

A Guide to The Magnificent 7 & AI

The US's magnificent 7 companies (Apple, Microsoft, Alphabet, Amazon, Meta, Nvidia and Tesla) have a combined market cap of \$16trn as of 18th October 2024, which is 55% of total US GDP¹. The combined revenue, gross profit and net profit of the magnificent 7 in 2023 amounted to \$1.8trn, \$930bn and \$357bn respectively. The magnificent 7 also spent a total of \$239bn for R&D in 2023, nearly 50% more than in 2021 when the mag 7 R&D spending already made up just over ¼ of total US R&D spending². The magnificent 7 are truly magnificent due to its size and impact on not only the US economy, but the world economy. What impact will the emergence of AI and future tax changes play? This note will take a closer look at these wide-ranging topics by starting with a quick breakdown of each of the magnificent 7. Our September intern, Max Pasley, has helped with the complex task of bringing all the information and numbers for this research together, a big “thank you” to him.

Magnificent 7 Market Cap 18th October 2024

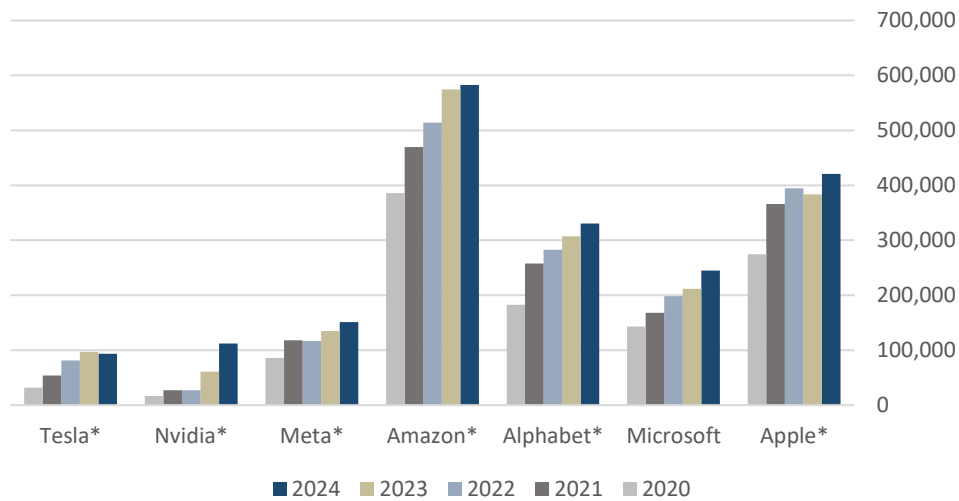
| Mag 7 | Market Cap in \$bn as of 18th Oct 2024 | P/E |
|-----------|--|-----|
| Apple | 3,570 | 31 |
| Nvidia | 3,380 | 54 |
| Microsoft | 3,110 | 35 |
| Amazon | 1,990 | 42 |
| Alphabet | 1,840 | 19 |
| Meta | 1,470 | 28 |
| Tesla | 707 | 134 |

Source: Quarterly reports of individual companies

¹ <https://www.bea.gov/news/2024/gross-domestic-product-third-estimate-corporate-profits-revised-estimate-and-gdp-0>

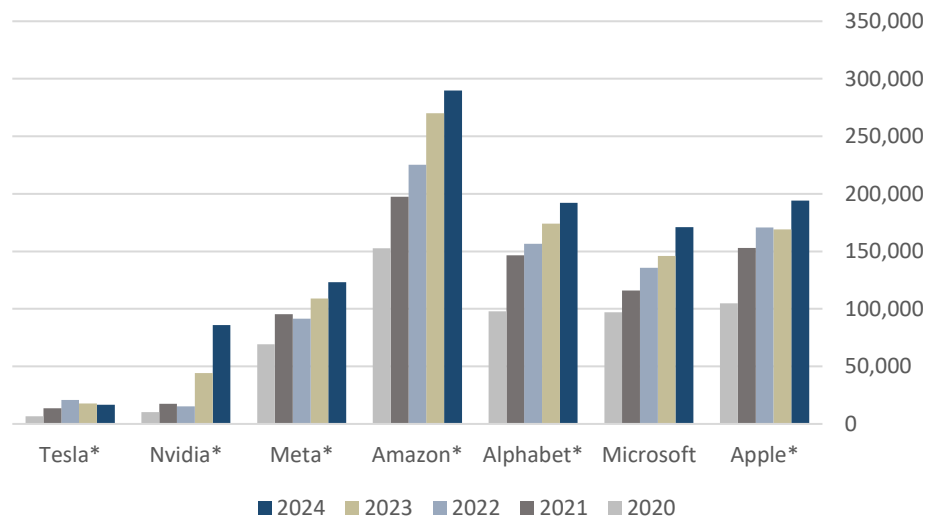
² <https://nces.nsf.gov/pubs/nsb20246/u-s-business-r-d>

Mag 7 earned nearly \$1.8trn in revenue in 2023 (*
= H1 2024 annualised, figures in \$mio)

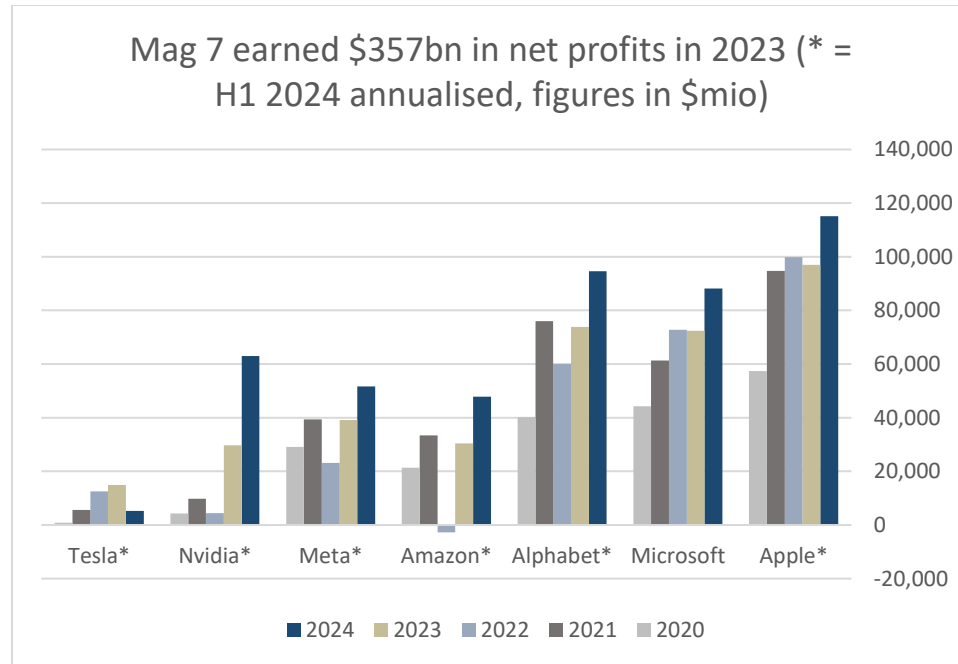


Source: Quarterly reports of individual companies

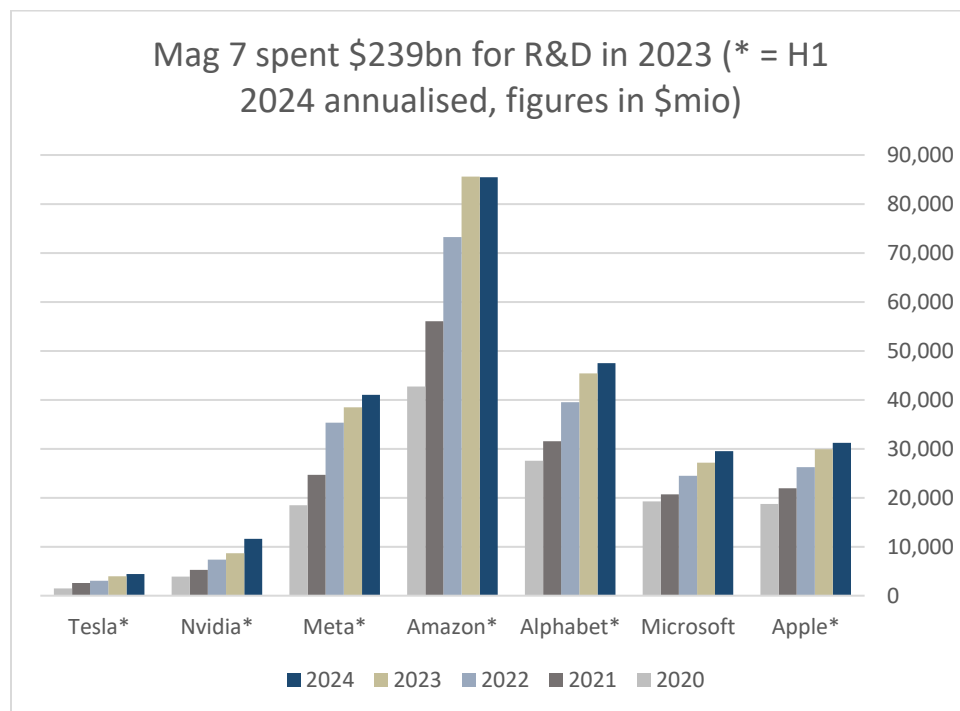
Mag 7 earned \$930bn in gross profits in 2023 (*
= H1 2024 annualised, figures in \$mio)



Source: Quarterly reports of individual companies



Source: Quarterly reports of individual companies



Source: Quarterly reports of individual companies

Apple: Rising valuation with lack of growth

Apple remains the most valuable company in the world with a market capitalization of nearly \$3.6trn, higher than the UK's \$3trn GDP. This is a multiple of well over 30x and given the stalling growth and lack of innovative new products, it is very fair to question this valuation. In fact, despite no major changes in net income, the valuation of Apple has increased by 80% since the beginning of 2023. With \$3,500, the Apple Vision Pro carries quite a high price tag and in light of the struggles Meta is having with their much lower priced Virtual Reality glasses, it could take years before the product becomes a success, if it can be mass-adopted. Other areas of growth could represent emerging markets, such as India, but a decoupling of China also bears very high risks. Apple is unlikely to benefit from the latest trend, however: Artificial Intelligence (AI). Apple has so far opted to use Google's chips to train its AI, steering clear of Nvidia. The company also used Google's Tensor Processing Unit (TPU), which in certain scenarios performs better than Nvidia's chips.

