CAPTRUST

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Company	Ticker	Sector	Industry
NVIDIA Corporation	NVDA-US	Information Technology	Semiconductors & Semiconductor Equipment

Business Description

NVIDIA Corp. engages in the design and manufacture of computer graphics processors, chipsets, and related multimedia software. It operates through the following segments: Graphics Processing Unit (GPU), Tegra Processor, and All Other. The GPU segment consists of product brands, including GeForce for gamers, Quadro for designers, Tesla and DGX for AI data scientists and big data researchers, and GRID for cloud-based visual computing users. The Tegra Processor segment integrates an entire computer onto a single chip and incorporates GPUs and multi-core CPUs to drive supercomputing for autonomous robots, drones, and cars, as well as for consoles and mobile gaming and entertainment devices. The All Other segment refers to the stock-based compensation expense, corporate infrastructure and support costs, acquisition-related costs, legal settlement costs, and other non-recurring charges. The company was founded by Jen Hsun Huang, Chris A. Malachowsky, and Curtis R. Priem in April 1993 and is headquartered in Santa Clara, CA.

Price Chart

Key Info & Metrics

Empirical Research Rank:	**4**
Date Purchased:	05/25/2023
Price:	$379.80
52-Week Range:	$112.27 - $379.80
Dividend Yield:	0.04%
Market Cap ($M):	$938,106
Forward Price-to-Earnings:	47

Total Return

Year-to-Date:	159.9%
1 Year:	123.9%
3 Year:	322.0%
5 Year:	515.0%

Investment Case - Updated: February 27, 2023

NVIDIA designs and sells graphics processing units (GPUs). These semiconductors are used in applications including gaming (about one third of company revenue) and data centers (about sixty percent of revenue) and other applications. The gaming segment is somewhat cyclical but is growing on a multi-year basis. The data center business has driven most of NVIDIA's growth, rising from less than $1 billion of revenue in 2017 to $15 billion revenue in 2022. NVIDIA is a beneficiary of two trends. First, mega cloud providers are plowing billions of dollars into building new data centers as more real-world activities like shopping and entertainment move to the web. Second, AI is increasingly interwoven in existing computer applications. GPU chips are best at highly repetitive calculations making them uniquely suited for training artificial intelligence (AI) and machine learning (ML) computing algorithms. For instance, NVIDIA's chips are instrumental in training the large language model that underpins the recently popular ChatGPT. Wall Street expects NVIDIA's data center business could nearly double in size by 2025.

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