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Fundamental Financial Analysis Report

NVIDIA VS AMD

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US SEMICONDUCTORS | COMPARATIVE FUNDAMENTAL ANALYSIS

Nvidia vs AMD

Financial performance, consensus outlook and a P/E-based price estimate to calendar 2027

Nvidia and AMD both draw a rising share of revenue from AI infrastructure spending. Nvidia's revenue base is 6.2x AMD's, while AMD carries the higher earnings multiple and the steeper consensus growth trajectory. This report compares the financial performance of the two companies since 2018, reviews Bloomberg consensus estimates to calendar 2027, and sets out the share prices implied by holding today's trailing P/E multiples constant.

Nvidia NVDA US

Share price, 2 October 2026	$233.95
Market capitalisation	$5.65tn
Trailing P/E (GAAP)	29.6x
Consensus GAAP EPS, calendar 2027E	$16.15
Implied price at constant P/E	$478
P/E discounted on 2027E EPS	14.5x

AMD AMD US

Share price, 2 October 2026	$633.91
Market capitalisation	$1.03tn
Trailing P/E (GAAP)	161.8x
Consensus GAAP EPS, calendar 2027E	$13.62
Implied price at constant P/E	$2,204
P/E discounted on 2027E EPS	46.5x

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Financial data and consensus estimates: Bloomberg Company Financials, extracted 4 October 2026. Share prices, trailing EPS and analyst targets: StockAnalysis (S&P Global Market Intelligence data), 2 October 2026 close. Implied prices are the arithmetic result of the stated method and are not price targets. This report is for educational and informational purposes and does not constitute investment advice.

SECTION 1

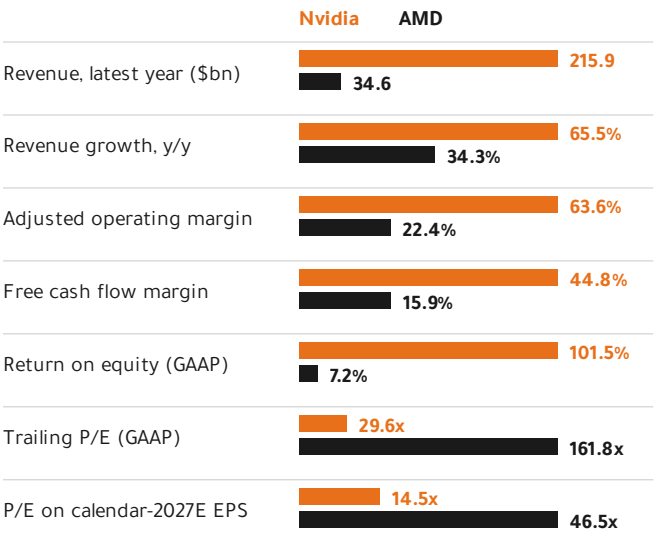
Investment summary

Nvidia reports the larger scale and the higher operating and free cash flow margins. AMD carries the higher multiple and the steeper consensus earnings trajectory.

- **Scale and mix.** Nvidia generated revenue of $215.9bn in FY2026 against $34.6bn at AMD in FY2025, a ratio of 6.2x that stood at only 1.1x in 2022. Data center now accounts for 90% of Nvidia's revenue and 48% of AMD's.
- **Profitability and cash.** Nvidia's adjusted operating margin of 63.6% compares with 22.4% at AMD, and its free cash flow margin of 44.8% is more than twice AMD's 15.9%. Net cash stands at $54.1bn and $7.3bn, respectively.
- **Earnings quality.** AMD's GAAP net income was 63% of its adjusted figure, with acquisition-related amortisation and stock-based compensation accounting for most of the difference. Nvidia's GAAP earnings exceeded adjusted earnings by 3%, helped by investment gains.
- **Consensus.** Bloomberg consensus points to GAAP EPS of $16.15 for Nvidia in FY2028 and $13.62 for AMD in FY2027, or 3.3x and 5.1x the latest reported year. AMD's path relies on data center revenue quadrupling and operating margin widening by 11 points.
- **Valuation.** Nvidia trades on 29.6x and AMD on 161.8x trailing GAAP earnings. Holding those multiples constant yields implied prices of $478 and $2,204 on calendar-2027 earnings. We view the former as an upper bound and the latter as a mechanical output rather than a forecast, since it would imply a market value of roughly $3.6tn.
- **What is priced in.** At current prices, Nvidia's shares discount 14.5x calendar-2027 GAAP EPS and AMD's 46.5x. The difference sets AMD's faster expected growth against Nvidia's higher margins and returns.

Exhibit 1 Nvidia and AMD compared on scale, profitability, returns and valuation

Latest fiscal year; bars scaled to the larger value in each row



Source: Bloomberg, StockAnalysis, Equity Hub calculations.

Exhibit 2 Valuation summary at a constant trailing P/E

Consensus GAAP EPS multiplied by the current trailing P/E

	Nvidia	AMD
Share price, 2 October 2026	$233.95	$633.91
Market capitalisation	$5.65tn	$1.03tn
Trailing P/E (GAAP)	29.6x	161.8x
Implied price on calendar-2026E EPS	$293	$964
Implied price on calendar-2027E EPS	**$478**	**$2,204**
Change versus current price	+104%	+248%
Average analyst price target	$327.70	$619.51
P/E discounted on calendar-2027E EPS	14.5x	46.5x

Source: Bloomberg consensus, StockAnalysis, Equity Hub calculations.

Fiscal years are calendar-aligned throughout: Nvidia FY2026 (year to January 2026) is compared with AMD FY2025 (year to December 2025) and both are labelled 2025 in charts. Figures are adjusted (non-GAAP) unless stated otherwise. See the Appendix for definitions.

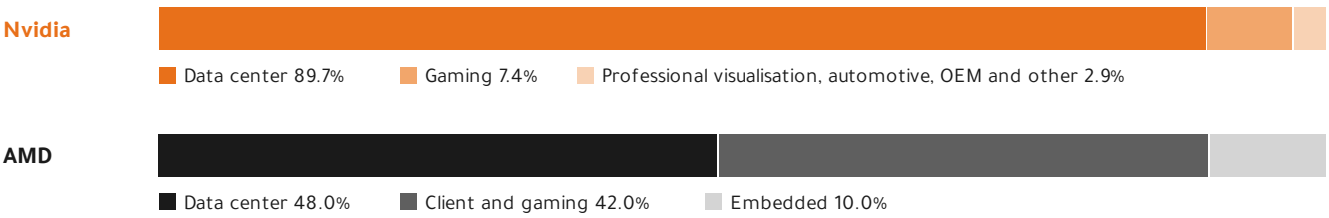
SECTION 2

Business mix

Nvidia has become, in effect, a single-segment data center company. AMD remains a three-segment business that consensus expects to converge on the same profile by 2027.

