LTS Challenge

Investment Thesis at NVIDIA

Rating:
BUY!

4 Year IRR:
23.2%

João Pedro Sant'ana | Luis Eduardo Cals | Matheus Coelho

Long NVIDIA: The time to own the Future is now

1. Proprietary, integrated ecosystem underpins Nvidia's edge

+85% Market Share
In GPUs

Hardware + Software + CUDA =
Competitive Advantage

2. Jensen's long-view, powered by Nvidia's human capital

Jensen owns ~3%
of NVIDIA

16 Years
Average executive tenure

3. Why buy NVIDIA: ecosystem + talent primed to beat expectations

Ecosystem + Talent =
Structural advantages in AI

Just the beginning of a
Promising market

Thesis numbers summary:

23.2%
2028 IRR

Entry Value 2025
US$3,415.7 *Billions*

29x P/E
Entry Multiple

28x P/E
Exit Multiple

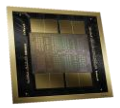
Exit Value 2028
US$5,710.8 *Billions*

NVIDIA at a Glance

Founded in 1993 with a focus on gaming, NVIDIA is now the world's most valuable company, driven primarily by its leadership in data centers

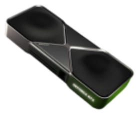
I. From gaming to AI, Nvidia's products now command performance and pricing

NVIDIA main products



Nvidia B200
US$30,000 – US$40,000
2025
Designed for generative AI

GB200 NVL72
~US$3,000,000
Expected for 2025
Designed for generative AI

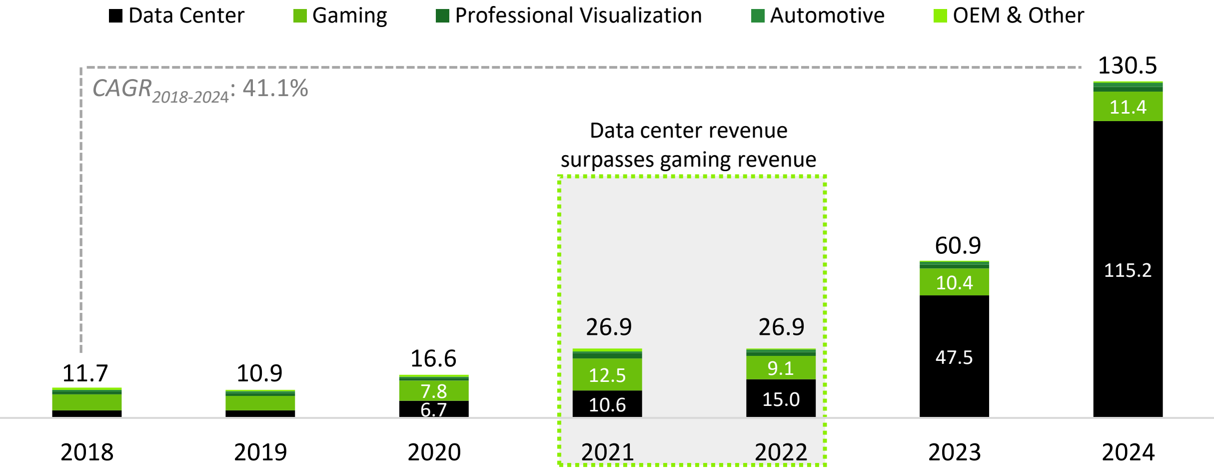


GeForce RTX 5090
US$1,999
2025
Designed for gaming

DGX System GB200
~US$1,000,000
2025
Designed for corporate AI

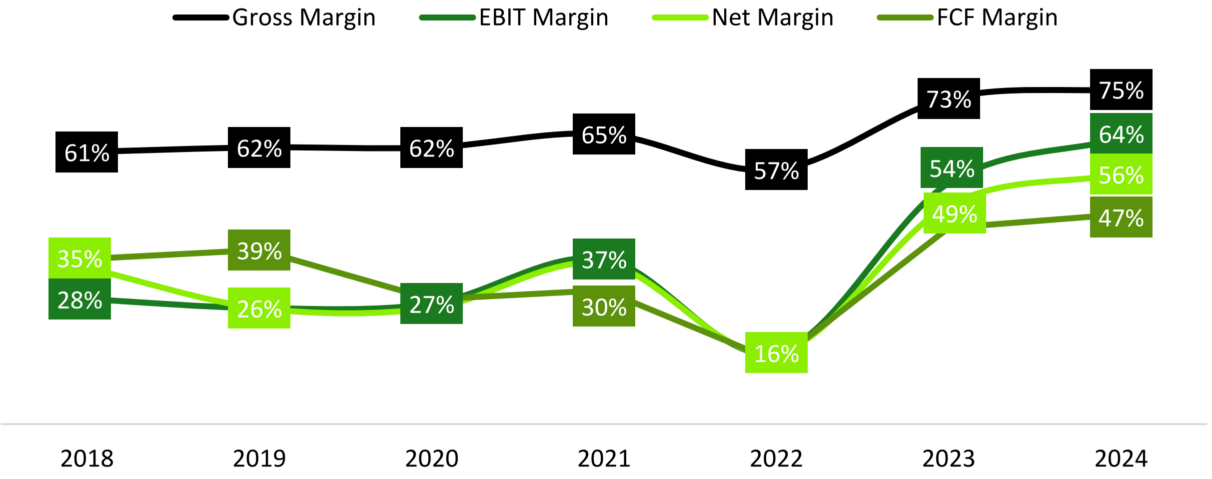
II. AI overtook gaming and data centers became NVIDIA's core business

NVIDIA Revenue by Segment (US$ billion)



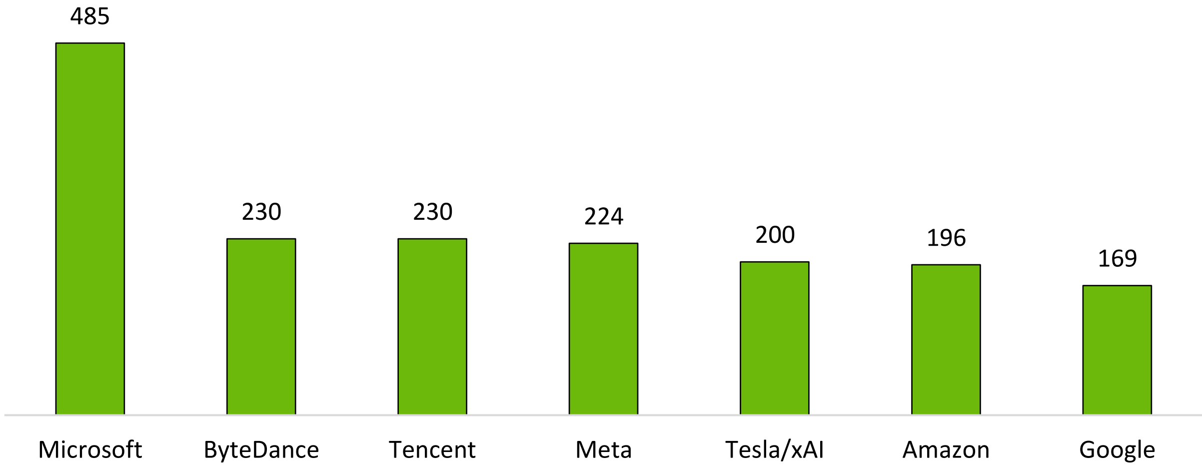
III. Nvidia tripled its margins since 2022, driven by AI and strong operating leverage

NVIDIA's margins (%)



IV. Top buyers like Microsoft made NVIDIA the core enabler of the AI era

Estimated shipments of Nvidia Hopper GPUs in 2024, by customer



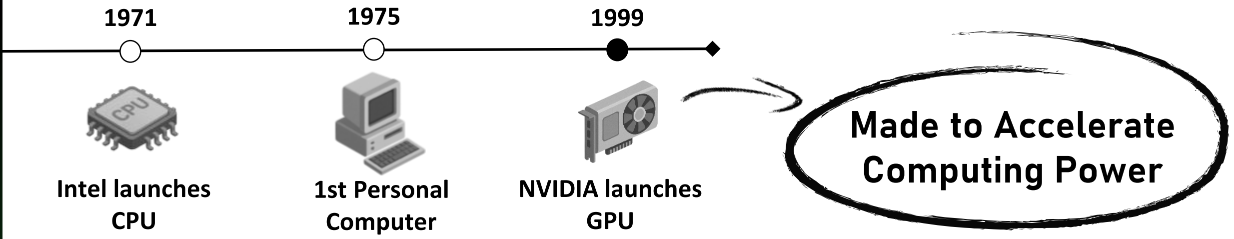
Source: Data Center Dynamics, Nvidia IR

GPUs: The Disruptors of Computational Power

Pioneered by NVIDIA, the GPU unlocked unprecedented leaps in data processing power across multiple applications

I. Built to ease CPU strain, GPUs specialized in rendering tasks through parallel processing

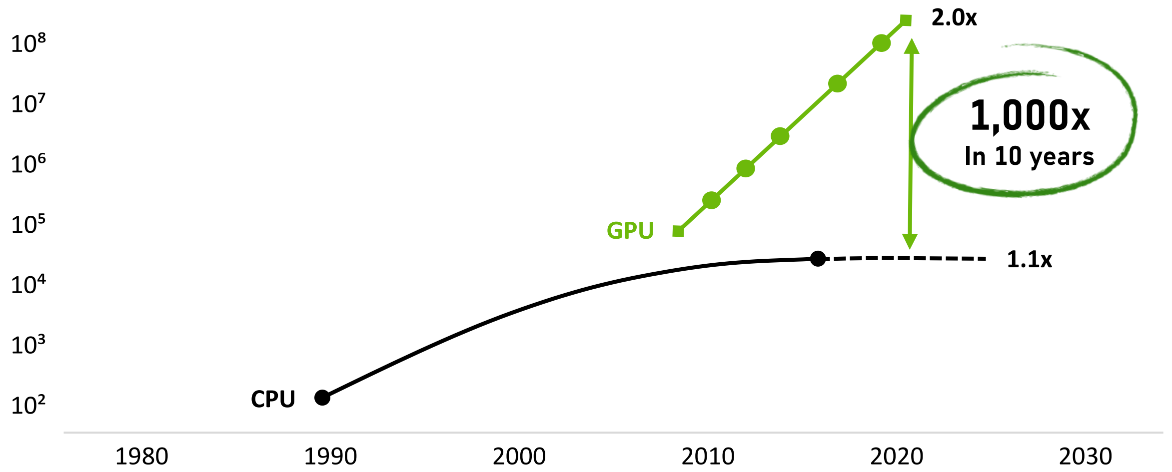
What is a GPU?



Product	Processing	Cores	Tasks	Strength
CPUs	Sequential	~96	Interdependent	One at a time
GPUs	Parallel	~21,760	Separate	Same time

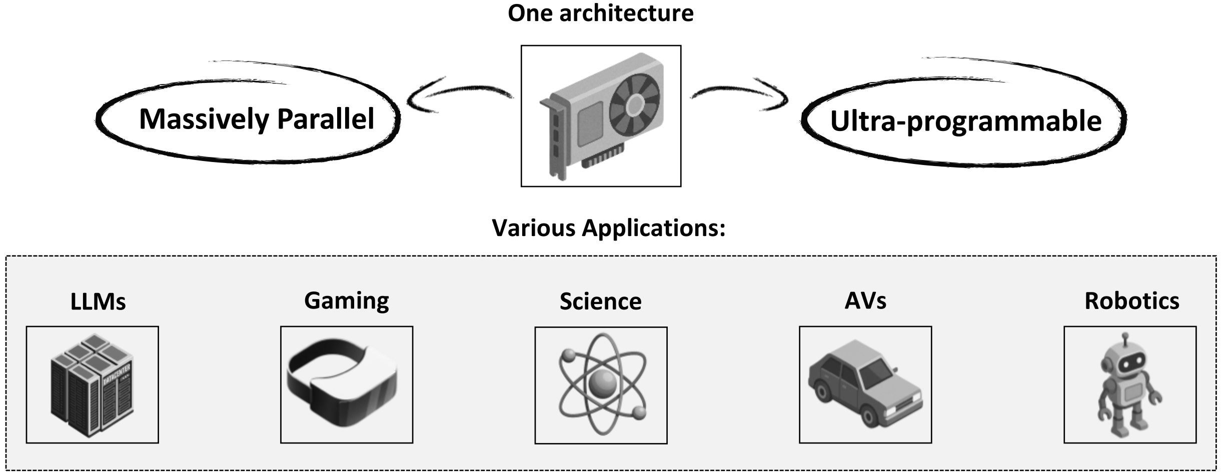
II. By breaking Moore's Law, GPUs disrupted the ceiling of computational power

CPU Vs. GPU in Trillions of Operations per Second (TOPS)



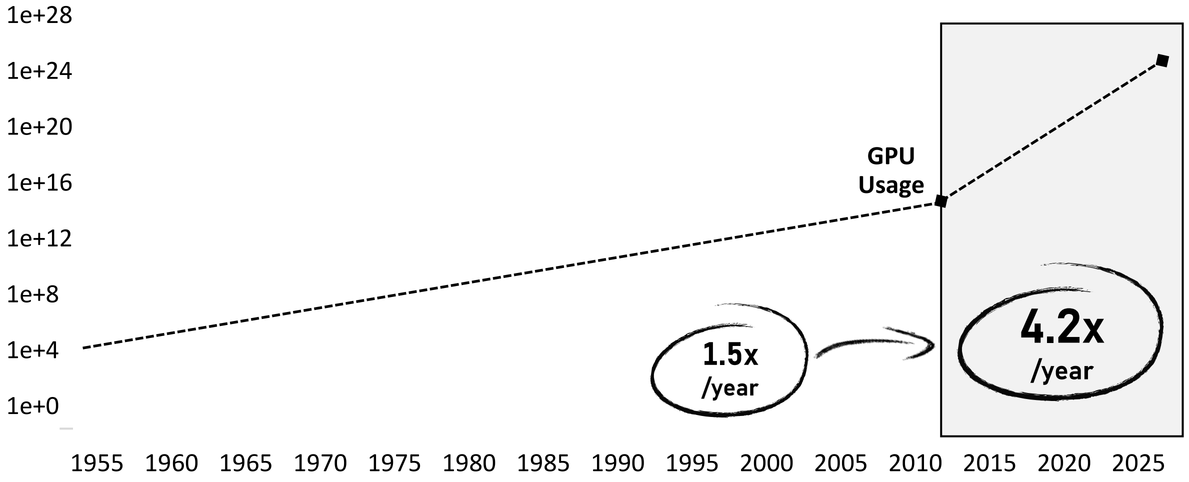
III. Programmability and high data throughput make GPUs ideal for heavy workloads

Flexibility through end markets



IV. GPUs powered extraordinary ML breakthroughs with parallelism and scalability

Training Compute of Notable Machine Learning Systems Over Time (FLOP)



Source: NVIDIA IR

Better than the Competition — and Pulling Ahead

Early vision and execution secured GPU leadership, a position it's poised to strengthen in the future

I. Execution ensured NVIDIA's survival in a market where competitors disappeared

What about the competitors in this market?

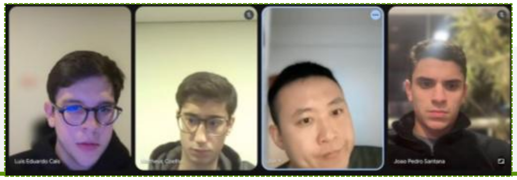
+70
GPU Players

1995

NVIDIA
&
AMD

2025

Jon Y., Asianometry Founder

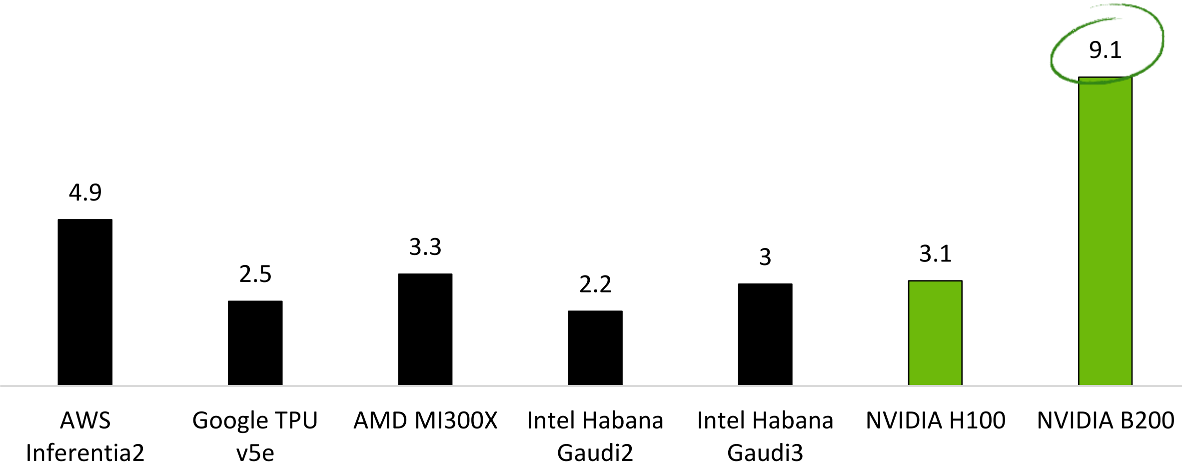


What has driven NVIDIA's GPU edge over AMD over time?

"The main reason is due to their **GPU-centric vision** and the **exceptional execution** capability of their R&D team"

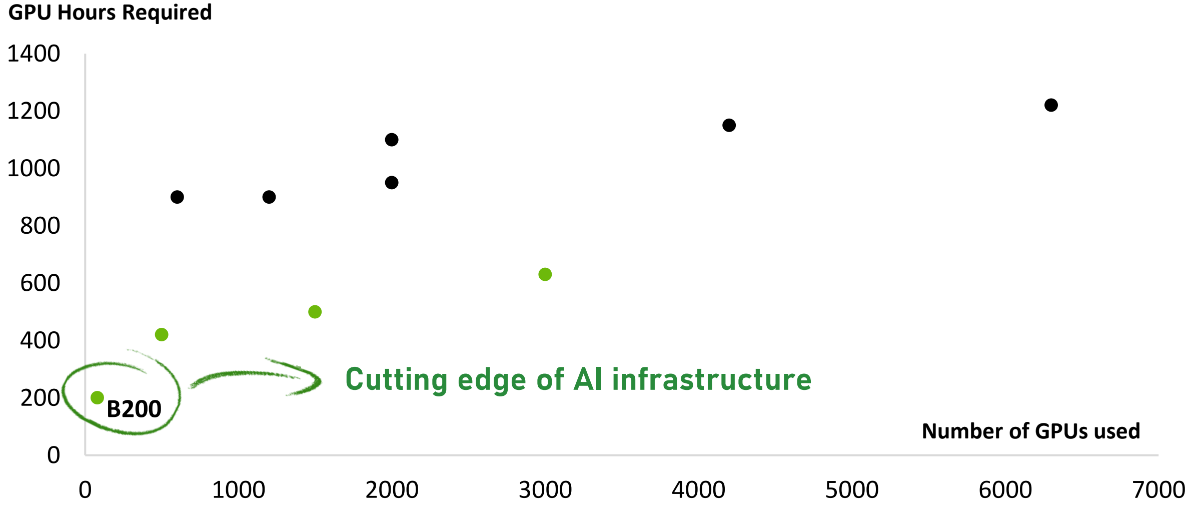
II. Delivers superior cost-benefit in its GPUs when compared to rivals

Chip-level cost-performance ratio (Performance/Cost)



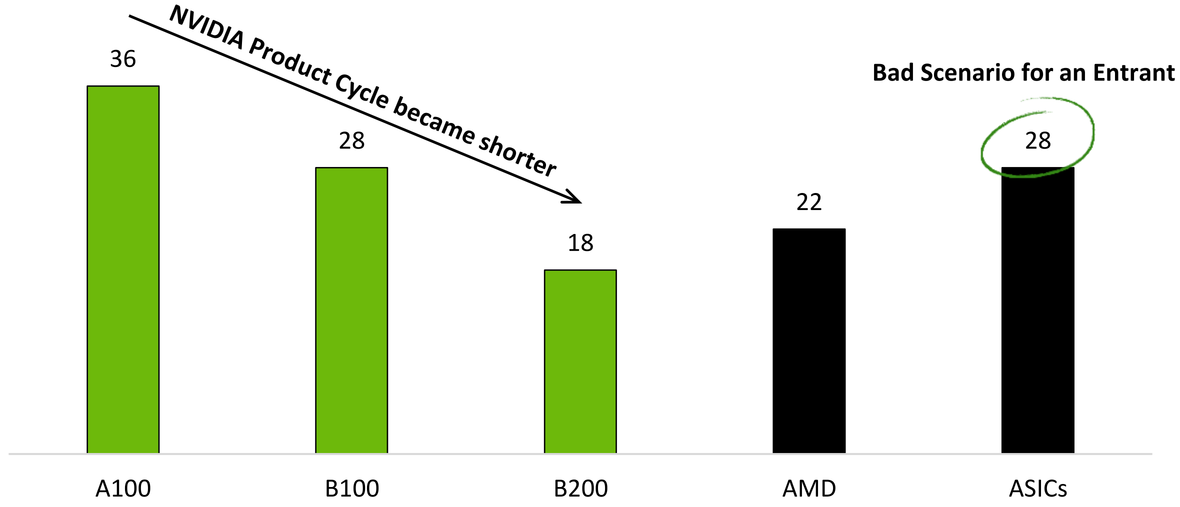
III. Unparalleled performance at the forefront of AI Training

GPT-3 Training Results



IV. Shortening product launch cycles, entrants face a suffocating competitive landscape

Product Cycle (Months)



Source: J.P. Morgan, NVIDIA IR

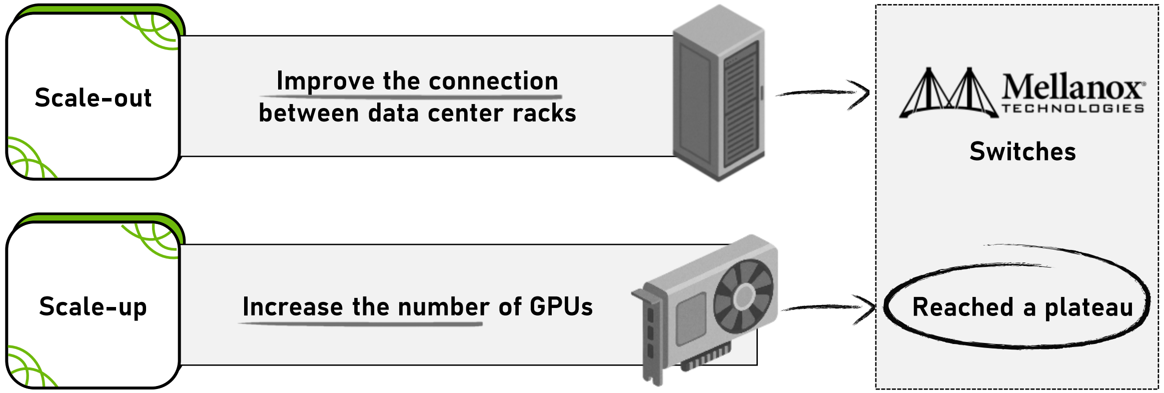
NVLink: The Key to Unlocking GPU Scale

With NVLink, NVIDIA introduced a new scale-up paradigm through ultra-fast GPU interconnections

I. To boost performance, simply increasing the number of GPUs eventually hits a limit

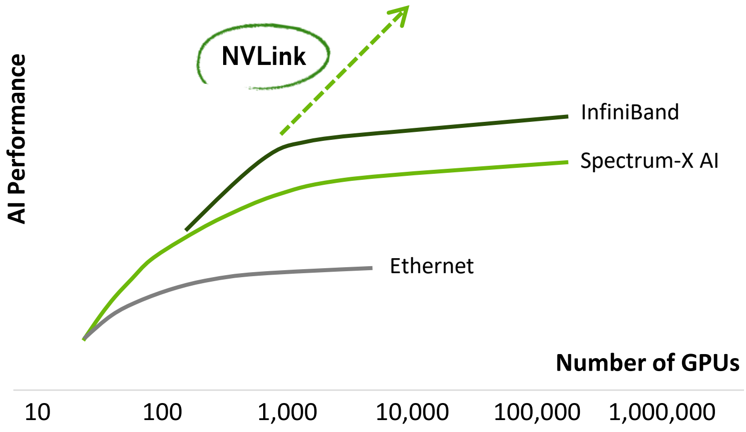
Why use so many GPUs?

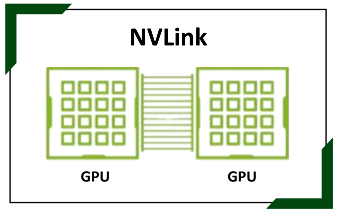
Approaches to increase your computing power:



II. NVLink broke the scaling barrier—enabling limitless performance through added GPUs

AI Performance Across Different Products use



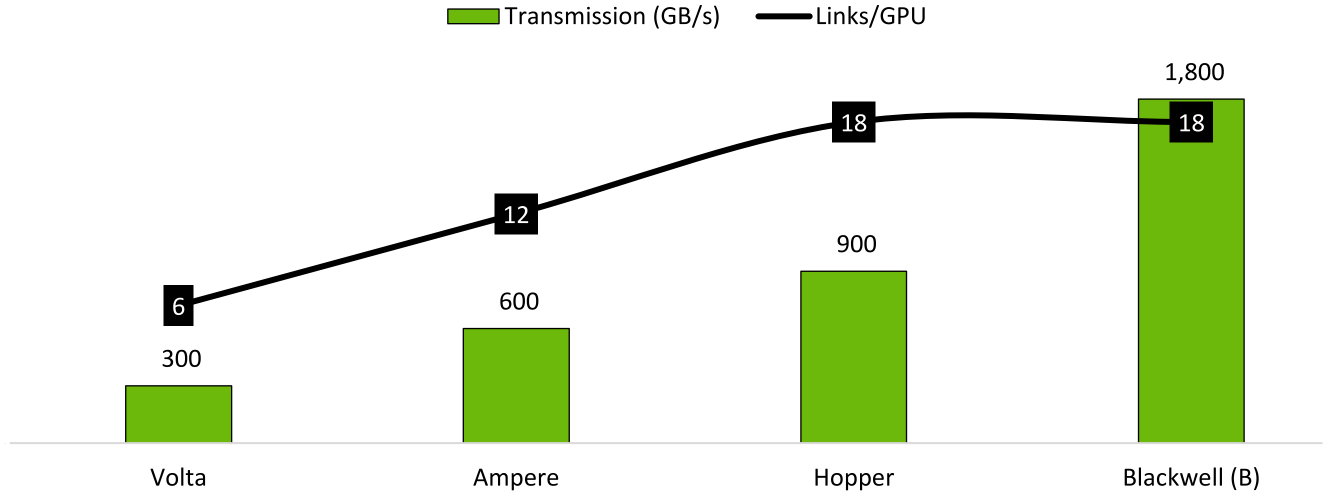


Faster Data Exchange

Limitless Performance Evolution

III. Accelerated GPU communication made it possible to unify 72 GPUs into a single compute entity—the next leap is linking full racks and turning them into an ultra GPU

Connectivity Performance



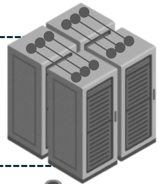
Present:

GB200
1 Grace GPU
2 Blackwell GPUs

GB200 NVL72
36x GB200 Superchips
72 GPUs + 36 CPUs

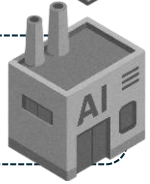
Next Step:

Connecting GPUs across entire racks



Future:

AI Fabric: A One-stop Shop



Source: Itaú BBA, NVIDIA IR

CUDA: Locking in the Big AI Wave

NVIDIA's core moat, CUDA, provides industry-leading GPU performance and reinforces customer dependency

I. Launched in 2006, CUDA enabled GPU programmability and performance enhancement

What made the GPU so programmable?

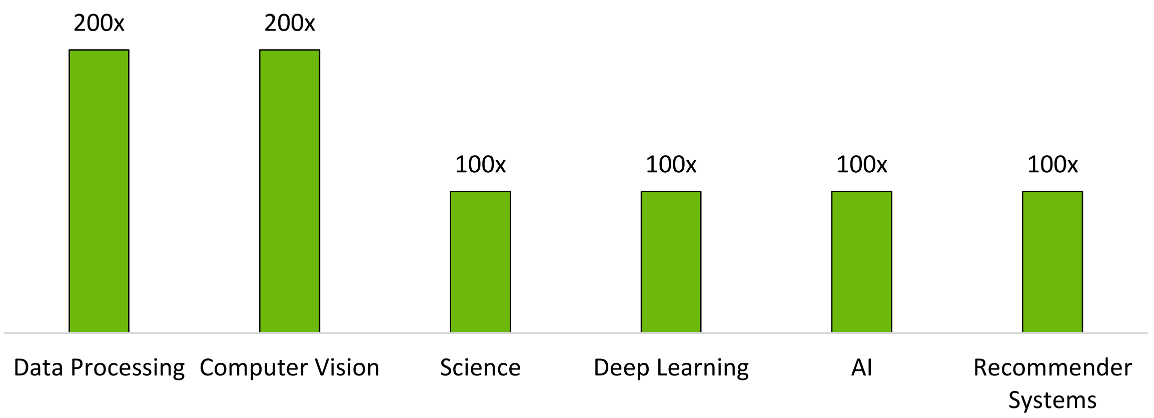
I — CUDA: Proprietary Software that enabled GPUs to become programmable was launched by NVIDIA

II — +400 Libraries: Constantly refined by the company's R&D to support new applications since 2006

III — 5x Speed-up: Besides enabling new applications, CUDA optimizes GPU usage for better performance

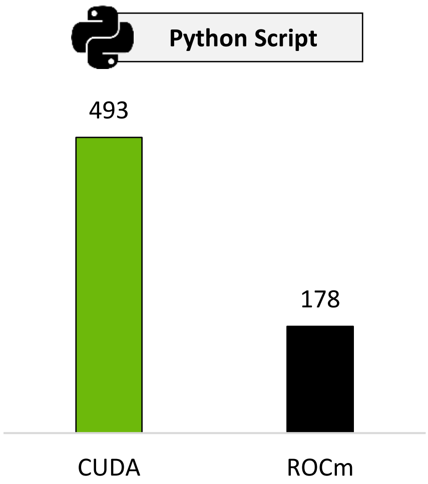
II. CUDA enhances GPU efficiency by enabling fine-grained programmability

Performance Enhancing (Speedup)

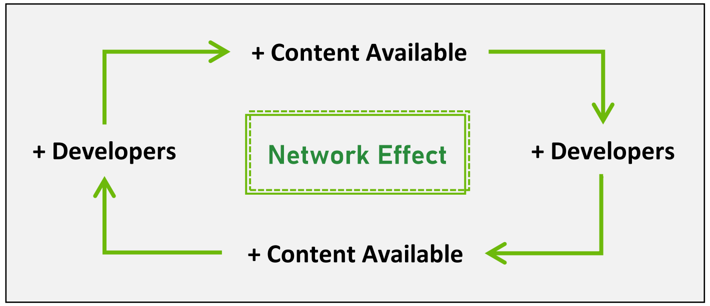


III. ROCm's late 2016 launch gave CUDA a head start through the network effect

CUDA (NVIDIA) vs. ROCm (AMD): Measuring Content Presence on YouTube

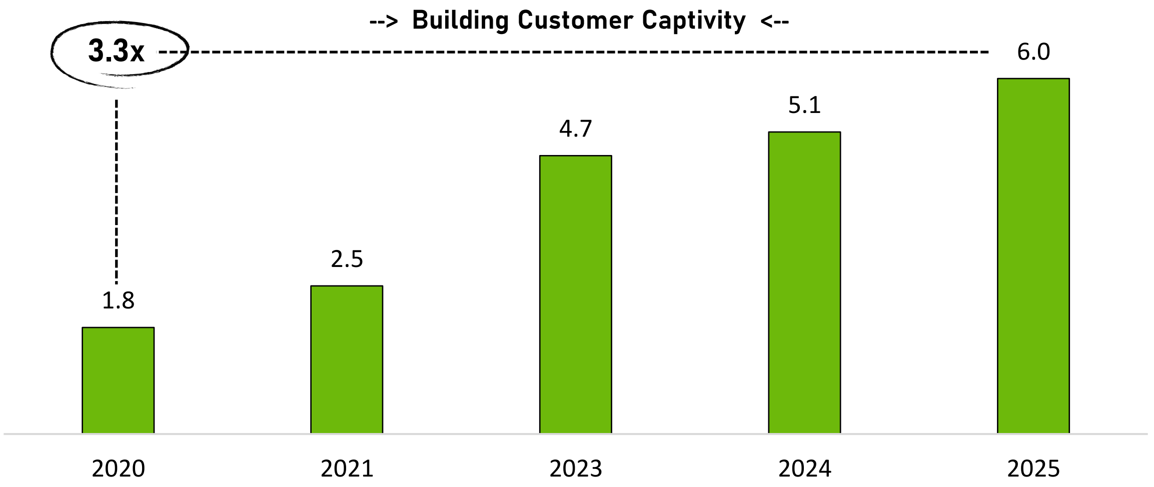


2.8x More Results for **CUDA**



IV. More developers, stronger lock-in—CUDA reinforces retention

CUDA Developers (Million)



Source: Group Elaboration, NVIDIA IR

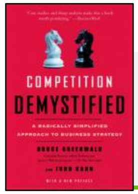
Market Dominance

With a unique blend of competitive strengths and world-class execution, NVIDIA is strongly positioned to lead into the future

I. A winning business model that compounds over time

Compiling Competitive Advantages

I.	II.	III.
Unmatched Technology	Scale Advantage	Customer Captivity

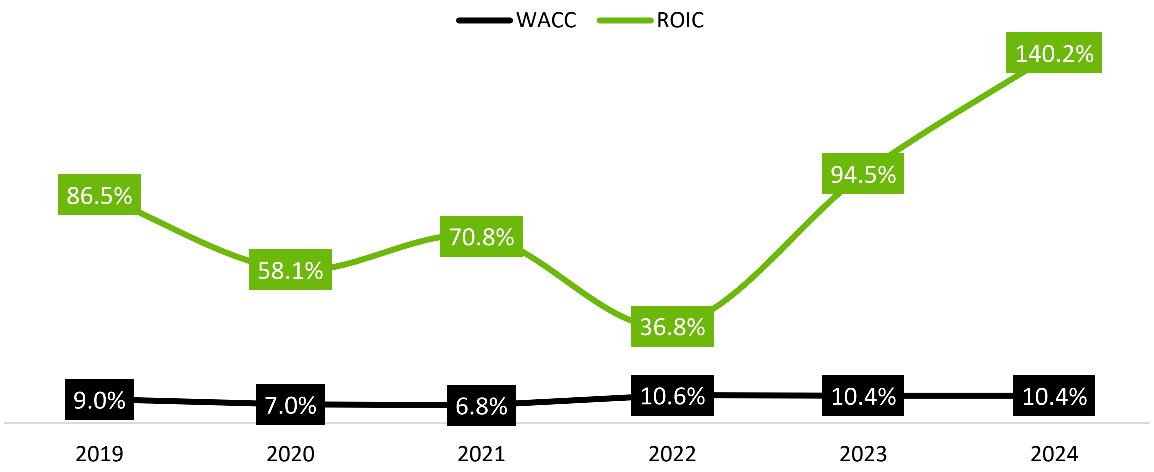


Competition Demystified, Bruce Greenwald

"The **most powerful competitive advantages arise when customer captivity is combined with** economies of scale."

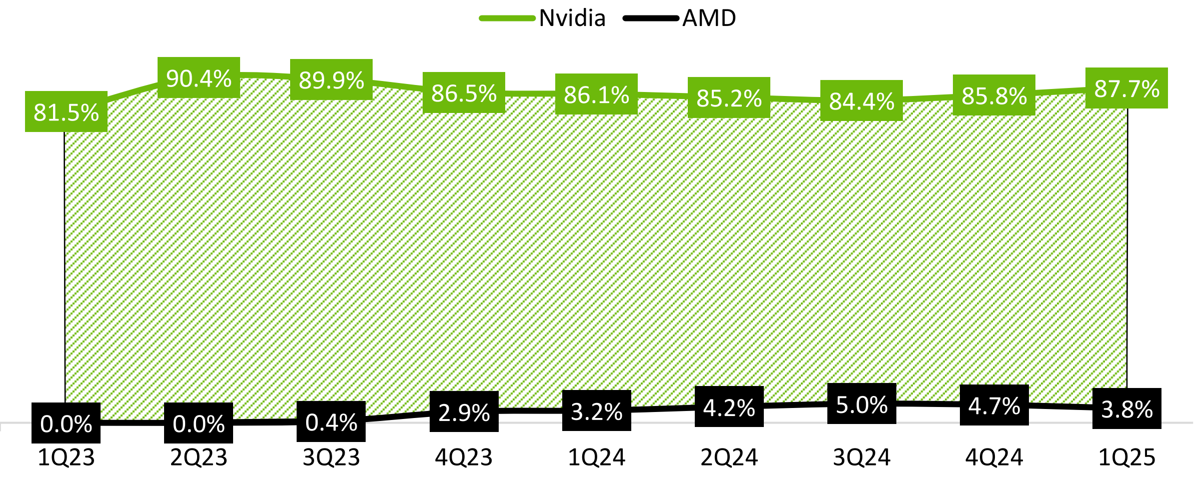
II. The underlying economics highlight the presence of significant entry barriers

NVIDIA ROIC x WACC

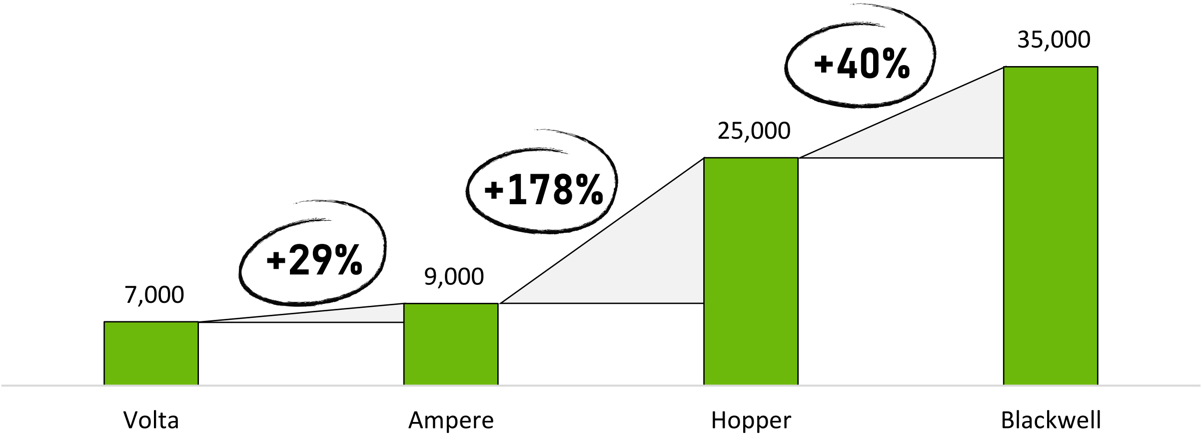


III. Sustained market share highlights structural dominance, which underpins pricing power and signals strong switching barriers

Market Share of Data Center Accelerators(%)



NVIDIA GPU Pricing Across Architectures (US$)



Source: Competition Demystified, SemiAnalysis, NVIDIA IR

Consistent Execution Starts with People

While the market sees chips, Nvidia invests where few look: In the people who make the future possible

I. Jensen's long-term vision is grounded in identifying unmet needs early, and deliberately building the infrastructure to meet them before others even recognize the gap

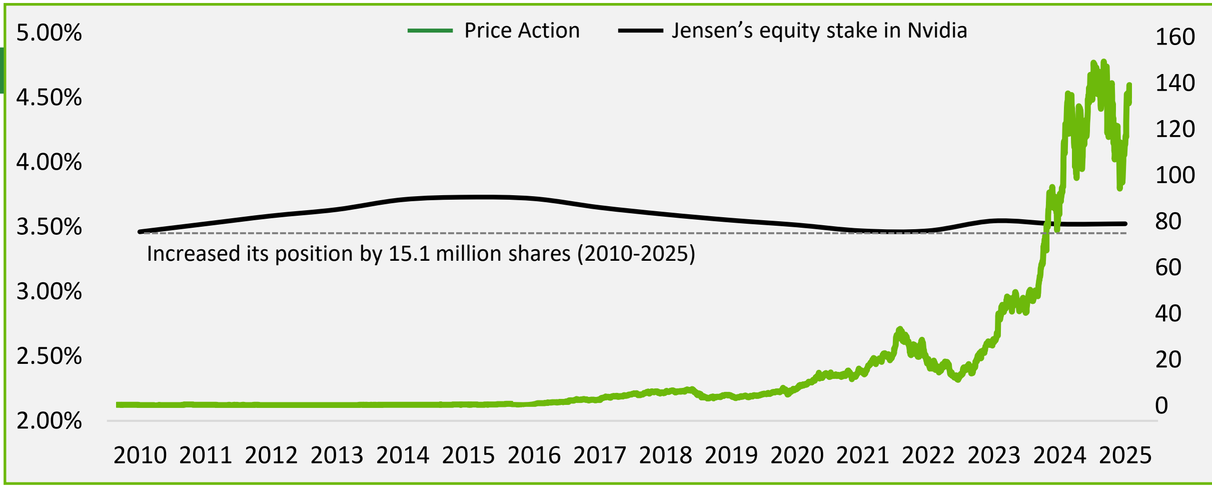
Co-Founded Nvidia	TSMC Partnership	The first modern GPU	Created CUDA	Mellanox Acquisition
1993	1998	1999	2006	2019

Jensen Huang, NVIDIA's Founder & CEO

"No matter how successful you were yesterday, if you don't innovate today, you become irrelevant. That's why at Nvidia, we wake up every morning as if we were running out of time"

