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# NVIDIA Corp (NVDA.O)

## Jul-Q Results & Guide In-Line with Investor Expectations

### CITI'S TAKE

NVDA reported better-than-expected Jul-Q results amid robust AI demand strength. We are awaiting commentary on the earnings call at 5pm ET. See our [Mid-Q Update](#) and [Preview](#).

**Fundamentals:** NVDA reported Jul-Q revs/non-GAAP EPS (ex-SBC) of \$46.7B/\$1.04 (excluding H2O charge and related tax impact, or \$1.05 if including) vs. our \$45B/\$0.97 and Street's (FactSet) \$46B/\$1.01 (ex-SBC). The company had no H2O sales to China-based customers in the quarter, and benefited from a \$180M release of previously reserved H2O inventory. The company's Blackwell Data Center revenue grew 17% sequentially, and CEO commented that production of Blackwell Ultra is ramping at full speed with extraordinary demand. NVDA guided Oct-Q revenue to \$54B (at MP) vs. our \$53.5B and Street's \$53.4B. The company has not assumed any H2O shipments to China in the outlook. Looking at other metrics, Jul-Q non-GAAP GM (ex-SBC) came in at 72.3% (72.7% if excluding H2O related charges/releases) vs. Citi's 72.2%. Oct-Q's Non-GAAP GM (ex-SBC) is guided to 73.5% (at MP), which is in line with Citi estimate but 70bps above Street expectations. The company continues to expect to exit the year with non-GAAP gross margin in the mid-70% range.

### Buy

Price (27 Aug 25 16:00)	US\$181.51
Target price	US\$190.00
Expected share price return	4.7%
Expected dividend yield	0.0%
Expected total return	4.7%
Market Cap	US\$4,428,844M

Atif Malik<sup>AC</sup>

Papa Sylla

### Jul-Q Segments Sales Results:

- Data Center sales rose 5% Q/Q vs. Citi's/Street's +5%/+6%.
- Gaming revenue was up 14% Q/Q vs. Citi's/Street's +3%/-2%.
- Pro Visualization sales was up 18% Q/Q vs. Citi's/Street's +1%/+4%.
- Auto revenue was up 3% Q/Q vs. Citi's/Street's +3%/+2%.

**Going into the earnings call, investors will be focused on...** 1) Hyperscalers' demand sustainability following recent capex positive revisions and sovereign AI/neocloud AI demand potential. 2) Updated views on China market. 3) Hopper to Blackwell transition and GB200/GB300 ramp progress. 4) Updates on gross margin trajectory.

### See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations

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# NVIDIA Corp

## Valuation

Our price target for NVDA of \$190 is based on ~30x P/E on \$6.37 C26E EPS. Our 30x P/E multiple is roughly in-line with the 3-5 year average.

## Risks

Downside risks to the attainment of our target price include: 1) competition on gaming could drive the stock lower if Nvidia loses market share; 2) slower-than-expected adoption of new platforms can drive lower data center and gaming sales; 3) lumpiness in auto and data center markets can add volatility to the stock/multiple; and 4) cryptomining impact on gaming sales.

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