

NVIDIA CORPORATION (NVDA)

Information Technology – Accelerated Computing

April 17, 2025

Investment Thesis

NVIDIA is poised to maintain its semiconductor dominance as it reclaims its position as the world's most valuable company. NVIDIA remains at the forefront of the integrated circuit market by evolving Moore's Law and leading the AI chip market. As AI adoption grows, boosting productivity and GDP, NVIDIA remains the standard of high-performance computing, driving further demand for its products. The Henry Fund recommends a HOLD with a valuation of \$102 and a 0.7% upside.

Drivers of Thesis

- **AI & Cloud Adoption:** Data Center revenue projected to grow at a 18.79% CAGR, driven by AI workloads and hyperscaler GPU demand.
- **CUDA Ecosystem:** With 6M+ developers, NVIDIA's software lock-in supports gross margin expansion to 84.34% by 2035 via DGX Cloud and AI Enterprise.
- **Export Recovery:** Assuming easing of controls, we forecast a 10-year revenue CAGR of 18.89%, with ~54% from international sales in FY2026

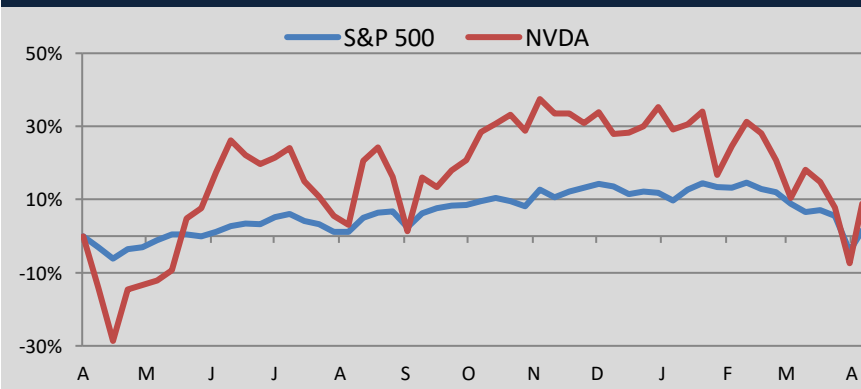
Risks to Thesis

- **Custom Silicon:** In-house chip development by key customers could erode pricing power and reduce hardware demand.
- **Fabless Exposure:** Heavy reliance on TSMC leaves NVIDIA vulnerable to Taiwan supply disruptions.
- **Valuation Risk:** Trading at 24.5x sales and 44x earnings, a pullback in AI spending could trigger 30–40% multiple compression.

Earnings Estimates

Year	2023	2024	2025	2026E	2027E	2028E
EPS	\$0.18	\$1.21	\$2.97	\$4.44	\$5.64	\$6.55
HF est.				\$3.47	\$5.69	\$7.97
Growth	-54.99%	587.50%	145.45%	79.70%	28.06%	45.62%

12 Month Performance



Stock Rating

HOLD

Target Price

\$60-102

Henry Fund DCF	\$102
Henry Fund DDM	\$50
Relative Multiple	\$100

Price Data

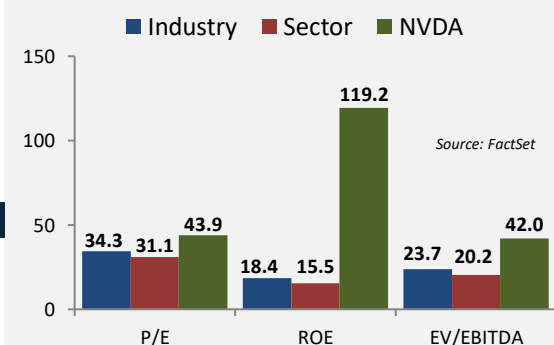
Current Price	\$101
52wk Range	\$75–153
Consensus 1yr Target	\$165

Key Statistics

Market Cap (B)	\$2,500
Shares Outstanding (M)	24,640
Institutional Ownership	65.28%
Beta	1.92
Dividend Yield	0.04%
Est. 5yr Growth	40.1%
Price/Earnings (TTM)	40.2
Price/Earnings (FY1)	21.8
Price/Sales (TTM)	22.5
Price/Book (mrq)	39.4

Profitability

Operating Margin	62.42%
Profit Margin	55.85%
Return on Assets (TTM)	82.20%
Return on Equity (TTM)	119.18%



Company Description

NVIDIA pioneered the prevailing semiconductor industry, challenging accepted thinking and pushing the physics of accelerated computing. Pairing cutting-edge integrated circuits and full-stack development to build high-performance GPU-accelerated applications. NVIDIA specializes in designing semiconductors utilizing a fabless and partnership manufacturing strategy with foundries. Critical to the information technology infrastructure and modern computing, NVIDIA continues to set the pace for computing power and energy efficiency.

COMPANY DESCRIPTION

NVIDIA Corporation

NVIDIA is a full-stack computing infrastructure company. Developing software for both front-end and back-end applications, working on both client and server sides of applications. Developing both software and hardware solutions to provide end-to-end computing. Focused on accelerated computing or shortening the time computers take to complete binary multiplication, NVIDIA invented the Graphic Processing Unit (GPU). The GPU is engineered for parallelism computing, allowing for the division of computing into smaller subtasks. Simultaneously, thousands of cores, indicative of computational power, are used to manage thousands of instructions, reducing execution time for data and visuals.

Enhancing graphics for personal computers by accelerating the creation of images on a monitor allowed NVIDIA to gain a stake in the gaming industry. NVIDIA began in gaming because of the need for parallel processing for 3D graphics, a complex computing process. With a passion for virtual worlds and a key eye for identifying gaming's potential to be the largest market within entertainment, NVIDIA's GPU was introduced to PCs and later consoles. NVIDIA's GPU was used in the first Microsoft Xbox. NVIDIA played a large part in making video game graphics more realistic. Gaming was NVIDIA's largest segment by specialized market until 2023; however, thanks to the gaming industry's revenue, NVIDIA invested in research and development. The entire time selling personal computer GPUs, NVIDIA worked behind the scenes to position itself well for the artificial intelligence (AI) boom.

Believing in the potential of computing, it focused on research and innovation. NVIDIA saw the need for parallel processing and its GPUs in usage outside of graphics. In 2006, with the creation of their parallel computing platform and application interface, Compute Unified Device Architecture (CUDA), developers gained direct access to the instructions and memory of CUDA GPU cores. By freeing up the CPU for complex branching or decision making, NVIDIA's CUDA revolutionized the world of computing. Allowing developers to utilize the full power of NVIDIA's GPU for general-purpose tasks fields such as machine learning has become attainable. With CUDA, GPUs are no longer simply tools for graphics

processing but have become accelerators for computing heavy applications.

NVIDIA, positioned at the vanguard of the AI revolution after the AlexNet Neural Network, trained using NVIDIA GPUs, demonstrated the potential of deep learning in 2012. As AI continues to develop and the demand for AI-integrated applications soars, data centers have demanded NVIDIA's GPU and their other hardware. Offering massive parallel processing power and accelerated training times, NVIDIA has become the pillar of the AI Boom.¹

Artificial Intelligence

Artificial intelligence is the ability of machines to use reasoning to make logical connections to reach conclusions. Machine perception, the ability of computers to process information about their environment, is fundamental for the growth of AI. Through processing sensory data and analyzing the data, AI has improved its capabilities to solve complex problems and perform tasks.

Machine learning (ML) is a subdivision of AI that enables one to learn patterns from data and make predictions or decisions without being programmed. ML models improve as they are trained with and process more data. The larger the datasets, the more advanced and accurate the models become.³

Deep Learning is a subset of ML that uses artificial neural networks (ANN or NN) to model complex patterns in data. Inspired by the human brain, neural networks are made of interconnected nodes and artificial neurons to process information in hierarchical stages, increasing complexity as it advances.³

Large Language Models (LLM) is another subcategory of AI that specializes in understanding human-like text. LLM leverages advanced techniques to translate binary computing to outputs that mimic human languages. The shift from binary to written speech has been made possible by a drastic decrease in data storage and processing cost, allowing LLM and other AI fields to train on massive datasets. The models use data centers to process and understand text.⁴

Data Center and Cloud Computing

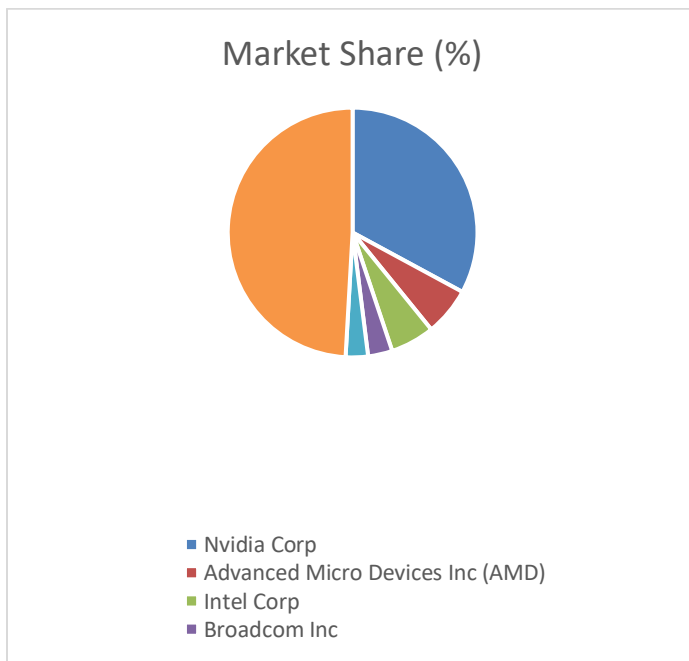
Data centers are advanced information technology architecture. They are made up of servers, storage devices,

and networking equipment that handle and distribute data via the internet. What was once a tucked-away room hosting a company's hardware, software, and resources to support organizations has now become million-square-foot buildings with servers that can be accessed remotely.⁵

Cloud computing relies on data centers and has contributed to the growth and modernization of these centers. Using the internet infrastructure, a global interconnected network of computers, data can be shared across cables to servers. Cloud computing allows for the usage of storage, processing power, and applications over the internet. These servers and wireless networks can be accessed remotely, rather than requiring physical cables and local servers. The growth of cloud computing has driven improvements in efficiency, scalability, and connectivity as data flows seamlessly across the globe to devices.⁶

Business Strategies

NVIDIA's success in accelerated computing and full-stack infrastructure has solidified its position as the dominant force in modern information technology. The company's Compute & Networking and Graphics segments create a comprehensive ecosystem that powers cutting-edge AI models and applications.



Source: [CSIMarket](#)

By continuously innovating in both hardware and software, NVIDIA has positioned itself as a cornerstone of the AI revolution. Rather than merely keeping pace with the rapid advancements, the company has taken the lead in shaping one of the most transformative technological shifts of the modern era.

NVIDIA's key strategies focus on advancing technology and platform leadership in AI, graphics, computing, and autonomous vehicles. The company enhances outcomes by seamlessly integrating software with hardware, as demonstrated in 2006 with the creation of CUDA. Today, NVIDIA leverages solutions like DGX Cloud—an AI Training-as-a-Service platform—alongside NVIDIA DGX Systems, an AI supercomputing platform designed to optimize deep learning models.

Beyond its technological advancements, NVIDIA fosters innovation through its Inception Program, an accelerator supporting AI startups, and the Deep Learning Institute, which provides education on neural networks. These initiatives not only advance AI development but also introduce new companies and individuals to NVIDIA's ecosystem, further cementing its role as an industry leader.¹

Evolution of Moore's Law

Headquartered in Santa Clara, the heart of technological innovation, NVIDIA shares its roots with one of its key competitors, Intel. The Northern California region, now famously known as Silicon Valley, earned its name largely due to the contributions of Robert Noyce—a Grinnell College alumnus—who co-founded Intel and was deemed the "Mayor of Silicon Valley" for his pioneering work in the silicon industry, including the invention of the integrated circuit. Alongside Noyce, Gordon Moore co-founded Intel and famously predicted that the number of transistors on integrated circuits would double approximately every two years—a principle known as Moore's Law. Though Moore did not intend for this trend to be a permanent fixture in semiconductor development, it has held true for over 50 years, driving exponential improvements in computing power, with processing speeds increasing 100-fold every decade.⁷

NVIDIA CEO and founder Jensen Huang has declared that Moore's Law is dead, citing the physical limitations of transistors, which are now measured on an atomic scale—just 3 nanometers wide. Instead, Huang has introduced

the concept of "Hyper Moore's Law," where advancements in GPUs are dramatically lowering the cost of AI inference while delivering performance gains far beyond traditional semiconductor scaling. He noted in 2024 that NVIDIA's AI chips are 1,000 times more powerful than those of a decade ago, outpacing Moore's original prediction.⁸

These advancements have been possible not only through increasing transistor density but also by revolutionizing chip architecture, optimizing software libraries, and refining AI algorithms. While Moore's Law has guided the semiconductor industry for over 50 years, innovation continues to push boundaries, driving down computing costs, reducing chip sizes, and vastly increasing computational power.

Operation

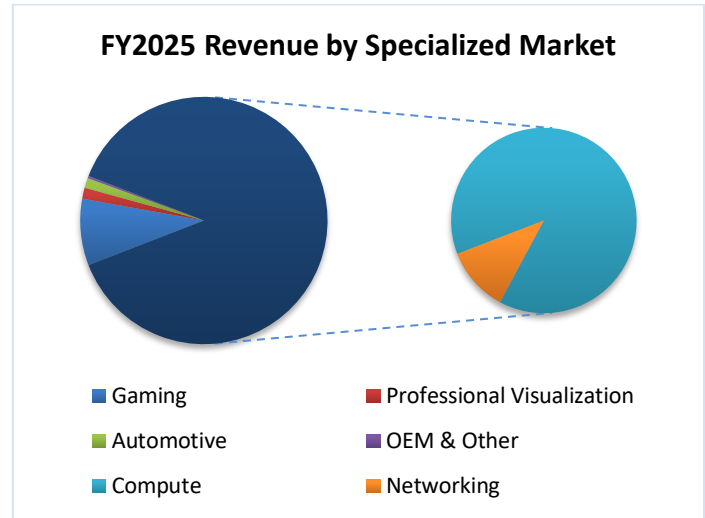
Operating under a fabless strategy, NVIDIA relies on contracting with foundries to manufacture their products. Partnering with suppliers for the entire manufacturing process, NVIDIA partners with industry leaders for the entire manufacturing processes from fabrication and assembly to quality control and testing. Relying on suppliers for the entirety of the fabrication process from material purchasing to fabrication, to packaging and shipping.

