



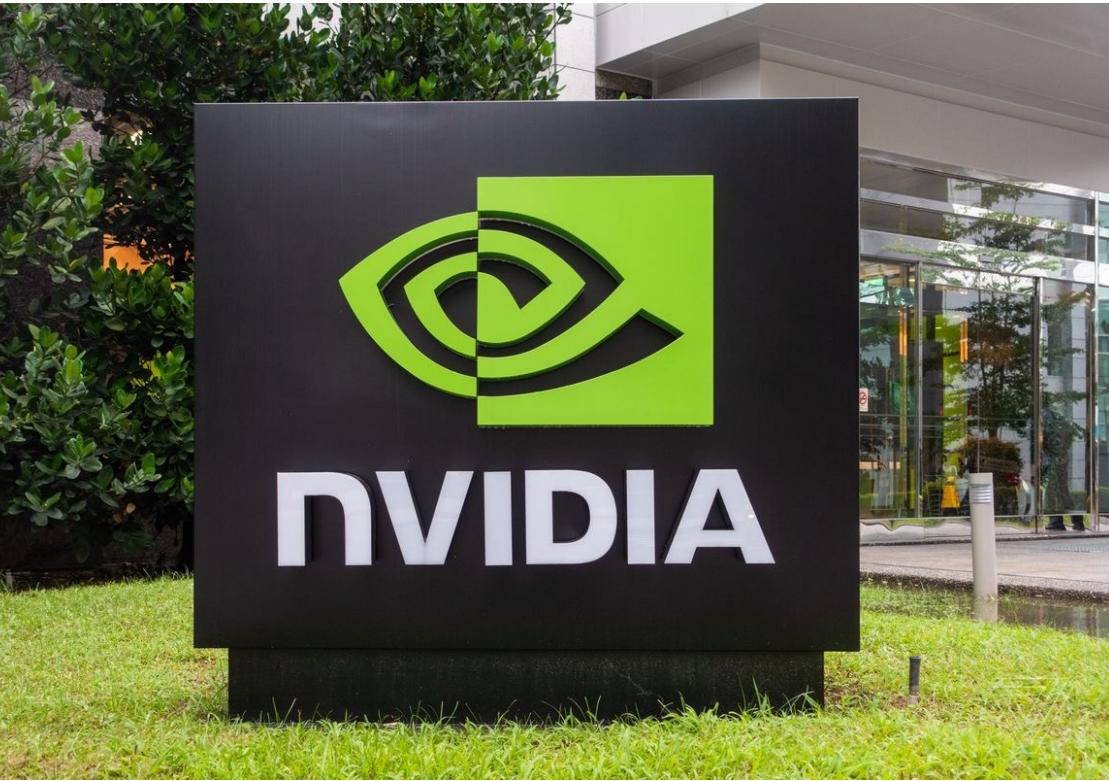
VALUATION FY2017-2023

KILSARIS MERA
RAFAEL NICOLÁS FERMÍN COTA

EUCLID TECHNOLOGIES, CORP

VALUATION SUMMARY

KEY POINTS



NVIDIA has shown the power and stellar results that having a **consistent, strong narrative along with following** through with coherent strategies can do to a company's 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.

