

MIE-645 PROJECT 2

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Financial Analysis and Site Selection Recommendations for New Nvidia Office Locations

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Executive Summary: NVIDIA is a well-known technological company that has made a name for itself as a pioneer in the semiconductor and GPU markets. It is well known for its state-of-the-art inventions and potent computing solutions that serve a variety of industries, such as data centers, gaming, artificial intelligence, and driverless cars. The choice of NVIDIA is supported by its innovative role in the creation of cutting-edge GPU technologies, which have greatly impacted the state of technology. Its strong financial results, international presence, and dedication to innovation make it an interesting candidate for assessment. **Within this report, we have proposed two new facility locations for NVIDIA, accompanied by a comprehensive analysis of each.**

Analysis of Market Segment, Locations, and Financial Position of NVIDIA:

- **Market Segment:** NVIDIA offers sophisticated graphics processing units and parallel computing solutions, mainly catering to the semiconductor and GPU markets. Its products are widely used in many different applications, such as AI systems, data centers, professional visualization, gaming, and data centers.
- **Locations:** With more than 50 offices spread across several nations and regions, NVIDIA is a worldwide player. Major facilities and research centers are positioned in key places to support the company's operations and serve its varied customer base. Its goods are marketed and used globally.
- **Financial Position:** The growing demand for NVIDIA's GPU technologies across a range of industries has propelled the company's impressive financial performance. Benefiting from the continuing expansion of the gaming business, data centers, and the proliferation of AI, the company has continuously achieved high revenue growth. In fiscal year 2024, NVIDIA had revenue of \$18.12 billion, up 34% from Q2 and 206% from the previous year. Due to its strong financial position, NVIDIA can make investments in R&D, which promotes technological improvements and helps it keep a competitive edge.

Recommendations for two new Nvidia office locations

Jacksonville, Florida has been identified as the optimal location for our new Nvidia office due to its reputation as a premier city for business, a burgeoning tech hub, and a major transportation center which suggests good connectivity and accessibility through various modes of transportation. This can be advantageous for a company with global operations and logistics requirements. The decision to allocate 250,000 square feet for the office aligns with the size of Nvidia's headquarters in Santa Clara, California. Construction costs are estimated at \$100 million for a commercial plan, dependent on the building's structure. With 500 employees, the office mirrors the average size of Nvidia offices across North America, totaling 15,221 employees spread across 20 locations. Jacksonville's population of 971,319 further supports the strategic decision. For a company of Nvidia's stature, the Minimum Acceptable Rate of Return (MARR) falls within the 10% to 20% range, while the Internal Rate of Return (IRR) serves as a key indicator of project success and is expected to surpass these thresholds. A tax rate of 27% has been applied based on Nvidia's financial statements. Depreciation has been forecasted over a 40-year period.

Atlanta, Georgia emerges as a favorable location for Nvidia's new office due to its status as a major metropolitan hub and a thriving center for technology and innovation. The decision to allocate 200,000 square feet aligns with the typical office size for corporate companies in larger cities, catering to Nvidia's operational requirements. Estimated building expenses for the Atlanta office are \$150 million, which is in line with the higher price point of commercial developments in a major metropolis such as Atlanta. The office's projected staff headcount of 450 reflects Nvidia's dedication to preserving a sizable presence in key areas. With 499,127 residents, Atlanta offers a sizable talent pool and a bustling urban setting that are ideal for drawing in and keeping top tech talent. Atlanta, the state capital, and hub of the Georgian economy, provides Nvidia with an ideal environment for advancing its expansion and innovation plans.

The Atlanta office project's Minimum Acceptable Rate of Return (MARR), which is in line with Nvidia's business profile, is between 10% and 20%, guaranteeing a feasible return on investment. Nvidia's financial statements show a 27% tax rate, considering potential tax implications in Atlanta. Depreciation for the Atlanta office is

projected over a 40-year period, ensuring long-term financial viability. Atlanta's innovation, technology, infrastructure, talent pool, and business climate make it a desirable location for Nvidia's expansion.

Analysis and Estimations:

Based on historical income statements and balance sheet data utilized in Project 1 for NVIDIA for the years 2013 - 2023, estimates were made for the year 2024 at two different facilities. Estimates were made utilizing financial records to examine and evaluate facility location at Jacksonville, Florida and Atlanta, Georgia in more detail and to compare the two facility locations.

