

NVIDIA Corporation (NVDA)

\$120.91 (Stock Price as of 06/11/2024)

Price Target (6-12 Months): **\$139.00**

Long Term: 6-12 Months	Zacks Recommendation: Outperform (Since: 05/30/23) Prior Recommendation: Neutral
Short Term: 1-3 Months	Zacks Rank: (1-5) 1-Strong Buy Zacks Style Scores: VGM:D Value: F Growth: A Momentum: F

Summary

NVIDIA is benefiting from the strong growth of artificial intelligence (AI), high-performance and accelerated computing. The data center end-market business is benefiting from the growing demand for generative AI and large language models using graphic processing units (GPUs) based on NVIDIA Hopper and Ampere architectures. A surge in hyperscale demand and higher sell-ins to partners across the Gaming and ProViz end markets following the normalization of channel inventory are acting as tailwinds. Collaborations with Mercedes-Benz and Audi are likely to advance its presence in the autonomous vehicles and other automotive electronics space. We expect NVIDIA's revenues to witness a CAGR of 33.6% through fiscal 2025-2027. However, its near-term prospects are likely to be hurt by softening IT spending amid macroeconomic headwinds.

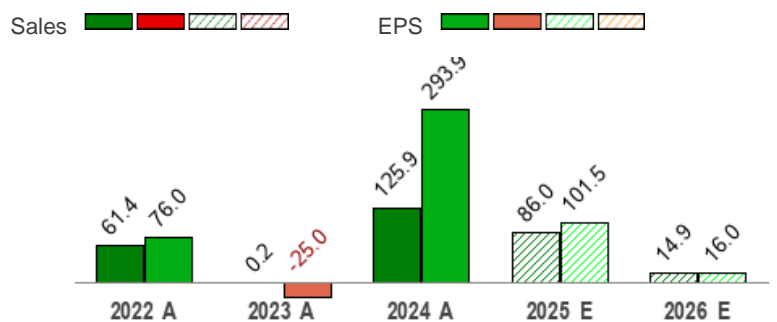
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$195.95 - \$38.62
20 Day Average Volume (sh)	442,849,632
Market Cap	\$2,974.4 B
YTD Price Change	144.2%
Beta	1.70
Dividend / Div Yld	\$0.04 / 0.0%
Industry	Semiconductor - General
Zacks Industry Rank	Top 30% (74 out of 249)

Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Last EPS Surprise	11.5%
Last Sales Surprise	7.0%
EPS F1 Est- 4 week change	11.0%
Expected Report Date	08/28/2024
Earnings ESP	0.0%

Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	31,094 E	31,776 E	32,941 E	34,415 E	130,227 E
2025	26,044 A	28,133 E	29,068 E	30,084 E	113,329 E
2024	7,192 A	13,507 A	18,120 A	22,103 A	60,922 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.73 E	0.73 E	0.77 E	0.81 E	3.04 E
2025	0.61 A	0.62 E	0.67 E	0.71 E	2.62 E
2024	0.11 A	0.27 A	0.40 A	0.52 A	1.30 A

*Quarterly figures may not add up to annual.

1) The data in the charts and tables, except the estimates, is as of 06/11/2024.

2) The report's text, the analyst-provided estimates, and the price target are as of 06/12/2024.

Overview

NVIDIA Corporation is the worldwide leader in visual computing technologies and the inventor of the graphic processing unit, or GPU. Over the years, the company's focus has evolved from PC graphics to artificial intelligence (AI) based solutions that now support high performance computing (HPC), gaming and virtual reality (VR) platforms.

NVIDIA's GPU success can be attributed to its parallel processing capabilities supported by thousands of computing cores, which are necessary to run deep learning algorithms. The company's GPU platforms are playing a major role in developing multi-billion-dollar end-markets like robotics and self-driving vehicles.

NVIDIA is a dominant name in the Data Center, professional visualization and gaming markets where Intel and Advanced Micro Devices are playing a catch-up role. The company's partnership with almost all major cloud service providers (CSPs) and server vendors is a key catalyst.

NVIDIA's GPUs are also getting rapid adoption in diverse fields ranging from radiology to precision agriculture. The company's GPUs power the top supercomputer in the world, located at Oak Ridge National Laboratories in the United States, as well as the top supercomputers in Europe and Japan.

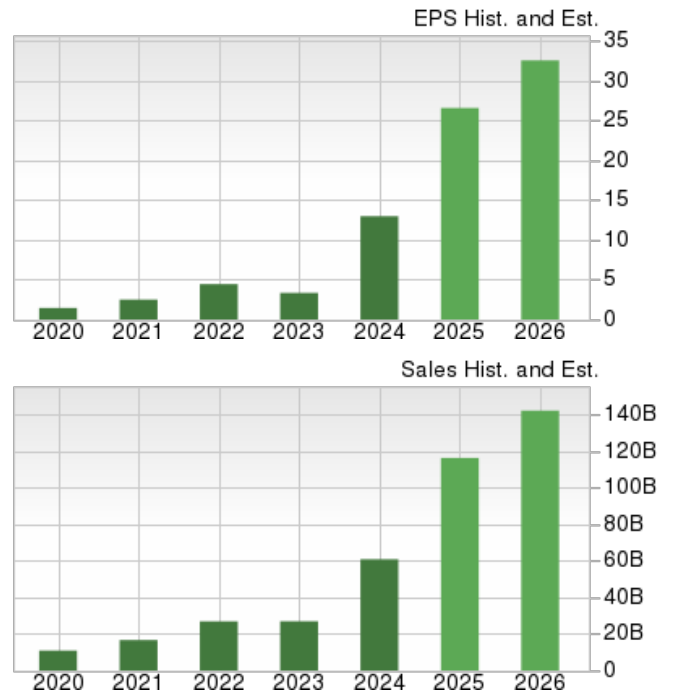
Santa Clara, CA-based, NVIDIA reported revenues of \$60.92 billion in fiscal 2024, up 126% from \$26.97 billion in fiscal 2023.

