NVIDIA Corporation

NVDA • NASDAQ Global Select • Semiconductors • United States

COMPANY PROFILE

NVIDIA Corporation designs graphics processing units, AI accelerators, networking hardware and related software platforms. Its business is organized into two reporting segments, Compute & Networking and Graphics, spanning data-center AI infrastructure, gaming GPUs, professional visualization workstations, automotive compute platforms, and legacy OEM products. The company has transitioned from a primarily gaming-GPU business into a data-center-centric AI infrastructure supplier, which now generates the substantial majority of its revenue and profit.

RECOMMENDATION	CURRENT PRICE	TARGET PRICE
BUY	144.69 USD	208.70 USD
12-month horizon	⚠ price sources disagree — verify	12-month fundamental

IMPLIED UPSIDE	MARKET CAP	ENTERPRISE VALUE
+44.2%	USD 4,071.6 bn	USD 3,898 bn
vs. current price	shares × price	mcap + net debt

P/E 2027E	EV/EBITDA 2027E	FCF YIELD 2027E	DIVIDEND YIELD 2027E	NET DEBT / EBITDA 2027E
19.4×	15.4×	4.3%	0.1%	-0.7×

RESEARCH SNAPSHOT

02 The call, the math, and the three reasons why

A one-page summary of the recommendation and the evidence behind it; the following pages provide the detail.

RECOMMENDATION	TARGET PRICE	CURRENT PRICE	IMPLIED UPSIDE
BUY	208.70 USD	144.69 USD	+44.2%
12-month horizon	12-month fundamental	⚠ price sources disagree — verify	vs. current price

MARKET CAP	ENTERPRISE VALUE	P/E · EV/EBITDA 2027E	FCF · DIV YIELD 2027E
USD 4,071.6 bn	USD 3,898 bn	19.4× · 15.4×	4.3% · 0.1%
shares × price	mcap + net debt	history + peers, see p. 18–19	

01 Data Center EBIT Scaling

Data Center EBIT must scale from $130.1bn to a consensus $318.3bn by FY28, requiring hyperscaler capex near $646bn to sustain the current $4.56tn enterprise value.

`$318.3bn by FY28`

02 Group EBITDA Expansion

Group EBITDA expands from $133.2bn to $324.9bn by FY28, underpinning our 15.0x target multiple and supporting the $208.7 blended price versus today's quote.

`15.0x target multiple`

03 Massive Forward Optionality

Traditional 15-20x hardware multiples on today's $130.4bn EBIT justify only 40-55% of the $4.56tn EV, leaving $2.0-2.5tn of optionality our target already captures.

`$2.0-2.5tn of optionality`

THESIS BREAKER

If inference workloads migrate aggressively to internal hyperscaler ASICs, dragging margins back toward historical 40-50% hardware norms.

SHARE PRICE DEVELOPMENT

Price trajectory and valuation anchors

03

Monthly closing prices over 24 months with the 12-month target price, alongside key market data.

Share price — last 24 months

USD per share, with 12-month target line

CURRENT PRICE	TARGET PRICE	IMPLIED UPSIDE	52-WEEK HIGH
144.69 USD ⚠ price sources disagree — verify	208.70 USD 12-month	+44.2% vs. current	236.54 USD past 12m

52-WEEK LOW	1-YEAR CHANGE	3-YEAR CHANGE	REPORT DATE
162.02 USD past 12m	+27.9% price only	+358.8% price only	13 July 2026

VALUE BREAKDOWN · PART 1

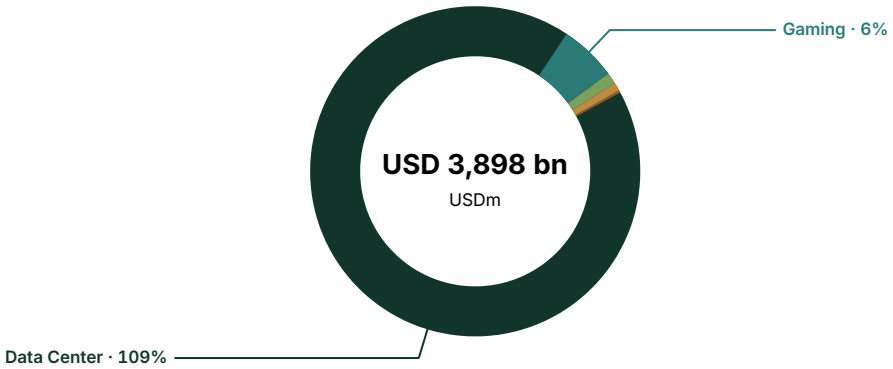
Enterprise-value allocation by segment

04

Each segment's contribution to group revenue, comparable EBIT and enterprise value.

Enterprise value by segment

USD millions · segment revenue/EBIT weights: FY2026 actuals



SEGMENT ECONOMICS

Revenue and Comp. EBIT: FY2026 actuals (source: Form 10-K FY2026 (SEC EDGAR, filed Feb 25, 2026)). EV: current allocation.

	REVENUE	SHARE OF REVENUE / DIV.	COMP. EBIT	SHARE OF EBIT / DIV.	EV	EV %	ARCHETYPE
Data Center	193,737	89.7%	130,141	99.8%	4,261,978	109.3%	Scaling
Gaming	16,042	7.4%	6,616	5.1%	216,778	5.6%	Profit engine
Professional Visualization	3,191	1.5%	1,316	1.0%	43,097	1.1%	Profit engine
Automotive	2,349	1.1%	969	0.7%	31,733	0.8%	Emerging option
OEM & Other	619	0.3%	255	0.2%	8,353	0.2%	Declining
Total	**215,938**	**100.0%**	**139,297**	**106.8%**	**4,561,939**	**117.0%**	—

VALUE BREAKDOWN · PART 2

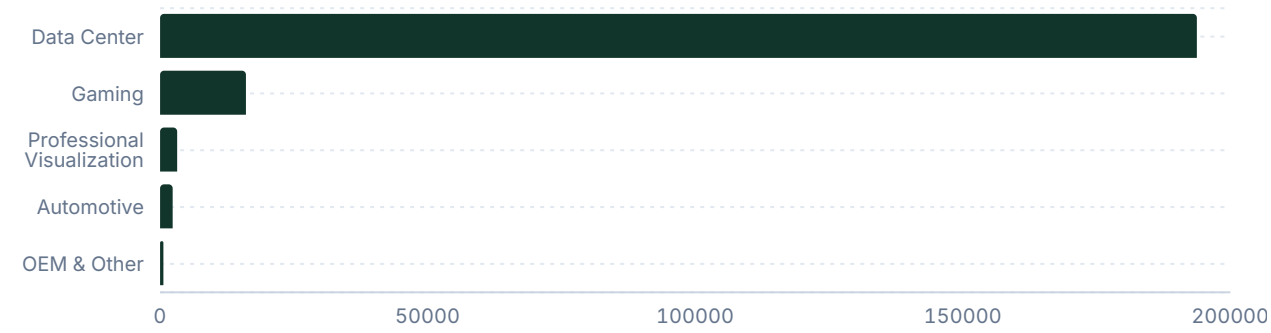
05

Net sales and EBIT by segment

Where the group's revenue and comparable EBIT originate, by segment.

