

Model update

Research Analysts

Pierre Ferragu

+1 646 681 4616
pierre@newstreetresearch.com

Rolf Bulk

+65 6016 5450
rolf@newstreetresearch.com

Antoine Chkaiban

+44 20 7375 9126
antoine@newstreetresearch.com

Benjamin Harwood

+1 929 379 4139
ben@newstreetresearch.com

Derek Mogull

+1 646 681 4638
derek@newstreetresearch.com

Piyush Kalyani

+44 20 7375 9145
piyush@newstreetresearch.com

Tobias Bähr

+44 20 8156 7790
tobias@newstreetresearch.com

Nvidia model update. Buy, \$119.

12 June 2024

- We update our Nvidia model to reflect the 1:10 stock split.
- We update our TP to \$119.

Sales

Heather Broffman

heather@newstreetresearch.com

Ethan Lacy

ethan.lacy@newstreetresearch.com

Daniel Gilroy

daniel.gilroy@newstreetresearch.com

Michael Chambers

michael@newstreetresearch.com

Charlie Gaynor

charlie@newstreetresearch.com

Mark Franks

mark@newstreetresearch.com

Dimitri Livchits

dimitri@newstreetresearch.com

Model updates

NVIDIA (US\$m)	1FQ25A (Apr '24)			2FQ25E (Jul '24)			3FQ25E (Oct '24)			4FQ25E (Jan '25)			FY25E (Jan '25)			FY26E (Jan '26)		
	Before	After	Delta	Before	After	Delta	Before	After	Delta	Before	After	Delta	Before	After	Delta	Before	After	Delta
Reported Income Statement																		
Reported Revenue	26,044	26,044	0%	28,534	28,534	0%	31,057	31,057	0%	32,756	32,756	0%	118,390	118,390	0%	159,765	159,765	0%
Gaming	2,647	2,647	0%	2,779	2,779	0%	3,029	3,029	0%	3,029	3,029	0%	11,485	11,485	0%	12,864	12,864	0%
Professional Visualization	427	427	0%	495	495	0%	505	505	0%	530	530	0%	1,958	1,958	0%	2,193	2,193	0%
Datacenter	22,563	22,563	0%	24,819	24,819	0%	27,053	27,053	0%	28,676	28,676	0%	103,112	103,112	0%	142,294	142,294	0%
Compute		19,392	n.a.		--	n.a.		--	n.a.		--	n.a.		--	n.a.		--	n.a.
