# Section 1: Company Overview

**S1.1: Basic Information**

| **Field** | **Value** |
| --- | --- |
| Company Name | NVIDIA Corporation |
| Establishment Date | April 1993 |
| Headquarters Location | Santa Clara, California, USA |

**S1.2 : Core Competencies**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Innovation Advantages | Nvidia's innovation is driven by its full-stack computing infrastructure, which includes the CUDA programming model, domain-specific software libraries, and APIs. This stack accelerates performance for AI, data analytics, and 3D graphics. The company has invested over $45.3 billion in R&D, leading to significant advancements like the GPU, CUDA, and Tensor Core GPU. | Nvidia's innovation is centered around its accelerated computing platform, which outpaces Moore's Law by leveraging innovation across architecture, chip design, and software layers. This approach supports diverse markets with a unified architecture, allowing for leveraged R&D investments. |
| Product Advantages | Nvidia's product advantages include a strong focus on accelerated computing, AI, and graphics. The company offers a complete platform for AI, including GPUs, CPUs, and DPUs, and provides solutions like DGX Cloud and NeMo for AI training and deployment. Nvidia's products are designed for diverse markets, including data centers, gaming, and automotive. | Nvidia's product advantages are highlighted by its accelerated computing platform, which delivers significant performance improvements. The company offers a complete AI platform, including GPUs and CUDA, and has a strong presence in gaming and professional visualization with its GeForce and RTX platforms. |
| Brand Recognition | Nvidia maintains strong brand recognition through its strategic use of social media channels and investor relations website to disclose material financial information. The company emphasizes its innovation and leadership in AI and accelerated computing. | Nvidia's brand recognition is supported by its use of social media and investor relations website to communicate with investors. The company is known for its leadership in AI and accelerated computing, which enhances its brand value. |
| Reputation Ratings | Nvidia's reputation is bolstered by its commitment to ESG principles and practices, which are integrated into every aspect of the company. The company is recognized for its efforts in sustainability and human capital management. | Nvidia's reputation is supported by its focus on ESG principles and practices, which are important for its business success. The company is committed to sustainability and has a strong presence on the Green500 list for energy-efficient systems. |

**S1.3 : Mission & Vision**

| **Field** | **Value** |
| --- | --- |
| Mission Statement | N/A |
| Vision Statement | N/A |
| Core Values | Innovation is at our core. |

# Section 2: Financial Performance

**S2.1: Income Statement**

| **Field** | **2024** | **2023** | **2022** | **Multiplier** | **Currency** |
| --- | --- | --- | --- | --- | --- |
| Revenue | 60,922 | 26,974 | 26,914 | Millions | USD |
| Cost of Goods Sold | 16,621 | 11,618 | 9,439 | Millions | USD |
| Gross Profit | 44,301 | 15,356 | 17,475 | Millions | USD |
| Operating Expense | 11,329 | 11,132 | 7,434 | Millions | USD |
| Operating Income | 32,972 | 4,224 | 10,041 | Millions | USD |
| Net Profit | 29,760 | 4,368 | 9,752 | Millions | USD |
| Income before income taxes | 33,818 | 4,181 | 9,941 | Millions | USD |
| Income tax expense(benefit) | 4,058 | (187) | 189 | Millions | USD |
| Interest Expense | (257) | (262) | (236) | Millions | USD |

**S2.2: Balance Sheet**

| **Field** | **2024** | **2023** | **2022** | **Multiplier** | **Currency** |
| --- | --- | --- | --- | --- | --- |
| Total Assets | 65,728 | 41,182 | 44,187 | Millions | USD |
| Current Assets | 44,345 | 23,073 | 28,829 | Millions | USD |
| Non-Current Assets | 21,383 | 18,109 | 15,358 | Millions | USD |
| Total Liabilities | 22,750 | 19,081 | 17,575 | Millions | USD |
| Current Liabilities | 10,631 | 6,563 | 4,335 | Millions | USD |
| Non-Current Liabilities | 12,119 | 12,518 | 13,240 | Millions | USD |
| Shareholders' Equity | 42,978 | 22,101 | 26,612 | Millions | USD |
| Retained Earnings | 29,817 | 10,171 | 16,235 | Millions | USD |
| Total Equity and Liabilities | 65,728 | 41,182 | 44,187 | Millions | USD |
| Inventories | 5,282 | 5,159 | 2,605 | Millions | USD |
| Prepaid Expenses | 3,080 | 791 | 366 | Millions | USD |

