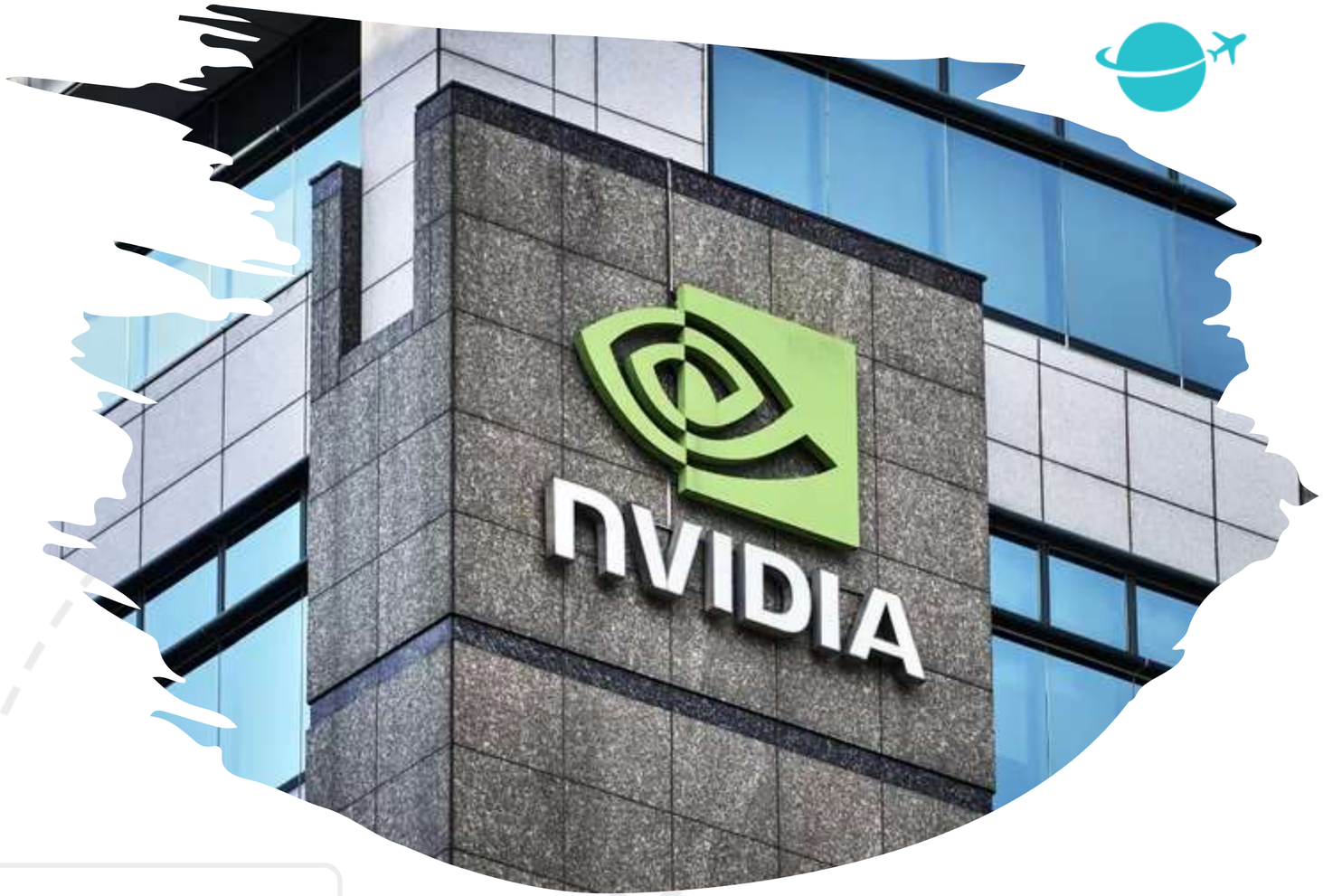
# CORPORATE STRATEGY




2025

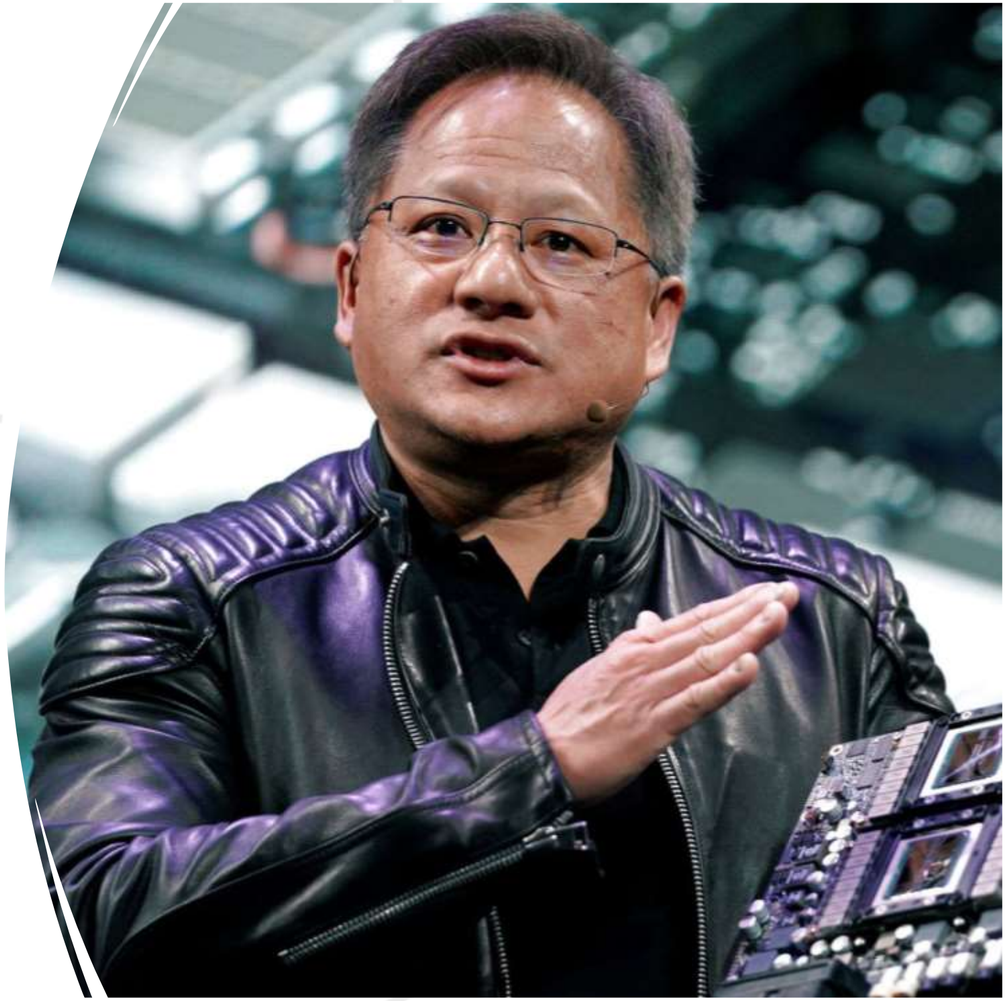
AGOUNA Ibrahim

NVIDIA

# PLAN



# 01. CONTEXT



*NVIDIA, founded in 1993 and based in Santa Clara, California, is a major player in the development of GPUs, CPUs, DPUs, and AI platforms. Since 2020, the rise of generative AI has strengthened its leadership. Its technologies are used in 75% of the TOP500 supercomputers and in all major cloud providers. The current CEO is Jensen Huang*