Networking		3,171	n.a.		--	n.a.		--	n.a.		--	n.a.		--	n.a.		--	n.a.
Automotive	329	329	0%	362	362	0%	391	391	0%	442	442	0%	1,523	1,523	0%	2,102	2,102	0%
OEM & IP	78	78	0%	78	78	0%	78	78	0%	78	78	0%	312	312	0%	312	312	0%
COGS	(5,484)	(5,484)	0%	(6,864)	(6,864)	0%	(7,782)	(7,782)	0%	(8,273)	(8,273)	0%	(28,403)	(28,403)	0%	(40,726)	(40,726)	0%
Reported Gross Profit	20,560	20,560	0%	21,670	21,670	0%	23,275	23,275	0%	24,483	24,483	0%	89,987	89,987	0%	119,039	119,039	0%
Gross Margin (%)	78.9%	78.9%	0.0pt	75.9%	75.9%	0.0pt	74.9%	74.9%	0.0pt	74.7%	74.7%	0.0pt	76.0%	76.0%	0.0pt	74.5%	74.5%	0.0pt
Opex	(2,501)	(2,501)	0%	(2,801)	(2,801)	0%	(3,003)	(3,003)	0%	(3,219)	(3,219)	0%	(11,523)	(11,523)	0%	(13,482)	(13,482)	0%
Operating Profit	18,059	18,059	0%	18,869	18,869	0%	20,272	20,272	0%	21,264	21,264	0%	78,464	78,464	0%	105,557	105,557	0%
Operating Margin (%)	69.3%	69.3%	0.0pt	66.1%	66.1%	0.0pt	65.3%	65.3%	0.0pt	64.9%	64.9%	0.0pt	66.3%	66.3%	0.0pt	66.1%	66.1%	0.0pt
Interest Income & Other	302	302	0%	296	296	0%	296	296	0%	296	296	0%	1,190	1,190	0%	700	700	0%
Profit Before Tax	18,361	18,361	0%	19,165	19,165	0%	20,568	20,568	0%	21,560	21,560	0%	79,654	79,654	0%	106,257	106,257	0%
Tax Rate	17.0%	17.0%	0.0pt	17.0%	17.0%	0.0pt	17.0%	17.0%	0.0pt	17.0%	17.0%	0.0pt	17.0%	17.0%	0.0pt	17.0%	17.0%	0.0pt
Tax Charge	(3,123)	(3,123)	0%	(3,260)	(3,260)	0%	(3,498)	(3,498)	0%	(3,667)	(3,667)	0%	(13,548)	(13,548)	0%	(18,073)	(18,073)	0%
Reported Net Income	15,238	15,238	0%	15,905	15,905	0%	17,070	17,070	0%	17,893	17,893	0%	66,106	66,106	0%	88,184	88,184	0%
Diluted Shares Outstanding	2,489	24,890	900%	2,489	24,890	900%	2,489	24,890	900%	2,490	24,891	900%	2,489	24,890	900%	2,491	24,892	899%
Reported Diluted EPS(US\$)	6.12	0.61	-90%	6.39	0.64	-90%	6.86	0.69	-90%	7.19	0.72	-90%	26.56	2.66	-90%	35.40	3.54	-90%