Outsourcing wafer fabrication to specialized foundries enables NVIDIA to spread the substantial costs of building and maintaining advanced manufacturing facilities across multiple clients, thanks to economies of scale. This approach significantly reduces NVIDIA's expenses compared to establishing its own fabrication plants. By partnering with foundries like Taiwan Semiconductor Manufacturing Company (TSMC)—which produces more than 90% of the world's most advanced semiconductors⁹—NVIDIA benefits from cutting-edge manufacturing R&D without bearing the direct costs. TSMC, founded as a pure-play foundry solely focused on manufacturing rather than design, ensures it never competes with its customers, fostering a collaborative partnership model.

By operating a fabless business, NVIDIA can focus on the value added in the design, function, and advancement of product lines. Not lumbered with large capital expenditures, NVIDIA can reinvest retained earnings into

Research and Development, including the best talent, to continue to push the bounds of Moore's Law.¹

Revenue Streams



Source: [NVIDIA 10-K](#)

Data Center: NVIDIA has transformed the landscape of data centers through its powerful GPUs, fundamentally changing its architecture to emphasize high-density GPU clusters, making AI faster and more efficient. Offering supercomputing platforms and servers product lines include GPU, CPUs, AI and HPC software stacks, NVIDIA AI Enterprise software, and DGX Cloud Service. Networking products include end-to-end platforms for InfiniBand and Ethernet, DPUs, switch chips, and a full software stack. Pairing computing and networking, data centers can now connect thousands of compute nodes with a high-performance network. In the most recent fiscal year, Data Centers accounted for 88.27% of revenue.

Gaming: In 2025, gaming accounted for 8.70% of revenue, a steep decline when considering 5 years ago, it accounted for 50.54% of revenue. However, since 2025, it has had a compounded annual growth rate (CAGR) of 7.48% and is almost double the revenue it was 5 years ago. Products in this segment include GeForce RTX and GeForce GTX GPUs as well as GeForce NOW, a cloud gaming for playing personalized computer games on underpowered devices. Gaming will continue to be a staple in NVIDIA's market, with brand loyalty to its luxury gaming GPUs and full ray tracing capabilities.

NVIDIA is still involved in consoling hardware partners with Nintendo. Nintendo's soon-to-be best-selling console

ever, the Nintendo Switch,¹⁰ utilizes a customized NVIDIA Tegra, a system-on-chip (SoC) that combines CPU and GPU for mobile devices and consoles.¹¹

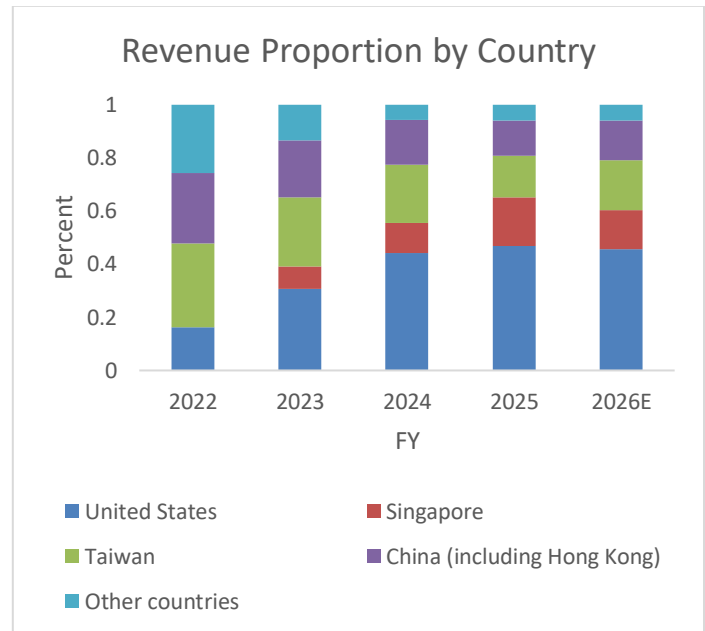
NVIDIA, as the best performance chip on the market, holds pricing power due to their high demand. This is beneficial for NVIDIA's margins; however, for companies such as Microsoft or Sony who sell gaming consoles, the Xbox and PlayStation respectively, the additional COGS are not worth the better performance as consoles are made with standardized components and mass produced to keep margins low when consoles are already loss leaders allowing them to develop an ecosystem for games.

This is why NVIDIA thrives in personalized computers (PC) where consumers invest more in individual components, like the GPU, for a better experience.

Professional Visualization: NVIDIA provides hardware and software solutions to independent software vendors, optimizing their GPUs to enhance productivity and efficiency. NVIDIA serves professionals in industries such as architecture, engineering, media, entertainment, and product design, helping them create highly detailed, realistic representations and simulations. Using NVIDIA's RTX platform, professionals can perform 3D object rendering, computer-aided design (CAD), and virtual reality (VR). Additionally, NVIDIA's Clara and Omniverse platforms optimize healthcare and industrial digitalization. NVIDIA's AI Enterprise software also supports AI applications. In the most recent fiscal year, Professional Visualization accounted for 1.44% of NVIDIA's total revenue.

Automotive: NVIDIA provides advanced hardware and software solutions for the automotive industry, empowering automakers and suppliers to develop next-generation in-vehicle experiences. In 2018, NVIDIA introduced its DRIVE platform, a high-performance computing solution that supports autonomous driving, in-car infotainment, and advanced driver-assistance systems (ADAS). The DRIVE platform integrates NVIDIA's GPUs and AI-driven technology to enhance vehicle safety, navigation, and overall driving experience. Additionally, NVIDIA's software stack helps enable smarter and more efficient automotive applications. In the most recent fiscal year, the Automotive segment accounted for 1.30% of NVIDIA's total revenue.

OEM & Other: NVIDIA's revenue from original equipment manufacturers (OEMs) and other miscellaneous sources. This category encompasses a range of products, including chips and components supplied to device manufacturers for use in various consumer electronics and embedded systems. These products are integrated into laptops, workstations, and other specialized devices. In the most recent fiscal year, the OEM & Other segment accounted for 0.3% of NVIDIA's total revenue.



Source: [NVIDIA 10-K, 2022-2025](#)

Revenue by Country: NVIDIA's regional revenue distribution has seen significant shifts, with notable trends in the U.S., Singapore, Taiwan, and China. The United States has become NVIDIA's dominant market, increasing from 16% of total revenue in 2022 to a projected 47% in 2025 before slightly declining to 46% in 2026. This growth is largely driven by the U.S.'s expanding investments in AI and semiconductor technologies, along with increased enterprise and government-backed demand for high-performance computing solutions.

One of the most striking changes is the rise of Singapore as a major revenue contributor. Previously grouped under "Other Countries," Singapore's share has surged from 8% in 2023 to an estimated 18% in 2025. This sudden prominence suggests that Singapore is playing a critical role in the global semiconductor supply chain. We suggest that Singapore is serving as a key intermediary, funneling chips into China as a workaround to U.S. regulations restricting direct sales to Chinese firms. NVIDIA states that

they are not responsible for reselling to regions under export prohibitions. Singapore's revenue share is expected to dip to 15% in 2026; however, its importance in NVIDIA's global strategy remains significant.

Meanwhile, Taiwan and China have seen declining revenue shares, reflecting shifting trade dynamics and regulatory challenges. Taiwan's contribution fell from 32% in 2022 to a projected 16% in 2025 but is expected to rebound slightly to 19% in 2026. China (including Hong Kong) has experienced a steady decline from 26% in 2022 to a projected 13% in 2025, likely due to increased trade restrictions and a push for domestic chip development. However, with Singapore acting as a potential intermediary, China's revenue share is forecasted to stabilize at 15% in 2026.

Revenue from "Other Countries" has sharply declined from 26% in 2022 to just 6% in 2024, with one of the largest purchasers outgrowing the category, holding steady through 2026. This suggests that NVIDIA is concentrating its efforts on key strategic markets while deprioritizing regions with lower growth potential or regulatory complications.

We do believe that in the long term the Middle East, countries like Saudi Arabia, UAE, and Qatar will begin experiencing rapid growth and digital expansion. In the same breadth, we expect Brazil, Chile, and Colombia to scale in Latin America. If Argentina continues its current trajectory, stabilizing its currency, it could be flush with investment in short order, with a need for data centers and NVIDIA products.

Cost Structure Analysis

NVIDIA's cost structure is strategically designed to balance high-margin innovation with disciplined operational efficiency. As a fabless semiconductor company, NVIDIA benefits from outsourcing wafer fabrication to specialized foundries such as TSMC, which significantly reduces capital expenditures while maintaining access to cutting-edge manufacturing processes. This model allows NVIDIA to allocate more resources toward research, software development, and AI-driven solutions, which provide higher-margin revenue streams. We forecast gross margins to expand from 74.99% in 2025 to 84.51% by 2035, driven by increased software revenue, economies of

scale, and continued advancements in semiconductor manufacturing.

Operating margins are expected to follow a similar trajectory, expanding from 62.40% in 2025 to 79.99% by 2035. This increase will be fueled by ongoing cost optimization, the growing AI ecosystem, and reduced R&D spending as a percentage of revenue. While R&D expenses will increase to 16.86% of revenue in 2026, they are expected to stabilize at 5% by 2030 as AI and software services become dominant. COGS is also forecast to decline as a percentage of revenue over time, further enhancing profitability through better manufacturing efficiencies.

Overall, NVIDIA's cost structure highlights a well-balanced approach to managing expenses while maximizing profitability. Despite short-term fluctuations in gross and operating margins due to production scaling, we expect long-term growth driven by software and AI services. NVIDIA's ability to innovate while maintaining an efficient cost structure positions it for continued leadership in the rapidly evolving AI and semiconductor industries.

Debt Maturity Analysis

NVIDIA holds \$8.5 billion in long-term debt on its balance sheet. There is no reason to believe that NVIDIA will not be able to fulfill its obligations when the debt matures. Given the favorable effective interest rates, the company does not need to refinance, nor should it if rates remain at their current levels. If rates decrease, NVIDIA could consider refinancing, especially since S&P Global recently upgraded its rating from A+ to AA-; however, at this time, we are not forecasting drastic rate cuts.

Long-term Debt Maturity Schedule

Fiscal Year	Effective Interest Rate (%)	Fair Value (\$mil)
2026	0.66	1,000
2028	3.31	1,250
2030	1.64	1,500
2031	2.93	1,250
2040	2.09	1,000
2050	3.54	2,000
2060	3.73	500
Total		\$8,500

Source: [NVIDIA 10-K](#)

ESG Analysis

NVIDIA has a low ESG risk rating, supporting our belief in its broad benefits to both stakeholders and shareholders. With minimal risk across various sustainability metrics, NVIDIA holds the lowest risk rating not only among its closest peers in the semiconductor industry but also within the Magnificent Seven. Across the entire semiconductor sector, it ranks within the top five. The company's products accelerate groundbreaking research, improving the quality of life for stakeholders worldwide.

Its fabless manufacturing strategy, consistent leadership under the same CEO since its founding, and revolutionary technology that reduces energy consumption and emissions in one of the most power-intensive industries all contribute to its low risk level. However, despite its commitment to using 100% renewable energy for global offices and data centers, NVIDIA has yet to achieve this goal, likely preventing it from reaching the top echelon of its industry in ESG rankings.

Environmental, Social, Governance

Company	Rating	Risk Level
NVDA	12.2	Low
AMD	12.5	Low
AVGO	19.2	Low
INTC	18.9	Low
QCOM	13.6	Low
AMZN	26.1	Medium
AAPL	18.7	Low
GOOGL	24.9	Medium
META	32.7	High
MSFT	17.2	Low
TSLA	24.6	Medium

Source: [Morningstar](#)

RECENT DEVELOPMENTS

Export Controls

Concerned about the United States' share of global semiconductor fabrication decreasing to about 10% of total capacity, the U.S. government (USG) passed the CHIPS Act of 2022. To level the playing field—similar to Taiwan's subsidies for TSMC—the USG allocated \$39 billion to boost domestic semiconductor manufacturing,

with an additional \$11 billion earmarked for R&D activities.

To maintain dominance in AI chip design, protect intellectual property from theft, and prevent the military modernization of adversarial nations, the USG implemented licensing requirements to restrict exports to China, Russia, and others. These restrictions apply to advanced chip features for which NVIDIA is known, such as chips with an 18nm half-pitch or smaller and flash chips with 128 layers or more.¹³ As a result, since October 2023, NVIDIA has not shipped any advanced ICs to China. Products affected by these regulations include the H100, H800, A100, A800, and Blackwell systems.

In the days leading up to President Donald Trump's inauguration, President Joe Biden announced the AI Diffusion guidelines, which—unless modified—impose a worldwide licensing requirement for advanced integrated circuits.¹⁴ The guidelines establish a tiered licensing system aimed at promoting global adoption of USG AI standards, granting unlimited computing access to close allies while significantly restricting access for the rest of the world. President Trump faces a decision during the 120-day delayed compliance period on whether or not to allow this export control.¹⁵

If these regulations take effect, at least two of NVIDIA's largest revenue-generating countries will face limitations. China, classified as a Tier 3 country, will be completely restricted from obtaining advanced ICs, while Singapore, a Tier 2 country, will be limited to only 50,000 chips through 2027. Additionally, the restrictions extend to any services utilizing advanced ICs, including DGX Cloud and other cloud service providers. In the short term, this would negatively impact NVIDIA by reducing its client base and limiting potential buyers. In the long term, it would shrink the company's R&D budget, as countries lower in the tier system turn to alternative AI infrastructure providers, allowing competitors to reinvest their revenues into their own innovations and catch up to NVIDIA.

Over time, this could push countries outside of America's economic sphere of influence. Semiconductors are the modern equivalent of oil,¹⁶ essential to the digital economy, and nations are unlikely to wait indefinitely for access to NVIDIA chips with an uncertain timeline. Instead, countries facing export controls will seek alternatives from competitors such as Huawei Technologies or Samsung to fulfill their AI infrastructure needs.

