



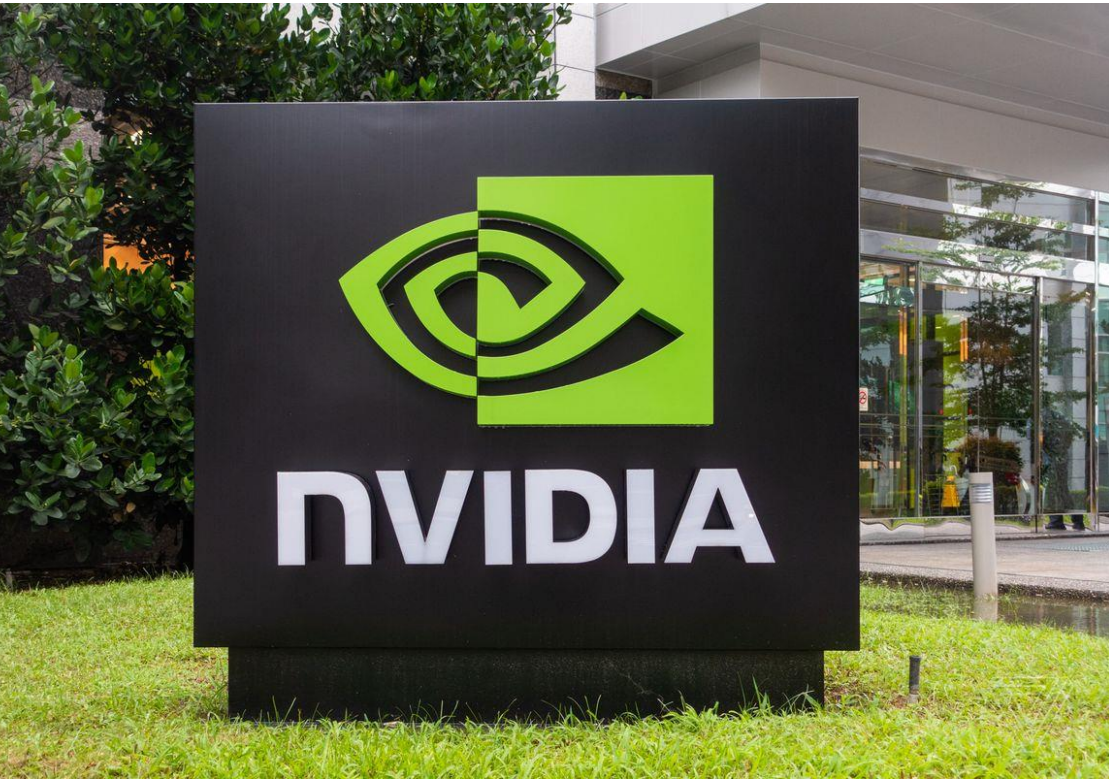
VALUATION FY2017-PRESENT

KILSARIS MERA
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EUCLID TECHNOLOGIES, CORP

VALUATION SUMMARY

KEY POINTS



NVIDIA has demonstrated that having a **consistent, coherent strategies with strong narratives** can bring about stellar results.

NVIDIA focuses on serving high growth markets where it can expect to consistently yield strong results.

- Gaming & AI explode from FY2017 going forward.
 - NVIDIA democratizes high quality gaming by developing GeForce Now as well as by designing lower cost models.
 - AI and ML acceleration through GPU becomes the norm.
- Each new architecture that NVIDIA launches brings forth strong leaps in performance.
- Core Datacenter player through 3-chip strategy and software development kits that accelerate AI implementation.
- NVIDIA Omniverse development to disrupt ways of working and graphics.

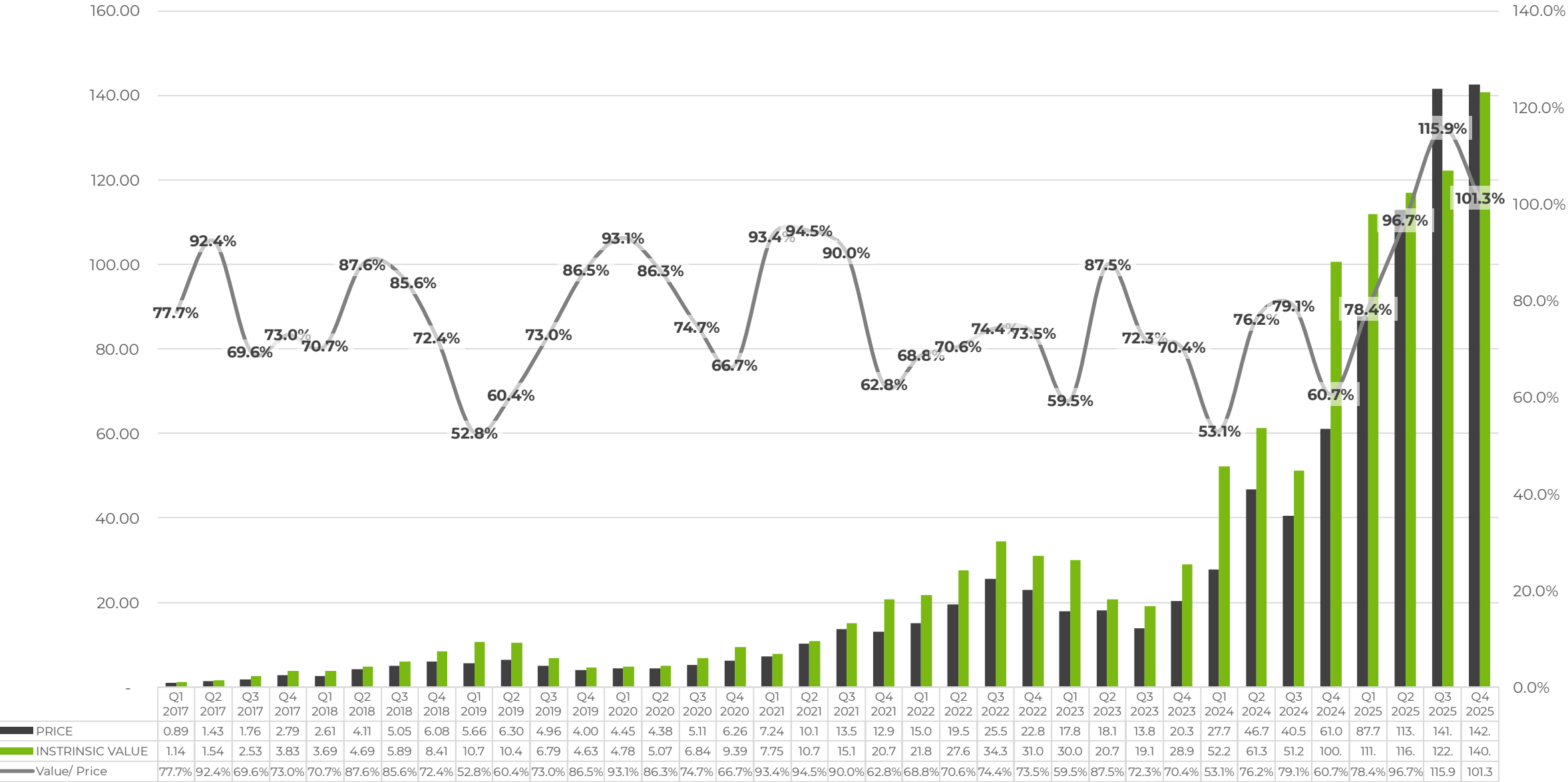


JENSEN HUANG

KEY PLAYER IN BRINGING SUCCESS

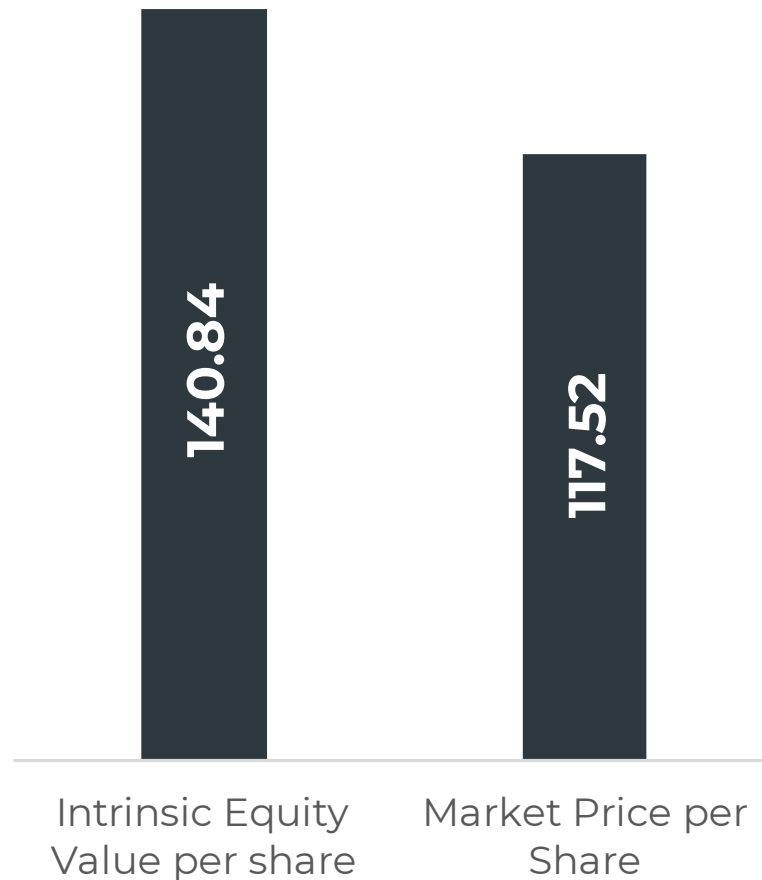
Strong CEO with a clear vision and proven track record.

INTRINSIC VALUE VS REAL VALUE OVER THE YEARS



Adjusted all values for 10:1 split in FY2025 Q1

VALUE OF THE COMPANY TODAY



83.4%
PRICE AS % OF VALUE

Market Close Date: March 17, 2025



BUSINESS OVERVIEW

FINANCIAL VALUATIONS PER QUARTER

FY2025

VALUATION AT A GLANCE

FY2017

-

FY2024

AGENDA



BUSINESS OVERVIEW

BUSINESS OVERVIEW



WHO IS NVIDIA

American technology company that designs graphic processing units (GPUs).



JENSEN HUANG

President, Founder & CEO

FOUNDED APRIL 1993

ABOUT JENSEN



Jensen Huang founded NVIDIA in 1993 and has served since its inception as president, chief executive officer, and a member of the board of directors.

Since its founding, NVIDIA has pioneered accelerated computing. The company's invention of the GPU in 1999 sparked the growth of the PC gaming market, redefined computer graphics, and ignited the era of modern AI. NVIDIA is now driving the platform shift of accelerated computing and generative AI, transforming the world's largest industries, and profoundly impacting society.

Huang is a recipient of the Semiconductor Industry Association's highest honor, the Robert N. Noyce Award; IEEE Founder's Medal; the Dr. Morris Chang Exemplary Leadership Award; and honorary doctorate degrees from Taiwan's National Chiao Tung University, National Taiwan University, and Oregon State University. He has been named the world's best CEO by Harvard Business Review and Brand Finance, as well as Fortune's Businessperson of the Year and one of TIME magazine's 100 most influential people.