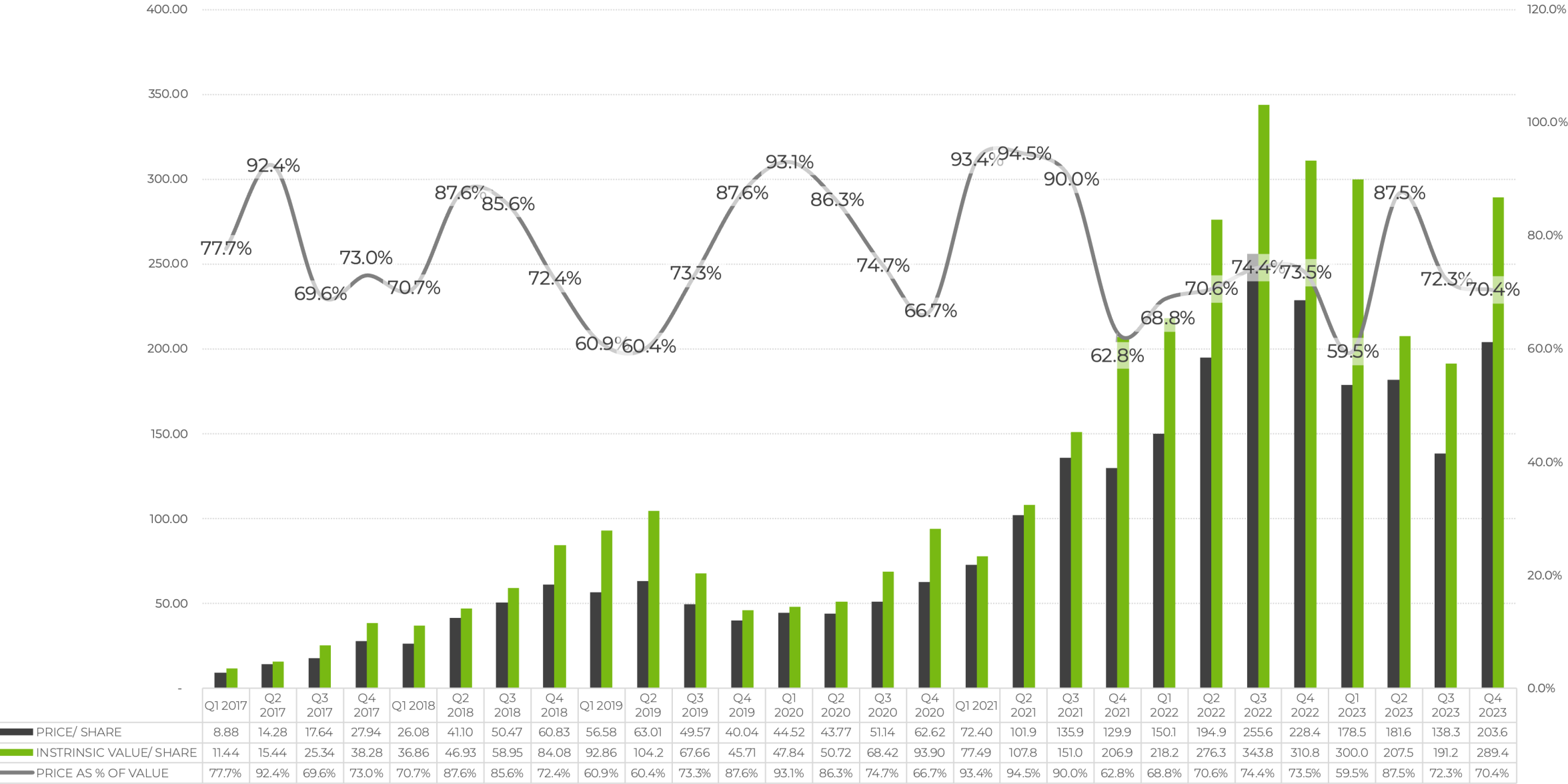


JENSEN HUANG

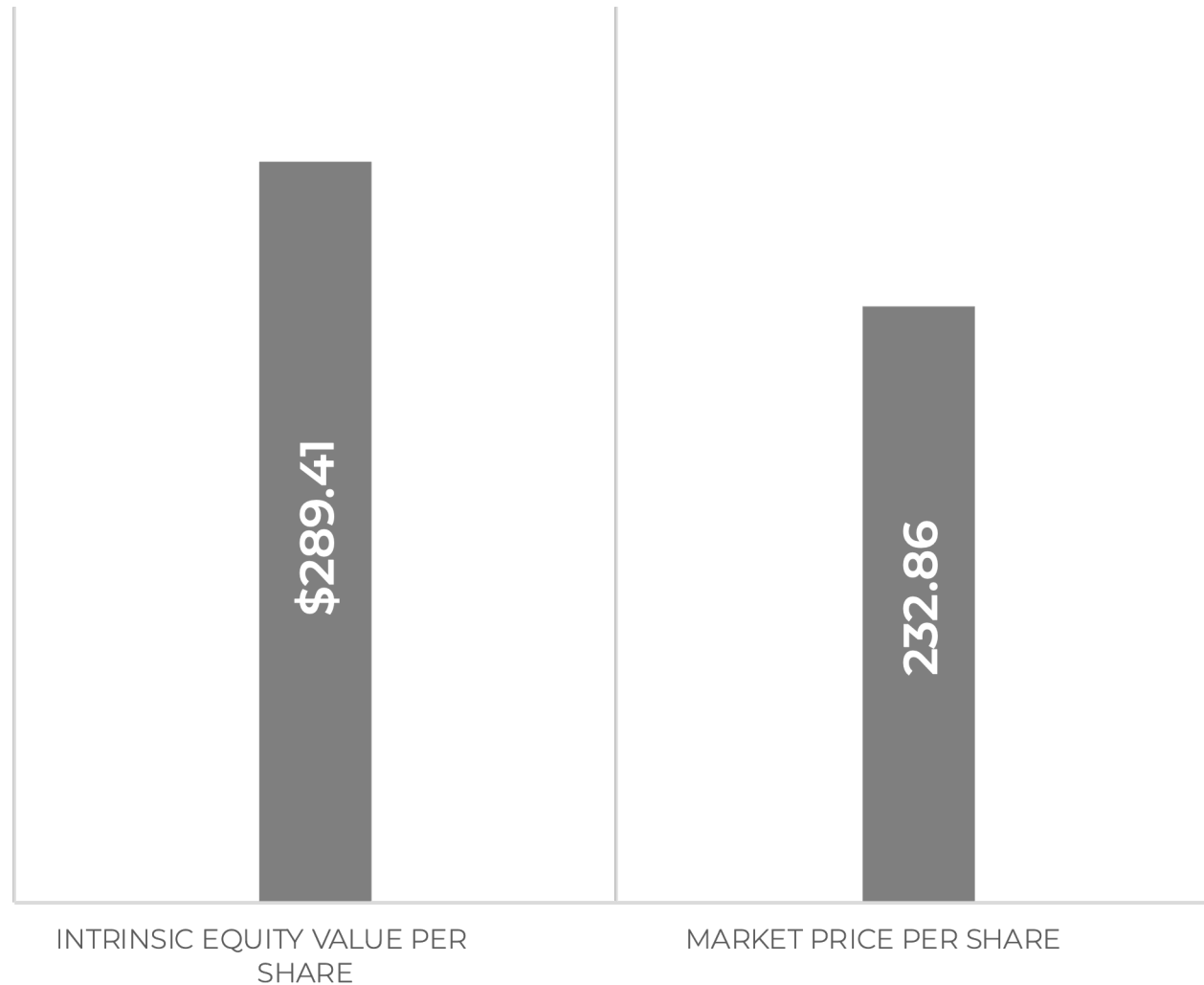
KEY PLAYER IN BRINGING SUCCESS

Strong CEO with clear vision and proven track record.

INTRINSIC VALUE VS REAL VALUE OVER THE YEARS



VALUE OF THE COMPANY TODAY



80.46%
PRICE AS % OF VALUE

Market Close Date: February 24, 2023



BUSINESS OVERVIEW

FINANCIAL VALUATIONS PER QUARTER

FY2023

VALUATION AT A GLANCE

FY2017

-

FY2022

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



Twenty-five years ago, I founded NVIDIA with Chris Malachowsky and Curtis Priem to solve the problem of 3D graphics for the PC. Our invention of the GPU in 1999 sparked the growth of the PC gaming market, redefined modern computer graphics, and revolutionized parallel computing.

GPU computing went on to ignite modern AI — the next era of computing — with the GPU acting as the brain of computers, robots, and self-driving cars that can perceive and understand the world.

Today, NVIDIA is 12,000 people strong and growing. In 2018, we were included among Fortune's "100 Best Companies to Work For," Fast Company's "Most Innovative Companies," and MIT Tech Review's "50 Smartest Companies," among others.

Source: [Jensen Huang LinkedIn Page](#)



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.



VALUATION YEAR

FY 2023

FEBRUARY 2022 – JANUARY 2023

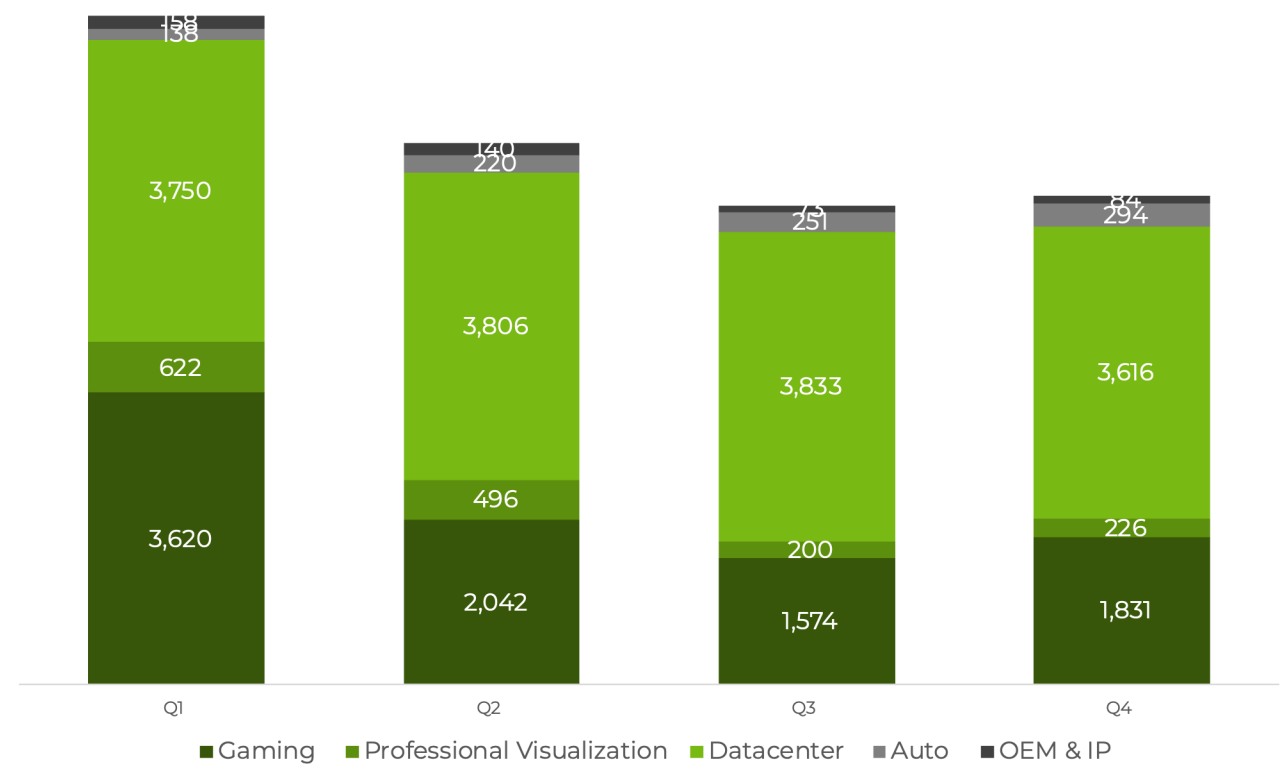


GENERAL NARRATIVE

- UNSTEADY POLITICAL AND MACROECONOMIC ENVIRONMENT INCLUDING WAR ON UKRAINE, US CHIP BAN FOR CHINA, COVID LOCKDOWNS IN CHINA AND UNSTABLE ECONOMIC OUTLOOK NEGATIVELY IMPACTED THE COMPANY RESULTING IN **EXCESS INVENTORY** IN THE CHANNEL FOR GAMING AND PROFESSIONAL VISUALIZATION.
- INFLECTION POINT FOR AI & AV AS WELL AS INCREASED ADOPTION OF **CLOUD COMPUTING** DRIVING RESULTS IN DATACENTER AND AUTOMOTIVE.