Exhibit 3 Data center generates 90% of Nvidia's revenue and 48% of AMD's

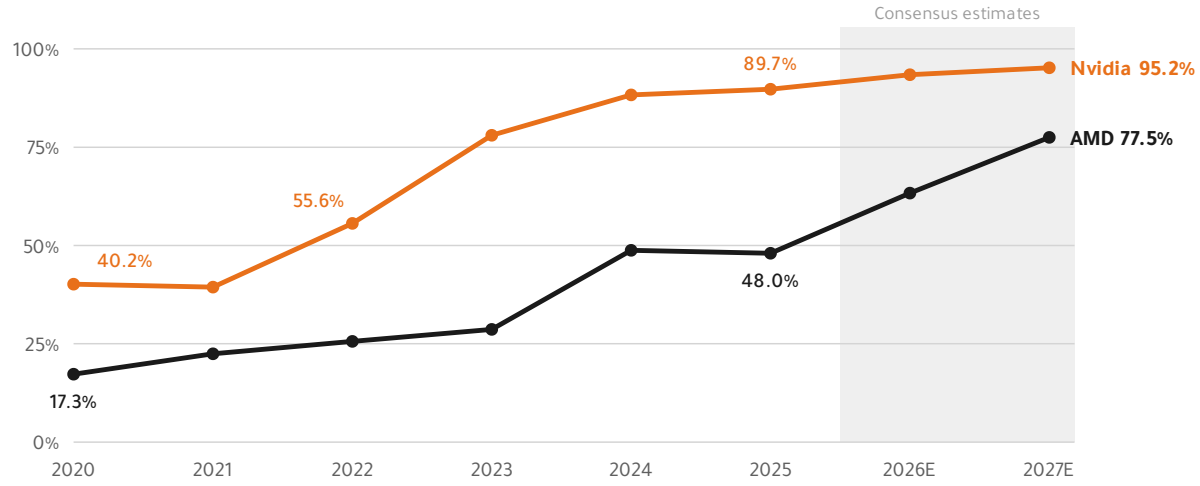
Revenue by segment, latest fiscal year, % of total



Source: Bloomberg, Equity Hub calculations.

Exhibit 4 Consensus expects AMD's data center share to reach 77% by 2027

Data center revenue as % of total revenue; AMD segment disclosed from 2020



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Data center contributed $193.7bn of Nvidia's FY2026 revenue, up from a 40% share five years earlier. Within the segment, compute accounted for $162.4bn and networking for $31.4bn, while hyperscale customers represented $123.8bn, or 64%, of segment sales. Gaming, at $16.0bn, is now only 7.4% of revenue.

AMD's revenue base is more evenly distributed. Data center revenue of $16.6bn sits alongside client and gaming revenue of $14.6bn and embedded revenue of $3.5bn. Consensus nonetheless has data center revenue rising to $68.8bn by 2027, of which AI GPUs are expected to contribute $39.4bn and server CPUs $24.2bn.

Segment economics differ markedly. Nvidia's Compute & Networking segment earned an operating margin of 67.3% in FY2026, whereas AMD's data center segment earned 21.7% and its embedded segment 36.0%. AMD's most profitable franchise is therefore also its smallest.

The implication for the forecasts that follow is that both companies are now leveraged to a single demand driver, namely AI infrastructure spending by a concentrated group of customers. That concentration underpins Nvidia's margin structure, but it also means that the two sets of estimates are highly correlated.

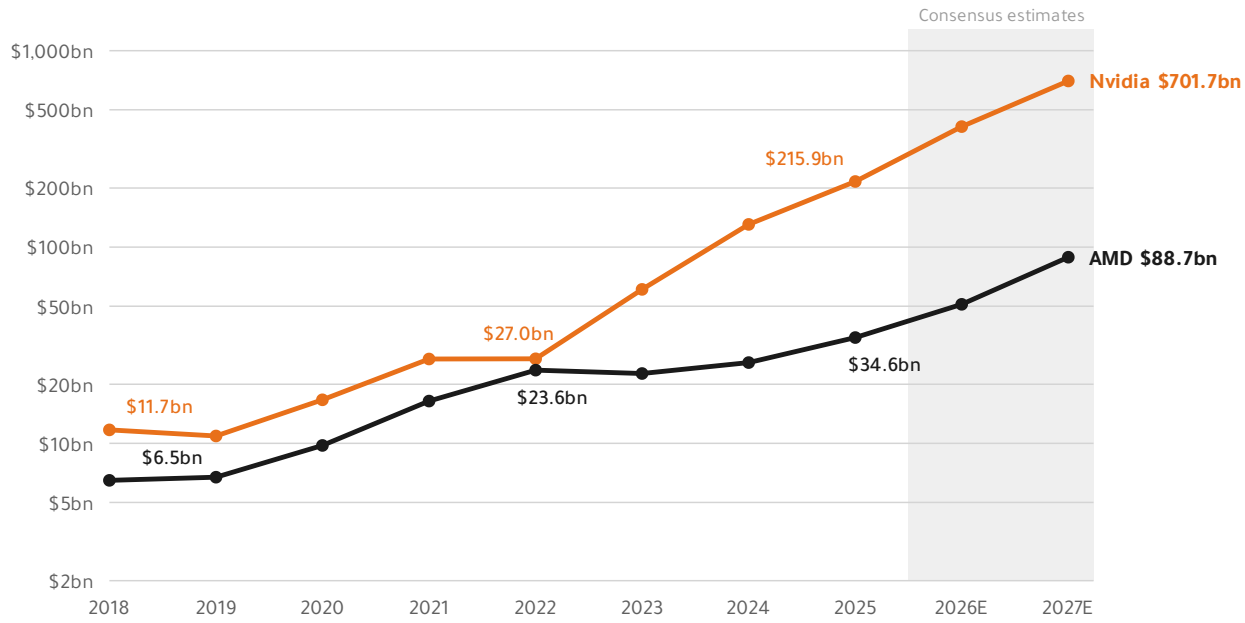
SECTION 3

Revenue growth

Nvidia has compounded revenue at 52% a year since 2018, roughly twice AMD's 27%. Consensus expects the absolute gap to keep widening even as AMD's growth rate moves ahead in 2027.

Exhibit 5 Nvidia's revenue was 6.2x AMD's in 2025, up from 1.1x in 2022

Revenue, $bn, logarithmic scale (equal vertical distances represent equal growth rates)



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Exhibit 6 AMD is expected to outgrow Nvidia in 2027, from a revenue base about one-eighth of Nvidia's

Annual revenue growth and relative scale

	2023	2024	2025	2026E	2027E
Nvidia revenue growth, y/y	+125.9%	+114.2%	+65.5%	+90.3%	+70.8%
AMD revenue growth, y/y	-3.9%	+13.7%	+34.3%	+47.5%	+73.6%
Nvidia revenue as a multiple of AMD	2.7x	5.1x	6.2x	8.0x	7.9x

Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

The two companies were of comparable size as recently as 2022, when Nvidia reported revenue of $27.0bn and AMD $23.6bn. The divergence since then has been driven almost entirely by data center. Nvidia's segment revenue rose from $15.0bn to $193.7bn over three years, while AMD's increased from $6.0bn to $16.6bn and was partly offset by declines in gaming and embedded.

In the latest fiscal year, Nvidia's revenue grew 65.5% y/y and AMD's 34.3% y/y, the latter being AMD's strongest growth since 2022. Looking ahead, consensus calls for Nvidia to grow 90.3% and 70.8% over the next two years, and for AMD to grow 47.5% and 73.6%.

We would not over-interpret the 2027 crossover in growth rates. In dollar terms, consensus adds $485.7bn to Nvidia's revenue over two years and $54.1bn to AMD's, so the ratio between the two rises from 6.2x to 7.9x. AMD's faster percentage growth reflects a smaller base rather than a narrowing of the competitive gap.

