NVIDIA Corporation (NVDA)

Sector Technology · **Industry** Semiconductors · **Country** United States

Report August 22, 2026 | **Statements** 2026-04-30 | **Freshness** FRESH

RULE SCORE	CONFIDENCE	RESEARCH QUALITY
87.0%	88%	HIGH FUNDAMENTAL QUALITY VALUATION RISK ELEVATED

RESEARCH SUMMARY fundamental quality classification · v6.1

RESEARCH HIGH FUNDAMENTAL QUALITY — VALUATION RISK ELEVATED · Rule Score 87.0%

KEY STRENGTH Gross margin is 74.1% versus sector median ~55%.

KEY RISK Base-case DCF implies -32.2% downside (gate threshold: -25%). Valuation risk elevated by consistency gate.

QUALITY	GROWTH	PROFITABILITY	BALANCE SHT	VALUATION	EQ SCORE
100/100	64/100	100/100	100/100	20/100	86/100

FAIR VALUE & DCF SCENARIOS rule-of-thumb scenarios · not financial advice

Bear $99.80 | **Base** $145.59 | **Bull** $222.93 | **Current** $214.72

Base upside: **-32.2%** | Implied growth: **30.6%** | Expectation gap: **-10.6 pp** | *EXPECTATIONS ABOVE BASE CASE*

DCF SENSITIVITY (3×3) fair value per share across discount × terminal-growth scenarios

Forecast: 5 yrs, FY2026 – FY2030 | **Discount rate:** 10.0% | **Terminal growth:** 3.0% | **Diluted shares:** 24.22B | **Net cash:** $40.36B | **FCF source:** TTM: sum of latest 5 reported quarters

Term. ↓ / Disc. →	9.0%	10.0%	11.0%
2.5%	$160	$138	$120
3.0%	$171	**$146**	$126
3.5%	$184	$155	$133

DATA LIMITATIONS confidence adjusted accordingly

▲ Only 5 quarters of revenue history available; 8 are required for a reliable TTM comparison.

KEY FINANCIAL METRICS latest reported figures

Total Cash	Total Debt	Gross Margin	Net Margin	ROE
$53.17B	**$12.81B**	**74.1%**	**63.0%**	**114.3%**
ROIC	P/E (TTM)	P/E (Fwd)	Current Ratio	Debt/Equity
88.1%	**33.2x**	**16.5x**	**3.44**	**0.08x**

ANALYSIS SCORECARD rule-based scoring across all dimensions

Category	Rating	Score
1. Business Moat	LIKELY STRONG	**15/15** 100%
2. Revenue Growth Consistency	POSITIVE BUT UNCONFIRMED	**9/14** 64%
3. Margin Quality	STRONG QUALITY	**12/12** 100%
4. Free Cash Flow Strength	STRONG	**12/12** 100%
5. Balance Sheet Safety	STRONG	**12/12** 100%
6. Returns on Capital	STRONG	**12/12** 100%
7. Dilution vs Self-Funded Growth	BUYBACK SUPPORTIVE	**8/8** 100%
8. Valuation vs Growth	VALUATION RISK ELEVATED	**2/10** 20%
9. Structural vs Cyclical Growth	LIKELY STRUCTURAL	**5/5** 100%

DETAILED ANALYSIS category-by-category breakdown

1. Business Moat

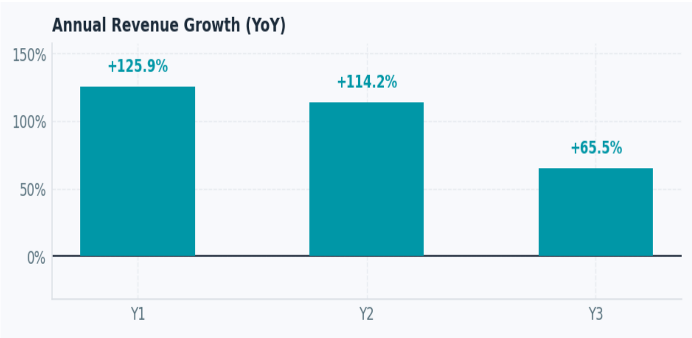
LIKELY STRONG

- Gross margin is 74.1% versus sector median ~55%.
- ROE is 114.3% versus sector median ~25%.
- Estimated ROIC is 88.1% versus sector median ~18%.
- Three-year gross margin trend looks improving at +4.47 points per year.
- Moat still needs qualitative validation around product strength, switching costs, and competition.

2. Revenue Growth Consistency

POSITIVE BUT UNCONFIRMED

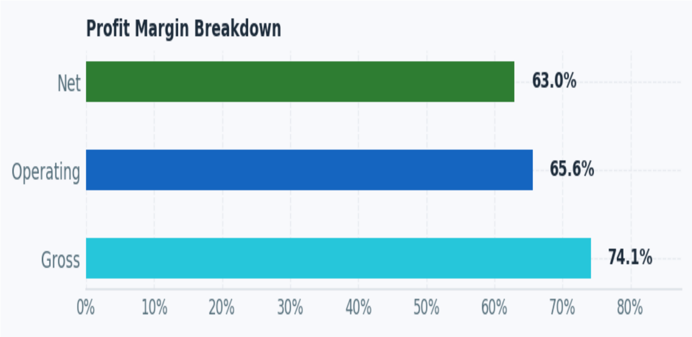
- Annual revenue growth history: [125.9, 114.2, 65.5]%
- Quarterly history is incomplete: 5 quarters available and 8 are required for clean TTM comparison.
- All years were positive and average annual growth was 101.8%.
- Only 5 quarter(s) of data available; 8 required to confirm the trend. Growth score capped at MIXED BUT POSITIVE ceiling.



