12,876.0	12,876.0	12,876.0	12,876.0
Total Current Assets	**63,688.0**	**55,699.2**	**60,557.5**	**64,347.3**	**42,134.0**	**43,375.0**	**51,731.0**	**63,688.0**	**62,157.0**	**52,701.6**	**54,149.6**	**55,699.2**	**57,224.0**	**58,013.1**	**59,317.5**	**60,557.5**
Net PP&E	105,414.0	109,109.7	117,451.4	127,835.0	109,763.0	109,510.0	105,047.0	105,414.0	104,458.0	105,942.5	107,499.6	109,109.7	110,768.7	112,950.5	115,167.9	117,451.4
Goodwill	23,912.0	20,465.0	20,465.0	20,465.0	24,693.0	23,912.0	23,912.0	23,912.0	20,465.0	20,465.0	20,465.0	20,465.0	20,465.0	20,465.0	20,465.0	20,465.0
Other Long-Term Assets	18,415.0	18,252.0	18,252.0	18,252.0	15,652.0	15,723.0	23,824.0	18,415.0	18,252.0	18,252.0	18,252.0	18,252.0	18,252.0	18,252.0	18,252.0	18,252.0
Total Long-Term Assets	**147,741.0**	**147,826.7**	**156,168.4**	**166,552.0**	**150,108.0**	**149,145.0**	**152,783.0**	**147,741.0**	**143,175.0**	**144,659.5**	**146,216.6**	**147,826.7**	**149,485.7**	**151,667.5**	**153,884.9**	**156,168.4**
Total Assets	**211,429.0**	**203,525.9**	**216,725.8**	**230,899.2**	**192,242.0**	**192,520.0**	**204,514.0**	**211,429.0**	**205,332.0**	**197,361.1**	**200,366.2**	**203,525.9**	**206,709.7**	**209,680.6**	**213,202.3**	**216,725.8**
Accounts Payable	9,882.0	7,159.0	7,159.0	7,159.0	10,896.0	10,666.0	10,268.0	9,882.0	7,159.0	7,159.0	7,159.0	7,159.0	7,159.0	7,159.0	7,159.0	7,159.0
Short-Term Debt	2,499.0	-	-	-	5,240.0	6,731.0	2,496.0	2,499.0	2,004.0	-	-	-	-	-	-	-
Other Current Liabilities	19,194.0	17,722.0	17,722.0	17,722.0	16,038.0	17,569.0	19,533.0	19,194.0	17,722.0	17,722.0	17,722.0	17,722.0	17,722.0	17,722.0	17,722.0	17,722.0
Total Current Liabilities	**31,575.0**	**24,881.0**	**24,881.0**	**24,881.0**	**32,174.0**	**34,966.0**	**32,297.0**	**31,575.0**	**26,885.0**	**24,881.0**	**24,881.0**	**24,881.0**	**24,881.0**	**24,881.0**	**24,881.0**	**24,881.0**
Long-Term Debt	44,086.0	48,527.0	48,527.0	48,527.0	44,911.0	44,026.0	44,057.0	44,086.0	43,027.0	48,527.0	48,527.0	48,527.0	48,527.0	48,527.0	48,527.0	48,527.0
Other Long-Term Liabilities	9,408.0	10,431.0	10,431.0	10,431.0	8,744.0	7,777.0	11,430.0	9,408.0	10,431.0	10,431.0	10,431.0	10,431.0	10,431.0	10,431.0	10,431.0	10,431.0
Total Liabilities	**85,069.0**	**83,839.0**	**83,839.0**	**83,839.0**	**85,829.0**	**86,769.0**	**87,784.0**	**85,069.0**	**80,343.0**	**83,839.0**	**83,839.0**	**83,839.0**	**83,839.0**	**83,839.0**	**83,839.0**	**83,839.0**
Shareholders' Equity	**126,360.0**	**119,686.9**	**132,886.8**	**147,060.2**	**106,413.0**	**105,751.0**	**116,730.0**	**126,360.0**	**124,989.0**	**113,522.1**	**116,527.2**	**119,686.9**	**122,870.7**	**125,841.6**	**129,363.3**	**132,886.8**
Total Liabilities & Shareholders' Equity	**211,429.0**	**203,525.9**	**216,725.8**	**230,899.2**	**192,242.0**	**192,520.0**	**204,514.0**	**211,429.0**	**205,332.0**	**197,361.1**	**200,366.2**	**203,525.9**	**206,709.7**	**209,680.6**	**213,202.3**	**216,725.8**

Intel: Cash Flow Statement ($MM)																
INTC (Calendar)	**2025**	**2026E**	**2027E**	**2028E**	**Q125**	**Q225**	**Q325**	**Q425**	**Q126**	**Q226E**	**Q326E**	**Q426E**	**Q127E**	**Q227E**	**Q327E**	**Q427E**
Net Income	26.0	(2,358.1)	4,674.9	6,973.4	(887.0)	(3,024.0)	4,270.0	(333.0)	(4,281.0)	408.1	680.1	834.7	808.8	920.9	1,471.7	1,473.5
Depreciation & Amortization	11,706.0	12,239.7	12,726.8	13,632.4	2,674.0	3,013.0	2,992.0	3,027.0	3,136.0	2,997.8	3,034.0	3,071.9	3,111.2	3,151.7	3,204.9	3,259.0
Other	(2,035.0)	4,390.7	1,278.0	1,594.4	(974.0)	2,061.0	(4,716.0)	1,594.0	2,241.0	494.9	838.2	816.6	(310.3)	416.7	740.8	430.8
Cash Flow From Operations	**9,697.0**	**14,272.3**	**18,679.7**	**22,200.1**	**813.0**	**2,050.0**	**2,546.0**	**4,288.0**	**1,096.0**	**3,900.7**	**4,552.3**	**4,723.3**	**3,609.7**	**4,489.3**	**5,417.4**	**5,163.2**
Gross Capex	(14,646.0)	(16,041.3)	(19,268.4)	(22,215.9)	(5,183.0)	(3,550.0)	(2,425.0)	(3,488.0)	(3,636.0)	(4,032.2)	(4,141.1)	(4,232.0)	(4,320.3)	(4,883.4)	(4,972.3)	(5,092.5)
Other	(175.0)	(7,471.0)	-	-	5,264.0	1,464.0	(3,825.0)	(3,078.0)	6,729.0	(14,200.0)	-	-	-	-	-	-
Cash Flow From Investments	**(14,821.0)**	**(23,512.3)**	**(19,268.4)**	**(22,215.9)**	**81.0**	**(2,086.0)**	**(6,250.0)**	**(6,566.0)**	**3,093.0**	**(18,232.2)**	**(4,141.1)**	**(4,232.0)**	**(4,320.3)**	**(4,883.4)**	**(4,972.3)**	**(5,092.5)**
Net Stock Repurchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner Contriibutions	5,108.0	5,439.0	3,525.0	2,000.0	955.0	1,283.0	1,414.0	1,456.0	2,064.0	1,125.0	1,125.0	1,125.0	1,125.0	800.0	800.0	800.0
Other	(4,173.0)	3,173.0	1,000.0	1,000.0	(1,151.0)	(501.0)	3,738.0	4,393.0	(3,270.0)	3,746.0	250.0	250.0	250.0	250.0	250.0	250.0
Cash at End of Period					8,947.0	9,693.0	11,141.0	14,712.0	17,695.0	8,234.5	10,020.6	11,886.9	12,551.4	13,207.3	14,702.4	15,823.2

