August 27, 2026 06:14 AM GMT

NVIDIA Corp. | North America

NVIDIA very positive 2027 commentary

WHAT'S CHANGED

NVIDIA Corp. (NVDA.O)	From	To
Price Target	$288.00	**$300.00**

AlphaSignals Earnings Reaction

Strengthens our thesis
Impact to our thesis

Modest upside
Financial results versus consensus

Meaningful revision higher
Direction of next 12-month consensus EPS

Source: Company data, Morgan Stanley Research

Strong quarter that improves the setup from here – Rubin ramp, 70%+ CY27 revenue growth, more realistic gross margins in line with our ests, for what remains a very inexpensive stock. Reiterate OW, Top Pick in semis.

Key Takeaways

- Quarter above expectations but largely as previewed, with longer-term debates more important than results
- 70% growth for next year surprising commentary, well above our estimate for 52% and consensus closer to 40%. Our FY28/FY29 revenue ests come up ~ $100bn/$200bn
- Gross margin slightly weaker on higher memory – but this clears a significant overhang, and next year/s 72-73% in line with our 72.5%
- Rubin ramp will change the market share narrative, at an $80bn run rate in Oct Rubin is nearly the size of AVGO's entire AI semi business (networking and ASIC)
- This is our Top Pick in the semis group, with a compelling product cycle, exceptional growth, and valuation below peers

Longer-term revenue and gross margin commentary is what matters here. We remain impressed by short-term numbers, given supply constraints, but the incremental surprise was the CY27 revenue commentary, and a reset to gross margins, both of which are positives, in our view.

In terms of 70% growth in FY28 (essentially CY27) that compares to 52% growth in our model and roughly 40% consensus, and remains severely supply constrained. That leads to inevitable conversations about buy-side expectations being higher, but in our view that is somewhat simplistic as there are a wide range of expectations on the buy side. 70% growth supply constrained is a remarkable figure, and to the extent possible we would expect Nvidia to continue to knock down barriers to higher growth. Management framed the demand as "much greater" than that 70% level.

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NVIDIA Corp. (NVDA.O, NVDA US)
Top Pick

Semiconductors | United States of America

Stock Rating	**Overweight**
Industry View	**Attractive**
Price target	**$300.00**
Shr price, close (Aug 26, 2026)	$209.66
Mkt cap, curr (mm)	$5,111,589
52-Week Range	$236.54-164.07

Fiscal Year Ending	12/26	12/27e	12/28e	12/29e
EPS ($)**	4.77	9.21	15.01	24.16
Prior EPS ($)**	-	8.98	13.15	17.69
P/E	45.6	22.8	14.0	9.5
EPS ($)§	9.00	13.09	15.87	20.54
Div yld (%)	0.0	0.4	0.5	0.5

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework
** = Based on consensus methodology
§ = Consensus data is provided by Refinitiv Estimates
e = Morgan Stanley Research estimates

QUARTERLY EPS ($)

Quarter	2026	2027e Prior	2027e Current	2028e Prior	2028e Current
Q1	0.81	-	1.87a	2.84	2.90
Q2	1.05	-	2.22a	3.06	3.36
Q3	1.30	2.34	2.47	3.41	3.98
Q4	1.62	2.70	2.66	3.85	4.78

e = Morgan Stanley Research estimates, a = Actual Company reported data

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The gross margin commentary is more contentious but there has been a clear concern that memory prices would be a headwind, and at least vs. our estimates it's a fairly minimal shortfall in CY27 – and clears up what was becoming a clear overhang. There will always be a view that "semiconductor stocks don't work when gross margins come down" but this is essentially pass through of expensive memory that actually increases gross profit dollars.

Supply commitments more than doubled, from $119bn to $279bn: "primarily related to the procurement of memory." The new purchase commitment figure covers supply to the end of the decade in some cases, but with a significant weighting to the next 2-3 years. Commitments for the remainder of FY27-FY28 total $179bn covers the vast majority of our $252bn COGS est over that time. Which should mean management's statements about GMs come with a high degree of confidence.

Other important highlights:

- **Significant cash return to continue through ecosystem support.** Dividend plus buyback was $26bn in the quarter (60% of FCF YTD) and a $4.00 per-share run rate. Cash return continues to be a key focus for management.
- **Vera Rubin performance metrics were impressive,** with management citing a 30x higher throughput per megawatt and 35x lower token cost relative to Grace Blackwell Ultra.
- **Vera CPU business expected to 2x next year, and part of an increasing content story with Groq.** Nvida's opportunity per GW has scaled from $18bn with Hopper, $25bn with Blackwell, to now $40bn with Vera Rubin.

Our view on the stock, in addition to continued strength in AI, is that the ramp of Rubin allows NVIDIA to clearly take back the narrative. In the last 12 months, shortages of GPUs have been less critical to supply-chain concerns than shortages of memory, storage, optical, and CPUs. We have already seen that starting to change, with hyperscalers calling out the importance of Vera Rubin in their roadmaps. Allocation of Vera Rubin is going to be central to AI outcomes in the coming months, which should quiet competitive concerns. New aspirations around cloud revenue share extend the visibility around growth of the NVIDIA ecosystem, and while they do bring some controversy, we would argue that a new debate could bring interest to the stock.