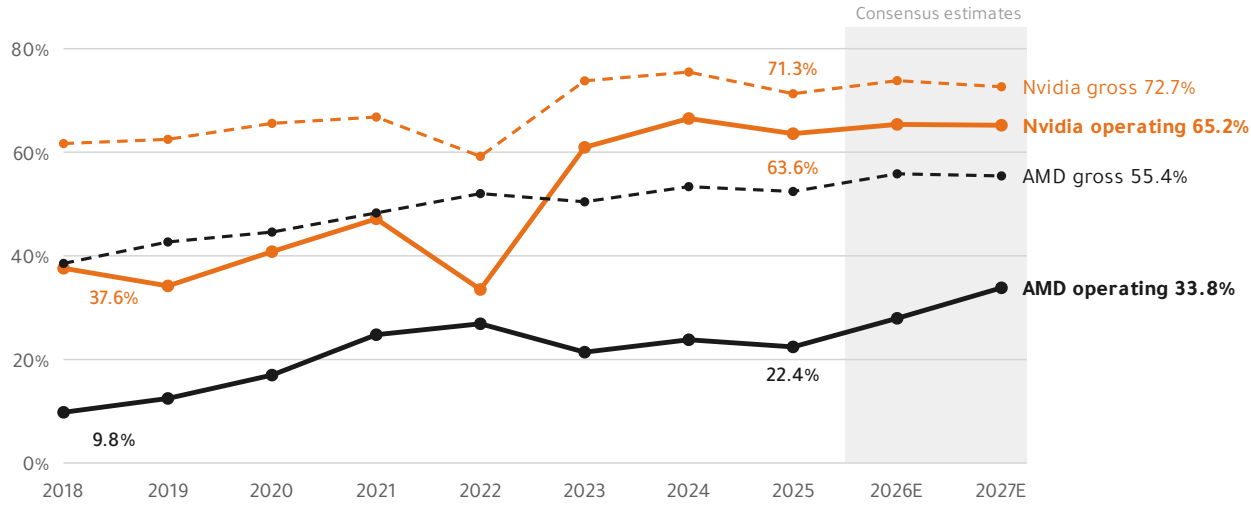
SECTION 4

Profitability

A 41-point gap in adjusted operating margin separates the two companies, split almost evenly between gross margin and operating expense intensity.

Exhibit 7 Nvidia's adjusted operating margin was 63.6%, against 22.4% at AMD

Adjusted gross margin (dashed) and adjusted operating margin (solid), % of revenue



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Nvidia earned an adjusted operating margin of 63.6% in FY2026, compared with 22.4% at AMD in FY2025. We attribute roughly 19 points of the difference to gross margin and 22 points to operating expenses, which absorb 7.7% of revenue at Nvidia and 30.0% at AMD. The latter is essentially a scale effect, as AMD supports three segments on approximately one-sixth of Nvidia's revenue.

Gross margins declined at both companies in the latest year, by 4.2 points at Nvidia and 0.9 points at AMD. In each case, management attributed part of the decline to inventory charges on China-specific accelerators following changes to US export licensing. Nvidia recorded a $4.5bn charge relating to H20 products in 1Q FY2026 and also cited the transition to Blackwell systems, according to its Form 10-K. AMD recorded approximately $800m of charges relating to MI308 inventory in 2Q 2025, according to its results release.

Consensus assumes these effects do not recur. Nvidia's gross margin is expected to recover to 73.8% and its operating margin to hold near 65%. For AMD, analysts expect the operating margin to expand by 11.4 points to 33.8% by 2027.

AMD's earnings estimates therefore rest on both top-line growth and margin expansion, whereas Nvidia's rest primarily on volume. We return to this distinction in the forecast section, since it bears directly on the confidence that can be placed in each set of numbers.

Exhibit 8 The margin gap is split between gross margin and operating expenses

Decomposition of the operating margin gap

Latest fiscal year, % of revenue	Nvidia	AMD	Gap (pts)
Adjusted gross margin	71.3	52.4	18.9
Adjusted operating expenses	7.7	30.0	22.3
Adjusted operating margin	63.6	22.4	41.2

Source: Bloomberg, Equity Hub calculations.

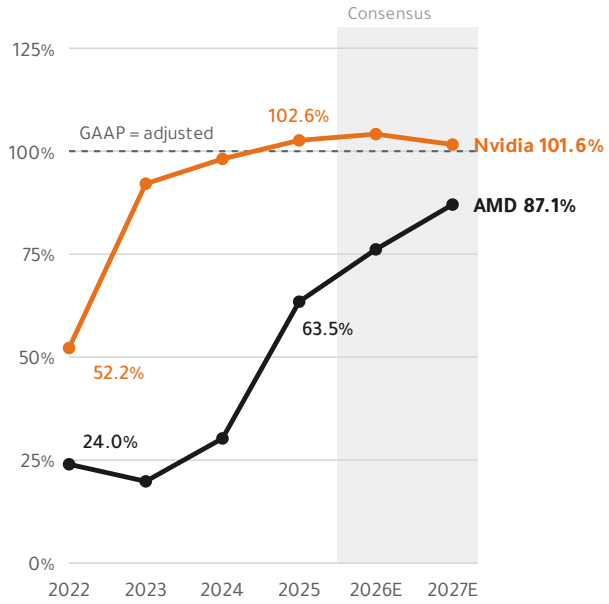
SECTION 5

Earnings quality

Adjusted earnings overstate GAAP profitability at AMD by a wide margin. At Nvidia the two measures are closely aligned, although GAAP earnings now include sizeable investment gains.

Exhibit 9 AMD's GAAP net income was 63% of adjusted in 2025

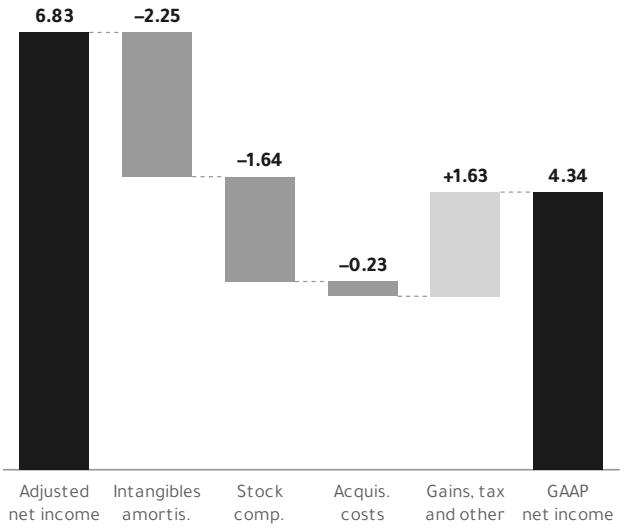
GAAP net income as % of adjusted net income



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Exhibit 10 Amortisation and stock compensation explain AMD's gap

AMD FY2025, adjusted to GAAP net income, $bn



Source: Bloomberg, Equity Hub calculations.

AMD reported GAAP net income of $4.3bn in FY2025 against adjusted net income of $6.8bn, a ratio of 63%. The principal reconciling items were $2.25bn of amortisation of acquisition-related intangibles and $1.64bn of stock-based compensation, partly offset by investment gains and the tax effects of the adjustments.