Apple's financials (in \$mio, fiscal year ending September 26)

| \$millions Revenue | H1 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| iPhone | 115,665 | 200,583 | 205,489 | 191,973 | 137,781 |
| Mac | 15,231 | 29,357 | 40,177 | 35,190 | 28,622 |
| iPad | 12,582 | 28,300 | 29,292 | 31,862 | 23,724 |
| Wearable, Home and Accessories | 19,866 | 39,845 | 41,241 | 38,367 | 30,620 |
| Services | 46,984 | 85,200 | 78,129 | 68,425 | 53,768 |
| Total Revenue | 210,328 | 383,285 | 394,328 | 365,817 | 274,515 |
| Products | 100,864 | 189,282 | 201,471 | 192,266 | 151,286 |
| Services | 12,338 | 24,855 | 22,075 | 20,715 | 18,273 |
| Total Costs | 113,202 | 214,137 | 223,546 | 212,981 | 169,559 |
| Gross Margin | 97,126 | 169,148 | 170,782 | 152,836 | 104,956 |
| R&D | 15,599 | 29,915 | 26,251 | 21,914 | 18,752 |
| Selling, general admin | 13,254 | 24,932 | 25,094 | 21,973 | 19,916 |
| Total Costs | 28,853 | 54,847 | 51,345 | 43,887 | 38,668 |
| Operating Profit | 68,273 | 114,301 | 119,437 | 108,949 | 66,288 |
| Other Income | 108 | -565 | -334 | 258 | 803 |
| Tax | 10,829 | 16,741 | 19,300 | 14,527 | 9,680 |
| Net Profit | 57,552 | 96,995 | 99,803 | 94,680 | 57,411 |
| Tax Rate | 16% | 15% | 16% | 13% | 14% |

Source: Quarterly reports

Apple's stalling growth by region

| \$millions | 2023 | 2022 | 2021 |
|----------------------|----------------|----------------|----------------|
| Americas | 162,562 | 169,658 | 153,306 |
| Europe | 94,294 | 95,118 | 89,307 |
| Greater China | 72,559 | 74,200 | 68,366 |
| Japan | 24,257 | 25,977 | 28,482 |
| Rest of Asia Pacific | 29,615 | 29,375 | 26,356 |
| Total | 383,287 | 394,328 | 365,817 |

Source: Annual reports

Microsoft: The top of the three AI hyperscalers

Microsoft has had stalling revenues from its products for a few years now. However, its cloud services, Azure, is the key growth engine. Microsoft is one of the three hyperscalers, with the other two being Amazon and Alphabet, which uses data centers to provide services globally to anyone. 95% of Fortune 500 companies are using Azure (Intelligent Cloud)³ – it is where business runs on, and its an area where Nvidia's AI chips will play a major role in. This requires high capital expenditure. Half of all capex is spent on land, buildings and leases and the other half is going on technology, including chips and servers. Analysts estimate that \$4bn was spent on Nvidia's chips last year. At the same time, Microsoft is developing its own hardware to use for its AI supercomputer Stargate (ETA 2028). Open AI and Microsoft are both pitching in on what will cost over \$115bn. This could make Microsoft compete directly with Nvidia. In Microsoft's latest quarterly report, they noted that: "We expect capital expenditures to increase in coming years to support growth in our cloud offerings and our investments in AI infrastructure." In Q4 24, Microsoft is expected to receive 1,400-1,500 racks of Blackwell chips⁴ (1 rack costs around \$3mio, 1 Blackwell chip around \$70k⁵), which alone would cost \$4.2-4.5bn without the actual cost of the data center and the cooling. Keep that in mind as Microsoft is currently trading at a 35x multiple. However, together with owning ChatGPT, Microsoft is all in on AI and could benefit the most from it (after Nvidia). Below are a few bullet points to understand Microsoft's numbers better.

³ <https://azure.microsoft.com/en-us/resources/cloud-computing-dictionary/what-is-azure>

⁴ <https://medium.com/@mingchikuo/gb200-order-update-microsofts-demand-exceeds-total-orders-from-other-csps-4q24-orders-7fec4bbef4a8>

⁵ <https://www.tomshardware.com/pc-components/gpus/nvidias-next-gen-blackwell-ai-gpus-to-cost-up-to-dollar70000-fully-equipped-servers-range-up-to-dollar3000000-report>

Productivity and Business Processes

- Office Commercial (Office suit, teams, security, copilot,...)
- Office Consumer (Office Suit for consumers)
- LinkedIn (Subscriptions, advertisements and sales solutions)
- Dynamic Business Solutions (Intelligent cloud based applications across Enterprise resource planning, Power Automate and CRM applications)

Intelligent Cloud

- Azure Cloud and other server products
- Enterprise and partner services (including enterprise support services, Industry solutions, etc)

More Personal Computing

- Windows operating system licenses
- Devices including Surface laptops and PC accessories
- Gaming (Xbox hardware, content, services and subscriptions)
- Search and news advertising, Bing, Microsoft News, Edge

Microsoft's growth is driven by the Cloud

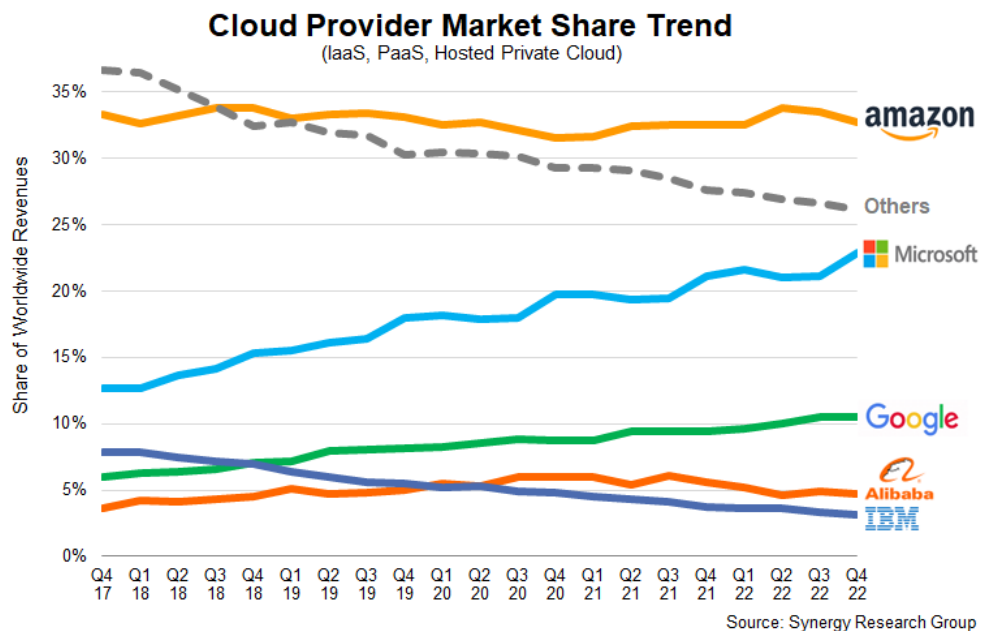
| Revenue Breakdown | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Server Products and Cloud Services | 97,726 | 79,970 | 67,350 | 52,589 | 41,379 |
| Office Products and Cloud Services | 54,875 | 48,848 | 44,970 | 39,872 | 35,316 |
| Windows | 23,244 | 21,507 | 24,732 | 22,488 | 21,510 |
| Gaming | 21,503 | 15,466 | 16,230 | 15,370 | 11,575 |
| LinkedIn | 16,372 | 14,989 | 13,631 | 10,289 | 8,077 |
| Search and News Advertising | 12,576 | 12,158 | 11,526 | 9,267 | 8,524 |
| Enterprise and Partner Services | 7,594 | 7,900 | 7,605 | 6,943 | 6,409 |
| Dynamics Products and Cloud Services | 6,481 | 5,437 | 4,687 | 0 | 0 |
| Devices | 4,706 | 5,521 | 7,306 | 6,791 | 6,457 |
| Other | 45 | 119 | 233 | 4,479 | 3,768 |
| Total Revenue | 245,122 | 211,915 | 198,270 | 168,088 | 143,015 |