While we acknowledge that near-term revenue may decline due to the contraction in demand from U.S. export controls, we believe these restrictions are temporary and ultimately unsustainable. In our view, export controls on advanced semiconductors—particularly those impacting companies like NVIDIA—represent a broader shift toward U.S. protectionism, echoing recent trends in rising tariffs and trade barriers.

However, we believe these measures, while strategic in intent, risk undermining the very foundations of American soft power. U.S. innovation, particularly in the semiconductor space, has been a central pillar of global technological leadership. By limiting access to these cutting-edge technologies, the U.S. may unintentionally drive other nations out of its technology orbit. The risk is that affected countries, rather than capitulating, will accelerate domestic development efforts, diversify away from U.S.-centric supply chains, and reduce long-term dependence on American infrastructure.

This dynamic has played out before. AMD, despite offering chips that generally underperform NVIDIA's on high-end benchmarks, has successfully gained market share through more accessible pricing and wider availability. A similar shift could occur if countries restricted by export controls begin sourcing from Chinese or other alternative semiconductor providers, even if those options are less advanced or energy efficient. The strategic downside is clear: once alternatives are in place, lost market share is difficult to reclaim.

Our stance is that while maintaining a technological edge over geopolitical rivals like China is essential—particularly in light of concerns such as IP theft and currency manipulation—doing so through exclusion rather than strategic inclusion may backfire. Without offering alternative alliances or trade incentives, the U.S. risks ceding influence to China, whose Belt and Road Initiative exemplifies how debt diplomacy and infrastructure investments can expand soft power rapidly.

In the long run, we believe U.S. policy will evolve. Export restrictions will likely soften, enabling companies like NVIDIA to continue their pivotal role in reinforcing American leadership in global technology. In our view, empowering U.S. firms to lead on the global stage—rather than isolating key markets—is a more effective strategy to sustain both economic dominance and geopolitical influence.

Recent Earnings Announcement

On February 26, 2025 as earnings were set to be announced after market close, expectations were high, and anticipation was mounting for one of the most valuable companies setting the tone for AI innovation and capabilities. NVIDIA outperformed estimates, beating revenue and beating earnings per share by 5.95%.

We believe AI has begun transitioning from its scientific research stage to its application phase. Being on the precipice of such a life-changing technology, companies will continue investing heavily in AI infrastructure, and NVIDIA is best positioned to benefit. As more hyperscale data centers are built and legacy data centers are modernized, GPUs and other hardware will be in high demand at premium prices.

Demand for Hopper 200 has remained strong, and after some delay, its successor—NVIDIA's latest AI architecture, Blackwell—has been released and is already sold out. As newer AI models require more compute power per inference (ML models drawing conclusions from new data), Spectrum X is gaining traction in the Ethernet space, particularly for use in the Stargate project.

Margins are expected to decline as Blackwell production is scaling up to meet demand, with companies clamoring for the latest GPUs to reduce training time, lower inference costs, and improve deep-thinking computing efficiency. Additionally, Blackwell is one of the most energy-efficient AI architectures available. NVIDIA is confident that companies will remain within its ecosystem due to the value provided by its hardware, software, and services. NVIDIA plans to continue a one-year rhythm for new AI chip models.¹⁷

Approximately 6 million developers use CUDA and its extensive libraries and algorithms for AI research. Given their familiarity with CUDA-supported languages (C, C++, Fortran, Python, Julia, etc.), many developers are unlikely to shift away from NVIDIA's ecosystem to learn a new API—further reinforcing the moat NVIDIA has been building since 2006. The company continues to strengthen its position by investing in education and startups.

Looking ahead, NVIDIA plans to push the future of AI by continuously testing the boundaries of Moore's Law, innovating across the entire technology stack. If historical trends can predict the future, given the data training,

NVIDIA is on track to increase compute power by more than 1000x over the next decade.

Mergers and Acquisitions

NVIDIA continues to invest in and partner with startups through Inception Capital Connect VC, which focuses on AI, gaming, virtual reality, and other emerging technologies. By making strategic investments, NVIDIA drives innovation both internally and externally.

Recent major acquisitions and investment activities include:

- Mellanox Technologies (2020) – Acquired for \$6.9 billion, Mellanox specializes in computer networking products based on Ethernet and InfiniBand technology, strengthening NVIDIA's data center capabilities.
- Arm Holdings (Acquisition Attempt, 2022) – NVIDIA pursued the acquisition of Arm Holdings, a semiconductor company that designs and licenses instruction sets for semiconductor technology, from SoftBank. However, due to significant regulatory challenges,¹⁸ the deal was terminated, costing NVIDIA \$1.35 billion in acquisition termination fees.

INDUSTRY TRENDS

Cloud Computing, Data Center, AI

During the recent earnings season, the Magnificent 7 reported mixed results. While all companies met expectations on revenue and earnings per share (EPS), increased capital expenditures (CapEx) on cloud computing and AI raised concerns among investors.¹⁹

Microsoft (MSFT) reported earnings first and, despite increasing profit by 10%, faced scrutiny for its significant CapEx into Microsoft Azure, its cloud computing platform. The company is heavily investing in data centers to support cloud computing and artificial intelligence, anticipating exponential growth in AI efficiency and accessibility. However, despite these investments, Azure's growth slowed to 31%, missing estimates. Despite investor concerns, Microsoft plans to spend \$80 billion on data centers. Until 2030, Microsoft has the first claim on OpenAI's infrastructure needs, but it no longer holds a monopoly on OpenAI hosting.²⁰

Meta (META) reported its highest revenue and net income to date, driven by continued growth in its ad business. With this additional income, Meta plans to invest \$65 billion this year,¹⁹ primarily in AI-related infrastructure, expanding from its current holdings of 27 data centers.²¹

Apple (APPL) also reported record revenue and saw a 4% stock price increase after earnings were released, despite lower iPhone sales, thanks to strong service sales.²² Apple has been criticized for its conservative AI-related CapEx spending, instead prioritizing high-margin products over large-scale infrastructure investments. This approach has positioned Apple as a lower-risk investment.²³ Recently, Apple pledged \$500 billion to U.S. investments, including an artificial intelligence server manufacturing facility in Houston, Texas, spanning 250,000 square feet, in partnership with Foxconn, a Taiwanese electronics company. Additionally, TSMC produces chips for Apple at its Arizona facility, with Apple being its largest customer.²⁴

Alphabet (GOOGL) also disappointed on Google Cloud, its cloud computing division, falling short of the \$12.2 billion analysts had forecasted. To compete with Amazon and Microsoft, Alphabet plans to invest \$75 billion into AI infrastructure and cloud computing. This heavy CapEx has raised concerns among investors as the company is betting heavily on AI's success and its ability to be a value add.

Google Search has already begun integrating with Alphabet's AI model, Gemini, using it to enhance search capabilities by providing direct responses to queries. We believe this is an effort to minimize the loss of search engine market share as users increasingly turn to AI chatbots for information.²⁵ Additionally, Salesforce has partnered with Alphabet to incorporate Gemini into Agentforce, a platform designed to use AI for automating tasks and customer interactions.²⁶

Amazon (AMZN) reported revenue in line with consensus but hinted at a slowdown in the coming quarters.²⁷ As an early entrant into cloud computing with the launch of Amazon Web Services (AWS) in the early 2000s, Amazon has maintained a larger market share than its main competitors, Microsoft (MSFT) and Google (GOOGL). AWS accounts for half of Amazon's operating profit due to the high margins and strong demand for cloud computing.²⁸ Amazon implied that its capital investments in data centers could surpass \$100 billion this year, as capacity constraints, primarily due to AI chip shortages, have limited growth.²⁷

While Magnificent Seven peers are among the largest investors in AI infrastructure, other companies are also making significant investments. OpenAI, Oracle, and SoftBank have joined forces to invest \$100 billion into computing infrastructure to support AI over the next year. Dubbed "Stargate," the project aims to build data centers, with construction already beginning on 10 sites in Texas. Over the next four years, the Stargate project could see a total investment of \$500 billion.²⁹ The initiative has received praise from former President Trump, who repealed an executive order from President Biden that regulated AI innovation, removing barriers to data center construction.³⁰

Compute Efficiency

DeepSeek's chain-of-thought approach encourages the model to self-evaluate while thinking out loud, allowing people to assess where logical errors occurred. This method reinforces meaning to guide the model in a way that differs from other techniques, maximizing the reward it receives rather than relying on supervised and unsupervised learning. In traditional learning, models train using labeled data (supervised) or by identifying patterns and associations on their own (unsupervised). DeepSeek uses reinforcement learning to optimize its policy, which reduces the cost of training a model, as it doesn't require creating an entirely new model when the policy changes. Model distillation enables the original large language model (LLM) to train a smaller LLM using reinforcement learning, reducing the resources needed, such as GPU power. DeepSeek is also open-sourcing its code.

Recently, a new white paper from a Chinese artificial intelligence company gained significant attention, becoming the most downloaded app on the iOS App Store. Most notably, this new AI, DeepSeek, claimed to be comparable to leading Western counterparts at a fraction of the cost. The white paper claims it was created for only \$6 million, significantly less than the hundreds of millions of dollars that companies like OpenAI, Google, and Meta have invested in their AI products.

DeepSeek also claims to have been trained using older, inferior NVIDIA H800 chips, following regulations that restrict China's access to advanced semiconductors. By producing comparable performance with lower resource usage and inference costs at \$0.14 per million tokens

(compared to OpenAI's GPT at \$2.50), it calls into question the large investments made by major U.S. tech companies.

After the release of the white papers, the Nasdaq fell 5% pre-market, showing widespread concern about U.S. tech dominance. NVIDIA took a nearly \$600 billion market cap hit, raising questions about its continued dominance and reliance on its GPUs to drive AI advancement.³²

In-house Development

Way back in 2019, Apple and Intel (INTC) agreed to Apple's acquisition of most of Intel's smartphone modem business for \$1 billion to reduce reliance on Qualcomm (QCOM) for cellular modem chips.³³ Recently, during a product launch event, Apple announced the C1, its first in-house modem.³⁴

Apple has already established its system-on-a-chip (SoC), the A18, known for fast processing, and now pairs it with its own modem in the new budget-friendly iPhone 16e. While the C1 is not yet capable of 5G technology, Apple expects the second-generation C1 to support 5 G.³⁵

The iPhone 16e also supports Apple Intelligence, and markets where Apple Intelligence is available have performed better than those where it is not.³⁶ Of the total bill of materials (BoM), \$31 was attributed to the modem.³⁷ Apple appears to be introducing customers to its new modem through the budget-friendly model to identify and resolve any issues, as well as to refine Apple Intelligence.

By producing in-house technologies, companies can cut patent and other intellectual property (IP) costs while also benefiting from economies of scale, which increases profit margins and reduces dependency on external suppliers. This trend of developing in-house semiconductors is expected to continue. OpenAI, one of NVIDIA's largest customers for GPUs, is also working to reduce its reliance on NVIDIA by developing its own advanced semiconductor capabilities and partnering with TSMC as its fabrication partner.³⁸

MARKETS AND COMPETITION

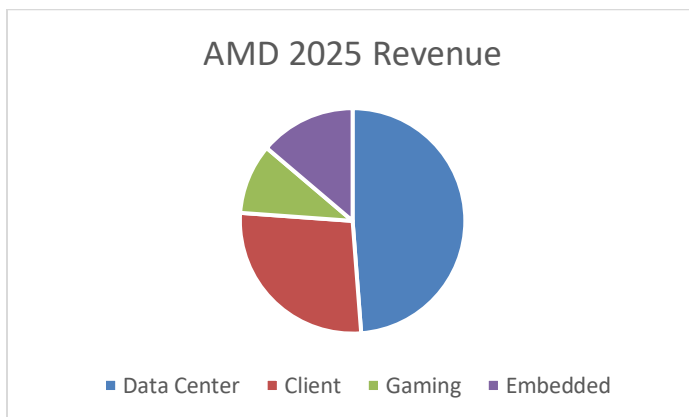
Peer Comparisons

AMD: The only remaining competitor from the 1990s in graphics acceleration, ATI Technologies, was acquired by Advanced Micro Devices (AMD)—a company where

Jensen Huang once worked before founding NVIDIA. Today, AMD is one of NVIDIA's top competitors, recognized for its balance of cost and processing power. Like NVIDIA, AMD operates on a fabless manufacturing strategy, focusing on product development rather than fabrication.³⁹

Arguably NVIDIA's closest competitor, AMD also offers accelerated computing products paired with its software stack, ROCm, AMD's equivalent to CUDA. Unlike NVIDIA, which keeps CUDA proprietary, AMD has open-sourced software stack and documentation. However, ROCm remains significantly less popular, as it was released a decade after CUDA, and the platform-switching costs create stickiness for NVIDIA. Since businesses and researchers prioritize AI development over learning new software, CUDA's dominance persists.⁴⁰

AMD categorizes its revenue into four segments: Data Center, Client, Gaming, and Embedded, generating a total of \$25.8 billion—a 14% increase from the previous year.³⁹



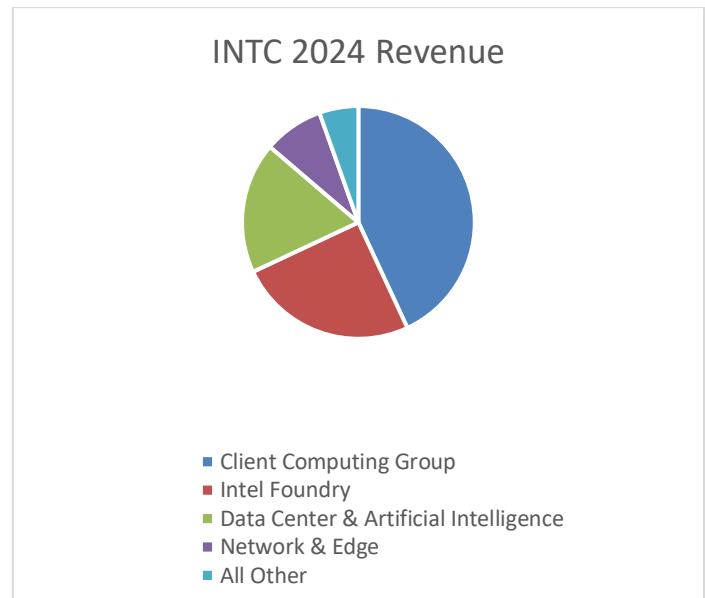
Source: [AMD 10-K](#)

INTC: Intel, the birthplace of the integrated circuit and historically a leader in chip production and computing power, has faced declining revenue in recent years. As the foundation of modern computing for decades and the originator of Moore's Law, the x86 architecture has been central to Intel's ecosystem, long serving as the standard for CPUs.