For the first quarter of the fiscal year 2025, which ended on April 28, 2024, NVIDIA reported revenue of $26 billion, representing a 262% increase compared to the previous year and an 18% increase compared to the previous quarter.

# 02. Porter's Force

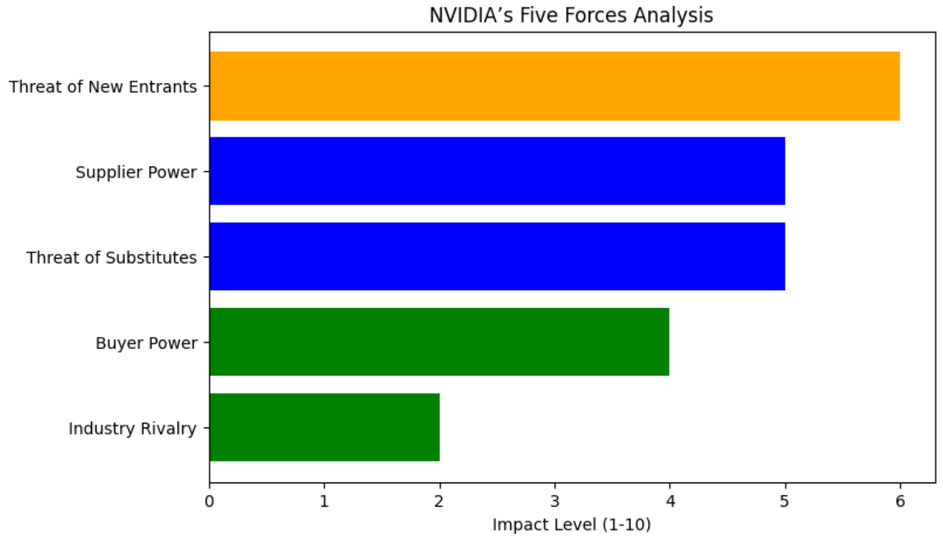
Threat of new entrants: High costs and the necessary expertise create barriers to entry.

