NVIDIA®

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Agenda

- Company Overview
- Product overview
- Investment Thesis
- Valuation
- Portfolio Fit & Weighting
- Risks
- Exit Strategy
- Final Recommendation

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Company Overview

Founded: 1993

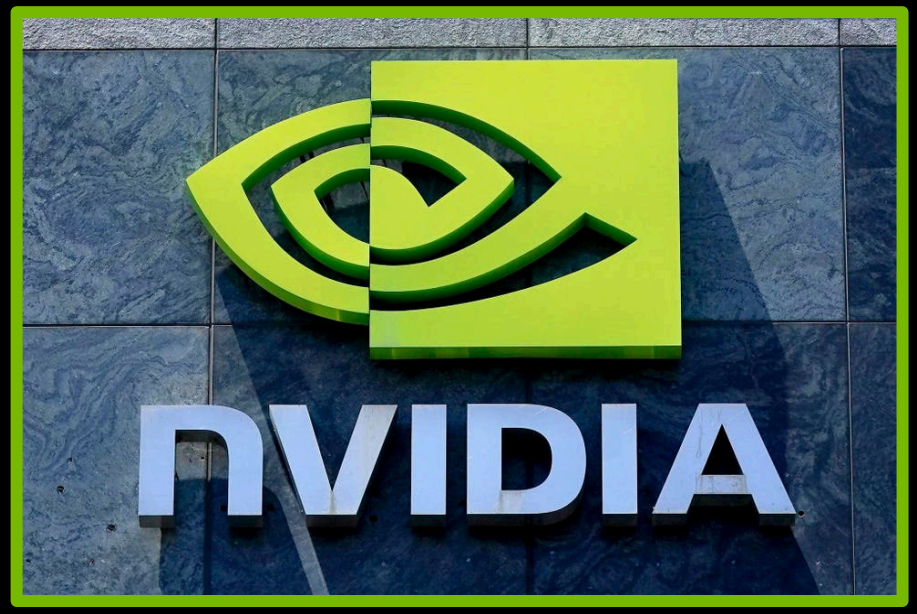
- IPO: 1999
- Market Cap: $4.435T largest public company globally; 7.2% weight in the S&P 500 nearly twice the size of the GDP of Canada
- Industry: AI infrastructure / semiconductors

Key Differentiator:

- Full-stack AI platform GPU compute + high-speed networking + CUDA software ecosystem

Recent Highlights:

- FY2026 revenue: $215.9B 65% increase YoY
- Compute & Networking revenue: $193.5B 90%
- FY2026 gross margin: 71.1%



What GPUs, CUDA, and Data Centers are?

What is a GPU?

- GPU or graphics processing unit is a type of semi-conductor
- Training: is teaching the AI which requires enormous amounts of GPUs
- Data Center: a giant building full of computers where AI training and inference happens

Why GPUs Matter for AI

- AI runs matrix math GPUs run thousands of calculations at once, making training and inference much faster than one CPU

CUDA

- NVIDIA’s software toolkit that helps developers use NVIDIA GPUs
- Why CUDA matters: makes AI run easier and faster on NVIDIA chips

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How NVIDIA Makes Money

- **Sells GPUs to Hyper Scalers such as:**
  - **AWS, Azure,** and **Google** that run huge data centers
- **Sells complete AI servers/systems** ready-to-use AI computers to speed up deployment
- **Sells networking high-speed connections** that link many GPUs into one powerful cluster
- **Sells software** and support CUDA is the key: it is the toolkit that makes NVIDIA GPUs easiest to use and keeps developers/customers on the platform
- **Repeat business:** customers upgrade when a new, faster GPU generation comes out and expand as AI demand grows
- **Other revenue streams:** beyond AI/data center, Gaming , Automotive, and Professional Visualization

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Why NVIDIA has Pricing Power and Tech Advantage

- **Sticky Software (CUDA):** most AI is built on it, so switching chips is hard
- **Faster Results:** their chips finish AI work quicker, saving customers time and money
- **Works as a System:** GPUs + networking + software are built to run together at scale
- **Big Tech Lead:** new chips like Blackwell deliver major performance jumps
- **Industry Standard:** they are the first choice for most large AI data centers
- **Premium Pricing:** high margins show they can charge more than competitors
- **Reinvestment Loop:** profits fund more R&D, keeping them ahead
- **Fabless Model:** they do not run factories, NVIDIA focuses on designing better chips and software while partners such as TSMC handle manufacturing

