

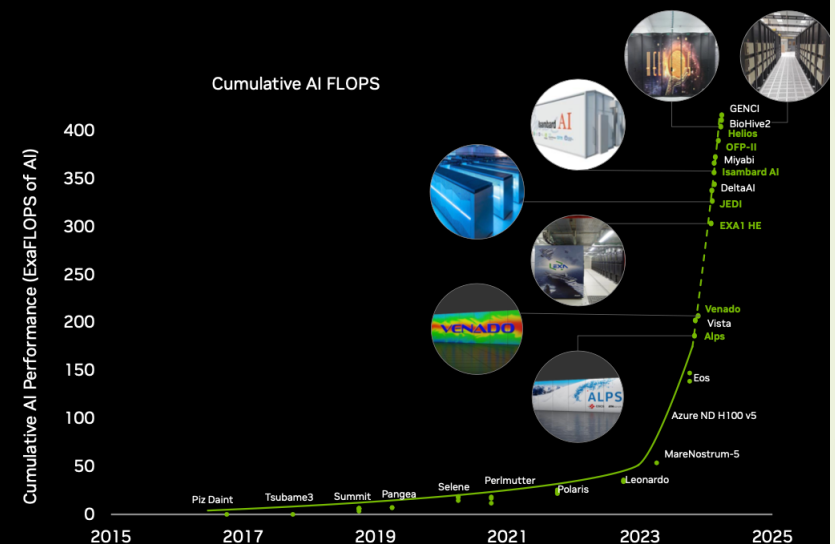


NVDA

Very efficient chips for AI; MOST efficient

NVIDIA Sweeps New Ranking of World's Most Energy-Efficient Supercomputers

- In the latest ranking of the world's most energy-efficient supercomputers – the Green500 – NVIDIA-powered systems swept the top 3 spots, and took 7 of the top 10
- The strong showing demonstrates how accelerated computing represents the most energy-efficient method for high-performance computing
- The top three systems were all powered by the **NVIDIA GH200** Grace Hopper Superchip, offering over 1,000x more energy efficiency on mixed precision and AI tasks than previous generations
- Accelerated computing has proven to be the cornerstone of energy efficiency, with majority of the systems on the Green500 list — including 40 of the top 50 — now featuring it
- NVIDIA's upcoming **Blackwell** platform offers the computational power of the Titan supercomputer launched 10 years ago — a \$100M system the size of a tennis court — yet efficient enough to be powered by a wall socket just like a typical home appliance



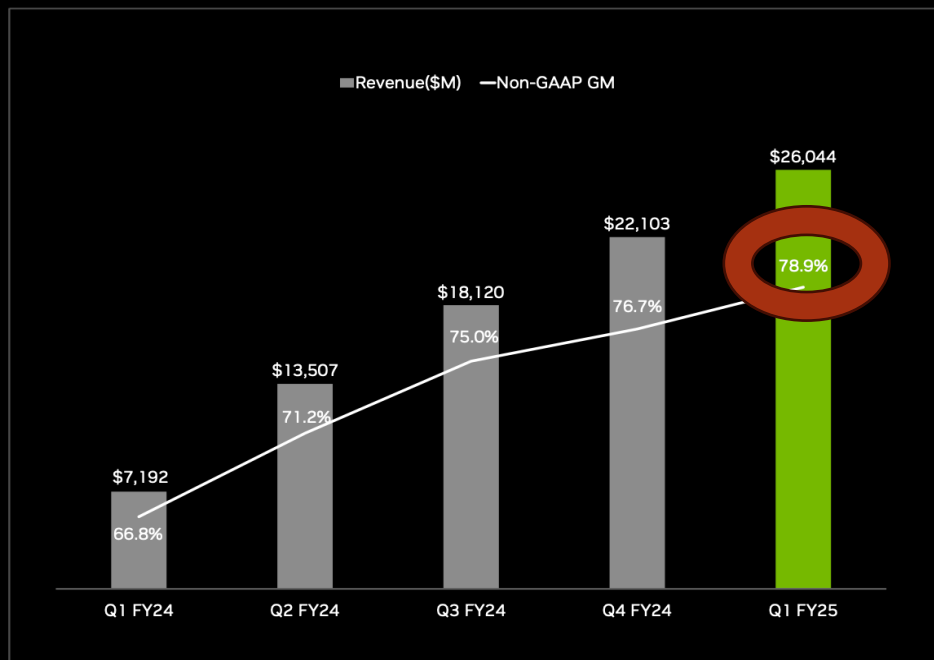
200 ExaFLOPS
AI Grace Hopper Coming Online 2024

