

# Equity Research Report: NVIDIA Corporation

Rating:	HOLD
Target Price:	1160.00

## Income Statement Analysis

The company's income statement for the current fiscal year reveals a significant revenue increase to \$60.9 billion, up 126% from the previous year, driven by robust demand in the Compute & Networking segment. The cost of goods sold and operating expenses were efficiently managed, leading to a gross profit margin of 72.7%, an improvement from 56.9% last year. The operating margin surged to 54.1%, indicating enhanced operational effectiveness, and the net profit margin expanded to 48.9%, reflecting overall profitability growth. These metrics, compared to historical data, show a strong growth pattern and profitability trend. The company's financial health is robust, with sustainable revenue growth and potential areas for further cost optimization and profit maximization in supply chain management and R&D; investment efficiency.

## Balance Sheet Analysis

The company's balance sheet for the most recent fiscal year reveals a robust financial structure, characterized by a significant increase in total assets to \$65.73 billion, up from \$41.18 billion the previous year, driven by a substantial rise in current assets, including cash and receivables. The firm's liquidity is strong, with a working capital of \$33.71 billion, significantly higher than the previous year's \$16.51 billion, indicating improved operational efficiency. Long-term debt stands at \$8.46 billion, manageable given the company's asset base and equity position. Shareholders' equity surged to \$42.98 billion, reflecting a solid equity position and investment potential. The company's financial trends show marked improvements in liquidity and solvency, with a capital structure that balances leverage and asset management effectively. This positions the firm well for future growth, underscoring its fiscal health and long-term prospects.

## Cashflow Analysis

The company experienced a significant increase in cash flow from operating activities in the latest fiscal year, rising to \$28.09 billion, driven by robust revenue growth, indicating strong core business profitability. Investing activities used \$10.566 billion, primarily for capital expenditures and marketable securities, reflecting ongoing investments in growth and operational capacity. Financing activities resulted in a net outflow of \$13.633 billion, including debt repayment, share repurchases, and dividend payments, showcasing a balanced approach to shareholder returns and capital structure management. Compared to the previous period, the company has significantly improved its liquidity position, with a notable increase in cash, cash equivalents, and marketable securities. This financial maneuvering demonstrates effective cash management, positioning the company well for future growth while maintaining a solid liquidity buffer to mitigate financial challenges.

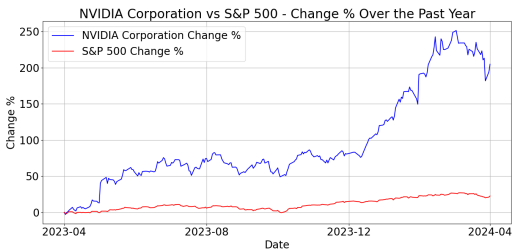
## Summarization

The comprehensive analysis of the income statement, balance sheet, and cash flow for the latest fiscal year underscores NVIDIA's exceptional operational performance, financial stability, and cash management efficiency. The company's significant revenue growth, driven by the Compute & Networking segment, alongside effective cost management strategies, has markedly enhanced profitability, as evidenced by the substantial improvements in gross, operating, and net profit margins. The balance sheet reveals a strong financial structure with increased liquidity and solvency, highlighting NVIDIA's robust fiscal health and potential for sustained growth. The cash flow analysis further demonstrates the company's solid liquidity position, strategic investment activities, and balanced approach to financing, positioning it well for future expansion. To capitalize on these strengths and mitigate potential risks, NVIDIA should continue to invest in R&D; for innovation, optimize its supply chain for efficiency, and maintain a balanced capital allocation strategy to enhance shareholder value.

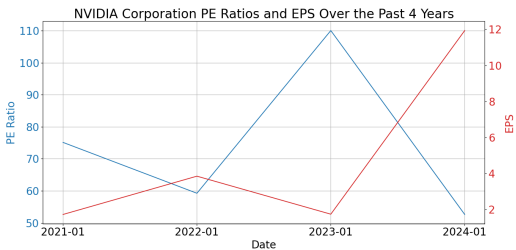
## Key data

6m avg daily val (USDmn)	47.96
Closing Price (USD)	824.23
Market Cap (USDmn)	2060574.92
52 Week Price Range (USD)	262.25 - 974.0
BVPS (USD)	17.442