Details on the Quarter: July revenue of $96.221bn (up 17.9% q/q and 105.9% y/y) was above the Street at $91.698bn and our estimate of $91.195bn. By segment, Data Center revenue of $89.023bn was up 18.3% q/q and 116.6% y/y; within Data Center, Hyperscale increased 13.1% q/q and 101.5% y/y, with ACIE up 25.2% q/q and 138.1% y/y. Edge was up 13.0% q/q and 27.5% y/y to $7.198bn. Gross margin of 75.0% was in line with the Street and our estimate of 75.1% and 75.0%, respectively. Non-GAAP EPS of $2.46 beat both the Street and our estimate of $2.07.

NVIDIA guided for a $12bn sequential revenue increase to $108bn at the midpoint for Oct (up 12.2% q/q and 89.5% y/y), which came in ahead of the Street and our estimate of $102.3bn and $103.2bn, respectively, with ACIE expected to be the

biggest contributor to growth. The company guided gross margin to 74.0%, compared to the Street at 74.6% and our estimate of 74.5%.

Raising estimates: We are increasing our revenue estimates for FY27 and FY28, now modeling 70.0% y/y growth and 40.6% y/y growth, respectively, vs 52.4% and 30.9% prior. For the Jan quarter, we move revenue from $117.849bn to $120bn and non-GAAP EPS from $2.70 to $2.66. For FY27, our revenue and non-GAAP EPS move from $393.0bn/$8.96 to $405.968bn/$9.21, and FY28 comes up to $690.168bn/$15.01 from $598.8bn/$13.15 previously.

In terms of PT, our prior target of $288 was based on 22x MW EPS of $13.08. We are lowering our multiple assumption slightly to 20x, as the absolute size of the revenue streams leaves more limited room for upward revisions. 20x also continues to be in line with the broader market. On our new FY28 EPS of $15.01 that brings the target to $300.

Risk Reward – NVIDIA Corp. (NVDA.O)

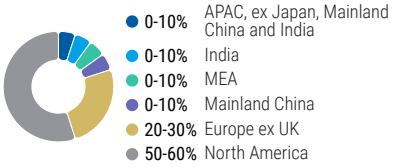
KEY EARNINGS INPUTS

Drivers	Dec 2026	Dec 2027e	Dec 2028e	Dec 2029e
GAAP Revenue ($, mm)	215,938	405,968	690,168	970,222
MW Gross Margin (%)	71.2	73.7	72.5	72.7
MW EPS ($)	4.60	9.18	15.01	22.00
Inventory ($, mm)	21,403	44,841	65,460	79,121
DOI	123.3	151.1	123.9	68.3

INVESTMENT DRIVERS

- Growth in AI capex from customers
- Next gen GPUs continue to outpace the competition
- Systems approach allows for higher monetization over time
- New drivers emerge for Nvidia such as AI PCs, autonomous vehicles, robotics, and software

GLOBAL REVENUE EXPOSURE



Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

4/5 BEST	24 Month Horizon	4/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Growth in inference and training propel data center revenue
- Gaming sales accelerate as GPU based AI PCs gain traction
- Nvidia can recapture lost revenue in China

RISKS TO DOWNSIDE

- AI end markets don't materialize as expected, customers sharply reduce GPU purchases
- AMD reemerges as a viable GPU competitor
- Cloud customers outside of Google are able to develop competitive custom hardware

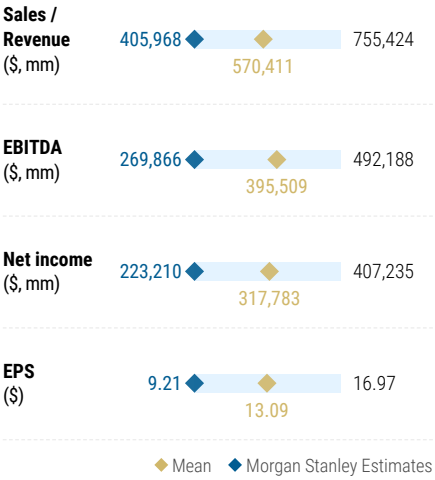
OWNERSHIP POSITIONING

Inst. Owners, % Active	51.2%
HF Sector Long/Short Ratio	2.1x
HF Sector Net Exposure	33.6%

Refinitiv; MSPB Content. Includes certain hedge fund exposures held with MSPB. Information may be inconsistent with or may not reflect broader market trends. Long/Short Ratio = Long Exposure / Short exposure. Sector % of Total Net Exposure = (For a particular sector: Long Exposure - Short Exposure) / (Across all sectors: Long Exposure – Short Exposure).