Operating as both a semiconductor innovator and a foundry, Intel requires significant capital investment in fabrication facilities and advanced manufacturing equipment. In addition to hardware, Intel offers complementary software solutions, including oneAPI, a unified programming model designed to work across its

portfolio of CPUs, GPUs, IPUs, FPGAs, and other accelerators.

Intel categorizes its revenue into six segments: Client Computing, Intel Foundry, Data Center & AI, Network & Edge, Mobileye, and All Other, generating a total of \$53.1 billion—a 2% decline from the previous year.⁴¹



Source: [Intel 10-K](#)

Industry Comparisons

Fiscal Year	NVDA	AMD	INTC ('24)
Revenue (Billions)	130.5	25.8	53.1
EBIT	81.5	2.2	(3.7)
EBITDA	83.3	5.2	7.7
Net Income	72.9	1.6	(18.8)
FCF	60.9	2.4	(10.0)
Operating Margins	62%	9%	7%
Profit Margins	56%	6%	-35%

Source: [FactSet](#)

NVIDIA dominates the industry across nearly every financial and operational metric. With over \$130 billion in annual revenue and operating margins of 62%, it demonstrates unmatched scalability and efficiency—driven, in our view, by its leadership in AI research through collaborations such as CUA, and by surging data center demand that continues to consolidate around the NVIDIA ecosystem, enabled by proprietary technologies like NVLink.

AMD shows modest profitability, with solid EBITDA and FCF margins, but significantly lower revenue scale. AMD offers good compute for the price and remains operationally lean but lacks the pricing power and margin leverage of NVIDIA's best-in-class products.

Intel faces severe challenges, reporting negative EBIT, net income, and free cash flow, pointing to execution and competitiveness issues amid structural shifts in its product strategy. Operating as a foundry has limited Intel in the recent past.

Fiscal Year	NVDA	AMD	INTC ('24)
Market Cap(millions)	2,851	162	105
Price/Sales	24.52	7.77	1.6
Price/Earnings	43.9	122.15	0
Price/Book Value	39.8	3.45	0.86
Enterprise/Sales	22.27	7.49	2.28

Source: [FactSet](#)

NVIDIA's valuation multiples reflect its dominance and investor confidence in its AI-driven growth trajectory. A 25x P/S ratio is extremely high but market-justified given its margins and FCF. While it is not a value stock we believe its growth justifies its price.

AMD trades at high relative multiples, particularly on earnings (122x), suggesting investors are pricing in future growth, despite lower current profitability. AMD offers a nice, budget-friendly product that still gets the job done. Its P/E should normalize in the near future.

Intel trades at distressed levels, with a price/book below 1.0 and no meaningful P/E ratio due to negative earnings. The market is pricing in turnaround risk and execution uncertainty. As an American chip designer and fab, we believe that it is positioned for a reversal after poor management in the past decade.

ECONOMIC OUTLOOK

Demographics

The age pyramid has begun to shift due to innovations in healthcare, antibiotics, hygiene (such as soap and plumbing), and food abundance enabled by the plow, as well as the printing press, which facilitated knowledge sharing and research collaboration. These advancements

have contributed to increased life expectancy across the globe.⁴²

However, alongside this progress and the rapid population growth from 2 billion to 8 billion over the past 100 years, fertility rates have declined.⁴² This trend is especially pronounced in wealthier nations, such as the United States and other developed countries with industrialized and modernized economies.⁴³

As populations age and birth rates decline, many nations have turned to immigration to sustain economic growth and support their aging populations. Immigrants often provide essential labor, particularly in elder care, where they account for as much as 25% of the workforce. These workers typically earn low wages—around \$10 per hour—making them eligible for government benefits.⁴⁴

Recently, President Trump issued an executive order to cut federal funding after the U.S. House Homeland Security Committee estimated that taxpayers have spent \$451 billion on caring for undocumented migrants who have entered the U.S. since 2021.⁴⁵ Immigration control has been one of Trump's strongest and most consistent campaign promises, aligning with his "Build the Wall" slogan from the 2016 election cycle.

Under the previous administration, the U.S. saw over 2 million new immigrants—most of them undocumented—arriving annually, leading to the highest proportion of foreign-born residents in U.S. history. As a result, Trump's immigration policies became a major focus of his campaign, with 55% of adults supporting the deportation of all undocumented immigrants.⁴⁶

With the current administration ramping up deportations and considering the possible enactment of The Alien Enemies Act of 1798, undocumented immigrants are increasingly staying home.⁴⁷ If millions of undocumented workers were to be deported, combined with an aging population, the U.S. could face significant labor shortages.⁴⁸ One way to offset this is through robotics, as seen in Amazon warehouses, and AI agents.

The increasing need for computational power for robots and AI will continue to drive demand for NVIDIA GPUs. Additionally, NVIDIA Cosmos will contribute to advancements in physical AI by providing virtual training environments for robots. By offering both hardware and software solutions, NVIDIA remains a key player despite shifting demographics and rising labor costs, further

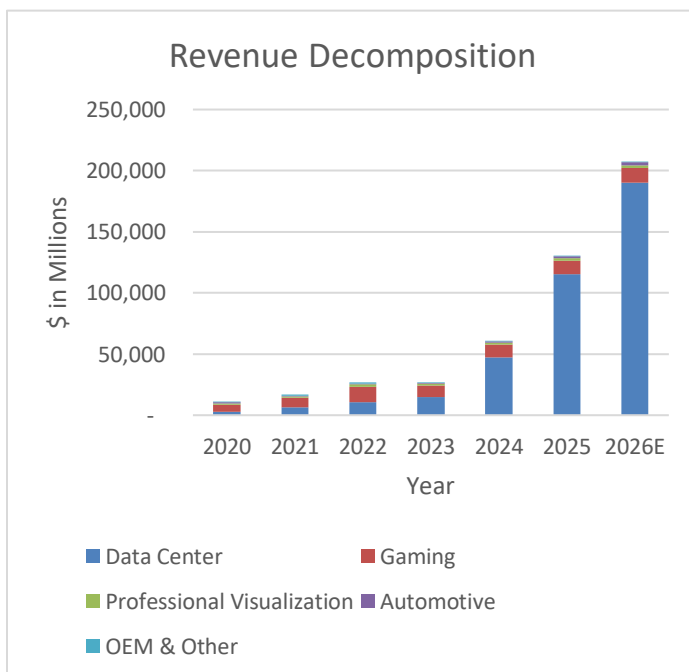
incentivizing the implementation of robots and AI in the workforce.

Source: [FactSet](#)

VALUATION

Revenue Decomposition

NVIDIA's revenue projections are segmented into Data Center, Gaming, Professional Visualization, Automotive, and OEM & Other. Growth rates are derived from independent analysis based on market trends, product adoption, and industry tailwinds rather than consensus estimates. Adjustments reflect our investment thesis, emphasizing areas with sustained competitive advantages and long-term secular growth. We forecast a CAGR of 18.89% over the projected period of 10 years. We are predicting smaller growth in the long term with our 5-year CAGR peaking at 33.54% as other segments begin to utilize larger amounts of compute fueled by AI adoption.



Source: [NVIDIA 10-K, 2020-2025](#)

Revenue	2026E	2027E	2028E
Henry Fund	58.80%	50.96%	29.22%
Street	56.02%	23.16%	16.43%
Net	24.38%	31.72%	19.31%

Data Center: The Data Center segment remains NVIDIA's primary growth driver, fueled by the adoption of AI, cloud computing, and accelerated computing workloads. We anticipate continued demand for GPUs in training and inference, enterprise AI adoption, and cloud gaming infrastructure expansion. Growth is expected to be highest in the near term, gradually normalizing as supply chains stabilize, demand matures, and legacy centers are modernized and future-proofed. Over the forecasted period, we project a CAGR of 18.79%.

Data Center	2026E	2027E	2028E
Henry Fund	65.30%	54.23%	30.22%
Street	57.99%	21.55%	10.90%
Net	7.31%	32.68%	19.32%

Source: [FactSet](#)

Gaming: Gaming revenue will be driven by hardware refresh cycles, cloud gaming expansion, and increasing demand for high-performance GPUs. The broader gaming market is expected to grow at a CAGR of 8.7%, greater than NVIDIA's past 5-year CAGR of 7.48%. Key tailwinds include the rise of subscription-based cloud gaming platforms and sustained growth in PC gaming. However, we factor in a longer upgrade cycle and potential macroeconomic pressures on discretionary spending. This is one of the downsides of NVIDIA's pricing power — individuals may opt for less frequent updates or lower-quality chips instead of investing in the superior, luxury product. Over the forecasted period, we project a compound annual growth rate (CAGR) of 6.80%.

Gaming	2026E	2027E	2028E
Henry Fund	5.97%	7.30%	6.64%
Street	8.03%	5.68%	4.13%
Net	-2.06%	1.63%	2.51%

Source: [FactSet](#)

Professional Visualization: Professional Visualization revenue will benefit from growth in AI-powered design tools, CAD software, and real-time 3D rendering. NVIDIA's Omniverse platform is set to enhance collaboration in architecture, engineering, and media production. Despite continued advancement by NVIDIA, we anticipate slower adoption across industries, limiting potential. Over the forecasted period, we project a CAGR of 13.91%.

Professional Visualization

	2026E	2027E	2028E
Henry Fund	10.76%	15.84%	13.30%
Street	10.42%	7.73%	29.72%
Net	0.34%	8.11%	-16.42%

Source: [FactSet](#)

Automotive: The Automotive segment is positioned for long-term expansion, driven by advancements in autonomous vehicles and AI-powered driver-assistance systems. While NVIDIA has made significant investments in self-driving technology, regulatory hurdles and uncertain adoption timelines remain key risks.

We remain confident in NVIDIA's continued partnerships within the automotive ecosystem but are less optimistic about widespread autonomous vehicle adoption within the forecasted period. However, as the industry continues to develop self-driving technology, manufacturers will increasingly rely on NVIDIA's architecture to train deep neural networks, providing a tailwind for computing and networking demand. We comfortably forecast self-driving cars by 2040, allowing us to remain bullish on the NVIDIA DRIVE Hyperion platform, which is expected to remain a cornerstone of autonomous vehicle platforms. The recent release of the Cosmos platform will continue to advance physical AI systems such as robots and autonomous vehicles, sustaining NVIDIA's influence over the industry. Over the forecasted period, we project a CAGR of 43.39%.

Automotive	2026E	2027E	2028E
Henry Fund	38.04%	46.66%	42.35%
Street	52.84%	37.98%	17.82%
Net	-14.79%	8.68%	24.53%

Source: [FactSet](#)

OEM & Other: The OEM & Other segment represents a minor share of NVIDIA's revenue, accounting for just 0.3% in the most recent fiscal year. This segment includes components sold to original equipment manufacturers for integration into consumer electronics, laptops, workstations, and embedded systems. While non-core to NVIDIA's broader strategy, it serves as a distribution channel for legacy products and supports niche applications across the hardware ecosystem.

We view this segment as strategically neutral, offering modest upside but limited scalability. Our near-term outlook is more conservative than consensus. The Henry Fund projects a contraction of 2.81% in 2026, followed by

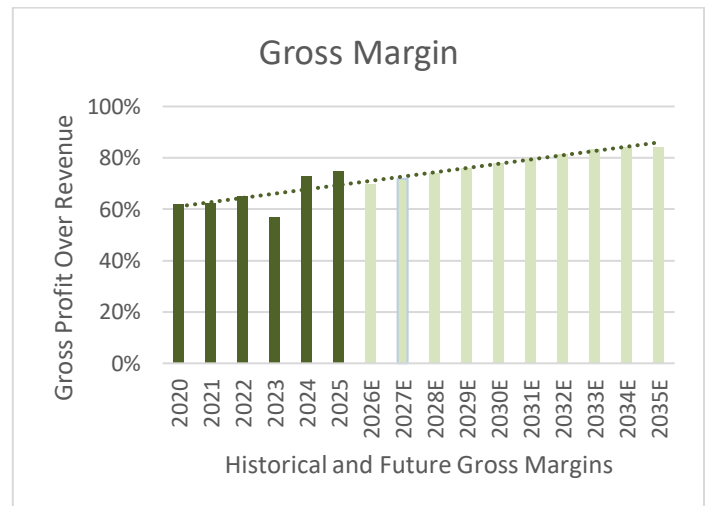
a rebound in 2027 and 2028 at 12.16% and 4.67%, respectively. By comparison, Street forecasts are more optimistic, reflecting expected demand stabilization in consumer and enterprise devices.

Although the segment is unlikely to become a meaningful revenue driver, we believe it will continue to provide low-volatility cash flows and serve as an outlet for monetizing lower-margin products. Over the forecasted period, we expect OEM & Other to grow at a modest CAGR of 6.44%.

OEM & IP	2026E	2027E	2028E
Henry Fund	-2.81%	12.16%	4.67%
Street	16.04%	6.14%	9.21%
Net	-18.86%	6.02%	-4.53%

Source: [FactSet](#)

Profitability



Source: [NVIDIA 10-K, 2020-2025](#)

Gross Margin: NVIDIA's gross margin has demonstrated robust growth over the years, reflecting its ability to optimize costs and capitalize on high-margin revenue streams. From 2020 to 2022, margins steadily increased from 61.99% to 64.93%, driven by product innovation and pricing power. However, in 2023, there was a noticeable decline to 56.93%, likely due to supply chain disruptions, increased production costs, or strategic pricing adjustments. The rebound in 2024 to 72.72% and further expansion to 74.99% in 2025 indicate improved cost efficiency and the growing contribution of software-driven revenue streams such as DGX Cloud, NVIDIA AI Enterprise, and NVIDIA NUM.

Despite this upward trajectory, we forecast a temporary decline to 69.86% in 2026 as NVIDIA scales production to meet unprecedented demand. This short-term increase in COGS as a percentage of revenue is expected to normalize as efficiencies improve, leading to a consistent rise in gross margins. By 2027, margins should recover to 71.86% and continue climbing, reaching 84.34% by 2035. The primary drivers of this long-term margin expansion include NVIDIA's fabless manufacturing strategy, economies of scale, and the increasing role of high-margin software solutions, which require minimal distribution and implementation costs.



