

NVIDIA Corporation**NVDA.US**Bloomberg
ReutersNVDA.US
NVDA.O**Despite NVDA's strong growth and exceeding earnings estimates, its stock declined due to apprehensions about future sales performance in China.****Earnings Result**

The company's financial performance in the current quarter has shown significant growth compared to the previous quarter. Revenue increased by 34%, reaching \$18.12 billion, and gross margin improved to 75.0%. Operating income surged by 49% to \$11.56 billion, and net income and diluted earnings per share both increased by 49% as well. These strong earnings results indicate the company's continued success in the market. Looking ahead, the company provided its outlook for the fourth quarter of fiscal year 2024, demonstrating a positive outlook for future performance.

NVIDIA's Net Profit Skyrockets in Q3 FY24

In Q3 FY24, NVIDIA's net profit showed significant growth, surpassing estimates with a 49% increase quarter-over-quarter (QoQ) and an impressive 588% year-over-year (YoY). This remarkable growth is largely attributed to the surge in revenue substantial improvements in the gross margin and operating income further contributed to the overall increase in net profit.

NVIDIA Reports Robust Revenue Growth Across Key Segments.

In Q3 FY2024, Nvidia reported revenue exceeding estimates, reaching \$18.12 billion. This marks a 34% increase from the previous quarter and a 206% increase from the same period last year. The Data Center segment saw particularly strong growth, with revenue reaching \$14.51 billion, up 41% from the previous quarter and up 279% from a year ago. These numbers indicate a strong performance and growth in revenue for each business segment.

Operating margin Beating Estimates with Enhanced Profitability

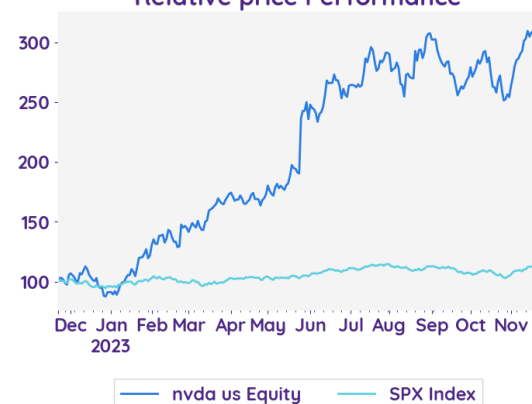
NVIDIA's operating margin soared to 49%, a 652% year-over-year increase, surpassing estimates. This reflects improved profitability and efficiency. Additionally, a 13% quarter-over-quarter reduction in non-GAAP operating expenses further enhanced the margin.

Balance sheet and cashflow

The balance sheet shows that NVIDIA Corporation's total liabilities increased from \$19,081 million to \$20,883 million, while shareholders' equity increased from \$22,101 million to \$33,265 million. This indicates that the company's financial position has improved. The cash flow statement shows that the company generated \$7,333 million in net cash from operating activities, indicating strong cash flow generation. Additionally, the company had a decrease in cash, cash equivalents, and restricted cash from \$3,013 million to \$5,519 million, suggesting that the company invested in its operations or made acquisitions.

Risks and concerns

The company faces a risk of significant sales decline in China and other affected areas, which currently contribute 20-25% of Data Center revenue, due to new licensing requirements. This is expected in fiscal 2024 Q4, but growth in other regions may offset this anticipated revenue drop.

Relative price Performance

SENTIMENT	4Q23	1Q24	2Q24	3Q24
net profit	Positive	Neutral	Positive	Positive
margin	Neutral	Neutral	Positive	Positive
revenue	Negative	Neutral	Positive	Positive

STOCK DATA	
Market Cap (USD Million)	1233.62
Beta	1.93
Last close	499.44
12-m Low / High	138.8 / 505.5
Target price	630.00
Return Potential	26.1 %
% of Buy / Sell rating	95.0 % / 0.0 %

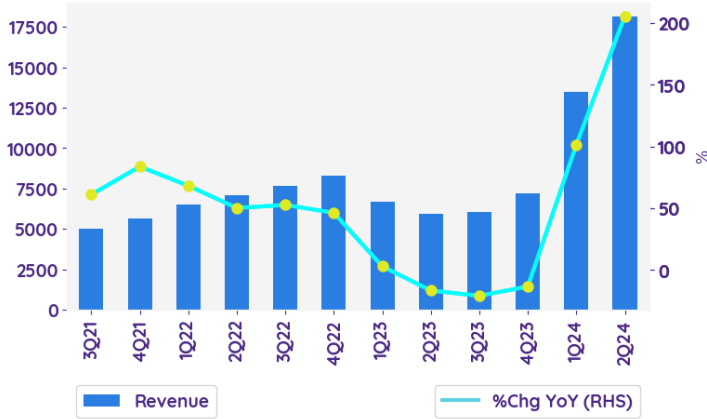
VALUATION DATA	12M FORWARD	5-YR AVERAGE
P/E	27.68	90.27
P/B	29.92	17.25
P/S	21.87	24.69
EV/EBITDA	37.70	75.13
Dividend Yield	0.0 %	