Beginning first-quarter fiscal 2021, NVIDIA started reporting revenues under two segments – Graphics and Compute & Networking.

Graphics includes GeForce GPUs for gaming and PCs, the GeForce NOW game streaming service and related infrastructure, and solutions for gaming platforms; Quadro GPUs for enterprise design; GRID software for cloud-based visual and virtual computing; and automotive platforms for infotainment systems.

Compute & Networking comprises Data Center platforms and systems for AI, HPC, and accelerated computing; DRIVE for autonomous vehicles; and Jetson for robotics and other embedded platforms. Mellanox revenues included in this segment beginning second-quarter fiscal 2021.

Graphics and Compute & Networking accounted for 22% and 78% of fiscal 2024 revenues, respectively.



As of 06/12/2024



As of 06/11/2024

Reasons To Buy:

- ▲ Datacenter presents a solid growth opportunity for the company. As more and more businesses are shifting toward cloud, the need for datacenters is increasing. To cater to this huge demand, datacenter operators like Amazon, Microsoft and Alphabet are expanding their operations across the world, which is driving demand for the GPUs. This bodes well for NVIDIA's uptrend as well. Further, the company intends to focus on new growth boosters for its data center business, such as inference, data science and machine learning techniques to consolidate its presence in this niche market. Considered most preferred by the datacenter operators, NVIDIA's GPUs are likely to help the company grab a larger market space. The company's acquisition of Mellanox is a key catalyst in this regard. Additionally, the datacenter end-market business is likely to benefit from the growing demand for generative AI and large language models using GPUs based on NVIDIA Hopper and Ampere architectures. The strong demand for its chips from large cloud service and consumer internet companies is anticipated to continue aiding the segment's top-line growth. Our estimates suggest that the company's revenues from the Data Center end market should witness a CAGR of 38.3% through fiscal 2025-2027.
- ▲ NVIDIA's GPUs are rapidly benefiting from the proliferation of AI. By applying its GPUs in AI models, the company is expanding its base in the other untapped markets like automotive, healthcare and manufacturing, which will support its earnings and revenues. The company is engaged with a number of organizations including the top cloud server companies like Amazon, Baidu and Meta Platforms, which are infusing AI in various applications. NVIDIA has also partnered with the industry biggies — IBM, Microsoft and SAP in order to bring AI to the enterprise users' table. The company has collaborated with the top-ranked OEMs including Dell, HP and Lenovo to deliver powerful workstations inclusive of Quadro RTX GPUs and its new CUDAX AI accelerated software. Moreover, a steady ramp-up of the new products is enabling the company to gain a competitive edge over the likes of AMD and Intel, and also widen its market share.
- ▲ NVIDIA's foray into the autonomous vehicles and other automotive electronics space is a positive. The company currently is on a firmer footing in the autonomous vehicle market. It is working with more than 320 automakers, tier-one suppliers, automotive research institutions, HD mapping companies and start-ups to develop and deploy AI systems for self-driving vehicles. Notably, NVIDIA's focus on incorporating AI into the cockpit for infotainment systems is allowing it to grow its autonomous driving revenues. The company expects its automotive TAM to be \$30 billion by 2025, which comprises \$25 billion for driving, \$3 billion for training/development of deep neural networks and \$2 billion for validation and testing.
- ▲ NVIDIA is a cash rich company with a strong balance sheet and can be considered as a below-average leveraged company as its total debt to total capital ratio of 0.16 is significantly lower than the industry average of 0.30. As of Apr 28, 2024, the company had cash, cash equivalents and marketable securities of nearly \$31.44 billion, which is significantly higher than its total long-term debt of \$8.46 billion. Since it has net cash available on its balance sheet, the existing cash can be used for pursuing strategic acquisitions, investing in growth initiatives and distributing to shareholders.
- ▲ NVIDIA boasts a sturdy cash-flow generating ability. The company's accelerated revenue growth along with improving operating efficiency is bringing in higher cash flows. In fiscal 2024, the company generated operating and free cash flow of \$28.09 billion and \$11.22 billion, respectively. The higher cash flow generating ability lends NVIDIA flexibility to invest in long-term growth prospects and return money to its shareholders. In fiscal 2024, the company returned \$9.93 billion to shareholders through \$395 million in dividend payouts and \$9.53 billion in share repurchases. In the first quarter of fiscal 2025, the company generated operating and free cash flow of \$15.4 billion and \$14.94 billion, respectively. During the quarter, it returned \$7.8 billion to shareholders through dividend payouts and share repurchases. At the end of the first quarter of fiscal 2025, it had a remaining share repurchase authorization of approximately \$14.7 billion, which has no expiration time. Moreover, the company has raised its quarterly cash dividend rate by 150%, beginning from the second quarter of fiscal 2025.

Growth opportunities in ray-traced gaming, high-performance computing, AI and self-driving cars are encouraging.