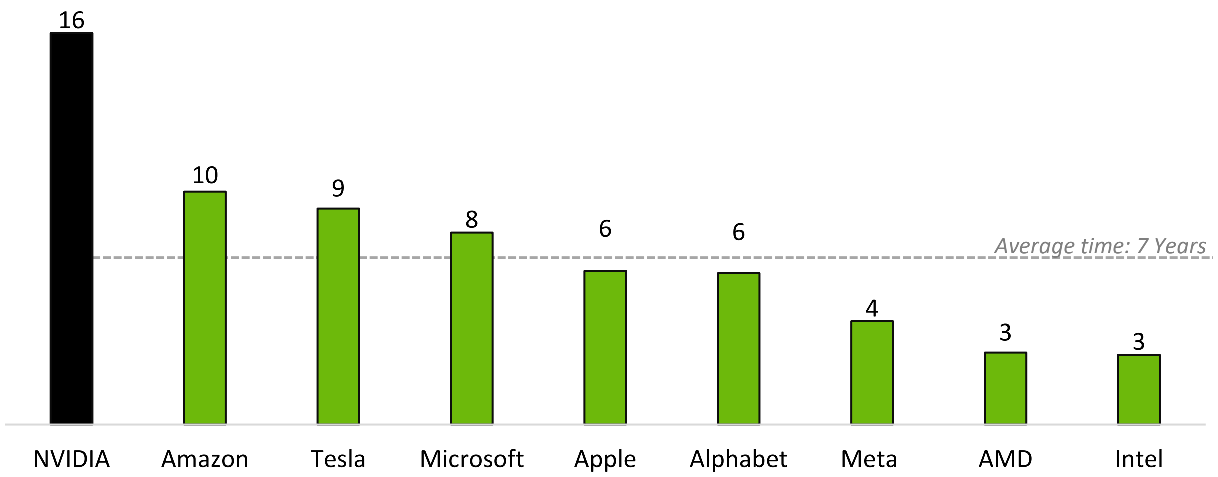
CEO target pay mix 2024

Price Action (US$) x Jensen Ownership (%)



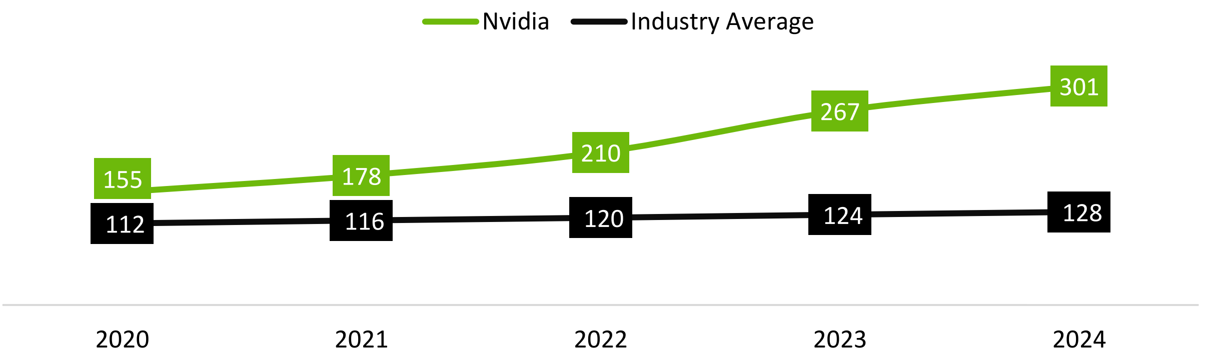
II. NVIDIA's long executive tenure quietly drives an execution edge rivals can't match

Average executive tenure (Years)



III. Beyond leadership, NVIDIA's skilled workforce makes execution its core strength

NVIDIA Employee Pay vs Semiconductor Industry Average (US$ Thousand)



75% of employees are R&D
vs 59% of AMD

2.7% Turnover
vs 17.7% average in semiconductor industry

166:1 Pay Ratio
vs 222:1 compared to its peers

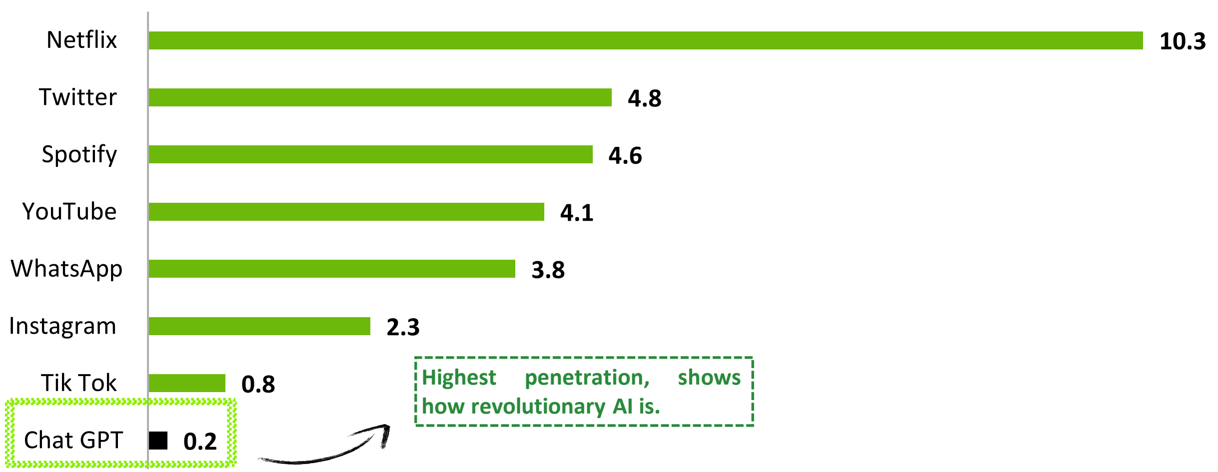
Source: Bloomberg, Nvidia IR

It's Still Early Days for AI

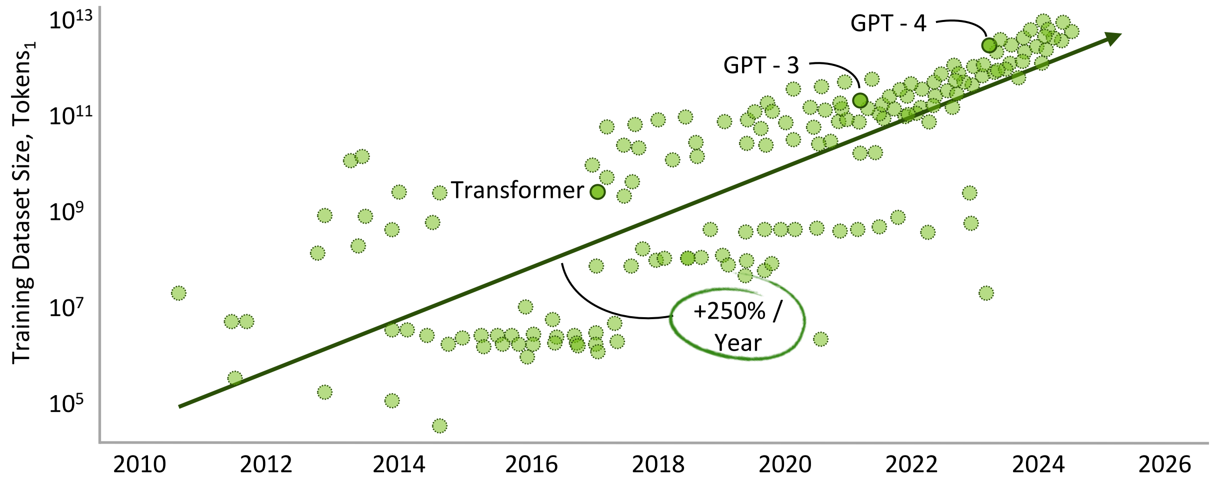
AI has already achieved unprecedented global penetration, and the biggest wave of growth is still ahead

I. AI is scaling faster than any technology in history, and it's only getting smarter, more capable, and more deeply embedded across every layer of the global economy

Years to Reach 100 MM Users

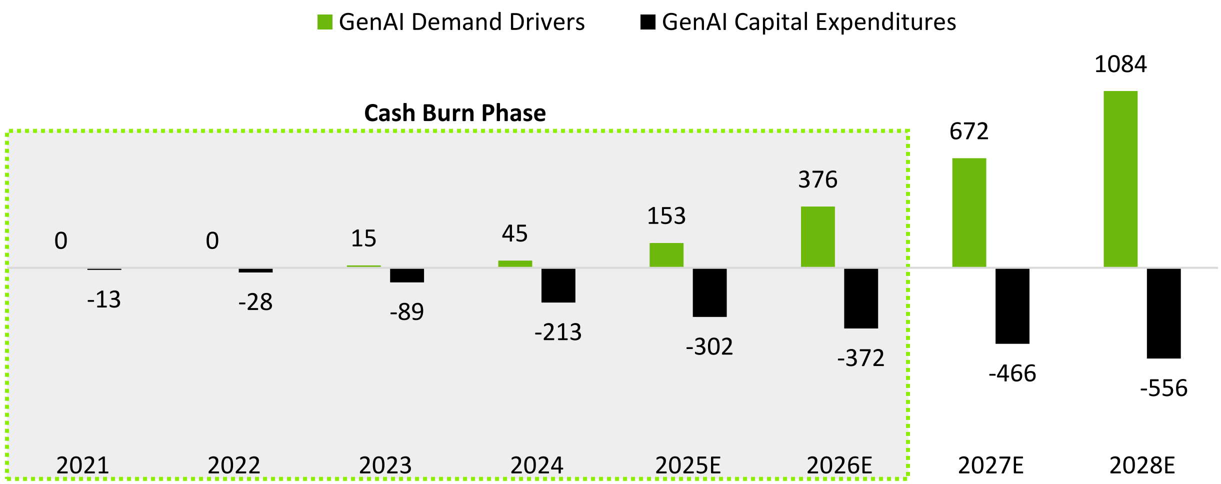


AI Model training Dataset Size by Model Release Year

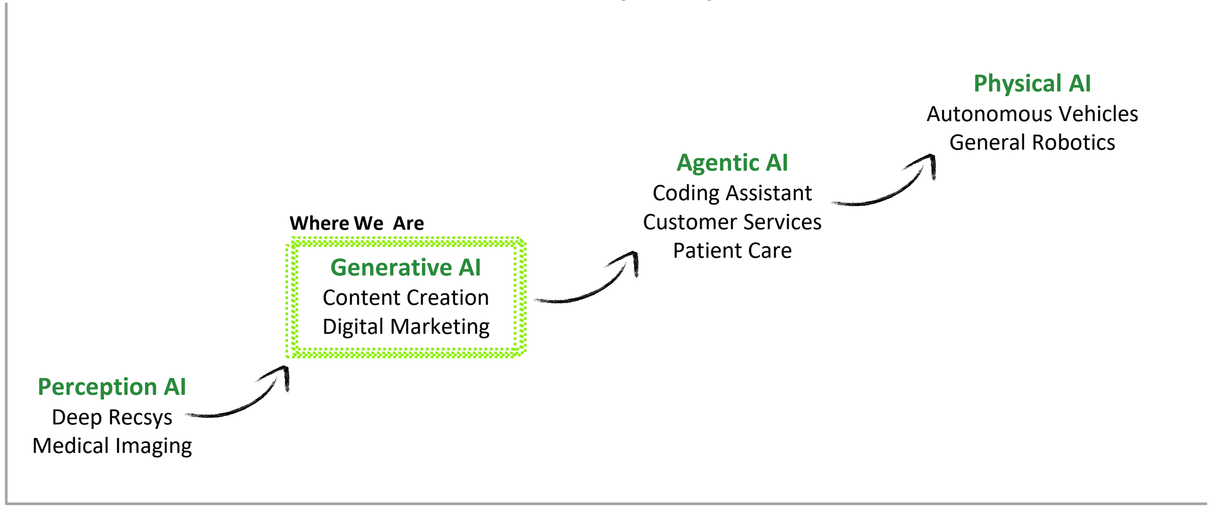


II. AI is still in its early stages, and today's investments are building the foundation for exponential future value creation across the global economy

GenAI Capex vs. Revenue (US$ Billions)



The future of AI



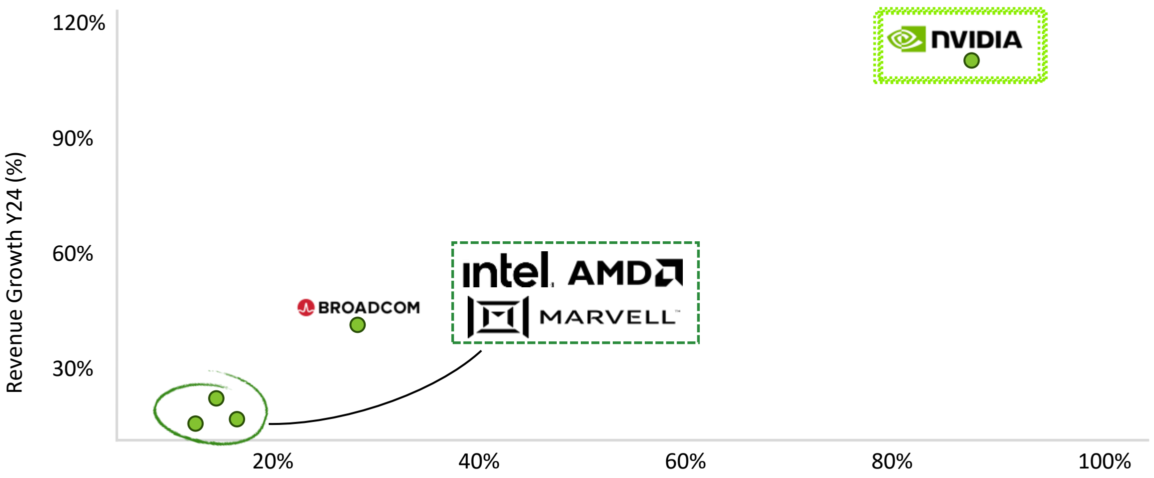
Source: Morgan Stanley, Nvidia IR, BOND, Epoch AI

AI is the future and Nvidia is Best Positioned to Capture it

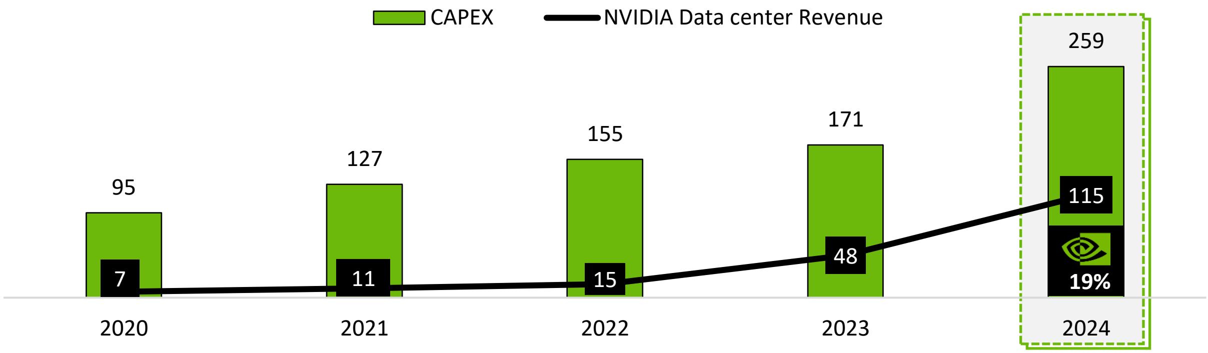
No other company is as well positioned as NVIDIA to capture the AI boom and absorb hyperscaler CapEx

I. NVIDIA is the best-positioned company to capture the AI growth cycle, as evidenced by its strong revenue acceleration and increasing share of Big Techs' CapEx

Revenue Growth x AI Exposure



NVIDIA Data Center Revenue x Big 4 Tech Companies CAPEX



Amazon
USD 85 billion CapEx in 2024

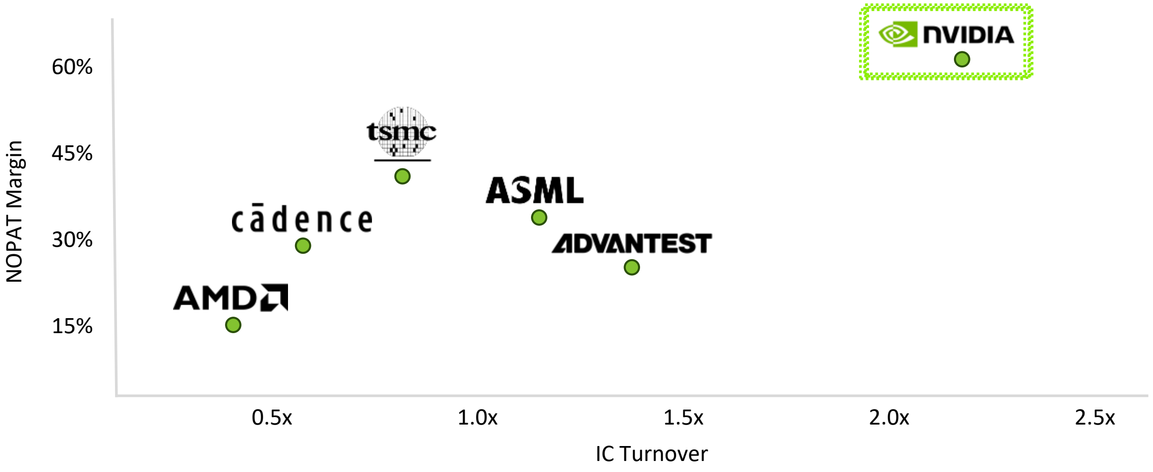
Microsoft
USD 65 billion CapEx in 2024

Alphabet
USD 59 billion CapEx in 2024

Meta
USD 50 billion CapEx in 2024

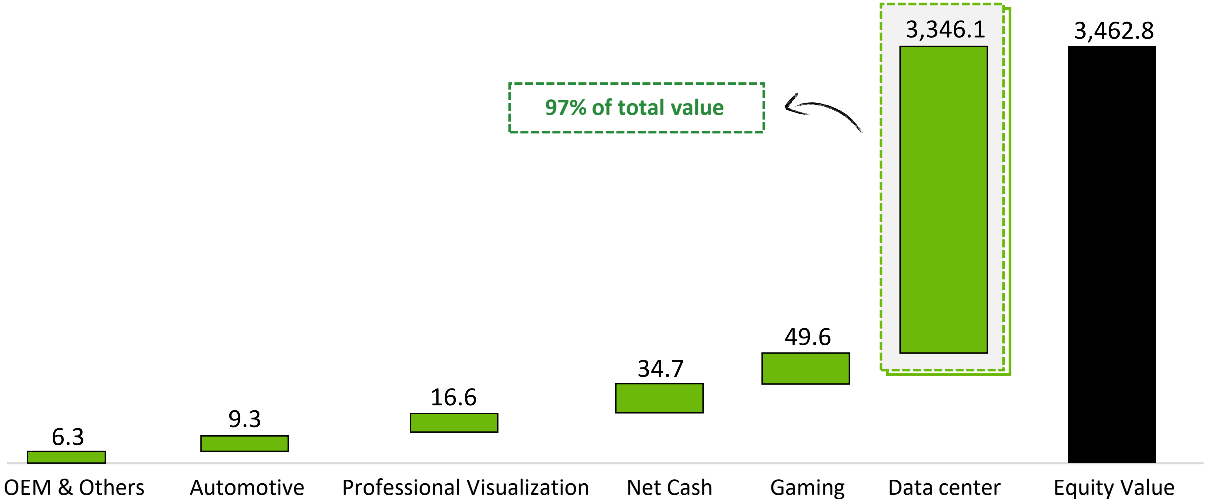
II. No other company turns AI demand into economic value as effectively as NVIDIA

ROIC Breakdown (2024)



III. NVIDIA is priced as an AI company, data center drives nearly all of its value

Value Added to Market Cap by Segment (US$ millions)



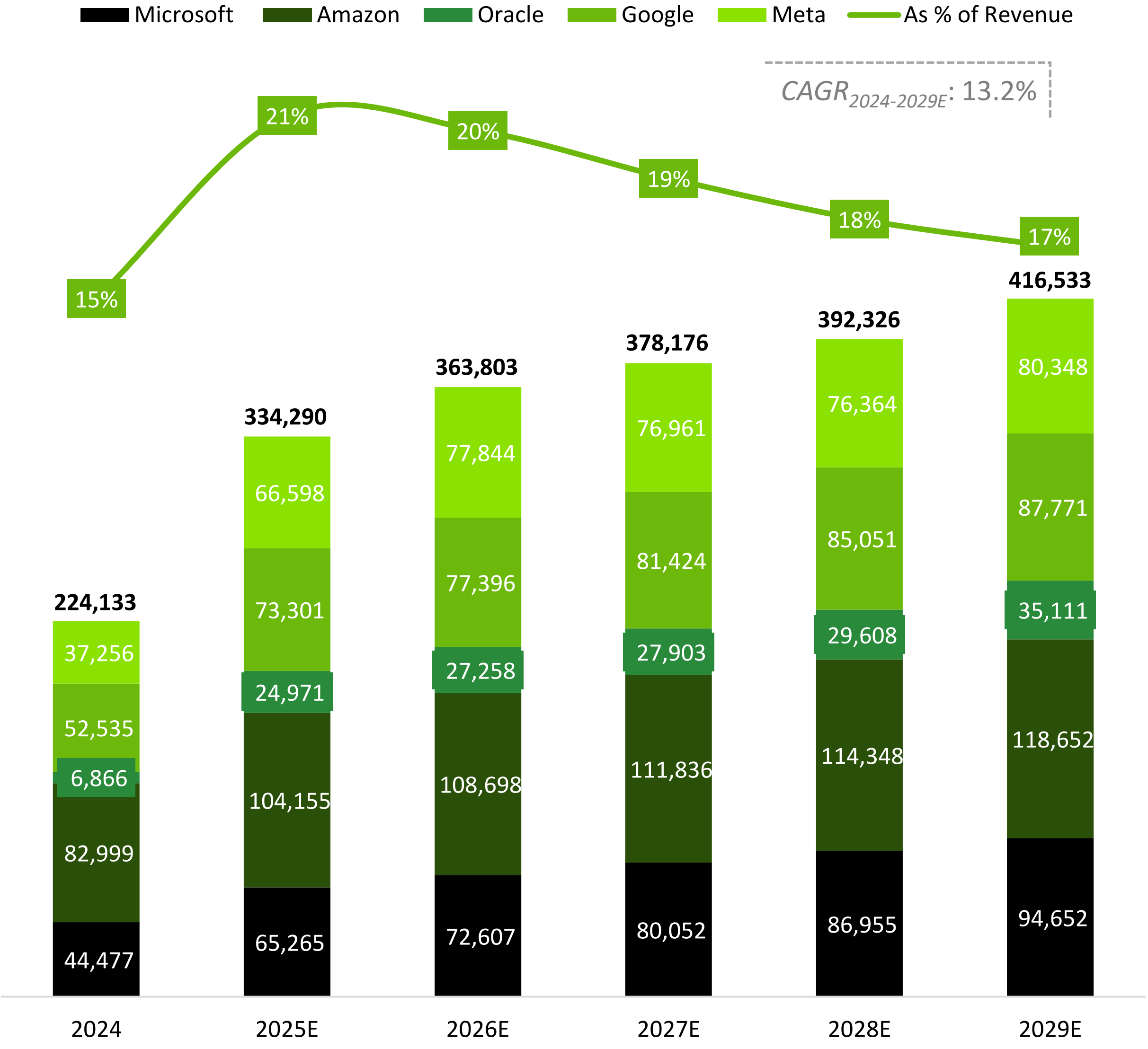
Source: Companies IR, Group elaboration

Hyperscalers CapEx Forecast

AI is reshaping infrastructure priorities, hyperscalers are rapidly scaling CapEx to meet compute demand

I. Cloud and AI investments are accelerating, Hyperscalers CapEx to grow at 18.9% CAGR

CapEx Hyperscalers (US$ million)



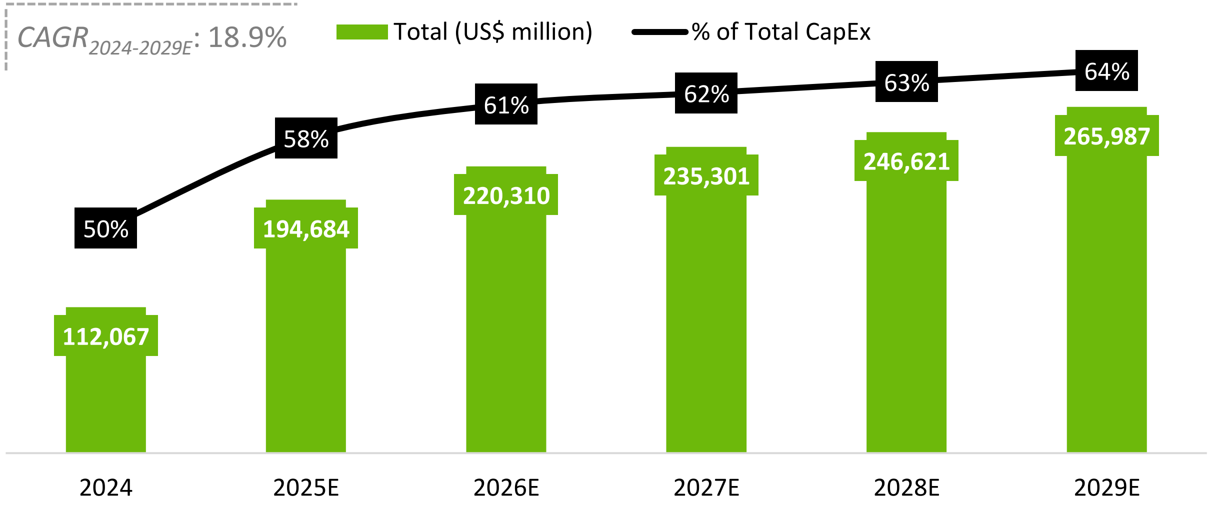
II. Rising compute needs are triggering massive CapEx expansion across Hyperscalers

Why Are Hyperscalers Ramping Up CapEx?

Meta	Zuckerberg indicated that to support LLaMA-5/6 and real-time inference, **Meta will have to triple its infrastructure**, pushing CapEx to even higher levels this decade
ORACLE	Facing Microsoft–OpenAI's "Stargate" super-cluster, Oracle must raise CapEx to keep OCI's compute and latency competitive **while maintaining its sovereign-cloud edge**
Google	CFO Anat Ashkenazi says Google's capacity is tight, so the company will ramp up data-center **CapEx to close the AI demand gap**
amazon	AWS's multi-year **AI backlog already far outweighs its upcoming capital plan**, prompting CFO Brian Olsavsky to push for an unprecedented data-center expansion
Microsoft	Demand for **Copilot and Azure AI pushes Microsoft to boost data-center CapEx**, with the "Stargate" super-cluster now setting its build scale

III. Most CapEx now flows into data centers, highlighting their role in Hyperscaler growth

CAPEX destined for Data Center



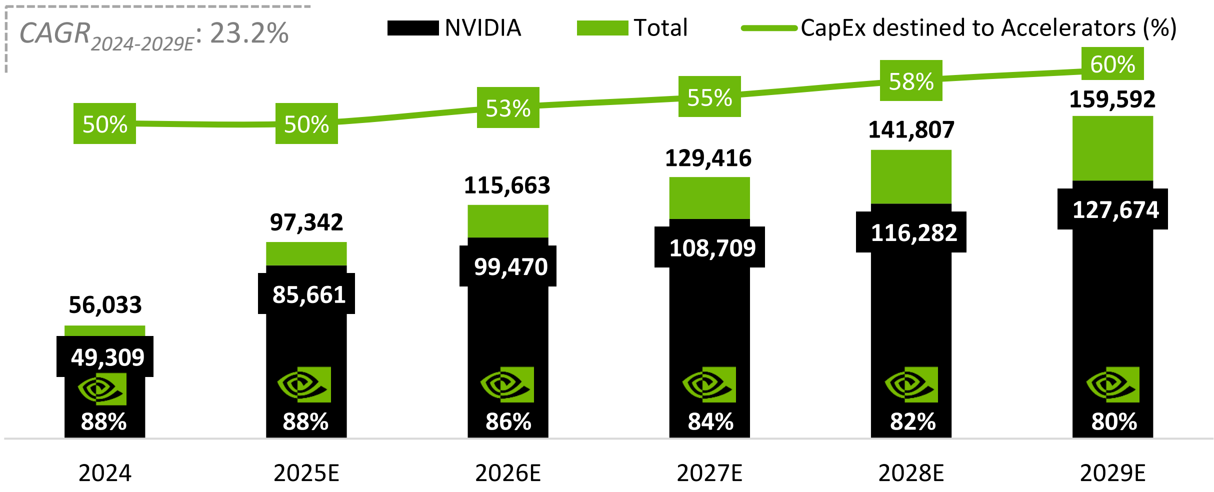
Source: Companies IR, Group elaboration, Bloomberg

NVIDIA Data Center Revenue Build Up

NVIDIA is uniquely positioned to capitalize on rising AI accelerator demand, and our projections reflect that upside

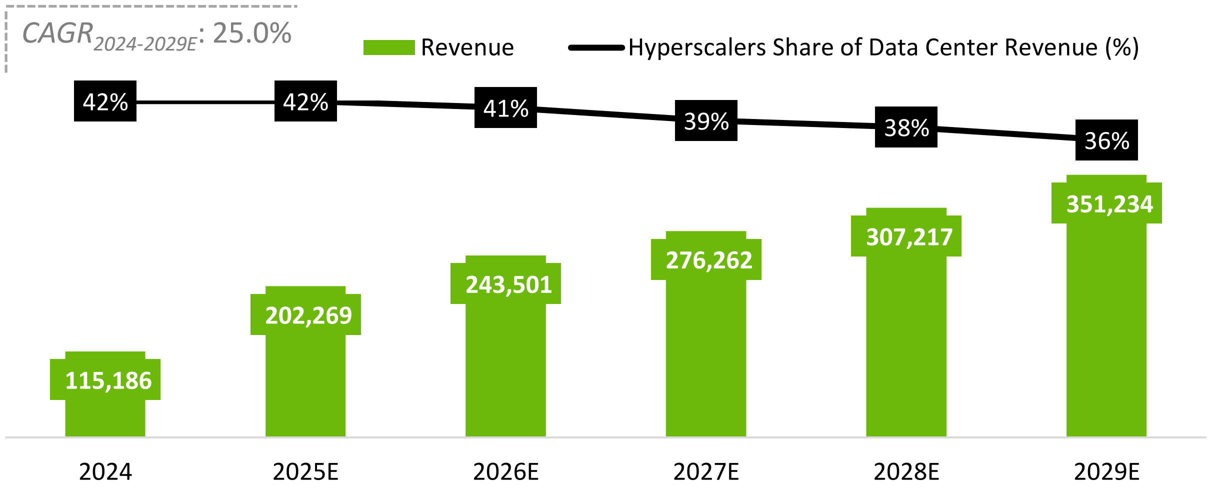
I. Hyperscalers are allocating more to accelerators, driven by the AI shift in data centers

Data Center CapEx Destined to Accelerators (US$ millions) and NVIDIA Market Share (%)



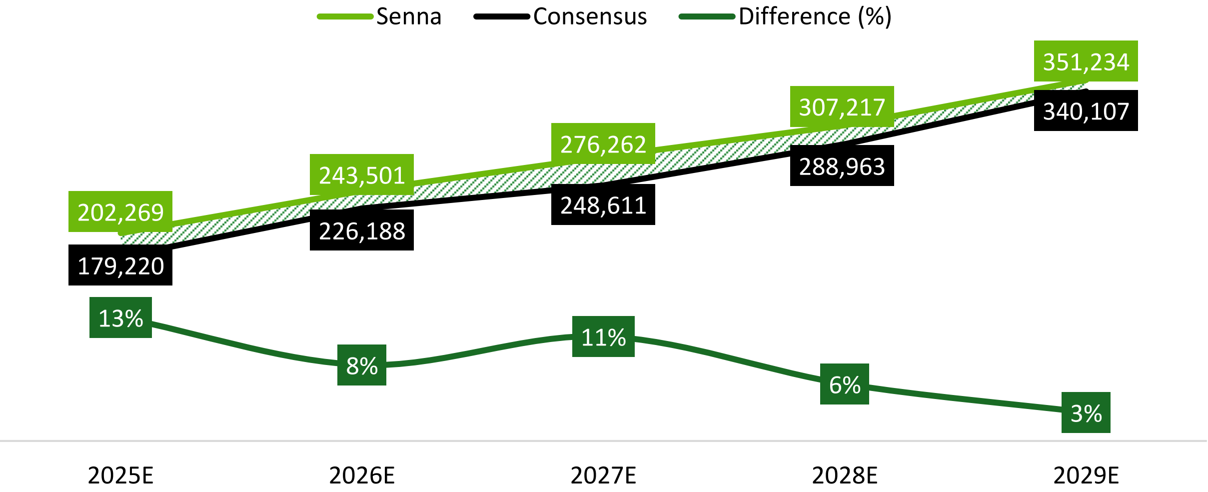
II. GPU demand for AI workloads will drive NVIDIA's revenue growth in the coming years

NVIDIA Data Center Revenue (US$ Millions)



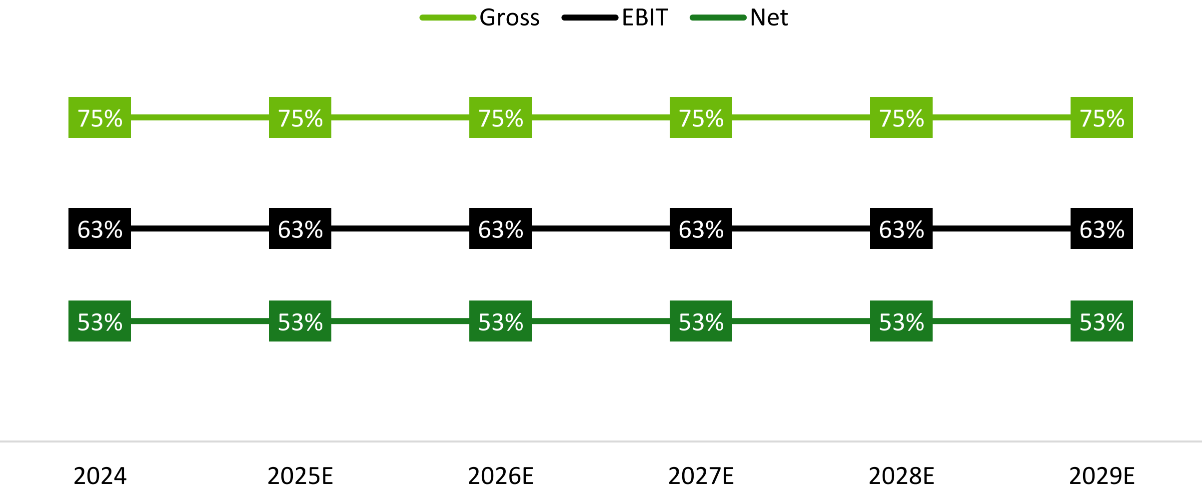
III. Our projections exceed consensus, driven by accelerated AI infrastructure growth

NVIDIA's Data Center Revenue (US$ Millions) | Senna Projection x Market Consensus



IV. We believe NVIDIA's pricing power will sustain margins

Projected Margins



Source: NVIDIA IR, Group elaboration, Bloomberg

Is our Desired IRR Viable? Yes!

For a company of such high quality, we believe there is ample room to allocate capital and generate a satisfactory return

I. Through a reverse valuation approach aligned with our desired IRR, the analysis supports a compelling return even under conservative multiples for a company of this caliber

Entry & Exit: Taking a Conservative Stance

29x Entry Multiple 2025 — **P/E Forward 1y** — **28x** Exit Multiple 2028

23.2%
IRR

Required P/E Analysis

Senna's Revenue CAGR: 24%

Revenue CAGR

IRR	15%	20%	25%	30%	35%	40%	45%
Min: 15%	34x	27x	22x	18x	15x	12x	10x
Base: 20%	39x	31x	25x	21x	17x	14x	12x
Bull: 30%	44x	35x	29x	23x	19x	16x	13x

The P/E ratio exceeded 25x in **83%** of the weeks over the **past 10 years**

We believe NVIDIA is positioned to grow by **at least 24%**, capitalizing on the AI boom, while also viewing opportunities like **Robotics** positively

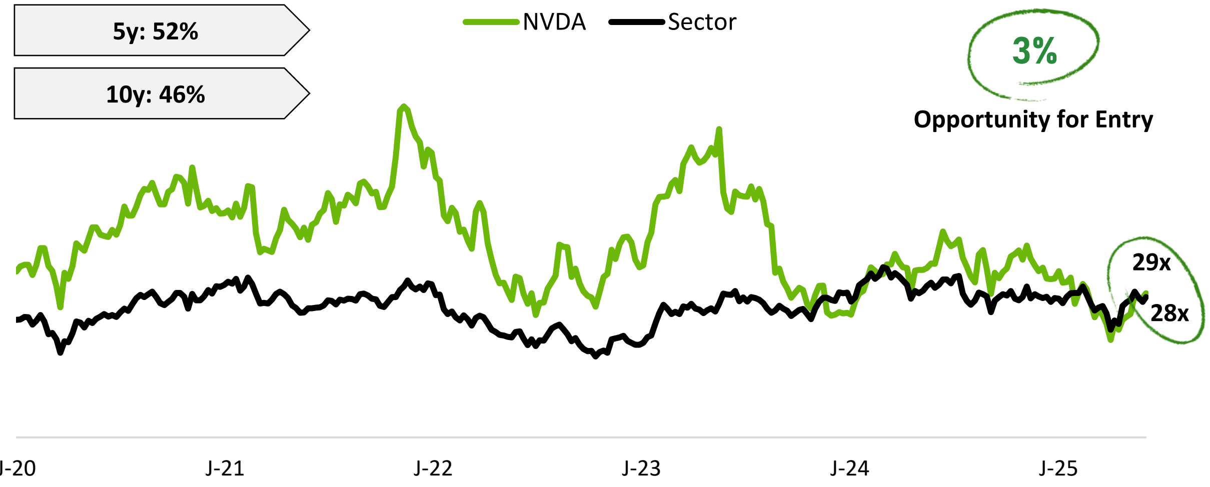
II. With a multiple premium to the sector well below historical averages—especially when compared to peers of significantly lower quality—we believe this is a compelling entry point

Average Premium:

5y: 52%

10y: 46%

Historical P/E 1yFw



Premium Today:

3%

Opportunity for Entry

P/E Key Breakdown

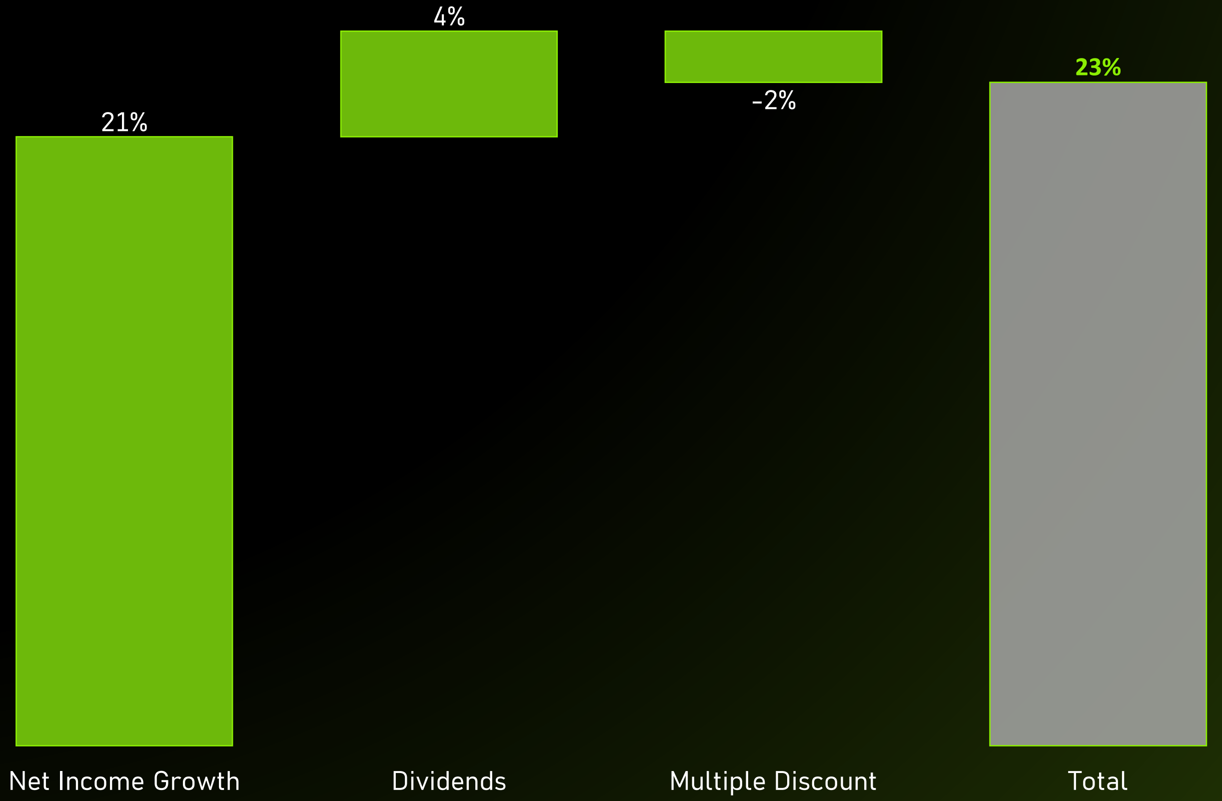
(%)	ROE	Earnings Growth (5y)	Return (5y)	P/E (1yFw)
NVIDIA	**101%**	**92%**	**1,465%**	**29x**
AMD	8%	37%	140%	24x
Broadcom	15%	32%	758%	35x
Cadence	31%	16%	224%	41x

Source: Group elaboration

Case in a Nutshell

NVDA: We are Long!