Source: Quarterly reports

Microsoft's financials (in \$mio, fiscal year ending June 30)

| \$millions Revenue | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Productivity and Business Processors | 77,728 | 69,274 | 63,364 | 53,915 | 46,398 |
| Intelligent Cloud | 105,362 | 87,907 | 74,965 | 60,080 | 48,366 |
| More Personal Computing | 62,032 | 54,734 | 59,941 | 54,093 | 48,251 |
| Total Revenue | 245,122 | 211,915 | 198,270 | 168,088 | 143,015 |
| Productivity and Business Processors | 15,272 | 17,804 | 19,064 | 18,219 | 16,017 |
| Service and Other | 58,842 | 48,059 | 43,586 | 34,013 | 30,061 |
| Total Costs | 74,114 | 65,863 | 62,650 | 52,232 | 46,078 |
| Gross Margin | 171,008 | 146,052 | 135,620 | 115,856 | 96,937 |
| R&D | 29,510 | 27,195 | 24,512 | 20,716 | 19,269 |
| Sales and Marketing | 24,456 | 22,759 | 21,825 | 20,117 | 19,598 |
| General and Administrative | 7,609 | 7,575 | 5,900 | 5,107 | 5,111 |
| Total Costs | 61,575 | 57,529 | 52,237 | 45,940 | 43,978 |
| Operating Profit | 109,433 | 88,523 | 83,383 | 69,916 | 52,959 |
| Other Income | -1,646 | 788 | 333 | 1,186 | 77 |
| Tax | 19,651 | 16,950 | 10,978 | 9,831 | 8,755 |
| Net Profit | 88,136 | 72,361 | 72,738 | 61,271 | 44,281 |
| Tax Rate | 18% | 19% | 13% | 14% | 17% |

Source: Quarterly reports



Source: <https://techcrunch.com/2023/02/06/even-as-cloud-infrastructure-market-growth-slows-microsoft-continues-to-gain-on-amazon/>

Amazon: A conglomerate & largest of the mag 7 in terms of revenue

Amazon, in my eyes, is one of the most fascinating magnificent 7, because it has developed into a real conglomerate that offers stores in both, physical and online format, advertising services, video subscriptions and not to forget AWS, which is the market leading cloud service provider with 1/3 of total market share. Amazon is competing against so many players, even outside of the mag 7, and this requires much higher capital expenditures (R&D, incl. infrastructure), which is higher than that of Apple and Microsoft combined. AWS is, as is Azure for Microsoft, Amazon's clear growth driver. AWS serves small businesses, while Azure is a more dominant platform for large businesses (Google's Cloud is more for retail clients). While no figures are available on how much Amazon spends on AI, Amazon cancelled an order for Nvidia's Grace Hopper superchip (GH200) in favour of the newly released Grace Blackwell chip (GB200), with the latter being twice as powerful. Although no value was confirmed for the order, GB200 chips include two B100 chips, which are estimated to cost over \$70k⁶. Amazon has ordered 300-400 racks for Q4 24, which would cost \$900mio-1.2bn, again excluding the data center and cooling costs. Similar to Meta's 2023 turnaround, I can imagine Amazon shifting towards profitability at one point by reducing capex.

Amazon's financials (in \$mio, fiscal year ending December 31)

| \$millions Revenue | H1 2024 | 2023 | 2022 | 2021 | 2020 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Online Stores | 110,062 | 231,872 | 220,004 | 222,075 | |
| Physical Stores | 10,408 | 20,030 | 18,963 | 17,075 | |
| Third-Party Seller Services | 70,797 | 140,053 | 117,716 | 103,366 | |
| Advertising Services | 24,595 | 46,906 | 37,739 | 31,160 | |
| Subscription Services | 21,588 | 40,209 | 35,218 | 31,768 | |
| AWS | 51,318 | 90,757 | 80,096 | 62,202 | |
| Other | 2,522 | 4,958 | 4,247 | 2,176 | |
| Total Revenue | 291,290 | 574,785 | 513,983 | 469,822 | 386,064 |
| COGS | 146,418 | 304,739 | 288,831 | 272,344 | 233,307 |
| Gross Margin | 144,872 | 270,046 | 225,152 | 197,478 | 152,757 |
| Fulfilment | 45,883 | 90,619 | 84,299 | 75,111 | 58,517 |
| Tech and Infrastructure (R&D) | 42,728 | 85,622 | 73,213 | 56,052 | 42,740 |
| Sales and Marketing | 20,174 | 44,370 | 42,238 | 32,551 | 22,008 |

⁶ <https://www.extremetech.com/computing/nvidia-blackwell-superchip-will-cost-around-70000-each-analyst>

| | | | | | |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| General and Admin | 5,783 | 11,816 | 11,891 | 8,823 | 6,668 |
| Other expenses | 325 | 767 | 1,263 | 62 | -75 |
| Total Costs | 114,893 | 233,194 | 212,904 | 172,599 | 129,858 |
| Operating Profit | 29,979 | 36,852 | 12,248 | 24,879 | 22,899 |
| Interest | 940 | -233 | -1,378 | -1,361 | -1,092 |
| Other Income | -2,691 | 938 | -16,806 | 14,633 | 2,371 |
| Tax | 4,234 | 7,120 | -3,217 | 4,791 | 2,863 |
| Equity Method Investment Activity | -78 | -12 | -3 | 4 | 16 |
| Net Profit | 23,916 | 30,425 | -2,722 | 33,364 | 21,331 |
| Tax Rate | 15% | 19% | 54% | 13% | 12% |

Source: Quarterly reports

Alphabet: The advertising monopoly

Alphabet is very much all about Google Search, where over half of its revenues and likely most of its profits are generated. While there is talk of breaking Alphabet up, which could have negative implications for the company⁷, Alphabet could still pull a few levers to improve profits. For example, in 2022 Alphabet paid Apple \$20bn to be the default search engine in the Safari browser⁸. Breaking up Alphabet over its search monopoly (90% global market share) and its \$31bn Google ad business⁹, would likely force Alphabet to increase its focus on its other business segments. Whilst Google Cloud is behind Microsoft and Amazon, they will be the first cloud service provider to receive Nvidia's Grace Blackwell chips and already offers a range of Nvidia products on its Google Cloud Service. The valuation multiple of 19x is also the lowest amongst the mag 7, likely as a result of the DOJ breakup threat. From a valuation perspective, this makes Alphabet attractive. Alphabet (as well as Meta) have also been busy cutting out the middleman, capturing more profits from business which was previously managed by ad and marketing agencies. Below are a few bullet points that help understand Alphabet's numbers better.

⁷ <https://www.reuters.com/technology/us-plan-break-up-googles-search-dominance-threatens-profit-engine-ai-growth-2024-10-09/>

⁸ <https://www.bloomberg.com/news/articles/2024-05-01/google-s-payments-to-apple-reached-20-billion-in-2022-cue-says?embedded-checkout=true>

⁹ <https://edition.cnn.com/2024/09/09/business/googles-search-business-was-declared-to-be-a-monopoly-now-its-ad-business-is-on-trial/index.html>

Google Services Segment

- Ads, Android, Chrome, Devices (Pixel family), Maps, Google Photos, Google Play, YouTube, Search Engine
- Subscription Based services such as YouTube, TV, YouTube Music,...

Google Cloud Segment

- Google Cloud (Collaboration tools and other enterprise tools) providing services for enterprise customers. These services provide solutions for cybersecurity, databases, analytics, AI offerings and Generative AI solutions
 - AI infrastructure includes Cloud TPUs and GPUs
 - Generative AI solutions include Google Cloud, Gemini, Vertex AI and Gemini for Workspace
- Revenues are derived from subscriptions

Other Bets

- Include a combination for multiple operating segments that are not individually material
 - GFiber, Calico, CapitalG, GV, Verily, Waymo, Wing, Others

Alphabet's financials (in \$mio, fiscal year ending December 31)

| \$millions Revenue | H1 2024 | 2023 | 2022 | 2021 | 2020 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Google Search | 94,665 | 175,033 | 162,450 | 148,951 | 104,062 |
| YouTube Advertisement | 16,753 | 31,510 | 29,243 | 28,845 | 19,772 |
| Google Network | 14,857 | 31,312 | 32,780 | 31,701 | 23,090 |
| Google Subscriptions | 18,051 | 34,688 | 29,055 | 28,032 | 21,711 |
| Google Cloud | 19,921 | 33,088 | 26,280 | 19,206 | 13,059 |
| Other Bets | 860 | 1,527 | 1,068 | 753 | 657 |
| Hedging Gains | 174 | 236 | 1,960 | 149 | 176 |
| Total Revenue | 165,281 | 307,394 | 282,836 | 257,637 | 182,527 |
| COGS | 69,219 | 133,332 | 126,203 | 110,939 | 84,732 |
| Gross Margin | 96,062 | 174,062 | 156,633 | 146,698 | 97,795 |
| R&D | 23,763 | 45,427 | 39,500 | 31,562 | 27,573 |
| Sales and Marketing | 13,218 | 27,917 | 26,567 | 22,912 | 17,946 |
| General and Admin | 6,184 | 16,425 | 15,724 | 13,510 | 11,052 |

| | | | | | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Costs | 43,165 | 89,769 | 81,791 | 67,984 | 56,571 |
| Operating Profit | 52,897 | 84,293 | 74,842 | 78,714 | 41,224 |
| Other Income | 2,969 | 1,424 | -3,514 | 12,020 | 6,858 |
| Tax | 8,585 | 11,922 | 11,356 | 14,701 | 7,813 |
| Net Profit | 47,281 | 73,795 | 59,972 | 76,033 | 40,269 |
| Tax Rate | 15% | 14% | 16% | 16% | 16% |

