Equity Research



Earnings Revised — August 19, 2024

Semiconductors

Nvidia Corporation (NVDA)

F2Q25 Preview — Increase FY26+ Estimates; Investor Sentiment Focused on Path to \$5/sh.+ EPS. Reiterate OW; \$155 PT

Our Call

Positive Al server demand data points + increasing investor optimism points to \$26-\$27B + DC upside bogey. Raise FY26+ ests on anticipated *Blackwell* ramp; investor focus on path to \$5/sh.+ EPS. GB200 NVL36/72 contributions a key FY26+ focus.

The Data Center Upside Setup. Concern over Blackwell delays + a more tempered view on DC upside potential via our recent analysis of Taiwanese ADP exports (see here) offset by strong end demand indicators. We see investor sentiment as focused on \$26-\$27B+DC F2Q25 rev upside + F3Q25 implied DC guide to \$28B+; expect confidence in a strong Blackwell cycle setup into FY26. We continue to view NVDA software monetization as underappreciated — most notably DGX Cloud w/ AI Enterprise.

Data Center Data Points: While Taiwan ADP export data continues to leave us tempered on making the same degree of *upside* call on NVDA's F2Q25 DC results as prior qtrs — we maintain our \$24.6B est. (+138% y/y; 9% q/q) — other data points have proven net-positive, e.g., server OEM + ODM results / forward estimates (C2Q24 at +45% q/q), TSMC results (including record July sales) + CoWoS capacity expansion, cloud capex uplift, sovereign AI initiatives, HBM demand, etc. **See tables / charts below.**

Blackwell Delay — **Expect NVDA to Calm Fears?** We think that concerns around the impact from the reported delay of NVIDIA's *Blackwell* GPUs are overblown. Commentary from SMCI and others have suggested that the delay is temporary and that H100 / H200 should be able to fill the delayed *Blackwell* capacity. We'll be focused on any commentary around the reported B200A GPU set for volume production in 2Q25 that utilizes CoWoS-S packaging as CoWoS-L remains constrained.

Add'l Thoughts / Considerations: <u>1.</u> Inventory + Purchase Obligations ramp - \$26.3B exiting F1Q25 (+108% y/y; +14% q/q), <u>2.</u> Ethernet *Spectrum-X* ramp to '*multi-billion*' rev contribution a key topic. <u>3.</u> Software monetization ramp from rptd \$1B/annum exiting FY24; con't to highlight def rev expansion (+160% y/y in F1Q25), <u>4.</u> Customer concentration - *Customers A* & *B* @ 13% and 11% of F1Q25 rev (implies ~28% of total DC rev). <u>5.</u> Expanding enterprise Al adoption (note this wk's Walmart comments).

Increase FY26 & FY27 Estimates: We keep our FY25 ests relatively unchanged at \$119.1B / \$2.69; more notably increasing our FY26 and FY27 ests from \$153.7B / \$3.45 and \$183.5B / \$4.14 to \$175.7B / \$4.00 and \$212.0B / \$4.85, respectively. Our updated ests now reflect FY25, FY26, and FY27 DC rev at \$104.1B (+119% y/y), \$159.1B (+53%), and \$193.2B (+21.5%). See estimate summary table below.

Signature Picks (\sqrt{}



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Rating	Overweight
Ticker	NVDA
Price Target/Prior:	\$155.00/NC
Upside/(Downside) to Target	24.4%
Price (08/16/2024)	\$124.58
52 Week Range	\$39.23 - 140.76
Shares Outstanding (MM)	24,600
Market Cap (MM)	\$3,064,668
Enterprise Value (MM)	\$3,042,940
Average Daily Volume	375,061,500
Average Daily Value (MM)	\$46,725
Dividend (NTM)	\$0.16
Dividend Yield	0.1%
Net Debt (MM) - last reported	\$(21,728)
ROIC - Current year est.	70%
3 Yr EPS CAGR from current year (unless otherwise noted)	35%

\$ EPS	2024A	2025E Curr.	2025E Prior	2026E Curr.	2026E Prior
Q1 (Apr)	0.11 A	0.61 A	NC	0.87 E	0.75E
Q2 (Jul)	0.27 A	0.63 E	NC	0.96 E	0.83E
Q3 (Oct)	0.40 A	0.68 E	0.66E	1.03 E	0.89E
Q4 (Jan)	0.52 A	0.77 E	0.74E	1.13 E	0.99E
FY	1.30 A	2.69 E	2.65E	4.00 E	3.45E
P/E	96.1x	46.2x		31.2x	

Source: Company Data, Wells Fargo Securities estimates, and Factset. NA = Not Available, NC = No Change, NE = No Estimate

Wells Farqo Express Takeaways

Nvidia Corporation (NVDA) | Rating: Overweight | Price Target: \$155.00 Analyst: Aaron Rakers

Financials			
FY (Jan)	2024A	2025E	2026E
\$			
ESTIMATES			
EPS			
Q1	0.11 A	0.61 A	0.87 E
Q2	0.27 A	0.63 E	0.96 E
Q3	0.40 A	0.68 E	1.03 E
Q4	0.52 A	0.77 E	1.13 E
AN	1.30 A	2.69 E	4.00 E
Rev. (MM)	60,922.0 A	119,099.0 E	175,660.8 E
EBIT (MM)	37,134.0 A	79,376.9 E	117,602.0 E
EBITDA (MM)	38.64B A	81.33B E	120.26B E
FCF (MM)	26,999.0 A	67,270.8 E	95,052.9 E
WELLS FARGO vs. CONSENSUS			
	1 20 4	2725	3.84 E
Consensus Estimate	1.30 A	2.73 E	
Difference from Consensus		(1.3)%	4.2%
VALUATION			
P/E	96.1x	46.2x	31.2x
EV/Revenue	49.9x	25.5x	17.3x

81.9x

78.7x

NM

38.3x

37.4x

45.2x

12.2%

Consensus Estimate: Consensus EPS Estimate; Source: VisibleAlpha Source: Company Data, Wells Fargo Securities estimates, and Factset. NA = Not Available, NE = No Estimate

Investment Thesis

Our Overweight rating is based on our positive stance on NVIDIA's competitive positioning in gaming GPUs and expanding growth opportunities in data center, HPC, and emerging / expanding AI opportunities (autonomous vehicles, healthcare, robotics, etc.). We see sustainability in NVIDIA's CUDA software platform differentiation, as well as the company's continually deepening system software capabilities. We see NVIDIA as one of the most attractive secular growth stories in large-cap semis.

Risk vs. Reward - Upside/Downside Price Target Scenarios



*As of 08/16/24 Source: Wells Fargo Securities, LLC estimates and Factset

Base Case | \$155.00

EV/EBIT

EV/FCF

FCF Yield

EV/EBITDA

Our \$155 price target is ~37x P/E on our C2026E. We think a premium multiple for NVIDIA is warranted given its strong multi-year competitive positioning for data center growth, driven by cloud and Al, gaming, next-generation autonomous vehicles, and an expanding ecosystem of products/applications (e.g., Omniverse).

Upside Scenario | \$200.00

25.9x

25.3x

32.0x

17.3%

We see a \$200 upside scenario, driven by 2026 earnings upside into the ~\$4.50+ area w/ maintained low-30x P/E. Specifically, we think this could be fueled by greater-than-expected datacenter/AI GPU demand (i.e., still in very early innings) as enterprises find new AI use cases to justify spend as well as continued market share dominance. Other products/verticals such as Automotive and Omniverse could offer additional upside support.

Downside Scenario | \$100.00

We see a \$100 downside scenario, driven by a growth / earnings momentum slowdown as customers digest significant datacenter GPU investments, leading investor sentiment to turn negative in the near term. In addition, competitive pressure from AMD in the datacenter GPU market that leads to market share losses would be a negative.

Upcoming Catalysts

• Cloud results and capex from AWS, GCP, Azure, etc.

Company Description

Nvidia is a fabless semiconductor manufacturer focused on graphics chips. The company sells GeForce graphics products to the entertainment and consumer market, Quadro graphics products to the professional design market, Tesla computing solutions to the high-performance computing market, and Tegra chip products to the mobile applications processor market.

