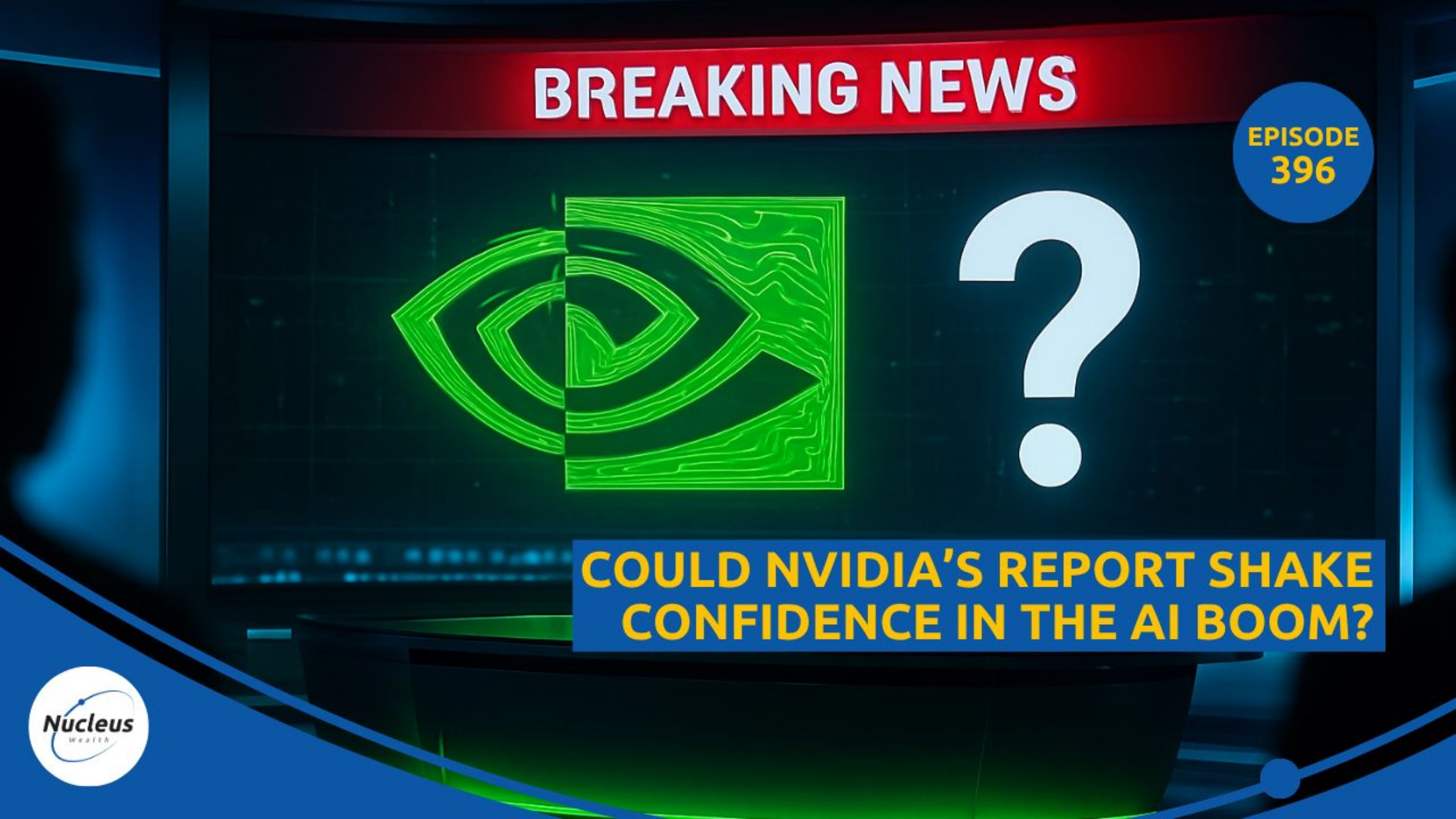