INTC (Calendar)	**2025**	**2026E**	**2027E**	**2028E**	**Q125**	**Q225**	**Q325**	**Q425**	**Q126**	**Q226E**	**Q326E**	**Q426E**	**Q127E**	**Q227E**	**Q327E**	**Q427E**
Cash Flow from Operations	9,697.0	14,272.3	18,679.7	22,200.1	813.0	2,050.0	2,546.0	4,288.0	1,096.0	3,900.7	4,552.3	4,723.3	3,609.7	4,489.3	5,417.4	5,163.2
subtract Capex	(14,646.0)	(16,041.3)	(19,268.4)	(22,215.9)	(5,183.0)	(3,550.0)	(2,425.0)	(3,488.0)	(3,636.0)	(4,032.2)	(4,141.1)	(4,232.0)	(4,320.3)	(4,883.4)	(4,972.3)	(5,092.5)
FCF	**(4,949.0)**	**(1,769.1)**	**(588.8)**	**(15.8)**	**(4,370.0)**	**(1,500.0)**	**121.0**	**800.0**	**(2,540.0)**	**(131.5)**	**411.2**	**491.3**	**(710.6)**	**(394.1)**	**445.2**	**70.7**
Operating Income	(2,214.0)	(136.6)	6,488.7	9,071.2	(301.0)	(3,176.0)	683.0	580.0	(3,136.0)	735.5	1,045.1	1,218.8	1,217.7	1,343.7	1,962.6	1,964.6
add back D&A	11,706.0	12,239.7	12,726.8	13,632.4	2,674.0	3,013.0	2,992.0	3,027.0	3,136.0	2,997.8	3,034.0	3,071.9	3,111.2	3,151.7	3,204.9	3,259.0
EBITDA	**9,492.0**	**12,103.0**	**19,215.4**	**22,703.6**	**2,373.0**	**(163.0)**	**3,675.0**	**3,607.0**	**-**	**3,733.2**	**4,079.1**	**4,290.7**	**4,329.0**	**4,495.4**	**5,167.5**	**5,223.5**

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 47: **Bernstein NVDA Income Statement**

NVIDIA: Income Statement

Calendar Quarter	2025	2026E	2027E	2028E
Fiscal Quarter	2026	2027E	2028E	2029E
GAAP Revenue	**215,938**	**398,818**	**539,563**	**622,987**
COGS	62,475	100,076	144,398	168,206
GAAP Gross Profit	**153,463**	**298,742**	**395,165**	**454,780**
R&D	18,497	27,745	32,374	36,820
SG&A	4,579	6,582	7,618	8,329
Other	-	-	-	-
Total Opex	23,076	34,327	39,992	45,149
GAAP Operating Profit	**130,387**	**264,415**	**355,173**	**409,631**
Net Interest Expense / Other	11,062	19,146	8,155	16,735
Pre Tax Income	**141,449**	**283,561**	**363,328**	**426,366**
Taxes	(21,382)	(47,904)	(61,766)	(72,482)
Net Income	**120,067**	**235,657**	**301,562**	**353,883**
Non-GAAP Metrics				
Gross Profit	153,994	299,159	395,489	455,104
Opex	16,695	33,905	39,892	45,049
Operating Profit	137,299	265,254	355,597	410,055
Net Income	116,996	223,376	301,914	354,235
GAAP Diluted Share Count	24,515	24,331	24,171	24,011
Non-GAAP Diluted Share Count	24,515	24,316	24,116	23,916
GAAP Diluted EPS	**$4.90**	**$9.69**	**$12.48**	**$14.74**
Non-GAAP Diluted EPS	**$4.77**	**$9.19**	**$12.52**	**$14.81**

Growth and Margins	2026	2027E	2028E	2029E
QoQ Revenue Growth	-	-	-	-
YoY Revenue Growth	65.5%	84.7%	35.3%	15.5%
GAAP Gross Margin %	**71.1%**	**74.9%**	**73.2%**	**73.0%**
Non-GAAP Gross Margin %	**71.3%**	**75.0%**	**73.3%**	**73.1%**
R&D as % of Sales	8.6%	7.0%	6.0%	5.9%
SG&A as % of Sales	2.1%	1.7%	1.4%	1.3%
GAAP Opex as % of Sales	10.7%	8.6%	7.4%	7.2%
Non-GAAP Opex as % of sales	7.7%	8.5%	7.4%	7.2%
GAAP Operating Margin	**60.4%**	**66.3%**	**65.8%**	**65.8%**
Non-GAAP Operating Margin	**63.6%**	**66.5%**	**65.9%**	**65.8%**
GAAP Tax Rate	(15.1%)	(16.9%)	(17.0%)	(17.0%)
GAAP Net Margin	**55.6%**	**59.1%**	**55.9%**	**56.8%**
Non-GAAP Net Margin	**54.2%**	**56.0%**	**56.0%**	**56.9%**

Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
44,062	**46,743**	**57,006**	**68,127**	**81,615**	**91,000**	**102,683**	**123,521**	**128,375**	**134,241**	**136,171**	**140,775**
17,394	12,890	15,157	17,034	20,458	22,841	25,773	31,004	33,378	36,245	36,766	38,009
26,668	**33,853**	**41,849**	**51,093**	**61,157**	**68,159**	**76,910**	**92,517**	**94,998**	**97,996**	**99,405**	**102,766**
3,989	4,291	4,705	5,512	6,321	6,825	7,188	7,411	7,703	8,054	8,170	8,446
1,041	1,122	1,134	1,282	1,300	1,684	1,746	1,853	1,861	1,879	1,906	1,971
5,030	**5,413**	**5,839**	**6,794**	**7,621**	**8,509**	**8,933**	**9,264**	**9,564**	**9,934**	**10,077**	**10,417**
21,638	**28,440**	**36,010**	**44,299**	**53,536**	**59,651**	**67,976**	**83,253**	**85,434**	**88,062**	**89,328**	**92,348**
272	2,766	1,926	6,098	16,367	765	895	1,118	1,406	1,814	2,233	2,703
21,910	**31,206**	**37,936**	**50,397**	**69,903**	**60,416**	**68,871**	**84,371**	**86,839**	**89,876**	**91,562**	**95,051**
(3,135)	(4,784)	(6,026)	(7,437)	(11,582)	(10,271)	(11,708)	(14,343)	(14,763)	(15,279)	(15,566)	(16,159)
18,775	**26,422**	**31,910**	**42,960**	**58,321**	**50,145**	**57,163**	**70,028**	**72,077**	**74,597**	**75,996**	**78,892**
26,858	33,960	41,967	51,209	61,232	68,273	77,024	92,631	95,079	98,077	99,486	102,847
3,583	3,795	4,215	5,102	7,449	8,309	8,908	9,239	9,539	9,909	10,052	10,392
23,275	30,165	37,752	46,107	53,783	59,965	68,115	83,392	85,540	88,168	89,434	92,454
19,894	25,783	31,767	39,552	45,548	50,406	57,278	70,143	72,165	74,685	76,084	78,980
24,611	24,532	24,483	24,432	24,391	24,351	24,311	24,271	24,231	24,191	24,151	24,111
24,611	24,532	24,483	24,432	24,391	24,341	24,291	24,241	24,191	24,141	24,091	24,041
$0.76	**$1.08**	**$1.30**	**$1.76**	**$2.39**	**$2.06**	**$2.35**	**$2.89**	**$2.97**	**$3.08**	**$3.15**	**$3.27**
$0.81	**$1.05**	**$1.30**	**$1.62**	**$1.87**	**$2.07**	**$2.36**	**$2.89**	**$2.98**	**$3.09**	**$3.16**	**$3.29**

Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
12.0%	6.1%	22.0%	19.5%	19.8%	11.5%	12.8%	20.3%	3.9%	4.6%	1.4%	3.4%
69.2%	55.6%	62.5%	73.2%	85.2%	94.7%	80.1%	81.3%	57.3%	47.5%	32.6%	14.0%
60.5%	**72.4%**	**73.4%**	**75.0%**	**74.9%**	**74.9%**	**74.9%**	**74.9%**	**74.0%**	**73.0%**	**73.0%**	**73.0%**
61.0%	**72.7%**	**73.6%**	**75.2%**	**75.0%**	**75.0%**	**75.0%**	**75.0%**	**74.1%**	**73.1%**	**73.1%**	**73.1%**
9.1%	9.2%	8.3%	8.1%	7.7%	7.5%	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%
2.4%	2.4%	2.0%	1.9%	1.6%	1.9%	1.7%	1.5%	1.5%	1.4%	1.4%	1.4%
11.4%	11.6%	10.2%	10.0%	9.3%	9.4%	8.7%	7.5%	7.5%	7.4%	7.4%	7.4%
8.1%	8.1%	7.4%	7.5%	9.1%	9.1%	8.7%	7.5%	7.4%	7.4%	7.4%	7.4%
49.1%	**60.8%**	**63.2%**	**65.0%**	**65.6%**	**65.6%**	**66.2%**	**67.4%**	**66.6%**	**65.6%**	**65.6%**	**65.6%**
52.8%	**64.5%**	**66.2%**	**67.7%**	**65.9%**	**65.9%**	**66.3%**	**67.5%**	**66.6%**	**65.7%**	**65.7%**	**65.7%**
(14.3%)	(15.3%)	(15.9%)	(14.8%)	(16.6%)	(17.0%)	(17.0%)	(17.0%)	(17.0%)	(17.0%)	(17.0%)	(17.0%)
42.6%	**56.5%**	**56.0%**	**63.1%**	**71.5%**	**55.1%**	**55.7%**	**56.7%**	**56.1%**	**55.6%**	**55.8%**	**56.0%**
45.2%	**55.2%**	**55.7%**	**58.1%**	**55.8%**	**55.4%**	**55.8%**	**56.8%**	**56.2%**	**55.6%**	**55.9%**	**56.1%**

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 48: **Bernstein NVDA Balance Sheet**

NVIDIA: Balance Sheet

Calendar Quarter	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Fiscal Quarter	2026	2027E	2028E	2029E	Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
Assets																
Current Assets:																
Cash	10,605	80,626	267,689	556,276	15,234	11,639	11,486	10,605	13,237	26,877	50,381	80,626	123,584	167,764	217,148	267,689
Short Term Investments	51,951	67,335	67,335	67,335	38,457	45,152	49,122	51,951	67,335	67,335	67,335	67,335	67,335	67,335	67,335	67,335
Net accounts receivable	38,466	67,936	77,426	81,124	22,132	27,808	33,391	38,466	40,710	50,050	56,476	67,936	70,606	73,833	74,894	77,426
Inventory	21,403	38,612	47,410	56,844	11,333	14,962	19,784	21,403	25,797	28,409	32,074	38,612	41,621	45,205	45,857	47,410
Prepaid expenses	3,180	3,916	3,916	3,916	2,779	2,658	2,709	3,180	3,916	3,916	3,916	3,916	3,916	3,916	3,916	3,916
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	**125,605**	**258,426**	**463,776**	**765,494**	**89,935**	**102,219**	**116,492**	**125,605**	**150,995**	**176,587**	**210,182**	**258,426**	**307,062**	**358,053**	**409,150**	**463,776**
Non Current Assets:																
Property, plant and equipment, net	10,383	15,832	21,406	21,431	7,136	9,141	9,780	10,383	12,403	13,305	14,400	15,832	17,245	18,675	20,045	21,406
Goodwill	20,832	20,894	20,894	20,894	5,498	5,755	6,261	20,832	20,894	20,894	20,894	20,894	20,894	20,894	20,894	20,894
Intangible assets, net	3,306	2,463	2,313	2,163	769	755	936	3,306	3,120	2,901	2,682	2,463	2,426	2,388	2,351	2,313
Other long-term assets	46,677	72,062	72,062	72,062	21,916	22,870	27,679	46,677	72,062	72,062	72,062	72,062	72,062	72,062	72,062	72,062
Total Non Current Assets	**81,198**	**111,251**	**116,675**	**116,550**	**35,319**	**38,521**	**44,656**	**81,198**	**108,479**	**109,162**	**110,038**	**111,251**	**112,627**	**114,019**	**115,352**	**116,675**
Total Assets	**206,803**	**369,677**	**580,451**	**882,045**	**125,254**	**140,740**	**161,148**	**206,803**	**259,474**	**285,749**	**320,220**	**369,677**	**419,689**	**472,072**	**524,502**	**580,451**
Liabilities and equity																
Current liabilities:																
Accounts payable	9,812	18,953	23,391	26,967	7,331	9,064	8,624	9,812	13,097	14,233	15,538	18,953	20,710	22,308	22,543	23,391
Accrued Liabilities	21,352	29,787	29,787	29,787	19,211	15,193	16,452	21,352	29,787	29,787	29,787	29,787	29,787	29,787	29,787	29,787
Convertible Short Term Debt	999	-	-	-	-	-	999	999	1,000	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	**32,163**	**48,740**	**53,178**	**56,754**	**26,542**	**24,257**	**26,075**	**32,163**	**43,884**	**44,020**	**45,325**	**48,740**	**50,497**	**52,095**	**52,330**	**53,178**
Long-term liabilities:																
Long-term debt	7,469	7,470	7,470	7,470	8,464	8,466	7,468	7,469	7,470	7,470	7,470	7,470	7,470	7,470	7,470	7,470
Capital Lease Obligations, LT	2,572	3,878	3,878	3,878	1,521	1,831	2,014	2,572	3,878	3,878	3,878	3,878	3,878	3,878	3,878	3,878
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term liabilities	7,306	8,768	8,768	8,768	4,884	6,055	6,694	7,306	8,768	8,768	8,768	8,768	8,768	8,768	8,768	8,768
Total non-current liabilities	**17,347**	**20,116**	**20,116**	**20,116**	**14,869**	**16,352**	**16,176**	**17,347**	**20,116**	**20,116**	**20,116**	**20,116**	**20,116**	**20,116**	**20,116**	**20,116**
Total liabilities	**49,510**	**68,856**	**73,294**	**76,870**	**41,411**	**40,609**	**42,251**	**49,510**	**64,000**	**64,136**	**65,441**	**68,856**	**70,613**	**72,211**	**72,446**	**73,294**
Shareholders' equity:																
Ordinary shares	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Addditional Paid-In Capital	10,118	16,440	25,280	33,320	11,475	11,200	10,626	10,118	10,275	12,330	14,385	16,440	18,650	20,860	23,070	25,280
Treasury Stock	-	(60,000)	(140,000)	(180,000)	-	-	-	-	-	(20,000)	(40,000)	(60,000)	(80,000)	(100,000)	(120,000)	(140,000)
Accumulated other comp loss	178	137	137	137	186	170	339	178	137	137	137	137	137	137	137	137
Retained earnings	146,973	344,220	621,716	951,694	72,158	88,737	107,908	146,973	185,038	229,122	280,233	344,220	410,265	478,841	548,825	621,716
Total Shareholders' equity	157,293	300,821	507,157	805,175	**83,843**	**100,131**	**118,897**	**157,293**	**195,474**	**221,613**	**254,779**	**300,821**	**349,076**	**399,862**	**452,056**	**507,157**
Total liabilities and shareholders' equity	**206,803**	**369,677**	**580,451**	**882,045**	**125,254**	**140,740**	**161,148**	**206,803**	**259,474**	**285,749**	**320,220**	**369,677**	**419,689**	**472,072**	**524,502**	**580,451**