At Nvidia, GAAP net income of $120.1bn exceeded adjusted net income of $117.0bn. Stock-based compensation of $6.4bn was more than offset by $8.9bn of gains on investments, which the adjusted measure excludes. Consensus embeds a further $24.7bn of such gains in FY2027 and $14.8bn in FY2028. We would treat this component with caution, since it depends on asset prices rather than on operations.

Stock-based compensation represents 4.7% of revenue at AMD and 3.0% at Nvidia. We regard it as a genuine cost to shareholders and note that both companies exclude it from adjusted EPS.

The pattern is not unique to AMD. Nvidia's own GAAP earnings were only 52% of adjusted earnings in 2022, when stock-based compensation and other charges weighed on a smaller earnings base. The gap closed as earnings scaled, which is the path that consensus now anticipates for AMD.

For consistency with published multiples, the valuation section of this report is based on GAAP EPS. Readers should bear in mind that this basis is conservative for AMD, where amortisation is non-cash, and flattering for Nvidia, where investment gains are included.

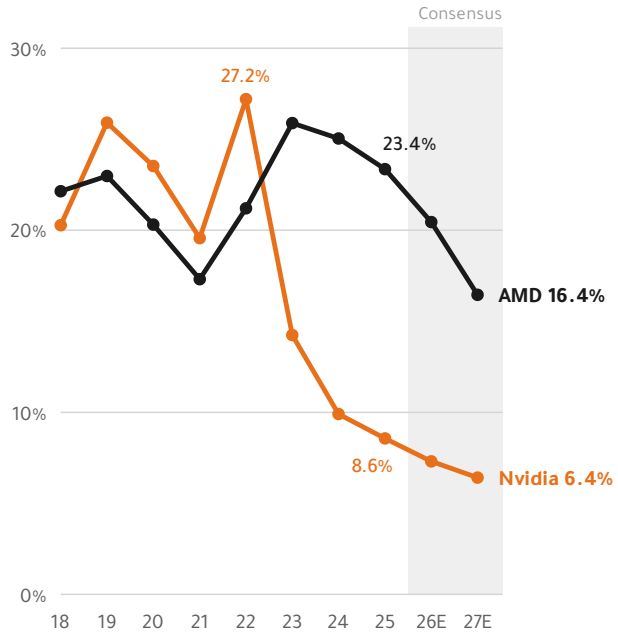
SECTION 6

Operating efficiency

Scale has allowed Nvidia to out-invest AMD in absolute terms while spending a far smaller share of revenue. AMD's forecasts assume a marked improvement in operating leverage.

Exhibit 11 Nvidia's R&D intensity has fallen to 8.6% of revenue

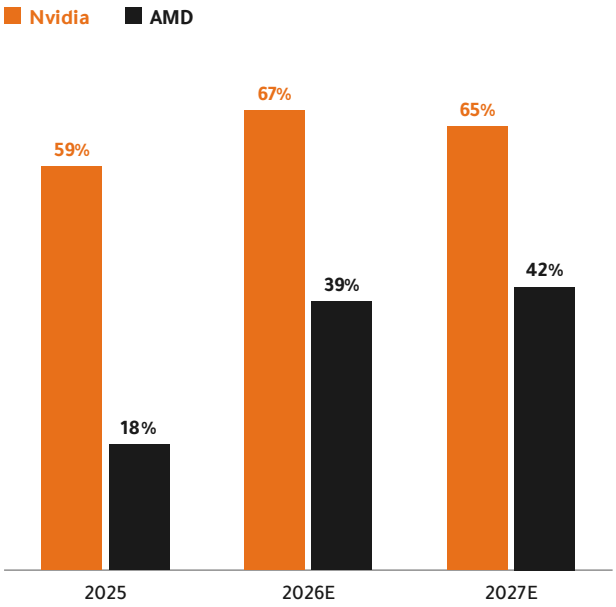
R&D expense as % of revenue



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Exhibit 12 Consensus requires AMD's incremental margin to double

Change in adjusted operating income as % of change in revenue



Source: Bloomberg consensus, Equity Hub calculations.

Nvidia spent $18.5bn on research and development in FY2026, 2.3x AMD's $8.1bn, on a revenue base 6.2x as large. R&D intensity has consequently fallen to 8.6% of revenue at Nvidia, from 27.2% in 2022, while AMD's has risen to 23.4%.

Lower intensity should not be read as lower commitment. Nvidia's R&D budget grew 43% y/y, against 25% at AMD, and now exceeds AMD's by $10.4bn a year. In a sector where product cadence is a principal basis of competition, the absolute level of investment matters at least as much as its ratio to sales.

Operating leverage tells a similar story. Nvidia converted 59% of its incremental revenue into adjusted operating income in FY2026, and consensus implies incremental margins of 65% to 67% over the next two years. AMD's incremental margin was 18% in FY2025, and consensus requires it to rise to roughly 40% in both 2026 and 2027.

In our view, this is the most demanding operating assumption embedded in either set of estimates. It presumes that AMD can scale its data center business without a commensurate increase in operating expenses, at a time when it is investing to close its product gap with Nvidia.

Productivity metrics point in the same direction. Nvidia generated approximately $5.1m of revenue per employee in FY2026, on a headcount of 42,000, compared with $1.3m for AMD on a trailing basis according to StockAnalysis.

Selling, general and administrative expenses show the same scale effect. On a GAAP basis they absorbed 2.1% of Nvidia's revenue in FY2026 and 12.0% of AMD's in FY2025.

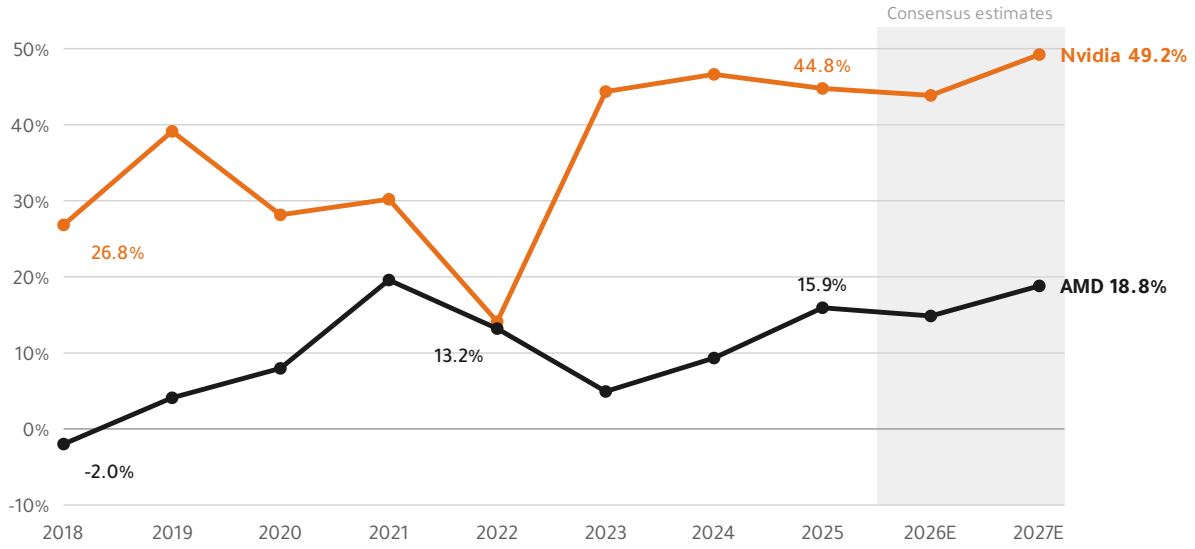
SECTION 7

Cash flow

Both companies convert adjusted earnings into cash. The difference lies in the proportion of revenue that reaches free cash flow and in the trajectory that consensus expects.