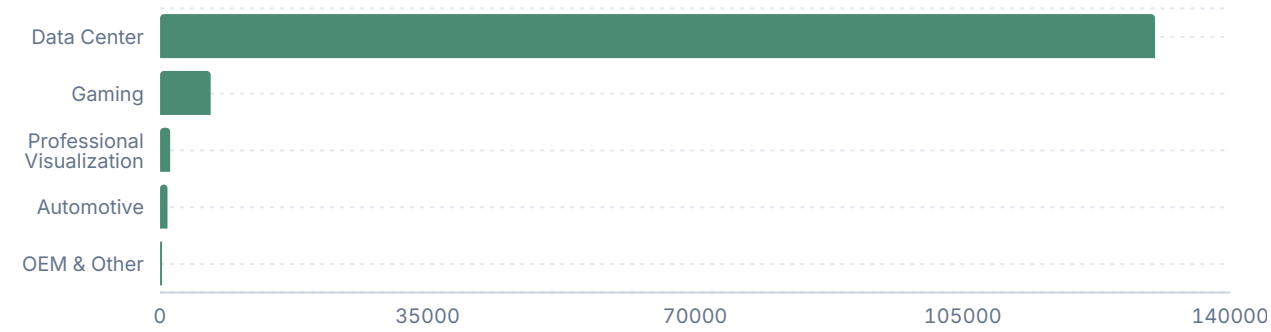
Net sales by segment

USD millions, FY2026 actuals



Comparable EBIT by segment

USD millions, FY2026 actuals



INTERPRETATION

NVIDIA's enterprise value is heavily concentrated in its Data Center segment, which drives over 93% of the company's operating profit and allocated EV. This concentration reflects the market's expectation of sustained AI infrastructure growth, combining current large earnings with very high forward growth assumptions.

RECOMMENDATION

Why we land on the call we do

06

The rationale for the rating, the decision summary, and the three principal supporting arguments.

NVIDIA is currently trading at USD 144.69, well below our USD 208.7 target, implying roughly 44% upside and supporting a BUY rating over the next 12 months.

The single largest re-rating variable is Data Center EBIT scaling: $130.1bn in FY26 (67.2% segment margin, 93.4% of group EBIT) must expand to a consensus $318.3bn by FY28 (66.3% margin) to sustain NVIDIA's $4.56tn enterprise value. Revenue conversion depends on hyperscaler capex (~$646bn in 2026) translating into Blackwell/Rubin rack shipments priced near $3mn ASP; margin durability depends on defending 65%+ operating margins against HBM4 cost inflation. This bridge underwrites our $208.7 blended target (60% weight 15.0x 2028e EBITDA of $324.9bn; 40% weight 20.0x 2028e EPS of $11.05), implying ~44% upside versus the $144.69 quote.

Aggregating these pools, group revenue must scale from $215.9bn (FY26) to $479.97bn (FY28 consensus), a $264.0bn addition driven almost entirely by Data Center volume. EBITDA rises from $133.2bn (61.7% margin) to $324.9bn (67.7% margin), and EBIT from $130.4bn (60.4%) to $318.3bn (66.3%), a $187.9bn increment absorbed by fixed-cost leverage on variable silicon/HBM costs. Operating cash flow scales from $81.8bn to $267.6bn, confirming the earnings expansion converts to cash rather than working-capital drag.

The mispricing: at a traditional 15-20x hardware EBIT multiple on today's $130.4bn EBIT, only $1.95-2.60tn of the $4.56tn EV is justified—roughly 40-55%—leaving $2.0-2.5tn as pure forward optionality. Our $208.7 target (vs. $144.69 quote) already embeds this optionality via 2028e EBITDA of $324.9bn at 15.0x.

BUY

TARGET PRICE
208.70 USD

CURRENT PRICE
144.69 USD

IMPLIED UPSIDE
+44.2%

12-MONTH VIEW
NVIDIA offers robust upside as its Data Center AI infrastructure scaling drives unprecedented revenue and earnings expansion over the next 12 months.

MAIN DRIVER
Data Center AI infrastructure capex scaling

MAIN RISK
Inference migration to custom ASICs

01 **Data Center EBIT Scaling**
Data Center EBIT must scale from $130.1bn to a consensus $318.3bn by FY28, requiring hyperscaler capex near $646bn to sustain the current $4.56tn

02 **Group EBITDA Expansion**
Group EBITDA expands from $133.2bn to $324.9bn by FY28, underpinning our 15.0x target multiple and supporting the $208.7 blended price versus

03 **Massive Forward Optionality**
Traditional 15-20x hardware multiples on today's $130.4bn EBIT justify only 40-55% of the $4.56tn EV, leaving $2.0-2.5tn of optionality our target already

CORE ANALYSIS · EXECUTIVE MAP

07

How the company creates economic value

The framework underlying the segment deep dives that follow.

NVIDIA Corporation currently draws essentially all of its economic output from one fast-scaling segment: Data Center. In fiscal year 2026, the company recorded total net sales of $215.9 billion and segment-level operating income of $139.3 billion. Of this, the Data Center business accounted for roughly 89.7% of revenue and 93.4% of operating profit, dominating the corporate financial profile. The legacy Gaming business, which historically defined NVIDIA's identity and financial base, is now a distant secondary contributor: it generates solid cash flow but accounts for less than 5% of group earnings. The remaining segments—Professional Visualization, Automotive, and OEM & Other—are small, complementary businesses rather than near-term valuation drivers.

Because NVIDIA does not trade on sum-of-the-parts asset values or separate subsidiary multiples, this analysis allocates the $4.56 trillion enterprise value across segments using an EBIT-share fallback method. This mechanical allocation assigns approximately $4.26 trillion in enterprise value directly to the Data Center segment. This allocation combines both current extraordinary earnings and large forward growth expectations into a single metric. The market is not valuing the Data Center business solely on its $130.1 billion in trailing EBIT; it is pricing in continued structural expansion of AI infrastructure across global hyperscalers and enterprises.