IRR Breakdown



Impact on our thesis

Keys insights for thesis returns

Data center investments

New releases products

New market trends

Management

Nvidia's ecosystem creates a competitive advantage

Management and human capital as a key differentiator

Nvidia is well positioned to capture the AI market

2025 Entry Year

23.2% IRR

2028 Exit Year

10.4% Cost of equity

Entry Value: US$3,415.7 *Billions*

29x P/E Entry Multiple

28x P/E Exit Multiple

Exit Value: US$5,710.8 *Billions*

Risks and Scenarios

From Opportunity to Threat: Mapping the IRR Upside and Stress-Testing the Core Risks

I. Mapping IRR Potential Across Bear, Base, and Bull AI Outlooks

IRR Scenarios Analysis

	Bear	Base	Bull
Marginal CapEx to Data Center (%)	70.0%	80.0%	90.0%
CapEx destined to Accelerators (%)	50.0%	60.0%	70.0%
NVIDIA GPU Market Share (%)	70.0%	80.0%	90.0%
Gross Margin	65.0%	75.0%	80.0%
Exit Multiple	15x	28x	35x
IRR	**(13.8%)**	**23.2%**	**35.4%**

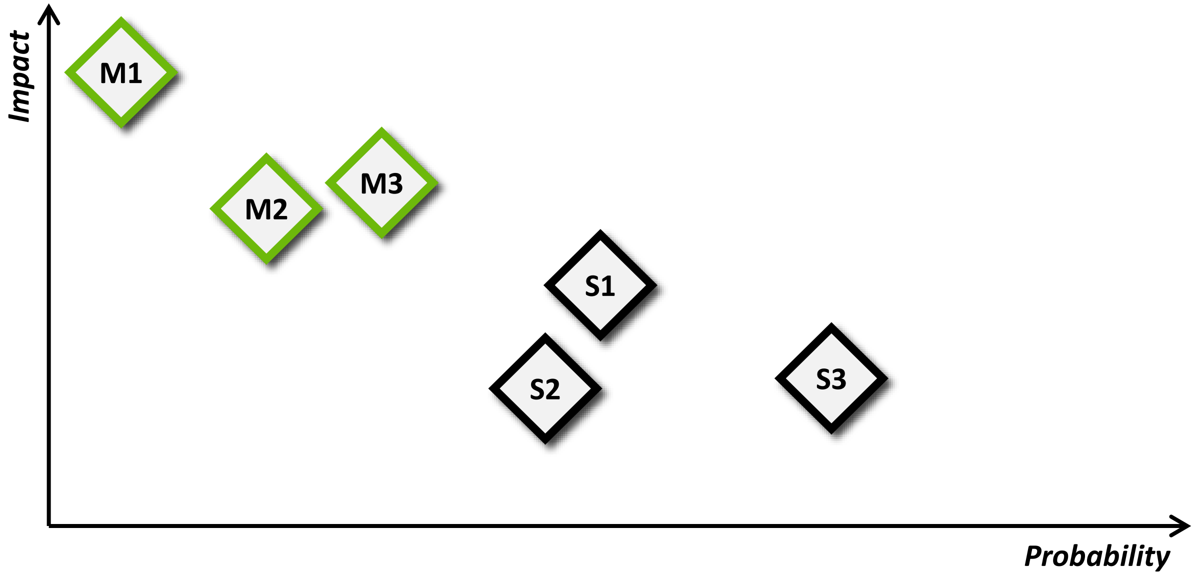
II. Stress Testing the Thesis: How Core Risks Could Break the Upside

IRR Scenario Analysis of Key Risks

ASICs CHIP	Scenario 1	Scenario 2	Scenario 3
NVIDIA Market Share (%)	55%	65%	75%
Gross Margin (%)	60%	65%	70%
IRR	**2.8%**	**8.9%**	**15.0%**
Slow Down in AI Investments	**Scenario 1**	**Scenario 2**	**Scenario 3**
Marginal CapEx to Data Center (%)	40%	50%	60%
CapEx destined to Accelerators (%)	35%	40%	45%
IRR	**(4.2%)**	**(2.0%)**	**8.1%**

III. Risk Matrix: Identifying the Most Impactful Threats to NVIDIA's Upside

Risk Matrix



Sector		Macro	
S1	Asics Chip	M1	China Invades Taiwan
S2	Hardware Competition	M2	Economic Deceleration Risk
S3	DeepSeek V2 Efficient	M3	Slowdown in AI Investments

Source: Group elaboration

We are open for Q&A!

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Presentation Index

Appendix Index

Glossary

Focused Semiconductor Glossary

ASIC (Application-Specific Integrated Circuit) — chip custom-built to perform a narrow task more efficiently than a general-purpose processor.
Bandwidth — maximum data-transfer rate across an interconnect (e.g., NVLink, HBM), measured in GB/s or TB/s.
Blackwell — Nvidia's 2024 GPU architecture (e.g., B200) optimized for generative-AI workloads.
Data-Center GPU — accelerator class designed for AI/HPC; 24/7 reliability, huge memory bandwidth, multi-GPU scaling.
Die — individual piece of silicon cut from a wafer containing the functional circuitry of a chip.
FLOPS / PFLOPS — floating-point operations per second (petaFLOPS = 10^{15} FLOPS), standard measure of compute throughput.
Foundry / Fab — manufacturing plant that fabricates semiconductor wafers (e.g., TSMC).
FP4 / FP8 / FP16 — 4-, 8- and 16-bit floating-point formats that trade accuracy for higher AI throughput.
GB200 / GB200 NVL72 — Grace CPU + Blackwell GPU superchip / 72-GPU rack-scale system linked via NVLink Switch.
GDDR7 — seventh-generation graphics DRAM delivering ultra-high bandwidth for gaming GPUs.
HBM3e (High-Bandwidth Memory) — stacked DRAM beside the GPU die, reaching TB/s-level bandwidth.
Hopper — Nvidia's 2022 GPU architecture (e.g., H100) preceding Blackwell.
HPC (High-Performance Computing) — large-scale scientific/engineering workloads requiring massive parallel compute.
Interconnect — physical/protocol layer linking chips or servers (PCIe, NVLink, InfiniBand).
Latency — time delay between sending data and its arrival; critical for GPU-to-GPU communication.
Moore's Law — observation that transistor counts roughly double every two years, lowering cost per transistor.
NVLink / NVLink-C2C — Nvidia's high-speed, low-latency GPU interconnect; C2C denotes chip-to-chip links.
NVLink Switch — external fabric creating a unified memory space across dozens of NVLink-connected GPUs.
Parallelism (Tensor / Data / Model) — distributing computations across many GPU cores or nodes to cut training time.
Pascal / Volta / Ampere — Nvidia's 2016, 2017 and 2020 GPU architectures, respectively.
Process Node — manufacturing technology generation (e.g., 5 nm) defined by transistor feature size.
Ray Tracing — rendering method simulating light paths for realistic graphics; accelerated by RTX-class GPUs.
ROCm — AMD's open-source GPU-computing platform positioned as a CUDA alternative.
Scale-up vs. Scale-out — adding more GPUs inside one server (scale-up) vs. linking many servers (scale-out).

Source: Group elaboration

Data Center Investments

Stargate: The New Race for AI Infrastructure

With up to $500B in investments, OpenAI, SoftBank, and Oracle are building the global backbone of generative intelligence

Abilene, Texas

Stargate is a **$500B initiative by OpenAI, SoftBank, Oracle, and MGX to build AI-focused data centers** across the globe. It aims to secure large-scale compute for training advanced models and supporting national AI strategies, starting in Texas and the UAE

How Nvidia can win with Stargate?

1. Massive GPU sales

Stargate will require hundreds of thousands of high-end AI chips, and NVIDIA is the dominant supplier. Oracle, a key partner in Stargate, has already committed to purchasing **up to $40 billion** worth of NVIDIA GPUs to power the initial U.S. data centers

2. Software and Licensing

Beyond hardware, NVIDIA earns recurring revenue from its AI frameworks, and proprietary tools, which are essential for training and deploying models at scale. **Stargate's reliance on these tools further locks in revenue**

Sam Altman, CEO at OpenAI

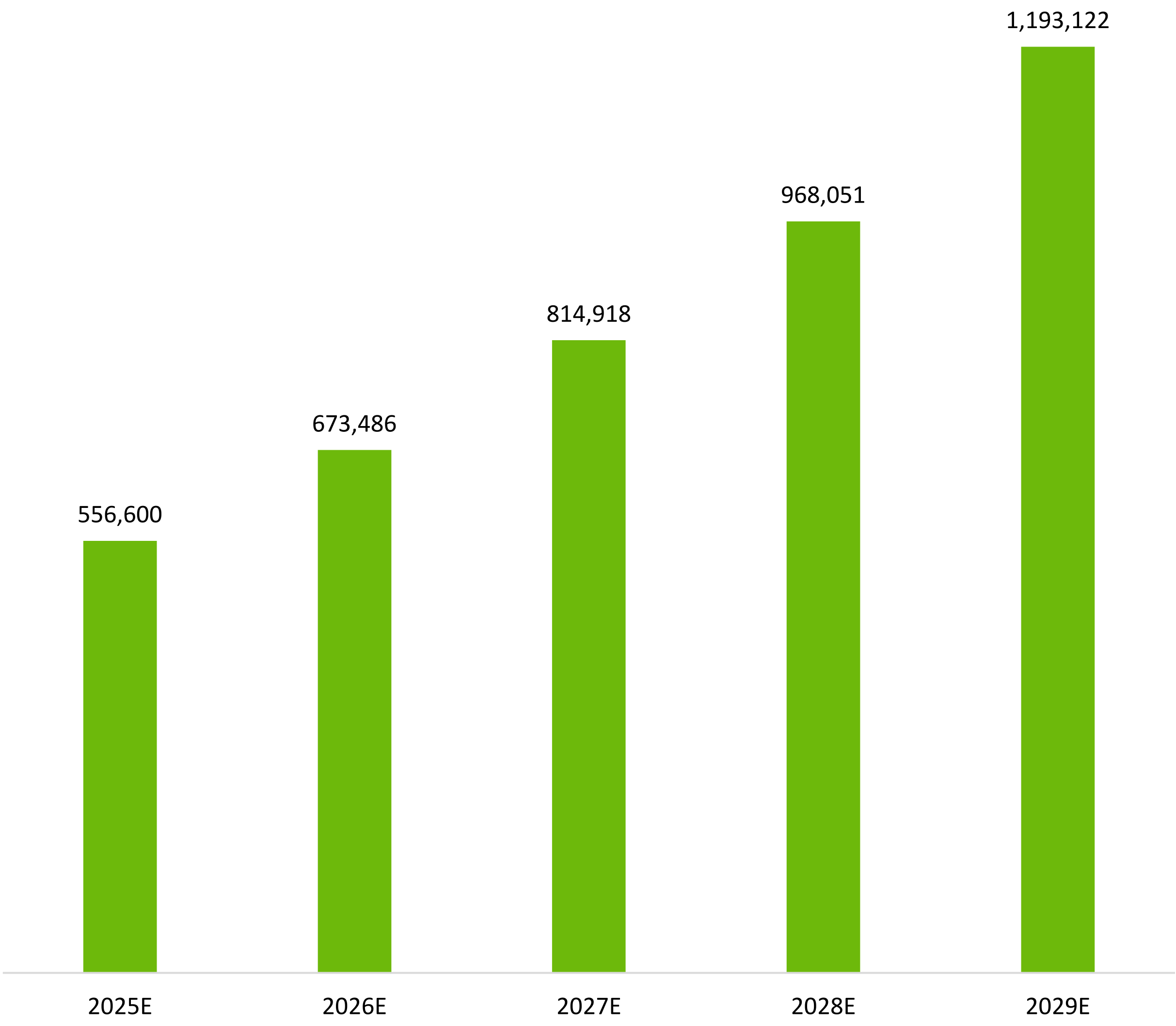
"We believe Stargate will become the foundational infrastructure for the future of artificial intelligence, not just to train more powerful models, but to ensure they are developed safely, aligned with human values, and accessible to the world's democracies"

Source:

Data Center Demand

Market valuations increasingly hinge on expectations of sustained, AI-driven data center demand

Dell'oro projections

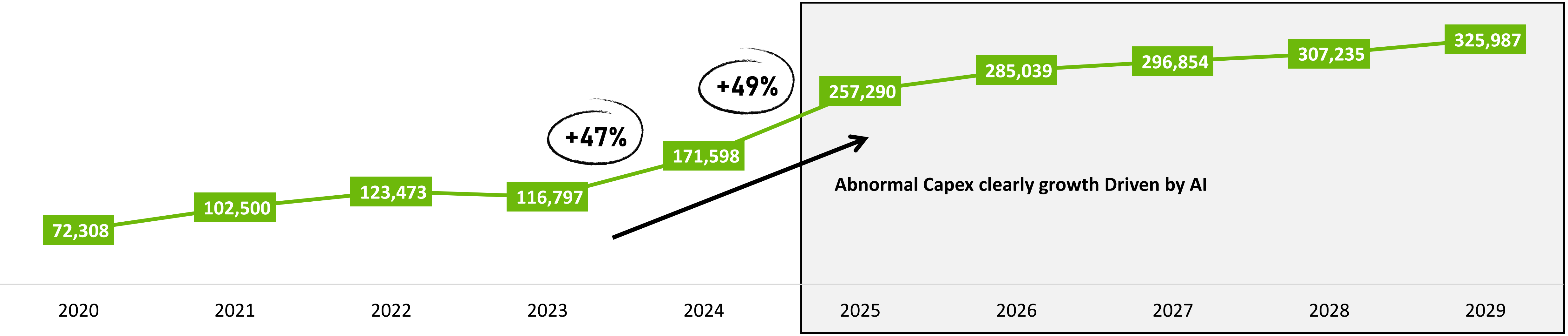


McKinsey Projections

Source:

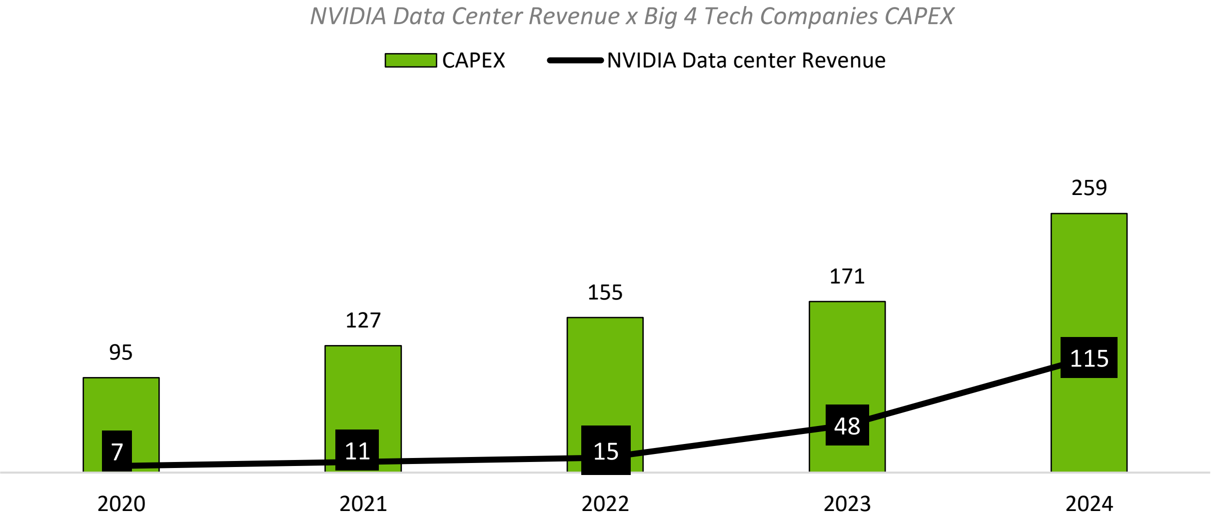
Marginal Capex

The abnormal growth in CapEx signals an acceleration of investments in AI. This clearly indicates a strategic shift by big tech companies toward the new wave of innovation



Everyone is allocating incremental capital to AI, and NVIDIA is already seeing the impact in its revenue

Meta	Meta raised its 2025 CapEx guidance to US $64 billion. CEO Mark Zuckerberg confirmed that US $62 billion of that total will be directly devoted to AI infrastructure
ORACLE	Facing Microsoft–OpenAI's "Stargate" super-cluster, Oracle must raise CapEx to keep OCI's compute and latency competitive **while maintaining its sovereign-cloud edge**
Google	Google expects to spend US $75 billion in CapEx for 2025. CFO Anat Ashkenazi noted that **most of it will go to technical infrastructure, mainly servers and data centers**
amazon	In February, Jassy said Amazon expects to spend more than $100 billion in capex, the "vast majority" of which would go to AI infrastructure for Amazon Web Services
Microsoft	Microsoft plans to invest around US $80 billion in data centers in FY25. CFO Amy Hood said capex will grow more slowly and include a higher share of short-lived assets

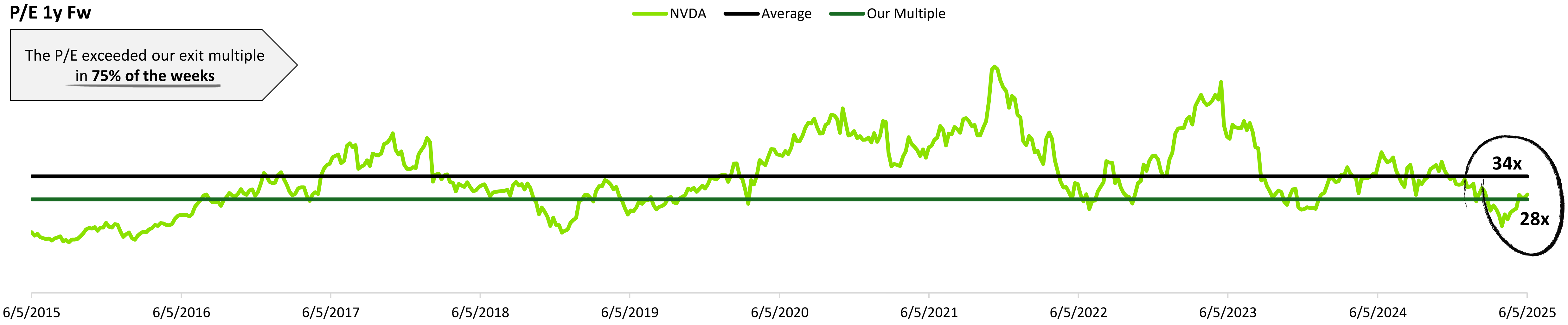


Source:

Multiple Rationale

I. Rationale Behind Our Exit Multiple Assumption

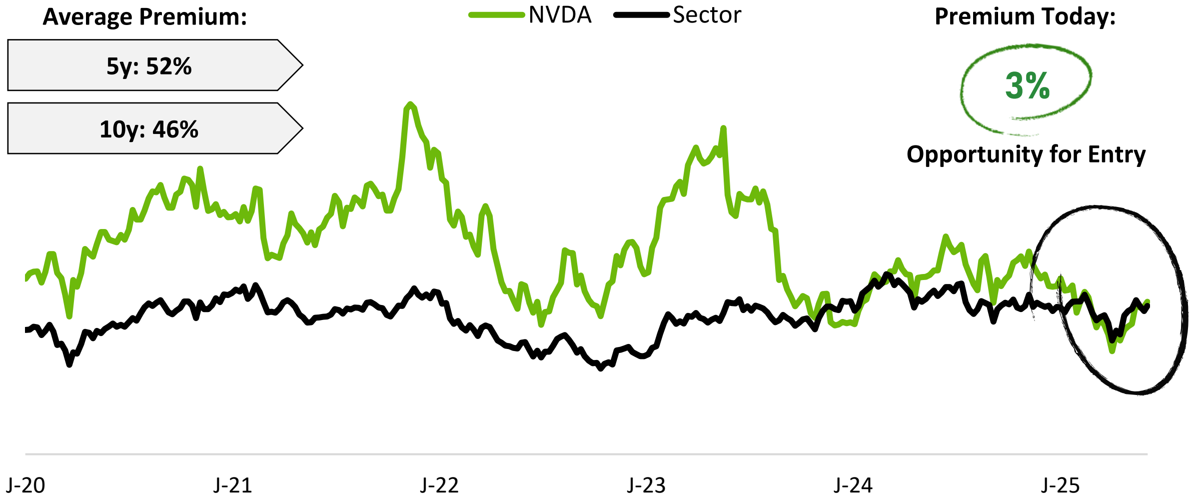
Historical data shows the current multiple is well below previous averages



The highest-quality company in the sector is trading at a historically low multiple

(%)	ROE	Earnings Growth (5y)	Return (5y)	P/E (1yFw)
NVIDIA	**101%**	**92%**	**1,465%**	**29x**
AMD	8%	37%	140%	24x
Broadcom	15%	32%	758%	35x
Cadence	31%	16%	224%	41x

The current premium to the sector is well below historical averages



Source: Group Elaboration

II. Rationale Behind Our Exit Multiple Assumption

Although we believe the AI boom still has much room to unfold, we used a conservative assumption for our multiple, based on a normalized moment for the company

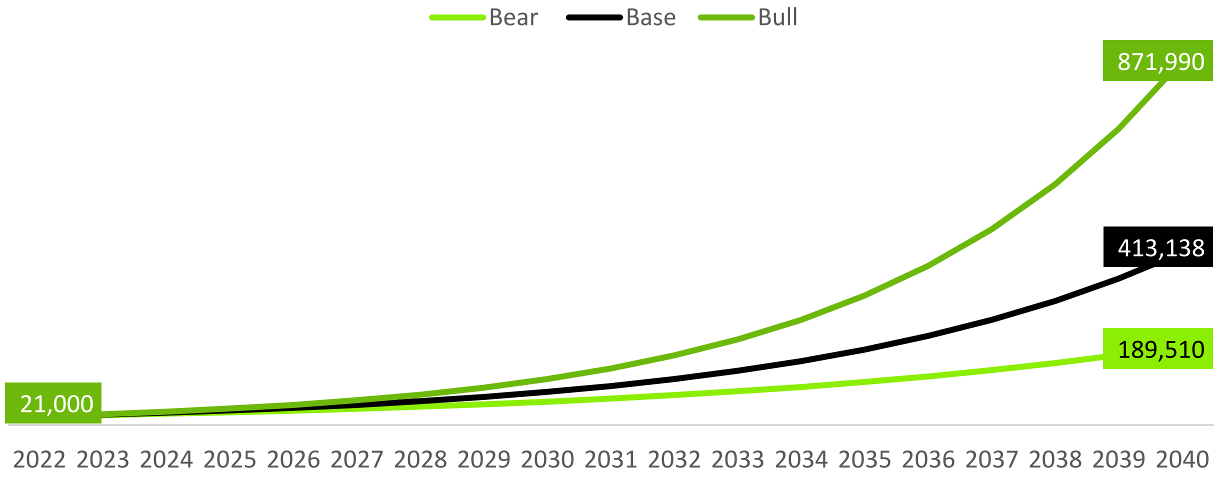
10y	**(2015~2025)**						
Average	34.5						
5y	**(2015~2020)**	**(2020~2025)**					
Average	30.9	39.6					
4y	**(2015~2018)**	**(2018~2021)**	**(2021~2024)**				
Average	28.5	37.4	40.2				
3y	**(2015~2017)**	**(2017~2019)**	**(2019~2021)**	**(2021~2023)**	**(2023~2025)**		
Average	27.7	31.9	39.7	42.2	36.3		
2y	**(2015~2016)**	**(2016~2017)**	**(2017~2018)**	**(2018~2019)**	**(2020~2021)**	**(2021~2022)**	**(2023~2024)**
Average	21.8	30.6	33.8	29.3	45.4	42.1	38.3

We chose a multiple from **before the AI boom**

Only in one period, among all observed, was the multiple lower than the one we selected

In addition to using a conservative multiple, we believe the company may still unlock new revenue streams — such as through Robotics — which could trigger a new wave of growth

Robotics Industry (US$ million)



Monetization Opportunities through Robotics

NVIDIA is betting on robotics as its next growth engine, monetizing through Isaac (software licensing) and Omniverse + Cosmos (realistic and scalable simulation). **These platforms expand its reach beyond hardware, targeting a trillion-dollar market**.

Isaac Platform: A comprehensive framework for the development, simulation, and deployment of autonomous robots. Revenue comes from software licensing and integration.

Simulation with Omniverse: High-fidelity environment simulation for virtual robot training, powered by a precise physics engine and integrated with the NVIDIA Cosmos platform for scalable deployment.

Jensen Hung, Nvidia's Founder & CEO

"I think this is likely to be the next multi-trillion-dollar industry."

Source: McKinsey, NVIDIA IR

Risks

DeepSeek Day

DeepSeek's rapid ascent challenges incumbents, raising questions about model openness, security, and competitive stability

https://www.the-sun.com/tech/13396198/nvidia-most-valuable-company-loses-billions

CHIPS ARE DOWN World's most valuable company making AI chips loses $600bn in biggest market loss EVER after China's DeepSeek launch

On January 27, 2025, Nvidia's shares plummeted by about 17%, dropping from $142.62 to $118.42, wiping out nearly $600 billion in market value the largest single-day loss in the history of a U.S. company.

DeepSeek R1 posed a direct threat to Nvidia's moat

- The model was open source, achieved GPT-4-level performance, and cost an estimated $6 million to train, vastly lower than closed alternatives
- Crucially, it ran efficiently with Mixture-of-Experts architecture (activating only 37B parameters), reducing the need for expensive Nvidia GPU clusters
- Investors feared that enterprises might not need to scale GPU spending as aggressively

Shift from scarcity to abundance narrative

- Nvidia's valuation was propped up by the belief that cutting-edge AI was exclusive, expensive, and GPU-intensive
- DeepSeek R1 shattered that illusion, showing that high-quality models could be built faster, cheaper, and without closed ecosystems
- This changed growth projections across the board

Geopolitical concerns & ecosystem disruption

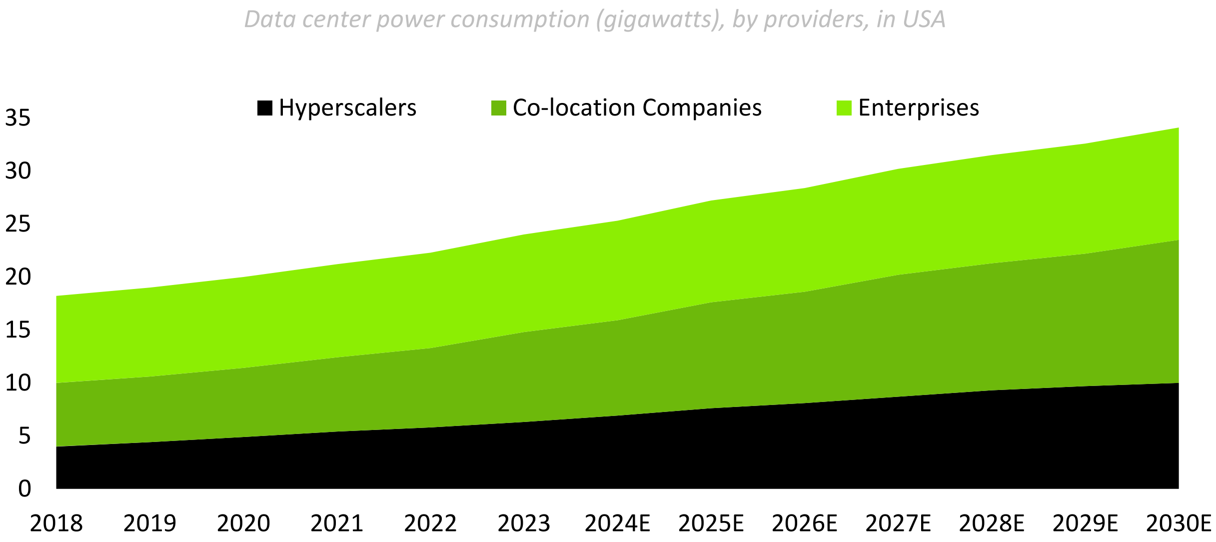
- DeepSeek, being Chinese, sparked fears of global bifurcation in AI development, and raised concerns over data security, regulation, and market share erosion
- The idea that global AI could scale without Western infrastructure was deeply destabilizing to investor sentiment

Source:

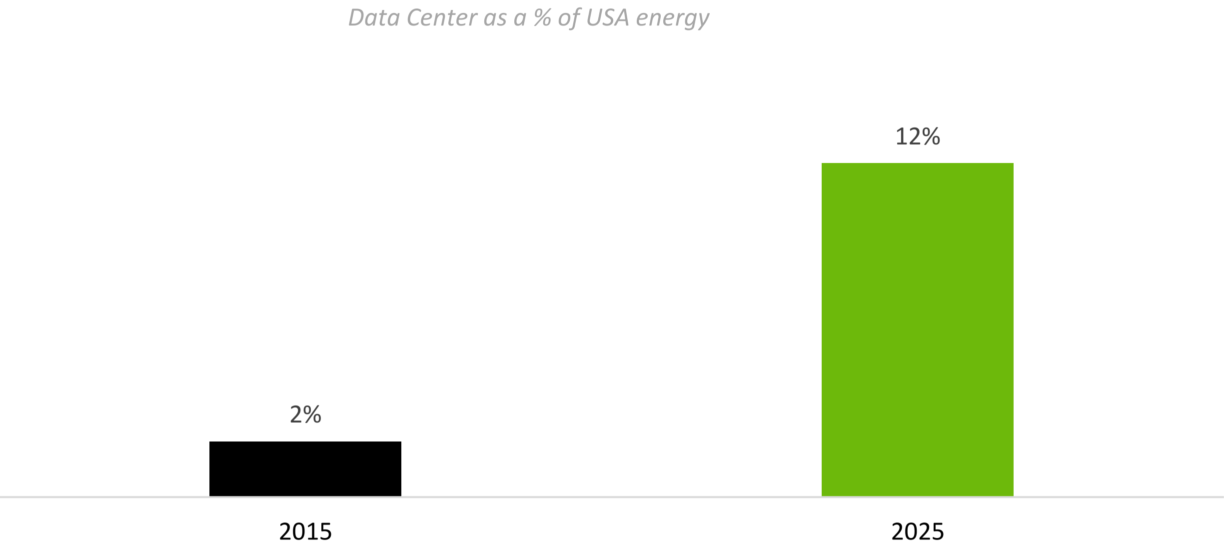
Can Energy be a Risk for AI?

Rising power demands may challenge scalability and sustainability of AI growth

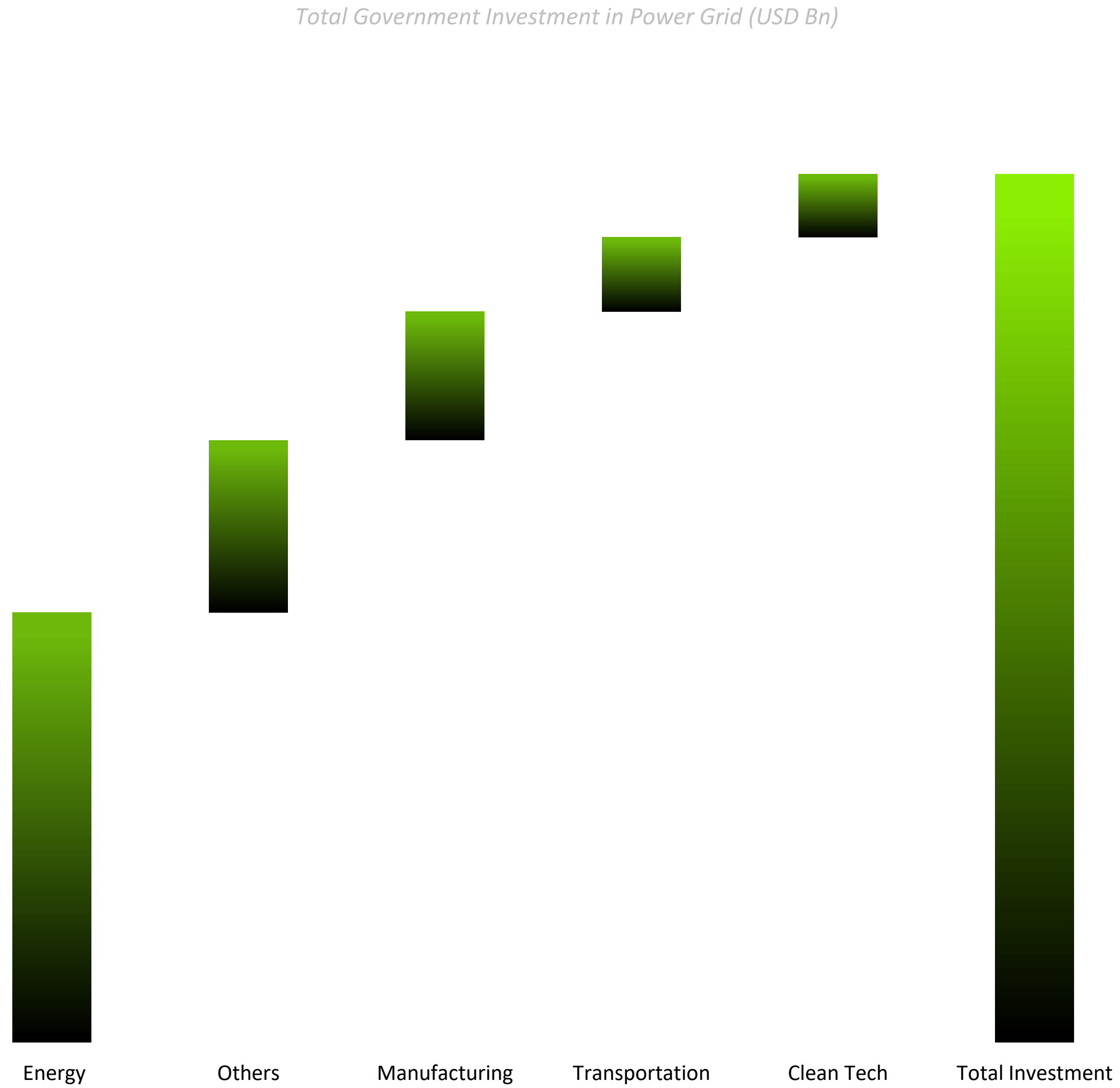
Data centers are booming, led by heavy U.S. tech investments



U.S. data center energy use will grow 6x by 2025, driven by AI and cloud demand



The government is investing to improve energy infrastructure



Source:

Risk: Slowdown in AI investments

AI is powering a multi-trillion dollar shift — with surging adoption, committed CapEx, and too much value at stake. The race is just beginning

AI is disrupting everything and companies are investing fast to avoid being left behind

Why Companies are investing in AI

Why is AI changing everything:

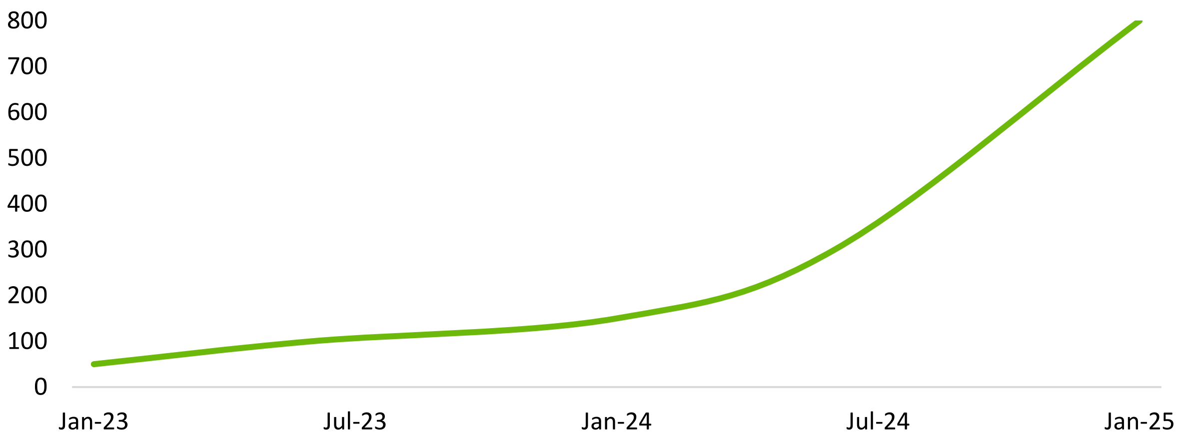
- **AI can learn and execute complex tasks** across multiple domains — something that used to require dozens of separate tools and systems
- **AI benefits** from massive **economies of scale and continuous improvement** — **the more it's used, the better** and more efficient it becomes

Why companies are going all in:

- **Massive productivity gains**: **AI cuts the cost of operational tasks across customer service**, marketing, engineering, and legal
- **AI powers entirely new products** — from copilots to intelligent search and diagnostics — **creating high-margin revenue opportunities** beyond cost reduction
- **Fear of falling behind** (the AI arms race): **Big tech and industry leaders know that whoever masters AI will dominate the next decade**

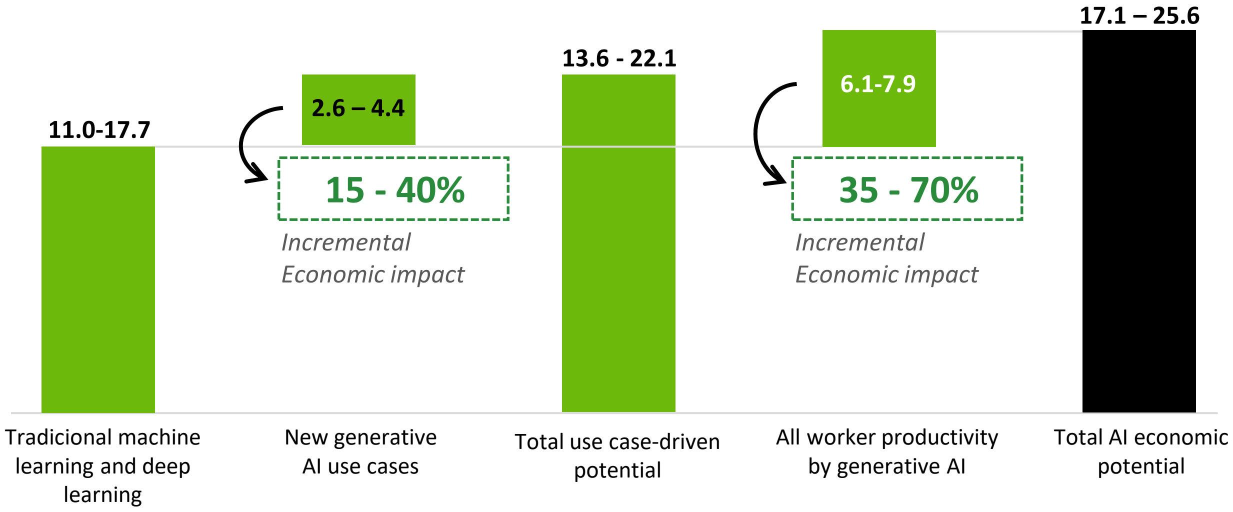
AI usage is skyrocketing and shows no signs of slowing

Number of weekly users in Chat GPT (millions)



Generative AI adds trillions in new value, fueling continued investment

Generative AI's potential impact on the global economy (US$ trillion)



Record investments show Big Tech's long-term AI conviction

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Microsoft	Microsoft plans to invest around US $80 billion in data centers in FY25. CFO Amy Hood said capex will grow more slowly and include a higher share of short-lived assets

Source: McKinsey, Companies IR, Kinea

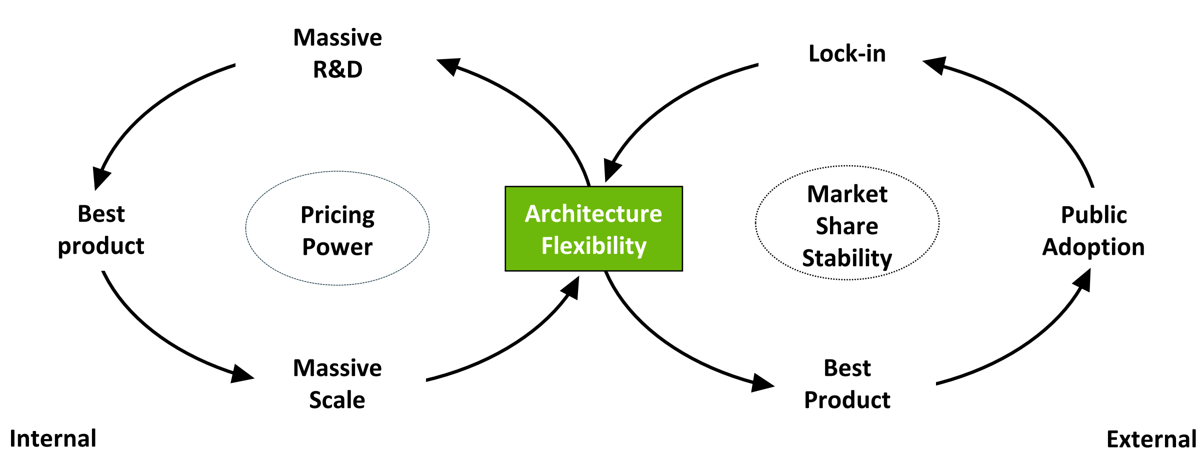
NVIDIA

Where we Disagree with the Consensus?