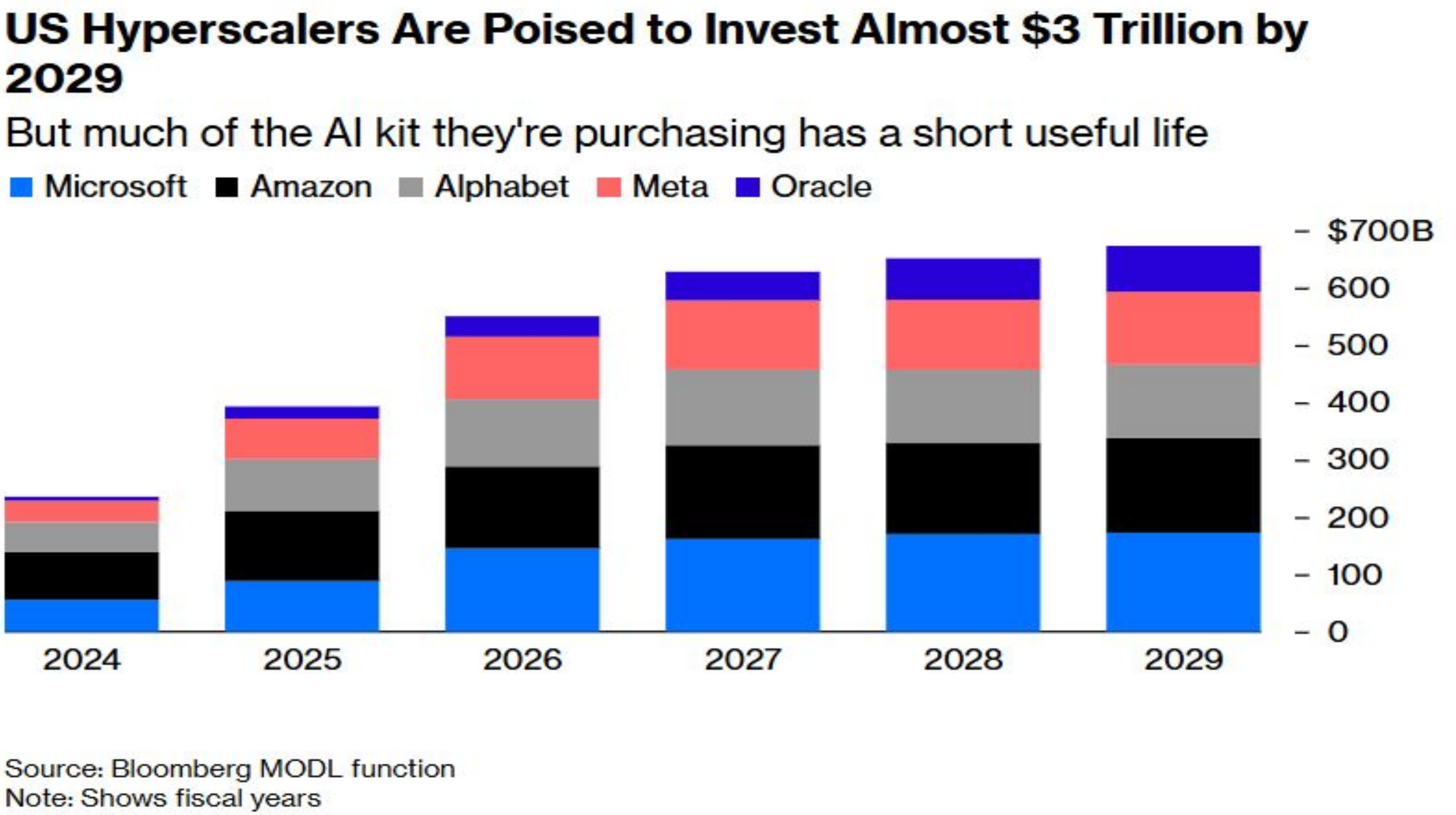