Recent Deals Signed with NVIDIA

- **Meta (Feb. 2026):** multiyear deal for millions of NVIDIA AI chips; analysts estimated the deal could be worth **$50B**
- **Oracle / OpenAI Stargate (May 2025):** Oracle planned to buy **$40B** of NVIDIA chips, including about **400,000 GB200s**, for OpenAI's Texas data center
- **Microsoft / IREN (Nov. 2025):** **$9.7B** infrastructure deal tied to NVIDIA hardware, including **$5.8B** of GB300 chips and equipment supplied through Dell
- **Humain (Nov. 2025):** planned purchase of **600,000 NVIDIA AI chips** for Saudi AI buildout; Reuters also reported export approval for up to **35,000 Blackwell chips**, with **35,000 worth about $1B**
- **xAI (Nov. 2025 + Feb. 2026):** financing tied to buying/leasing NVIDIA hardware included a **$3.5B** deal, followed by another **$3.4B** deal

Investment Thesis

- AI Demand Remains Structurally Strong
- NVIDIA Maintains Dominant Competitive Moat
- Growth Supports Premium but Justifies Valuation
- Price Reasonable Compared to Peer's
- Strong Portfolio Fit

SWOT Analysis

Strengths

Dominates 90% of AI Training Chip Market

CUDA Ecosystem creates high switching costs

Exclusive Partnerships with TSMC

High Profitability **$30B R&D**

Weaknesses

Relies on TSMC for manufacturing chips

Revenue concentration among few large customers

China export restrictions

Opportunities

Enterprise AI expanding into robotics

Vertical Expansion into Automative, Healthcare, Finance, & Manufacturing

Data Center growth nationwide (Server & Gen AI)

Threats

AMD growing market share & exclusive partnerships

Potential slow AI investment cycles in future

Export & Trade restrictions with China limits revenue

China Invades Taiwan

Ratio Analysis

Liquidity Ratios	NVDA	AMD	INTC
Current Ratio	4.44	2.85	2.02
Quick Ratio	3.67	1.78	1.31
Cash Ratio	2.39	1.12	1.18

Profitability Ratios	NVDA	AMD	INTC
Operating Margin	62.42%	49.52%	1.92%
Net Profit Margin	55.85%	12.51%	1.19%

Leverage Ratios	NVDA	AMD	INTC
Debt-to-Equity Ratio	12.58	3.73	2.30
Times Interest Earned	338.76	331.11	3.36