Supplier power: NVIDIA depends on key suppliers like TSMC, but has significant weight.

Customer Power Businesses and consumers have several options, but NVIDIA remains a dominant choice.

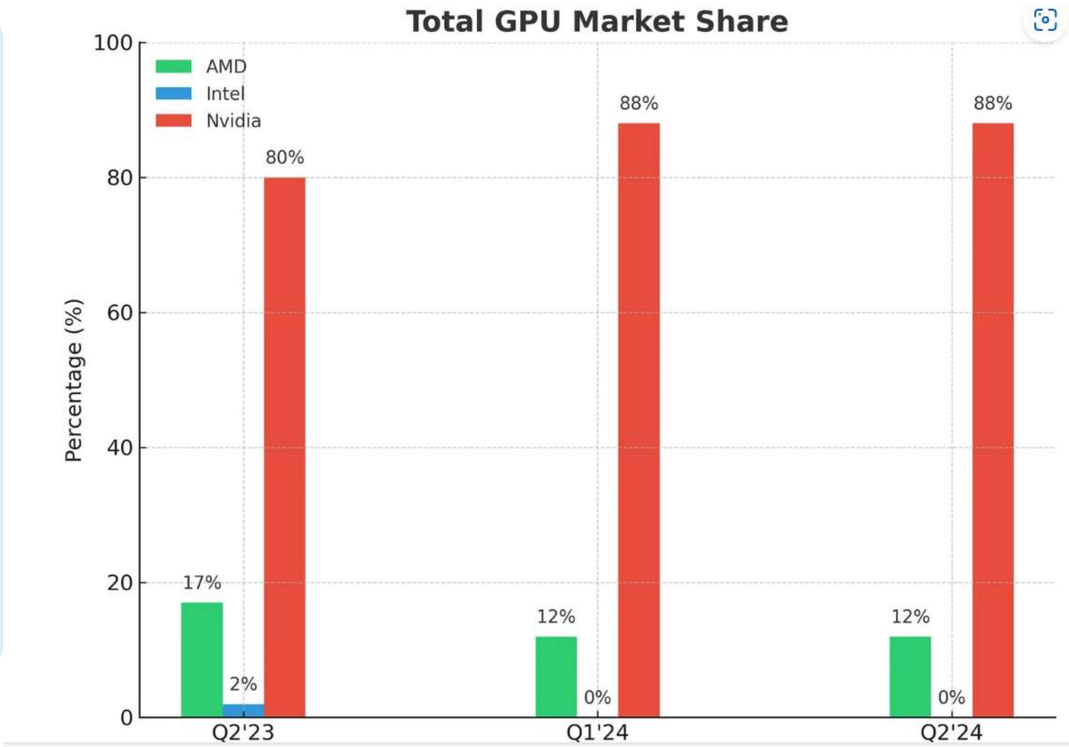
The rise of TPUs (Google) and other specialized technologies creates a threat.

Competitive rivalry AMD, Intel, Qualcomm, and Chinese players are intensifying competition.



