

Flash Comment — September 9, 2025

Semiconductors

Nvidia Corporation

NVDA Expands High-End Rack-Scale Portfolio w/ New Rubin CPX—A Quick Look

Our Call

At today's AI Infra Summit, NVDA VP of Hypercale & HPC Ian Buck introduced the company's *Rubin CPX*—a new class of purpose-built GPU to deliver high-performance massive context processing; GA in late-2026 via Vera-Rubin NVL144 rack-scale systems.

Initial Thoughts

What's Rubin CPX? Mr. Buck highlighted the *Rubin CPX* integrated in the company's next-generation (2026) *Vera-Rubin* NVL144 compute trak—consisting of 4x Rubin GPUs + 2 Arm-based next-gen Vera CPUs + 8 Rubin CPX GPUs. The company notes that this solution provides 30 PFLOPs of NVFP4 performances in a modular die; coupled with 128GB of GDDR7 memory. The new chips integrate 4x NVENC and 4X NVDEC video encoders on-chip, which are noted to streamline multi-media workflows w/o external processing.

The company highlights that the Rubin CPX chips deliver 3x the attention processing speeds of NVIDIA's current flagship GB300 (Blackwell Ultra) systems. These next-gen compute trays will be integrated as part of NVIDIA's Vera-Rubin rack-scale NVL144 systems using the *Kyber* rack design with NVIDIA's next-gen ConnectX-9 NICs for 1.6T networking; also integrating with NVIDIA's Spectrum6 (102.4T) Ethernet switching silicon and co-packaged optics.

These systems are expected to be GA in late-2026; following anticipated Rubin GPU launch in 1H2026.

Overweight
Price Target: \$220.00

Ticker	NVDA
Upside/(Downside) to Target	30.6%
Price (09/09/2025)	\$168.41
52 Week Range	\$86.62 - 184.48
Market Cap (MM)	\$4,131,434

Source: Company Data, Wells Fargo Securities estimates, and Factset.
NA = Not Available, NC = No Change, NE = No Estimate

