

ModernGraham Valuation

Company Name:

NVIDIA Corporation

Company Ticker NVDA

Date of Analysis

11/13/2015



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$16,366,735,089	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	6.82	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	18.40%	Fail
6. Moderate PEmg Ratio	PEmg < 20	37.51	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.66	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	6.82	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.28	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.81
MG Growth Estimate	10.05%
MG Value	\$23.14
MG Value based on 3% Growth	\$11.74
MG Value based on 0% Growth	\$6.88
Market Implied Growth Rate	14.51%

MG Opinion

Current Price	\$30.36
% of Intrinsic Value	131.18%
Opinion	Overvalued

Stage 3: Information for Further Research

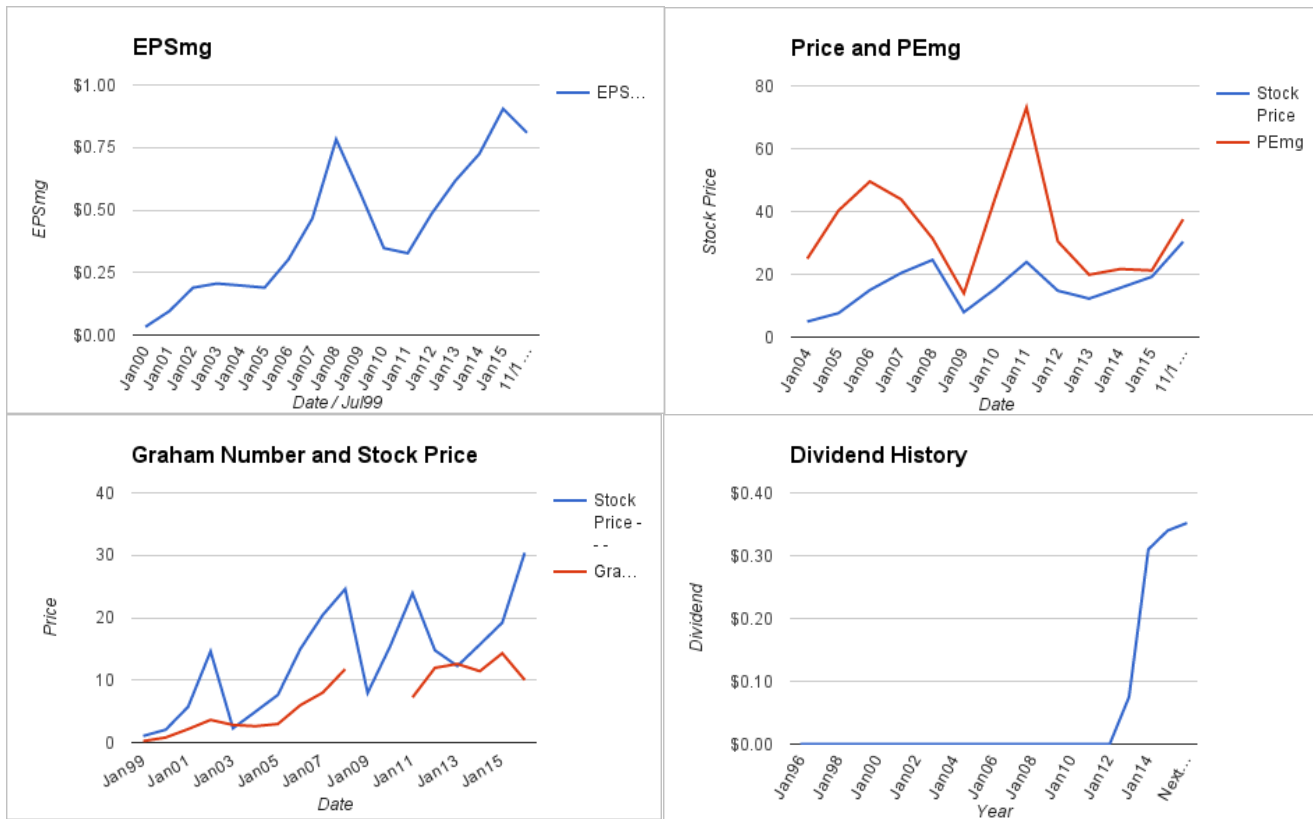
Net Current Asset Value (NCAV)	\$5.80
Graham Number	\$10.03
PEmg	37.51
Current Ratio	6.82
PB Ratio	3.66
Dividend Yield	1.16%
Number of Consecutive Years of Dividend Growth	4

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$0.54	Next Fiscal Year Estimate	\$0.81
Jan15	\$1.12	Jan15	\$0.90
Jan14	\$0.74	Jan14	\$0.72
Jan13	\$0.90	Jan13	\$0.62
Jan12	\$0.94	Jan12	\$0.48
Jan11	\$0.43	Jan11	\$0.33
Jan10	-\$0.12	Jan10	\$0.35
Jan09	-\$0.05	Jan09	\$0.57
Jan08	\$1.31	Jan08	\$0.78
Jan07	\$0.77	Jan07	\$0.47
Jan06	\$0.55	Jan06	\$0.30
Jan05	\$0.17	Jan05	\$0.19
Jan04	\$0.14	Jan04	\$0.20
Jan03	\$0.18	Jan03	\$0.21
Jan02	\$0.34	Jan02	\$0.19
Jan01	\$0.21	Jan01	\$0.10
Jan00	\$0.09	Jan00	\$0.03
Jan99	\$0.01	Balance Sheet Information Oct15	
Jan98	\$0.00	Total Current Assets	\$5,834,000,000
Jan97	\$0.00	Total Current Liabilities	\$855,000,000
Jan96	\$0.00	Long-Term Debt	\$1,417,000,000
		Total Assets	\$7,174,000,000
		Intangible Assets	\$790,000,000
		Total Liabilities	\$2,709,000,000
		Shares Outstanding (Diluted Average)	539,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [The Best Stocks of the IT Hardware Industry – September 2015](#)
- [The 20 Best Stocks For Value Investors This Week – 8/15/15](#)
- [Nvidia Corporation Analysis – August 2015 Update \\$NVDA](#)
- [47 Companies in the Spotlight This Week – 5/16/15](#)
- [Nvidia Corporation Quarterly Valuation – May 2015 \\$NVDA](#)

Other ModernGraham posts about related companies

- [FMC Technologies Inc. Valuation – November 2015 Update \\$FTI](#)
- [Applied Materials Inc Valuation – November 2015 Update \\$AMAT](#)
- [Micron Technology Inc. Valuation – November 2015 Update \\$MU](#)
- [Xilinx Inc. Valuation – November 2015 Update \\$XLNX](#)
- [Ametek Inc. Valuation – November 2015 Update \\$AME](#)
- [Skyworks Solutions Inc. Valuation – October 2015 Update \\$SWKS](#)
- [Agilent Technologies Inc. Valuation – October 2015 Update \\$A](#)
- [Western Digital Corporation Valuation – October 2015 Update \\$WDC](#)
- [MTS Systems Corporation Valuation – October 2015 Update \\$MTSC](#)
- [Linear Technology Corp Valuation – October 2015 Update \\$LLTC](#)