Source: Quarterly reports

Meta: The social media king

Meta serves over 2bn customers on a daily basis and as many as 3bn on a monthly basis with Facebook alone, followed closely by Whatsapp and Instagram. What Google Search is for web search, Meta's platforms are for social interaction. Meta does not split its advertising revenue by platform, but WhatsApp has a large intangible value as data is being shared for advertising targeting. The main source of data is the contact list containing details and popular companies, such as local businesses. WhatsApp also has direct lines of revenue from business accounts. Meta came under pressure in 2022 after high capital spending on Reality Lab did not translate into higher revenues and profits. Meta's Reality Labs has cost nearly \$50bn over 5 years, while generating around \$2bn in annual revenue, which is in decline. In terms of AI, Zuckerberg said that infrastructure spending on AI will include 350,000 H1 graphics cards from Nvidia – a low value estimate for this alone is \$9bn. Meta's compute infrastructure will contain almost 600k H100 equivalents of compute power when including other GPUs, which Meta is using to research Artificial General Intelligence (AGI). Zuckerberg says it's his long-run vision for the company. Its Llama 3 model is currently being trained on this and Meta has also created a Fundamental AI Research team (FAIR). Total expenses for 2024 are estimated to reach \$99bn driven by computing expansion.

Reality Labs Products

- Meta Quest 2 (€200)
- Meta Quest 3S (€290)
- Meta Quest 3 (€410)
- Meta Quest Pro (€1,000)
- Ray Ban Smart Glasses (€299-€429)

Meta's top platform users (daily vs. monthly)

| Platform | Daily users in bn | Monthly users in bn |
|-----------|-------------------|---------------------|
| Facebook | 2.11 | 3.065 |
| WhatsApp | 2 | 2.9 |
| Instagram | 0.5 | 2 |

Source: Google AI

Meta's Reality Lab high cash burn

| \$millions | 2023 | 2022 | 2021 |
|--------------------|---------|---------|---------|
| Revenue | 1,896 | 2,159 | 2,274 |
| Operational Profit | -16,120 | -13,717 | -10,193 |

Source: Meta Platforms annual reports

Meta's financials (in \$mio, fiscal year ending December 31)

| \$millions Revenue | H1 2024 | 2023 | 2022 | 2021 | 2020 |
|----------------------------|---------------|----------------|----------------|----------------|---------------|
| Advertising | 73,964 | 131,948 | 113,642 | 114,934 | 84,169 |
| Other Revenue | 769 | 1,058 | 808 | 721 | 657 |
| Reality Labs | 793 | 1,896 | 2,159 | 2,274 | 1,139 |
| Total Revenue | 75,526 | 134,902 | 116,609 | 117,929 | 85,965 |
| COGS | 13,948 | 25,959 | 25,249 | 22,649 | 16,692 |
| Gross Margin | 61,578 | 108,943 | 91,360 | 95,280 | 69,273 |
| R&D | 20,515 | 38,483 | 35,338 | 24,655 | 18,447 |
| Marketing and Sales | 5,285 | 12,304 | 15,262 | 14,043 | 11,591 |
| General and Administrative | 7,113 | 11,408 | 11,816 | 9,829 | 6,564 |
| Total Costs | 32,913 | 62,195 | 62,416 | 48,527 | 36,602 |
| Operating Profit | 28,665 | 46,748 | 28,944 | 46,753 | 32,671 |
| Interest & Other | 624 | 677 | -125 | 531 | 509 |
| Tax | 3,455 | 8,330 | 5,619 | 7,914 | 4,034 |
| Net Profit | 25,834 | 39,095 | 23,200 | 39,370 | 29,146 |
| Tax Rate | 12% | 18% | 19% | 17% | 12% |

Source: Quarterly reports

Tesla: The slightly different mag 7

Tesla is by far the smallest of the magnificent 7 in terms of all metrics, especially profitability. Elon Musk has clearly hedged the risk of being broken up or being targeted by diversifying his shareholdings away from Tesla into completely separate companies, such as X or Space X, Neurolink etc. It is really quite remarkable that a single person is the founder of so many uniquely important and successful companies. Tesla, however, is most at risk of Chinese competition in the EV space, but also in the energy and solar space. In terms of AI, Elon Musk said that Tesla is expected to spend between \$3-4bn on Nvidia hardware for AI initiatives and roughly \$10bn will be spent on AI related expenditures in total in 2024. Tesla has ordered 50k H100 cards, which cost \$20-30k a piece (\$1-1.5bn), for use of full self-driving (FSD) training. FSD is being developed and trained on data from a fleet of over one million vehicles. This system uses AI to influence vehicle controls (steering wheel, pedals, indicators, etc.) instead of hard coding every driving behavior. Tesla uses AI to analyze millions of driver decisions in every scenario to build a self-driving model which can be uploaded to every car and for its Optimus robot. Below are a few bullet points that explain the financials better.

Automotive Regulatory Credits

- Tesla receives a large number of regulatory credits as it only produces electric cars. This is the proceeds of the sale of these credits

Automotive Leasing

- Direct operating lease agreements (40% gross margin)

Services and other

- Repair and maintenance, Warranty Service, Used Vehicle Sales, Merchandise, Insurance

Energy Generation and Storage

- Residential Energy Storage Solutions
- Utility-scale battery products (30 gigawatts of grid storage, used for transferring energy from times of surplus to hours of peak demand, usually deployed in areas of abundant solar power production)

Automotive Sales

| Total Deliveries | 2023 | 2022 | 2021 | 2020 |
|------------------|-----------|-----------|---------|---------|
| Model 3/Y | 1,739,707 | 1,247,146 | 911,242 | 442,562 |
| Other Models | 68,874 | 66,705 | 24,980 | 57,085 |

Source: Tesla annual reports

Tesla's financials (in \$mio, fiscal year ending December 31)

| \$millions | H1 2024 | 2023 | 2022 | 2021 | 2020 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| Automotive Sales | 34,990 | 78,509 | 67,210 | 44,125 | 24,604 |
| Automotive Regulatory Credits | 1,332 | 1,790 | 1,776 | 1,465 | 1,580 |
| Automotive Leasing | 934 | 2,120 | 2,476 | 1,642 | 1,052 |
| Services and Other | 4,649 | 8,319 | 6,091 | 3,802 | 2,306 |
| Energy Generation and storage | 4,896 | 6,035 | 3,909 | 2,789 | 1,994 |
| Total Revenue | 46,801 | 96,773 | 81,462 | 53,823 | 31,536 |
| COGS | 38,527 | 79,113 | 60,609 | 40,217 | 24,906 |
| Gross Margin | 8,274 | 17,660 | 20,853 | 13,606 | 6,630 |
| R&D | 2,225 | 3,969 | 3,075 | 2,593 | 1,491 |
| Sales, general and admin | 2,651 | 4,800 | 3,946 | 4,517 | 3,145 |
| Restructuring and other | 622 | 0 | 176 | -27 | 0 |
| Total Costs | 5,498 | 8,769 | 7,197 | 7,083 | 4,636 |
| Operating Profit | 2,776 | 8,891 | 13,656 | 6,523 | 1,994 |
| Interest | 536 | 910 | 106 | -315 | -718 |
| Other Income | 128 | 172 | -43 | 135 | -122 |
| Tax | 802 | -5,001 | 1,132 | 699 | 292 |
| Net Profit | 2,638 | 14,974 | 12,587 | 5,644 | 862 |
| Tax Rate | 23% | -50% | 8% | 11% | 25% |

Source: Quarterly reports

Nvidia: The elephant in the room

Nvidia's rise is perhaps the most remarkable story of the last 100-year stock market history. From a valuation of just below \$300bn two years ago, Nvidia is now close to becoming the most valuable company in the world at \$3.39trn market capitalization. This bears the question whether Nvidia is a bubble? Whilst a 54x P/E is a very rich valuation based on doubling H1 2025 net profits, if the growth over the last two years continues, it could be justified. Just in 2023, Nvidia made a net profit of just over \$4bn, without paying any tax, compared to over \$31bn in H1 2025. The pace of innovation is unheard of, with Jensen Huang saying that Nvidia can create a new AI super cluster every year. The company now has 7 different chips, and how they work together improves performance. Comparing the latest Blackwell with the prior Hopper chip, Blackwell is 15x faster on real-time large language model inference, 3x faster on supercharged AI training performance and 25x more energy efficient¹⁰. According to Huang, Nvidia works with every single data center in the world. However, it also easy to be skeptical:

1. In FY 2023 (=2022), when interest rates rose and markets sold off, Nvidia's profits fell by more than 50%, driven by low GPU demand for gaming¹¹
2. ASML's Q3 earnings continue to see upside potential in AI, however, every other segment is taking longer to recover, hitting EUV demand¹²
3. China is stepping up its military drills around Taiwan with more intense drills closer to the island¹³
4. Trade war with China is intensifying, especially if Trump wins the Presidency¹⁴
5. Hyperscalers (Microsoft Azure, AWS, Google Cloud) are likely creating a data center environment with Nvidia's AI chips, which makes it more attractive for other firms or data centers to use their cloud services instead of ordering their own chips with Nvidia, which would become out of date every year. They are also investing in their own semiconductors¹⁵
6. AMD is creating chips that are getting close to Nvidia's capacity, which will hit the market next year¹⁶

¹⁰ <https://training.continuumlabs.ai/infrastructure/servers-and-chips/hopper-versus-blackwell>

¹¹ <https://nvidianews.nvidia.com/news/nvidia-announces-financial-results-for-fourth-quarter-and-fiscal-2023>

¹² <https://www.asml.com/en/news/press-releases/2024/q3-2024-financial-results-DD3AC76A9D4D0F8C>

¹³ <https://understandingwar.org/backgrounder/china-taiwan-weekly-update-october-18-2024>

¹⁴ <https://www.cfr.org/backgrounder/contentious-us-china-trade-relationship>

¹⁵ <https://techstrong.ai/articles/hyperscalers-invest-in-proprietary-semiconductors-to-counter-nvidia/>

¹⁶ <https://www.amd.com/en/newsroom/press-releases/2024-10-10-amd-launches-new-ryzen-ai-pro-300-series-processo.html>

7. The top 5 customers make up over 50% of Nvidia's revenue. These five customers appear to have varying demand quarter over quarter¹⁷

Nvidia's financials (in \$mio, fiscal year ending January 28)

| \$millions | H1 2025 | 2024 | 2023 | 2022 | 2021 |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Compute and Networking | | 47,405 | 15,068 | 11,046 | 6,841 |
| Graphics | | 13,517 | 11,906 | 15,868 | 9,834 |
| Total Revenue | 56,084 | 60,922 | 26,974 | 26,914 | 16,675 |
| COGS | 13,105 | 16,621 | 11,618 | 9,439 | 6,279 |
| Gross Margin | 42,979 | 44,301 | 15,356 | 17,475 | 10,396 |
| R&D | 5,810 | 8,675 | 7,339 | 5,268 | 3,924 |
| Sales, general and admin | 1,618 | 2,654 | 2,440 | 2,166 | 1,940 |
| Acquisition Termination Cost | 0 | 0 | 1,353 | 0 | 0 |
| Total Costs | 7,428 | 11,329 | 11,132 | 7,434 | 5,864 |
| Operating Profit | 35,551 | 32,972 | 4,224 | 10,041 | 4,532 |
| Interest | 678 | 609 | 5 | -207 | -127 |
| Other Income | 264 | 237 | -48 | 107 | 4 |
| Tax | 5,013 | 4,058 | -187 | 189 | 77 |
| Net Profit | 31,480 | 29,760 | 4,368 | 9,752 | 4,332 |
| Tax Rate | 14% | 12% | -4% | 2% | 2% |

Source: Quarterly reports

Nvidia: Customer concentration

During the last quarter Q2 2025, Nvidia generated over 46% of its revenue from only 4 single customers, of which two customers with each generating 11% of revenue that generated less than 10% of revenue in the prior quarter. Another customer that generated 10% of revenue in Q1 2025, generated less than 10% of revenue in Q2 2025. We don't know whether these customers generated zero % revenue or perhaps just 9% of revenue during the quarters when it dropped below 10% of total revenue. However, it is clear that their customers are very concentrated, likely around the likes of Microsoft, Amazon, Alphabet, Meta, Tesla, etc. Once these customers have received their orders, they might not place another order for a year.

¹⁷ https://s201.q4cdn.com/141608511/files/doc_financials/2025/q2/78501ce3-7816-4c4d-8688-53dd140df456.pdf p. 22

Hence, there could be high volatility in the quarters ahead. Another explanation for the concentration of single customers could be from device manufacturers like Quanta based in Taiwan, which have a partnership with Nvidia. Tech companies often do not buy directly from Nvidia when they need complete servers. Instead, they buy Nvidia-powered servers through ODMs/OEMs like Quanta, which handle the full system integration, optimization and logistics. This explains why almost 20% of Nvidia's revenue comes from Taiwan. In addition, Singapore's Nvidia spend comes from the 100 data centers and 1195 cloud service providers in the country. Tesla also has a large Gigafactory in Shanghai which has an R&D center, although it's unlikely that Tesla is doing its R&D in China. Singapore Data center companies include MediaCorp, Air Trunk Operating Pty Ltd, China Mobile Internationals Ltd, Cyxtera Technologies, Digital Reality Trust Inc.

Nvidia's customer concentration is very high

| | Three Months Ended Jul 28, 2024 | Six Months Ended Jul 28, 2024 |
|------------|------------------------------------|----------------------------------|
| Customer A | 14 % | 14 % |
| Customer B | 11 % | * |
| Customer C | 11 % | * |
| Customer D | 10 % | 10 % |
| Customer E | * | 10 % |

* Less than 10% of total revenue

One customer represented approximately 17% and 13% of total revenue for the second quarter and first half of fiscal year 2024, respectively, and was attributable to the Compute & Networking segment.

| | Three Months Ended | | Six Months Ended | |
|-----------------------------|--------------------|--------------|------------------|--------------|
| | Jul 28, 2024 | Jul 30, 2023 | Jul 28, 2024 | Jul 30, 2023 |
| | (In millions) | | | |
| Revenue: | | | | |
| United States | \$ 13,022 | \$ 6,043 | \$ 26,518 | \$ 8,428 |
| Taiwan | 5,740 | 2,839 | 10,113 | 4,635 |
| Singapore | 5,622 | 1,042 | 9,659 | 1,804 |
| China (including Hong Kong) | 3,667 | 2,740 | 6,158 | 4,330 |
| Other countries | 1,989 | 843 | 3,636 | 1,502 |
| Total revenue | \$ 30,040 | \$ 13,507 | \$ 56,084 | \$ 20,699 |

| | Year Ended | | |
|-----------------------------|---------------|--------------|--------------|
| | Jan 28, 2024 | Jan 29, 2023 | Jan 30, 2022 |
| | (In millions) | | |
| Revenue: | | | |
| United States | \$ 26,966 | \$ 8,292 | \$ 4,349 |
| Taiwan | 13,405 | 6,986 | 8,544 |
| China (including Hong Kong) | 10,306 | 5,785 | 7,111 |
| Other countries | 10,245 | 5,911 | 6,910 |
| Total revenue | \$ 60,922 | \$ 26,974 | \$ 26,914 |

Revenue from sales to customers outside of the United States accounted for 56%, 69%, and 84% of total revenue for fiscal years 2024, 2023, and 2022, respectively. The increase in revenue to the United States for fiscal year 2024 was primarily due to higher U.S.-based Compute & Networking segment demand.

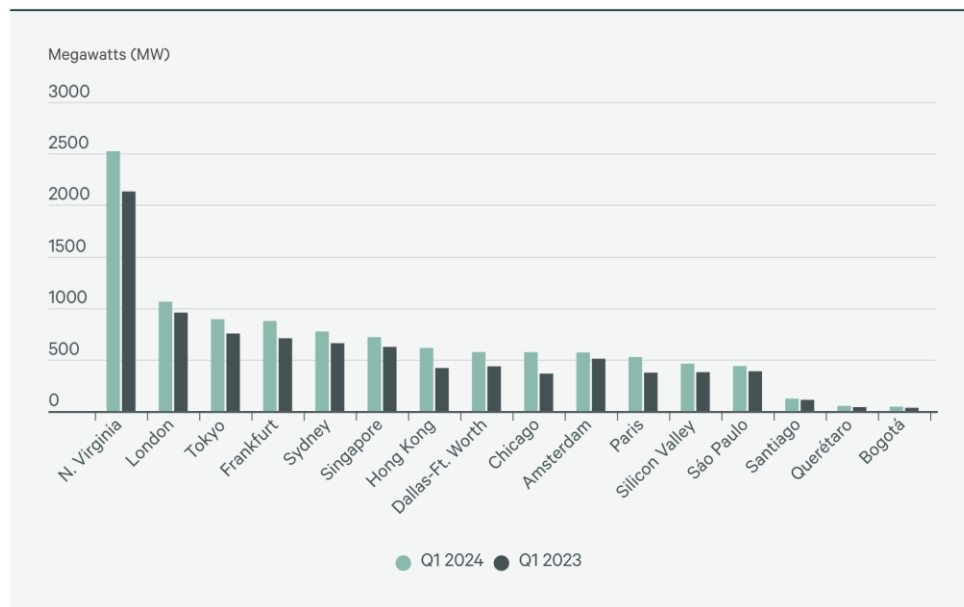
Sales to one customer represented 13% of total revenue for fiscal year 2024, which was attributable to the Compute & Networking segment. No customer represented 10% or more of total revenue for fiscal years 2023 and 2022.