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VR NVL144 CPX



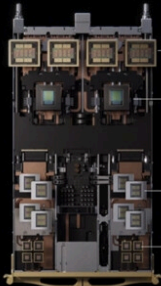
\$5B Revenue per \$100M invested

8 EF NVFP4
7.5x GB300 NVL72

1.7 PB/s Memory
3x

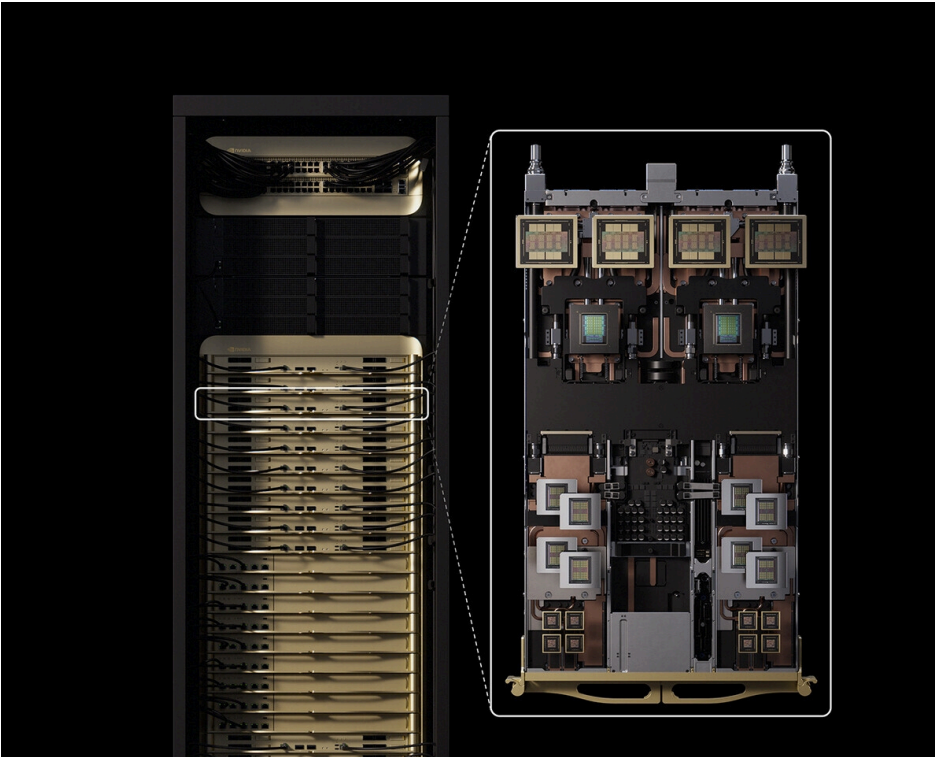
100 TB Fast Memory
2.5x

VR NVL144 CPX Compute Tray

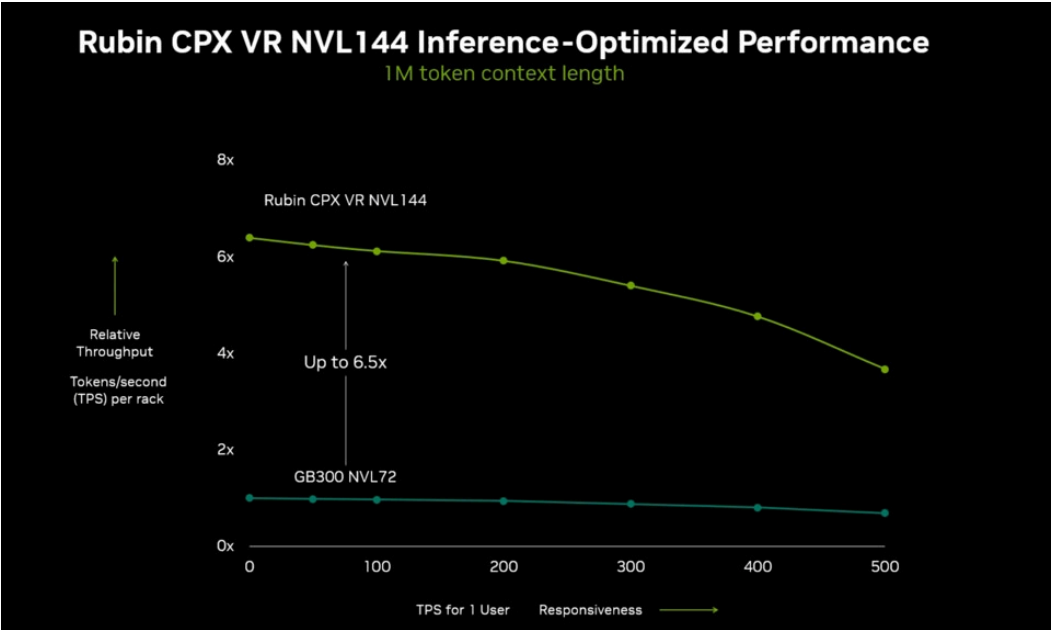


- Rubin
- Vera
- Rubin CPX
- ConnectX-9

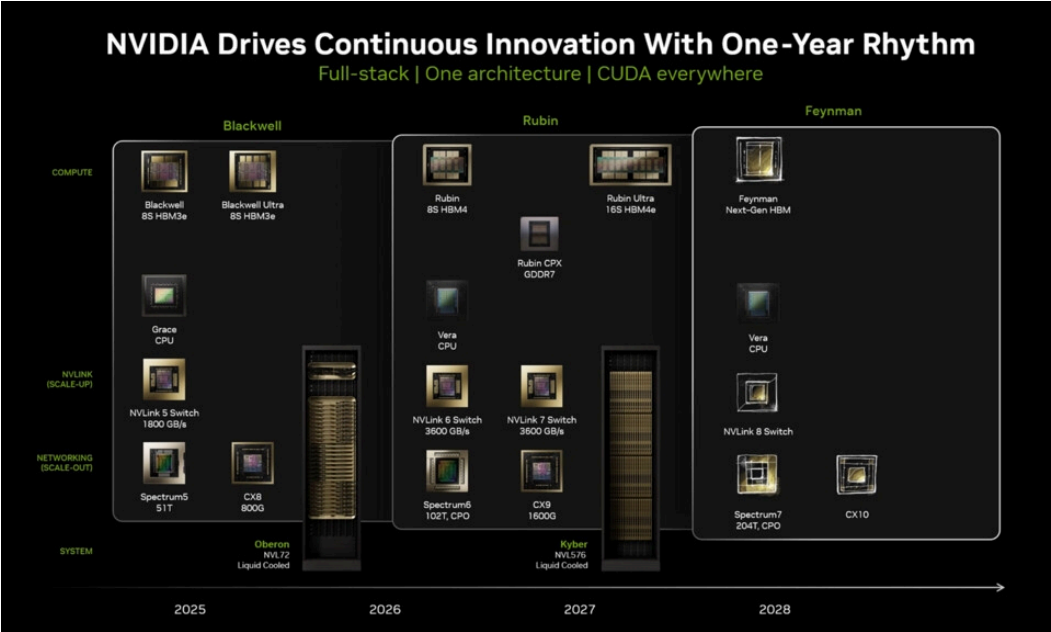
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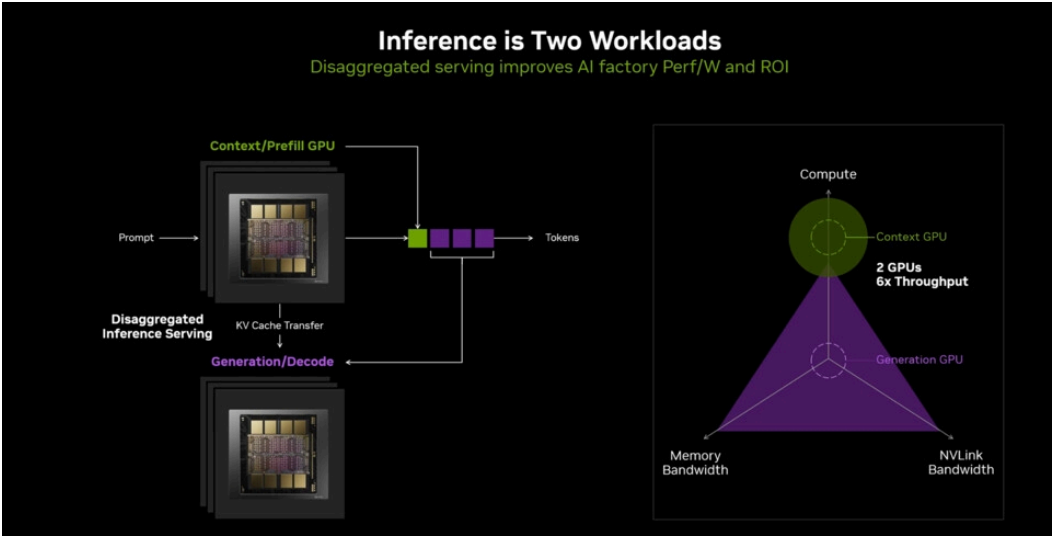
Source: NVIDIA



Source: NVIDIA



Source: NVIDIA



Source: NVIDIA

Investment Thesis, Valuation and Risks

Nvidia Corporation (NVDA)
Investment Thesis

Our Overweight rating is based on our positive stance on NVIDIA’s competitive positioning in gaming GPUs and expanding growth opportunities in data center, HPC, and emerging / expanding AI opportunities (autonomous vehicles, healthcare, robotics, etc.). We see sustainability in NVIDIA's CUDA software platform differentiation, as well as the company's continually deepening system software capabilities. We see NVIDIA as one of the most attractive secular growth stories in large-cap semis.

Target Price Valuation for NVDA: \$220.00 from NC

Our \$220 price target is ~29x P/E on our C2027E. This compare to NVDA trading at a ~36x median NTM P/E on consensus estimates over the past three years. We think a premium multiple for NVIDIA is warranted given its strong multi-year competitive positioning for data center growth, driven by cloud and AI, gaming, next-generation autonomous vehicles, and an expanding ecosystem of products/ applications (e.g., Omniverse).

Risks to Our Price Target and Rating for NVDA

Risks include: (1) increased competition in the PC gaming, cloud data center markets, and high-performance computing, (2) the continued development of new markets, including artificial intelligence/machine learning and autonomous driving, (3) delays in product introduction due to use of third-party process technology, component availability, etc.

Companies Mentioned in Report

Company Name	Ticker	Last Price (09/09/25)	Rating
Nvidia Corporation	NVDA	\$168.41	Overweight

Source: Wells Fargo Securities LLC Estimates, FactSet