Source: Corporate reports, and NSR estimates and analysis.

Financial Statements and Disclosures

Income Statement

NVIDIA IS (Non-GAAP, US\$m)	1FQ24A (Apr '23)	2FQ24A (Jul '23)	3FQ24A (Oct '23)	4FQ24A (Jan '24)	1FQ25A (Apr '24)	2FQ25E (Jul '24)	3FQ25E (Oct '24)	4FQ25E (Jan '25)	FY22A (Jan '22)	FY23A (Jan '23)	FY24A (Jan '24)	FY25E (Jan '25)	FY26E (Jan '26)
Group Revenue	7,192	13,507	18,120	22,103	26,044	28,534	31,057	32,756	26,914	26,974	60,922	118,390	159,765
<i>Year-on-Year Growth (%)</i>	<i>(13.2%)</i>	<i>101.5%</i>	<i>205.5%</i>	<i>265.3%</i>	<i>262.1%</i>	<i>111.3%</i>	<i>71.4%</i>	<i>48.2%</i>	<i>61.4%</i>	<i>0.2%</i>	<i>125.9%</i>	<i>94.3%</i>	<i>34.9%</i>
Gaming Revenue	2,240	2,486	2,856	2,865	2,647	2,779	3,029	3,029	12,462	9,067	10,447	11,485	12,864
<i>Year-on-Year Growth (%)</i>	<i>(38.1%)</i>	<i>21.7%</i>	<i>81.4%</i>	<i>56.5%</i>	<i>18.2%</i>	<i>11.8%</i>	<i>6.1%</i>	<i>5.7%</i>	<i>60.6%</i>	<i>(27.2%)</i>	<i>15.2%</i>	<i>9.9%</i>	<i>12.0%</i>
Professional Visualization Revenue	295	379	416	463	427	495	505	530	2,111	1,544	1,553	1,958	2,193
<i>Year-on-Year Growth (%)</i>	<i>(52.6%)</i>	<i>(23.6%)</i>	<i>108.0%</i>	<i>104.9%</i>	<i>44.7%</i>	<i>30.7%</i>	<i>21.4%</i>	<i>14.6%</i>	<i>100.5%</i>	<i>(26.9%)</i>	<i>0.6%</i>	<i>26.1%</i>	<i>12.0%</i>
Datacenter Revenue	4,284	10,323	14,514	18,404	22,563	24,819	27,053	28,676	10,613	15,005	47,525	103,112	142,294
<i>Year-on-Year Growth (%)</i>	<i>14.2%</i>	<i>171.2%</i>	<i>278.7%</i>	<i>409.0%</i>	<i>426.7%</i>	<i>140.4%</i>	<i>86.4%</i>	<i>55.8%</i>	<i>58.5%</i>	<i>41.4%</i>	<i>216.7%</i>	<i>117.0%</i>	<i>38.0%</i>
Automotive Revenue	296	253	261	281	329	362	391	442	566	903	1,091	1,523	2,102
<i>Year-on-Year Growth (%)</i>	<i>114.5%</i>	<i>15.0%</i>	<i>4.0%</i>	<i>(4.4%)</i>	<i>11.1%</i>	<i>43.0%</i>	<i>49.8%</i>	<i>57.2%</i>	<i>5.6%</i>	<i>59.5%</i>	<i>20.8%</i>	<i>39.6%</i>	<i>38.0%</i>
OEM & IP Revenue	77	66	73	90	78	78	78	78	1,162	455	306	312	312
<i>Year-on-Year Growth (%)</i>	<i>(51.3%)</i>	<i>(52.9%)</i>	<i>--</i>	<i>7.1%</i>	<i>1.3%</i>	<i>18.2%</i>	<i>6.8%</i>	<i>(13.3%)</i>	<i>84.2%</i>	<i>(60.8%)</i>	<i>(32.7%)</i>	<i>2.0%</i>	<i>--</i>
Gross Profit	4,802	9,614	13,583	16,959	20,560	21,670	23,275	24,483	17,968	15,965	44,958	89,987	119,039
<i>Gross Margin (%)</i>	<i>66.8%</i>	<i>71.2%</i>	<i>75.0%</i>	<i>76.7%</i>	<i>78.9%</i>	<i>75.9%</i>	<i>74.9%</i>	<i>74.7%</i>	<i>66.8%</i>	<i>59.2%</i>	<i>73.8%</i>	<i>76.0%</i>	<i>74.5%</i>
