NVIDIA

NVIDIA Corporation · NVDA · NASDAQ

Data center revenue grew +117% year over year and Q3 guidance rose to $108B, but a pre-market Nov 9 report of a board inquiry into the CEO leaves the stock −23.3% below its 52-week high amid uncertainty

Overall Verdict
HOLD
Bull 4 · Bear 3 · Deferred 0

Price at Issue	External Average Target Price	52-Week Low · High	Next Earnings
$186.64	**$327.14**	**$164.27 ~ $243.37**	**Nov 17**
Nov 6, 2026 close · +2.8%	+75.3% · 58 analysts	vs. high −23.3%	Q3 2026 earnings

01 4 Key Data Points

Data center revenue +117%
$89B in Q2, 92.5% of total revenue of $96.22B; operating margin is 66.2%.

Q3 guidance of $108B
+12.2% above Q2, and excludes China data center revenue.

Forward P/E 13.0x
Below the peer median of 21.4x; fiscal-year PEG is 0.28.

CEO inquiry report
A report before the open on Nov 9 said the board had begun an inquiry into the CEO; the scope has not been disclosed.

02 Research Team Debate — 6 Issues

CEO allegations and board inquiry ×2	Bear	The issue is management credibility, not the numbers. The facts are unknown, but the board inquiry and congressional request create heavy uncertainty until results emerge, and the pre-market decline on Nov 9 is not reflected in the close, so the issue is ruled for Bear. The board's announcement or the Nov 17 earnings call is when this can be revisited.
AI chip selloff	Bull	The issue is whether the decline stems from NVIDIA's results. Nov 5 combined the CEO report with broad AI chip weakness, making the cause hard to separate, but guidance and quarterly results are unchanged and Oct 22 and Oct 30 were sector-weakness days, so the issue is ruled for Bull. This changes if guidance is missed in the Nov 17 results.
Growth	Bull	The issue is whether growth continues. The growth rate slows from +17.9% to +12.2%, but Q3 consensus revenue of $108.98B is above guidance and consensus EPS of $2.47 is above Q2's $2.46, so the issue is ruled for Bull. The Nov 17 results are the checkpoint.
Cash and balance sheet	Bear	The issue is whether earnings convert to cash. The cause of the decline needs to be confirmed in the Nov 17 results, one quarter cannot establish a recovery, and debt is rising quickly, so the issue is ruled for Bear. This changes if operating cash flow exceeds $24.08B in the Nov 17 results.
Valuation	Bull	The issue is whether the multiple keeps pace with growth. A PEG of 0.28 is far below 1 and the Forward P/E is also below AMD (27.7x) and Broadcom (15.1x), so the issue is ruled for Bull. The high P/S reflects the 66.2% operating margin.
Price target cut	Bull	Price targets are judged by direction of change. The latest five actions are 1 cut, 3 maintained and 1 initiation with no upgrades, but the 58-analyst average of $327.14 and 59 Buy ratings hold, so the issue is ruled for Bull. This changes if cuts increase after the Nov 17 results.

The overall rating is HOLD. Growth and the low multiple favor Bull, but the board's CEO inquiry outcome and whether cash flow recovers in the Nov 17 results are when the rating can be revisited.

03 Conditions That Change the Verdict

▲ Upgrade Conditions

Nov 17 Q3 results
Revenue at or above guidance of $108B and EPS at or above $2.47

▼ Downgrade Conditions

Nov 17 Q3 results
Revenue below $108B or EPS below $2.47

04 Quarterly Results Unit: $B

	Q2 2025	Q3	Q4	Q1 2026	Q2
Revenue	46.7	57	68.1	81.6	**96.2**
Operating Income	28.4	36	44.3	53.5	**63.7**
Net Income	26.4	31.9	43	58.3	**59.7**
Operating Margin	60.8%	63.2%	65.0%	65.6%	**66.2%**

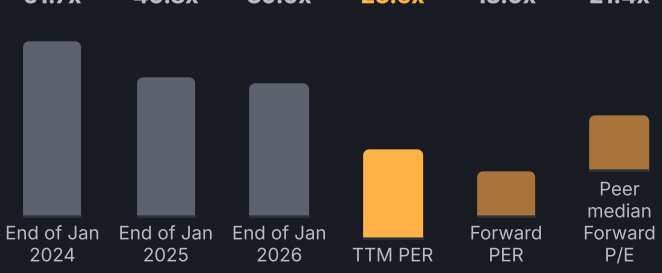
Operating margin
66.2%
Year ago 60.8%

Net margin
62.0%
Year ago 56.5%

Gross margin (Yahoo Finance basis)
75.0%
Year ago 72.4%

Free cash flow margin
22.2%
Year ago 28.8%

05 P/E trend



06 Street Opinions

Buy 59 Hold 2 Sell 1 Avg $327.14 · High $515.00 · Low $180.00

Melius Research	315	Target lowered
Needham	300	Target maintained
Cantor Fitzgerald	350	Target maintained
Rosenblatt	390	Target maintained

07 Financial Strength

Cash & short-term investments (7/31)
$62.47B
$53.99B → +15.7%

Total debt (7/31)
$38.35B
$10.6B → +261.9%

Shareholders' equity (7/31)
$229B
$100.1B → +128.7%

Common shares (7/31)
24.15B shares
24.35B shares → −0.8%

08 Recent News

11/9 Deutsche Telekom to buy more NVIDIA chips (reported after the close)
Based on MT Newswires headline · Expands German AI facility capacity · Same-day report of Korean AI infrastructure partnership with Rebellions and SK Telecom · Not yet reflected in the price · +2.78% and 180M shares are as of the Nov 6 close

11/9 Board reportedly begins CEO inquiry (reported after the close)
Based on Reuters, The Wall Street Journal and MT Newswires headlines · Pre-market decline reported before the open on Nov 9 · Scope and outcome not yet disclosed · Not yet reflected in the price · +2.78% and 180M shares are as of the Nov 6 close

11/5 Three House committee chairs request briefing from CEO Huang
Axios report, Nov 5 · Relates to contacts with MegaSpeed executive Alice Huang (not a family relation) · Broad AI chip selloff the same day

09 Upcoming Events

Nov 11 (Wed) · Options expiration (nearest expiry on Yahoo Finance)
Put/call volume ratio 0.66 · Call share 60.1% · The $200 call had the highest volume at 206K contracts (as of 11/6)

Nov 17 (Tue) · Q3 2026 earnings release
Company guidance $108B (±2%) · Yahoo Finance consensus $108.98B · EPS $2.47

Nov 20 (Fri) · Monthly options expiration
Puts concentrated at the $180 strike with 75K contracts

10 Key Risks

CEO allegations and board inquiry (Nov 9 report)
Impact High · Likelihood Medium · Watch Board announcement

Sharp drop in operating cash flow (Q2 $24.08B, −52.2%)
Impact High · Likelihood Medium · Watch Nov 17 earnings

Renewed broad AI chip weakness (Nov 5 −9.26%)

11 Checkpoints

★★★ **Board CEO inquiry announcement**
Check the company statement for the scope and duration of the inquiry and whether CEO Huang remains in his role.

★★★ **Nov 17 Q3 results**
Check whether revenue reaches the $108.98B consensus and whether operating cash flow exceeds $24.08B.