BREAKING NEWS
EPISODE 396
COULD NVIDIA’S REPORT SHAKE CONFIDENCE IN THE AI BOOM?
Nucleus Wealth

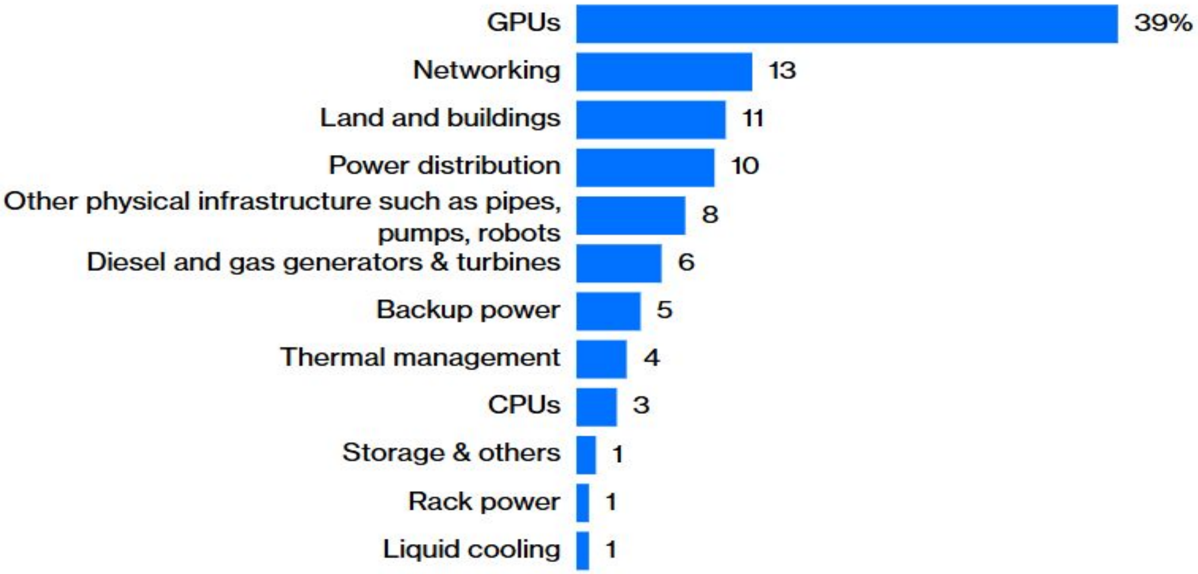
Background:


US Hyperscalers Are Poised to Invest Almost $3 Trillion by 2029
But much of the AI kit they're purchasing has a short useful life
Microsoft
Amazon
Alphabet
Meta
Oracle
$700B
600
500
400
300
200
100
0
2024
2025
2026
2027
2028
2029
Source: Bloomberg MODL function
Note: Shows fiscal years

Background:

GPUs Are the Largest Expense For 1GW of AI Data Center Capacity

Nvidia's graphics processing units account for 39% of total capex



Source: Bernstein Research
Note: Estimates based on $35 billion for 1GW data center capacity, using Nvdia GB200 / NVL72 rack.

Profits:

Q3 Fiscal 2026 Summary

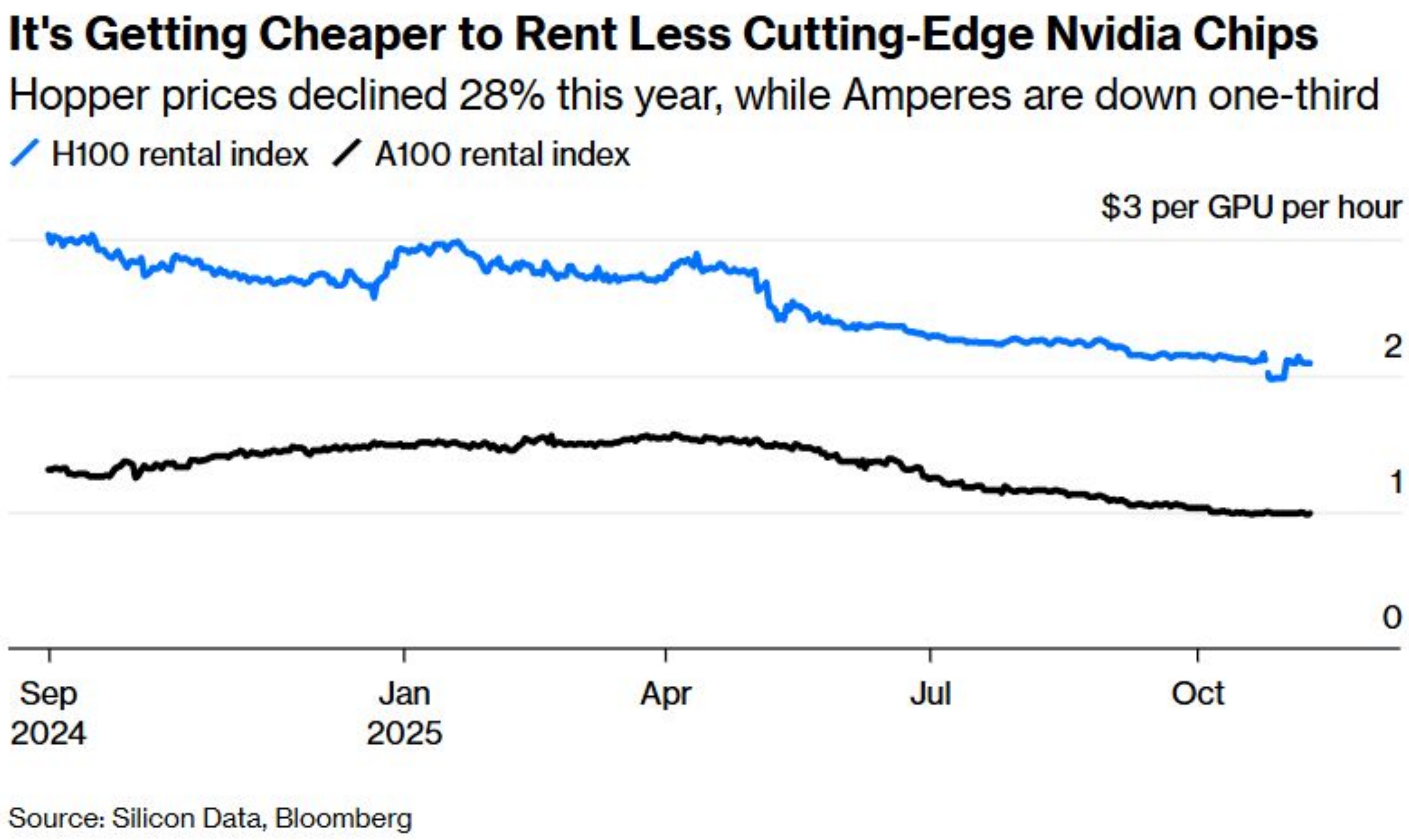
GAAP

($ in millions, except earnings per share)	**Q3 FY26**	**Q2 FY26**	**Q3 FY25**	**Q/Q**	**Y/Y**
Revenue	$57,006	$46,743	$35,082	22%	62%
Gross margin	73.4%	72.4%	74.6%	1.0 pts	(1.2) pts
Operating expenses	$5,839	$5,413	$4,287	8%	36%
Operating income	$36,010	$28,440	$21,869	27%	65%
Net income	$31,910	$26,422	$19,309	21%	65%
Diluted earnings per share	$1.30	$1.08	$0.78	20%	67%