Book Value: NVIDIA's book value for Jacksonville, Florida and Atlanta, Georgia is starting from \$197.22 to \$0.32 and \$295.83 to \$0.48 respectively. This consistent downward trajectory is due to various factors impacting asset values. One of the main reasons could be depreciation or market fluctuations.

Depreciation: Nvidia's assets depreciate consistently in Jacksonville and Atlanta, with expenses remaining steady at \$5.12 and \$7.68, respectively, with a slight decrease towards the end at \$2.34 and \$3.51. Nvidia's steady depreciation indicates strategic asset management, consistent resource allocation, and potential operational efficiencies. The decrease towards the end may indicate optimization or cost-saving measures, demonstrating financial management commitment.

M & O Growth: Jacksonville and Atlanta have consistent Maintenance and Operations (M&O) costs over a 40-year period, totaling - \$618.28 million and - \$398.51 million respectively. This indicates Nvidia's commitment to operational efficiency and asset integrity. Jacksonville incurs lower annual costs but higher cumulative expenses over 40 years, possibly due to differences in operational requirements or local market dynamics.

Taxes: By dividing the income tax expense (\$25,089) by the income before income tax (\$125,445), we get an effective tax rate of around 27%. The company may be utilizing tax optimization strategies and benefiting from research and development tax credits to reduce its overall tax burden. Taxes in Jacksonville and Atlanta have a fluctuating trend over a 40-year period, starting at - \$56.46 for Jacksonville and - \$71.66 for Atlanta and reaching a peak of \$2,824.16 and \$5,689.53. These trends are influenced by factors like tax regulations, economic conditions, and property valuations. Overall, these trends suggest an increase in tax expenses for Nvidia's operations in both locations.

MARR: NVIDIA's 10% MARR aligns with their established business strategy and dominant market position, allowing them to pursue higher-risk, higher-return projects. Understanding the suitability of this rate for NVIDIA's long-term goals requires examining capital allocation methods, investments in technologies, and overall risk profile.

Labor Cost: Since year 0 is the beginning point or baseline for the prediction, the labor cost is zero at that point. Labor costs are observed to steadily rise up to \$72 million for Jacksonville and \$64.8 million for Atlanta as a business starts up and grows over time due to the hiring of additional staff and an expansion of operational activities.

AW from CFAT: The Annual Worth (AW) calculation relies on the Present Worth (PW), which encapsulates the collective value of future cash flows adjusted to their present value, employing factors such as the Minimum Acceptable Rate of Return (MARR), project lifespan, and Average CFAT. Subsequently, AW computation incorporates MARR, project duration, and the inverse of PW. In the case of Jacksonville, PW stands at 11940.92, while AW amounts to 1221.07. Conversely, Atlanta records a PW of 25911.02 and an AW of 2649.65. These metrics encapsulate the financial viability and sustainability of the investment endeavor, aiding strategic decision-making processes.

Payback: Though the payback times are different, NVIDIA can explore prospects in Atlanta and Jacksonville. Jacksonville has a lengthier payback period of 22 years, which reflects for its smaller market size and possibly slower economic growth, whereas Atlanta has a shorter payback period of 18 years, which is reflective of its larger market size, better economic growth, and more robust real estate trends. These estimates, however, could alter depending on several variables, such as the state of the market and the success of the organization over time. For both locations, the criterion utilized for determining the payback period is that the Cash Flow After Taxes (CFAT) should be below \$342 million.

IRR: A lower IRR can point to more risk or lower predicted returns; a higher IRR indicates a more alluring investment opportunity. A 11% IRR of Jacksonville is often considered acceptable for many investments, especially those with moderate risk profiles. Since a 13% IRR of Atlanta indicates larger returns in comparison to the cost of capital, it is generally regarded as more appealing. If the IRR is greater than MARR, then it suggests that the investment is expected to generate returns higher than the minimum threshold set by the investor or the company.

Conclusion:

The comprehensive financial analysis of potential Nvidia office buildings in Atlanta, Georgia, and Jacksonville, Florida, makes strong cases for each site. Jacksonville has advantages of its own, too, with a predicted IRR of 11% and a 22-year payback period, while Atlanta has a more favorable IRR (13%) and a shorter payback period (18 years). In addition to employing tax efficiency techniques, both locations exhibit strategic asset management with consistent depreciation and maintenance expenditures. As activities spread across both regions, labor costs should rise progressively in line with expanding market prospects. Jacksonville's potential for talent acquisition and strategic positioning in Florida's expanding tech scene offer unique benefits, while Atlanta's larger market size and better economic growth provide a solid platform for expansion.