Source: [NVIDIA 10-K, 2021-2025](#)

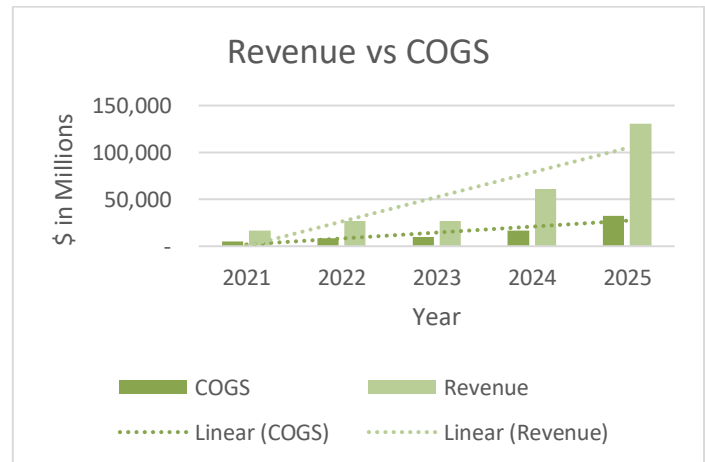
NVIDIA's profit margins have fluctuated in response to macroeconomic conditions and shifts in its revenue mix. In 2021, the profit margin stood at 25.98% before expanding to 36.23% in 2022, benefiting from strong revenue growth and pricing strategies. However, in 2023, the margin contracted sharply to 16.19%, likely reflecting increased operational costs, supply chain disruptions, and potential inventory adjustments as the chip shortage faded. The significant recovery in 2024, with a margin of 48.85%, aligns with NVIDIA's ability to capitalize on AI-driven demand, premium pricing, and an expanding software ecosystem.

Looking ahead, we project a short-term dip to 42.85% in 2026 as production ramps up to meet demand for Blackwell GPUs before stabilizing at 48.36% in 2027. Margins will continue their upward trend, reaching 78.36% by 2035, as NVIDIA further transitions toward AI, cloud, and enterprise solutions. The ability to maintain high margins underscores NVIDIA's dominant market position, technological leadership, and strategic pricing flexibility, all of which contribute to long-term profitability growth.

Capital Expenditures

In the most recent fiscal year, 2025, NVIDIA spent \$3.4 billion on capital expenditures, up from \$1.1 billion in 2024. While no specific dollar amount has been provided in managerial guidance, executives have expressed expectations to increase CapEx relative to 2025's level. Given the backlog of chip demand, we would not be surprised to see expenditures approach \$6 billion as NVIDIA ramps up production of Blackwell. However, due to NVIDIA's fabless manufacturing strategy, we expect CapEx to grow at a slower rate than revenue.

Additionally, NVIDIA has been heavily investing in building and upgrading its own data centers to support cloud computing services. As the company expands its software and service offerings, we anticipate annual expenditures in the billions for the foreseeable future.

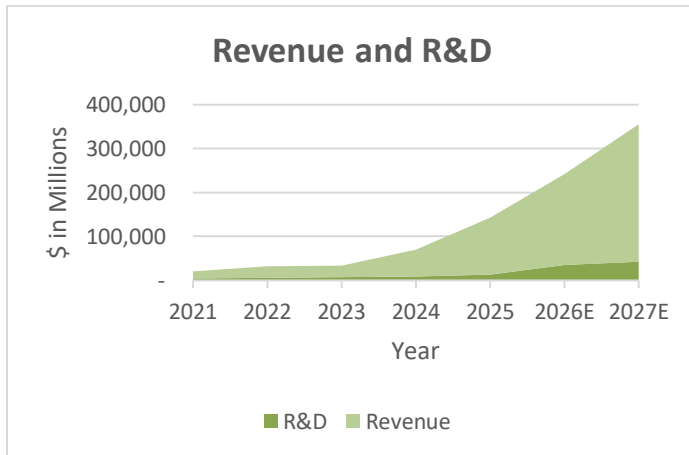


Source: [NVIDIA 10-K, 2021-2025](#)

COGS: We applied a linear decline model to assess cost-efficiency improvements over time, capping the reduction at 15% since semiconductors are expected to remain NVIDIA's primary revenue driver. NVIDIA's dominance in the industry is evident, with demand so high that its Blackwell chips are sold out for the next 12 months, allowing the company to price them at a premium.

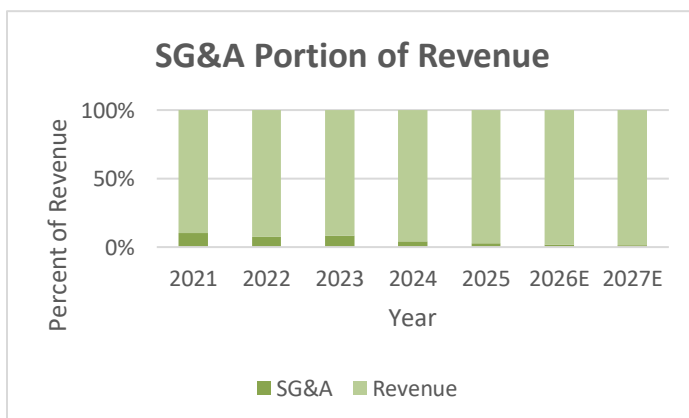
Historically, NVIDIA has experienced a steady decline in COGS as a percentage of revenue. This trend is expected to continue, driven by its fabless manufacturing strategy and the expansion of high-margin software and digital services such as DGX Cloud, NVIDIA NUM, and NVIDIA AI Enterprise. These offerings enable greater scalability with minimal distribution and implementation costs, further boosting profitability as subscriptions grow.

We project a temporary 4.08% increase in COGS as a percentage of revenue in 2026 to scale production and meet demand, followed by a continued decline until it stabilizes at 15% by 2034.



Source: [NVIDIA 10-K, 2021-2025](#)

R&D: Since its inception, NVIDIA has prioritized innovation, investing over \$58.2 billion in research and development to produce state-of-the-art products. Given its fabless manufacturing strategy, R&D remains a key focus, though its percentage of sales has declined due to surging revenue and strategic pricing that has preserved and expanded margins. NVIDIA will need to continue to recruit top talent and offer competitive compensation to drive technological advancement. To maintain its dominance, we project R&D spending to rise to 16.86% of revenue—an additional \$27 billion—in the fiscal year 2026. Afterward, the R&D percentage is expected to gradually decline until stabilizing at 5% of annual revenue starting in 2030. We are confident in NVIDIA's leadership to innovate and steer the industry into the future.



Source: [NVIDIA 10-K, 2021-2025](#)

SG&A: NVIDIA has continued to reduce SG&A expenses as a proportion of sales, even as its workforce grows. Since SG&A is not directly tied to production or innovation, we forecast a continued decline, stabilizing at approximately 1.5% of annual revenue.

Discounted Cash Flow/EP Model

Modeling resulted in a share value of \$102.20. The stock currently trades at 101.49. The following assumptions were used when modeling:

- **CV Growth of NOPLAT:** 5%, a moderate growth that aligns with business stability and broader macroeconomic factors to outpace inflation and capture real growth.
- **CV Year ROIC:** 235.81%, the ROIC of the last forecasted fiscal year, 2035E.

DCF valuation was our preferred method, as we believe it provides a broader and more detailed view of NVIDIA's financial health. Relying on free cash flow allows us to assess profitability and ensure flexibility for talent recruitment, returning shareholder value, and pricing flexibility. Being forward-looking allows us to incorporate macroeconomic expectations and growth opportunities for a company driving technological advances into unfamiliar markets.

Relative Valuation Model

Modeling achieved a share value of \$99.76 for the P/E (EPS26) based on Mag 7 peers. NVIDIA is part of the Magnificent Seven, one of the largest, highest-performing, and most influential companies in the world's economy. As a member of this group, it was important to consider comparative valuations. It was also important to analyze industry peers such as AMD, Intel, and Broadcom. However, relative valuation assumes that only the company being analyzed is not priced correctly, so we opted not to rely on the relative valuation model.

Fundamental P/E Model

Modeling the DDM supported a share value of \$50.29. Based solely on a company's dividend policy, we believe this is not the best method for a high-growth company that can achieve higher returns on capital by investing in its business strategy. It is also better to consider non-dividend-paying factors, allowing us to gain insights into

the value of operations. We achieved this pricing by assuming a 5% continuing growth rate of EPS, a CV Year ROE of 27.23%, and a cost of equity of 13.93%. NVIDIA has begun to pay \$0.04 per common share, up from \$0.016 the previous years, totaling \$834 million returned to shareholders. Despite the over 200% increase, we forecast that this value will remain low, and that NVIDIA is unlikely to transition into a dividend-paying stock anytime soon. Instead, the company will likely continue returning value to shareholders through stock repurchases, primarily to offset dilution from shares issued to employees—a strategy we encourage as it helps attract and retain top talent and industry experts.

KEYS TO MONITOR

NVIDIA's dominance in the accelerated computing industry stems from its top-of-the-line GPUs, which, when paired with its software, unlock their full potential. This integration, established in the early days of modern machine learning and generative artificial intelligence, makes NVIDIA a compelling investment. Additionally, NVIDIA continues to expand its offerings into software and other semiconductor categories, including CPUs, DPUs, and SoCs.

However, key risks remain that could disrupt the industry and alter our investment thesis.

Bullish Monitors:

AI Infrastructure Demand: As AI in all its various forms and usages begins to be implemented to boost productivity globally, there will be a sustained high demand for computing. As AI evolves from training to inference, the demand for computing will grow. Data Center giants like Alphabet, Amazon, Microsoft, and Meta are pouring capital into the need for computing power as they lag behind the current demand for power. NVIDIA products, especially their GPUs, will be at the center of AI infrastructure.

Moore's Law Evolution: NVIDIA has beaten Moore's Law. Advancing chip efficiency and electric consumption, providing full-stack computing solutions, and a proprietary CUDA ecosystem reinforces the moat protecting NVIDIA from current and future competitors.

Cloud and Enterprise Services: Growth in cloud-based solutions, particularly NVIDIA's DGX Cloud, Omniverse, Cosmos, and AI Enterprise software, is going to drive high-

margin revenue expansion that could be funneled into R&D, continuing a beneficial cycle for shareholders and humanity.

Pricing Power and Market Leadership: With limited direct competition at its scale, NVIDIA maintains strong pricing power for its high-performing chips that power an industry with strong tailwinds.

If NVIDIA continues to lead in innovation and expand its ecosystem, we believe that NVIDIA will be a dominant force in the future. NVIDIA can exceed our valuation range as it jockeys for the largest market cap.

Bearish Monitors:

Despite its current standing, several competitors are attempting to threaten its growth trajectory and market control.

Export Restrictions and Geopolitical Risks: U.S. export controls on high-performance AI chips could weaken NVIDIA's revenue streams. By restricting chip availability to other countries during an AI arms race, these controls may have long-term consequences. Limiting access to current-generation chips could drive nations to develop their alternatives, such as Huawei's AI chips, keeping them within their own ecosystems. This shift could have a compounding negative effect on NVIDIA's future revenue. This regulation could also reduce the U.S. sphere of influence, hurting all American companies.

In-house Development by Competitors: At present, NVIDIA has the best chips on the market. However, firms like Apple, OpenAI, Microsoft, and Alphabet are increasingly developing their chips, potentially reducing reliance on NVIDIA's hardware, which could weaken its pricing power and decrease sales. This risk would be amplified if a competitor's chips outperform NVIDIA's offerings. Therefore, NVIDIA must continue hiring top talent and driving innovation rather than resting on its laurels.

Cost Reduction Innovation: New AI models, such as DeepSeek, claim to deliver equal performance to other competitors with lower computing requirements. If computing power is not needed to reduce training or inference time, consumers will opt for worse, budget-friendly chips.

If NVIDIA tests \$95 we would be ecstatic as it would present a greater return for us; however, as the market realigns, we believe that NVIDIA's sound fundamentals and excellent leadership will be obvious and push the price back to target levels.

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NVIDIA Corporation
Revenue Decomposition