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 49: **Bernstein NVDA Cash Flow Statement**

NVIDIA: Cash Flow Statement

Calendar Quarter	2025	2026E	2027E	2028E	Q125	Q225	Q325	Q425	Q126	Q226E	Q326E	Q426E	Q127E	Q227E	Q327E	Q427E
Fiscal Quarter	2026	2027E	2028E	2029E	Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
Cash flows from operating activities:																
GAAP Net income	**120,067**	**235,657**	**301,562**	**353,883**	**18,775**	**26,422**	**31,910**	**42,960**	**58,321**	**50,145**	**57,163**	**70,028**	**72,077**	**74,597**	**75,996**	**78,892**
Adjustments to reconcile net income to net cash provided by operating activities:																
Depreciation and amortization	2,843	4,569	5,367	6,355	611	668	752	812	997	1,137	1,177	1,257	1,192	1,292	1,391	1,492
Share-based compensation	6,386	8,093	8,840	8,040	1,474	1,624	1,655	1,633	1,928	2,055	2,055	2,055	2,210	2,210	2,210	2,210
Restructuring / Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of debt discount	-	-	-	-												
Net gain on sale/disposal of long-lived assets/investments	-	(15,936)	-	-	-	(2,247)	(1,354)	(5,317)	(15,936)	-	-	-	-	-	-	-
Loss on early debt conversions	-	-	-	-												
Deferred income taxes	(1,424)	1,584	-	-	(2,177)	18	124	611	1,584							
Tax benefit from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(287)	(94)	-	-	77	(100)	(80)	(184)	(94)	-	-	-	-	-	-	-
Changes in assets and liabilities, net of acquisitions:	-	-	-	-												
Accounts receivable, net	(15,399)	(29,469)	(9,490)	(3,698)	933	(5,675)	(5,583)	(5,074)	(2,243)	(9,340)	(6,426)	(11,461)	(2,670)	(3,226)	(1,062)	(2,532)
Inventory	(11,324)	(17,235)	(8,798)	(9,433)	(1,258)	(3,622)	(4,823)	(1,621)	(4,420)	(2,612)	(3,666)	(6,538)	(3,009)	(3,585)	(651)	(1,554)
Prepaid expenses/other assets	577	(983)	-	-	560	387	(89)	(281)	(983)	-	-	-	-	-	-	-
Accounts payable	3,096	8,066	4,438	3,576	941	1,314	(223)	1,064	2,210	1,136	1,305	3,415	1,757	1,598	235	849
Accrued and other current liabilities	5,257	7,763	-	-	7,128	(4,053)	1,129	1,053	7,763	-	-	-	-	-	-	-
Other long-term liabilities	1,844	1,217	-	-	350	629	332	533	1,217	-	-	-	-	-	-	-
Net cash provided by operating activities	**102,718**	**203,232**	**301,920**	**358,723**	**27,414**	**15,365**	**23,750**	**36,189**	**50,344**	**42,521**	**51,609**	**58,757**	**71,557**	**72,886**	**78,119**	**79,357**
Cash flows from investing activities:																
Net Proceeds from sale of marketable securities	(31,651)	(24,585)	-	-	(3,606)	(4,592)	(6,694)	(16,759)	(24,585)	-	-	-	-	-	-	-
Proceeds from sale of long-lived assets/investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchases of property, plant and equipment	(6,042)	(8,101)	(10,791)	(6,230)	(1,227)	(1,894)	(1,637)	(1,284)	(1,757)	(1,820)	(2,054)	(2,470)	(2,568)	(2,685)	(2,723)	(2,815)
Acquisitions	(14,535)	(87)	-	-	(383)	(294)	(694)	(13,164)	(87)							
Reimbursement of HQ building development costs	-	-	-	-					-							
Other	-	-	-	-	-	(346)	-	346	-							
Net cash used in investing activities	**(52,228)**	**(32,773)**	**(10,791)**	**(6,230)**	**(5,216)**	**(7,126)**	**(9,025)**	**(30,861)**	**(26,429)**	**(1,820)**	**(2,054)**	**(2,470)**	**(2,568)**	**(2,685)**	**(2,723)**	**(2,815)**
Cash flows from financing activities:																
Proceeds from issuance of notes, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments related to repurchases of common stock	(40,086)	(79,312)	(80,000)	(40,000)	(14,095)	(9,721)	(12,456)	(3,814)	(19,312)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Repayment of convertible notes	-	(1,000)	-	-	-	-	-	-	-	(1,000)	-	-	-	-	-	-
Dividends paid	(974)	(18,398)	(24,066)	(23,906)	(244)	(244)	(243)	(243)	(243)	(6,062)	(6,052)	(6,042)	(6,032)	(6,022)	(6,012)	(6,002)
Other	(110)	(114)	-	-	(52)	(21)	(24)	(13)	(114)	-	-	-	-	-	-	-
Net cash (used in) provided by financing activities	**(48,474)**	**(100,438)**	**(104,066)**	**(63,906)**	**(15,553)**	**(11,834)**	**(14,878)**	**(6,209)**	**(21,283)**	**(27,062)**	**(26,052)**	**(26,042)**	**(26,032)**	**(26,022)**	**(26,012)**	**(26,002)**
Free Cash Flow	**96,676**	**195,131**	**291,128**	**352,493**	**26,187**	**13,471**	**22,113**	**34,905**	**48,587**	**40,701**	**49,556**	**56,287**	**68,989**	**70,201**	**75,396**	**76,542**

Source: Company reports, Bernstein estimates and analysis

EXHIBIT 50: **Bernstein NVDA Revenue Model**

NVDA: Revenue Model ($M)

Calendar Year	CY2025				CY2026E				CY2027E			
Fiscal Year ends January	FY2026				FY2027E				FY2028E			
Fiscal Quarter (FYE Jan):	Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
Revenue by End Market												
Gaming	3,763	4,287	4,265	3,727	3,548	3,448	3,348	3,278	2,973	3,333	3,712	3,642
Professional Visualization	509	601	760	1,321	1,974	1,974	2,072	2,176	1,964	2,062	2,165	2,273
Datacenter	39,112	41,096	51,215	62,314	75,246	84,673	96,327	117,054	122,328	127,675	129,110	133,587
Automotive	567	586	592	604	665	721	742	830	903	963	965	1,065
OEM	111	173	174	161	182	184	193	183	207	209	220	208
IP	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	**44,062**	**46,743**	**57,006**	**68,127**	**81,615**	**91,000**	**102,683**	**123,521**	**128,375**	**134,241**	**136,171**	**140,775**

Calendar Year	2025	2026E	2027E	2028E
FYE Jan:	2026	2027E	2028E	2029E
Revenue by Segment				
Gaming	16,042	13,623	13,660	14,405
Professional Visualization	3,191	8,196	8,464	8,842
Datacenter	193,737	373,300	512,700	593,905
Automotive	2,349	2,957	3,895	4,877
OEM	619	743	844	958
IP	-	-	-	-
Total Revenues	**215,938**	**398,818**	**539,563**	**622,987**

