DALALBYTES RESEARCH · INVESTMENT REPORT · NASDAQ: NVDA

NVIDIA

The Toll Booth at Peak Margin. The Balance Sheet Joins the Buildout.

76/100 Positive. Revenue of $115.8B beat the $108B guide in Q3 fiscal 2027, gross margin printed 74.8% against a 74.0% guide, and receivables rose to $81B as purchase commitments reached $390B. Fiscal 2029 targets: Bear $145 / Base $440 / Bull $630.

NOVEMBER 18, 2026

Reference price $155.46 (Nasdaq close, November 17, 2026, as reported by Finnhub). Struck on the fiscal Q3 2027 print of November 17, 2026 and the earnings call that followed, graded against the preset gate sheet of November 13, 2026. Sources: company filings and earnings releases, earnings call reporting, and named analyst estimates as cited. Educational purposes only, not financial advice.

1 THE VERDICT

76/100. Positive. The strongest franchise in the compute stack just printed its largest revenue guide beat of the past year. Gross margin beat its own guide instead of merely landing inside it. The receivables line failed its preset gate outright, and that failure is why the score rises by four points and not by ten.

What would change the score. The score rises if Vera Rubin holds the fiscal 2028 growth guide near 70% with gross margin settling at or above 72% and receivables growth back in line with revenue, and it falls if gross margin breaks below 70%, if a top hyperscaler shifts a training generation to its own silicon at scale, or if a guaranteed customer campus fails to reach service.

76/100	$155.46	$3.76T	$145 / $440 / $630
DalalBytes score	Reference price. November 17 2026 close (Finnhub)	Market cap at 24185M diluted shares	Fiscal 2029 bear / base / bull

The score change is stated plainly. This package scored NVIDIA 72/100 at $204.64 on November 2, and it scores 76/100 at $155.46 today. The price fell 24% while the print beat on revenue and margin and guidance. The fiscal 2028 growth frame rose from about 70% to about 75%, and the Q4 margin bottom held at 71% to 72%. Two of the three score-up conditions from November 2 are now met, and the third failed. Receivables growth ran ahead of revenue growth again, so the upgrade stops at four points.

The business itself is still not the argument. Revenue of $115.8B in one quarter beat the $108.0B guide by 7.3%, and Data Center printed $107.6B with Vera Rubin at nearly $20B in its first ramp quarter. The argument remains the quality of the peak. Receivables reached $81.0B and days sales outstanding stretched to 64 days. Purchase commitments rose to $390B, and guarantee caps reached $118B. The balance sheet stands behind the customers further than it did in November, even as operating cash flow doubled to $48.3B and total capital returns hit a record $28.1B.

Our base case now pays the raised frame part of its due. Fiscal 2028 growth lands below the guided 75% on supply, fiscal 2029 grows 26% more in Data Center, and gross margin settles inside the guided 72% to 73% band. That path is worth $440 by fiscal 2029 against a $155.46 reference price. The bear case is unchanged in shape and closer in price. It is the rent-sharing sequence from the DalalBytes Compute Price Reset article, arriving while receivables stretch and guarantees phase in, and it is worth $145. The market has already priced most of that bear case after a 24% fall, and it has priced none of the base case.

The price basis of this report

This report uses the Tuesday November 17, 2026 Nasdaq close of $155.46 throughout, as reported by Finnhub. NVIDIA reported fiscal Q3 2027 results after the close on November 17, 2026, and this package is struck on that print and the earnings call that followed.

The print against the preset gates

Gate	Preset line	Printed	Grade
1. Revenue	At or above the $108.0B guide	$115.8B	PASS
2. Gross margin	At or above 74.0%	74.8% GAAP and 74.9% non-GAAP	PASS
3. Q4 and fiscal 2028 guidance	Fiscal 2028 growth near 70% held as supply constrained	Raised to about 75% with Q4 guided at $130.0B	PASS
4. Vera Rubin share	About a fifth of Data Center revenue	Nearly $20B against $107.6B	PASS
5. Receivables	Growth back in line with revenue and DSO stable	$81.0B with DSO at 64 days	FAIL
6. Cash conversion	Recovery from Q2 operating cash flow of $24.1B	$48.3B and 74% of net income	PASS
7. Commitments and guarantees	No step up from $279B and $108.5B caps	$390B of purchase commitments and $118B of guarantee caps	PARTIAL
8. Succession and the call	Specific guidance language under Kress	All eight analyst questions answered by Kress as primary answerer	PASS

- The gates were set on November 13, 2026 in the DalalBytes print gate sheet, before the print.
- Five gates pass, one grades partial, one fails, and the succession gate passes on its first evidence.
- The margin print is the first in five quarters to land above the guided band rather than inside it, per the DalalBytes preview grading.
- Management attributed the receivables rise to Rubin shipment timing and to extended terms on large multi-quarter agreements with investment-grade customers.
- No score-down trigger from the November 2 package was hit. Gross margin held far above 70%, no top hyperscaler shifted a training generation, and no guaranteed campus failed to reach service.

2 THE COMPANY IN ONE PAGE

NVIDIA is based in Santa Clara, California, and trades on Nasdaq as NVDA. Jensen Huang founded the company in 1993 and led it for 33 years, building the institution this report grades. Colette Kress now leads the company as interim chief executive while keeping the chief financial officer role. The fiscal year ends in late January, so fiscal 2027 began on January 26, 2026, and the latest reported quarter is Q3 fiscal 2027, ended October 25, 2026.

The company sells accelerated computing platforms, not chips in isolation. A modern NVIDIA sale is a rack, or a row of racks, containing its GPUs, its CPUs, its networking silicon, its interconnect fabric and the CUDA software layer that ties them together, increasingly financed, supplied and even sited with NVIDIA's own balance sheet behind the project. The revenue per gigawatt framing management now uses tells the story in one line. A gigawatt of Hopper capacity carried about $18B of NVIDIA revenue opportunity. Blackwell carries about $25B. Vera Rubin carries about $40B.

Fiscal 2027 also brought a reporting change that matters for anyone reading the history. NVIDIA now reports two reportable segments, Compute & Networking and Graphics, and two market platforms, Data Center and Edge Computing. The older platform lines of Gaming, Professional Visualization and Automotive are no longer broken out and now sit inside Edge Computing. The history in this report shows both bases where the filings allow, labeled as such.

Metric	FY2025	FY2026	Q2 FY2027	Q3 FY2027
Total revenue ($M)	130,497	215,938	96,221	115,800
Data Center revenue ($M)	115,185	193,700	89,023	107,600
Gross margin, GAAP	75.0%	71.1%	75.0%	74.8%
Net income, GAAP ($M)	72,880	120,067	59,688	65,300
Diluted EPS, GAAP	$2.94	$4.90	$2.46	$2.70
Operating cash flow ($M)	64,089	102,718	24,100	48,300

- Fiscal 2026 revenue grew 65% to $215.9B.
- Q3 fiscal 2027 revenue grew 20% sequentially to $115.8B and beat the $108.0B guide by 7.3%.
- Data Center is 92.9% of Q3 fiscal 2027 revenue.
- Vera Rubin contributed nearly $20B of Q3 Data Center revenue in its first ramp quarter.
- GAAP diluted EPS was $2.70 and non-GAAP diluted EPS was $2.68 in Q3 fiscal 2027.
- Diluted shares implied by the print are about 24,185M, down from 24,285M in Q2 as buybacks stepped up.

