Equity Research Report: NVIDIA Corporation

Business Overview

NVIDIA is a global leader in accelerated computing, specializing in GPUs, data center solutions, and AI infrastructure. Operating in high-performance computing, AI, gaming, professional visualization, and automotive, NVIDIA leverages its full-stack approach—integrating hardware, software, and domain-specific platforms. Key products include Hopper GPU, Grace CPU, DGX Cloud, and DRIVE platform.

Market Position

NVIDIA holds a dominant position in the AI data center GPU market, with CUDA and Hopper architecture widely adopted by hyperscalers and enterprises. Its customer base is diversified, including cloud giants, research institutions, automotive OEMs, and industrial players. The company's global footprint, with 56% of revenue from international markets, provides resilience against regional economic fluctuations. While the U.S. remains a key market, Asia-Pacific—especially China—remains strategically important despite regulatory headwinds.

Operating Results

In fiscal 2024, NVIDIA delivered a historic performance, reporting record revenues of $60.9 billion, a 126% increase from the previous year. This exponential growth was primarily fueled by surging demand for NVIDIA's data center and AI solutions, as organizations across industries accelerated investments in generative AI, machine learning, and high-performance computing. The Data Center segment emerged as the dominant revenue generator, accounting for over 80% of revenues. Broad adoption of Hopper GPU and CUDA among hyperscalers, enterprises, and researchers drove this. Gaming rebounded with double-digit growth, boosted by GeForce RTX 40 Series and improved inventories. Professional Visualization and Automotive posted gains, reflecting adoption of virtual collaboration and autonomous vehicle tech. Gross margin rose to 74% due to high-margin data center products and operational efficiency. Operating income hit $32.6B, net income $29.8B (EPS $11.93). Operating cash flow reached $28.1B, enabling $9.5B in share repurchases/dividends. NVIDIA ended with $26.6B in cash/securities, supporting R&D; and expansion. These results highlight NVIDIA's successful navigation of the evolving tech landscape and its leadership in AI.

Financial Metrics

FY (USD mn)	2021	2022	2023	2024	2025
Revenue	16675	26914	26974	60922	130497
Revenue Growth	-38.0%	-0.2%	-55.7%	-53.3%	682.6%
Gross Revenue	10396	17475	15356	44301	97858
Gross Margin	0.62	0.65	0.57	0.73	0.75
EBITDA	5691	11351	5986	35583	86137
EBITDA Margin	0.34	0.42	0.22	0.58	0.66
FCF	5822	9108	5641	28090	64089
FCF Conversion	1.34	0.93	1.29	0.94	0.88
ROIC	17.1%	24.6%	11.7%	51.3%	75.3%
EV/EBITDA	58.62	54.72	81.05	43.45	33.78
PE Ratio	75.43	62.68	109.09	51.83	39.9
PB Ratio	19.34	22.97	21.56	35.89	36.66

FinRobot

https://ai4finance.org/

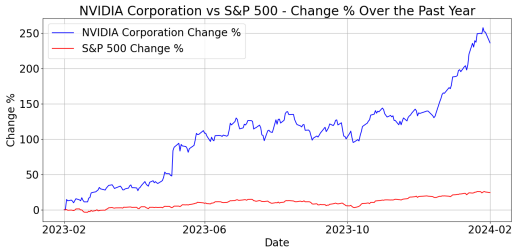
https://github.com/AI4Finance-Foundation/FinRobot

Report date: 2024-02-21

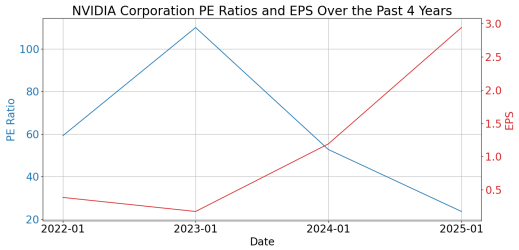
Key data

Rating	buy
Target Price	90.0 - 1400.0 (md. 250.0)
6m avg daily vol (USDmn)	462.83
Closing Price (USD)	69.41
Market Cap (USDmn)	1661111.40
52 Week Price Range (USD)	21.08 - 72.46
BVPS (USD)	1.74

Share Performance



PE & EPS



Risk Assessment

NVIDIA faces key risks: regulatory/export restrictions, especially toward China, threaten access to data center markets and supply chains. Rapid tech change and fierce competition from AMD, Intel, and new AI entrants require constant innovation and execution. Supply chain concentration—reliance on a few foundries—exposes NVIDIA to disruptions from geopolitical or natural events. Mitigation strategies include geographic diversification, supply chain partnerships, and compliance efforts.

Competitors Analysis

NVIDIA's main competitors—AMD, Broadcom, Texas Instruments, Qualcomm, and Intel—are all investing in AI, data center, and edge computing. AMD's MI300 is gaining traction in AI; Broadcom expands in data center networking; Texas Instruments leads in analog/embedded but lags in AI; Qualcomm focuses on mobile/edge AI; Intel invests in CPUs and custom accelerators. NVIDIA's integrated hardware-software approach, developer ecosystem, and first-mover AI advantage keep it ahead, but competitors' vertical integration and pricing pose ongoing challenges.