

Relative Valuation Analysis Report

Executive Summary

NVIDIA Corporation (NASDAQ: NVDA) is a global leader in visual computing technologies, specializing in Graphics Processing Units (GPUs), Artificial Intelligence (AI), and High-Performance Computing (HPC). This report provides a comprehensive financial analysis, utilizing relative valuation techniques to assess NVIDIA's current market position. Our analysis suggests that NVIDIA's valuation reflects its dominant market position, with continued strong revenue growth and expanding profit margins driving its premium multiples.

Business Overview

Founded in 1993, NVIDIA pioneered the GPU, revolutionizing gaming, professional visualization, and AI-driven computing. Today, NVIDIA operates in multiple segments: Gaming, Data Center, Professional Visualization, Automotive, and OEM & Other.

Industry Overview & Competitive Positioning

NVIDIA competes in the semiconductor industry, facing major rivals such as Advanced Micro Devices (AMD), Intel (INTC), and Qualcomm (QCOM). The industry is characterized by high R&D investment, rapid technological evolution, and economies of scale.

Financial Performance Analysis

NVIDIA has demonstrated remarkable growth in recent years:

- Q4 2024 Revenue: \$35.08 billion (+93.61% YoY)
- Annual Revenue (2024): \$113.27 billion (+152.44% YoY)
- Data Center Revenue Share: 29.3%

Additionally, NVIDIA has strong liquidity with a Current Ratio of 5.5x and a balanced capital structure with a Debt-to-Equity Ratio of 0.7x.

Relative Valuation Analysis

We apply comparative valuation metrics using key industry competitors: AMD, Intel, and Qualcomm. NVIDIA trades at a significant premium compared to its peers, reflecting its dominant market share in AI and GPUs.

Investment Recommendation

We issue a HOLD recommendation on NVIDIA, given its strong market positioning but elevated valuation. The company's growth in AI and data centers supports a high multiple, but investors

should be mindful of industry competition, supply chain risks, and regulatory factors impacting semiconductor sales. NVIDIA remains a leader in innovation, and long-term investors could benefit from its AI-driven expansion.