

# ModernGraham Valuation

Company Name:

NVIDIA Corporation

Company Ticker NVDA

Date of Analysis

3/9/2018



## 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	\$148,670,001,472	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	8.03	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Fail
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	907.20%	Pass
5. Earnings Growth	PEmg < 20	65.40	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	20.65	Fail
7. Moderate Price to Assets			

*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	8.03	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.25	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 Score		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$3.75
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$144.43</b>
MG Value based on 3% Growth	\$54.39
MG Value based on 0% Growth	\$31.89
Market Implied Growth Rate	28.45%

### MG Opinion

Current Price	\$245.33
% of Intrinsic Value	169.87%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

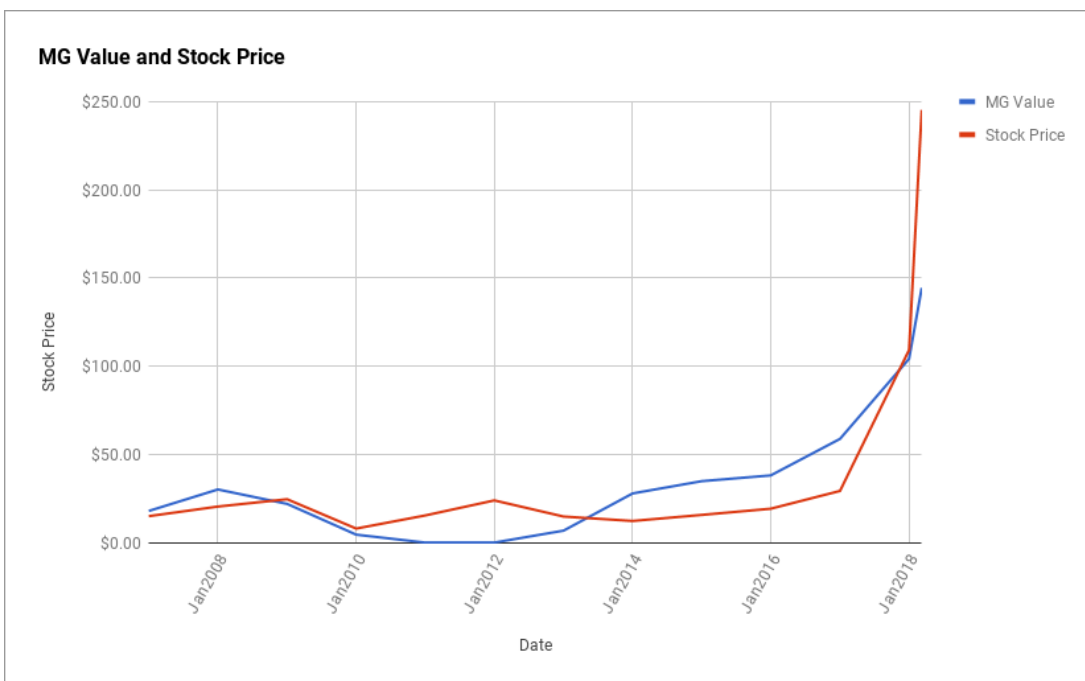
Net Current Asset Value (NCAV)	\$8.72
Graham Number	\$37.98
PEmg	65.40
Current Ratio	8.03
PB Ratio	20.65
Current Dividend	\$0.57
Dividend Yield	0.23%
Number of Consecutive Years of Dividend Growth	6