Risks

- The United States and China's tit-for-tat trade war is a major threat to the company. This is because the United States is the largest semiconductor manufacturing country with China being its biggest importer. The trade war between the two countries is likely to further escalate as the US government imposed a new licensing requirement for NVIDIA's A100, A100X and forthcoming H100 integrated circuit sales in China and Russia in October 2023. The government has also banned NVIDIA from exporting DGX or any other systems that incorporate A100 or H100 integrated circuits. NVIDIA's A100 and H100 are its highest-performance chips used in data centers for AI, data analytics and computing applications. Though the company does not sell products to customers in Russia, the new licensing requirements are going to significantly hurt its data center chip sales in China.
 - NVIDIA's near-term prospects might be hurt by softening IT spending. The still-high interest rates and protracted inflationary conditions have impacted consumer spending. Meanwhile, enterprises are postponing their large IT spending plans due to a weakening global economy amid ongoing macroeconomic and geopolitical issues. This does not bode well for NVIDIA's prospects in the near term.
 - The competition between NVIDIA and AMD has taken a meaningful turn. Previously, NVIDIA and ATI made graphics chips for the PC market. Later AMD acquired ATI and combined the CPU and parallel graphics chip into a single component. AMD is now making an effort to strengthen its position in the commodity graphics segment and CPUs for console gaming systems. AMD chips have made an entry into Sony Corp.'s PS4. Nintendo's Wii U and Microsoft's Xbox One will also be going with AMD. NVIDIA also has limited scope for growth in the apps processor market as it is dominated by Apple, Samsung and Qualcomm. We believe that competitive pressure from two CPU vendors, Intel and AMD, who are planning to integrate graphics cores into their chips can negatively impact NVIDIA's revenues in the long haul.
 - A substantial portion of the company's sales is derived from outside the United States. Sales revenues to customers outside the United States accounted for more than 56% of the total revenues for fiscal 2024. Hence, we believe that any unfavorable currency fluctuation and an uncertain macroeconomic environment may moderate the company's growth.
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Last Earnings Report

NVIDIA Q1 Earnings Top Estimates, Revenues Rise Y/Y

NVIDIA reported first-quarter fiscal 2025 earnings of \$6.12 per share, which beat the Zacks Consensus Estimate by 11.48% and increased 19% sequentially. Notably, NVDA posted earnings of \$1.09 per share in the year-ago quarter.

Revenues jumped 262% year over year to \$26.04 billion and beat the Zacks Consensus Estimate by 7.02%. On a sequential basis, revenues increased 18%.

NVIDIA is riding on a strong and innovative portfolio, with the growing adoption of its GPUs. It benefits from a strong partner base that includes the likes of TSMC, Synopsys, AWS, Alphabet, Microsoft, Oracle, and Johnson & Johnson MedTech.

NVIDIA also announced a ten-for-one forward stock split of its issued common stock and raised the quarterly cash dividend by 150%.

Segment Details

NVIDIA reports revenues under two segments — Graphics, and Compute & Networking.

Graphics accounted for 13% of fiscal first-quarter revenues. The segment's top line climbed 23.3% year over year, while decreasing 20% sequentially to \$3.37 billion. The figure lagged the consensus mark by 32.51%.

Compute & Networking represented 87% of fiscal first-quarter revenues. Revenues soared 408.4% year over year and 27% sequentially to \$22.68 billion. The figure beat the Zacks Consensus Estimate by 19.26%

Based on the market platform, Gaming revenues increased 478% year over year but declined 8% sequentially at \$2.65 billion beating the Zacks Consensus estimate by 0.72%.

NVIDIA expanded its collaboration with Alphabet by offering support for Google's Gemma for ChatRTX, which brings chatbot capabilities to RTX-powered Windows PCs and workstations.

Revenues from Data Center jumped 427% year over year and 23% sequentially to \$22.56 billion. The figure beat the consensus mark by 9.09%.

Data Center compute revenues were \$19.4 billion, up 478% year over year and 29% sequentially. Higher shipments of the NVIDIA Hopper GPU computing platform used for training and inferencing with large language models, recommendation engines, and generative AI applications benefited top-line growth.

Networking revenues were \$3.2 billion, up 242% year over year on strong growth of InfiniBand end-to-end solutions. However, revenues declined 5% sequentially due to the timing of supply.

Strong sequential Data Center growth was driven by all customer types, led by Enterprise and Consumer Internet companies. Large cloud providers continued to drive strong growth as they deployed and ramped NVIDIA AI infrastructure at scale, representing mid-40% of NVIDIA's Data Center revenues.

In the reported quarter, NVDA announced that TSMC and Synopsys would go into production with NVIDIA cuLitho to accelerate computational lithography. It also expanded collaborations with AWS, Alphabet's Google Cloud, Microsoft and Oracle to accelerate generative AI innovation.

Professional Visualization revenues increased 45% year over year but declined 8% sequentially to \$427 million, lagging the Zacks Consensus estimate by 13.33%.

Automotive sales in the reported quarter totaled \$329 million, up 11% on a year-over-year basis and 17% sequentially. The figure beat the Zacks Consensus Estimate by 9.78%.

NVIDIA Drive Thor solution was adopted by BYD, XPENG, GAC's AION Hyper, Nuro and others in the reported quarter. Lucid and IM Motors are using the NVIDIA DRIVE Orin platform for vehicle models targeting the European market.

OEM and Other revenues moved up 1% year over year but declined 13% sequentially to \$78 million. The figure missed the consensus mark by 15.39%.