MS ESTIMATES VS. CONSENSUS

FY Dec 2027e



Source: Refinitiv, Morgan Stanley Research

Financial Summary

Exhibit 1: Income Statement Summary

NVDA: Snapshot for the quarter ended July 2026

Income Statement									
Qtr Results:	Actual			Last Qtr	QoQ	Last Yr	YoY	Consensus	MSe
Revenue	$96,221			$81,615	*17.9%*	$46,743	*105.9%*	$91,698	$91,195
Gross Margin	*75.0%*			*75.0%*	-4	*72.7%*	233	*75.1%*	*75.0%*
EPS	$2.22			$1.87	$0.35	$1.05	$1.17	$2.07	$2.07
Next Q Guide:	Low	High	Midpoint						
Revenue	$105,840	$110,160	$108,000		*12.2%*	$57,006	*89.5%*	$103,207	$102,346
Gross Margin	*73.5%*	*74.5%*	*74.0%*		-99	*73.6%*	38	*74.6%*	*74.5%*
EPS						$1.30		$2.34	$2.34

Source: Company data, Morgan Stanley Research estimates

Exhibit 2: Income Statement Variance

MW Financials, $ in Millions except per share	Reported FY2Q27A	MS Est. FY2Q27A	Difference Act vs. Est.	Per share Difference
Total Revenue	96,221	91,195	5,026	0.21
Cost of Sales	24,079	22,886	1,193	0.05
Gross Profit	72,188	68,356	3,832	0.16
Gross Margin	75.0%	75.0%	0.1%	
R&D	6,884	6,954	-70	NM
SG&A	1,348	1,405	-57	NM
Other Opex	0	0	0	NM
Total Op Expenses	8,232	8,359	-127	NM
Operating Income	63,956	59,997	3,959	0.16
Operating Margin	66.5%	65.8%	0.7%	
Interest income	496	696	-200	NM
Interest expense	-227	-66	-161	NM
Other expense (Income)	7,504	6,283	1,221	0.05
Income Before Taxes	64,225	60,626	3,599	0.15
Tax Rate	16.5%	17.0%	-0.5%	
Income tax provision	10,615	10,306	309	0.01
Net Income	53,610	50,320	3,290	0.14
MW EPS	**$2.21**	**$2.07**	**$0.14**	**$0.14**
Diluted Shares Out.	24,285	24,291		

Source: Company data, Morgan Stanley Research estimates

Projected Financial Statements

Exhibit 3: NVDA: Projected Income Statement

Nvidia (NVDA-US)