NVDA Multiple Valuation

- NVDA forward EV/EBITDA: **33.62** implied share price **$186.35**

Growth-Adjusted View

- PE: **20 forward+**
- PEG: **0.36**
- Analysts' Consensus 1 year target $267

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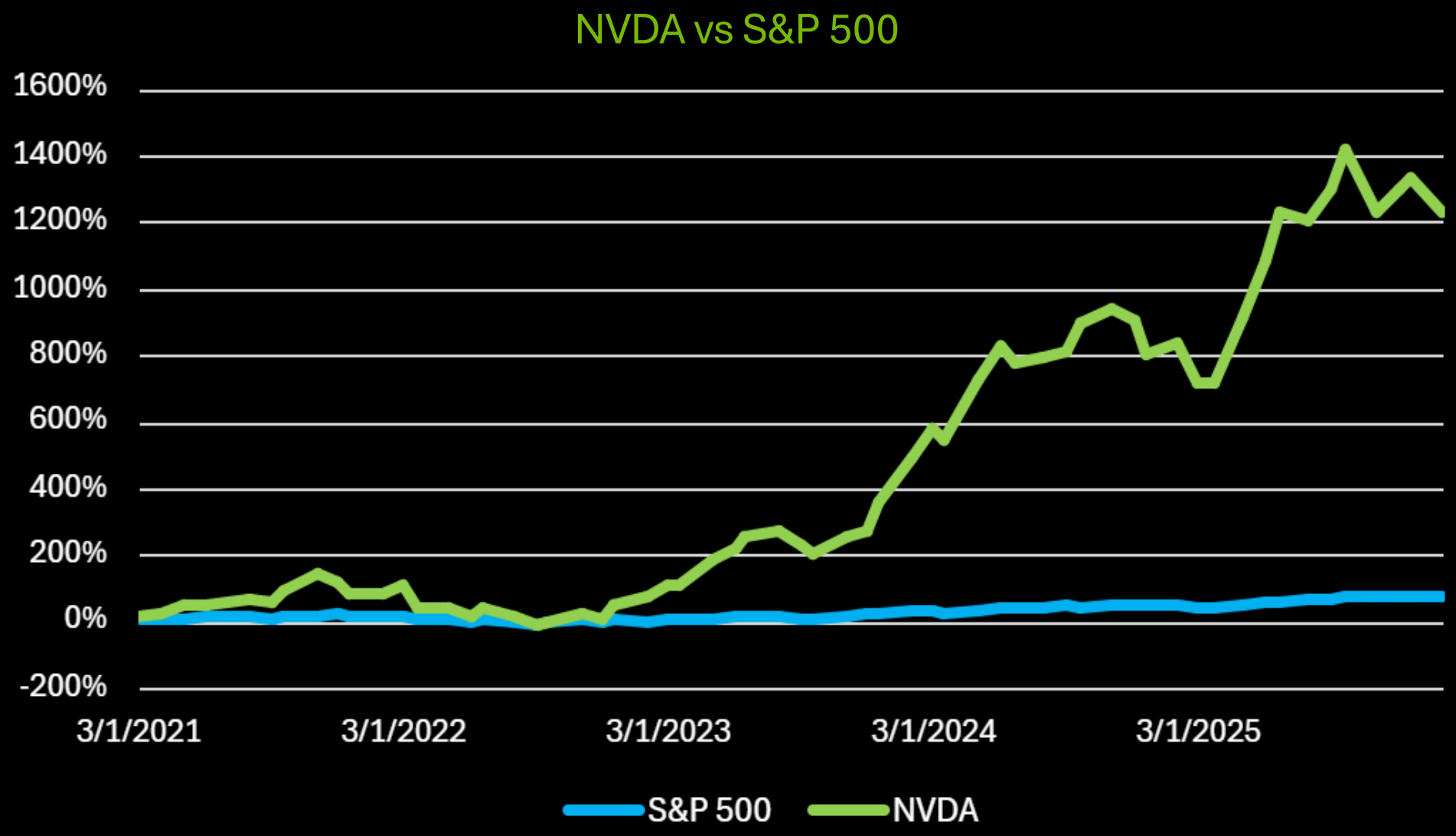
NVDA vs Competitors

Ratios	NVDA	AMD	INTC
PE	20	77	None
PEG	0.36	0.19	None
Cash Ratio	2.39	1.12	1.18
Return on Equity	101.49	7.08	-0.25
Free Cash Flow Margin	38.75%	19.46%	-9.37%

Historical Returns vs S&P 500



Risk Metric Changes

Ratios	OLD	NEW 6%	NEW 8%
Sharpe	1.25	1.40	3.23
Sortino	2.28	2.62	2.60
Treynor	19.15%	21.71%	16.67%
Alpha	6.28%	9.43%	15.24%
Beta	**0.98**	**1.05**	**1.12**
Upside Capture	118.96%	135.87%	199.51%
Downside Capture	89.92%	88.99%	-131.27%
Maximum Drawdown	-20.32	-20.49%	-22.49%

Portfolio Fit & Weighting

- NVIDIA ≈ **7.19%** of Total S&P 500
- Mega-cap AI exposure is structurally important
- Underweight risks benchmark drag

Option 1: 6% Weight

- Slight underweight vs market
- Risk-controlled exposure

Option 2: 8% Weight (recommended)

- Conviction overweight
- Captures AI upside
- Still within risk tolerance

Portfolio Fit & Weighting

	Celani Before	Celani After	Benchmark	Weight
Communication Services	3.66%	4.03%	10.47%	Underweight
Consumer Discretionary	12.02%	13.06%	10.24%	Overweight
Consumer Staples	10.02%	11.58%	4.83%	Overweight
Energy	7.05%	7.80%	2.86%	Overweight
Financials	12.48%	13.58%	12.83%	Overweight
Health Care	8.20%	4.89%	9.36%	Underweight
Industrials	10.92%	12.16%	8.26%	Overweight
Information Technology	**23.01%**	**31.85%**	**35.11%**	**Underweight**
Materials	-	-	1.80%	Underweight
Real Estate	-	-	1.82%	Underweight
Utilities	0.93%	1.05%	2.42%	Underweight

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Exit Strategy

- Upside target **$365** to have a discussion.
- Based on EV/EBITDA

Downside

- $125 or a 30% loss to have a discussion.