Expanding Portfolio Aids Prospects

In the fiscal first quarter, NVIDIA launched the Blackwell platform targeted for AI computing at a trillion-parameter scale and the Blackwell-powered DGX SuperPOD for Generative AI supercomputing.

It announced NVIDIA Quantum and NVIDIA Spectrum X800 series switches for InfiniBand and Ethernet, respectively, optimized for trillion-parameter GPU computing and AI infrastructure.

Moreover, the company launched NVIDIA AI Enterprise 5.0 with NVIDIA NIM inference microservices to speed enterprise app development.

For the gaming domain, NVIDIA launched AI gaming technologies for NVIDIA ACE and Neural Graphics. Moreover, it unveiled AI performance

FY Quarter Ending 1/31/2024

Earnings Reporting Date	May 22, 2024
Sales Surprise	7.02%
EPS Surprise	11.48%
Quarterly EPS	0.61
Annual EPS (TTM)	1.80

optimizations and integrations for Windows to deliver maximum performance on NVIDIA GeForce RTX AI PCs and workstations.

For the Professional Visualization domain, it launched NVIDIA RTX 500 and 1000 professional Ada generation laptop GPUs for AI-enhanced workflows, NVIDIA RTX A400 and A1000 GPUs for desktop workstations and NVIDIA Omniverse Cloud APIs.

Operating Details

NVIDIA's non-GAAP gross margin increased to 78.9% from 66.8% in the year-ago quarter and 76.7% from the previous quarter, mainly driven by higher Data Center sales.

Non-GAAP operating expenses increased 43% year over year and 13.2% sequentially to \$2.50 billion. The increase was due to higher compensations and related benefits.

However, as a percentage of total revenues, non-GAAP operating expenses declined to 9.6% from 24.3% in the year-ago quarter and 30.7% in the previous quarter.

The non-GAAP operating income was \$18.06 billion compared with \$3.05 billion in the year-ago quarter. Sequentially, the figure jumped 22.4%.

Balance Sheet and Cash Flow

As of Apr 28, 2024, NVDA's cash, cash equivalents and marketable securities were \$31.44 billion, up from \$25.98 billion as of Jan 28, 2024.

As of Apr 28, 2024, the total long-term debt was \$8.46 billion, unchanged sequentially.

NVIDIA generated \$15.4 billion in operating cash flow, up from the previous quarter's \$11.5 billion.

The company ended the fiscal first quarter with a free cash flow of \$14.94 billion.

In the fiscal first quarter, it returned \$7.8 billion to shareholders through dividend payouts and share repurchases.

Guidance

For the second quarter of fiscal 2025, NVIDIA anticipates revenues of \$28 billion (+/-2%), higher than the Zacks Consensus Estimate of \$26.24 billion.

The non-GAAP gross margin is projected at 75.5% (+/-50 bps). Non-GAAP operating expenses are estimated at \$2.8 billion.

Recent News

On Jun 2, NVIDIA announced the general software availability of NVIDIA AI Enterprise-IGX with NVIDIA Holoscan on the NVIDIA IGX platform.

On Jun 2, NVIDIA announced that the world's leaders in robot development are adopting the NVIDIA Isaac robotics platform for the research, development and production of the next generation of AI-enabled autonomous machines and robots.

On Jun 2, NVIDIA announced new NVIDIA RTX technology to power AI assistants and digital humans running on new GeForce RTX AI laptops.

On Jun 2, NVIDIA announced the widespread adoption of the NVIDIA Spectrum-X Ethernet networking platform as well as an accelerated product release schedule.

On May 12, NVIDIA revealed that nine new supercomputers worldwide are using NVIDIA Grace Hopper Superchips to speed scientific research and discovery.

On May 12, NVIDIA announced that it would accelerate quantum computing efforts at national supercomputing centers around the world with the open-source NVIDIA CUDA-Q platform. Supercomputing sites in Germany, Japan and Poland will use the platform to power the quantum processing units (QPUs) inside their NVIDIA-accelerated high-performance computing systems.

On Mar 18, NVIDIA announced several partnerships related to AI, including companies with the likes of SAP, Oracle, Amazon Web Service, Google and Microsoft.

On Mar 18, NVIDIA unveiled a 6G research platform that empowers researchers with a novel approach to develop the next phase of wireless technology.

On Mar 18, NVIDIA launched a cloud service that allows researchers and developers to push the boundaries of quantum computing exploration in key scientific domains, including chemistry, biology and materials science.

On Mar 18, NVIDIA announced Project GR00T, a general-purpose foundation model for humanoid robots designed to further its work driving breakthroughs in robotics and embodied AI.

On Mar 18, NVIDIA launched dozens of enterprise-grade generative AI microservices that businesses can use to create and deploy custom applications on their own platforms while retaining full ownership and control of their intellectual property.

On Mar 18, NVIDIA launched more than two dozen new microservices that allow healthcare enterprises worldwide to take advantage of the latest advances in generative AI from anywhere and on any cloud.

Valuation

NVIDIA shares have jumped 143.9% year to date and skyrocketed 194.4% in the trailing 12 months. Stocks in the Zacks sub-industry jumped 60.5%, while the Zacks Technology sector rose 8% in the year-to-date period. Over the past year, the Zacks sub-industry rallied 52.8% and the sector grew 21.5%.

The S&P 500 Index has increased 6.9% year to date and 16.4% in the past year.