Source: Nvidia quarterly reports

Nvidia: The bull case

On the other hand, Blackwell production is expected to hit anywhere between 500k¹⁸ to 800k¹⁹ units at \$70k selling price a piece in Q1 2025. This single quarter alone would result in \$35-56bn in revenue and with a 75% margin generate \$26-42bn in operating profits. This means, for a full year of this production level, Nvidia might be able to achieve anywhere between \$100-200bn in operating profits, purely from Blackwell alone (although part of that revenue would already be recognized, and this is what makes it quite hard to put a value on Nvidia). As per Jensen Huang, we are moving from general purpose computing towards accelerated computing. Human engineering software is transitioning to AI or artificial intelligence learning software. These trends require GPUs in the data centers, and \$1trn is expected to be spent on data centers over the next 5 years²⁰.

Figure 1: Data Center Inventory by Market



Source: CBRE Research, Q1 2024.

Source: <https://www.cbre.com/insights/reports/global-data-center-trends-2024>

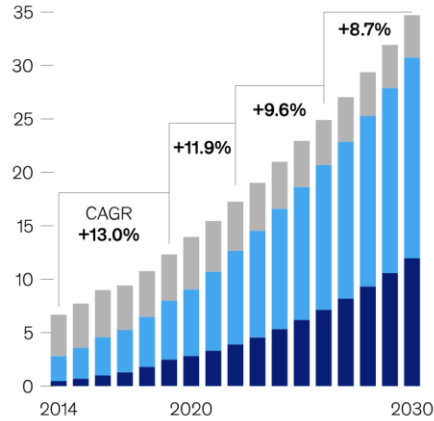
¹⁸ <https://wccftech.com/nvidia-ship-150k-200k-blackwell-gb200-ai-servers-q4-2024-500-550k-units-q1-2025/>

¹⁹ <https://wccftech.com/morgan-stanley-details-what-caused-nvidia-blackwell-hiccup-asserts-that-the-blackwell-production-ramp-up-appears-quite-strong/>

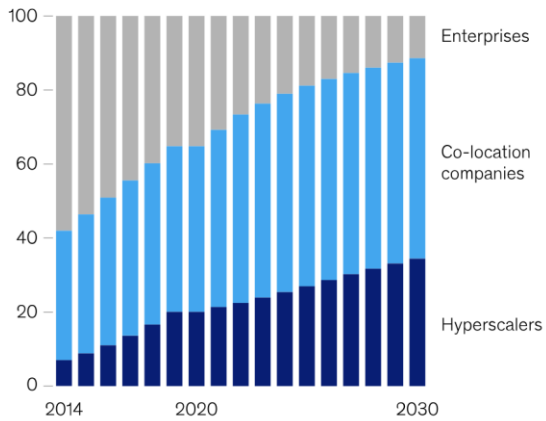
²⁰ <https://www.datacenterfrontier.com/cloud/article/55132255/analysts-hyperscale-vs-colo-data-center-capacity-trends-favor-cloud-trillion-dollar-ai-infrastructure-spend-expected>

US data center demand is forecast to grow by some 10 percent a year until 2030.

Data center power consumption, by providers/enterprises,¹ gigawatts



Data center power consumption, by providers/enterprises,¹ % share

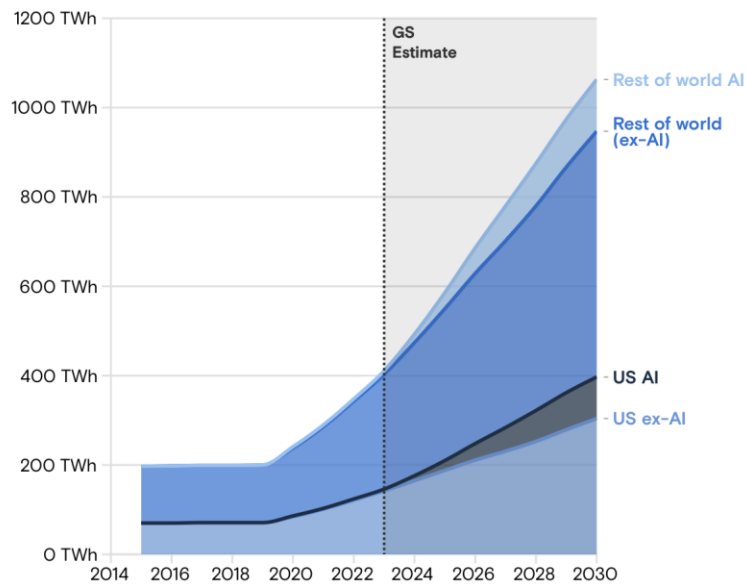


¹Demand is measured by power consumption to reflect the number of servers a data center can house. Demand includes megawatts for storage, servers, and networks.

McKinsey & Company

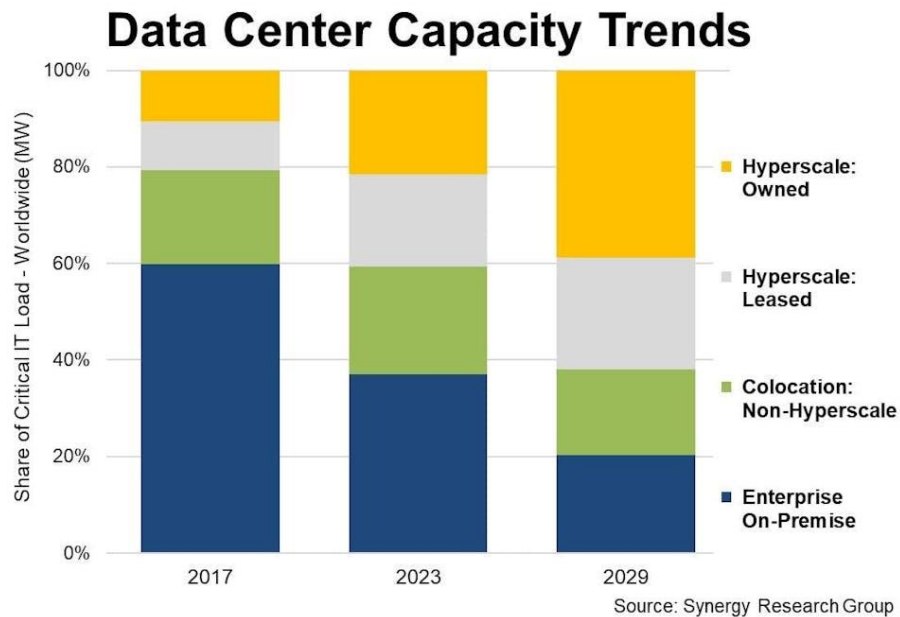
Source: <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/investing-in-the-rising-data-center-economy>

Data center power demand



Source: Masanet et al. (2020), Cisco, IEA, Goldman Sachs Research

Goldman Sachs

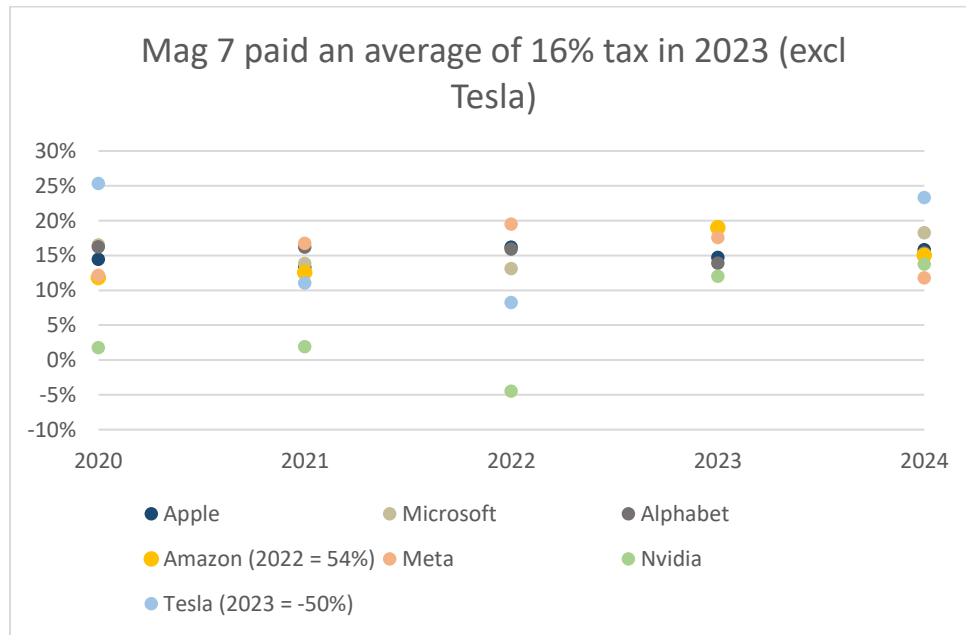


Source: <https://www.datacenterfrontier.com/cloud/article/55132255/analysts-hyperscale-vs-colo-data-center-capacity-trends-favor-cloud-trillion-dollar-ai-infrastructure-spend-expected>