Exhibit 13 Nvidia converts 45% of revenue into free cash flow; AMD converts 16%

Free cash flow (operating cash flow less capital expenditure) as % of revenue



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Exhibit 14 Consensus implies lower cash conversion at AMD over the forecast period

Free cash flow, cash conversion and capital intensity; calendar years (Nvidia FY2026 shown as 2025)

	Nvidia			AMD		
	2025A	2026E	2027E	2025A	2026E	2027E
Free cash flow, $bn	96.7	186.6	334.9	5.5	7.6	16.6
Free cash flow as % of adjusted net income	83%	81%	88%	81%	59%	63%
Capital expenditure as % of revenue	2.8%	2.5%	2.4%	2.8%	4.9%	3.5%

Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Nvidia generated free cash flow of $96.7bn in FY2026, equivalent to 44.8% of revenue, while AMD generated $5.5bn, or 15.9%. Relative to adjusted net income, cash conversion was 83% at Nvidia and 81% at AMD, which indicates that adjusted earnings are well supported by cash at both companies.

Capital intensity is low and almost identical, as both companies outsource wafer manufacturing. Working capital is the larger swing factor. Nvidia absorbed $17.8bn of working capital in FY2026, of which $11.3bn was inventory, and AMD added $2.2bn to inventory in FY2025.

Consensus expects AMD's free cash flow to reach $7.6bn in 2026 and $16.6bn in 2027, which implies conversion of only 59% and 63% of adjusted net income as inventory is forecast to more than double to $16.9bn. On consensus numbers, therefore, AMD's earnings growth is expected to be less cash-generative than Nvidia's.

A note on data: we use AMD's FY2025 free cash flow of $5.5bn, which is operating cash flow from continuing operations less capital expenditure. Total operating cash flow of $7.7bn includes discontinued operations.

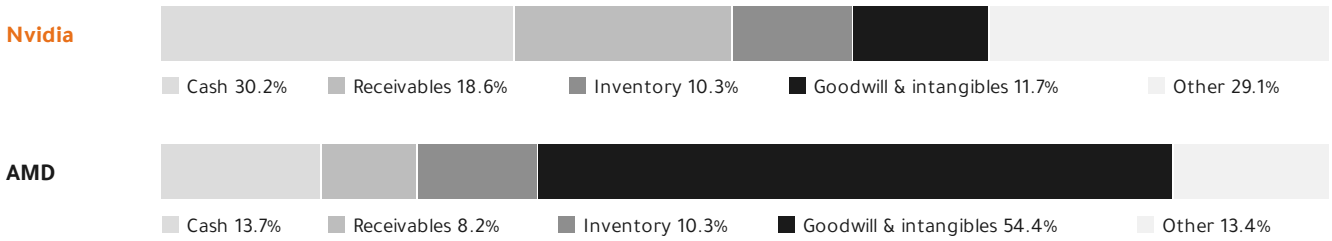
SECTION 8

Balance sheet

Both balance sheets are net cash. They differ in asset quality, with acquired goodwill and intangibles representing 54% of AMD's total assets against 12% at Nvidia.

Exhibit 15 More than half of AMD's assets are goodwill and acquired intangibles

Composition of total assets, latest fiscal year-end, % of total



Source: Bloomberg, Equity Hub calculations.

Exhibit 16 Balance sheet summary

Latest fiscal year-end, $bn	Nvidia January 2026	AMD December 2025
Cash and investments	62.6	10.6
Net cash	54.1	7.3
Inventory	21.4	7.9
Goodwill and acquired intangibles	24.1	41.8
Shareholders' equity	157.3	63.0
Goodwill and intangibles as % of equity	15%	66%
Current ratio	3.9x	2.9x
Tangible book value per share	$5.48	$12.99

Source: Bloomberg, Equity Hub calculations.

Nvidia ended FY2026 with $62.6bn of cash and investments and net cash of $54.1bn. AMD ended FY2025 with $10.6bn and $7.3bn, respectively. Current ratios of 3.9x and 2.9x indicate ample short-term liquidity, and with net cash on both balance sheets, neither company relies on external funding.

The more important distinction is the composition of assets. Goodwill and acquisition-related intangibles total $41.8bn at AMD, equivalent to 66% of shareholders' equity, compared with 15% at Nvidia. An impairment would reduce AMD's equity without affecting its cash position, although it would be relevant to return metrics.

Inventory warrants monitoring at both companies. Nvidia's inventory rose 112% to $21.4bn, well ahead of revenue growth of 65%, and AMD's rose 38% against revenue growth of 34%. Inventory days stand at 125 and 165, respectively. A build ahead of product ramps is consistent with the growth that consensus expects, but it would translate into write-downs should demand fall short.

We also note that Nvidia's non-current assets increased from $31.5bn to $81.2bn during FY2026, with goodwill rising from $5.2bn to $20.8bn. The Bloomberg extract itemises $59.0bn of the total and does not identify the transactions behind the increase. We flag this as an area where the filings merit closer reading.

Leverage is immaterial at both companies. AMD's total debt of $3.3bn compares with shareholders' equity of $63.0bn, and Bloomberg reports Nvidia's debt-to-equity ratio at 7%. Interest expense of $131m at AMD and $259m at Nvidia is negligible relative to operating income.

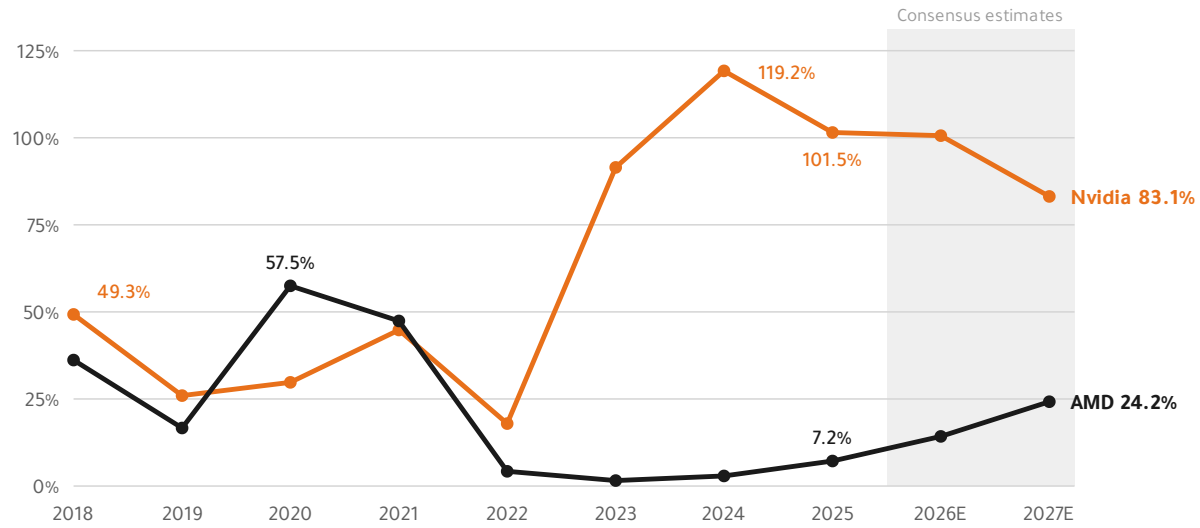
SECTION 9

Returns on capital

Nvidia's return on equity exceeds 100% without recourse to leverage. AMD's remains in single digits because earnings have yet to grow into the equity issued for Xilinx.

