

NVIDIA Corporation

NVDA • NASDAQ Global Select • Semiconductors • United States

COMPANY PROFILE

NVIDIA Corporation designs and supplies accelerated computing platforms, primarily graphics and AI processors, through two reportable segments: Compute & Networking, which covers data center AI/accelerated-computing hardware and software, networking, automotive compute, and robotics; and Graphics, which covers GeForce gaming GPUs, professional visualization (Quadro/RTX) products, and related consumer and workstation solutions. Demand for AI data-center infrastructure has become the company's dominant revenue and profit driver.

RECOMMENDATION

BUY

12-month horizon

CURRENT PRICE

144.69 USD

▲ price sources disagree — verify

TARGET PRICE

267.00 USD

12-month fundamental

IMPLIED UPSIDE

+84.5%

vs. current price

MARKET CAP

USD 4,071.6 bn

shares × price

ENTERPRISE VALUE

USD 3,898 bn

mcap + net debt

P/E 2027E

19.4×

EV/EBITDA 2027E

15.4×

FCF YIELD 2027E

4.3%

DIVIDEND YIELD
2027E

0.1%

NET DEBT / EBITDA
2027E

-0.7×

RESEARCH SNAPSHOT

The call, the math, and the three reasons why

02

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

RECOMMENDATION BUY 12-month horizon	TARGET PRICE 267.00 USD 12-month fundamental	CURRENT PRICE 144.69 USD ▲ price sources disagree — verify	IMPLIED UPSIDE +84.5% vs. current price
MARKET CAP USD 4,071.6 bn shares × price	ENTERPRISE VALUE USD 3,898 bn mcap + net debt	P/E · EV/EBITDA 2027E 19.4x · 15.4x history + peers, see p. 18–19	FCF · DIV YIELD 2027E 4.3% · 0.1%



01 Attractive Forward Multiple

NVIDIA currently trades at 14.7x 2027e EV/EBIT, a meaningful discount to the peer median of 20.8x, and our selected fair multiple of 24.0x underpins most of the re-rating case for the target price.

14.7x 2027e EV/EBIT

02 Massive EBIT Scale-Up

Consensus EBIT must jump 84.0% from USD 130,387mn in FY26 to USD 240,008mn in FY27e, an aggressive scale-up that underpins the higher target multiple and implied share price over time.

+84.0%

03 Sustained Hyperscaler Capex

Hyperscaler capex must hold near USD 725bn in 2026, up 77% year on year, since a bear case could compress FY28 EBIT to USD 150bn, sharply cutting enterprise value and pressuring the target price further.

\$725bn

THESIS BREAKER

If the 13:1 capex-to-software-revenue gap forces hyperscaler cuts, FY28 EBIT could compress to \$150bn, cutting enterprise value by over 50%.

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.



CURRENT PRICE 144.69 USD ▲ price sources disagree — verify	TARGET PRICE 267.00 USD 12-month	IMPLIED UPSIDE +84.5% vs. current	52-WEEK HIGH 236.54 USD past 12m
52-WEEK LOW 164.07 USD past 12m	1-YEAR CHANGE +24.0% price only	3-YEAR CHANGE +367.3% price only	REPORT DATE 16 July 2026

VALUE BREAKDOWN · PART 1

Enterprise - value allocation by segment

04

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



SEGMENT ECONOMICS							
Revenue and Comp. EBIT: FY2026A (source: NVIDIA's FY2026 Form 10-K, Note 16 "Segment Information"). EV: current allocation.							
	REVENUE	SHARE OF REVENUE / DIV.	COMP. EBIT	SHARE OF EBIT / DIV.	EV	EV %	ARCHETYPE
Compute & Networking	193,479	89.6%	130,141	99.8%	3,641,788	93.4%	Scaling
Graphics	22,459	10.4%	9,156	7.0%	256,217	6.6%	Profit engine
Corporate / Unallocated	0	0.0%	-8,910	-6.8%	0	0.0%	Mixed
Total	215,938	100.0%	130,387	100.0%	3,898,005	100.0%	