The main analytical task is to determine whether the enterprise value allocated to the Data Center segment is economically credible over a three-to-five-year horizon. The valuation question rests on the durability of the AI capex cycle. Group enterprise value bridges cleanly to equity market capitalization via a nominal $807 million net debt position, confirming that valuation risk sits entirely in the operating assumptions rather than leverage or balance sheet structure. This analysis therefore focuses overwhelmingly on the Data Center segment, testing its market structure, unit economics, and vulnerability to competitive substitution.

> **ANALYTICAL ANCHOR**
>
> Group enterprise value bridges cleanly to equity market capitalization via a nominal $807 million net debt position, confirming valuation risk sits entirely in the operating assumptions rather than leverage.

CORE ANALYSIS · SEGMENT DEEP DIVES

08

Data Center

Segment deep dive — Scaling.

The market values NVIDIA's Data Center business as the foundational leader of the AI era. Valued at over $4.26 trillion, this segment is no longer priced merely as a semiconductor hardware supplier; it is priced as critical infrastructure. The valuation logic combines two unusual factors: structural top-line hyper-growth and software-like operating margins on physical hardware. The market expects the shift from general-purpose CPU computing to accelerated GPU computing to be a multi-decade architectural change, requiring wholesale replacement of existing global data center infrastructure. Investors assign premium multiples because NVIDIA captures the large majority of the economic value in this transition, protected by high switching costs from its CUDA software ecosystem and an aggressive annual cadence of silicon innovation (Hopper to Blackwell to Rubin).

Demand for the Data Center segment is highly concentrated, cyclical, and dependent almost entirely on the capital expenditure budgets of the largest global technology companies. The core addressable market is currently defined by US hyperscaler infrastructure spending—primarily Microsoft, Alphabet, Amazon, and Meta. Industry forecasts suggest combined US hyperscaler capital expenditure will reach approximately $646 billion in 2026. Within this spending, a large share is going toward AI accelerators, a market expected to scale toward $250 billion to $400 billion by 2027 depending on the industry model used.

NVIDIA's competitive moat rests on three advantages: superior raw silicon performance, proprietary networking (InfiniBand/NVLink), and the deeply entrenched CUDA software layer. The competitive landscape is intensifying, though, as the sheer dollar size of the market attracts well-capitalized challengers. AMD has positioned its Instinct GPU line (MI300/MI325X/MI400) as a credible merchant silicon alternative, reaching data center revenue run-rates well above $20 billion by 2026. AMD competes with open-source software (ROCm), stronger memory bandwidth, and lower total cost of ownership (TCO) for hyperscalers seeking a second source. The more structural threat comes from custom Application-Specific Integrated Circuits (ASICs) built internally by the hyperscalers themselves. Google's TPU, Amazon's Trainium, and Meta's MTIA are designed to bypass NVIDIA entirely.

NVIDIA's unit economics have shifted from selling individual standalone GPUs to selling large, integrated rack-scale systems. Revenue is driven by the volume of GPU equivalents shipped multiplied by the average selling price (ASP) of the architectural system. During the H100 (Hopper) era, chip-level gross margins were estimated to exceed 80%. With the shift to the Blackwell architecture (GB200 NVL72), NVIDIA now sells full liquid-cooled racks containing 72 GPUs and 36 Grace CPUs. Industry pricing estimates put these GB200 racks at an ASP of approximately $3 million each. To maintain its 67.2% operating margin at this scale, NVIDIA must tightly manage its own supply chain costs.

DATA CENTER FACT SHEET

SCALING

FY2026 ACTUALS REVENUE
USD 193,737m

FY2026 ACTUALS COMP. EBIT
USD 130,141m

FY2026 MARGIN
67.2%

KEY MARKET
US Hyperscalers

REQUIRED ARCHITECTURE
Blackwell/Rubin Racks

COMPETITIVE MOAT
CUDA & NVLink

CORE ANALYSIS · SEGMENT DEEP DIVES

08 Gaming

Segment deep dive — Profit engine.

Before the AI revolution, Gaming was NVIDIA's core cash-generating engine. Today, the market treats it as a mature, entrenched cash cow that funds baseline corporate R&D and provides volume scale for TSMC wafer allocations. Valued mechanically at roughly $216 billion under the fallback method, this segment provides downside protection and stable cash flow, driven by an installed base of hundreds of millions of PC gamers on a predictable 2-to-3-year hardware upgrade cycle.

The discrete gaming GPU market is effectively a duopoly between NVIDIA and AMD, with NVIDIA holding a dominant share often estimated at over 80%. Demand is driven by the global PC gaming market, esports, and the continuous release of demanding AAA titles. The segment shows moderate cyclicality tied to consumer macro health and console generation timing, but replacement demand keeps revenue durable.

NVIDIA's moat in Gaming is nearly as strong as in Data Center, built on proprietary software features like Deep Learning Super Sampling (DLSS), superior ray-tracing performance, and a strong developer ecosystem. AMD remains a capable competitor, often competing on pure rasterization performance and price-to-performance, but struggles to break NVIDIA's mindshare advantage. Intel has recently entered this market but remains a marginal player in discrete high-end GPUs. NVIDIA's main constraint here is self-imposed: the company actively allocates TSMC wafer capacity toward higher-margin Data Center chips over lower-margin Gaming chips when supply is constrained.

Gaming revenue equals the number of GPUs sold to board partners (AIBs) multiplied by ASP. Unlike data center racks, which sell for millions, consumer GPUs range from $300 to $1,500. Gross margins on these chips are strong relative to general consumer electronics, but materially lower than the ~80% chip margins in Data Center. Scale comes from segmenting the market into distinct tiers (e.g., RTX 5060 through RTX 5090), letting NVIDIA capture consumer surplus at every price point while optimizing silicon yields by disabling defective cores on lower-tier products.

GAMING FACT SHEET

PROFIT ENGINE

FY2026 ACTUALS REVENUE
USD 16,042m

FY2026 ACTUALS COMP. EBIT
USD 6,616m

ESTIMATED MARGIN
~41.2%

ASP RANGE
$300 - $1,500

DEMAND DRIVER
PC Gaming Upgrade Cycle

CAPACITY CONFLICT
Trade-off with DC wafers

CORE ANALYSIS · SEGMENT DEEP DIVES

08 Automotive

Segment deep dive — Emerging option.

Automotive is treated as a long-duration option on autonomous driving and the software-defined vehicle. It is immaterial to current valuation, but represents a large adjacent addressable market if NVIDIA's DRIVE platform becomes the standard compute and operating platform for global OEMs.

The market is shifting from fragmented microcontrollers to centralized, high-performance computing clusters inside vehicles. OEMs are struggling to develop proprietary silicon and software stacks, creating an opening for merchant providers.