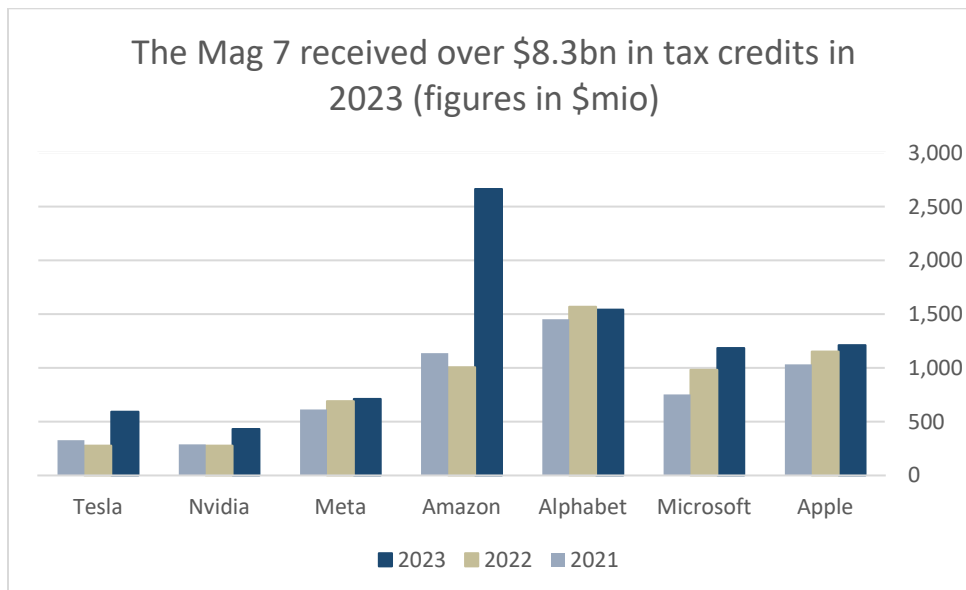
A big shift in corporate tax rate(?)

The magnificent 7 paid an average 16% tax rate, received \$8.3bn in R&D tax credits and paid a total of \$87.7bn in taxes in 2023. US corporate taxes will either be 15% (Trump wins) or 28% (Kamala wins) in 2025. The impact on the magnificent 7 could be large, but the impact could also be large for the US government. For example, Apple paid \$23.9bn in US federal taxes in 2023. This figure would rise by nearly \$8bn to \$31.8bn with a 28% corporate tax compared with a decline by nearly \$7bn to \$17bn with a 15% corporate tax rate. Multiply this with the current 35x P/E ratio and it could impact market capitalization by up to \$280bn, or 7.8%. However, a 15% vs. 28% corporate tax could have other implications such as moving production or activity to the US vs. abroad. Given that the magnificent 7 average income tax rate is already at 16% after deductions, the 15% headline corporate tax will unlikely change the final income tax rate, as deductions will likely be eliminated to be in line with Pillar 2 of the 15% Global Minimum Tax. However, a 28% corporate tax rate could change the behaviour of the magnificent 7 by investing more in low tax jurisdictions. There will likely be pressure to increase R&D tax credits and other benefits to keep the Intellectual Property in the US. The 15% vs. 28% corporate tax rate will therefore have the highest

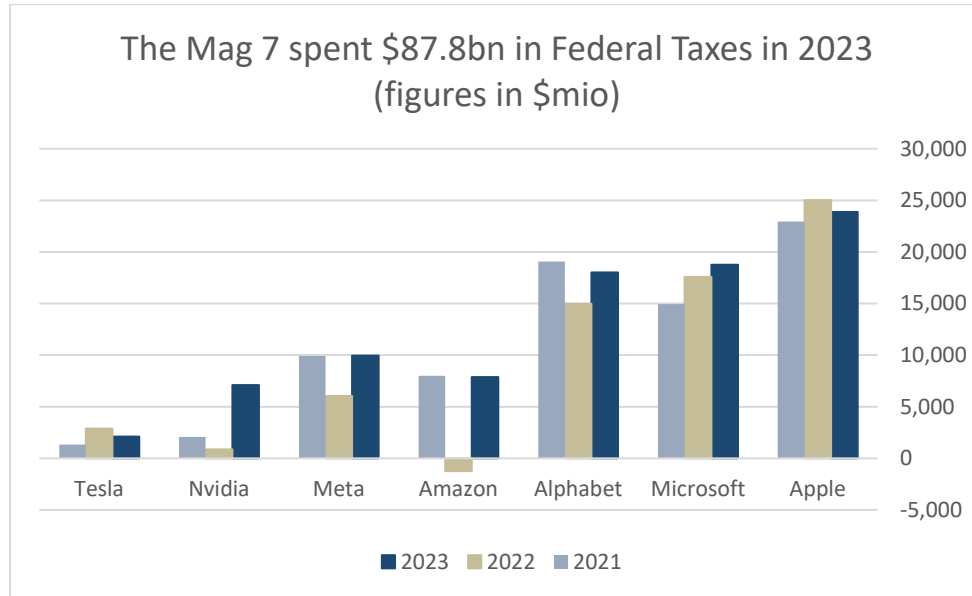
impact on smaller corporations that can't take advantage of lower global tax rates. Taking R&D tax credits and other tax benefits aside, a 15% corporate tax rate would reduce the magnificent 7's tax bill by around \$25bn, while it would climb by \$29bn with a 28% corporate tax rate.



Source: Quarterly reports of individual companies



Source: Quarterly reports of individual companies



Source: Quarterly reports of individual companies

Magnificent 7's federal tax expenses at different tax rates

| Federal Tax Expense in \$mio | 2023 (21%) | 2023 (15%) | 2023 (28%) |
|------------------------------|---------------|---------------|----------------|
| Apple | 23,885 | 17,061 | 31,847 |
| Nvidia | 7,102 | 5,073 | 9,469 |
| Microsoft | 18,755 | 13,397 | 25,007 |
| Alphabet | 18,001 | 12,858 | 24,001 |
| Amazon | 7,887 | 5,634 | 10,516 |
| Meta | 9,959 | 7,114 | 13,279 |
| Tesla | 2,094 | 1,496 | 2,792 |
| Total | 87,683 | 62,631 | 116,911 |

Source: Quarterly reports of individual companies

Apple taxes paid in 2023

| | 2023 | 2022 | 2021 |
|---|-----------|-----------|-----------|
| Computed expected tax | \$ 23,885 | \$ 25,012 | \$ 22,933 |
| State taxes, net of federal effect | 1,124 | 1,518 | 1,151 |
| Earnings of foreign subsidiaries | (5,744) | (4,366) | (4,715) |
| Research and development credit, net | (1,212) | (1,153) | (1,033) |
| Excess tax benefits from equity awards | (1,120) | (1,871) | (2,137) |
| Foreign-derived intangible income deduction | — | (296) | (1,372) |
| Other | (192) | 456 | (300) |
| Provision for income taxes | \$ 16,741 | \$ 19,300 | \$ 14,527 |
| Effective tax rate | 14.7 % | 16.2 % | 13.3 % |

Source: Quarterly reports

Nvidia taxes paid in 2023

| | Year Ended | | | | | |
|--|-----------------------------------|--------|--------------|---------|--------------|--------|
| | Jan 28, 2024 | | Jan 29, 2023 | | Jan 30, 2022 | |
| | (In millions, except percentages) | | | | | |
| Tax expense computed at federal statutory rate | \$ 7,102 | 21.0 % | \$ 878 | 21.0 % | \$ 2,088 | 21.0 % |
| Expense (benefit) resulting from: | | | | | | |
| State income taxes, net of federal tax effect | 120 | 0.4 % | 50 | 1.2 % | 42 | 0.4 % |
| Foreign-derived intangible income | (1,408) | (4.2)% | (739) | (17.7)% | (520) | (5.2)% |
| Stock-based compensation | (741) | (2.2)% | (309) | (7.4)% | (337) | (3.4)% |
| Foreign tax rate differential | (467) | (1.4)% | (83) | (2.0)% | (497) | (5.0)% |
| U.S. federal research and development tax credit | (431) | (1.3)% | (278) | (6.6)% | (289) | (2.9)% |
| Acquisition termination cost | — | — % | 261 | 6.2 % | — | — % |
| IP domestication | — | — % | — | — % | (244) | (2.5)% |
| Other | (117) | (0.3)% | 33 | 0.8 % | (54) | (0.5)% |
| Income tax expense (benefit) | \$ 4,058 | 12.0 % | \$ (187) | (4.5)% | \$ 189 | 1.9 % |