VALUE BREAKDOWN · PART 2

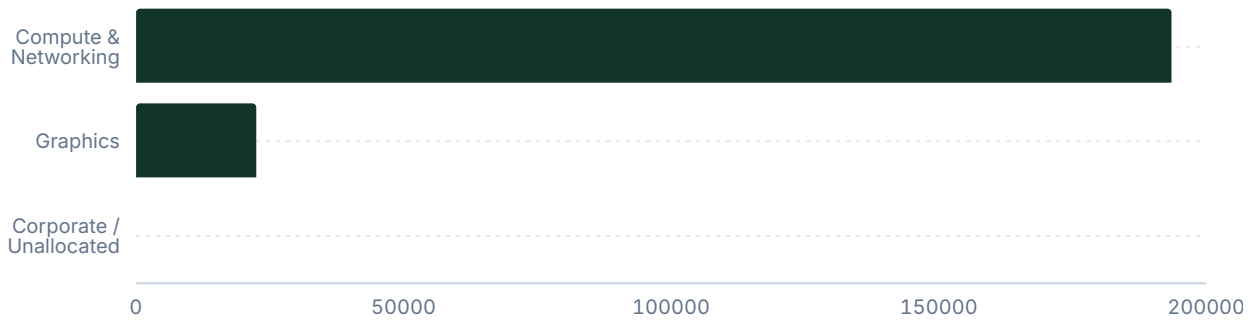
Net sales and EBIT by segment

05

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

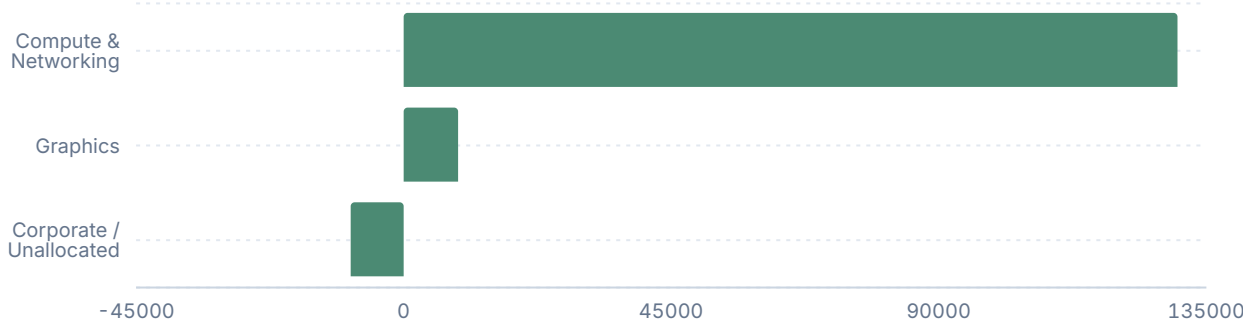
Net sales by segment

USD millions, FY2026A



Comparable EBIT by segment

USD millions, FY2026A



INTERPRETATION

NVIDIA's \$4.56 trillion enterprise value is dominated by its Compute & Networking segment, reflecting the scale of the current AI infrastructure buildout. Graphics contributes only a minor fraction of overall value, while Corporate/Unallocated is a negative drag from capitalized unallocated costs.

RECOMMENDATION

Why we land on the call we do

06

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

The single most decision-relevant variable is the EV/EBIT multiple compression NVIDIA must absorb as trailing earnings catch up to its enterprise value. The stock currently reflects a 34.99x trailing 2026 EV/EBIT multiple but only 14.7x on 2027e EBIT of \$240,008mn, a discount to the peer median of 20.8x. Consensus EBIT must grow from \$130,387mn (FY26 actual) to \$240,008mn (FY27e), an 84.0% jump, almost entirely sourced from Compute & Networking, which already carries 99.8% of the \$4,561,939mn enterprise value.

The re-rating case applies a 24.0x fair multiple to 2027e EBIT, implying a \$267 target price versus a market-implied current price of roughly \$187.7 — approximately 42% upside contingent on hyperscaler capex holding near the \$725bn 2026 run-rate. The value split is clean: Compute & Networking generates \$130.1bn EBIT and accounts for \$4.55tn of enterprise value.

The stock is currently trading at USD 144.69, well below its target price of USD 267.0, supporting a BUY view with roughly 85% upside over the next 9 months. The market is mispricing duration, not current cash generation — the valuation is fully supported by current, cash-generating economics and near-term forward visibility.

BUY

TARGET PRICE

267.00 USD

CURRENT PRICE

144.69 USD

IMPLIED UPSIDE

+84.5%

12 - MONTH VIEW

NVIDIA offers substantial upside as the data center infrastructure buildout sustains high-margin, high-volume GPU and networking demand through the FY2027 cycle.

MAIN DRIVER

Hyperscaler data center capital expenditure budgets.

MAIN RISK

Deceleration in cloud AI investment.



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\$725bn

THESIS BREAKER

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CORE ANALYSIS · EXECUTIVE MAP

07

How the company creates economic value

The framework underlying the segment deep dives that follow.

NVIDIA operates as a dual-segment business, but the economics are heavily skewed toward one dominant segment. Compute & Networking is the core of the enterprise, generating nearly 90% of group revenue and effectively 99.8% of positive segment operating profit. Using a fallback uniform multiple allocation framework, Compute & Networking accounts for \$4.55 trillion of the \$4.56 trillion enterprise value.

The enterprise value bridges to equity market capitalization with little friction. NVIDIA's net debt is just \$807 million, so the \$4.56 trillion enterprise value is effectively the same as the equity market capitalization. The Financial Data anchors this valuation to the FY2026 actual market capitalization.

The key tension here is the sustainability of the current earnings base versus the duration implied by the valuation multiple. Compute & Networking is generating \$130.1 billion in FY2026 segment EBIT, driven by unprecedented hyperscaler data center investment. The valuation is not pricing speculative future optionality; it is capitalizing current peak margins and volumes at a growth multiple.