**S2.3: Cash Flow Statement**

| **Field** | **2024** | **2023** | **2022** | **Multiplier** | **Currency** |
| --- | --- | --- | --- | --- | --- |
| Net Cash Flow from Operations | 28,090 | 5,641 | 9,108 | Millions | USD |
| Net Cash Flow from Investing | (10,566) | 7,375 | (9,830) | Millions | USD |
| Net Cash Flow from Financing | (13,633) | (11,617) | 1,865 | Millions | USD |
| Net Increase/Decrease in Cash | 3,891 | 1,399 | 1,143 | Millions | USD |
| Dividends | (395) | (398) | (399) | Millions | USD |

**S2.4: Key Financial Metrics**

|  | **2024** | **2023** | **2022** |
| --- | --- | --- | --- |
| Gross Margin | 72.71% | 56.92% | 64.9% |
| Operating Margin | 54.12% | 15.66% | 37.31% |
| Net Profit Margin | 48.85% | 16.20% | 36.23% |
| Current Ratio | 417.13% | 351.56% | 665.03% |
| Quick Ratio | 338.47% | 260.90% | 596.49% |
| Debt-to-Equity | 52.93% | 86.34% | 66.04% |
| Interest Coverage | 12,829.57% | 1,612.21% | 4,254.66% |
| Asset Turnover | 113.97% | 63.19% | N/A |
| Return on Equity | 91.46% | 17.93% | N/A |
| Return on Assets | 55.67% | 10.23% | N/A |
| Effective Tax Rate | 12.00% | -4.47% | 1.90% |
| Dividend Payout Ratio | 1.33% | 9.11% | 4.09% |

**S2.5: Operating Performance**

| **Field** | **2024** | **2023** | **2022** |
| --- | --- | --- | --- |
| Revenue by Product/Service | Compute & Networking: $47,405M Graphics: $13,517M Total: $60,922M | Compute & Networking: $15,068M Graphics: $11,906M Total: $26,974M | Compute & Networking: $11,046M  Graphics: $15,868M  Total: $26,914M |
| Revenue by Geographic Region | United States: $26,966M Taiwan: $13,405M China (incl. HK): $10,306M Other: $10,245M Total: $60,922M | United States: $8,292M Taiwan: $6,986M China (incl. HK): $5,785M Other: $5,911M Total: $26,974M | United States: $4,349M  Taiwan: $8,544M  China (incl. HK): $7,111M  Other countries: $6,910M  Total: $26,914M |

# Section 3: Business Analysis

**S3.1: Profitability Analysis**

| **Field** | **Answer** |
| --- | --- |
| Revenue & Direct-Cost Dynamics (Revenue Growth ; Gross Margin; Revenue by Product/Service; Revenue by Geographic Region) | Revenue experienced dramatic growth from 2022-2024, increasing 126% from 2022-2024, with the most significant jump occurring in 2024 (126% increase from 2023). This growth was primarily driven by the Compute & Networking segment, which became the dominant revenue driver, growing from $11,046M in 2022 to $47,405M in 2024. Graphics revenue declined from $15,868M in 2022 to $11,906M in 2023 but recovered to $13,517M in 2024. Geographically, the US became the largest market, growing from $4,349M in 2022 to $26,966M in 2024. Gross margin improved significantly to 72.72% in 2024 from 56.92% in 2023, though it remained below the 2022 level of 64.95%. The margin improvement in 2024 reflects better cost management and product mix optimization despite higher absolute costs. |
| Operating Efficiency (Operating Margin) | Operating efficiency showed remarkable improvement, with operating margin reaching 54.13% in 2024, a substantial increase from 15.66% in 2023, and higher than 37.32% achieved in 2022. The 2023 decline to 15.66% represented a significant efficiency challenge, but the company demonstrated strong operational leverage in 2024. Operating income surged from $4,224M in 2023 to $32,972M in 2024, while operating expenses increased modestly from $11,132M to $11,329M, indicating excellent cost control and scalability of the business model during the revenue expansion. |
| External & One-Off Impact (Effective Tax Rate, Non-Recurring Items) | The effective tax rate showed significant variation across the period, moving from 1.90% in 2022 to -4.47% in 2023 (indicating a tax benefit), and then to 12.00% in 2024. The negative tax rate in 2023 provided a one-time benefit to profitability, with the company receiving a tax benefit of $187M despite having pre-tax income of $4,181M. In 2024, the normalization of the tax rate to 12.00% represented a more typical tax burden, with tax expense of $4,058M on pre-tax income of $33,818M. This tax normalization had a moderating effect on net profit growth compared to the exceptional 2023 tax benefit. |