References:

EDGAR- NVIDIA CORP 10-K (annual reports)

<https://www.sec.gov/edgar/browse/?CIK=1045810&owner=exclude>

Performance Summary – Finbox.com

https://finbox.com/NASDAQGS:NVDA/explorer/quick_ratio/

APPENDIX

Year	GI	OE	Dr	D	BV	TI	Taxes	Increase in sales	TS	CC	M&O	CFAT
0	\$2,576.53	(\$618.28)				\$1,958.24	\$528.73		\$3,094.81	\$100.00	(\$618.28)	(\$388.00)
1	(\$130.26)	(\$192.00)	1.39%	\$2.78	\$197.22	(\$325.04)	(\$87.76)	\$46.00	\$86.00	(\$24.26)	(\$120.00)	(\$237.28)
2	(\$123.36)	(\$192.00)	2.56%	\$5.12	\$192.10	(\$320.48)	(\$86.53)	\$52.90	\$92.90	(\$24.26)	(\$120.00)	(\$233.95)
3	(\$115.43)	(\$192.00)	2.56%	\$5.12	\$186.98	(\$312.55)	(\$84.39)	\$60.84	\$100.84	(\$24.26)	(\$120.00)	(\$228.16)
4	(\$106.30)	(\$192.00)	2.56%	\$5.12	\$181.86	(\$303.42)	(\$81.92)	\$69.96	\$109.96	(\$24.26)	(\$120.00)	(\$221.50)
5	(\$95.81)	(\$192.00)	2.56%	\$5.12	\$176.74	(\$292.93)	(\$79.09)	\$80.45	\$120.45	(\$24.26)	(\$120.00)	(\$213.84)
6	(\$83.74)	(\$192.00)	2.56%	\$5.12	\$171.62	(\$280.86)	(\$75.83)	\$92.52	\$132.52	(\$24.26)	(\$120.00)	(\$205.03)
7	(\$69.86)	(\$192.00)	2.56%	\$5.12	\$166.50	(\$266.98)	(\$72.08)	\$106.40	\$146.40	(\$24.26)	(\$120.00)	(\$194.90)
8	(\$53.90)	(\$192.00)	2.56%	\$5.12	\$161.38	(\$251.02)	(\$67.78)	\$122.36	\$162.36	(\$24.26)	(\$120.00)	(\$183.24)
9	(\$35.55)	(\$192.00)	2.56%	\$5.12	\$156.26	(\$232.67)	(\$62.82)	\$140.72	\$180.72	(\$24.26)	(\$120.00)	(\$169.85)
10	(\$14.44)	(\$192.00)	2.56%	\$5.12	\$151.14	(\$211.56)	(\$57.12)	\$161.82	\$201.82	(\$24.26)	(\$120.00)	(\$154.44)
11	\$9.83	(\$192.00)	2.56%	\$5.12	\$146.02	(\$187.29)	(\$50.57)	\$186.10	\$226.10	(\$24.26)	(\$120.00)	(\$136.72)
12	\$37.75	(\$192.00)	2.56%	\$5.12	\$140.90	(\$159.37)	(\$43.03)	\$214.01	\$254.01	(\$24.26)	(\$120.00)	(\$116.34)
13	\$69.85	(\$192.00)	2.56%	\$5.12	\$135.78	(\$127.27)	(\$34.36)	\$246.11	\$286.11	(\$24.26)	(\$120.00)	(\$92.91)
14	\$106.77	(\$192.00)	2.56%	\$5.12	\$130.66	(\$90.35)	(\$24.40)	\$283.03	\$323.03	(\$24.26)	(\$120.00)	(\$65.96)
15	\$149.22	(\$192.00)	2.56%	\$5.12	\$125.54	(\$47.90)	(\$12.93)	\$325.48	\$365.48	(\$24.26)	(\$120.00)	(\$34.97)
16	\$198.04	(\$192.00)	2.56%	\$5.12	\$120.42	\$0.92	\$0.25	\$374.30	\$414.30	(\$24.26)	(\$120.00)	\$0.67
17	\$254.19	(\$192.00)	2.56%	\$5.12	\$115.30	\$57.07	\$15.41	\$430.45	\$470.45	(\$24.26)	(\$120.00)	\$41.66
18	\$318.76	(\$192.00)	2.56%	\$5.12	\$110.18	\$121.64	\$32.84	\$495.02	\$535.02	(\$24.26)	(\$120.00)	\$88.80
19	\$393.01	(\$192.00)	2.56%	\$5.12	\$105.06	\$195.89	\$52.89	\$569.27	\$609.27	(\$24.26)	(\$120.00)	\$143.00