ANALYTICAL ANCHOR

Because the Corporate/Unallocated segment operates purely as a reconciling cost center containing stock-based compensation and acquisition-related expenses, it is modeled here as a capitalized liability rather than an operating business.

08

Compute & Networking

Segment deep dive — Scaling.

Compute & Networking represents 89.6% of group net sales (\$193.5 billion) and 99.8% of positive segment operating profit (\$130.1 billion) at a 67.3% operating margin. Under the fallback EBIT allocation framework, it is assigned 99.8% of the group enterprise value, or approximately \$4.55 trillion. Allocation confidence is medium; while the underlying earnings power is clear, relying on a uniform group multiple masks the cyclical risks inherent in hardware infrastructure spending.

The market values Compute & Networking because it currently captures a large share of the global AI infrastructure buildout. The segment is not valued as a speculative option; it is a highly profitable, immediate cash-generating business that has captured most of the initial infrastructure spending wave. Investors are assigning a mid-30x trailing EBIT multiple because they expect the shift from AI training workloads to AI inference workloads to keep expanding the total addressable market.

NVIDIA's moat rests mainly on system-level integration rather than pure silicon performance. The CUDA software ecosystem provides a strong developer-level moat, but the physical moat in 2026 relies heavily on proprietary networking — specifically NVLink and InfiniBand. Systems like the GB300 NVL72 function essentially as a single, large logical GPU because the copper backplane and switch architecture let the chips share memory seamlessly.

To maintain these margins, NVIDIA must control the bill of materials — particularly the cost of High Bandwidth Memory (HBM3e and HBM4) sourced from SK Hynix, Micron, and Samsung, and TSMC's advanced packaging (CoWoS) costs. The gross margin profile assumes the average selling price of a Blackwell or Rubin rack rises enough generation-over-generation to offset the rapidly rising costs of advanced node fabrication.

COMPUTE & NETWORKING
FACT SHEET

SCALING

FY2026A REVENUE
USD 193,479m

FY2026A COMP. EBIT
USD 130,141m

EBIT MARGIN
67.3%

EV ALLOCATION METHOD
Group Multiple

END-MARKET FOCUS
Hyperscaler Data Centers

Graphics

08

Segment deep dive — Profit engine.

The Graphics segment generates 10.4% of group net sales (\$22.4 billion) and 7.0% of positive segment operating profit (\$9.1 billion). It operates at a healthy, though structurally lower, 40.8% EBIT margin. The fallback allocation assigns this segment roughly \$320.3 billion in enterprise value, capturing 7.0% of the group total. Allocation confidence is low because applying the group's 35x trailing multiple to a mature consumer hardware business almost certainly overstates its standalone market value.

Historically, Graphics was NVIDIA's foundational economic engine, built on GeForce gaming GPUs and professional visualization workstations. Today the market treats it mainly as a stabilizing cash generator that offsets the heavy capital needs and volatility of the data center business. The valuation assigned in the SOTP fallback is largely inherited; investors are buying the AI infrastructure story and mechanically carrying Graphics along at the same multiple.

NVIDIA holds a commanding market share in discrete desktop and laptop GPUs, consistently outperforming AMD's Radeon division. The moat here rests on the GeForce Experience software ecosystem, driver stability, and proprietary features like DLSS and ray-tracing performance, which consumers value highly.

Generating \$22.4 billion in revenue at a 40.8% operating margin requires precise supply chain management and inventory discipline. Unit economics are based on volume shipments of silicon to Add-In-Board (AIB) partners and direct sales of Founders Edition cards. Margins are lower than in the data center segment because NVIDIA must share the profit pool with AIB manufacturers, distributors, and retailers.

GRAPHICS FACT SHEET

PROFIT ENGINE

FY2026A REVENUE

USD 22,459m

FY2026A COMP. EBIT

USD 9,156m

EBIT MARGIN

40.8%

REQUIRED REVENUE FOR 18X EV

\$43.4 billion

END-MARKET FOCUS

Consumer / Professional
Visualization

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.

Corporate / Unallocated

Mixed — FY2026A revenue: USD 0m · FY2026A comp. EBIT: USD -8,910m · Pool Type: Cost center (SBC, M&A)

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 the financial forecast is the scale of Compute & Networking absorbing the global hyperscaler capital expenditure wave. The jump from \$215.9 billion in sales to \$369.4 billion in a single year requires NVIDIA to successfully deploy and recognize revenue on a very large volume of Blackwell Ultra and initial Vera Rubin systems.

This bridge is overwhelmingly supported by the current scaling business, provided hyperscalers follow through on their stated \$725 billion 2026 capex commitments. The 89.8% expected EBITDA growth reflects operating leverage: once R&D for a silicon architecture is sunk, marginal gross profit drops almost cleanly to the operating line, expanding EBITDA margins to a projected 68.4%.