## Share Performance



## PE & EPS



Income Statement

FY (USD mn)	2024	2023	2022
Tax Effect Of Unusual Items	0.0	-284.13	0.0
Tax Rate For Calcs	0.12	0.21	0.019
Normalized EBITDA	35583.0	7340.0	11351.0
Total Unusual Items	0.0	-1353.0	0.0
Total Unusual Items Excluding Goodwill	0.0	-1353.0	0.0
Net Income From Continuing Operation Net Minority Interest	29760.0	4368.0	9752.0
Reconciled Depreciation	1508.0	1544.0	1174.0
Reconciled Cost Of Revenue	16621.0	11618.0	9439.0
EBITDA	35583.0	5987.0	11351.0
EBIT	34075.0	4443.0	10177.0
Net Interest Income	609.0	5.0	-207.0
Interest Expense	257.0	262.0	236.0
Interest Income	866.0	267.0	29.0
Normalized Income	29760.0	5436.87	9752.0
Net Income From Continuing And Discontinued Operation	29760.0	4368.0	9752.0
Total Expenses	27950.0	21397.0	16873.0
Total Operating Income As Reported	32972.0	4224.0	10041.0
Diluted Average Shares	2494.0	2507.0	2535.0
Basic Average Shares	2469.0	2487.0	2496.0
Diluted EPS	11.93	1.74	3.85
Basic EPS	12.05	1.76	3.91
Diluted NI Availto Com Stockholders	29760.0	4368.0	9752.0
Net Income Common Stockholders	29760.0	4368.0	9752.0
Net Income	29760.0	4368.0	9752.0
Net Income Including Noncontrolling Interests	29760.0	4368.0	9752.0
Net Income Continuous Operations	29760.0	4368.0	9752.0
Tax Provision	4058.0	-187.0	189.0
Pretax Income	33818.0	4181.0	9941.0
Other Income Expense	237.0	-1401.0	107.0
Other Non Operating Income Expenses	237.0	-48.0	107.0
Special Income Charges	0.0	-1353.0	0.0
Restructuring And Mergern Acquisition	0.0	1353.0	0.0
Net Non Operating Interest Income Expense	609.0	5.0	-207.0
Interest Expense Non Operating	257.0	262.0	236.0
Interest Income Non Operating	866.0	267.0	29.0
Operating Income	32972.0	5577.0	10041.0
Operating Expense	11329.0	9779.0	7434.0
Research And Development	8675.0	7339.0	5268.0
Selling General And Administration	2654.0	2440.0	2166.0
Gross Profit	44301.0	15356.0	17475.0
Cost Of Revenue	16621.0	11618.0	9439.0
Total Revenue	60922.0	26974.0	26914.0
Operating Revenue	60922.0	26974.0	26914.0

Cash Flow Sheet

FY (USD mn)	2024	2023	2022
Free Cash Flow	27021.0	3808.0	8132.0
Repurchase Of Capital Stock	-9533.0	-10039.0	0.0
Repayment Of Debt	-1250.0	0.0	-1000.0
Issuance Of Debt	0.0	0.0	4977.0
Capital Expenditure	-1069.0	-1833.0	-976.0
Interest Paid Supplemental Data	252.0	254.0	246.0
Income Tax Paid Supplemental Data	6549.0	1404.0	396.0
End Cash Position	7280.0	3389.0	1990.0
Beginning Cash Position	3389.0	1990.0	847.0
Changes In Cash	3891.0	1399.0	1143.0
Financing Cash Flow	-13633.0	-11617.0	1865.0
Cash Flow From Continuing Financing Activities	-13633.0	-11617.0	1865.0
Net Other Financing Charges	-2858.0	-1535.0	-1994.0
Proceeds From Stock Option Exercised	403.0	355.0	281.0
Cash Dividends Paid	-395.0	-398.0	-399.0
Common Stock Dividend Paid	nan	-398.0	-399.0
Net Common Stock Issuance	-9533.0	-10039.0	0.0
Common Stock Payments	-9533.0	-10039.0	0.0
Net Issuance Payments Of Debt	-1250.0	0.0	3977.0
Net Long Term Debt Issuance	-1250.0	0.0	3977.0
Long Term Debt Payments	-1250.0	0.0	-1000.0
Long Term Debt Issuance	0.0	0.0	4977.0
Investing Cash Flow	-10566.0	7375.0	-9830.0
Cash Flow From Continuing Investing Activities	-10566.0	7375.0	-9830.0
Net Investment Purchase And Sale	-9414.0	9257.0	-8591.0
Sale Of Investment	9782.0	21231.0	16220.0
Purchase Of Investment	-19196.0	-11974.0	-24811.0
Net Business Purchase And Sale	-83.0	-49.0	-263.0
Purchase Of Business	-83.0	-49.0	-263.0
Net PPE Purchase And Sale	-1069.0	-1833.0	-976.0
Purchase Of PPE	-1069.0	-1833.0	-976.0
Capital Expenditure Reported	nan	nan	nan
Operating Cash Flow	28090.0	5641.0	9108.0
Cash Flow From Continuing Operating Activities	28090.0	5641.0	9108.0
Change In Working Capital	-3722.0	-2207.0	-3363.0
Change In Other Working Capital	nan	nan	nan
Change In Other Current Liabilities	514.0	252.0	192.0
Change In Payables And Accrued Expense	3556.0	790.0	1149.0
Change In Accrued Expense	2025.0	1341.0	581.0
Change In Payable	1531.0	-551.0	568.0
Change In Account Payable	1531.0	-551.0	568.0
Change In Prepaid Assets	-1522.0	-1517.0	-1715.0
Change In Inventory	-98.0	-2554.0	-774.0
Change In Receivables	-6172.0	822.0	-2215.0
Changes In Account Receivables	-6172.0	822.0	-2215.0
Other Non Cash Items	-278.0	1346.0	47.0
Stock Based Compensation	3549.0	2709.0	2004.0
Deferred Tax	-2489.0	-2164.0	-406.0
Deferred Income Tax	-2489.0	-2164.0	-406.0
Depreciation Amortization Depletion	1508.0	1544.0	1174.0
Depreciation And Amortization	1508.0	1544.0	1174.0
Operating Gains Losses	-238.0	45.0	-100.0
Gain Loss On Investment Securities	-238.0	45.0	-100.0
Net Income From Continuing Operations	29760.0	4368.0	9752.0