Exhibit 17 Return on equity was 101.5% at Nvidia and 7.2% at AMD

GAAP net income as % of average shareholders' equity



Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Exhibit 18 The gap arises from margin and asset turnover, not from leverage

DuPont decomposition, latest fiscal year, GAAP basis

	Net margin		Asset turnover		Equity multiplier		Return on equity
Nvidia	55.6%	×	1.36x	×	1.35x	=	101.5%
AMD	12.5%	×	0.47x	×	1.21x	=	7.2%

Source: Bloomberg, Equity Hub calculations.

On a GAAP basis, Nvidia earned a return on equity of 101.5% in FY2026 and AMD 7.2% in FY2025. A DuPont decomposition shows that the difference arises from profitability and asset efficiency rather than from financial leverage. Equity multipliers are low and similar, whereas net margin and asset turnover diverge sharply.

AMD's return profile changed abruptly in 2022. Return on equity fell from 47.4% to 4.2% as the all-share acquisition of Xilinx lifted shareholders' equity from $7.5bn to $54.8bn within a single year. Consensus expects a recovery to 24.2% by 2027 as earnings rise more than fivefold while equity grows by about half.

For Nvidia, consensus points to a decline in return on equity to 83.1% by FY2028, despite rising earnings, because retained cash accumulates faster than it is distributed. Net cash is forecast to reach $349.6bn.

In our view, the future path of Nvidia's returns will therefore depend as much on capital return policy as on operating performance, a point we develop in the next section.

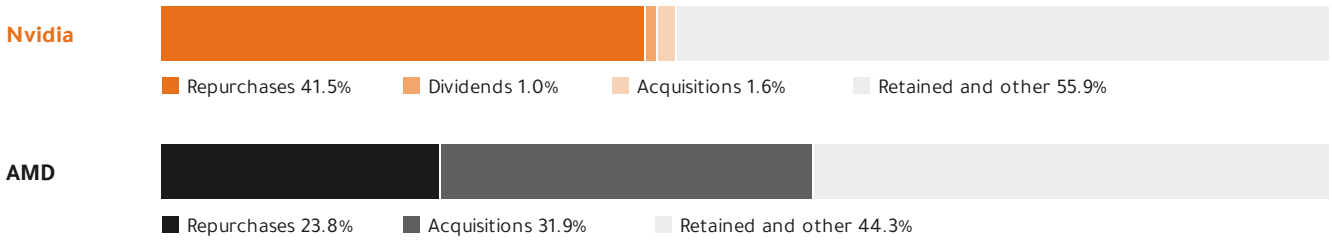
SECTION 10

Capital allocation

Nvidia is returning capital at scale and shrinking its share count. AMD's repurchases do not yet offset the dilution from stock-based compensation.

Exhibit 19 Nvidia returned 42% of free cash flow to shareholders; AMD returned 24%

Uses of free cash flow, latest fiscal year, % of total



Source: Bloomberg, Equity Hub calculations.

Exhibit 20 Consensus expects Nvidia's share count to fall and AMD's to rise

Capital returns, stock-based compensation and share count

	Nvidia			AMD		
	FY2026A	FY2027E	FY2028E	FY2025A	FY2026E	FY2027E
Share repurchases, $bn	40.1	68.4	121.0	1.3	0.5	1.7
Dividends, $bn	1.0	15.4	23.6	0.0	0.0	0.0
Stock-based compensation, $bn	6.4	6.6	9.2	1.6	1.8	2.3
GAAP diluted shares, m	24,514	24,259	24,021	1,636	1,652	1,664

Source: Bloomberg consensus (4 October 2026), Equity Hub calculations.

Nvidia returned $41.1bn to shareholders in FY2026 through $40.1bn of repurchases and $1.0bn of dividends, equivalent to 42% of free cash flow. Repurchases were 6.3x stock-based compensation, and the diluted share count fell 1.2%.

Consensus expects repurchases of $68.4bn in FY2027 and $121.0bn in FY2028, alongside a materially higher dividend, which would keep the payout at roughly 45% of free cash flow. According to headlines carried by StockAnalysis, the company added $150bn to its repurchase authorisation in late September 2026.

AMD repurchased $1.3bn of stock in FY2025, or 24% of free cash flow, and pays no dividend. Repurchases were below both stock-based compensation of $1.6bn and cash spent on acquisitions of $1.8bn, and the diluted share count was essentially unchanged.

The per-share consequences are modest but directionally different. Consensus has Nvidia's GAAP diluted share count declining 2.0% over the two forecast years and AMD's rising 1.7%. The falling share count therefore adds about two points to Nvidia's EPS growth, while the rising count detracts about two points from AMD's, which is small in the context of the earnings growth that consensus expects.

Retained cash is the largest single use at both companies, at 56% and 44% of free cash flow. For Nvidia this has translated into a rapidly growing net cash balance. For AMD it rebuilds a net cash position that stood at $7.3bn at year-end and preserves flexibility for acquisitions, on which consensus expects a further $1.1bn of spending in 2027.

PART II: FORECAST · SECTION 11

Forecast: consensus estimates

Consensus expects GAAP EPS to more than triple at Nvidia and to rise fivefold at AMD by calendar 2027. The AMD path depends on a larger number of assumptions being met simultaneously.

Exhibit 21 **Consensus estimates for the two forecast years**

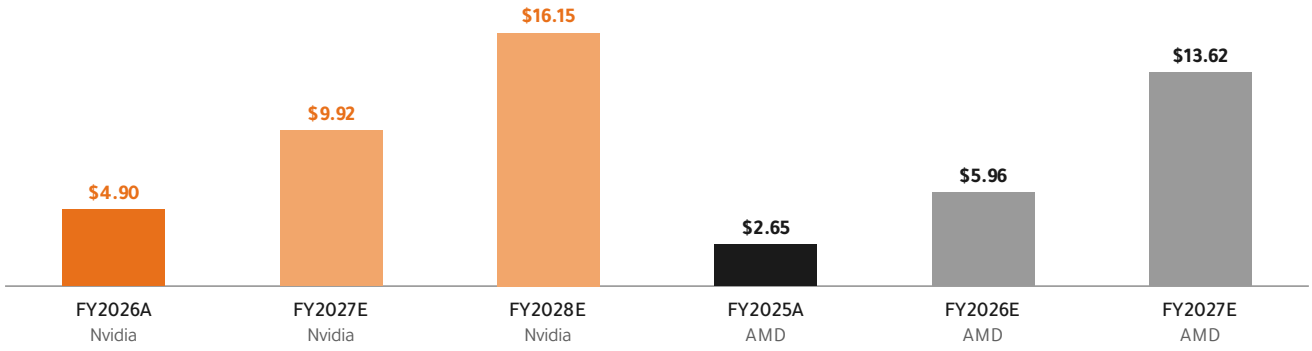
Bloomberg consensus; Nvidia fiscal years end in January, AMD fiscal years end in December

	Nvidia			AMD		
	FY2026A	FY2027E	FY2028E	FY2025A	FY2026E	FY2027E
Revenue, $bn	215.9	410.8	701.7	34.6	51.1	88.7
Revenue growth, y/y	65.5%	90.3%	70.8%	34.3%	47.5%	73.6%
Adjusted operating margin	63.6%	65.4%	65.2%	22.4%	27.9%	33.8%
Adjusted EPS, $	4.77	9.37	15.86	4.17	7.48	15.51
GAAP diluted EPS, $	**4.90**	**9.92**	**16.15**	**2.65**	**5.96**	**13.62**
GAAP EPS growth, y/y	66.7%	102.4%	62.8%	165.0%	124.9%	128.5%

Source: Bloomberg consensus (4 October 2026).