20	\$478.40	(\$192.00)	2.56%	\$5.12	\$99.94	\$281.28	\$75.95	\$654.66	\$694.66	(\$24.26)	(\$120.00)	\$205.33
21	\$576.60	(\$192.00)	2.56%	\$5.12	\$94.82	\$379.48	\$102.46	\$752.86	\$792.86	(\$24.26)	(\$120.00)	\$277.02
22	\$689.53	(\$192.00)	2.56%	\$5.12	\$89.70	\$492.41	\$132.95	\$865.79	\$905.79	(\$24.26)	(\$120.00)	\$359.46
23	\$819.40	(\$192.00)	2.56%	\$5.12	\$84.58	\$622.28	\$168.01	\$995.66	\$1,035.66	(\$24.26)	(\$120.00)	\$454.26
24	\$968.75	(\$192.00)	2.56%	\$5.12	\$79.46	\$771.63	\$208.34	\$1,145.01	\$1,185.01	(\$24.26)	(\$120.00)	\$563.29
25	\$1,140.50	(\$192.00)	2.56%	\$5.12	\$74.34	\$943.38	\$254.71	\$1,316.76	\$1,356.76	(\$24.26)	(\$120.00)	\$688.67
26	\$1,338.01	(\$192.00)	2.56%	\$5.12	\$69.22	\$1,140.89	\$308.04	\$1,514.27	\$1,554.27	(\$24.26)	(\$120.00)	\$832.85
27	\$1,565.15	(\$192.00)	2.56%	\$5.12	\$64.10	\$1,368.03	\$369.37	\$1,741.41	\$1,781.41	(\$24.26)	(\$120.00)	\$998.66
28	\$1,826.36	(\$192.00)	2.56%	\$5.12	\$58.98	\$1,629.24	\$439.90	\$2,002.62	\$2,042.62	(\$24.26)	(\$120.00)	\$1,189.35
29	\$2,126.76	(\$192.00)	2.56%	\$5.12	\$53.86	\$1,929.64	\$521.00	\$2,303.02	\$2,343.02	(\$24.26)	(\$120.00)	\$1,408.64
30	\$2,472.21	(\$192.00)	2.56%	\$5.12	\$48.74	\$2,275.09	\$614.27	\$2,648.47	\$2,688.47	(\$24.26)	(\$120.00)	\$1,660.82
31	\$2,869.48	(\$192.00)	2.56%	\$5.12	\$43.62	\$2,672.36	\$721.54	\$3,045.74	\$3,085.74	(\$24.26)	(\$120.00)	\$1,950.82
32	\$3,326.34	(\$192.00)	2.56%	\$5.12	\$38.50	\$3,129.22	\$844.89	\$3,502.60	\$3,542.60	(\$24.26)	(\$120.00)	\$2,284.33
33	\$3,851.73	(\$192.00)	2.56%	\$5.12	\$33.38	\$3,654.61	\$986.75	\$4,027.99	\$4,067.99	(\$24.26)	(\$120.00)	\$2,667.87
34	\$4,455.93	(\$192.00)	2.56%	\$5.12	\$28.26	\$4,258.81	\$1,149.88	\$4,632.19	\$4,672.19	(\$24.26)	(\$120.00)	\$3,108.93
35	\$5,150.76	(\$192.00)	2.56%	\$5.12	\$23.14	\$4,953.64	\$1,337.48	\$5,327.02	\$5,367.02	(\$24.26)	(\$120.00)	\$3,616.16
36	\$5,949.81	(\$192.00)	2.56%	\$5.12	\$18.02	\$5,752.69	\$1,553.23	\$6,126.07	\$6,166.07	(\$24.26)	(\$120.00)	\$4,199.47
37	\$6,868.72	(\$192.00)	2.56%	\$5.12	\$12.90	\$6,671.60	\$1,801.33	\$7,044.99	\$7,084.99	(\$24.26)	(\$120.00)	\$4,870.27
38	\$7,925.47	(\$192.00)	2.56%	\$5.12	\$7.78	\$7,728.35	\$2,086.66	\$8,101.73	\$8,141.73	(\$24.26)	(\$120.00)	\$5,641.70
39	\$9,140.73	(\$192.00)	2.56%	\$5.12	\$2.66	\$8,943.61	\$2,414.78	\$9,316.99	\$9,356.99	(\$24.26)	(\$120.00)	\$6,528.84
40	\$10,538.28	(\$192.00)	1.17%	\$2.34	\$0.32	\$10,343.94	\$2,792.86	\$10,714.54	\$10,754.54	(\$24.26)	(\$120.00)	\$7,551.08