Calendar Year	CY2025				CY2026E				CY2027E			
Fiscal Year ends January	FY2026				FY2027E				FY2028E			
Fiscal Quarter (FYE Jan):	Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
QoQ Growth												
Gaming	47.9%	13.9%	-0.5%	(12.6%)	(4.8%)	(2.8%)	(2.9%)	(2.1%)	(9.3%)	12.1%	11.4%	(1.9%)
Professional Visualization	(0.4%)	18.1%	26.5%	73.8%	49.4%	0.0%	5.0%	5.0%	(9.7%)	5.0%	5.0%	5.0%
Datacenter	9.9%	5.1%	24.6%	21.7%	20.8%	12.5%	13.8%	21.5%	4.5%	4.4%	1.1%	3.5%
Automotive	(0.5%)	3.4%	1.0%	2.0%	10.0%	8.4%	3.0%	11.8%	8.8%	6.6%	0.2%	10.4%
OEM	(11.9%)	55.9%	0.6%	(7.5%)	13.3%	1.0%	5.0%	(5.5%)	13.3%	1.0%	5.0%	(5.5%)
IP												
Total Revenues	**12.0%**	**6.1%**	**22.0%**	**19.5%**	**19.8%**	**11.5%**	**12.8%**	**20.3%**	**3.9%**	**4.6%**	**1.4%**	**3.4%**

Calendar Year	2025	2026E	2027E	2028E
FYE Jan:	2026	2027E	2028E	2029E
QoQ Growth				
Gaming				
Professional Visualization				
Datacenter				
Automotive				
OEM				
IP				
Total Revenues				

Calendar Year	CY2025E				CY2026E				CY2027E			
Fiscal Year ends January	FY2026E				FY2027E				FY2028E			
YoY Growth	Q126	Q226	Q326	Q426	Q127	Q227E	Q327E	Q427E	Q128E	Q228E	Q328E	Q428E
Revenue by End Market												
Gaming	42.2%	48.9%	30.1%	46.5%	-5.7%	-19.6%	-21.5%	-12.0%	-16.2%	-3.4%	10.9%	11.1%
Professional Visualization	19.2%	32.4%	56.4%	158.5%	287.8%	228.4%	172.7%	64.7%	-0.5%	4.5%	4.5%	4.5%
Datacenter	73.3%	56.4%	66.4%	75.1%	92.4%	106.0%	88.1%	87.8%	62.6%	50.8%	34.0%	14.1%
Automotive	72.3%	69.4%	31.8%	6.0%	17.2%	23.0%	25.3%	37.4%	35.8%	33.6%	30.1%	28.3%
OEM	42.3%	96.6%	79.4%	27.8%	64.3%	6.5%	11.2%	13.5%	13.5%	13.5%	13.5%	13.5%
IP												
Total Revenues	**69.2%**	**55.6%**	**62.5%**	**73.2%**	**85.2%**	**94.7%**	**80.1%**	**81.3%**	**57.3%**	**47.5%**	**32.6%**	**14.0%**

Calendar Year	2025	2026E	2027E	2028E
FYE Jan:	2026	2027E	2028E	2029E
YoY Growth				
Gaming	41.3%	-15.1%	0.3%	5.5%
Professional Visualization	69.9%	156.8%	3.3%	4.5%
Datacenter	68.2%	92.7%	37.3%	15.8%
Automotive	38.7%	25.9%	31.7%	25.2%
OEM	59.1%	20.0%	13.5%	13.5%
IP				
Total Revenues	**65.5%**	**84.7%**	**35.3%**	**15.5%**

Source: Company reports, Bernstein estimates and analysis

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EXHIBIT 51: **Bernstein Hygon Income Statement**

Net income statement	2025	2026E	2027E	2028E	2029E	2030E
Revenue	**14,377**	**23,477**	**39,667**	**65,921**	**102,869**	**148,978**
Revenue YoY	57%	63%	69%	66%	56%	45%
Cost of sales (enter as -)	(6,063)	(9,134)	(15,237)	(24,995)	(38,700)	(55,751)
Gross Profit	**8,314**	**14,343**	**24,430**	**40,925**	**64,169**	**93,226**
Gross profit margin%	*57.8%*	*61.1%*	*61.6%*	*62.1%*	*62.4%*	*62.6%*
YoY Bp Δ	*-589 bps*	*326 bps*	*49 bps*	*50 bps*	*30 bps*	*20 bps*
Selling Expenses	(633)	(702)	(1,064)	(1,570)	(2,224)	(2,994)
General & admin expenses	(134)	(279)	(427)	(644)	(952)	(1,319)
Total SG&A	**(767)**	**(981)**	**(1,491)**	**(2,215)**	**(3,176)**	**(4,313)**
Research and development expenses	(4,145)	(6,363)	(10,617)	(16,977)	(26,358)	(37,405)
Financial income / (expense)	175	139	207	245	448	824
Net income / (loss) from investment	(4)	0	0	0	0	0
Other gain / (loss)	33	16	53	71	120	168
Total operating expenses	**(4,709)**	**(7,188)**	**(11,848)**	**(18,875)**	**(28,966)**	**(40,726)**
Ratio analysis & assumptions						
Selling Expense Ratio	(4%)	(3%)	(3%)	(2%)	(2%)	(2%)
Admin Expense Ratio	(1%)	(1%)	(1%)	(1%)	(1%)	(1%)
SG&A Ratio	(5%)	(4%)	(4%)	(3%)	(3%)	(3%)
R&D Ratio	(29%)	(27%)	(27%)	(26%)	(26%)	(25%)
Financial Ratio	1%	1%	1%	0%	0%	1%
Financial expenses as % of beginning balance of net debt (annualized)	*(3%)*	*(3%)*	*(2%)*	*(2%)*	*(2%)*	*(2%)*
Investment income as % of beginning balance of LT Investment (annualized)	(20%)	1%	1%	1%	1%	1%
Other gain / (loss) as of sales	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Total Operating Expenses Ratio	*(33%)*	*(31%)*	*(30%)*	*(29%)*	*(28%)*	*(27%)*
Selling Expense Ratio	4%	3%	3%	2%	2%	2%
Admin Expense Ratio	1%	1%	1%	1%	1%	1%
R&D Ratio	29%	27%	27%	26%	26%	25%
Financial, Investment and Other Gain/Loss Ratio	-1%	-1%	-1%	0%	-1%	-1%
Operating profit margin%	25%	30%	32%	33%	34%	35%
Operating profit	**3,605**	**7,154**	**12,582**	**22,050**	**35,203**	**52,500**
Operating profit margin%	*25.1%*	*30.5%*	*31.7%*	*33.4%*	*34.2%*	*35.2%*
Non-operating activities	(9)	--	--	--	--	--
Pretax profit	**3,596**	**7,154**	**12,582**	**22,050**	**35,203**	**52,500**
Taxes (enter expense as -)	23	(715)	(1,258)	(2,205)	(3,520)	(5,250)
Effective tax rate	*0.6%*	*(10.0%)*	*(10.0%)*	*(10.0%)*	*(10.0%)*	*(10.0%)*
Net Profit	**3,619**	**6,439**	**11,324**	**19,845**	**31,682**	**47,250**
Loss/(gain) attributable to the noncontrolling interest	1,074	1,706	3,001	5,259	8,396	12,521
Minority interest as % of net profit	29.7%	26.5%	26.5%	26.5%	26.5%	26.5%
Profit attributable to equity owners of th	**2,545**	**4,733**	**8,323**	**14,586**	**23,287**	**34,729**
Net profit margin%	*17.7%*	*20.2%*	*21.0%*	*22.1%*	*22.6%*	*23.3%*
Net Proft YoY	32%	86%	76%	75%	60%	49%
Basic EPS	1.10	2.04	3.59	6.30	10.05	14.99
Diluted EPS	1.10	2.04	3.59	6.30	10.05	14.99
Basic EPS YoY	*32.5%*	*85.7%*	*75.9%*	*75.2%*	*59.6%*	*49.1%*
Dividends	556	947	1,665	2,917	4,657	6,946
DPS	0.24	0.41	0.72	1.26	2.01	3.00
% payout ratio	*22%*	*20%*	*20%*	*20%*	*20%*	*20%*

