

# Equity Research Report: NVIDIA Corporation

## Business Overview

NVIDIA, founded in 1993, has evolved into a leading innovator in accelerated computing, driving advances across gaming, AI, data centers, professional visualization, and automotive technologies. The company is renowned for its high-performance GPUs and integrated software solutions that power complex applications from autonomous driving systems to large-scale scientific research. Its evolution has been marked by groundbreaking architectures like Hopper and Blackwell, supported by technologies that streamline development and boost performance. NVIDIA's strategic approach, including targeted acquisitions and global collaborations, has not only bolstered its position in critical growth segments but also enabled rapid adaptation to shifting market demands and geopolitical challenges. With a broad ecosystem of partners and a focus on future technologies, NVIDIA continues to shape the digital frontier in high-performance computing.

## Market Position

NVIDIA's fiscal 2025 results illustrate a robust financial performance fueled by soaring revenue growth and efficient cost management, particularly from its expanding data center segment. The company achieved notable operating and net income improvements, reflecting strong profitability amidst rising demand for advanced computing solutions. Its balance sheet underpins this success with substantial current assets, a strong cash position, low current liabilities, and effectively managed long-term debt, which together enhance liquidity and fiscal stability. Significant cash flows from core operations have enabled vital reinvestments and aggressive share repurchases, further supporting growth objectives. Despite challenges posed by supply chain complexities and geopolitical risks, NVIDIA's disciplined financial management positions it well to capitalize on emerging technology trends and sustain long-term strategic investments.

## Operating Results

NVIDIA's valuation is driven by extraordinary growth and strong profitability. Fiscal 2025 revenue reached \$130.5 billion, led by a significant surge in Data Center revenue and underpinned by excellent gross margins of 75%. Operating income and net income soared by nearly 147% and 145%, reflecting efficient cost control and remarkable operational performance. The balance sheet confirms a solid financial base with total assets of \$111.6 billion, largely supported by \$80.1 billion in current assets including \$43.2 billion in cash and short-term investments. Low current liabilities and manageable long-term debt of \$8.5 billion bolster liquidity, while a marked increase in equity to \$79.3 billion underscores a healthy capital structure. This robust profile positions NVIDIA favorably for future strategic investments despite potential market challenges.

## Summarization

FY (USD mn) 2025		2024	2023	2022	2021
Revenue	130497	60922	26974	26914	16675
Revenue Growth	114.2%	125.9%	0.2%	61.4%	52.7%
Gross Profit	97858	44301	15356	17475	10396
Gross Margin	0.75	0.73	0.57	0.65	0.62
EBITDA	86137	35583	5987	11351	5691
EBITDA Margin	0.66	0.58	0.22	0.42	0.34
FCF	60853	27021	3808	8132	4694
FCF Conversion	0.83	0.91	0.87	0.83	1.08
ROIC	75.3%	51.3%	12.2%	24.6%	17.1%
EV/EBITDA	33.78	43.45	81.03	54.72	58.62
PE Ratio	39.9	51.83	109.09	62.68	75.43
PB Ratio	36.66	35.89	21.56	22.97	19.34
CFO	64089	28090	5641	9108	5822

## FinRobot

Team9 - UOA

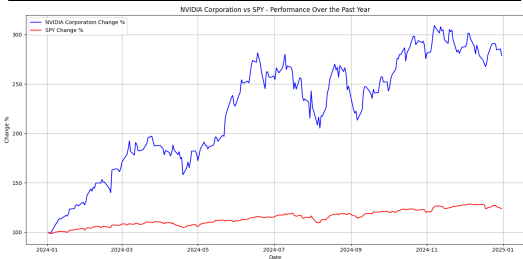
<https://github.com/ashreim-UPL/FinRobot-Final>

