

Flash Comment — January 13, 2026

Semiconductors

Nvidia Corporation

US Gov't Approves NVDA H200 Exports to China - Estimate \$25-\$30B/annum+ Incremental Revenue; \$0.60-\$0.70/sh. EPS

Overweight
Price Target: \$265.00

Our Call

Tonight it was reported that the US Gov't has given NVIDIA the official approval to sell its H200 GPUs into China. We maintain our prior estimate of a potential \$25-\$30B/annum incremental revenue; \$0.60-\$0.70/sh. EPS via H200 sales into China.

Initial Thoughts

What's New: Tonight (post close), it was reported that the US Gov't has given NVIDIA the official approval to commence exports of their H200 GPUs into China. NVIDIA has received orders from Chinese customers; Chinese customers have applied for license from the US Gov't. Tonight's news looks to be final stage of commencing shipments. Our recent discussions with NVDA have highlighted supply readiness to commence shipments. As a reminder, an export ban on NVDA's H20 was installed in Apr '25.

Quick Thoughts. At this point we're not adjusting our estimates, but maintain our prior estimate that resumed sales into China could drive a \$25-\$30B/annum+ incremental revenue; \$0.60-\$0.70/sh.+ non-GAAP EPS. As a reminder, NVDA reported H20 export control revenue impacts at ~\$4.6B (~12%) and ~\$4.0B (~10%) in F1Q26 (Apr '25) and F2Q26 (Jul '25), respectively (H20 export ban occurred in mid-April). NVDA has previously noted that China accounted for 20-25% of total Data Center revenue.

Today there reports that China itself could look to limit H200 imports, while also highlighting China's approval to H200 imports. *Reuters* recently reported that Chinese companies have placed orders for up to 2 million H200 GPUs (\$20-\$25k x 2M H200 GPUs = \$40-\$50B), while also reporting that NVIDIA has inventory to fulfill demand for ~700k H200 GPUs. Other reports have recently highlighted NVIDIA's request to TSMC to boost production of their H200 GPUs.

AMD to Also Benefit: We believe this news will also apply to AMD's GPU sales into China. As a reminder, AMD's MI308X was granted export licenses in 3Q25 w/ roughly H20 equivalent performance. AMD previously reported that its 2Q25 revenue guide reflected a ~\$700M impact from the China MI308X ban, guiding a ~\$1.5B impact for CY25 w/ majority to be recognized in 3Q25. We expect AMD to receive export licenses for its MI300X and/or MI325X (MI325X at 2,615 FP8 TFLOPs or 20,919 TPP).

Note: One stipulation of the US Gov't approval is that sales into China can not surpass 50% of the chip sales into the US.

Ticker	NVDA
Upside/(Downside) to Target	42.6%
Price (01/13/2026)	\$185.81
52 Week Range	\$86.62 - 212.19
Market Cap (MM)	\$4,549,186

Source: Company Data, Wells Fargo Securities estimates, and Factset. NA = Not Available, NC = No Change, NE = No Estimate

Aaron Rakers, CFA

Equity Analyst | Wells Fargo Securities, LLC
Aaron.Rakers@wellsfargo.com | 314-875-2508

Jake Wilhelm, CFA, CPA

Associate Equity Analyst | Wells Fargo Securities, LLC
Jake.Wilhelm@wellsfargo.com | 314-875-2502

Michael Tsvetanov, CFA

Associate Equity Analyst | Wells Fargo Securities, LLC
Michael.Tsvetanov@wellsfargo.com | 314-875-2558

Richard Strifler, CFA

Associate Equity Analyst | Wells Fargo Securities, LLC
Richard.Strifler@wellsfargo.com | 314-875-3234

Investment Thesis, Valuation and Risks

Nvidia Corporation (NVDA)

Investment Thesis

Our Overweight rating is based on our positive stance on NVIDIA's competitive positioning in gaming GPUs and expanding growth opportunities in data center, HPC, and emerging / expanding AI opportunities (autonomous vehicles, healthcare, robotics, etc.). We see sustainability in NVIDIA's CUDA software platform differentiation, as well as the company's continually deepening system software capabilities. We see NVIDIA as one of the most attractive secular growth stories in large-cap semis.