The stock is currently trading at 4.21X forward 12-month earnings, which compares with 40.94X for the Zacks sub-industry, 24.05X for the Zacks sector and 20.54X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 10.63X and as low as 2.68X, with a five-year median of 5.07X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$139 price target reflects 4.84X forward 12-month earnings.

The table below shows summary valuation data for NVDA.

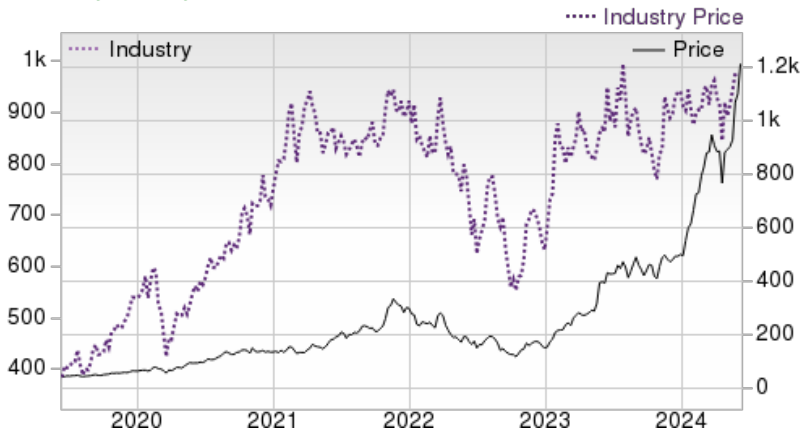
Valuation Multiples - NVDA					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	4.21	40.94	24.05	20.54
	5-Year High	10.63	46.56	32.35	24.14
	5-Year Low	2.68	15.29	20.84	15.60
	5-Year Median	5.07	23.92	25.15	20.01
P/S F12M	Current	2.36	10.21	7.45	3.93
	5-Year High	2.92	15.63	9.16	4.22
	5-Year Low	0.75	3.77	4.91	2.92
	5-Year Median	1.64	6.06	6.65	3.58
P/B TTM	Current	6.05	3.23	6.53	6.14
	5-Year High	6.13	16.77	8.24	7.07
	5-Year Low	0.88	3.23	3.80	3.71
	5-Year Median	2.18	5.76	5.97	5.78

As of 06/11/2024

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 30% (74 out of 249)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Amtech Systems, Inc. (ASYS)	Outperform	1
Advanced Micro Devices, Inc. (AMD)	Neutral	3
Intel Corporation (INTC)	Neutral	4
Marvell Technology, Inc. (MRVL)	Neutral	3
SUMCO (SUOPY)	Neutral	3
Thk Co., Ltd. (THKLY)	Neutral	3
Texas Instruments Incorporated (TXN)	Neutral	3
STMicroelectronics N.V. (STM)	Underperform	5

Industry Comparison ⁽¹⁾ Industry: Semiconductor - General				Industry Peers		
	NVDA	X Industry	S&P 500	AMD	STM	TXN
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	1	-	-	3	5	3
VGM Score	D	-	-	F	B	F
Market Cap	2,974.39 B	85.59 B	33.95 B	256.93 B	39.56 B	179.77 B
# of Analysts	15	7	18	15	4	12
Dividend Yield	0.03%	0.62%	1.59%	0.00%	0.47%	2.63%
Value Score	F	-	-	F	C	F
Cash/Price	0.01	0.15	0.04	0.02	0.16	0.06
EV/EBITDA	82.94	15.26	14.65	60.84	5.72	20.23
PEG Ratio	0.87	2.67	2.14	1.40	4.11	4.28
Price/Book (P/B)	60.53	1.76	3.34	4.57	2.30	10.59
Price/Cash Flow (P/CF)	97.46	15.13	13.52	37.86	6.85	23.31
P/E (F1)	46.15	29.47	18.26	46.60	20.57	38.49
Price/Sales (P/S)	37.29	2.39	2.71	11.27	2.40	10.70
Earnings Yield	2.22%	3.37%	5.44%	2.15%	4.86%	2.60%
Debt/Equity	0.17	0.22	0.62	0.03	0.17	0.76
Cash Flow (\$/share)	1.24	3.67	8.64	4.20	6.39	8.47
Growth Score	A	-	-	D	B	F
Hist. EPS Growth (3-5 yrs)	59.67%	11.66%	9.87%	57.29%	45.42%	11.66%
Proj. EPS Growth (F1/F0)	101.54%	-9.72%	7.46%	28.68%	-52.24%	-27.44%
Curr. Cash Flow Growth	303.66%	-14.31%	3.70%	-25.91%	11.51%	-20.68%
Hist. Cash Flow Growth (3-5 yrs)	50.20%	2.24%	6.94%	63.25%	22.02%	3.89%
Current Ratio	3.53	3.03	1.22	2.64	3.34	4.91
Debt/Capital	14.69%	17.77%	39.29%	2.97%	14.32%	43.05%
Net Margin	53.40%	7.70%	11.99%	4.89%	22.30%	35.16%
Return on Equity	110.60%	4.86%	16.63%	5.72%	22.95%	35.28%
Sales/Assets	1.29	0.60	0.54	0.34	0.70	0.52
Proj. Sales Growth (F1/F0)	86.00%	-4.95%	3.93%	11.50%	-17.00%	-10.20%
Momentum Score	F	-	-	D	B	D
Daily Price Chg	-0.72%	-0.41%	0.27%	-0.86%	-1.17%	-0.09%
1 Week Price Chg	10.27%	-0.11%	1.59%	0.58%	6.00%	0.31%
4 Week Price Chg	32.35%	1.44%	2.45%	3.79%	4.73%	3.30%
12 Week Price Chg	35.25%	-1.23%	3.80%	-12.38%	0.32%	18.40%
52 Week Price Chg	194.74%	-1.21%	23.03%	27.65%	-11.37%	11.29%
20 Day Average Volume	442,849,632	1,489,406	2,019,020	52,868,216	2,941,039	5,440,353
(F1) EPS Est 1 week change	-0.33%	0.00%	0.00%	-0.22%	0.00%	0.00%
(F1) EPS Est 4 week change	10.98%	0.00%	0.00%	-0.22%	0.00%	-0.73%
(F1) EPS Est 12 week change	14.37%	-0.34%	0.39%	-2.19%	-30.28%	-0.69%
(Q1) EPS Est Mthly Chg	10.24%	0.00%	0.00%	-0.61%	0.00%	0.00%