Nvidia Corporation Income Statement	2025/1F	2025/2F	2025/3F	2025/4F	2026/1F	2026/2F	2026/3F	2026/4F	2027/1F	2027/2F	2027/3F	2027/4F	FY2022	2023FY	2024FY	2025FY	2026FY	2027FY	2028FY
	Apr/25	Jul/25	Oct/25	Jan/26	Apr/26	Jul/26	Oct/26	Jan/27	Apr/27	Jul/27	Oct/27	Jan/28	Jan/23	Jan/24	Jan/25	Jan/26	Jan/27	Jan/28	Jan/29
	1Q26A	2Q26A	3Q26A	4Q26A	1Q27A	2Q27A	3Q27E	4Q27E	1Q28E	2Q28E	3Q28E	4Q28E	2023A	2024A	2025A	2026A	2027E	2028E	2029E
($ in millions; FY ends January)																			
Income Statement - GAAP																			
Revenue	44,062	46,743	57,006	68,127	81,615	96,221	108,128	120,004	136,285	156,214	182,082	215,587	26,974	60,922	130,497	215,938	405,968	690,168	970,222
Cons Rev	44,062	46,743	57,006	68,127	81,615	96,221	105,571	119,612	132,622	145,751	159,164	174,003		60,922	130,497	215,938	397,871	592,814	743,157
Y/Y Change	*69.2%*	*55.6%*	*62.5%*	*73.2%*	*85.2%*	*105.9%*	*89.7%*	*76.1%*	*67.0%*	*62.3%*	*68.4%*	*79.7%*	*0.2%*	*125.9%*	*114.2%*	*65.5%*	*88.0%*	*70.0%*	*40.6%*
Q/Q Change	*12.0%*	*6.1%*	*22.0%*	*19.5%*	*19.8%*	*17.9%*	*12.4%*	*11.0%*	*13.6%*	*14.6%*	*16.6%*	*18.4%*							
COGS	17,394	12,890	15,127	17,034	20,458	24,079	28,074	34,198	38,099	43,180	50,048	58,914	11,618	16,621	32,638	62,475	106,807	190,242	264,808
Gross Profit	**26,668**	**33,853**	**41,849**	**51,093**	**61,157**	**72,142**	**80,054**	**85,806**	**98,185**	**113,034**	**132,034**	**156,673**	**15,356**	**44,301**	**97,859**	**153,463**	**299,161**	**499,926**	**705,414**
Gross Margin	*60.5%*	*72.4%*	*73.4%*	*75.0%*	*74.9%*	*75.0%*	*74.0%*	*71.5%*	*72.0%*	*72.4%*	*72.5%*	*72.7%*	*56.9%*	*72.7%*	*75.0%*	*71.1%*	*73.7%*	*72.4%*	*72.7%*
R&D	3,989	4,291	4,705	5,512	6,321	7,054	7,754	8,254	9,454	10,654	11,854	13,054	7,338	8,674	12,914	18,497	29,383	45,016	58,216
R&D as % of Revenue	*9.1%*	*9.2%*	*8.3%*	*8.1%*	*7.7%*	*7.3%*	*7.2%*	*6.9%*	*6.9%*	*6.8%*	*6.5%*	*6.1%*	*27.2%*	*14.2%*	*9.9%*	*8.6%*	*7.2%*	*6.5%*	*6.0%*
SG&A	1,041	1,122	1,134	1,282	1,300	1,354	1,484	1,574	1,774	1,974	2,174	2,374	2,440	2,655	3,491	4,579	5,692	8,296	11,496
SG&A as % of Revenue	*2.4%*	*2.4%*	*2.0%*	*1.9%*	*1.6%*	*1.4%*	*1.4%*	*1.3%*	*1.3%*	*1.3%*	*1.2%*	*1.1%*	*9.0%*	*4.4%*	*2.7%*	*2.1%*	*1.4%*	*1.2%*	*1.2%*
Other Opex	-	-	-	-	-	-	-	-	-	-	-	-	1,353	-	-	-	-	-	-
Total Opex	**5,030**	**5,413**	**5,839**	**6,794**	**7,621**	**8,408**	**9,218**	**9,828**	**11,228**	**12,628**	**14,028**	**15,428**	**11,131**	**11,329**	**16,405**	**23,076**	**35,075**	**53,312**	**69,712**