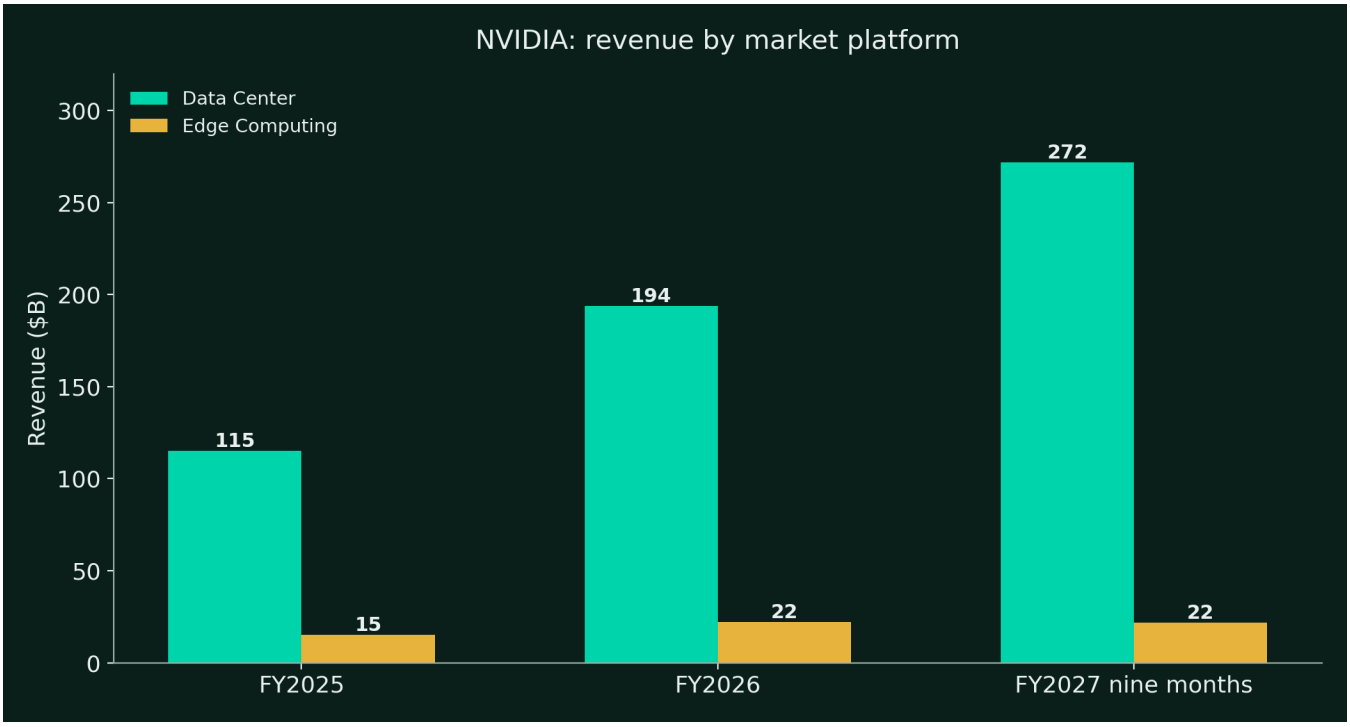
3 REVENUE ARCHITECTURE

NVIDIA reports two segments. Compute & Networking carries the data center platforms, networking, and the compute content of the edge lines. Graphics carries the graphics content across gaming, workstations and PCs. The market platform view below it is the one management steers by.

Reportable segment ($M)	FY2024	FY2025	FY2026	Q2 FY2027
Compute & Networking revenue	47,405	116,193	193,479	88,299
Graphics revenue	13,517	14,304	22,459	7,922
Total revenue	60,922	130,497	215,938	96,221

The market platforms

Market platform ($M)	FY2025	FY2026	Q1 FY2027	Q2 FY2027	Q3 FY2027
Data Center	115,185	193,700	75,246	89,023	107,600
Hyperscale	not split	not split	43,050	48,710	not split
AI Clouds, Industrial & Enterprise	not split	not split	32,196	40,313	not split
Edge Computing	15,312	22,238	6,369	7,198	8,200
Total revenue	130,497	215,938	81,615	96,221	115,800

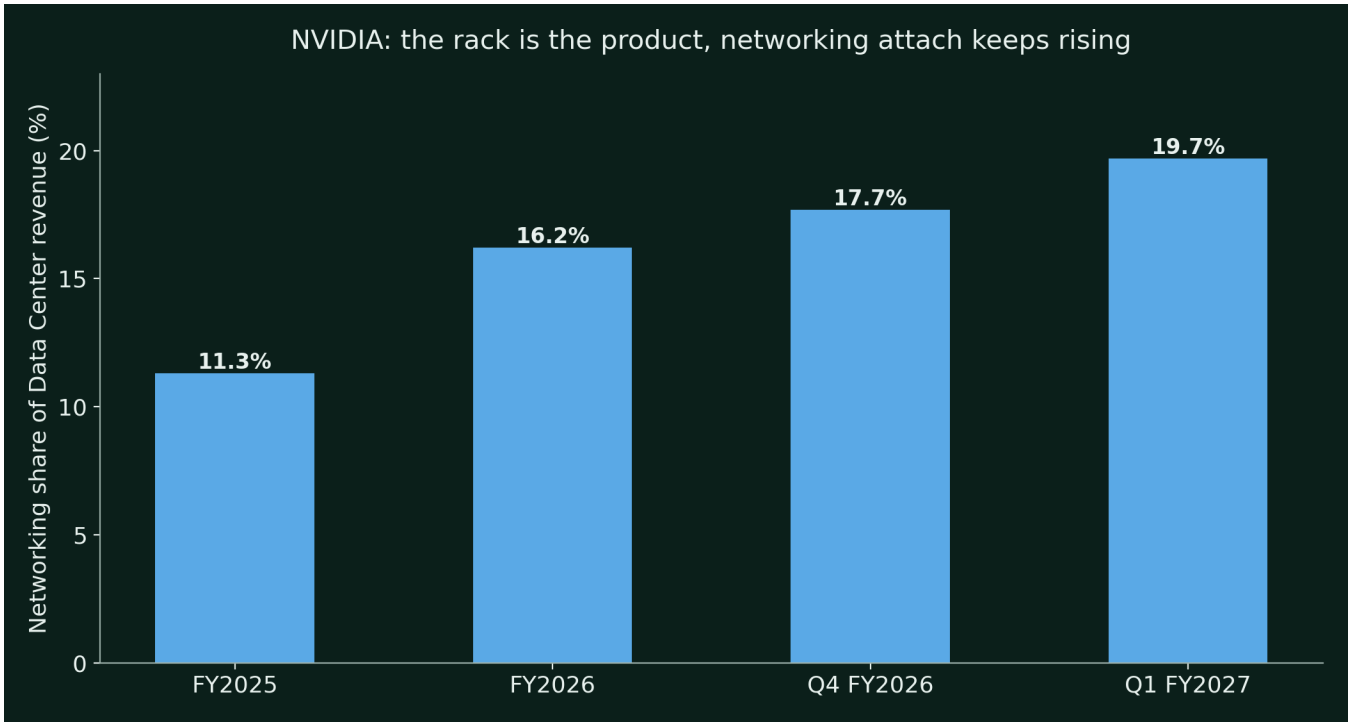


Revenue by market platform. Data Center has gone from a large majority to nearly the whole company. Source: NVIDIA earnings releases and CFO commentary.

