NVDA80 (DR)

Globlex Securities Co., Ltd.

4 June 2025

Nvidia, the infrastructure of intelligence

- Nvidia is the backbone of the global AI infrastructure boom.
- Its ecosystem moat makes it the most certain winner in the AI supercycle.
- Recommend a BUY with TP of THB28.00 ($171, USD/THB at 32.7)

Not just riding the "Wave"—Nvidia is building the "Ocean"

As global tech giants pour billions into AI infrastructure, Nvidia stands at the center—not just supplying chips, but shaping the very backbone of the AI era. While skeptics call this a short-term hyperscaler spending wave, the reality is more structural: AI is becoming the default compute model, and Nvidia's ecosystem—hardware, software, and scale—is the gatekeeper. With demand outpacing capacity and Blackwell GPUs booked through 2026, Nvidia isn't just participating in AI growth—it's dictating its cadence.

From Text to Reality: The rising compute cost of intelligence

It's true that AI models are becoming more efficient, but efficiency does not equal lower demand—it unlocks new applications. Trillion-parameter models, multi-modal systems, and real-time AI agents are expanding the use-case frontier. Enterprises are also retraining and fine-tuning constantly, which requires fresh compute. As workloads evolve from static to continuous, performance-per-watt and inference latency still favor high-end GPUs. Nvidia's moat isn't just silicon—it's its dominance in software (CUDA), developer lock-in, and full-stack optimization. Imagine now AI is still generate mostly text, but soon, AI agent need to generate all types like video, image and even receive real time video, how much processing power will it needs.

GPU bottlenecks and billion-dollar bets

Many investors may worry that the sudden ramp-up in AI infrastructure spending could soon fade—but recent earnings calls from hyperscalers suggest otherwise. Across the board, companies like Microsoft, Meta, and Amazon are raising AI-related capex to record levels, reflecting not a peak, but the beginning of a structural shift. Microsoft's CFO highlighted ongoing infrastructure strain, noting: "*We have bottlenecks in getting enough GPUs and deploying them efficiently in our AI data centers.*" Current GPU utilization across the AI ecosystem is nearing 100%, with demand far outstripping supply. Jensen Huang reinforced this in GTC 2025 keynote, stating: "*We're essentially sold out for the year… demand is far greater than supply.*" With projections for over $1tr in AI data center investment by 2030.

Margins masked, Momentum unshaken

Nvidia's 1Q26 results reinforce its dominance, with $44.1b in revenue (+69%y-y) and EPS of $0.96 (+79%y-y), beating estimates despite a $4.5bn inventory write-down tied to U.S.-China export restrictions. Data Center revenue hit $39.1b (+73%y-y), and made up 89% of total revenue. Importantly, the write-down masked otherwise strong margin performance. With Blackwell architecture now rolling out and hyperscaler orders locked in, Nvidia's revenue base is deepening and diversifying.

Recommend a BUY with TP of THB28.00 ($171, USD/THB at 32.7)

We recommend a BUY on NVDA80, with a Bloomberg consensus target price of THB28.00 (equivalent to $171, USD/THB at 32.7). At a market cap of ~$3.4tr, Nvidia trades at around 32x forward P/E, which is comparable to peers (Exhibit 5) and arguably reasonable for a platform leader with monopoly-like margins. More than just a chipmaker, Nvidia is now extracting infrastructure rent across the entire AI value chain, reinforcing its position as the most critical enabler in the AI economy.

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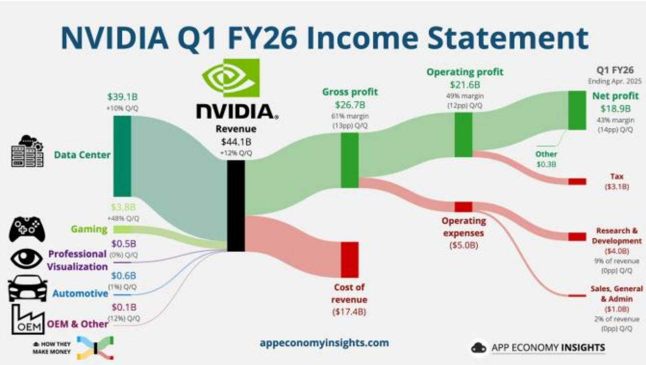
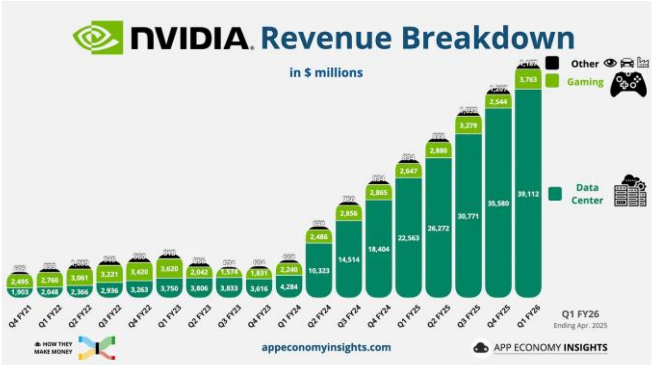
Exhibit 1: NVIDIA's 1Q25 results