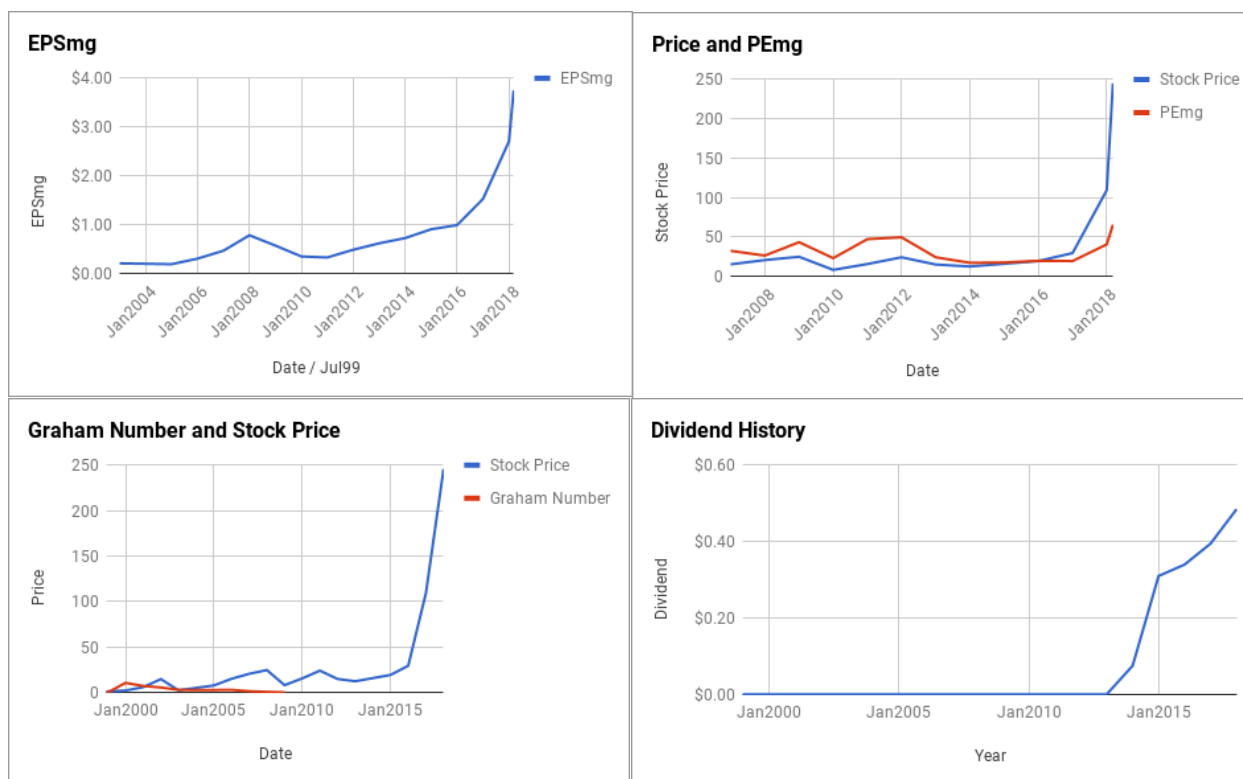
### Useful Links:

[ModernGraham tagged articles](#)  
[Google Finance](#)  
[Yahoo Finance](#)  
[GuruFocus](#)

[Morningstar](#)  
[MSN Money](#)  
[Seeking Alpha](#)  
[SEC Filings](#)

EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
Jan2018	\$5.20	Jan2018	\$3.75
Jan2017	\$4.82	Jan2017	\$2.71
Jan2016	\$2.57	Jan2016	\$1.53
Jan2015	\$1.08	Jan2015	\$0.99
Jan2014	\$1.12	Jan2014	\$0.90
Jan2013	\$0.74	Jan2013	\$0.72
Jan2012	\$0.90	Jan2012	\$0.62
Jan2011	\$0.94	Jan2011	\$0.48
Jan2010	\$0.43	Jan2010	\$0.33
Jan2009	-\$0.12	Jan2009	\$0.35
Jan2008	-\$0.05	Jan2008	\$0.57
Jan2007	\$1.31	Jan2007	\$0.78
Jan2006	\$0.77	Jan2006	\$0.47
Jan2005	\$0.55	Jan2005	\$0.30
Jan2004	\$0.17	Jan2004	\$0.19
Jan2003	\$0.14	Jan2003	\$0.20
Jan2002	\$0.18	Jan2003	\$0.21
Jan2001	\$0.34	<b>Balance Sheet Information</b>	
Jan2000	\$0.21	<b>1/1/2018</b>	
Jan2000	\$0.09	Total Current Assets	\$9,255,000,000
Jan1999	\$0.01	Total Current Liabilities	\$1,153,000,000
		Long-Term Debt	\$1,985,000,000
		Total Assets	\$11,241,000,000
		Intangible Assets	\$670,000,000
		Total Liabilities	\$3,770,000,000
		Shares Outstanding (Diluted Average)	629,000,000





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](#)

Other  
ModernGraham  
posts about related  
companies

- [Seagate Technology PLC Valuation – March 2018 \\$STX](#)
- [HP Inc Valuation – February 2018 \\$HPQ](#)
- [Intel Corp Valuation – February 2018 \\$INTC](#)
- [Apple Inc Valuation – February 2018 \\$AAPL](#)
- [Lam Research Corp Valuation – September 2017 \\$LRCX](#)
- [Vicor Corp Valuation – Initial Coverage \\$VICR](#)
- [Emerson Electric Co Valuation – August 2017 \\$EMR](#)
- [General Cable Corporation Valuation – Initial Coverage \\$BGC](#)
- [3D Systems Corp Valuation – Initial Coverage \\$DDD](#)
- [Teradyne Inc Valuation – Initial Coverage \\$TER](#)