- Data Center revenue grew 21% sequentially in Q3 fiscal 2027 to $107.6B on the Vera Rubin ramp.
- The Q3 materials graded for this report do not split Data Center between the Hyperscale class and the AI Clouds class. This report does not estimate the split.
- Edge Computing revenue is the derived remainder of $8.2B in Q3, up 14% sequentially.
- Two direct customers account for 18% and 17% of the receivables balance, per the Q3 commentary. Concentration now has a balance sheet address as well as a revenue one.
- In Q2 the AI Clouds, Industrial & Enterprise class grew 138%, faster than Hyperscale at 102%, as neoclouds, sovereign programs and enterprises took a larger share of the ramp.

Inside Data Center, compute against networking

Data Center split ($B)	FY2025	FY2026	Q4 FY2026	Q1 FY2027
Compute revenue	102.2	162.3	51.3	60.4
Networking revenue	13.0	31.4	11.0	14.8
Networking share of Data Center	11.3%	16.2%	17.7%	19.7%



Networking share of Data Center revenue. The fabric is becoming a fifth of the platform sale. Source: NVIDIA CFO commentary.

- Networking revenue grew 142% in fiscal 2026 to $31.4B, on NVLink compute fabric shipping inside GB200 and GB300 racks and on Spectrum-X Ethernet and InfiniBand growth.
- The Q3 fiscal 2027 materials graded for this report do not update the compute and networking split either. Vera Rubin's nearly $20B sits inside the compute line on any reasonable reading, and this report records

the platform total rather than estimating the split. The last disclosed split remains Q1 fiscal 2027.

- The mix point matters for margin and moat alike. A rack sale carries more third-party content than a chip sale, and it also locks the customer into NVIDIA's fabric for the life of the installation.

The edge lines on their last disclosed basis

Gaming, Professional Visualization and Automotive were reported as separate platforms through fiscal 2026. From fiscal 2027 they sit inside Edge Computing and are not broken out. The last full-year disclosure is the honest endpoint of those series.

Discontinued platform detail ($M)	FY2025	FY2026	FY2026 growth
Gaming	11,349	16,000	+41%
Professional Visualization	1,878	3,200	+70%
Automotive	1,694	2,300	+39%
OEM and other	391	700	n/a

- Gaming set a record in fiscal 2026 on Blackwell demand, and management warned that memory and system prices would temper consumer PC sales, a warning the Q2 Edge commentary repeated.
- Professional Visualization crossed $1B in a quarter for the first time in Q4 fiscal 2026 on RTX PRO Blackwell workstations.
- Automotive grows slowest of the three and is strategically larger than its revenue, through the DRIVE Hyperion ecosystem, the Alpamayo open model family and robotaxi partnerships with Uber, Foxconn and VinFast.
- The edge lines together are about 7% of revenue. They are optionality, not ballast.

4 THE AI ENGINE

The Data Center engine runs on an annual platform cadence that has now held for three generations. Hopper established the market. Blackwell and Blackwell Ultra industrialized it. Vera Rubin, announced with the fiscal 2026 results in February 2026 as a six-chip platform promising up to a 10x reduction in inference token cost against Blackwell, entered full production in the second quarter of fiscal 2027, with racks running at CoreWeave, Google Cloud, Microsoft Azure, Oracle Cloud Infrastructure and Nebius.

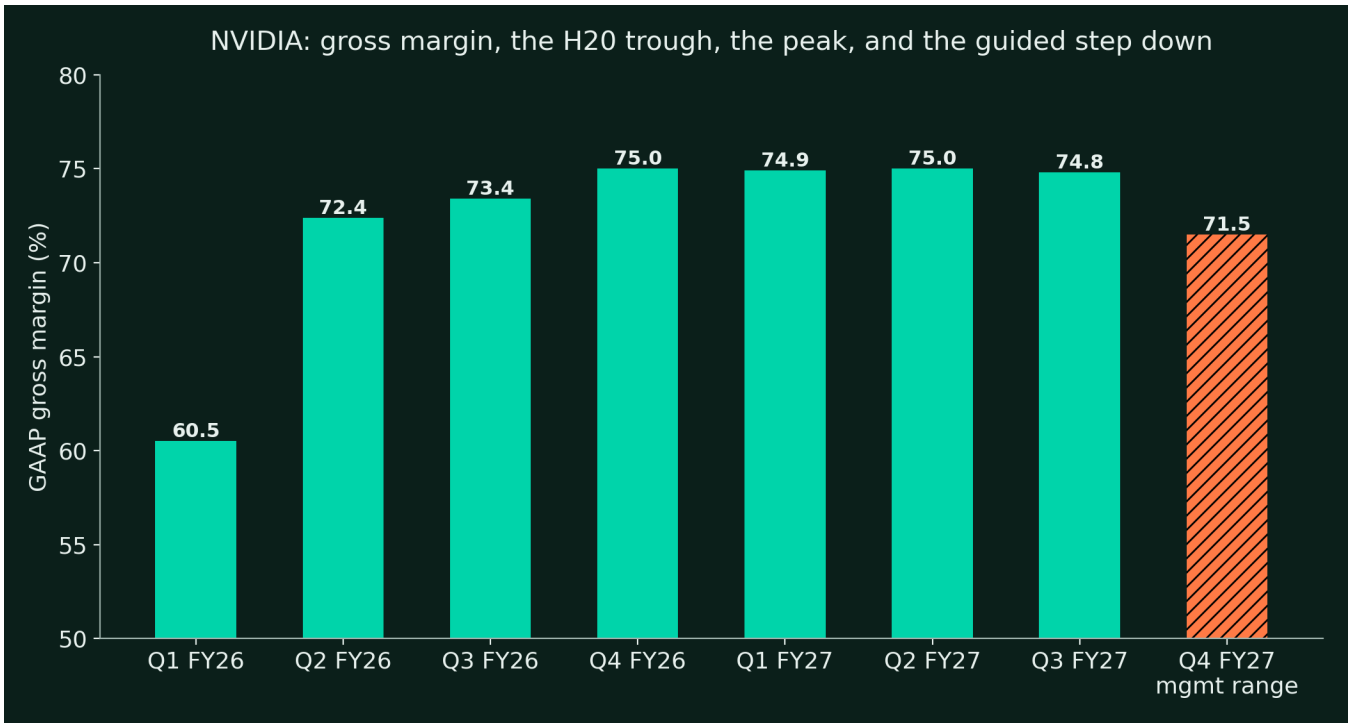
- Q3 fiscal 2027 Data Center growth was driven by the Vera Rubin ramp, per the CFO commentary.
- Vera Rubin contributed nearly $20B of Data Center revenue in Q3, just under a fifth of the line, in the fastest ramp management has described.
- Q4 revenue is guided at $130.0B plus or minus 3%, and the quarter carries a fourteenth week.
- The Vera CPU, unveiled in Q2, is NVIDIA's first CPU built for AI agents, with adoption planned across leading technology providers and a deployment at SpaceXAI.