Source: Nvidia Executive Bios

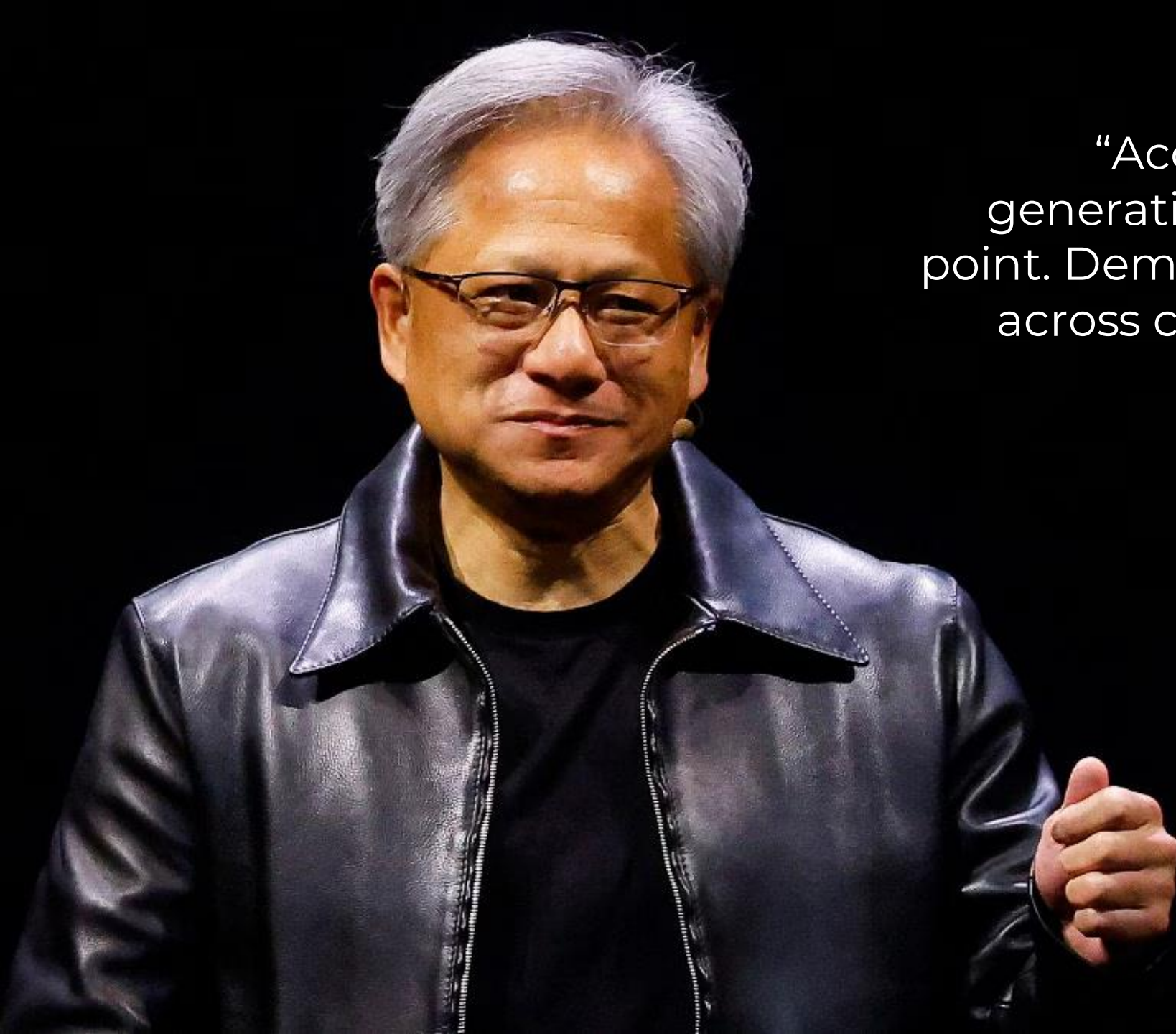
Headquarters: Santa Clara, CA

NVIDIA pioneered accelerated computing to help solve impactful challenges classical computers cannot. A quarter of a century in the making, NVIDIA accelerated computing is broadly recognized as the way to advance computing as Moore's law ends and AI lifts off.

NVIDIA's platform is installed in several hundred million computers, is available in every cloud and from every server maker, powers over 75% of the TOP500 supercomputers, and boasts 4.7 million developers.



Headquarters: Santa Clara, CA
Headcount: ~29,600



“Accelerated computing and generative AI have hit the tipping point. Demand is surging worldwide across companies, industries and nations”

JENSEN HUANG
FOUNDER & CEO OF NVIDIA

Why Accelerated Computing?

Advancing computing in the post-Moore's Law era

Accelerated computing is needed to tackle the most impactful opportunities of our time—like AI, climate simulation, drug discovery, ray tracing, and robotics.

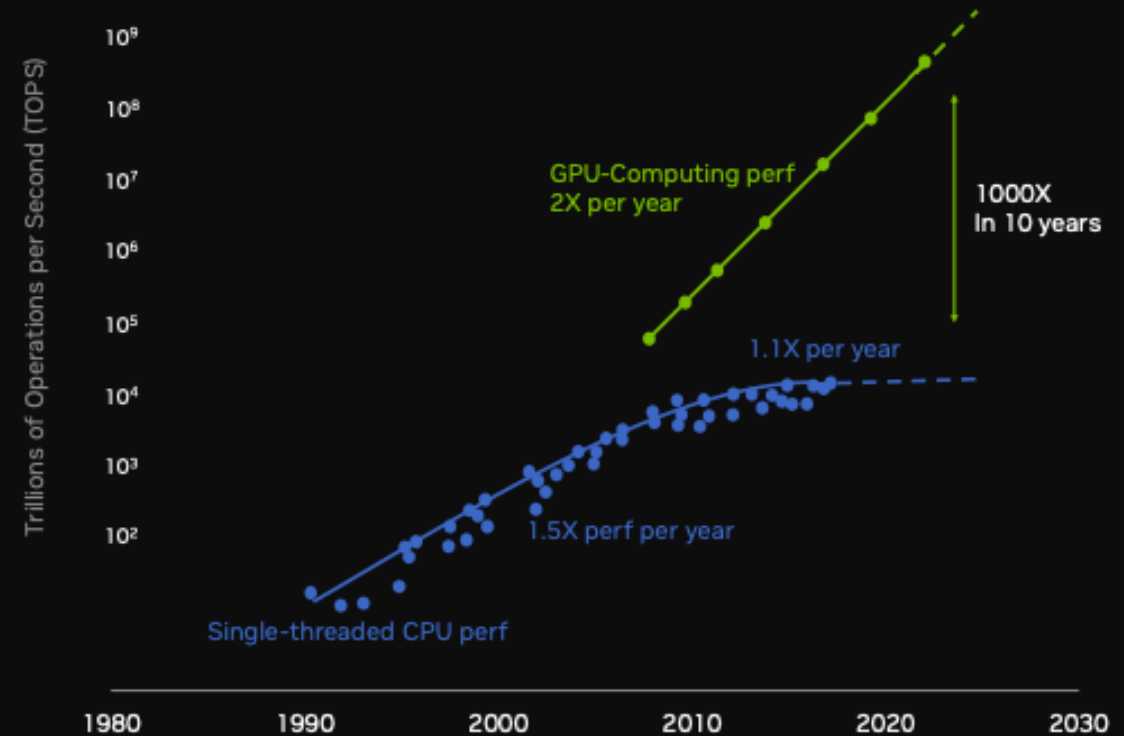
NVIDIA is uniquely dedicated to accelerated computing—working top-to-bottom—refactoring applications and creating new algorithms, and bottom-to-top—inventing new specialized processors, like RT Core and Tensor Core.

"It's the end of Moore's Law as we know it."

- John Hennessy Oct 23, 2018

"Moore's Law is dead."