**S3.2: Financial Performance Summary**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Comprehensive financial health | Exceptional financial health with total assets growing to $65,728M and shareholders' equity increasing to $42,978M. Strong balance sheet with current ratio of 417.13% and debt-to-equity ratio improved to 52.94%. Cash flow from operations reached $28,090M demonstrating robust cash generation capabilities. | Solid financial foundation with total assets of $41,182M and shareholders' equity of $22,101M. Current ratio of 351.47% indicates good liquidity, though debt-to-equity ratio was higher at 86.31%. Operating cash flow of $5,641M showed positive but modest cash generation. |
| Profitability and earnings quality | Outstanding profitability with net profit margin of 48.85% and net profit of $29,760M. Return on equity reached 97.68% and return on assets 45.27%. Effective tax rate normalized to 12.00%. Revenue growth of 126% driven primarily by Compute & Networking segment ($47,405M). | Moderate profitability with net profit margin of 16.19% and net profit of $4,368M. Return on equity of 22.92% and return on assets of 11.12%. Benefited from negative effective tax rate of -4.47% providing tax benefit of $187M. Revenue remained relatively flat at $26,974M. |
| Operational efficiency | Exceptional operational efficiency with operating margin of 54.13% and operating income of $32,972M. Operating expenses well-controlled at $11,329M despite massive revenue growth. Asset turnover improved to 116.92%. Gross margin reached 72.72% indicating strong pricing power and cost management. | Challenged operational efficiency with operating margin declining to 15.66% and operating income of $4,224M. Operating expenses of $11,132M remained high relative to revenue. Asset turnover of 74.92% and gross margin of 56.92% showed room for improvement. |
| Financial risk identification and early warning | Low financial risk profile with strong liquidity ratios and improved debt management. Interest coverage ratio of 12,828.40% indicates minimal debt service risk. Dividend payout ratio of only 1.33% suggests conservative capital allocation. Geographic concentration risk with US representing 44% of revenue and China exposure at $10,306M. | Moderate financial risk with higher debt-to-equity ratio of 86.31% but manageable interest coverage of 1,612.21%. Higher dividend payout ratio of 9.11% relative to earnings. Revenue concentration risks with more balanced geographic distribution but overall revenue stagnation concerns. |
| Future financial performance projection | Highly positive outlook supported by dominant position in AI/compute market with Compute & Networking segment showing explosive growth. Strong cash generation of $28,090M provides flexibility for R&D and expansion. Robust balance sheet with $42,978M equity supports future investments. However, sustainability of 126% revenue growth rates and 72.72% gross margins may face pressure. | Mixed outlook with stabilized revenue base but limited growth momentum. Positive operating cash flow of $5,641M provides foundation for recovery. Need to improve operational efficiency and capitalize on emerging AI opportunities. Tax benefits may not recur, requiring operational improvements for sustained profitability growth. |

**S3.3: Business Competitiveness**

| **Field** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Business Model | Nvidia operates a full-stack computing platform business model, offering a combination of hardware, software, and services. This includes GPUs, DPUs, CPUs, and a comprehensive suite of software solutions like NVIDIA AI Enterprise and DGX Cloud. | Nvidia's business model is centered around accelerated computing platforms, leveraging GPUs and software stacks to serve diverse markets such as Data Center, Gaming, Professional Visualization, and Automotive. |
| Market Position | Nvidia holds a leading position in the market, powering over 75% of the supercomputers on the global TOP500 list and 24 of the top 30 systems on the Green500 list. It is a leader in AI and gaming markets with a significant presence in data centers and professional visualization. | Nvidia is a market leader in accelerated computing, with a strong presence in data centers, gaming, professional visualization, and automotive markets. It is recognized for its innovation in AI and deep learning technologies. |

# Section 4: Risk Factors

**S4.1: Risk Factors**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Market Risks | The company faces market risks due to competition, rapid technological changes, and geopolitical tensions affecting demand and supply, particularly in China. The USG's export controls and licensing requirements could further harm Nvidia's competitive position and financial results. | Nvidia's market risks include competition, rapid technological changes, and geopolitical tensions, particularly with the USG's export controls affecting sales in China. These factors could lead to reduced demand and market share. |
| Operational Risks | Nvidia's operational risks include supply chain complexities, product transitions, and the integration of new suppliers. The company also faces risks from climate change, which could disrupt operations and increase costs. | Operational risks for Nvidia involve supply chain disruptions, product defects, and the impact of climate change on operations. The company also faces challenges in integrating acquisitions and managing product transitions. |
| Financial Risks | Financial risks include exposure to interest rate changes, tax liabilities, and the impact of macroeconomic factors like inflation and capital market volatility. Nvidia's indebtedness could also affect its financial position and cash flows. | Nvidia faces financial risks from tax liabilities, interest rate changes, and macroeconomic factors such as inflation and capital market volatility. The company's indebtedness could impact its financial position and cash flows. |
| Compliance Risks | Compliance risks involve adhering to complex global regulations, including export controls, data privacy laws, and environmental regulations. Nvidia's operations could be affected by changes in these laws, impacting its competitive position and financial results. | Nvidia's compliance risks include adhering to complex global regulations, such as export controls, data privacy laws, and environmental regulations. Changes in these laws could impact the company's operations and financial results. |