80%
attach rate of Grace to Hopper

2X
More Energy Efficient

Note 262% Revenue growth Year over Year; CF up 427%;
78.9% is Quarter over Quarter

Q1 FY25 Financial Summary



	GAAP			Non-GAAP		
	Q1 FY25	Y/Y	Q/Q	Q1 FY25	Y/Y	Q/Q
Revenue	\$26,044	+262%	+18%	\$26,044	+262%	+18%
Gross Margin	78.4%	+13.8 pts	+2.4 pts	78.9%	+12.1 pts	+2.2 pts
Operating Income	\$16,909	+690%	+24%	\$18,059	+492%	+22%
Net Income	\$14,881	+628%	+21%	\$15,238	+462%	+19%
Diluted EPS	\$5.98	+629%	+21%	\$6.12	+461%	+19%
Cash Flow from Ops	\$15,345	+427%	+33%	\$15,345	+427%	+33%

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

Analysis done 4/7/2024 w/my Dad, Prof of Agriculture

NVDA Sales Growth = 274%

$$\frac{\text{Price}}{\text{Earnings}} = \frac{P}{E} = \frac{880}{\$11.97}$$
$$\frac{P}{E_{2025}} = \frac{880}{24.44} = 36 \quad \left| \quad \frac{P}{E_{2026}} = \frac{880}{30.37} = 29$$
$$\frac{P}{E} \text{ (old backward looking)} = 73.5$$
$$\frac{P/E}{\text{Growthrate}} \text{ (usually below 200% or 300% is ok)} = \frac{73.5}{274\%} = 0.27 \quad (\checkmark)$$

Do you understand that if I take P/E (expected) and multiply by a future E (earnings), I get a future price?