- The Groq 3 LPX inference accelerator, built on the non-exclusive Groq license signed in fiscal 2026, is in full production, extending NVIDIA's inference line below the GPU tier.
- The DSX platform packages the whole build as a playbook for AI factory builders, with sovereign programs in Korea and Japan building on it.
- Revenue opportunity per gigawatt rises from about $18B on Hopper to about $25B on Blackwell to about $40B on Vera Rubin, per management on the Q2 call. Rising content per gigawatt is the quiet growth engine inside unit demand.

The engine's constraint is no longer demand or even wafers. Management raised its fiscal 2028 growth frame to about 75% on the Q3 call and still states that demand outpaces supply, with memory and broader supply chain capacity as the binding limit. The $390B purchase commitment figure in section 11 is that constraint expressed as a purchase order.

5 THE MARGIN QUESTION

Gross margin is where this report earns its keep, and the Q3 print graded better than the guide. GAAP gross margin printed 74.8% and non-GAAP printed 74.9% against a 74.0% guide. The print is the first in five quarters to land above the guided band rather than inside it. Management credited better product mix for the beat. The guided path after Q3 did not move. Q4 is guided to the same 71% to 72% bottom, and fiscal 2028 still settles at 72% to 73% as price increases of more than 15% take effect.



GAAP gross margin by quarter, with the H20 charge trough in Q1 fiscal 2026, the Q3 fiscal 2027 beat, and the guided step down into fiscal 2028. Source: NVIDIA earnings releases and CFO guidance.

The case that compression stays contained gained evidence this quarter. NVIDIA has already absorbed one margin shock in this cycle, the $4.5B H20 charge that took Q1 fiscal 2026 GAAP gross margin to 60.5%, and recovered to 75.0% within three quarters. The Rubin mix lifted margin above the guide even as system

content rose and memory costs climbed. The company is passing memory costs through with system price increases above 15%, announced to customers before the costs fully land. Gross profit dollars per installation keep growing across the Rubin transition, because NVIDIA content per gigawatt rises from $25B to $40B even if the percentage eases.

The case for a longer grind also gained evidence, and it sits in the commitments line. Purchase commitments jumped from $279B to $390B in one quarter, primarily for memory and supply, which means NVIDIA is prepaying scarcity prices to secure allocation. The buyers are collecting second. Every hyperscaler on the customer list now runs a credible custom silicon program, and those programs are negotiation weapons at every renewal. Mix collects third, because rack-scale systems carry large amounts of other vendors' content through the income statement. Management's own settle range of 72% to 73% remains an admission that the 75% print was a peak, and no guided step down in this industry has a history of stopping exactly where the first guide said it would.

Our reading has moved one step toward the contained case, and the receivables line is what stops it moving further. The Q3 print showed pricing power and mix working in the same quarter that memory costs rose, and the Q4 bottom guide held at 71% to 72% under a new chief executive. Margin at or above the guided path is now a print, not only a promise. The fiscal 2029 question stays open, because the fiscal 2027 vintage of contracts still reprices against custom silicon in that year. Margin remains the score's live variable, and the Q4 print against the 71% to 72% bottom is the next checkpoint.

6 THE MOAT

The moat is a stack, and its layers reinforce each other in a specific order. CUDA is the base layer, two decades of libraries, tools and trained engineers that make NVIDIA the default target for new model architectures. The platform cadence sits on it, an annual rhythm of chips, racks and software that lets customers plan capacity years out. NVLink and the networking fabric are the newest and most measurable layer. Networking rose from 11.3% of Data Center revenue in fiscal 2025 to 19.7% in Q1 fiscal 2027, because a customer who buys the fabric has bought the architecture, and a customer who has bought the architecture does not re-litigate the chip choice every generation.

The honest limit of the moat is that it protects the apex of the workload pyramid better than the base. Frontier training, where time-to-model is the product, remains NVIDIA's by merit. Vera Rubin reached nearly $20B of revenue in its first ramp quarter, and racks are live at every major cloud. Inference, fine-tuning and ordinary training are fungible across TPU, Trainium and AMD at an adaptation cost, and the abstraction layers that carry models between chips improve every quarter. The moat does not need to hold the whole pyramid to be worth a pass. It needs to hold the apex and tax the base, and at November 2026 it does both. The grade in the companion scorecard is PASS, with the networking attach rate as the number that would prove the moat is widening rather than merely holding.

7 COMPETITION, QUANTIFIED

Competition reaches NVIDIA through three channels, and the house research library has already measured each of them. The numbers below are drawn from The Compute Share Wars and The Compute Price Reset,

DalalBytes, November 2026, so the competitive frame in this report is the same frame the library uses everywhere.

Competitive measure	Reading	Source basis
NVIDIA share of AI accelerator revenue	About 75% in 2026 estimates	Silicon Analysts compilation
NVIDIA share of the NVDA, AMD, Intel data center set	About 86% by Q4 2025	Bloomberg via Visual Capitalist
Custom silicon share of accelerator dollars	8% in 2024, 12% in 2025, 16% in 2026, about 20% in 2027	Broker estimates
Custom silicon share forecast, 2028	35% to 40% of hyperscaler AI compute spend	Broker forecasts
AMD share of AI accelerator revenue	About 7% in 2026 estimates	Silicon Analysts compilation
NVIDIA share of discrete GPU units	93% in 2025	Jon Peddie Research

- Bernstein's framing is the consensus one. Custom silicon does not cap NVIDIA's market so much as slide its share of the hyperscaler wallet from roughly 75% to 80% today toward about 60%, with Broadcom and AMD dividing most of what is ceded.
- Broadcom is the design layer of the challenge, at about 60% or more of custom ASIC design share, and its Google program is already diversifying to MediaTek on the TPU 8i.
- Google is the most complete challenger. The TPU ladder runs from $1.20 to $12.00 per chip hour, Ironwood inference total cost runs about $0.18 per million tokens against about $0.31 for comparable B200 configurations on SemiAnalysis estimates, and Anthropic has committed to up to one million TPU chips.
- Amazon is the second challenger, with Trainium2 at about $2.24 per chip hour on Capacity Blocks and Project Rainier's roughly 500,000 Trainium2 chips in service for Anthropic.
- AMD contests the merchant layer directly, with the OpenAI design win and Meta's roughly 6 gigawatt commitment signed alongside its MTIA extension in April 2026, a three-vendor structure in which merchant GPUs take the flexible layer.
- The Q3 print carried no evidence of a top hyperscaler shifting a training generation to its own silicon at scale. The score-down trigger on that channel stayed untriggered, and the custom silicon dollar share path above remains the base case rather than the bear case.
- Meta's structure is the template. Own silicon carries the base load, merchant GPUs supply the frontier and the flex, and no single vendor holds the whole wallet again. NVIDIA's revenue can keep growing inside that structure while its share of the wallet falls. Both halves of that sentence are in our base case.