Target Price Valuation for NVDA: \$265.00 from NC

Our \$265 price target is ~30x P/E on our C2027E. This compares to NVDA trading at a ~35x median NTM P/E on consensus estimates over the past three years. We think a premium multiple for NVIDIA is warranted given its strong multi-year competitive positioning for data center growth, driven by cloud and AI, gaming, next-generation autonomous vehicles, and an expanding ecosystem of products/ applications (e.g., Omniverse).

Risks to Our Price Target and Rating for NVDA

Risks include: (1) increased competition in the PC gaming, cloud data center markets, and high-performance computing, (2) the continued development of new markets, including artificial intelligence/machine learning and autonomous driving, (3) delays in product introduction due to use of third-party process technology, component availability, etc.

Companies Mentioned in Report

Company Name	Ticker	Last Price (01/13/26)	Rating
Nvidia Corporation	NVDA	\$185.81	Overweight

Source: Wells Fargo Securities LLC Estimates, FactSet

Required Disclosures

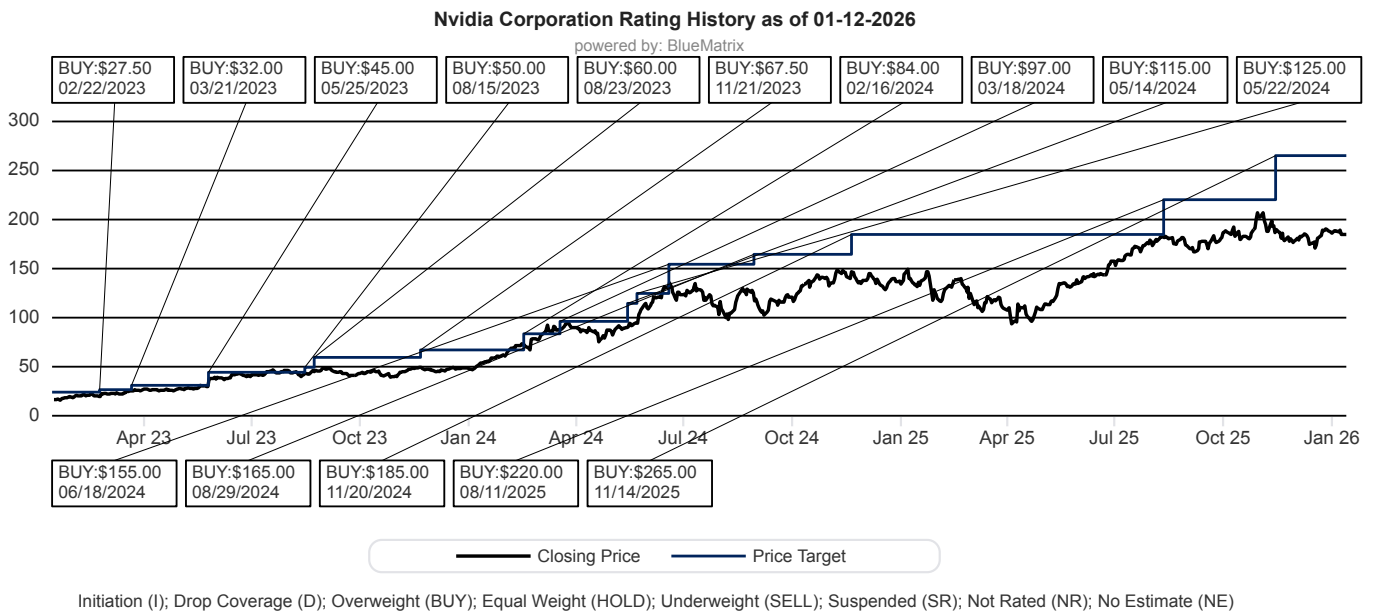
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As of January 12, 2026

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