REVENUE - %CHG YOY	1Q24	2Q24	3Q24	4Q24E	1Q25E
Data Center	14.2%	171.2%	278.7%	326.6%	283.3%
Gaming	-38.1%	21.7%	81.4%	49.7%	13.3%
Professional Visualization	-52.6%	-23.6%	108.0%	88.8%	40.8%
Automotive	114.5%	15.0%	4.0%	-3.9%	3.8%
OEM & Other	-51.3%	-52.9%	0.0%	-8.2%	0.6%

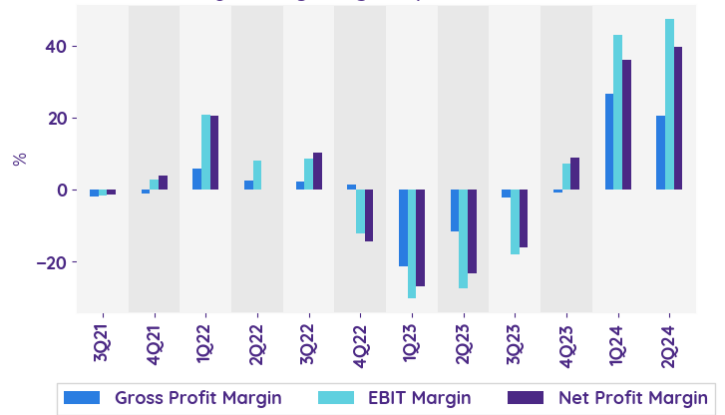
NVIDIA Corporation

NVIDIA Corporation designs, develops, and markets three dimensional (3D) graphics processors and related software. The Company offers products that provides interactive 3D graphics to the mainstream personal computer market.

Quarterly Revenue Trend



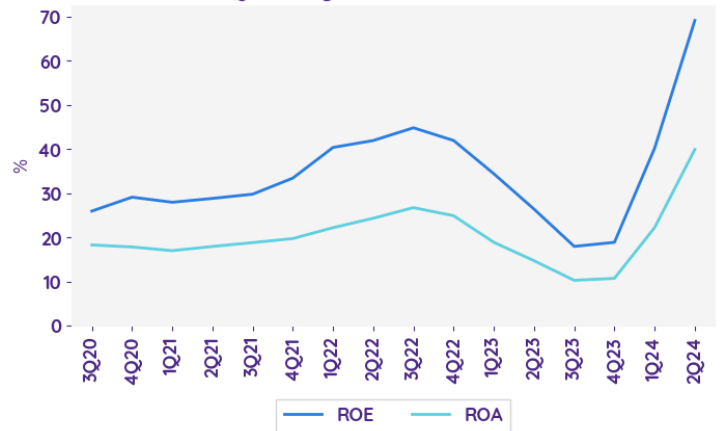
Quarterly Margin Expansion Trend



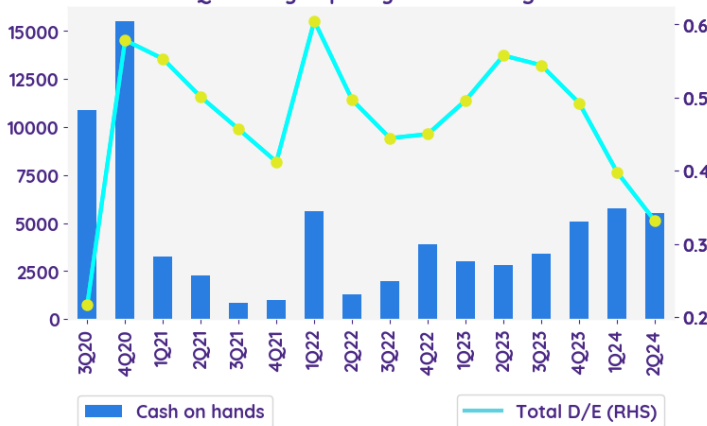
Quarterly Net Profit Growth Trend



Quarterly ROE and ROA Trend



Quarterly Liquidity and Leverage



Quarterly Cash Flows Trend