8 CHINA AND THE WALLED MARKET

China was a fifth to a quarter of NVIDIA's data center opportunity before export controls, and it is now a rounding error that prints against a guide of zero. The sequence is fully documented in the filings. NVIDIA sold $4.6B of H20 into China in Q1 fiscal 2026 before the licensing requirement landed, took a $4.5B charge on H20 excess inventory and purchase obligations in the same quarter, and printed a 60.5% GAAP gross margin as a result.

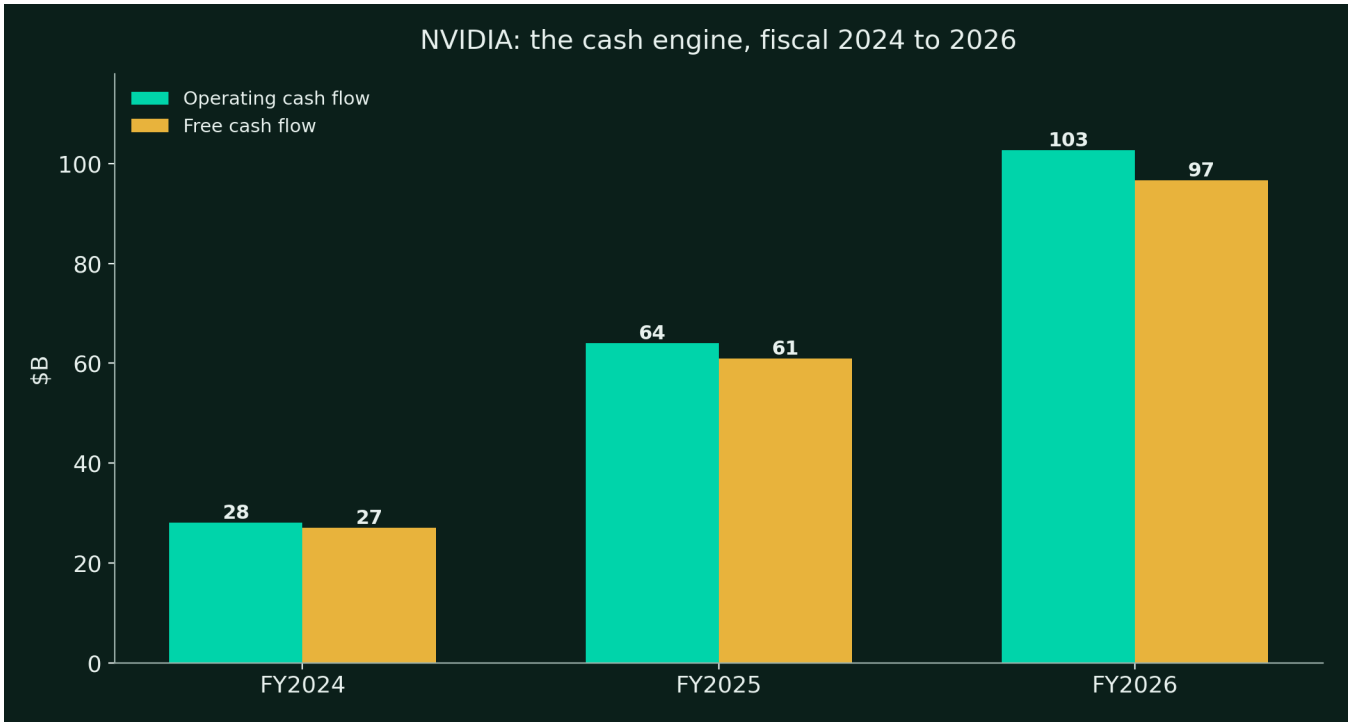
- In Q3 fiscal 2027, licensed Hopper shipments to China produced $2.4B of revenue against a guide that assumed none.
- Management said shipments of licensed Hopper products to China have stopped, and the Q4 guide again assumes no Data Center compute revenue from China.
- In Q2 fiscal 2027, shipments of Hopper products to China-based customers were less than 1% of Data Center revenue, made under US government licenses.
- Inside the walled market, NVIDIA's share of China accelerator units fell from roughly 95% before restrictions to about 55% in 2025 and about 34% in the first half of 2026 on IDC figures, with Huawei the largest domestic beneficiary at about 28%.
- The strategic cost is not the lost quarter. It is that the sealed market funds a domestic stack, Huawei above all, whose constraint is supply, HBM and advanced packaging, rather than demand or design.

China contributes nothing to our scenarios. The $2.4B Q3 print is treated as windfall rather than run rate, because management says the shipments have stopped. Any licensed reopening remains upside the price does not need, and any further tightening costs the company almost nothing it has not already lost. That asymmetry is one of the cleaner facts in the report.

9 THE FINANCIAL STATEMENTS

Fiscal year ($M)	FY2024	FY2025	FY2026
Revenue	60,922	130,497	215,938
Gross profit	44,301	97,858	153,463
Gross margin	72.7%	75.0%	71.1%
Operating income	32,972	81,453	130,387
Operating margin	54.1%	62.4%	60.4%
Net income, GAAP	29,760	72,880	120,067
Diluted EPS, GAAP	$1.19	$2.94	$4.90
Operating cash flow	28,090	64,089	102,718
Capital expenditure	1,069	3,236	6,042

Fiscal year ($M)	FY2024	FY2025	FY2026
Free cash flow	27,021	60,853	96,676
Diluted shares (M)	25,010	24,790	24,510



Operating cash flow and free cash flow. Capital expenditure is a rounding error next to the ecosystem commitments in section 11. Source: NVIDIA cash flow statements.

