

Nvidia made \$5 billion during a GPU shortage and expects to do it again in Q1

Nvidia has shared its Q4 2021 earnings, and despite the company's GPUs being in extremely low supply, it didn't seem to hurt how much money the company made. In fact, it reported a record \$5 billion in revenue, which is up 61 percent year-over-year. What's more impressive is that Nvidia expects to make another \$5 billion in revenue during Q1 2022.

This positive outlook is surprising given that Q1 is generally slower than other quarters, even for the biggest tech companies, as it follows the rush of people buying lots of products during the holiday period. It's generally a slower period in general for product releases across tech and gaming. Also, let's not forget the GPU shortage is still happening. Nvidia reiterated that sparse supply will continue through the next quarter, but that's likely factored into its rosy revenue prediction.

Sparse GPU supply will continue through the next quarter

Nvidia says it expects most of that \$5 billion revenue estimate in Q1 2022 to come from the gaming market, despite being the segment it's currently having the toughest time serving. Since the launch of the RTX 30-series desktop graphics cards, leading with the RTX 3080, 3090, 3070, and followed by other products, Nvidia hasn't been able to meet the demand – though it's not the only company affected. AMD has also struggled, perhaps more than Nvidia, to keep a steady stock of graphics cards heading to retailers. My colleague Sean Hollister got comments from both companies on the

shortage. The ongoing pandemic has certainly played a role in this, and possibly the shortage of semiconductor chips.

Nvidia recently announced that it's trying to make it easier for gamers, not cryptocurrency miners, to get its RTX 3060 desktop graphics card that's releasing tomorrow for \$329. It's doing that by implementing GPU driver software that weakens its ability to farm Ethereum by half, in an effort to discourage crypto miners from buying it. It will also introduce its CMP dedicated mining processor in March, which Nvidia is making to serve the mining community with the hope that they'll leave more of the gaming GPUs for gamers to purchase. Interestingly, Nvidia said during its investor call that cryptocurrency-related sales accounted for a small slice of its total revenue – just \$300 million of \$5 billion, suggesting that miners didn't play a major role in the GPU shortage.

<https://www.theverge.com/2021/2/24/22299505/nvidia-earnings-q4-2021-quarterly-gpu-shortage-revenue>