Source: WIND, Bernstein analysis and estimates

EXHIBIT 52: **Bernstein Hygon Balance Sheet**

Balance sheet	2025	2026E	2027E	2028E	2029E	2030E
Assets						
Cash & equivalents	8,874	13,719	15,766	21,747	38,762	66,421
Financial assets held for trading	--	--	--	--	--	--
Accounts & other receivables, prepayments	7,153	9,790	13,901	21,908	31,009	39,167
Inventories	6,406	6,770	13,017	18,405	25,684	35,560
Other current assets	2,641	1,337	2,775	5,574	7,249	11,171
Total current assets	**25,074**	**31,617**	**45,459**	**67,635**	**102,705**	**152,318**
	--	--	--	--	--	--
Total PP&E, intangible assets, ROU and investment property	4,286	3,863	3,540	3,389	3,241	3,157
Long-term equity investment	32	32	32	32	32	32
Goodwill	--	--	--	--	--	--
Other non-current assets	6,247	6,247	6,247	6,247	6,247	6,247
Total non-current assets	**10,565**	**10,142**	**9,819**	**9,668**	**9,520**	**9,436**
Total assets	**35,638**	**41,759**	**55,278**	**77,303**	**112,225**	**161,754**
Liabilities and Shareholder's Equity						
Accounts payables and other payables	2,375	3,073	5,032	7,257	11,089	15,048
Short-term borrowings	3,450	3,450	3,450	3,450	3,450	3,450
Contract Liabilities	2,019	2,149	3,823	6,353	9,826	14,330
Other current liabilities	470	382	707	1,149	1,792	2,602
Total Current Liabilities	**8,314**	**9,053**	**13,012**	**18,209**	**26,156**	**35,431**
	-	-	-	-	-	-
Long-term borrowings	500	400	300	200	150	100
Other non-current liabilities	856	856	856	856	856	856
Total Non Current Liabilities	**1,356**	**1,256**	**1,156**	**1,056**	**1,006**	**956**
Total liabilities	**9,670**	**10,309**	**14,168**	**19,265**	**27,162**	**36,386**
	-	-	-	-	-	-
Capital Reserve & Additional Add-in Capital	17,138	17,138	17,138	17,138	17,138	17,138
Less: Treasury Stock	(332)	(332)	(332)	(332)	(332)	(332)
Retained earnings / (accumulated deficit)	5,677	9,463	16,122	27,791	46,420	74,203
Other comprehensive income / (loss)	10	--	--	--	--	--
Other equity tools	--	--	--	--	--	--
Total Shareholders Equity	**22,493**	**26,269**	**32,928**	**44,597**	**63,226**	**91,009**
Minority shareholders' interest	3,475	5,182	8,182	13,441	21,837	34,359
Total Equity	**25,968**	**31,450**	**41,110**	**58,038**	**85,063**	**125,368**
Total Liabilities & Equity	**35,638**	**41,759**	**55,278**	**77,303**	**112,225**	**161,754**

Source: WIND, Bernstein analysis and estimates

EXHIBIT 53: **Bernstein Hygon Cash Flow Statement**

Cash flow statement	2025	2026E	2027E	2028E	2029E	2030E
Net Income	3,619	6,439	11,324	19,845	31,682	47,250
Depreciation and Amortization	1,860	1,433	1,366	1,226	1,190	1,137
Others	897	--	--	--	--	--
Working capital assets	16,200	17,897	29,693	45,887	63,942	85,898
Working capital liabilities	5,720	6,459	10,418	15,615	23,562	32,836
Net working capital	*10,480*	*11,439*	*19,275*	*30,273*	*40,381*	*53,061*
Change in net working capital	**(4,279)**	**(958)**	**(7,836)**	**(10,998)**	**(10,108)**	**(12,681)**
Cash from operating activities	**2,097**	**6,914**	**4,853**	**10,073**	**22,765**	**35,707**
Net capex	(1,170)	(1,011)	(1,042)	(1,074)	(1,043)	(1,053)
Cash paid for equity investment	(12)	--	--	--	--	--
Other investments	(2,750)	--	--	--	--	--
Cash from investing activities	**(3,931)**	**(1,011)**	**(1,042)**	**(1,074)**	**(1,043)**	**(1,053)**
Change in debt	1,537	(100)	(100)	(100)	(50)	(50)
Change in equity	290	--	--	--	--	--
Cash Paid for Distribution of Dividends, Profit and Repayment of Interest	(416)	(947)	(1,665)	(2,917)	(4,657)	(6,946)
Other Cash Paid Related to Financing Activities	(326)	(10)	--	--	--	--
Cash from financing activities	**1,085**	**(1,057)**	**(1,765)**	**(3,017)**	**(4,707)**	**(6,996)**
Exchange Gains (losses) on Net Cash	--	--	--	--	--	--
Net change in cash during period	**(750)**	**4,846**	**2,046**	**5,982**	**17,015**	**27,658**

Source: WIND, Bernstein analysis and estimates

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VALUATION METHODOLOGY

ARM Holdings PLC

For Arm, we apply a 42x multiple to our FY31 EPS estimate of $11.86 to get a PT of $500.

SoftBank Group Corp

For SoftBank, we apply a 30% discount to our one-year forward net asset value (NAV) of $572bn, with a USD/JPY of 159.21, to derive our PT of ¥11,200.

Hygon Information Technology Co Ltd

We value Hygon (PT of CNY 450), based on 2028E EPS of CNY 6.30 and 71x P/E .

Advanced Micro Devices Inc

For AMD, we apply a ~35x multiple to the average of our FY27/FY28 non-GAAP EPS estimate (~$17.07) equating to a $600 price target.

Intel Corp

For INTC, we assign a ~8x EV multiple to the average of our FY27/FY28 sales estimate (~$66.1B) to arrive at a price target of $100.

NVIDIA Corp

We apply a ~25x multiple to our FY28 (CY27) non-GAAP EPS estimate of $12.52 and set our price target at $315.

RISKS

ARM Holdings PLC

Downside risks to our price target for Arm include slower growth in the new AGI CPU business and a lack of market share gains in the server CPU market; a slower increase in royalty rates across different end-markets; slower v9 and CSS penetration; higher-than-expected costs to ramp up the AGI CPU business; and higher OPEX required to sustain the massive projected growth.

SoftBank Group Corp

Downside risks to our price target for SoftBank include: (1) lower-than-expected valuation for Arm, driven by slower growth in its emerging AGI CPU business and limited market share gains in the server CPU segment; (2) potential market share loss at OpenAI amid intensifying competition; (3) execution risk in OpenAI’s monetization strategy, particularly its ability to scale revenues to offset rising operating expenses and computing costs; and (4) financial stability risks, including potential credit-rating downgrades, stemming from continued large-scale investments in OpenAI and other strategic initiatives.

Hygon Information Technology Co Ltd

Downside risks:

- Failure to develop future generation of server CPU products or keep up with the technology iteration with Intel/AMD.
- Supply chain risks associated with AMD technology authorization and advanced node foundry capacity due to Hygon being added to the US BIS' Entity List.
- The risks associated with slowing down of China's Xinchuang server deployment in coming years, due to a weaker than expected China macroeconomics.
- Given Hygon is on the Entity List, the US and its Western allies may continue to impose increasingly stringent sanctions on the company.