Analyst Earnings Model⁽²⁾

NVIDIA Corporation (NVDA)

In \$MM, except per share data

	2022A	2023A	2024A		2025E	2026E	2027E		2028E	2029E	2030E	2031E	2032E	2033E	2034E	
	FY	FY	FY	1QA	2QE	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	1QE	2QE	
FY Ends January 31st	Jan-22	Jan-23	Jan-24	30-Apr-24	31-Jul-24	31-Oct-24	31-Jan-25	Jan-25	30-Apr-25	31-Jul-25	31-Oct-25	31-Jan-26	Jan-26	Jan-26	Jan-27	
Income Statement																
Total Revenue	\$26,914.0	\$26,974.0	\$60,922.0	\$26,044.0	\$28,132.5	\$29,068.2	\$30,084.2	\$113,328.8	\$31,094.4	\$31,776.4	\$32,940.9	\$34,414.8	\$130,226.6	\$145,436.2		
YoY % Chng	61.4%	0.2%	125.9%	262.1%	108.3%	60.4%	36.1%	86.0%	19.4%	13.0%	13.3%	14.4%	14.9%	14.7%		
Cost of Revenue, Non-GAAP	\$8,946.0	\$11,009.0	\$15,964.0	\$5,484.0	\$6,905.9	\$6,388.9	\$6,231.6	\$25,010.3	\$6,552.9	\$7,015.8	\$7,069.6	\$7,341.4	\$27,979.8	\$30,006.0		
YoY % Chng	56.2%	33.1%	45.0%	129.5%	77.4%	40.8%	21.1%	56.7%	19.5%	1.6%	10.7%	17.8%	11.9%	7.2%		
Cost of Revenue, GAAP	\$9,439.0	\$11,818.0	\$16,621.0	\$5,638.0	\$7,097.6	\$6,610.0	\$6,441.8	\$25,787.4	\$6,765.3	\$7,240.2	\$7,304.2	\$7,582.3	\$28,891.9	\$31,028.1		
YoY % Chng	50.3%	23.1%	43.1%	121.6%	75.0%	40.0%	21.3%	55.1%	20.0%	2.0%	10.5%	17.7%	12.0%	7.4%		
Gross Profit, Non-GAAP	\$17,969.0	\$15,965.0	\$44,959.0	\$20,560.0	\$21,226.6	\$22,679.3	\$23,852.5	\$88,318.5	\$24,541.5	\$24,760.6	\$25,871.3	\$27,073.4	\$102,246.8	\$115,429.2		
YoY % Chng	64.1%	(11.2%)	181.6%	328.2%	120.8%	67.0%	40.6%	96.4%	19.4%	16.6%	14.1%	13.5%	15.8%	12.9%		
Gross Profit, GAAP	\$17,475.0	\$15,356.0	\$44,301.0	\$20,406.0	\$21,034.9	\$22,458.2	\$23,642.4	\$87,641.4	\$24,329.1	\$24,536.3	\$25,636.7	\$26,832.6	\$101,334.7	\$114,407.1		
YoY % Chng	68.1%	(12.1%)	188.5%	339.0%	122.3%	67.6%	40.8%	97.6%	19.2%	16.6%	14.2%	13.5%	15.8%	12.9%		
Research and Development, Non-GAAP	\$3,951.0	\$5,408.0	\$6,094.0	\$1,981.0	\$2,265.2	\$2,273.7	\$2,285.2	\$8,805.1	\$2,415.7	\$2,481.6	\$2,552.6	\$2,660.6	\$10,110.6	\$10,861.1		
YoY % Chng	29.3%	36.9%	12.7%	47.9%	58.6%	43.8%	30.8%	44.5%	21.9%	9.6%	12.3%	16.4%	14.8%	7.4%		
Research and Development, GAAP	\$5,268.0	\$7,339.0	\$8,675.0	\$2,720.0	\$3,280.2	\$3,264.1	\$3,270.5	\$12,534.8	\$3,436.3	\$3,559.8	\$3,652.7	\$3,804.0	\$14,452.8	\$15,715.7		
YoY % Chng	34.3%	39.3%	18.2%	45.1%	60.8%	42.3%	32.7%	44.5%	26.3%	8.5%	11.9%	16.3%	15.3%	8.7%		
Sales, General and Administrative, Non-GAAP	\$1,328.0	\$1,580.0	\$1,721.0	\$521.0	\$539.4	\$542.7	\$544.5	\$2,147.6	\$590.4	\$595.3	\$613.4	\$640.5	\$2,439.6	\$2,717.7		
YoY % Chng	21.9%	19.0%	8.9%	28.0%	33.2%	22.0%	17.6%	24.8%	13.3%	10.4%	13.0%	17.6%	13.6%	11.4%		
Sales, General and Administrative, GAAP	\$2,166.0	\$2,440.0	\$2,654.0	\$777.0	\$819.2	\$865.8	\$881.2	\$3,323.2	\$912.4	\$928.5	\$963.3	\$1,001.7	\$3,805.8	\$4,246.8		
YoY % Chng	11.6%	12.7%	8.8%	22.7%	31.7%	25.7%	21.1%	25.2%	17.4%	13.3%	11.1%	16.3%	14.5%	11.6%		
Other	\$0.0	\$54.0	(\$10.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