Table 1: Jacksonville, Florida

Jacksonville, Florida

Size	Sq.ft	250,000		
Cost	per sq ft	\$500		
Wages	per hr	\$75		
Salary	per hr	\$50		
Employee	Nos	500		
Population	Nos	971,319		
Construction Cost	Million \$	\$140.00		
Loan	Million \$	\$200.00		
M&O Cost	Million \$	\$120.00		
Labor Cost		\$72,000,000		
		(\$72.00)		
Labor Cost (0years)		\$0.00		
Projected Sales	Million \$	\$40.00	PW	\$11,940.92
MARR	Percent %	10%	AW	\$1,221.07
IRRR	Percent %	12%	IRR	11%
Tax Rate	Percent %	27%	Payback	22.00
Period	Years	40		

Atlanta, Georgia

Size	Sq.ft	200,000		
Cost	per sq ft	\$850		
Wages	per hr	\$60		
Salary	per hr	\$50		
Employee	Nos	450		
Population	Nos	499,127		
Construction Cost	Million \$	\$210.00		
Loan	Million \$	\$300.00		
M&O Cost	Million \$	\$180.00		
Labor Cost		\$64,800,000		
		(\$64.80)		
Labor Cost (0years)		\$0.00		
Projected Sales	Million \$	\$80.00	PW	\$25,911.02
MARR	Percent %	10%	AW	\$2,649.65
IRRR	Percent %	15%	IRR	13%
Tax Rate	Percent %	27%	Payback	18
Period	Years	40		