Operating Income	**21,638**	**28,440**	**36,010**	**44,299**	**53,536**	**63,734**	**70,836**	**75,980**	**86,957**	**100,406**	**118,006**	**141,245**	**4,225**	**32,972**	**81,454**	**130,387**	**264,086**	**446,614**	**635,702**
Operating Margin	*49.1%*	*60.8%*	*63.2%*	*65.0%*	*65.6%*	*66.2%*	*65.5%*	*63.3%*	*63.8%*	*64.3%*	*64.8%*	*65.5%*	*15.7%*	*54.1%*	*62.4%*	*60.4%*	*65.1%*	*64.7%*	*65.5%*
Y/Y Change													*49.8%*	*1.8%*	*44.8%*	*40.7%*	*52.0%*	*52.0%*	*30.8%*
Other Operating Income	(180)	2,236	1,363	5,604	15,929	7,504	-	-	-	-	-	-	(47)	238	1,033	9,023	23,433	-	-
Interest Income	515	592	624	568	540	496	858	1,060	746	890	1,040	1,235	267	865	1,786	2,299	2,953	3,912	7,792
Interest Expense	(63)	(62)	(61)	(74)	(102)	(227)	(66)	(66)	(66)	(66)	(66)	(66)	(263)	(257)	(247)	(260)	(461)	(264)	(264)
Profit Before Tax	**21,910**	**31,206**	**37,936**	**50,397**	**69,903**	**71,507**	**71,628**	**76,974**	**87,637**	**101,230**	**118,980**	**142,415**	**4,182**	**33,818**	**84,026**	**141,449**	**290,012**	**450,262**	**643,230**
Income Tax	3,135	4,784	6,026	7,437	11,582	11,819	12,177	13,086	18,404	21,258	24,986	29,907	(186)	4,059	11,146	21,382	48,663	94,555	135,078
Effective tax rate GAAP %	*14.3%*	*15.3%*	*15.9%*	*14.8%*	*16.6%*	*16.5%*	*17.0%*	*17.0%*	*21.0%*	*21.0%*	*21.0%*	*21.0%*	*-4.4%*	*12.0%*	*13.3%*	*15.1%*	*16.8%*	*21.0%*	*21.0%*
Net Income	**18,775**	**26,422**	**31,910**	**42,960**	**58,321**	**59,688**	**59,451**	**63,888**	**69,233**	**79,972**	**93,994**	**112,508**	**4,368**	**29,759**	**72,880**	**120,067**	**241,348**	**355,707**	**508,152**
EPS - GAAP	$0.76	$1.08	$1.30	$1.76	$2.39	$2.46	$2.46	$2.65	$2.89	$3.36	$3.97	$4.78	$0.174	$1.194	$2.94	$4.90	$9.96	$14.98	$21.97
EPS-GAAP excluding INTC royalty @ 30% tax	$0.76	$1.08	$1.30	$1.76	$2.39	$2.46	$2.46	$2.65	$2.89	$3.36	$3.97	$4.78	$0.174	$1.194	$2.94	$4.90	$9.96	$14.98	$21.97
Dividend Paid	(244)	(244)	(243)	(243)	(243)	(6,047)	(6,022)	(5,998)	(5,964)	(5,931)	(5,898)	(5,864)	(398)	(396)	(834)	(974)	(18,310)	(23,657)	(23,041)
Dividend Per Share	$0.01	$0.01	$0.01	$0.01	$0.01	$0.25	$0.25	$0.25	$0.25	$0.25	$0.25	$0.25	$0.016	$0.016	$0.034	$0.040	$0.755	$0.996	$0.996

Source: Company data, Morgan Stanley Research estimates

Exhibit 4: NVDA: Projected Balance Sheet

Nvidia (NVDA-US)

