




NVIDIA CORPORATION Q1 2027

Earnings Report Update

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NVIDIA Corporation operates as a data center-scale artificial intelligence infrastructure and semiconductor company focused on accelerated computing, AI platforms, graphics processing technologies, and networking solutions across global markets. Its core operations are anchored in the Compute & Networking segment, which provides AI infrastructure, accelerated data center computing platforms, networking technologies, automotive AI systems, and autonomous driving solutions.

Beyond this, the Graphics segment develops GeForce GPUs for gaming and personal computers, alongside NVIDIA RTX and Quadro GPUs used in enterprise workstations, professional visualization, and high-performance computing applications.

The company's technologies are widely deployed across artificial intelligence, cloud computing, gaming, enterprise data centers, automotive systems, and advanced computing environments, serving cloud providers, OEMs, automotive manufacturers, software developers, and enterprise customers globally.

“NVIDIA Corporation expects second-quarter fiscal 2027 revenue of approximately \$91.0 billion, reflecting continued strength in AI infrastructure demand despite excluding any contribution from China data center compute sales. The company also projects robust profitability, with gross margins around 75%, while GAAP operating expenses are expected at approximately \$8.5 billion. For full-year fiscal 2027, NVIDIA anticipates an effective tax rate between 16% and 18%, underscoring expectations for sustained earnings growth and operating efficiency amid ongoing global AI investment expansion.

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Expectation Analysis

USD (\$Billion)	Q1 2027	ESTIMATE	BEAT/MISS
REVENUE	81.6	79.1	3.2%
EBITDA	54.8	52.5	4.4%
EBIT	53.8	52.0	3.4%
EPS (adjusted)	1.87	1.77	5.5%

Source: Quartr

Revenue by Segment and Geography

Billion USD	Q1 2026	Q1 2027	YOY
Compute & Networking	39.59	74.55	88.31%
Graphics	4.47	7.07	57.95%
United States	25.69	63.77	148.27%
Taiwan	7.65	12.01	56.98%
China (including Hong Kong)	9.66	4.55	-52.89%
Other	1.07	1.29	20.56%

Source: Company's Q1 Financial Statement

Financial Summary

Billion USD	Q1 2026	Q1 2027	YOY
Revenue	44.06	81.62	85.23%
Costs of revenue	17.39	20.46	17.62%
Gross profit	26.67	61.16	129.33%
Total operating expenses	5.03	7.62	51.51%
Operating income	21.64	53.54	147.42%
Income before income tax	21.91	69.90	219.05%
Net income	18.77	58.32	210.63%
Net income per share	0.76	2.39	214.47%
Net cash from operations	27.41	50.34	83.64%
Net cash from investing	-5.22	-26.43	-406.69%
Net cash from financing	-15.55	-21.28	-36.84%
Closing cash balance	15.23	13.24	-13.11%

Source: Company's Q1 Financial Statement

Performance Highlights

- NVIDIA Corporation delivered record Q1 FY2027 revenue of \$81.6bn, representing 20% QoQ and 85% YoY growth, driven primarily by continued global AI infrastructure expansion and hyperscale AI demand. The performance reflects sustained spending on accelerated computing, large language model training, inference infrastructure, and enterprise AI deployment across cloud providers, sovereign AI projects, and industrial AI factories.
- Data Center revenue reached a record \$75.2bn, rising 21% QoQ and 92% YoY, accounting for over 92% of total company revenue. Growth was driven by hyperscale AI infrastructure deployment, Blackwell GPU adoption, networking expansion, and increasing enterprise AI demand. Within this segment, Data Center compute revenue increased 77% YoY to \$60.4bn, while networking revenue surged 199% YoY to \$14.8bn, reflecting strong demand for AI cluster connectivity, NVLink infrastructure, and high-performance networking solutions.
- Gross margin expanded materially to 74.9% from 60.5% a year earlier, reflecting improved product mix, scale efficiency, stronger pricing power, and higher monetisation of premium AI accelerators and networking systems. Operating income increased significantly outpacing operating expense growth, demonstrating substantial operating leverage within NVIDIA's AI ecosystem.
- Net income rose 211% YoY, while diluted EPS increased 214% YoY. This profitability was also supported by a substantial increase in other income, particularly gains from equity securities. On a non-GAAP basis, diluted EPS rose 140% YoY to \$1.87, confirming that core operational earnings remained extremely strong even after excluding investment-related gains.
- The Compute & Networking segment generated rose 88.3% YoY, while operating income increased 141.8% YoY to \$53.3bn. The segment continues to benefit from accelerated AI compute adoption, AI factory deployment, sovereign AI infrastructure investment, and enterprise AI scaling. Graphics revenue also remained strong, rising 57.9% YoY, supported by gaming GPUs, workstation graphics, and edge AI computing demand.
- Revenue from customers headquartered in the United States surged 148% YoY, reflecting the concentration of hyperscale AI infrastructure spending among major U.S. cloud and AI platform operators. Meanwhile, China revenue declined sharply, reflecting export restrictions and geopolitical limitations on advanced AI chip sales.
- Operating cash flow increased 83.7% YoY, while free cash flow rose 85.8% YoY to \$48.6bn, highlighting the exceptional cash-generating capacity of NVIDIA's AI-driven business model. Shareholders' equity expanded to \$195.5bn, while the company returned approximately \$20bn to shareholders through buybacks and dividends during the quarter. NVIDIA also approved an additional \$80bn share repurchase authorization and raised its quarterly dividend from \$0.01 to \$0.25 per share, signaling strong confidence in long-term cash flow sustainability.

Concerns Raised

Revenue from China declined materially due to export restrictions on advanced AI chips. Management also explicitly stated that Q2 guidance assumes no Data Center compute revenue from China, highlighting ongoing geopolitical and regulatory risk. Sustained restrictions could limit NVIDIA's access to one of the world's largest AI and semiconductor markets.

The company's current growth trajectory reflects extraordinary AI infrastructure demand that may become increasingly difficult to sustain at current scale. Revenue growth of 85% YoY and Data Center growth of 92% YoY create elevated market expectations, increasing sensitivity to any slowdown in hyperscaler spending, AI monetisation delays, or cyclical moderation in enterprise AI investment.

Current demand is being driven by unprecedented AI infrastructure buildouts globally. However, many hyperscalers and enterprises are currently operating in an accelerated investment phase. Over time, utilisation optimisation, model efficiency improvements, or slower AI monetisation could reduce the pace of infrastructure expansion, affecting long-term GPU demand growth.

Inventories increased 20.5% QoQ to \$25.8bn, while accounts receivable also rose materially, reflecting aggressive supply-chain positioning to support AI demand. Although currently supported by strong order visibility, rapid inventory scaling introduces execution and demand-normalisation risks if AI deployment cycles slow unexpectedly.

OUR INSIGHT

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NVIDIA Corporation remains a major beneficiary of global AI investment, expanding beyond GPUs into networking, enterprise AI software, robotics, autonomous systems, and edge computing. Its integrated AI hardware, software, and networking ecosystem continues to strengthen its leadership across the AI value chain.

The key takeaway from Q1 FY2027 is that NVIDIA Corporation is evolving from a semiconductor producer into a full-stack AI infrastructure platform. Strong growth in networking, enterprise AI, and AI factory solutions indicates the company is monetising multiple layers of the AI ecosystem, further strengthening its competitive moat.

Sustaining growth will depend on continued AI spending, stable semiconductor trade conditions, and NVIDIA Corporation maintaining its lead amid rising competition from Advanced Micro Devices, Inc. and custom AI chips.

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