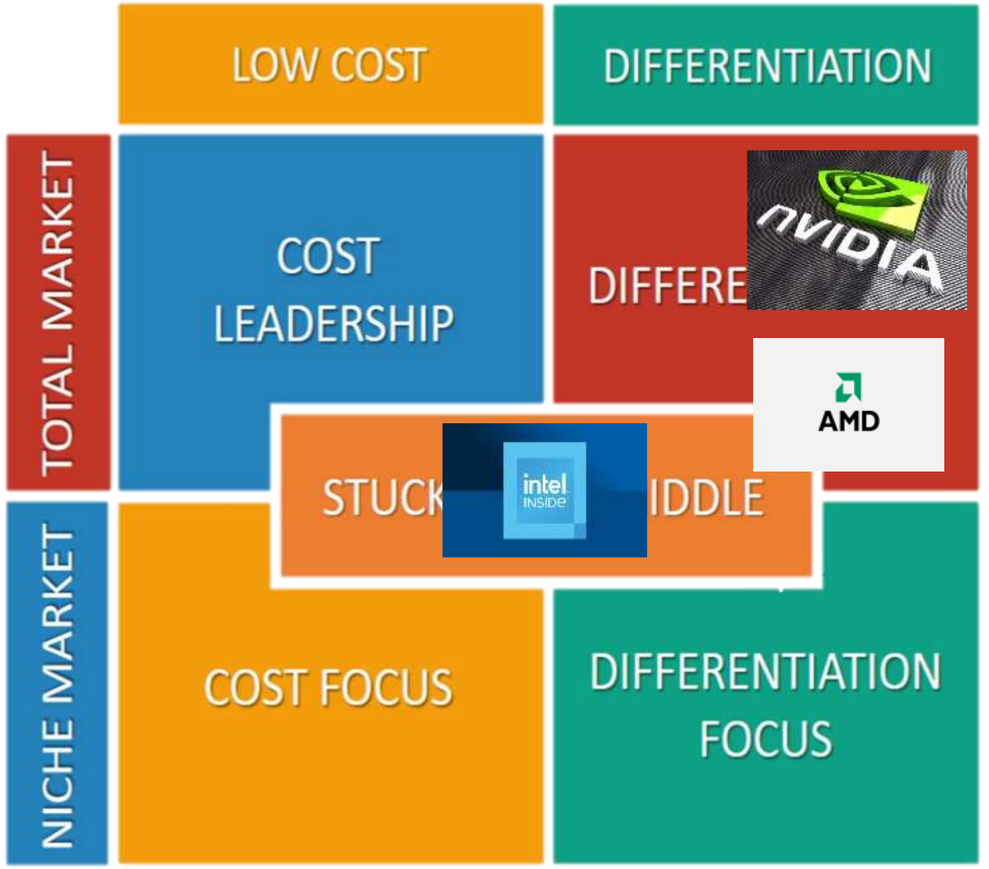
# 03. Market Situation vs competitors

NVIDIA dominates the GPU market with an 88% market share in Q1 and Q2 2024, up from 80% in Q2 2023. Meanwhile, AMD’s share dropped from 17% to 12%, and Intel disappeared entirely (0%). This consolidation of NVIDIA’s leadership is driven by its technological edge (CUDA, AI, HPC) and premium positioning, leaving little room for competitors. If the trend continues, NVIDIA could surpass 90% market share by 2026, making competition even more challenging for AMD and Intel.



# 04. Relative Position ( Cost /Tech)

NVIDIA is positioned in differentiation, offering high-end GPUs with exclusive technologies like CUDA and AI to stand out. AMD, while competitive in performance-to-price ratio, also follows a differentiation strategy but with a more accessible offering. Intel, on the other hand, is classified as "stuck in the middle," indicating that it has yet to establish a clear competitive advantage in GPUs, struggling to compete with NVIDIA on performance and with AMD on price.



# 05. SWOT ANALYSIS



## Strengths

- Dominance in GPU Technology
- High Brand Equity
- Diverse Product Portfolio
- Strong Strategic Partnerships
- Innovative Technologies
- Strong Financial Performance

## Weaknesses

- Supply Chain Vulnerabilities
- High Product Prices
- Intensifying Competition
- Market Concentration
- Limited Software Ecosystem
- Heavy Dependency on PC Gaming