Fiscal Years Ending Jan. 31		2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue by Specialized Market																	
Data Center		2,983	6,696	10,613	15,005	47,525	115,186	190,408	293,667	382,414	464,113	524,281	569,457	600,250	621,328	635,194	644,320
	Growth Rate (%)	124.47%	58.50%	41.38%	31.63%	216.73%	142.37%	65.30%	54.23%	30.22%	21.36%	12.96%	8.62%	5.41%	3.51%	2.23%	1.44%
	Percent of Total Revenue	27.32%	40.16%	39.43%	55.63%	78.01%	88.27%	91.88%	93.87%	94.60%	94.81%	94.60%	94.05%	93.15%	91.84%	90.01%	87.53%
Compute		11,317	38,950	102,196	11,317	38,950	102,196	171,442	270,080	354,677	433,466	491,482	535,223	565,040	585,481	598,930	607,787
	Growth Rate (%)					244.17%	162.38%	67.76%	57.53%	31.32%	22.21%	13.38%	8.90%	5.57%	3.62%	2.30%	1.48%
	Percent of Total Revenue		Number		41.96%	63.93%	78.31%	82.73%	86.33%	87.74%	88.55%	88.68%	88.40%	87.69%	86.54%	84.87%	82.57%
Networking				3,688	8,575	12,990		18,965	23,587	27,737	30,647	32,799	34,235	35,210	35,847	36,264	36,533
	Growth Rate (%)					132.51%	51.49%	46.00%	24.37%	17.59%	10.49%	7.02%	4.38%	2.85%	1.81%	1.16%	0.74%
	Percent of Total Revenue				13.67%	14.08%	9.95%	9.15%	7.54%	6.86%	6.26%	5.92%	5.92%	5.92%	5.93%	5.49%	4.96%
Gaming		5,518	7,759	12,462	9,067	10,447	11,350	12,027	12,906	13,762	14,721	15,605	16,805	17,721	19,198	20,504	21,890
	Growth Rate (%)		40.61%	60.61%	-27.24%	15.22%	8.64%	5.97%	7.30%	6.64%	6.67%	6.80%	6.89%	6.84%	6.87%	6.85%	6.68%
	Percent of Total Revenue	50.54%	46.53%	46.30%	33.61%	17.15%	8.70%	5.80%	4.13%	3.40%	3.01%	2.84%	2.78%	2.79%	2.84%	2.91%	2.98%
Professional Visualization		1,212	1,053	2,111	1,544	1,553	1,878	2,080	2,409	2,730	3,128	3,563	4,071	4,645	5,203	6,053	6,909
	Growth Rate (%)		-13.12%	100.47%	-26.86%	0.58%	20.93%	10.76%	15.84%	13.32%	14.57%	13.93%	14.25%	14.09%	14.17%	14.13%	14.15%
	Percent of Total Revenue	11.10%	6.31%	7.84%	5.72%	2.55%	1.44%	1.00%	0.77%	0.68%	0.64%	0.64%	0.67%	0.72%	0.78%	0.86%	0.94%
Automotive		700	536	566	903	1,091	1,694	2,338	3,430	4,882	7,055	10,118	14,567	20,933	30,108	43,284	62,242
	Growth Rate (%)		-23.43%	5.60%	59.54%	20.82%	55.27%	38.04%	46.66%	42.35%	44.50%	43.43%	43.97%	43.70%	43.83%	43.76%	43.80%
	Percent of Total Revenue	6.41%	3.21%	2.10%	3.35%	1.79%	1.30%	1.13%	1.10%	1.21%	1.44%	1.83%	2.41%	3.25%	4.45%	6.13%	8.46%
OEM & Other		505	631	1,162	455	306	389	378	424	444	481	513	551	590	632	677	726
	Growth Rate (%)		24.95%	84.15%	-60.84%	-32.75%	27.12%	-2.81%	12.16%	4.67%	8.41%	6.54%	7.48%	7.01%	7.24%	7.13%	7.19%
	Percent of Total Revenue	4.63%	3.78%	4.32%	1.69%	0.50%	0.30%	0.18%	0.14%	0.11%	0.10%	0.09%	0.09%	0.09%	0.09%	0.10%	0.10%
Total revenue		10,918	16,675	26,914	26,974	60,922	130,497	207,231	312,836	404,232	489,498	554,198	605,452	644,373	676,559	705,712	736,108
	Growth Rate (%)		52.73%	61.40%	0.22%	125.85%	114.20%	58.80%	50.96%	29.22%	21.09%	13.22%	9.25%	6.43%	4.99%	4.31%	4.31%
	Percent of Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue by Country																	
United States		886	3,214	4,349	8,292	26,966	61,257	94,502	144,755	185,692	225,680	255,046	278,887	296,680	311,570	324,958	338,974
	Growth Rate (%)		262.75%	35.31%	90.66%	225.21%	127.16%	54.27%	53.18%	28.28%	21.53%	13.01%	9.35%	6.38%	5.02%	4.30%	4.31%
	Percent of Total Revenue	8.12%	19.27%	16.16%	30.74%	44.26%	46.94%	45.60%	46.27%	45.94%	46.10%	46.02%	46.06%	46.06%	46.05%	46.05%	46.05%
Singapore					2,288	6,831	23,684	30,423	41,352	62,850	78,229	87,368	96,104	101,933	107,207	111,731	116,594
	Growth Rate (%)					198.65%	246.71%	28.46%	68.79%	22.39%	24.47%	11.68%	10.67%	6.07%	5.17%	4.22%	4.35%
	Percent of Total Revenue				8.48%	11.21%	18.15%	14.68%	16.41%	15.55%	15.98%	15.76%	15.87%	15.82%	15.85%	15.83%	15.84%
Taiwan		3,025	4,531	8,544	6,986	13,405	20,573	39,134	54,198	73,184	86,713	99,255	107,844	115,090	120,674	125,960	131,340
	Growth Rate (%)		49.79%	88.57%	-18.24%	91.88%	53.47%	90.22%	38.49%	35.03%	18.49%	14.46%	8.65%	6.72%	4.85%	4.38%	4.27%
	Percent of Total Revenue	27.71%	27.17%	31.75%	25.90%	22.00%	15.77%	18.88%	17.32%	18.10%	17.71%	17.91%	17.81%	17.96%	17.84%	17.85%	17.84%
China (including Hong Kong)		2,731	3,886	5,785	5,785	10,306	17,108	11,917	13,990	58,765	69,995	79,907	86,937	92,748	97,248	101,491	105,835
	Growth Rate (%)		42.29%	82.99%	-18.66%	78.15%	66.00%	-31.12%	33.89%	33.89%	19.11%	14.80%	13.01%	6.96%	4.38%	4.29%	4.38%
	Percent of Total Revenue	25.01%	23.30%	26.42%	21.45%	16.92%	13.11%	15.01%	14.06%	15.54%	14.30%	14.22%	14.36%	14.39%	14.37%	14.38%	14.38%
Other countries		4,276	5,044	6,910	3,623	3,414	7,875	12,059	18,542	23,741	28,880	32,633	35,681	37,953	39,860	41,572	43,365
	Growth Rate (%)		17.96%	36.99%	-47.57%	-5.77%	130.67%	53.13%	53.75%	28.04%	21.65%	12.96%	9.37%	6.37%	5.02%	4.29%	4.31%
	Percent of Total Revenue	39.16%	30.25%	25.67%	13.43%	5.67%	6.03%	5.82%	5.93%	5.87%	5.90%	5.89%	5.89%	5.89%	5.89%	5.89%	5.89%
Total revenue		10,918	16,675	26,914	26,974	60,922	130,497	207,231	312,836	404,232	489,498	554,198	605,452	644,373	676,559	705,712	736,108
	Growth Rate (%)		52.73%	61.40%	0.22%	125.85%	114.20%	58.80%	50.96%	29.22%	21.09%	13.22%	9.25%	6.43%	4.99%	4.31%	4.31%
	Percent of Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue by Segment																	
Compute & Networking		3,279	6,841	11,046	15,068	47,405	116,193	172,884	269,766	342,906	418,671	472,065	516,785	549,441	577,182	601,898	627,903
	Growth Rate (%)		108.63%	61.47%	36.41%	214.61%	85.11%	48.79%	56.04%	21.17%	22.09%	12.75%	9.47%	6.32%	5.05%	4.28%	4.32%
	Percent of Total Revenue	30.03%	41.03%	41.04%	55.86%	77.81%	89.19%	83.43%	86.23%	84.83%	85.53%	85.18%	85.36%	85.27%	85.31%	85.29%	85.30%
Graphics		7,639	9,834	15,968	13,606	13,517	14,304	13,347	14,070	61,326	70,827	82,133	88,667	94,205	99,377	103,834	108,205
	Growth Rate (%)		28.37%	61.36%	-24.97%	13.53%	5.82%	-140.12%	42.99%	15.99%	15.99%	15.99%	7.60%	7.07%	4.69%	4.46%	4.23%
	Percent of Total Revenue	69.97%	58.97%	58.96%	44.14%	22.19%	10.96%	16.57%	13.77%	15.17%	14.47%	14.82%	14.64%	14.73%	14.69%	14.71%	14.70%
All Other																	
	Growth Rate (%)							0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Percent of Total Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total revenue		10,918	16,675	26,914	26,974	60,922	130,497	207,231	312,836	404,232	489,498	554,198	605,452	644,373	676,559	705,712	736,108
	Growth Rate (%)		52.73%	61.40%	0.22%	125.85%	114.20%	58.80%	50.96%	29.22%	21.09%	13.22%	9.25%	6.43%	4.99%	4.31%	4.31%
	Percent of Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

NVIDIA Corporation
Income Statement

Fiscal Years Ending Jan. 31		2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue		26,974	60,922	130,497	207,231	312,836	404,232	489,498	554,198	605,452	644,373	676,559	705,712	736,108
Cost of revenue		10,074	16,621	32,639	60,279.97	85,048.61	102,207.59	114,456.60	119,044.72	121,090	128,875	135,312	141,142	147,222
Depreciation & Amortization		1,544	1,508	1,864	2,170	2,706	3,892	4,773	5,714	6,380	6,931	7,334	7,683	8,003
Depreciation		844	894	1,300	1,816	2,470	3,808	4,742	5,704	6,361	6,912	7,316	7,664	7,985
Amortization		700	650	244	354	236	84	31	10	18	18	18	18	18
Gross profit (loss)		15,356	44,301	97,858	144,781	225,081	298,133	370,268	429,439	477,982	508,568	533,913	556,887	580,883
Operating expenses														
Research and development		7,339	8,675	12,914	34,933	42,714	42,246	44,055	49,878	54,491	57,994	60,890	63,514	66,250
Sales, general and administrative		2,440	2,654	3,491	6,216.94	9,385.08	12,126.96	14,684.93	16,625.95	18,163.95	19,331.19	20,187.78	21,171.37	22,083.23
Acquisition termination cost		1,353	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses		11,132	11,329	16,405	41,150	52,099	54,373	58,740	66,504	72,654	77,325	81,187	84,685	88,333
Income (loss) from operations		4,224	32,972	81,453	103,631	172,982	243,760	311,528	362,935	405,328	431,243	452,726	472,202	492,550
Interest income		267	866	1,786	1,830	5,890	11,524	20,300	31,462	45,311	60,871	78,334	96,870	117,145
Interest expense		262	(257)	(247)	432	1,227	1,734	2,101	2,514	2,764	3,026	3,164	3,339	3,429
Other, net		(48)	237	1,034	-	-	-	-	-	-	-	-	-	-
Other income (expense), net		(43)	846	2,573	1,397	4,663	9,790	18,199	28,948	42,546	57,845	75,171	93,531	113,716
Income before income tax		4,181	33,818	84,026	105,028	177,645	253,550	329,728	391,884	447,874	489,088	527,897	565,733	606,266
Income tax expense (benefit)		(187)	4,058	11,146	18,065	30,555	43,611	56,713	67,404	77,034	84,123	90,798	97,306	104,278
Net income (loss)		4,368	29,760	72,880	86,963	147,090	209,939	273,015	324,480	370,840	404,965	437,099	468,427	501,989
Basic Earnings Per Share		0.18	1.21	2.97	3.47	5.69	7.97	10.16	11.85	13.28	14.24	15.09	15.88	16.71
Total Shares Outstanding (Year End)		24,660	24,640	24,477	25,576	26,091	26,609	27,130	27,654	28,181	28,709	29,240	29,772	30,306
Weighted Average Shares Outstanding (basic)		24,870	24,690	24,555	25,027	25,833	26,350	26,869	27,392	27,918	28,445	28,975	29,506	30,039
Cash dividends declared & paid per common		0.16	0.16	0.34	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

NVIDIA Corporation
Balance Sheet

Fiscal Years Ending Jan. 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Assets													
Current assets:													
Cash and cash equivalents	3,389	7,280	8,589	103,023	234,567	440,245	702,213	1,027,561	1,393,277	1,803,845	2,239,670	2,716,485	3,219,311
Marketable securities	9,907	18,704	34,621	36,087	37,615	39,207	40,867	42,598	44,401	46,281	48,241	50,283	52,412
Accounts receivable, net	3,827	9,999	23,065	29,559	45,590	59,367	72,050	81,391	88,404	93,184	96,456	98,609	100,026
Inventories	5,159	5,282	10,080	23,787	35,909	46,400	56,187	63,613	69,497	73,964	77,659	81,005	84,494
Prepaid expenses and other current assi	791	3,080	3,771	8,277	12,495	16,145	19,551	22,135	24,182	25,737	27,022	28,187	29,401
Total current assets	23,073	44,345	80,126	200,732	366,175	601,364	890,868	1,237,298	1,619,761	2,043,011	2,489,048	2,974,569	3,485,644
Property and equipment, net	3,807	3,914	6,283	8,545	13,171	16,404	19,733	22,005	23,911	25,306	26,512	27,621	28,820
Operating lease assets	1,038	1,346	1,793	8,220	12,670	15,779	18,981	21,167	23,000	24,342	25,502	26,569	27,723
Goodwill	4,372	4,430	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188	5,188
Intangible assets, net	1,676	1,112	807	453	217	133	102	92	74	55	37	18	-
Deferred income tax assets	3,396	6,081	10,979	6,081	10,979	6,081	10,980	6,080	10,980	6,079	10,981	6,078	10,981
Other assets	3,820	4,500	6,425	9,599	14,491	18,725	22,674	25,671	28,045	29,848	31,339	32,690	34,098
Total assets	41,182	65,728	111,601	230,820	422,892	663,674	968,526	1,317,592	1,710,960	2,133,830	2,588,608	3,072,734	3,592,454
Liabilities and Shareholders' Equity													
Current liabilities:													
Accounts payable	1,193	2,699	6,310	11,879	17,932	23,171	28,059	31,767	34,705	36,936	38,781	40,453	42,195
Accrued and other current liabilities	4,120	6,682	11,737	23,387	35,306	45,620	55,243	62,545	68,329	72,722	76,354	79,645	83,075
Short-term debt	1,250	1,250	-	5,254	7,932	10,249	12,411	14,051	15,351	16,337	17,153	17,892	18,663
Total current liabilities	6,563	10,631	18,047	40,520	61,170	79,040	95,713	108,364	118,385	125,996	132,289	137,990	143,933
Long-term debt	9,703	8,459	8,463	18,755	26,010	30,858	36,781	40,044	43,875	45,574	48,192	49,202	51,535
Long-term operating lease liabilities	902	1,119	1,519	7,231	11,146	13,881	16,698	18,622	20,234	21,415	22,435	23,374	24,389
Other long-term liabilities	1,913	2,541	4,245	6,741	10,176	13,149	15,923	18,028	19,695	20,961	22,008	22,956	23,945
Total liabilities	19,081	22,750	32,274	73,248	108,502	136,929	165,115	185,057	202,190	213,946	224,925	233,521	243,801
Shareholders' equity:													
Common Equity	11,973	13,134	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261	11,261
Treasury stock, at cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive income (loss)	-43	27	28	28	28	28	28	28	28	28	28	28	28
Retained earnings	10,171	29,817	68,038	144,991	281,747	481,147	743,413	1,056,936	1,416,609	1,810,195	2,235,704	2,692,328	3,182,302
Total shareholders' equity	22,101	42,978	79,327	156,280	293,036	492,436	754,702	1,068,225	1,427,898	1,821,484	2,246,993	2,703,617	3,193,591
Total liabilities and shareholders' equity	\$41,182	\$65,728	\$111,601	229,527	401,538	629,365	919,817	1,253,282	1,630,088	2,035,430	2,471,918	2,937,139	3,437,392