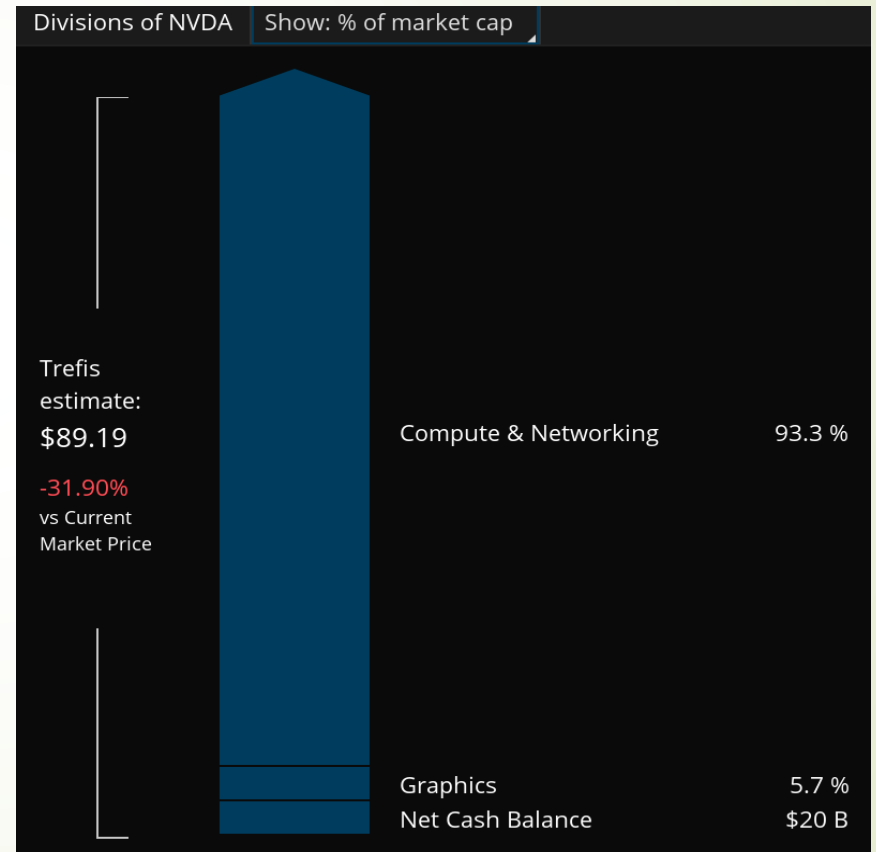
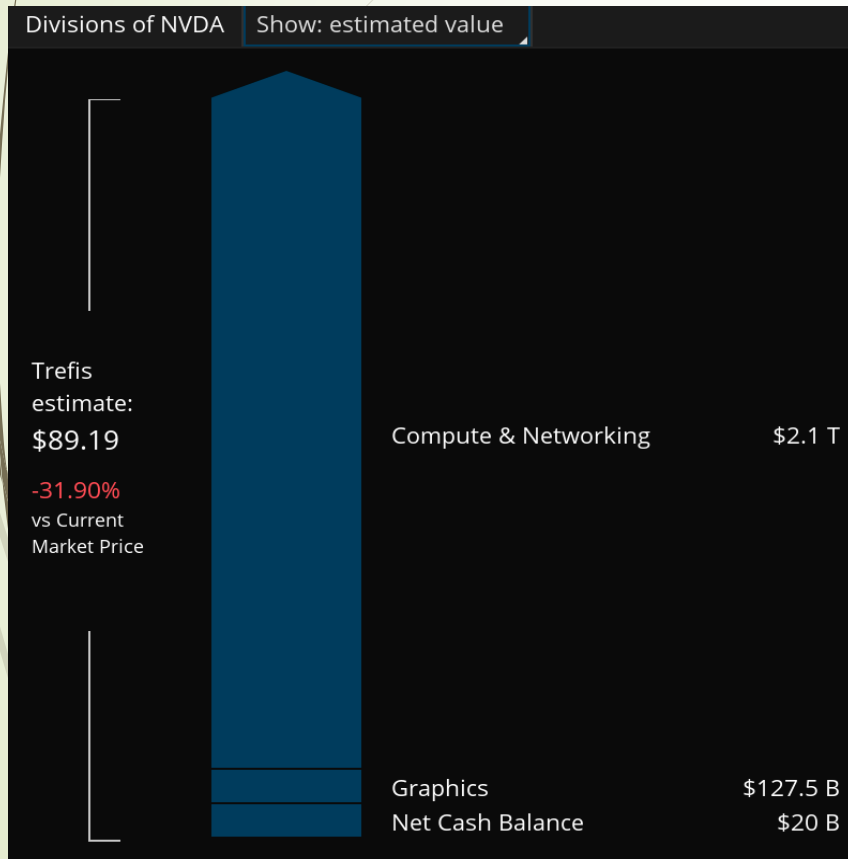
Quick snapshot; EPS (UP!) ROE (UP!) ROA (UP); Debt (LOW); fixed charge coverage ratio → investigate [likely ok]