Year	GI	OE	Dr	D	BV	TI	Taxes	Increase in sales	TS	CC	M&O	CFAT
0	\$3,352.54	(\$398.51)				\$2,954.03	\$797.59		\$3,651.04	\$100.00	(\$398.51)	(\$625.20)
1	(\$117.97)	(\$244.80)	1.39%	\$4.17	\$295.83	(\$366.94)	(\$99.07)	\$92.00	\$172.00	(\$45.17)	(\$180.00)	(\$267.87)
2	(\$104.17)	(\$244.80)	2.56%	\$7.68	\$288.15	(\$356.65)	(\$96.30)	\$105.80	\$185.80	(\$45.17)	(\$180.00)	(\$260.35)
3	(\$88.30)	(\$244.80)	2.56%	\$7.68	\$280.47	(\$340.78)	(\$92.01)	\$121.67	\$201.67	(\$45.17)	(\$180.00)	(\$248.77)
4	(\$70.05)	(\$244.80)	2.56%	\$7.68	\$272.79	(\$322.53)	(\$87.08)	\$139.92	\$219.92	(\$45.17)	(\$180.00)	(\$235.45)
5	(\$49.06)	(\$244.80)	2.56%	\$7.68	\$265.11	(\$301.54)	(\$81.42)	\$160.91	\$240.91	(\$45.17)	(\$180.00)	(\$220.12)
6	(\$24.92)	(\$244.80)	2.56%	\$7.68	\$257.43	(\$277.40)	(\$74.90)	\$185.04	\$265.04	(\$45.17)	(\$180.00)	(\$202.50)
7	\$2.83	(\$244.80)	2.56%	\$7.68	\$249.75	(\$249.65)	(\$67.40)	\$212.80	\$292.80	(\$45.17)	(\$180.00)	(\$182.24)
8	\$34.75	(\$244.80)	2.56%	\$7.68	\$242.07	(\$217.73)	(\$58.79)	\$244.72	\$324.72	(\$45.17)	(\$180.00)	(\$158.94)
9	\$71.46	(\$244.80)	2.56%	\$7.68	\$234.39	(\$181.02)	(\$48.88)	\$281.43	\$361.43	(\$45.17)	(\$180.00)	(\$132.14)
10	\$113.68	(\$244.80)	2.56%	\$7.68	\$226.71	(\$138.80)	(\$37.48)	\$323.64	\$403.64	(\$45.17)	(\$180.00)	(\$101.33)
11	\$162.22	(\$244.80)	2.56%	\$7.68	\$219.03	(\$90.26)	(\$24.37)	\$372.19	\$452.19	(\$45.17)	(\$180.00)	(\$65.89)
12	\$218.05	(\$244.80)	2.56%	\$7.68	\$211.35	(\$34.43)	(\$9.30)	\$428.02	\$508.02	(\$45.17)	(\$180.00)	(\$25.13)
13	\$282.25	(\$244.80)	2.56%	\$7.68	\$203.67	\$29.77	\$8.04	\$492.22	\$572.22	(\$45.17)	(\$180.00)	\$21.74
14	\$356.09	(\$244.80)	2.56%	\$7.68	\$195.99	\$103.61	\$27.97	\$566.06	\$646.06	(\$45.17)	(\$180.00)	\$75.63
15	\$441.00	(\$244.80)	2.56%	\$7.68	\$188.31	\$188.52	\$50.90	\$650.96	\$730.96	(\$45.17)	(\$180.00)	\$137.62
16	\$538.64	(\$244.80)	2.56%	\$7.68	\$180.63	\$286.16	\$77.26	\$748.61	\$828.61	(\$45.17)	(\$180.00)	\$208.90
17	\$650.93	(\$244.80)	2.56%	\$7.68	\$172.95	\$398.45	\$107.58	\$860.90	\$940.90	(\$45.17)	(\$180.00)	\$290.87
18	\$780.07	(\$244.80)	2.56%	\$7.68	\$165.27	\$527.59	\$142.45	\$990.04	\$1,070.04	(\$45.17)	(\$180.00)	\$385.14
19	\$928.57	(\$244.80)	2.56%	\$7.68	\$157.59	\$676.09	\$182.55	\$1,138.54	\$1,218.54	(\$45.17)	(\$180.00)	\$493.55
20	\$1,099.35	(\$244.80)	2.56%	\$7.68	\$149.91	\$846.87	\$228.66	\$1,309.32	\$1,389.32	(\$45.17)	(\$180.00)	\$618.22
21	\$1,295.75	(\$244.80)	2.56%	\$7.68	\$142.23	\$1,043.27	\$281.68	\$1,505.72	\$1,585.72	(\$45.17)	(\$180.00)	\$761.59
22	\$1,521.61	(\$244.80)	2.56%	\$7.68	\$134.55	\$1,269.13	\$342.67	\$1,731.58	\$1,811.58	(\$45.17)	(\$180.00)	\$926.47
23	\$1,781.35	(\$244.80)	2.56%	\$7.68	\$126.87	\$1,528.87	\$412.79	\$1,991.32	\$2,071.32	(\$45.17)	(\$180.00)	\$1,116.07
24	\$2,080.05	(\$244.80)	2.56%	\$7.68	\$119.19	\$1,827.57	\$493.44	\$2,290.01	\$2,370.01	(\$45.17)	(\$180.00)	\$1,334.12
25	\$2,423.55	(\$244.80)	2.56%	\$7.68	\$111.51	\$2,171.07	\$586.19	\$2,633.52	\$2,713.52	(\$45.17)	(\$180.00)	\$1,584.88
26	\$2,818.58	(\$244.80)	2.56%	\$7.68	\$103.83	\$2,566.10	\$692.85	\$3,028.54	\$3,108.54	(\$45.17)	(\$180.00)	\$1,873.25
27	\$3,272.86	(\$244.80)	2.56%	\$7.68	\$96.15	\$3,020.38	\$815.50	\$3,482.83	\$3,562.83	(\$45.17)	(\$180.00)	\$2,204.87
28	\$3,795.28	(\$244.80)	2.56%	\$7.68	\$88.47	\$3,542.80	\$956.56	\$4,005.25	\$4,085.25	(\$45.17)	(\$180.00)	\$2,586.24
29	\$4,396.07	(\$244.80)	2.56%	\$7.68	\$80.79	\$4,143.59	\$1,118.77	\$4,606.04	\$4,686.04	(\$45.17)	(\$180.00)	\$3,024.82
30	\$5,086.97	(\$244.80)	2.56%	\$7.68	\$73.11	\$4,834.49	\$1,305.31	\$5,296.94	\$5,376.94	(\$45.17)	(\$180.00)	\$3,529.18
31	\$5,881.51	(\$244.80)	2.56%	\$7.68	\$65.43	\$5,629.03	\$1,519.84	\$6,091.48	\$6,171.48	(\$45.17)	(\$180.00)	\$4,109.20
32	\$6,795.24	(\$244.80)	2.56%	\$7.68	\$57.75	\$6,542.76	\$1,766.54	\$7,005.21	\$7,085.21	(\$45.17)	(\$180.00)	\$4,776.21
33	\$7,846.02	(\$244.80)	2.56%	\$7.68	\$50.07	\$7,593.54	\$2,050.26	\$8,055.99	\$8,135.99	(\$45.17)	(\$180.00)	\$5,543.28
34	\$9,054.42	(\$244.80)	2.56%	\$7.68	\$42.39	\$8,801.94	\$2,376.52	\$9,264.38	\$9,344.38	(\$45.17)	(\$180.00)	\$6,425.41
35	\$10,444.07	(\$244.80)	2.56%	\$7.68	\$34.71	\$10,191.59	\$2,751.73	\$10,654.04	\$10,734.04	(\$45.17)	(\$180.00)	\$7,439.86
36	\$12,042.18	(\$244.80)	2.56%	\$7.68	\$27.03	\$11,789.70	\$3,183.22	\$12,252.15	\$12,332.15	(\$45.17)	(\$180.00)	\$8,606.48
37	\$13,880.00	(\$244.80)	2.56%	\$7.68	\$19.35	\$13,627.52	\$3,679.43	\$14,089.97	\$14,169.97	(\$45.17)	(\$180.00)	\$9,948.09
38	\$15,993.50	(\$244.80)	2.56%	\$7.68	\$11.67	\$15,741.02	\$4,250.07	\$16,203.47	\$16,283.47	(\$45.17)	(\$180.00)	\$11,490.94
39	\$18,424.02	(\$244.80)	2.56%	\$7.68	\$3.99	\$18,171.54	\$4,906.32	\$18,633.99	\$18,713.99	(\$45.17)	(\$180.00)	\$13,265.22
40	\$21,219.12	(\$244.80)	1.17%	\$3.51	\$0.48	\$20,970.81	\$5,662.12	\$21,429.08	\$21,509.08	(\$45.17)	(\$180.00)	\$15,308.69