Non-GAAP

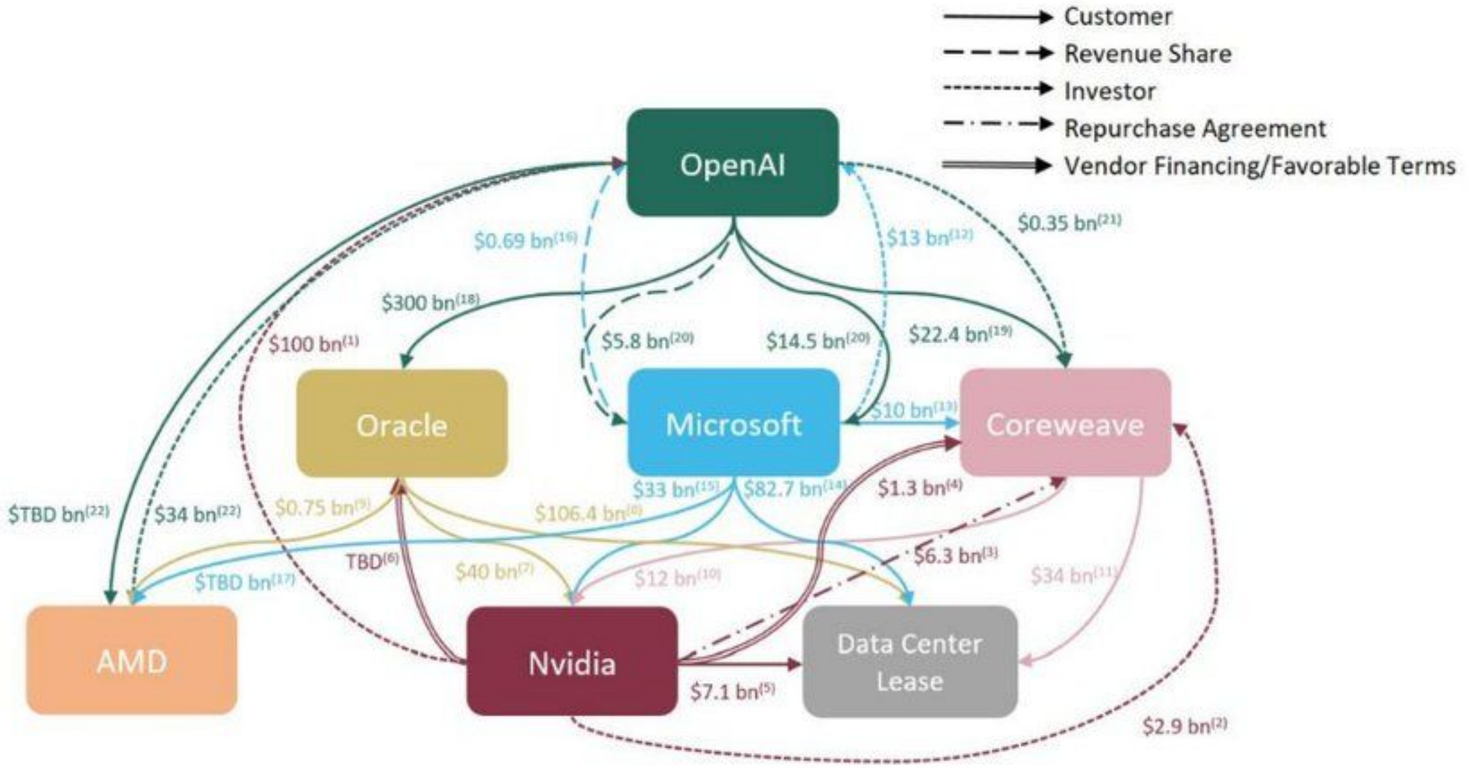
($ in millions, except earnings per share)	**Q3 FY26**	**Q2 FY26**	**Q3 FY25**	**Q/Q**	**Y/Y**
Revenue	$57,006	$46,743	$35,082	22%	62%
Gross margin	73.6%	72.7%	75.0%	0.9 pts	(1.4) pts
Operating expenses	$4,215	$3,795	$3,046	11%	38%
Operating income	$37,752	$30,165	$23,276	25%	62%
Net income	$31,767	$25,783	$20,010	23%	59%
Diluted earnings per share	$1.30	$1.05	$0.81	24%	60%

Depreciation:



Depreciation:

Exhibit 3: AI Ecosystem Capital Flows



Note: ORCL, MSFT, and CRWV are covered by Keith Weiss. NVDA and AMD are covered by Joseph Moore.
Source: Company Data, Morgan Stanley Research.

Personalise Your Portfolio

Screens

You can exclude the below to customise your portfolio

Climate Change | War | Human Rights | Health | Vices | Animal Rights | Religion | Asset Class | Thematic

- No Fossil Fuels (Worst Offenders)
- No Fossil Fuels (Any)
- No Coal Seam Gas or Fracking
- No Nuclear Power
- No Old Growth Forest Logging

Tilts

You can add the below to customise your portfolio

Investment Style Factors | Climate Change | Technology | Consumption | Commodities | Military | GICS Sectors

- Quality Stocks
- Value Stocks
- Growth Stocks
- Defensives

Personalise your portfolio now ›

Investment outlook:

- Profits
- Competition
- Data centres
- Slowing demand / failure
- Geopolitics
- Depreciation

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