NVIDIA Estimate Summary: \$ in Millions; Expect per Share

Triminorio, Expost per Charo	F2Q25E ((Jul. '24)	F3	Q25E (Oct. '	24)	F4	Q25E (Jan. '2	25)	F.	2025E (C202	24)	F:	2026E (C202	:5)	F	2027E (C202	26)
	WFS Est.	Street	WFS Est.	WFS Prior	Street	WFS Est.	WFS Prior	Street	WFS Est.	WFS Prior	Street	WFS Est.	WFS Prior	Street	WFS Est.	WFS Prior	Street
Gaming	\$2,859	\$2,792	\$2,916	\$2,916	\$3,062	\$2,916	\$2,916	\$3,009	\$11,338	\$11,338	\$11,520	\$11,890	\$11,890	\$12,366	\$12,111	\$12,111	\$13,424
- Y/Y % Chg.	15.0%	12.3%	2.1%	2.1%	7.2%	1.8%	1.8%	5.0%	8.5%	8.5%	10.3%	4.9%	4.9%	7.3%	1.9%	1.9%	8.6%
- Q/Q % Chg.	8.0%	5.5%	2.0%	2.0%	9.7%	0.0%	0.0%	(1.8%)									
- % of Total Revenue	10.1%	9.7%	9.5%	9.8%	9.7%	8.6%	8.8%	8.7%	9.5%	9.6%	9.5%	6.8%	7.7%	7.3%	5.7%	6.6%	6.8%
Data Center	\$24,594	\$24,966	\$26,807	\$26,069	\$27,528	\$30,158	\$29,328	\$30,458	\$104,122	\$102,554	\$105,567	\$159,067	\$137,101	\$155,551	\$193,189	\$164,644	\$186,962
- Y/Y % Chg.	138.2%	141.9%	84.7%	79.6%	89.7%	63.9%	59.4%	65.5%	119.1%	115.8%	122.1%	52.8%	33.7%	47.3%	21.5%	20.1%	20.2%
- Q/Q % Chg.	9.0%	10.7%	9.0%	6.0%	10.3%	12.5%	12.5%	10.6%									
- % of Total Revenue	86.8%	87.2%	87.5%	87.2%	87.4%	88.5%	88.2%	88.5%	87.4%	87.3%	87.5%	90.6%	89.2%	91.9%	91.1%	89.7%	94.6%
Professional Visualization	\$448	\$445	\$439	\$439	\$470	\$475	\$475	\$487	\$1,789	\$1,789	\$1,836	\$1,952	\$1,952	\$2,094	\$2,093	\$2,093	\$2,410
- Y/Y % Chg.	18.3%	17.5%	5.6%	5.6%	13.0%	2.5%	2.5%	5.3%	15.2%	15.2%	18.2%	9.1%	9.1%	14.1%	7.2%	7.2%	15.1%
- Q/Q % Chg.	5.0%	4.3%	(2.0%)		5.5%	8.0%	8.0%	3.7%									
- % of Total Revenue	1.6%	1.6%	1.4%	1.5%	1.5%	1.4%	1.4%	1.4%	1.5%	\$0	1.5%	1.1%	\$0	1.2%	1.0%	\$0	1.2%
Automotive	\$345	\$349	\$397	\$397	\$378	\$445	\$445	\$410	\$1,517	\$1,517	\$1,467	\$2,399	\$2,399	\$2,025	\$4,233	\$4,233	\$2,701
- Y/Y % Chg.	36.5%	37.9%	52.2%	52.2%	44.7%	58.3%	58.3%	46.0%	39.0%	39.0%	34.5%	58.1%	58.1%	38.0%	76.5%	76.5%	33.4%
- Q/Q % Chg.	5.0%	6.0%	15.0%	15.0%	8.3%	12.0%	12.0%	8.6%									
- % of Total Revenue	1.2%	1.2%	1.3%	1.3%	1.2%	1.3%	1.3%	1.2%	1.3%	\$0	1.2%	1.4%	\$0	1.2%	2.0%	\$0	1.49
OEM & Other	\$82	\$80	\$84	\$84	\$82	\$90	\$90	\$85	\$334	\$334	\$327	\$353	\$353	\$353	\$370	\$370	\$392
- Y/Y % Chg.	24.1%	20.9%	14.4%	14.4%	0.1284211	0.2%	0.2%	(5.5%)	9.0%	9.0%	6.9%	5.9%	5.9%	7.9%	4.7%	4.7%	11.2%
- Q/Q % Chg.	5.0%	2.3%	2.0%	2.0%	3.3%	8.0%	8.0%	3.3%									
- % of Total Revenue	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
TOTAL REVENUE	\$28,328	\$28,645	\$30,643	\$29,905	\$31,506	\$34,084	\$33,254	\$34,414	\$119,099	\$117,531	\$120,674	\$175,661	\$153,695	\$169,272	\$211,995	\$183,451	\$197,727
- Y/Y % Chg.	109.7%	112.1%	69.1%	65.0%	73.9%	54.2%	50.4%	55.7%	95.5%	92.9%	98.1%	47.5%	30.8%	40.3%	20.7%	19.4%	16.89
- Q/Q % Chg.	8.8%	10.0%	8.2%	5.6%	10.0%	11.2%	11.2%	9.2%									
Gross Income	\$21,416	\$21,634	\$23,044	\$22,429	\$23,730	\$25,733	\$24,940	\$25,867	\$90,753	\$89,345	\$91,768	\$133,691	\$116,177	\$126,022	\$161,802	\$138,787	\$143,412
- Gross Margin	75.6%	75.5%	75.2%	75.0%	75.3%	75.5%	75.0%	75.2%	76.2%	76.0%	76.0%	76.1%	75.6%	74.4%	76.3%	75.7%	72.5
Research & Development	\$2,224	\$2,219	\$2,390	\$2,318	\$2,333	\$2,454	\$2,461	\$2,443	\$9,049	\$8,983	\$8.963	\$12,958	\$11.628	\$11.426	\$15,623	\$13.897	\$13.869
Sales, General & Administrative	\$581	\$591	\$613	\$598	\$628	\$614	\$599	\$657	\$2,327	\$2,297	\$2,411	\$3,132	\$3,212	\$3,087	\$3,978	\$3,788	\$3,586
Total Operating Expenses	\$2,804	\$2,810	\$3,003	\$2,916	\$2,973	\$3,068	\$3,059	\$3,134	\$11,376	\$11,281	\$11,426	\$16,089	\$14,840	\$14,972	\$19,601	\$17,685	\$18,35
- % of Revenue	9.9%	9.8%	9.8%	9.8%	9.4%	9.0%	9.2%	9.1%	9.6%	9.6%	9.5%	9.2%	9.7%	8.8%	9.2%	9.6%	9.3
Operating Income	\$18,612	\$18,868	\$20,041	\$19,513	\$20,788	\$22,666	\$21,881	\$22,781	\$79,377	\$78,065	\$80,481	\$117,602	\$101,337	\$112,537	\$142,201	\$121,102	\$129,76
- Operating Margin	65.7%	65.9%	65.4%	65.3%	66.0%	66.5%	65.8%	66.2%	66.6%	66.4%	66.7%	66.9%	65.9%	66.5%	67.1%	66.0%	65.6
Other Income (Expense)	\$300	\$301	\$305	\$305	\$314	\$310	\$310	\$334	\$1,217	\$1,217	\$1,254	\$1,319	\$1,319	\$1,674	\$1,380	\$1,380	\$2,382
Pre-Tax Income	\$18,912	\$19,125	\$20,346	\$19,818	\$21,096	\$22,976	\$22,191	\$23,094	\$80,594	\$79,282	\$81,647	\$118,921	\$102,656	\$112,426	\$143,581	\$122,482	\$128,412
Γax Rate	17.0%	9.0%	17.0%	17.0%	8.1%	17.0%	17.0%	9.3%	17.0%	17.0%	16.9%	17.0%	17.0%	12.3%	17.0%	17.0%	10.7%
Net Income	\$15,697	\$15,936	\$16,887	\$16,449	\$17,539	\$19,070	\$18,418	\$19,217	\$66,891	\$65,802	\$67,966	\$98,704	\$85,204	\$95,137	\$119,172		\$110,340
Non-GAAP EPS	\$0.63	\$0.64	\$0.68	\$0.66	\$0.71	\$0.77	\$0.74	\$0.77	\$2.69	\$2.65	\$2.73	\$4.00	\$3.45	\$3.84	\$4.85	\$4.14	\$4.48

NVIDIA Data Center Data Points / Thoughts:

Source: Visible Alpha; Wells Fargo Securities, LLC Estimates

- 1. Blackwell Product Delays: The impact from Blackwell's reported delays will be a key focus for investors though we think concerns of a material impact to data center revenue is probably overstated. Reports around delays have focused on TSMC's CoWoS-L packaging technology and the Al servers' liquid cooling systems. We would highlight commentary from SuperMicro that the delay would be for a few months but did not expect a significant impact given the strong demand for H100/H200. TrendForce reported that NVIDIA is still on track to launch the B100 / B200 in late-2024 with CSP customers prioritized as CoWoS-L production remains constrained. NVIDIA will use CoWoS-S for a B200A GPU for enterprise customers with a lower TDP w/ shipments in 1H25 (H200 ramping in 3Q24). TrendForce expects Blackwell to make up >80% of NVIDIA's high-end GPU shipments by 2025.
- **2. Supermicro Results; Inventory + Purchase Commitments. Server Growth Compare.** Supermicro's Systems revenue totaled \sim \$5.04 billion in C2Q24, up 148% y/y and +36% q/q. The company reported that AI servers now account for >70% of total revenue we estimate \sim 72.5% of total revenue, or implying \sim \$3.85 billion, up nearly 240% y/y and +35% q/q. While the company's forthcoming 10-K filing (late-August) will disclose the company's purchases from its largest supplier (NVIDIA), we note that the company's F3Q24 (C1Q24) 10-Q disclosed that its largest supplier accounted for \sim 69.8% of purchases. If we were to simply assume a \sim 70% contribution for C2Q24, this would imply purchases from NVDA at \sim \$3.3 billion, or an increase of over 280% y/y and up over 45% q/q.
- 3. Taiwan Server ODMs Strong 2Q24 Results; 2H2024 Outlooks. In addition to Supermicro's upwardly revised revenue outlook (vs. consensus), results out of Taiwanese server ODMs, which we believe will play a much larger role in NVIDIA's forthcoming *Blackwell* product cycle, have also pointed to continued strong AI server demand. For example, we would highlight:
- <u>Hon Hai (Foxconn)</u> reported that their Al server revenue grew by 60% q/q in 2Q24 and now accounts for more than 40% of the company's total server revenue. *VisibleAlpha* estimates currently show Foxconn's C2Q24 Al Cloud + Networking revenue at ~\$4.9 billion, up over 130% y/y and more than 40% q/q.
- Quanta reported that AI servers accounted for ~50% of the company's total 2Q24 server revenue.
 VisibleAlpha estimates show Quanta's C2Q24 AI server revenue at ~\$2.6 billion, up nearly 105% q/q; currently showing this increasing to approximately \$4.3 billion in C3Q24.
- Wistron recently reported strong AI server momentum with an expectation of a double-digit increase into 3Q24; expecting total 2024 AI revenue to grow by over 100% y/y. VisibleAlpha

currently shows Wistron AI server revenue at \sim \$480 million in C2Q24, up 26% q/q, and growing to \sim \$615 million in C3Q24. WiWynn, a subsidiary of Wistron, also reported that it saw AI servers account for \sim 20% of its total revenue in 4Q23 and expects this to grow to 50%+ of total revenue by 4Q24. WiWynn executives have downplayed the impact of a delayed Blackwell product cycle — noting that demand dynamics have not been impacted.

• <u>ASUStek</u> 2Q24 earnings presentation implies a 8x y/y increase in server revenue, building off of a +6.5x y/y increase implied from the 1Q24 earnings release. ASUStek had noted that AI servers account for 80% of the total server revenue.

As we look forward, we continue to believe that the Taiwanese ODMs will be the initial / primary beneficiaries of NVIDIA GB200 NVL72 / 36 rack-scale systems. For example, in June it was reported that Hon Hai (Foxconn) and Quanta had won the major contracts for the GB200 NVL72 / 36 systems.

As we / investors focus on the lateral read-thrus from the Taiwanese ODMs for the *Blackwell* product cycle, we would highlight the following notes from industry reports. <u>One key attribute we remain focused on with the *Blackwell* product cycle will be the</u>

• Compute Boards & Network Switchboards. Industry reports have suggested that Hon Hai (Foxconn) would be NVIDIA's largest Taiwanese ODM partner for the NVIDIA's Blackwell GB200 systems. Reports have highlighted that Foxconn was a manufacturing partner for NVIDIA H100 front-end OAM modules. Reports have noted that the modules are being separated into compute boards and networking switchboards for the Blackwell product cycle. Foxconn, along with Wistron, are expected to be the primary suppliers for the computing boards for the Blackwell product cycle; Foxconn and Jabil primarily providers for networking switchboards.

The Blackwell GB200 product cycle will involve both the DGX (NVIDIA) systems and the MGX (system OEM reference design) models. Foxconn and Quanta are the primarily suppliers for the DGX models for NVIDIA. Some industry articles noting that Foxconn has been allocated a 40% share of Blackwell NVL72 / 36 builds, while Quanta would have a 30% share as NVIDIA's assembly partner. Foxconn has reportedly confirmed that it would commence shipments of the GB200 systems in 4Q24; however, availability would be in low quantities. Key suppliers for the MGX models will include Wistron, WiWynn, ASUStek, Supermicro, ZT Systems, and Inventec.

