

ModernGraham Valuation

Company Name:

NVIDIA Corporation

Company Ticker NVDA

Date of Analysis

6/11/2016



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	\$24,056,373,569	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.44	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	217.54%	Pass
6. Moderate PEmg Ratio	PEmg < 20	40.38	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	6.57	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	2.44	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	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	\$1.14
MG Growth Estimate	12.80%
MG Value	\$39.00
MG Value based on 3% Growth	\$16.59
MG Value based on 0% Growth	\$9.72
Market Implied Growth Rate	15.94%

MG Opinion

Current Price	\$46.20
% of Intrinsic Value	118.45%
Opinion	Overvalued
MG Grade	C-

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$4.82
Graham Number	\$15.73
PEmg	40.38
Current Ratio	2.44
PB Ratio	6.57
Current Dividend	\$0.43
Dividend Yield	0.92%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.42	Next Fiscal Year Estimate	\$1.14
Jan2016	\$1.08	Jan2016	\$0.99
Jan2015	\$1.12	Jan2015	\$0.90
Jan2014	\$0.74	Jan2014	\$0.72
Jan2013	\$0.90	Jan2013	\$0.62
Jan2012	\$0.94	Jan2012	\$0.48
Jan2011	\$0.43	Jan2011	\$0.33
Jan2010	-\$0.12	Jan2010	\$0.35
Jan2009	-\$0.05	Jan2009	\$0.57
Jan2008	\$1.31	Jan2008	\$0.79
Jan2007	\$0.77	Jan2007	\$0.47
Jan2006	\$0.55	Jan2006	\$0.31
Jan2005	\$0.19	Jan2005	\$0.20
Jan2004	\$0.14	Jan2004	\$0.20
Jan2003	\$0.18	Jan2003	\$0.21
Jan2002	\$0.34	Jan2002	\$0.19
Jan2001	\$0.21	Jan2001	\$0.10
Jan2000	\$0.09	Balance Sheet Information 4/1/2016	
Jan1999	\$0.01	Total Current Assets	\$5,790,000,000
Dec1998	\$0.00	Total Current Liabilities	\$2,377,000,000
Dec1997	\$0.00	Long-Term Debt	\$9,000,000
		Total Assets	\$7,108,000,000
		Intangible Assets	\$773,000,000
		Total Liabilities	\$2,912,000,000
		Shares Outstanding (Diluted Average)	597,000,000





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

- [NVIDIA Corporation Valuation – November 2015 Update \\$NVDA](#)
- [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](#)

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- [HP Inc Valuation – May 2016 \\$HPQ](#)
- [FLIR Systems Inc Valuation – May 2016 \\$FLIR](#)
- [NetApp Inc Valuation – March 2016 \\$NTAP](#)
- [Applied Materials Inc Valuation – February 2016 \\$AMAT](#)
- [Skyworks Solutions Inc Stock Valuation – February 2016 \\$SWKS](#)
- [Analog Devices Inc Stock Valuation – February 2016 \\$ADI](#)
- [Garmin Ltd Stock Valuation – February 2016 \\$GRMN](#)
- [Emerson Electric Co Valuation – February 2016 \\$EMR](#)
- [Applied Materials Inc Valuation – February 2016 \\$AMAT](#)