

# Equity Research Report: NVIDIA Corporation

## Business Overview

Nvidia, a leader in the semiconductor industry, has demonstrated significant growth and innovation. With a robust presence in AI, gaming, and data center markets, Nvidia leverages its cutting-edge GPU technology to maintain a competitive edge. The company has strategically positioned itself globally, catering to major tech companies and expanding its market share. Nvidia's focus on AI and machine learning applications underscores its commitment to future-proofing its business against industry trends.

## Market Position

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## Operating Results

In 2023, Nvidia reported a revenue of \$16,675 million, showcasing substantial growth compared to its competitors, AMD and Intel. Despite a slight decrease in EBITDA margin to 0.34, Nvidia's profitability remains strong. The company's gross margin of 0.62 highlights effective cost management, while its ROIC of 17.1% indicates efficient capital utilization. Nvidia's high EV/EBITDA ratio reflects investor confidence, driven by its strategic focus on high-growth sectors.

## Financial Metrics

FY (USD mn)	2020	2021	2022	2023	2024
Revenue	10918	16675	26914	26974	60922
Revenue Growth	-34.5%	-38.0%	-0.2%	-55.7%	458.0%
Gross Revenue	6768	10396	17475	15356	44301
Gross Margin	0.62	0.62	0.65	0.57	0.73
EBITDA	3403	5691	11351	5987	35583
EBITDA Margin	0.31	0.34	0.42	0.27	0.58
FCF	4761	5822	9108	5641	28090
FCF Conversion	1.7	1.34	0.93	1.29	0.94
ROIC	17.2%	17.1%	24.6%	12.2%	51.3%
EV/EBITDA	40.57	58.6	54.71	81.0	43.45
PE Ratio	52.36	75.43	62.68	109.09	51.83
PB Ratio	12.0	19.34	22.97	21.56	35.89

## FinRobot

<https://ai4finance.org/>

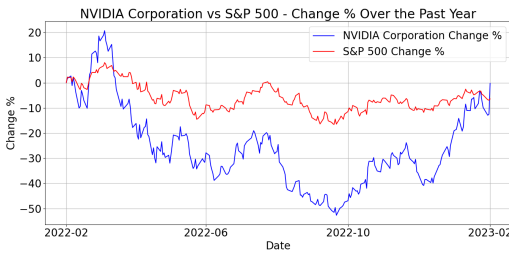
<https://github.com/AI4Finance-Foundation/FinRobot>

Report date: 2023-02-24

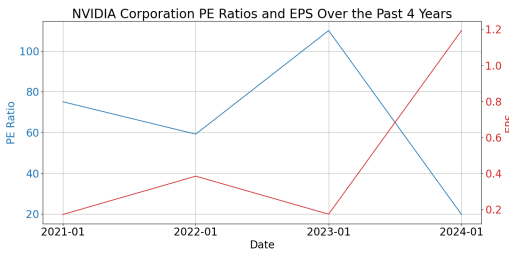
## Key data

Rating	buy
Target Price	Failed to retrieve data: 403
6m avg daily vol (USDmn)	531.82
Closing Price (USD)	23.65
Market Cap (USDmn)	575263.00
52 Week Price Range (USD)	11.72 - 27.94
BVPS (USD)	0.89

## Share Performance



## PE & EPS



## Risk Assessment

Nvidia faces several risks, including market volatility, supply chain disruptions, and intense competition. The semiconductor industry is highly cyclical, and Nvidia must navigate fluctuating demand and pricing pressures. Additionally, geopolitical tensions could impact supply chains, while technological advancements by competitors pose a threat to Nvidia's market position. Mitigating these risks requires strategic agility and continuous innovation.

## Competitors Analysis

When compared to AMD and Intel, Nvidia maintains a strong market position. Its EBITDA margin and gross margin outperform AMD, while its valuation metrics indicate higher growth expectations. Nvidia's strategic investments in AI and data centers differentiate it from its competitors, allowing it to capture emerging opportunities. However, maintaining this lead requires vigilance against the aggressive strategies of AMD and Intel.