4. Taiwanese Exports of Automated Data Processing Machines = Historical Correlation Implies \$23B NVIDIA Data Center Revenue; Limited Upside? (See Charts Below). In this report we rehighlight our tracking of the monthly Taiwanese exports of Automated Data Processing Machines — the category in which we believe AI servers are included. While we think it is important to only consider this a single data point among other demand-related data points, it is hard of overlook the high historical correlation (R² = >0.98) between NVIDIA's quarterly Data Center results and the comparable threemonth period export data.

While we do not model based on a single data point, we have noted that this data point left us more tempered on upside expectations relative to prior quarters — historical correlation implying NVIDIA revenue estimate at \sim \$23 billion vs. our maintained estimate at \sim \$24.6 billion for NVIDIA's F2Q25 (Street:\$25B); appreciating that a margin of error is to be considered (note: for the April-qtr ending period this data implied NVIDIA DC revenue at \sim \$25 billion vs. NVIDIA reporting \$22.6 billion in F1Q25). Total exports for the three-month period ending July totaled \$21.25B, +141% y/y and -4.6% q/q.

Common pushback / questions on this data has been: <u>1</u>. The data do not include sales of the H20 into China — we're not exactly sure; however, we would note that *TrendForce* has reported that Taiwanese server manufacturers Inventec, Foxconn, and Wistron had experienced strong H20 demand (see here). <u>2</u>. Our comparison includes networking, which would not be included in the export data — we agree; however, we use the full data center for compare as NVIDIA as only separately reported the networking revenue over the past few quarters.

5. Taiwan Semiconductor (TSMC) Results (See Charts Below). TSMC HPC momentum, coupled with continued strong overall sales trends into July, has been a consistently / well-known lateral positive demand data point for NVIDIA's Data Center revenue. As a reminder, TSMC reported High-Performance Computing (HPC) revenue at NT\$351.4 trillion, or ~\$10.86 billion, +55% y/y and +24% q/q in 2Q24. TSMC's HPC segment accounted for 52.2% of TSMC's total revenue in 2Q24, up from 46% and 45% contributions in the prior and year-ago quarters, respectively. TSMC recently reported

that July revenue grew to a record and was +45% y/y. When asked about CoWoS capacity expansion, TSMC management seemed to reiterate the expectation of a >2x capacity increase in 2024 and, more importantly, another >2x increase expectation into 2025.

<u>6.</u> Hyperscale Cloud Capex Estimates Moving Higher — 2024 and 2025 Capex Spend Estimates Increase by ~9% Post 2Q24 Prints; Now Forecasted @ +53.5% and +17.5% Y/Y (see table/charts below). Hyperscale cloud results and commentary were positive in 2Q24 with the four major hyperscalers (Amazon, Meta, Google, and Microsoft) reporting cloud capex spend at \$48.404B up 79% y/y and +22% q/q (includes AWS finance leases). More important was the ~9% and 11.5% increases seen in 2024 and 2025 capex estimates post 2Q24 prints; combined hyperscale capex expected to increase by more than 50% y/y in 2024, followed by a 17.5% y/y increase in 2025.

In addition to the reported + forward estimated hyperscale cloud capex metrics, below we include charts illustrating the macro-level data on US construction spending (see here). For C2Q24, the US Census Bureau data implies total US Data Center Construction Spending totaled \$80.631 billion, an increase of 65% y/y, or +\$31.7 billion on an absolute basis.

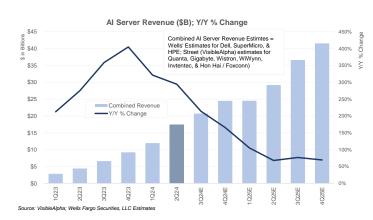
- 7. CoWoS Capacity Tight into 2026+: Chip-on-Wafer-on-Substrate (CoWoS) and HBM remain the two key capacity constraints for GPUs. Blackwell is being impacted by the first architectural introduction of TSMC"s CoWoS-L packaging technology (significantly more complicated than CoWoS-S in Hopper). During its July earnings call, TSMC management noted that it is unable to meet the very high demand for CoWoS capacity despite more than 2x'ing y/y in 2024 and growing at a ~60% CAGR over the next few years (NVIDIA likely accounting for >50% of capacity). TSMC noted it expects potential supply/demand balance sometime in 2026. We'd highlight reports that NVIDIA has reached out to Intel to help with advanced packaging capacity while TSMC remains constrained. We also think it's important to highlight the capacity shift toward GB200 NVL36x2 and NVL72 rackscale systems potentially impacting the supply of HGX B100 and B200 systems.
- 8. GB200 NVL72 / 36 Rackscale Monetization Dynamics Another Expansion in NVIDIA's Full Stack Optimization + Monetization Strategy? We think investors need to be aware of what we see as an increasingly important revenue recognition dynamic from NVIDIA's ramping GB200 NVL36 / 72 systems that reportedly have ASPs of up to +\$3 million. As a reminder, the GB200 NVL72 systems incorporate 36 GB200 Superchip nodes 36x Arm-based Grace CPUs + 72 B200 GPUs. The rack-scale system leverages NVIDIA's NVLink with 9x NVLink switches for node connectivity. We would note that our past conversations have left us to believe that NVIDIA's full systems revenue share has represents ~10%-15% of the company's total Data Center segment revenue most notably via the DGX systems.

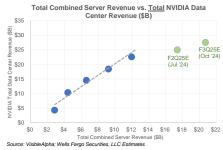
Al Server Vendor Revenue Estimates vs. NVIDIA Data Center Revenue \$ in Millions

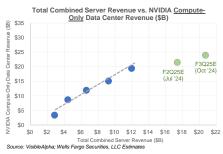
Al Server vendor Revenue Estimates vs. NV	IDIA Data (enter Re	evenue														
\$ in Millions	C1Q23	C2Q23	C3Q24	C4Q23	C1Q24	C2Q24	C3Q24E	C4Q24E	C1Q25E	C2Q25E	C3Q25E	C4Q25E	C2023	C2024E	C2025E	C2026E	'23-'26E CAGR%
Dell	\$110	\$220	\$500	\$800	\$1,700	\$2,250	\$2,500	\$2,600	\$2,550	\$2,950	\$3,150	\$3,250	\$1,630	\$9,050	\$11,900	\$13,900	104.3%
Supermicro	\$372	\$1,136	\$1,166	\$2,309	\$2,849	\$3,848	\$4,766	\$5,400	\$5,567	\$5,956	\$5,659	\$6,677	\$4,983	\$16,864	\$23,859	\$29,939	81.8%
HP Enterprise	\$300	\$300	\$400	\$400	\$880	\$1,200	\$1,350	\$1,450	\$1,550	\$1,650	\$1,850	\$1,860	\$1,400	\$4,880	\$6,910	\$8,420	81.9%
Dell + Supermicro + HPE	\$782	\$1,656	\$2,066	\$3,509	\$5,429	\$7,298	\$8,616	\$9,450	\$9,667	\$10,556	\$10,659	\$11,787	\$8,013	\$30,794	\$42,669	\$52,259	86.8%
- Y/Y % Change -					594.1%	340.7%	317.1%	169.3%	78.1%	44.6%	23.7%	24.7%		284.3%	38.6%	22.5%	
- Q/Q % Change -		111.7%	24.7%	69.9%	54.7%	34.4%	18.1%	9.7%	2.3%	9.2%	1.0%	10.6%		ļ			
Quanta	\$101	\$160	\$843	\$1,110	\$1,266	\$2,594	\$4,299	\$6,352	\$3.605	\$3,762	\$4,555	\$4,616	\$2,213	\$14,511	\$16.538	\$19,111	105.2%
Wistron	\$73	\$150	\$224	\$312	\$383	\$481	\$614	\$732	\$774	\$836	\$1,100	\$1,205	\$758	\$2,209	\$3.915	\$5,212	90.2%
Gigabyte	\$61	\$87	\$277	\$550	\$770	\$1,428	\$1,202	\$1,255	\$1,335	\$1,433	\$1,445	\$1,417	\$975	\$4,655	\$5,631	\$7,622	98.5%
WiWynn	\$53	\$94	\$360	\$453	\$439	\$404	\$689	\$1,090	\$694	\$800	\$1,712	\$4,121	\$960	\$2,622	\$7,328	\$10,052	118.8%
Inventec	\$124	\$144	\$148	\$148	\$171	\$227	\$244	\$276	\$294	\$331	\$386	\$427	\$564	\$917	\$1,438	\$2,141	56.0%
Hon Hai (Foxconn)*	\$1,644	\$2,117	\$2,683	\$3,140	\$3,500	\$4,946	\$5,049	\$5,356	\$8,158	\$11,472	\$16,757	\$17,980	\$9,583	\$18,851	\$54,368	\$76,486	99.8%
Total Taiwanese ODMs	\$2,056	\$2,750	\$4,534	\$5,713	\$6,528	\$10,080	\$12,097	\$15,059	\$14,861	\$18,635	\$25,956	\$29,766	\$15,053	\$43,764	\$89,218	\$120,625	100.1%
- Y/Y % Change -					217.5%	266.5%	166.8%	163.6%	127.7%	84.9%	114.6%	97.7%		190.7%	103.9%	35.2%	
- Q/Q % Change -		33.8%	64.8%	26.0%	14.3%	54.4%	20.0%	24.5%	(1.3%)	25.4%	39.3%	14.7%		<u> </u>			
Combined Revenue	\$2,838	\$4,407	\$6,599	\$9,222	\$11,957	\$17,379	\$20,713	\$24,510	\$24,528	\$29,192	\$36,614	\$41,553	\$23,066	\$74,558	\$131,887	\$172,884	95.7%
- Y/Y % Change -					321.3%	294.4%	213.9%	165.8%	105.1%	68.0%	76.8%	69.5%		223.2%	76.9%	31.1%	
- Q/Q % Change -		55.3%	49.8%	39.7%	29.7%	45.3%	19.2%	18.3%	0.1%	19.0%	25.4%	13.5%					
NVIDIA Data Center Consensus Estimates:	F1Q24	F2Q24	F3Q24	F4Q24	F1Q25	F2Q25E	F3Q25E		F1Q26E	F2Q26E		F4Q26E	F2024	F2025E	F2026E	F2027E	FY24-FY27E
	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Jan-26	Jan-24	Jan-25	Jan-26	Jan-27	CAGR%
NVIDIA Total Data Center Revenue	\$4,284	\$10,323	\$14,514	\$18,404	\$22,563	\$24,966	\$27,528	\$30,458	\$33,572	\$36,180	\$39,304	\$43,542	\$47,525	\$105,567	\$155,551	\$186,962	57.9%
- Y/Y % Change					426.7%	141.9%	89.7%	65.5%	48.8%	44.9%	42.8%	43.0%		122.1%	47.3%	20.2%	
- Q/Q % Change		141.0%	40.6%	26.8%	22.6%	10.7%	10.3%	10.6%	10.2%	7.8%	8.6%	10.8%					