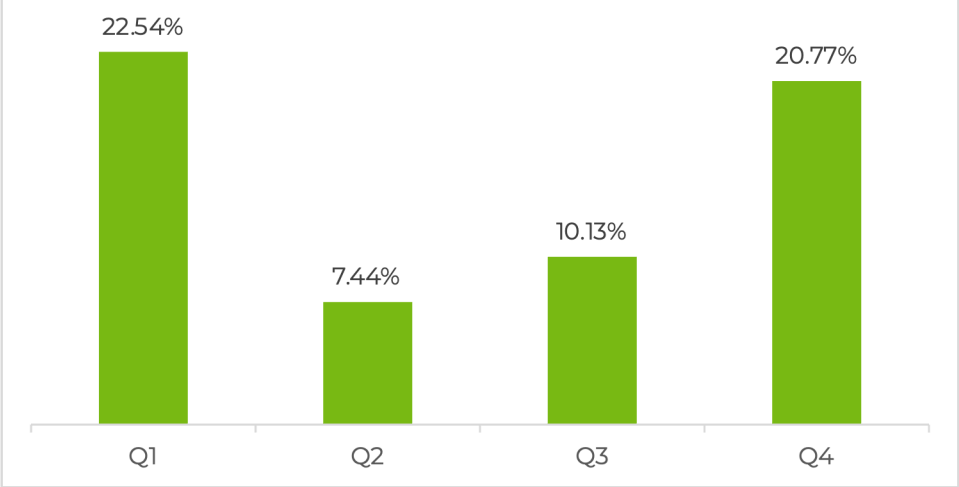
FY2023 AT A GLANCE

QUARTERLY REVENUES PER SECTOR



Results mainly driven by
GAMING & DATACENTER.
Revenues negative impact on gaming
from macroeconomic issues which
caused channel inventory excess and
resilience of datacenter due to its
importance for AI and cloud computing.

OPERATING MARGIN



IMPORTANT MILESTONES

1

Announcement and shipment of Hopper architecture which surpasses A100 in sales 9x faster for training and 30x cluster in inferencing of transformer-based large language models.

2

Yearly sales impacted by US regulation which bans sales of certain chips used for AI. Quickly provided an alternative chip for this market that complies with regulation.

3

Announced multiyear collaboration with Microsoft to build a cloud-based AI supercomputer + 10-year partnership to bring Xbox PC games to GeForce Now.

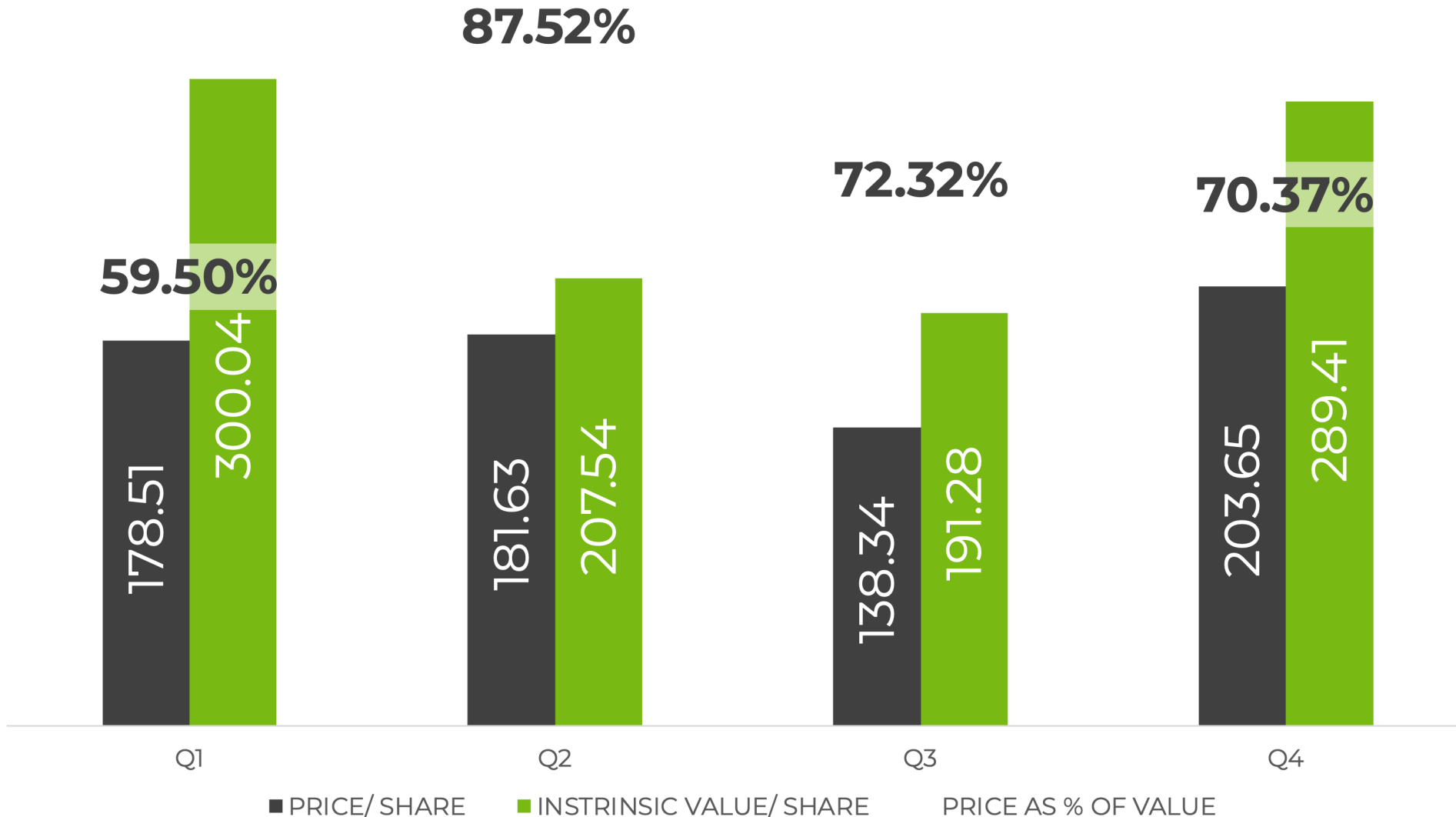
4

Inflection point for AI caused by rapid adoption of Generative AI, especially ChatGPT.

5

Inflection point for autonomous driving solutions + NVIDIA Drive system received a safety certification.