## Opportunities

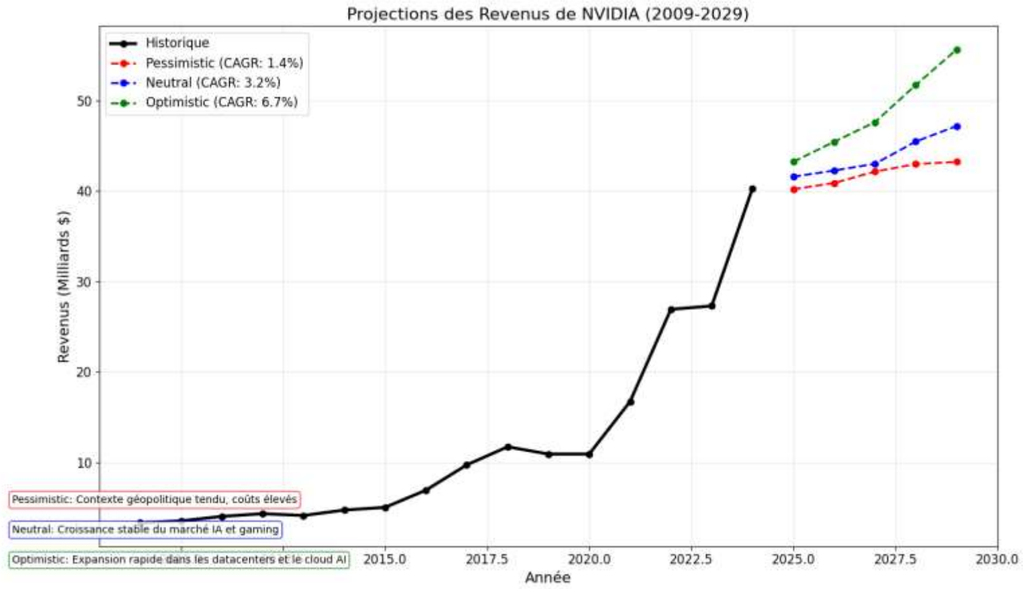
- Expansion into Artificial Intelligence (AI) and Machine Learning Markets
- Growth in Cloud Gaming and Virtual Reality (VR)
- Expansion into Automotive Technologies
- Pioneering Edge Computing Solutions

## Threats

- Escalating Competition
- Supply Chain Vulnerabilities
- Rapidly Changing Consumer Preferences
- Economic Cycles and Market Instability
- Legal and Regulatory Challenges

# 06. Income Statement from 2022 to 2030

| Variables | 2022 | 2023 | 2024 | 2030 Pessimistic | 2030 Neutral | 2030 Optimistic |
|---|---|---|---|---|---|---|
| Revenue (Billion $) | 26.91 | 27.28 | 40.3 | 60.0 | 76.0 | 90.0 |
| Cost of Goods Sold (Billion $) | 9.439 | 11.618 | 16.621 | 30.0 | 32.64 | 35.0 |
| Net Income (Billion $) | 9.752 | 4.368 | 29.76 | 25.0 | 72.88 | 85.0 |
| ROI Last Quater of year (%) | 17,9 | 52,57 | 113,65 | 248.57 | 276.18 | 303.80 |



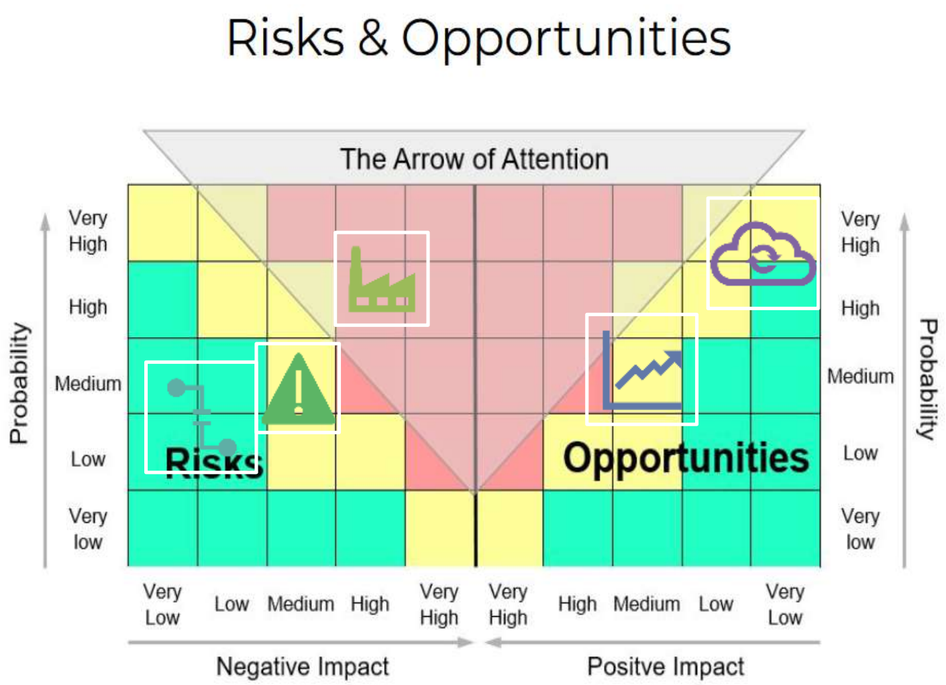

The optimistic scenario anticipates strong growth driven by the expansion of data centers and AI, while the pessimistic scenario reflects a tense geopolitical context and rising costs, limiting expansion.