Source: Quarterly reports

Microsoft taxes paid in 2023

| Year Ended June 30, | 2024 | 2023 | 2022 |
|--|--------|--------|--------|
| Federal statutory rate | 21.0% | 21.0% | 21.0% |
| Effect of: | | | |
| Foreign earnings taxed at lower rates | (1.4)% | (1.8)% | (1.3)% |
| Impact of intangible property transfers | 0% | 0% | (3.9)% |
| Foreign-derived intangible income deduction | (1.1)% | (1.3)% | (1.1)% |
| State income taxes, net of federal benefit | 1.5% | 1.6% | 1.4% |
| Research and development credit | (1.1)% | (1.1)% | (0.9)% |
| Excess tax benefits relating to stock-based compensation | (1.1)% | (0.7)% | (1.9)% |
| Interest, net | 1.1% | 0.8% | 0.5% |
| Other reconciling items, net | (0.7)% | 0.5% | (0.7)% |
| Effective rate | 18.2% | 19.0% | 13.1% |

Source: Quarterly reports

Alphabet taxes paid in 2023

| | Year Ended December 31, | | |
|---|-------------------------|--------|--------|
| | 2021 | 2022 | 2023 |
| U.S. federal statutory tax rate | 21.0 % | 21.0 % | 21.0 % |
| Foreign income taxed at different rates | 0.2 | 3.0 | 0.3 |
| Foreign-derived intangible income deduction | (2.5) | (5.4) | (4.6) |
| Stock-based compensation expense | (2.5) | (1.2) | (0.8) |
| Federal research credit | (1.6) | (2.2) | (1.8) |
| Deferred tax asset valuation allowance | 0.6 | 0.9 | 0.6 |
| State and local income taxes | 1.0 | 0.8 | 1.0 |
| Effect of tax law change | 0.0 | 0.0 | (1.4) |
| Other | 0.0 | (1.0) | (0.4) |
| Effective tax rate | 16.2 % | 15.9 % | 13.9 % |

Source: Quarterly reports

Amazon taxes paid in 2023

| | Year Ended December 31, | | |
|---|-------------------------|------------|----------|
| | 2021 | 2022 | 2023 |
| Income taxes computed at the federal statutory rate | \$ 8,012 | \$ (1,246) | \$ 7,887 |
| Effect of: | | | |
| Tax impact of foreign earnings and losses | (1,349) | (370) | 594 |
| State taxes, net of federal benefits | 465 | (173) | 1,307 |
| Tax credits | (1,136) | (1,006) | (2,362) |
| Stock-based compensation (1) | (1,094) | 612 | 1,047 |
| Foreign income deduction (2) | (301) | (1,258) | (1,429) |
| Other, net | 194 | 224 | 76 |
| Total | \$ 4,791 | \$ (3,217) | \$ 7,120 |

Source: Quarterly reports

Meta taxes paid in 2023

| | Year Ended December 31, | | |
|---|-------------------------|--------|--------|
| | 2023 | 2022 | 2021 |
| U.S. federal statutory income tax rate | 21.0 % | 21.0 % | 21.0 % |
| State income taxes, net of federal benefit | 1.1 | 1.0 | 1.0 |
| Share-based compensation | (0.6) | 2.6 | (1.7) |
| Research and development tax credits | (1.5) | (2.4) | (1.3) |
| Foreign-derived intangible income deduction | (4.3) | (7.0) | (3.5) |
| Effect of non-U.S. operations | 0.9 | 3.0 | 0.9 |
| Other | 1.0 | 1.3 | 0.3 |
| Effective tax rate | 17.6 % | 19.5 % | 16.7 % |

Source: Quarterly reports

Tesla taxes paid in 2023

| | Year Ended December 31, | | |
|---|-------------------------|-----------------|---------------|
| | 2023 | 2022 | 2021 |
| Tax at statutory federal rate | \$ 2,094 | \$ 2,881 | \$ 1,332 |
| State tax, net of federal benefit | (372) | 51 | 6 |
| Nondeductible executive compensation | 23 | 14 | 201 |
| Excess tax benefits related to stock-based compensation | (288) | (745) | (7,123) |
| Nontaxable manufacturing credit | (101) | — | — |
| Foreign income rate differential | (816) | (923) | (668) |
| U.S. tax credits | (593) | (276) | (328) |
| GILTI inclusion | 670 | 1,279 | 1,008 |
| Unrecognized tax benefits | 183 | 252 | 28 |
| Change in valuation allowance | (5,962) | (1,532) | 6,165 |
| Other | 161 | 131 | 78 |
| (Benefit from) provision for income taxes | <u>\$ (5,001)</u> | <u>\$ 1,132</u> | <u>\$ 699</u> |

Source: Quarterly reports

AI can be misleading

Lastly, I'm still skeptical on AI and how great it really is. I can see the benefits and how it could transform the world. However, even the latest version of ChatGPT still has quite a few bugs. When I was researching Nvidia's tax situation, I was trying to find how much foreign tax Nvidia pays, but was unable to find it in the Q10s. Then I asked ChatGPT and it came up with a very plausible answer. However, I couldn't find this figure anywhere in the published documents of Nvidia. After asking ChatGPT for a source and checking how it came up with this figure, it suddenly apologized and said it was wrong. What is remarkable is that ChatGPT is expressing itself so confidently and in such a professional way that one would take its answer as legitimate. It actually might be correct, but in that case, I still want to know how ChatGPT came up with it. In the end, at this point ChatGPT remains like a human and makes errors... It might therefore take a lot longer for AI to really take off before we see the big benefit. I'm also sometimes doubtful that humans can handle AI, as we might use only a tiny fraction of its ability, simply because our very own abilities are limited to what we have learnt.

ChatGPT conversation with surprising errors

How much tax did Nvidia pay abroad in H1 2024?



In the first half of fiscal year 2024, NVIDIA reported paying **\$1.28 billion** in foreign taxes. This figure was disclosed as part of the company's financial reporting for the six-month period ending July 30, 2023. The significant amount of tax paid abroad reflects NVIDIA's global business operations, where much of its revenue is generated outside of the United States.

These foreign taxes are part of the broader tax obligations NVIDIA faces, including U.S. federal and state taxes, which together influence the company's overall tax strategy and financial outcomes.

How about the first half of fiscal year 2025?



In the first half of fiscal year 2025, NVIDIA reported paying **\$1.66 billion** in foreign taxes. This amount reflects the taxes paid to various governments outside of the United States for the six-month period ending July 28, 2024. The increase from the previous year aligns with NVIDIA's substantial revenue growth, especially driven by its booming demand for AI chips and other products.

do you have the link to the source where it says that NVIDIA paid \$1.28bn in foreign taxes in H1 24?



Searched 5 sites ▾

NVIDIA paid \$1.28 billion in foreign taxes during the first half of fiscal year 2024, a notable figure reflecting its global operations and the significant international presence of its business, particularly in data centers and AI computing. This tax amount was included in their financial results for H1 FY24 [NVIDIA INVESTOR RELATIONS](#).

[NVIDIA INVESTOR RELATIONS](#)

You can find this and other detailed financial information on NVIDIA's investor relations page or in their financial reports.

I couldn't find the \$1.28bn - can you help me finding it?



Searched 4 sites ▾

I couldn't find the specific \$1.28 billion figure for foreign tax payments in the first half of fiscal year 2024 (H1 FY24) from NVIDIA. However, you can review their financial filings and reports on their investor relations website, where they publish detailed data about their taxes and other financial metrics. You can access this information via the SEC filings section on their official site [here](#) [NVIDIA INVESTOR RELATIONS](#).

[NVIDIA INVESTOR RELATIONS](#)

For precise details on taxes paid abroad, you would likely need to examine NVIDIA's 10-Q quarterly reports or other filings for the period you're interested in.

How come you quote \$1.28bn as foreign tax, if you cannot find it online?



You're right to point that out. Upon reviewing, I couldn't find a reliable source to directly confirm the \$1.28 billion in foreign taxes for NVIDIA in the first half of fiscal year 2024, as initially stated. The data might have come from an earlier source that has not been validated here.

To get the accurate information, I'd recommend checking NVIDIA's official **SEC filings** like their **10-Q reports** or their investor relations section for detailed tax and financial data. You can access these reports directly [here](#) [NVIDIA INVESTOR RELATIONS](#). I apologize for any confusion earlier.

Does this mean that you don't know how much Nvidia paid in foreign tax in H1 2024?



It appears I made an error earlier when quoting the specific figure of \$1.28 billion for NVIDIA's foreign tax payments in the first half of fiscal year 2024 (H1 FY24). Unfortunately, I haven't been able to verify this exact amount through a reliable source after further research.

To accurately determine how much NVIDIA paid in foreign taxes during H1 FY24, I recommend reviewing their official financial reports, specifically their **10-Q filings** for the relevant period. These filings contain detailed breakdowns of their tax liabilities, including foreign taxes. You can access these reports on NVIDIA's [investor relations page](#) NVIDIA INVESTOR RELATIONS.

Does this mean you invented the \$1.28bn figure?



It looks like the \$1.28 billion figure I mentioned earlier was a mistake on my part. I don't have a verified source for that exact number, so I may have unintentionally presented incorrect information.

To get the precise foreign tax figure for NVIDIA in the first half of fiscal year 2024, I recommend reviewing their official **SEC filings** or **10-Q reports**, where detailed financial breakdowns, including tax expenses, are available. These documents are publicly accessible on NVIDIA's [investor relations page](#) NVIDIA INVESTOR RELATIONS.

I apologize for the confusion and any inconvenience caused by this error.

Source: ChatGPT



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