INTRINSIC VALUE OF STOCK



FISCAL YEAR
2023

Q4 RESULTS

NOV 2022 – JAN 2023



NARRATIVE | MAIN DRIVERS

FY2023 | Q4

GAMING	DATACENTERS	PRO-VISUALIZATION	AUTOMOTIVE
<p>Sequential growth was driven by the strong reception of our 40 Series GeForce RTX GPUs based on the Ada Lovelace architecture.</p> <p>YoY decline reflects impact of channel inventory correction.</p> <p>Saw solid 4th quarter in most regions. Affected by disruptions related to COVID in China.</p> <p>RTX 40 series GPUs will power over 170 gaming laptops + bringing for the first-time enthusiast-class GPU performance to laptops as slim as 14 inches.</p> <p>There are now over 400 games and applications supporting NVIDIA's RTX technology for real-time ray tracing and AI-powered graphics.</p> <p>GeForce Now cloud gaming services continues to grow both in consumers + games available.</p> <p>Agreed to a 10-year partnership to bring GeForce NOW Microsoft's lineup of Xbox PC games.</p>	<p>Sequential decline driven by lower sales in China reflecting COVID and other domestic issues.</p> <p>Cloud adoption driving results as NVIDIA serves an expanding list of CSPs.</p> <p>Strong adoption of H100 Data Center GPU. In just its second Q, its sales surpassed A100 as H100 is 9x faster for training and 30x cluster in inferencing of transformer-based large language models.</p> <p>Inflection point of AI adoption as ChatGPT captured interest worldwide showing what's possible with Generative AI.</p> <p>Growing demand for our latest generation InfiiniBand and HPC optimized Ethernet platforms fueled by AI.</p> <p>Are expanding software and services as they release new versions of NVIDIA AI enterprise.</p> <p>Partnering with major CSPs to offer NVIDIA AI cloud services including the acceleration library software and pretrained AI model layers.</p>	<p>Sequential growth was driven by desktop workstations with strengths in the automotive and manufacturing industrial verticals. The year-on-year decline reflects the impact of the channel inventory correction, which NVIDIA expect to end in the first half of the year.</p> <p>Interest in NVIDIA's Omniverse continues to build with almost 300,000 downloads so far, 185 connectors to third-party design applications.</p> <p>The latest released of Omniverse has a number of features and enhancements, including support for 4K, real-time path tracing, Omniverse Search for AI-powered search through large untagged 3D databases, and Omniverse Cloud containers for AWS.</p>	<p>Strategic partnership with Foxconn to develop automated and autonomous vehicle platforms. Foxconn will be a Tier 1 manufacturer producing electronic control units based on NVIDIA DRIVE Orin for the global automotive market.</p> <p>The NVIDIA DRIVE operating system received safety certification from TÜV SÜD, one of the most experienced and rigorous assessment bodies in the automotive industry.</p>

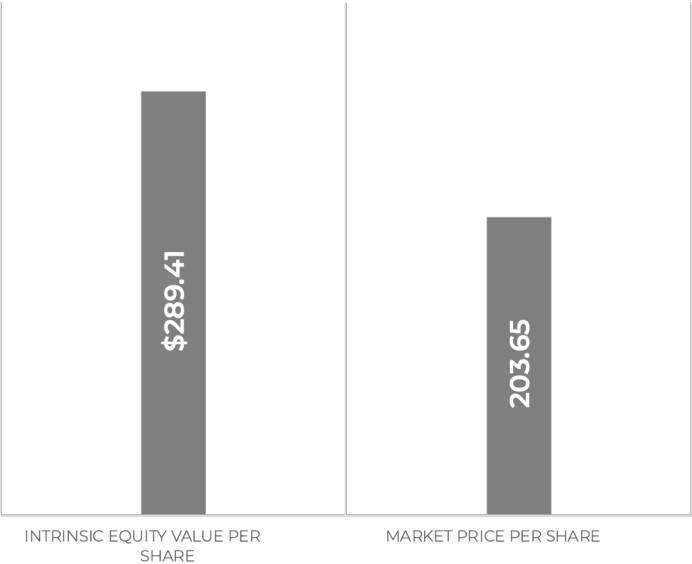
ASSUMPTIONS

FY2023 | Q4

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	\$26,974	45.00%	3.52%	3.52%	Growth driven primarily by datacenter segment where the adoption of AI will draw strong results. Cloud computing is also gaining traction where the opportunity to offer AI-as-a-service is being offered in partnership with CSPs. Gaming and Pro Visualization also have positive outlook for the future as user adoption of RTX continues, but at a slower pace due to macroeconomic factors. Automotive also driving results as NVIDIA Drive software gains adoption in the AV segment.
OPERATING MARGIN	25.83%	35.00%	45.00%	45.00%	Considering higher operating margins as NVIDIA faced inventory corrections as well as purchase agreement termination costs which negatively impacted margins. Both occurrences are not expected to happen again in the future. As NVIDIA also shifts more towards software vs hardware, margins can also be expected to get better over time, resulting in the assumption of higher margins for the stable phase.
TAX RATE	13.00%	13.00%	27.00%	27.00%	Effective tax rate of -4.5% for FY2023 reflect foreign-derived intangible income deduction, tax benefits related to stock-based compensation + US federal research tax credit. Changed to 13% which is the outlook stated in earning call. Expected to converge to US marginal tax rate of 27% over time.
REINVESTMENT	Sales to capital ratio =	0.88	RIR =	25.29%	Current sales to capital ratio used in order to be more conservative as macro-economic situation persists causing less efficiency in investments general for all companies.
RETURN ON CAPITAL	23.76%	Marginal ROIC =	33.44%	13.92%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		14.34%	8.92%	8.92%	Important increase of cost of capital due to volatile macroeconomic environment. Expected to decrease over time as macroeconomic situation settles (used average of 2022 WACC as stable phase value).

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	\$39,112	27.66%	\$10,820	\$9,414	\$13,784	-\$4,371
2	\$56,713	29.50%	\$16,729	\$14,554	\$19,987	-\$5,433
3	\$82,234	31.33%	\$25,766	\$22,416	\$28,981	-\$6,565
4	\$119,239	33.17%	\$39,547	\$34,406	\$42,023	-\$7,617
5	\$172,896	35.00%	\$60,514	\$52,647	\$60,933	-\$8,286
6	\$236,356	45.00%	\$106,360	\$89,555	\$57,856	\$31,699
7	\$303,500	45.00%	\$136,575	\$111,172	\$61,215	\$49,957
8	\$364,540	45.00%	\$164,043	\$128,938	\$55,650	\$73,288
9	\$407,614	45.00%	\$183,426	\$139,037	\$39,270	\$99,767
10	\$421,962	45.00%	\$189,883	\$138,614	\$13,081	\$125,533
Terminal year	\$436,815	45.00%	\$196,567	\$143,494	\$36,292	\$107,202

The Value	
Terminal value	1,986,053
PV(Terminal value)	600,878
PV (CF over next 10 years)	110,794
Value of operating assets	\$ 711,672
+ Cash & Marketable Securities	13,296
- Total Debt, including operating leases	(11,855)
Value of Equity in Common Stock	\$ 713,113
Number of shares (primary)	2,464
Intrinsic Equity Value per share	\$ 289.41



NUMBERS

FY2023 | Q4

70.37%

PRICE AS % OF VALUE

FISCAL YEAR
2023

Q3 RESULTS

AUG – OCT 2022



NARRATIVE | MAIN DRIVERS

FY2023 | Q3

GAMING	DATACENTERS	PRO-VISUALIZATION	AUTOMOTIVE
<p>Lower sell-in to partners to align channel inventory levels as macro-economic conditions and COVID lockdowns in China continue to reduce consumer demand.</p> <p>First ADA GPU, the GeForce RTX 4090 became available in mid-October and at a tremendous demand and positive feedback from the gaming community.</p>	<p>Growth impacted by softness in China affected by government restrictions which were offset by the sale of alternative products.</p> <p>Started shipping flagship h100 datacenter GPU based on the new Hopper-architecture.</p> <p>Growth driven primarily by US cloud providers and a broadening set of consumer Internet companies.</p> <p>H-100 delivered the highest performance and workload versatility for both AI training and inference in the latest MLPerf industry benchmarks.</p> <p>Announced a multiyear collaboration with Microsoft to build an advanced cloud-based AI supercomputer to help enterprises train, deploy and scale AI, including large state-of-the-art models.</p>	<p>Lower sell-in to partners to help align channel inventory levels with current demand expectations.</p> <p>Believe our long-term opportunity remains intact, fueled by AI simulation, computationally intensive design and engineering workloads.</p> <p>At GTC, announced NVIDIA Omniverse Cloud Services, our first software and infrastructure-as-a-service offering, enabling artists, developers and enterprise teams to design, publish and operate metaverse applications from anywhere on any device.</p>	<p>Revenue driven mainly by self-driving solutions.</p> <p>At GTC, also announced that NVIDIA DRIVE Thor Superchip, the successor to Orin in our automotive SoC road map, DRIVE Thor delivers up to 2,000 TFLOPS of performance and leverages technologies introduced in our Grace Hopper and ADA architectures. It can run both the automated drive and in-vehicle infotainment systems, simultaneously offering a leap in performance while reducing cost and energy consumption.</p>

