

NVIDIA Corporation

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Nvidia misses on revenue in Q3, dragging the rest of the chip sector down with it

Chipmaker Nvidia Corp (NASDAQ:NVDA) missed on revenue in its third quarter, offering weak guidance for the fourth quarter as sales of its cryptocurrency mining products continue to struggle.

The semiconductor company reported earnings of \$1.84 per share, ahead of analysts' estimates of \$1.71 per share. Revenue came in at \$3.18 billion, falling below expectations of \$3.24 billion.

Shares slipped more than 18% to \$165.68 in Friday pre-market trading.

"Our near-term results reflect excess channel inventory post the cryptocurrency boom, which will be corrected," said CEO Jensen Huang in the company's press release.

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The company is expecting fourth-quarter revenue of \$2.7 billion, lower than the \$3.4 billion analysts had hoped to see.

Oppenheimer analysts noted that the crypto "hangover" may be pushing the debut of Nvidia's Turing RTX cards to the sidelines.

The Turing RTX is Nvidia's latest graphics processing unit, which can process graphics six times faster than its previous Pascal version.

Gaming business revenue totaled \$1.76 billion, below the \$1.89 billion consensus estimate.

"As the pipeline of games utilizing ray-tracing ramps beginning this quarter, we expect performance improvements greater than 2x. We see the performance PC gaming and visual effects TAM at \$250B," wrote Oppenheimer analysts.

As Nvidia's shares plunged, it took the rest of the chip sector down with it.

Applied Materials Inc (NASDAQ:AMAT) shares sank about 10% to \$31.68.

Micron Technology Inc shares were down nearly 4% to \$38.44.

Shares of Advanced Micro Devices Inc (NASDAQ:AMD) fell 7% to \$20.

Intel Corp (NASDAQ:INTC) shares dipped about 1.5% to \$47.40.

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Price: 196.37

Market Cap: \$119.59 billion

1 Year Share Price Graph



Share Information

Code: NVDA

Listing: NASDAQ

52 week High Low
249.755 124.48

Sector: Hardware & electrical equipment

Website: www.nvidia.com

Company Synopsis:

NVIDIA is a market leader in visual computing technology, creating products that enhance the interactive experience on consumer and professional computing platforms.

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