- Fiscal 2026 GAAP gross margin of 71.1% carries the $4.5B H20 charge in its first quarter. The quarterly path runs 60.5%, 72.4%, 73.4% and 75.0%, an exit rate well above the full-year figure.
- Research and development was $7.1B in Q2 fiscal 2027 alone, up 64% year over year, and operating expenses are guided to about $9.2B GAAP in Q3.
- Stock-based compensation of $3,954M in the first half of fiscal 2027 is now inside non-GAAP results as well as GAAP, a presentation change NVIDIA made in Q1 fiscal 2027 that we record as an accountability upgrade.
- Operating cash flow for the first nine months of fiscal 2027 was $122.7B. The quarters ran $50.3B in Q1, $24.1B in Q2 and $48.3B in Q3.
- Q3 operating cash flow of $48.3B reached 74% of GAAP net income of $65.3B. The Q2 conversion split repaired on the cash line.
- The receivables line did not repair. Accounts receivable rose 28% in Q3 to $81.0B against revenue growth of 20%, and days sales outstanding stretched from 60 to 64 days.
- Management attributed the rise to Rubin shipment timing and to extended terms on large multi-quarter agreements with investment-grade customers.
- Two direct customers account for 18% and 17% of the receivables balance.

- Inventory rose to $31.6B at July 26, 2026 from $21.4B at fiscal year end, as the company built ahead of the Vera Rubin introduction in Q3. The print validated the build.
- GAAP net income is no longer a clean operating line. Gains on equity securities were $23.7B of the $141.4B of first half pretax income. Non-GAAP net income of $99.5B for the half is the better trend measure, and even it now includes stock compensation.

10 ROADMAP VERSUS DELIVERY AUDIT

The demand side of this audit remains the cleanest in the library, and it now carries a fifth straight revenue beat. NVIDIA guided Q3 fiscal 2027 revenue at $108.0B and delivered $115.8B, a beat of 7.3% over the midpoint and the largest of the five. Gross margin beat its guide for the first time in the five, printing 74.8% GAAP against 74.0% guided. Vera Rubin landed just under a fifth of Data Center revenue in its first ramp quarter, on the line management set in August. When this management team guides a quarter, the quarter arrives above the guide.

The audit's deductions have moved rather than disappeared. The receivables line is the first deduction, because a 28% rise against 20% revenue growth extends the one balance sheet trend the November package named as a score-up condition. The second deduction is guidance shape at the new scale. The Q4 guide carries a wider band of plus or minus 3% and a fourteenth week, so the $130.0B headline flatters the underlying run rate slightly. The third deduction is unchanged. The roadmap now includes commitments the company does not fully control, from memory supply to campuses other companies must finish and fill. The roadmap is being delivered, and more of it is now other people's execution.

Commitment	Set when	Status at November 18, 2026
Q1 FY2027 revenue of $78.0B, plus or minus 2%	February 2026	Delivered $81.6B. Beaten
Q1 FY2027 GAAP gross margin of 74.9%	February 2026	Delivered 74.9%. Met
Q2 FY2027 revenue near $91B guide	May 2026	Delivered $96.2B. Beaten
Blackwell sold out through mid-2026	Fiscal 2026 calls	Delivered. Blackwell Ultra drove Q2 growth
Vera Rubin in full production	Unveiled February 2026	Ramping August 2026. Delivered on schedule
Vera Rubin at about 20% of Data Center revenue in Q3 FY2027	August 2026 call	Delivered. Nearly $20B and just under a fifth of Data Center revenue
Q3 FY2027 revenue of $108.0B, plus or minus 2%	August 2026	Delivered $115.8B. Beaten by 7.3%
Q3 FY2027 gross margin of 74.0%	August 2026	Delivered 74.8% GAAP. Beaten on product mix

Commitment	Set when	Status at November 18, 2026
Gross margin bottom of 71% to 72% in Q4 FY2027	August 2026 call	Pending. Guide held at 71% to 72% on the Q3 call
Gross margin settling at 72% to 73% in fiscal 2028	August 2026 call	Pending. Rests on price increases above 15%
Fiscal 2028 revenue growth of about 70%	August 2026 call	Raised. Guided at about 75% on the Q3 call and still stated as supply constrained
Q4 FY2027 revenue of $130.0B, plus or minus 3%	November 2026 call	Pending. Band wider than the usual 2% and the quarter has a fourteenth week
First earnings call under interim CEO Colette Kress	November 2026	Delivered. All eight analyst questions answered as primary answerer and guidance stayed specific
Rubin Ultra generation in 2027	Platform roadmap	Pending. No in-year revenue assumed in our base

- The annual cadence claim has held at platform level since Blackwell. Hopper to Blackwell took two years, and every step since has landed inside twelve months.
- Networking is the audit's quiet over-delivery. A business that was $3.0B in Q4 fiscal 2025 printed $14.8B in Q1 fiscal 2027.
- The audit grades the roadmap as delivered, with the Q4 margin bottom and the receivables line as the two live promises the February print grades next.

11 CAPITAL STRUCTURE AND THE ECOSYSTEM BALANCE SHEET

The balance sheet at July 26, 2026 is two documents in one. The first is a fortress. Cash and marketable debt securities were $56.6B, total debt was $33.4B after a $25.0B senior unsecured note issue in Q2, and shareholders' equity was $229.0B. The second document is the ecosystem ledger, and it is the one that changed this year.

Item	Value	As of
Cash and cash equivalents	$22.4B	July 26, 2026
Marketable debt securities	$34.1B	July 26, 2026
Cash and marketable debt securities	$56.6B	July 26, 2026
Total debt, short and long term	$33.4B	July 26, 2026

Item	Value	As of
Marketable equity securities	$42.8B	July 26, 2026
Non-marketable securities	$51.2B	July 26, 2026
Total equity securities	$94.0B	July 26, 2026
Total future commitments	$366B	July 26, 2026
Maximum guarantee exposure	$108.5B	August 2026 agreements
Share repurchase authorization remaining	$99.0B	July 26, 2026

- Supply and capacity commitments of $279B dominate the commitment table, phased $92B in the remainder of fiscal 2027, $87B in fiscal 2028 and $88B in fiscal 2029, primarily memory procurement.
- Cloud service agreements of $29B and uncommenced data center leases of $25B fund NVIDIA's own research infrastructure, on lease terms up to twenty years.
- Equity investment commitments of $25B remain, focused on AI model makers and infrastructure financiers, subject to contingencies.
- The third-party support ledger sits below the commitment table. AI cloud agreements of $36B and $20B of data center leases signed for reassignment to third parties, against which NVIDIA earns upfront infrastructure revenue and, if criteria are met, a share of the cloud's third-party revenue.
- Guarantees for AI cloud partners' land, power and shell obligations carry a maximum gross exposure of $3.5B.
- The SB Energy arrangement signed in August 2026 is the largest single item. Guarantees capped at $105B support about 4.25 gigawatts at the PORTS-Pike campus in Ohio, hosting NVIDIA infrastructure under 20-year leases to OpenAI, phasing in as data centers reach service from fiscal 2029, with exposure declining as lease payments are made. Each infrastructure generation at the site represents roughly 1.5 million GPUs and $150B to $200B of NVIDIA revenue.
- The financing platform partnerships announced in Q2, with Apollo, BlackRock, Blackstone, Brookfield, Goldman Sachs and KKR, target more than $500B of third-party capital mobilized for AI infrastructure over time, subject to definitive agreements. The design keeps the debt off NVIDIA's balance sheet while keeping the demand on NVIDIA's roadmap.
- The equity book is the circularity question in balance sheet form. Purchases of equity securities were $42.4B in the first half of fiscal 2027, against $1.2B in the prior year half, and the book now stands at $94.0B, including a position of roughly $21B in SpaceX and stakes in CoreWeave, Nebius, Intel, Nokia, Coherent and Synopsys. Gains on this book were $23.7B in the half.
- Shareholder returns run alongside, not instead. First half buybacks were $39.0B and dividends $6.3B, with the quarterly dividend raised from $0.01 to $0.25 per share during fiscal 2027. Q2 alone returned about $26.0B.