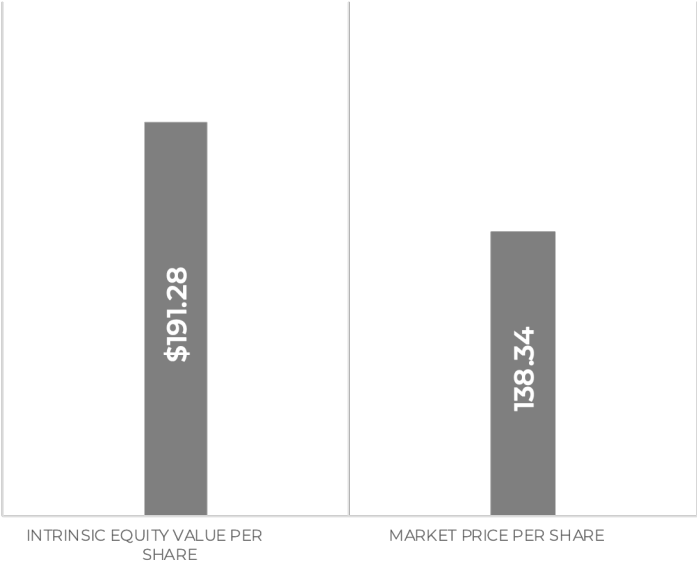
ASSUMPTIONS

FY2023 | Q3

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	\$28,566	35.00%	2.00%	2.00%	Datacenter continues to be a high growth component for revenue in NVIDIA where, even with the new restrictions imposed by the US government, they have been able to deliver great results as AI is becoming more necessary in data processing. With China restrictions, they were also able to quickly provide a solution in order to comply with their client sales. AI adoption also positively impacted automotive sales where they have been having high growth as they reached an inflection point in the previous quarter with adoption. With macroeconomic environment, ProViz and Gaming have been negatively affected but can be expected to turn around in the near future as inventory in the market is reaching healthy levels again.
OPERATING MARGIN	29.96%	30.00%	45.00%	45.00%	Lower operating margin as NVIDIA deals with rough macro-economic environment but expected to return to previous levels as the company focuses more on software which has higher gross margins.
TAX RATE	9.00%	9.00%	27.00%	27.00%	Converging to US Marginal Tax of 27%.
REINVESTMENT	Sales to capital ratio =	0.98	RIR =	14.85%	Current sales to capital ratio used in order to be more conservative as macro-economic situation persists causing less efficiency in investments general for all companies.
RETURN ON CAPITAL	30.24%	Marginal ROIC =	34.41%	13.47%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		13.36%	8.47%	8.47%	Low debt. Increased due to macroeconomic factors including rise in risk-free rate and equity risk premiums. Soften in stable phase to sector average as company stabilizes.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	\$38,564	29.97%	\$11,558	\$10,517	\$10,248	\$269
2	\$52,062	29.98%	\$15,607	\$14,202	\$13,835	\$367
3	\$70,283	29.98%	\$21,074	\$19,178	\$18,677	\$501
4	\$94,882	29.99%	\$28,457	\$25,896	\$25,214	\$682
5	\$128,091	30.00%	\$38,427	\$34,969	\$34,039	\$930
6	\$164,469	45.00%	\$74,011	\$64,686	\$33,165	\$31,520
7	\$200,323	45.00%	\$90,145	\$75,542	\$32,688	\$42,854
8	\$230,772	45.00%	\$103,847	\$83,286	\$27,760	\$55,525
9	\$250,618	45.00%	\$112,778	\$86,388	\$18,094	\$68,294
10	\$255,631	45.00%	\$115,034	\$83,975	\$4,570	\$79,405
Terminal year	\$260,743	45.00%	\$117,335	\$85,654	\$12,722	\$72,932

The Value	
Terminal value	1,128,065
PV(Terminal value)	367,114
PV (CF over next 10 years)	106,437
Value of operating assets	\$ 473,551
+ Cash & Marketable Securities	13,143
- Total Debt, including operating leases	(11,748)
Value of Equity in Common Stock	\$ 474,946
Number of shares (primary)	2,483
Intrinsic Equity Value per share	\$ 191.28



NUMBERS

FY2023 | Q3

72.32%

PRICE AS % OF VALUE

FISCAL YEAR
2023

Q2 RESULTS

MAY – JUL 2022

China Ban Scenario
Updated: 31.08.2022



NARRATIVE | MAIN DRIVERS

FY2023 | Q2

GAMING	DATACENTERS	PRO-VISUALIZATION	AUTOMOTIVE
<p>Negatively impacted by COVID lockdowns in China & global inflation.</p> <p>Dealing with channel excess inventory in order to prepare for new architecture launch.</p> <p>Lower ASP due to price adjustments to help inventory levels reduce faster.</p> <p>Gaming fundamentals remain solid, and NVIDIA remains as a favorite among gamers. There are also increasing use cases for gaming GPUs.</p> <p>Reduction in crypto mining can also have a negative impact on gaming results.</p>	<p>Somewhat short of expectations due to supply chain constraints (demand higher than supply).</p> <p>New Hopper architecture currently in production.</p> <p>Networking leading growth as demand for high-speed internet cables increase.</p> <p>Negative impact due to US government prohibiting sales of AI chips to China.</p>	<p>Macroeconomics affecting Capex to upgrade as OEMs focus on reducing inventory.</p> <p>Had previous high growth the year before (doubling revenues) and are currently in a correction period.</p> <p>Announced partnership with Siemens in order to enable the use of Omniverse.</p> <p>Continue to expand SDKs for Omniverse use cases as well as expanding opportunity with AI.</p>	<p>High increase during this quarter. Considered an inflection point for the company.</p> <p>Expected continued high growth in this sector as AV continue to develop.</p>