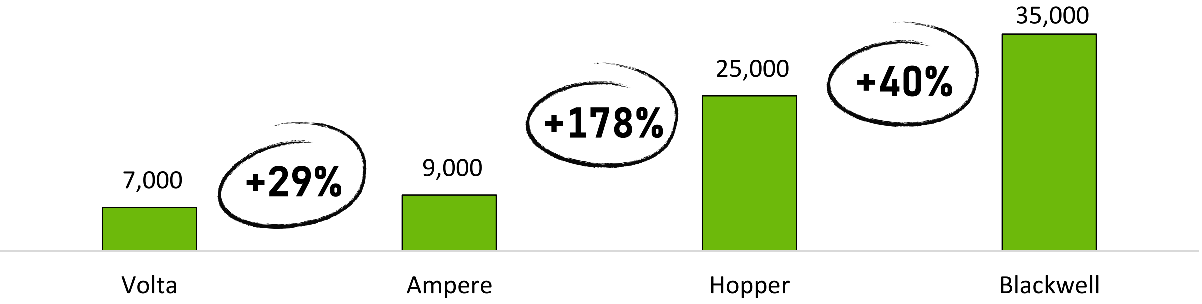
We diverge from consensus on gross margin, projecting 75% versus the consensus at 70%

The ecosystem is ruthless in locking in clients through switching costs and scale

NVIDIA Dynamics



II. Rare pricing power lets the company raise prices without pushback



The Role of Switching Costs, Yale

" **In software markets, switching costs are often particularly high due to incompatibility of data formats, user retraining, and the need to rewrite custom code**. These costs can deter customers from switching even if alternative products are available and better. In markets with high switching costs, **a monopolist can continue to charge high prices or maintain market dominance long after the competitive advantage that initially attracted customers has eroded** "

III. Besides having pricing due to its ecosystem, it locks in clients through its contracts

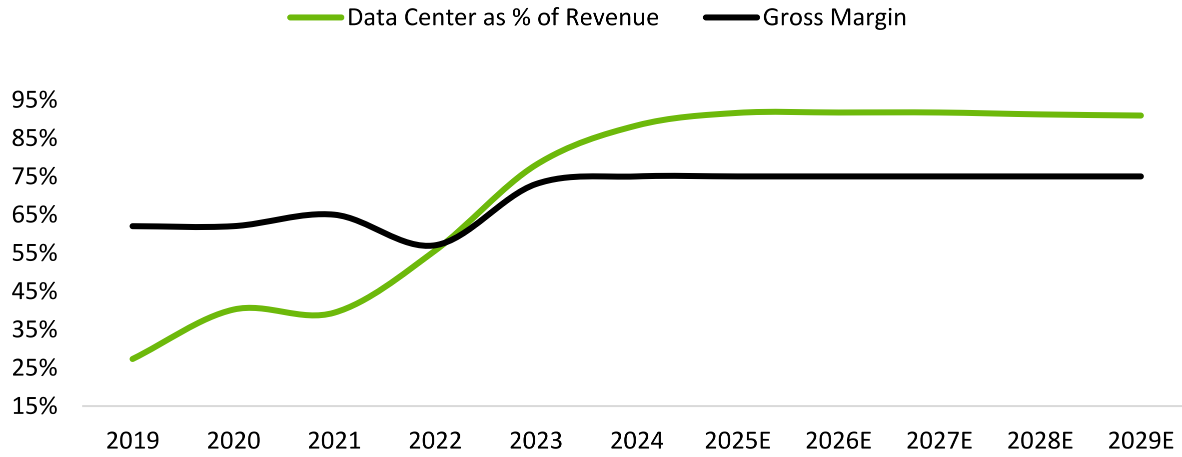
Multi-generation contracts

Meta Google amazon Microsoft

Clients must commit to purchasing future, unreleased GPU generations in order to access the current ones — agreeing to buy up to 3x the volume

IV. Higher Data Center share has driven NVIDIA's Gross Margin expansion

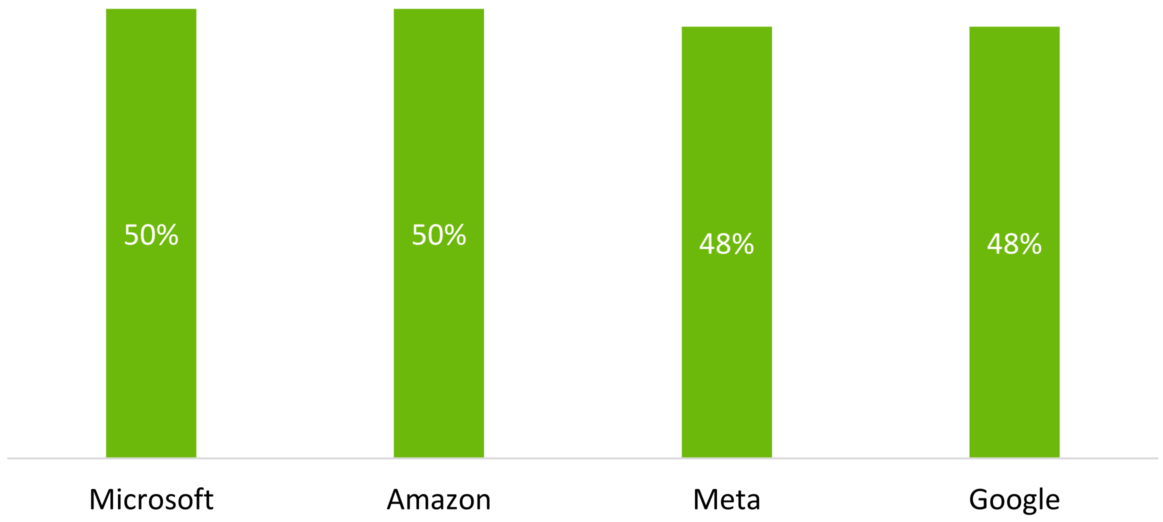
Data Center as % of Revenue x Gross Margin



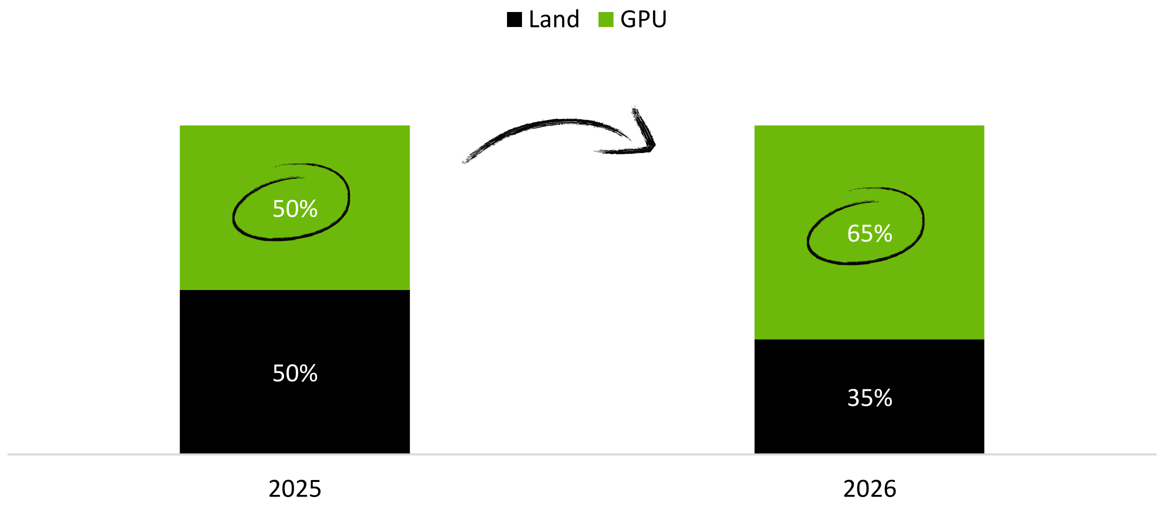
Source:

GPUs Share

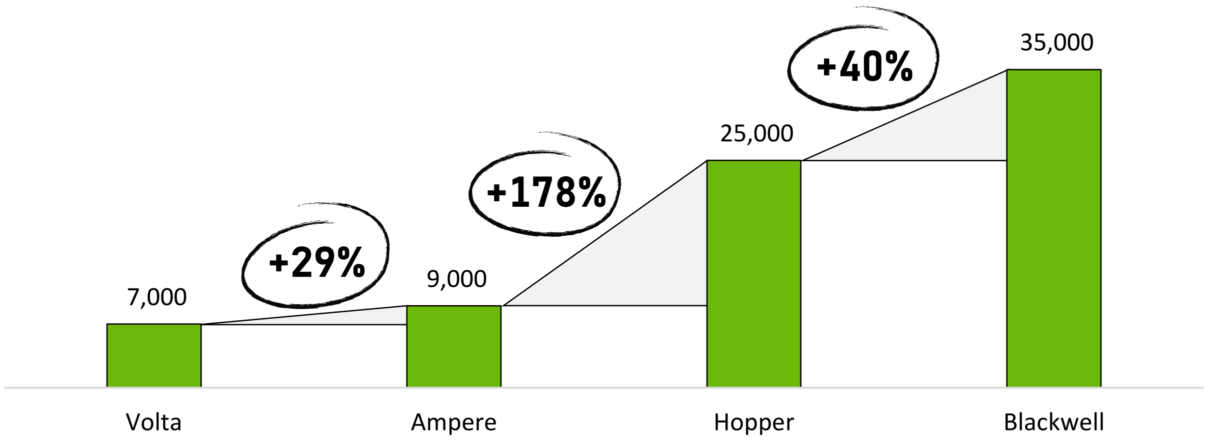
I. Today's GPU Share in AI Capex:



II. Microsoft's numbers indicate a growth in the GPU share of the AI Capex mix



III. But pricing power is likely to Grow:



IV. Unit Economics of a Data Center indicates that GPUs cost could get to 72%

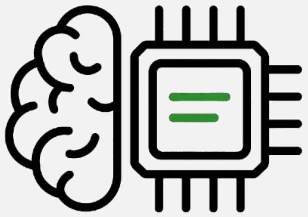
NVIDIA DGX H100 (Hardware Build Up)		AI Server	%
CPU		5,200	
8 GPU + 4 NVSwitch Baseboard	~US$24k/unit <-	**195,000**	**72.4%**
Memory		7,860	
Storage		3,456	
SmartNIC		10,908	
Chassis		563	
Motherboard		875	
Cooling		463	
Power Supply		1,200	
Assembly and Test		1,485	
Markup		42,000	
Total Cost	**US$ thousand**	**269,010**	

Source: Group Elaboration

What if they introduced better software than CUDA

Can CUDA be change? We don’t think so

1. Hardware Superiority



NVIDIA isn’t just leading, it’s setting the pace. Any challenger must deliver a clear performance leap; otherwise, users will simply keep using NVIDIA’s proven platform. In this space, matching isn’t enough, you have to outperform, and that bar keeps rising

2. Extreme Capital Intensity + Long Development Cycles

Building competitive hardware demands billions in R&D, manufacturing, and integration. But money alone isn’t enough, development cycles take years, and by the time a rival product hits the market, NVIDIA will likely have launched its next generation. Time is a brutal adversary.

3. Transparency vs. Proprietary Innovation

Challengers often go open-source to attract developers and build credibility, but this also exposes their roadmap and timing. Meanwhile, NVIDIA moves silently and strategically, supported by a proprietary ecosystem of innovative software libr**aries** like CUDA, TensorRT, and cuDNN. Even if someone catches up, NVIDIA is already launching what comes next

WACC

How we calculate our WACC

Risk Free Rate	4,4%	U.S. 10 Year Treasury
Equity Risk Premium	4,1%	Damodaran
Beta	1,5	
Cost of Equity	**10,5%**	

Beta		
Sector Beta	1,5	Damodaran

Cost of Debt	**5,8%**	Damodaran
Effective Tax Rate	16,5%	
After-Tax Cost of Debt	4,8%	
D	8.463	
(%)	*0,2%*	
E	3.415.756	
(%)	*99,8%*	
Total	3.424.219	
Wacc	**10,5%**	

Source: Group elaboration

Performance Metrics & Goals

Fiscal 2025 performance metrics and goals for NEO pay were as set forth below:

PERFORMANCE METRICS			
	Variable Cash Plan	SY PSUs	MY PSUs
Metric	Revenue	Non-GAAP Operating Income	TSR relative to the S&P 500
Timeframe	1 year	1 year	3 years
CC's Rationale for Metric	Drives value, contributes to Company's long-term success Focuses on growth in new and existing markets Distinct, separate metric from Non-GAAP Operating Income	Drives value, contributes to Company's long-term success Reflects our annual revenue generation and effective operating expense management Distinct, separate metrics from revenue	Aligns directly with long-term shareholder value creation Provides comparison of our stock price performance, including dividends, against a capital market index in which we compete Relative performance goal accounts for macroeconomic factors impacting the market

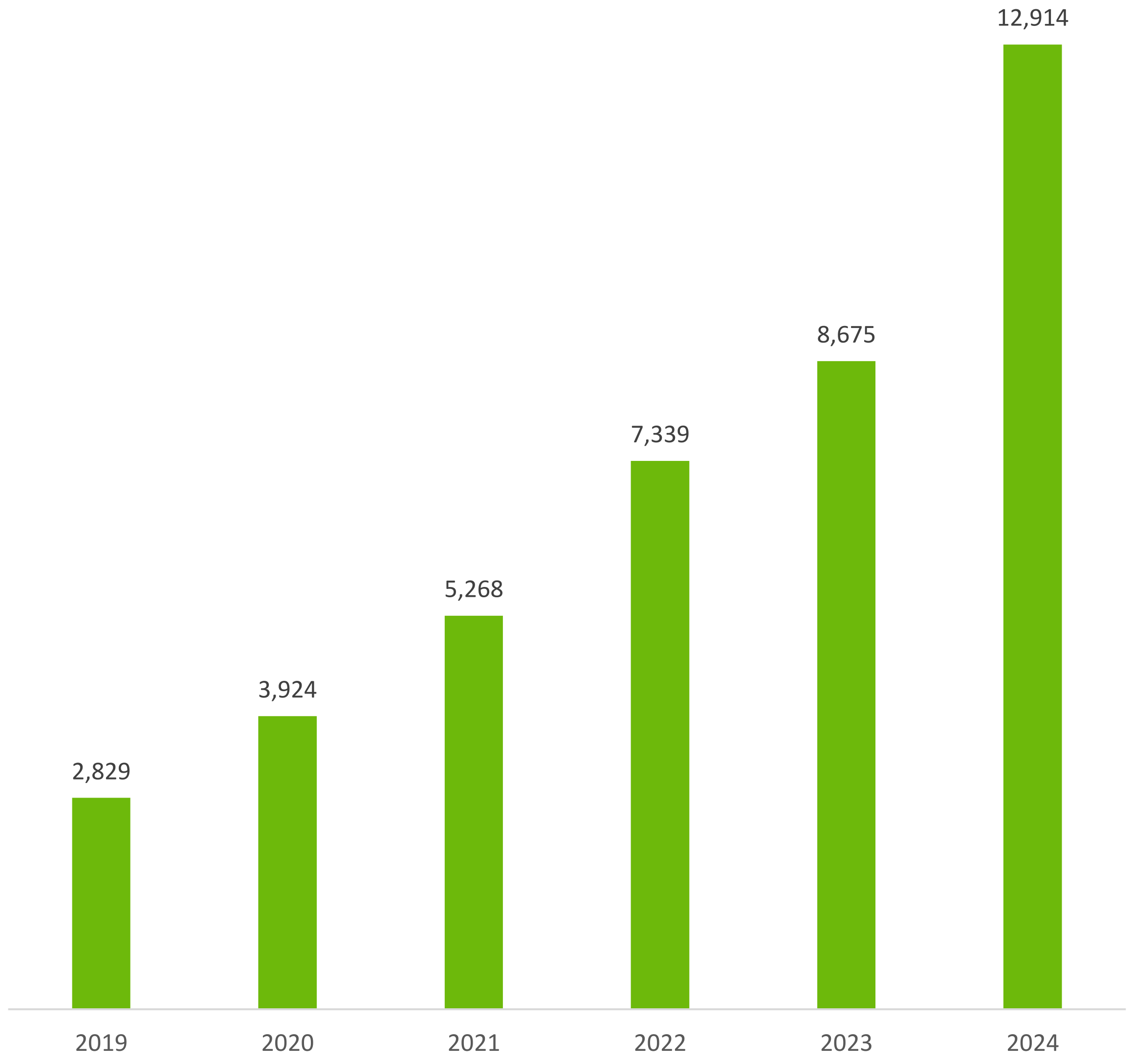
PERFORMANCE GOALS						
	Variable Cash Plan		SY PSUs		MY PSUs	
	Fiscal 2025 Revenue	Payout as a % of Target Opportunity (1)	Fiscal 2025 Non-GAAP Operating Income (2)	Shares Eligible to Vest as a % of Target Opportunity (1)	Fiscal 2025 to 2027 3-Year Relative TSR (3)	Shares Eligible to Vest as a % of Target Opportunity (1)
Threshold	$45.0 billion	50%	$16.0 billion	50%	25th percentile	25%
Base Compensation Plan	$90.0 billion	100%	$56.0 billion	100%	50th percentile	100%
Stretch Compensation Plan	$110.0 billion	200%	$72.0 billion	CEO 150% Other NEOs 200%	75th percentile	CEO 150% Other NEOs 200%

Source:

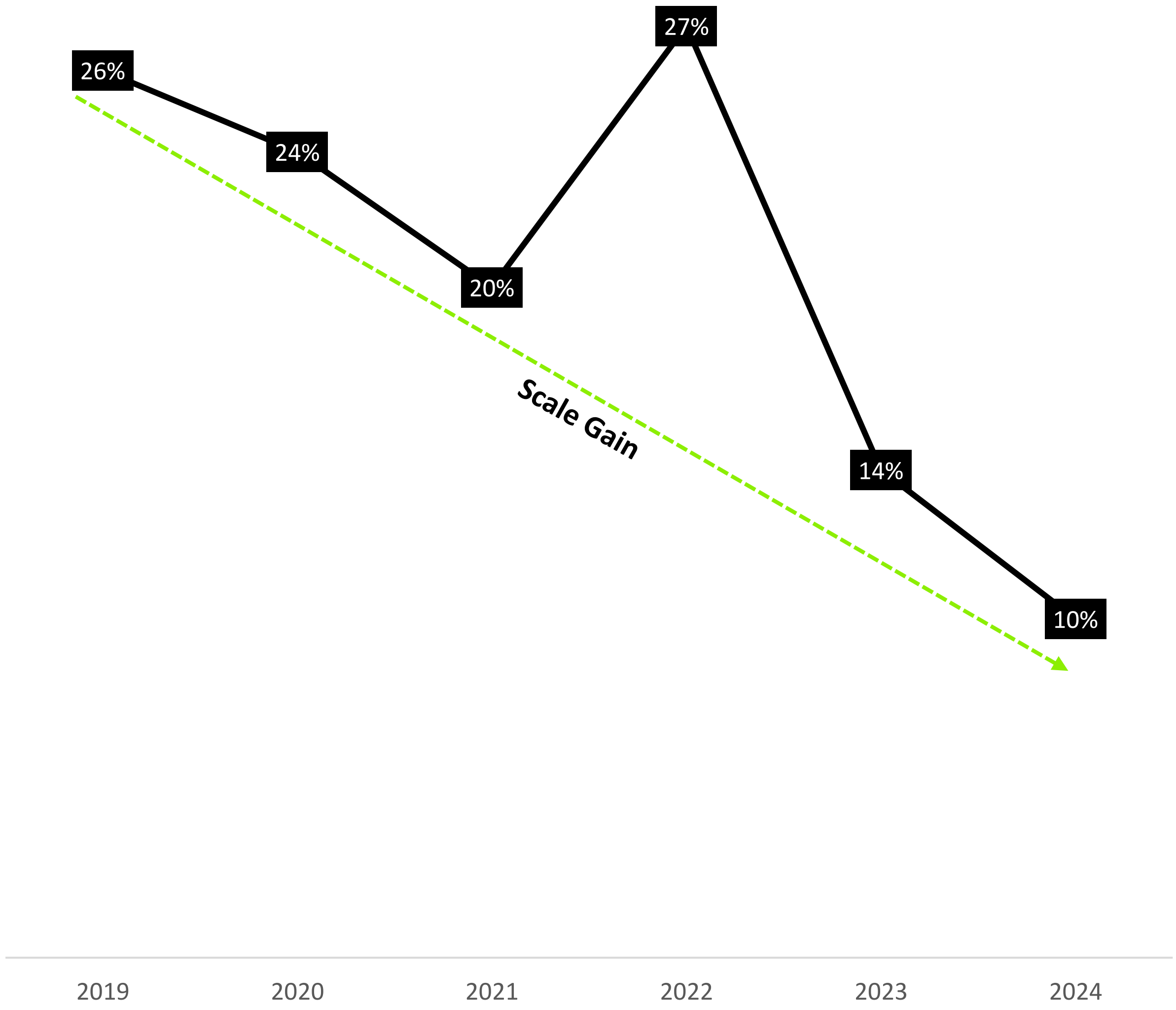
R&D Expenses

R&D dilution: scale is rising faster than innovation investment

R&D Expenses *(USD millions)*



R&D as a % of Revenue



Source: Nvidia

Value Added

How we conducted value added account

Unit: US$ Milion

x **Nvidia Price Today (04/06/2025)**

Price today	139,99
Shares	24.400
Nvidia Market Cap	3.415.756
Total Debt	8.463
Total Cash	43.210
Net Debt	(34.747)

x **Revenue by segment in 2024**

Gaming	11.350
Professional visualization	1.878
Automotive	1.694
OEM & Others	389

x **EV/Sales Multilple**

Gaming	4,38x
AMD	6,95x
Sony	1,80x
Professional visualization	8,88x
Autodesk	10,30x
Dassault Systems	7,44x
PTC	8,91x
Automotive	5,52x
Mobileye	7,35x
Qualcomm	3,69x
OEM & Others	16,21x
Broadcomm	22,50x
Marvell Tech	9,91x

x **Core Value - Net Debt**

Gaming	49.656
Professional visualization	16.683
Automotive	9.351
OEM & Others	6.304
Core Value	81.994
Net Debt	(34.747)
Core - Net Debt	**116.741**

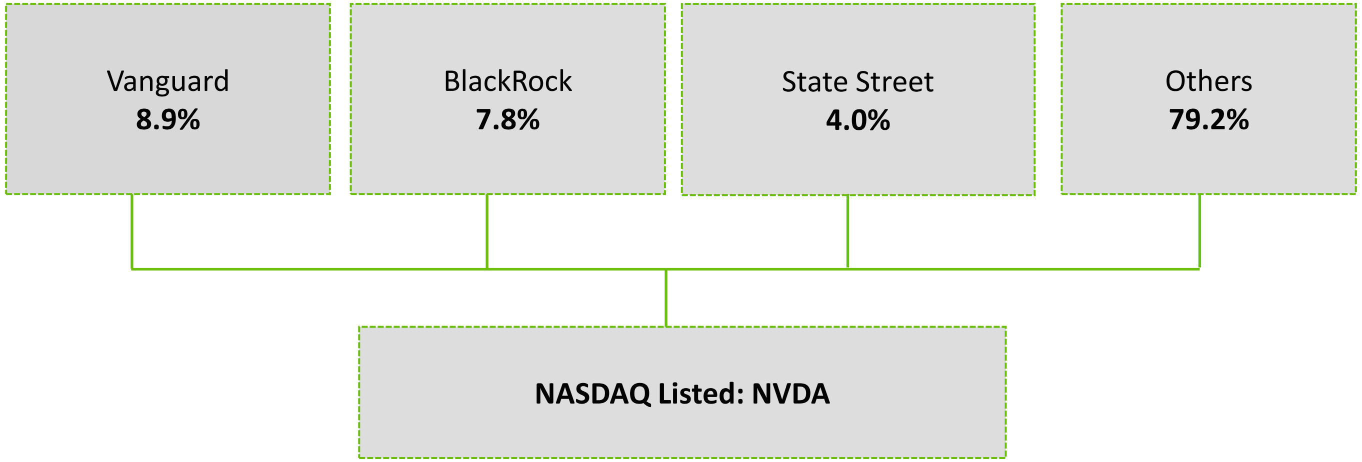
x **Value Added**

Data center + Adjacenses Value Added	**3.299.015**
	96,6%
Data Center EV/Sales	**28,34x**

Source: Group elaboration

Shareholder structure

Shareholder Structure



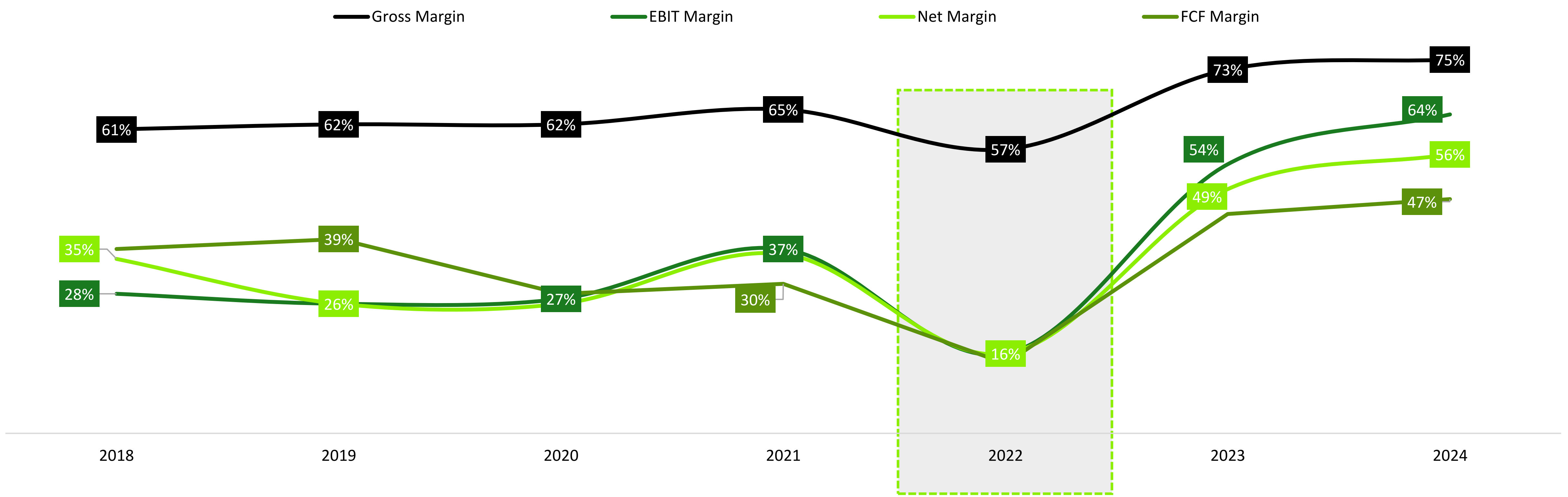
Source: Nvidia

ROIC

Unit: US$ Milion		2019	2020	2021	2022	2023	2024
Amortization years		5					
R&D of the period							
	2019	2.829	3.924	5.268	7.339	8.675	12.914
	2020		566	566	566	566	566
	2021			785	785	785	785
	2022				1.054	1.054	1.054
	2023					1.468	1.468
	2024						1.735
R&D acumulation		2.829	6.187	10.105	15.039	19.842	27.149
Adjusted Nopat		5.343	7.752	13.693	9.568	33.242	76.986
Adjusted EBIT		5.675	7.890	13.958	9.159	37.775	88.760
EBIT		2.846	4.532	10.041	4.224	32.972	81.453
R&D		2.829	3.924	5.268	7.339	8.675	12.914
R&D Amortization		-	566	1.351	2.404	3.872	5.607
Effective Tax Rate		-6%	-2%	-2%	4%	-12%	-13%
Adjusted Invested capital		6.797	17.541	23.686	30.396	39.624	60.089
Adjusted ROIC		79%	44%	58%	31%	84%	128%
Adjusted ROIC (Ex-Goodwill)		86%	58%	71%	37%	94%	140%
NOPAT Margin							0,59
IC Turnover							2,17

Source:

What happened in Nvidia Margin in 2022



Gross margin for fiscal year 2023 declined from a year ago, driven by $2.17 billion of inventory charges largely relating to excess supply of NVIDIA Ampere architecture Gaming and Data Center products as compared to the demand expectations for these products, particularly for the expected demand in China. The inventory charges were comprised of $1.04 billion for inventory on hand and $1.13 billion for inventory purchase obligations in excess of our demand expectations

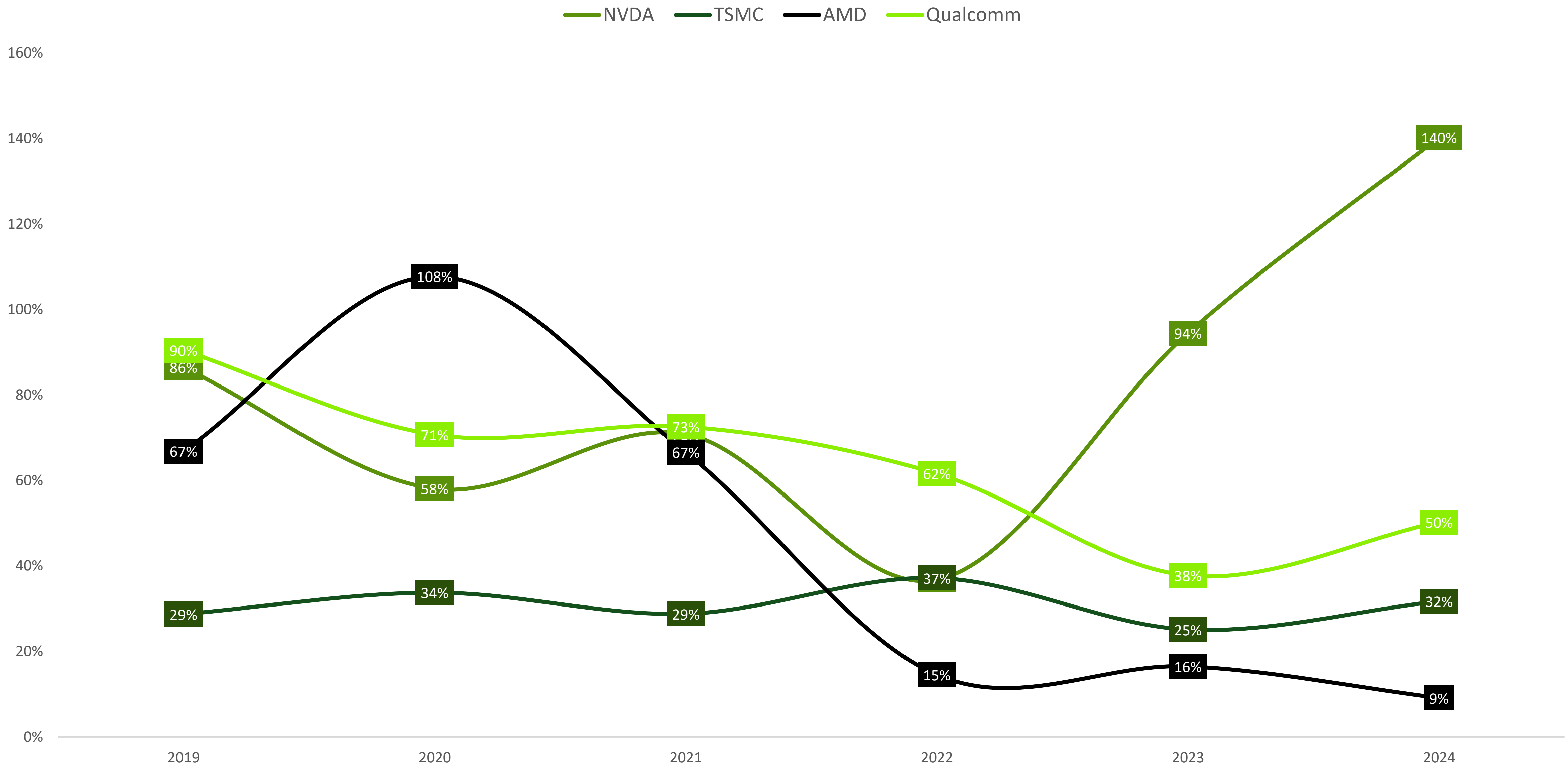
NVIDIA 10-K 2023FY Q4

Firsts restriction to China

Source:

Competition

ROIC Comparison



Source:

ROIC Comparison

ROIC	2019	2020	2021	2022	2023	2024
NVDA	86%	58%	71%	37%	94%	140%
CDNS	251%	68%	51%	40%	35%	25%
TSMC	29%	34%	29%	37%	25%	32%
AMD	67%	108%	67%	15%	16%	9%
Qualcomm	90%	71%	73%	62%	38%	50%
ASML	71%	80%	40%	29%	57%	47%
Advantest		75%	48%	43%	20%	38%

Source:

Geopolitical

NVIDIA and China: Navigating Tensions and Trade Barriers

Export restrictions, geopolitical pressure, and AI chip bans reshape NVIDIA's strategy in Asia

2022 Biden imposed the first export bans on NVIDIA's A100 and H100 chips to limit China's AI and military development

2022 The goal was to curb China's progress in AI and military applications, safeguarding U.S. technological leadership

2023 NVIDIA was forced to halt sales but quickly responded by creating weaker variants, such as the A800, that met compliance thresholds

2023 In October 2023, the Biden administration tightened controls even further, banning export of workaround chips like the H800 and A800

2024 Trump Re-Elected:
- Promises to harden tech restrictions on China.
- Signals full blockade on AI hardware/software exports.

2025 Trump returned to power and radically escalated the restrictions, fully banning H20 and similar chips in 2025

https://braziljournal.com/guerra-de-trump-contra-a-china-abate-a-nvidia/

"A Nvidia, que controla 90% do mercado de processadores de IA, disse que vai lançar em seu balanço deste trimestre perdas de US$ 5,5 bilhões por causa de novas restrições impostas pelo Governo dos EUA às exportações de chips de última geração"

Brazil Journal

Nvidia Market Share in China

90% Market Share	70% Market Share	>50% Market Share
In 2022	In 2023 After first restrictions	Export bans on its advanced and compliant AI chips

Jensen Huang, Nvidia's Founder & CEO

"China represents a $50 billion opportunity for NVIDIA over the next few years. Losing access to that market would be a tremendous loss, not just in revenue, but in ecosystem influence. It's like missing out on Boeing, not a plane, the entire company"

Source: Brazil Journal, Nvidia, Valor Econômico

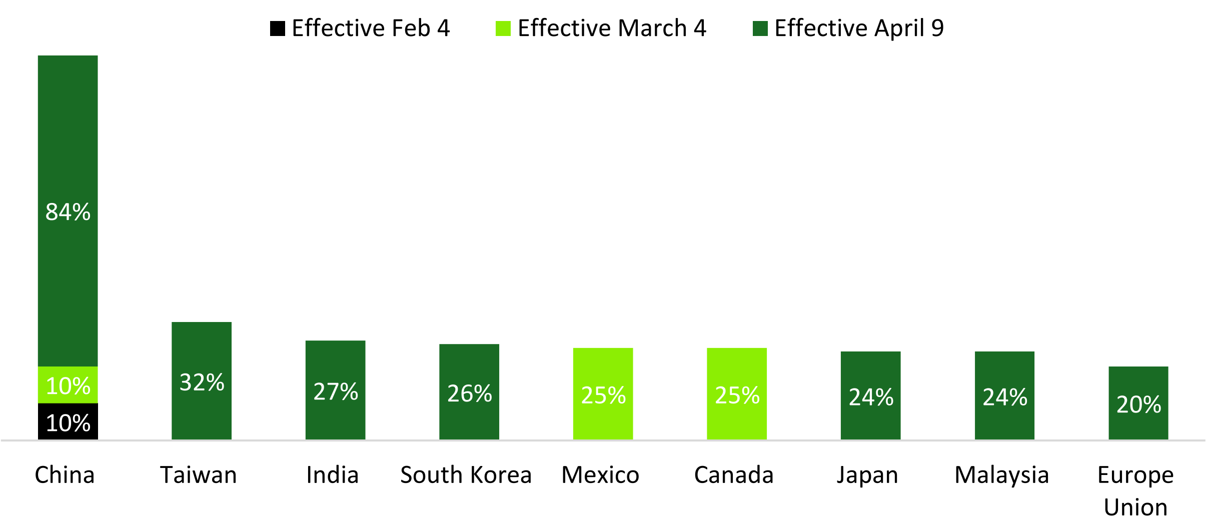
Trade War 2.0: Direct Impact on Nvidia

How the tariff war between USA and China can affect Nvidia?

Donald Trump at *"libertation day"*

On 2 April 2025 President Trump signed Executive Order imposing a blanket 10 % tariff on almost all U.S. imports from 184 countries starting 5 April, while creating country-by-country "reciprocal" rates, many well above the baseline, to begin on 9 April

US import tariff rate on key trading partners



How this affect Nvidia?

GPUs are not included in the exempt semiconductor list, so every RTX, H100, or GB200 board assembled in Asia is fully taxed. To offset the duty hike, Nvidia and its partners have shifted the final assembly of servers and boards to Mexico; products that satisfy USMCA rules of origin enter the United States at a 0 % tariff. (source: SemiAnalysis.com)

Jensen Huang, Nvidia's Founder & CEO

"the impact of tariffs won't be meaningful"

Source: CNN, Semianalysis

China x Taiwan

Is this gonna be the biggest risk?

Geopolitical Flashpoint

What happes in Taiwan

Beijing considers Taiwan a “rogue province” and **in 2025 it has stepped up military exercises**, influence actions and espionage cases to pressure the island

Although **no open conflict has erupted**, daily PLA flyovers and maneuvers mean that a risk remains

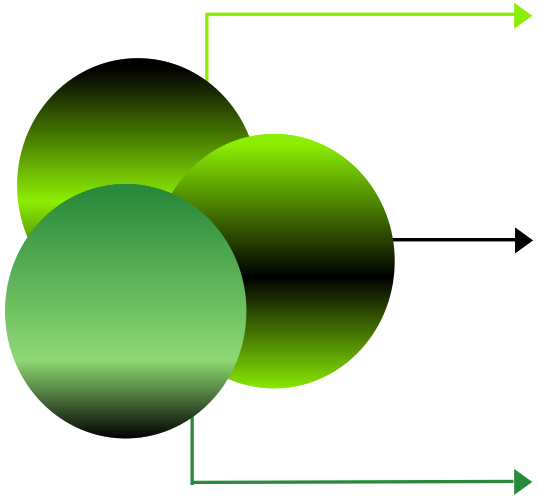
But why Taiwan is so special?

TSMC

Because TSMC still fabs more **than 90 % of the world’s cutting-edge chips** on the island, any blockade or conflict would instantly choke Nvidia’s supply chain and jolt global tech markets

Taiwan-based TSMC manufactures Nvidia’s most advanced chips and has a long-term strategic partnership with the company

What would happen if China invaded Taiwan?



TSMC shutdown:
Production of 3-5 nm chips critical to Nvidia would halt or be severely constrained, triggering an immediate semiconductor shortage

Market panic and sanctions:
Global markets would nosedive; the U.S. and allies would impose export controls while China retaliates, crushing tech valuations, including Nvidia’s

Global economic shock:
A blockade of the Taiwan Strait and logistic disruptions would fuel cost inflation and slash demand for PCs, data centers, and vehicles, sharply cutting GPU orders and deepening the tech downturn

Is this can be possible?

We don’t belive so

1. If they were to fail, a setback of this magnitude, with extremely high economic and military costs, could destabilize the Communist Party itself, a political risk that deters Beijing
2. CSIS wargames show China comes up short in most invasion scenarios
3. Crossing the strait and holding Taiwan would be extremely difficult, especially with U.S. and Japanese forces stepping in

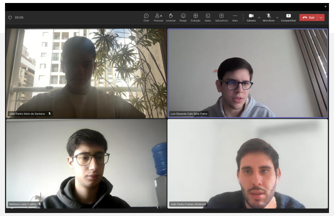
Source: CNN, Nvidian TSMC, The First Battle of the Next War

DCF

Why not DCF?

