

## NVIDIA (NASDAQ: NVDA) - Q2 FY2027 Results, the AI Buildout & Valuation

Second quarter ended July 26, 2026, reported in US dollars under US GAAP. NVIDIA designs the accelerated-computing platforms (GPUs, CPUs, networking, and software) behind the global AI infrastructure buildout. Revenue rose 106% year over year to \$96.2B, gross margin reached 75%, and the company guided the October quarter to about \$108B, while returning roughly \$26B to shareholders and expanding its supply and ecosystem commitments.

An updated factual snapshot built from NVIDIA's public filings and verified market data. It contains no Blackspear forecast, price target, or recommendation.

|                                                                                |                                                                                                   |                                                                                     |                                                                                                                |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <div>REVENUE (Q2 FY27)</div> <div>\$96.2B</div> <div>+106% YoY; +18% QoQ</div> | <div>DATA CENTER REVENUE</div> <div>\$89.0B</div> <div>+117% YoY;<br/>~92% of total revenue</div> | <div>NON-GAAP EPS</div> <div>\$2.22</div> <div>+120% YoY;<br/>GAAP EPS \$2.46</div> | <div>Q3 FY27 REVENUE GUIDE</div> <div>~\$108B</div> <div>plus or minus 2%;<br/>excludes China DC compute</div> |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|

### REVENUE BY PLATFORM - Q2 FY2027

| PLATFORM                           | Q2 FY27 | YOY   | QOQ  | % OF REVENUE |
|------------------------------------|---------|-------|------|--------------|
| Data Center                        | \$89.0B | +117% | +18% | 92%          |
| Hyperscale                         | \$48.7B | +102% | +13% | 51%          |
| AI clouds, industrial & enterprise | \$40.3B | +138% | +25% | 42%          |
| Edge Computing                     | \$7.2B  | +27%  | +13% | 8%           |
| Total revenue                      | \$96.2B | +106% | +18% | 100%         |

Data Center is about 92% of revenue and is the engine of the print: Hyperscale (large cloud) revenue roughly doubled year over year, and the AI clouds, industrial and enterprise sub-segment grew 138% on demand from AI natives, enterprises, and sovereign customers. Growth is led by the Blackwell architecture, with the next-generation Vera Rubin platform beginning production shipments in the quarter. Edge Computing (gaming, workstation, and robotics/automotive) is the remaining ~8%.

### RESULTS & CASH HIGHLIGHTS - Q2 FY2027

|                                |                   |
|--------------------------------|-------------------|
| Revenue                        | \$96.2B           |
| Gross margin (GAAP & non-GAAP) | 75.0%             |
| Operating income (GAAP)        | \$63.7B (66%)     |
| Net income (GAAP / non-GAAP)   | \$59.7B / \$54.0B |
| Operating cash flow            | \$24.1B           |
| Free cash flow (Q2 / H1 FY27)  | \$21.3B / \$69.9B |

Free cash flow of \$21.3B ran below net income as receivables and inventory built sharply for the Vera Rubin ramp (accounts receivable rose to \$63B, inventory to \$32B). GAAP net income (\$59.7B) exceeds non-GAAP (\$54.0B) because GAAP includes about \$7.8B of gains on equity investments that non-GAAP excludes.

### HOW TO READ THE NUMBERS

- This is an AI-infrastructure capital-spending story: Data Center is ~92% of revenue, tied to a limited set of large cloud, AI-lab, and sovereign customers.
- Non-GAAP EPS (\$2.22) is the cleaner operating basis; it now includes stock-based comp (~\$2.0B) and excludes investment gains. GAAP EPS (\$2.46) is flattered by those gains.
- Guidance is one quarter out and assumes no China Data Center compute revenue.
- Supply, purchase, and ecosystem commitments have grown very large (see below); they support the ramp but add risk if demand slows.