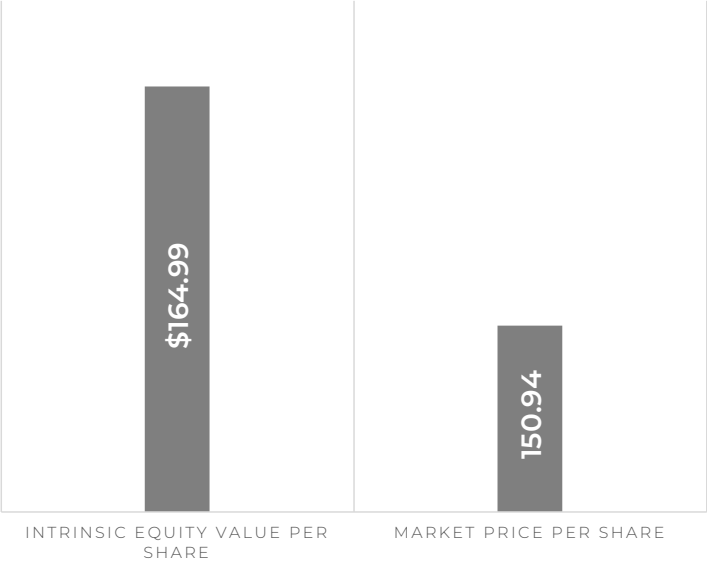
ASSUMPTIONS

FY2023 | Q2

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	\$29,738	30.00%	2.00%	2.00%	Gaming and Datacenter remain NVIDIA's 2 strongest segments. Reduced growth rate in order to be conservative as Gaming is being impacted by global macroeconomic uncertainty which will slow down the pace of growth. Also, more conservative growth rates considered for datacenter as NVIDIA faces supply constraints and is unable to meet demand as well as new situation in China. Securing datacenter inventory will be key for continued growth rates for the company.
OPERATING MARGIN	35.08%	40.00%	40.00%	40.00%	Operating margin this quarter was affected by a one-time inventory write-off as the company adjusts for their current demand expectations and as well as ASP reduction in order to correct channel inventory. Operating margins are expected to rise to normal levels once inventory is corrected in time for new architecture launch.
TAX RATE	0.54%	0.54%	27.00%	27.00%	Converging to US Marginal Tax of 27%.
REINVESTMENT	Sales to capital ratio =	1.10	RIR =	14.63%	Placed current Sales to Capital ratio for the growth phase in order to be more conservative as last 4 quarters have had similar values. Placed average value of previous years (1.35) for last 5 years as company returns to being as efficient as it has historically been.
RETURN ON CAPITAL	38.27%	Marginal ROIC =	44.12%	13.67%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		11.98%	8.67%	8.67%	Low debt. Increased due to macroeconomic factors including rise in risk-free rate and equity risk premiums. Soften in stable phase to sector average as company stabilizes.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	\$38,659	36.07%	\$13,943	\$13,867	\$8,134	\$5,734
2	\$50,257	37.05%	\$18,620	\$18,519	\$10,574	\$7,946
3	\$65,334	38.03%	\$24,848	\$24,714	\$13,746	\$10,968
4	\$84,935	39.02%	\$33,138	\$32,960	\$17,870	\$15,090
5	\$110,415	40.00%	\$44,166	\$43,928	\$23,230	\$20,697
6	\$137,356	40.00%	\$54,943	\$51,738	\$19,957	\$31,782
7	\$163,179	40.00%	\$65,272	\$58,011	\$19,128	\$38,883
8	\$184,719	40.00%	\$73,888	\$61,758	\$15,955	\$45,803
9	\$198,758	40.00%	\$79,503	\$62,245	\$10,399	\$51,846
10	\$202,733	40.00%	\$81,093	\$59,198	\$2,945	\$56,253
Terminal year	\$206,788	40.00%	\$82,715	\$60,382	\$8,834	\$51,548

The Value	
Terminal value	772,830
PV(Terminal value)	272,630
PV (CF over next 10 years)	133,674
Value of operating assets	\$ 406,304
+ Cash & Marketable Securities	17,037
- Total Debt, including operating leases	(11,692)
Value of Equity in Common Stock	\$ 411,649
Number of shares (primary)	2,495
Intrinsic Equity Value per share	\$ 164.99



NUMBERS

FY2023 | Q2

91.48%

PRICE AS % OF VALUE

FISCAL YEAR
2023

Q2 RESULTS

MAY – JUL 2022



NARRATIVE | MAIN DRIVERS

FY2023 | Q2

GAMING	DATACENTERS	PRO-VISUALIZATION	AUTOMOTIVE
<p>Negatively impacted by COVID lockdowns in China & global inflation.</p> <p>Dealing with channel excess inventory in order to prepare for new architecture launch.</p> <p>Lower ASP due to price adjustments to help inventory levels reduce faster.</p> <p>Gaming fundamentals remain solid, and NVIDIA remains as a favorite among gamers. There are also increasing use cases for gaming GPUs.</p> <p>Reduction in crypto mining can also have a negative impact on gaming results.</p>	<p>Somewhat short of expectations due to supply chain constraints (demand higher than supply).</p> <p>New Hopper architecture currently in production.</p> <p>Networking leading growth as demand for high-speed internet cables increase.</p>	<p>Macroeconomics affecting Capex to upgrade as OEMs focus on reducing inventory.</p> <p>Had previous high growth the year before (doubling revenues) and are currently in a correction period.</p> <p>Announced partnership with Siemens in order to enable the use of Omniverse.</p> <p>Continue to expand SDKs for Omniverse use cases as well as expanding opportunity with AI.</p>	<p>High increase during this quarter. Considered an inflection point for the company.</p> <p>Expected continued high growth in this sector as AV continue to develop.</p>

ASSUMPTIONS

FY2023 | Q2

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	\$29,738	35.00%	2.00%	2.00%	Gaming and Datacenter remain NVIDIA's 2 strongest segments. Reduced growth rate in order to be conservative as Gaming is being impacted by global macroeconomic uncertainty which will slow down the pace of growth. Also, more conservative growth rates considered for datacenter as NVIDIA faces supply constraints and is unable to meet demand. Securing datacenter inventory will be key for continued growth rates for the company.
OPERATING MARGIN	35.08%	40.00%	40.00%	40.00%	Operating margin this quarter was affected by a one-time inventory write-off as the company adjusts for their current demand expectations and as well as ASP reduction in order to correct channel inventory. Operating margins are expected to rise to normal levels once inventory is corrected in time for new architecture launch.
TAX RATE	0.54%	0.54%	27.00%	27.00%	Converging to US Marginal Tax of 27%.
REINVESTMENT	Sales to capital ratio =	1.10	RIR =	14.63%	Placed current Sales to Capital ratio for the growth phase in order to be more conservative as last 4 quarters have had similar values. Placed average value of previous years (1.35) for last 5 years as company returns to being as efficient as it has historically been.
RETURN ON CAPITAL	38.27%	Marginal ROIC =	44.12%	13.67%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		11.98%	8.67%	8.67%	Low debt. Increased due to macroeconomic factors including rise in risk-free rate and equity risk premiums. Soften in stable phase to sector average as company stabilizes.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	\$40,146	36.07%	\$14,479	\$14,401	\$9,489	\$4,911
2	\$54,198	37.05%	\$20,080	\$19,971	\$12,810	\$7,161
3	\$73,167	38.03%	\$27,827	\$27,677	\$17,294	\$10,383
4	\$98,775	39.02%	\$38,538	\$38,330	\$23,347	\$14,983
5	\$133,346	40.00%	\$53,338	\$53,051	\$31,518	\$21,532
6	\$171,217	40.00%	\$68,487	\$64,493	\$28,052	\$36,441
7	\$208,542	40.00%	\$83,417	\$74,138	\$27,648	\$46,489
8	\$240,240	40.00%	\$96,096	\$80,321	\$23,480	\$56,841
9	\$260,901	40.00%	\$104,360	\$81,706	\$15,304	\$66,402
10	\$266,119	40.00%	\$106,447	\$77,707	\$3,865	\$73,841
Terminal year	\$271,441	40.00%	\$108,576	\$79,261	\$11,596	\$67,664

The Value	
Terminal value	1,014,460
PV(Terminal value)	357,870
PV (CF over next 10 years)	154,597
Value of operating assets	\$ 512,467
+ Cash & Marketable Securities	17,037
- Total Debt, including operating leases	(11,692)
Value of Equity in Common Stock	\$ 517,812
Number of shares (primary)	2,495
Intrinsic Equity Value per share	\$ 207.54