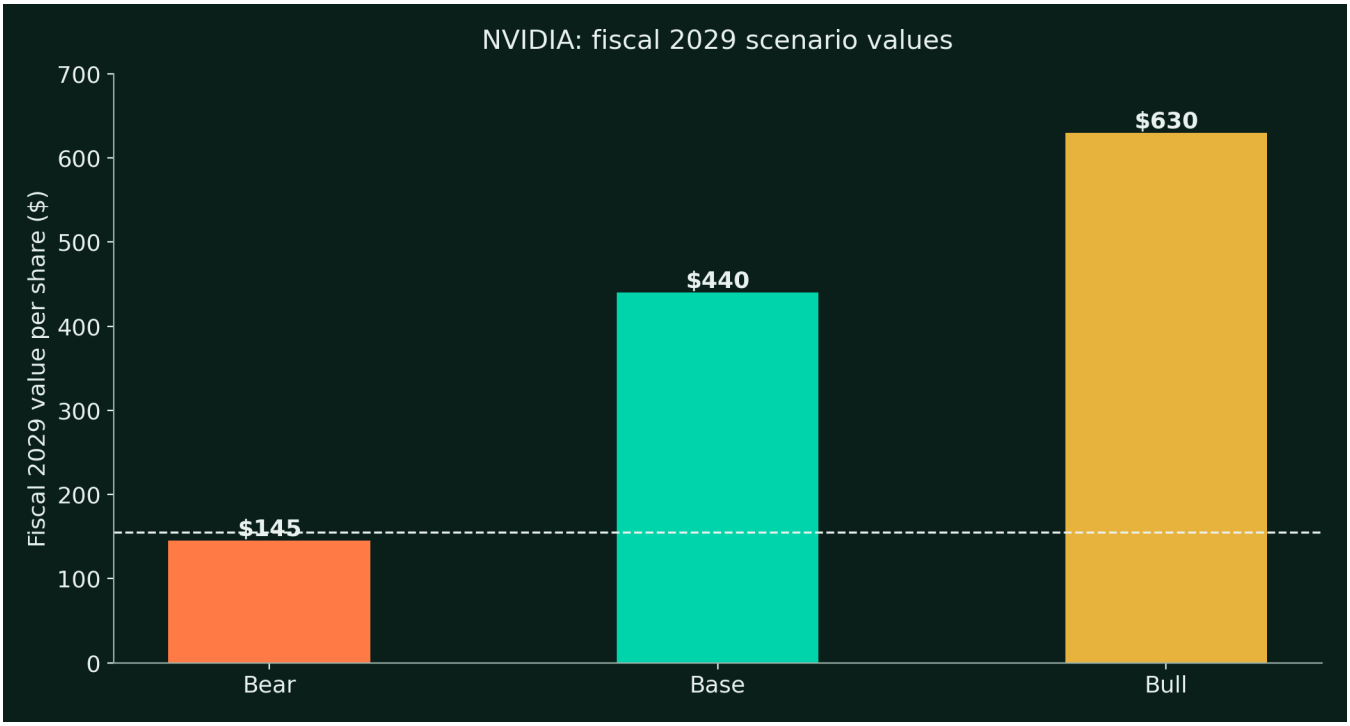
- The fortress test we apply is survival, and survival is not in question. A company with $56.6B of liquid securities, $33.4B of debt and $69.9B of half-year free cash flow does not fail on its own ledger. The grade turns on direction. Every quarter, more of the fortress is pledged to the ecosystem that buys from it, and the pledges are long. That is why Iron Fortress grades PARTIAL in the companion scorecard despite the strongest liquid position in the industry.
- The Q3 update moved the ledger again. Purchase commitments rose to $390B with named new supply agreements.
- Guarantee caps were stated at $118B as a total only, up from the $108.5B August figure, without the campus level split the August filing carried.
- New CFO commentary language makes neocloud commitments take effect only if the neoclouds secure their own financing. Management said the practice is not new and the language is.
- Q3 buybacks reached $22B and total capital returns hit a record $28.1B. Remaining repurchase authorization stood at $227B at quarter end, which implies a fresh authorization of about $150B in the quarter.
- Management committed to returning all excess free cash flow net of strategic uses.
- The receivables side of the ledger is in section 9. The commitment side and the receivables side now grow in the same quarters, and that pairing is the circular financing exposure in current form.

12 VALUATION AND FISCAL 2029 SCENARIOS

The reference price of $155.46 pays about 14.4 times annualized Q3 GAAP earnings of $2.70 a share, and it sits 24% below the November 2 reference price on a print that beat. The scenarios below are built from the segment path, on a fiscal 2027 estimate of about $424B of revenue, with Data Center at about $393B and Edge Computing at about $30B. Fiscal 2027 revenue sums the three printed quarters and the $130.0B Q4 guide.

Fiscal 2029	Bear	Base	Bull
Data Center revenue ($B)	489	768	923
Edge Computing revenue ($B)	36	40	48
Total revenue ($B)	525	808	971
Gross margin	66%	72.5%	74%
Operating margin	55%	66%	68%
Net income ($B)	247	448	562
Diluted shares (B)	23.9	23.4	23.2
EPS	$10.33	$19.15	$24.22

Fiscal 2029	Bear	Base	Bull
Exit multiple	14x	23x	26x
Scenario value	$145	$440	$630



Fiscal 2029 scenario values against the November 17, 2026 reference price. Source: DalalBytes estimates built in this section.

The bear case, $145

- Data Center growth steps down to 22% in fiscal 2028 as hyperscaler capex growth rolls over, then to 2% in fiscal 2029 in a digestion year.
- Gross margin falls through the guided floor to 66%, as memory costs stay high, the price increases are negotiated away against custom silicon alternatives, and rack mix dilutes the percentage.
- Receivables stretch further before they normalize, guarantees phase in on schedule while one or more supported campuses ramp slowly, and the equity book marks down with the cycle.
- The exit multiple compresses to 14 times, the multiple of a cyclical at peak earnings rather than a platform at a premium.
- The bear case values the stock about 7% below the reference price. The fall from $204.64 to $155.46 has already priced most of this case, and what remains is the margin leg.

The base case, $440

- Data Center grows 55% in fiscal 2028, below the raised guide of about 75% on the memory constraint management itself names, then 26% in fiscal 2029 as Vera Rubin and its successor carry the ramp.
- Gross margin settles inside the guided band at 72.5%, with the announced price increases recovering most of the memory cost.