NVIDIA Corporation
Historical Cash Flow Statement

Fiscal Years Ending Jan. 31	2020	2021	2022	2023	2024	2025
Cash flows from operating activities:						
Net income	2,796	4,332	9,752	4,368	29,760	72,880
Adjustments to reconcile net income to net cash provided by operating activities:						
Stock-based compensation expense	844	1,397	2,004	2,709	3,549	4,737
Depreciation and amortization	381	1,098	1,174	1,544	1,508	1,864
Deferred income taxes	18	(282)	(406)	(2,164)	(2,489)	(4,477)
(Gains) losses on investments in non-affiliated entities, net	1		(100)	45	(238)	(1,030)
Acquisition termination cost	4	(20)		1,353		
Other			47	(7)	(278)	(502)
Changes in operating assets and liabilities, net of acquisitions:						
Accounts receivable	(233)	(550)	(2,215)	822	(6,172)	(13,063)
Inventories	597	(524)	(774)	(2,554)	(98)	(4,781)
Prepaid expenses and other assets	77	(394)	(1,715)	(1,517)	(1,522)	(395)
Accounts payable	194	312	568	(551)	1,531	3,357
Accrued and other current liabilities	54	290	581	1,341	2,025	4,278
Other long-term liabilities	28	163	192	252	514	1,221
Net cash provided by operating activities	4,761	5,822	9,108	5,641	28,090	64,089
Cash flows from investing activities:						
Proceeds from maturities of marketable securities	4,744	8,792	15,197	19,425	9,732	11,195
Proceeds from sales of marketable securities	3,365	527	1,023	1,806	50	495
Proceeds from sales of non-marketable equity securities				8	1	171
Purchases of marketable securities	(1,461)	(19,308)	(24,787)	(11,897)	(18,211)	(26,575)
Purchases related to property and equipment and intangible assets	(489)	(1,128)	(976)	(1,833)	(1,069)	(3,236)
Purchases of non-marketable equity securities				(85)	(862)	(1,486)
Acquisitions, net of cash acquired	(4)	(8,524)	(263)	(49)	(83)	(1,007)
Investments in non-affiliated entities and other, net	(10)	(34)	(24)		(124)	22
Net cash provided by (used in) investing activities	6,145	(19,675)	(9,830)	7,375	(10,566)	(20,421)
Cash flows from financing activities:						
Proceeds related to employee stock plans	149	194	281	355	403	490
Payments related to repurchases of common stock	(551)	(942)		(10,039)	(9,533)	(33,706)
Payments related to tax on restricted stock units			(1,904)	(1,475)	(2,783)	(6,930)
Repayment of debt			(1,000)		(1,250)	(1,250)
Dividends paid	(390)	(395)	(399)	(398)	(395)	(834)
Principal payments on property and equipment and intangible assets		(17)	(83)			
Issuance of debt, net of issuance costs		4,968	4,977	(58)	(74)	(129)
Other		(4)	(7)	(2)	(1)	
Net cash provided by (used in) financing activities	(792)	3,804	1,865	(11,617)	(13,633)	(42,359)
Change in cash and cash equivalents	10,114	(10,049)	1,143	1,399	3,891	1,309
Cash and cash equivalents at beginning of period	782	10,896	847	1,990	3,389	7,280
Cash and cash equivalents at end of period	10,896	847	1,990	3,389	7,280	8,589

NVIDIA Corporation
Forecasted Cash Flow Statement

Fiscal Years Ending Jan. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Cash at the beginning of the period	8,589	103,023	234,567	440,245	702,213	1,027,561	1,393,277	1,803,845	2,239,670	2,716,485
Net Income	86,963	147,090	209,939	273,015	324,480	370,840	404,965	437,099	468,427	501,989
Adjustments to reconcile net income to cash										
Depreciation	1,816	2,470	3,808	4,742	5,704	6,361	6,912	7,316	7,664	7,985
Amortization	354	236	84	31	10	18	18	18	18	18
Cash from Operating Activities:										
Changes in Accounts receivable, net	(6,494)	(16,030)	(13,777)	(12,683)	(9,341)	(7,013)	(4,780)	(3,272)	(2,153)	(1,417)
Changes in Inventories	(13,707)	(12,122)	(10,491)	(9,787)	(7,427)	(5,883)	(4,468)	(3,694)	(3,346)	(3,489)
Changes in Prepaid expenses and other current assets	(4,506)	(4,218)	(3,650)	(3,406)	(2,584)	(2,047)	(1,555)	(1,286)	(1,164)	(1,214)
Changes in Operating lease assets	(6,427)	(4,450)	(3,109)	(3,202)	(2,186)	(1,833)	(1,342)	(1,160)	(1,067)	(1,153)
Changes in Deferred income tax assets	4,898	(4,898)	4,899	(4,899)	4,900	(4,901)	4,901	(4,902)	4,903	(4,903)
Changes in Accounts payable	5,569	6,053	5,239	4,888	3,709	2,938	2,231	1,845	1,671	1,742
Changes in Accrued and other current liabilities	11,650	11,918	10,315	9,623	7,302	5,784	4,392	3,632	3,290	3,430
Changes in Long-term operating lease liabilities	5,712	3,915	2,735	2,817	1,923	1,613	1,181	1,021	938	1,015
Changes in Other long-term liabilities	2,496	3,435	2,973	2,774	2,105	1,667	1,266	1,047	948	989
Net Cash from Operating Activities	88,325	133,400	208,964	263,912	328,595	367,545	413,723	437,664	480,130	504,992
Cash Flows from Investing Activities										
Changes in Marketable securities	(1,466)	(1,528)	(1,593)	(1,660)	(1,730)	(1,804)	(1,880)	(1,960)	(2,043)	(2,129)
Changes in Property and equipment, gross	(2,889)	(5,162)	(4,418)	(4,210)	(3,214)	(2,571)	(1,946)	(1,609)	(1,458)	(1,520)
Changes in Intangible assets, net	-	-	-	-	-	-	-	-	-	-
Changes in Other assets	(3,174)	(4,892)	(4,234)	(3,950)	(2,997)	(2,374)	(1,803)	(1,491)	(1,350)	(1,408)
Net Cash from Investing Activities	(7,529)	(11,582)	(10,244)	(9,820)	(7,941)	(6,749)	(5,629)	(5,060)	(4,851)	(5,057)
Cash Flows from Financing Activities:										
Changes in Short-term debt	5,254	2,677	2,317	2,162	1,640	1,299	987	816	739	771
Changes in Long-term debt	10,292	7,255	4,848	5,923	3,263	3,831	1,699	2,617	1,010	2,333
Common Equity	-	-	-	-	-	-	-	-	-	-
Treasury stock, at cost	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-
Changes in Dividends Paid	(1,908)	(206)	(207)	(209)	(210)	(211)	(211)	(212)	(213)	(213)
Net Cash Flow from Financing Activities	13,638	9,726	6,958	7,876	4,694	4,920	2,474	3,221	1,536	2,890
Cash and cash equivalents at the end of the period	103,023	234,567	440,245	702,213	1,027,561	1,393,277	1,803,845	2,239,670	2,716,485	3,219,311

NVIDIA Corporation
Common Size Income Statement

<i>Fiscal Years Ending Jan. 31</i>	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of revenue	37.35%	27.28%	25.01%	29.09%	27.19%	25.28%	23.38%	21.48%	20.00%	20.00%	20.00%	20.0%	20.0%
Depreciation & Amortization	5.72%	2.48%	1.43%	1.05%	0.87%	0.96%	0.98%	1.03%	1.05%	1.08%	1.08%	1.09%	1.09%
Depreciation	3.13%	1.47%	1.00%	0.88%	0.79%	0.94%	0.97%	1.03%	1.05%	1.07%	1.08%	1.09%	1.08%
Amortization	2.60%	1.07%	0.19%	0.17%	0.08%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross profit (loss)	56.93%	72.72%	74.99%	69.86%	71.95%	73.75%	75.64%	77.49%	78.95%	78.92%	78.92%	78.91%	78.91%
Operating expenses													
Research and development	27.21%	14.24%	9.90%	16.86%	13.65%	10.45%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Sales, general and administrative	9.05%	4.36%	3.35%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Acquisition termination cost	5.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating expenses	41.27%	18.60%	12.57%	19.86%	16.65%	13.45%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Income (loss) from operations	15.66%	54.12%	62.42%	50.01%	55.29%	60.30%	63.64%	65.49%	66.95%	66.92%	66.92%	66.91%	66.91%
Interest income	0.99%	1.42%	1.37%	0.88%	1.88%	2.85%	4.15%	5.68%	7.48%	9.45%	11.58%	13.73%	15.91%
Interest expense	0.97%	-0.42%	-0.19%	0.21%	0.39%	0.43%	0.43%	0.45%	0.46%	0.47%	0.47%	0.47%	0.47%
Other, net	-0.18%	0.39%	0.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other income (expense), net	-0.16%	1.39%	1.97%	0.67%	1.49%	2.42%	3.72%	5.22%	7.03%	8.98%	11.11%	13.25%	15.45%
Income before income tax	15.50%	55.51%	64.39%	50.68%	56.79%	62.72%	67.36%	70.71%	73.97%	75.90%	78.03%	80.16%	82.36%
Income tax expense (benefit)	-0.69%	6.66%	8.54%	8.72%	9.77%	10.79%	11.59%	12.16%	12.72%	13.06%	13.42%	13.79%	14.17%
Net income (loss)	16.19%	48.85%	55.85%	41.96%	47.02%	51.94%	55.77%	58.55%	61.25%	62.85%	64.61%	66.38%	68.19%

NVIDIA Corporation
Common Size Balance Sheet

Fiscal Years Ending Jan. 31	2020	2021	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Assets															
Current assets:															
Cash and cash equivalents	99.80%	5.08%	12.56%	11.95%	6.58%	49.71%	74.98%	108.91%	143.46%	185.41%	230.12%	279.94%	331.04%	384.93%	437.34%
Marketable securities	0.01%	64.25%	36.73%	30.70%	26.53%	17.41%	12.02%	9.70%	8.35%	7.69%	7.33%	7.18%	7.13%	7.13%	7.12%
Accounts receivable, net	15.18%	14.57%	14.19%	16.41%	17.67%	14.26%	14.57%	14.69%	14.72%	14.69%	14.60%	14.46%	14.26%	13.97%	13.59%
Inventories	8.97%	10.95%	19.13%	8.67%	7.72%	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%
Prepaid expenses and other current ass	1.44%	1.43%	2.93%	5.06%	2.89%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%
Total current assets	125.39%	96.28%	85.54%	72.79%	61.40%	96.86%	117.05%	148.77%	182.00%	223.26%	267.53%	317.05%	367.90%	421.50%	473.52%
Property and equipment, net	15.33%	12.89%	14.11%	6.42%	4.81%	4.12%	4.21%	4.06%	4.03%	3.97%	3.95%	3.93%	3.92%	3.91%	3.92%
Operating lease assets	5.66%	4.24%	3.85%	2.21%	1.37%	3.97%	4.05%	3.90%	3.88%	3.82%	3.80%	3.78%	3.77%	3.76%	3.77%
Goodwill	5.66%	25.15%	16.21%	7.27%	3.98%	2.50%	1.66%	1.28%	1.06%	0.94%	0.86%	0.81%	0.77%	0.74%	0.70%
Intangible assets, net	0.45%	16.41%	6.21%	1.83%	0.62%	0.22%	0.07%	0.03%	0.02%	0.02%	0.01%	0.01%	0.01%	0.00%	0.00%
Deferred income tax assets	5.02%	4.83%	12.59%	9.98%	8.41%	2.93%	3.51%	1.50%	2.24%	1.10%	1.81%	0.94%	1.62%	0.86%	1.49%
Other assets	1.08%	12.86%	14.16%	7.39%	4.92%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%
Total assets	158.59%	172.66%	152.67%	107.89%	85.52%	115.24%	135.18%	164.18%	197.86%	237.73%	282.59%	331.15%	382.61%	435.41%	488.03%
Liabilities and Shareholders' Equity															
Current liabilities:															
Accounts payable	6.29%	6.89%	4.42%	4.43%	4.84%	5.73%	5.73%	5.73%	5.73%	5.73%	5.73%	5.73%	5.73%	5.73%	5.73%
Accrued and other current liabilities	10.05%	10.66%	15.27%	10.97%	8.99%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%	11.29%
Short-term debt		5.99%	4.63%	2.05%	0.00%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%
Total current liabilities	16.34%	23.54%	24.33%	17.45%	13.83%	19.55%	19.55%	19.55%	19.55%	19.55%	19.55%	19.55%	19.55%	19.55%	19.55%
Long-term debt	18.24%	35.77%	35.97%	13.88%	6.49%	9.05%	8.31%	7.63%	7.51%	7.23%	7.25%	7.07%	7.12%	6.97%	7.00%
Long-term operating lease liabilities	5.14%	3.80%	3.34%	1.84%	1.16%	3.49%	3.56%	3.43%	3.41%	3.36%	3.34%	3.32%	3.32%	3.31%	3.31%
Other long-term liabilities	7.10%	8.25%	7.09%	4.17%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Total liabilities	46.81%	71.35%	70.74%	37.34%	24.73%	35.35%	34.68%	33.87%	33.73%	33.39%	33.39%	33.20%	33.25%	33.09%	33.12%
Shareholders' equity:															
Additional paid-in capital	64.54%	52.31%	44.39%	21.56%	8.63%	5.43%	3.60%	2.79%	2.30%	2.03%	1.86%	1.75%	1.66%	1.60%	1.53%
Treasury stock, at cost	-89.89%	-64.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Accumulated other comprehensive income (loss)	0.01%	0.11%	-0.16%	0.04%	0.02%	0.01%	0.01%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings	137.12%	113.39%	37.71%	48.94%	52.14%	69.97%	90.06%	119.03%	151.87%	190.71%	233.98%	280.92%	330.45%	381.51%	432.31%
Total shareholders' equity	111.78%	101.31%	81.93%	70.55%	60.79%	75.41%	93.67%	121.82%	154.18%	192.75%	235.84%	282.68%	332.12%	383.10%	433.85%
Total liabilities and shareholders' equity	158.59%	172.66%	152.67%	107.89%	85.52%	110.76%	128.35%	155.69%	187.91%	226.14%	269.23%	315.88%	365.37%	416.19%	466.97%