NUMBERS
FY2023 | Q2

87.52%
PRICE AS % OF VALUE

FISCAL YEAR
2023

Q1 RESULTS

FEB – APR 2022



NARRATIVE | MAIN DRIVERS

FY2023 | Q1

GAMING	DATACENTERS	PRO-VISUALIZATION	AUTOMOTIVE
<p>Continued growth of sales for GeForce RTX 30 series products based on the NVIDIA Ampere GPU architecture. 2/3 of installed base pending on upgrade.</p> <p>Laptops continue to drive strong growth as Ampere GPU architecture is adopted across NVIDIA line-up.</p> <p>Negatively affected by COVID lockdowns in China (biggest gaming market) and Ukraine-Russia war. Expected to continue over the next quarter.</p> <p>Number of games available in GeForce Now continue to grow.</p>	<p>NVIDIA customers remain supply constrained as AI is adopted by more companies resulting in continued demand.</p> <p>Ampere architecture driving results in both hyperscale and vertical industries where top workloads include recommender systems, conversational AI, language models and cloud graphics.</p> <p>Customers are building AI Factories where data is the input and intelligence is the output.</p> <p>Secured inventory levels in order to prepare for demand, only concern going forward is networking.</p> <p>Announced Hopper architecture at GTC which provides leaps in performance vs Ampere.</p> <p>On track to launch Grace, first datacenter CPU focused on AI processing during end of FY2023.</p>	<p>Results driven by Ampere architecture.</p> <p>Omniverse has been adopted by 10% of the 100 top companies worldwide and is being tested by over 700 companies as the digital twin opportunity opens itself through Omniverse simulation platform.</p> <p>Omniverse is also driving sales of GPUs including new configurations as well as higher end models.</p>	<p>Started shipping NVIDIA Orin, the first datacenter on a chip, which is designed for robotic cars/ logistic movers.</p> <p>Secured estimated \$11 billion in business for this segment spanning over the next 6 years.</p>

ASSUMPTIONS

FY2023 | Q1

	BASE YEAR	GROWTH PHASE	STABLE PHASE	TERMINAL	LINK TO NARRATIVE
REVENUE	\$29,541	40.00%	2.00%	2.00%	Gaming and Datacenter remain the two pillars of NVIDIA's revenue. Datacenter had a stellar quarter surpassing, for the first time, Gaming in NVIDIA's overall results. Growth coming mainly from this segment as AI adoption increases not only with hyperscale, but also by vertical industries at the edge. NVIDIA AI software as well as Omniverse provide huge opportunities as the engines working on top of NVIDIA hardware in order to accelerate adoption and results. With Grace and Hopper in the pipeline, Datacenter is expected to grow at a very high pace.
OPERATING MARGIN	40.86%	45.00%	45.00%	45.00%	Affected in this quarter by ARM acquisition termination payment which can be considered a one-time event. Assumed 45% which was the operating margin achieved in previous quarters. Could be higher as NVIDIA continues to focus on software vs hardware.
TAX RATE	2.50%	2.50%	27.00%	27.00%	Converging to US Marginal Tax of 27%.
REINVESTMENT	Sales to capital ratio =	1.35	RIR =	13.30%	Placed average sales to capital ratio for FY2019-FY2021. Value has been increasing with every quarter.
RETURN ON CAPITAL	45.99%	Marginal ROIC =	50.22%	15.04%	Competitive advantage expected to be maintained due to expertise with GPU and new software focus built on the GPU platform.
COST OF CAPITAL		10.04%	10.04%	10.04%	Low debt. Increased due to macroeconomic factors including rise in risk-free rate.

The Cash Flows						
	Revenues	Operating Margin	EBIT	EBIT (1-t)	Reinvestment	FCFF
1	\$41,357	41.68%	\$17,239	\$16,808	\$8,753	\$8,055
2	\$57,900	42.51%	\$24,615	\$23,999	\$12,254	\$11,745
3	\$81,061	43.34%	\$35,133	\$34,253	\$17,156	\$17,098
4	\$113,485	44.17%	\$50,127	\$48,872	\$24,018	\$24,854
5	\$158,879	45.00%	\$71,495	\$69,705	\$33,625	\$36,080
6	\$210,355	45.00%	\$94,660	\$87,652	\$29,415	\$58,236
7	\$262,523	45.00%	\$118,136	\$103,602	\$29,810	\$73,791
8	\$307,677	45.00%	\$138,455	\$114,638	\$25,802	\$88,836
9	\$337,214	45.00%	\$151,746	\$118,209	\$16,878	\$101,331
10	\$343,959	45.00%	\$154,781	\$112,990	\$3,854	\$109,137
Terminal year	\$350,838	45.00%	\$157,877	\$115,250	\$15,326	\$99,924

The Value	
Terminal value	1,242,856
PV(Terminal value)	477,440
PV (CF over next 10 years)	265,817
Value of operating assets	\$ 743,257
+ Cash & Marketable Securities	20,338
- Total Debt, including operating leases	(11,699)
Value of Equity in Common Stock	\$ 751,896
Number of shares (primary)	2,506
Intrinsic Equity Value per share	\$ 300.04