NVDA		Nvidia Corp		130.98	-0.90 -0.68%	B: 130.96 A: 130.88	ETB	NASDAQ	Last Annual Filing Date: 05/29/2024, Last Interim Filing Date: 05/29/2024				
By the Numbers		Annual		Quarterly									
	Current (LTM)	YoY%	5Y Trend	2019	2020	2021	2022	2023					
Share Values													
Earnings Per Share - TTM	\$11.93	85.41%		\$0.11	\$0.17	\$0.39	\$0.17	\$1.19					
Dividends Per Share - TTM	\$0.16	0.00%		\$0.02	\$0.02	\$0.02	\$0.02	\$0.02					
Book Value Per Share	\$17.44	48.62%		\$0.50	\$0.68	\$1.06	\$0.90	\$1.74					
Cash Flow Per Share	\$12.88	75.51%		\$0.17	\$0.26	\$0.50	\$0.32	\$1.29					
Free Cash Flow Per Share	\$10.94	86.01%		\$0.18	\$0.19	\$0.33	\$0.15	\$1.09					
Sales Per Share	\$24.43	55.95%		\$0.44	\$0.66	\$1.06	\$1.08	\$2.44					
Profitability													
Return on Equity (ROE)	91.458	80.39%		25.954	29.776	44.832	17.934	91.458					
Return on Assets (ROA)	38.551	78.82%		11.623	12.799	17.199	8.166	38.551					
Gross Profit Margin	72.718	21.71%		61.989	63.31	64.929	56.929	72.718					
Operating Profit Margin	48.849	66.85%		25.609	25.979	36.234	16.193	48.849					
Tax Rate	12	137.27%		5.8585	1.7464	1.9012	-4.4726	12					
Interest Rate - Estimated Average	2.647	9.63%		2.6117	2.6425	2.156	2.392	2.647					
Net Profit Margin	48.849	66.85%		25.609	25.979	36.234	16.193	48.849					
Activity Ratios													
Total Asset Turnover	1.1397	44.55%		.71343	.72333	.73759	.63194	1.1397					
Inventory Turnover	3.1838	6.00%		3.2498	4.3622	4.2604	2.9928	3.1838					
Financial Ratios													
Long-term Debt to Capital	17.726	-75.28%		17.189	26.942	30.401	31.071	17.726					
Financial Leverage (Assets/Equity)	1.5293	-21.84%		1.4188	1.7043	1.6604	1.8634	1.5293					
Fixed Charge Coverage Ratio	128.3	83.41%		54.731	25.658	42.547	21.286	128.3					
Dividend Payout (% of Earnings)	1.3412	-585.63%		14.159	9.2486	4.1558	9.1954	1.3412					
Quick Ratio	3.3847	22.92%		7.037	3.5643	5.9649	2.609	3.3847					
Current Ratio	4.1713	15.72%		7.6738	4.0905	6.6503	3.5156	4.1713					