Key Reevaluation Triggers

- AI capex slowdown
- Margin compression
- Market share loss

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Final Recommendation

- Rating: **BUY** / OVERWEIGHT

Buy **1,487 Shares** for **8%** **or** **$263,304.34**

Buy **1,115 Shares** for **6%** **or** **$197,663**

- Reevaluated Price **$365**
- Recommended Weight: 6 – 8%
- Expected Return ≈ **465%** | **18%** Annual
- Time Horizon **25+ years**

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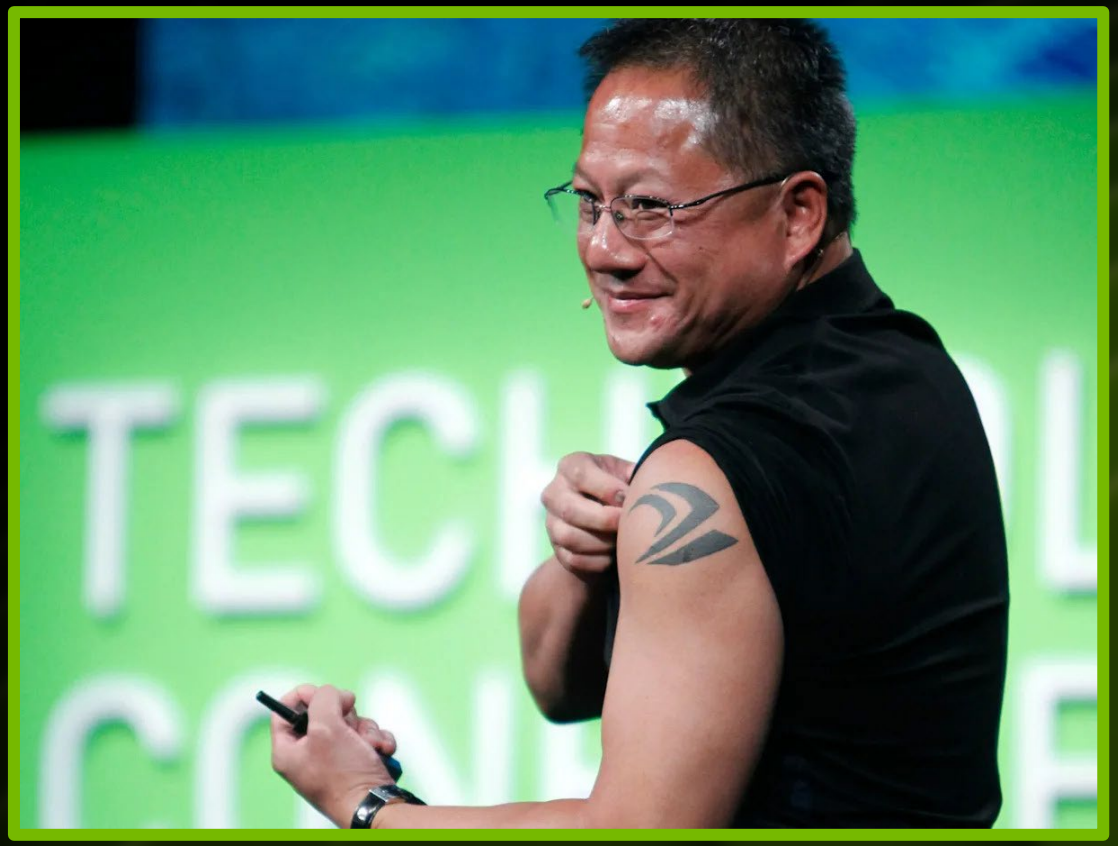
Questions?



NVIDIA Decision