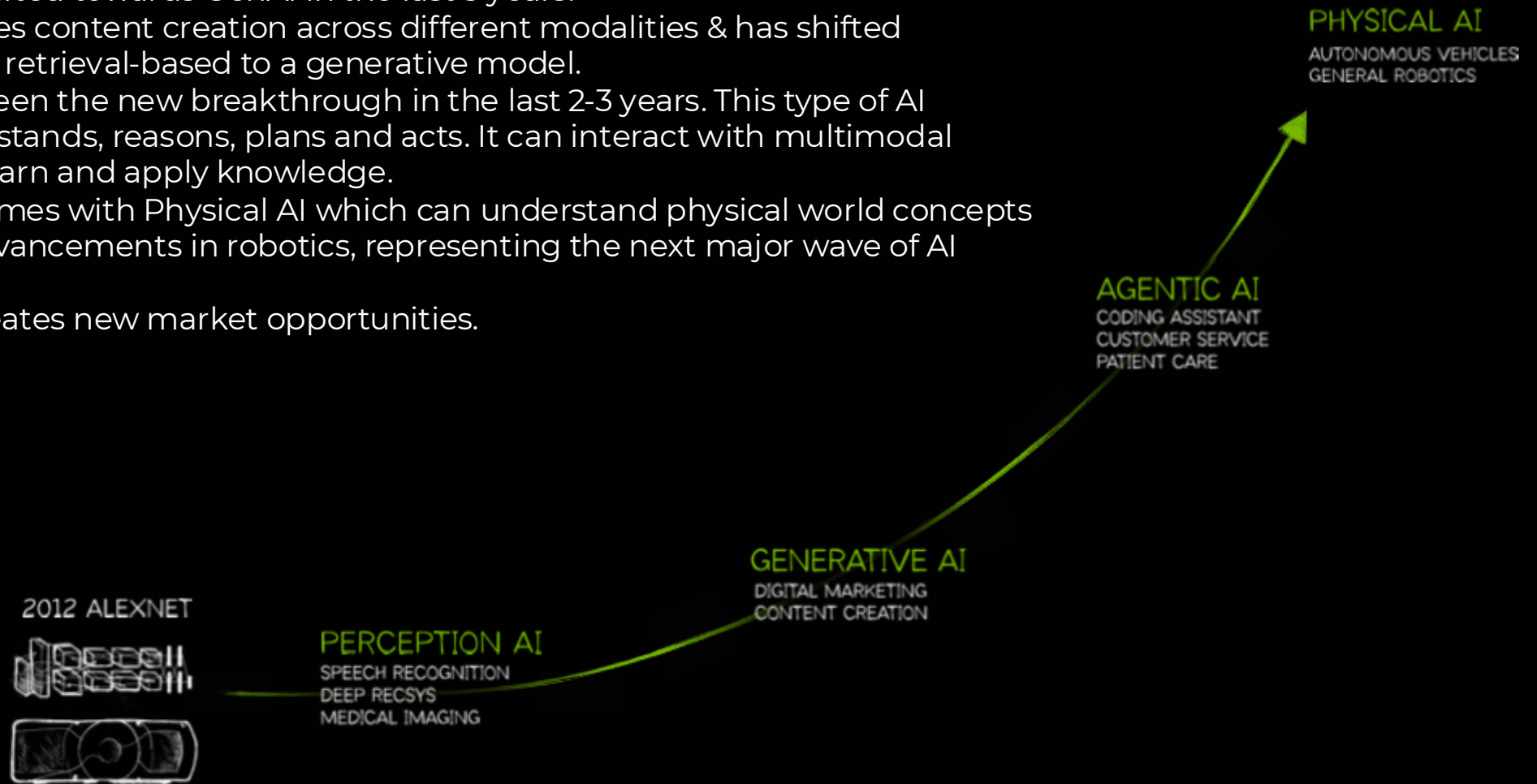
- Jensen Huang, GTC 2013



Source: NVIDIA FY 2024 Q4 presentation

The Evolution of AI

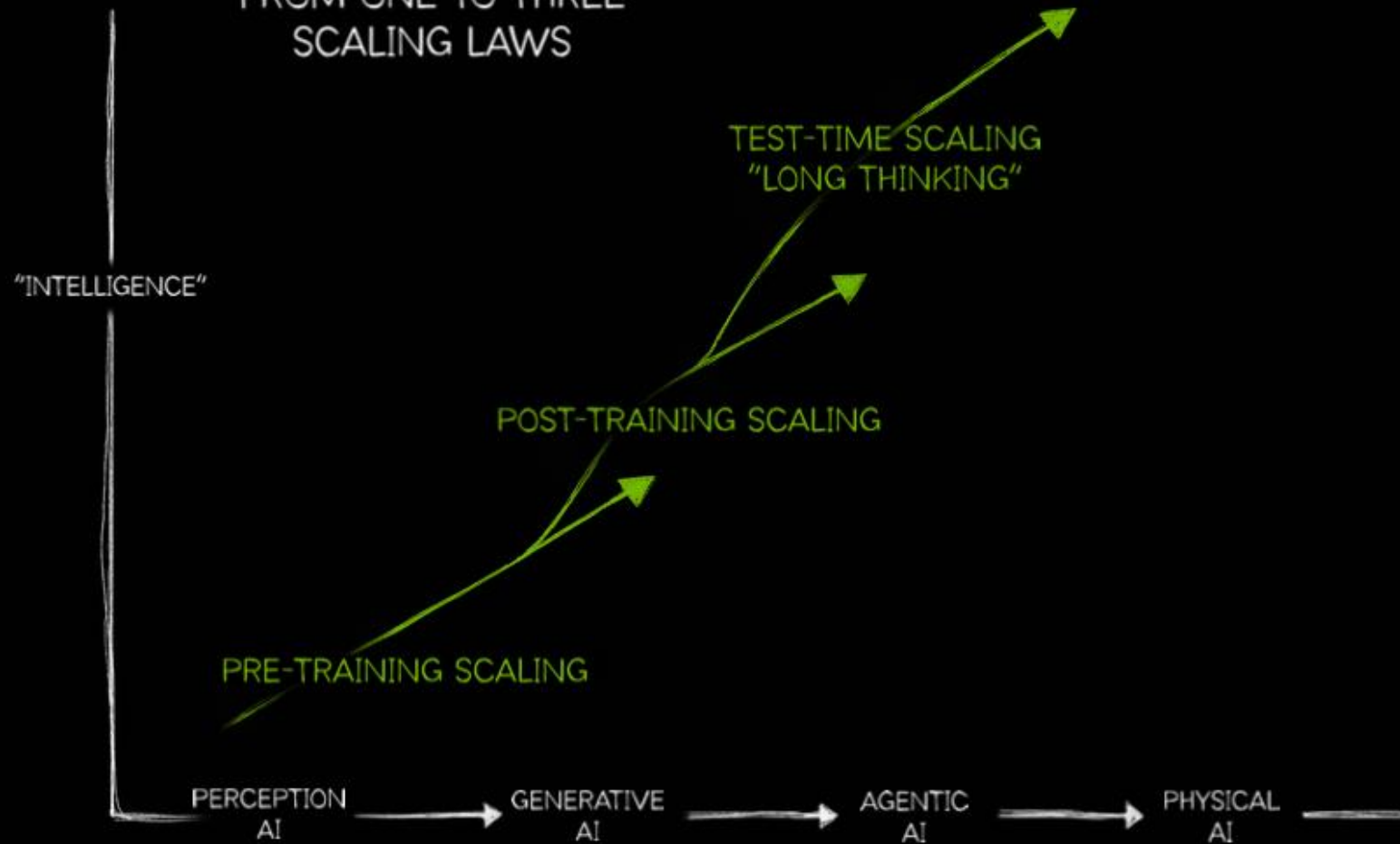
- AI has been talked about over the last 10 years where its focus was more on perception AI (computer vision + speech recognition).
- The focus has shifted towards GenAI in the last 5 years.
- GenAI has enabled content creation across different modalities & has shifted computing from retrieval-based to a generative model.
- Agentic AI has been the new breakthrough in the last 2-3 years. This type of AI perceives, understands, reasons, plans and acts. It can interact with multimodal information to learn and apply knowledge.
- The next shift comes with Physical AI which can understand physical world concepts and will drive advancements in robotics, representing the next major wave of AI evolution.
- Each AI wave creates new market opportunities.



AI Scaling Laws

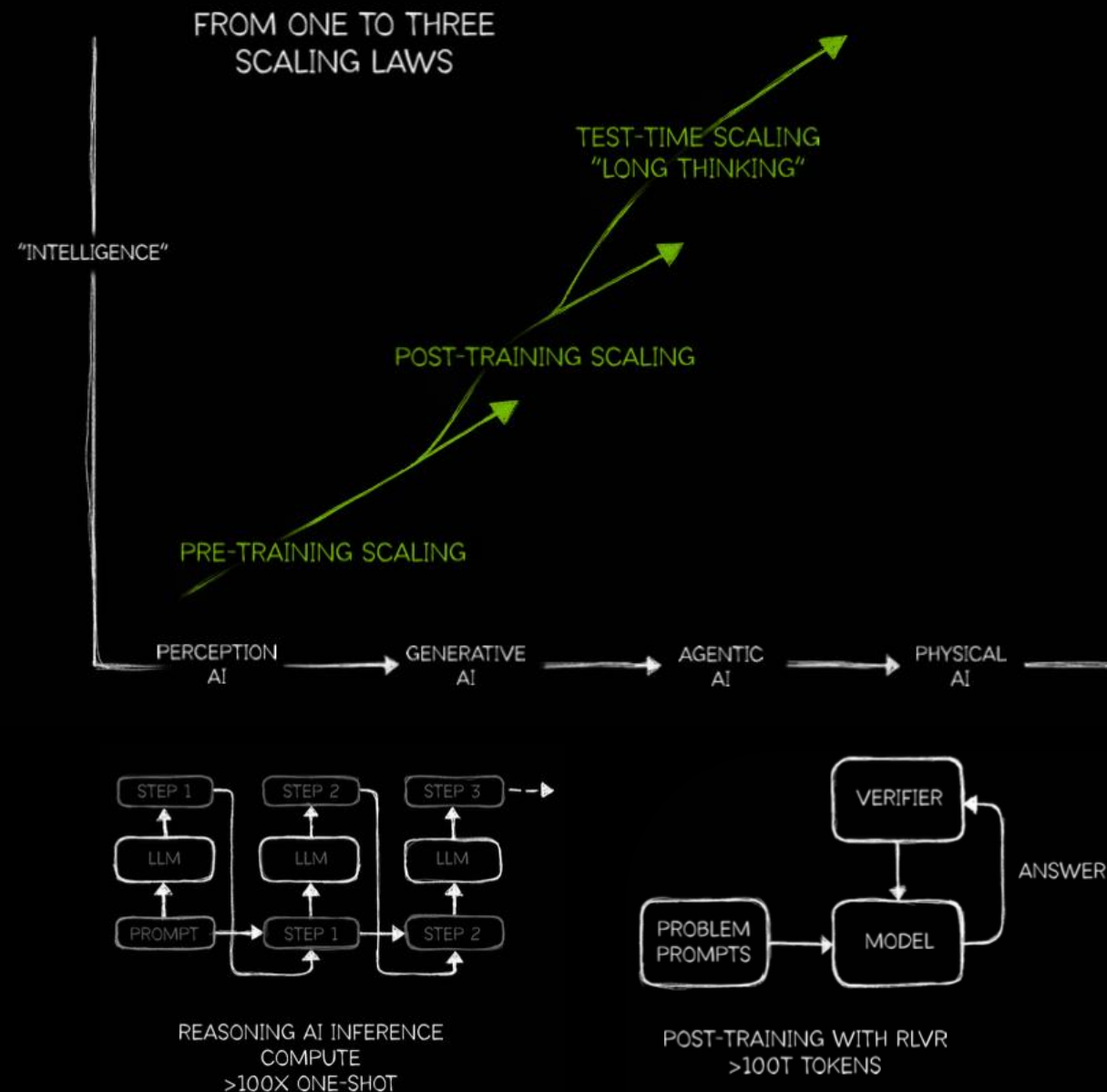
- AI is data-driven and requires vast amounts of digital experience to learn.
- Every day we require better performance out of AI and human involvement limits AI's learning potential – AI must learn at superhuman speeds.
- AI should improve as more resources are allocated.
- Agentic AI and reasoning significantly increase computational demand.

FROM ONE TO THREE
SCALING LAWS

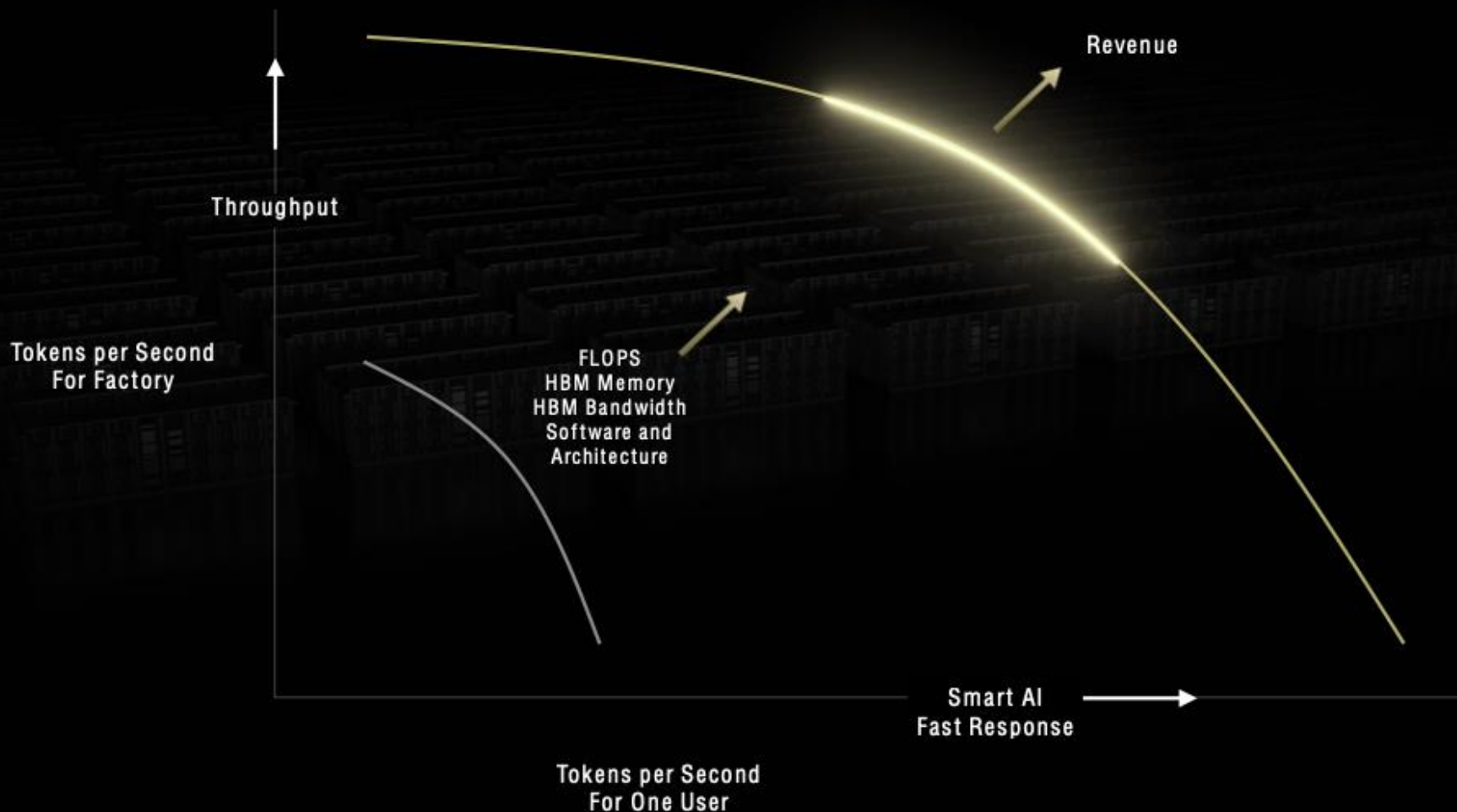


AI Reasoning

- AI can now reason step-by-step instead of giving one-shot responses.
- While in reasoning, AI still predicts the next token, but now within structured reasoning steps. As more tokens are generated, the need for compute increase.
- To keep AI responsive, it must compute 10x more tokens and process them 10x faster, resulting in 100x workload increase.
- AI is trained using reinforcement learning with verifiable results using structured problems like math, logic, geometry, and puzzle games.
- AI is also being trained in synthetic data, reducing the reliance on human-labeled data but increasing the computing needs as it generated tokens to create it.