The bridge is weakest on supply chain execution and sustained downstream demand. Delivering \$369 billion in sales requires TSMC's CoWoS packaging capacity to scale in step with NVIDIA's orders, and assumes SK Hynix and Micron can deliver HBM memory without critical yield bottlenecks. If hyperscalers face delays in data center power provisioning, they may defer system deliveries, which would directly break the near-term consensus bridge.

BRIDGE MECHANICS

The jump from \$215.9 billion in sales to \$369.4 billion in a single year requires NVIDIA to successfully deploy and recognize revenue on a very large volume of Blackwell Ultra and initial Vera Rubin systems.

The valuation tension within NVIDIA is entirely a matter of duration and cycle positioning, not a disconnect between value and current operations. Unlike an emerging software platform that needs a decade to generate positive cash flow, NVIDIA's \$4.56 trillion enterprise value is immediately supported by a \$130.4 billion trailing EBIT base.

Using a conservative 20x mature technology framework, current consolidated EBIT of \$130.4 billion would support an enterprise value of approximately \$2.6 trillion, or roughly 57% of the current allocated enterprise value. The remaining 43% depends entirely on future scaling — specifically, the forward consensus that EBIT will reach \$240 billion by FY2027.

The valuation is most fragile on the question of how permanent these earnings are. The market is pricing NVIDIA as if the data center AI buildout is a permanent upward step-change in global compute infrastructure that will not see a severe cyclical retrenchment.

The valuation is defensible because short-term visibility into hyperscaler budgets de-risks the immediate earnings bridge. But it could fail if the transition from AI training to AI inference shifts market share toward Broadcom's custom ASICs or AMD's memory-dense MI400 architecture, eroding NVIDIA's terminal pricing power and margins.

CORE ANALYSIS · SCENARIOS & VERDICT

10

Scenario logic and the bottom-line judgment

How the conclusion changes under less favourable scenarios.

The scenarios differ fundamentally on the duration and terminal architecture of the AI infrastructure market. In the base case, aligned with forward consensus, NVIDIA successfully transitions its customer base to the Vera Rubin architecture, maintaining its margin profile and scaling EBIT above \$310 billion by FY2028.

The bull case requires the total addressable market to expand structurally beyond the Big Four hyperscalers. If sovereign nations build proprietary AI clusters and traditional enterprise data centers aggressively upgrade to on-premise AI infrastructure, NVIDIA's volume dependency on Amazon, Meta, Microsoft, and Google diminishes.

The bear case is the case that would break the thesis. It depends on the 13:1 investment-to-revenue ratio breaking the capex cycle. If Microsoft and Google cannot monetize AI software fast enough, they will extend the lifespan of their current Blackwell and Hopper fleets, sharply cutting new system orders in 2027 and 2028.

BOTTOM LINE

The central investment debate for NVIDIA is whether the company has structurally reset the global semiconductor market or is instead navigating the most lucrative cyclical peak in hardware history. The market has allocated 99.8% of the \$4.56 trillion enterprise value to the Compute & Networking segment, reflecting that NVIDIA's equity is effectively a single, highly leveraged bet on the continued expansion of data center AI infrastructure.