<i>Year-on-Year Growth (pts)</i>	<i>(0.4pts)</i>	<i>25.3pts</i>	<i>18.8pts</i>	<i>10.6pts</i>	<i>12.2pts</i>	<i>4.8pts</i>	<i>(0.0pts)</i>	<i>(2.0pts)</i>	<i>1.1pts</i>	<i>(7.6pts)</i>	<i>14.6pts</i>	<i>2.2pts</i>	<i>(1.5pts)</i>
Operating Expenditure	(1,750)	(1,838)	(2,026)	(2,210)	(2,501)	(2,801)	(3,003)	(3,219)	(5,277)	(6,925)	(7,824)	(11,523)	(13,482)
<i>Operating Expenditure as % of Sales</i>	<i>24.3%</i>	<i>13.6%</i>	<i>11.2%</i>	<i>10.0%</i>	<i>9.6%</i>	<i>9.8%</i>	<i>9.7%</i>	<i>9.8%</i>	<i>19.6%</i>	<i>25.7%</i>	<i>12.8%</i>	<i>9.7%</i>	<i>8.4%</i>
Research and Development	(1,351)	(1,440)	(1,593)	(1,759)	(1,993)	(2,242)	(2,410)	(2,591)	(3,969)	(5,445)	(6,143)	(9,236)	(10,807)
Selling, General and Administrative	(399)	(398)	(433)	(451)	(508)	(559)	(592)	(628)	(1,308)	(1,480)	(1,681)	(2,287)	(2,676)
Operating Profit	3,052	7,776	11,557	14,749	18,059	18,869	20,272	21,264	12,691	9,040	37,134	78,464	105,557
<i>Operating Margin (%)</i>	<i>42.4%</i>	<i>57.6%</i>	<i>63.8%</i>	<i>66.7%</i>	<i>69.3%</i>	<i>66.1%</i>	<i>65.3%</i>	<i>64.9%</i>	<i>47.2%</i>	<i>33.5%</i>	<i>61.0%</i>	<i>66.3%</i>	<i>66.1%</i>
<i>Year-on-Year Growth (pts)</i>	<i>(5.3pts)</i>	<i>37.8pts</i>	<i>37.9pts</i>	<i>30.0pts</i>	<i>26.9pts</i>	<i>8.6pts</i>	<i>1.5pts</i>	<i>(1.8pts)</i>	<i>6.4pts</i>	<i>(13.6pts)</i>	<i>27.4pts</i>	<i>5.3pts</i>	<i>(0.2pts)</i>
Interest Income / (Expense)	85	123	172	232	296	296	296	296	(205)	8	612	1,184	700
Profit Before Tax	3,136	7,896	11,732	14,981	18,361	19,165	20,568	21,560	12,493	9,046	37,745	79,654	106,257
Tax Charge	(423)	(1,156)	(1,712)	(2,142)	(3,123)	(3,260)	(3,498)	(3,667)	(1,234)	(680)	(5,433)	(13,548)	(18,073)
<i>Tax Rate (%)</i>	<i>13.5%</i>	<i>14.6%</i>	<i>14.6%</i>	<i>14.3%</i>	<i>17.0%</i>	<i>17.0%</i>	<i>17.0%</i>	<i>17.0%</i>	<i>9.9%</i>	<i>7.5%</i>	<i>14.4%</i>	<i>17.0%</i>	<i>17.0%</i>
Net Income	2,713	6,740	10,020	12,839	15,238	15,905	17,070	17,893	11,259	8,366	32,312	66,106	88,184
Diluted Share Count (m)	24,900	24,990	24,940	24,900	24,890	24,890	24,890	24,891	25,366	25,113	24,931	24,890	24,892
<i>Year-on-Year Growth (%)</i>	<i>(1.9%)</i>	<i>(0.7%)</i>	<i>(0.2%)</i>	<i>0.5%</i>	<i>(0.0%)</i>	<i>(0.4%)</i>	<i>(0.2%)</i>	<i>(0.0%)</i>	<i>1.0%</i>	<i>(1.0%)</i>	<i>(0.7%)</i>	<i>(0.2%)</i>	<i>0.0%</i>
Diluted EPS (US\$)	0.11	0.27	0.40	0.52	0.61	0.64	0.69	0.72	0.44	0.33	1.30	2.66	3.54