### BALANCE SHEET, CAPITAL RETURN & COMMITMENTS - AS OF JULY 26, 2026

| LARGE CASH GENERATION AND BUYBACKS, ALONGSIDE A FAST-GROWING WEB OF COMMITMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                           |                                                                                                                |                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| <div>CASH &amp; MARKETABLE SECURITIES</div> <div>\$56.6B</div> <div>net cash ~\$23B after<br/>\$33.4B total debt</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <div>CAPITAL RETURNED (Q2)</div> <div>~\$26B</div> <div>\$19.7B buyback + \$6.0B div;<br/>~\$99B authorization left</div> | <div>SUPPLY &amp; CAPACITY COMMITMENTS</div> <div>\$279B</div> <div>up from \$119B a<br/>quarter earlier</div> | <div>EQUITY INVESTMENTS</div> <div>\$99B</div> <div>plus ~\$25B of further<br/>investment commitments</div> |
| NVIDIA generated \$24.1B of operating cash flow and returned about \$26B to shareholders in the quarter (buybacks plus a dividend raised to \$0.25 per share); roughly \$99B remains under the repurchase authorization. It also issued about \$25B of new debt. To secure the buildout, it has expanded supply and capacity commitments to \$279B (from \$119B a quarter earlier), holds \$99B of equity investments plus ~\$25B of further commitments, and has entered ecosystem arrangements including AI-cloud service commitments (about \$36B), credit support for a large customer's data-center buildout (capped at about \$105B), and preliminary agreements to help mobilize over \$500B of third-party capital. These deepen the ramp but tie NVIDIA more closely to customers it also helps finance. |                                                                                                                           |                                                                                                                |                                                                                                             |

### VALUATION SNAPSHOT - NEAR ITS 52-WEEK HIGH (EARLY SEPTEMBER 2026)

|                                     |             |                              |                 |
|-------------------------------------|-------------|------------------------------|-----------------|
| Share price (NASDAQ, recent)        | ~\$230.36   | Non-GAAP EPS (Q2 / H1 FY27)  | \$2.22 / \$4.09 |
| Market capitalization (~24.2B sh.)  | ~\$5.56T    | Trailing P / E (GAAP)        | ~29x            |
| Net cash (cash + securities - debt) | ~\$23B      | Forward P / E                | ~19x            |
| Enterprise value                    | ~\$5.54T    | EV / revenue (Q2 annualized) | ~14x            |
| 52-week range                       | \$164-\$237 | EV / FY26 revenue (\$216B)   | ~26x            |
| Dividend yield                      | ~0.4%       | Revenue growth (YoY)         | +106%           |

The low-multiple-versus-growth tension from prior snapshots persists: NVIDIA grows over 100% with ~75% gross and ~66% operating margins, yet trades at only about 19x forward earnings, a price/earnings-to-growth ratio well below 1. The shares are now near their 52-week high (\$230 versus a \$237 high), up about a third over the year. The low forward multiple reflects the market pricing eventual deceleration and AI-capex cyclicality, not the current growth. Multiples move with the share price and estimates, refresh before relying on them.

**Full Excel model** - linked tabs (platform build, Data Center and Vera Rubin ramp, margin and cash-flow bridge, commitments and ecosystem financing schedule, valuation, source tie-outs) - available on request. Email [info@blackspearllc.com](mailto:info@blackspearllc.com) for a copy.

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## NVIDIA (NASDAQ: NVDA) - Valuation vs. Growth & Key Risks

The low-multiple-versus-growth tension persists: NVIDIA grows over 100% with ~75% gross and ~66% operating margins, yet trades at only ~19x forward earnings, a PEG well below 1. The multiple is modest because the market discounts eventual deceleration and AI-capex cyclicality. The debate now is demand durability, customer and platform concentration, and a fast-growing web of supply and ecosystem financing, as much as valuation.

Quarterly revenue is reported actual through Q2 FY2027; Q3 FY2027 is the company's own guidance. Multiples and PEG are Blackspear calculations from public market data, mechanical, not a Blackspear price target or recommendation.