Report date: 2024

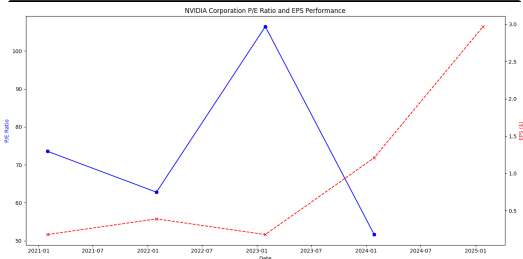
## Key data

Rating	A-
Currency	USD
Closing Price (USD)	48.17
Market Cap (USD) (Millions)	3849100.00
52 Week Price Range (USD)	47.32 - 152.89
BVPS (USD)	3.23

## Share Performance



## PE & EPS



# Risk Assessment

Nvidia faces a multifaceted risk landscape driven by rapid technological evolution, regulatory uncertainties, and outsourcing challenges. The high-performance computing, AI, and semiconductor sectors are characterized by swift innovation cycles and ever-changing industry standards. Rapid advances can render existing products obsolete almost overnight if Nvidia fails to match or anticipate emerging trends. While significant investments in research and development along with expansion into software and cloud services have helped the company manage these pressures, the inherently cyclical market means that any delay in addressing technological shifts may lead to notable revenue declines and competitive disadvantages. In addition, Nvidia's global reach exposes it to geopolitical and regulatory risks that are particularly acute in markets with fluctuating export controls or trading restrictions. The company's operations in regions with volatile regulatory environments, such as China and other strategic markets, heighten its vulnerability to sudden changes in trade policies and licensing requirements. Such regulatory shifts can disrupt supply chains, introduce compliance costs, or even restrict access to key segments like data centers and AI services. Although Nvidia has sought to diminish these risks by diversifying its supply sources and enhancing local market operations, the unpredictability of international policies means that these challenges remain persistent and can have immediate effects on overall performance. Furthermore, Nvidia relies extensively on third-party manufacturers and external suppliers, which increases its exposure to supply chain disruptions ranging from natural disasters to geopolitical conflicts. The dependence on external foundries means that any unexpected capacity shortages or delays could lead to increased costs and production setbacks, potentially impacting profitability. Despite implementing long-term capacity agreements and pursuing supplier diversity, external factors beyond Nvidia's control continue to represent a significant operational risk. In summary, while Nvidia actively pursues strategies to counter these risks through innovation and diversification, the company must remain agile as unforeseen technological and geopolitical changes can quickly shift the competitive landscape.

# Competitors Analysis

Nvidia faces a competitive landscape where its strengths in innovation and technological versatility provide significant advantages even as rivals intensify their efforts. Established players like AMD and Intel are rapidly investing in improvements in graphics processing and artificial intelligence, seeking to capture a larger share of opportunities in data center computing and high-performance computing. Although detailed financial comparisons are pending, it is evident that while competitors strive to enhance their product portfolios and leverage existing market presence, Nvidia's commitment to advancing GPU performance and diversified applications has consistently positioned the company ahead. In recent years, Nvidia has demonstrated a strategic focus on aligning product development with emerging trends, including machine learning, autonomous vehicle technologies, and cloud-based computing environments. This responsive approach enables Nvidia to rapidly integrate next-generation innovations into their offerings, ensuring that performance benchmarks remain unparalleled. At the same time, competitors are not only narrowing the technology gap by investing heavily in research and development but are also intensifying efforts to merge traditional computing paradigms with advanced AI-driven processes. The intense industry focus on technology integration means Nvidia continues to innovate in areas where efficiency and broad applicability are critical. The company's proactive investments in software ecosystems and hardware acceleration have allowed it to maintain operational agility, a key differentiation factor in technology markets characterized by rapid change. With competitors facing significant challenges in replicating the seamless integration and high efficiency of Nvidia's product suite, the company seems well-positioned to leverage its technological expertise and market insights for continued growth. In essence, despite the rising competitive pressures, Nvidia's strategic initiatives and innovative legacy afford it a distinct competitive edge in sectors undergoing rapid technological transformation.