Source: Corporate reports, and NSR estimates and analysis.

Cashflow Statement

NVIDIA CFS (US\$m)	1FQ24A (Apr '23)	2FQ24A (Jul '23)	3FQ24A (Oct '23)	4FQ24A (Jan '24)	1FQ25A (Apr '24)	2FQ25E (Jul '24)	3FQ25E (Oct '24)	4FQ25E (Jan '25)	FY22A (Jan '22)	FY23A (Jan '23)	FY24A (Jan '24)	FY25E (Jan '25)	FY26E (Jan '26)
Cashflow From Operating Activities													
Net Income	2,043	6,188	9,243	12,285	14,881	14,783	15,857	16,618	9,753	4,368	29,759	62,139	82,783
Change in Working Capital	904	(172)	(2,735)	(1,719)	834	(2,973)	(4,185)	(3,726)	(3,363)	(2,206)	(3,722)	(10,051)	(13,950)
Other Adjustments	(36)	332	825	933	(370)	1,597	1,712	1,787	2,718	3,480	2,054	4,727	7,571
Operating Cashflow	2,911	6,348	7,333	11,499	15,345	13,407	13,384	14,679	9,108	5,642	28,091	56,815	76,404
Cashflow from Investing Activities													
Capital Expenditure	(248)	(289)	(278)	(253)	(369)	(373)	(379)	(384)	(975)	(1,833)	(1,068)	(1,505)	(1,733)
Acquisition of Businesses	(83)	--	--	--	(39)	--	--	--	(263)	(49)	(83)	(39)	--
Other	(510)	(158)	(2,891)	(5,856)	(5,285)	--	--	--	(8,592)	9,256	(9,415)	(5,285)	--
Investing Cashflow	(841)	(447)	(3,169)	(6,109)	(5,693)	(373)	(379)	(384)	(9,830)	7,374	(10,566)	(6,829)	(1,733)
Cashflow from Financing Activities													
Share Buyback	--	(3,067)	(3,806)	(2,660)	(7,740)	(5,000)	(5,000)	(5,000)	--	(10,038)	(9,533)	(22,740)	(20,000)
Dividends Paid	(99)	(99)	(99)	(99)	(98)	(1,970)	(1,970)	(1,970)	(399)	(398)	(396)	(6,007)	(9,849)
Other	(281)	(1,932)	(622)	(870)	(1,507)	--	--	--	2,264	(1,181)	(3,705)	(1,507)	--
Financing Cashflow	(380)	(5,098)	(4,527)	(3,629)	(9,345)	(6,970)	(6,970)	(6,970)	1,865	(11,617)	(13,634)	(30,254)	(29,849)
Change in Cash													
Starting Cash	3,389	5,079	5,882	5,519	7,280	7,587	13,651	19,686	847	1,990	3,389	7,280	27,012
Change in Cash	1,690	803	(363)	1,761	307	6,064	6,036	7,325	1,143	1,399	3,891	19,732	44,822
Ending Cash	5,079	5,882	5,519	7,280	7,587	13,651	19,686	27,012	1,990	3,389	7,280	27,012	71,833
Free Cash Flow													
Free Cash Flow	2,663	6,059	7,055	11,246	14,976	13,033	13,005	14,295	8,133	3,809	27,023	55,310	74,671
Free Cash Flow per Share	0.1	0.2	0.3	0.5	0.6	0.5	0.5	0.6	0.4	0.2	1.1	2.2	3.0

Source: Corporate reports, and NSR estimates and analysis.