YoY % Chng			(118.3%)													
Contributions	\$0.0	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
YoY % Chng																
Legal Settlement Costs	\$0.0	\$7.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
YoY % Chng																
Acquisition Termination Cost	\$0.0	\$1,353.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0		
YoY % Chng																
Total Operating Expense, Non-GAAP	\$5,279.0	\$6,925.0	\$7,825.0	\$2,601.0	\$2,804.6	\$2,816.4	\$2,829.7	\$10,951.7	\$3,006.1	\$3,076.9	\$3,166.1	\$3,301.1	\$12,560.2	\$13,578.7		
YoY % Chng	27.4%	31.2%	13.0%	42.9%	52.6%	28.0%	40.0%	40.0%	30.2%	9.7%	12.4%	16.7%	14.6%	8.2%		
Total Operating Expense, GAAP	\$7,434.0	\$11,132.0	\$11,329.0	\$3,497.0	\$4,099.4	\$4,129.9	\$4,131.7	\$15,858.1	\$4,348.6	\$4,488.3	\$4,616.0	\$4,805.7	\$18,258.6	\$19,962.5		
YoY % Chng	26.8%	49.7%	1.8%	39.4%	54.0%	38.4%	40.0%	40.0%	30.1%	9.5%	10.1%	16.3%	15.1%	9.3%		
Stock-Based Compensation Expense	\$2,004.0	\$2,709.0	\$3,549.0	\$1,011.0	\$1,346.9	\$1,392.7	\$1,371.4	\$5,122.0	\$1,413.2	\$1,493.7	\$1,541.2	\$1,600.5	\$6,048.6	\$6,836.4		
YoY % Chng	43.5%	35.2%	31.0%	37.6%	60.0%	42.3%	38.1%	44.3%	39.8%	10.9%	10.7%	16.7%	18.1%	13.0%		
Operating Income, Non-GAAP	\$12,690.0	\$9,040.0	\$37,134.0	\$18,059.0	\$18,422.0	\$19,862.9	\$21,022.8	\$77,366.8	\$21,535.4	\$21,683.7	\$22,705.2	\$23,772.3	\$89,696.6	\$101,850.4		
YoY % Chng	86.5%	(28.8%)	370.8%	491.7%	136.9%	71.9%	42.5%	108.3%	19.3%	17.7%	14.2%	13.1%	15.9%	13.5%		
Operating Income, GAAP	\$10,041.0	\$4,224.0	\$32,972.0	\$16,909.0	\$16,935.5	\$18,328.3	\$19,510.7	\$71,683.4	\$19,980.5	\$20,048.0	\$21,020.8	\$22,026.8	\$83,076.1	\$94,444.6		
YoY % Chng	121.6%	(57.9%)	680.6%	149.1%	73.9%	117.4%	43.3%	117.4%	18.2%	14.4%	14.7%	12.9%	15.9%	13.7%		
Interest Income	\$29.0	\$267.0	\$866.0	\$359.0	\$359.0	\$360.2	\$383.9	\$1,462.0	\$367.7	\$369.7	\$372.3	\$376.1	\$1,485.8	\$1,401.9		
YoY % Chng	(49.1%)	820.7%	224.3%	139.3%	92.0%	53.9%	30.6%	68.8%	2.4%	3.0%	3.4%	3.6%	1.6%	(5.6%)		
Interest Expense	\$236.0	\$262.0	\$257.0	\$64.0	\$64.7	\$64.6	\$64.9	\$258.1	\$64.8	\$64.8	\$64.7	\$64.8	\$259.1	\$261.2		
YoY % Chng	28.3%	11.0%	(1.9%)	(3.0%)	(0.5%)	2.5%	3.0%	0.4%	1.2%	0.2%	0.3%	(0.2%)	0.4%	0.8%		
Other (Income) Expense, Net	(\$107.0)	\$48.0	(\$237.0)	(\$75.0)	(\$29.3)	(\$38.1)	(\$37.6)	(\$180.0)	(\$44.2)	(\$36.7)	(\$39.0)	(\$36.2)	(\$156.1)	(\$161.4)		
YoY % Chng	(2,573.0%)	144.9%	(593.8%)	(600.0%)	50.3%	(157.7%)	(23.4%)	(83.6%)	(24.1%)	(23.2%)	(2.4%)	3.6%	(13.3%)	(3.4%)		
Interest and Other (Income) Expense, Net, Non-GAAP	\$196.0	(\$7.0)	(\$812.0)	(\$302.0)	(\$299.9)	(\$308.2)	(\$326.1)	(\$1,236.1)	(\$308.6)	(\$302.1)	(\$303.6)	(\$305.3)	(\$1,219.6)	(\$1,132.8)		
YoY % Chng	63.3%	(103.6%)	(8,642.9%)	(259.5%)	(149.9%)	(76.1%)	(40.5%)	(102.0%)	(2.2%)	(0.7%)	1.5%	6.4%	1.3%	7.1%		
Interest and Other (Income) Expense, Net, GAAP	\$100.0	\$43.0	(\$846.0)	(\$370.0)	(\$323.6)	(\$333.7)	(\$356.5)	(\$1,383.9)	(\$347.0)	(\$341.6)	(\$346.5)	(\$347.6)	(\$1,382.7)	(\$1,302.1)		