NVIDIA competes against Qualcomm (Snapdragon Ride), Mobileye, and internal OEM silicon efforts (e.g., Tesla's FSD hardware). NVIDIA's advantage is its end-to-end ecosystem, letting automakers train models on NVIDIA data center clusters and deploy them natively onto NVIDIA DRIVE hardware in the vehicle.

The business model blends hardware sales (silicon platforms installed per vehicle) with a recurring software/revenue-sharing layer. To justify its $31.7 billion allocated EV at a 20x multiple, the segment needs to scale EBIT to roughly $1.6 billion, requiring deep penetration across multiple high-volume global automotive platforms, scaling from millions to tens of millions of installed units over the next 5-7 years.

AUTOMOTIVE FACT SHEET

EMERGING OPTION

FY2026 ACTUALS REVENUE
USD 2,349m

FY2026 ACTUALS COMP. EBIT
USD 969m

ESTIMATED MARGIN
~41.2%

KEY PLATFORM
NVIDIA DRIVE

COMPETITORS
Qualcomm, Mobileye

CORE ANALYSIS · SEGMENT DEEP DIVES

08

Smaller segments — grouped deep dives

Segments that don't warrant a full deep dive — a short fact strip each.

Professional Visualization

Profit engine — FY2026 actuals revenue: USD 3,191m · FY2026 actuals comp. EBIT: USD 1,316m · Estimated Margin: ~41.3% · Market Profile: Enterprise Design Niche

OEM & Other

Declining — FY2026 actuals revenue: USD 619m · FY2026 actuals comp. EBIT: USD 255m · Estimated Margin: ~41.2% · Market Profile: Legacy/Residual

CORE ANALYSIS · CROSS-SEGMENT BRIDGE

Putting the segments back together

09

How the segment valuations aggregate to the group, and the re-rating the target price requires.

The mechanical driver of NVIDIA's forward forecast is an unprecedented expansion in hardware volume and ASPs within the Data Center segment. Bridging from $215.9 billion in FY2026 revenue to the consensus estimate of $479.9 billion by FY2028 requires the company to more than double its current operational scale. This implies that the infrastructure build-out of the last two years was only the early phase of the cycle, and that hyperscalers will commit to consecutive years of multi-hundred-billion-dollar capex programs.

The bridge also shows substantial operating leverage. While revenue is projected to grow by roughly $264 billion, EBIT is projected to grow by $187 billion, maintaining the extraordinary ~65-68% margin profile. This is supported by the fact that NVIDIA's primary costs are variable (silicon wafers, memory, packaging), while its software and R&D costs scale efficiently across the installed base. The underlying assumption is that NVIDIA retains its pricing power and does not have to concede margin to defend market share against AMD or custom ASICs.

The weakest part of this bridge is its reliance on a single, highly concentrated end-market. If US hyperscalers (which currently drive most data center capex) choose to digest their capacity in FY2028 rather than start a new hardware upgrade cycle, the projected revenue addition will fail to materialize. The forecast is credible only if end-user AI software generates enough ROIC to push hyperscalers into a continuous infrastructure upgrade cycle.

> **BRIDGE MECHANICS**
>
> The mechanical driver of NVIDIA's forward forecast is an unprecedented expansion in hardware volume and ASPs within the Data Center segment.

NVIDIA's $4.56 trillion enterprise value is largely a claim on future optionality and structural growth, rather than a reflection of its current steady-state earnings. Using a traditional hardware/semiconductor cycle framework of 15x to 20x EBIT, current fiscal year 2026 EBIT of $130.4 billion would support an enterprise value of approximately $1.95 trillion to $2.60 trillion. This means roughly 40% to 55% of the current valuation is supported by today's economics, while the remaining $2.0 trillion to $2.5 trillion is expectation value tied to forward growth.

The enterprise value bridges directly to equity market capitalization with essentially zero friction. The company carries a negligible net debt position of $807 million and generates enough operating cash flow ($81.7 billion in FY26) to fund its capex needs internally without stressing the balance sheet. The valuation tension is therefore purely an operating question, with no leverage risk or asset-separability complications.

The most fragile assumption in this valuation is the permanence of the current ~65%+ operating margin. The market is pricing NVIDIA like a platform software company, applying software-like duration and multiples to hardware cash flows. Hardware margins historically compress over time as yields improve, competitors clone architecture, and buyers gain purchasing power. The valuation holds if NVIDIA's CUDA software keeps hyperscalers dependent on its platform, letting the company command premium pricing indefinitely. It fails if inference workloads migrate to custom, internal silicon, commoditizing the compute layer and dragging NVIDIA's margins back toward historical 40-50% hardware norms.

CORE ANALYSIS · SCENARIOS & VERDICT

10

Scenario logic and the bottom-line judgment

How the conclusion changes under less favourable scenarios.

The wide gap between the scenarios reflects the binary nature of a hyper-growth hardware investment case. The single variable that drives the largest valuation swing is the forward trajectory of Data Center EBIT margins and volume growth. Because NVIDIA is currently priced for near-perfect execution, any normalization in demand produces a severe combination of earnings contraction and multiple compression.

In the downside Bear scenario, hyperscalers conclude that AI software ROIC is insufficient, triggering a broad digestion cycle in 2027/2028. Inference workloads migrate aggressively to internal ASICs (Google TPU, AWS Trainium), removing high-margin volume from NVIDIA. EBIT regresses to $200 billion, and the market cuts the terminal multiple to 12x to reflect hardware cyclicality, pulling enterprise value down to $2.4 trillion. Net debt plays no material role in downside protection given the clean balance sheet; the equity absorbs the full operational re-rating.

The Bull scenario requires nearly everything to go right. NVIDIA must execute the Blackwell and Rubin hardware transitions cleanly, absorbing rising HBM4 memory costs without giving up gross margin. The addressable market must also expand beyond US hyperscalers to include large "Sovereign AI" build-outs by nation-states and deeper enterprise adoption. This would push EBIT toward $370 billion, justifying multiple expansion to 20x as the market fully prices NVIDIA as the lasting operating platform of the global AI economy.

BOTTOM LINE

The central investment debate for NVIDIA is whether the current AI infrastructure build-out is a pull-forward of capacity that will eventually face a cyclical digestion period, or the permanent foundation of a structurally larger compute market. The $4.56 trillion enterprise valuation leaves no room for cyclicality. The market is not paying for today's $130 billion in EBIT; it is underwriting a flawless path to $300 billion+ in forward operating profit, sustained at mid-60% margins. The Data Center segment is almost the entire story.