- Edge Computing compounds at 15% a year on workstations, AI PCs and the automotive ramp.
- Buybacks continue at the stepped up Q3 pace and the diluted count falls to about 23.4B shares.
- The skeptic case stands beside this base. It says the fiscal 2028 guide of about 75% growth is a supply statement dressed as a demand forecast, that the demand underneath it is concentrated in a handful of buyers whose own capex guides decelerate in 2027, and that the receivables and guarantee ledgers are what a seller builds when it is financing its own growth rate.
- Our answer is the checkpoint structure. The Q4 margin bottom grades in February, the receivables line either normalizes or it does not, and the fiscal 2028 guide starts grading quarter by quarter from here. If the base case is wrong, the filings show it within two quarters.

The bull case, $630

- Fiscal 2028 growth delivers most of the raised 75% guide as memory supply loosens into the Rubin ramp, and fiscal 2029 grows 38% more in Data Center on Rubin Ultra, sovereign programs and the Ohio campus generations.
- Gross margin recovers to 74% as price increases land and the Rubin mix matures.
- The financing platforms mobilize third-party capital at scale, so the buildout's second half is funded by other balance sheets while NVIDIA collects the infrastructure revenue.
- The market keeps a 26 times multiple on $24.22 of earnings, paying for duration rather than for a peak.

13 RISKS

The central risk is that the peak is real and the price knows less than the guide does. NVIDIA's own published path has gross margin stepping down three to four points into fiscal 2028, and every element of the rent-sharing sequence is visible in the current filing, memory commitments repriced upward, buyers armed with custom silicon, mix shifting to racks. If the sequence runs past the guided floor, the earnings denominator falls faster than the multiple can cushion, which is the precise shape of the bear case. The stock is cheap on peak earnings. Peak is the operative word.

The second risk is the ecosystem ledger. NVIDIA now stands behind its demand in four ways at once, as an equity holder in its customers, as a guarantor of their campuses, as a lessee signing for reassignment, and as a partner in financing platforms designed to fund their buildouts. Each arrangement is individually defensible and most are collateralized, phased or capped. Together they mean that a demand air pocket would arrive at NVIDIA's balance sheet from several directions in the same quarter, through marks, through guarantees phasing in on empty capacity, and through the receivables line that has already stretched to 64 days. The arrangements convert customer credit risk into NVIDIA risk at exactly the scale where customer credit becomes the cycle's weak layer.

The third risk is concentration wearing a growth costume. Hyperscale buyers produced about half of Q2 revenue, and the industry's demand aggregates a handful of American balance sheets, a sealed Chinese market, and sovereign programs that arrive in anchor shape. A single top buyer shifting one training generation to its own silicon, as each of them is now equipped to do, removes a measurable slice of the growth rate and reprices the negotiation for everyone else.

The fourth risk is new and it is institutional. The company is being led on an interim basis for the first time in its history, and the first call under that leadership passed on specificity and delivery. One call is evidence, and it is not yet a succession. The strategy being executed was set over decades, and whether the institution carries it at the same cadence is the open question of the next few years.

- Gross margin is guided down, and guided step downs in this industry have a history of extending. The Q3 print beat its guide, and the fiscal 2028 settle range of 72% to 73% is still a promise rather than a print.
- Receivables grew 28% in Q3 against revenue growth of 20% and now stand at $81.0B with days sales outstanding at 64 days. Extended terms to investment-grade customers are a choice, and the choice is financing demand.
- The equity book at $94.0B marks both ways. The $23.7B of first half gains that flattered GAAP earnings reverse just as mechanically in a down cycle.
- Purchase commitments of $390B are largely fixed. If fiscal 2029 demand disappoints, the memory is already bought.
- China is excluded from every guide and still managed to cost $4.5B once. Export policy remains a live variable in both directions.
- Guarantee caps were stated at $118B as a total only in Q3. The campus level detail that graded the August figure has not been restated, and the next filing either restores it or it does not.

14 PRICE BASIS AND TECHNICALS

- Reference price is the Tuesday November 17, 2026 close of $155.46, as reported by Finnhub.
- Diluted shares implied by the Q3 print are about 24,185M, giving a market value of about $3.76T at the reference price.
- The price pays about 14.4 times annualized Q3 GAAP earnings and about 8.1 times annualized Q3 revenue.
- The stock closed 24% below the November 2 reference price of $204.64 and about 35% below the October record close of $239.24.
- After hours trading on November 17 took the stock to $162.95, up 4.8% on the Finnhub quote, inside the implied move the options market had priced.
- The stock sits in the tracked-not-owned group of the library's universe.
- Fiscal Q4 2027 results in February 2027 are the next hard checkpoint, carrying the 71% to 72% margin bottom test.

15 SOURCES AND DISCLOSURES

- NVIDIA press release, Financial Results for Second Quarter Fiscal 2027, August 26, 2026, for the quarter's statements, balance sheet, cash flows and outlook.

- NVIDIA CFO Commentary on Second Quarter Fiscal 2027 Results, Form 8-K exhibit, August 26, 2026, for the segment and platform tables, the commitments and guarantees detail, and the receivables and inventory commentary.
- NVIDIA press release, Financial Results for Fourth Quarter and Fiscal 2026, February 25, 2026, for fiscal 2026 and fiscal 2025 statements, the platform history and the Vera Rubin unveiling.
- NVIDIA Form 10-K for fiscal 2025 and fiscal 2026 segment reporting, for the reportable segment history and the discontinued platform detail.
- NVIDIA Q2 fiscal 2027 earnings call reporting of August 26, 2026, for the fiscal 2028 growth guide of about 70%, the margin path to a 71% to 72% bottom and a 72% to 73% settle, the price increases above 15%, and revenue opportunity per gigawatt of $18B, $25B and $40B across Hopper, Blackwell and Vera Rubin.
- NVIDIA Financial Results for Third Quarter Fiscal 2027, November 17, 2026, and the earnings call that followed, for the Q3 statements, the outlook, the Rubin revenue line, the receivables attribution, the neocloud financing language and the capital return commitment, as graded in the DalalBytes Q3 preview update of November 17, 2026.
- DalalBytes NVDA fiscal Q3 2027 print gate sheet, November 13, 2026, for the eight preset gates and the score-change lines applied in section 1.
- Finnhub, for the Tuesday November 17, 2026 closing price of $155.46 used as the reference price.
- The Compute Share Wars and The Compute Price Reset, DalalBytes, November 2026, for the accelerator share series, custom silicon dollar shares, the TPU and Trainium price ladders, and the forward valuation snapshot, at https://dalalbytes.com/blog/compute-share-wars.html and https://dalalbytes.com/blog/compute-price-reset.html.
- Disclosures. DalalBytes holds no position in NVIDIA (NVDA) at publication. This report is research and opinion for educational purposes only and is not investment advice, a recommendation, or a solicitation. Prices and estimates are as of November 18, 2026, and will age. Verify figures against company filings before acting on them.