Balance Sheet

NVIDIA BS (US\$m)	1FQ24A (Apr '23)	2FQ24A (Jul '23)	3FQ24A (Oct '23)	4FQ24A (Jan '24)	1FQ25A (Apr '24)	2FQ25E (Jul '24)	3FQ25E (Oct '24)	4FQ25E (Jan '25)	FY22A (Jan '22)	FY23A (Jan '23)	FY24A (Jan '24)	FY25E (Jan '25)	FY26E (Jan '26)
Assets													
Current Assets													
Cash, Cash Equivalents, & Marketable Securities	15,320	16,023	18,281	25,984	31,438	37,502	43,537	50,863	21,208	13,296	25,984	50,863	95,684
Accounts Receivable, Net	4,080	7,066	8,309	9,999	12,365	14,966	17,654	19,700	4,650	3,827	9,999	19,700	30,159
Inventories	4,611	4,319	4,779	5,282	5,864	6,882	8,828	10,749	2,605	5,159	5,282	10,749	15,455
Prepaid Expenses and Other Current Assets	872	1,389	1,289	3,080	4,062	4,062	4,062	4,062	366	791	3,080	4,062	4,062
Total Current Assets	24,883	28,797	32,658	44,345	53,729	63,412	74,082	85,374	28,829	23,073	44,345	85,374	145,361
Non-Current Assets													
Property and Equipment	3,740	3,799	3,844	3,914	4,006	4,117	4,230	4,347	2,778	3,807	3,914	4,347	5,042
Goodwill	4,430	4,430	4,430	4,430	4,453	4,453	4,453	4,453	4,349	4,372	4,430	4,453	4,453
Intangible Assets	1,541	1,395	1,251	1,112	986	936	886	840	2,339	1,676	1,112	840	1,279
Other Non-Current Assets	9,866	11,134	11,965	11,927	13,898	13,898	13,898	13,898	5,892	8,254	11,927	13,898	13,898
Total Non-Current Assets	19,577	20,758	21,490	21,383	23,343	23,403	23,467	23,538	15,358	18,109	21,383	23,538	24,673
Total Assets	44,460	49,555	54,148	65,728	77,072	86,815	97,549	108,912	44,187	41,182	65,728	108,912	170,034
Liabilities and Shareholders' Equity													
Current Liabilities													
Accounts Payable	1,141	1,929	2,380	2,699	2,715	3,361	3,810	4,051	1,783	1,193	2,699	4,051	5,266
Accrued and Other Liabilities	4,869	7,156	5,472	6,682	11,258	11,258	11,258	11,258	2,552	4,120	6,682	11,258	11,258
Convertible Debt, Short-Term	1,250	1,249	1,249	1,250	1,250	1,250	1,250	1,250	--	1,250	1,250	1,250	1,250
Total Current Liabilities	7,260	10,334	9,101	10,631	15,223	15,869	16,318	16,559	4,335	6,563	10,631	16,559	17,774
Non-Current Liabilities													
Long-Term Debt	9,704	8,456	8,457	8,459	8,460	8,460	8,460	8,460	10,946	9,703	8,459	8,460	8,460
Other Long-Term Liabilities	939	1,041	1,091	1,119	1,281	1,281	1,281	1,281	741	902	1,119	1,281	1,281
Capital Lease Obligations, Long-Term	2,037	2,223	2,234	2,541	2,966	2,966	2,966	2,966	1,553	1,913	2,541	2,966	2,966
Total Non-Current Liabilities	12,680	11,720	11,782	12,119	12,707	12,707	12,707	12,707	13,240	12,518	12,119	12,707	12,707
Commitment and Contingencies													
Total Shareholders' Equity	24,520	27,501	33,265	42,978	49,142	58,239	68,523	79,646	26,612	22,101	42,978	79,646	139,552
Total Liabilities and Shareholders' Equity	44,460	49,555	54,148	65,728	77,072	86,815	97,549	108,912	44,187	41,182	65,728	108,912	170,034

Source: Corporate reports, and NSR estimates and analysis.

Disclosures

12 month historical recommendation changes are available on request

This report was produced by New Street Research LLP. 52 Cornhill, London EC3V 3PD Tel: +44 20 7375 9111

Regulatory Disclosures: This research is directed only at persons classified as Professional Clients under the rules of the Financial Conduct Authority ('FCA'), and must not be re-distributed to Retail Clients as defined in the rules of the FCA.

This research is for our clients only. It is based on current public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Most of our reports are published at irregular intervals as appropriate in the analyst's judgment.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

All our research reports are disseminated and available to all clients simultaneously through electronic publication to our website.

© Copyright 2024 New Street Research LLP

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior written consent of New Street Research LLP.

New Street Research LLC is neither a registered investment advisor nor a broker/dealer. Subscribers and/or readers are advised that the information contained in this report is not to be construed or relied upon as investment, tax planning, accounting and/or legal advice, nor is it to be construed in any way as a recommendation to buy or sell any security or any other form of investment. All opinions, analyses and information contained herein is based upon sources believed to be reliable and is written in good faith, but no representation or warranty of any kind, express or implied, is made herein concerning any investment, tax, accounting and/or legal matter or the accuracy, completeness, correctness, timeliness and/or appropriateness of any of the information contained herein. Subscribers and/or readers are further advised that the Company does not necessarily update the information and/or opinions set forth in this and/or any subsequent version of this report. Readers are urged to consult with their own independent professional advisors with respect to any matter herein. All information contained herein and/or this website should be independently verified.

All research is issued under the regulatory oversight of New Street Research LLP.