NVIDIA Data Center Consensus Estimates:	F1Q24	F2Q24	F3Q24	F4Q24	F1Q25	F2Q25E	F3Q25E	F4Q25E	F1Q26E	F2Q26E		F4Q26E	F2024	F2025E	F2026E	F2027E	F124-F12/E
	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24	Jul-24	Oct-24	Jan-25	Apr-25	Jul-25	Oct-25	Jan-26	Jan-24	Jan-25	Jan-26	Jan-27	CAGR%
NVIDIA Total Data Center Revenue	\$4,284	\$10,323	\$14,514	\$18,404	\$22,563	\$24,966	\$27,528	\$30,458	\$33,572	\$36,180	\$39,304	\$43,542	\$47,525	\$105,567	\$155,551	\$186,962	57.9%
- Y/Y % Change					426.7%	141.9%	89.7%	65.5%	48.8%	44.9%	42.8%	43.0%		122.1%	47.3%	20.2%	
- Q/Q % Change		141.0%	40.6%	26.8%	22.6%	10.7%	10.3%	10.6%	10.2%	7.8%	8.6%	10.8%					
Compute Revenue	\$3,357	\$8,651	\$11,901	\$15,073	\$19,392	\$21,483	\$23,918	\$26,597	\$29,486	\$31,826	\$34,716	\$39,051	\$38,982	\$91,352	\$136,175	\$153,172	57.8%
- Y/Y % Change					477.7%	148.3%	101.0%	76.5%	52.1%	48.1%	45.1%	46.8%		134.3%	49.1%	12.5%	
- Q/Q % Change		157.7%	37.6%	26.6%	28.7%	10.8%	11.3%	11.2%	10.9%	7.9%	9.1%	12.5%					
Networking Revenue	\$927	\$1,672	\$2,613	\$3,331	\$3,171	\$3,571	\$3,913	\$4,255	\$4,501	\$4,810	\$5,104	\$5,334	\$8,543	\$14,934	\$19,682	\$24,250	41.6%
- Y/Y % Change					242.1%	113.6%	49.8%	27.7%	41.9%	34.7%	30.4%	25.3%		74.8%	31.8%	23.2%	
- Q/Q % Change		80.4%	56.2%	27.5%	(4.8%)	12.6%	9.6%	8.7%	5.8%	6.9%	6.1%	4.5%		i			

^{*} Note: Hon Hai (Foxconn) VisibleAlpha estimate reflects total 'Cloud & Networking - Al'

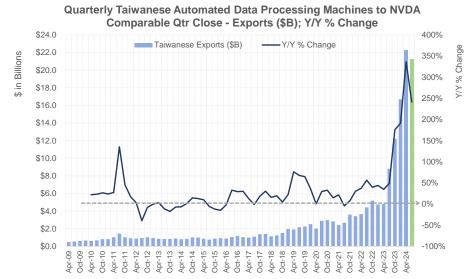




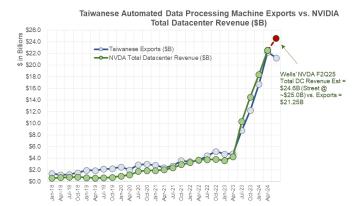


Source: VisibleAlpha (Consensus); Wells Fargo Securities, LLC Estimates

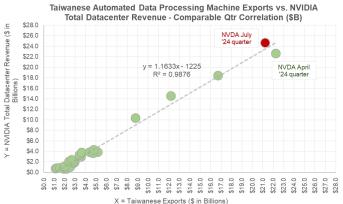
Taiwanese Automated Data Processing Machine Exports vs. NVIDIA Data Center Revenue:



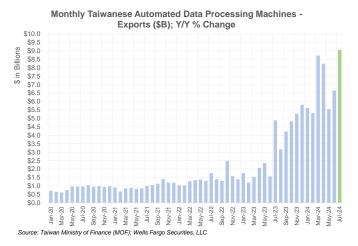
Source: Taiwan Ministry of Finance (MOF); Wells Fargo Securities, LLC



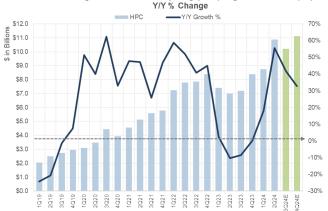
Source: Taiwan Ministry of Finance (MOF); Wells Fargo Securities, LLC Estimates



Source: Taiwan Ministry of Finance (MOF); Wells Fargo Securities, LLC Estimates



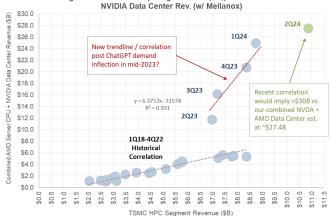
TSMC - High-Performance Computing (HPC) Segment Revenue (\$B);



Source: Company Data; Estimates



TSMC High-Performance Computing Revenue (\$B;) vs. Combined AMD +







Hyperscale Cloud Capex Table / Charts:

Hyperscale Cloud Capex Review - Combined Pre- vs. Post-C2Q24 / Current Expectations

\$ in Millions; Including Capital Leases

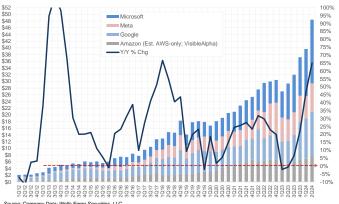
QUARTERLY:	I	Reported C2Q24	Results		Forward Qua	rterly Capex E	Estimate C	hanges				
		C2Q24				C3Q24E					C4Q2	4E
	Rptd Capex (\$M)	Pre-Results Stree Est.*	Y/Y% Chg.	Q/Q% Chg.	Current Estimate	Pre-C2Q24 Results	Y/Y % Chg.	Q/Q % Chg.	Current Estimate	Pre-C2Q24 Results	Y/Y % Chg.	Q/Q % Chg.
Meta	\$8,472	\$9,881	33.3%	26.2%	\$11,240	\$10,495	66.2%	32.7%	\$12,719	\$11,587	61.0%	13.2%
Microsoft	\$19,000	\$16,260	77.6%	35.7%	\$18,758	\$15,837	67.5%	(1.3%)	\$19,245	\$15,944	67.4%	2.6%
Google	\$13,186	\$12,066	91.4%	9.8%	\$12,743	\$12,211	58.2%	(3.4%)	\$12,935	\$12,697	17.4%	1.5%
Amazon (AWS-only Ests.)	\$7,746	\$7,676	43.4%	12.0%	\$8,081	\$8,115	35.8%	4.3%	\$9,033	\$9,076	33.1%	11.8%
Total Combined	\$48,404	\$45,883	79.3%	22.1%	\$50,822	\$46,658	59.0%	5.0%	\$53,932	\$49,304	45.0%	6.1%

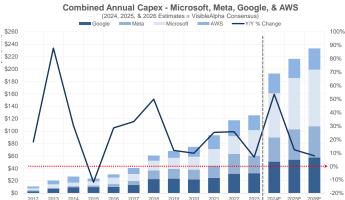
ANNUAL:

Forward Annual Capex Estimate Changes C2024E C2025E C2026E Current Pre-C2Q24 % Diff vs. Current Pre-C2Q24 % Diff vs. Current Pre-C2Q24 Y/Y % % Diff vs. Estimate Results Chg. Pre-2Q24 **Estimate** Results Chg. Pre-2Q24 Estimate Results Chg. Pre-2Q24 \$38,863 \$38,463 38.3% 1.0% \$44,932 4.4% 10.9% Meta \$47,722 \$42,274 22.8% 12.9% \$49,833 \$57,713 \$82,223 \$67,606 22.4% \$75,347 9.5% 19.4% Microsoft \$67,180 63.1% 16.4% 21.6% \$90,001 Google \$50,839 \$48,934 57.6% 3.9% \$54,709 \$51,686 7.6% 5.8% \$56,790 \$54,524 3.8% 4.2% Amazon (AWS-only Ests.) \$35,743 \$35,245 49.2% 1.4% \$41,719 \$40,706 16.7% 2.5% \$41,857 \$42,694 0.3% (2.0%)**Total Combined** \$192,624 \$180,355 53.5% 6.8% \$226,373 \$202,272 17.5% 11.9% \$238,482 \$217,497 5.3% 9.6%

Source: Company Results; VisibleAlpha Consensus Estimates; Wells Fargo Securities, LLC Estimates

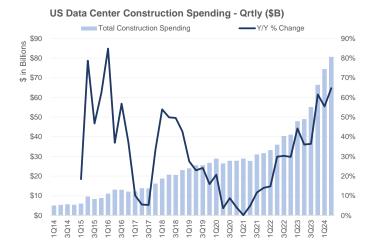


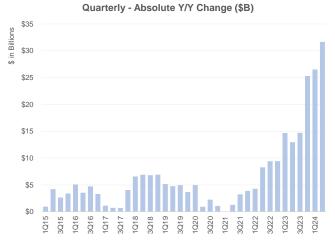


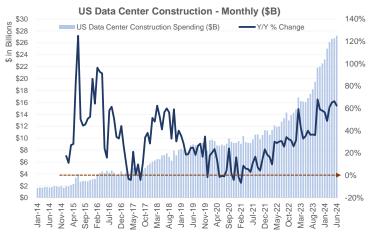


^{*} Street = VisibleAlpha Mean Estimate

Macro Data Point - US Data Center Construction Spending





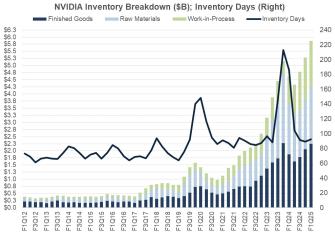




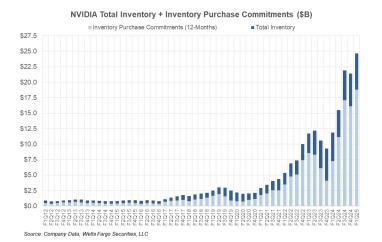
Source (All Charts): US Census Bureau; Wells Fargo Securities, LLC

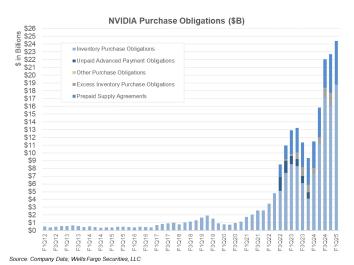
NVIDIA Supply Ramp (Inventory + Purchase Commit Expansion) - Read-Thrus Ahead of *Blackwell* Product Cycle?