FINANCIAL BRIDGE · PART 1

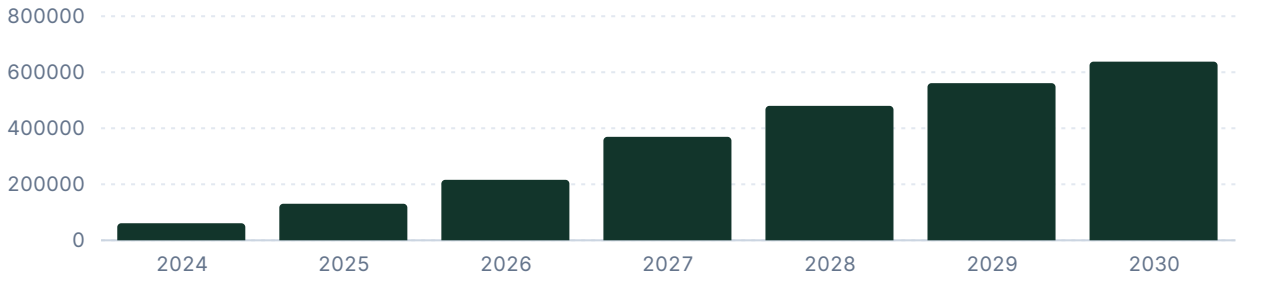
Net sales, EBITDA / EBIT, EBIT margin

14

Group-level trajectory for sales, earnings and margin; shaded bands mark forecast periods.

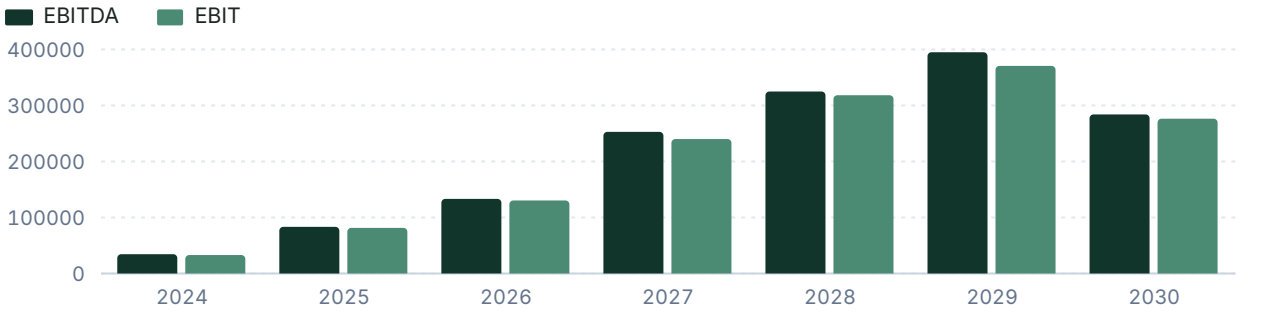
Net sales

USD millions



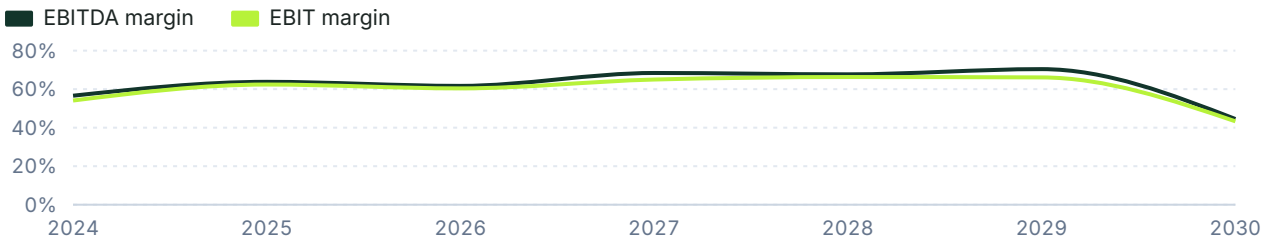
EBITDA & EBIT

USD millions



EBIT and EBITDA margin

% of net sales



FINANCIAL BRIDGE · PART 2

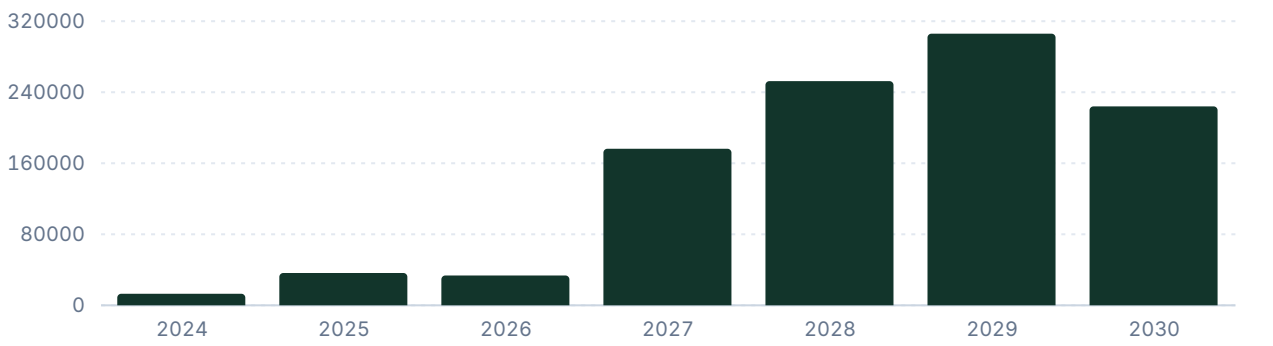
15

Free cash flow, leverage, and key financials

Cash generation and balance-sheet capacity.

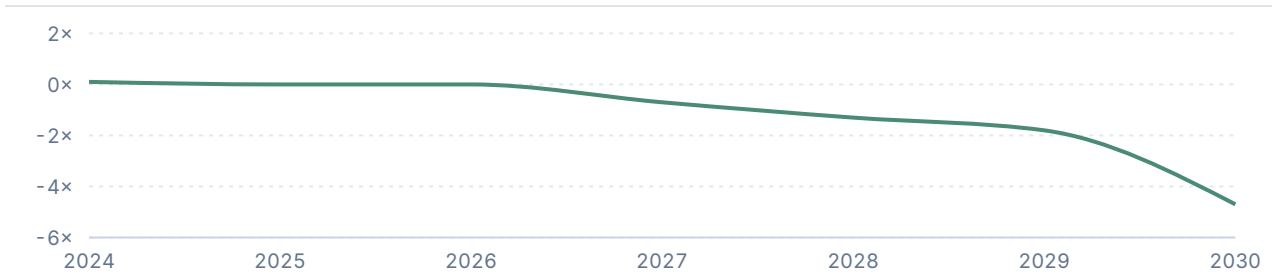
Free cash flow

USD millions



Net debt / EBITDA

Ratio



KEY FINANCIALS

	2026	2027	2028	2029	2030
Net Sales	215,938	369,421	479,971	561,020	637,825
EBITDA	133,230	252,848	324,880	394,968	283,952
Comparable EBIT	130,387	240,008	318,257	370,590	276,347
Net Earnings	**120,067**	**210,288**	**268,589**	**316,318**	**656,525**
EPS (USD)	4.9	8.7	11.1	13	27
DPS (USD)	0	0.1	0.2	0.2	0.4

VALUATION

Target price derivation

16

The rationale for the chosen valuation method and multiple, with the company's historical multiples.