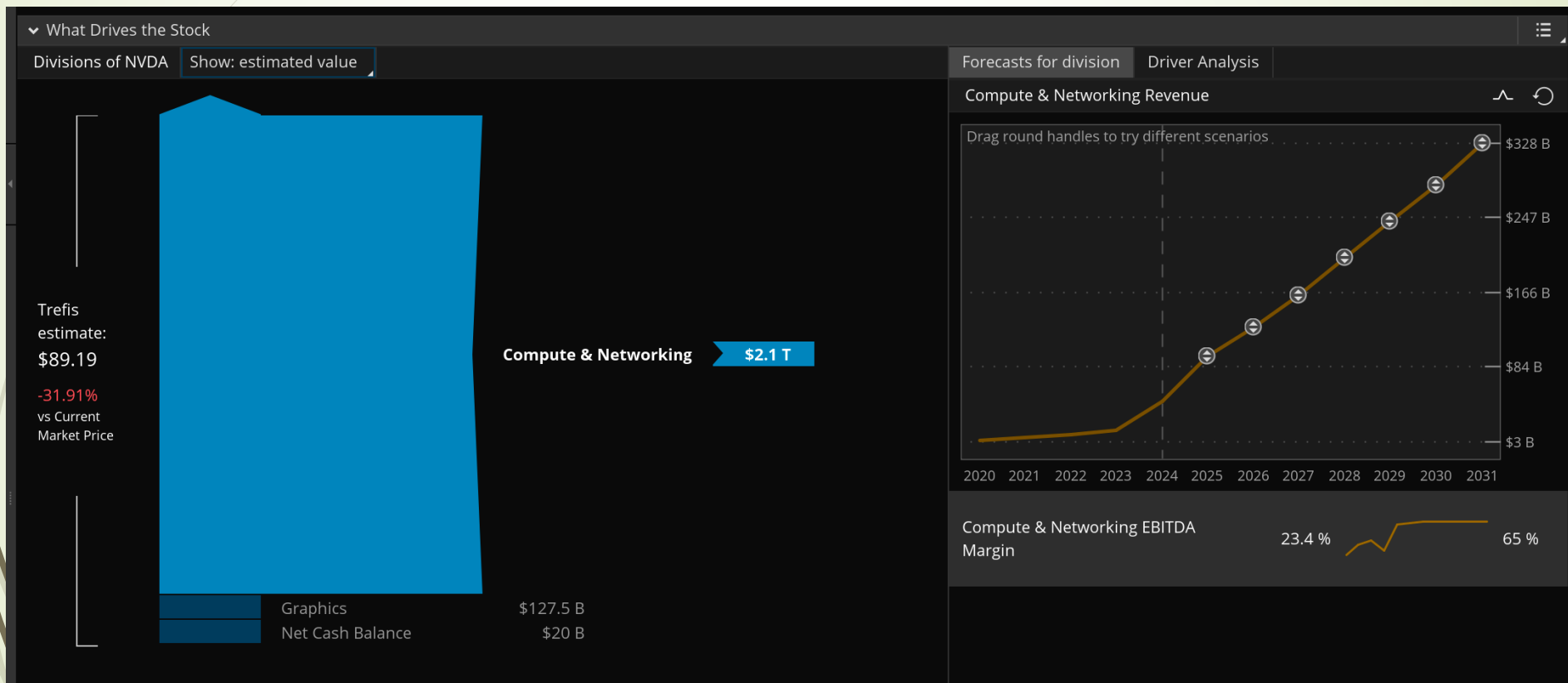
PE (reasonable); 1.8% yield; 3.3B mkt cap (one of the 3 largest companies)

Valuation	Current	5yr Avg	Growth Rates	Current	3yr Avg	5yr Avg
Price / Earnings Ratio	51.244	74.439	Revenue	 208.27	60.607	49.369
Price / Cash Flow Ratio	48.841	55.065	Net Income	 788.75	99.972	66.883
Price / Book Value Ratio	43.901	N/A	Earnings Per Share	 803.1	100.56	66.827
Market Capitalization / Common Equity Ratio	43.941	24.588	Dividends Per Share	 0	0	.637
Dividend Yield	.01824	N/A	Book Value Per Share	N/A	38.429	38.065
Dividend Payout Per Share (% of EPS)	.9249	N/A				
Total Shares Outstanding		24,598,341,970				
Market Cap		3,221,645 M				

Trefis valuation (overvalued); Note 93% of company is now AI – computation/networking; this used to be a graphics cards company (think kids playing video games)



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Main drivers for 100X growth in revenue next 10 years

Forecasts for division

Driver Analysis

Trefis considered the following factors for its forecast:

1. AI Is Driving A Surge In Demand

- We expect Nvidia to see stronger sales to the data center market, driven by more compute-intensive workloads, such as AI, data analytics, graphics, and scientific computing.
- Technology companies and developers have been scrambling to deploy generative AI into their applications following the success of OpenAI's ChatGPT. This is helping Nvidia, given that its high-end graphics processing chips remain the go-to products for AI workloads.
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- Nvidia's chips remain meaningfully ahead of rivals such as AMD and Google's Tensor processing units. Moreover, the company has been building an ecosystem around its AI tools, with its own programming languages, and software, which are helping to lock in customers better.

2. Automotive Segment Will Expand Nvidia's Addressable Market For Tegra

- The automotive segment is one of the fastest-growing sub-segments of Nvidia's business and offers higher gross margins.
- Nvidia has been working on building its automotive computing platform for over a decade and is in a strong position to leverage this growth. The company's automotive platforms remain on a sharp upward trajectory.
- In addition to its infotainment cockpit business, Nvidia is working with companies that are developing self-driving car technologies.

Value Chain of AI