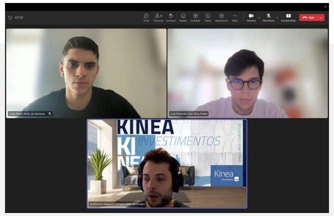
Why we believe it doesn't make sense to value Nvidia using a DCF

We had a call with some analysts, and a part of them said that running a DCF for Nvidia is just a theoretical exercise



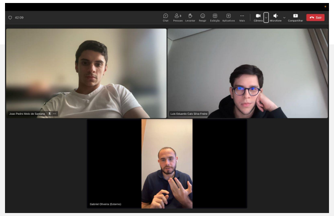
João Pedro Freitas – Mainú Capital

"With so much volatility and limited visibility into Nvidia's future revenue streams, a DCF becomes more of a storytelling tool than a dependable valuation method. You're basically modeling uncertainty on top of uncertainty"



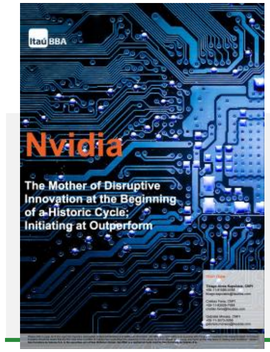
Guilherme Amaral – Kinea

"At Kinea, we don't use DCF for tech. It just doesn't make sense given the volatility and low visibility on long-term fundamentals. Multiples give us a cleaner read on what's priced in"



Gabriel Oliveira – Verde Asset

"At Verde, we do run DCFs, but mostly to understand value boundaries and test assumptions. In the end, what really drives allocation is knowing what's priced in today, and that comes much more from multiples and the narrative behind them"



Itaú Report about Nvidia

*"We initiate with an outperform rating, as we believe we are in the early innings of a strong cycle. Although **US investors typically don't use a DCF**, we decided to go for it to value the company as we consider a long road for growth. Our TP is of USD 500"*

So, why we prefer use multiples…

The perpetuity fails to reflect the company's real long-term growth potential, especially in fast-evolving sectors like semiconductors

Small changes in key assumptions can drastically alter the valuation, making the model unstable

The terminal value dominates the output, often accounting for the majority of the DCF, which reduces its reliability

In our model **70.5%** of Fair Value is **on perpetuity**

Source: Itaú BBA

FCFF Valuation

Our DCF valuation for FCFF

$mn	Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	*Perpetuidade*
Period		0,75	1,75	2,75	3,75	4,75	5,75	6,75	7,75	8,75	9,75	
Valuation FCFF												
EBIT		**139.199**	**167.395**	**189.831**	**212.299**	**243.656**	**280.726**	**323.311**	**372.225**	**428.406**	**481.382**	
(+) D&A		2.240	2.180	2.284	2.391	2.622	2.964	3.367	3.838	4.384	5.015	
(-) Taxes		(23.194)	(27.856)	(31.641)	(35.480)	(40.810)	(47.076)	(54.276)	(62.546)	(72.046)	(81.052)	
(+/-) Delta Working Capital		(6.841)	(6.822)	(5.428)	(5.436)	(7.586)	(8.707)	(9.993)	(11.469)	(13.163)	(7.125)	
(-) Capex		(2.775)	(3.337)	(3.784)	(4.232)	(4.857)	(5.574)	(6.398)	(7.343)	(8.427)	(9.672)	
FCFF		**108.629**	**131.560**	**151.263**	**169.542**	**193.025**	**222.333**	**256.012**	**294.706**	**339.154**	**398.221**	**7.707.598**
Present Value FCFF		**100.843**	**110.600**	**115.159**	**116.890**	**120.516**	**125.709**	**131.086**	**136.653**	**142.416**	**151.433**	**3.077.541**

Enterprise Value	4.328.847
Net Debt	(34.747)
Fair Value FCFF	4.363.594
Fair Price FCFF	179
Upside FCFF	**27,7%**

Actual Price	140
Shares Outstanding	24.400
Current Market Cap	3.415.756,0

Perp Growth	**5,0%**
WACC	**10,4%**

Growth (columns) / **WACC** (rows)

Upside	3,5%	4,0%	4,5%	5%	5,5%	6,0%	6,5%
8,9%	40,6%	51,8%	65,6%	82,9%	105,2%	135,2%	177,5%
9,4%	27,2%	36,2%	47,0%	60,3%	77,0%	98,5%	127,4%
9,9%	15,9%	23,2%	31,9%	42,3%	55,2%	71,3%	92,1%
10,4%	6,2%	12,3%	19,4%	27,7%	37,8%	50,2%	65,8%
10,9%	-2,1%	3,0%	8,8%	15,7%	23,8%	33,5%	45,5%
11,4%	-9,3%	-5,0%	-0,1%	5,5%	12,1%	20,0%	29,4%
11,9%	-15,6%	-11,9%	-7,8%	-3,1%	2,4%	8,7%	16,3%

Gross Margin (columns) / **Tax Rate** (rows)

Upside	60,0%	65,0%	70,0%	75,0%	80,0%	85,0%	90,0%
7,5%	7,5%	19,0%	30,5%	41,9%	53,4%	64,9%	76,4%
10,5%	3,9%	15,0%	26,1%	37,2%	48,3%	59,4%	70,5%
13,5%	0,3%	11,0%	21,7%	32,5%	43,2%	53,9%	64,7%
16,5%	-3,3%	7,0%	17,4%	27,7%	38,1%	48,4%	58,8%
19,5%	-6,9%	3,1%	13,1%	23,0%	33,0%	43,0%	53,0%
22,5%	-10,5%	-0,9%	8,7%	18,3%	27,9%	37,5%	47,1%
25,5%	-14,0%	-4,8%	4,4%	13,6%	22,8%	32,1%	41,3%

Source: Group elaboration

FCFE Valuation

Our DCF valuation for FCFE

$mn	Current	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	*Perpetuidade*
Valuation FCFE												
FCFF		**108.629**	**131.560**	**151.263**	**169.542**	**193.025**	**222.333**	**256.012**	**294.706**	**339.154**	**398.221**	**7.707.598**
(+/-) Δ Debt		-	-	-	-	-	-	-	-	-	-	-
(-) Interest		(489)	(489)	(489)	(489)	(489)	(489)	(489)	(489)	(489)	(489)	(489)
FCFE		**108.140**	**131.071**	**150.774**	**169.053**	**192.536**	**221.844**	**255.523**	**294.217**	**338.665**	**397.732**	**7.707.109**
Present Value FCFE		**100.379**	**110.165**	**114.747**	**116.497**	**120.139**	**125.342**	**130.725**	**136.293**	**142.055**	**151.061**	**2.927.218**

Fair Value FCFE	4.174.623	Ke	10,4%
Fair Price FCFE	171		
Upside FCFE	**22,22%**		

WACC / Growth

Upside	3,5%	4,0%	4,5%	5,0%	5,5%	6,0%	6,5%
8,9%	15,1%	21,3%	28,7%	37,4%	47,8%	60,6%	76,7%
9,4%	10,7%	16,8%	23,8%	32,1%	42,1%	54,3%	69,7%
9,9%	6,6%	12,4%	19,1%	27,0%	36,6%	48,3%	63,0%
10,4%	2,7%	8,2%	14,6%	22,2%	31,4%	42,6%	56,7%
10,9%	-1,1%	4,2%	10,3%	17,6%	26,4%	37,1%	50,6%
11,4%	-4,7%	0,4%	6,3%	13,2%	21,6%	31,9%	44,8%
11,9%	-8,1%	-3,3%	2,4%	9,0%	17,1%	26,9%	39,2%

Tax Rate / Gross Margin

Upside	60,0%	65,0%	70,0%	75,0%	80,0%	85,0%	90,0%
7,5%	2,7%	13,7%	24,8%	35,9%	47,0%	58,1%	69,2%
10,5%	-0,8%	9,9%	20,6%	31,3%	42,1%	52,8%	63,5%
13,5%	-4,3%	6,1%	16,4%	26,8%	37,1%	47,5%	57,8%
16,5%	-7,8%	2,2%	12,2%	22,2%	32,2%	42,2%	52,2%
19,5%	-11,2%	-1,6%	8,0%	17,7%	27,3%	36,9%	46,6%
22,5%	-14,7%	-5,4%	3,9%	13,1%	22,4%	31,7%	40,9%
25,5%	-18,1%	-9,2%	-0,3%	8,6%	17,5%	26,4%	35,3%

Source: Group elaboration

DCF Scenarios

	Bear	Base	Bull
Marginal CapEx to Data Center (%)	70.0%	80.0%	90.0%
CapEx destined to Accelerators (%)	50.0%	60.0%	70.0%
NVIDIA GPU Market Share (%)	70.0%	80.0%	90.0%
Gross Margin	65%	75%	80%
Upside	**(19.2%)**	**27.7%**	**72.8%**

Source: Group elaboration

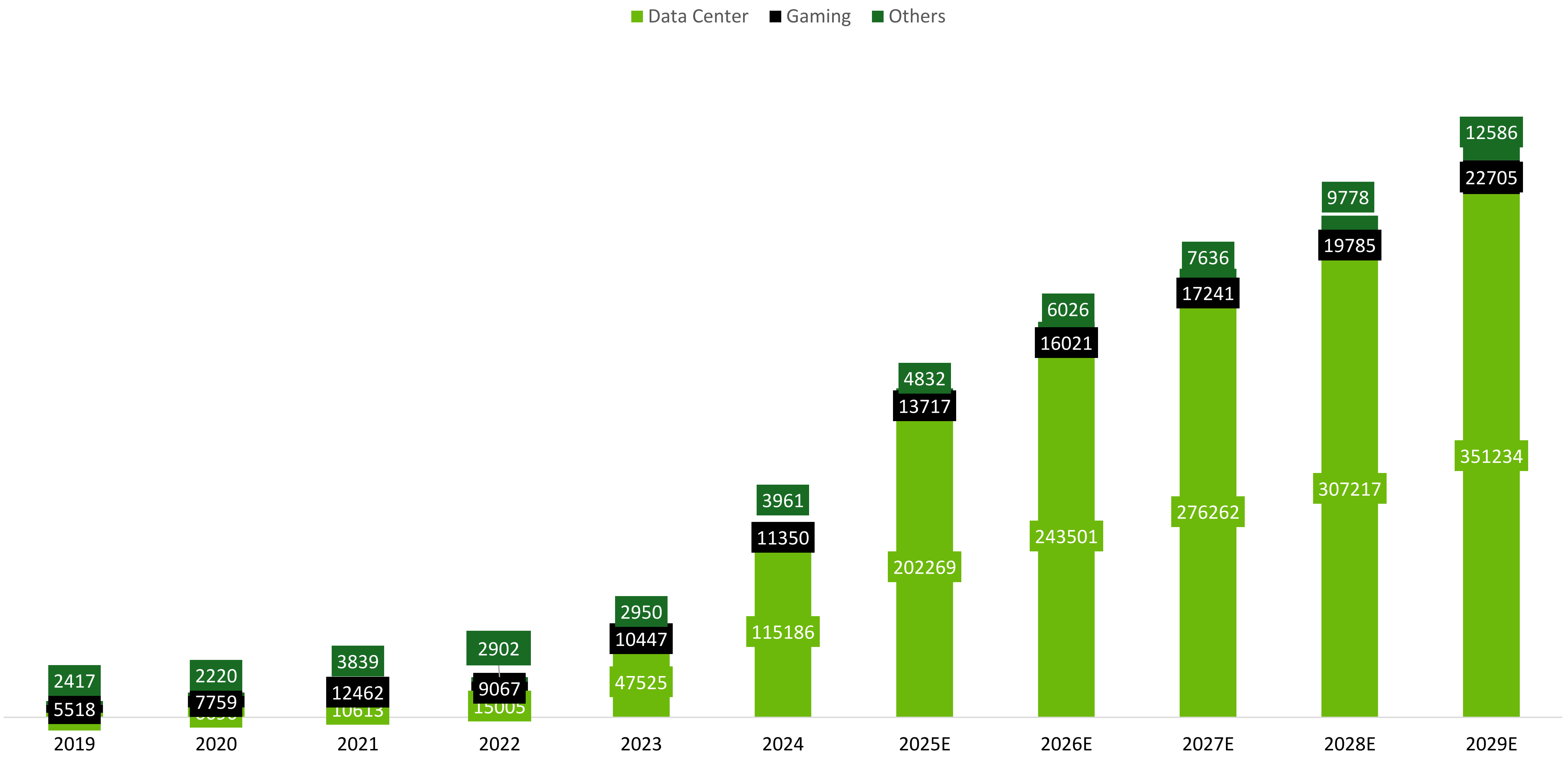
Model

NVDIA's Revenue

Nvidia's Data Center Revenue	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Data Center Revenue	**2.983**	**6.696**	**10.613**	**15.005**	**47.525**	**115.186**	**202.269**	**243.501**	**276.262**	**307.217**	**351.234**
YoY (%)		*124%*	*58%*	*41%*	*217%*	*142%*	*76%*	*20%*	*13%*	*11%*	*14%*
Compute	2.983	5.065	7.793	11.317	38.950	102.196	179.459	216.040	245.107	272.571	311.624
YoY (%)		*70%*	*54%*	*45%*	*244%*	*162%*	*76%*	*20%*	*13%*	*11%*	*14%*
% of Data Center Revenue	*100%*	*76%*	*73%*	*75%*	*82%*	*89%*	*89%*	*89%*	*89%*	*89%*	*89%*
Networking	-	1.631	2.820	3.688	8.575	12.990	22.811	27.461	31.155	34.646	39.610
YoY (%)			*73%*	*31%*	*133%*	*51%*	-	-	-	-	-
% of Compute Revenue		*24%*	*27%*	*25%*	*18%*	*11%*	***11%***	-	-	-	-
Nvidia's Gaming Revenue											
Gaming Revenue	**5.518**	**7.759**	**12.462**	**9.067**	**10.447**	**11.350**	**13.717**	**16.021**	**17.241**	**19.785**	**22.705**
YoY (%)		*41%*	*61%*	*-27%*	*15%*	*9%*	*21%*	*17%*	*8%*	*15%*	*15%*
PC Gaming	5.293	7.573	12.462	8.854	10.181	10.951	13.168	15.233	16.133	18.210	20.478
YoY (%)		*43%*	*65%*	*-29%*	*15%*	*8%*	*20%*	*16%*	*6%*	*13%*	*12%*
% of Gaming Revenue	*96%*	*98%*	*100%*	*98%*	*97%*	*96%*	*96%*	*95%*	*94%*	*92%*	*90%*
							20%	***16%***	***6%***	***13%***	***12%***
Console Gaming (Tegra)	225	186	-	213	266	399	548	788	1.108	1.575	2.227
YoY (%)		*-17%*	*-100%*	-	*25%*	*50%*	*37%*	*44%*	*41%*	*42%*	*41%*
% of Gaming Revenue	*4%*	*2%*	*0%*	*2%*	*3%*	*4%*	*4%*	*5%*	*6%*	*8%*	*10%*
							37%	***44%***	***41%***	***42%***	***41%***
Nvidia's Others Revenues											
Professional Visualization	**1.212**	**1.053**	**2.111**	**1.544**	**1.553**	**1.878**	**1.972**	**2.090**	**2.237**	**2.415**	**2.633**
YoY (%)		*-13%*	*100%*	*-27%*	*1%*	*21%*	*5%*	*6%*	*7%*	*8%*	*9%*
							5%	***6%***	***7%***	***8%***	***9%***
Automotive	**700**	**536**	**566**	**903**	**1.091**	**1.694**	**2.460**	**3.523**	**4.975**	**6.925**	**9.502**
YoY (%)		*-23%*	*6%*	*60%*	*21%*	*55%*	*45%*	*43%*	*41%*	*39%*	*37%*
							45%	***43%***	***41%***	***39%***	***37%***
OEM	**505**	**631**	**1.162**	**455**	**306**	**389**	**401**	**413**	**425**	**438**	**451**
YoY (%)		*25%*	*84%*	*-61%*	*-33%*	*27%*	*3%*	*3%*	*3%*	*3%*	*3%*
							3%	***3%***	***3%***	***3%***	***3%***

Source:

NVIDIA's Revenue

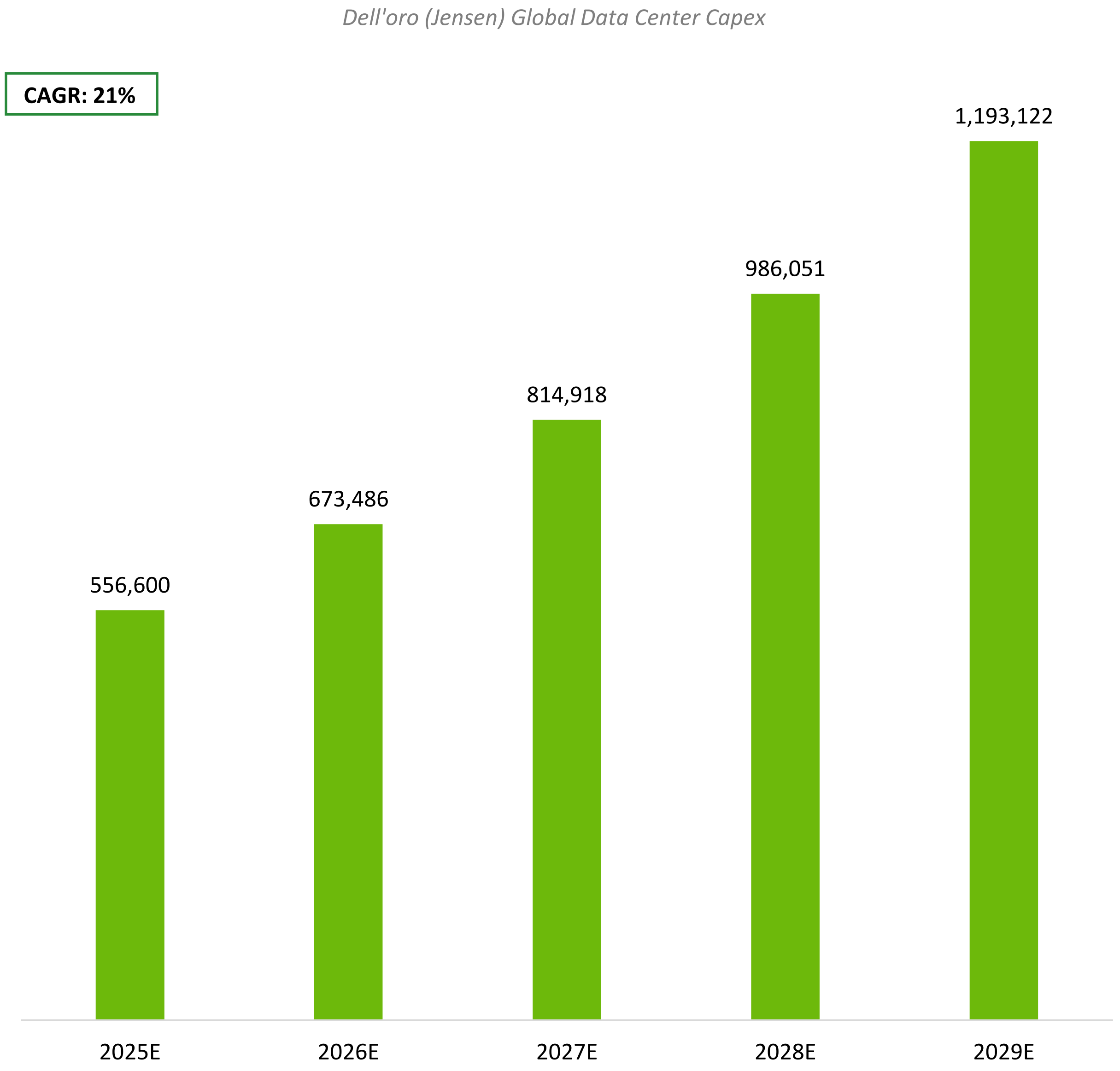


Source:

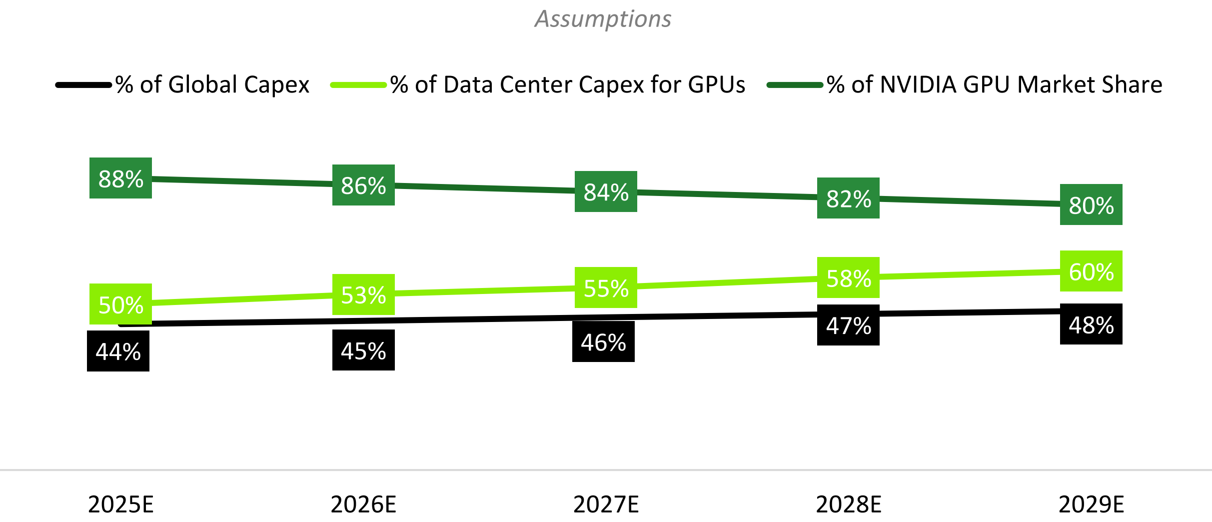
Build-Up Sanity Check's

Dell'oro

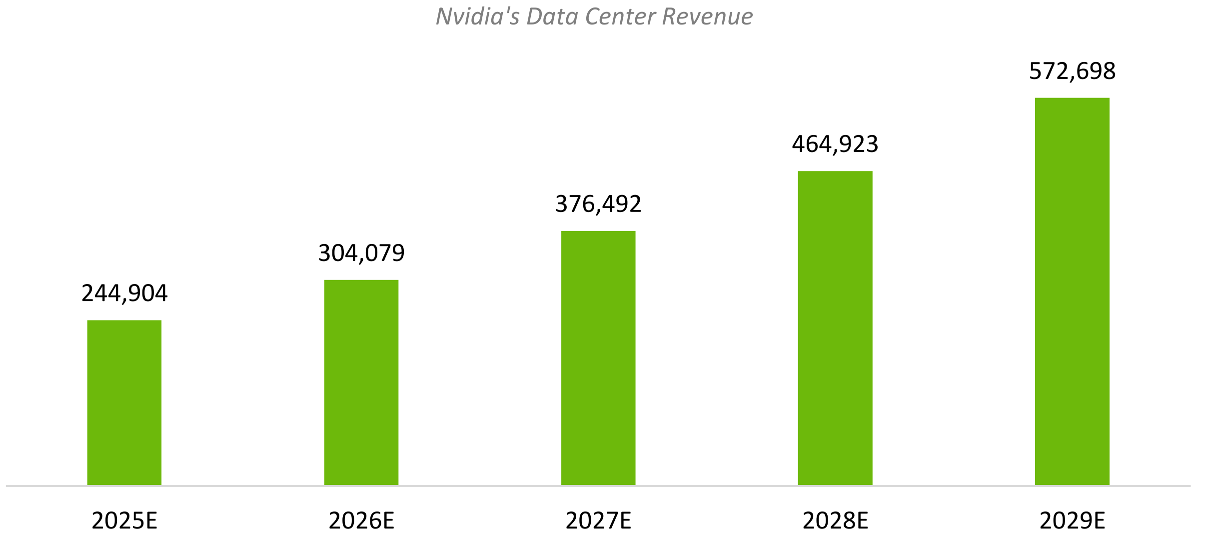
The Number Jensen Refers To: Global Data Center Capex



Key Assumptions Behind Nvidia's Share of Capex



Projected Nvidia Data Center Revenue

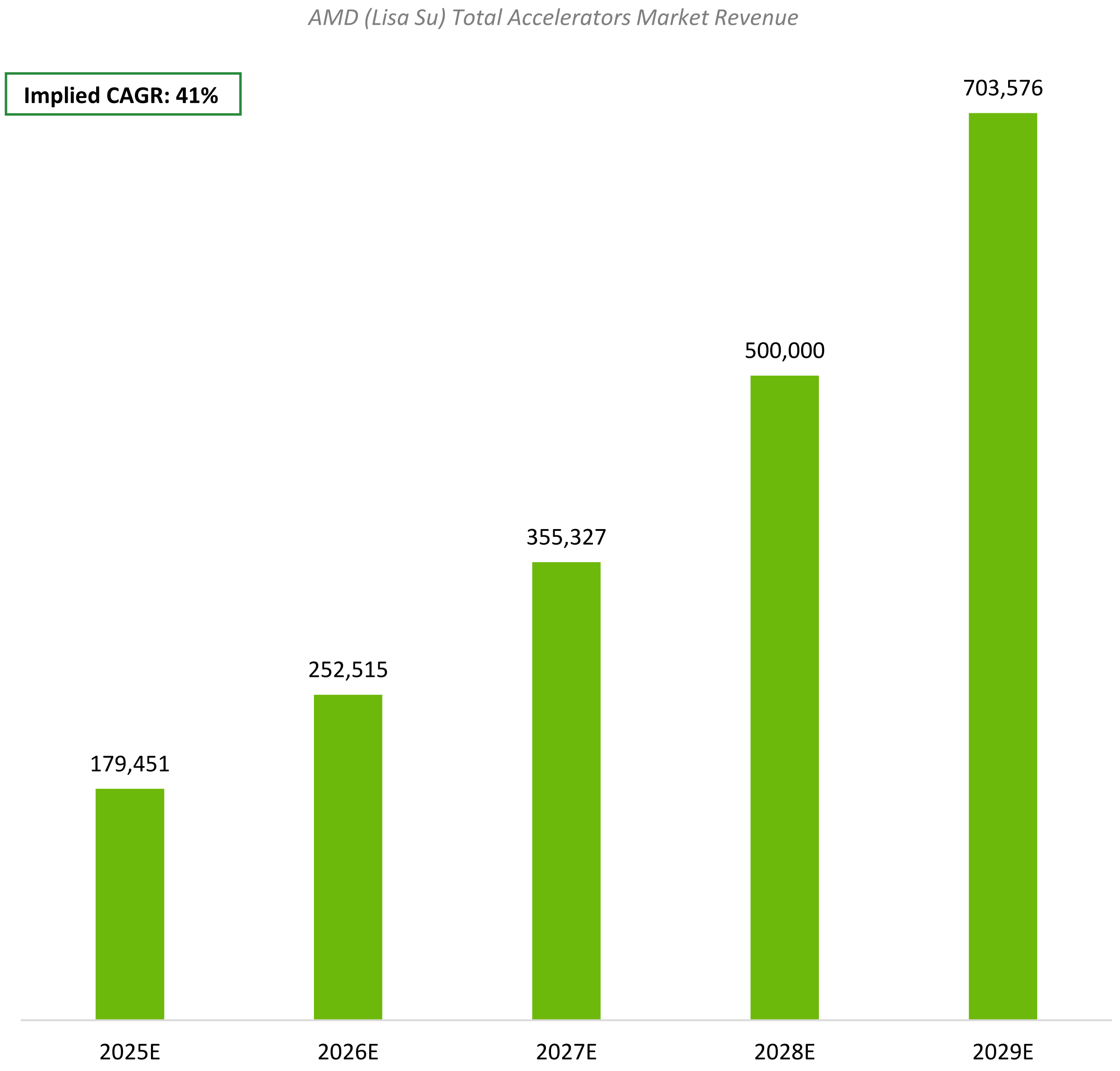


Source: Dell'Oro

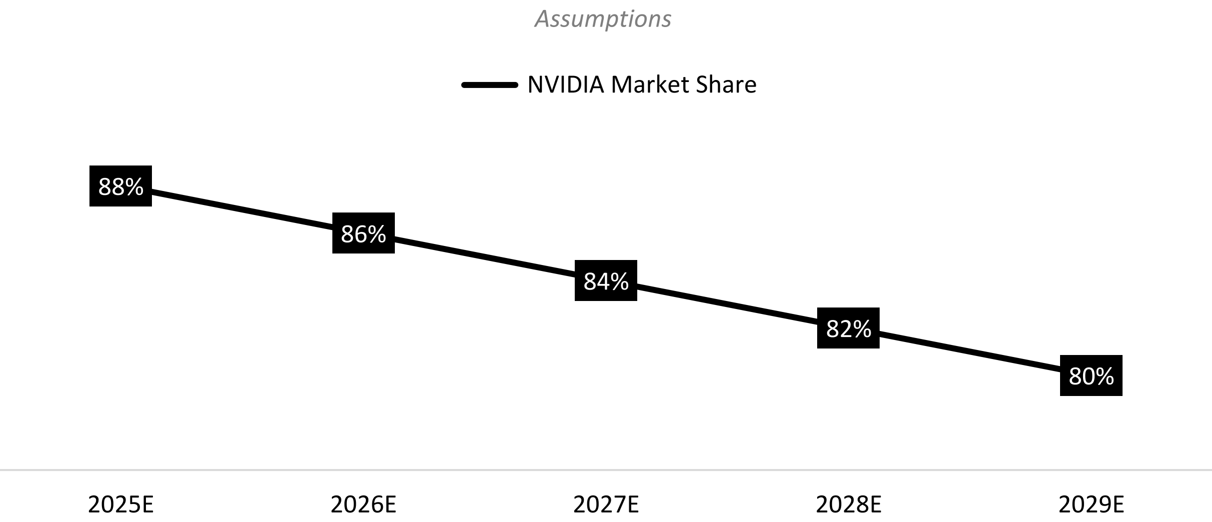
Build-Up Sanity Check's

AMD

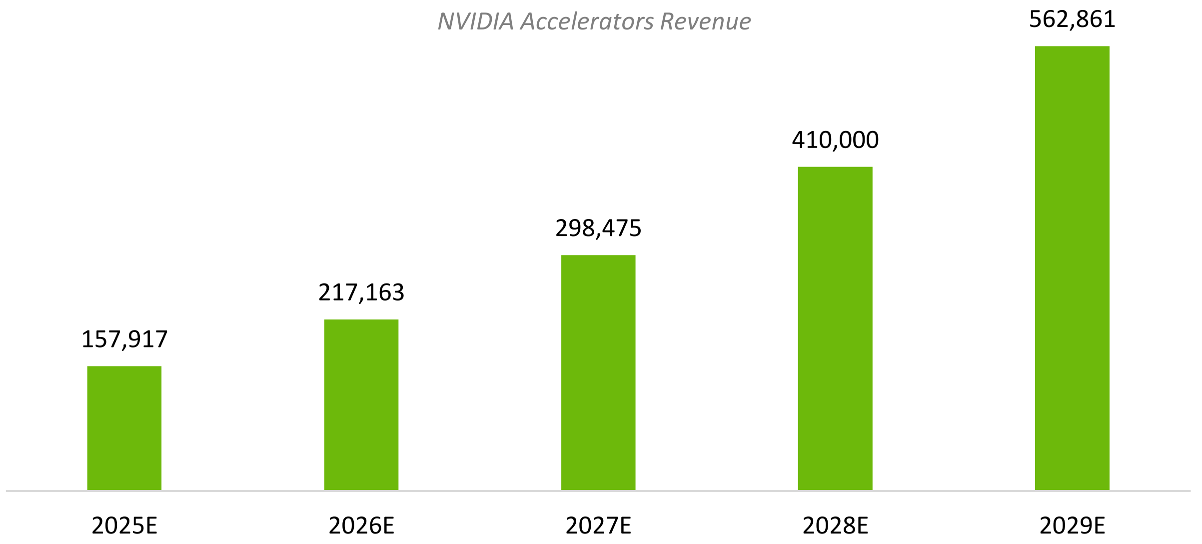
The Number Lisa Su Refers To: Total Accelerators Market Revenue



Key Assumptions Behind Nvidia's Share of Capex



Projected Nvidia Acceleretors Revenue

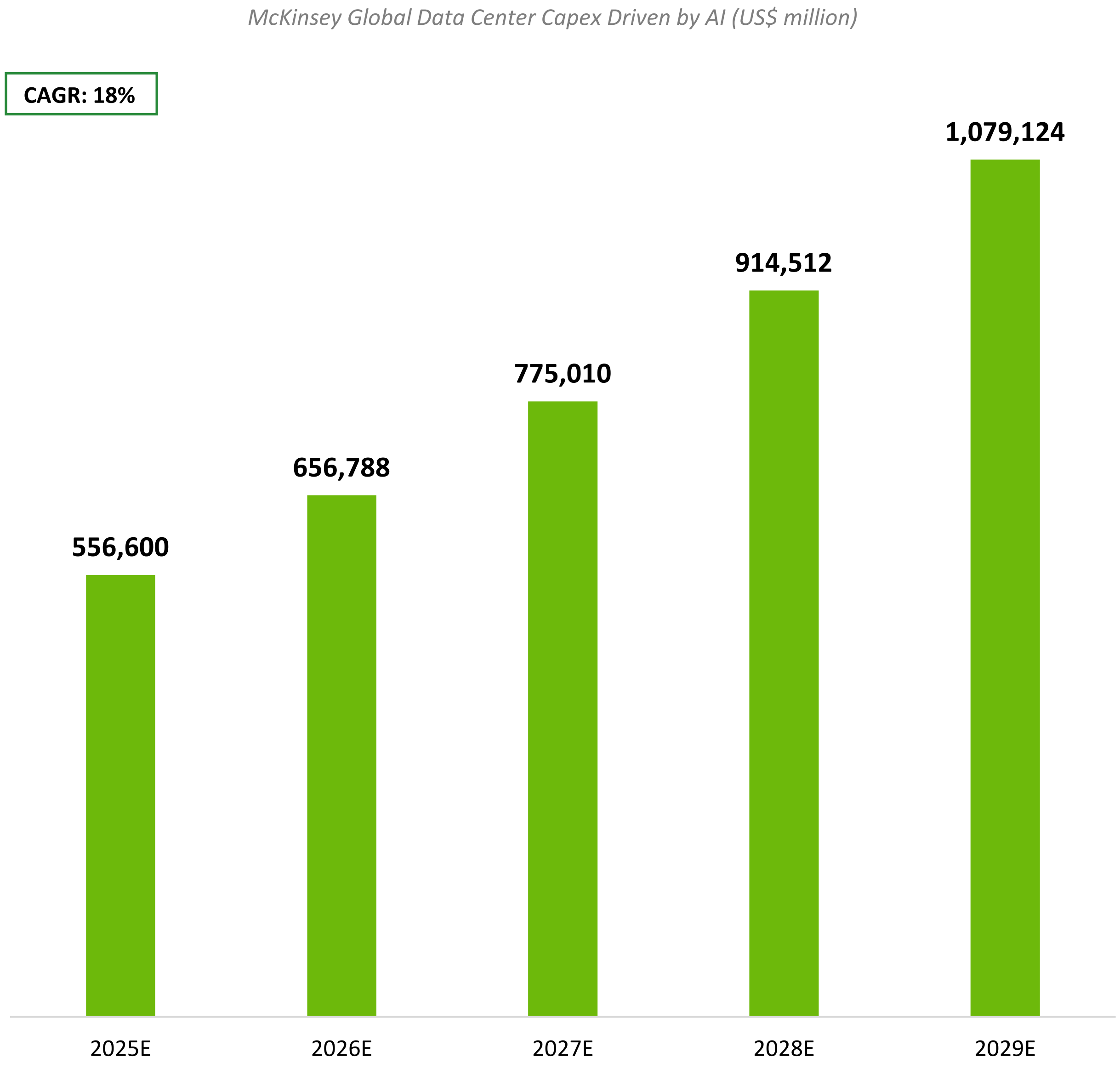


Source: Lisa Su

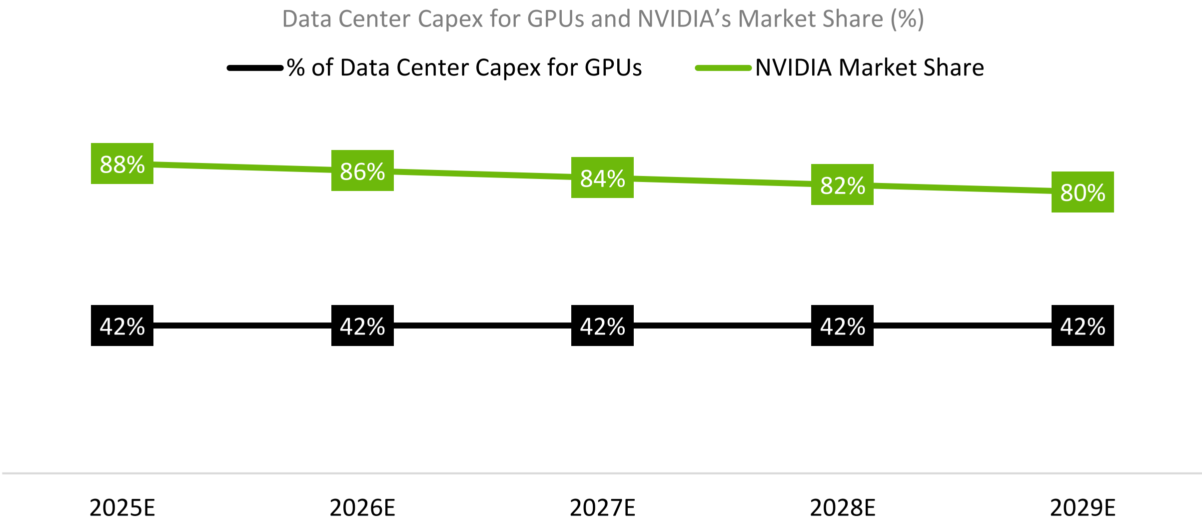
Build-Up Sanity Check's

Mckinsey

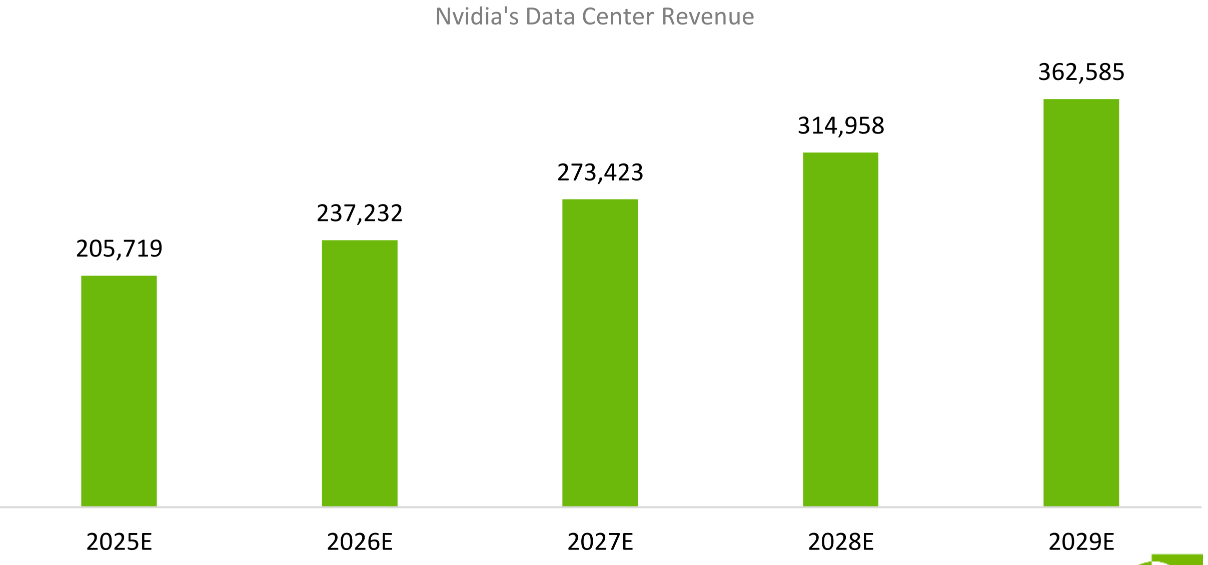
Data Center CapEx Driven by AI



We project a excpected NVIDIA Market Share to go from 88% in 2025 to 80% in 2029



NVIDIA Data Center Revenue in 2029 is 362.585



Source: McKinsey

Supply Analysis

Supply Analysis	Q1	Q2	Q3	Q4
Wafers TSMC	120.000	156.000	184.000	210.000
Yield (%)	80%	80%	80%	80%
NVDA (%)	70%	70%	70%	70%
Wafers to NVIDIA	67.200	87.360	103.040	117.600
Others Production	30.000	30.000	30.000	30.000
Yield (%)	60%	60%	60%	60%
NVDA (%)	55%	55%	55%	55%
Wafers to NVIDIA	9.900	9.900	9.900	9.900
NVDA Total Wafers	77.100	97.260	112.940	127.500
Blackwell Wafers	52.428	68.082	90.352	121.125
% of Wafers to NVIDIA	68%	70%	80%	95%
Hopper Wafers	24.672	29.178	22.588	6.375
% of Wafers to NVIDIA	32%	30%	20%	5%
Blackwell Restriction	17	17	17	17
Hopper Restriction	29	29	29	29
NVIDIA Implied GPUs	1.606.764	2.003.556	2.191.036	2.244.000
Blackwell	891.276	1.157.394	1.535.984	2.059.125
Hopper	715.488	846.162	655.052	184.875
ASP Blackwell	31.000	31.000	31.000	31.000
ASP Hopper	20.000	18.000	15.000	15.000
Data Center Computing Revenue	41.939.316.000	51.110.130.000	57.441.284.000	66.606.000.000
NVDA Data Center Computing Revenue		217.096.730.000		

Source:

Sensitivity Analysis

We performed a sensitivity analysis to assess how changes in inputs would affect the project's IRR

Accelerators Capex vs. Marginal Capex (%)

Accelerators Capex	60%	70%	80%	85%	90%
40%	3%	5%	7%	9%	10%
50%	10%	12%	15%	16%	17%
60%	16%	19%	22%	23%	24%
70%	22%	25%	28%	29%	31%
80%	27%	30%	34%	35%	37%

Top 5 Hyperscalers vs. Market Share (NVIDIA) %

Top 5 Hyperscalers	70%	75%	80%	85%	90%	95%
46%	3%	6%	8%	10%	12%	13%
42%	6%	9%	11%	13%	15%	17%
38%	10%	12%	14%	16%	18%	20%
34%	13%	16%	18%	20%	23%	25%
30%	18%	20%	23%	25%	28%	30%

Accelerators Capex vs. Market Share (NVIDIA) %

Accelerators Capex	70%	75%	80%	85%	90%	95%
40%	-1%	1%	3%	5%	7%	9%
50%	6%	8%	10%	12%	14%	16%
60%	12%	14%	17%	19%	21%	23%
70%	18%	20%	23%	25%	27%	30%
80%	23%	25%	28%	31%	33%	35%

Top 5 Hyperscalers vs. Marginal Capex (%)

Top 5 Hyperscalers	50%	60%	70%	80%	90%
46%	4%	7%	10%	12%	14%
42%	7%	10%	13%	15%	18%
38%	10%	13%	16%	19%	21%
34%	14%	17%	20%	23%	26%
30%	19%	22%	25%	28%	31%

Source:

Revenue Build Up (TAM)

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
TAM Comparatives											
Dell'oro (Jensen) Global Data Center Capex				220.000	260.000	460.000	556.600	673.486	814.918	986.051	1.193.122
YoY (%)					18%	77%	21%				
Nvidia's Data Center Revenue	**2.983**	**6.696**	**10.613**	**15.005**	**47.525**	**115.186**	**244.904**	**304.079**	**376.492**	**464.923**	**572.698**
% of Global Capex				7%	18%	25%	44%	45%	46%	47%	48%
% of Data Center Capex for GPUs							50%	53%	55%	58%	60%
% of NVIDIA GPU Market Share							88%	86%	84%	82%	80%
McKinsey											
Data Ceter CAPEX driven by AI							556.600	656.788	775.010	914.512	1.079.124
% IT equipment (CPUs, GPUs, memory…)							60%				
% of IT equipment for GPUs							60%				
% of IT equipment for CPUs							10%				
% of NVIDIA Market Share							88%	86%	84%	82%	80%
CAGR Capex							18%				
Nvidia's Data Center Revenue							**205.719**	**237.232**	**273.423**	**314.958**	**362.586**
AMD (Lisa Su) Total Accelerators Market Revenue	**2.983**	**5.065**	**11.487**	**17.360**	**45.446**	**127.528**	**179.451**	**252.515**	**355.327**	**500.000**	**703.576**
NVIDIA	2.983	5.065	7.793	11.317	38.950	102.196					
AMD	-	-	3.694	6.043	6.496	12.579					
Market Share Assumption (%)						90%					
Implied CAGR (%)							41%	41%	41%	41%	41%
NVIDIA Accelerators Revenue							**157.917**	**217.163**	**298.475**	**410.000**	**562.861**
Market Share (%)						88%	88%	86%	84%	82%	80%

Source: Group elaboration

Revenue Build Up (Hyperscale CapEx)

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Hyperscalers Capex											
Microsoft						22.239	37.829	44.039	50.698	56.221	62.379
YoY (%)											
Capex	13.925	15.441	20.622	23.886	28.107	44.477	65.265	72.607	80.052	86.955	94.652
(Δ) Capex for AI							15.591	21.801	28.460	33.983	40.140
							58%	61%	63%	65%	66%
Marginal Capex							20.788	28.130	35.575	42.478	50.175
Amazon						41.500	57.367	61.416	64.569	66.579	70.022
YoY (%)											
Capex	16.861	40.140	61.053	63.645	52.729	82.999	104.155	108.698	111.836	114.348	118.652
(Δ) Capex for AI							15.867	19.916	23.070	25.079	28.522
							55%	57%	58%	58%	59%
Marginal Capex							21.156	25.699	28.837	31.349	35.653
Oracle						3.433	17.012	19.237	20.263	21.627	26.029
YoY (%)											
Capex	1.660	1.564	2.135	4.511	8.695	6.866	24.971	27.258	27.903	29.608	35.111
(Δ) Capex for AI							13.579	15.804	16.830	18.194	22.596
							68%	71%	73%	73%	74%
Marginal Capex							18.105	20.392	21.037	22.742	28.245
Google						26.268	41.842	45.535	49.379	52.280	54.456
YoY (%)											
Capex	23.548	22.281	24.640	31.485	32.251	52.535	73.301	77.396	81.424	85.051	87.771
(Δ) Capex for AI							15.574	19.268	23.111	26.012	28.188
							57%	59%	61%	61%	62%
Marginal Capex							20.766	24.861	28.889	32.516	35.236
Meta						18.628	40.634	50.084	50.392	49.915	53.102
YoY (%)											
Capex	15.102	15.163	18.690	31.431	27.266	37.256	66.598	77.844	76.961	76.364	80.348
(Δ) Capex for AI							22.006	31.456	31.764	31.287	34.474
							61%	64%	65%	65%	66%
Marginal Capex							29.342	40.588	39.705	39.108	43.092