FINANCIAL BRIDGE · PART 1

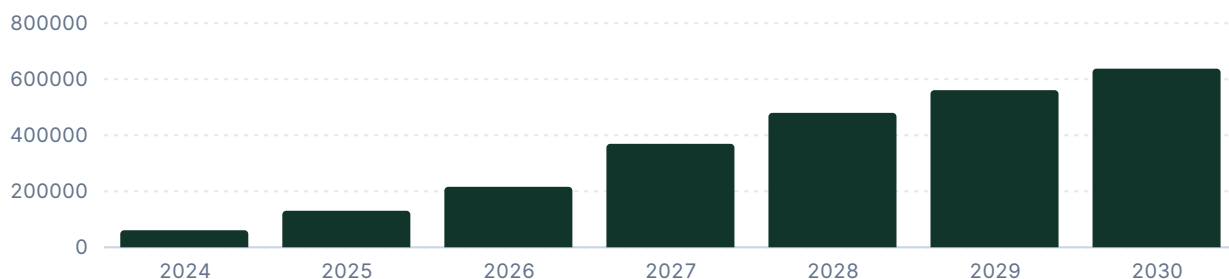
Net sales, EBITDA / EBIT, EBIT margin

14

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

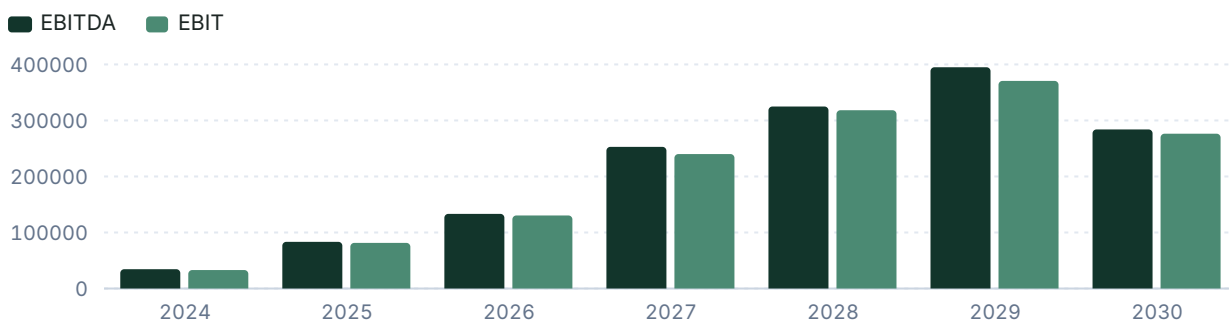
Net sales

USD millions



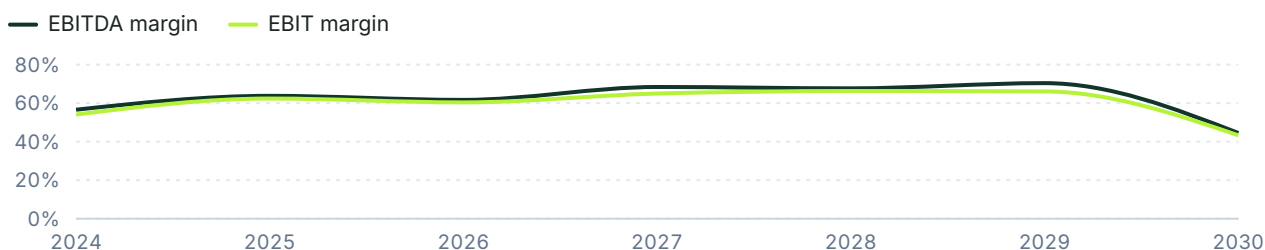
EBITDA & EBIT

USD millions



EBIT and EBITDA margin

% of net sales



FINANCIAL BRIDGE · PART 2

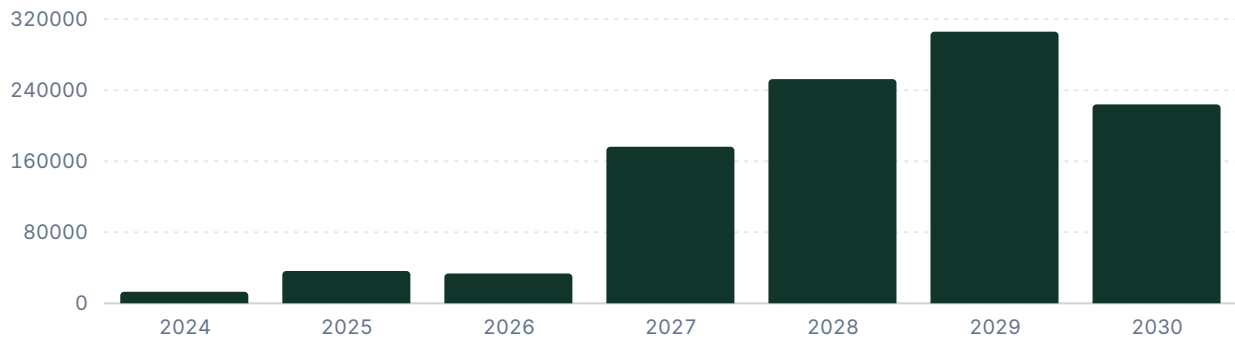
Free cash flow, leverage, and key financials

15

Cash generation and balance-sheet capacity.

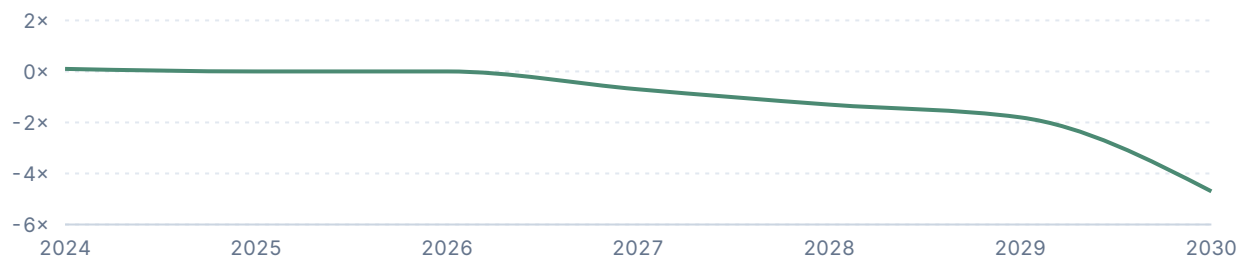
Free cash flow

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.