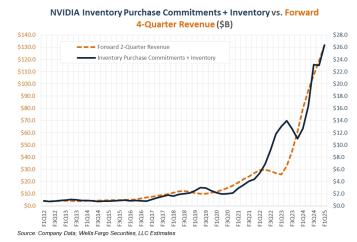
NVIDIA exited F1Q25 with \$5.864 billion in total inventory, up from \$5.282 billion exiting F4Q24 and \$4.611 billion in F1Q24. NVIDIA exited F4Q24 with total purchase obligations at \$18.8 billion, +17% q/q and +159% y/y. NVIDIA's Purchase Commitments + Prepaid Supply Agreements (\$2.32B exiting F1Q25) + Excess Inventory Purchase Obligations (\$1.684B exiting F1Q25) totaled \$22.7 billion, + \$2.5 billion q/q. We continue to see signs of normalizing GPU times; we'd highlight commentary from Quanta's earnings call that it is seeing improved GPU supply conditions w/ accelerating AI server shipments.







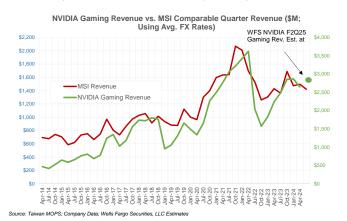


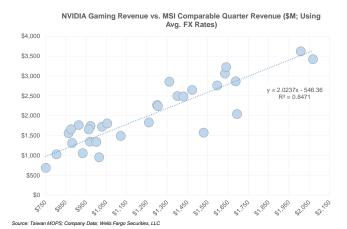


Other Segment Thoughts / Topics:

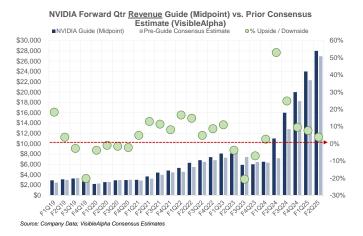
GAMING - Modeling +8% q/q & +15% y/y: We maintain our F2Q25 Gaming segment revenue estimate at \$2.859B, or +8% q/q (+15% y/y). We continue to model fiscal 2025 and 2026 Gaming segment revenue at \$11.34 billion (+9% y/y) and \$11.89B (+5%), respectively. One of NVIDIA's Taiwanese GPU board suppliers, Micro-Star International (MSI), reported a 3% revenue decline for the three months ended July '24 (i.e., aligning with NVIDIA's F2Q25). MSI's revenues have historically been correlated with comparable quarterly NVIDIA gaming revenue ($R^2 = 0.85$). Although it is important to note that NVIDIA has multiple GPU board suppliers, the historical MSI correlation suggests F2Q25 gaming revenue in the ~\$2.3B range, which compares to our \$2.86B estimate (Street: \$2.79B). We'd also highlight reports that Chinese startups have been using the company's RTX 4090 for AI work rather than the China-specific H20 AI GPU due to cost concerns.

AUTOMOTIVE — **Remains a 2025+ Story, China Ramp in Focus:** We maintain our F2Q25 Automotive revenue estimate at \$345M, +37% y/y and +5% q/q. We expect some near-term choppiness in the automotive space (see Mobileye) as the auto industry continues to see some pressure. However, we are positive on the company's long-term prospects and would highlight recent wins with BYD, Great Wall, and others in China. We continue to see NVIDIA as Mobileye's primary competitor in the L2+ ADAS space. We currently model C2024, C2025, and C2026 automotive revenue at \$1.52B, \$2.4B, and \$4.23B, above the Street's \$1.47B, \$2.03B, and \$2.7B estimates.

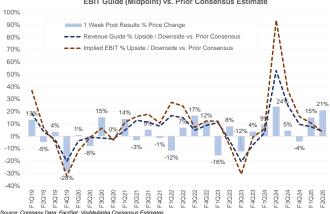


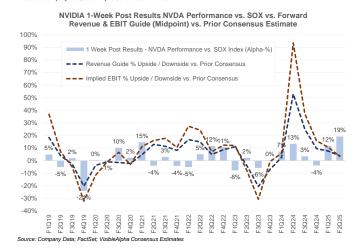


Post Earnings Performance

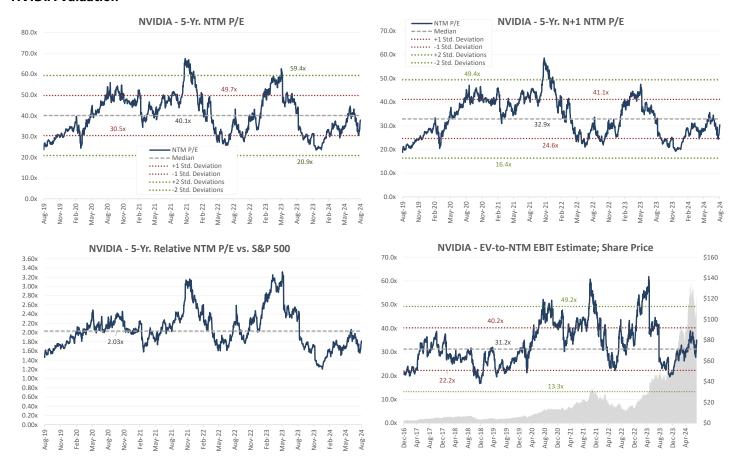








NVIDIA Valuation



Source (All Charts): FactSet; Wells Fargo Securities, LLC Estimates

NVDA: HIS	STORICAL NT	M P/E:	
	Median	Low	High
2018	36.6x	22.0x	55.4x
2019	29.9x	22.2x	43.3x
2020	46.3x	24.7x	58.7x
2021	48.2x	34.8x	70.6x
2022	39.2x	26.3x	59.0x
2023	45.9x	22.9x	68.9x
YTD	36.1x	24.0x	46.7x
5-Year	42.2x	22.9x	70.6x
3-Year	41.6x	22.9x	70.6x

Source: FactSet; Wells Fargo Securities, LLC

Equity Research Nvidia Corporation

Mega Cap Tech Comparison (Consensus Estimates - VisibleAlpha)

\$ in Billions; Except per Share. Calendar Years

ş in Billions; Except per Sn	are. Calendar	I cars								Sales	CAGR					EBIT (CAGR					EPS (CAGR
		Current	Mkt	Net	Ent.		Sales			5-Yr	3-Yr		EBIT			5-Yr	3-Yr		EP			5-Yr	3-Yr
	Ticker	Price	Cap (\$B)	Cash (Debt)	Value (\$B)	2023	2024E	2025E	2026E	Trailing	Forward	2023	2024E	2025E	2026E	Trailing	Forward	2023	2024E	2025E	2026E	Trailing	Forward
NVIDIA	NVDA	\$124.58	\$3,064.7	\$21.7	\$3,042.9	\$60.9	\$120.7	\$169.3	\$197.7	39.1%	48.1%	\$33.0	\$73.5	\$105.5	\$127.9	54.0%	57.1%	\$1.30	\$2.73	\$3.84	\$4.48	50.8%	51.2%
Apple	AAPL	\$226.05	\$3,436.9	\$54.7	\$3,382.2	\$385.1	\$398.0	\$427.7	\$451.7	7.8%	5.5%	\$116.4	\$125.5	\$136.1	\$144.8	11.0%	7.5%	\$6.85	\$7.44	\$8.20	\$8.96	16.4%	9.4%
Microsoft	MSFT	\$418.47	\$3,110.5	\$23.9	\$3,086.6	\$228.5	\$261.9	\$298.9	\$342.9	14.1%	14.5%	\$99.0	\$115.7	\$131.0	\$151.7	20.5%	15.3%	\$10.80	\$12.48	\$14.25	\$16.68	20.2%	15.6%
Alphabet	GOOGL	\$162.96	\$1,874.9	\$128.7	\$1,746.2	\$307.4	\$347.3	\$386.2	\$429.1	17.6%	11.8%	\$84.3	\$108.8	\$124.5	\$140.2	25.1%	18.5%	\$7.27	\$9.16	\$10.37	\$11.88	21.2%	17.8%
Amazon	AMZN	\$177.06	\$1,858.3	\$28.5	\$1,829.9	\$574.8	\$634.9	\$703.5	\$779.9	19.8%	10.7%	\$36.9	\$62.0	\$76.4	\$96.4	24.3%	37.8%	\$4.80	\$6.47	\$7.62	\$8.82	24.9%	22.5%
Meta	META	\$527.42	\$1,152.3	\$45.9	\$1,106.4	\$134.9	\$161.8	\$183.9	\$206.8	19.3%	15.3%	\$46.8	\$63.8	\$74.2	\$84.7	13.4%	21.9%	\$20.15	\$26.28	\$29.60	\$33.23	18.8%	18.1%
Broadcom	AVGO	\$165.72	\$771.4	(\$64.2)	\$835.6	\$39.7	\$53.7	\$61.9	\$68.3	13.3%	19.8%	\$24.2	\$32.0	\$38.6	\$43.4	17.5%	21.6%	\$4.37	\$5.13	\$6.36	\$7.25	15.9%	18.4%
Tesla	TSLA	\$216.12	\$690.4	\$23.0	\$667.5	\$96.8	\$99.1	\$114.6	\$136.3	35.2%	12.1%	\$10.7	\$8.8	\$13.2	\$17.9	97.0%	18.6%	\$3.13	\$2.28	\$3.13	\$4.23	n/a	10.6%
Salesforce	CRM	\$262.91	\$254.8	\$8.2	\$246.5	\$7.6	\$8.2	\$8.9	\$9.8	13.4%	8.8%	\$10.6	\$12.3	\$14.0	\$16.1	36.2%	15.0%	\$8.21	\$9.96	\$11.10	\$12.83	24.5%	16.0%
Netflix	NFLX	\$674.07	\$289.3	(\$7.3)	\$296.6	\$33.7	\$38.7	\$43.6	\$48.3	16.4%	12.7%	\$7.3	\$10.4	\$12.5	\$14.8	30.5%	26.5%	\$12.61	\$19.40	\$22.99	\$27.78	32.2%	30.1%
Texas Instruments	TXN	\$200.53	\$183.1	(\$4.2)	\$187.3	\$17.5	\$15.8	\$18.1	\$20.3	2.1%	5.1%	\$7.3	\$5.4	\$6.9	\$8.4	0.8%	4.5%	\$7.11	\$5.12	\$6.69	\$8.12	3.6%	4.5%
Applied Materials	AMAT	\$207.90	\$172.1	\$5.8	\$166.3	\$26.7	\$27.9	\$31.0	\$33.1	10.5%	7.4%	\$7.8	\$8.2	\$9.3	\$10.1	12.1%	9.1%	\$8.17	\$8.84	\$10.06	\$10.96	15.9%	10.3%
Advanced Micro Devices	AMD	\$148.56	\$240.4	\$3.6	\$236.8	\$22.7	\$25.7	\$32.9	\$40.2	28.5%	21.1%	\$4.9	\$6.2	\$10.0	\$13.0	50.3%	38.9%	\$2.65	\$3.38	\$5.39	\$7.17	42.9%	39.4%
ASML	ASML	\$918.66	\$365.6	\$0.4	\$365.2	\$27.6	\$27.6	\$37.2	\$40.9	20.3%	14.1%	\$9.1	\$8.5	\$14.6	\$15.9	24.5%	20.5%	\$19.80	\$18.90	\$31.65	\$35.77	26.0%	21.8%
Lam Research	LRCX	\$871.14	\$113.9	\$0.9	\$113.0	\$16.2	\$16.1	\$19.0	\$21.6	9.3%	10.2%	\$4.9	\$4.9	\$6.0	\$7.1	10.5%	12.8%	\$32.22	\$33.01	\$40.88	\$48.94	14.9%	15.0%
KLA Corp.	KLAC	\$819.57	\$110.2	(\$2.1)	\$112.3	\$10.2	\$10.6	\$12.1	\$13.1	18.7%	8.9%	\$4.1	\$4.3	\$5.1	\$5.5	21.0%	10.6%	\$24.57	\$26.86	\$32.03	\$35.55	24.5%	13.1%
Qualcomm	QCOM	\$172.18	\$191.8	(\$1.5)	\$193.3	\$36.5	\$39.3	\$42.3	\$43.8	9.6%	6.3%	\$11.9	\$13.4	\$14.5	\$15.0	17.1%	8.2%	\$8.84	\$10.29	\$11.25	\$11.77	19.4%	10.0%
Arista Networks	ANET	\$353.89	\$111.2	\$6.3	\$104.9	\$5.9	\$6.8	\$8.0	\$9.2	22.2%	16.1%	\$2.6	\$3.1	\$3.5	\$4.1	27.0%	16.0%	\$6.94	\$8.26	\$9.33	\$10.63	28.4%	15.3%
ServiceNow	NOW	\$827.56	\$170.5	\$7.4	\$163.1	\$9.0	\$10.9	\$13.2	\$15.9	28.0%	21.0%	\$2.5	\$3.2	\$4.0	\$5.0	36.4%	26.2%	\$10.78	\$13.77	\$16.55	\$20.21	33.9%	23.3%
Adobe	ADBE	\$553.46	\$245.4	\$2.4	\$243.0	\$19.4	\$21.5	\$23.9	\$26.7	16.5%	11.2%	\$8.9	\$9.9	\$11.0	\$12.4	19.7%	11.5%	\$16.06	\$18.15	\$20.60	\$23.63	18.9%	13.7%
									ex-NVDA)	16.5%	11.8%					21.0%	16.0%					20.7%	15.6%
								Average (ex-NVDA)	17.0%	12.2%					26.0%	17.9%					22.4%	17.1%