Nvidia Corporation Balance Sheet	2023/1F	2023/2F	2023/3F	2023/4F	2024/1F	2024/2F	2024/3F	2024/4F	2025/1F	2025/2F	2025/3F	2025/4F	2026/1F	2026/2F	FY2022	2023FY	2024FY	2025FY	2026FY	2027FY	2028FY
Fiscal Years	Apr/23	Jul/23	Oct/23	Jan/24	Apr/24	Jul/24	Oct/24	Jan/25	Apr/25	Jul/25	Oct/25	Jan/26	Apr/26	Jul/26	Jan/23	Jan/24	Jan/25	Jan/26	Jan/27	Jan/28	Jan/29
($ in millions; FY ends January)	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25A	4Q25A	1Q26A	2Q26A	3Q26A	4Q26A	1Q27A	2Q27A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Balance Sheet																					
Assets																					
Cash and cash equivalents	5,079	5,882	5,519	7,280	7,587	8,571	9,107	8,589	15,234	11,639	11,486	10,605	13,237	22,443	3,389	7,280	8,589	10,605	72,213	221,449	484,487
Marketable securities	10,241	10,141	12,762	18,704	23,851	26,229	29,380	34,621	38,457	45,152	49,122	51,951	67,335	76,926	9,907	18,704	34,621	51,951	76,926	76,926	76,926
Accounts receivable	4,080	7,066	8,309	9,999	12,365	14,132	17,693	23,065	22,132	27,808	33,391	38,495	40,710	63,059	3,827	9,999	23,065	38,495	78,645	141,286	171,022
Inventories	4,611	4,319	4,779	5,282	5,864	6,675	7,854	10,080	11,333	14,962	19,794	21,403	25,797	31,575	5,159	5,282	10,080	21,403	44,841	65,480	79,121
Prepaid expenses and other	872	1,389	1,289	3,080	4,062	4,026	3,806	3,771	2,779	2,658	2,709	3,180	3,916	3,409	791	3,080	3,771	3,180	4,252	7,638	9,246
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	**24,883**	**28,797**	**32,658**	**44,345**	**53,729**	**59,633**	**67,840**	**80,126**	**89,935**	**102,219**	**116,492**	**125,695**	**150,995**	**197,412**	**23,073**	**44,345**	**80,126**	**125,695**	**276,877**	**512,760**	**820,803**
Property and equipment, net	3,740	3,799	3,844	3,914	4,006	4,885	5,343	6,263	7,136	9,141	9,780	10,383	12,403	14,285	3,807	3,914	6,263	10,383	17,889	25,082	25,495
Goodwill	4,430	4,430	4,430	4,430	4,453	4,622	4,724	5,188	5,498	5,755	6,261	20,832	20,894	21,125	4,372	4,430	5,188	20,832	21,125	21,125	21,125
Intangible assets, net	1,541	1,395	1,251	1,112	986	952	838	807	769	735	936	3,306	3,120	2,998	1,676	1,112	807	3,306	2,998	2,998	2,998
Other assets	9,866	11,134	11,985	11,927	13,898	15,135	17,468	19,197	21,916	22,870	27,679	46,677	72,062	84,452	8,254	11,927	19,197	46,677	84,452	84,452	84,452
Total assets	**44,460**	**49,555**	**54,148**	**65,728**	**77,072**	**85,227**	**96,013**	**111,601**	**125,254**	**140,740**	**161,148**	**206,893**	**259,474**	**320,272**	**41,182**	**65,728**	**111,601**	**206,893**	**403,341**	**644,416**	**954,873**
Liabilities & Stockholders' Equity																					
Accounts payable	1,141	1,929	2,380	2,699	2,715	3,680	5,353	6,310	7,331	9,064	8,624	9,812	13,097	15,059	1,193	2,699	6,310	9,812	21,386	36,845	44,534
Accrued liabilities and other	6,119	8,405	6,721	7,932	12,508	10,289	11,126	11,737	19,211	15,193	17,451	22,351	30,787	27,960	5,370	7,932	11,737	22,351	27,960	27,960	27,960
Total current liabilities	**7,260**	**10,334**	**9,101**	**10,631**	**15,223**	**13,969**	**16,479**	**18,047**	**26,542**	**24,257**	**26,075**	**32,163**	**43,884**	**43,019**	**6,563**	**10,631**	**18,047**	**32,163**	**49,346**	**64,805**	**72,494**
Long-term debt	9,704	8,456	8,457	8,459	8,460	8,461	8,462	8,463	8,464	8,466	7,468	7,469	7,470	32,365	9,703	8,459	8,463	7,469	32,366	32,366	32,366
Other long-term liabilities	2,976	3,264	3,325	3,850	4,247	4,640	5,173	5,764	6,405	7,656	8,708	9,878	12,646	15,903	2,815	3,850	5,764	9,878	15,903	15,903	15,903
Capital lease obligations, long-term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commitments and contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stockholders' equity																					
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	2	2	2	2	2	25	25	24	24	24	24	24	24	24	2	2	24	24	24	24	24
Additional paid-in capital	12,433	12,629	12,991	13,132	12,651	12,115	11,821	11,237	11,475	11,200	10,626	10,116	10,275	9,826	11,971	13,132	11,237	10,116	14,714	28,282	45,936
Treasury stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,464)	(159,464)	(359,464)
Accumulated other comprehensive income	(50)	(51)	(68)	27	(109)	56	103	28	186	170	339	178	137	(25)	(43)	27	28	178	(25)	(25)	(25)
Retained earnings	12,115	14,921	20,900	29,817	36,586	45,981	53,950	68,038	72,158	89,737	107,908	146,973	185,038	219,157	10,171	29,817	68,038	146,973	330,476	652,526	1,147,637
Total stockholders' equity	**24,539**	**27,501**	**33,265**	**42,978**	**49,140**	**58,157**	**65,899**	**79,327**	**83,843**	**100,131**	**118,897**	**157,293**	**195,474**	**228,984**	**22,101**	**42,978**	**79,327**	**157,293**	**305,726**	**521,343**	**834,109**
Total liabilities and stockholders' equity	**44,460**	**49,555**	**54,148**	**65,728**	**77,072**	**85,227**	**96,013**	**111,601**	**125,254**	**140,740**	**161,148**	**206,893**	**259,474**	**320,272**	**41,182**	**65,728**	**111,601**	**206,893**	**403,341**	**644,416**	**954,873**
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data, Morgan Stanley Research estimates