Exhibit 22 **GAAP EPS is expected to reach $16.15 at Nvidia and $13.62 at AMD**

GAAP diluted EPS, $; lighter bars are consensus estimates



Source: Bloomberg consensus (4 October 2026).

For Nvidia, the estimates amount to a volume forecast. Data center revenue is expected to reach $667.9bn in FY2028, 3.4x the FY2026 level, with margins broadly unchanged. Trailing twelve-month GAAP EPS of $7.91 already represents 80% of the FY2027 estimate, which requires second-half EPS to exceed the prior-year period by $2.01.

For AMD, the estimates require data center revenue of $68.8bn in 2027, 4.1x the 2025 level, together with 11.4 points of operating margin expansion. AI GPU revenue is expected to contribute $39.4bn. The Bloomberg extract contains no reported figure for this line in 2025, so the starting point is not disclosed.

Trailing GAAP EPS of $3.90 represents 65% of AMD's FY2026 estimate. This implies that second-half EPS must exceed the prior-year period by $2.06, a large increment relative to full-year FY2025 EPS of $2.65.

We do not take a view on whether consensus is too high or too low. Our observation is that the dispersion of outcomes around AMD's estimates is likely to be wider, given the number of operating variables that need to move together.

PART II: FORECAST · SECTION 12

Forecast: P/E-based price estimate

Applying each stock's current trailing P/E to consensus GAAP EPS yields implied prices of $293 and $478 for Nvidia, and $964 and $2,204 for AMD.

Exhibit 23 Implied share prices at a constant trailing P/E

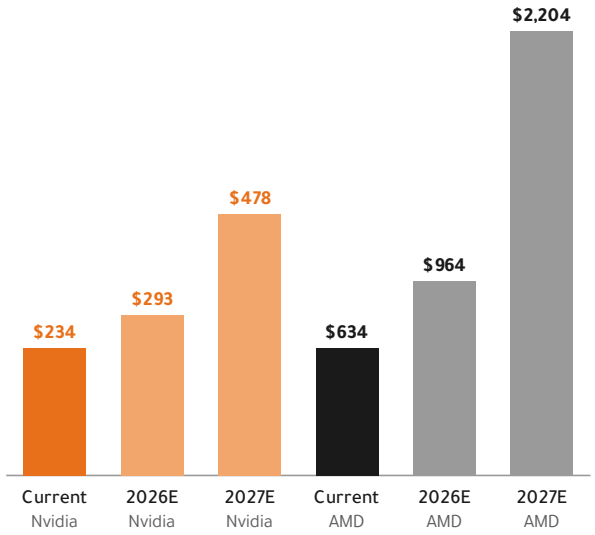
Implied price = current trailing P/E × consensus GAAP EPS

	Nvidia	AMD
Share price, 2 October 2026	$233.95	$633.91
Trailing 12-month GAAP EPS	$7.91	$3.90
Trailing P/E, as published	29.58x	161.80x
Consensus GAAP EPS, 2026E	$9.92	$5.96
Implied price	**$293**	**$964**
Change versus current price	+25%	+52%
Consensus GAAP EPS, 2027E	$16.15	$13.62
Implied price	**$478**	**$2,204**
Change versus current price	+104%	+248%
Average analyst price target	$327.70	$619.51

Source: Bloomberg consensus, StockAnalysis, Equity Hub calculations.

Exhibit 24 A constant multiple implies +104% for Nvidia and +248% for AMD

Bar heights indexed to current price = 100; labels in $



Source: Bloomberg consensus, StockAnalysis, Equity Hub calculations.

METHOD Implied price = (share price ÷ trailing 12-month GAAP EPS) × consensus GAAP EPS for the forecast year

Our approach follows the brief for this report. We hold the current trailing P/E constant and apply it to consensus GAAP EPS for each forecast year. We use GAAP EPS because the published trailing multiple is a GAAP measure, and applying it to adjusted earnings would mix two bases.

Each implied price should be read as the level consistent with an unchanged multiple at the point the forecast year becomes the trailing year, that is, at the full-year results in or around February 2027 and February 2028.

For Nvidia, the method implies $293 on FY2027 earnings and $478 on FY2028 earnings. The average analyst price target reported by StockAnalysis, at $327.70, lies between the two.

For AMD, the cross-check fails. The average analyst target of $619.51 is below both implied prices and 2% below the current share price, and it equates to 45x FY2027 GAAP EPS. The analysts who publish the earnings estimates are evidently not capitalising them at 161.8x.

In our view, the constant-multiple assumption is not appropriate for AMD. A trailing multiple of 161.8x already discounts the growth that consensus describes, so applying it to forward earnings counts that growth twice. The resulting $2,204 would imply a market value of approximately $3.6tn, against $1.03tn today.

We regard Nvidia's implied prices as more defensible given the lower starting multiple, although they too assume no compression. We therefore treat $478 as an upper bound rather than a central case.

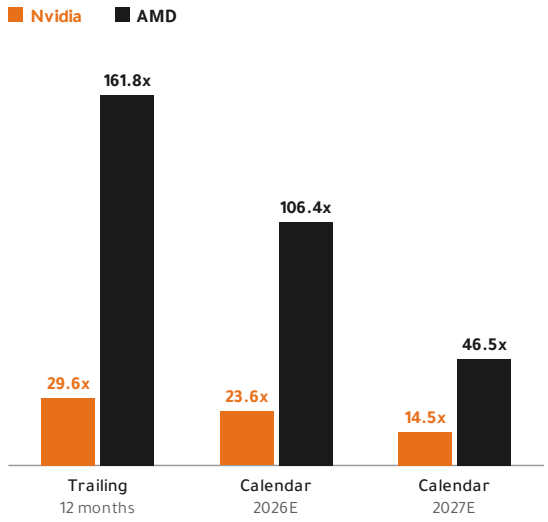
PART II: FORECAST · SECTION 13

Forecast: what is in the price

At current prices, the market is paying 14.5x calendar-2027 GAAP EPS for Nvidia and 46.5x for AMD. These break-even multiples are the more informative result of the analysis.

Exhibit 25 Current prices discount 14.5x and 46.5x calendar-2027 EPS

Current share price divided by trailing and consensus GAAP EPS



Source: Bloomberg consensus, StockAnalysis, Equity Hub calculations.