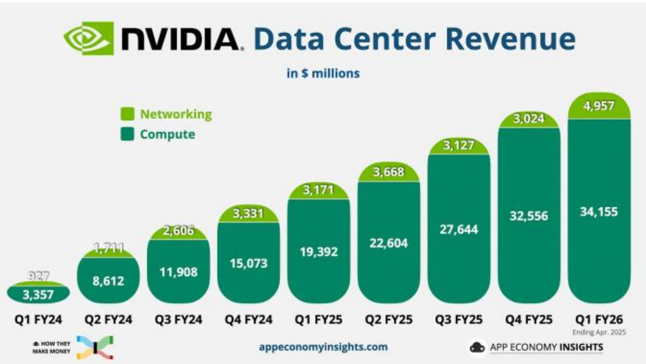
Sources: App Economy Insight

Exhibit 2: NVIDIA's revenue breakdown



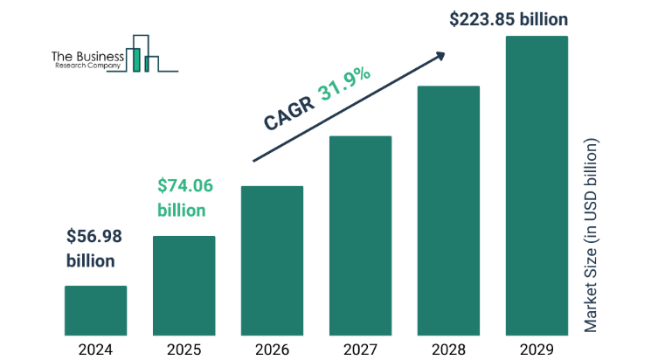
Sources: App Economy Insight

Exhibit 3: NVIDIA's data center revenue



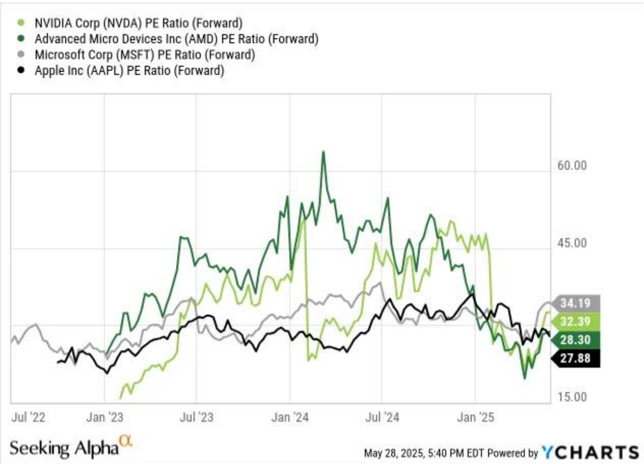
Sources: App Economy Insight

Exhibit 4: AI Infrastructure Global Market Report 2025



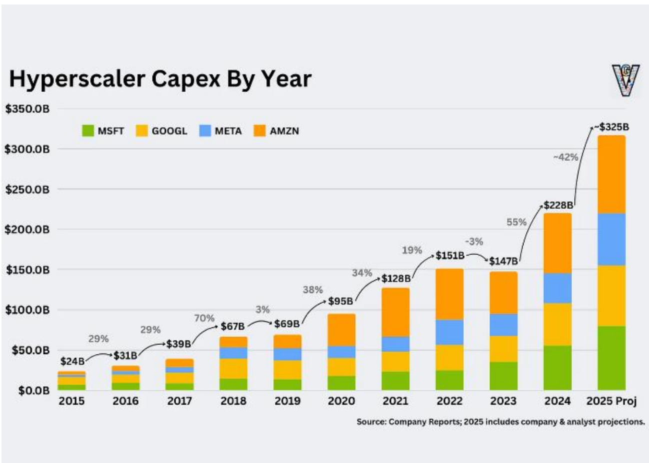
Sources: The Business Research Company

Exhibit 5: Peer's forward P/E comparison



Sources: Seeking Alpha

Exhibit 6: Hyperscaler CAPEX



Sources: Generative Value

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight:	The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral:	The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight:	The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.