Inference at scale is an extreme computing problem

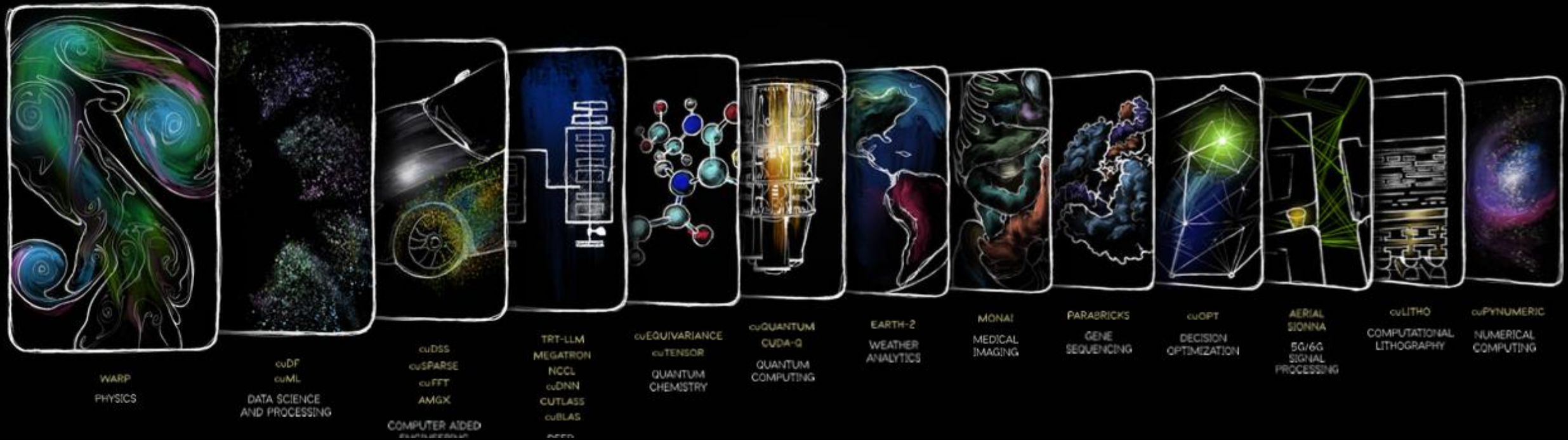


AI inference is an extreme computing challenge, crucial for efficiency, revenue, and quality of service. It relies on generating tokens, which improve reasoning but must be fast to retain users.

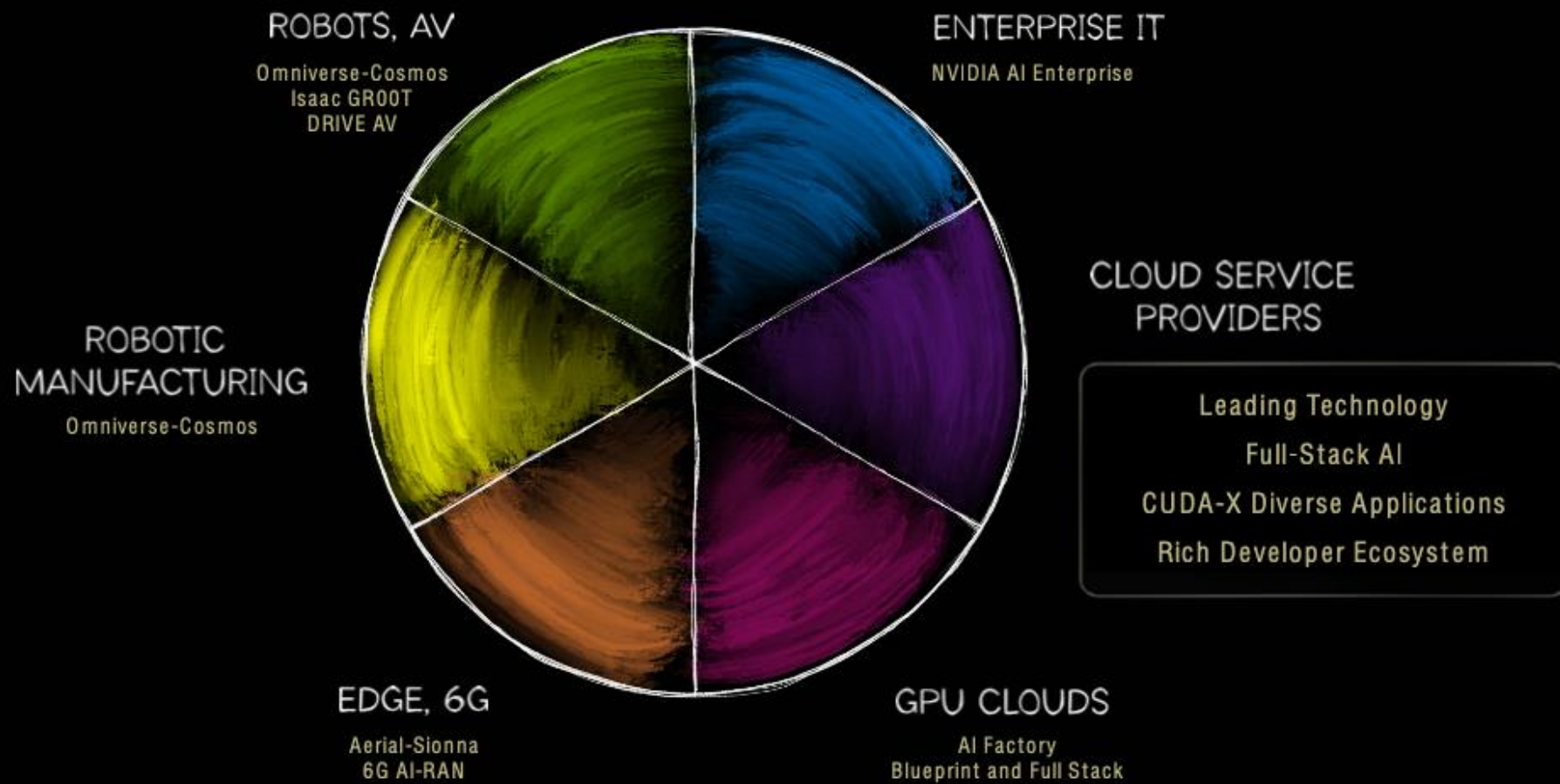
AI systems face a trade-off between response time and throughput. More tokens make AI smarter, but delays hurt user experience. The goal is to maximize token generation speed while maintaining efficiency.

Solving this requires massive FLOPS, bandwidth, and memory. The best AI systems optimize hardware and software to handle these demands, making inference one of computing's toughest problems.

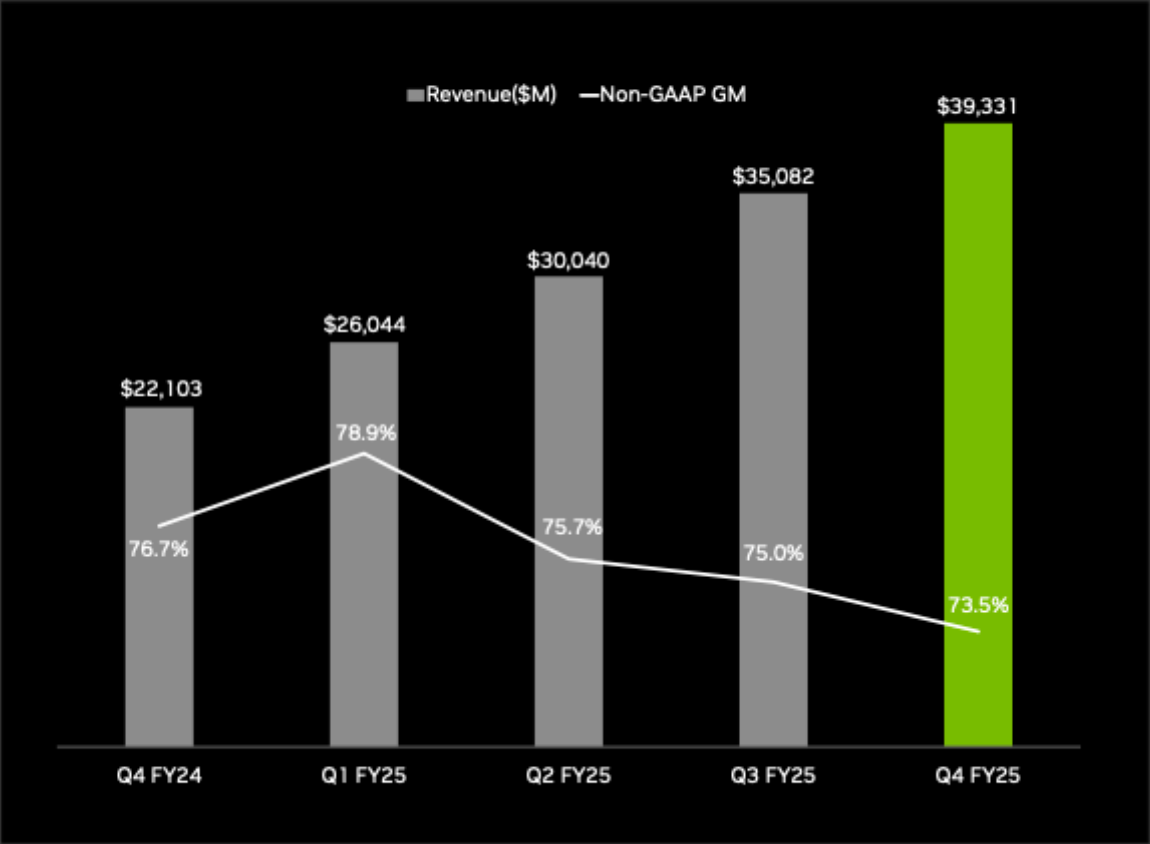
CUDA-X FOR EVERY INDUSTRY



AI FOR EVERY INDUSTRY



Q4 FY25 Financial Summary



All dollar figures are in millions other than EPS. Refer to Appendix for reconciliation of Non-GAAP measures.

	GAAP			Non-GAAP		
	Q4 FY25	Y/Y	Q/Q	Q4 FY25	Y/Y	Q/Q
Revenue	\$39,331	+78%	+12%	\$39,331	+78%	+12%
Gross Margin	73.0%	-3.0 pts	-1.6 pts	73.5%	-3.2 pts	-1.5 pts
Operating Income	\$24,034	+77%	+10%	\$25,516	+73%	+10%
Net Income	\$22,091	+80%	+14%	\$22,066	+72%	+10%
Diluted EPS	\$0.89	+82%	+14%	\$0.89	+71%	+10%
Cash Flow from Ops	\$16,628	+45%	-6%	\$16,628	+45%	-6%

MARKET FOCUSED

NVIDIA has a platform strategy, bringing together hardware, system software, programmable algorithms, libraries, systems, and services to create unique value for the markets they serve.

While the requirements of these end markets are diverse, they address them with a unified underlying architecture leveraging their GPUs and software stacks.

1 GAMING

Focused on computer games where GPUs play a key role in enhancing the gamers' experience.

2 PROFESSIONAL VISUALIZATION

Work closely with independent software vendors to optimize their offering for NVIDIA GPUs.

3 DATACENTERS

The NVIDIA accelerated computing platform addresses AI and HPC applications.

4 AUTOMOTIVE

Cockpit infotainment solutions, AV platforms, and associated development agreements.

5 OEM & IP

Remaining business of original equipment manufacturing nature.

