

Nvidia Analyst Baseline

Consensus FY27 Sales (\$B)		\$363.79
Shares FY27 (B)	(1)	24.08
Implied FY27 Rev/Share		\$15.11
Gross Profit Margin	(2)	74.70%
Gross Profit / Share		\$11.29
Consensus FY27 EPS		\$8.26
Implied Operating, Interest, and Tax Cost	(3)	\$3.03

Limitations/Assumptions

1) Diluted Weight Average Outstanding implied by dividing consensus net income by consensus EPS.

2) Using current FY27 Consensus estimate. I understand this could be considered optimistic by effectively implying all COGS is variable (no fixed portion). In the event there is a fixed cost portion, gross profit will fall short of the FY27 est. Furthermore, if there is enough order cancellation, it could result in Nvidia compromising on unit price, which would also compress Gross Profit Margin. Concisely, as impairment increases, gross margin should as well. That said, despite a volatile backdrop, margins for all of FY26 were above 70%. I felt it made more sense to differ to the analysts than make my own estimation, but want to be upfront about this assumption.

3) Keeping net margin the same regardless of revenue implies greater efficiency at lower sales, which is not economically sound. Needed to identify some form of fixed cost as keeping the net margin the same for each level of impairment felt overly simplistic. While there are surely more complex methods, for the sake of this exercise, I felt this was appropriate.

Nvidia Revenue Impairment Analysis

Impairment Scenario	Revenue (\$B)	Rev/Share	Gross Profit %	GP / Share	Implied Costs /Share	FY27 EPS	P/E at Current Price	YoY EPS Growth	Profit Margin
0.00%	\$363.79	\$15.11	74.70%	\$11.29	\$3.03	\$8.26	21.79	73.17%	54.67%
5.00%	\$345.60	\$14.35	74.70%	\$10.72	\$3.03	\$7.70	23.39	61.34%	53.62%
10.00%	\$327.41	\$13.60	74.70%	\$10.16	\$3.03	\$7.13	25.24	49.51%	52.45%
15.00%	\$309.22	\$12.84	74.70%	\$9.59	\$3.03	\$6.57	27.41	37.68%	51.14%
20.00%	\$291.03	\$12.09	74.70%	\$9.03	\$3.03	\$6.00	29.99	25.85%	49.67%
25.00%	\$272.84	\$11.33	74.70%	\$8.46	\$3.03	\$5.44	33.10	14.02%	48.00%
30.00%	\$254.65	\$10.58	74.70%	\$7.90	\$3.03	\$4.87	36.93	2.19%	46.09%

Current Price \$180
FY26 EPS \$4.77