		Current	Mkt	Net	Ent.		EV/S	ales		5-Yr.	% Dif.		EV/E	BIT		5-Yr.	% Dif.		P/E			5-Yr.	% Dif.	2025 / 3-Yr
Valuation	Ticker	Price	Cap (\$B)	Cash (Debt)	Value (\$B)	2023	2024E	2025E	2026E	Median	vs. 2025	2023	2024E	2025E	2026E	Median	vs. 2025	2023	2024E	2025E	2026E	Median	vs. 2025	EPS CAGR%
NVIDIA	NVDA	\$124.58	\$3,064.7	\$21.7	\$3,042.9	50.3x	25.4x	18.1x	15.5x	17.0x	6.7%	92.3x	41.4x	28.8x	23.8x	47.4x	(39.2%)	96.2x	45.6x	32.5x	27.8x	42.2x	(23.1%)	0.63x
Apple	AAPL	\$226.05	\$3,436.9	\$54.7	\$3,382.2	8.9x	8.6x	8.0x	7.6x	6.8x	18.0%	29.1x	27.0x	24.8x	23.4x	23.7x	4.9%	33.0x	30.4x	27.6x	25.2x	26.8x	2.8%	2.94x
Microsoft	MSFT	\$418.47	\$3,110.5	\$23.9	\$3,086.6	13.6x	11.9x	10.4x	9.1x	10.1x	3.2%	31.2x	26.7x	23.6x	20.3x	25.7x	(8.4%)	38.7x	33.5x	29.4x	25.1x	31.1x	(5.5%)	1.88x
Alphabet	GOOGL	\$162.96	\$1,874.9	\$128.7	\$1,746.2	6.1x	5.4x	4.9x	4.4x	5.0x	(3.7%)	20.7x	16.0x	14.0x	12.5x	19.4x	(27.7%)	22.4x	17.8x	15.7x	13.7x	23.4x	(32.8%)	0.89x
Amazon	AMZN	\$177.06	\$1,858.3	\$28.5	\$1,829.9	3.2x	2.9x	2.6x	2.4x	3.0x	(12.8%)	49.7x	29.5x	23.9x	19.0x	55.8x	(57.1%)	36.9x	27.4x	23.3x	20.1x	68.2x	(65.9%)	1.03x
Meta	META	\$527.42	\$1,152.3	\$45.9	\$1,106.4	8.5x	7.1x	6.3x	5.6x	6.5x	(3.9%)	23.7x	17.3x	14.9x	13.1x	18.0x	(17.3%)	26.2x	20.1x	17.8x	15.9x	22.6x	(21.0%)	0.98x
Broadcom	AVGO	\$165.72	\$771.4	(\$64.2)	\$835.6	19.4x	14.4x	12.5x	11.3x	8.3x	50.6%	34.6x	26.1x	21.7x	19.3x	22.3x	(2.9%)	37.9x	32.3x	26.1x	22.9x	16.1x	62.0%	1.42x
Tesla	TSLA	\$216.12	\$690.4	\$23.0	\$667.5	7.1x	7.0x	6.0x	5.1x	7.7x	(21.9%)	62.4x	75.6x	50.7x	37.4x	79.8x	(36.5%)	69.2x	94.7x	69.0x	51.1x	76.2x	(9.5%)	6.52x
Salesforce	CRM	\$262.91	\$254.8	\$8.2	\$246.5	33.6x	31.0x	28.5x	26.1x	6.8x	321.6%	23.2x	20.0x	17.6x	15.3x	173.5x	(89.9%)	32.0x	26.4x	23.7x	20.5x	46.9x	(49.5%)	1.48x
Netflix	NFLX	\$674.07	\$289.3	(\$7.3)	\$296.6	8.6x	7.5x	6.6x	6.0x	6.8x	(2.6%)	40.7x	28.5x	23.7x	20.1x	31.0x	(23.5%)	53.4x	34.7x	29.3x	24.3x	36.8x	(20.3%)	0.97x
Texas Instruments	TXN	\$200.53	\$183.1	(\$4.2)	\$187.3	10.5x	11.6x	10.1x	9.0x	9.0x	11.7%	25.5x	35.0x	27.1x	22.4x	21.1x	28.7%	28.2x	39.1x	30.0x	24.7x	24.5x	22.1%	6.59x
Applied Materials	AMAT	\$207.90	\$172.1	\$5.8	\$166.3	6.5x	6.2x	5.5x	5.2x	4.4x	27.2%	21.4x	20.3x	17.8x	16.5x	15.5x	14.6%	25.4x	23.5x	20.7x	19.0x	17.3x	19.4%	2.01x
Advanced Micro Devices	AMD	\$148.56	\$240.4	\$3.6	\$236.8	10.6x	9.4x	7.3x	6.0x	7.0x	4.3%	48.8x	38.0x	23.8x	18.2x	35.7x	(33.3%)	56.1x	43.9x	27.6x	20.7x	38.5x	(28.3%)	0.70x
ASML	ASML	\$918.66	\$365.6	\$0.4	\$365.2	13.3x	13.2x	9.8x	8.9x	9.6x	2.9%	40.3x	42.8x	25.0x	23.0x	31.5x	(20.6%)	46.4x	48.6x	29.0x	25.7x	34.5x	(15.9%)	1.33x
Lam Research	LRCX	\$871.14	\$113.9	\$0.9	\$113.0	7.0x	7.1x	6.0x	5.3x	4.8x	25.4%	22.9x	23.1x	18.8x	16.0x	17.0x	10.4%	27.0x	26.4x	21.3x	17.8x	18.7x	13.8%	1.43x
KLA Corp.	KLAC	\$819.57	\$110.2	(\$2.1)	\$112.3	10.8x	10.3x	9.1x	8.4x	6.4x	42.8%	27.4x	25.9x	22.2x	20.3x	20.3x	9.3%	33.4x	30.5x	25.6x	23.1x	18.9x	35.7%	1.95x
Qualcomm	QCOM	\$172.18	\$191.8	(\$1.5)	\$193.3	5.3x	4.9x	4.5x	4.4x	4.6x	(1.2%)	16.3x	14.4x	13.3x	12.8x	16.3x	(18.1%)	19.5x	16.7x	15.3x	14.6x	16.2x	(5.3%)	1.53x
Arista Networks	ANET	\$353.89	\$111.2	\$6.3	\$104.9	19.0x	16.3x	14.0x	12.1x	8.2x	70.3%	40.3x	34.0x	29.7x	25.8x	24.2x	22.7%	51.0x	42.9x	37.9x	33.3x	28.6x	32.4%	2.48x
ServiceNow	NOW	\$827.56	\$170.5	\$7.4	\$163.1	19.0x	15.6x	13.0x	10.7x	13.8x	(5.8%)	65.5x	50.6x	40.8x	32.6x	287.4x	(85.8%)	76.8x	60.1x	50.0x	41.0x	68.2x	(26.7%)	2.15x
Adobe	ADBE	\$553.46	\$245.4	\$2.4	\$243.0	12.6x	11.4x	10.3x	9.2x	12.1x	(14.9%)	27.2x	24.6x	22.0x	19.7x	35.9x	(38.7%)	34.5x	30.5x	26.9x	23.4x	32.5x	(17.4%)	1.96x
					an (ex-NVDA)	10.5x	9.4x	8.0x	7.6x	6.8x	3.2%	29.1x	26.7x	23.6x	19.7x	24.2x	(18.1%)	34.5x	30.5x	26.9x	23.1x	28.6x	(9.5%)	1.53x
				Avera	ae (ex-NVDA)	11.8x	10.6x	9.2x	8.2x	7.4x	26.9%	34.2x	30.3x	24.0x	20.4x	50.2x	(19.4%)	39.4x	35.8x	28.7x	24.3x	34.0x	(5.8%)	2.12x

Source: VisibleAlpha (Consensus Estimates); FactSet; Wells Fargo Securities, LLC Estimates

PEG Ratio

Financials

NVIDIA Income Statement Summary (\$ in Millions, Except per Share)