YoY % Chng	(18.7%)	(57.0%)	(2,067.4%)	(406.2%)	(78.8%)	(217.8%)	(27.4%)	(83.6%)	6.2%	(5.5%)	(0.8%)	2.5%	0.1%	5.8%		
Pre-Tax Income, Non-GAAP	\$12,494.0	\$9,047.0	\$37,746.0	\$18,361.0	\$18,721.9	\$20,171.1	\$21,348.9	\$78,602.9	\$21,843.9	\$21,985.8	\$23,008.8	\$24,077.7	\$90,916.2	\$102,983.3		
YoY % Chng	87.0%	(27.8%)	317.2%	485.5%	137.1%	71.8%	42.5%	108.2%	19.0%	17.4%	14.1%	12.8%	15.7%	13.3%		
Pre-Tax Income, GAAP	\$9,941.0	\$4,181.0	\$33,818.0	\$17,279.0	\$17,255.1	\$18,662.0	\$19,867.2	\$73,067.3	\$20,327.5	\$20,389.5	\$21,367.3	\$22,374.4	\$84,458.8	\$95,746.6		
YoY % Chng	125.5%	(57.9%)	708.8%	682.2%	147.2%	77.4%	40.8%	116.1%	17.6%	18.1%	14.5%	12.6%	15.6%	13.4%		
Income Tax, Non-GAAP	\$1,235.0	\$681.0	\$5,434.0	\$3,123.0	\$3,182.7	\$3,429.1	\$3,629.3	\$13,364.1	\$3,713.5	\$3,737.6	\$3,911.5	\$4,093.2	\$15,455.8	\$16,477.3		
YoY % Chng	204.2%	(44.8%)	697.9%	638.3%	175.3%	100.3%	69.4%	145.9%	18.9%	17.4%	14.1%	12.8%	15.7%	6.6%		
Income Tax, GAAP	\$189.0	(\$187.0)	\$4,058.0	\$2,396.0	\$2,934.0	\$3,172.5	\$3,377.4	\$11,882.0	\$3,455.7	\$3,466.2	\$3,632.4	\$3,803.7	\$14,358.0	\$15,319.5		
YoY % Chng	145.5%	(198.9%)	2,270.1%	1,344.6%	270.0%	148.0%	85.5%	192.8%	44.1%	18.1%	14.5%	12.6%	20.8%	6.7%		
Tax Rate, Non-GAAP	9.9%	7.5%	14.4%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	16.0%		
Tax Rate, GAAP	1.9%	(4.5%)	12.0%	13.9%	17.0%	17.0%	17.0%	16.3%	17.0%	17.0%	17.0%	17.0%	17.0%	16.0%		
Net Income, Non-GAAP	\$11,259.0	\$8,366.0	\$32,312.0	\$15,238.0	\$15,539.1	\$16,742.0	\$17,719.6	\$65,238.7	\$18,130.5	\$18,248.2	\$19,097.3	\$19,984.5	\$75,460.4	\$86,505.9		
YoY % Chng	79.4%	(25.7%)	286.2%	461.7%	130.6%	67.1%	38.0%	101.9%	19.0%	17.4%	14.1%	12.8%	15.7%	14.6%		
Net Income, GAAP	\$9,752.0	\$4,368.0	\$29,760.0	\$14,881.0	\$14,325.0	\$15,489.4	\$16,489.8	\$61,185.3	\$16,871.9	\$16,923.3	\$17,734.9	\$18,570.8	\$70,100.8	\$80,427.2		
YoY % Chng	123.1%	(55.2%)	381.3%	628.4%	131.5%	67.6%	34.2%	105.6%	13.4%	18.1%	14.5%	12.6%	14.6%	14.7%		
Basic Shares Outstanding	24,950.0	24,870.0	24,692.0	24,620.0	24,610.0	24,600.0	24,590.0	24,600.0	24,580.0	24,570.0	24,560.0	24,550.0	24,565.0	24,525.0		
YoY % Chng	1.1%	(0.3%)	(0.7%)	(0.3%)	(0.5%)	(0.3%)	(0.3%)	(0.4%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)		
Diluted Shares Outstanding	25,357.5	25,072.5	24,932.5	24,890.0	24,880.0	24,870.0	24,860.0	24,870.0	24,850.0	24,840.0	24,830.0	24,820.0	24,835.0	24,795.0		
YoY % Chng	1.1%	(1.1%)	(0.6%)	(0.0%)	(0.4%)	(0.3%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)	(0.2%)		
Basic EPS	\$0.39	\$0.18	\$1.21	\$0.60	\$0.58	\$0.63	\$0.67	\$2.49	\$0.69	\$0.69	\$0.72	\$0.76	\$2.85	\$3.28		
YoY % Chng	122.7%	(55.0%)	586.5%	630.8%	132.6%	68.1%	34.6%	106.3%	13.6%							

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Value Score	F
Growth Score	A
Momentum Score	F
VGM Score	D

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

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