EQUITY RESEARCH

NVIDIA NVIDIA

Semiconductors · NASDAQ · NASDAQ: NVDA · Hold with upside bias: the business is still compounding, but the multiple already assumes near-perfect execution.

$121.40

+18.6% YTD

April 29, 2026

$3.1T	$61x	$148.5B	56.2% Margin
Market Cap	P/E Ratio	Revenue	Margin

Investment Thesis

Hold with upside bias: the business is still compounding, but the multiple already assumes a long runway of near-perfect execution. Data center demand carries $148.5B of revenue at a 56.2% margin, and the question is no longer growth but what the market has already paid for it.

RATING	TARGET	HORIZON
Hold	$132	12 months

Hold: the franchise is intact and the valuation is not. Upside depends on software monetization arriving before hardware growth normalizes.

Price Action

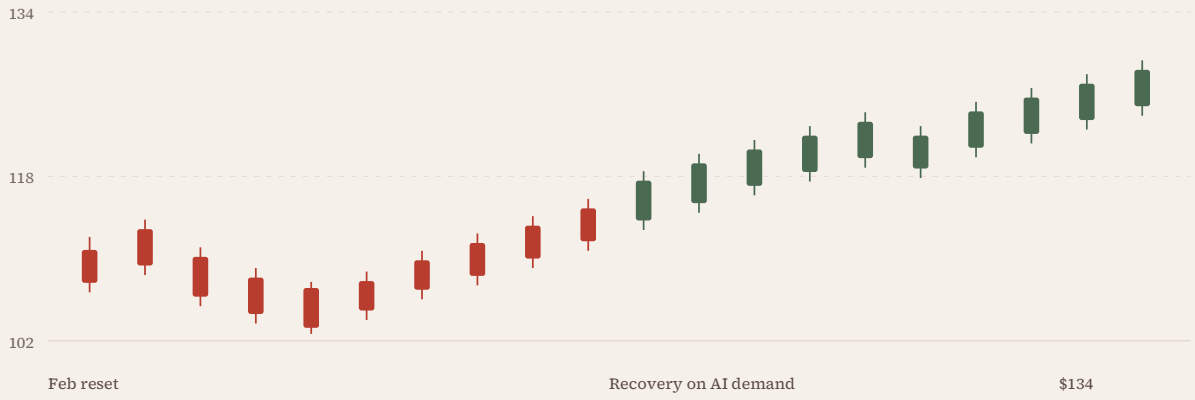


Figure 1. NVDA over 20 sessions. A February reset on rate concerns, then recovery as AI infrastructure orders held. Range $102 - $134.

Financial Overview

Metric	FY2023	FY2024	FY2025E
Revenue	$60.9B	$130.5B	$148.5B
Net Income	$29.8B	$74.3B	$84.1B
EPS	$12.96	$31.7	$36.1
Gross Margin	72.7%	74.6%	75.3%
ROE	63%	71%	74%

Revenue Breakdown

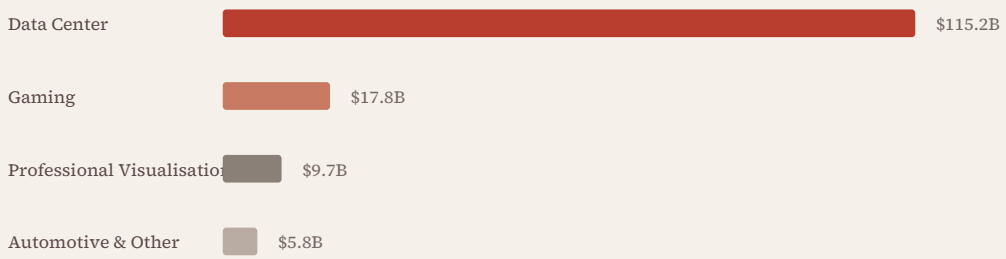


Figure 2. Revenue by segment. Data center carries the majority of the total; networking and software are the incremental contribution.

Competitive Landscape

NVIDIA sits in a different economic tier from most semiconductor peers because its moat is not just silicon. The ecosystem spans CUDA, system design, networking, and a broad installed base of developer habits. That said, valuation comparison still matters: when expectations peak, even category leaders can de-rate faster than fundamentals change.

Company	Mkt Cap	P/E	Rev Growth	Margin
NVIDIA	$3.1T	61x	82%	56.2%
Microsoft	$1.9T	34x	18%	38.4%
Broadcom	$417B	29x	13%	36.1%
AMD	$248B	48x	41%	52.0%

Risk Factors

CUSTOMER CONCENTRATION

A handful of hyperscalers still drive the majority of AI accelerator demand.

CLOUD CAPEX DIGESTION

If cloud buyers pause deployments after major buildouts, near-term growth could decelerate sharply.

EXPORT CONTROLS

Policy changes remain a live variable for shipment mix and regional revenue exposure.

MULTIPLE COMPRESSION

With expectations already high, even strong execution may not protect the stock from valuation resets.

ANALYST SUMMARY

Our stance remains constructive on the business and more selective on the stock. NVIDIA still benefits from strong AI training and inference demand, a sticky software stack, and broad customer urgency. The risk is less operational collapse than expectation saturation. Investors should watch hyperscaler order cadence, margin mix, and signs that software monetization is beginning to supplement hardware economics.

Illustrative research note. Not investment advice.

Folio contributors · April 29, 2026