# Section 5: Corporate Governance

**S5.1: Board Composition**

| **Name** | **Position** | **Total Income** |
| --- | --- | --- |
| Jen-Hsun Huang | President and Chief Executive Officer | N/A |
| Colette M. Kress | Executive Vice President and Chief Financial Officer | N/A |
| Ajay K. Puri | Executive Vice President, Worldwide Field Operations | N/A |
| Debora Shoquist | Executive Vice President, Operations | N/A |
| Timothy S. Teter | Executive Vice President and General Counsel | N/A |

**S5.2: Internal Controls**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Risk assessment procedures | The company conducts evaluations of its internal control over financial reporting based on the criteria set forth in the COSO framework. | The company assesses the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, as part of its audit procedures. |
| Control activities | The company maintains effective internal control over financial reporting, as confirmed by an independent audit. | The company has effective internal control over financial reporting, as confirmed by an independent audit. |
| Monitoring mechanisms | The effectiveness of internal control over financial reporting is audited by an independent registered public accounting firm. | The effectiveness of internal control over financial reporting is audited by an independent registered public accounting firm. |
| Identified material weaknesses or deficiencies | N/A | N/A |
| Effectiveness | N/A | N/A |

# Section 6: Future Outlook

**S6.1: Strategic Direction**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Mergers and Acquisition | Nvidia continues to pursue acquisitions and investments to expand or enhance its strategic objectives. However, these activities involve significant challenges and risks, such as integration difficulties and regulatory hurdles, which could impact financial results. | Nvidia has faced challenges in completing acquisitions due to regulatory hurdles, as seen in the termination of the Arm acquisition. The company continues to pursue acquisitions to enhance strategic objectives but faces risks such as integration difficulties and regulatory challenges. |
| New technologies | Nvidia is focused on developing and acquiring new products and technologies through investments in research and development. The company is launching new offerings with new business models, including software, services, and cloud solutions, to meet evolving customer and industry expectations. | Nvidia is investing in research and development to develop new products and technologies. The company is launching new offerings with new business models, including standalone software and cloud solutions, to meet evolving market needs. |
| Organisational Restructuring | N/A | N/A |

**S6.2: Challenges and Uncertainties**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| Economic challenges such as inflation, recession risks, and shifting consumer behavior that could impact revenue and profitability. | The report highlights that economic and industry uncertainty, including inflation, recession risks, and changes in consumer behavior, could adversely affect the company's business and financial results. These factors could lead to increased costs, decreased demand, and challenges in forecasting operating results. | The report discusses how economic and industry uncertainty, including inflation and recession risks, could negatively impact the company's business and financial results. It mentions increased costs, decreased demand, and challenges in forecasting operating results as potential impacts. |
| Competitive pressures from both established industry players and new, disruptive market entrants that the company faces. | The report notes that the market for NVIDIA's products is intensely competitive, with rapid technological changes and evolving industry standards. It highlights competition from both existing competitors and new market entrants, which could impact NVIDIA's market share and financial results. | The report emphasizes the competitive pressures NVIDIA faces from both established industry players and new entrants. It mentions the need to anticipate customer demands and deliver products at competitive prices to maintain market share. |

**S6.3: Innovation and Development Plans**

| **Perspective** | **2024 Report** | **2023 Report** |
| --- | --- | --- |
| R&D investments, with a focus on advancing technology, improving products, and creating new solutions to cater to market trends | Nvidia continues to invest in R&D to advance its technology and improve products, focusing on AI, accelerated computing, and new solutions like the Omniverse platform. The company aims to address market trends by leveraging its GPU architecture and expanding into new computational fields. | Nvidia emphasizes its commitment to R&D investments to drive innovation in AI, accelerated computing, and other computationally intensive fields. The company focuses on leveraging its GPU architecture to create platforms for various applications, including AI and scientific computing. |
| New product launches, emphasizing the company’s commitment to continuously introducing differentiated products | Nvidia is committed to launching new products, such as the NVIDIA DGX Cloud and new AI solutions, to maintain its competitive edge. The company focuses on differentiated offerings in AI, gaming, and professional visualization to meet evolving market demands. | Nvidia continues to introduce new products, including the GeForce RTX 40 Series and advancements in AI and gaming technologies. The company aims to differentiate its offerings by leveraging its GPU architecture and software innovations. |