Advanced Micro Devices Inc

Downside risks include PC market declines esp in the 2H, AI GPU customer concentration, share trends, margin pressures, and/or overall sustainability of the AI spending environment.

Intel Corp

Upside risk to our price target on INTC includes greater than expected PC or datacenter growth, microprocessor ASP strength, substantial success in adjacent businesses, further share gains, or possible strategic / structural moves. Downside risks include macro headwinds, further roadmap slippages, larger margin headwinds, or greater share losses.

NVIDIA Corp

Downside risks to our price target include potential for lumpiness in near-term business trends, slower than expected revenue growth in key end markets (impacting the stock's multiple and reducing opex leverage), risk of competitors pressuring share or pricing, customers migrating to internal silicon, and/or regulatory risks around technology exports.

RATINGS DEFINITIONS, BENCHMARKS AND DISTRIBUTION

EQUITY RATINGS DEFINITIONS

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The Bernstein brand rates stocks based on forecasts of relative performance for the next 12 months versus the S&P 500 for stocks listed on the U.S. and Canadian exchanges, versus the Bloomberg Europe Developed Markets Large and Mid Cap Price Return Index EUR (EDME) for stocks listed on the European exchanges and emerging markets exchanges outside of the Asia Pacific region, versus the Bloomberg Japan Large and Mid Cap Price Return Index USD (JPL) for stocks listed on the Japanese exchanges, and versus the Bloomberg Asia ex-Japan Large and Mid Cap Price Return Index (ASIAX) for stocks listed on the Asian (ex-Japan) exchanges -unless otherwise specified.

The Bernstein brand has three categories of ratings:

- Outperform: Stock will outpace the market index by more than 15 pp
- Market-Perform: Stock will perform in line with the market index to within +/-15 pp
- Underperform: Stock will trail the performance of the market index by more than 15 pp

Coverage Suspended: Coverage of a company under the Bernstein research brand has been suspended. Ratings and price targets are suspended temporarily, are no longer current, and should therefore not be relied upon.

Not Rated: A rating assigned when the stock cannot be accurately valued, or the performance of the company accurately predicted, at the present time. The covering analyst may continue to publish research reports on the company to update investors on events and developments.

Not Covered (NC) denotes companies that are not under coverage.

Bernstein brand stock ratings are based on a 12-month time horizon.

Autonomous brand – common stocks

The Autonomous brand rates common stocks as indicated below. As our benchmarks we use the Bloomberg Europe 500 Banks And Financial Services Index (BEBANKS) and Bloomberg Europe Dev Mkt Financials Large and Mid Cap Price Ret Index EUR (EDMFI) index for developed European banks and Payments, the Bloomberg Europe 500 Insurance Index (BEINSUR) for European insurers, the S&P 500 and S&P Financials for US banks and Payments coverage, S5LIFE for US Insurance, the S&P Insurance Select Industry (SPSIINS) for US Non-Life Insurers coverage, and the Bloomberg Emerging Markets Financials Large, Mid and Small Cap Price Return Index (EMLSF) for emerging market banks and insurers and Payments. Ratings are stated relative to the sector (not the market).

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Those denoted as 'Feature' (e.g., Feature Outperform FOP, Feature Under Outperform FUP) are our core ideas.

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- Outperform (OP): The total return of the preferred instrument is expected to outperform preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
- Neutral (N): The total return of the preferred instrument is expected to perform in line with preferred securities of other issuers operating in similar sectors or rating categories over the next six months.
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- Credit Underperform (C-UP): The total return of the Reference Credit Instrument is expected to underperform the credit spread of bonds of other issuers operating in similar sectors or rating categories over the next six months.

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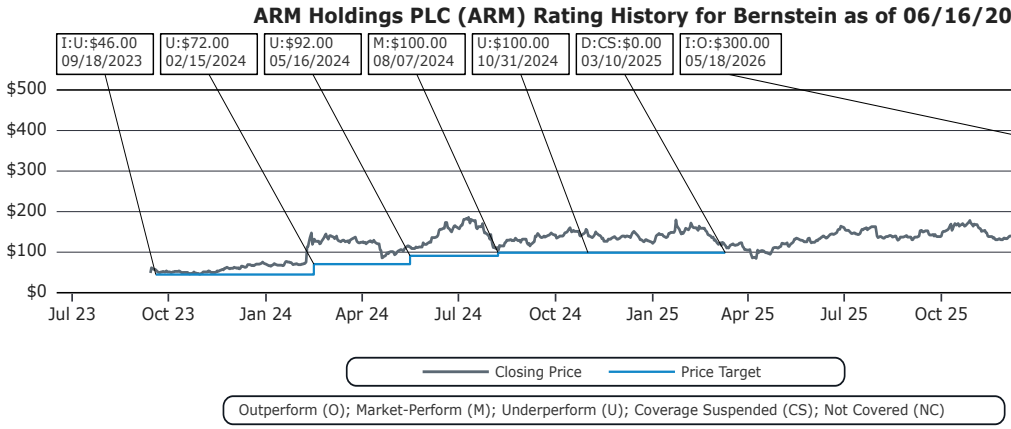
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Outperform	BUY	51.1%	16.5%
Market-Perform (Bernstein Brand) Neutral (Autonomous Brand)	HOLD	36.3%	17.8%
Underperform	SELL	12.6%	14.9%

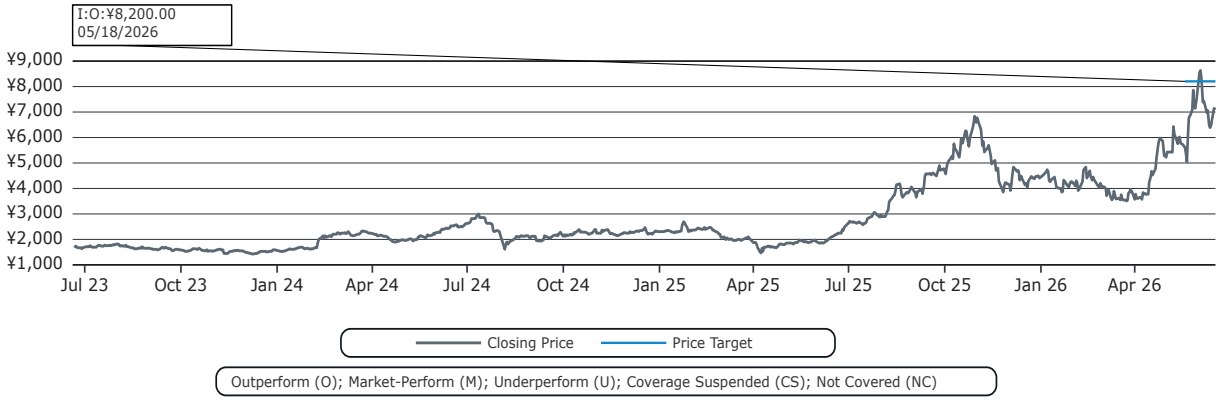
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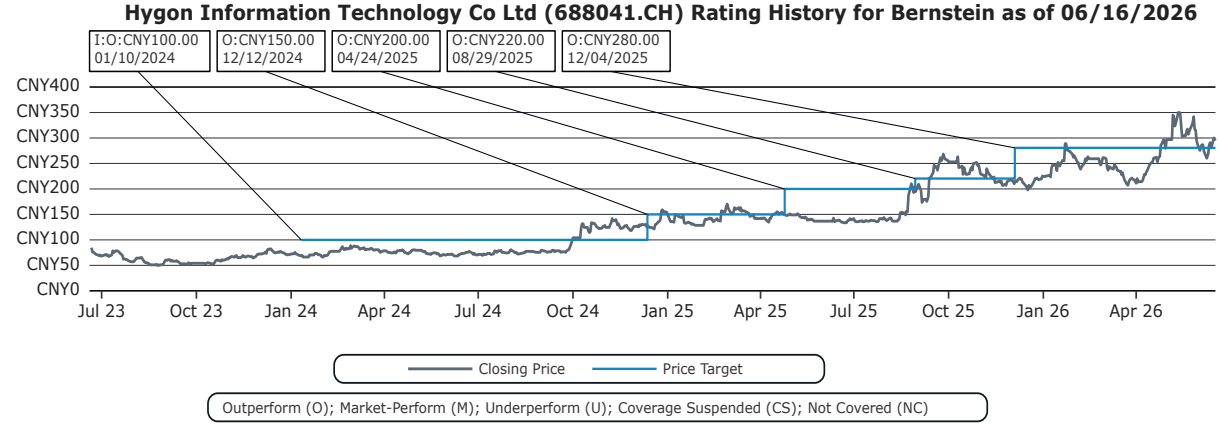
Prior to April 1, 2024, Sanford C. Bernstein & Co., LLC. issued the ratings and price target information in the graph(s) below for the following companies: Advanced Micro Devices Inc, Intel Corp and NVIDIA Corp.



