

AMD | The AI Infrastructure Rerate

AMD's 350% rally over the past 12 months reflects a fundamental re-rating of a business that spent a decade rebuilding itself.

Lisa Su took the helm as CEO in 2014 and methodically refocused AMD on two structurally critical markets: server CPUs and high-performance GPUs. Under her, they broke up Intel's near-monopoly on CPUs to become the market leader and built out competitive GPUs in a highly competitive market.

GPU: Graphics Processing Unit, what Nvidia produces and AI models get trained on.
CPU: Central Processing Unit, what inference (output) happens on and your laptop runs on.



AMD 1-Year Cumulative Performance



Source: Factset 12 April 2026

GPU Shift

The inflection point for their GPU business came in 2025 as hyperscalers began treating AMD as a genuine alternative to Nvidia.

- Meta committed to deploying up to 6 GW of AMD Instinct GPUs.
- OpenAI followed. The shift toward inference and agentic AI further amplified AMD's position because inference workloads demand high-performance CPUs alongside GPUs.
- Oracle also ordered 50,000 MI450 GPUs powering their first publicly available AI supercluster.

Q1 2026 Earnings Highlights

Metric	Result	vs. Estimate	YoY	Note
Revenue	\$10.25B	Beat \$9.89B	+38%	Record quarter across all segments
Data centre	\$5.8B	Beat \$5.6B	+57%	Now the primary earnings driver
Adj. EPS	\$1.37	Beat \$1.28	+43%	Driven by operating leverage
Q2 guide	~\$11.2B	Beat \$10.52B	+46%	\$700M above consensus
FY guidance	~\$12.8B	Raised		Upgraded on accelerating customer demand

Source: Factset 12 April 2026

CPU Shift

As the AI infrastructure focus shifted from model training to inference, CPU demand emerged alongside GPUs as a critical bottleneck.

AMD is uniquely positioned as the only scaled vendor offering both a leading AI GPU (Instinct) and a dominant server CPU (EPYC), capturing both sides of the compute stack in every data centre deployment.

The AMD rally is because the market finally priced in what the numbers are showing: they own both sides of the AI compute stack.

The views expressed above are those of the Advantage Securities Investment Team and are based on our analysis, interpretation of publicly available information, and professional judgement at the time of writing.

Advantage Solutions (Pty) Ltd, FSP No 18490 and Advantage (Pty) Ltd, FSP No 47564 are Authorised Financial Services Providers, collectively referred to as Advantage.
T: (021) 936 9500 | T: (011) 463 9600

For the disclaimer, please click on General Disclaimer [here](#).