NVIDIA is valued using EV/EBITDA as the primary method, reflecting its highly profitable, capital-intensive hardware and platform model scaling rapidly into data centers. NVIDIA currently trades at a significant forward discount compared to its own historical normalized EV/EBITDA average of 53.21x, owing to massive near-term earnings expansion and denominator scale. The selected fair multiple of 15.0x on 2028e EBITDA implies a moderate premium to the broader semiconductor peer group mid-cycle multiples, justified by its dominant AI ecosystem position and best-in-class ~68% margins, while applying a scale discount relative to its own historical peaks. A supporting P/E multiple of 20.0x on 2028e EPS aligns with this mid-cycle normalization trajectory. The main valuation risk is an earlier-than-expected deceleration in hyperscaler AI capital expenditure, which would compress forward multiples and cycle profitability faster than anticipated.

HISTORICAL AND FORECAST MULTIPLES

METRIC	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	NORM. AVG	SELECTED FAIR MULTIPLE
P/E	74.01x	58.46x	115.92x	50.63x	48.05x	37.99x	16.7x	13.1x	11.1x	53.83x	20.0x
P/FCF	-20.87x	-200.81x	50.02x	115.88x	96.22x	135.81x	19.9x	13.9x	11.5x	99.48x	
P/BV	18.98x	21.42x	22.91x	35.06x	44.15x	29.00x	9.6x	5.6x	3.7x	28.59x	
P/S	19.23x	21.18x	18.77x	24.73x	26.84x	21.12x	9.5x	7.3x	6.3x	21.98x	
EV/Sales	19.64x	21.55x	19.09x	24.80x	26.85x	21.13x	9.5x	7.3x	6.3x	22.17x	
EV/EBITDA	58.16x	51.71x	89.30x	43.81x	42.05x	34.24x	13.9x	10.8x	8.9x	53.21x	15.0x
Dividend yield	4.9%	1.8%	0.8%	0.3%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%	

VALUATION

Peers and target price bridge

17

Validated peer multiples, each method's implied price and weight, and the sensitivity of the target.

PEER COMPARISON

COMPANY	COUNTRY	MKT CAP	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV	EBIT MARGIN	ROE	DIV YIELD
Advanced Micro Devices, Inc.	United States	909.7 USDbn	119.9x	67.0x	62.1x	41.6x	12.8x	28.0%	11.3%	n/a
Broadcom Inc.	United States	1536.6 USDbn	60.8x	48.8x	32.3x	27.7x	13.7x	65.7%	25.5%	n/a
Intel Corporation	United States	552.1 USDbn	104.5x	60.2x	26.1x	27.6x	4.6x	9.5%	4.4%	0.7%
Marvell Technology, Inc.	United States	163.6 USDbn	25.4x	143.7x	26.5x	102.6x	4.7x	16.3%	19.3%	0.1%
QUALCOMM Incorporated	United States	202.6 USDbn	22.9x	22.1x	11.7x	12.4x	7.7x	33.1%	38.0%	2.5%
Taiwan Semiconductor Manufacturing Company Limited	Taiwan	1176.2 TWDbn	0.8x	0.7x	-0.4x	-0.8x	0.2x	43.1%	24.1%	n/a
Arm Holdings plc	United Kingdom	220.5 USDbn	248.7x	191.7x	94.0x	79.0x	28.6x	42.5%	12.0%	n/a
Micron Technology, Inc.	United States	1082.1 USDbn	740.7x	517.8x	103.7x	85.9x	22.7x	8.4%	3.1%	n/a
Peer median		n/a	43.1x	48.8x	26.5x	27.7x	6.2x	28.0%	12.0%	0.4%
Peer average		n/a	55.7x	39.8x	31.7x	37.7x	7.3x	25.9%	14.2%	0.4%

TARGET PRICE BRIDGE

METHOD	FORECAST METRIC	METRIC VALUE	SELECTED MULTIPLE	IMPLIED PRICE	WEIGHT
EV/EBITDA	2028e EBITDA	324,880	15.0x	200.5 USD	60%
P/E	2028e EPS	11.05	20.0x	221.0 USD	40%
Weighted target price				208.7 USD	100%

SENSITIVITY — IMPLIED SHARE PRICE

2028E EBITDA (USDM)	MULTIPLE 14.0X	MULTIPLE 15.0X (BASE)	MULTIPLE 16.0X
259,904 (-20%)	149.7 USD	160.4 USD	171.1 USD
292,392 (-10%)	168.4 USD	180.4 USD	192.4 USD
324,880 (Base)	187.1 USD	200.5 USD	213.8 USD
357,368 (+10%)	205.8 USD	220.5 USD	235.2 USD
389,856 (+20%)	224.5 USD	240.6 USD	256.6 USD

MULTIPLES & SENSITIVITY

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Forward multiples and EBITDA × multiple grid

How the implied valuation responds to changes in EBITDA and the applied multiple.

FORWARD MULTIPLES	2027
P/E	19.4×
EV/EBITDA	15.4×
EV/EBIT	16.2×
P/FCF	23.1×
P/BV	11.1×
Dividend Yield	0.1%
Net Debt / EBITDA	-0.7×

EBITDA × EV/EBITDA sensitivity

EBITDA / EV/EBITDA →	10.0×	12.5×	15.0×	17.5×	20.0×
−20% **USD 202,278m**	USD 2,022,780m USD 83.20 / sh	USD 2,528,475m USD 104.00 / sh	USD 3,034,170m USD 124.80 / sh	USD 3,539,865m USD 145.60 / sh	USD 4,045,560m USD 166.40 / sh
−10% **USD 227,563m**	USD 2,275,630m USD 93.60 / sh	USD 2,844,538m USD 117.00 / sh	USD 3,413,445m USD 140.40 / sh	USD 3,982,353m USD 163.80 / sh	USD 4,551,260m USD 187.20 / sh
Base **USD 252,848m**	USD 2,528,480m USD 104.00 / sh	USD 3,160,600m USD 130.00 / sh	USD 3,792,720m USD 156.00 / sh	USD 4,424,840m USD 182.00 / sh	USD 5,056,960m USD 208.00 / sh
+10% **USD 278,133m**	USD 2,781,330m USD 114.40 / sh	USD 3,476,663m USD 143.00 / sh	USD 4,171,995m USD 171.60 / sh	USD 4,867,328m USD 200.20 / sh	USD 5,562,660m USD 228.80 / sh
+20% **USD 303,418m**	USD 3,034,180m USD 124.80 / sh	USD 3,792,725m USD 156.00 / sh	USD 4,551,270m USD 187.20 / sh	USD 5,309,815m USD 218.40 / sh	USD 6,068,360m USD 249.60 / sh

SCENARIO VALUATION

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Bear / Base / Bull bridge

Revenue, EBITDA, multiple, EV, equity, value-per-share and upside in each scenario.