For NVIDIA Corporation, we select EV/EBIT as the primary valuation method given the company's scaling current business archetype, characterized by massive operating profitability and negligible structural debt, making it the cleanest metric to assess the cyclical risks of the AI hardware cycle. NVIDIA currently trades at 14.7x 2027e EV/EBIT, which represents a discount to the peer median of 20.8x and is substantially below its own historical normalized average of 50.8x. We also incorporate the XY scatter framework (ROE vs P/BV) with a 20% weight, as the company's mature, ultra-profitable return profile (average forecast ROE of 58.1%) makes current ROE positioning highly relevant. We apply a fair EV/EBIT multiple of 24.0x, reflecting a warranted premium to peers justified by NVIDIA's quasi-monopoly in AI compute and best-in-class margins, while acknowledging the normalization from historical peak multiples. The primary valuation risk is a broader capex cycle downturn in AI infrastructure buildouts, which would compress forward operating estimates and trigger structural multiple contraction.

HISTORICAL AND FORECAST MULTIPLES											SELECTED FAIR MULTIPLE
METRIC	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E	NORM. AVG	
EV/EBIT	72.26x	57.76x	121.92x	45.81x	43.02x	34.99x	14.66x	11.05x	9.49x	50.77x	24.0x
P/E	74.01x	58.46x	115.92x	50.63x	48.05x	37.99x	16.73x	13.09x	11.11x	53.83x	28.0x
EV/EBITDA	58.16x	51.71x	89.30x	43.81x	42.05x	34.24x	13.91x	10.83x	8.91x	53.21x	
EV/Sales	19.64x	21.55x	19.09x	24.80x	26.85x	21.13x	9.52x	7.33x	6.27x	22.17x	
P/FCF	-20.87x	-200.81x	50.02x	115.88x	96.22x	135.81x	19.94x	13.93x	11.50x	99.48x	
P/BV	18.98x	21.42x	22.91x	35.06x	44.15x	29.00x	9.59x	5.56x	3.72x	28.59x	
P/S	19.23x	21.18x	18.77x	24.73x	26.84x	21.12x	9.52x	7.33x	6.27x	21.98x	
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. (AMD)	United States	909.7 USDbn	119.9x	67.0x	62.1x	41.6x	10.8x	32.4%	17.4%	n/a
Broadcom Inc. (AVGO)	United States	1536.6 USDbn	60.8x	48.8x	32.3x	27.7x	10.7x	66.8%	24.7%	n/a
Marvell Technology, Inc. (MRVL)	United States	163.6 USDbn	25.4x	143.7x	26.5x	102.6x	10.7x	3.4%	7.6%	0.5%
Taiwan Semiconductor Manufacturing Company Limited (TSM)	Taiwan	1176.2 TWDbn	0.8x	0.7x	-0.4x	-0.8x	0.1x	40.9%	20.4%	n/a
Micron Technology, Inc. (MU)	United States	1082.1 USDbn	740.7x	517.8x	103.7x	85.9x	21.7x	11.0%	4.3%	n/a
QUALCOMM Incorporated (QCOM)	United States	202.6 USDbn	22.9x	22.1x	11.7x	12.4x	6.6x	32.9%	32.8%	2.6%
Arm Holdings plc (ARM)	United Kingdom	220.5 USDbn	248.7x	191.7x	94.0x	79.0x	24.9x	42.8%	13.7%	n/a
Super Micro Computer, Inc. (SMCI)	United States	24.7 USDbn	11.6x	7.5x	10.6x	7.8x	2.1x	6.8%	32.6%	n/a
Peer median			22.9x	22.1x	26.5x	27.7x	8.7x	32.4%	18.9%	1.6%
Peer average			24.3x	29.2x	28.7x	33.7x	6.8x	24.3%	19.2%	1.6%

TARGET PRICE BRIDGE					
METHOD	FORECAST METRIC	METRIC VALUE	SELECTED MULTIPLE	IMPLIED PRICE	WEIGHT
EV/EBIT (Primary)	2027e EBIT	240,008	24.0x	237.0 USD	48%
P/E (Supporting)	2027e EPS	8.65	28.0x	242.2 USD	32%
XY scatter (ROE/P/BV)	Average forecast BVPS	26.7	14.2x	378.8 USD	20%
Weighted target price				267.0 USD	100%