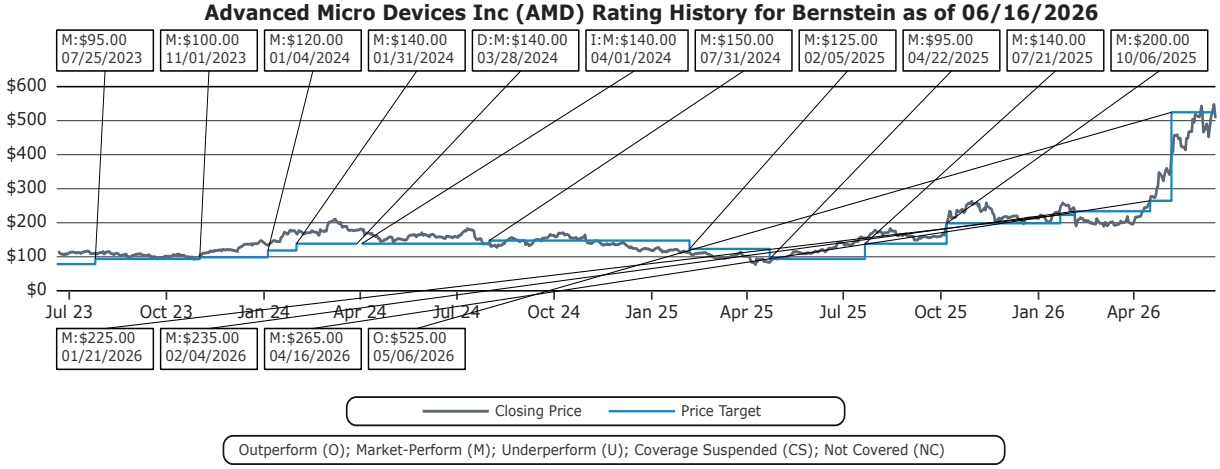
SoftBank Group Corp (9984.JP) Rating History for Bernstein as of 06/16/2026

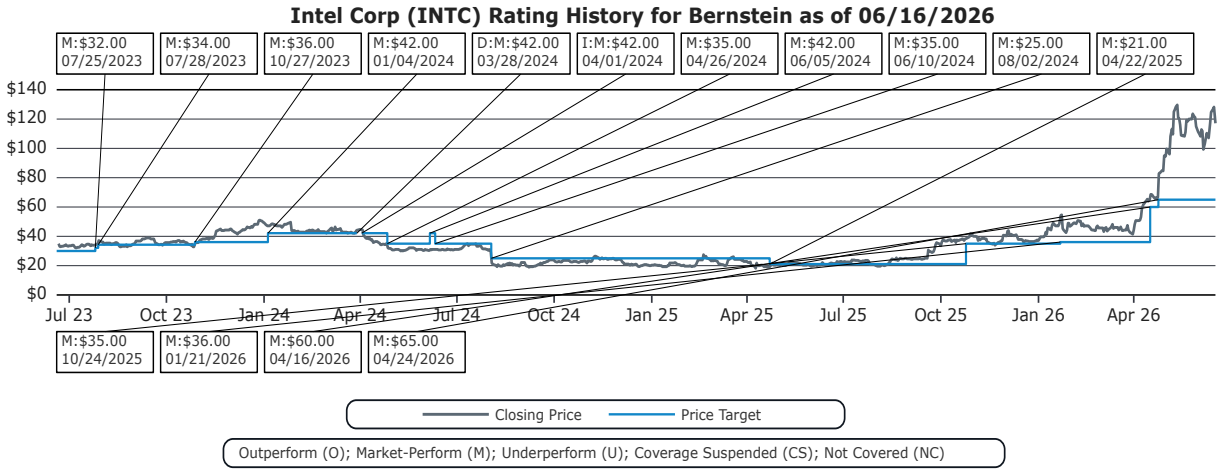


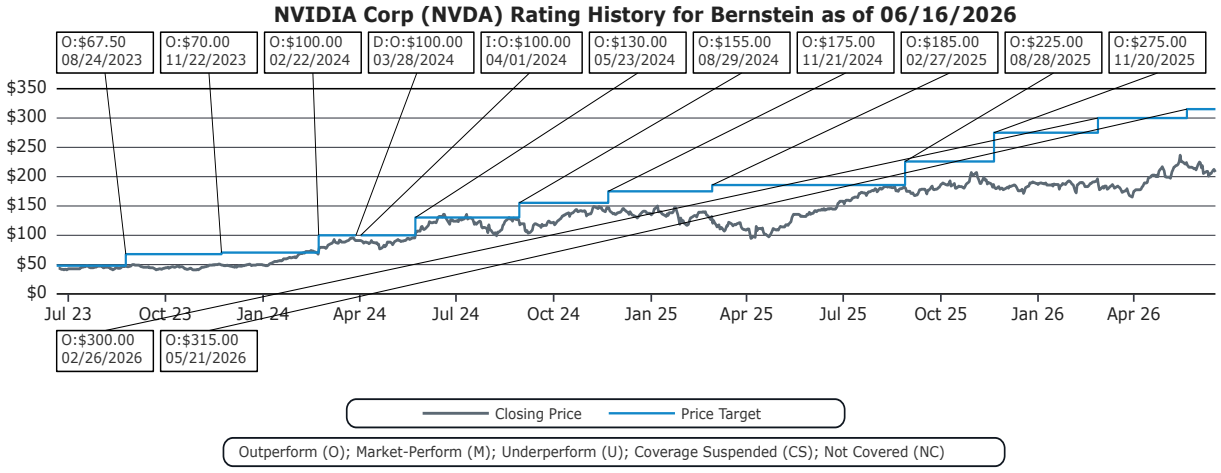
Hygon Information Technology Co Ltd (688041.CH) Rating History for Bernstein as of 06/16/2026



Advanced Micro Devices Inc (AMD) Rating History for Bernstein as of 06/16/2026







All price target and closing price data in the chart(s) above are denominated in the currency noted in the Ticker Table of this report.

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