				1	Last Rotd	Wells Farg															
					Rptu	== Estimates =	=>												Fiscal Years		
	F1Q24 Apr-23	F2Q24 Jul-23	F3Q24 Oct-23	F4Q24 Jan-24	F1Q25 Apr-24	F2Q25E Jul-24	F3Q25E Oct-24	F4Q25E Jan-25	F1Q26E Apr-25	F2Q26E Jul-25	F3Q26E Oct-25	F4Q26E Jan-26	F1Q27E Apr-26	F2Q27E Jul-26	F3Q27E Oct-26	F4Q27E Jan-27	F2023 Jan-23	F2024 Jan-24	F2025E Jan-25	F2026E Jan-26	F2027 Jan-27
Revenue	\$7,192	\$13,507	\$18,120	\$22,103	\$26,044	\$28,328	\$30,643	\$34,084	\$38,767	\$42,257	\$45,287	\$49,349	\$47,566	\$51,600	\$54,229	\$58,600	\$26,974	\$60,922	\$119,099	\$175,661	\$211,995
Cost of Sales	\$2,390	\$3,893	\$4,537	\$5,144	\$5,484	\$6,912	\$7,600	\$8,350	\$9,304	\$10,142	\$10,778	\$11,745	\$11,178	\$12,229	\$13,015	\$13,771	\$11,009	\$15,964	\$28,346	\$41,969	\$50,193
Gross Margin	\$4,802	\$9,614	\$13,583	\$16,959	\$20,560	\$21,416	\$23,044	\$25,733	\$29,463	\$32,116	\$34,509	\$37,604	\$36,388	\$39,371	\$41,214	\$44,829	\$15,965	\$44,958	\$90,753	\$133,691	\$161,802
Operating Expenses																					
Research and Development	\$1,339	\$1,422	\$1,577	\$1,747	\$1,981	\$2,224	\$2,390	\$2,454	\$2,985	\$3,169	\$3,324	\$3,479	\$3,663	\$3,870	\$3,959	\$4,131	\$5,390	\$6,085	\$9,049	\$12,958	\$15,623
Marketing, General & Administrative Total Operating Expenses	\$411 \$1,750	\$416 \$1,838	\$449 \$2,026	\$463 \$2,210	\$520 \$2,501	\$581 \$2,804	\$613 \$3,003	\$614 \$3,068	\$717 \$3,702	\$761 \$3,930	\$815 \$4,139	\$839 \$4,318	\$880 \$4,543	\$955 \$4,825	\$1,030 \$4,989	\$1,113 \$5,245	\$1,535 \$6,925	\$1,739 \$7.824	\$2,327 \$11.376	\$3,132 \$16.089	\$3,978 \$19,601
		. , ,				. , ,															
Operating Income (EBIT) EBITDA	\$3,052 \$3,436	\$7,776 \$8.141	\$11,557 \$11,929	\$14,749 \$15,136	\$18,059 \$18,469	\$18,612 \$19,095	\$20,041 \$20,557	\$22,666 \$23,208	\$25,761 \$26,384	\$28,186 \$28,830	\$30,369 \$31,038	\$33,286 \$34,009	\$31,845 \$32,572	\$34,546 \$35,305	\$36,225 \$37.019	\$39,584 \$40,397	\$9,040 \$10.584	\$37,134 \$38.642	\$79,377 \$81,330	\$117,602 \$120,260	\$142,201 \$145,292
Other Income & Expenses	\$84	\$120	\$175	\$232	\$302	\$300	\$305	\$310	\$316	\$326	\$336	\$341	\$340	\$340	\$350	\$350	\$6	\$611	\$1,217	\$1,319	\$1,380
Pretax Income	\$3,136	\$7.896	\$11.732	\$14,981	\$18,361	\$18,912	\$20,346	\$22,976	\$26,077	\$28,512	\$30,705	\$33,627	\$32,185	\$34,886	\$36,575	\$39,934	\$9.046	\$37,745	\$80,594	\$118,921	\$143,581
Taxes	\$423	\$1,156	\$1,712	\$2,142	\$3,123	\$3,215	\$3,459	\$3,906	\$4,433	\$4,847	\$5,220	\$5,717	\$5,471	\$5,931	\$6,218	\$6,789	\$681	\$5,433	\$13,703	\$20,217	\$24,409
Net Income (Non-GAAP)	\$2,713	\$6,740	\$10,020	\$12,839	\$15,238	\$15,697	\$16,887	\$19,070	\$21,644	\$23,665	\$25,485	\$27,911	\$26,714	\$28,956	\$30,357	\$33,146	\$8,365	\$32,312	\$66,891	\$98,704	\$119,172
500 AL 6440 II III		***		40.50	***	****	***	***	40.07	***		****	***		***	***			***		4105
EPS (Non-GAAP; Headline) Fully Diluted Shares	\$0.11 24.900.00	\$0.27 24.990.00	\$0.40 24.940.00	\$0.52 24.900.00	\$0.61 24.890.00	\$0.63 24.850.00	\$0.68 24.820.00	\$0.77 24.780.00	\$0.87 24.760.00	\$0.96 24.730.00	\$1.03 24.680.00	\$1.13 24.630.00	\$1.09 24.610.00	\$1.18 24.570.00	\$1.24 24.550.00	\$1.35 24.510.00	\$0.33 25.072.50	\$1.30 24.932.50	\$2.69 24.835.00	\$4.00 24.700.00	\$4.85 24.560.00
Margin Summary	- 1,000.00	,	- 1,- 1	- 1,000.00	- ,,	- ,,		,	,	- 1,1 - 1 - 1	- 1,000	,	- 1,01000	- 1,011 0100	,	- ,		,	- 1,000	- 9	- 1,000
Gross Margin	66.8%	71.2%	75.0%	76.7%	78.9%	75.6%	75.2%	75.5%	76.0%	76.0%	76.2%	76.2%	76.5%	76.3%	76.0%	76.5%	59.2%	73.8%	76.2%	76.1%	76.3%
Operating Margin (EBIT)	42.4%	57.6%	63.8%	66.7%	69.3%	65.7%	65.4%	66.5%	66.5%	66.7%	67.1%	67.5%	67.0%	67.0%	66.8%	67.6%	33.5%	61.0%	66.6%	66.9%	67.1%
Operating Expenses - % of Rev.	24.3%	13.6%	11.2%	10.0%	9.6%	9.9%	9.8%	9.0%	9.6%	9.3%	9.1%	8.8%	9.6%	9.4%	9.2%	9.0%	25.7%	12.8%	9.6%	9.2%	9.2%
EBITDA Margin Pretax Margin	47.8% 43.6%	60.3% 58.5%	65.8% 64.7%	68.5% 67.8%	70.9% 70.5%	67.4% 66.8%	67.1% 66.4%	68.1% 67.4%	68.1% 67.3%	68.2% 67.5%	68.5% 67.8%	68.9% 68.1%	68.5% 67.7%	68.4% 67.6%	68.3% 67.4%	68.9% 68.1%	39.2% 33.5%	63.4% 62.0%	68.3% 67.7%	68.5% 67.7%	68.5% 67.7%
Tax Rate	13.5%	14.6%	14.6%	14.3%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	7.5%	14.4%	17.0%	17.0%	17.0%
Net Income Margin	37.7%	49.9%	55.3%	58.1%	58.5%	55.4%	55.1%	55.9%	55.8%	56.0%	56.3%	56.6%	56.2%	56.1%	56.0%	56.6%	31.0%	53.0%	56.2%	56.2%	56.2%
Yr/Yr Growth %																					
Revenue	-13.2%	101.5%	205.5%	265.3%	262.1%	109.7%	69.1%	54.2%	48.9%	49.2%	47.8%	44.8%	22.7%	22.1%	19.7%	18.7%	0.2%	125.9%	95.5%	47.5%	20.7%
Gross Profit	-13.7%	212.8%	308.0%	324.1%	328.2%	122.8%	69.7%	51.7%	43.3%	50.0%	49.8%	46.1%	23.5%	22.6%	19.4%	19.2%	-11.1%	181.6%	101.9%	47.3%	21.0%
Operating Margin (EBIT) Operating Expenses	-22.8% 8.8%	486.9% 5.1%	652.4% 13.0%	563.2% 24.5%	491.7% 42.9%	139.3% 52.6%	73.4% 48.2%	53.7% 38.8%	42.6% 48.0%	51.4% 40.1%	51.5% 37.8%	46.9% 40.8%	23.6% 22.7%	22.6% 22.8%	19.3% 20.5%	18.9% 21.5%	-28.8% 31.2%	310.8% 13.0%	113.8% 45.4%	48.2% 41.4%	20.9% 21.8%
Operating Expenses EBTIDA	-19.9%	378.0%	514.3%	471.2%	42.9%	134.6%	48.2% 72.3%	53.3%	48.0% 42.9%	40.1% 51.0%	51.0%	40.8% 46.5%	22.7%	22.8%	20.5% 19.3%	18.8%	-23.7%	13.0% 265.1%	45.4% 110.5%	47.9%	21.8%
Pretax Income	-19.8%	503.2%	652.1%	560.8%	485.5%	139.5%	73.4%	53.4%	42.0%	50.8%	50.9%	46.4%	23.4%	22.4%	19.1%	18.8%	-27.6%	317.3%	113.5%	47.6%	20.7%
Net Income	-21.2%	421.7%	588.2%	490.6%	461.7%	132.9%	68.5%	48.5%	42.0%	50.8%	50.9%	46.4%	23.4%	22.4%	19.1%	18.8%	-25.7%	286.3%	107.0%	47.6%	20.7%
EPS	-19.7%	425.2%	589.6%	487.5%	461.9%	134.2%	69.3%	49.2%	42.8%	51.5%	51.8%	47.3%	24.2%	23.2%	19.7%	19.3%	-25.0%	289.1%	107.8%	48.4%	21.4%
Seq. Growth %																					
Revenue	18.9%	87.8%	34.2%	22.0%	17.8%	8.8%	8.2%	11.2%	13.7%	9.0%	7.2%	9.0%	-3.6%	8.5%	5.1%	8.1%					
Gross Profit	20.1%	100.2%	41.3%	24.9%	21.2%	4.2%	7.6%	11.7%	14.5%	9.0%	7.5%	9.0%	-3.2%	8.2%	4.7%	8.8%					
Operating Margin (EBIT)	37.2%	154.8%	48.6%	27.6%	22.4%	3.1%	7.7%	13.1%	13.7%	9.4%	7.7%	9.6%	-4.3%	8.5%	4.9%	9.3%					
													5.2%	6.2%	3.4%	5.1%					
Operating Expenses	-1.4%	5.0%	10.2%	9.1%	13.2%	12.1%	7.1%	2.1%	20.7%	6.1%	5.3%	4.3%									
EBTIDA	29.7%	136.9%	46.5%	26.9%	22.0%	3.4%	7.7%	12.9%	13.7%	9.3%	7.7%	9.6%	-4.2%	8.4%	4.9%	9.1%					
EBTIDA Pretax Income	29.7% 38.3%	136.9% 151.8%	46.5% 48.6%	26.9% 27.7%	22.0% 22.6%	3.4% 3.0%	7.7% 7.6%	12.9% 12.9%	13.7% 13.5%	9.3% 9.3%	7.7% 7.7%	9.6% 9.5%	-4.2% -4.3%	8.4% 8.4%	4.9% 4.8%	9.1% 9.2%					
EBTIDA	29.7%	136.9%	46.5%	26.9%	22.0%	3.4%	7.7%	12.9%	13.7%	9.3%	7.7%	9.6%	-4.2%	8.4%	4.9%	9.1%					