Market Performance at a Glance



Datacenter

FY25 revenue \$115B

5 yr CAGR 103.7%

88.3% of total revenue



Gaming

FY25 revenue \$11.4B

5 yr CAGR 10%

8.7% of total revenue



NVIDIA Omniverse

Professional Visualization

FY25 revenue \$1.9B

5 yr CAGR 15.6%

1.4% of total revenue



Automotive

FY25 revenue \$1.7B

5 yr CAGR 33.3%

1.3% of total revenue



VALUATION YEAR

FY 2025

FEBRUARY 2024 – JANUARY 2025

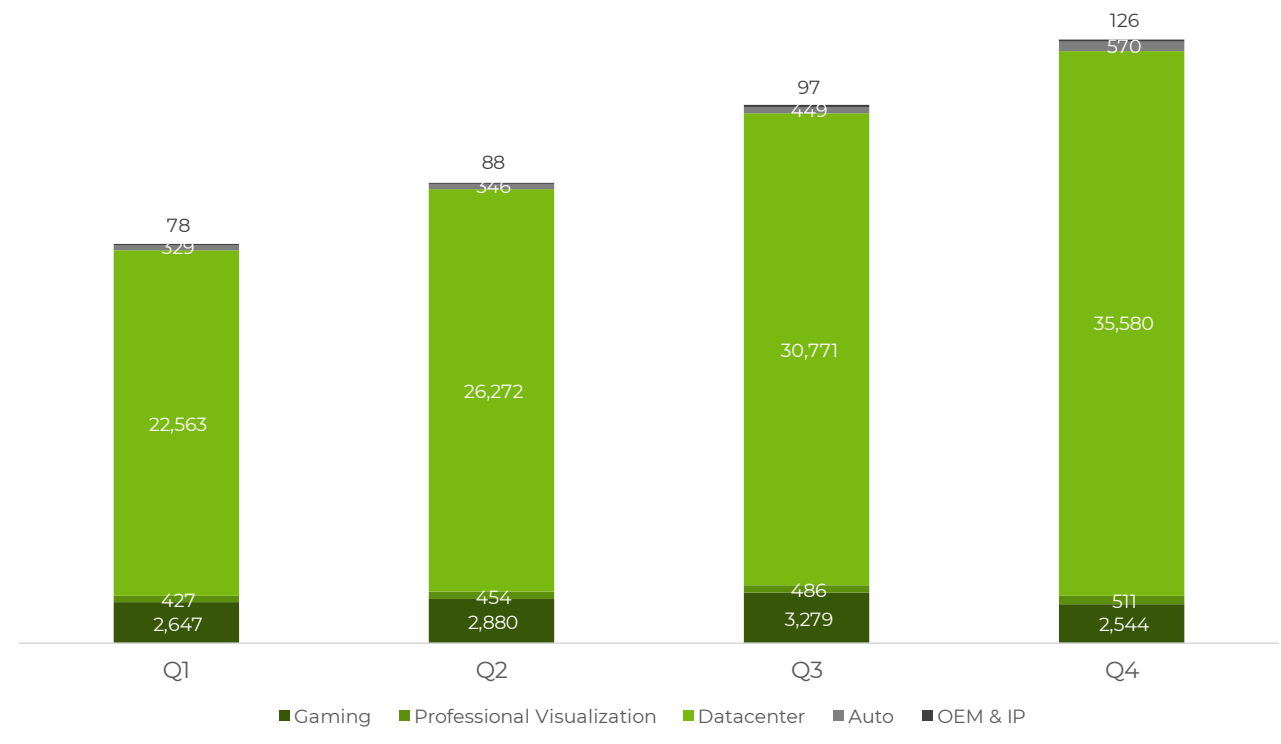


GENERAL NARRATIVE

- NVIDIA is transitioning from traditional data centers to specialized "AI factories" designed for AI workloads, expanding beyond GPUs to offer a complete system that integrates networking, switches, and software for seamless optimization. This shift is driven by the growing demand for AI infrastructure, with the company creating digital twins to optimize efficiency. A key advantage for NVIDIA is its comprehensive software ecosystem, particularly CUDA and CUDA-X libraries, which support complex AI training needs. With the launch of high-performance architectures like Blackwell and its rapid innovation, NVIDIA maintains a strong competitive edge in the AI and inference markets.
- Government restrictions, tariffs, and supply constraints present significant challenges for NVIDIA. These issues may impact NVIDIA more than its competitors as it leads the semiconductor industry. Nvidia's fast product cycle has become crucial for maintaining its competitive edge amidst strong competition AI and semiconductor landscape, but geopolitical issue might hinder its results.

FY2025 AT A GLANCE

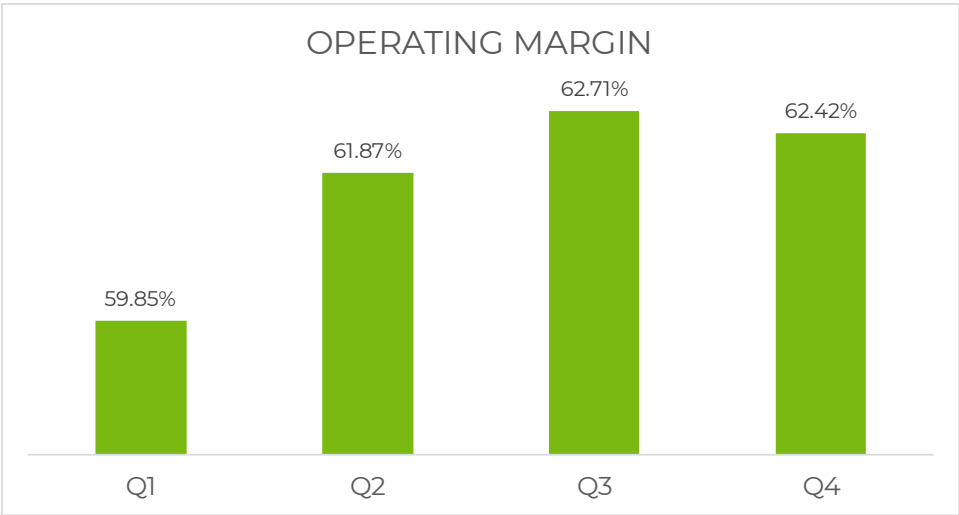
QUARTERLY REVENUES PER SECTOR



Results mainly driven by
DATACENTER

Revenues mainly impacted by AI boom where Nvidia chips are key for processing AI workloads. Demand currently surpasses supply which are limiting further revenue. Margins also positively impacted by datacenter revenue.

OPERATING MARGIN



IMPORTANT MILESTONES

1

Nvidia launched Blackwell architecture, delivery significant performance leaps.

2

Launched new GeForce RTX 50 series Desktop and Laptop GPUs base on the Blackwell architecture.

3

Advancement in automotive segment with partnerships including Toyota, Aurora, Continental and Hyundai Motor Group.

4

Project Digits – Nvidia’s personal AI computer – provides millions of AI researchers, data scientist and students with access to the power of Grace Blackwell platform.

5

Launch of Cosmos World Foundation Model Platform to accelerate Physical AI and Robotics deployment.

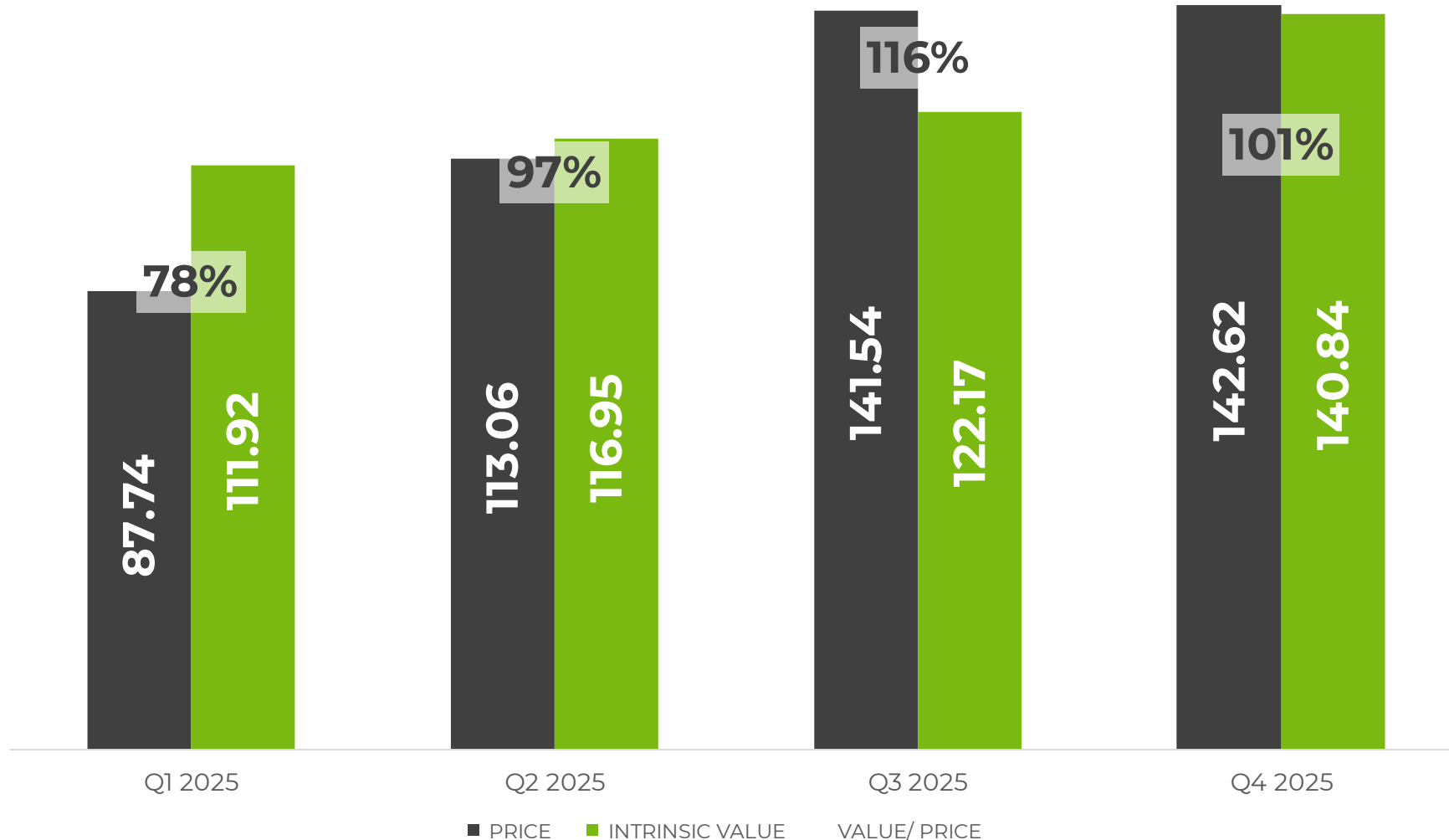
6

Expands Omniverse with generative Physical AI.

7

Open Llama Nemotron to supercharge the creation and deployment of AI Agents.

INTRINSIC VALUE OF STOCK



FISCAL YEAR
2025

Q4 RESULTS

NOV 2024 – JAN 2025



NARRATIVE | MAIN DRIVERS

FY2025 | Q4

DATACENTERS		GAMING	PRO-VISUALIZATION
<p>Large CSPs represented about half of revenue.</p> <p>Blackwell has great demand for inference. Many early GB200 deployments are earmarked for inference, a first for new architecture.</p> <p>Growth in regional cloud hosting, consumer internet company and enterprise verticals.</p> <p>Spectrum-X and NVLink switch revenue increased and represents a major new growth vector.</p> <p>Blackwell production is in full gear across multiple configurations and are focusing on increasing supply as customers adopt.</p> <p>Post-training and model customization are fueling demand for NVIDIA infrastructure and software as developers and enterprises leverage techniques such as fine-tuning, reinforcement learning and distillation to tailor models for domain-specific use cases.</p> <p>Inference demand is accelerating driven by test-time scaling and new reasoning models like OpenAI o3, DeepSeek-R1 and Grok 3. Long thinking reasoning AI can require 100x more compute per task compared to one-shot inference. Blackwell was architected for reasoning AI.</p> <p>Datacenter sales in China remain well below levels seen on the onset of export controls. The market here remains very competitive.</p>	<p>NVLink delivers 14x the throughput of PCIe Gen 5, ensuring response time, throughput and cost efficiency needed to tackle the growing complexity of inference at scale.</p> <p>CUDA's programmable architecture accelerates every AI model and over 4,400 applications, ensuring large infrastructure investments ageing obsolescence in rapidly evolving market.</p> <p>Introduced NVIDIA Llama Nemotron model family NIMs to help developers create and deploy AI agents across a range of applications, including customer support, fraud detection and product supply chain and inventory management.</p> <p>NVIDIA infrastructure and software platforms are increasingly being adopted to power robotics and physical AI developments.</p> <p>Vision transformers, self-supervised learning, multimodal sensor fusion and high-fidelity simulation are driving breakthroughs in AV development and will require 10x more compute.</p> <p>Announced NVIDIA Cosmos World Foundation Model Platform to revolutionize robotics.</p> <p>Networking revenue declined as they transition from small NVLink 8 with Infiniband to large NVLink 72 with Spectrum-X. Expect networking to grow going forward.</p>	<p>Gaming experienced a decrease in Q4 due to shipments impacted by supply constraints – expect to grow as supply chain increased.</p> <p>New GeForce RTX 50 Series, built for gamers, creators and developers, fuse AI and graphics redefining visual computing, delivering a 2x performance leap and new AI-driven rendering.</p> <p>New DLSS 4 boost frame rates up to 8x with AI-driven frame generation. Also features industry's first real-time application of transformer models packing 2x more parameters and 4x the compute.</p> <p>Announced a wave of GeForce Blackwell laptop GPUs with new NVIDIA Max-Q technology that extends battery life.</p>	<p>Revenue +5% sequentially and 10% year on year.</p> <p>Key industry verticals driving demand include automotive and healthcare.</p>
			AUTOMOTIVE
			<p>Revenue up 27% sequentially and 103% year on year.</p> <p>Strong growth driven by continued ramp in AV, including cars and robotaxis.</p> <p>Announced partnership with Toyota.</p> <p>NVIDIA Drive Hyperion has passed industry safety assessments.</p>