SCENARIO BRIDGE

	REVENUE	EBITDA	MARGIN	MULTIPLE	EV	EQUITY	VALUE / SHARE	UPSID
Bear	250,000	200,000	50.0%	12.0×	2,400,000	2,399,193	USD 98.71	−31.8%
Base	479,971	324,880	67.7%	16.0×	5,198,080	5,197,273	USD 213.84	+47.8%
Bull	550,000	380,000	70.0%	20.0×	7,600,000	7,599,193	USD 312.66	+116.1%

KEY CONDITIONS

The core driver across all scenarios is the trajectory of Data Center EBIT margins and volume scaling, determined largely by hyperscaler ROIC metrics driving their capex cycles.

THESIS BREAKER

If inference workloads migrate aggressively to internal hyperscaler ASICs, removing high-margin volume from NVIDIA.

CATALYSTS

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Monitoring checklist

Near-, medium- and long-term events that could change the recommendation.

CATALYST REGISTER

	TIMING	SEGMENT	INDICATOR	VALUATION IMPACT
Hyperscaler Capex Guidance (AMZN, MSFT, GOOG, META)	NEAR-TERM	Data Center	Absolute budget allocation for AI infrastructure	Validates Data Center revenue durability
TSMC CoWoS Capacity & Yields	NEAR-TERM	Data Center	Ability to clear backlog and manage cost	Determines revenue ceiling and gross margin
AMD MI-Series Revenue Run-Rate	MEDIUM-TERM	Data Center	Merchant silicon market share capture	Measures pricing pressure & viable second-source
HBM Memory Contract Pricing	MEDIUM-TERM	Data Center	Bill of materials inflation	Direct threat to rack-level gross margins
ASIC / Custom Silicon Deployment	LONG-TERM	Data Center	Migration of inference workloads to internal chips	Long-term hardware margin sustainability test

READ-THROUGH

The most critical catalyst to monitor is the quarterly forward capital expenditure guidance from the top four US hyperscalers. This metric is easy to observe, closely watched by the market, and is the literal funding mechanism behind NVIDIA's valuation. If Microsoft or Amazon signals a leveling off in infrastructure spend, the market will quickly price in a cyclical peak in NVIDIA's earnings. The catalyst most likely to be misunderstood is the evolution of HBM memory pricing and TSMC advanced packaging constraints. The market often treats NVIDIA as immune to supply chain costs, assuming it can pass on unlimited price increases to customers. But if HBM4 costs rise faster than NVIDIA can pass through to hyperscalers, gross margins will compress gradually, causing an outsized negative reaction in the stock's premium EV/EBIT multiple.

RISKS

Risk register

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Each risk's segment, mechanism, early-warning trigger, impact band and structural type.

RISK REGISTER

	SEGMENT	MECHANISM	EARLY WARNING	IMPACT	TYPE
Customer Concentration	Data Center	Heavy reliance on hyperscaler AI arms race budgets for majority volume.	Flattening hyperscaler capex guidance.	HIGH	STRUCTURAL
ASIC Commoditization	Data Center	Hyperscalers substitute merchant GPUs for cheaper internal custom silicon.	ASIC deployment taking share in inference.	HIGH	THESIS BREAKER
Geopolitical / Supply Chain Shock	Data Center	Disruption to TSMC halts company's ability to generate revenue.	Escalation in Taiwan geopolitical tensions.	HIGH	THESIS BREAKER
AI Application ROIC Failure	Data Center	Software monetization stalls, dragging down hyperscaler hardware investment.	Enterprise AI adoption deceleration.	HIGH	THESIS BREAKER

READ-THROUGH

The most thesis-breaking risk is a geopolitical or physical shock to Taiwan, given NVIDIA's near-total reliance on TSMC for leading-edge logic fabrication and CoWoS advanced packaging. Because NVIDIA operates a fabless model, a disruption to TSMC would effectively halt the company's ability to generate revenue, stranding its software and design advantages. The market conceptually understands this risk, but it is largely unpriced because it is a systemic, binary event. The most underappreciated risk is the interaction between customer concentration and ASIC commoditization. NVIDIA currently sells its highest-margin products to the most heavily capitalized, technologically sophisticated buyers in the world. These buyers (Google, Meta, AWS, Microsoft) dislike supplier lock-in and have the balance sheets to fund their own silicon alternatives. If the shift from AI model training to AI model inference accelerates, hyperscalers will naturally route those specific, predictable workloads to cheaper internal ASICs, gradually slowing NVIDIA's volume growth at the margin.

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APPENDIX

Income statement

INCOME STATEMENT — USD MILLIONS	2024	2025	2026	2027 *E*	2028 *E*	2029 *E*
Net Sales	**60,922**	**130,497**	**215,938**	*369,421*	*479,971*	*561,020*
EBITDA	**34,480**	**83,317**	**133,230**	*252,848*	*324,880*	*394,968*
EBITDA margin	56.6%	63.8%	61.7%	*68.4%*	*67.7%*	*70.4%*
Depreciation	-1,508	-1,864	-2,843	*-12,840*	*-6,623*	*-24,378*
Operating Profit (EBIT)	**32,972**	**81,453**	**130,387**	*240,008*	*318,257*	*370,590*
EBIT margin	54.1%	62.4%	60.4%	*65.0%*	*66.3%*	*66.1%*
Net financial items	846	2,573	11,063	*-1,115*	*-13,113*	*-11,221*
Pre-tax Profit	**33,818**	**84,026**	**141,450**	*238,893*	*305,144*	*359,369*
Net Earnings	**29,760**	**72,880**	**120,067**	*210,288*	*268,589*	*316,318*
PER SHARE						
EPS	1.2	3	4.9	*8.7*	*11.1*	*13*
DPS	0.2	0.1	0	*0.1*	*0.2*	*0.2*
Payout ratio	13.3%	2.4%	0.8%	*1.4%*	*1.4%*	*1.4%*