Source: Company Data, Wells Fargo Securities, LLC Estimates

NVIDIA Balance Sheet & Cash Flow Summary: \$ in Millions; Except per Share

	F1Q21 Apr-20	F2Q21 Jul-20	F3Q21 Oct-20	F4Q21 Jan-21	F1Q22 Apr-21	F2Q22 Jul-21	F3Q22 Oct-21	F4Q22 Jan-22	F1Q23 Apr-22	F2Q23 Jul-22	F3Q23 Oct-22	F4Q23 Jan-23	F1Q24 Apr-23	F2Q24 Jul-23	F3Q24 Oct-23	F4Q24 Jan-24	F1Q25 Apr-24
Total Cash, Cash Equivalents & Investments	\$16,354	\$10.981	\$10.139	\$11.561	\$12.667	\$19.654	\$19.298	\$21,208	\$20.338	\$17.037	\$13.143	\$13.296	\$15.320	\$16.023	\$18,281	\$25.984	\$31.438
Less: Total Debt	\$6,959	\$6.960	\$6,961	\$6,963	\$6,963	\$11.943	\$10,944	\$10.946	\$10,947	\$10,949	\$10,950	\$10,953	\$10,954	\$9,705	\$9,706	\$9,709	\$9,710
Net Cash, Cash Equivalents & Investments	\$9,395	\$4,021	\$3,178	\$4,598	\$5,704	\$7,711	\$8,354	\$10,262	\$9,391	\$6,088	\$2,193	\$2,343	\$4,366	\$6,318	\$8,575	\$16,275	\$21,728
- Net Cash per Share	\$0.38	\$0.16	\$0.13	\$0.18	\$0.23	\$0.30	\$0.33	\$0.40	\$0.37	\$0.24	\$0.09	\$0.09	\$0.18	\$0.25	\$0.34	\$0.65	\$0.87
Total Inventory	\$1,128	\$1,401	\$1,495	\$1,826	\$1,992	\$2,114	\$2,233	\$2,605	\$3,163	\$3,889	\$4,454	\$5,159	\$4,611	\$4,319	\$4,779	\$5,282	\$5,864
Raw Materials	\$341	\$320	\$455	\$632	\$734	\$825	\$755	\$791	\$1,119	\$1,534	\$1,936	\$2,430	\$1,809	\$1,632	\$1,663	\$1,719	\$1,991
Works in Process	\$287	\$516	\$380	\$457	\$504	\$553	\$538	\$692	\$672	\$764	\$788	\$466	\$930	\$1,058	\$1,338	\$1,505	\$1,625
Finished Goods	\$500	\$565	\$660	\$737	\$754	\$736	\$940	\$1,122	\$1,372	\$1,588	\$1,730	\$2,263	\$1,872	\$1,629	\$1,778	\$2,058	\$2,248
Total Purchase Commitments	\$1,760	\$2,040	\$2,570	\$2,540	\$3,460	\$4,790	\$6,900	\$9,000	\$9,590	\$9,220	\$7,020	\$4,920	\$7,270	\$11,150	\$17,110	\$16,100	\$18,800
Prepaid Supply Agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$1,606	\$1,747	\$3,060	\$3,140	\$3,140	\$3,447	\$3,400	\$3,810	\$3,670	\$4,958	\$5,600
Total Inventory + Purchase Commitments & Prepaid Supply	\$2,888	\$3,441	\$4,065	\$4,366	\$5,452	\$6,904	\$10,739	\$13,352	\$15,813	\$16,249	\$14,614	\$13,526	\$15,281	\$19,279	\$25,559	\$26,340	\$30,264
Total Non-Inventory Purchase Obligations	\$287	\$310	\$398	\$317	\$396	\$565	\$935	\$1,300	\$1,850	\$1,364	\$2,752	\$3,140	\$3,260	\$4,310	\$4,430	\$4,600	\$10,600
- Multi-Year Cloud Services Agreements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,590	\$2,230	\$2,430	\$3,500	\$3,600	\$3,500	\$8,800
- Implied Other Non-Inventory Purchase Obligations	\$287	\$310	\$398	\$317	\$396	\$565	\$935	\$1,300	\$1,850	\$1,364	\$1,162	\$910	\$830	\$810	\$830	\$1,100	\$1,800
Prepaid Cloud Services (Other Assets)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23	\$171	\$170	\$60	\$0	\$0
Cash Conversion Cycle:	81.1	77.2	69.8	77.8	77.1	75.9	71.8	76.3	88.5	106.0	155.9	219.3	191.6	106.0	86.6	81.8	86.6
- Days Sales Outstanding	52.7	47.0	44.6	48.7	43.8	46.2	48.3	51.2	55.4	73.0	78.4	65.7	50.0	37.5	38.6	37.7	39.1
- Inventory Days	91.0	87.5	80.8	94.2	90.7	86.1	84.5	87.4	96.3	88.4	145.9	213.2	186.0	104.4	91.2	89.0	92.5
- Accounts Payables Oustanding	62.5	57.2	55.5	65.2	57.5	56.4	61.0	62.3	63.1	55.4	68.4	59.5	44.4	35.9	43.2	44.9	44.9
Total Deferred Revenue	\$241	\$342	\$382	\$451	\$506	\$490	\$489	\$502	\$537	\$560	\$551	\$572	\$597	\$729	\$938	\$1,337	\$1,549
Short-Term Deferred Revenue	\$174	\$222	\$235	\$288	\$333	\$301	\$298	\$300	\$334	\$359	\$338	\$354	\$367	\$421	\$513	\$764	\$845
Long-Term Deferred Revenue	\$67	\$120	\$147	\$163	\$173	\$189	\$191	\$202	\$203	\$201	\$213	\$218	\$230	\$308	\$425	\$573	\$704
Total Remaining Performance Obligations	\$389	\$670	\$679	\$683	\$680	\$646	\$620	\$624	\$652	\$645	\$681	\$652	\$639	\$717	\$896	\$1,100	\$1,300
Cash Flow from Operations	\$909	\$1,566	\$1,279	\$2,067	\$1,874	\$2,682	\$1,519	\$3,033	\$1,731	\$1,270	\$392	\$2,249	\$2,911	\$6,348	\$7,333	\$11,499	\$15,345
Less: Capital Expenditures	\$155	\$217	\$473	\$283	\$298	\$183	\$221	\$273	\$361	\$433	\$530	\$509	\$248	\$289	\$278	\$253	\$369
Free Cash Flow	\$754	\$1,349	\$806	\$1,784	\$1,576	\$2,499	\$1,298	\$2,760	\$1,370	\$837	(\$138)	\$1,740	\$2,663	\$6,059	\$7,055	\$11,246	\$14,976
- Free Cash Flow per share	\$0.03	\$0.05	\$0.03	\$0.07	\$0.06	\$0.10	\$0.05	\$0.11	\$0.05	\$0.03	(\$0.01)	\$0.07	\$0.11	\$0.24	\$0.28	\$0.45	\$0.60
Trailing 12-Month Free Cash Flow	\$4,435	\$4,961	\$4,230	\$4,693	\$5,515	\$6,665	\$7,157	\$8,133	\$7,927	\$6,265	\$4,829	\$3,809	\$5,102	\$10,313	\$17,493	\$26,999	\$39,312
- TTM Free Cash Flow per share	\$0.18	\$0.20	\$0.17	\$0.19	\$0.22	\$0.26	\$0.28	\$0.32	\$0.31	\$0.25	\$0.19	\$0.15	\$0.20	\$0.41	\$0.70	\$1.08	\$1.58
Share Repurchases:																	
Share Repurchase Spend	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,996	\$3,345	\$3,485	\$1,212	\$0	\$3,280	\$3,720	\$2,660	\$7,740
- Approx. Shares Repurchased	n/a	9.0	19.0	28.0	7.0		7.5	8.3	5.3	9.8							
Remaining Share Repurchase Authorization	\$7,240	\$7,240	\$7,240	\$7,240	\$7,240	\$7,240	\$7,240	\$7,240	\$5,244	\$11,930	\$8,280	\$7,230	\$7,230	\$3,950	\$25,240	\$22,500	\$14,500

Source: Company Data; Wells Fargo Securities, LLC Estimates

Investment Thesis, Valuation and Risks

Nvidia Corporation (NVDA)

Investment Thesis

Our Overweight rating is based on our positive stance on NVIDIA's competitive positioning in gaming GPUs and expanding growth opportunities in data center, HPC, and emerging / expanding Al opportunities (autonomous vehicles, healthcare, robotics, etc.). We see sustainability in NVIDIA's CUDA software platform differentiation, as well as the company's continually deepening system software capabilities. We see NVIDIA as one of the most attractive secular growth stories in large-cap semis.

Target Price Valuation for NVDA: \$155.00 from NC

Our \$155 price target is ~37x P/E on our C2026E. We think a premium multiple for NVIDIA is warranted given its strong multi-year competitive positioning for data center growth, driven by cloud and AI, gaming, next-generation autonomous vehicles, and an expanding ecosystem of products/applications (e.g., Omniverse).

Risks to Our Price Target and Rating for NVDA

Risks include: (1) increased competition in the PC gaming, cloud data center markets, and high-performance computing, (2) the continued development of new markets, including artificial intelligence/machine learning and autonomous driving, (3) delays in product introduction due to use of third-party process technology, component availability, etc.

Required Disclosures

I, Aaron Rakers, certify that:

- 1) All views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers discussed; and
- 2) No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this research report.

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Additional Information Available Upon Request

Nvidia Corporation Rating History as of 08-16-2024



Initiation (I); Drop Coverage (D); Overweight (BUY); Equal Weight (HOLD); Underweight (SELL); Suspended (SR); Not Rated (NR); No Estimate (NE)

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 $Wells\ Fargo\ Securities,\ LLC,\ maintains\ a\ market\ in\ the\ common\ stock\ of\ Nvidia\ Corporation.$

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STOCK RATING

OW=Overweight: Total return on stock expected to be 10%+ over the next 12 months. (BUY)

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UW=Underweight: Total return on stock expected to lag the Overweight- and Equal Weight-rated stocks within the analyst's coverage universe over the next 12 months. (SELL)

NR=Not Rated: The rating and price target has been removed due to lack of fundamental basis to support the recommendation or due to legal, regulatory or company policy considerations.

FINRA regulation requires member firms to assign ratings to one of three rating categories: Buy, Hold and Sell. In accordance with FINRA regulation and solely to satisfy those disclosure requirements in the ratings distribution table and ratings history chart contained in these Required Disclosures, our rating of Overweight corresponds to a Buy rating; Equal Weight corresponds to a Hold rating; and Underweight corresponds to a Sell rating.

As of August 18, 2024

50.3% of companies covered by Wells Fargo Securities, LLC Equity Research are rated Overweight. (BUY)

41.0% of companies covered by Wells Fargo Securities, LLC Equity Research are rated Equal Weight. (HOLD)

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