Exhibit 5: NVDA: Projected Cash Flow Statement

Nvidia (NVDA-US) Nvidia Corporation Cashflow Statement ($ in millions; FY ends January)	2024/1F Apr/24 1Q25A	2024/2F Jul/24 2Q25A	2024/3F Oct/24 3Q25A	2024/4F Jan/25 4Q25A	2025/1F Apr/25 1Q26A	2025/2F Jul/25 2Q26A	2025/3F Oct/25 3Q26A	2025/4F Jan/26 4Q26A	2026/1F Apr/26 1Q27A	2026/2F Jul/26 2Q27A	FY2021 Jan-22 2022A	FY2022 Jan-23 2023A	2023FY Jan-24 2024A	2024FY Jan-25 2025A	2025FY Jan-26 2026A	2026FY Jan-27 2027E	2027FY Jan-28 2028E	2028FY Jan-29 2029E
Statement of Cash Flows																		
Cash flows from operating activities:																		
Net income	**14,881**	**16,599**	**19,309**	**22,091**	**18,775**	**26,422**	**31,910**	**42,960**	**58,321**	**59,688**	**9,752**	**4,368**	**29,760**	**72,880**	**120,067**	**241,348**	**355,707**	**508,152**
Adjustments to CFO:																		
Stock-based compensation expense	1,011	1,154	1,252	1,323	1,474	1,624	1,655	1,633	1,928	2,027	2,004	2,709	3,548	4,738	6,386	8,841	13,567	17,656
Depreciation and amortization	410	433	478	543	611	668	752	811	997	1,127	1,174	1,544	1,508	1,864	2,842	4,867	8,611	12,140
Amortization of debt discount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of long-lived assets and investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	(1,577)	(1,699)	(602)	(598)	(2,177)	18	124	611	1,584	(602)	(406)	(2,164)	(2,488)	(4,476)	(1,424)	982	-	-
Tax benefit from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(214)	(337)	(116)	(860)	77	(2,347)	(1,434)	(5,500)	(16,030)	(7,456)	(53)	1,391	(513)	(1,532)	(9,204)	(23,486)	-	-
Changes in operating assets and liabilities, net of effects of acquisitions:											-	-	-	-	-	-	-	-
Accounts receivable	(2,366)	(1,767)	(3,561)	(5,370)	933	(5,675)	(5,583)	(5,073)	(2,243)	(22,346)	(2,215)	823	(6,172)	(13,064)	(15,398)	(40,175)	(62,641)	(29,736)
Inventories	(577)	(803)	(978)	(2,424)	(1,258)	(3,622)	(4,823)	(1,621)	(4,420)	(5,784)	(774)	(2,554)	(99)	(4,782)	(11,324)	(23,470)	(20,619)	(13,661)
Prepaid expenses and other current assets	(726)	714	(714)	331	560	387	(89)	(28)	(983)	(5,497)	(1,715)	(1,517)	(1,522)	(395)	577	(7,323)	(3,386)	(1,608)
Deposits and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	(22)	823	1,689	867	941	1,314	(223)	1,064	2,210	1,915	568	(551)	1,531	3,357	3,096	10,452	15,459	7,689
Accrued liabilities and other long-term liabilities	4,525	(628)	872	732	7,478	(3,424)	1,461	1,586	8,980	1,005	773	1,593	2,538	5,501	7,101	9,985	-	-
Net cash provided by operating activities	**15,345**	**14,489**	**17,629**	**16,638**	**27,414**	**15,365**	**23,750**	**36,190**	**50,344**	**24,077**	**9,108**	**5,642**	**28,091**	**64,091**	**102,719**	**182,022**	**306,697**	**500,632**
Cash flows from investing activities:																		
Purchases of marketable securities	(9,303)	(5,744)	(4,518)	(7,010)	(6,546)	(7,812)	(5,718)	(20,540)	(8,000)	(21,777)	(24,767)	(11,897)	(18,212)	(26,575)	(40,616)	(29,777)	-	-
Proceeds from sales of marketable securities	149	15	154	177	467	20	-	14,670	25	24,592	1,023	1,806	50	495	15,157	24,617	-	-
Proceeds from maturities of marketable securities	4,004	4,094	1,386	1,710	3,122	3,130	2,728	2,246	1,946	-	15,197	19,425	9,732	11,194	11,226	1,946	-	-
Purchases of property and equipment and intangible assets	(369)	(977)	(813)	(1,077)	(1,227)	(1,894)	(1,637)	(1,284)	(1,757)	(2,677)	(976)	(1,833)	(1,068)	(3,236)	(6,042)	(10,781)	(13,803)	(14,553)
Proceeds from sale of long-lived assets and investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of businesses, net of cash and cash equivalents	(39)	(279)	(147)	(542)	(383)	(294)	(694)	(165)	(87)	(211)	(263)	(49)	(83)	(1,007)	(1,536)	(298)	-	-
Other	(135)	(294)	(407)	(499)	(649)	(276)	(3,704)	(25,789)	(18,556)	(8,622)	(24)	(78)	(985)	(1,292)	(30,417)	(27,178)	-	-
Net cash used in investing activities	**(5,693)**	**(3,185)**	**(4,345)**	**(7,199)**	**(5,216)**	**(7,126)**	**(9,025)**	**(30,861)**	**(26,429)**	**(8,695)**	**(9,830)**	**7,374**	**(10,566)**	**(20,421)**	**(52,228)**	**(41,471)**	**(13,803)**	**(14,553)**
Cash flows from financing activities:																		
Proceeds from issuance of convertible notes,net	-	-	-	-	-	-	-	-	-	-	4,977	-	-	-	-	-	-	-
Purchase of convertible note hedges	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of common stock warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of common stock under employee stock plans	285	-	204	-	370	-	274	-	515	-	281	355	403	489	644	515	-	-
Payments related to repurchases of common stock	(7,740)	(7,158)	(10,998)	(7,810)	(14,095)	(9,721)	(12,456)	(3,815)	(19,312)	(19,732)	-	(10,039)	(9,534)	(33,706)	(40,087)	(78,508)	(120,000)	(200,000)
Dividends paid	(98)	(246)	(245)	(246)	(244)	(244)	(243)	(243)	(243)	(6,047)	(399)	(398)	(395)	(834)	(974)	(18,310)	(23,657)	(23,041)
Tax benefit from stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments under capital lease obligations	(40)	(29)	(29)	(32)	(52)	(21)	(24)	(4)	(33)	(59)	-	-	(73)	(130)	(101)	(92)	-	-
Other	(1,752)	(2,887)	(1,680)	(1,861)	(1,532)	(1,848)	(2,429)	(2,149)	(2,210)	19,662	(2,994)	(1,535)	(4,035)	(8,180)	(7,957)	17,452	-	-
Net cash (used in) provided by financing activities	**(9,345)**	**(10,320)**	**(12,748)**	**(9,948)**	**(15,553)**	**(11,834)**	**(14,878)**	**(6,210)**	**(21,283)**	**(6,176)**	**1,865**	**(11,617)**	**(13,634)**	**(42,361)**	**(48,475)**	**(78,943)**	**(143,657)**	**(223,041)**
Change in cash flow due to restatement																		
Cash and cash equivalents at beginning of period	7,280	7,587	8,571	9,107	8,589	15,234	11,639	11,486	10,605	13,237	847	1,990	3,389	7,280	8,589	10,605	72,213	221,449
Change in cash and cash equivalents	307	984	536	(518)	6,645	(3,595)	(153)	(881)	2,632	9,206	1,143	1,399	3,891	1,309	2,016	61,608	149,236	263,038
Cash and cash equivalents at end of period	**7,587**	**8,571**	**9,107**	**8,589**	**15,234**	**11,639**	**11,486**	**10,605**	**13,237**	**22,443**	**1,990**	**3,389**	**7,280**	**8,589**	**10,605**	**72,213**	**221,449**	**484,487**
Check	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data, Morgan Stanley Research estimates