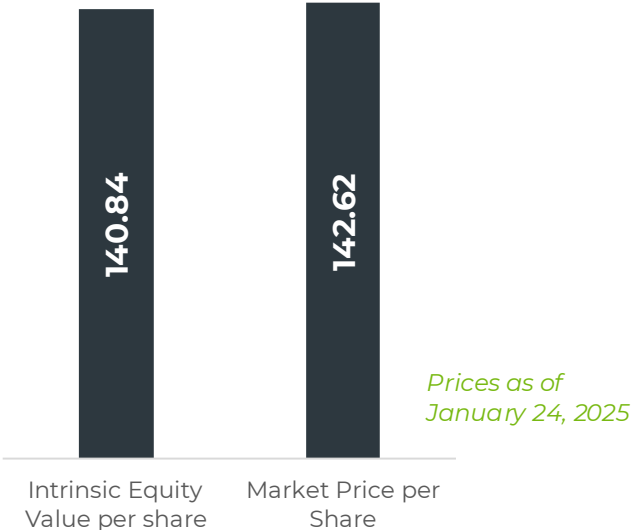
ASSUMPTIONS

FY2025 | Q4

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	130,497	40.00%	4.63%	4.63%	Nvidia's future revenue outlook remains strong as it continues to dominate the AI infrastructure market with its full-platform approach. Despite this strength, the industry faces geopolitical challenges leading us to assume that they will lose all of revenue in China. However, its leadership in AI technology and infrastructure is expected to sustain its impression growth trajectory which is maintained at 40% in the short-term, phasing to the risk-free rate into the stable phase.
OPERATING MARGIN	66.88%	50.00%	45.00%	45.00%	Maintaining the assumption of lower margins in the current phase as they invest in future architecture and more supply chain. It remains above industry levels due to Nvidia's strong pricing power and full-stack strength. Maintain assumption that it will slightly decline over time as competition intensifies and suppliers potentially raise prices.
TAX RATE	13.26%	13.26%	27.00%	27.00%	Current tax rate for growth phase. Phasing to US marginal tax rate for stable phase.
REINVESTMENT	Sales to Capital Ratio	1.50	RIR =	30.62%	Maintained sales to capital as Nvidia continues to be very efficient with its investments. Still lower than current sales to capital which is closer to 2.
RETURN ON CAPITAL	114.91%	Marginal ROIC =	53.33%	15.12%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		12.54%	10.12%	10.12%	Increased WACC for growth phase to the global value assuming that there is a higher risk due to geopolitical uncertainty. Reduced to US value for stable phase as over time the company can be expected to be less risky.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	182,696	63.50%	13.26%	100,627	34,799	65,828
2	255,774	60.13%	13.26%	133,389	48,719	84,670
3	358,084	56.75%	13.26%	176,260	68,206	108,054
4	501,317	53.38%	13.26%	232,087	95,489	136,598
5	701,844	50.00%	13.26%	304,372	133,685	170,688
6	932,933	45.00%	16.01%	352,599	119,074	233,524
7	1,174,115	45.00%	18.76%	429,239	124,275	304,964
8	1,394,591	45.00%	21.51%	492,602	113,605	378,997
9	1,557,814	45.00%	24.25%	530,999	84,104	446,894
10	1,629,940	45.00%	27.00%	535,435	37,165	498,270
Terminal Value	1,705,407	45.00%	27.00%	560,226	171,527	388,699

The Value	
Terminal value	7,077,453
PV(Terminal value)	2,317,964
PV (CF over next 10 years)	1,107,055
Value of operating assets	3,425,019
- Tax due on trapped cash brought back	-
+ Cash & Marketable Securities	43,210
- Tax due on deferred taxes	-
+ Non-operating Assets	-
Value of firm	3,468,229
- Debt value of lease	-
- Total Interest Bearing Debt	(9,982)
Market Value of Equity	3,458,247
Number of shares (primary)	24,555
Intrinsic Equity Value per share	140.84



NUMBERS
FY2025 | Q4

101.3%
PRICE AS % OF VALUE

FISCAL YEAR
2025

Q3 RESULTS

AUG – OCT 2024



NARRATIVE | MAIN DRIVERS

FY2025 | Q3

DATACENTERS		GAMING	PRO-VISUALIZATION
<p>Strong YoY and sequential growth was driven by demand for Hopper computing platform for training and inferencing of LLMs, recommendation engines, and Gen AI applications.</p> <p>Cloud service providers represented approximately 50% of Data Center revenue, and the remainder was represented by consumer internet and enterprise companies.</p> <p>Compute revenue was \$27.6 billion, up 132% from a year ago and up 22% sequentially.</p> <p>Networking revenue was \$3.1 billion, up 20% from a year ago driven by Ethernet for AI, which includes Spectrum-X end-to-end ethernet platform. Areas of sequential revenue growth include InfiniBand and Ethernet switches, SmartNICs, and BlueField DPUs. Though networking revenue was sequentially down 15%, networking demand is strong and growing.</p> <p>NVIDIA GPU regional cloud revenue jumped 2x year-on-year as North America, India, and Asia Pacific regions ramped NVIDIA Cloud instances and sovereign cloud build-outs.</p> <p>Blackwell is in full production after a successfully executed mask change. Shipped 13,000 GPU samples to customers in Q3, including one of the first Blackwell DGX engineering samples to OpenAI. Blackwell is now in the hands of all major partners, and they are working to bring up their data centers.</p>	<p>Rapid advancements in NVIDIA software algorithms boosted Hopper inference throughput by an incredible 5x in 1 year and cut time to first token by 5x. Upcoming release of NVIDIA NIM will boost Hopper inference performance by an additional 2.4x.</p> <p>NVIDIA AI Enterprise, which includes NVIDIA NeMo and NIM microservices is an operating platform of agentic AI. Industry leaders are using NVIDIA AI to build Copilots and agents.</p> <p>Software, service and support revenue is annualizing at \$1.5 billion, and we expect to exit this year annualizing at over \$2 billion.</p> <p>For Blackwell, current focus is on ramping to strong demand, increasing system availability, and providing the optimal mix of configurations to customer. As Blackwell ramps, they expect gross margins to moderate to the low 70s. When fully ramped, they expect Blackwell margins to be in the mid-70s.</p> <p>Inference is getting traction as new architectures are adopted for training and older architectures are used for inference (old architectures do not become obsolete).</p> <p>AI is transforming every industry, company and country. Enterprises are adopting agentic AI to revolutionize workflows. Over time, AI coworkers will assist employees in performing their jobs faster and better.</p>	<p>Revenue was up 15% from a year ago and up 14% sequentially. These increases were driven by sales of GeForce RTX 40 Series GPUs and game console SoCs.</p> <p>Channel inventory remains healthy, and they are gearing up for the holiday season. They began shipping new GeForce RTX AI PC with up to 321 AI TOPS from ASUS and MSI with Microsoft's Copilot+ capabilities anticipated in Q4. These machines harness the power of RTX ray tracing and AI technologies to supercharge gaming, photo, and video editing, image generation and coding.</p>	<p>Revenue was up 17% from a year ago and up 7% sequentially. These increases were driven by the continued ramp of RTX GPU workstations based on Ada architecture.</p> <p>Investments in industrial robotics are surging due to breakthroughs in physical AI, driving new training infrastructure demand as researchers train world foundation models on petabytes of video and Omniverse synthetically generated data.</p>
			AUTOMOTIVE
			<p>Revenue was up 72% from a year ago and up 30% sequentially. These increases were driven by self-driving platforms.</p>

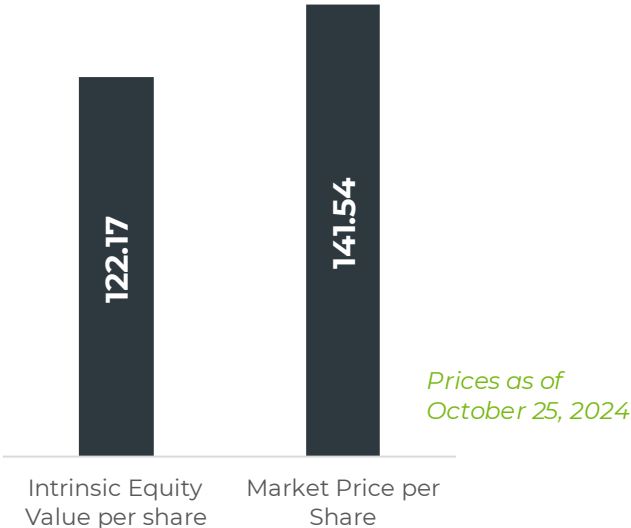
ASSUMPTIONS

FY2025 | Q3

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	113,269	40.00%	4.25%	4.25%	Continue to assume growth of 40% assuming growth from new verticals like Sovereign AI, new networking products as well as stronger focus on software as Nvidia leans towards its entire stack focus. Considering loss of Chinese market as restrictions will push them to source more locally.
OPERATING MARGIN	67.14%	50.00%	45.00%	45.00%	Maintained margins vs previous valuation which is lower than current margins, understanding that Nvidia has great pricing power over its customers as it has its full stack strength to sustain it. Slightly lower over time as competition continues to increase and suppliers might increase price.
TAX RATE	13.50%	13.50%	27.00%	27.00%	Current tax rate for growth phase. Phasing to US marginal tax rate for stable phase.
REINVESTMENT	Sales to Capital Ratio	1.50	RIR =	28.64%	Maintained sales to capital as Nvidia continues to be very efficient with its investments. Still lower than current sales to capital which is closer to 2.
RETURN ON CAPITAL	118.30%	Marginal ROIC =	54.04%	14.84%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		12.64%	9.84%	9.84%	Increased WACC for growth phase to the global value assuming that there is a higher risk due to geopolitical uncertainty. Reduced to US value for stable phase as over time the company can be expected to be less risky.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	158,577	63.71%	13.50%	87,395	30,205	57,190
2	222,007	60.28%	13.50%	115,770	42,287	73,483
3	310,810	56.86%	13.50%	152,862	59,202	93,660
4	435,134	53.43%	13.50%	201,105	82,883	118,222
5	609,188	50.00%	13.50%	263,484	116,036	147,449
6	809,306	45.00%	16.20%	305,199	100,269	204,930
7	1,017,298	45.00%	18.90%	371,272	104,214	267,058
8	1,206,006	45.00%	21.60%	425,487	94,552	330,934
9	1,343,491	45.00%	24.30%	457,664	68,887	388,778
10	1,400,590	45.00%	27.00%	460,094	28,609	431,485
Terminal Value	1,460,115	45.00%	27.00%	479,648	137,362	342,285