### QUARTERLY REVENUE (Q1 FY26 - Q3 FY27E)



Quarterly revenue has climbed from about \$44B (Q1 FY26) to \$96.2B (Q2 FY27), guided to roughly \$108B for the October quarter and driven almost entirely by Data Center demand for AI infrastructure; fiscal-2026 revenue was about \$216B.

FORWARD P/E

**~19x**

for >100% growth

EV / REVENUE

**~14x**

on Q2 annualized

FORWARD PEG

**<1**

unusual for a mega-cap

DATA CENTER MIX

**~92%**

of total revenue

### VALUATION & GROWTH

|                              |                     |
|------------------------------|---------------------|
| Recent price (NASDAQ)        | ~\$230.36           |
| Market cap / EV              | ~\$5.56T / ~\$5.54T |
| Non-GAAP EPS (Q2 / H1 FY27)  | \$2.22 / \$4.09     |
| Trailing P/E (GAAP)          | ~29x                |
| Forward P/E                  | ~19x                |
| EV / revenue (Q2 annualized) | ~14x                |
| Revenue growth (YoY / QoQ)   | +106% / +18%        |
| Consensus target · rating    | ~\$326 · Strong Buy |

Why the multiple is modest. About 19x forward earnings on triple-digit growth is a PEG far below 1, because the market assumes growth decelerates and AI infrastructure is cyclical. The market is pricing a potential demand air-pocket rather than cyclical-peak earnings. Consensus targets about \$326. Not a Blackspear target.

### TOP RISK FACTORS - SUMMARIZED FROM THE COMPANY'S FILINGS

- ▲ **AI-capex cyclicality and demand durability.** Revenue depends on continued, very large AI-infrastructure capital spending by a limited set of cloud, AI-lab, and sovereign customers; a slowdown, digestion of prior buildouts, or a shift in spending could cut revenue and margins sharply.

▲ **Supply and purchase commitments.** Supply and capacity commitments rose to \$279B (from \$119B a quarter earlier); if demand softens, excess-inventory and purchase-obligation charges (already a \$0.4B H200 charge) could hit results, and receivables and inventory have built sharply.

▲ **China, export controls, and geopolitics.** Guidance assumes no China Data Center compute revenue; H200 shipments are restricted and subject to a 25% import tariff; export rules, tariffs, and supply-chain exposure (including Israel operations) can change quickly.
- ▲ **Customer and platform concentration.** Data Center is about 92% of revenue and one direct customer was about 16% of revenue in the quarter, with further concentration among indirect customers; the loss or pullback of a few buyers would be material.

▲ **Ecosystem financing and circularity.** NVIDIA holds \$99B of equity investments plus commitments, has AI-cloud service commitments (about \$36B) and credit support for a customer's buildout (capped at about \$105B), and preliminary deals to mobilize over \$500B of third-party capital, tying its revenue to customers it also helps fund.

▲ **Competition, technology transitions, and supply chain.** Custom in-house accelerators (ASICs) and rival chips compete for the same budgets; a rapid product cadence (Blackwell to Vera Rubin) carries execution and yield risk, and NVIDIA relies on third-party foundry and memory partners.

**On the numbers.** Reported results are from NVIDIA's Q2 FY2027 earnings release, investor presentation, and Form 10-Q (US GAAP, US dollars); NVIDIA's fiscal year ends in late January. The chart shows quarterly revenue for Q1 FY2026 through Q2 FY2027 (actual) and Q3 FY2027 (company guidance, ~\$108B). Non-GAAP EPS and free cash flow are company-defined non-GAAP measures; GAAP net income was \$59.7B and GAAP diluted EPS \$2.46, versus non-GAAP \$54.0B and \$2.22, the difference driven mainly by equity-investment gains. Net cash is cash and marketable securities (~\$56.6B) less total debt (~\$33.4B); enterprise value is market capitalization less net cash. Forward P/E, PEG, and EV/revenue are mechanical Blackspear calculations on public market data as of early September 2026 (price ~\$230.36; ~\$5.56T market cap on ~24.2B shares). The ~\$326 consensus target and Strong Buy rating are third-party data for context. Not estimates, price targets, or recommendations.

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