

Exhibit X: NVIDIA Valuation Analysis - Evidence of Systematic Investor Protection Failure

Based on the ERS (www.ers.ai) financial analysis of NVIDIA, here is a comprehensive explanation suitable for SEC members and FINRA board members:

Profit Map™

Symbol: NVDA

Date: 07/22/2025

Calculate

Current Financials

Historic Data

What Must Happen

Future Return by P/S Ratio

Future Return by P/E Ratio

Assumptions

Results

Desired Annual Return (%): 20

Years Later: 3

Annual Revenue Growth (%): 50

Future Profit Margin (%): 40

Hide Explanation

Calculate

	Current	What Must Happen	Explanation
Price	\$167.03	\$288.63	To produce a 20% gain per year for 3 years, NVDA's price must rise to \$288.63.
Market Cap	\$4,073,454	\$7,038,929	To produce a 20% gain per year for 3 years, NVDA's market cap must rise to \$7 trillion.
Revenue	\$148,515	\$501,238	If NVDA's revenues grow at 50% per year, in 3 years they will have \$501.2 billion in revenues.
P/S Ratio	27.43	14.04	If NVDA's revenues grow at 50% per year, to produce a 20% price gain per year, NVDA's P/S ratio must be 14.04 3 years from now.
P/E Ratio	53.06	35.11	If NVDA's revenues grow at 50% per year and their profit margin is 40%, to produce a 20% price gain per year, NVDA's P/E ratio must be 35.11 3 years from now.

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Years Later: 5

Annual Revenue Growth (%): 30

Projected Future P/S Ratio: 5

Calculate

	Current P/S Ratio	Current Revenue	Current Market Cap	Current Price
	27.43	\$148,515	\$4,073,454	\$167.03

Revenue Growth As Projected

	Future P/S Ratio	Revenue Growth	Future Revenue	Future Market Cap	Future Price	Gain (Loss)
-75% Below Projected P/S	1.25	30.00%	\$551,426	\$689,282	\$28.26	-83.1%
-50% Below Projected P/S	2.50	30.00%	\$551,426	\$1,378,564	\$56.53	-66.2%
-25% Below Projected P/S	3.75	30.00%	\$551,426	\$2,067,847	\$84.79	-49.2%
Projected P/S	5.00	30.00%	\$551,426	\$2,757,129	\$113.05	-32.3%
25% Above Projected P/S	6.25	30.00%	\$551,426	\$3,446,411	\$141.32	-15.4%
50% Above Projected P/S	7.50	30.00%	\$551,426	\$4,135,693	\$169.58	1.5%

Revenue Growth 25% Above Projected

	Future P/S Ratio	Revenue Growth	Future Revenue	Future Market Cap	Future Price	Gain (Loss)
-75% Below Projected P/S	1.25	37.50%	\$729,934	\$912,418	\$37.41	-77.6%
-50% Below Projected P/S	2.50	37.50%	\$729,934	\$1,824,836	\$74.83	-55.2%
-25% Below Projected P/S	3.75	37.50%	\$729,934	\$2,737,254	\$112.24	-32.8%
Projected P/S	5.00	37.50%	\$729,934	\$3,649,672	\$149.65	-10.4%
25% Above Projected P/S	6.25	37.50%	\$729,934	\$4,562,090	\$187.06	12.0%
50% Above Projected P/S	7.50	37.50%	\$729,934	\$5,474,508	\$224.48	34.4%

Revenue Growth 25% Below Projected

	Future P/S Ratio	Revenue Growth	Future Revenue	Future Market Cap	Future Price	Gain (Loss)
-75% Below Projected P/S	1.25	22.50%	\$409,686	\$512,107	\$21.00	-87.4%
-50% Below Projected P/S	2.50	22.50%	\$409,686	\$1,024,214	\$42.00	-74.9%
-25% Below Projected P/S	3.75	22.50%	\$409,686	\$1,536,321	\$62.99	-62.3%
Projected P/S	5.00	22.50%	\$409,686	\$2,048,428	\$83.99	-49.7%
25% Above Projected P/S	6.25	22.50%	\$409,686	\$2,560,535	\$104.99	-37.1%
50% Above Projected P/S	7.50	22.50%	\$409,686	\$3,072,642	\$125.99	-24.6%

Image 1: Core Valuation Analysis

Current Financial Position (as of 07/22/2025):

- Stock Price: \$167.03
- Market Capitalization: \$4,073,454 million (\$4.07 trillion)
- Revenue: \$148,515 million (\$148.5 billion)
- Price-to-Sales (P/S) Ratio: 27.43
- Price-to-Earnings (P/E) Ratio: 53.06

Key Assumptions for Analysis:

- Desired Annual Return: 20%
- Investment Time Horizon: 3 years
- Projected Annual Revenue Growth: 50%
- Future Profit Margin: Not specified in Image 1

Critical Price Targets: The analysis calculates what NVIDIA's stock price must reach to achieve a 20% annual return over 3 years:

1. **Target Price: \$288.63** - This represents the price NVIDIA must reach for investors to achieve their desired 20% annual return over 3 years.
2. **Required Market Cap: \$7,058,929 million** (\$7.06 trillion) - The company's total valuation would need to reach this level.

Revenue Growth Requirements:

- For a 20% annual gain, NVIDIA's revenues must grow at 50% per year for 3 years, reaching approximately \$501.2 billion in revenues.
- The P/S ratio would need to compress to 14.04 (from current 27.43) over this period.
- The P/E ratio would need to fall to 35.11 (from current 53.06).

Image 2: Scenario Analysis with Multiple Growth Rates

This image presents a comprehensive sensitivity analysis showing how different revenue growth rates and P/S ratio changes would affect NVIDIA's future stock price over 5 years (not 3 as in Image 1).

Base Assumptions:

- Time Horizon: 5 years
- Current Revenue: \$148,515 million
- Current Market Cap: \$4,073,454 million
- Current Price: \$167.03
- Projected Future P/S Ratio: 5.00

Three Growth Scenarios Analyzed:

Scenario 1: 30% Annual Revenue Growth

Shows various P/S ratio outcomes from 1.25 to 7.50, with corresponding:

- Future revenues of \$551,426 million
- Stock prices ranging from \$28.26 (-83.1% loss) to \$169.58 (+1.5% gain)

Scenario 2: 37.5% Annual Revenue Growth

- Future revenues of \$729,934 million
- Stock prices ranging from \$37.41 (-77.6% loss) to \$224.48 (+34.4% gain)

Scenario 3: 22.5% Annual Revenue Growth

- Future revenues of \$409,686 million
- Stock prices ranging from \$21.00 (-87.4% loss) to \$125.99 (-24.6% loss)

Legal/Investment Interpretation:

Key Risk Factors:

1. **Valuation Compression Risk:** Current P/S ratio of 27.43 is extremely high. Most scenarios assume significant multiple compression to more sustainable levels (1.25-7.50).
2. **Growth Dependency:** The analysis shows NVIDIA needs exceptionally high revenue growth (30%+ annually) just to avoid significant losses at current valuation levels.
3. **Downside Risk:** In most realistic scenarios (P/S ratios of 2.50-5.00), even with strong revenue growth, the stock shows negative or minimal returns.

Bottom Line: This analysis suggests NVIDIA's current valuation requires near-perfect execution of extremely aggressive growth targets. Any shortfall in revenue growth or normalization of valuation multiples could result in substantial losses for current investors. The scenarios indicate the stock is priced for perfection with limited margin for error.