NUMBERS

FY2023 | Q1

59.50%

PRICE AS % OF VALUE

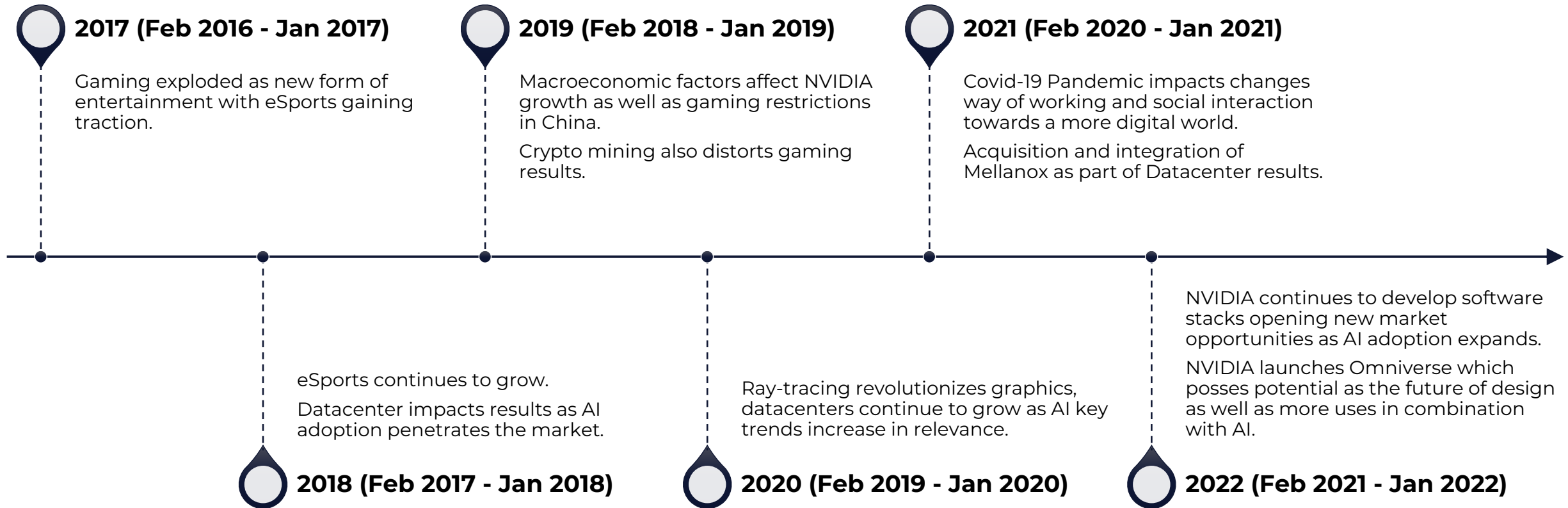


VALUATION AT A GLANCE

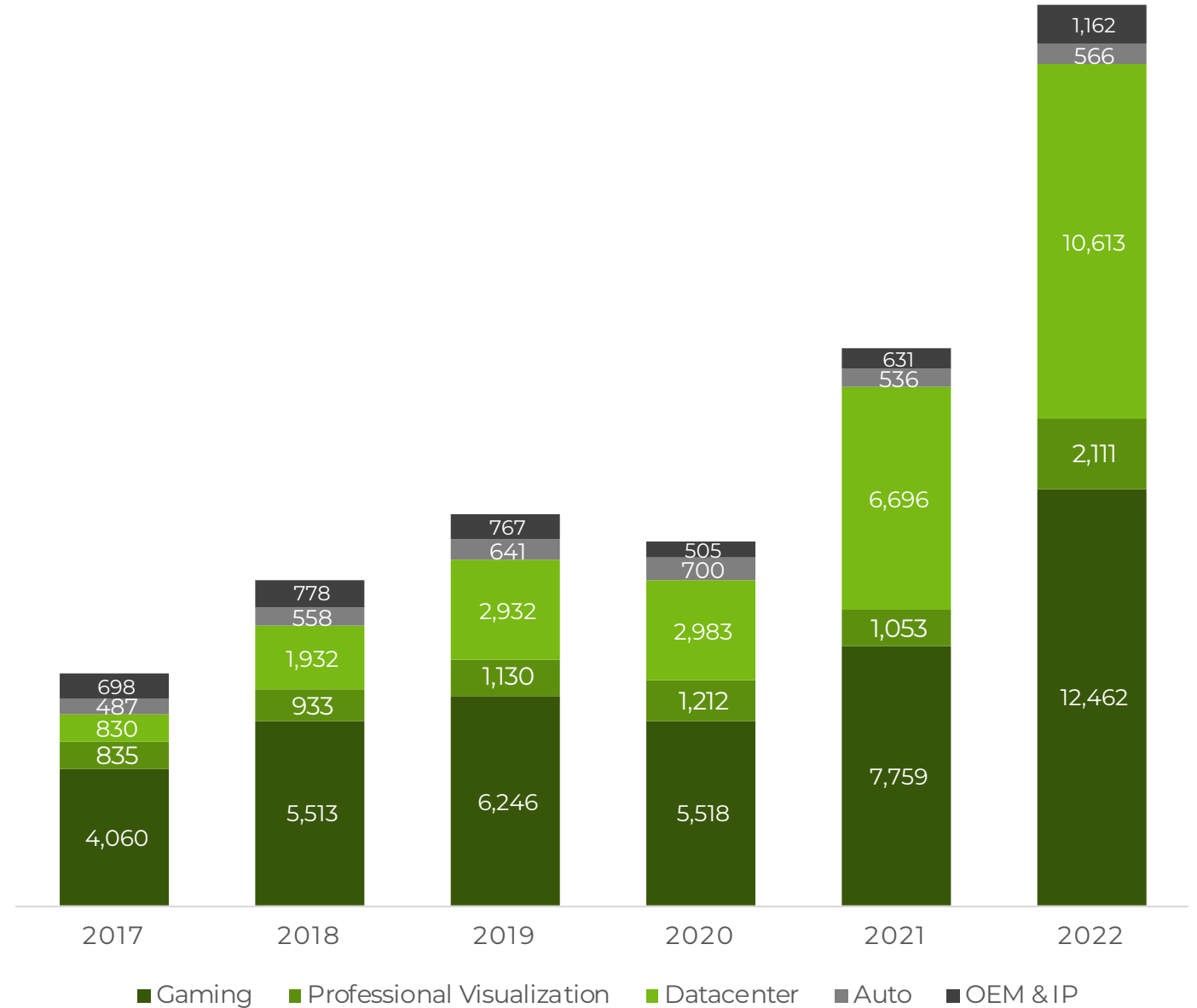
FY 2017 - 2022

FEBRUARY 2016 – JANUARY 2022

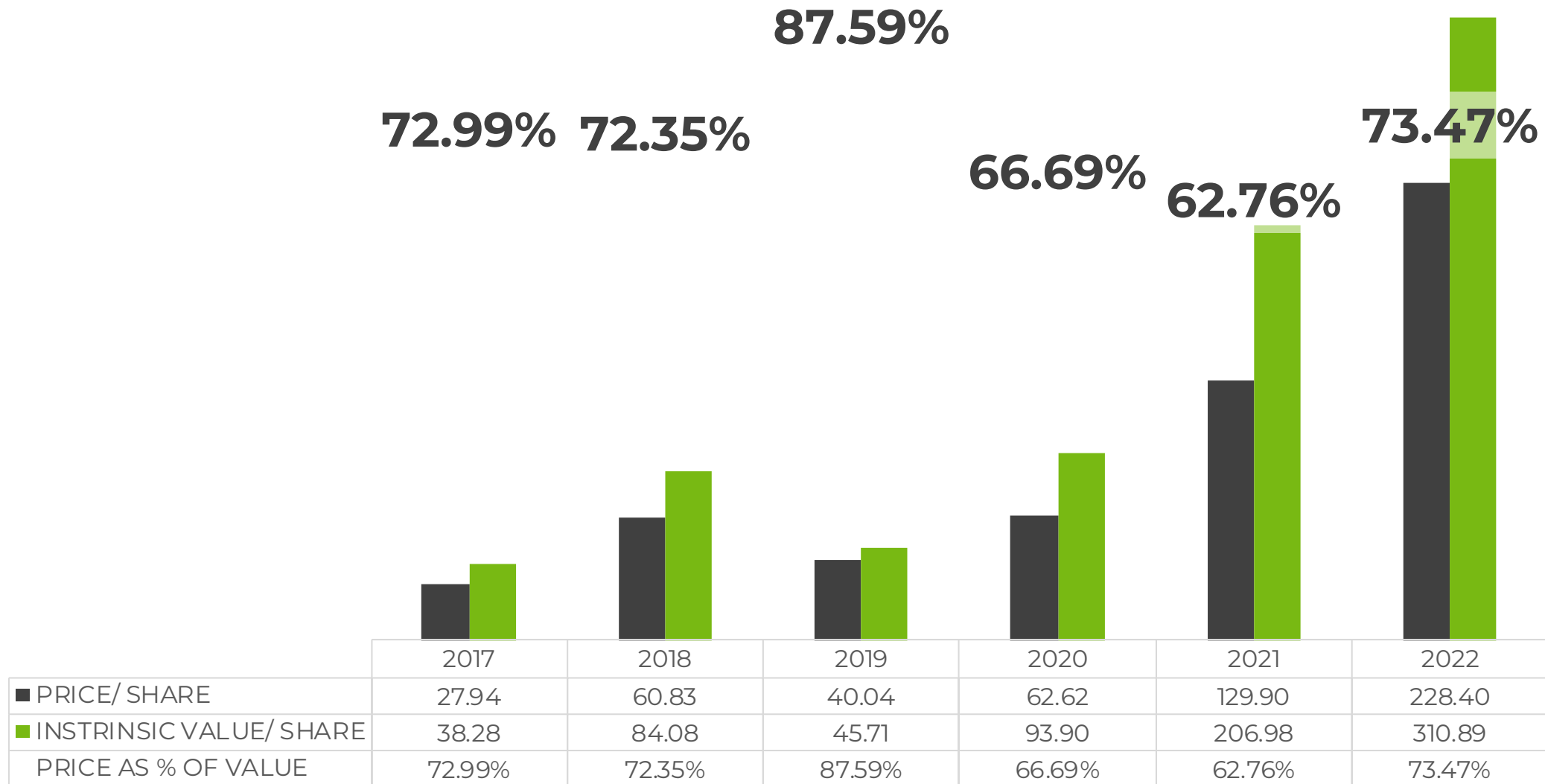
IMPORTANT MILESTONES



YEARLY RESULTS



YEARLY CLOSE INTRINSIC VALUE



Adjusted all values for 4:1 split in Q2 2022