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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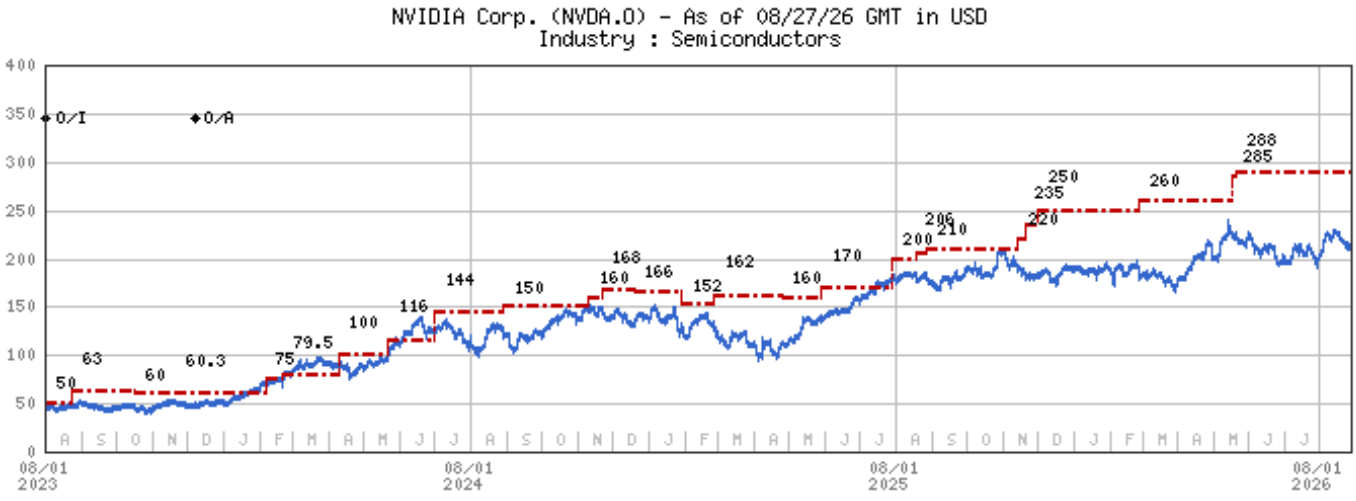
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Price Target History: 9/13/20 : NA; 5/3/22 : 21.7; 5/25/22 : 18.2; 11/17/22 : 17.5; 2/21/23 : 24.6; 2/22/23 : 25.5; 3/16/23 : 30.4; 5/24/23 : 45; 6/15/23 : 50; 8/24/23 : 63; 10/17/23 : 60; 11/21/23 : 60.3; 2/6/24 : 75; 2/21/24 : 79.5; 4/9/24 : 100; 5/22/24 : 116; 6/30/24 : 144; 8/29/24 : 150; 11/10/24 : 160; 11/21/24 : 168; 12/19/24 : 166; 1/29/25 : 152; 2/26/25 : 162; 4/25/25 : 160; 5/29/25 : 170; 7/29/25 : 200; 8/18/25 : 206; 8/28/25 : 210; 11/14/25 : 220; 11/20/25 : 235; 12/1/25 : 250; 2/26/26 : 260; 5/18/26 : 285; 5/21/26 : 288

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
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Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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INDUSTRY COVERAGE: Semiconductors

COMPANY (TICKER)	RATING (AS OF)	PRICE* (08/26/2026)
Joseph Moore		
Advanced Micro Devices (AMD.O)	E (06/09/2024)	$480.93
Aeva Technologies Inc (AEVA.O)	E (07/19/2021)	$15.79
Allegro Microsystems Inc (ALGM.O)	O (02/13/2026)	$36.89
Ambarella Inc (AMBA.O)	O (03/29/2016)	$69.64
Amkor Technology Inc (AMKR.O)	E (11/08/2023)	$48.40
Analog Devices Inc. (ADI.O)	O (11/16/2023)	$371.80
Astera Labs Inc (ALAB.O)	O (05/11/2025)	$290.30
Broadcom Inc. (AVGO.O)	O (06/09/2024)	$355.59
Cerebras Systems (CBRS.O)	O (06/08/2026)	$182.15
GlobalFoundries Inc (GFS.O)	E (10/28/2024)	$45.67
Intel Corporation (INTC.O)	E (02/22/2023)	$88.24
IonQ Inc (IONQ.N)	E (04/25/2023)	$40.03
Marvell Technology Group Ltd (MRVL.O)	E (09/14/2015)	$245.11
Microchip Technology Inc. (MCHP.O)	E (07/10/2024)	$74.05
Micron Technology Inc. (MU.O)	O (10/06/2025)	$938.40
Navitas Semiconductor Corp (NVTS.O)	U (04/06/2025)	$12.67
NVIDIA Corp. (NVDA.O)	O (03/16/2023)	$209.66
NXP Semiconductor NV (NXPI.O)	O (02/11/2025)	$223.15
ON Semiconductor Corp. (ON.O)	++	$73.22
Qorvo Inc (QRVO.O)	E (10/28/2025)	
Qualcomm Inc. (QCOM.O)	E (06/24/2026)	
Quantinuum (QNT.O)	E (06/29/2026)	
SanDisk Corporation. (SNDK.O)	O (03/03/2025)	
Semtech Corp. (SMTC.O)	E (04/06/2025)	
Silicon Laboratories Inc. (SLAB.O)	E (01/19/2021)	
Skyworks Solutions Inc (SWKS.O)	E (11/28/2018)	
Texas Instruments (TXN.O)	U (04/13/2020)	



Wolfspeed, INC (WOLF.N)	NR (04/06/2025)	$26.93
Lee Simpson		
Arm Holdings plc (ARM.O)	E (04/07/2026)	$251.06
Cadence Design Systems Inc (CDNS.O)	O (02/14/2024)	$334.68
Synopsys Inc. (SNPS.O)	E (02/27/2026)	$410.00

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