Table 2: Atlanta, Georgia

JACKSONVILLE, FLORIDA		
	Avg Per person	Avg Anually for 500 employees
Annual Wages	68,000	34,000,000
	Per sq ft	Total
Property Tax (tax rate 4.5)	\$22.50	\$5,625,000.00
Water Charges Anually	Commercial Class A Building Charges, Water & Sewer Rates Anually	\$50,040.00
Electricity Charges Anually	For 250,000sq ft, At 20 kWh - a consumption rate of \$0.04/kWh	\$200,000

Table 3: Bonus Evaluation 1

ATLANTA, GEORGIA		
	Avg Per person	Avg Anually for 450 employees
Annual Wages	68,000	30,600,000
	Per sq ft	Total
Property Tax (tax rate 4.5)	\$22.50	\$5,625,000.00
Water Charges Anually	Commercial Class A Building Charges, Water & Sewer Rates Anually	\$36,035.00
Electricity Charges Anually	For 200,000 sq ft, At 20 kWh a consumption rate of \$0.065/kWh	\$260,000

Table 4: Bonus Evaluation 2

Variables	Formulas
M&O	Estimated Costs for materials and Operations
Depreciation @ 0	MACRS rate* GrossIncome
Labor Cost	Cost of labor estimated based on 50
MARR	Standard MARR
Tax Rate	Corporate tax rate based on company income
Internal Rate Of Return	Rate(n, GI, CFAT)
Annual loan repayment	PMT(I, n, A/P)
Project Life	n = 40 years
Revenue Projections	Total sales - loan payment- M&O -LC
Annual Worth @ year 40	NPV(MARR, CFAT(40))
Payback period	Using CFAT