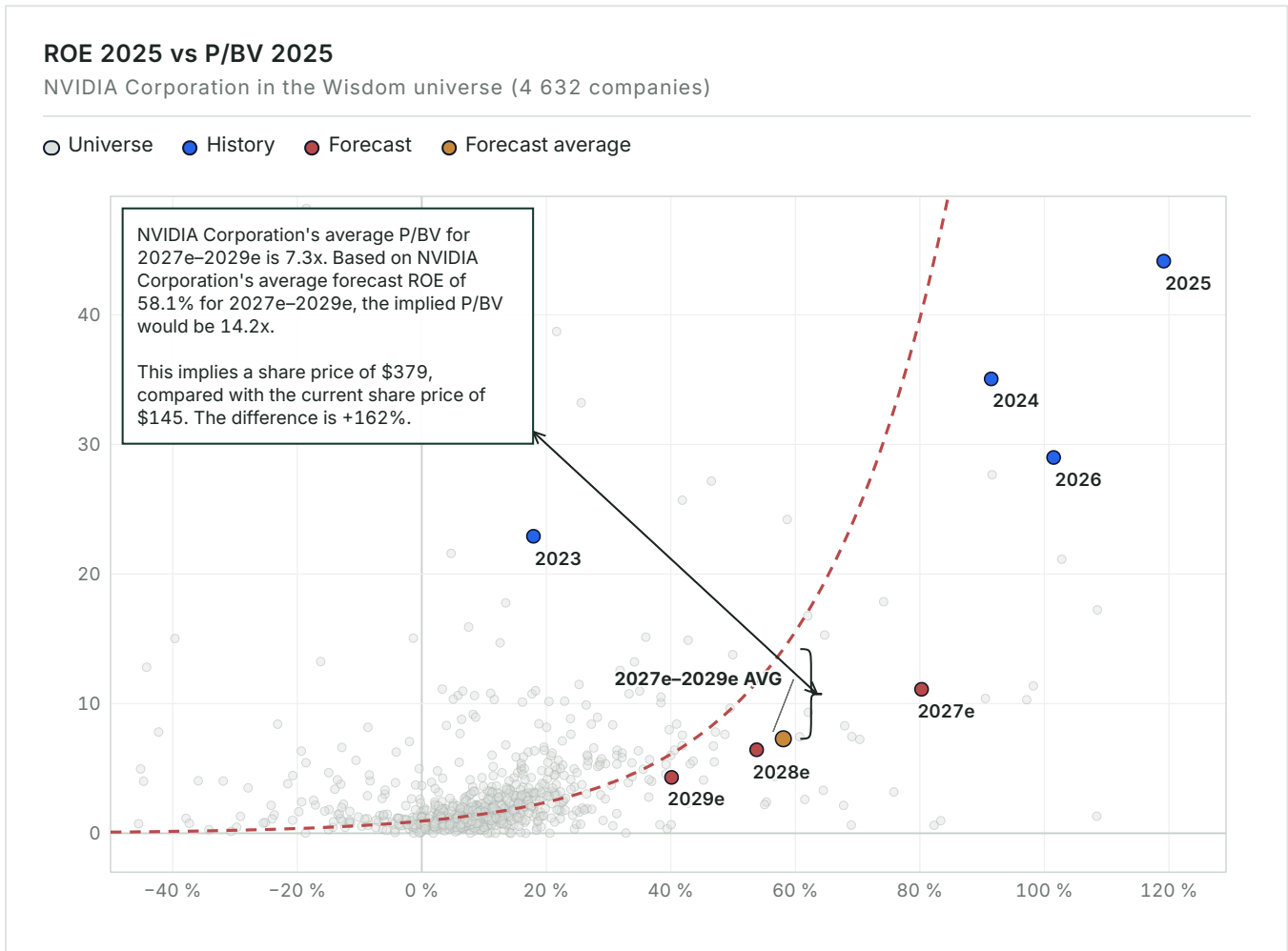
SENSITIVITY — IMPLIED SHARE PRICE			
2027E EBIT (USDM)	MULTIPLE 22.0X	MULTIPLE 24.0X (BASE)	MULTIPLE 26.0X
192,006 (-20%)	173.76	189.58	205.40
216,007 (-10%)	195.48	213.27	231.06
240,008 (Base)	217.20	236.96	256.72
264,009 (+10%)	238.92	260.65	282.38
288,010 (+20%)	260.65	284.35	308.04

VALUATION MAP

ROE vs P/BV — pricing versus profitability

18

The whole Wisdom universe as context: how the market prices profitability on average, and what the company's forecast position would imply for the share price.



For NVIDIA's forecast average ROE of 58.1%, the broader market curve implies a P/BV of 14.2x, well above the company's own forecast average of 7.3x. This suggests the stock is undervalued relative to the universe relationship, pointing to potential 162% upside from current levels to a curve-implied share price of USD 378.8.

MULTIPLES & SENSITIVITY

Forward multiples and EBITDA × multiple grid

19

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 →	16.0×	18.0×	20.0×	22.0×	24.0×	
-20% USD 202,278m	USD 3,236,448m USD 133.10 / sh	USD 3,641,004m USD 149.80 / sh	USD 4,045,560m USD 166.40 / sh	USD 4,450,116m USD 183.10 / sh	USD 4,854,672m USD 199.70 / sh	
-10% USD 227,563m	USD 3,641,008m USD 149.80 / sh	USD 4,096,134m USD 168.50 / sh	USD 4,551,260m USD 187.20 / sh	USD 5,006,386m USD 205.90 / sh	USD 5,461,512m USD 224.70 / sh	
Base USD 252,848m	USD 4,045,568m USD 166.40 / sh	USD 4,551,264m USD 187.20 / sh	USD 5,056,960m USD 208.00 / sh	USD 5,562,656m USD 228.80 / sh	USD 6,068,352m USD 249.60 / sh	
+10% USD 278,133m	USD 4,450,128m USD 183.10 / sh	USD 5,006,394m USD 205.90 / sh	USD 5,562,660m USD 228.80 / sh	USD 6,118,926m USD 251.70 / sh	USD 6,675,192m USD 274.60 / sh	
+20% USD 303,418m	USD 4,854,688m USD 199.70 / sh	USD 5,461,524m USD 224.70 / sh	USD 6,068,360m USD 249.60 / sh	USD 6,675,196m USD 274.60 / sh	USD 7,282,032m USD 299.60 / sh	