Bloomberg

Source: Group elaboration

Revenue Build Up (Premisses to Data Center)

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
% of Capex Destined for Data Center in Actual Capex						50%					
% of Capex Destined for Data Center in Marginal Capex							75%	78%	80%	80%	80%
Accelerators Capex						56.033	97.342	115.663	129.416	141.807	159.592
% of Hyperscalers Technology Capex						50%	50%	53%	55%	58%	60%
Capex of Hyperscalers to NVIDIA Revenue						49.309	85.661	99.470	108.709	116.282	127.674
% of NVIDIA Market Share						88%	88%	86%	84%	82%	80%
Top 5 Hyperscalers as 42.35%						116.433	202.269	243.501	276.262	307.217	351.234
Hyperscalers Share of NVIDIA Revenue (%)	-1%					42%	42%	41%	39%	38%	36%
Actual Data Center Revenue						115.186					
NVIDIA Data Center Revenue							**202.269**	**243.501**	**276.262**	**307.217**	**351.234**

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Nvidia's Data Center Revenue											
Data Center Revenue	**2.983**	**6.696**	**10.613**	**15.005**	**47.525**	**115.186**	**202.269**	**243.501**	**276.262**	**307.217**	**351.234**
YoY (%)		*124%*	*58%*	*41%*	*217%*	*142%*	*76%*	*20%*	*13%*	*11%*	*14%*
Compute	2.983	5.065	7.793	11.317	38.950	102.196	179.459	216.040	245.107	272.571	311.624
YoY (%)		*70%*	*54%*	*45%*	*244%*	*162%*	*76%*	*20%*	*13%*	*11%*	*14%*
% of Data Center Revenue	*100%*	*76%*	*73%*	*75%*	*82%*	*89%*	*89%*	*89%*	*89%*	*89%*	*89%*
Networking	-	1.631	2.820	3.688	8.575	12.990	22.811	27.461	31.155	34.646	39.610
YoY (%)			*73%*	*31%*	*133%*	*51%*	-	-	-	-	-
% of Compute Revenue		*24%*	*27%*	*25%*	*18%*	*11%*	***11%***	-	-	-	-

Source: Group elaboration

Revenue Build Up (Others)

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Nvidia's Gaming Revenue											
Gaming Revenue	**5.518**	**7.759**	**12.462**	**9.067**	**10.447**	**11.350**	**13.717**	**16.021**	**17.241**	**19.785**	**22.705**
YoY (%)		*41%*	*61%*	*-27%*	*15%*	*9%*	*21%*	*17%*	*8%*	*15%*	*15%*
PC Gaming	5.293	7.573	12.462	8.854	10.181	10.951	13.168	15.233	16.133	18.210	20.478
YoY (%)		*43%*	*65%*	*-29%*	*15%*	*8%*	*20%*	*16%*	*6%*	*13%*	*12%*
% of Gaming Revenue	*96%*	*98%*	*100%*	*98%*	*97%*	*96%*	*96%*	*95%*	*94%*	*92%*	*90%*
							20%	***16%***	***6%***	***13%***	***12%***
Console Gaming (Tegra)	225	186	-	213	266	399	548	788	1.108	1.575	2.227
YoY (%)		*-17%*	*-100%*	*-*	*25%*	*50%*	*37%*	*44%*	*41%*	*42%*	*41%*
% of Gaming Revenue	*4%*	*2%*	*0%*	*2%*	*3%*	*4%*	*4%*	*5%*	*6%*	*8%*	*10%*
							37%	**44%**	**41%**	**42%**	**41%**
Nvidia's Others Revenues											
Professional Visualization	**1.212**	**1.053**	**2.111**	**1.544**	**1.553**	**1.878**	**1.972**	**2.090**	**2.237**	**2.415**	**2.633**
YoY (%)		*-13%*	*100%*	*-27%*	*1%*	*21%*	*5%*	*6%*	*7%*	*8%*	*9%*
							5%	**6%**	**7%**	**8%**	**9%**
Automotive	**700**	**536**	**566**	**903**	**1.091**	**1.694**	**2.460**	**3.523**	**4.975**	**6.925**	**9.502**
YoY (%)		*-23%*	*6%*	*60%*	*21%*	*55%*	*45%*	*43%*	*41%*	*39%*	*37%*
							45%	**43%**	**41%**	**39%**	**37%**
OEM	**505**	**631**	**1.162**	**455**	**306**	**389**	**401**	**413**	**425**	**438**	**451**
YoY (%)		*25%*	*84%*	*-61%*	*-33%*	*27%*	*3%*	*3%*	*3%*	*3%*	*3%*
							3%	**3%**	**3%**	**3%**	**3%**

Source: Group elaboration

Income Statement Model

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Income Statement											
Revenue	**10.918**	**16.675**	**26.914**	**26.974**	**60.922**	**130.497**	**220.818**	**265.548**	**301.139**	**336.781**	**386.525**
YoY (%)		*53%*	*61%*	*0%*	*126%*	*114%*	*69%*	*20%*	*13%*	*12%*	*15%*
Cost of revenue	(4.150)	(6.279)	(9.439)	(11.618)	(16.621)	(32.639)	(55.121)	(66.287)	(75.171)	(84.068)	(96.485)
Gross profit	**6.768**	**10.396**	**17.475**	**15.356**	**44.301**	**97.858**	**165.697**	**199.261**	**225.968**	**252.713**	**290.039**
Gross Margin	*62%*	*62%*	*65%*	*57%*	*73%*	*75%*	**75,0%**	**75,0%**	**75,0%**	**75,0%**	**75,0%**
Amortized Intangible Assets	26	612	563	699	614	563	555	354	236	84	31
PP&E Amortizaion	355	486	611	844	894	892	1.685	1.826	2.048	2.307	2.591
Total D&A	**381**	**1.098**	**1.174**	**1.543**	**1.508**	**1.455**	**2.240**	**2.180**	**2.284**	**2.391**	**2.622**
EBITDA	**3.227**	**5.630**	**11.215**	**5.767**	**34.480**	**82.908**	**141.439**	**169.575**	**192.115**	**214.689**	**246.278**
EBITDA Margin	*30%*	*34%*	*42%*	*21%*	*57%*	*64%*	*64%*	*64%*	*64%*	*64%*	*64%*
Operating expenses	**(3.922)**	**(5.864)**	**(7.434)**	**(11.132)**	**(11.329)**	**(16.405)**	**(26.498)**	**(31.866)**	**(36.137)**	**(40.414)**	**(46.383)**
Research and development	2.829	3.924	5.268	7.339	8.675	12.914	20.978	25.227	28.608	31.994	36.720
As a % of Revenue	*26%*	*24%*	*20%*	*27%*	*14%*	*10%*	**10%**				
Sales, general and administrative	1.093	1.940	2.166	2.440	2.654	3.491	5.520	6.639	7.528	8.420	9.663
As a % of Revenue	*10%*	*12%*	*8%*	*9%*	*4%*	*3%*	**3%**				
Acquisition termination cost	-	-	-	1.353	-	-	-	-	-	-	-
As a % of Revenue	*0%*	*0%*	*0%*	*5%*	*0%*	*0%*	***0%***				
Operating income	**2.846**	**4.532**	**10.041**	**4.224**	**32.972**	**81.453**	**139.199**	**167.395**	**189.831**	**212.299**	**243.656**
EBIT Margin	*26%*	*27%*	*37%*	*16%*	*54%*	*62%*	*63%*	*63%*	*63%*	*63%*	*63%*
Interest income	178	57	29	267	866	1.786	1.862	1.921	2.419	3.220	4.166
Interest expense	(52)	(184)	(236)	(262)	(257)	(247)	(489)	(489)	(489)	(489)	(489)
Other, net	(2)	4	107	(48)	237	1.034	-	-	-	-	-
Income before income tax	**2.970**	**4.409**	**9.941**	**4.181**	**33.818**	**84.026**	**140.572**	**168.827**	**191.761**	**215.030**	**247.333**
EBT Margin	*27%*	*26%*	*37%*	*16%*	*56%*	*64%*	*64%*	*64%*	*64%*	*64%*	*64%*
Income tax expense	(174)	(77)	(189)	187	(4.058)	(11.146)	(23.194)	(27.856)	(31.641)	(35.480)	(40.810)
Effective tax rate	*6%*	*2%*	*2%*	*4%*	*12%*	*13%*	**17%**				
Net income	**2.796**	**4.332**	**9.752**	**4.368**	**29.760**	**72.880**	**117.378**	**140.970**	**160.120**	**179.550**	**206.523**
Net Margin	*26%*	*26%*	*36%*	*16%*	*49%*	*56%*	*53%*	*53%*	*53%*	*53%*	*53%*
YoY (%)		*55%*	*125%*	*-55%*	*581%*	*145%*	*61%*	*20%*	*14%*	*12%*	*15%*

Source: Group elaboration

Balance Sheet Model

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Balance Sheet											
Current assets	**13.690**	**16.055**	**28.829**	**23.073**	**44.345**	**80.126**	**105.437**	**131.507**	**158.390**	**187.762**	**223.093**
Cash and cash equivalents	10.896	847	1.990	3.389	7.280	8.589	22.712	39.803	59.540	81.756	107.101
Marketable securities	1	10.714	19.218	9.907	18.704	34.621	34.621	34.621	34.621	34.621	34.621
Accounts receivable, net	1.657	2.429	4.650	3.827	9.999	23.065	31.329	37.675	42.725	47.782	54.839
Inventories	979	1.826	2.605	5.159	5.282	10.080	13.003	15.637	17.733	19.832	22.761
Prepaid expenses and other current assets	157	239	366	791	3.080	3.771	3.771	3.771	3.771	3.771	3.771
Non-Current assets	**3.625**	**12.736**	**15.358**	**18.109**	**21.383**	**31.475**	**32.009**	**33.167**	**34.666**	**36.508**	**38.743**
Property and equipment, net	1.674	2.149	2.778	3.807	3.914	6.283	6.806	7.636	8.599	9.660	10.934
Operating lease assets	618	707	829	1.038	1.346	1.793	1.793	1.793	1.793	1.793	1.793
Goodwill	618	4.193	4.349	4.372	4.430	5.188	5.188	5.188	5.188	5.188	5.188
Intangible assets, net	49	2.737	2.339	1.676	1.112	807	819	1.146	1.683	2.463	3.423
Deferred income tax assets	548	806	1.222	3.396	6.081	10.979	10.979	10.979	10.979	10.979	10.979
Other assets	118	2.144	3.841	3.820	4.500	6.425	6.425	6.425	6.425	6.425	6.425
Total assets	**17.315**	**28.791**	**44.187**	**41.182**	**65.728**	**111.601**	**137.446**	**164.674**	**193.057**	**224.269**	**261.836**
Current liabilities:	**1.784**	**3.925**	**4.335**	**6.563**	**10.631**	**18.047**	**22.393**	**24.552**	**26.270**	**27.990**	**30.390**
Accounts payable	687	1.149	1.783	1.193	2.699	6.310	10.656	12.815	14.533	16.253	18.653
Accrued and other current liabilities	1.097	1.777	2.552	4.120	6.682	11.737	11.737	11.737	11.737	11.737	11.737
Short-term debt	-	999	-	1.250	1.250	-	-	-	-	-	-
Long-term liabilities	**3.327**	**7.973**	**13.240**	**12.518**	**12.119**	**14.227**	**14.227**	**14.227**	**14.227**	**14.227**	**14.227**
Long-term debt	1.991	5.964	10.946	9.703	8.459	8.463	8.463	8.463	8.463	8.463	8.463
Long-term operating lease liabilities	561	634	741	902	1.119	1.519	1.519	1.519	1.519	1.519	1.519
Other long-term liabilities	775	1.375	1.553	1.913	2.541	4.245	4.245	4.245	4.245	4.245	4.245
Total Liabilities	**5.111**	**11.898**	**17.575**	**19.081**	**22.750**	**32.274**	**36.620**	**38.779**	**40.497**	**42.217**	**44.617**
Total shareholders' equity	**12.204**	**16.893**	**26.612**	**22.101**	**42.978**	**79.327**	**100.826**	**125.895**	**152.560**	**182.053**	**217.219**
Preferred stock	-	-	-	-	-	-	-	-	-	-	-
Common stock	1	3	3	2	25	24	24	24	24	24	24
Additional paid-in capital	7.045	8.719	10.385	11.971	13.109	11.237	11.237	11.237	11.237	11.237	11.237
Accumulated other comprehensive income (loss)	1	19	(11)	(43)	27	28	28	28	28	28	28
Treasury stock, at cost	(9.814)	(10.756)	-	-	-	-	-	-	-	-	-
Retained earnings	14.971	18.908	16.235	10.171	29.817	68.038	89.537	114.606	141.271	170.764	205.930
Total liabilities and shareholders' equity	**17.315**	**28.791**	**44.187**	**41.182**	**65.728**	**111.601**	**137.446**	**164.674**	**193.057**	**224.269**	**261.836**
BS Check							-	-	-	-	-
BS Check	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*	*Ok*

Source: Group elaboration

Cash Flow Model

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Cash Flow											
Net Income							117.378	140.970	160.120	179.550	206.523
(+)D&A							2.240	2.180	2.284	2.391	2.622
(+/-)Δ Working Capital							(6.841)	(6.822)	(5.428)	(5.436)	(7.586)
CFO							112.777	136.329	156.977	176.505	201.559
(-) PP&E CapEx							(2.208)	(2.655)	(3.011)	(3.368)	(3.865)
(-) Acquired intangibles Capex							(567)	(681)	(773)	(864)	(992)
CFI							(2.775)	(3.337)	(3.784)	(4.232)	(4.857)
(-) Principal Amortization							-	-	-	-	-
(-) SBC Buyback Compensation in Dividends							(15.846)	(19.056)	(21.610)	(24.168)	(27.737)
(-) Buyback Dividends							(80.033)	(96.845)	(111.845)	(125.890)	(143.620)
CFF							(95.879)	(115.901)	(133.455)	(150.057)	(171.358)
Cash BoP							8.589	22.712	39.803	59.540	81.756
Δ Cash							14.123	17.090	19.737	22.216	25.345
Cash EoP						8.589	22.712	39.803	59.540	81.756	107.101

Source: Group elaboration

Working Capital & Debt Model

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Working Capital											
Working Capital	1.949	3.106	5.472	7.793	12.582	26.835	33.676	40.498	45.925	51.361	58.947
Δ Working Capital		**1.157**	**2.366**	**2.321**	**4.789**	**14.253**	**6.841**	**6.822**	**5.428**	**5.436**	**7.586**
Days	***365***										
Working Capital - Assets	2.636	4.255	7.255	8.986	15.281	33.145	44.332	53.313	60.458	67.614	77.600
Accounts receivable	1.657	2.429	4.650	3.827	9.999	23.065	31.329	37.675	42.725	47.782	54.839
As a days of revenue	*55*	*53*	*63*	*52*	*60*	*65*	***52***				
Inventories	979	1.826	2.605	5.159	5.282	10.080	13.003	15.637	17.733	19.832	22.761
As a days of cost of revenue	*86*	*106*	*101*	*162*	*116*	*113*	***86***				
Working Capital - Liabilities	687	1.149	1.783	1.193	2.699	6.310	10.656	12.815	14.533	16.253	18.653
Accounts Payable	687	1.149	1.783	1.193	2.699	6.310	10.656	12.815	14.533	16.253	18.653
As a days of cost of revenue	*60*	*67*	*69*	*37*	*59*	*71*	***71***				
Debt											
Total Debt BOP							8.463	8.463	8.463	8.463	8.463
(+) New Debt							-	-	-	-	-
(-) Amortization							-	-	-	-	-
Total Debt EoP						8.463	8.463	8.463	8.463	8.463	8.463

Optamos por manter a mesma quantidade de dívida partindo do pressuposto que ela se encontra em estrutura de capital ótima. Nesse sentido, não amortizaremos a dívida - pois mesmo que elas se amortizassem na vida real, provavelmente a empresa faria novas emissões

Source: Group elaboration

PP&E & Acquired Intangibles Model

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
PP&E											
PP&E	**1.674**	**2.149**	**2.778**	**3.807**	**3.914**	**6.283**	**6.806**	**7.636**	**8.599**	**9.660**	**10.934**
BoP		1.674	2.149	2.778	3.807	3.914	6.283	6.806	7.636	8.599	9.660
(+) Capex		961	1.240	1.873	1.001	3.261	2.208	2.655	3.011	3.368	3.865
As a % of revenue		*6%*	*5%*	*7%*	*2%*	*2%*	***1%***				
(-) Depreciation		486	611	844	894	892	1.685	1.826	2.048	2.307	2.591
As a % of PP&E		*29%*	*28%*	*30%*	*23%*	*23%*	***27%***				
EoP	1.674	2.149	2.778	3.807	3.914	6.283	6.806	7.636	8.599	9.660	10.934
Acquired Intangibles											
Acquired Intangibles	**49**	**2.737**	**2.339**	**1.676**	**1.112**	**807**	**819**	**1.146**	**1.683**	**2.463**	**3.423**
BoP		49	2.737	2.339	1.676	1.112	807	819	1.146	1.683	2.463
(+) Purchases of Intangible Assets and Investments		3.300	165	36	50	258	567	681	773	864	992
As a % of revenue		*20%*	*1%*	*0%*	*0%*	*0%*	***0,26%***				
(-) Amortization of Intagible Assets		612	563	699	614	563	555	354	236	84	31
As a % of PP&E		*1249%*	*21%*	*30%*	*37%*	*51%*	*69%*	*43%*	*21%*	*5%*	*1%*
EoP	49	2.737	2.339	1.676	1.112	807	819	1.146	1.683	2.463	3.423

Source: Group elaboration

Others Model

Interest income, Interest expenses, SBC and Dividends

Unit: US$ Milion	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Interest Income											
Interest Income							**1.862**	**1.921**	**2.419**	**3.220**	**4.166**
Cash BoP							43.210	57.333	74.424	94.161	116.377
SOFR							*4,3%*	*3,4%*	*3,3%*	*3,4%*	*3,6%*
Interest Expense											
Interest Expense							**489**	**489**	**489**	**489**	**489**
Debt BoP							8.463	8.463	8.463	8.463	8.463
Cost of Debt (%)							*5,8%*	*5,8%*	*5,8%*	*5,8%*	*5,8%*
Stock-based Compensation											
Stock-based Compensation	**844**	**1.397**	**2.004**	**2.710**	**3.549**	**4.737**	**15.846**	**19.056**	**21.610**	**24.168**	**27.737**
% of Revenue	8%	8%	7%	10%	6%	4%	*7,2%*				
Dividends											
Dividends							**80.033**	**96.845**	**111.845**	**125.890**	**143.620**
Cash Flow Before Dividends							94.156	113.936	131.583	148.106	168.965
Payout (%)							*85,0%*				
% of Net Income							68%	69%	70%	70%	70%
Share Buybacks as % of Net Income	14%	9%	4%	239%	33%	47%					
Share Buybacks + Dividends	(390)	(395)	(399)	(10.437)	(9.928)	(34.540)					
Net Income	2.796	4.332	9.752	4.368	29.760	72.880					

Dado que ela já tem uma posição de caixa extremamente confortável, optamos por distribuir dividendos como forma de substituir a remuneração ao acionista ocasionada pelo share buyback

Source: Group elaboration

Phase 2 | Presentation

Nvidia in a Circuit

Leadership and Technology in Semiconductor Design

Nvidia is a global technology company known for creating powerful graphics processors and tools that help computers run faster and smarter. Founded in 1993, it started by making graphics cards for gaming but has since expanded into areas like artificial intelligence, self-driving cars, and cloud computing. Nvidia doesn't manufacture its own chips; instead, it designs them and relies on specialized factories, like TSMC, to produce the hardware.

Shareholder Structure

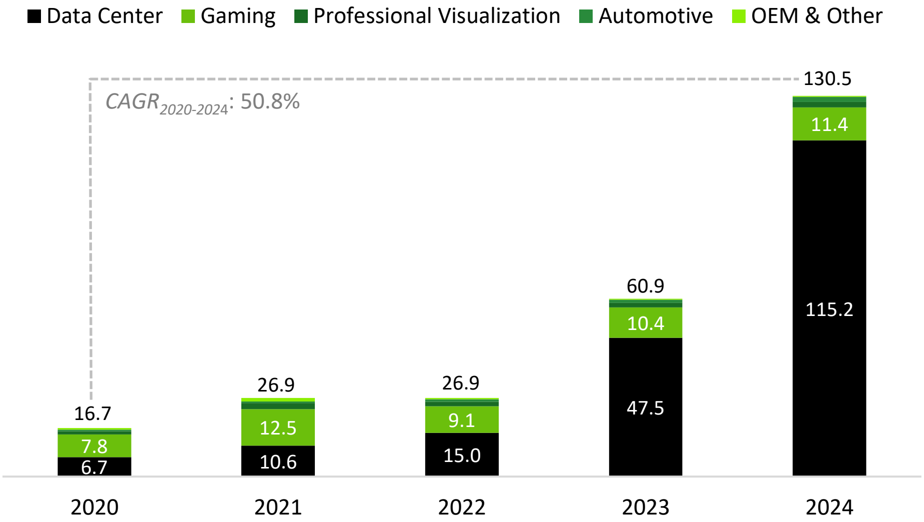
Vanguard	BlackRock	State Street	Others
8.9%	7.8%	4.0%	79.2%

NASDAQ Listed: NVDA

Key Indicators	*USD billions*
Market Cap	3,415
Revenue	130.4
EBIT	81.4
Net Profit	72.8
Cash	8.5

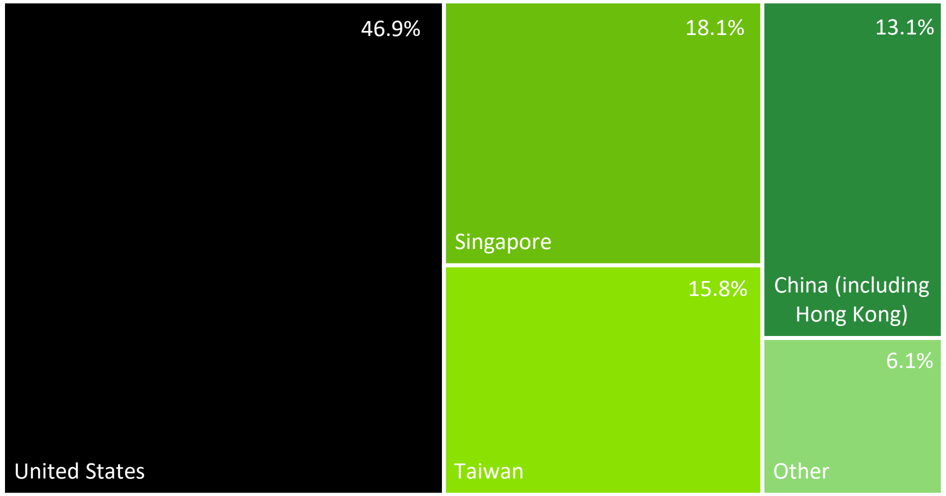
Revenue by end-market *(US$ billion)*

Historically, Nvidia's revenue was dominated by the gaming segment, but with the rise of artificial intelligence, the Data Center has gained prominence



Geographic Revenue in 2024 *(%)*

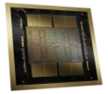
With a strong presence in the U.S., NVIDIA also operates in Singapore and Taiwan but has been losing ground in China due to trade restrictions



Nvidia main products

NVIDIA's high-end GPUs reflect a bold bet on AI dominance, extreme performance, and premium pricing, shaping an increasingly segmented computing market

Nvidia B200: US$30,000 – US$40,000

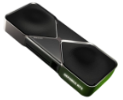


The NVIDIA B200 is a next-gen Blackwell GPU designed for generative AI, offering up to 1.4 PFLOPs, FP4 support, 1.8 TB/s NVLink bandwidth, and high energy efficiency for large-scale AI and HPC

Nvidia H200: ~ US$30,000

The NVIDIA H200 is a Hopper-based GPU with 141 GB of HBM3e and 4.8 TB/s bandwidth, designed for generative AI and HPC, offering high performance and energy efficiency

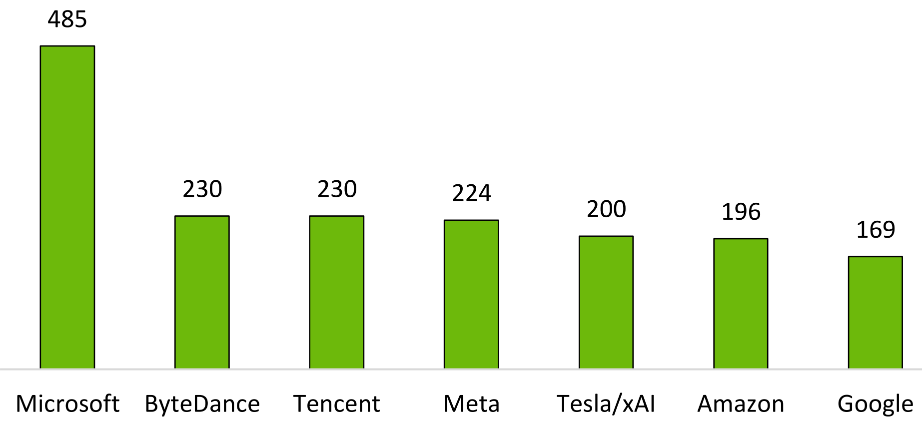
GeForce RTX 5090: US$1,999



The GeForce RTX 5090 is NVIDIA's top consumer GPU, featuring Blackwell architecture, 21,760 CUDA cores, and 32 GB of GDDR7. It excels in gaming and AI with DLSS 4, ray tracing, and 8K support

Estimated shipments of Nvidia Hopper GPUs in 2024, by customer

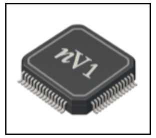
In 2024, Microsoft purchased twice as many Nvidia Hopper GPUs as ByteDance and Tencent, leading AI investments and becoming Nvidia's top customer



Source:

Unlocking a Technological Revolution

GPUs gained traction due to their scalable architecture, massive parallelism, and flexibility across applications



Why were GPUs so disruptive?

GPUs, with their **massively higher core counts**, enabled the **parallel execution of simpler, repetitive operations**—such as additions—across **large datasets**, offloading compute-bound workloads and allowing CPUs to focus on complex, interdependent tasks

Parallel Processing:

Raw Data → Division in Multiple Simpler Tasks → Single Instruction to all the Cores → Independent Calculations

The simplicity and independence of GPU tasks make the **architecture inherently scalable**, as performance scales nearly linearly with core count

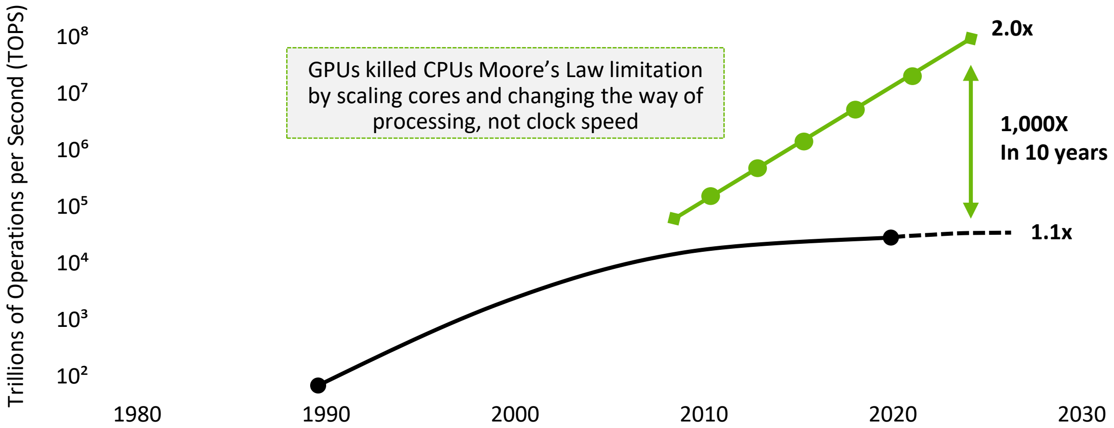
Massive Operation Scale:

30 **trillion** Multiply-Add Operations per Second

$$FMA = a \times b + c$$

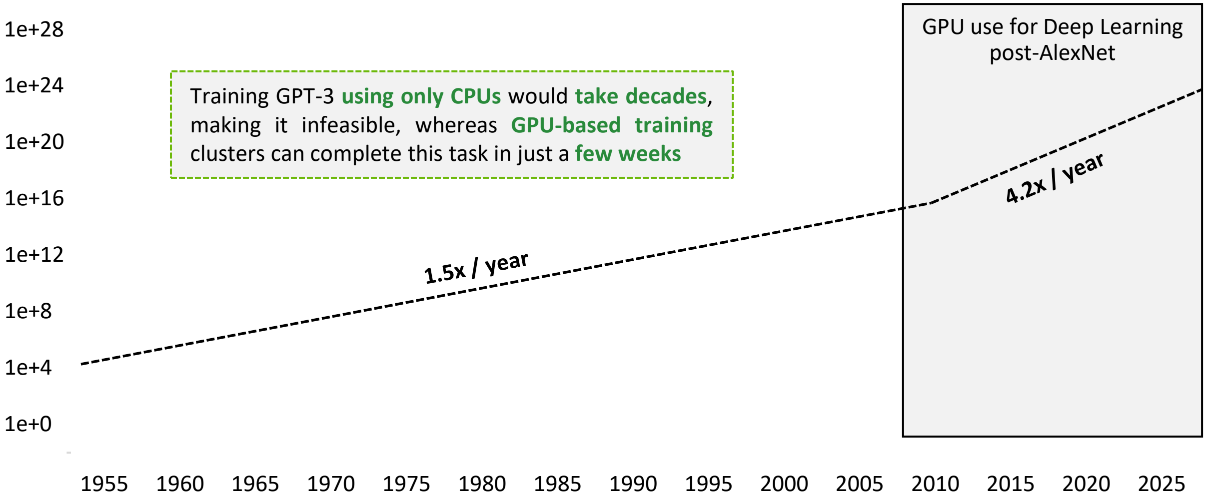
Product	Processing	Cores	Tasks	Strength
CPUs	Sequential	~96	Interdependent	Operating System
GPUs	Parallel	~21,760	Separate	Vectorized

CPU performance advanced for decades under Moore's Law, driven by rising transistor counts and clock speeds. Over time, however, **gains plateaued due to physical constraints**—such as heat dissipation, quantum effects at nanoscales, and energy inefficiency. These limitations made **traditional CPU scaling unsustainable**, accelerating the shift toward alternative architectures like GPUs



Training Compute of Notable Machine Learning Systems Over Time (FLOP)

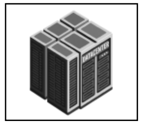
After the discovery of AlexNet, GPUs sparked the deep learning revolution



Why Are GPUs remaining at the core of Technological Breakthroughs?

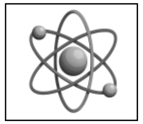
Parallelism + General-purpose Architecture = Multiple end markets served

Various Applications:



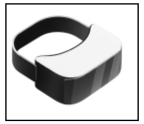
Data Center

Purpose-built to handle massive AI and scientific workloads, enabling high-throughput, low-latency compute at scale.



Professional Visualization

Real-time rendering and physics-accurate simulation, tailored for complex content creation. Formally entered this space with GPUs in the early 2000s, expanding rapidly from 2018 with Omniverse and RTX



Gaming

Engineered for high frame rates, and rich visual effects, ideal for interactive entertainment. Gaming has been its core since the late 1990s, evolving from basic graphics to AI-enhanced experiences

Source: Asianometry, SemiAnalysis, NVIDIA IR

Three Steps Ahead: Unbothered by Competition

Consistently delivering superior results, reflecting deep expertise and the strength of the ecosystem built around GPUs

What about the competitors in this market?

Though rivals, NVIDIA focused early on building a GPU-centric ecosystem, while AMD spread across broader areas like CPUs

1995

+70
GPU Players

2025

NVIDIA & AMD

Market-maker, shaping new industries through innovation

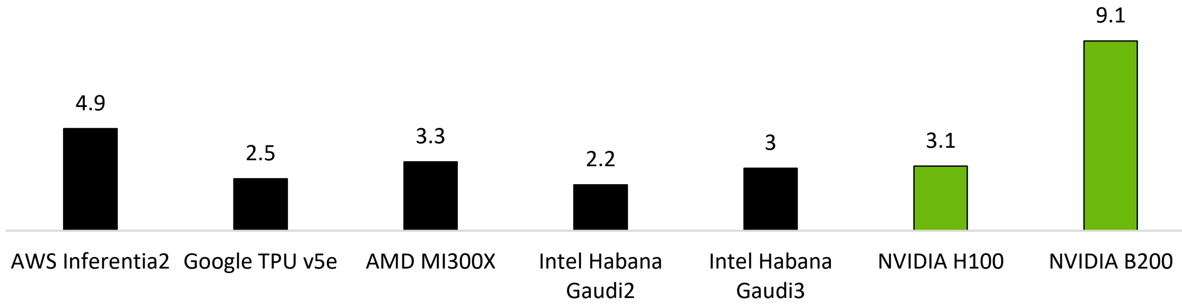
Market-challenger, competing with efficiency and openness

Despite AMD's efforts to enter the AI GPU market, there remains a significant performance gap in its flagship products — a gap NVIDIA has filled through its **ability to anticipate industry shifts**

Product	TT[1]	BW[2]	HBM Cap[3]	Strength
B200 (NVIDIA)	4.5 PFLOPS	8TB/s	192GB	AI Dominant
MI325X (AMD)	2.6 PFLOPS	6TB/s	256 GB	Abundant Memory

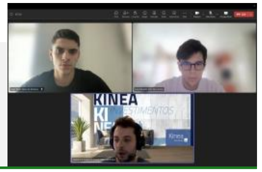
Chip level cost-performance ratio (Performance/Cost)

NVIDIA's B200 redefines cost-performance efficiency, nearly tripling competitors' metrics and highlighting how far rivals lag behind in delivering value at scale



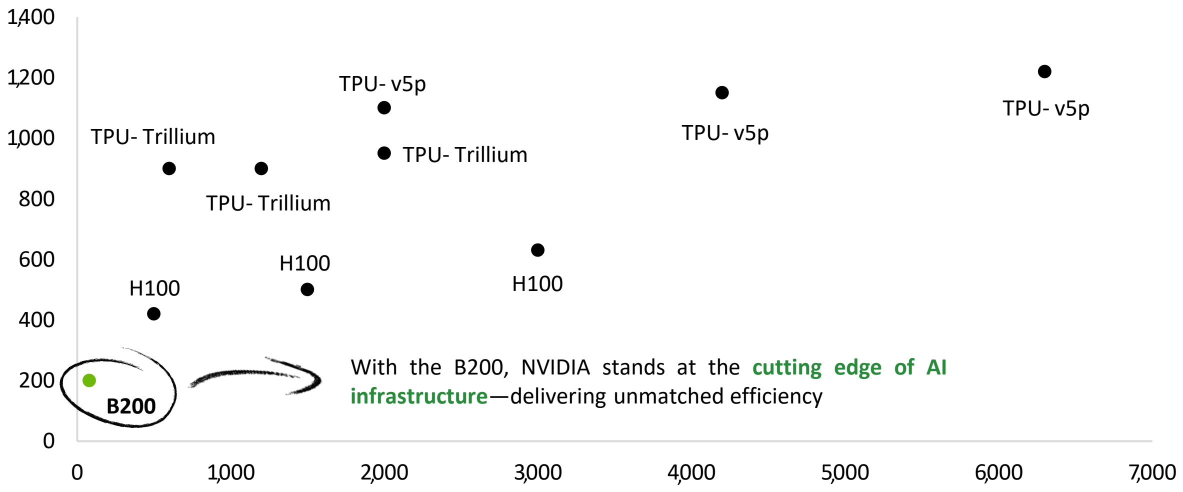
Guilherme Amaral, Kinea TMT Analyst

"NVIDIA has delivered higher performance by **capturing value-added layers** around the GPU business—not by full vertical integration, but by selectively controlling strategic components like CUDA and NVLink"



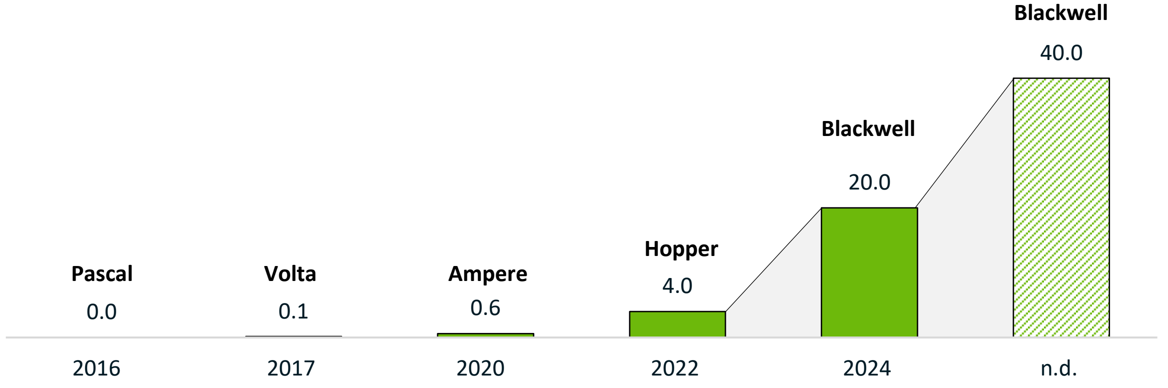
GPT-3 Training Results (GPU Hours Required x Number of GPUs Used)

Training LLM's becomes dramatically more efficient as each hardware generation unlocks more performance



Evolution of NVIDIA GPU Processing Power (PFLOPs)

Unprecedented pace of performance scaling, with performance metrics results growing exponentially



NVIDIA consistently breaks through performance barriers, avoiding plateaus thanks to its unmatched pace of innovation. Through deep architectural redesigns and ecosystem control, each GPU generation brings exponential gains. This trajectory highlights NVIDIA's unique ability to reinvent and scale computing performance.

(1) Tensor Throughput; (2) Memory Bandwidth; (3) HBM3E Memory Capacity

Source: Morgan Stanley, SemiAnalysis, Companies IR, Financial Times

Scaling was Broken: NVLink Fixed It

NVLink unlocked the full potential of NVIDIA's GPU ecosystem, enabling seamless scalability beyond conventional limits

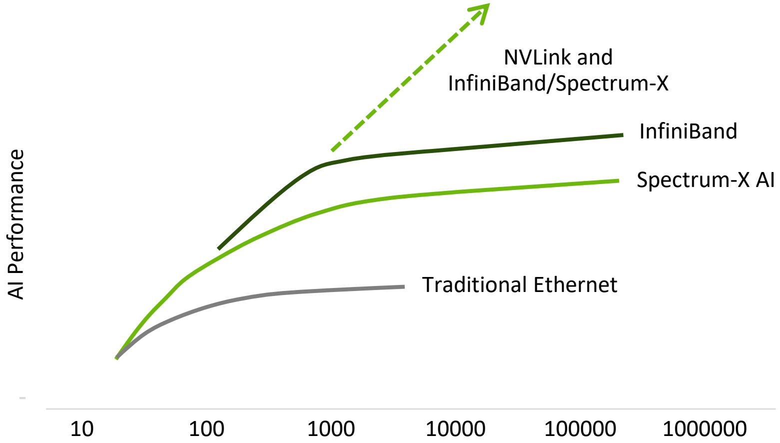
NVIDIA established its GPUs as top performers and scaled rapidly through sheer volume. However, to sustain performance gains as GPU clusters grew larger, new technologies were essential. This need for high-speed, low-latency communication across multiple GPUs led to the development of NVLink:

Why Data Centers have so many GPUs?

Due to GPUs parallelism capabilities it has two ways of improving its performance:

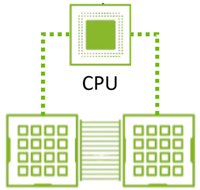
Scale-up	Increasing performance by **adding more resources**—like GPUs—within a single machine. Traditionally used in HPC and early AI models where compute could fit into one powerful server.
Scale-out	Linking multiple machines to work together as a **unified system**, distributing the workload. Gained traction with the rise of DL and LLMs, which exceeded the limits of single-node systems

Scale-up has been key to sustaining the growth of GPU performance



NVLink

Revolutionized GPU scalability by enabling connections between GPUs and between GPU and CPU, creating a unified, high-performance compute fabric



With the creation of NVLink, NVIDIA not only scaled the number of GPUs and boosted performance, but also unlocked **new product architectures** and **deeper integration across its ecosystem**—especially with CUDA, enabling seamless multi-GPU computing and more efficient software-hardware synergy

Expanding Possibilities for GPU Usage:

GB200
1 Grace GPU
2 Blackwell GPUs
Connected by NVLink-C2C
Unified Memory

GB200 NVL72
36x GB200 Superchips
72 GPUs + 36 CPUs
Connected by NVLink Switch System
Neural ultra-speed

Jensen Huang, Nvidia's Founder & CEO

"NVLink wasn't just a technical innovation — it was the turning point that transformed NVIDIA from a chipmaker into a **builder of supercomputers**. By connecting GPUs with unprecedented bandwidth, we created a new class of superchips capable of powering the factories of the future"

How is it performing?

25% Reduction in Training Time	**3x More throughput**

NVIDIA's proprietary **NVLink** and **NVSwitch** technologies, reinforced by Mellanox's networking IP, provide ultra-low latency and high-bandwidth **GPU-to-GPU** and **node-to-node** interconnect. These capabilities enable efficient scaling of large AI and HPC workloads across thousands of GPUs

Gabriel Oliveira, Verde Global Equities Analyst

"NVIDIA has **NVLink and NVSwitch technologies**, which enable them to interconnect GPUs and nodes, delivering **faster performance than competitors**. A single NVLink can handle more data traffic than the entire global internet. **They make magic**"

Source: NVIDIA IR

CUDA: The Backbone of Nvidia's MOAT

Proprietary software has made it possible to program GPUs for specialized tasks, driving sustained performance gains over time

What made NVIDIA GPUs so flexible across End Markets?