Exhibit 26 Implied prices under alternative multiple assumptions

Compression rates are illustrative assumptions, not forecasts

Scenario, on calendar-2027E EPS	Nvidia	vs now	AMD	vs now
Constant multiple 29.6x | 161.8x	$478	+104%	$2,204	+248%
25% compression 22.2x | 121.4x	$358	+53%	$1,653	+161%
50% compression 14.8x | 80.9x	$239	+2%	$1,102	+74%
Break-even multiple **14.5x | 46.5x**	$234	0%	$634	0%
AMD on Nvidia's multiple 29.6x			$403	−36%

Source: Bloomberg consensus, StockAnalysis, Equity Hub calculations.

Because the method is linear, the implied price moves in proportion to the multiple. The table sets out implied prices for calendar-2027 earnings under compression of 25% and 50%, which are illustrative assumptions of ours rather than forecasts. With a 50% compression, Nvidia's implied price is $239, in line with the current price, while AMD's is $1,102, still 74% above it.

That result for AMD should be interpreted carefully. It does not indicate a margin of safety. Rather, it reflects the fact that a multiple of 80.9x remains far above the 46.5x at which the shares are currently valued on calendar-2027 earnings.

The break-even multiples make the point more directly. Current prices equate to 14.5x calendar-2027 GAAP EPS for Nvidia and 46.5x for AMD. Put differently, Nvidia's multiple can fall by 51% and AMD's by 71% before the implied price drops below today's share price, provided that consensus earnings are delivered in full.

Two further tests are instructive. Were AMD to trade on Nvidia's current trailing multiple of 29.6x, its FY2027 EPS estimate would support a price of $403, which is 36% below the current level.

In addition, because price is proportional to EPS in this framework, an assumed 20% shortfall against consensus lowers every implied price by the same 20%. For AMD, where the estimates depend on several operating variables moving together, we consider this the more relevant sensitivity.

The practical conclusion is that AMD's current valuation requires both full delivery of consensus and a forward multiple roughly three times Nvidia's on the same year's earnings.

SECTION 14

Opportunities, risks and conclusion

> Both forecasts rest on the same demand driver but differ in what each one requires.

Exhibit 27 What supports each forecast, and what could undermine it

Company-specific opportunities and risks drawn from the data in this report

Nvidia

GROWTH OPPORTUNITIES

- Networking revenue is expected to rise from $31.4bn to $121.3bn by FY2028, broadening the franchise beyond compute.
- Revenue from AI clouds, industrial and enterprise customers is expected to grow from $70.0bn to $326.7bn, reducing reliance on hyperscalers.
- Forecast net cash of $349.6bn provides substantial capacity for capital returns.

KEY RISKS

- Hyperscale customers account for 64% of data center revenue, which in turn is 90% of the group.
- Consensus GAAP EPS includes investment gains of $24.7bn in FY2027 and $14.8bn in FY2028.
- Inventory rose 112% in FY2026, ahead of revenue; China represented 9.1% of revenue and remains subject to export licensing.

AMD

GROWTH OPPORTUNITIES

- The 2027 AI GPU estimate of $39.4bn equals 7.5% of Nvidia's compute estimate, so small share shifts are material.
- Server CPU revenue of $24.2bn in 2027 provides a second, more established growth line.
- A broadly stable amortisation charge (about $2.1bn) against rapidly rising earnings should bring GAAP earnings closer to adjusted earnings over time.

KEY RISKS

- The shares discount 46.5x calendar-2027 GAAP EPS, which leaves little room for a shortfall against consensus.
- Estimates require data center revenue to rise 4.1x and incremental margins to double within two years.
- China represented 22.4% of revenue in 2025; consensus cash conversion is only about 60%, and repurchases do not offset dilution.

Source: Bloomberg consensus, Equity Hub analysis.

Conclusion

The two companies present different financial profiles. Nvidia reports the larger scale and higher margins, cash conversion and returns, and its GAAP and adjusted earnings are closely aligned. AMD offers the faster consensus growth rate from a smaller base. That growth requires simultaneous step changes in revenue and margin, and its reported profitability remains diluted by acquisition accounting.

The valuation analysis sharpens the contrast. A constant trailing P/E implies $478 for Nvidia and $2,204 for AMD on calendar-2027 earnings. We regard the first as an upper bound and do not regard the second as a credible forecast.

The more useful conclusion concerns what current prices already discount, namely 14.5x calendar-2027 GAAP EPS for Nvidia and 46.5x for AMD. Readers can weigh that gap, with AMD's multiple at 3.2x Nvidia's (a premium of about 220%), against AMD's faster expected growth and Nvidia's higher margins, returns and cash conversion.

Near-term datapoints include AMD's third-quarter results, expected on 3 November 2026, and Nvidia's, expected on 18 November 2026, both according to StockAnalysis. For AMD, we would focus on data center revenue, AI GPU disclosure and gross margin. For Nvidia, we would focus on data center growth, inventory and the share of earnings derived from investment gains.

SECTION 15

Appendix and disclosures

Basis of preparation, definitions, data notes and sources.

Basis of preparation

All financial data are taken from the Bloomberg Company Financials extracts for NVDA US Equity and AMD US Equity dated 4 October 2026, in US dollars. Forecasts are Bloomberg consensus estimates. Because Nvidia's fiscal year ends in late January and AMD's in late December, we pair Nvidia FY(n+1) with AMD FY(n). Margins, operating income and EPS are shown on the adjusted basis unless stated; GAAP figures are used for earnings quality, return on equity and valuation. Reported figures are taken as disclosed, derived figures are our own calculations, and forward-looking figures are consensus estimates marked "E".

Definitions

Term	Definition used in this report
Adjusted (non-GAAP)	Company-defined basis that excludes stock-based compensation, amortisation of acquired intangibles, acquisition-related costs and gains or losses on investments
Free cash flow	Cash flow from operations less capital expenditure
Incremental operating margin	Change in adjusted operating income divided by change in revenue
Net cash	Cash and short-term or marketable investments less total debt
Trailing P/E	Share price divided by GAAP diluted EPS for the last twelve months
Break-even multiple	Current share price divided by consensus GAAP EPS for the stated year
Calendar-year label	Nvidia FY(n+1) and AMD FY(n) are both labelled as calendar year n

Data notes

- Forecast margins, R&D intensity and return ratios are Bloomberg consensus ratios and can differ slightly from ratios recomputed from consensus line items, which are averaged separately. AMD's segment estimates for 2026, for example, sum to $51.4bn against a total revenue estimate of $51.1bn.
- AMD's FY2025 free cash flow is computed as operating cash flow from continuing operations of $6,493m less capital expenditure of $974m, or $5,519m, as in the Bloomberg highlights table. The extract's $7,709m operating cash flow includes discontinued operations.
- AMD's historical gross margin is computed from adjusted gross profit and revenue; Bloomberg displays it rounded to the nearest whole number.
- The AMD trailing P/E of 161.80x is the published figure. Dividing the share price by the rounded EPS of $3.90 gives 162.5x.
- Implied prices and percentages are calculated from unrounded inputs, so displayed figures may differ by rounding.

Sources

- Bloomberg Company Financials, NVDA US Equity and AMD US Equity, annual periodicity, consensus estimates, extracted 4 October 2026.
- StockAnalysis, Nvidia overview and AMD statistics: share prices, trailing EPS, P/E, analyst price targets, headcount and results dates, accessed 5 October 2026 (S&P Global Market Intelligence data).
- Nvidia, Form 10-K for fiscal year 2026: gross margin commentary and the $4.5bn H20 charge.
- AMD, second-quarter 2025 results release: the $800m of MI308 inventory and related charges.

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