**SOURCE : MACROTRENDS**

# 07. OPPORTUNITIES

Given NVIDIA's weaknesses, particularly its reliance on certain products and the risks associated with the chip supply chain, we propose a two-year diversification and supply chain security project. This initiative aims to develop in-house components and strengthen resilience against market fluctuations.

# A. Risks & Opportunities




**CLong processus de développement** : Les nouvelles générations de GPU nécessitent des investissements massifs en R&D et des délais de production importants.

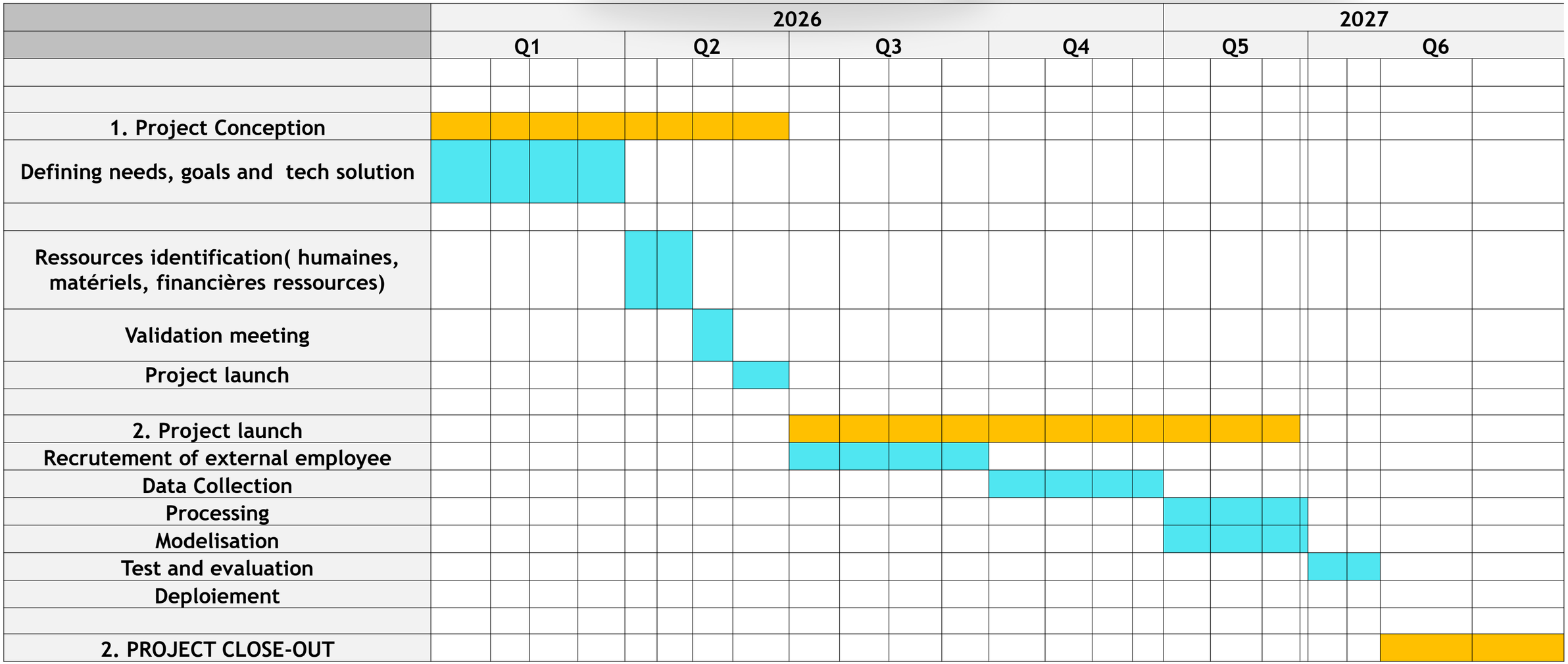
Dependence on suppliers and supply chains: Geopolitical tensions and export restrictions (e.g. China - USA) can disrupt the supply of semiconductors.

Negative impact in case of technological defect: A defect in the architecture of a GPU or a delay in a key launch can impact the reputation and profitability of the company.

Cost optimization and increased efficiency: Investing in your own production infrastructure or strengthening collaboration with new partners can reduce dependence on external suppliers.

Expansion into AI and cloud computing: The growing demand for data centers and AI solutions provides a unique opportunity for revenue expansion and diversification.

# B. Integral Timetable



# THANKS !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