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# Nvidia Unveils Potential Boost for Shareholders

## Description

Nvidia has established itself as a highly successful investment, particularly for shareholders. The company controls 95% of the gaming graphics processing unit (GPU) market. Recent developments in artificial intelligence (AI) have further bolstered Nvidia's growth, as its GPUs are suitable for AI tasks. Since early 2023, Nvidia's stock has surged by 1,330%, raising its market capitalisation to \$5 trillion and securing its position as the world's most valuable company.

The company reported record revenues for the first quarter of its fiscal year 2027, achieving an 85% year-on-year increase, totalling \$81.6 billion. This growth can be largely attributed to the skyrocketing demand for Nvidia's AI chips. Its data centre revenue alone rose by 92% from the previous year, reflecting the strong market need for AI solutions.

Nvidia anticipates that this upward trend will continue, projecting Q2 revenues to rise by 95% to reach \$91 billion. Additionally, the company has generated substantial cash flow, with operating cash flow hitting \$50.3 billion and free cash flow at \$48.5 billion, despite a significant investment in research and development.

As a result, Nvidia is exploring ways to effectively utilise its cash reserves. This includes investing over \$40 billion in startups and higher shareholder returns. Recently, the company announced a massive increase in its quarterly dividend from \$0.01 to \$0.25 per share.

Nvidia also plans to return at least 50% of its free cash flow to shareholders in the coming years, potentially distributing around \$110 billion over the next two years. This strategy may lead to increased dividends or share buybacks, further benefiting shareholders.

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## Vocabulary List:

1. **shareholders** //ˈʃɛr,həʊldərz// (noun): people who own shares in a company
2. **surged** //sɜːdʒd// (verb): rose very quickly and by a large amount
3. **capitalisation** //,kæpɪtəlaɪ'zeɪʃən// (noun): total value of a company's shares on the market
4. **revenues** //ˈrɛvə,nuz// (noun): money a company gets from selling goods or services
5. **dividend** //ˈdɪvɪ,dɛnd// (noun): money paid to company owners from the profits
6. **startups** //ˈstɑːtʌps// (noun): new small companies that are just starting

## Comprehension Questions



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## Multiple Choice

1. What percentage of the gaming graphics processing unit (GPU) market does Nvidia control?

- Option: 85%
- Option: 90%
- Option: 95%
- Option: 98%

2. By how much has Nvidia's stock surged since early 2023?

- Option: 500%
- Option: 1,000%
- Option: 1,330%
- Option: 2,000%

3. What was the total revenue reported by Nvidia for the first quarter of fiscal year 2027?

- Option: \$50.3 billion
- Option: \$81.6 billion
- Option: \$91 billion
- Option: \$100 billion

4. What increase in data centre revenue did Nvidia report?

- Option: 85%
- Option: 90%
- Option: 92%
- Option: 95%

5. How much is Nvidia's projected revenue for Q2 of fiscal year 2027?

- Option: \$81.6 billion
- Option: \$91 billion
- Option: \$95 billion
- Option: \$100 billion

6. What was the increase in Nvidia's quarterly dividend announced recently?

- Option: \$0.01 to \$0.10
- Option: \$0.01 to \$0.25
- Option: \$0.05 to \$0.25
- Option: \$0.01 to \$0.50



### True-False

7. Nvidia's GPUs are not suitable for artificial intelligence tasks.
8. Nvidia's market capitalisation has reached \$5 trillion.
9. The company's cash flow is significantly low despite high investments.
10. Nvidia plans to return at least 50% of its free cash flow to shareholders.
11. Nvidia does not plan to invest in startups.
12. Nvidia's revenue decreased by 85% year-on-year in the first quarter of fiscal year 2027.

### Gap-Fill

13. Nvidia has established itself as a highly successful investment for \_\_\_\_\_ shareholders.
14. Nvidia controls \_\_\_\_\_ % of the gaming graphics processing unit (GPU) market.
15. In early 2023, Nvidia's stock surged by \_\_\_\_\_ %.
16. Nvidia reported revenues totalling \_\_\_\_\_ billion for the first quarter of fiscal year 2027.
17. Nvidia's operating cash flow hit \_\_\_\_\_ billion.
18. The company announced an increase in its quarterly dividend from \$0.01 to \_\_\_\_\_ per share.

### Answer

**Multiple Choice:** 1. 95% 2. 1,330% 3. \$81.6 billion 4. 92% 5. \$91 billion 6. \$0.01 to \$0.25

**True-False:** 7. False 8. True 9. False 10. True 11. False 12. False

**Gap-Fill:** 13. shareholders 14. 95 15. 1,330 16. 81.6 17. 50.3 18. 0.25



## **CATEGORY**

1. Business - LEVEL5

## **POST TAG**

1. C1
2. ESL learning
3. esl news
4. Level 5
5. Nvidia
6. potential windfall
7. shareholders

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