SCENARIO VALUATION

Bear / Base / Bull bridge

20

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

SCENARIO BRIDGE								
	REVENUE	EBITDA	MARGIN	MULTIPLE	EV	EQUITY	VALUE / SHARE	UPSIDE
Bear	250,000	150,000	60.0%	15.0×	2,250,000	2,249,193	USD 92.54	-36.0%
Base	479,971	324,880	67.7%	20.0×	6,497,600	6,496,793	USD 267.30	+84.7%
Bull	560,000	380,000	68.0%	22.0×	8,360,000	8,359,193	USD 343.93	+137.7%
KEY CONDITIONS The scenarios depend heavily on the duration of hyperscaler AI capex budgets and the successful transition to the Vera Rubin architecture.								
THESIS BREAKER If hyperscalers cannot monetize AI software fast enough, a sharp cut in new system orders in 2027 and 2028 will collapse terminal multiples.								

CATALYSTS

Monitoring checklist

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

CATALYST REGISTER				
	TIMING	SEGMENT	INDICATOR	VALUATION IMPACT
Hyperscaler Q3/Q4 2026 Capex Guidance	NEAR-TERM	Compute & Networking	Changes in YoY capex plans from Big Four	High correlation to target multiple
Broadcom Custom ASIC Revenue Targets	MEDIUM-TERM	Compute & Networking	Broadcom run-rate toward \$100B goal	Signals merchant GPU share erosion
Vera Rubin (R100) Commercial Shipments	MEDIUM-TERM	Compute & Networking	TCO advantage over AMD/ASICs	Protects 65%+ EBIT margin
TSMC CoWoS Packaging Capacity Scaling	NEAR-TERM	Compute & Networking	Supply chain bottleneck easing	Enables FY27 revenue recognition
READ - THROUGH The most critical catalyst is upcoming capital expenditure guidance from the major hyperscalers. Because NVIDIA's valuation depends on a small group of massively capitalized customers, any change in their infrastructure spending plans feeds directly into NVIDIA's order book. Monitoring Broadcom's AI revenue run-rate provides an early warning indicator of whether NVIDIA's merchant silicon is losing share in the high-volume inference market.				

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 & ROI Gap	Compute & Networking	Lack of downstream AI software monetization forces cloud providers to cut capex.	Deceleration in hyperscaler cloud revenue	HIGH	THESIS BREAKER
Custom ASIC Substitution	Compute & Networking	Hyperscalers substitute internal custom silicon for merchant GPUs for inference.	Broadcom exceeding ASIC revenue targets	HIGH	STRUCTURAL
Geopolitical Export Controls	Compute & Networking	Further U.S. restrictions on high-performance chip sales.	Regulatory announcements	MEDIUM	MANAGEABLE
Supply Chain Concentration (TSMC)	Compute & Networking	Disruption or capacity constraints at TSMC for 3nm and CoWoS.	TSMC capex or node delay announcements	MEDIUM	STRUCTURAL
READ - THROUGH The most thesis-breaking risk is customer concentration combined with the hyperscaler ROI gap. The top two direct customers represented 36% of FY2026 revenue, which creates real fragility. If the economic rationale for deploying frontier AI models falters, the resulting capex cut would flow directly into NVIDIA's P&L, breaking the \$240 billion forward EBIT assumption and collapsing the equity valuation.					

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APPENDIX

Income statement

INCOME STATEMENT — USD MILLIONS						
	2024	2025	2026	2027 <i>E</i>	2028 <i>E</i>	2029 <i>E</i>
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)

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APPENDIX

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)

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APPENDIX

Cash flow

CASH FLOW — USD MILLIONS						
	2024	2025	2026	2027 <i>E</i>	2028 <i>E</i>	2029 <i>E</i>
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)

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APPENDIX

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
Current Price (\$144.69)	144.69	MARKET DATA	Recommendation
Historical Segment Operating Income	139297	FINANCIAL SNAPSHOT	Value Pools
FY2027e EBIT	240008	GENERATED ESTIMATE	Core Analysis
Allocated EV for Compute & Networking	4553330	COMPANY VALUE MAP	Value Pools
FY2028 Consensus Net Sales	479971	CONSENSUS ESTIMATES	Scenarios
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