3. Margin Quality

STRONG QUALITY

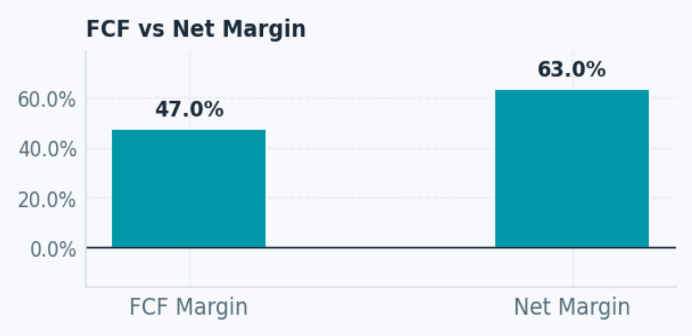
- Gross margin is 74.1% versus sector median ~55%.
- Operating margin is 65.6%.
- Net margin is 63.0% versus sector median ~20%.
- Gross margin trend is +4.47 points per year.
- For long-term quality, direction of margins matters almost as much as level.



4. Free Cash Flow Strength

STRONG

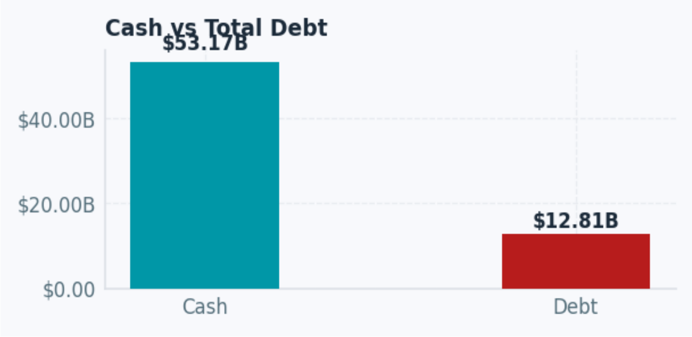
- TTM FCF Margin is 47.0% (TTM: sum of 4 latest quarterly periods). TTM FCF Margin = TTM Free Cash Flow / TTM Revenue.
- FCF trend looks CONSISTENTLY_POSITIVE.
- High cash conversion supports reinvestment and shareholder returns.



5. Balance Sheet Safety

STRONG

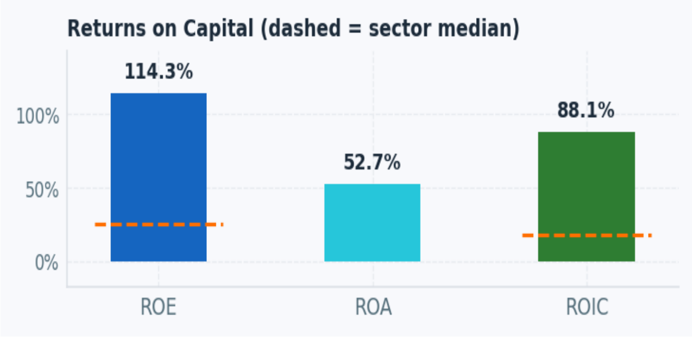
- Total cash: $53.17B.
- Total debt: $12.81B.
- Current ratio: 3.44.
- Quick ratio: 2.14.
- Debt to equity: 0.08x.
- Interest coverage: 639.1x.
- Liquidity and leverage look comfortable for long-term ownership.



6. Returns on Capital

STRONG

- ROE: 114.3% versus sector median ~25%.
- ROA: 52.7%.
- ROIC: 88.1% versus sector median ~18%.
- Returns on capital are clearly healthy.



7. Dilution vs Self-Funded Growth

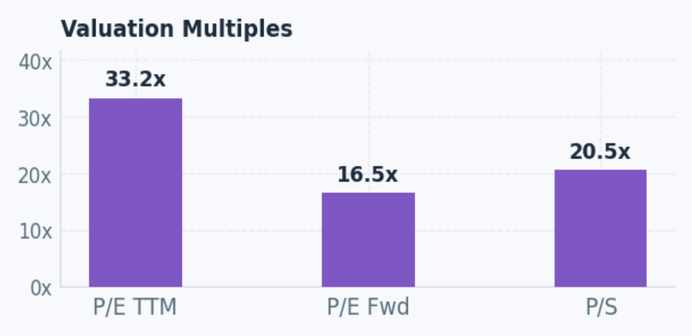
BUYBACK SUPPORTIVE

- Diluted share count changed -2.2% over the available history.
- Share count is flat to lower, which supports per-share compounding.

8. Valuation vs Growth

VALUATION RISK ELEVATED

- Base-case DCF implies -32.2% downside (gate threshold: -25%). Valuation risk elevated by consistency gate.
- Trailing P/E: 33.2
- Forward P/E: 16.5
- Price to sales: 20.5x.
- TTM revenue growth: 85.2%.
- TTM earnings growth: 214.5%.
- PEG ratio based on forward P/E and earnings growth: 0.33. (Earnings growth capped at 50% for PEG; reported TTM growth is 214.5%.)



9. Structural vs Cyclical Growth

LIKELY STRUCTURAL

- Sector (Technology) is supported by long-term secular demand.