With the launch of CUDA Software in 2006, GPUs evolved into more programmable machines, enabling the use of graphics cards across a wide range of applications and leveraging their parallel processing capabilities

Programmable GPUs = **Flexibility for Applications** + **Performance Enhancing**

Over nearly **two decades**, NVIDIA's software has been continuously refined and widely adopted by developers, creating a **high switching cost** due to deep-rooted academic training. This has fostered a strong developer base, reinforced by a **network effect**—more users mean more shared knowledge and institutional adoption

- Proprietary Language (**Only** NVIDIA products)
- +400 Libraries and +600 AI models
- Optimization of GPUs constantly (even old ones)

Performance Enhancing

~200x Data Processing	~100x Deep Learning
~200x Computer Vision	~100x Agentic AI
~100x Science	~100x Recommender Systems

CUDA (NVIDIA) vs. ROCm (AMD): Measuring Content Presence on YouTube

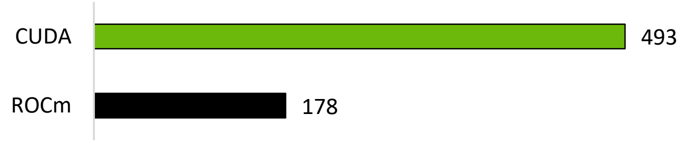
We developed a Python script to quantify the volume of available content related to each software. Our findings indicate that CUDA is significantly more entrenched than ROCm, the AMD software

```
API_KEY = "AIzaSyALtVTKXGvd-bCcQajwYBVtLgwoEN0y-aI"

termos = ["CUDA", "ROCm"]

for termo in termos:
    print(f"\n=== Buscando títulos contendo,
        '{termo}' "(até 500 resultados) ===")
    titulos = buscar_todos_titulos_youtube
    (API_KEY, termo, max_por_termo=500)

    contagem =
    sum(1 for t in titulos
        if termo.lower() in t.lower())
    print(f"Total de títulos coletados
        "pela API: {len(titulos)}")
    print(f"Total de títulos que contêm
        "exatamente '{termo}': {contagem}\n")

    # (Opcional) Exibir os primeiros 20 títulos como amostra
    print("Primeiros 20 títulos encontrados:")
    for i, t in enumerate(titulos[:20], start=1):
        print(f"{i}. {t}")
```

Our results:

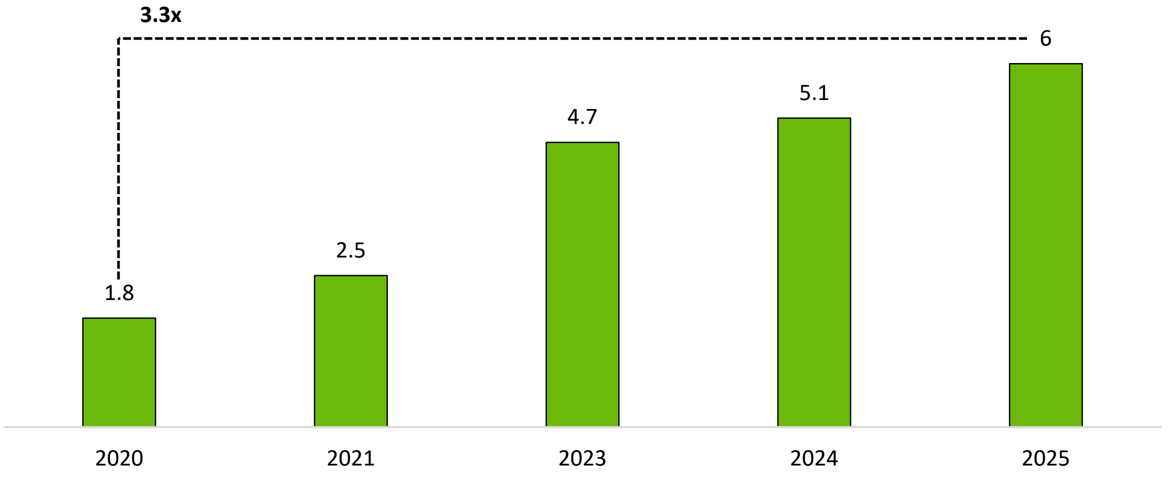
2.8x More Results for **CUDA**

The widespread availability of free content plays a crucial role in training new programmers with minimal effort



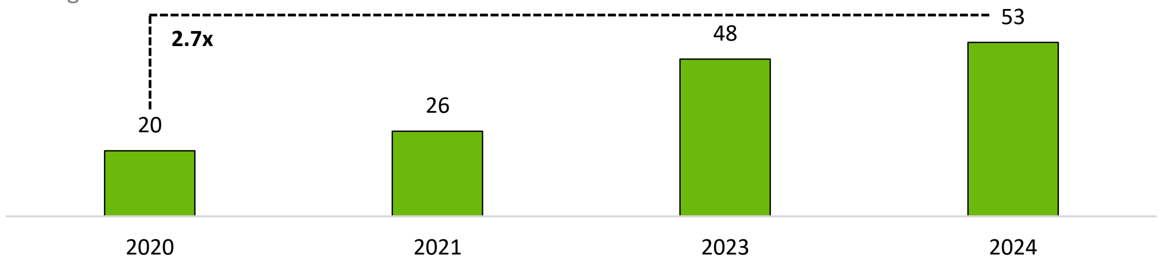
CUDA Developers (Million)

Beyond its accelerated growth, CUDA benefits from an already well-trained developer base, positioning it strongly for the years ahead



CUDA Downloads (Million)

The high number of CUDA downloads, combined with its non-transferable file formats, indicates a significant switching cost



The Role of Switching Costs, Yale

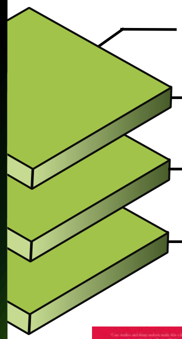
" **In software markets, switching costs are often particularly high due to incompatibility of data formats, user retraining, and the need to rewrite custom code**. These costs can deter customers from switching even if alternative products are available and better. In markets with high switching costs, **a monopolist can continue to charge high prices or maintain market dominance long after the competitive advantage that initially attracted customers has eroded** "

Source: Group Elaboration, NVIDIA IR, Yale

Stairway to Heaven: Winning Business Model? Check!

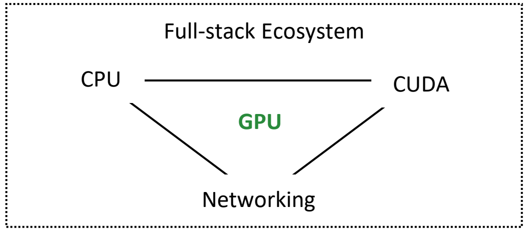
Building on deep technical moats, NVIDIA combines scale, lock-in, and execution to sustain market leadership

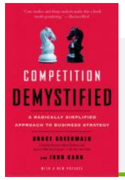
With CUDA as the backbone of its strategy, NVIDIA creates synergies across its entire product portfolio. This integration reinforces customer lock-in, resulting in market share stability and pricing power — a competitive edge continually reinforced by its unmatched architecture release cycle



Compiling Competitive Advantages:

- Unmatched Technology Leadership
- Massive Scale Capability + General-purpose Architecture
- Switching Costs + Network Effect = Strong Customer Captivity

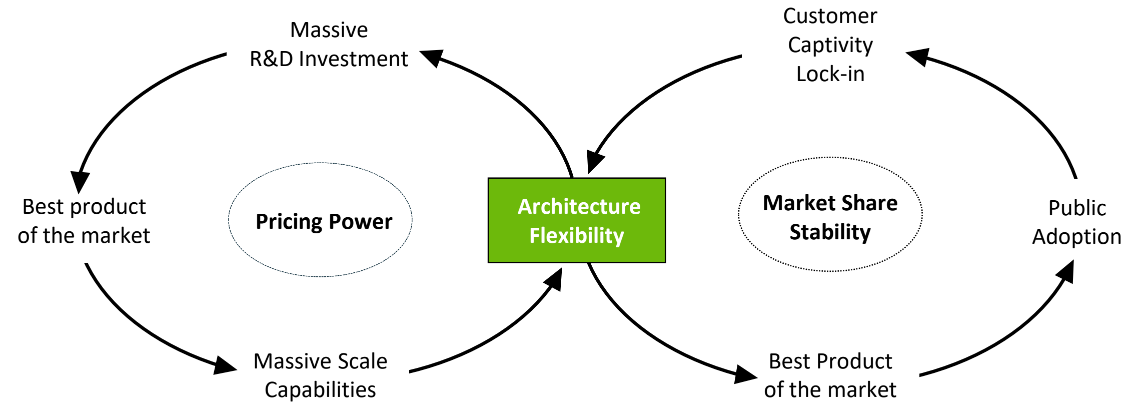




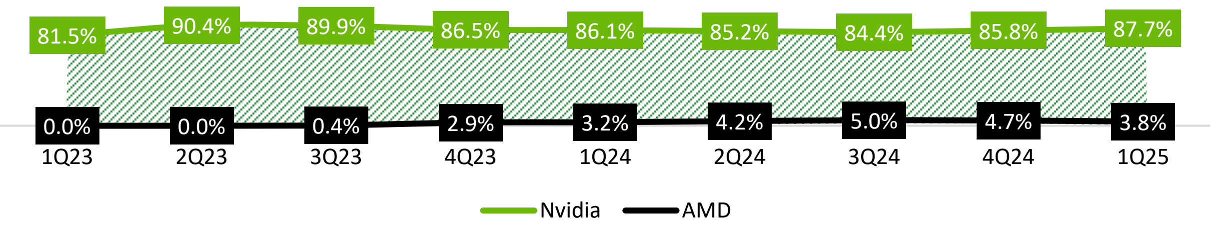
Competition Demystified, Bruce Greenwald

"The **most powerful competitive advantages arise when customer captivity is combined with economies of scale**. In such cases, a firm not only drives down its unit costs with volume but also makes it very hard for customers to leave, reinforcing its dominance over time."

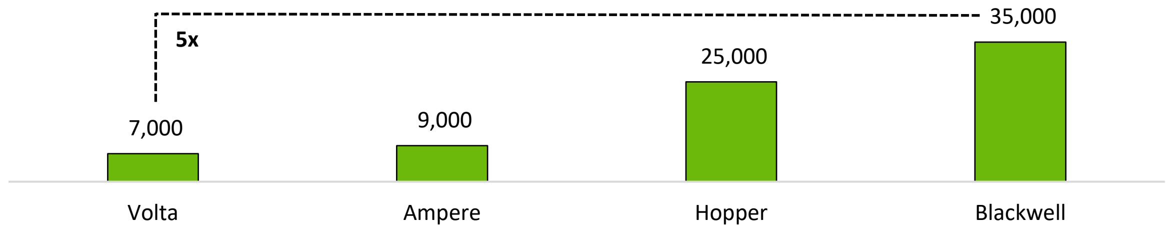
A self-reinforcing loop of winning outcomes:



NVIDIA vs AMD Market Share of Data Center Accelerators(%)



NVIDIA GPU Pricing Power Across Architectures (US$)



Release cadence will make the difference larger and larger

By leveraging a unified architecture and reinforcing feedback loops across its ecosystem, NVIDIA has significantly accelerated its GPU launch cadence, widening its lead over competitors

Time between architecture ramps (Months):

A100 (36) → **H100 (28)** → **B100 (18~20)**

Shortened its product cycle, tightening its grip on the AI market and further **suffocating AMD's window to catch up**

As the inventor of the GPU, NVIDIA leverages **unrivaled expertise, elite engineering talent, and visionary leadership** under Jensen Huang. This deep-rooted strength enables faster architecture transitions and a tighter product cycle

Best Product + **Barriers to Entry** + **Excellence in Execution**

Source: SemiAnalysis, NVIDIA IR, Morgan Stanley

Envisioning the Future: Mission is the Boss

Vision backed by action: Jensen's decisions consistently anticipate where the market is heading, and get there first

Co-Founded Nvidia
Started Nvidia to focus on computing market
1993

TSMC Partnership
Early move to fabless model, ensuring scalable and advanced chip production
1998

The first modern GPU
GeForce 256 revolutionized graphics
1999

Created CUDA
Enabled GPUs for AI and scientific use
2006

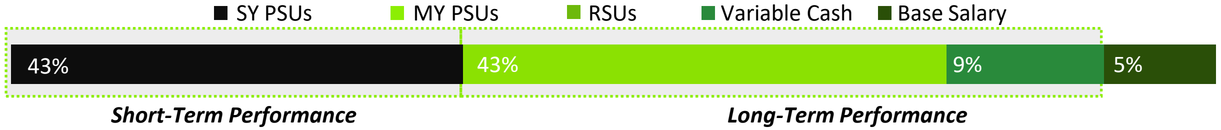
Mellanox Acquisition
Strengthened Nvidia's position in high-performance networking
2019

Launched Blackwell
Powered Nvidia's next-gen AI dominance globally
2024

Jensen Huang, Nvidia's Founder & CEO

"The technology industry doesn't reward the past, it only rewards the future. No matter how successful you were yesterday, if you don't innovate today, you become irrelevant. That's why at Nvidia, we wake up every morning as if we were running out of time"

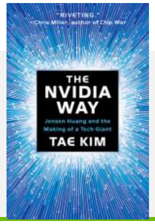
CEO target pay mix 2024



Jensen's Visionary Decision Mentality:

Core Beliefs	+	Early Indicators of Future Success	=	Early Adopter of Disruptive End Markets

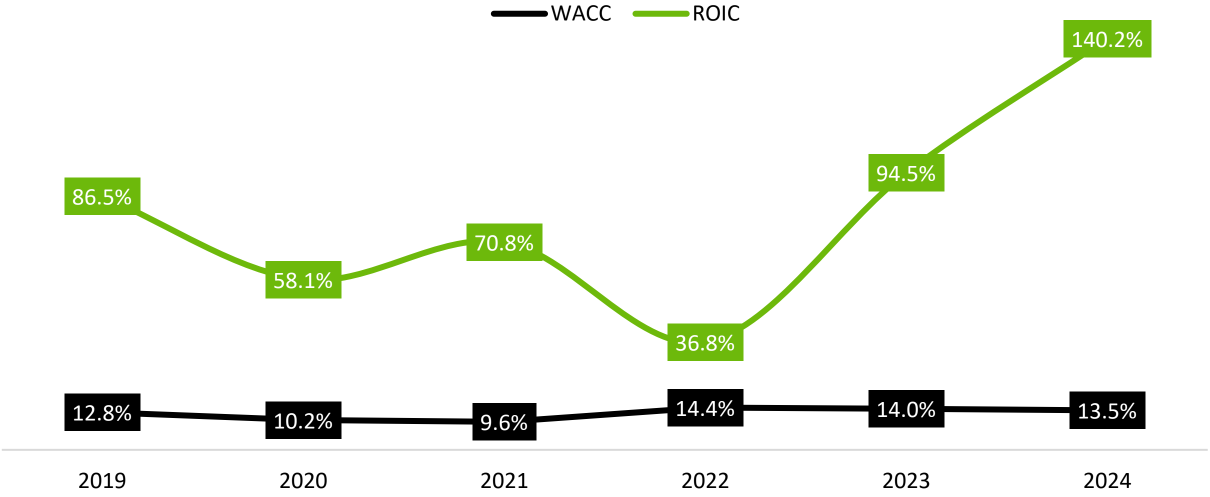
The Nvidia Way, Tae Kim



"Since Nvidia's founding, Jensen has insisted that all Nvidia employees work at the "Speed of Light". He wants their work to be constrained only by the laws of physics – not by internal politics or financial concerns [...] "Speed of the light gets you into the market faster and makes it really, really hard, if not impossible, for your competitors to do better", a former Nvidia executive said. ***"How fast can you do it, and why aren't you doing it that faster."***

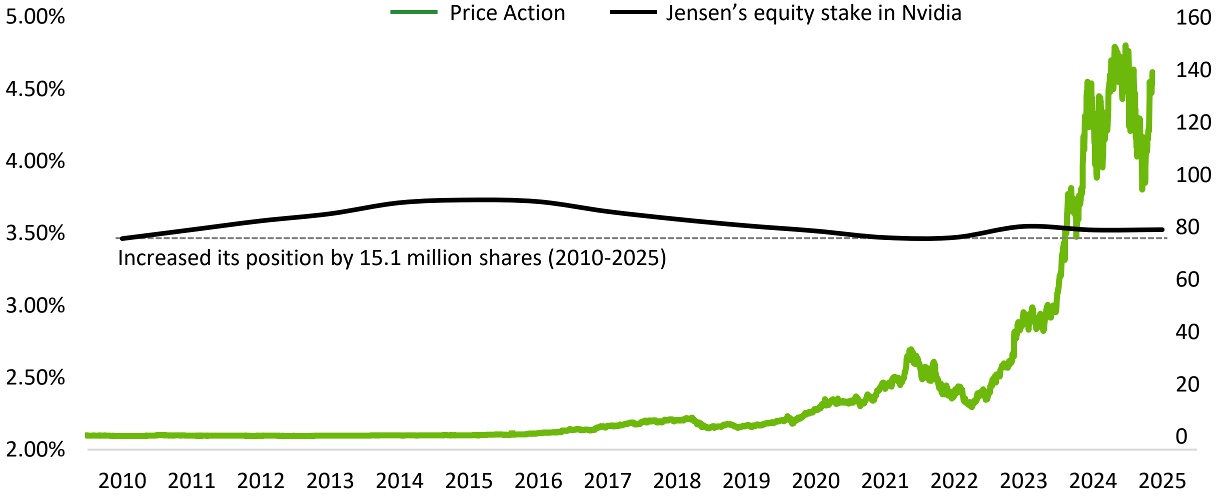
ROIC[1] x WACC ***(%)***

Jensen's investment choices have proven highly efficient: Nvidia's ROIC comfortably exceeds its WACC, showing a return on capital well above the opportunity cost



Price Action ***(US$)*** **x Jensen Ownership** ***(%)***

Even after the stock has appreciated by more than 300,000% since its IPO, Jensen has maintained a substantial amount of his equity stake, and remains confident in Nvidia's long-term potential



(1) Adjusted with R&D capitalization

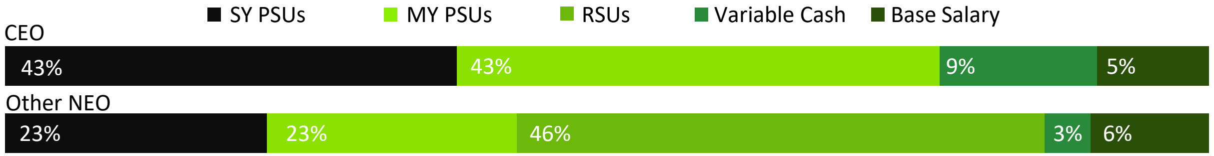
Source: Bloomberg, Nvidia IR, The Nvidia Way, Yahoo Finance

Where Execution Meets Consistency: Human capital advantage

How exceptional talent and a purpose-driven culture fuel technological leadership and innovation

CEO & Other NEO target pay mix 2024

Pay mix reflects a strong alignment between leadership incentives and the company's long-term, sustainable value creation goals



SY PSUs
Short-term focused, reward consistent achievement of key annual performance targets

MY PSUs
Long-term oriented, tied directly to multi-year goals, aligning with NVIDIA's strategic vision

RSUs
Long-term focused, encourage retention and align executives with shareholder value

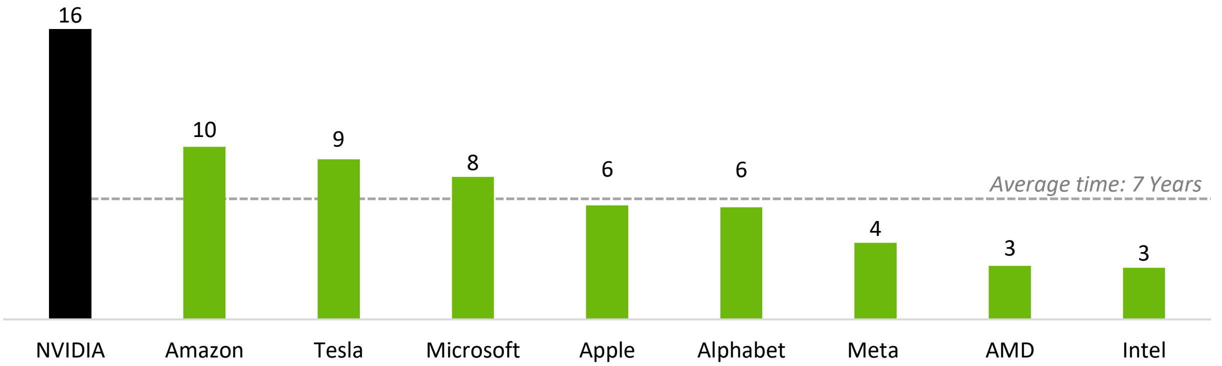
Colette Kress
Nvidia CFO
Former CFO at Cisco
+13 Years
In-house

Bill Dally
CS_1 and SVP Research
Professor in Stanford
+16 Years
In-house

Ian Buck
VP at Data Center
Inventor of CUDA
+25 Years
In-house

Average executive tenure *(Years)*

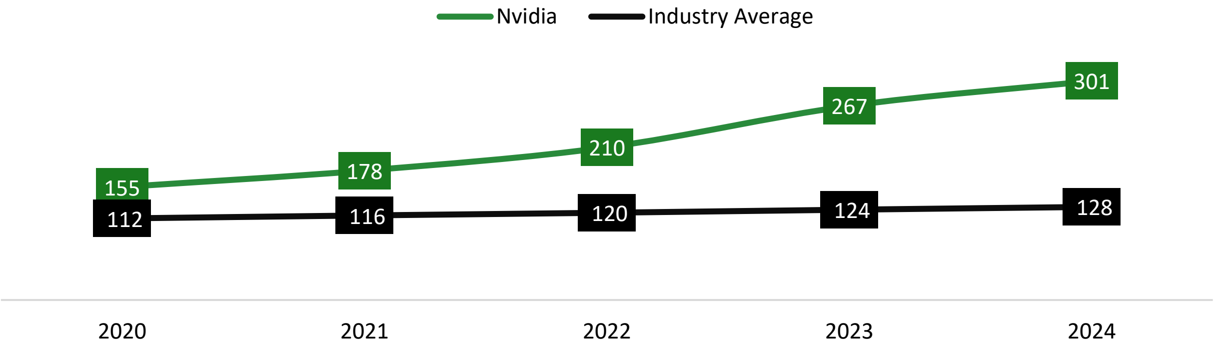
With an average executive tenure of 16 years, more than double the industry average, NVIDIA stands out for its leadership stability, enabling deeper expertise and long-term vision



With an average executive tenure of 16 years, **NVIDIA holds a clear competitive edge**. Long-standing leadership allows the company to move with greater strategic consistency, make better-informed decisions, and execute long-term plans more effectively than competitors like AMD and Intel, whose leadership turnover limits continuity and deep industry insight

NVIDIA Employee Pay vs Semiconductor Industry Average *(US$ Thousand)*

But Nvidia is not built solely on strong executives. The company also relies on a highly specialized technical workforce, attracted by an above-average compensation policy



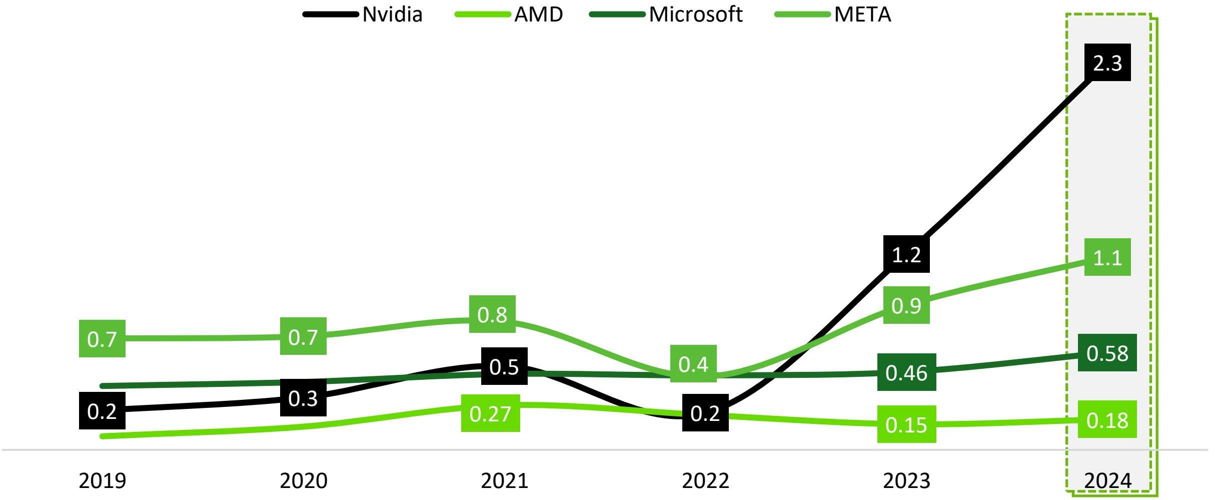
75% of employees are R&D
vs 59% of AMD

2.7% Turnover
vs 17.7% average in semiconductor industry

166:1 Pay $Ratio_2$
vs 222:1 compared to its $peers_3$

EBITDA/Employee *(US$ millions)*

NVIDIA's EBITDA per employee highlights a highly skilled and productive workforce, generating value at a scale far beyond industry peers



(1) Chief Scientist; (2) CEO salary vs. median employee; (3) AMD, Intel and Qualcomm

Source: Companies IR, Entrepreneur, Linkedin

It's Still Early Days for AI

AI is rewriting the rules of value creation: driving productivity gains and unlocking new innovation and business models

Why is AI changing everything:

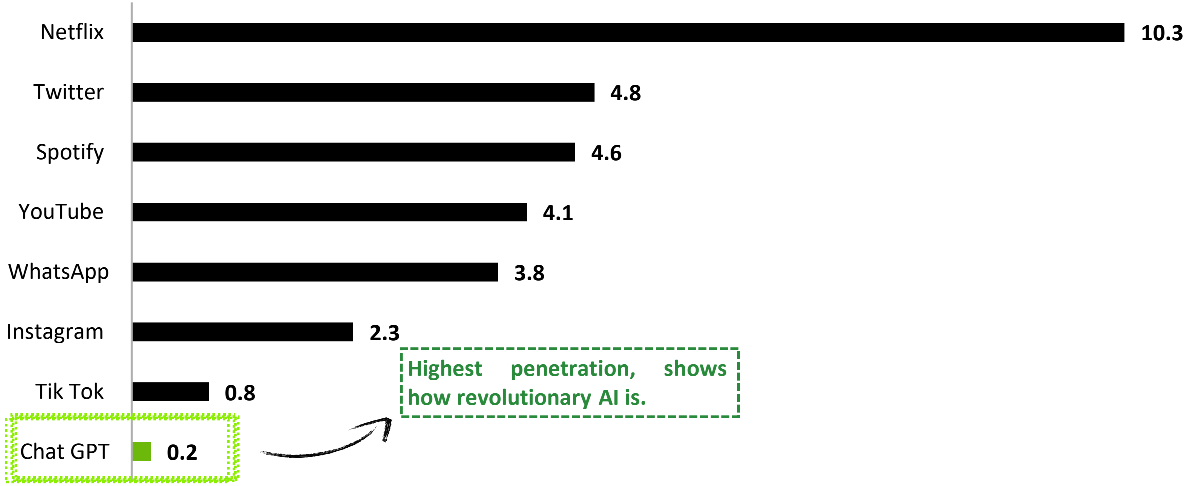
- **AI can learn and execute complex tasks** across multiple domains — something that used to require dozens of separate tools and systems
- **A simple and universal interface** drastically **lowers the barrier to AI adoption** — making it accessible to any employee, developer, or company
- **AI benefits** from massive **economies of scale and continuous improvement** — **the more it's used, the better** and more efficient it becomes

Why companies are going all in:

- **Massive productivity gains**: **AI cuts the cost of operational tasks across customer service**, marketing, engineering, and legal
- **AI powers entirely new products** — from copilots to intelligent search and diagnostics — **creating high-margin revenue opportunities** beyond cost reduction
- **Fear of falling behind** (the AI arms race): **Big tech and industry leaders know that whoever masters AI will dominate the next decade**

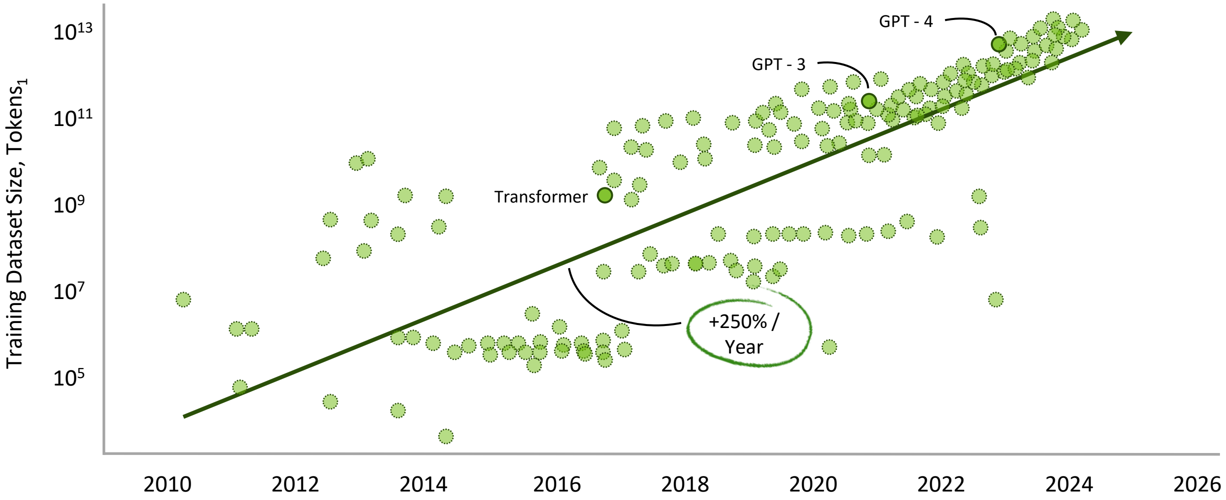
Years to Reach 100 MM Users

AI adoption shattered records, reaching 100 million users faster than any technology in history — a clear sign of the scale and speed of this new technological revolution



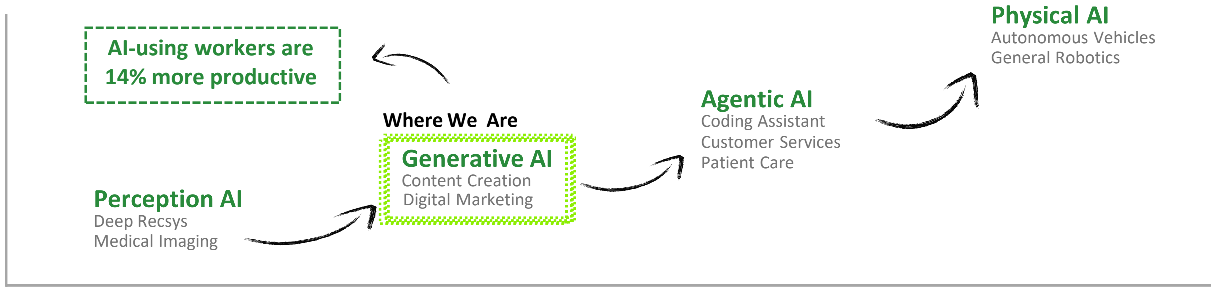
AI Model training Dataset Size by Model Release Year

The rapid rise of Generative AI has been fueled by an exponential increase in training data — with dataset sizes growing over 250% per year, enabling breakthroughs like GPT-3 and GPT-4



The Future of AI

We are still in the early stages of AI, and although there is still plenty of room to grow, Generative AI is already transforming the entire market



Andy Jassy, Amazon's CEO

"Generative AI is going to reinvent virtually every customer experience we know and enable altogether new ones about which we've only fantasized. …Increasingly, you'll see AI change the norms in coding, search, shopping, personal assistants, primary care, cancer and drug research, biology, robotics, space, financial services, neighborhood networks, everything"

(1) Tokens are units of text the model learns from

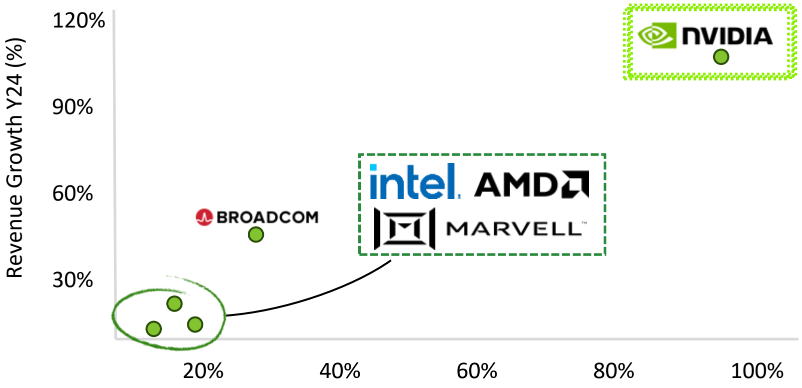
Source: Group elaboration, BOND, Epoch AI

AI is the future and Nvidia is Best Positioned to Capture it

From talent to execution, NVIDIA's integrated model turns technical leadership into real-world market dominance

Complete Ecosystem + **Specialized human capital** = **Positioning to capture future demand**

Revenue growth *(%)* vs AI Exposure[1]



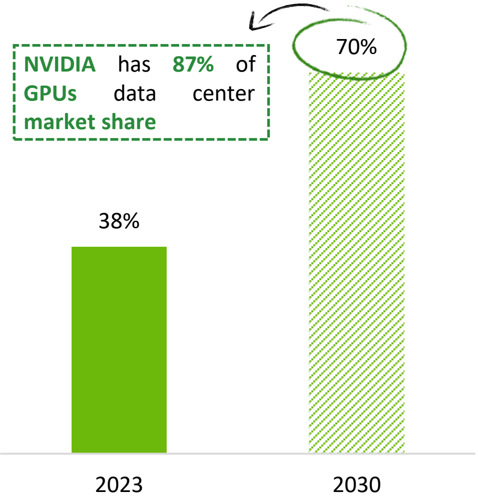
By building **a robust and integrated ecosystem**, guided by a **well-defined long-term vision** from its **highly specialized talent** and by **positioning itself early in the AI market**, **Nvidia** has established a **strong competitive moat** and, in practice, a **monopoly in AI-focused GPUs**, making it extremely difficult for new players to enter this segment

Demand for advanced-AI capacity *(% of total data center capacity demand)*

AI demand is accelerating and exposing the gap between those merely following the trend and those ready to lead it, like NVIDIA

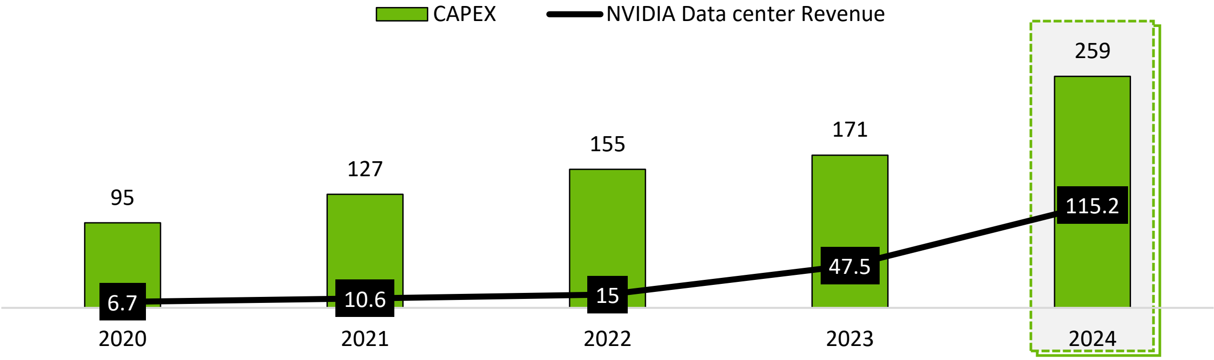
Datacenter Type	AI	GPU Demand
HPC	X	High
Cloud / Hyperscaler	X	Very High
AI Accelerated	X	Very High
Colocation		Low
Enterprise		Low

NVIDIA has **87%** of **GPUs** data center **market share**



NVIDIA Data Center Revenue x Big 4 Tech Companies Capex

Big Techs are ramping up Capex to chase AI infrastructure, and NVIDIA is capturing the lion's share of this spending



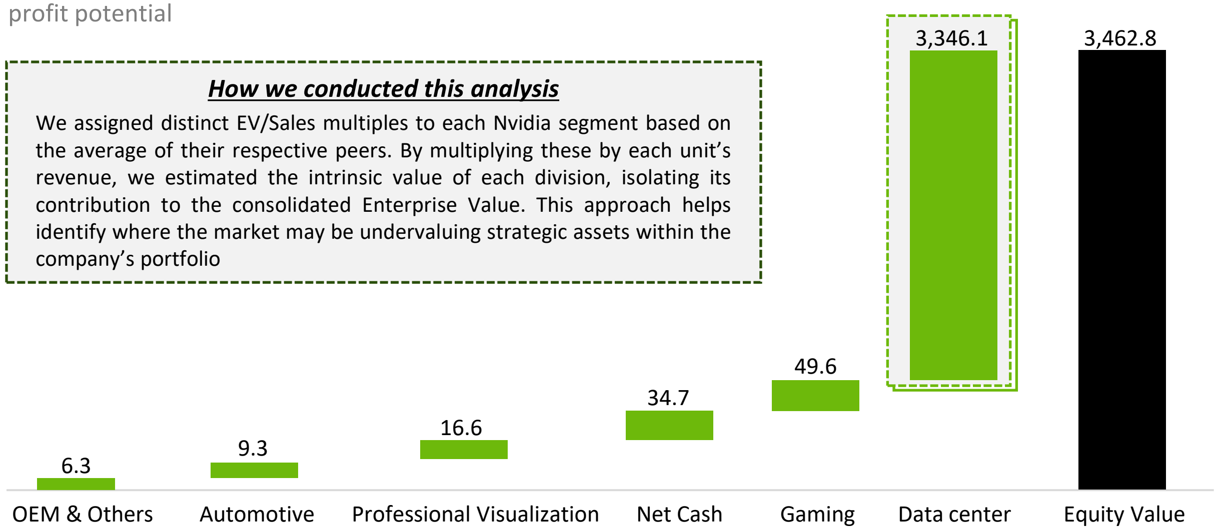
Amazon	Microsoft	Alphabet	Meta
USD 85 billion CapEx in 2024	USD 65 billion CapEx in 2024	USD 59 billion CapEx in 2024	USD 50 billion CapEx in 2024

Value Added to market cap by segment *(US$ million)*

Roughly 97% of NVIDIA's market value stems from Data Center, a clear bet on its AI exposure and outsized profit potential

How we conducted this analysis

We assigned distinct EV/Sales multiples to each Nvidia segment based on the average of their respective peers. By multiplying these by each unit's revenue, we estimated the intrinsic value of each division, isolating its contribution to the consolidated Enterprise Value. This approach helps identify where the market may be undervaluing strategic assets within the company's portfolio



(1) AI Exposure as % of the Revenue

Source: Group elaboration, Companies IR, McKinsey

Capturing AI’s Data Center Boom

How we see greater growth potential for NVIDIA and Why our view diverges from market consensus

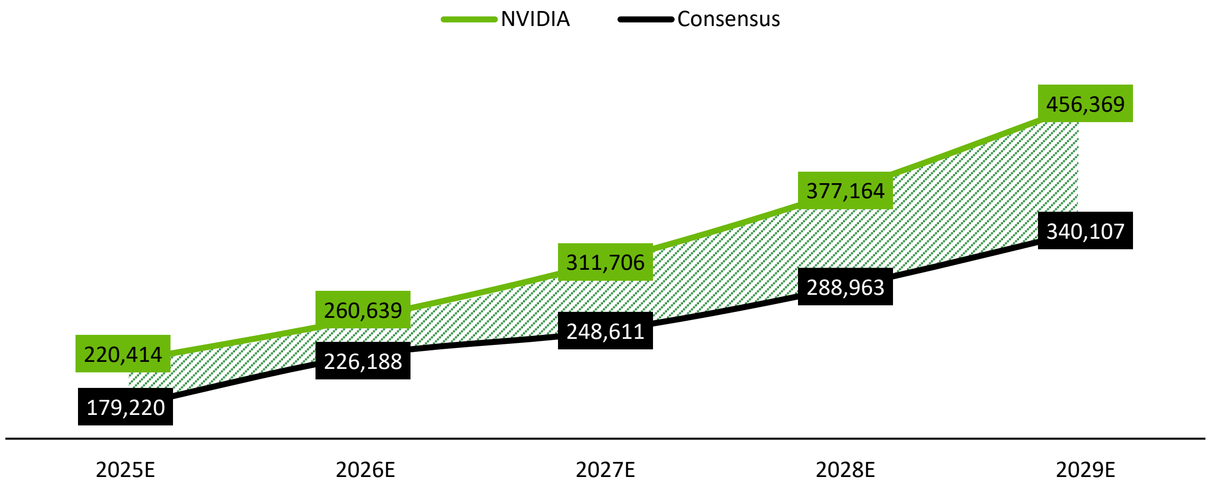
Assumptions for NVIDIA’s Data Center Revenue Forecast

We project faster growth in the data center GPU market than consensus expects, and believe NVIDIA is well positioned to maintain its leadership and capture the bulk of this upside

US$ Million	2025E	2026E	2027E	2028E	2029E
Global Data Center Capex	556.600	673.486	814.918	986.051	1.193.122
Global Data Center Capex (%YOY)	21%	21%	21%	21%	21%
% of Data Center CAPEX for GPUs	45%	45%	45%	45%	45%
NVIDIA’s Data Center Revenue	220.414	260.639	311.706	377.164	456.369
% Of Global CAPEX	40%	39%	38%	38%	38%
% of NVIDIA GPU Market Share	88%	86%	85%	85%	85%

Data Center NVIDIA’s Revenue x Consensus

We expect stronger data center growth than consensus, driven by AI, with the divergence becoming more pronounced from 2028 onward

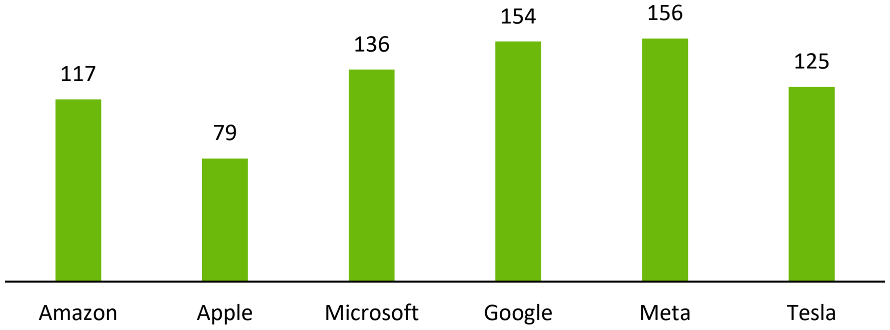


Where We Diverge From the Market?