The Value	
Terminal value	6,122,807
PV(Terminal value)	2,007,892
PV (CF over next 10 years)	960,816
Value of operating assets	2,968,708
- Tax due on trapped cash brought back	-
+ Cash & Marketable Securities	38,487
- Tax due on deferred taxes	-
+ Non-operating Assets	-
Value of firm	3,007,195
- Debt value of lease	-
- Total Interest Bearing Debt	(9,952)
Market Value of Equity	2,997,243
Number of shares (primary)	24,533
Intrinsic Equity Value per share	122.17



NUMBERS
FY2025 | Q3

115.9%
PRICE AS % OF VALUE

FISCAL YEAR
2025

Q2 RESULTS

MAY – JUL 2024



NARRATIVE | MAIN DRIVERS

FY2025 | Q2

DATACENTERS		GAMING	PRO-VISUALIZATION
<p>Strong sequential and year-on-year growth was driven by demand for our Hopper GPU computing platform for training and inferencing of large language models, recommendation engines, and generative AI applications.</p> <p>Cloud service providers represented roughly 45% of Data Center revenue, and more than 50% stemmed from consumer internet and enterprise companies.</p> <p>Data Center compute revenue was \$22.6 billion, up 162% from a year ago and up 17% sequentially. Networking revenue was \$3.7 billion, up 114% from a year ago driven by InfiniBand and Ethernet for AI revenue, which includes Spectrum-X end-to-end ethernet platform.</p> <p>Unveiled an array of NVIDIA Blackwell-powered systems featuring NVIDIA Grace CPUs, networking and infrastructure from top manufacturers.</p> <p>Announced broad adoption of the NVIDIA Spectrum-X Ethernet networking platform by cloud service providers, GPU cloud providers and enterprises, as well as partners incorporating it into their offerings.</p>	<p>Released NVIDIA Inference Microservices, or NIM, for broad availability to developers globally and unveiled that more than 150 companies are integrating NIM into their platforms to speed generative AI application development.</p> <p>Introduced an NVIDIA AI Foundry service and NIM inference microservices to accelerate generative AI for the world's enterprises with the Llama 3.1 collection of models.</p> <p>Announced that the combination of NVIDIA H200 and NVIDIA Blackwell architecture B200 processors swept the latest industry-standard MLPerf results for inference.</p> <p>Unveiled an array of Blackwell systems featuring NVIDIA Grace CPUs, networking and infrastructure.</p> <p>Nvidia estimate that inference drove over 40% of our Data Center revenue.</p>	<p>Higher sales of GeForce RTX 40 Series GPUs and game console SOCs. Solid demand in the second quarter for gaming GPUs as part of the back-to-school season.</p> <p>Announced NVIDIA ACE generative AI microservices are in early access for RTX AI PCs.</p> <p>Announced new RTX and DLSS titles bringing the total number of RTX games and apps to over 600.</p> <p>Surpassed 2,000 games on GeForce NOW and expanded the service into Japan.</p>	<p>Continued ramp of RTX GPU workstations based on Ada architecture.</p> <p>Introduced generative AI models and NIM microservices for OpenUSD.</p> <p>Announced major Taiwanese electronics makers are creating more autonomous factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse simulation and NVIDIA Isaac AI robot development.</p>
			AUTOMOTIVE
			<p>AI Cockpit solutions and self-driving platforms..</p> <p>NVIDIA won the Autonomous Grand Challenge in the 'End-to-End Driving at Scale' category, highlighting the importance of generative AI in building applications for physical AI deployments in autonomous vehicle development.</p>

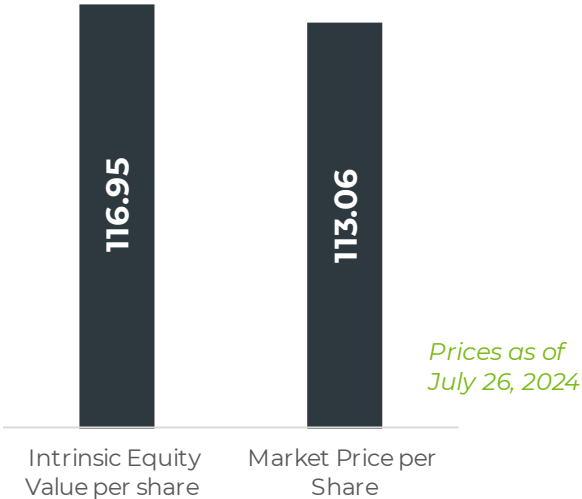
ASSUMPTIONS

FY2025 | Q2

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	96,307	40.00%	4.20%	4.20%	Continue to expect strong growth but at a slightly lower pace than previous assumption. Expected continued growth from new verticals like Sovereign AI, new networking products as well as stronger focus on software as Nvidia leans towards its entire stack focus. Considering loss of Chinese market as restrictions will push them to source more locally.
OPERATING MARGIN	66.37%	50.00%	45.00%	45.00%	Maintained margins vs previous valuation which is lower than current margins, understanding that Nvidia has great pricing power over its customers as it has its full stack strength to sustain it. Slightly lower over time as competition continues to increase and suppliers might increase price.
TAX RATE	13.27%	13.27%	27.00%	27.00%	Current tax rate for growth phase. Phasing to US marginal tax rate for stable phase.
REINVESTMENT	Sales to Capital Ratio	1.50	RIR =	28.30%	Increase of sales to capital as Nvidia has consistently delivered better results over time as it becomes more efficient by integrating AI in its internal processes. Still lower than current sales to capital which is closer to 2.
RETURN ON CAPITAL	110.98%	Marginal ROIC =	52.48%	14.84%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		10.44%	9.84%	9.84%	Used current WACC for the company at growth phase which is similar in value to the global number used as reference. Reduced to US value for stable phase as over time the company can be expected to be less risky.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	134,830	63.09%	13.27%	73,776	25,682	48,094
2	188,762	59.82%	13.27%	97,928	35,955	61,973
3	264,266	56.55%	13.27%	129,597	50,336	79,261
4	369,973	53.27%	13.27%	170,934	70,471	100,463
5	517,962	50.00%	13.27%	224,605	98,659	125,945
6	688,061	45.00%	16.02%	260,028	90,080	169,948
7	864,755	45.00%	18.76%	316,121	93,573	222,548
8	1,024,908	45.00%	21.51%	362,005	84,813	277,192
9	1,141,337	45.00%	24.25%	389,029	61,658	327,371
10	1,189,273	45.00%	27.00%	390,676	25,386	365,290
Terminal Value	1,239,223	45.00%	27.00%	407,085	115,210	291,875

The Value	
Terminal value	5,174,776
PV(Terminal value)	1,947,977
PV (CF over next 10 years)	901,369
Value of operating assets	2,849,346
- Tax due on trapped cash brought back	-
+ Cash & Marketable Securities	34,800
- Tax due on deferred taxes	-
+ Non-operating Assets	-
Value of firm	2,884,146
- Debt value of lease	-
- Total Interest Bearing Debt	(9,765)
Market Value of Equity	2,874,381
Number of shares (primary)	24,578
Intrinsic Equity Value per share	116.95



NUMBERS
FY2025 | Q2

96.7%
PRICE AS % OF VALUE

FISCAL YEAR
2025

Q1 RESULTS

FEB – APR 2024



NARRATIVE | MAIN DRIVERS

FY2025 | Q1

DATACENTERS		GAMING	PRO-VISUALIZATION
<p>Strong sequential growth driven by all customer types, led by enterprise and consumer internet companies.</p> <p>CSPs continue to drive strong growth representing ~45% of total Datacenter revenue. For every \$1 spent on NVIDIA AI infrastructure, cloud providers have an opportunity to earn \$5 in GPU instant hosting revenue over 4 years.</p> <p>Enterprises drove strong sequential growth in Data Center this quarter. Supported Tesla's expansion of their training AI cluster to 35,000 H100 GPUs.</p> <p>NVIDIA Transformers, while consuming significantly more computing, are enabling dramatically better autonomous driving capabilities and propelling significant growth for NVIDIA AI infrastructure across the automotive industry.</p> <p>As Gen AI makes its way into more consumer internet applications (using models like Llama 3 which was trained in a 24,000 H100 GPU cluster), expect continued growth opportunities as inference scales both model complexity as well as the number of users and queries per user.</p> <p>Inference drove about 40% of data center revenue. Both training and inferencing are growing significantly.</p>	<p>TSMC is considering increasing prices for NVIDIA products.</p> <p>Announcement of Nvidia next generation architecture (Rubin) in Computex, coinciding with Nvidia's promised cycle of launching new model every year.</p> <p>Countries around the world are building Sovereign AI, diversifying revenue and opening a new market opportunity. Believe it can approach the single-digit billions this year.</p> <p>Have new products for China that don't require export control license. Expect Chinese market to remain competitive going forward.</p> <p>Demand for H200 and Blackwell is well ahead of supply and expect demand to exceed supply well into next year.</p> <p>Strong networking growth driven by InfiniBand + started shipping Spectrum-X Ethernet networking solution. Opens new market to Nvidia networking + expect to jump to a multibillion-dollar product line within a year.</p> <p>Announced new software product with the introduction of Nvidia Inference Microservices (NIM) which will be offered as part of Nvidia AI enterprise software platform.</p>	<p>NVIDIA has full technology stack for deploying and running fast and efficient generative AI inference on GeForce RTX PCs. TensorRT-LLM now accelerates Microsoft's Phi-3 Mini model and Google's Gemma 2B and 7B models as well as popular AI frameworks, including LangChain and LlamaIndex.</p> <p>Top game developers, including NetEase Games, Tencent and Ubisoft are embracing NVIDIA Avatar Cloud Engine to create lifelike avatars to transform interactions between gamers and non-playable characters.</p>	<p>Generative AI and Omniverse industrial digitalization will drive the next wave of professional visualization growth.</p> <p>Announced new Omniverse Cloud APIs to enable developers to integrate Omniverse industrial digital twin and simulation technologies into their applications.</p> <p>Companies are using Omniverse to digitalize their workflows.</p>
			AUTOMOTIVE
			<p>Sequential growth was driven by the ramp of AI Cockpit solutions with global OEM customers and strength in our self-driving platforms. Year-on-year growth was driven primarily by self-driving.</p> <p>Announced a number of new design wins on NVIDIA DRIVE Thor, the successor to Orin, powered by the new NVIDIA Blackwell architecture with several leading EV makers.</p>

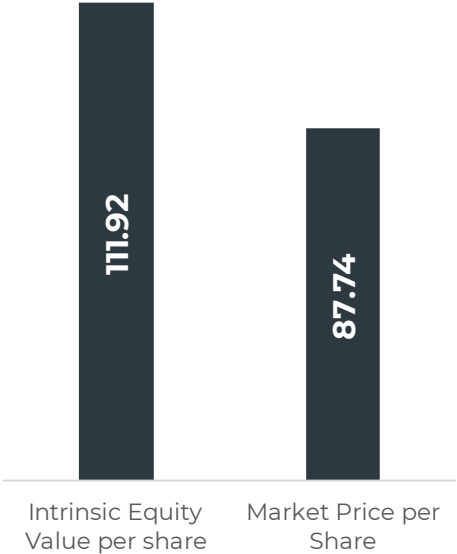
ASSUMPTIONS

FY2025 | Q1

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	79,774	45.00%	4.67%	4.67%	Continue to expect strong growth but at a slightly lower pace than previous assumption. Expected continued growth from new verticals like Sovereign AI, new networking products as well as stronger focus on software as Nvidia leans towards its entire stack focus. Considering loss of Chinese market as restrictions will push them to source more locally.
OPERATING MARGIN	64.39%	50.00%	45.00%	45.00%	Maintained margins vs previous valuation which is lower than current margins, understanding that Nvidia has great pricing power over its customers as it has its full stack strength to sustain it. Slightly lower over time as competition continues to increase and suppliers might increase price.
TAX RATE	12.87%	12.87%	27.00%	27.00%	Current tax rate for growth phase. Phasing to US marginal tax rate for stable phase.
REINVESTMENT	Sales to Capital Ratio	1.00	RIR =	31.47%	Maintained previous assumption of sales to capital ratio which is lower than current value, understanding that Nvidia needs to continue investing at a strong pace to keep running ahead of other competitors. Increased to current value for stable phase.
RETURN ON CAPITAL	101.22%	Marginal ROIC =	43.28%	14.84%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		11.83%	9.84%	9.84%	Used current WACC for the company at growth phase which is similar in value to the global number used as reference. Reduced to US value for stable phase as over time the company can be expected to be less risky.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	115,672	61.52%	12.87%	62,000	35,898	26,102
2	167,725	58.64%	12.87%	85,693	52,053	33,640
3	243,201	55.76%	12.87%	118,154	75,476	42,678
4	352,641	52.88%	12.87%	162,477	109,440	53,037
5	511,330	50.00%	12.87%	222,766	158,689	64,077
6	700,185	45.00%	15.69%	265,632	106,977	158,656
7	902,314	45.00%	18.52%	330,839	114,496	216,343
8	1,090,014	45.00%	21.35%	385,796	106,322	279,474
9	1,228,838	45.00%	24.17%	419,302	78,637	340,665
10	1,286,224	45.00%	27.00%	422,525	32,507	390,018
Terminal Value	1,346,291	45.00%	27.00%	442,257	139,171	303,086