E = Valuatum estimate (not yet actualised)

APPENDIX

23 Balance sheet

BALANCE SHEET — USD MILLIONS	2024	2025	2026	2027 *E*	2028 *E*	2029 *E*
ASSETS						
Tangible assets	5,260	8,076	13,250	*22,736*	*29,540*	*34,528*
Intangibles	1,112	807	3,306	*5,656*	*7,348*	*8,589*
Goodwill	4,430	5,188	20,832	*20,832*	*20,832*	*20,832*
Non-current assets	**15,302**	**20,496**	**67,940**	*79,776*	*88,272*	*94,501*
Inventories	5,282	10,080	21,403	*33,788*	*43,899*	*51,311*
Receivables	31,783	61,457	93,597	*120,758*	*140,397*	*154,796*
Cash & equivalents	7,280	8,589	10,605	*20,303*	*26,378*	*30,833*
Current assets	**44,345**	**80,126**	**125,605**	*328,114*	*595,823*	*909,860*
Total Assets	**65,728**	**111,601**	**206,803**	*421,148*	*697,353*	*1,017,619*
EQUITY & LIABILITIES						
Equity	42,978	79,327	157,293	*366,609*	*632,193*	*944,672*
Long-term debt	8,459	8,463	7,469	—	—	—
Short-term debt	1,250	—	999	*0*	*0*	*0*
Long-term liabilities	**10,310**	**11,534**	**12,629**	*5,160*	*5,160*	*5,160*
Current liabilities	**10,631**	**18,047**	**32,163**	*47,605*	*58,226*	*66,013*
Total liabilities & equity	**65,728**	**111,601**	**206,803**	*421,148*	*697,353*	*1,017,619*
CAPITAL STRUCTURE & RATIOS						
Net debt	3,776	1,681	807	*-173,569*	*-411,527*	*-703,753*
Capital invested	45,407	79,201	155,156	*193,040*	*220,666*	*240,919*
Equity ratio	65.4%	71.1%	76.1%	*87.0%*	*90.7%*	*92.8%*
Gearing	8.8%	2.1%	0.5%	*-47.3%*	*-65.1%*	*-74.5%*
Net debt / EBITDA	0.1×	0.0×	0.0×	*-0.7×*	*-1.3×*	*-1.8×*
Current ratio	4.2	4.4	3.9	*6.9*	*10.2*	*13.8*

E = Valuatum estimate (not yet actualised)

APPENDIX

24 Cash flow

CASH FLOW — USD MILLIONS	2024	2025	2026	2027 *E*	2028 *E*	2029 *E*
OPERATIONS						
CF from operations	17,954	48,938	92,564	*200,023*	*256,083*	*326,672*
Operating cash flow	14,740	42,232	81,782	*201,005*	*267,625*	*336,549*
Change in working capital	13,313	25,806	30,346	*23,105*	*19,129*	*14,024*
INVESTING & FREE CASH						
Gross capex	2,097	7,058	50,287	*24,676*	*15,119*	*30,607*
Capex (ex. M&A)	-2,097	-7,058	-50,287	*-24,676*	*-15,119*	*-30,607*
Free Operating Cash Flow	**13,004**	**36,394**	**33,584**	*176,329*	*252,506*	*305,942*
Free cash flow to firm	**13,004**	**36,394**	**33,584**	*176,329*	*252,506*	*305,942*
FINANCING						
CF from financing	-9,497	-36,097	-38,870	*-12,384*	*-3,005*	*-3,839*
Dividends paid	-3,979	-3,950	-1,719	*-972*	*-3,005*	*-3,839*
Net change in cash	**6,360**	**5,783**	**3,407**	*162,964*	*237,959*	*292,226*

E = Valuatum estimate (not yet actualised)

APPENDIX

25 Quarterly snapshot

HISTORICAL QUARTERS — LAST TWO COMPLETED YEARS, USD MILLIONS	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26	Q3/26	Q4/26
Net Sales	26,044	30,040	35,082	39,331	44,062	46,743	57,006	68,127
EBITDA	17,319	19,075	22,347	24,577	22,249	29,109	36,761	45,111
EBITDA margin	66.5%	63.5%	63.7%	62.5%	50.5%	62.3%	64.5%	66.2%
Comparable EBIT	16,909	18,642	21,869	24,034	21,638	28,440	36,010	44,299
EBIT margin	64.9%	62.1%	62.3%	61.1%	49.1%	60.8%	63.2%	65.0%
Net Earnings	14,881	16,599	19,309	22,091	18,775	26,422	31,910	42,960
EPS	0.6	0.7	0.8	0.9	0.8	1.1	1.3	1.8

CURRENT YEAR — QUARTERLY, USD MILLIONS	Q1/27 *E*	Q2/27 *E*	Q3/27 *E*	Q4/27 *E*
Net Sales	*58,961*	*62,548*	*76,281*	*171,631*
EBITDA	*32,538*	*42,627*	*53,874*	*123,809*
EBITDA margin	*55.2%*	*68.2%*	*70.6%*	*72.1%*
Comparable EBIT	*30,641*	*40,273*	*50,993*	*118,102*
EBIT margin	*52.0%*	*64.4%*	*66.8%*	*68.8%*
Net Earnings	*25,890*	*36,046*	*44,320*	*104,019*
EPS	*1.1*	*1.5*	*1.8*	*4.3*

E = Valuatum estimate (not yet actualised)

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SOURCES & DISCLAIMER

Sources, assumptions, and standard disclaimer

SOURCES REGISTER

	VALUE	CATEGORY	USED IN
Market Capitalization and Enterprise Value	4,561,132 (market cap) / 4,561,939 (EV)	MARKET DATA	Cover Page, Valuation Reality Check
FY2026 Consolidated EBIT	130,387	FINANCIAL SNAPSHOT	Value Pools, Group Totals
FY2028 EBITDA Forecast	324,880	CONSENSUS ESTIMATES	Valuation Scenarios, Base Multiple Targets
Data Center EV Allocation	93.43%	COMPANY VALUE MAP	Executive Map, Target Segment Valuation
Forward Target Multiple	15.0x EV/EBITDA	MODEL OUTPUT	Recommendation, Price Target Derivation
FY2028 Target EBIT	318,257	GENERATED ESTIMATE	Cross-Pool Bridge, Scenario Valuation

DISCLAIMER

This report relies heavily on company disclosures, forward-looking statements from management, and external consensus estimates. Actual results may differ materially from forecasts. The EBIT-share fallback methodology is an analytical construct, not a company-provided SOTP.

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