Table 5: Formulae

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
New Profit Margin	13.13%	10.65%	13.48%	12.26%	24.11%	31.37%	35.34%	25.61%	25.98%	36.23%	16.19%	48.85%
ROI	8.76%	6.07%	8.76%	8.33%	16.93%	27.11%	31.15%	16.15%	15.05%	22.07%	10.61%	45.28%
DSO	38.72	37.65	36.95	36.79	43.63	47.53	44.36	55.40	53.17	63.06	51.79	59.91
Inventory Turnover	48.88	4.81	4.31	5.26	3.59	4.89	2.89	4.24	3.44	3.62	2.25	3.15
Current Ratio	4.89	5.95	6.38	2.57	4.78	8.03	7.94	7.67	4.09	6.65	3.52	4.17
Acid Test Ratio	4.85	5.54	5.84	2.40	4.33	7.34	6.76	7.13	3.63	6.05	2.73	3.67
Debt Ratio	9.47%	25.49%	26.20%	6.28%	22.97%	23.28%	19.72%	19.21%	27.69%	29.96%	30.40%	18.44%
Debt to equity Ratio	12.58%	41.47%	42.71%	10.36%	39.22%	35.03%	28.06%	27.26%	47.20%	49.75%	56.64%	28.20%

Table 6: Financial Analysis of last 10 years

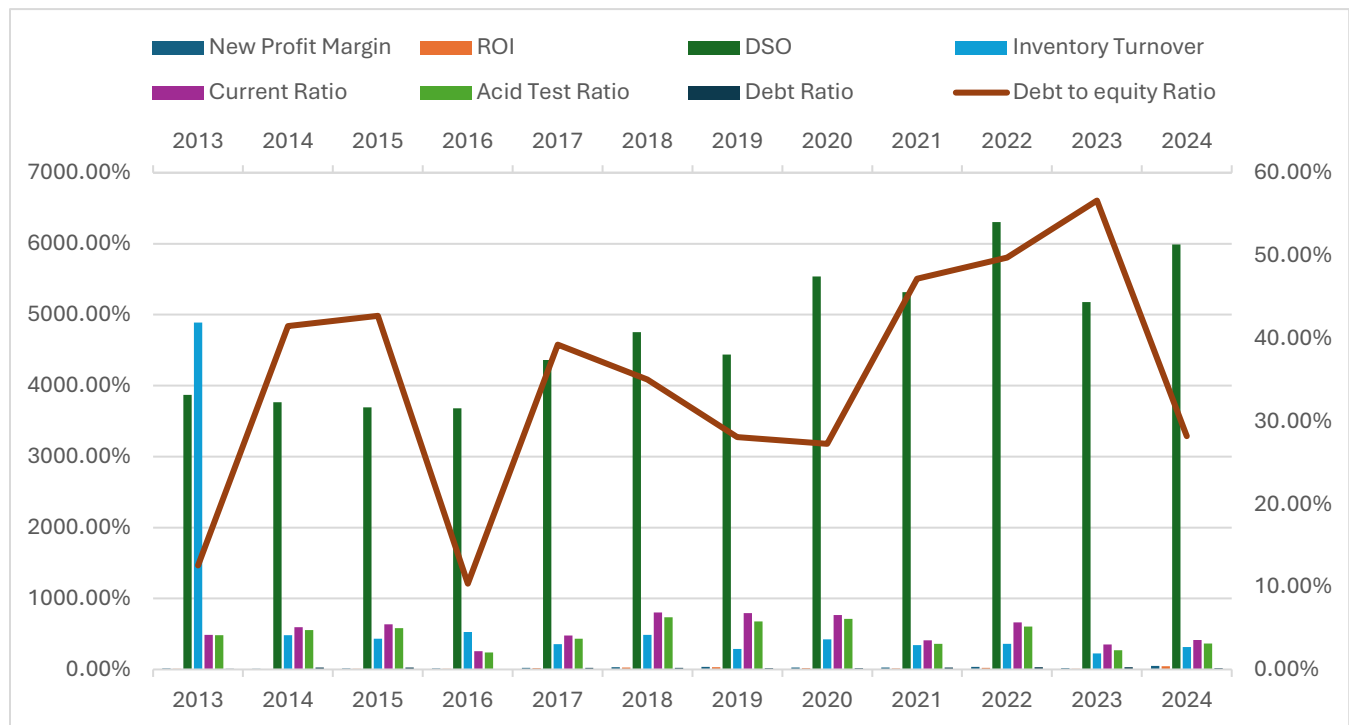


Figure 1: Financial Analysis of last 10 years

Direct links to excel sheets:



Forecasting_Financial_
Analysis-NVIDIA.xlsx



Financial_Ratio_Calcu
lation_NVIDIA.xlsx