The Value	
Terminal value	5,862,020
PV(Terminal value)	2,021,927
PV (CF over next 10 years)	712,978
Value of operating assets	2,734,906
- Tax due on trapped cash brought back	-
+ Cash & Marketable Securities	31,438
- Tax due on deferred taxes	-
+ Non-operating Assets	-
Value of firm	2,766,344
- Debt value of lease	-
- Total Interest Bearing Debt	(10,991)
Market Value of Equity	2,755,353
Number of shares (primary)	24,620
Intrinsic Equity Value per share	111.92



NUMBERS
FY2025 | Q1

78.4%
PRICE AS % OF VALUE

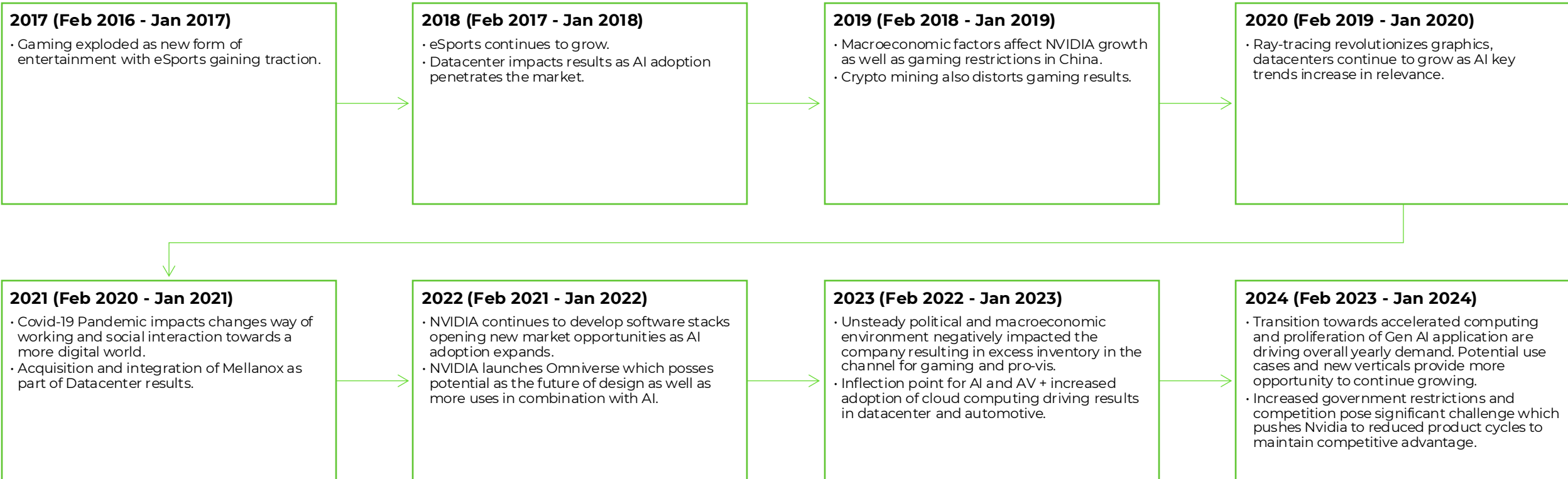


VALUATION AT A GLANCE

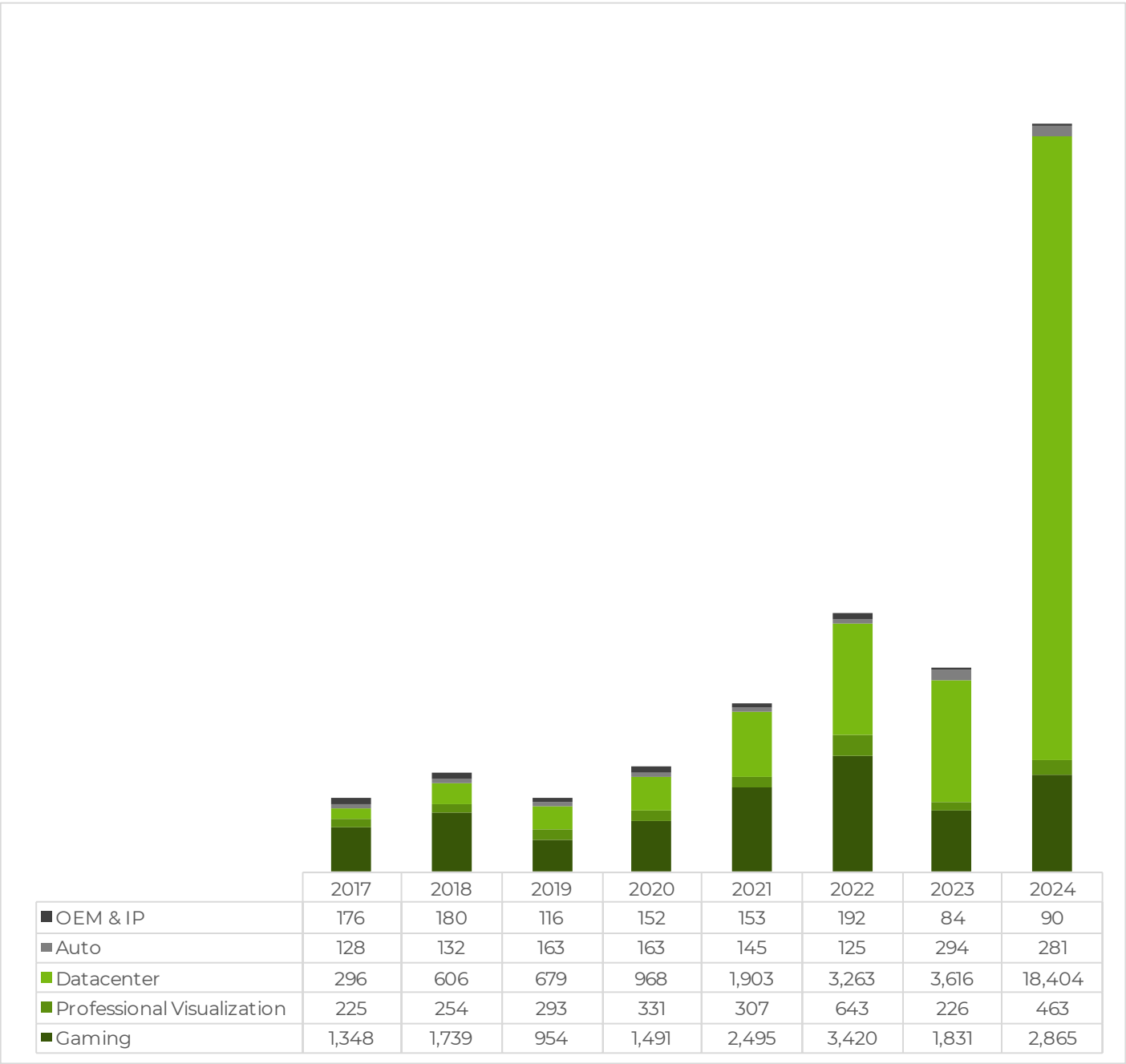
FY 2017 - 2024

FEBRUARY 2016 – JANUARY 2024

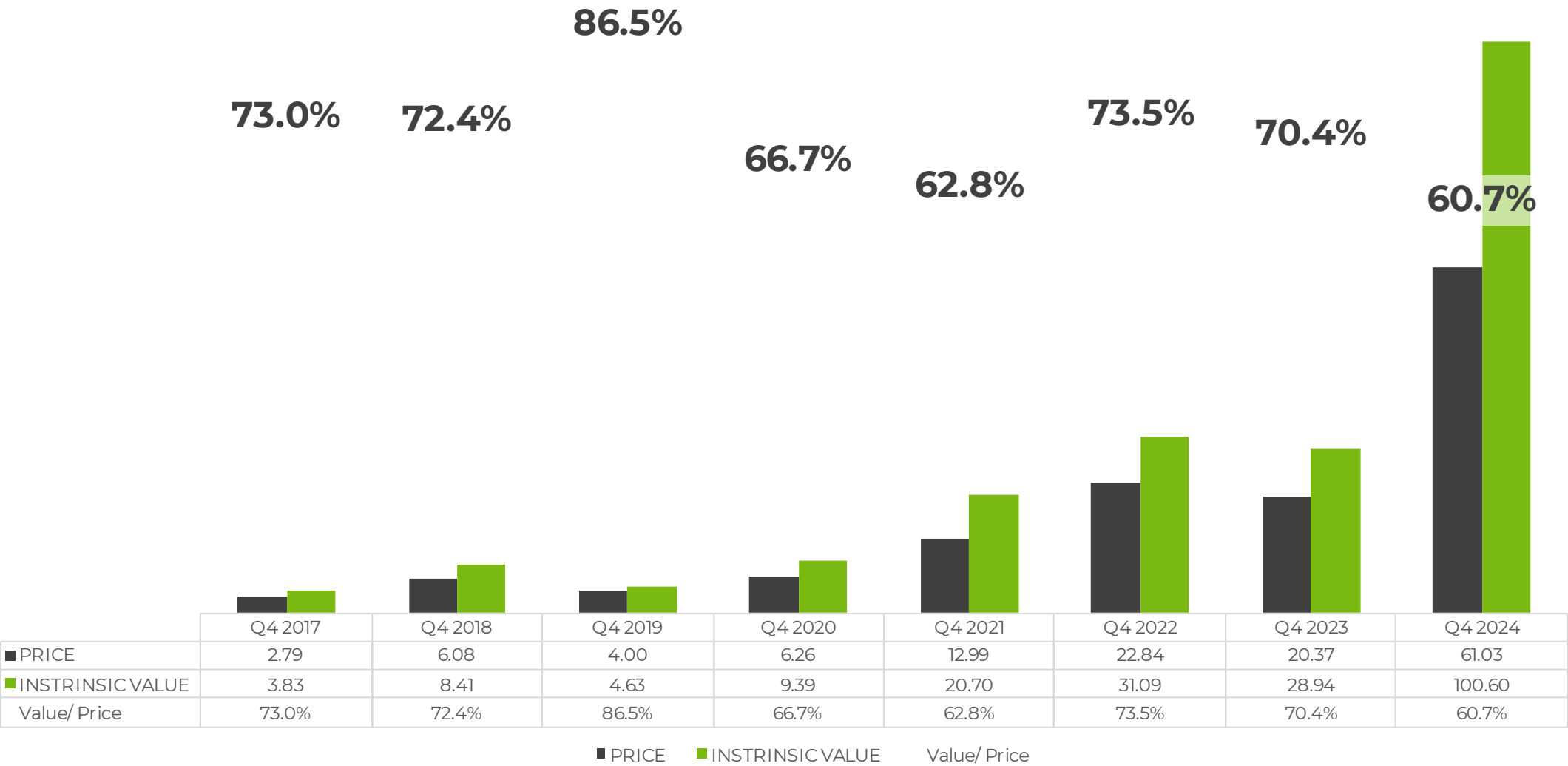
IMPORTANT MILESTONES



YEARLY RESULTS



YEARLY CLOSE INTRINSIC VALUE



Adjusted all values for 10:1 split in Q1 2025