NVIDIA Corporation
Value Driver Estimation

Fiscal Years Ending Jan. 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
NOPLAT:													
EBITA:													
Revenue	26,974	60,922	130,497	207,231	312,836	404,232	489,498	554,198	605,452	644,373	676,559	705,712	736,108
Cost of revenue (-)	10,074	16,621	32,639	60,280	85,049	102,208	114,457	119,045	121,090	128,875	135,312	141,142	147,222
Sales, general and administrative (-)	2,440	2,654	3,491	6,217	9,385	12,127	14,685	16,626	18,164	19,331	20,297	21,171	22,083
Depreciation (-)	844	894	1,300	1,816	2,470	3,808	4,742	5,704	6,361	6,912	7,316	7,664	7,985
Amortization (-)	700	650	244	354	236	84	31	10	18	18	18	18	18
Research and development (-)	7,339	8,675	12,914	34,933	42,714	42,246	44,055	49,878	54,491	57,994	60,890	63,514	66,250
Implied interest on Operating Leases (+)	44	57	76	348	536	668	803	896	973	1,030	1,079	1,124	1,173
EBITA	5,621	31,485	79,985	103,979	173,518	244,428	312,331	363,831	406,301	432,273	453,805	473,326	493,723
Implied Marginal Tax Rate	4.50%	17.20%	18.20%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Total Adjusted Taxes													
Income tax expense	(187)	4,058	11,146	18,065	30,555	43,611	56,713	67,404	77,034	84,123	90,798	97,306	104,278
Tax shield on interest expense (+)	12	(44)	(45)	86	245	347	420	503	553	605	633	668	686
Tax on interest(or investment) income (-)	12	149	325	366	1,178	2,305	4,060	6,292	9,062	12,174	15,667	19,374	23,429
Tax on non-operating income (-)	(2)	41	188	-	-	-	-	-	-	-	-	-	-
Tax shield on acquisition termination cost (+)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax shield on implied interest on operating leases (+)	47	232	326	1,644	2,534	3,156	3,796	4,233	4,600	4,868	5,100	5,314	5,545
Total Adjusted Taxes	(138)	4,056	10,914	19,429	32,156	44,808	56,870	65,848	73,125	77,423	80,865	83,914	87,079
Total Deferred	3,396	6,081	10,979	6,081	10,979	6,081	10,980	6,080	10,980	6,079	10,981	6,078	10,981
NOPLAT	9,155	33,510	80,050	90,631	152,341	205,700	266,442	304,063	344,156	360,929	383,921	395,490	417,625
Invested Capital (IC):													
Operating Working Capital	15,332	20,616	33,728	53,448	82,051	105,316	127,512	143,589	156,134	165,008	171,765	177,106	181,931
Normal Cash	1,370	3,095	6,629	10,526	15,890	20,533	24,864	28,150	30,754	32,731	34,366	35,846	37,390
Accounts receivable (+)	3,827	9,999	23,065	29,559	45,590	59,367	72,050	81,391	88,404	93,184	96,456	98,609	100,026
Inventory (+)	5,159	5,282	10,080	23,787	35,909	46,400	56,187	63,613	69,497	73,964	77,659	81,005	84,494
Prepaid expenses (+)	791	3,080	3,771	8,277	12,495	16,145	19,551	22,135	24,182	25,737	27,022	28,187	29,401
Operating Current Assets (Non-Interest Bearing)	11,147	21,456	43,545	72,149	109,884	142,445	172,651	195,289	212,836	225,616	235,503	243,647	251,310
Accounts payable	1,193	2,699	6,310	11,879	17,932	23,171	28,059	31,767	34,705	36,936	38,781	40,453	42,195
Accrued expenses (+)	4,120	6,682	11,737	23,387	35,306	45,620	55,243	62,545	68,329	72,722	76,354	79,645	83,075
Operating Current Liabilities (Non-Interest-Bearing)	5,313	9,381	18,047	35,266	53,238	68,792	83,302	94,313	103,035	109,658	115,136	120,097	125,270
Net Operating Working Capital	5,834	12,075	25,498	36,883	56,646	73,653	89,350	100,977	109,801	115,957	120,367	123,550	126,041
Net PPE	3,807	3,914	6,283	8,545	13,171	16,404	19,733	22,005	23,911	25,306	26,512	27,621	28,820
Intangible assets, net	1,676	1,112	807	453	217	133	102	92	74	55	37	18	-
Operating lease assets	1,038	1,346	1,793	8,220	12,670	15,779	18,981	21,167	23,000	24,342	25,502	26,569	27,723
Other long-term assets	3,376	2,822	-	-	-	-	-	-	-	-	-	-	-
Long-term Operating Assets	6,090	5,280	2,600	8,673	12,887	15,912	19,083	21,259	23,074	24,398	25,539	26,588	27,723
Deferred revenue (2)	218	573	573	573	573	573	573	573	573	573	573	573	573
Licenses payable	181	80	80	80	80	80	80	80	80	80	80	80	80
Employee benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term Operating Liabilities	399	653	653	653	653	653	653	653	653	653	653	653	653
Free Cash Flow (FCF):													
NOPLAT	9,155	33,510	80,050	90,631	152,341	205,700	266,442	304,063	344,156	360,929	383,921	395,490	417,625
Change in IC	2,922.05	5,283.38	13,112.03	19,720.62	28,602.79	23,265.05	22,196.42	16,076.12	12,545.00	8,874.60	6,757.28	5,340.42	4,825.16
FCF	6,233	28,227	66,938	70,910	123,738	182,435	244,245	287,987	331,611	352,055	377,164	390,150	412,800
Return on Invested Capital (ROIC):													
NOPLAT	9,155	33,510	80,050	90,631	152,341	205,700	266,442	304,063	344,156	360,929	383,921	395,490	417,625
Beginning IC	12,410	15,332	20,616	33,728	53,448	82,051	105,316	127,512	143,589	156,134	165,008	171,765	177,106
ROIC	73.77%	218.56%	388.30%	268.71%	285.03%	250.70%	252.99%	238.46%	239.68%	231.17%	232.67%	230.25%	235.81%
Economic Profit (EP):													
Beginning IC	12,410	15,332	20,616	33,728	53,448	82,051	105,316	127,512	143,589	156,134	165,008	171,765	177,106
x (ROIC - WACC)	59.88%	204.67%	374.41%	254.82%	271.13%	236.81%	239.10%	224.57%	225.79%	217.28%	218.78%	216.36%	221.91%
EP	7,431	31,381	77,186	85,946	144,916	194,302	251,812	286,350	324,209	339,240	360,999	371,630	393,023

NVIDIA Corporation
Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:		ASSUMPTIONS:	
Risk-Free Rate	4.33%	10-year US Treasury Bond	
Beta	1.92	5Y Beta 4/17/25	
Equity Risk Premium	5.00%	HF consensus	
Cost of Equity	13.93%		
Number			
Cost of Debt:			
Risk-Free Rate	4.33%	10-year US Treasury Bond	
Implied Default Premium	0.78%		
Pre-Tax Cost of Debt	5.11%	10-year Nvidia Corporate Bond Estimate	
Marginal Tax Rate	17%		
After-Tax Cost of Debt	4.23%		
			MV Weights
Total Shares Outstanding	24,640		
Current Stock Price	\$101.49		
MV of Equity	2,500,713.60		99.60%
Short-Term Debt	-		
Current Portion of LTD	-		
Long-Term Debt	8,463		
PV of Operating Leases	1,519		
MV of Total Debt	9,982.00		0.40%
Market Value of the Firm	2,510,695.60		100.00%
Estimated WACC			13.89%

NVIDIA Corporation

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	5.00%
CV Year ROIC	235.81%
WACC	13.89%
Cost of Equity	13.93%

Fiscal Years Ending Jan. 31	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
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DCF Model:

Free Cash Flow (FCF)	70,910	123,738	182,435	244,245	287,987	331,611	352,055	377,164	390,150	412,800
Continuing Value (CV)										4,597,341
PV of FCF	62,261	95,394	123,491	145,165	150,286	151,944	141,636	133,230	121,007	1,425,893

Value of Operating Assets:	2,550,307
Non-Operating Adjustments	
Excess cash (+)	1,960
Marketable securities (+)	34,621
Total debt (-)	(8,463)
Other long-term liabilities (-)	(4,245)
ESOP (-)	(15,737)

Value of Equity	2,558,443
Shares Outstanding	25,576
Intrinsic Value of Last FYE	\$ 100.03
Implied Price as of Today	\$ 102.20

Economic Profit (EP)	85,946	144,916	194,302	251,812	286,350	324,209	339,240	360,999	371,630	393,023
Continuing Value (CV)										4,420,235
PV of EP	75,463	111,721	131,524	149,662	149,431	148,552	136,480	127,520	115,263	1,370,963

Invested Capital (last FYE)	2,516,579
P/E (EPS26)	33,728
P/E (EPS27)	2,550,307
PEG (EPS26)	1,960
PEG (EPS27)	34,621
Total debt (-)	(8,463)
Other long-term liabilities (-)	(4,245)
ESOP (-)	(15,737)

Value of Equity	2,558,443
Shares Outstanding	25,576
Intrinsic Value of Last FYE	\$ 100.03
Implied Price as of Today	\$ 102.20

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

[illegible]

NVIDIA Corporation

Relative Valuation Models

Semiconductor Peers			EPS	EPS			Est. 5yr		
Ticker	Company	Price	2026E	2027E	P/E 26	P/E 27	EPS gr.	PEG 26	PEG 27
AMD	AMD	\$87.50	\$6.09	\$7.68	14.37	11.39	27.0	0.53	0.42
INTC	Intel	\$18.93	\$1.16	\$1.64	16.32	11.54	28.4	0.57	0.41
AVGO	Broadcom	\$170.99	\$7.83	\$9.10	21.84	18.79	29.0	0.75	0.65
QCOM	Qualcomm	\$136.66	\$12.27	\$12.54	11.14	10.90	7.2	1.55	1.51
Average					15.92	13.16		0.85	0.75
Number									
Magnificent Seven Peers			EPS	EPS			Est. 5yr		
Ticker	Company	Price	2026E	2027E	P/E 26	P/E 27	EPS gr.	PEG 26	PEG 27
GOOGL	Alphabet	\$151.16	\$10.06	\$11.54	15.03	13.10	8.3	1.81	1.58
AMZN	Amazon	\$172.61	\$7.52	\$9.35	22.95	18.46	9.4	2.44	1.96
AAPL	Apple	\$196.98	\$8.00	\$8.79	24.62	22.41	7.4	3.33	3.03
META	Meta	\$501.48	\$28.24	\$32.30	17.76	15.53	12.9	1.38	1.20
MSFT	Microsoft	\$367.78	\$14.91	\$17.62	24.67	20.87	10.1	2.44	2.07
TESLA	Tesla	\$241.37	\$3.59	\$4.70	67.23	51.36	13.4	5.02	3.83
Average					28.71	23.62		2.74	2.28
NVDA	NVIDIA Corporation	\$101.49	\$3.47	\$5.69	29.2	17.8	31.87	0.9	0.6

Implied Relative Value Semiconductor Peer:

P/E (EPS26)	\$ 55.30
P/E (EPS27)	\$ 74.91
PEG (EPS26)	\$ 94.33
PEG (EPS27)	\$ 135.66

Implied Relative Value Mag 7:

P/E (EPS26)	\$ 99.76
P/E (EPS27)	\$ 134.49
PEG (EPS26)	\$ 303.03
PEG (EPS27)	\$ 413.58

Implied Relative Value Peer Average:

P/E (EPS26)	\$ 77.53
P/E (EPS27)	\$ 104.70
PEG (EPS26)	\$ 198.68
PEG (EPS27)	\$ 274.62

NVIDIA Corporation
Key Management Ratios

[illegible]

NVIDIA Corporation
Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	272
	<u>0.50</u>
	544

Liquidity Ratios:

Current Ratio	
Current Assets / Current Liabilities	\$ 44.59
Quick Ratio	13.93%
(Current Assets - Inventory) / Current Liabilities	\$101.49

Cash Ratio: Number

(Cash + Marketable Securities) / Current Liabilities	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
	544	544	544	544	544	544	544	544	544	544	544

Asset-Management Ratios:

Asset Turnover Ratio	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59	\$ 44.59
Sales / Average Total Assets	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>	<u>24,257</u>
Inventory Turnover Ratio	3,400	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,870	3,871
COGS / Average Inventory	<u>\$ 101.49</u>	<u>\$ 115.59</u>	<u>\$ 131.66</u>	<u>\$ 149.95</u>	<u>\$ 170.79</u>	<u>\$ 194.52</u>	<u>\$ 221.56</u>	<u>\$ 252.35</u>	<u>\$ 287.41</u>	<u>\$ 327.35</u>	<u>\$ 372.84</u>
Accounts Receivable Turnover	<u>34</u>	<u>33</u>	<u>29</u>	<u>26</u>	<u>23</u>	<u>20</u>	<u>17</u>	<u>15</u>	<u>13</u>	<u>12</u>	<u>10</u>
Sales / Average Accounts Receivable	24,555	25,065	25,576	26,091	26,609	27,130	27,654	28,181	28,709	29,240	29,772

Financial Leverage Ratios:

Debt-to-Assets Ratio	544	544	544	544	544	544	544	544	544	544	544
	<u>34</u>	<u>33</u>	<u>29</u>	<u>26</u>	<u>23</u>	<u>20</u>	<u>17</u>	<u>15</u>	<u>13</u>	<u>12</u>	<u>10</u>
	<u>25,065</u>	<u>25,576</u>	<u>26,091</u>	<u>26,609</u>	<u>27,130</u>	<u>27,654</u>	<u>28,181</u>	<u>28,709</u>	<u>29,240</u>	<u>29,772</u>	<u>30,306</u>

NVIDIA Corporation*Valuation of Options Granted under ESOP*

Current Stock Price	\$101.49
Risk Free Rate	4.33%
Current Dividend Yield	0.03%
Annualized St. Dev. of Stock Returns	43.56% via Bloomberg

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	272	44.59	0.50	\$ 57.86	\$ 15,737
Total	272	\$ 44.59	0.50	\$ 57.87	\$ 15,737