While **the market is pricing in a deceleration in data center investments starting in 2028 due to concerns about overcapacity, we hold a different view**. **We believe the AI market is still in its early stages and will continue to expand significantly**, driving sustained demand for high-performance infrastructure. **The high volume of AI mentions in the latest MAG 7 earnings calls supports this thesis** — indicating that major tech companies remain heavily focused on AI as a core growth driver and are likely to keep investing aggressively in data center capacity

Mentions of AI in Latest Earnings Calls

```python
import pdfplumber

palavras_alvo = ["ai", "artificial intelligence"]

def identificar_empresa(nome):
    nome_lower = nome.lower()
    if "apple" in nome_lower:
        return "Apple"
    elif "amazon" in nome_lower:
        return "Amazon"
    elif "microsoft" in nome_lower:
        return "Microsoft"
    elif "google" in nome_lower:
        return "Google"
    elif "meta" in nome_lower:
        return "Meta"
    elif "tesla" in nome_lower:
        return "Tesla"
    else:
        return "Desconhecido"

contagem_geral = {}
```



Future Revenue Opportunities

Geopolitical tailwinds and robotics adoption could unlock incremental revenues — both currently excluded from our model but making a potential source of upside asymmetry

China Revenue

There is a possibility that NVIDIA is preparing a new U.S.-compliant version of its Blackwell chips for China. If approved, it could partially restore regional data center sales, potentially adding $8–15B in annual revenue

Robotics

We see a high probability of monetization through platforms like Omniverse, coupled with growing demand for GPUs powering robotics workloads — with potential for upside surprise

When, Revenue Impact and Probability

- **2025**
- **8-15 US$ Billion**
- **Medium Probability**

- **2027-?**
- **High Impact**
- **High Probability**

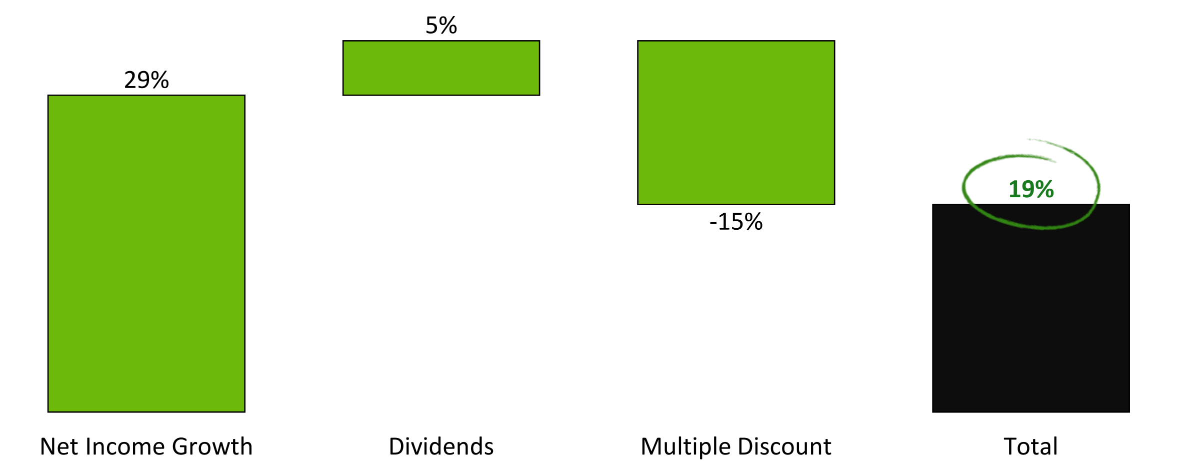
Source: Group elaboration, Companies IR

Thesis Scenarios & How much could we Lose?

Sensitivity Analysis of Our Base Case, and Downside Scenarios That Could Break the Thesis

What Drives Our NVIDIA IRR: A Decomposition of Return Drivers and Headwinds

IRR is largely a function of strong Net Income Growth — but held back by our cautious multiple



IRR Scenarios Analysis

While the upside potential remains compelling, disciplined monitoring of AI-driven capex is needed

	Bear	Base	Bull
Growth Global Data Center CapEx	18.0%	21.0%	25.0%
% of Data Center CapEx for GPUs	40.0%	45.0%	50.0%
% of NVIDIA GPU Market Share	75.0%	88.0%	90.0%
Gross Margin	65.0%	75.0%	80.0%
Exit Multiple	15x	20x	25x
IRR	**(9.1%)**	**18.9%**	**43.0%**

Where Our Thesis Could Break: Demand for AI Falls Short or Competitive Pressures Undermine Nvidia's GPU Leadership

IRR Impact Under Combined Downside Scenarios: Slower AI Infrastructure Investment and Structural Loss of Nvidia's GPU Market Share

ASICs Chips

These are **custom chips built for specific tasks**, and in some cases, they can outperform GPUs in efficiency and cost for AI workloads. **If hyperscalers like Google and Amazon successfully scale their own ASICs**, **Nvidia risks losing substantial GPU market share and the pricing power that underpins its high margins**. This could lead to a structural decline in profitability and a weakening of the competitive moat that currently supports its dominant position in AI infrastructure — with potential impact starting from 2028 onward.

	Scenario 1	Scenario 2	Scenario 3
NVIDIA Market Share:	50%	60%	70%
Gross Margin:	60%	65%	70%
IRR	-7%	1%	9%

Slow Down in AI Investments

If **enterprises and hyperscalers begin to question the near-term returns from AI projects**, a pullback in spending could occur — especially after the recent wave of aggressive investment. This would not only lead to a **slower expansion of total data center infrastructure**, but also **reduce the percentage of CapEx allocated to GPUs**. Since Nvidia's growth is highly tied to the adoption of AI at scale, any hesitation or delay in AI monetization could directly pressure its revenue trajectory, lower utilization rates, and weaken its pricing leverage in the data center stack.

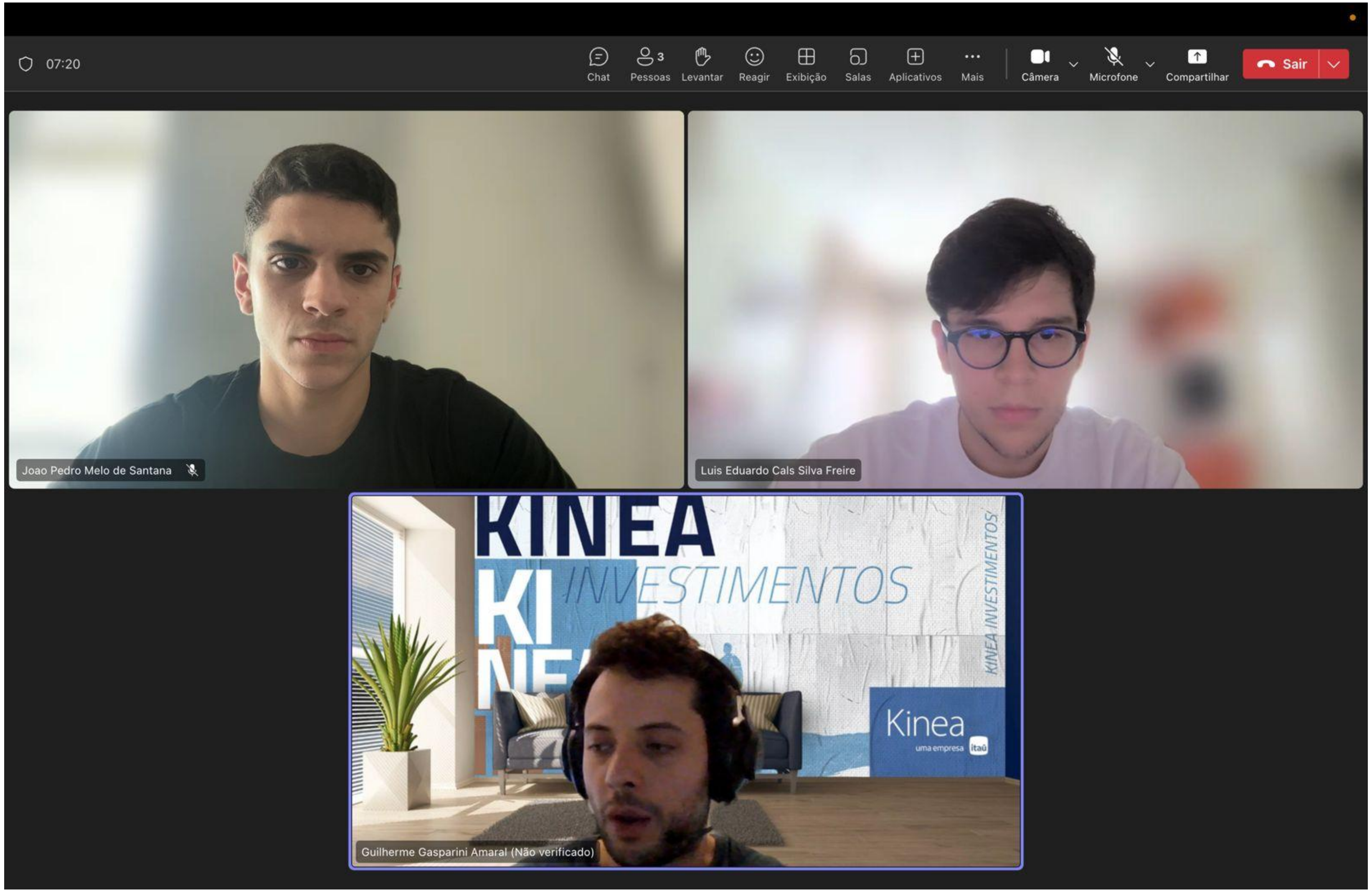
	Scenario 1	Scenario 2	Scenario 3
CAGR Capex DC:	15%	17%	19%
% of Accelerators Share:	30%	35%	40%
IRR	-4%	4%	11%

Source: Group elaboration

Calls

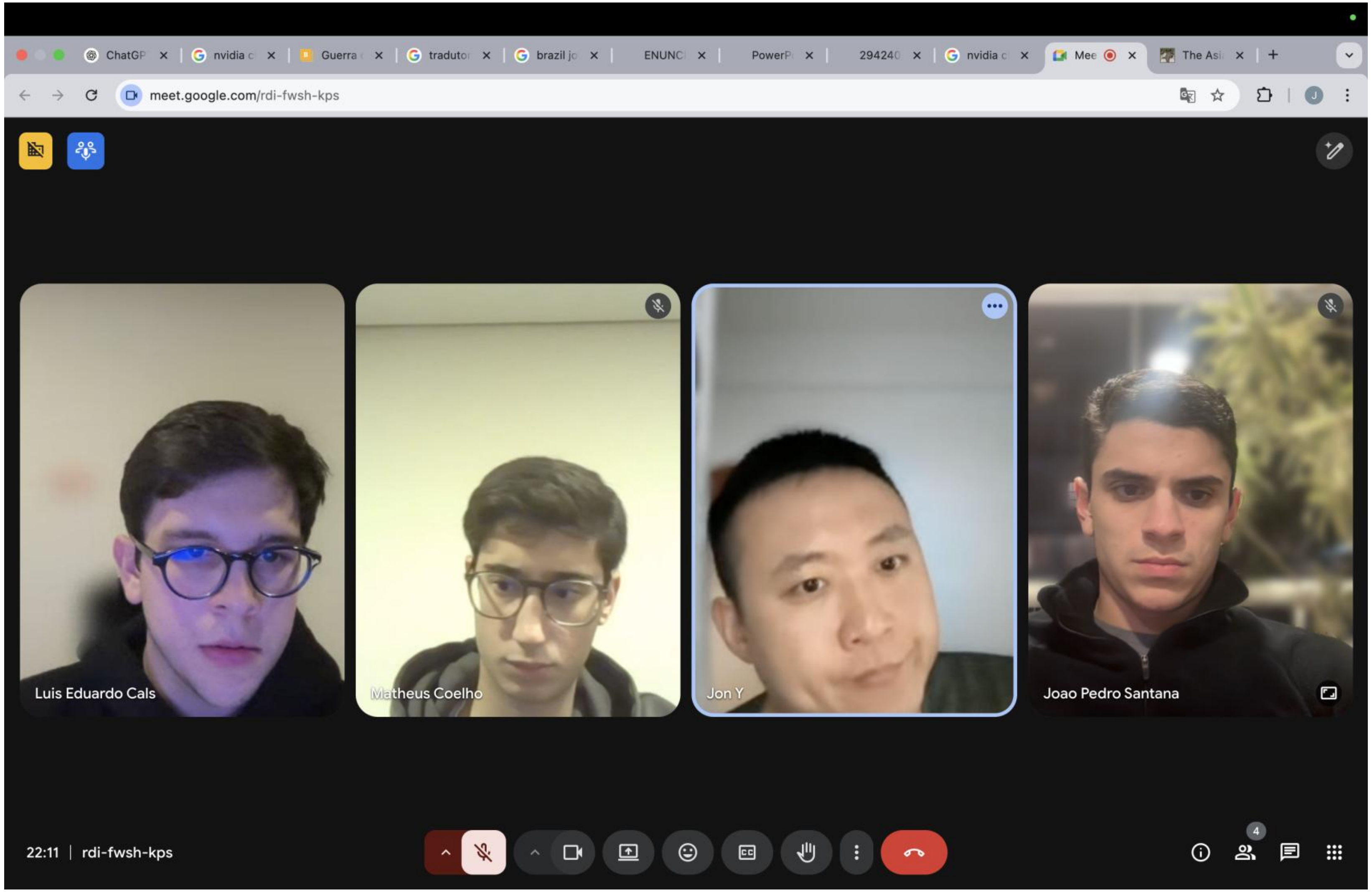
Call Guilherme Amaral – Kinea

Our conversation with Guilherme Amaral from Kinea helped us frame potential value triggers for NVIDIA over the coming months, adding depth to our timing and catalyst assessment



Source:

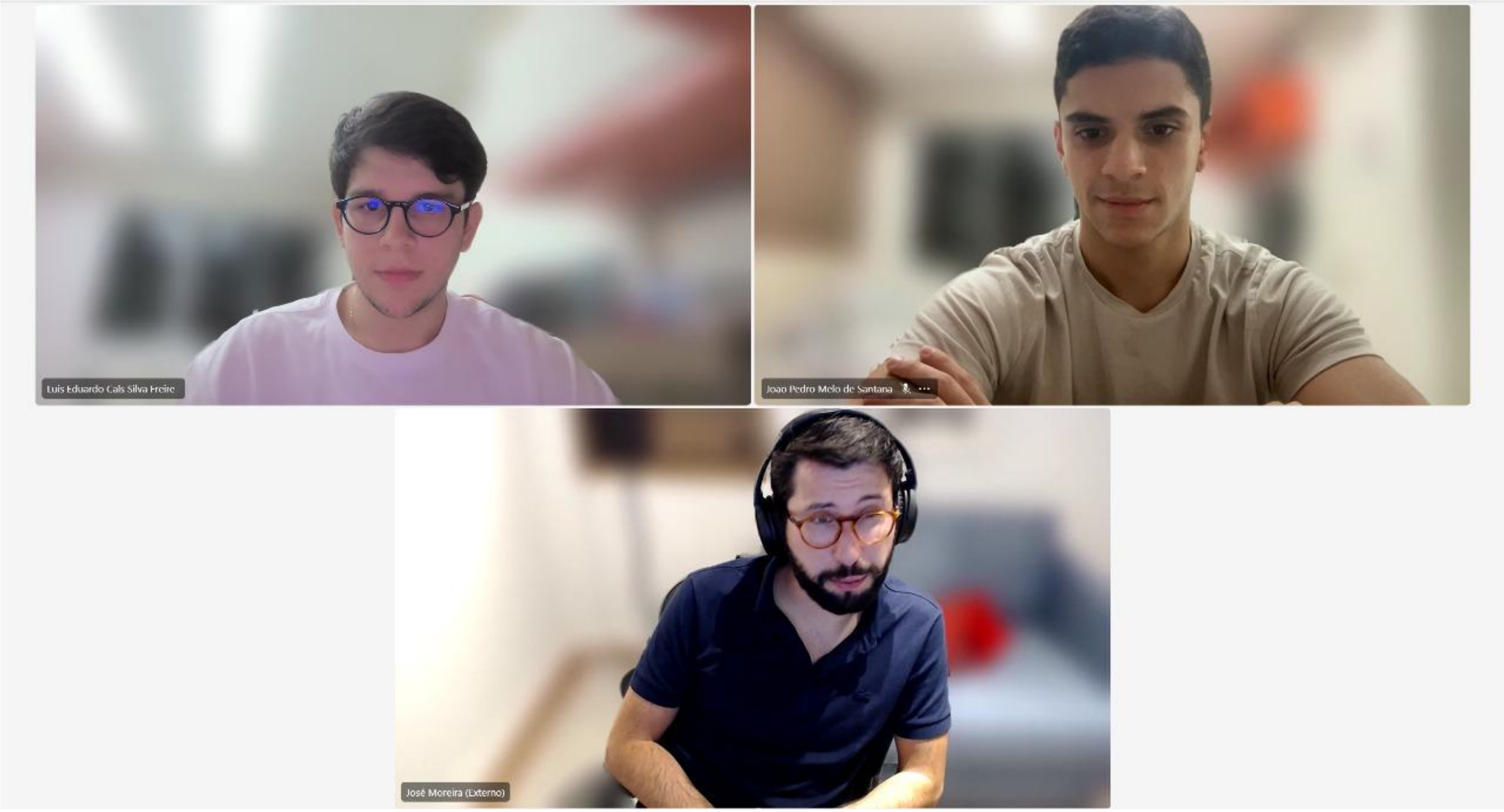
Call Jon Y – Asianometry



Source:

Call José Oliveira – PRAGMA

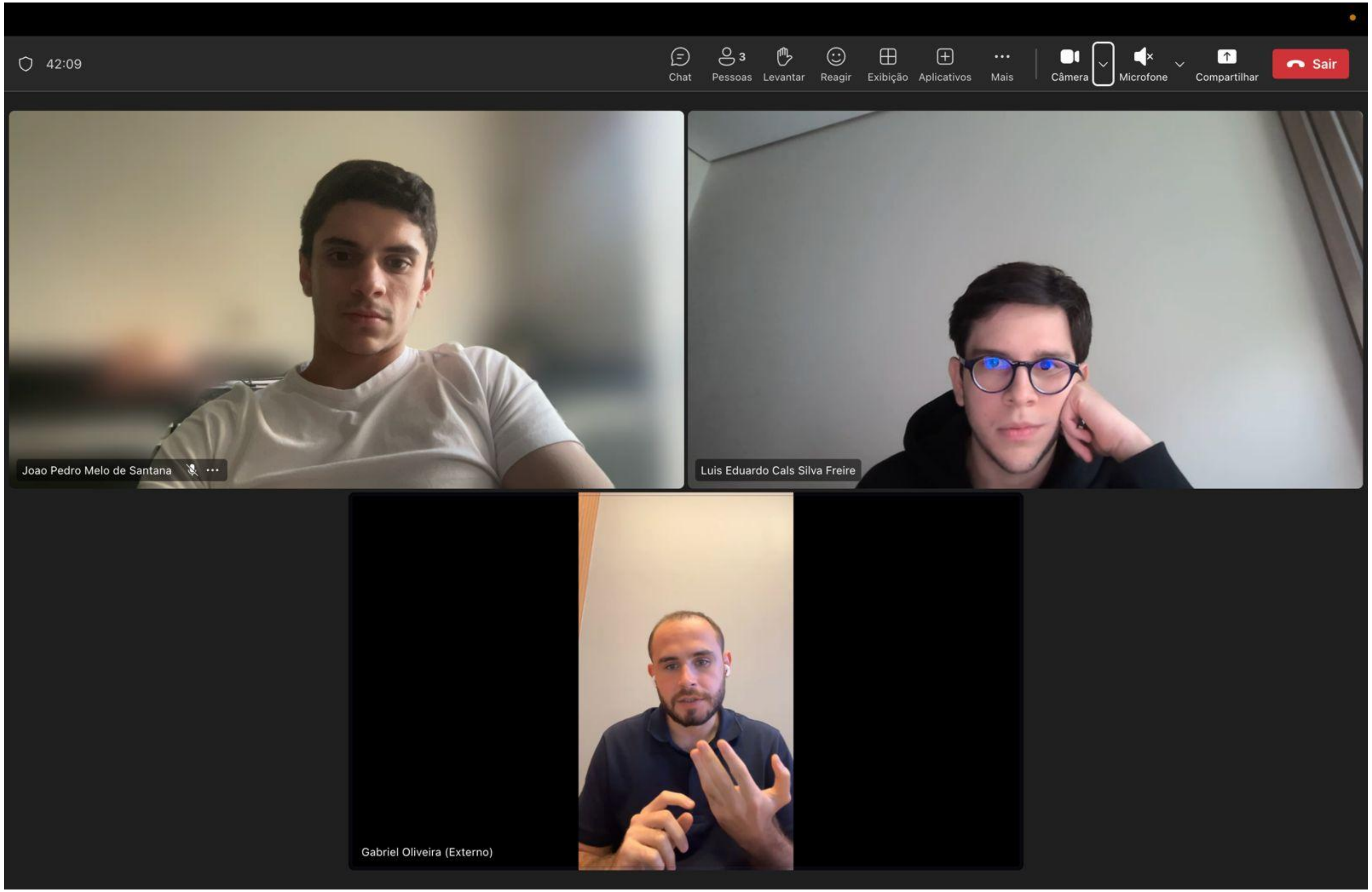
Our conversation with José from PRAGMA helped us better understand the interdependencies across the semiconductor value chain



Source:

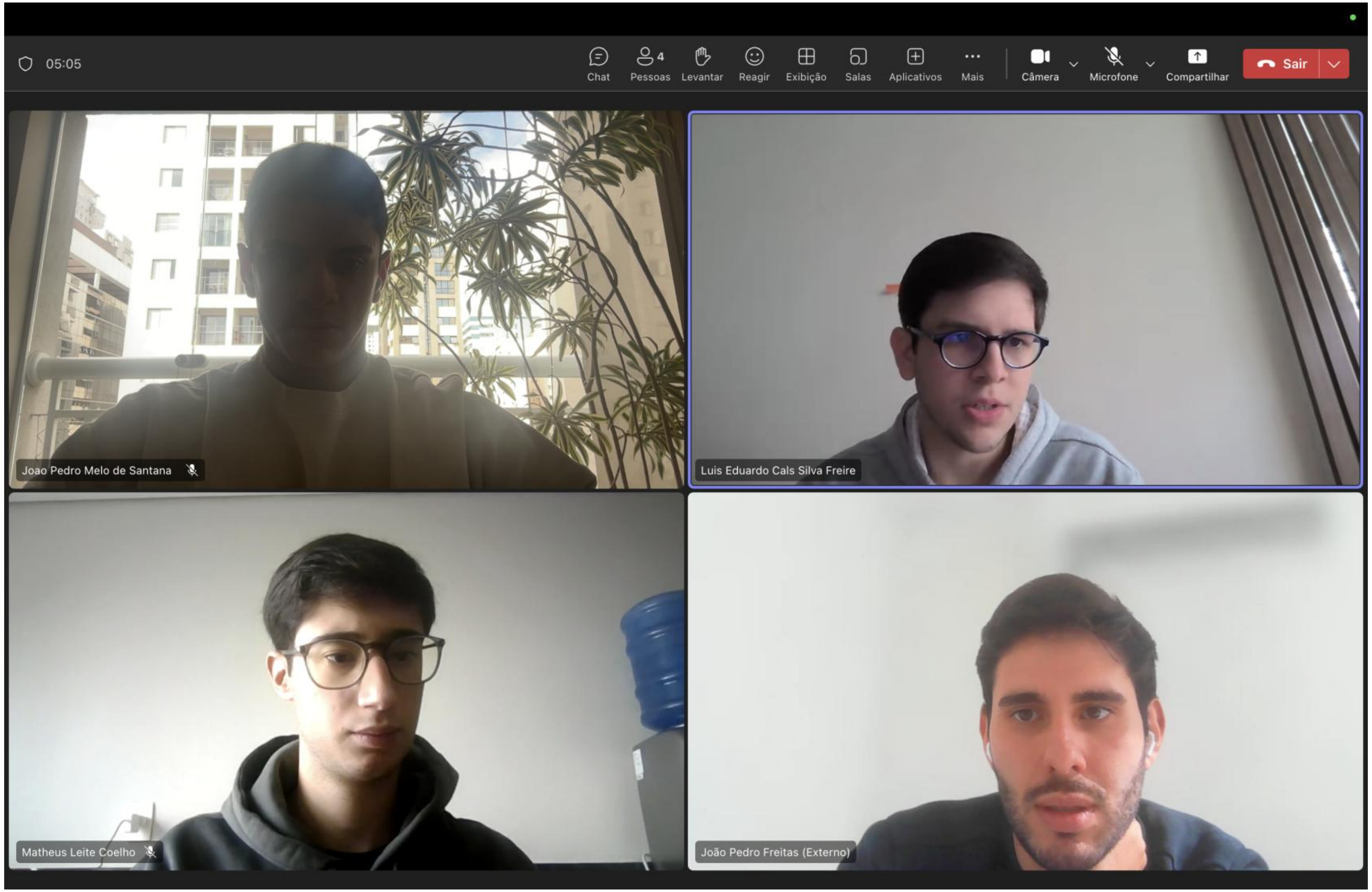
Call Gabriel Oliveira – Verde Asset

Our conversation with Gabriel Oliveira from Verde Asset provided valuable insights on NVIDIA's positioning and competitive dynamics, helping us strengthen our conviction on the company's long-term moat



Source:

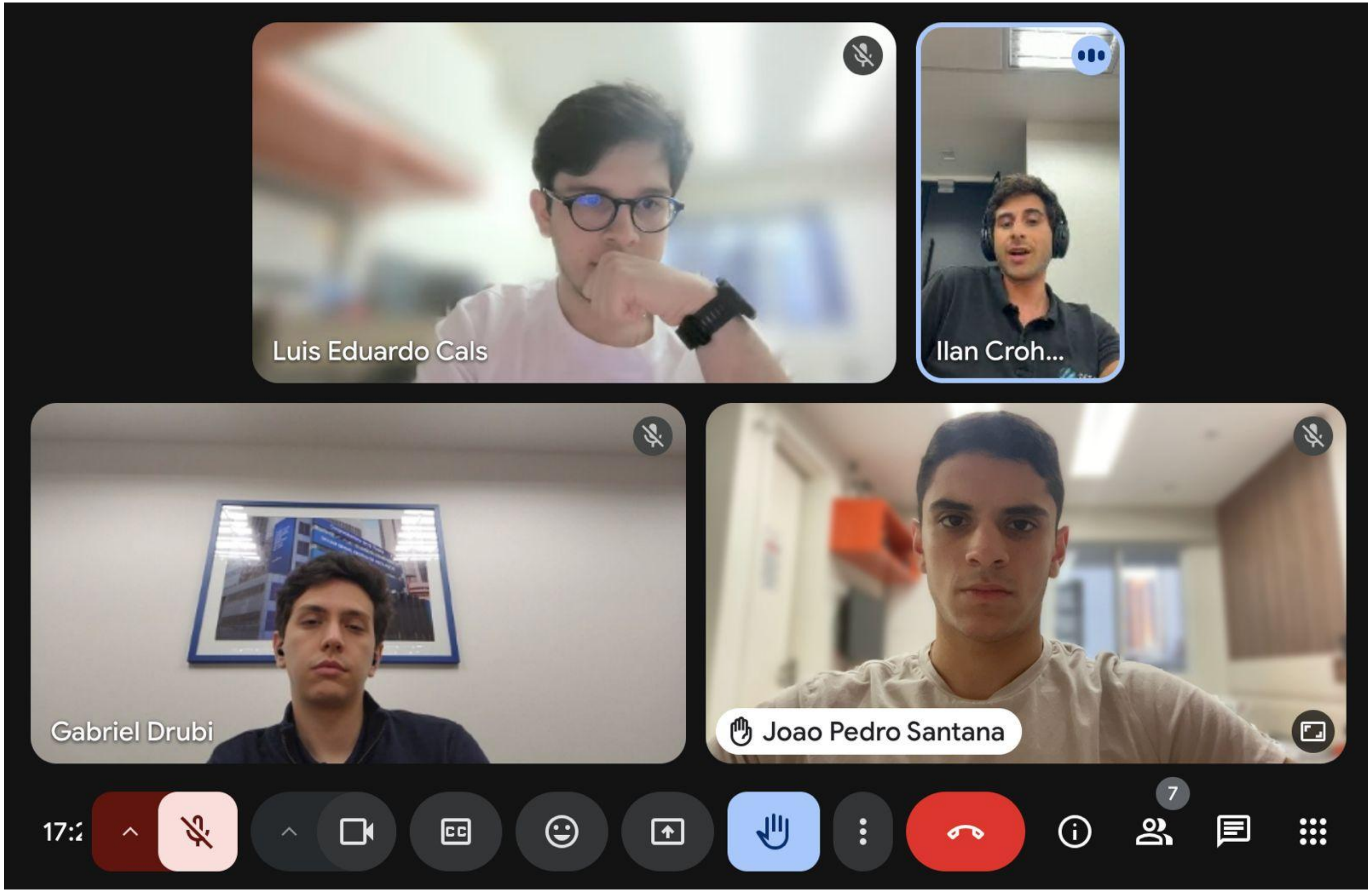
Call João Pedro Freitas – Mainú Capital



Source:

Call Ilan Crohmal – Occam

Our conversation with Ilan Crohmal from Occam helped us deepen our understanding of NVIDIA's strategic roadmap and its ability to sustain leadership in the AI compute space



Source:

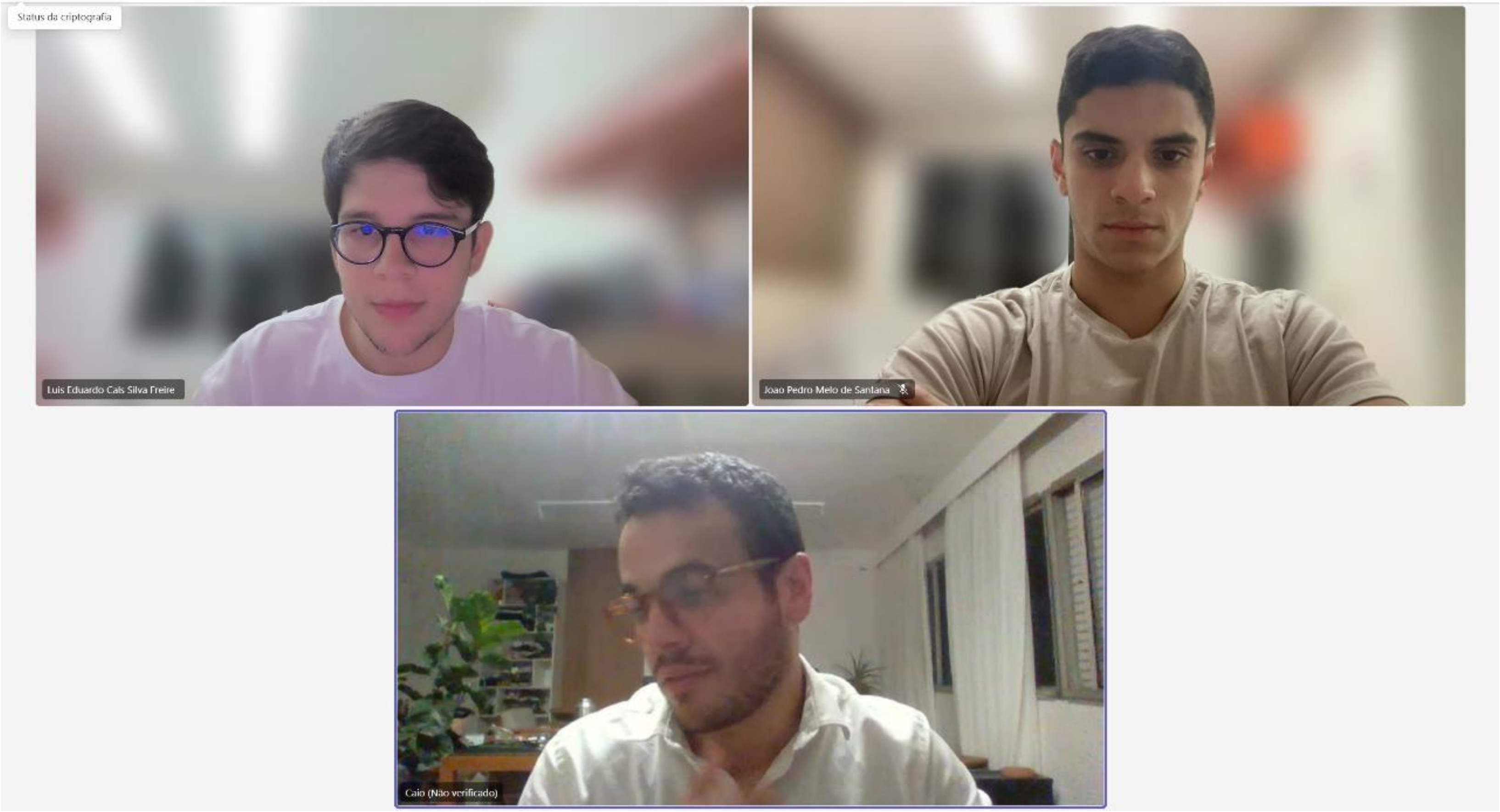
Call Karina Fugita – Geo Capital

Our conversation with Karina Fugita from GeoCapital reinforced the critical role of the semiconductor supply chain in enabling AI advancements, highlighting how structural investments in leading-edge infrastructure remain a key bottleneck and competitive moat

Source:

Call Caio Bessa – M Square

Our conversation with Caio Bessa helped us critically assess the key risks around our NVIDIA thesis and provided valuable perspective on how investors are currently positioning around the stock



Source:

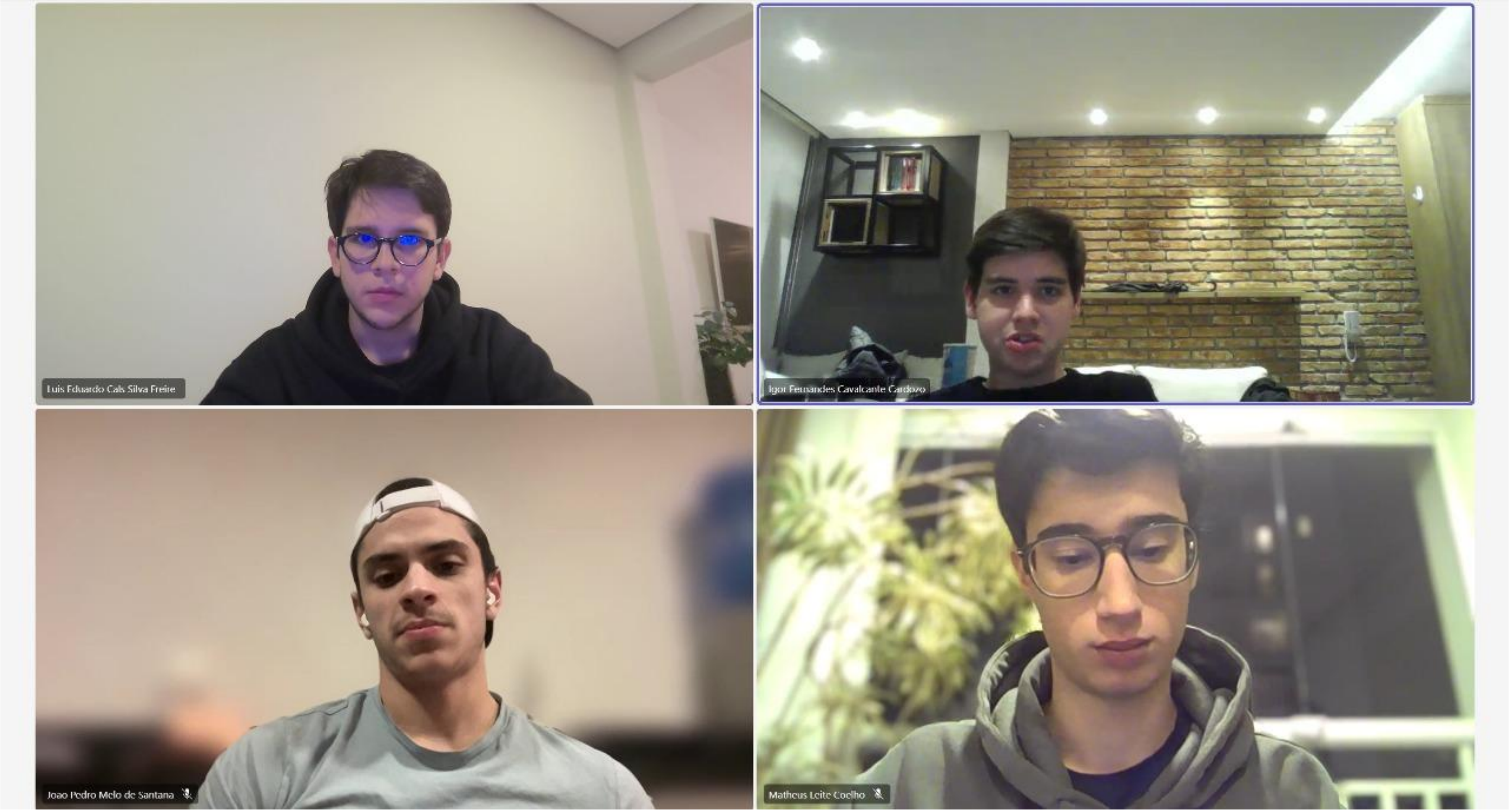
Call Lucas Dias – Aster Capital

Our conversation with Lucas from Aster Capital highlighted that AI demand remains a structural trend, with hyperscalers continuing to invest aggressively to support AI workloads and expanding use cases

Source:

Call Igor Fernandes – AZ Quest

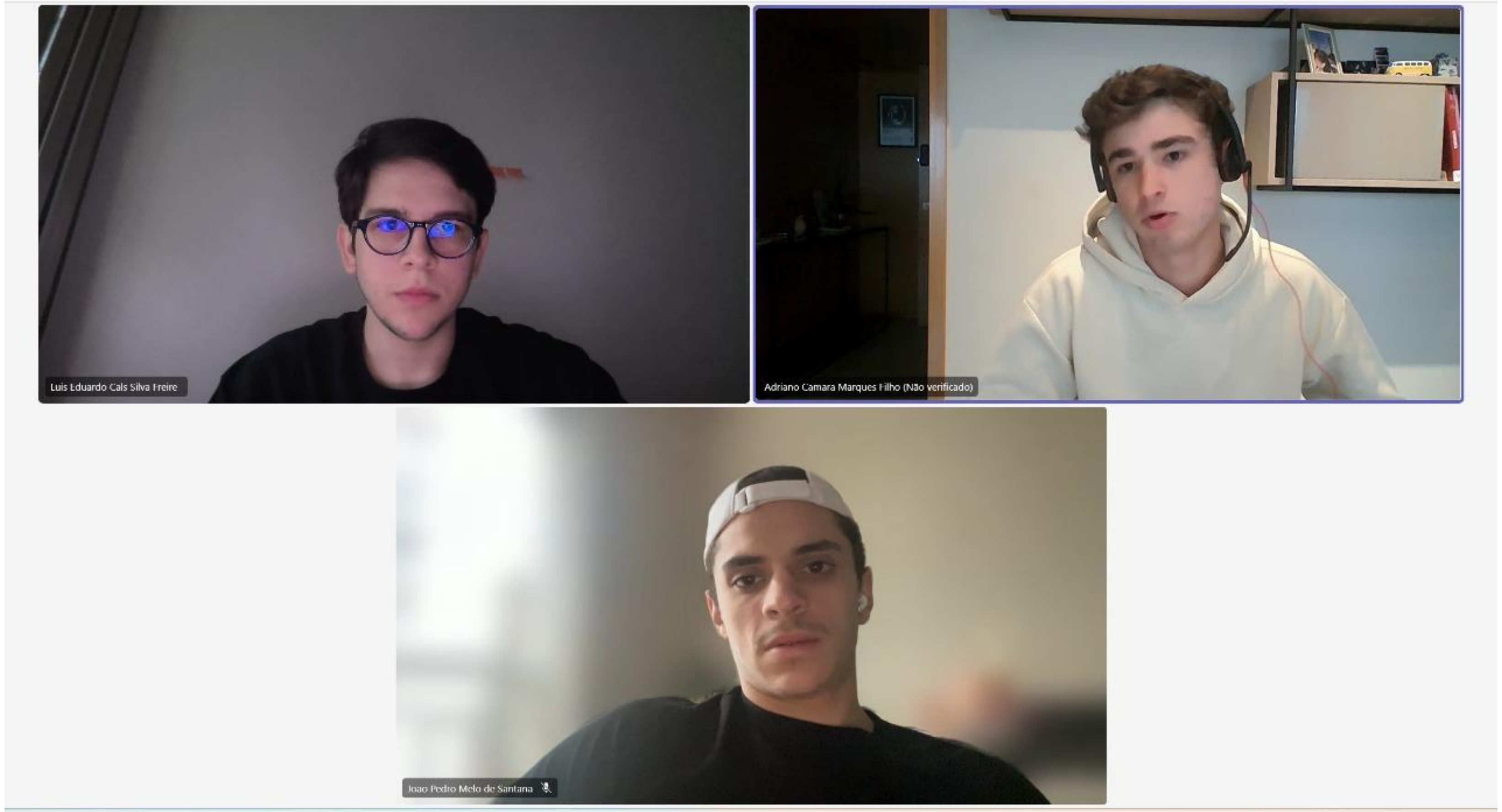
Our conversation with Igor Fernandes from AZ Quest helped us refine our view on the company's management quality, highlighting the importance of strong execution capabilities and strategic vision in capturing the AI-driven growth opportunity



Source:

Call Adriano Marques – Ascenty

Our conversation with Adriano Marques, from Ascenty (the largest data center operator in Latin America), reinforced the strong and sustained demand for data center capacity, particularly driven by AI workloads and hyperscaler clients



Source: