INVESTOR PRESENTATION
Q2 FY2021

August 24, 2020

CONTENT

Q2 FY21
EARNINGS SUMMARY

"The world is confronting COVID-19, one of the greatest challenges in human history.

"We owe our thanks to those on the front lines of this crisis: first responders, healthcare workers, and service providers who inspire us every day with their bravery and selflessness.

"At NVIDIA, we closed our nearly 60 offices around the world. We continue to pay contractors their full wages despite reduced staffing needs in our facilities. We gave employees raises early to put a little more money in their hands. Paying it forward, our employees have donated more than $10 million to help their communities."

Jensen
2020 Annual Meeting of Stockholders

HIGHLIGHTS

▸ **Record Data Center revenue and exceptional strength in Gaming**

  ▸ Total revenue up 50% y/y to $3.87B, ahead of outlook of $3.65B

  ▸ Data Center up 167% y/y to a record $1.75B; Gaming up 26% y/y to $1.65B

  ▸ Mellanox growth accelerated in its first quarter as part of NVIDIA; contributed 14% of total revenue

▸ **NVIDA computing adoption is accelerating**

  ▸ Cumulative CUDA GPUs shipped reach 1 billion

  ▸ NVIDIA developers reach 2 million: took 10+ years to reach 1st million, <2 years for 2nd million

▸ **Ampere GPU architecture launch kicks off major new product cycle**

  ▸ Ampere GPU is our biggest ever generational leap: performance up to 20X vs Volta

  ▸ Strong Hyperscale demand drives early ramp; Vertical Industries ramp still ahead

Q2 FY2021 FINANCIAL SUMMARY
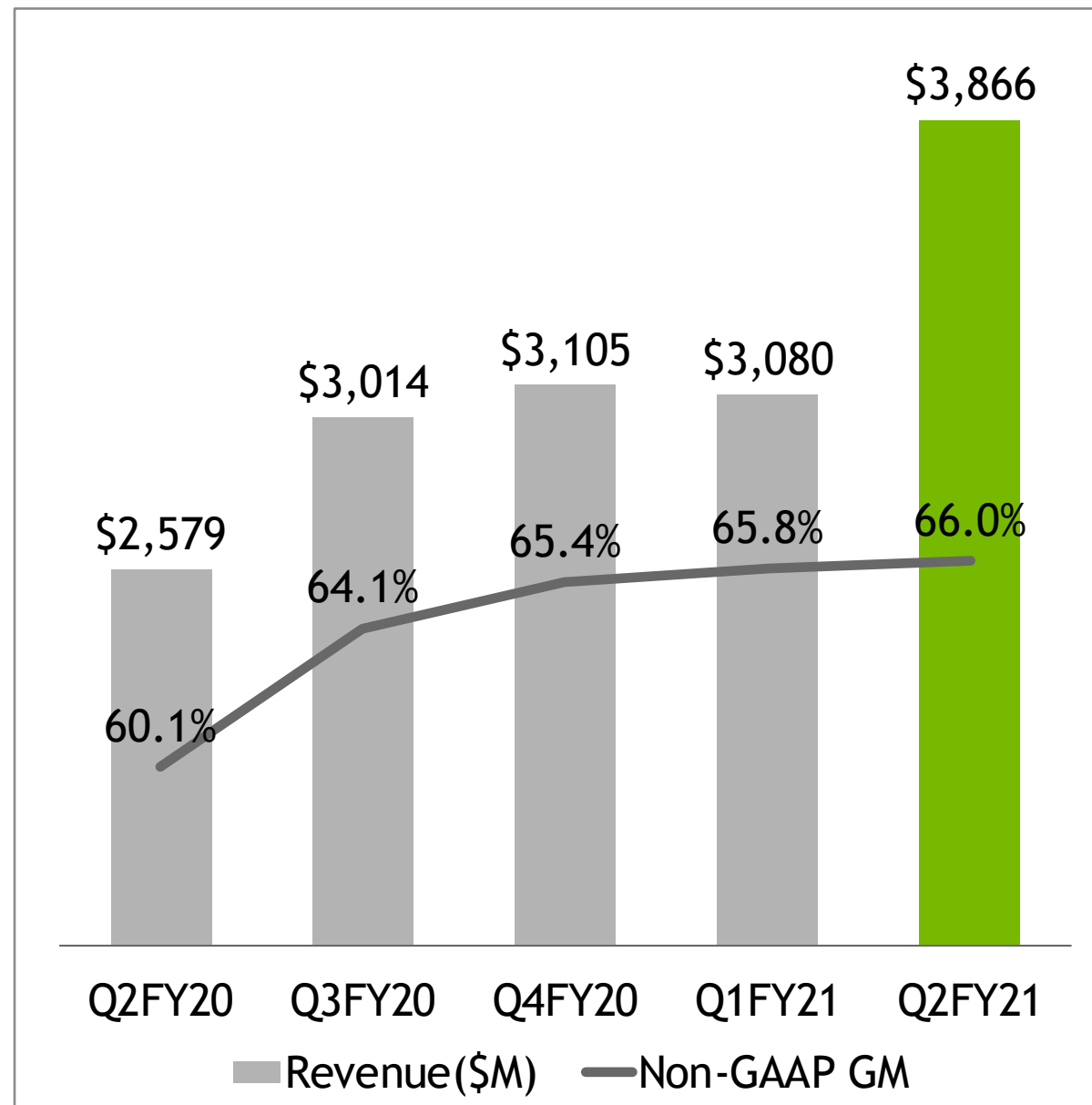
	GAAP			Non-GAAP		
	Q2 FY21	**Y/Y**	**Q/Q**	**Q2 FY21**	**Y/Y**	**Q/Q**
Revenue	$3,866	+50%	+26%	$3,866	+50%	+26%
Gross Margin	58.8%	-100 bps	-630 bps	66.0%	+590 bps	+20 bps
Operating Income	$651	+14%	-33%	$1,516	+89%	+26%
Net Income	$622	+13%	-32%	$1,366	+79%	+22%
Diluted EPS	$0.99	+10%	-33%	$2.18	+76%	+21%
Cash Flow from Ops	$1,566	+67%	+72%	$1,566	+67%	+72%

No difference between GAAP and Non-GAAP Cash Flow from Operations and Revenue

GAMING

Revenue ($M)

$1,313	$1,659	$1,491	$1,339	$1,654
Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21

24% q/q and 26% y/y
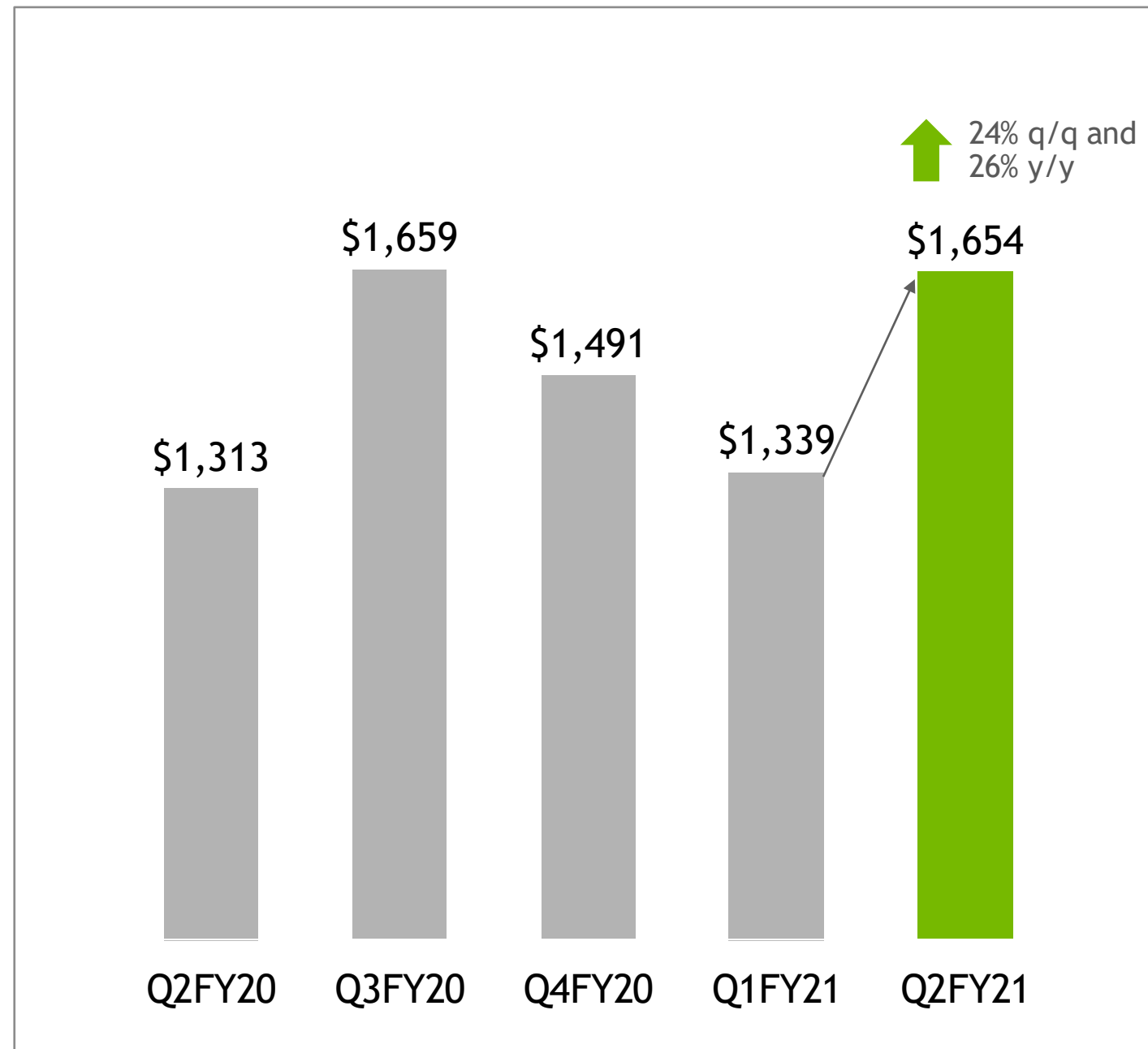
Highlights

- ▸ Broad-based upside across regions, products, channels

- ▸ After closing down at the outset of the pandemic, stores and iCafes have largely reopened and demand has picked up; online sales continue to thrive

- ▸ Gaming's growth amidst the pandemic highlights its emergence as a leading form of entertainment worldwide

- ▸ Gaming laptop demand very strong; ramped 100+ new laptops from OEMs

- ▸ NVIDIA's GeForce NOW cloud gaming service extends support to Chromebooks – joining PCs, Macs and Android devices

NVIDIA

DATA CENTER

Revenue ($M)

54% q/q and
167% y/y

$1,752

$1,141

$968

$726

$655

Q2FY20   Q3FY20   Q4FY20   Q1FY21   Q2FY21
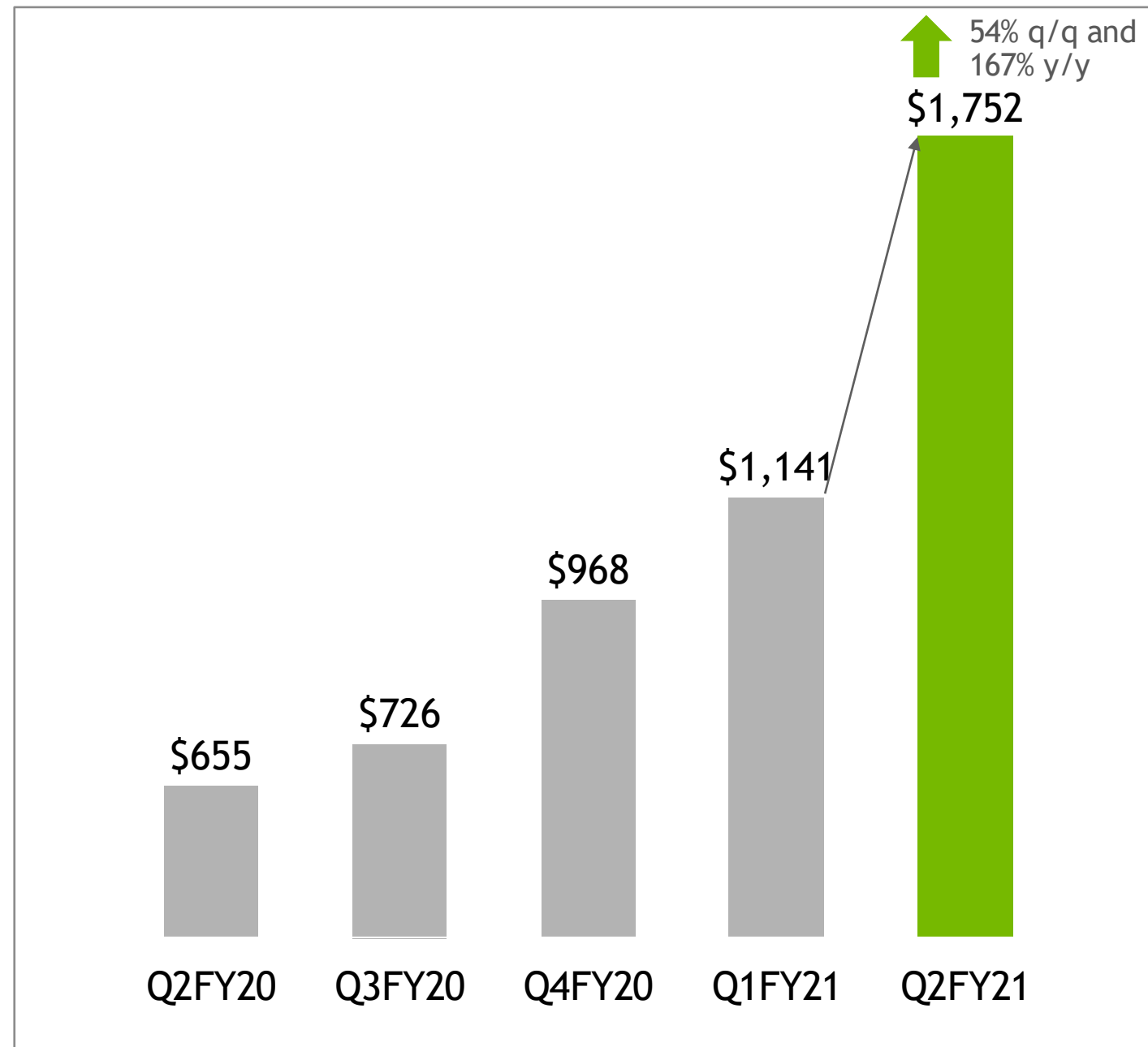
Highlights

▶ Both compute and networking within Data Center set a record, with accelerating year-on-year growth

▶ We launched our new Ampere GPU architecture – greatest generational leap

▶ A100 has been widely adopted by all major server vendors and cloud service providers

▶ NVIDIA set 16 records, sweeping all categories for commercially available solutions in the latest MLPerf benchmark

▶ The latest TOP500 list showed that 8 of the world's top 10 supercomputers use NVIDIA GPUs and/or networking

NVIDIA

PROFESSIONAL VISUALIZATION

Revenue ($M)

Bar chart showing revenue:
- Q2FY20: $291
- Q3FY20: $324
- Q4FY20: $331
- Q1FY21: $307
- Q2FY21: $203

34% q/q and 30% y/y (decrease)
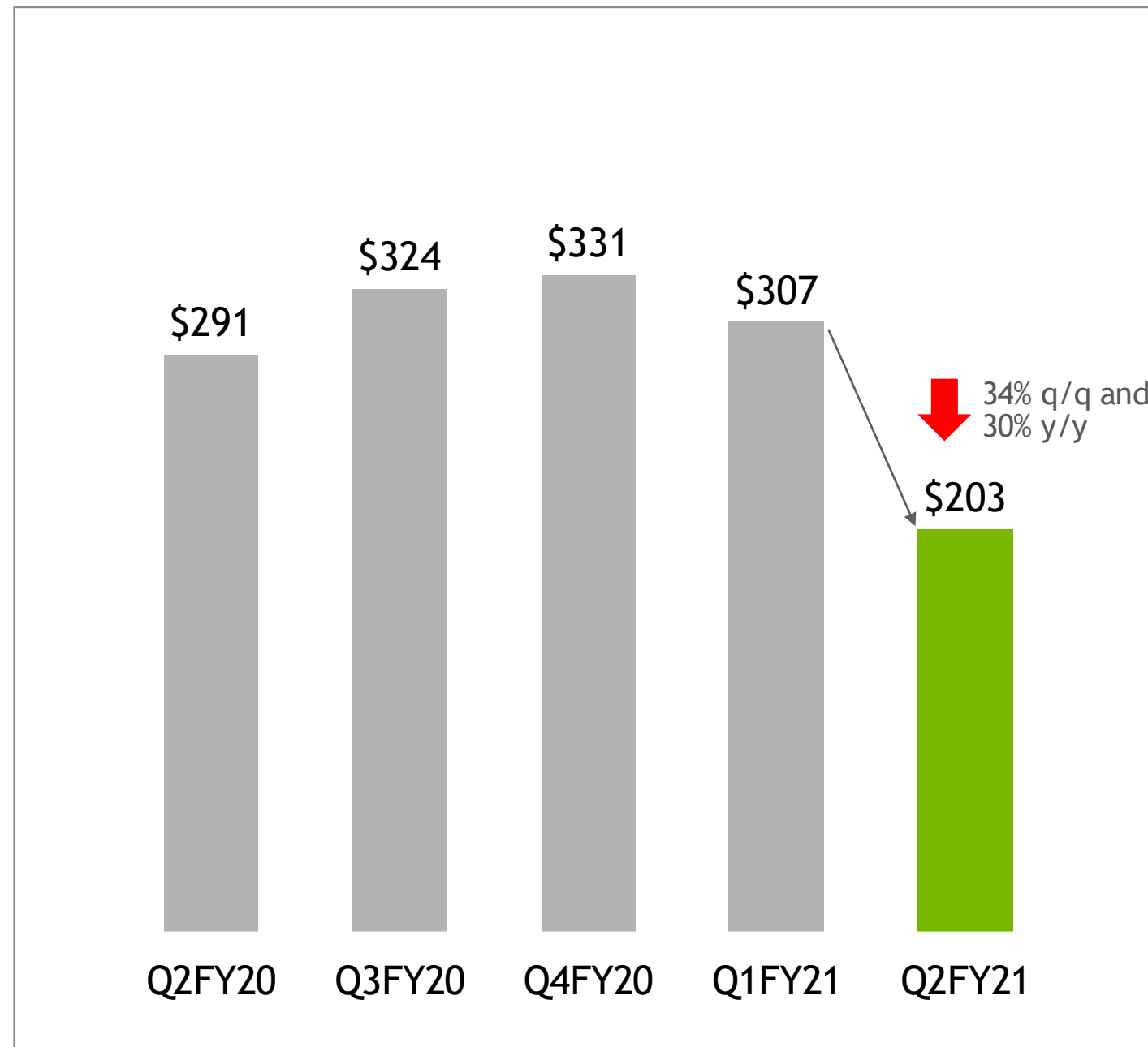
Highlights

▶ Sales were hurt by lower enterprise demand amid the closure of many offices around the world as a result of the pandemic

▶ Initiatives by enterprises to enable remote workers drove demand for virtual and cloud-based graphics solutions

▶ vGPU bookings accelerated, increasing 60 percent year on year

▶ Despite NT challenges, we are winning new business in areas such as Healthcare - including Siemens, Philips, and General Electric - and the Public Sector

NVIDIA

AUTOMOTIVE

Revenue ($M)

$209	$162	$163	$155	$111
Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21

28% q/q and 47% y/y
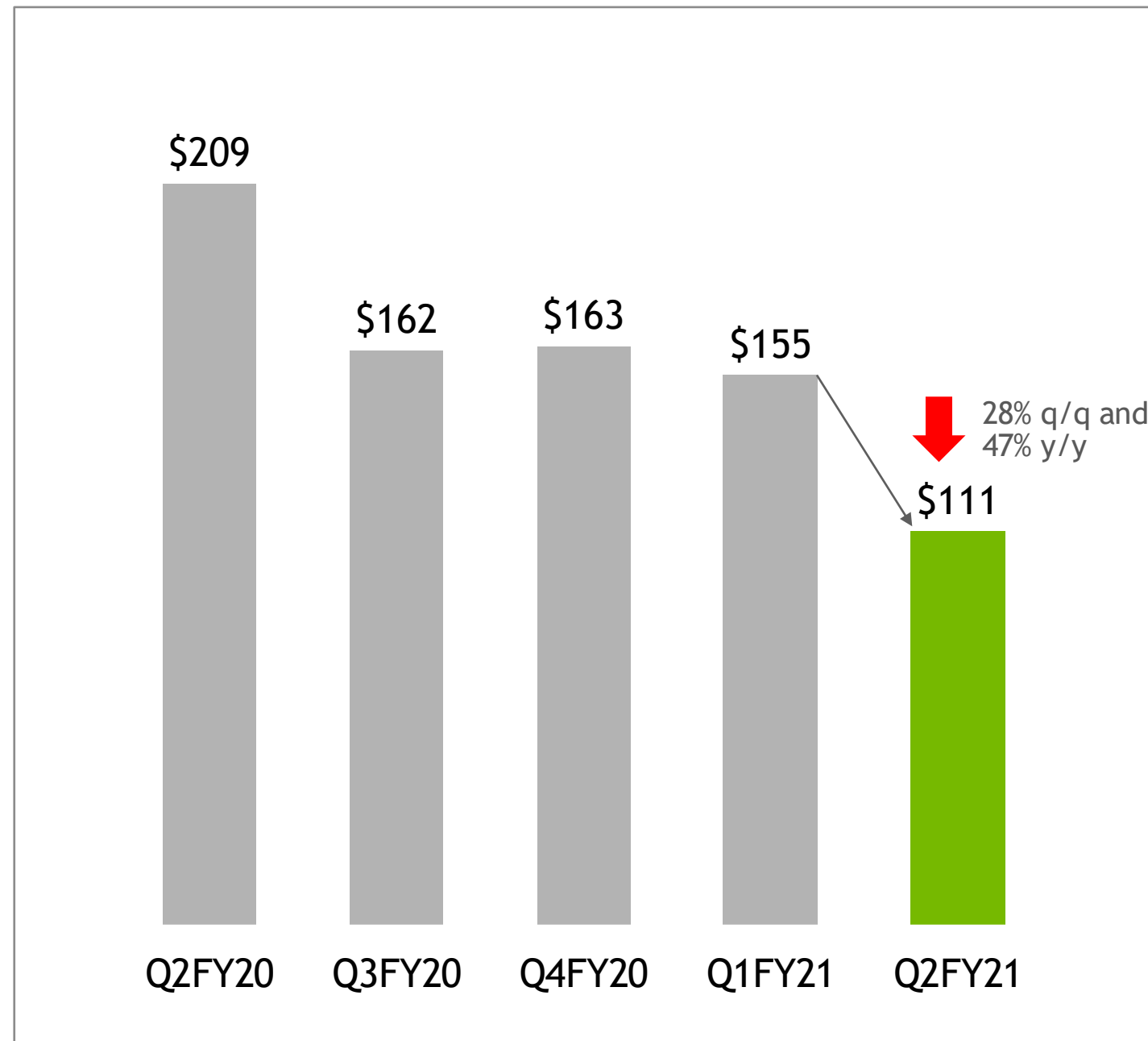
Highlights

- ► Impact of the pandemic was less pronounced than our outlook for a 40% q/q decline, as auto production started to recover after bottoming in April

- ► Announced a landmark partnership with Mercedes-Benz which, starting in 2024, will launch software-defined, intelligent vehicles across its entire fleet, using end-to-end NVIDIA technology

- ► The Mercedes-Benz announcement is transformative for NVIDIA's evolving business model as the software content of our platforms grows, positioning us to build a recurring revenue stream

NVIDIA.

SOURCES & USES OF CASH

Cash Flow from Operations ($M)

$936 — Q2FY20

$1,640 — Q3FY20

$1,465 — Q4FY20

$909 — Q1FY21

$1,566 — Q2FY21

72% q/q and 67% y/y
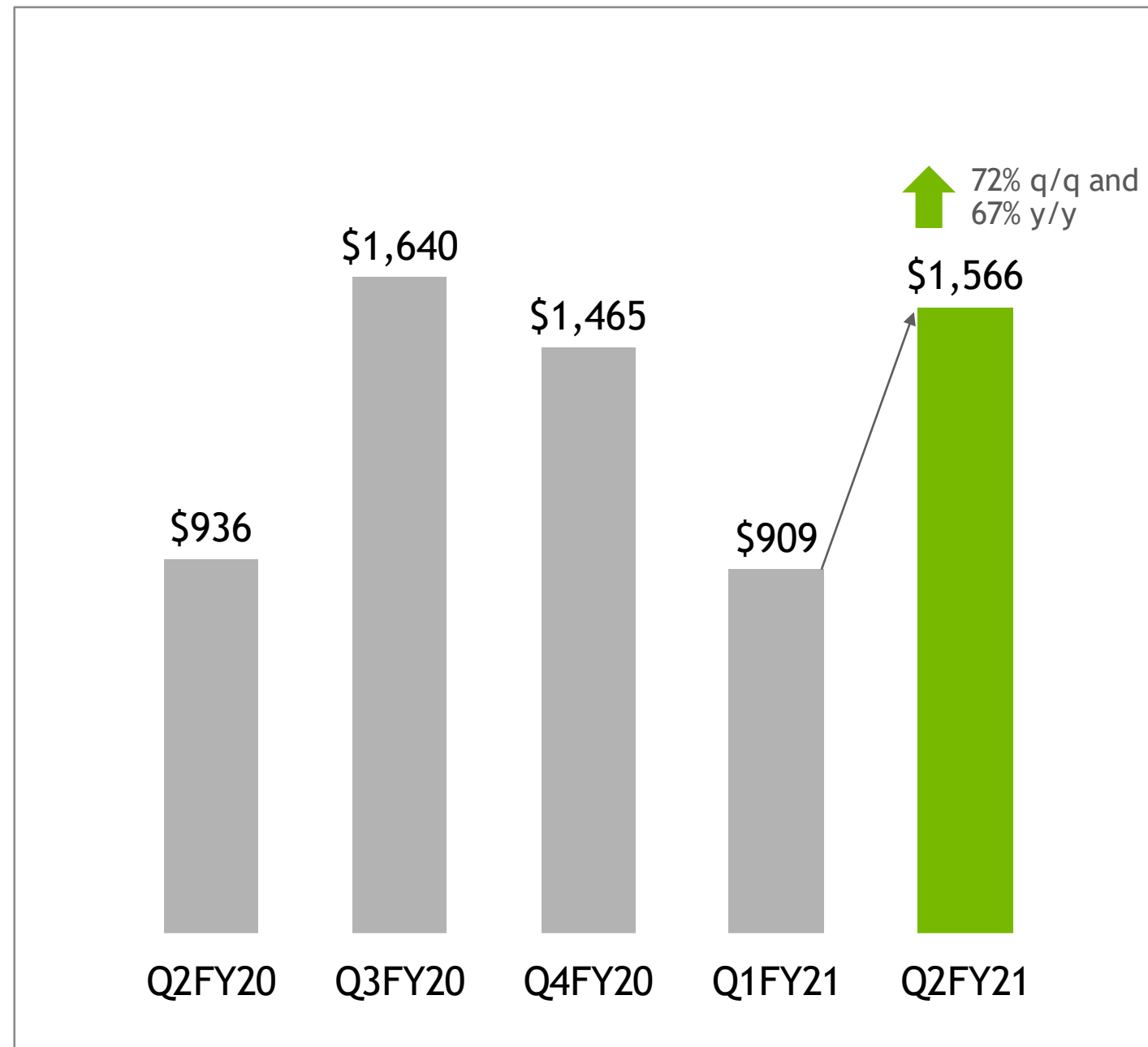
Highlights

- ▸ Funded Mellanox acquisition with approximately $7B in cash

- ▸ Returned $99M to shareholders in the form of dividends

- ▸ Invested $217M in capex

- ▸ Ended quarter with $11.0B in gross cash and $7.0B in debt, $4.0B of net cash

Gross cash is defined as cash/cash equivalents & marketable securities.
Debt is defined as principal value of debt.
Net cash is defined as gross cash less debt.

NVIDIA.

Q3 FY2021 OUTLOOK

▸ **Revenue** – $4.40 billion, plus or minus two percent

  ▸ We expect Gaming to be up just over 25 percent sequentially, with Data Center up in the low-to-mid-single digits percent sequentially. We expect both Pro Vis and Auto to be at a similar level as in Q2.

▸ **Gross Margin** – 62.5% GAAP and 65.5% non-GAAP, plus or minus 50 basis points

▸ **Operating Expense** – Approximately $1.54 billion GAAP and $1.09 billion non-GAAP

▸ **Other Income & Expense** – net expense of $55 million for both GAAP and non-GAAP

▸ **Tax Rate** – GAAP and non-GAAP both eight percent, plus or minus one percent, excluding discrete items

▸ **Capital Expenditure** – approximately $225 to $250 million

KEY ANNOUNCEMENTS
THIS QUARTER

"NVIDIA-plus-Mellanox will remain at the front of the pack developing hardware technology that underpins the AI movement for some time."

MOTLEY FOOL
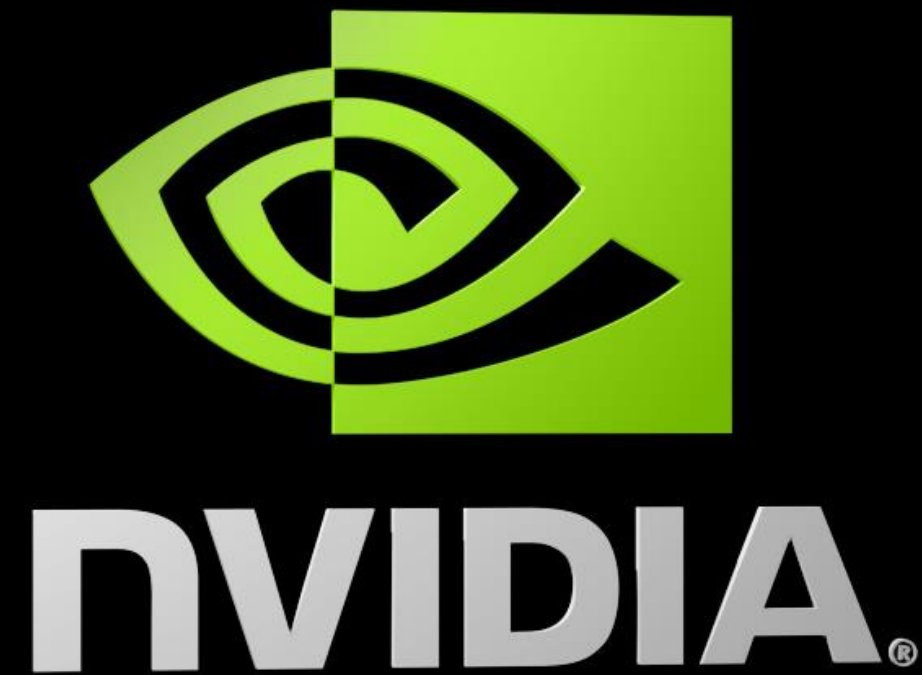
NVIDIA acquired industry-leading high-performance networking company Mellanox in April 2020

New NVIDIA has a much larger scale in cloud data centers

Israel becomes major NVIDIA design center

ANNOUNCING NVIDIA A100
GREATEST GENERATIONAL LEAP — 20X VOLTA
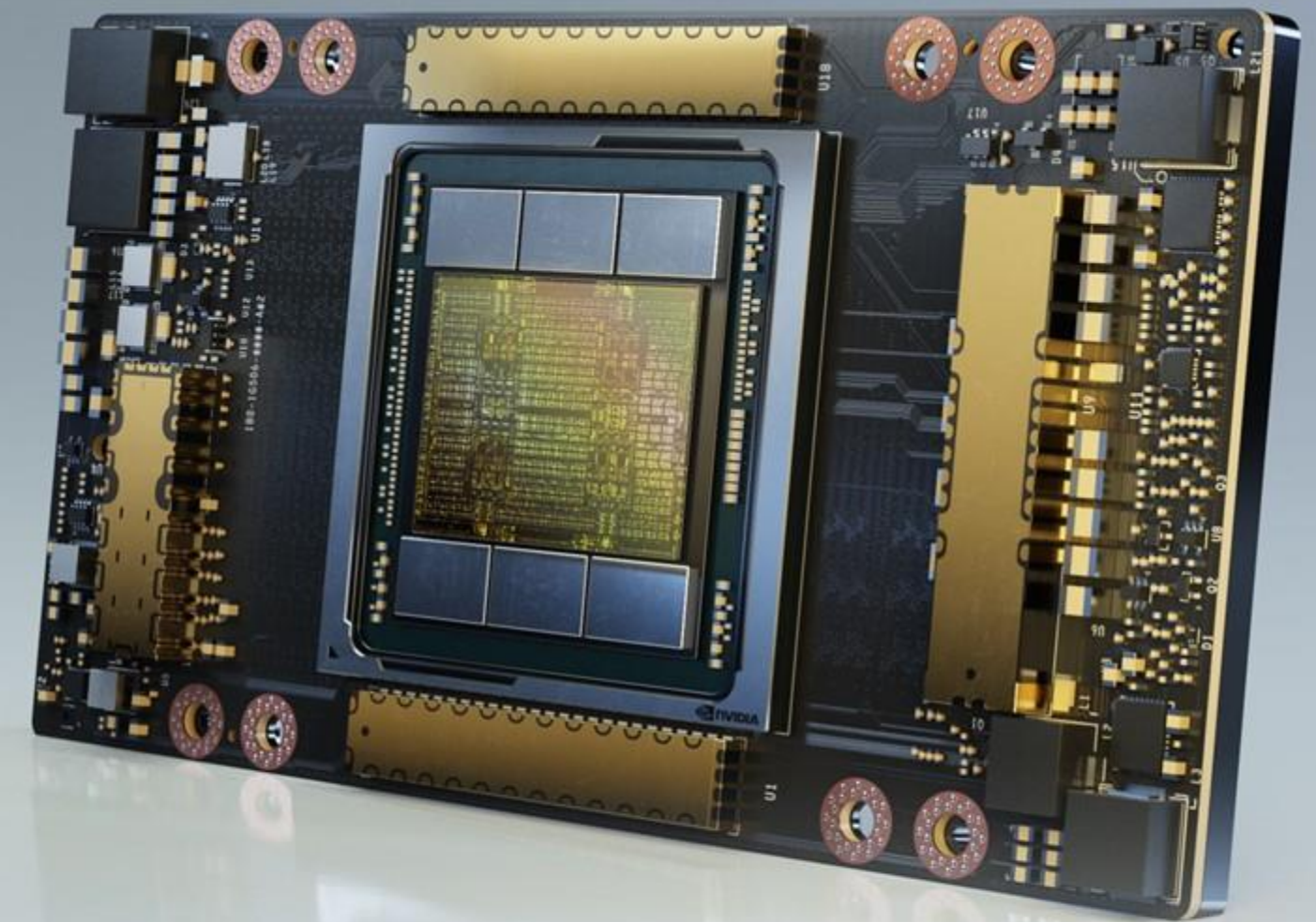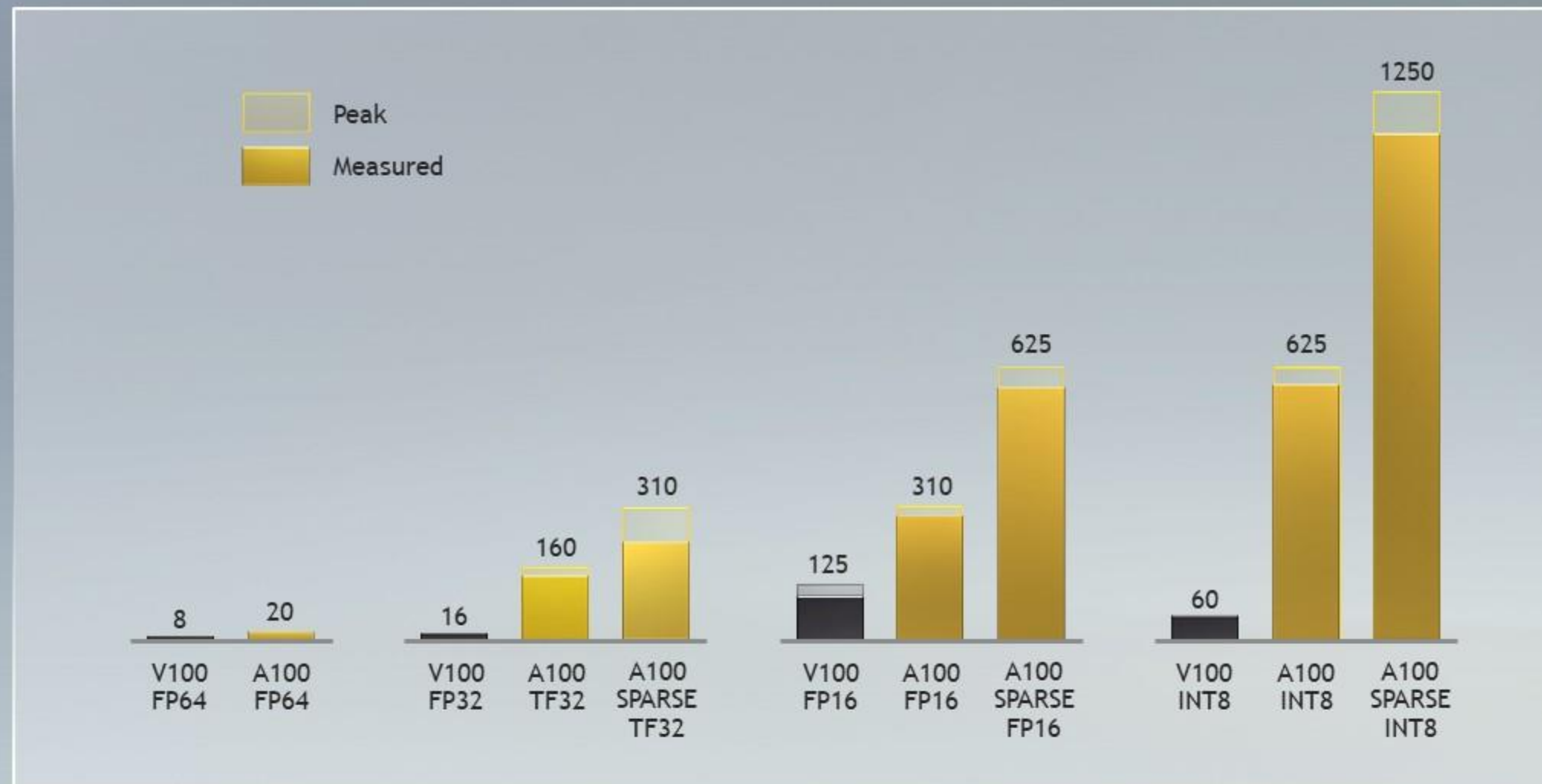
54B xtors | 826mm² | TSMC 7N | 40GB Samsung HBM2 | 3rd gen Tensor Core GPU | 600 GB/s NVLink

ANNOUNCING NVIDIA A100 LIGHTHOUSE CUSTOMERS

Elastic Data Center Accelerator Choice of Industry Leaders

CLOUD

- Alibaba Cloud
- aws
- BAIDU AI CLOUD
- Google Cloud
- Microsoft Azure
- ORACLE Cloud Infrastructure
- Tencent Cloud

SYSTEMS

- Atos
- CRAY a Hewlett Packard Enterprise company
- DELL Technologies
- FUJITSU
- GIGABYTE
- Hewlett Packard Enterprise
- inspur
- Lenovo
- QCT
- SUPERMICRO
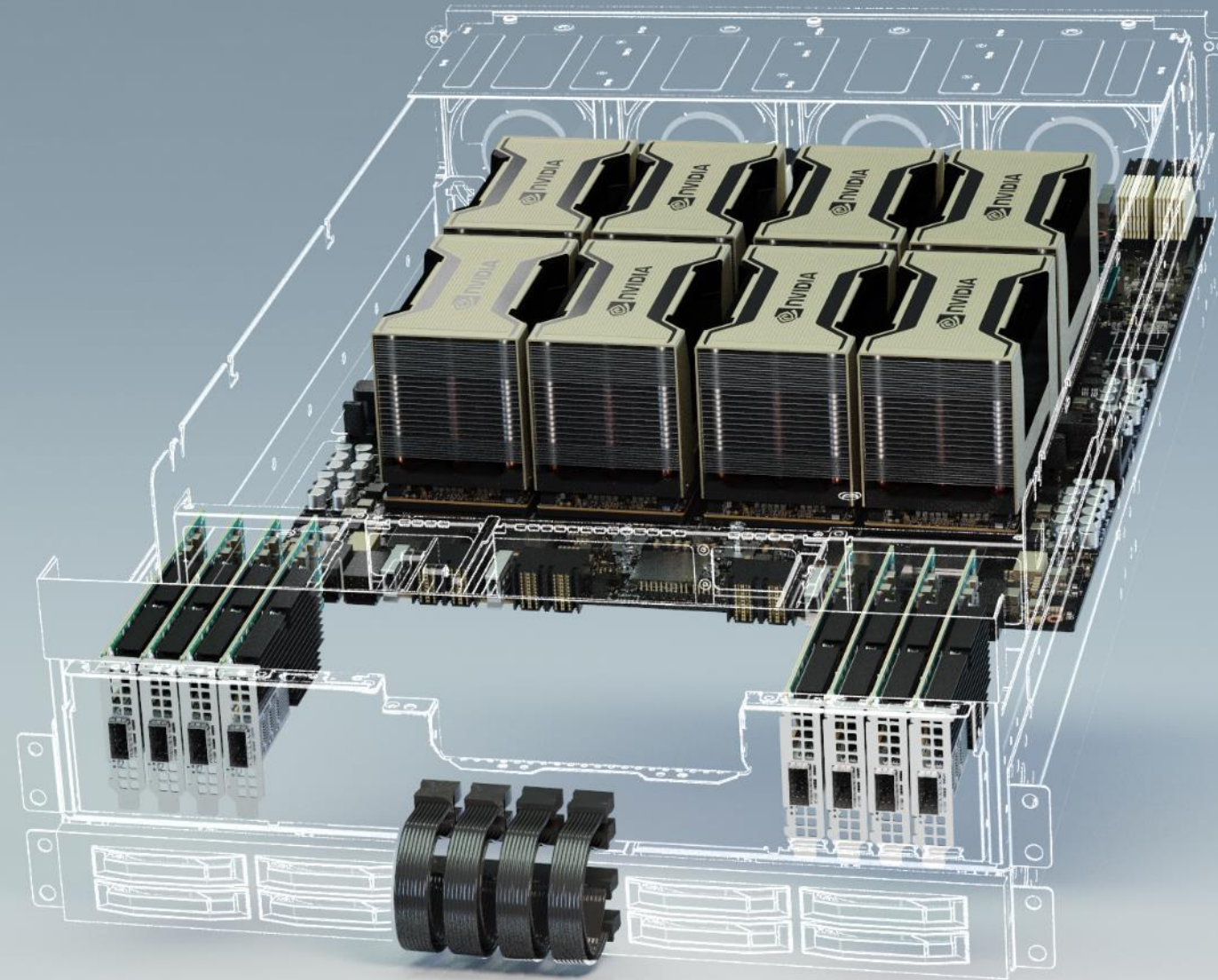
NVIDIA AMPERE GPUS COME TO GOOGLE CLOUD

A100 has come to the cloud faster than any NVIDIA GPU in history

A100 boosts training and inference computing performance by 20x over its predecessors and can power a broad range of compute-intensive applications, including AI training and inference, data analytics, scientific computing, genomics, edge video analytics, 5G services, and more

Google's Accelerator-Optimized VM (A2) provides breakthrough performance for every size workload
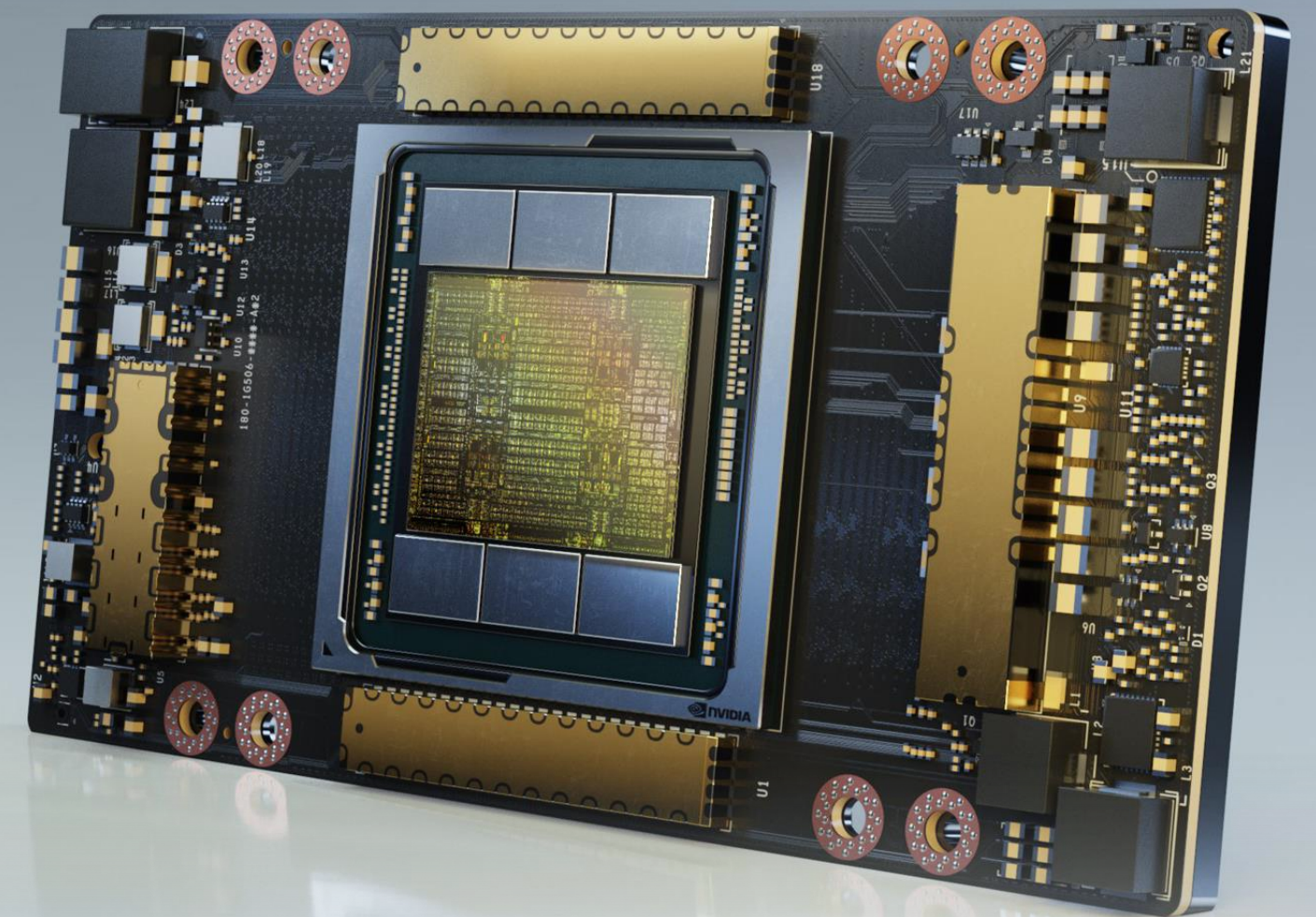
NVIDIA ACCELERATES WORLD'S FASTEST SUPERCOMPUTERS

Highlights from International Supercomputing Conference June 2020

▸ 8 of world's 10 fastest supercomputers run NVIDIA GPUs, networking, or both (TOP500.org), including the #1 system in the US and Europe

▸ NVIDIA's Selene debuts as fastest industrial supercomputer in the US, and #7 on the TOP500 list overall, the only top 100 system to crack the 20 gigaflops/watt barrier

▸ Systems using NVIDIA GPUs are pulling away from the pack: they're nearly 3x more power-efficient than systems without NVIDIA GPUs, measured in gigaflops/watt

NVIDIA Accelerates Majority of Top500 Systems

NVIDIA GPU Systems are 3x More Efficient

19
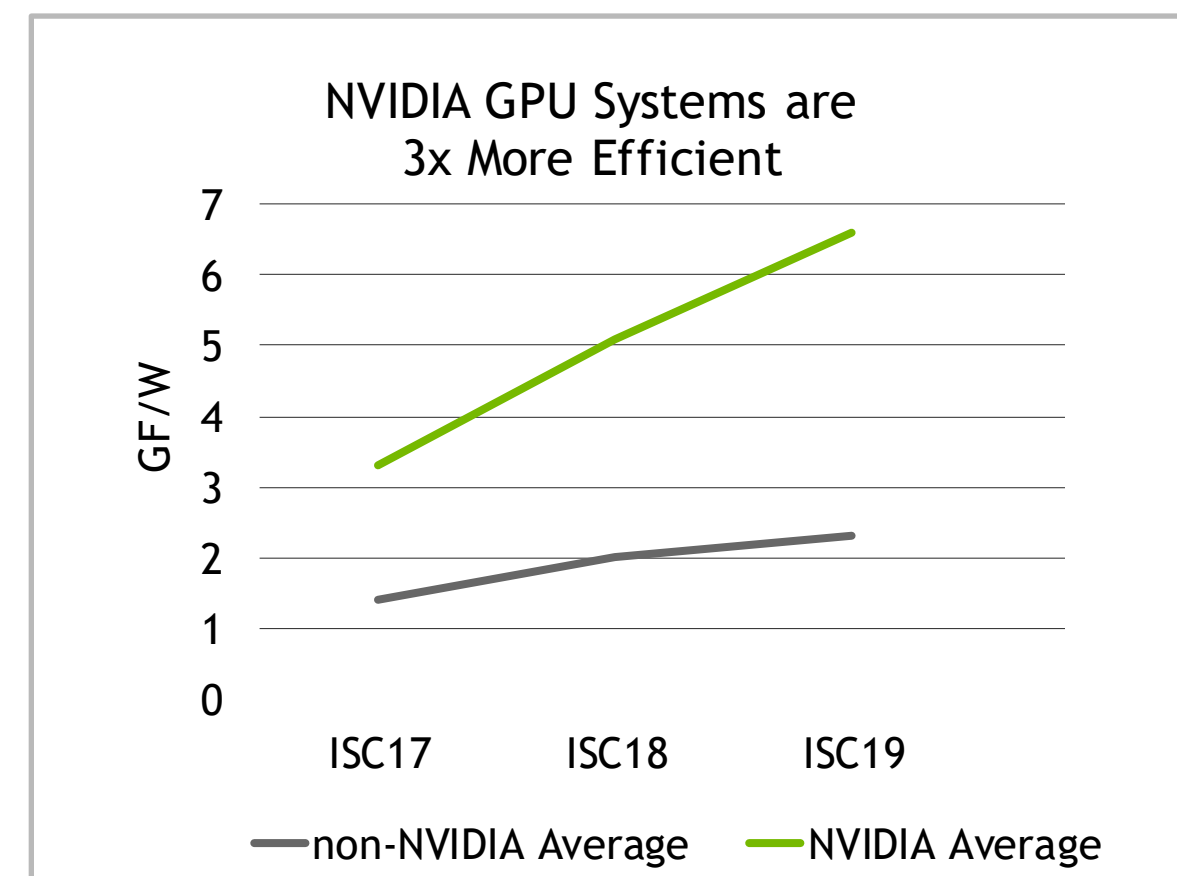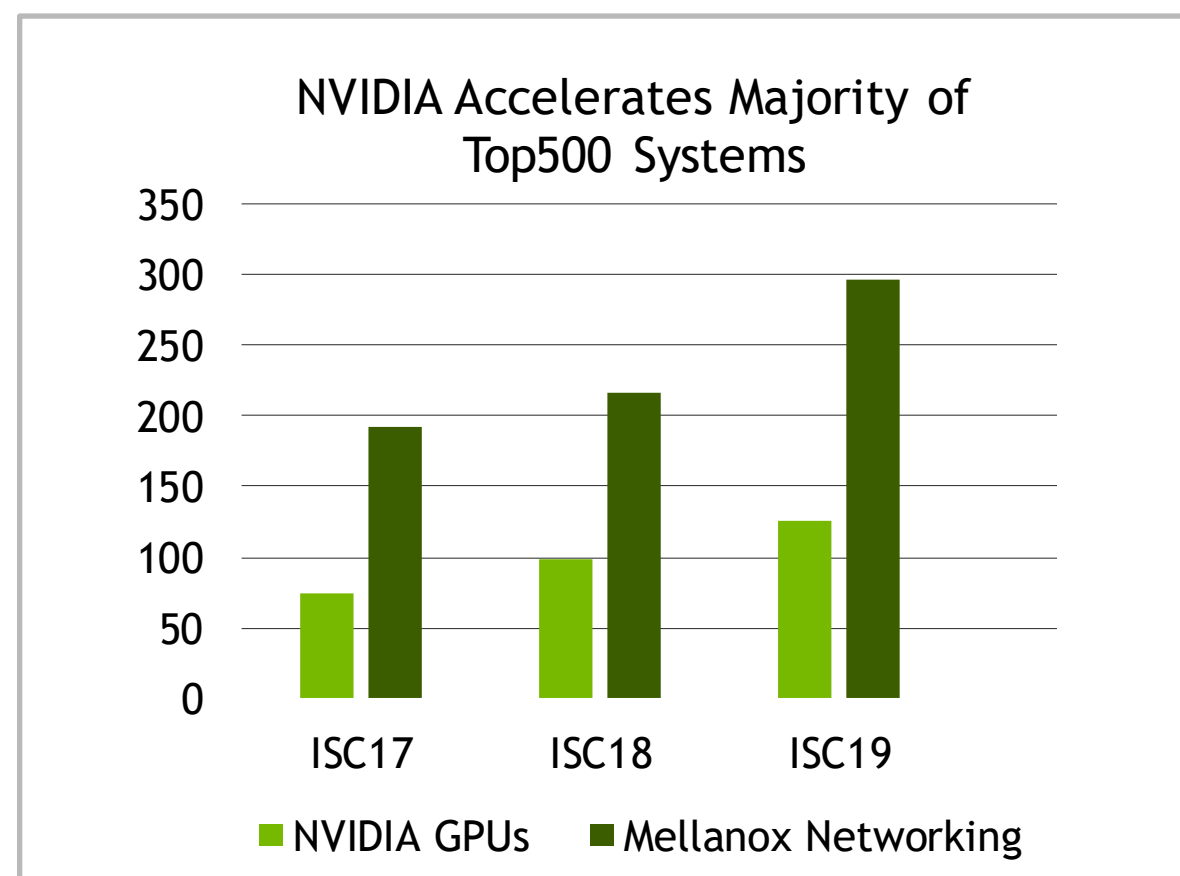
SELENE
DGX SuperPOD Deployment

#1 on MLPerf for commercially available systems

#7 on TOP500 (27.6 PetaFLOPS HPL)

#2 on Green500 (20.5 GigaFLOPS/watt)

Fastest Industrial System in U.S. — 1+ ExaFLOPS AI

Built w/ NVIDIA DGX SuperPOD Arch in **3 Weeks**

- ► NVIDIA DGX A100 and NVIDIA Mellanox IB
- ► NVIDIA's decade of AI experience

Configuration:

- ► 2,240 NVIDIA A100 Tensor Core GPUs
- ► 280 NVIDIA DGX A100 systems
- ► 494 Mellanox 200G HDR IB switches
- ► 7 PB of all-flash storage

NVIDIA WINS BENCHMARK FOR AI TRAINING

Sets 16 Records in MLPerf July 2020

What is MLPerf?

▸ The industry's first and only objective standard for measuring machine learning performance

▸ Consortium of over 70 universities and companies, including Google, Intel, Baidu and NVIDIA, founded in 2018

▸ NVIDIA won all prior MLPerf benchmarks, including for training in Dec. 2018 and July 2019, and for inference Nov. 2019

MLPerf July 2020 – AI Training

▸ NVIDIA set 16 records, sweeping all categories for commercially available solutions

▸ NVIDIA was the only company to field commercially available products for all the tests

▸ NVIDIA won all 8 categories for both "at scale" (with DGX SuperPOD) and "per chip" (with A100) performance

NVIDIA DGX SUPERPOD SETS ALL 8 AT SCALE AI RECORDS

Under 18 Minutes To Train Each MLPerf Benchmark

Time to Train (Lower is Better)
Commercially Available Solutions

Legend:
- NVIDIA A100
- NVIDIA V100
- Google TPUv3
- Huawei Ascend

Benchmarks:
- Translation (Non-recurrent) Transformer — 0.6 (480 A100)
- Translation (Recurrent) GNMT — 0.7 (1024 A100)
- Image Classification ResNet-50 v.1.5 — 0.8 (1840 A100); 28.7 (16 TPUv3)
- Object Detection (Light Weight) SSD — 0.8 (1024 A100)
- NLP BERT — 0.8 (2048 A100); 56.7 (16 TPUv3)
- Recommendation DLRM — 3.3 (8 A100)
- Object Detection (Heavy Weight) Mask R-CNN — 10.5 (256 A100)
- Reinforcement Learning MiniGo — 17.1 (1792 A100)

X-axis: Time to Train (Minutes) — 0, 5, 10, 15, 20, 25, 30, 35, 40

X = No result submitted

MLPerf 0.7 Performance comparison at Max Scale. Max scale used for NVIDIA A100, NVIDIA V100, TPUv3 and Huawei Ascend for all applicable benchmarks. | MLPerf ID at Scale: :Transformer: 0.7-30, 0.7-52 , GNMT: 0.7-34, 0.7-54, ResNet-50 v1.5: 0.7-37, 0.7-55, 0.7-1, 0.7-3, SSD: 0.7-33, 0.7-53, BERT: 0.7-38, 0.7-56, 0.7-1, DLRM: 0.7-17, 0.7-43, Mask R-CNN: 0.7-28, 0.7-48, MiniGo: 0.7-36, 0.7-51 | MLPerf name and logo are trademarks. See www.mlperf.org for more information.

NVIDIA A100 SETS ALL 8 PER CHIP AI PERFORMANCE RECORDS

Relative Speedup
Commercially Available Solutions

3x

Speedup Over V100

	Image Classification ResNet-50 v.1.5	NLP BERT	Object Detection (Heavy Weight) Mask R-CNN	Reinforcement Learning MiniGo	Object Detection (Light Weight) SSD	Translation (Recurrent) GNMT	Translation (Non-recurrent) Transformer	Recommendation DLRM
Huawei Ascend	0.7X	X	X	X	X	X	X	X
TPUv3	1.2X	0.9X	X	X	X	X	X	X
V100	1.0X	1.0X	1.0X	1.0X	1.0X	1.0X	1.0X	1.0X
A100	1.5X	1.6X	1.9X	2.0X	2.0X	2.4X	2.4X	2.5X

■ Huawei Ascend ■ TPUv3 ■ V100 ■ A100

X = No result submitted

Per Chip Performance arrived at by comparing performance at same scale when possible and normalizing it to a single chip. 8 chip scale: V100, A100 Mask R-CNN, MiniGo, SSD, GNMT, Transformer. 16 chip scale: V100, A100, TPUv3 for ResNet-50 v1.5 and BERT. 512 chip scale: Huawei Ascend 910 for ResNet-50. DLRM compared 8 A100 and 16 V100. Submission IDs: ResNet-50 v1.5: 0.7-3, 0.7-1, 0.7-44, 0.7-18, 0.7-21, 0.7-15 BERT: 0.7-1, 0.7-45, 0.7-22 , Mask R-CNN: 0.7-40, 0.7-19, MiniGo: 0.7-41, 0.7-20, SSD: 0.7-40, 0.7-19, GNMT: 0.7-40, 0.7-19, Transformer: 0.7-40, 0.7-19, DLRM: 0.7-43, 0.7-17| MLPerf name and logo are trademarks. See www.mlperf.org for more information.

GPU-ACCELERATED APACHE SPARK 3.0

Built on Foundations of RAPIDS

▸ NVIDIA accelerates Spark, the world's leading data analytics platform used by more than 500k data scientists and 16k enterprises worldwide

▸ Makes end-to-end acceleration of the entire data science workload possible for the first time, unlocking new markets

▸ The performance gains in Spark 3.0 enable data scientists to train models with larger datasets and retrain models more frequently, enhancing model accuracy

▸ Using NVIDIA-accelerated Spark 3.0, Adobe achieved a 7x performance improvement and 90% cost savings

Spark 3.0

Data Sources

Data Preparation	Model Training

Spark	XGBoost | TensorFlow | PyTorch

RAPIDS Accelerator for Apache Spark

GPU Powered Cluster

Spark Orchestrated

databricks CLOUDERA Google Cloud Dataproc
amazon EMR Microsoft Azure

Now Available on Leading Cloud Analytics Platforms
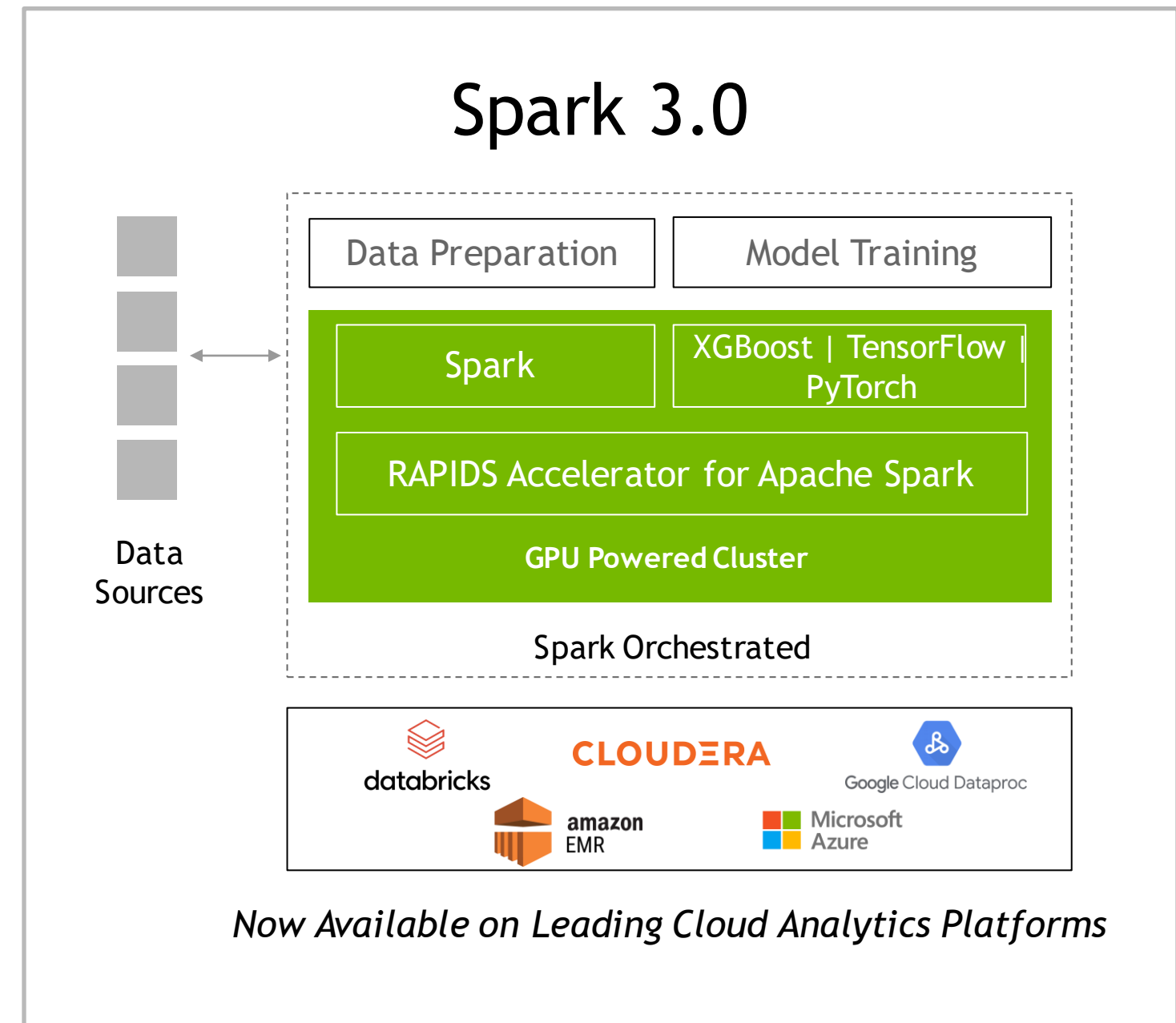
MERCEDES-BENZ & NVIDIA TO JOIN FORCES FOR SOFTWARE-DEFINED VEHICLES ACROSS NEXT-GEN FLEET

Software-Defined, Upgradeable Computing Architecture

- High-end NVIDIA DRIVE AGX Orin platform (200 TOPS) and sensors standard in every next-gen vehicle

- Complete NVIDIA DRIVE Software stack

- Full address-to-address autopilot, valet parking and more future applications still to be imagined

Backed by Teams of AI and Software Engineers

- Perpetually upgradeable machine receives continuous improvement through OTA for Mercedes-Benz vehicles

- New safety and convenience features continually roll out across future Mercedes-Benz fleet

Unlocks New Disruptive Business Models

- Customers to purchase features and services at POS and throughout Mercedes-Benz vehicles' life cycle

- Mercedes-Benz customer joy and value increase throughout vehicle' life cycle

" MERCEDES-BENZ AND NVIDIA SIGN A DEAL TO MAKE CARS MORE LIKE IPHONES"

BARRON'S

BMW SELECTS NVIDIA ISAAC PLATFORM TO REDEFINE FACTORY LOGISTICS

BMW Group announced it is redefining factory logistics with NVIDIA's Isaac robotics platform

Isaac SDK provides a comprehensive set of tools, libraries, reference robot applications, pre-trained DNN algorithms and transfer learning toolkit to adapt the deep neural networks to different robots

Robot fleets powered by Isaac on NVIDIA EGX will automate manufacturing

NVIDIA OVERVIEW

NVIDIA — A COMPUTING PLATFORM COMPANY

Headquarters: Santa Clara, CA
Headcount: 17,500

NVIDIA pioneered accelerated computing to help solve the most challenging computational problems. The approach is broadly recognized as the way to advance computing as Moore's law ends and AI lifts off. NVIDIA's platform is installed in several hundred million computers, is available in every cloud and from every server maker, powers 333 of the TOP500 supercomputers, and boasts 2 million developers.

NVIDIA AT A GLANCE

Accelerated Computing Pioneer

Brief History

1993: Founded by Jensen Huang, Chris Malachowsky, and Curtis Priem

1999: IPO on NASDAQ at $12 (prior to 4 stock splits, now 12:1)

2001: Xbox win; fastest semiconductor company to reach $1B in sales

2006: Unveils CUDA architecture, expanding to scientific computing

2009: Inaugural GPU Technology Conference (GTC)

2016: Introduces first products for AI and autonomous driving

Revenue by Market Platform

FY16: $5.0B
FY17: $6.9B
FY18: $9.7B
FY19: $11.7B
FY20: $10.9B
F1H20: $4.8B
F1H21: $6.9B

Legend:
- Gaming
- Data Center
- ProViz
- Auto
- OEM/IP
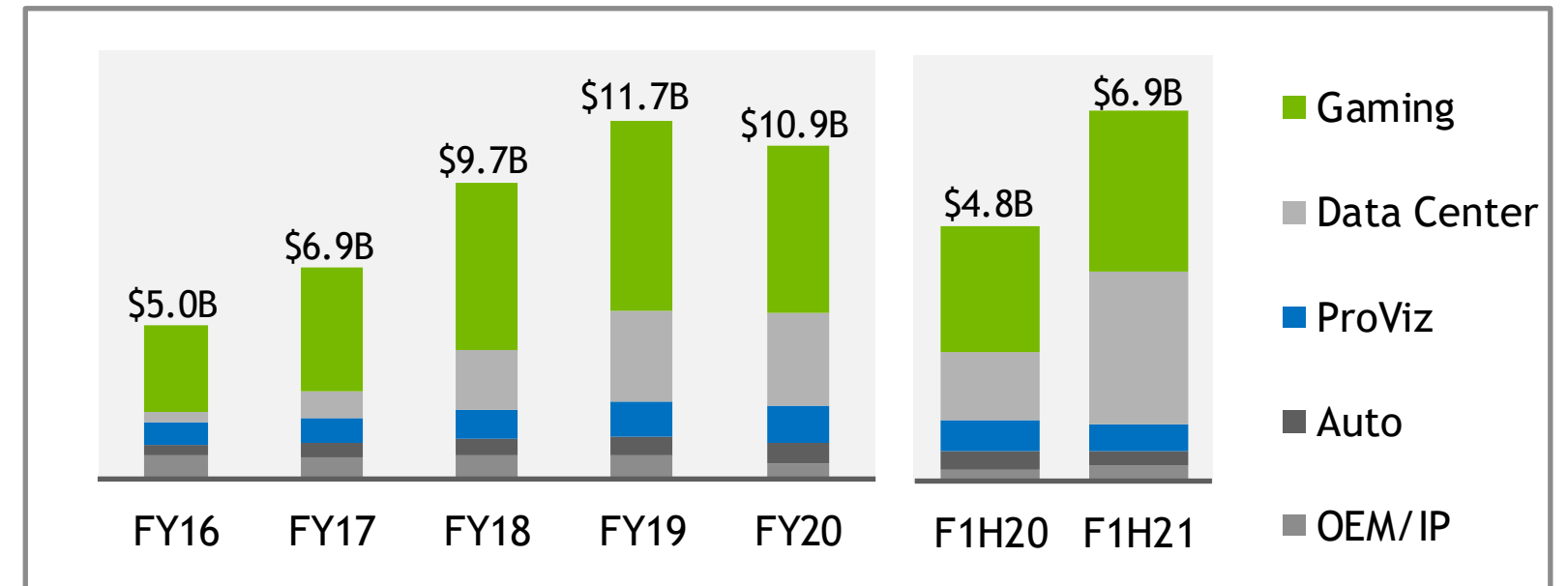
Recognitions

Harvard Business Review's **The CEO 100**

Fortune's **Best Places to Work**

MIT Tech Review's **50 Smartest Companies**

Fortune's **World's Most Admired Companies**

Forbes **JUST 100 Best Corporate Citizens**

Dow Jones **Sustainability Index**

From Chip Vendor to Computing Platform

GAMING | HPC | Health-care | Smart City/IOT
PRO VIZ | AI | Transportation | Robotics

CUDA-X
CUDA

ARCHITECTURE | SYSTEMS | DATA CENTER

1999 GM 30%+

2014 GM 50%+

F1H21 GM 60%+

GROWTH DRIVERS
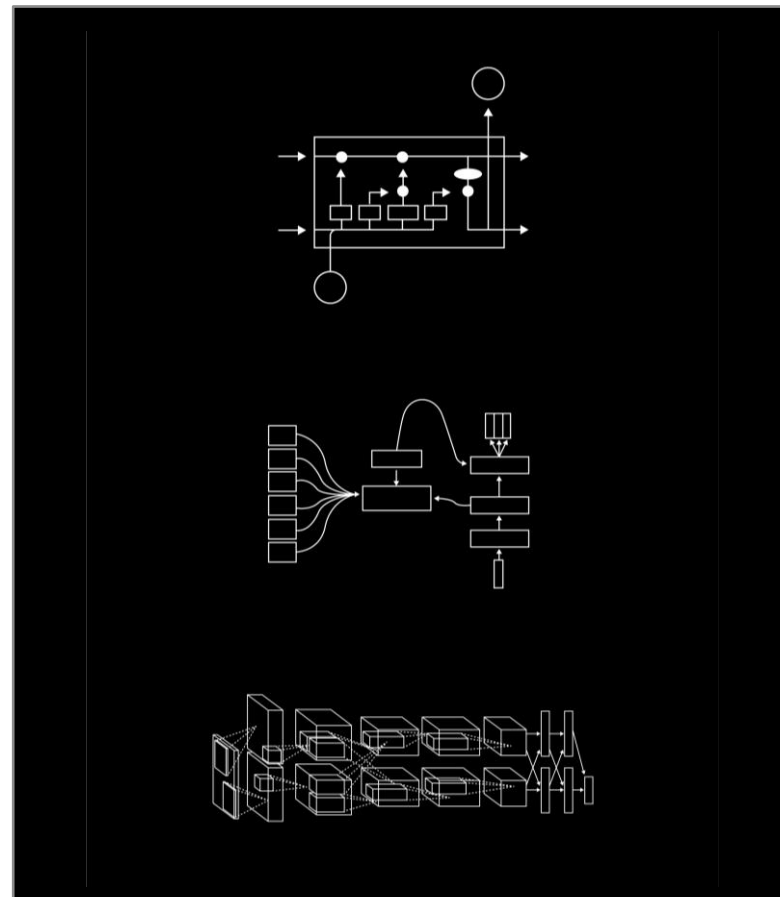
Gaming

AI

AR/VR

Self-driving Cars

OUR CORE BUSINESSES

FY20 Revenue $5.52B, 3-year CAGR of 11%

Strong market position and technology leadership

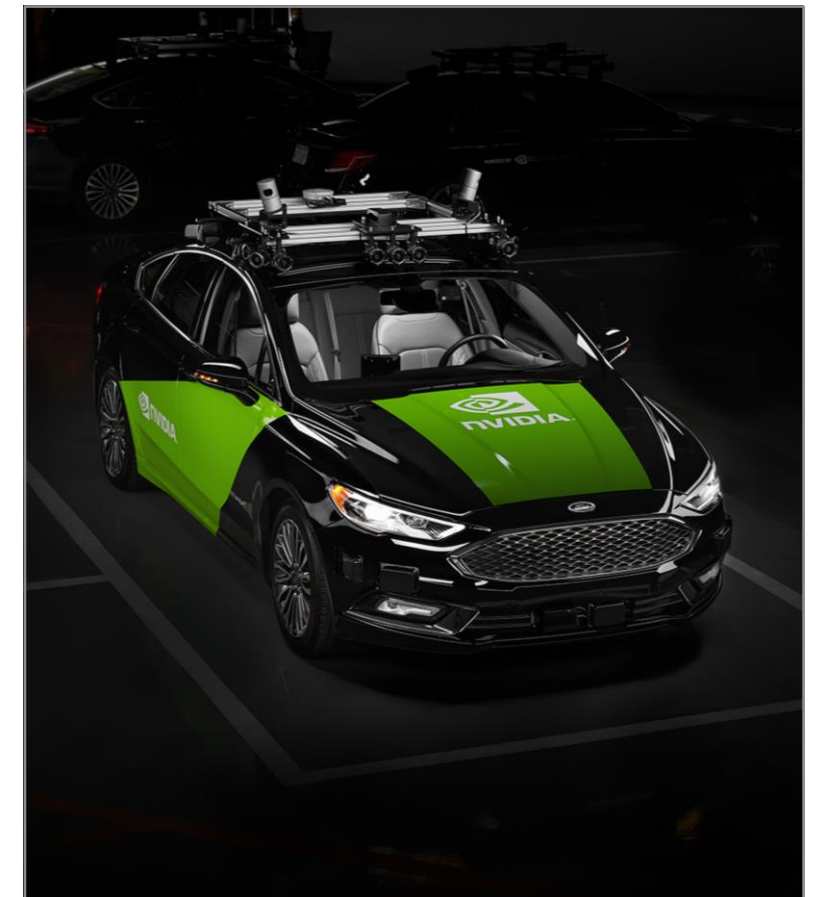Compounded long-term unit and ASP growth

200M+ gamers on our platform

Strong Gaming ecosystem

Multiple secular growth drivers: expanding population of gamers, eSports, VR, rising production value of games, gaming and prosumer laptops

FY20 Revenue of $2.98B, 3-year CAGR of 53%

Leader in deep learning/AI – used by all major cloud computing providers and thousands of enterprises

Leader in HPC - in 8 of the top 10 and 2/3rds of the top 500 fastest supercomputers

Multiple secular growth drivers: fast growing adoption of AI in every major industry; rising compute needs unmet by conventional approaches such as x86 CPUs; Mellanox networking

FY20 Revenue of $1.21B, 3-year CAGR of 13%

90%+ market share in graphics for workstations

Diversified end markets, e.g. media & entertainment, architecture, engineering & construction, public sector

Strong software ecosystem

Multiple secular growth drivers: expanding creative & design workflows, mobile workstations, rising adoption of AR/VR across industries

FY20 Revenue of $700M, 3-year CAGR of 13%

Current revenue driven largely by infotainment

Future growth expected to be driven largely by Autonomous Vehicle (AV) solution offering full hardware & software stack

Large secular growth opportunity: autonomous vehicles estimated to drive a $25B TAM for the AV computing stack by 2025

Gaming
51% of FY20 Rev

Data Center
27% of FY20 Rev

Professional Visualization
11% of FY20 Rev

Automotive
6% of FY20 Rev

STRONG, PROFITABLE GROWTH

Business Mix (%)

F1H16 / F1H21 donut charts:
- Gaming
- Data Center
- ProViz
- Auto
- OEM / IP

F1H16: Gaming 54, Data Center 7, ProViz 15, Auto 6, OEM / IP 17

F1H21: Gaming 43, Data Center 42, ProViz 7, Auto 4, OEM / IP 4
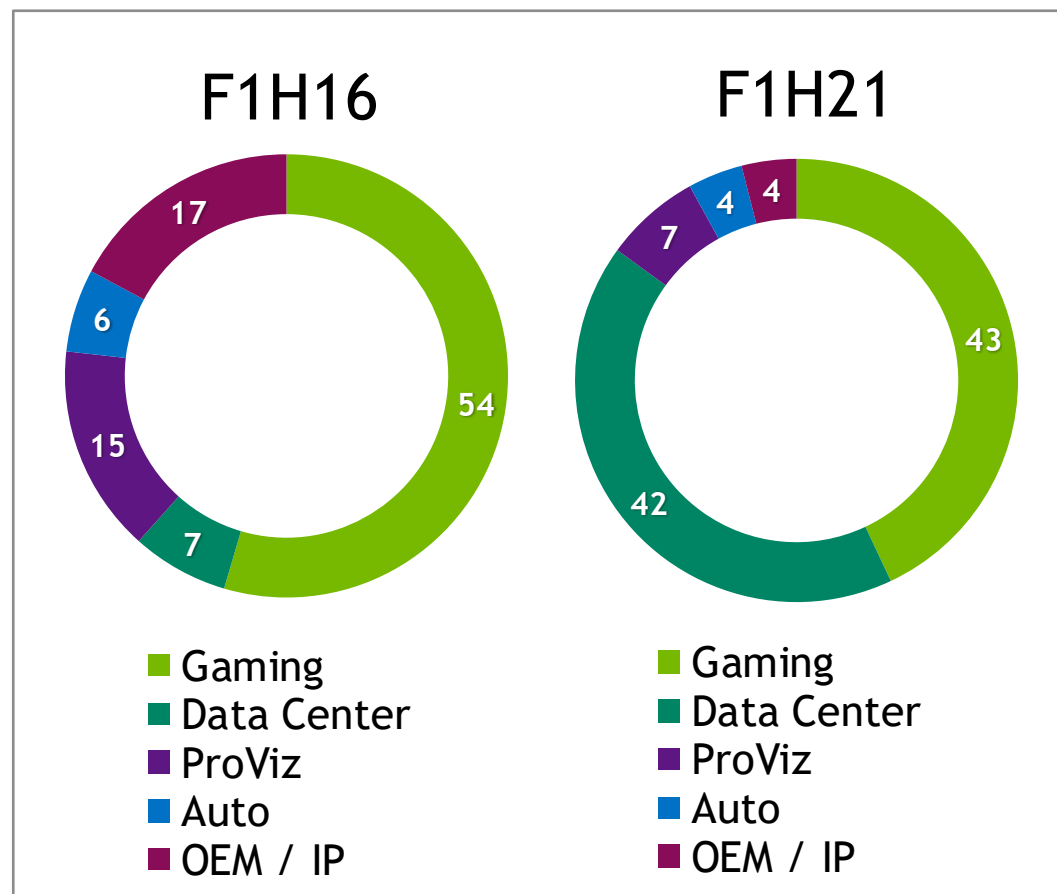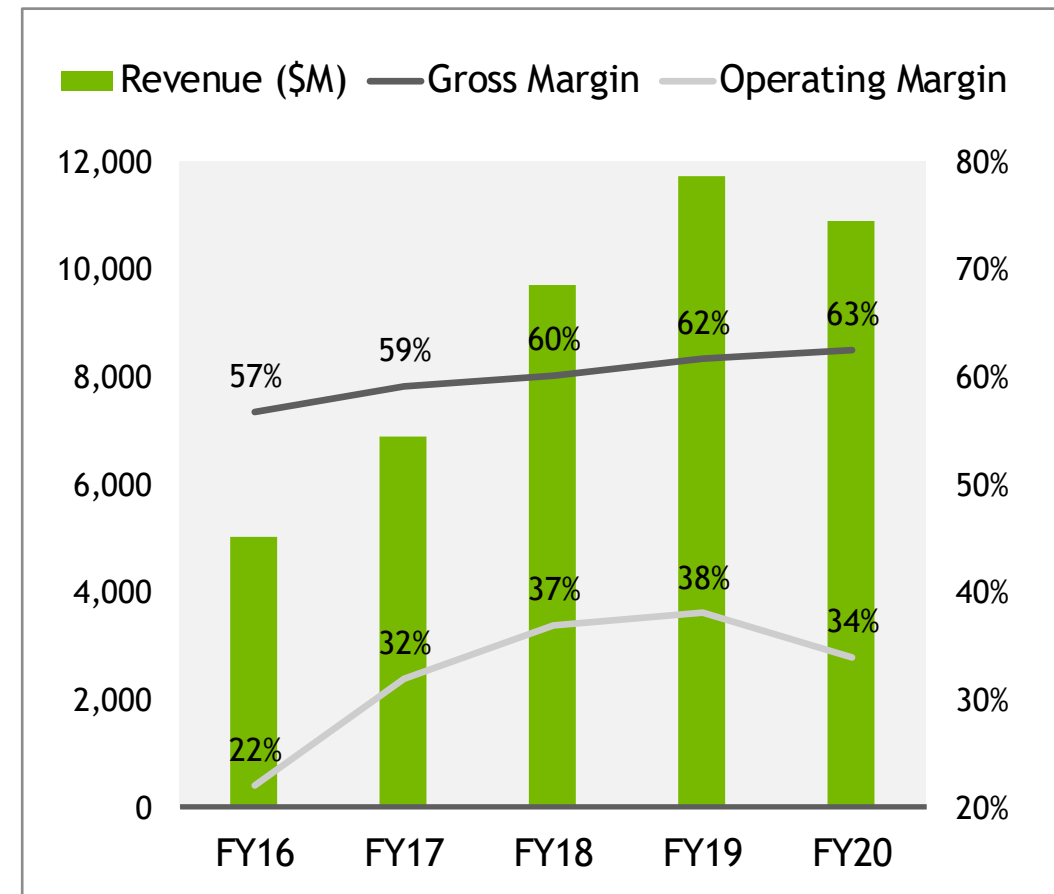
Sustained Profitability
(showing non-GAAP margins)

Legend: Revenue ($M) — Gross Margin — Operating Margin

Chart 1 (FY16–FY20):
- Gross Margin: FY16 57%, FY17 59%, FY18 60%, FY19 62%, FY20 63%
- Operating Margin: FY16 22%, FY17 32%, FY18 37%, FY19 38%, FY20 34%

Chart 2 (F1H20–F1H21):
- Gross Margin: F1H20 60%, F1H21 66%
- Operating Margin: F1H20 28%, F1H21 39%

NVIDIA.
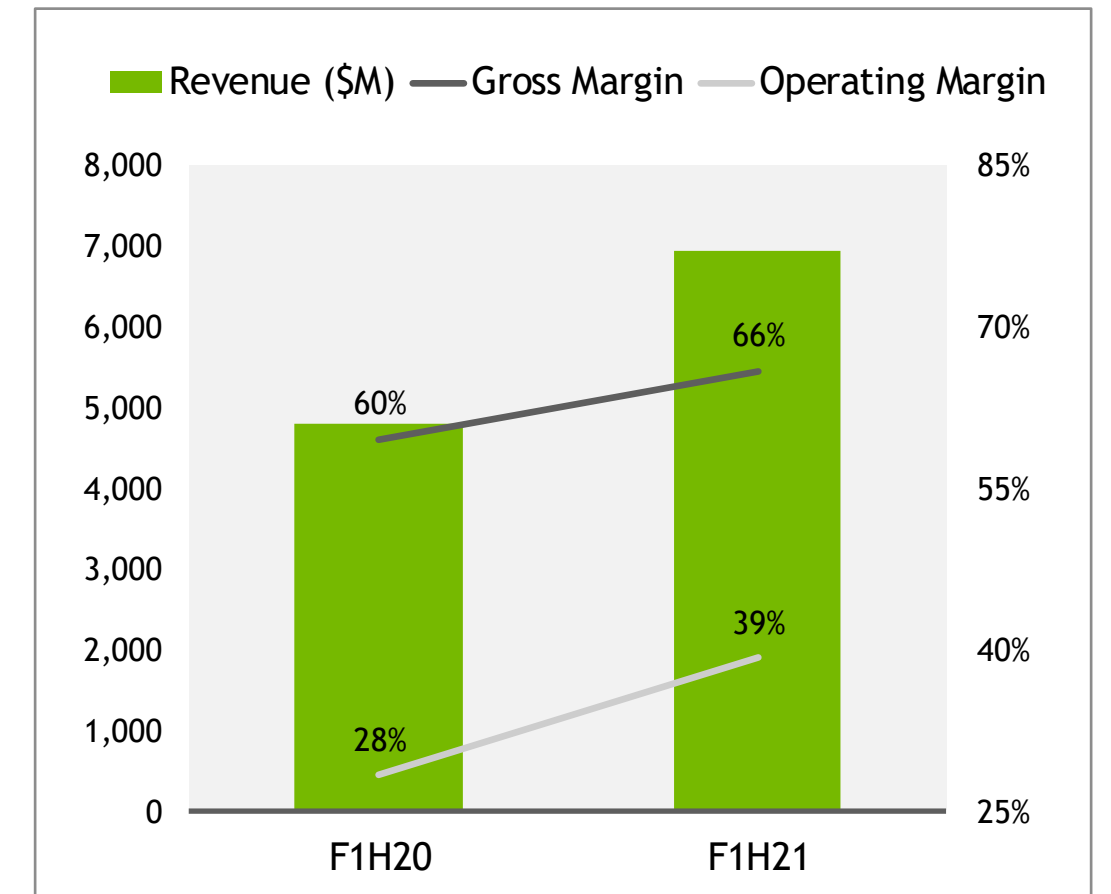
WHY ACCELERATED COMPUTING?

Advancing Computing in the Post-Moore's Law Era

The world's demand for computing power continues to grow exponentially, yet CPUs are no longer keeping up as Moore's Law has ended.

NVIDIA pioneered GPU-accelerated computing to solve this challenge.

Optimizing across the entire stack — from silicon to software — allows NVIDIA to advance computing in the post-Moore's Law era for large and important markets:

Gaming, Pro Viz, High Performance Computing (HPC), AI, Cloud, Transportation, Healthcare, Robotics, and the Internet of Things (IOT).
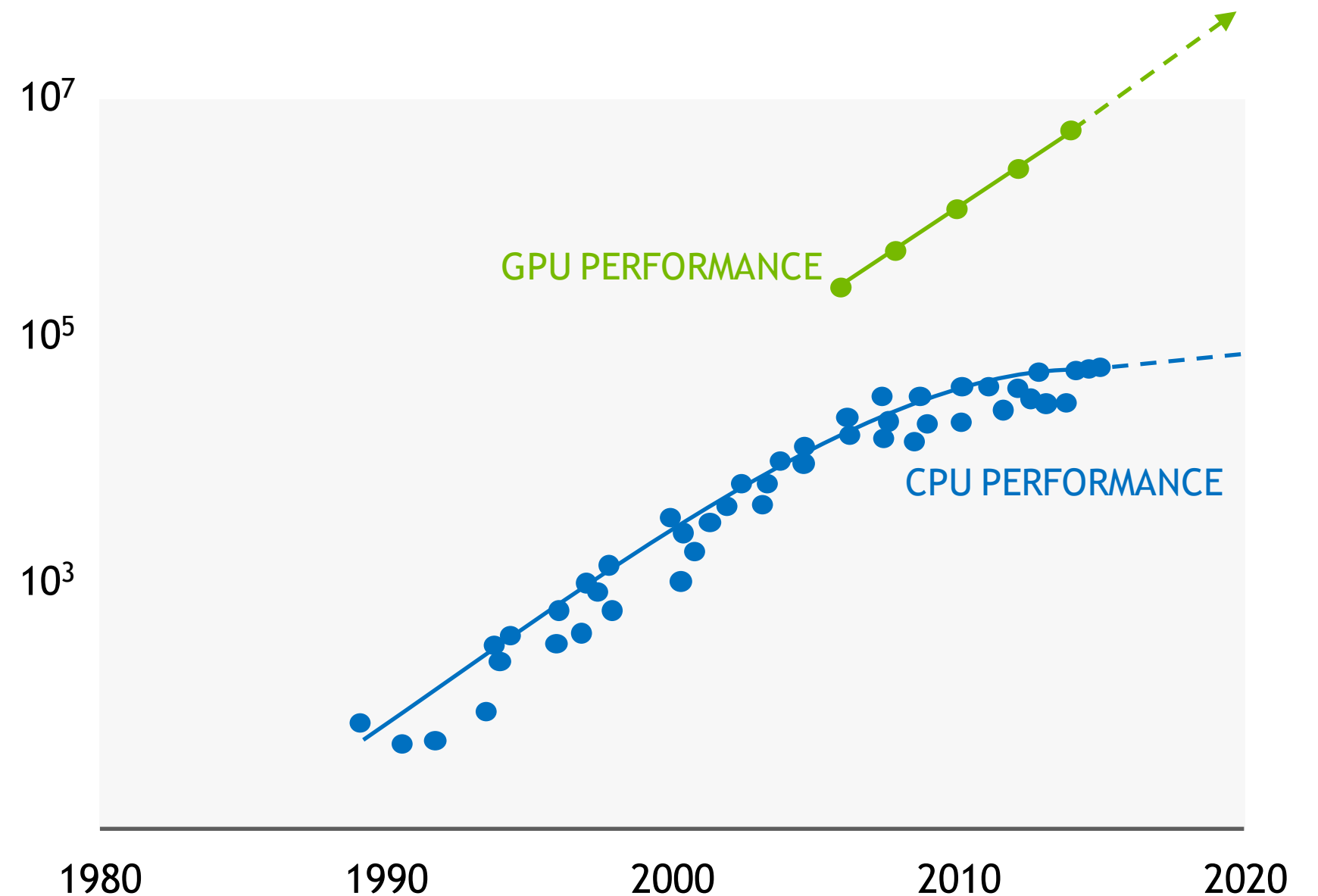
WORLD LEADER IN ACCELERATED COMPUTING

Our Four Market Platforms & Key Brands

Gaming
GeForce GPUs for PC Gamers

Data Center
DGX/HGX/EGX for HPC/AI compute
Mellanox for networking
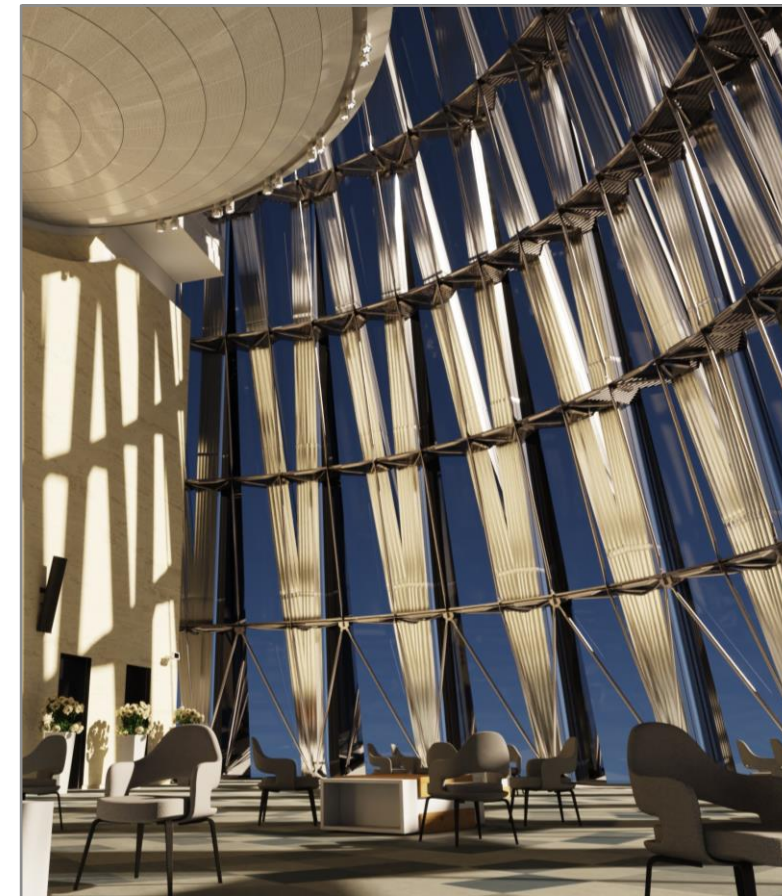
Professional Visualization
Quadro for Workstations
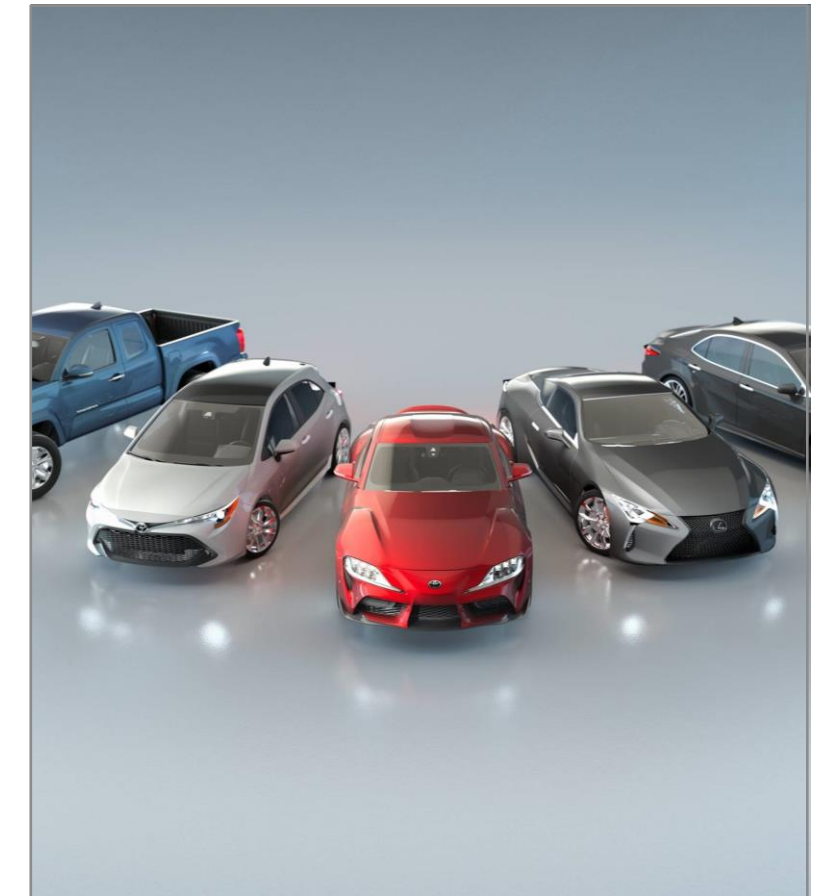
Auto
DRIVE for Autonomous Vehicles

GAMING

GeForce - The World's Largest Gaming Platform

18% CAGR

$6,246
$5,513
$5,518
$4,060
$2,818

FY16 FY17 FY18 FY19 FY20
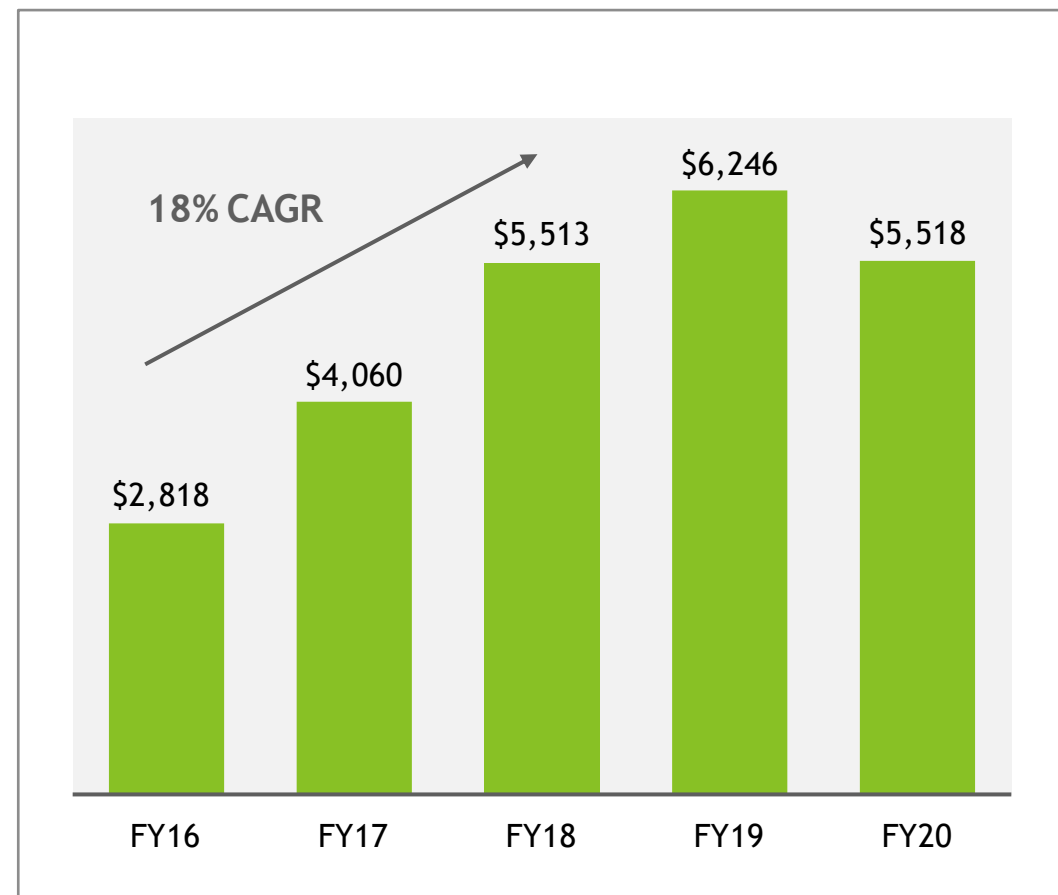
Revenue ($M)

▸ #1 in PC gaming with more than 3X the revenue of the other major GPU vendor

▸ Expanding the market with gaming laptops and cloud gaming

▸ Powering the Nintendo Switch console

Highlights

200M+ Gamers on GeForce

DATA CENTER

High Performance Computing (HPC) and AI
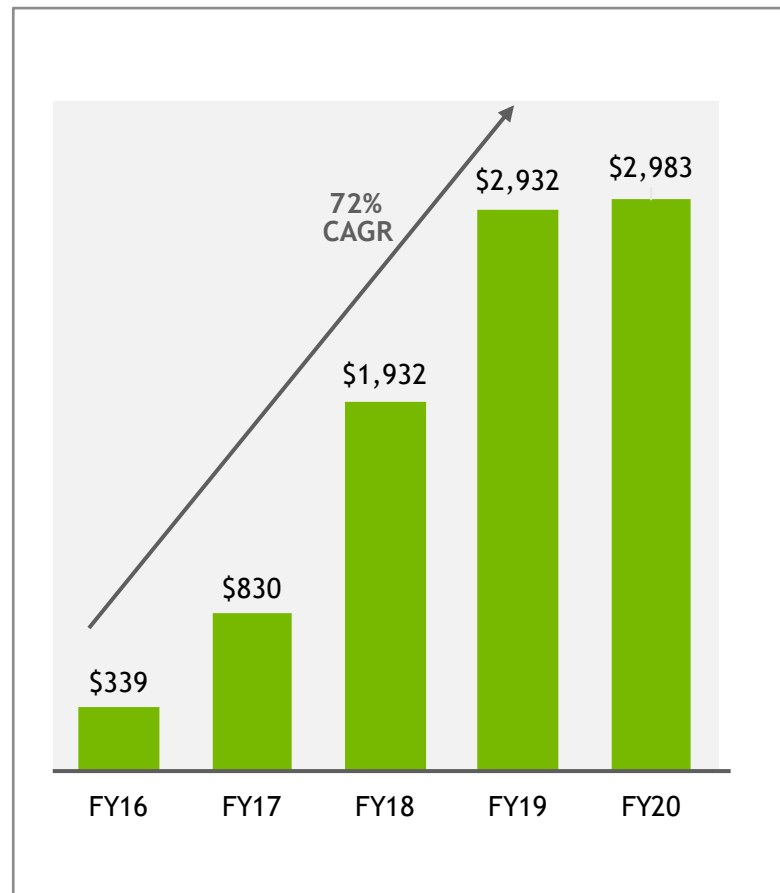
Revenue ($M)
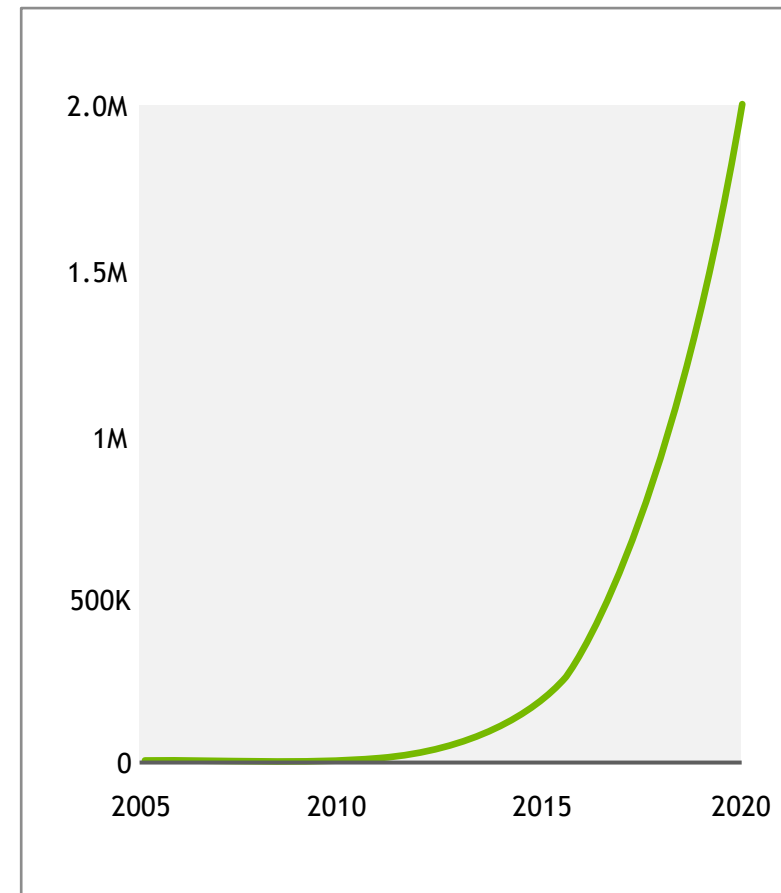
Registered NVIDIA Developers
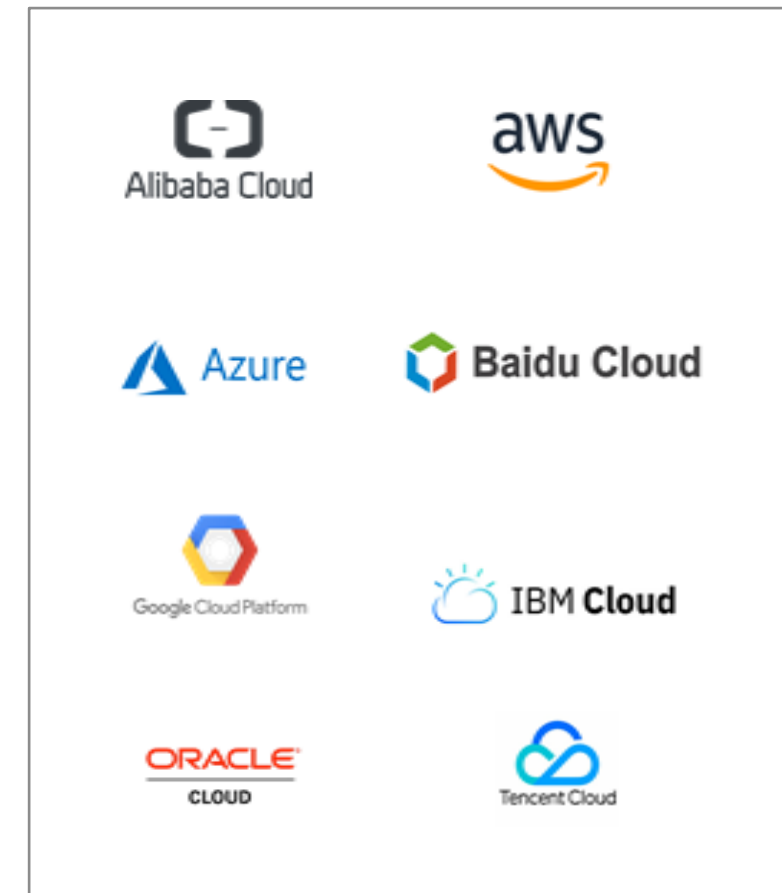
Every Major Cloud Provider
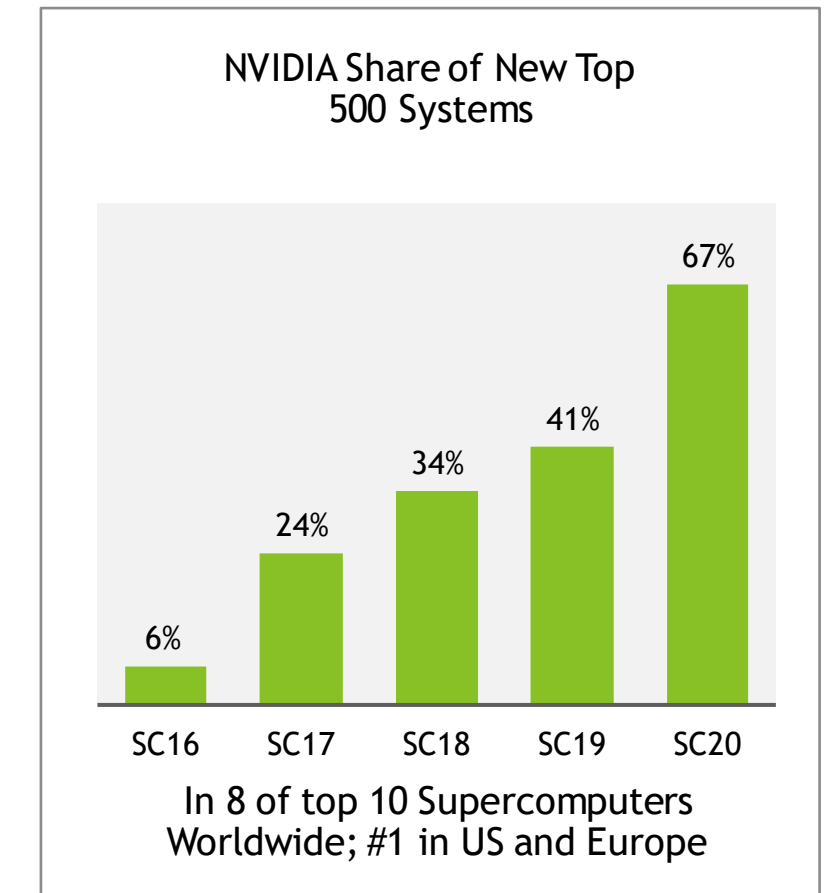
90%+ Share of Accelerators
in Supercomputing

PROFESSIONAL VISUALIZATION
Workstation Graphics

13% CAGR

$750 — FY16
$835 — FY17
$934 — FY18
$1,130 — FY19
$1,212 — FY20
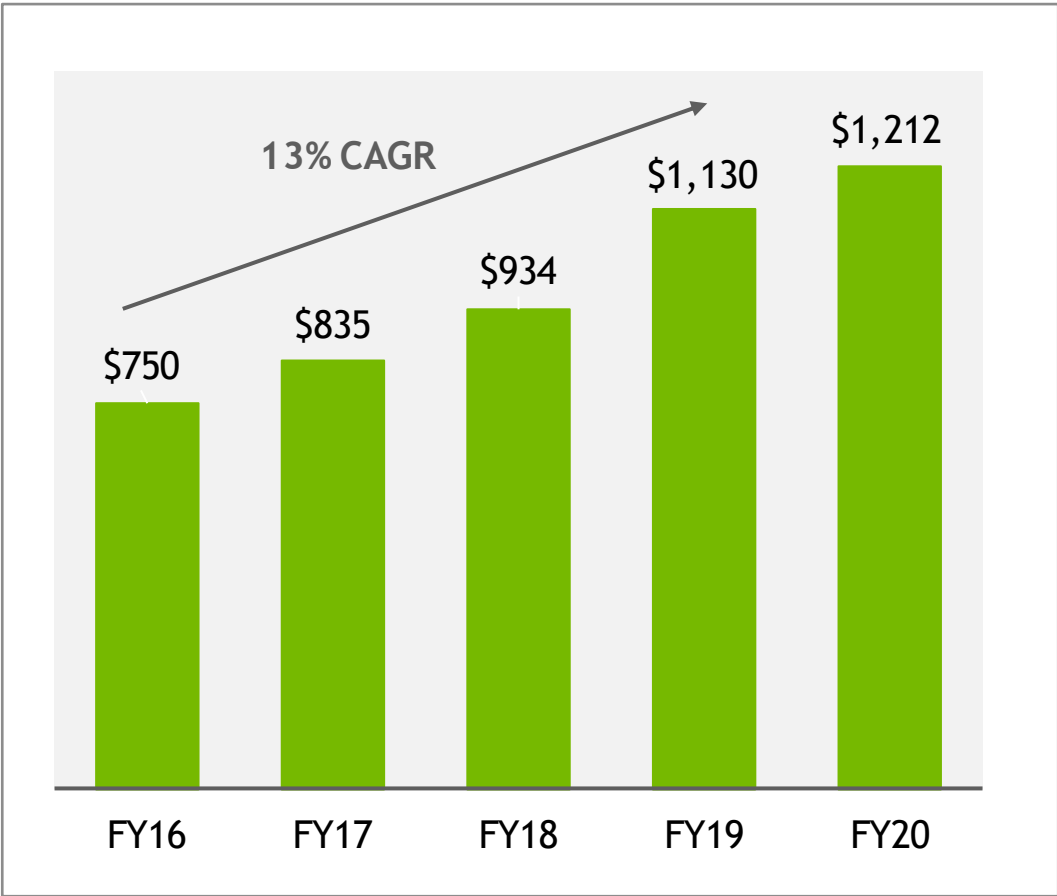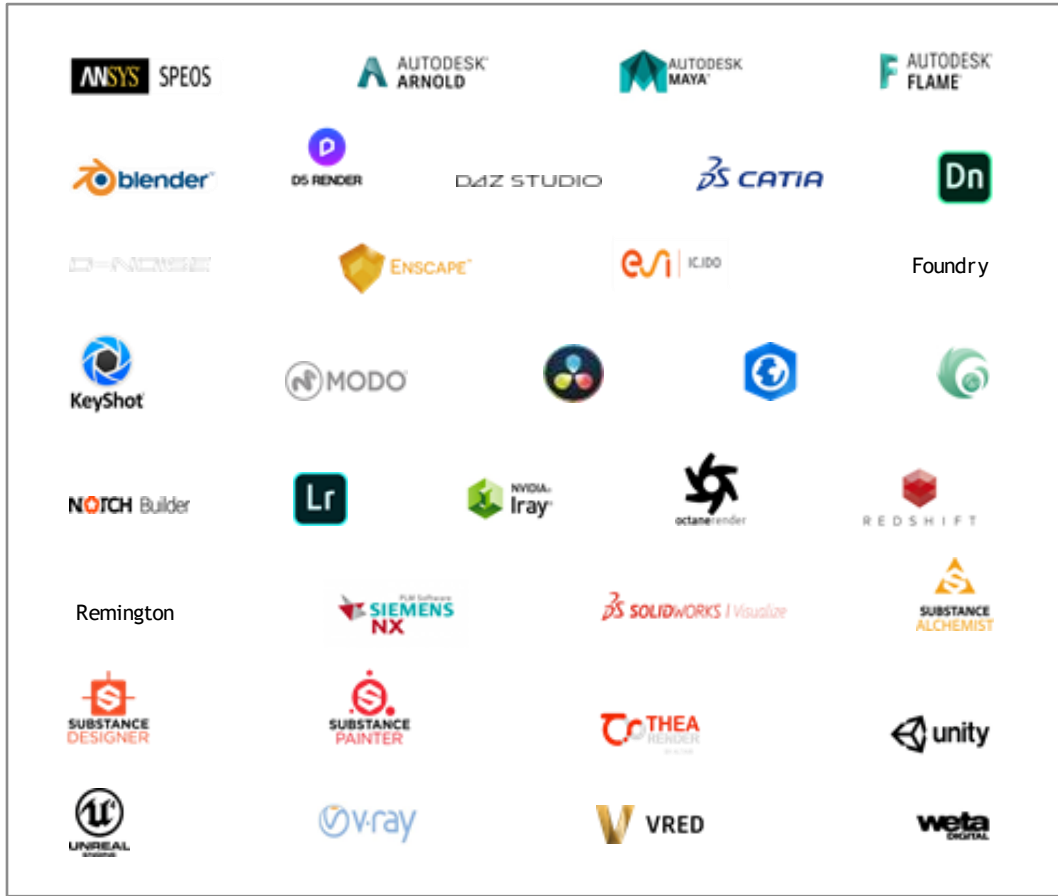
Revenue ($M)

50+ Applications
Unlocking New Markets

Accelerated Rendering   AR/VR   Data Science

Simulation and Sci Viz   Virtual Workstations

QUADRO
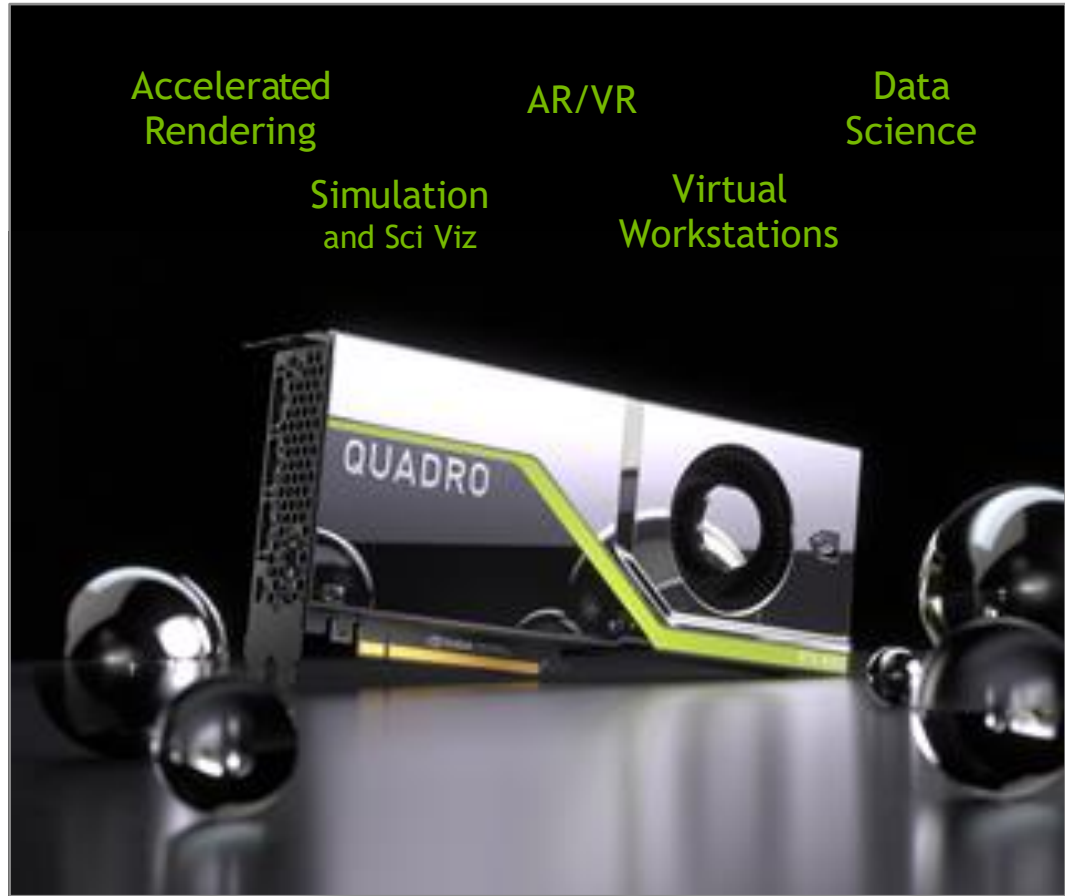
40M Designers and Creatives

NVIDIA.

AUTO

Infotainment and Autonomous Vehicles

Revenue ($M)

22% CAGR

FY16: $320, FY17: $487, FY18: $558, FY19: $641, FY20: $700

NVIDIA DRIVE Partners

Cars: 42, Trucks: 7, Tier 1s: 26, Robo taxis: 24, Mapping: 15, Sensors: 33, Software: 76
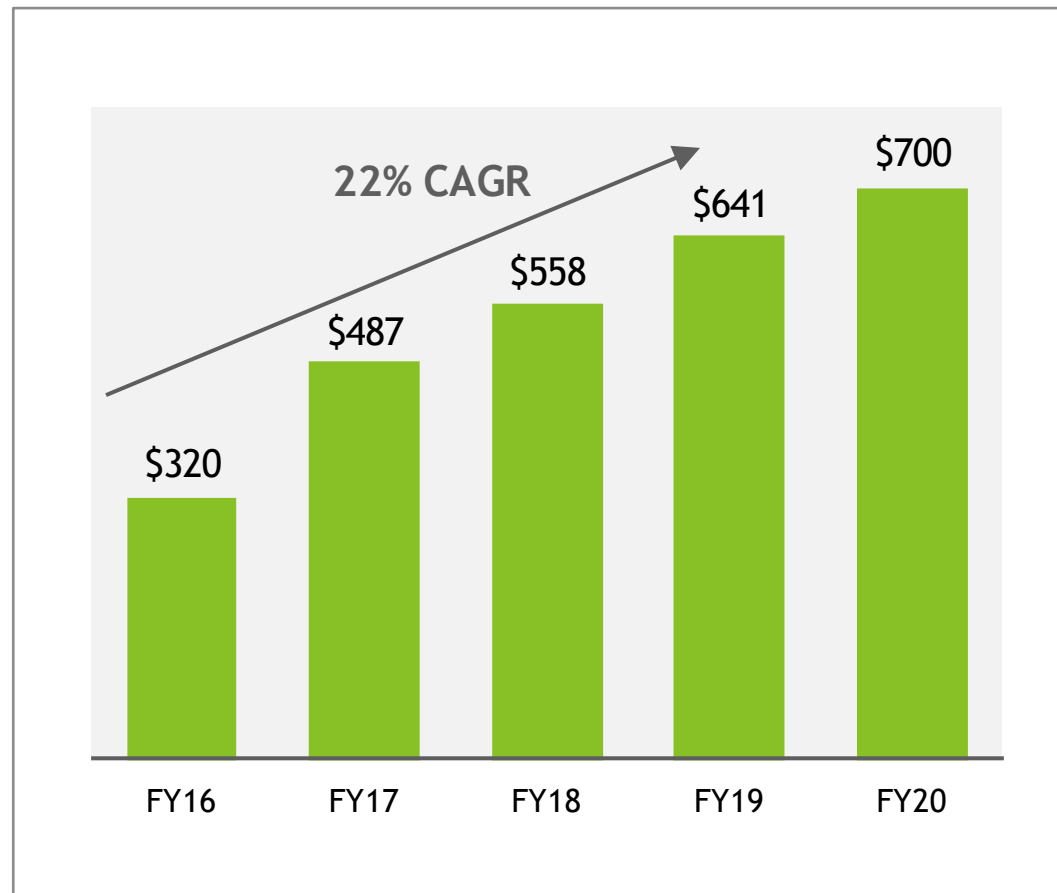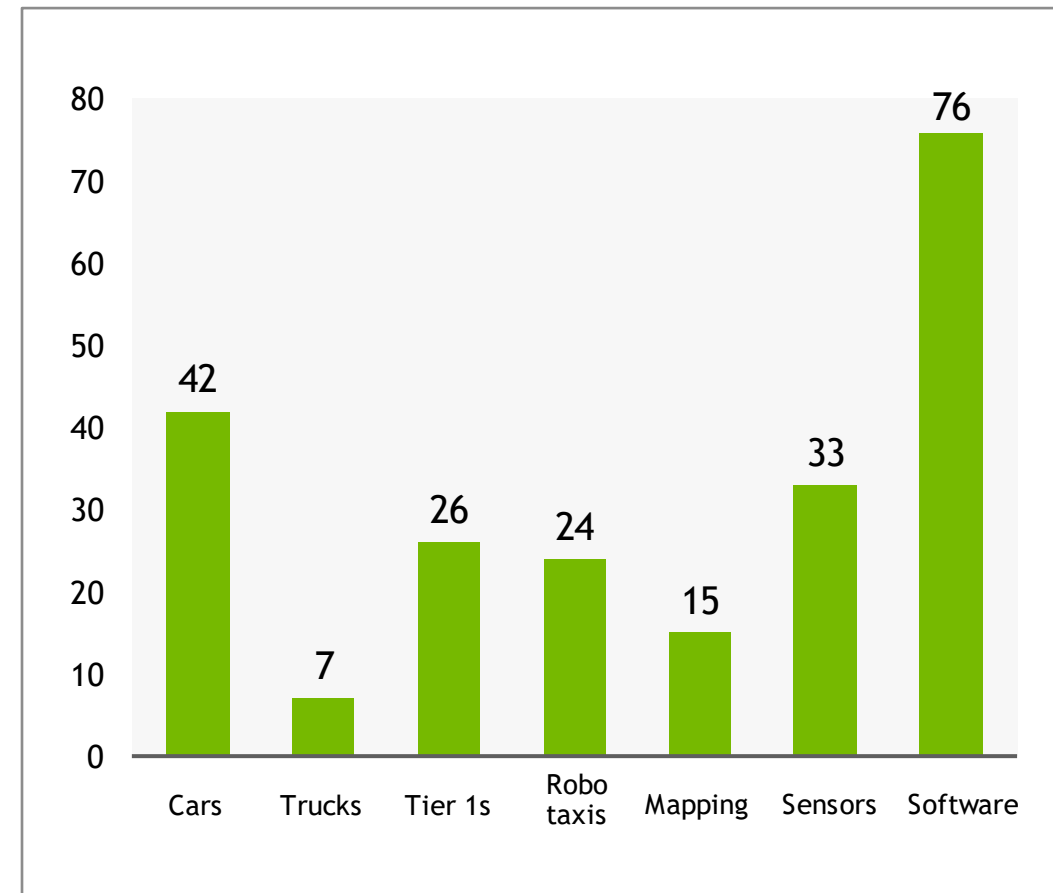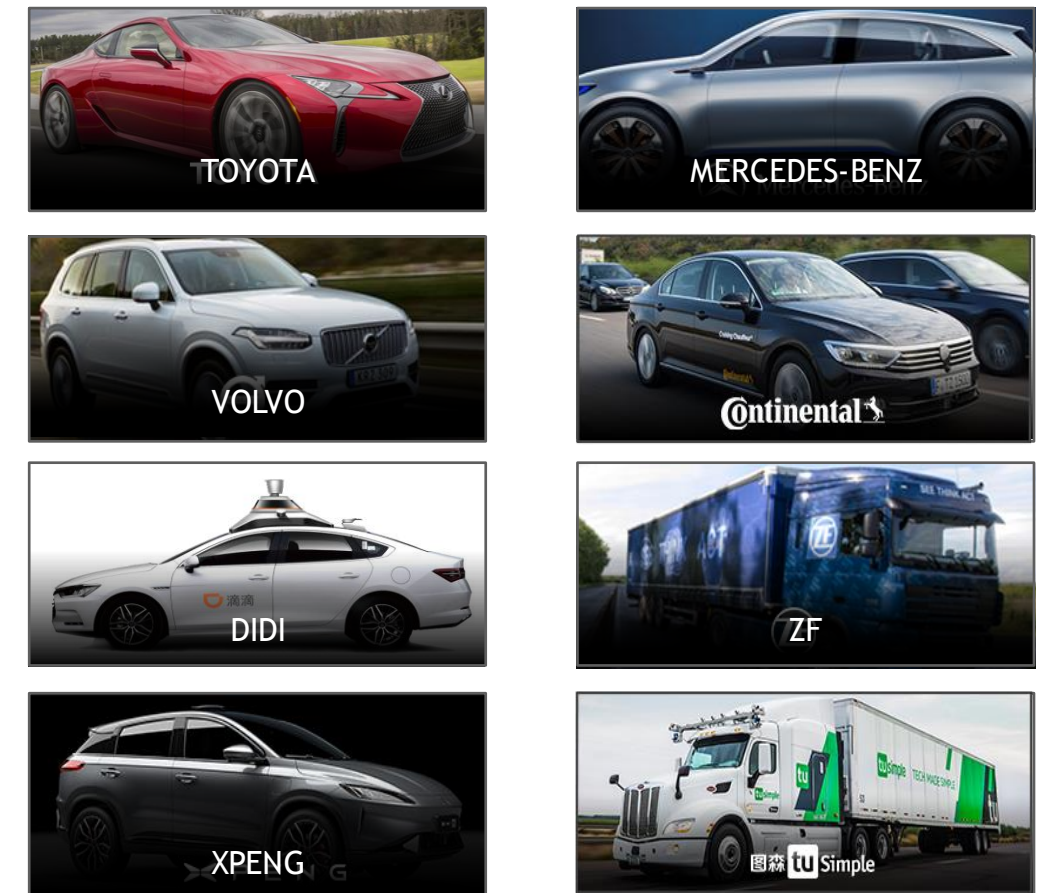
Strong Partnership / Ecosystem

TOYOTA, MERCEDES-BENZ, VOLVO, Continental, DIDI, ZF, XPENG, tu Simple

LARGE AND DIVERSE CUSTOMER BASE

Reaching Hundreds of Millions of End Users Through Hundreds of Customers

Reaching 200M+ PC gamers

Every Major PC OEM/ODM

Every Major Graphics Card Manufacturer

Gaming

Cloud

HPC

ORNL Summit   LLNL Sierra   Piz Daint   ABCI

Vertical Industry

Data Center

40M Designers/Creatives
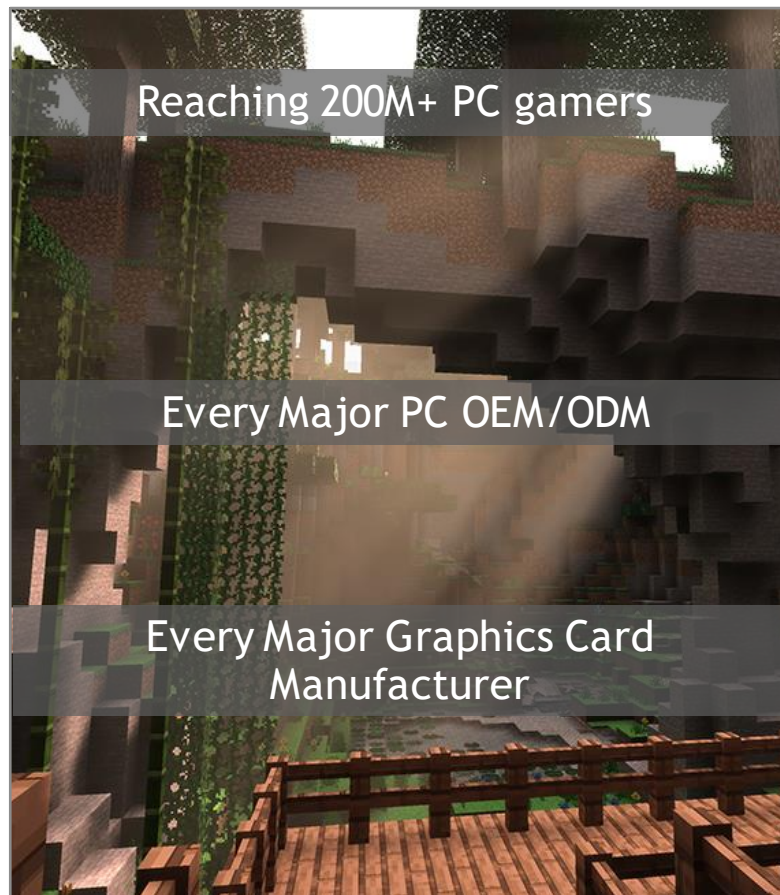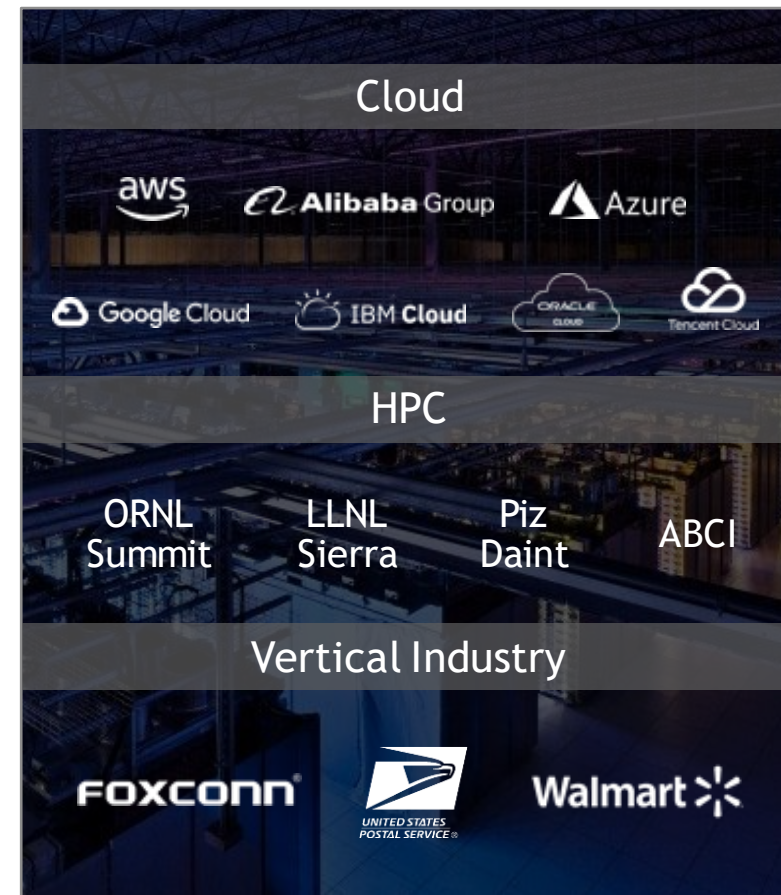
20M Enterprise Users
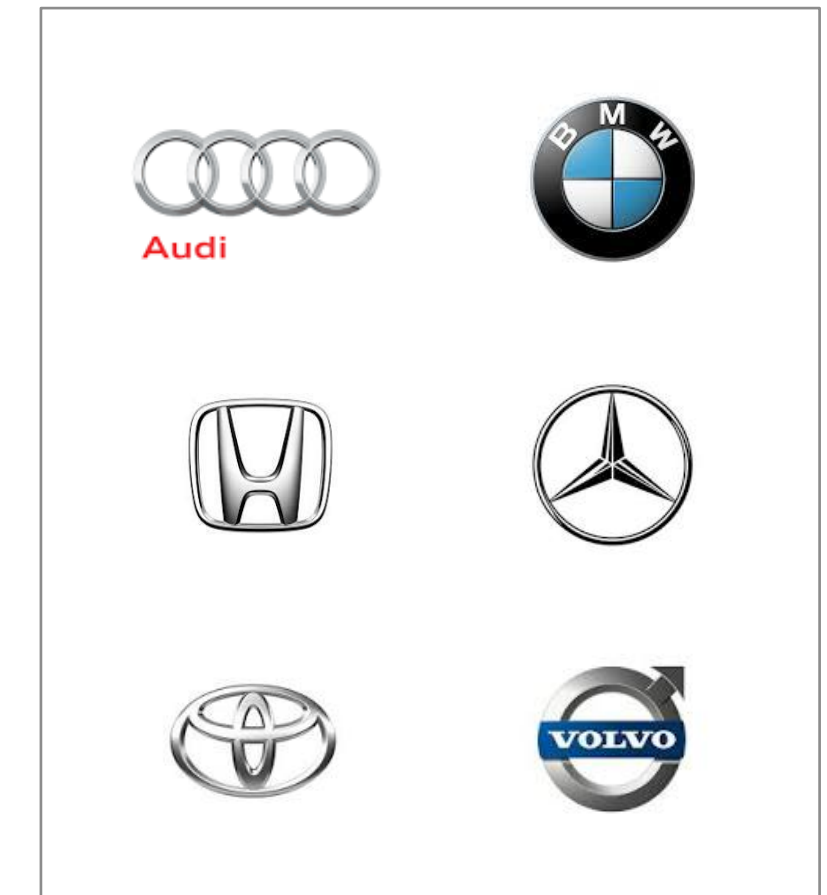
Pro Visualization

Auto

Largest Customer 11% of Total Revenue Over Past 3 Fiscal Years

FINANCIALS

ANNUAL REVENUE BY MARKET PLATFORM

Gaming — FY16-20 CAGR – 18%
$mm
FY16: $2,818
FY17: $4,060
FY18: $5,513
FY19: $6,246
FY20: $5,518

Data Center — FY16-20 CAGR – 72%
$mm
FY16: $339
FY17: $830
FY18: $1,932
FY19: $2,932
FY20: $2,983

Pro Visualization — FY16-20 CAGR – 13%
$mm
FY16: $750
FY17: $835
FY18: $934
FY19: $1,130
FY20: $1,212

Auto — FY16-20 CAGR – 22%
$mm
FY16: $320
FY17: $487
FY18: $558
FY19: $641
FY20: $700
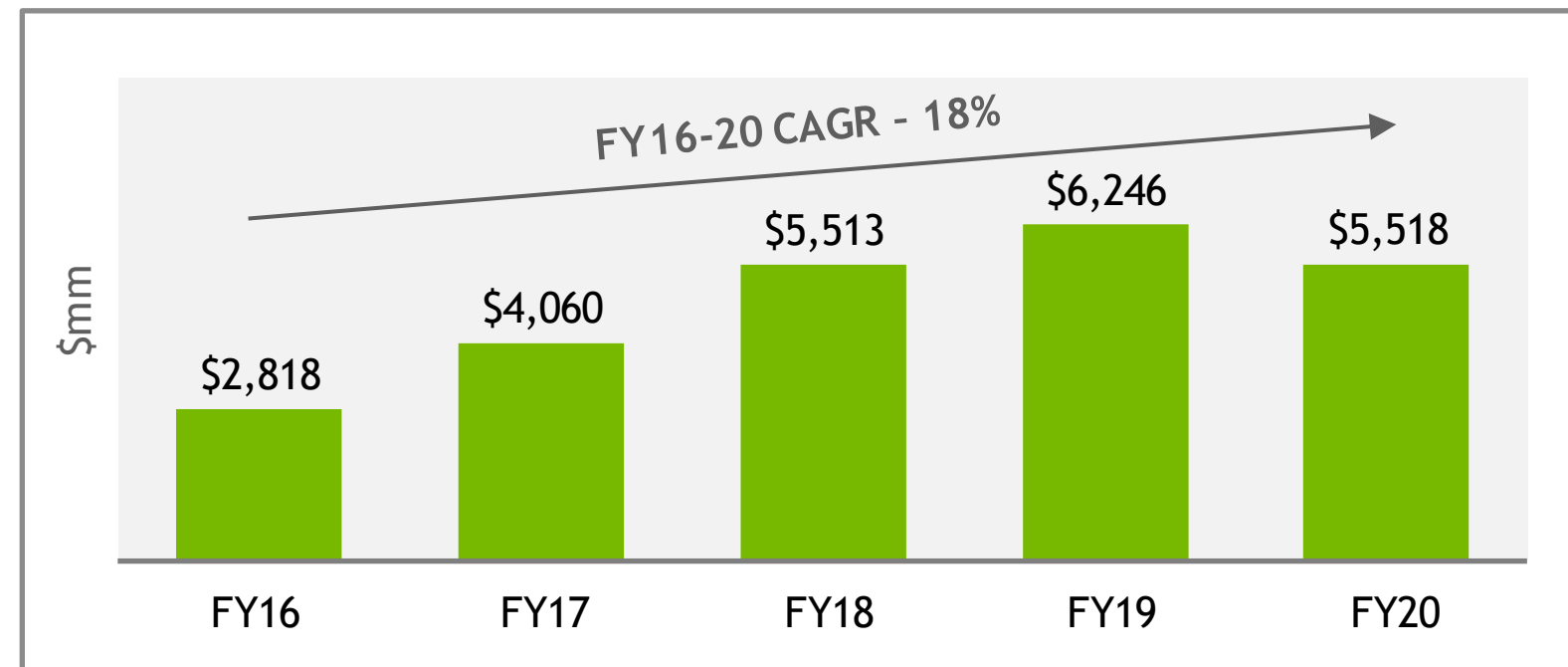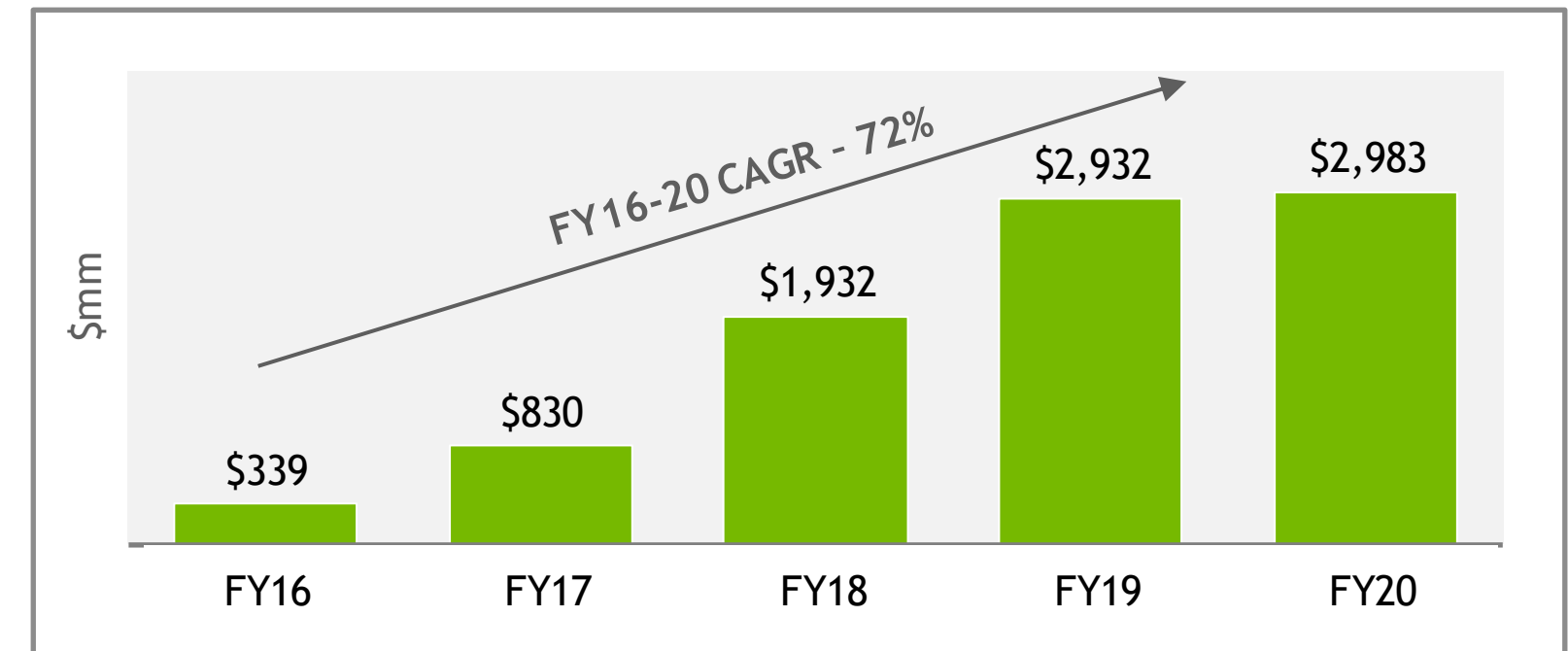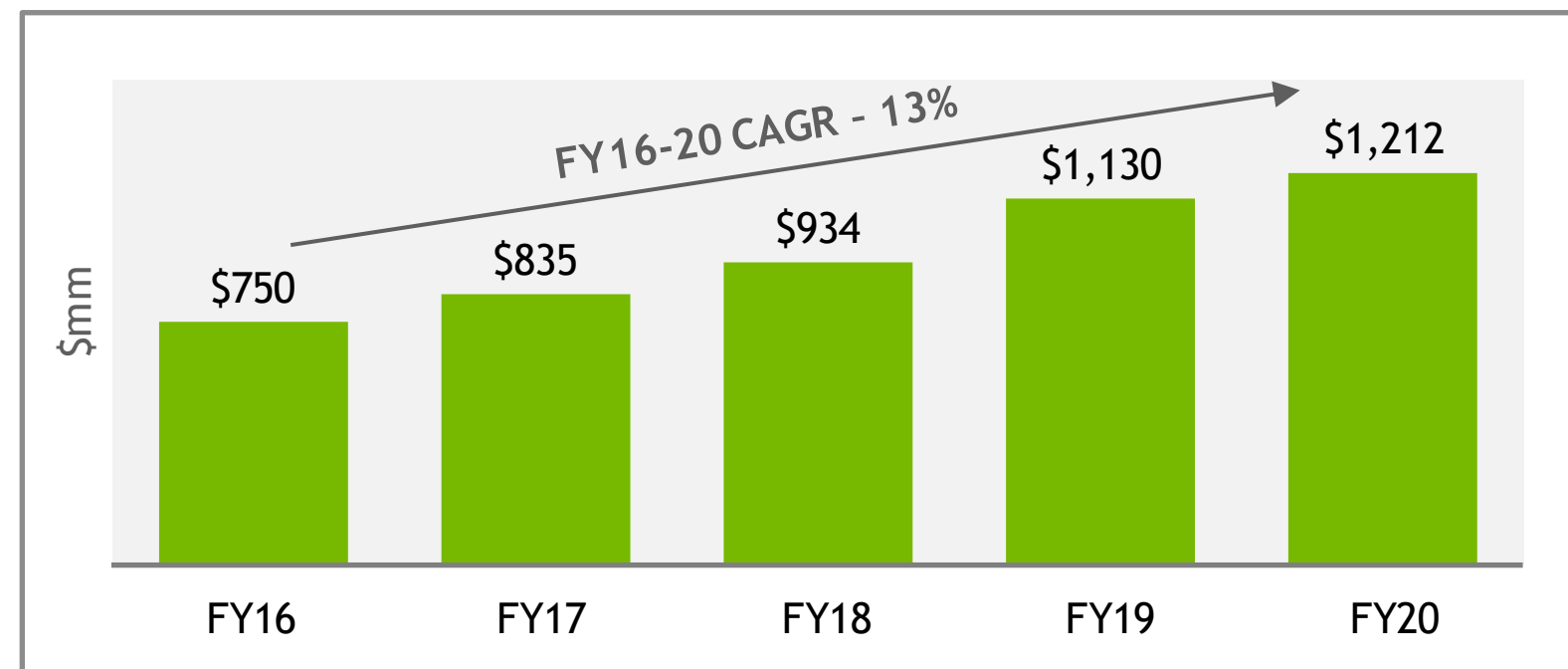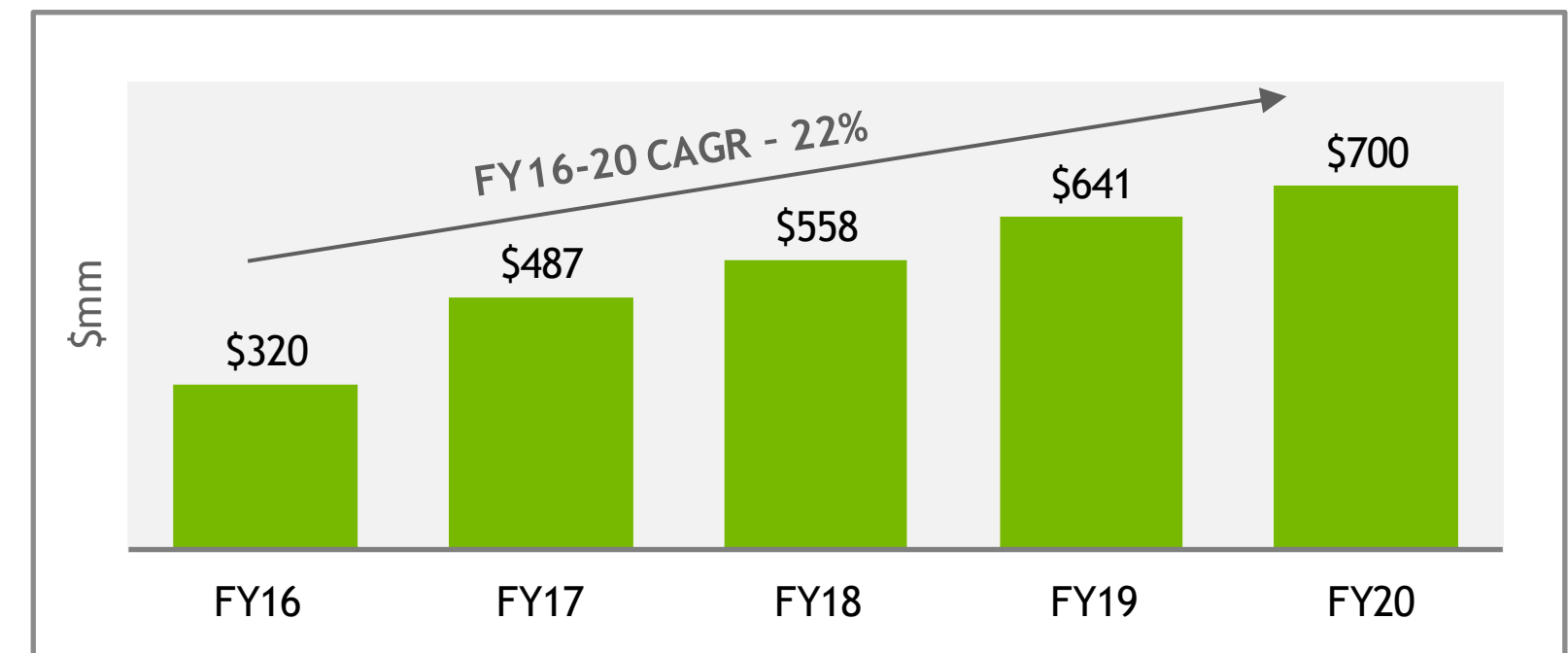
ANNUAL CASH & CASH FLOW METRICS

ADJUSTED EBITDA (NON-GAAP)

$mm

FY16	FY17	FY18	FY19	FY20
$1,305	$2,392	$3,803	$4,662	$4,110

OPERATING CASH FLOW

$mm

FY16	FY17	FY18	FY19	FY20
$1,175	$1,672	$3,502	$3,743	$4,761

FREE CASH FLOW

$mm

FY16	FY17	FY18	FY19	FY20
$1,089	$1,496	$2,909	$3,143	$4,272

CASH BALANCE

$mm

FY16	FY17	FY18	FY19	FY20
$5,037	$6,798	$7,108	$7,422	$10,897
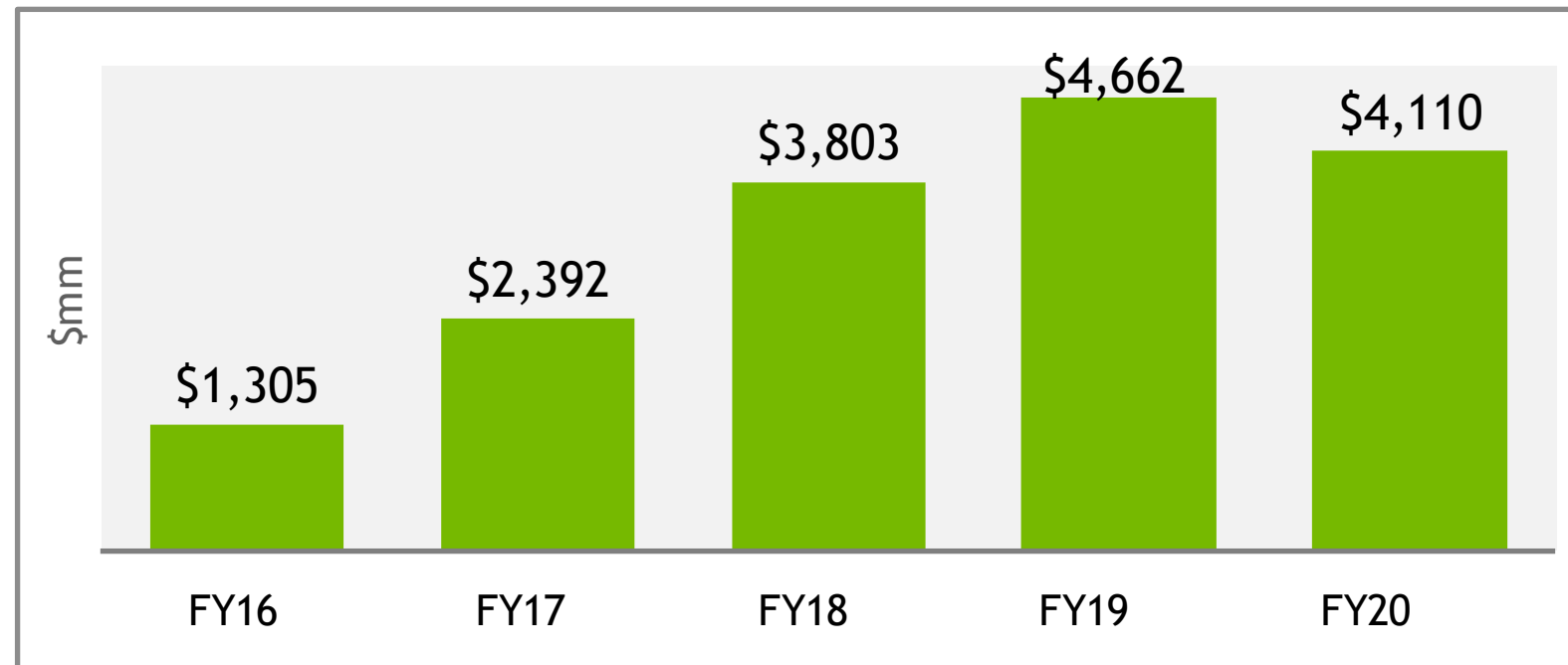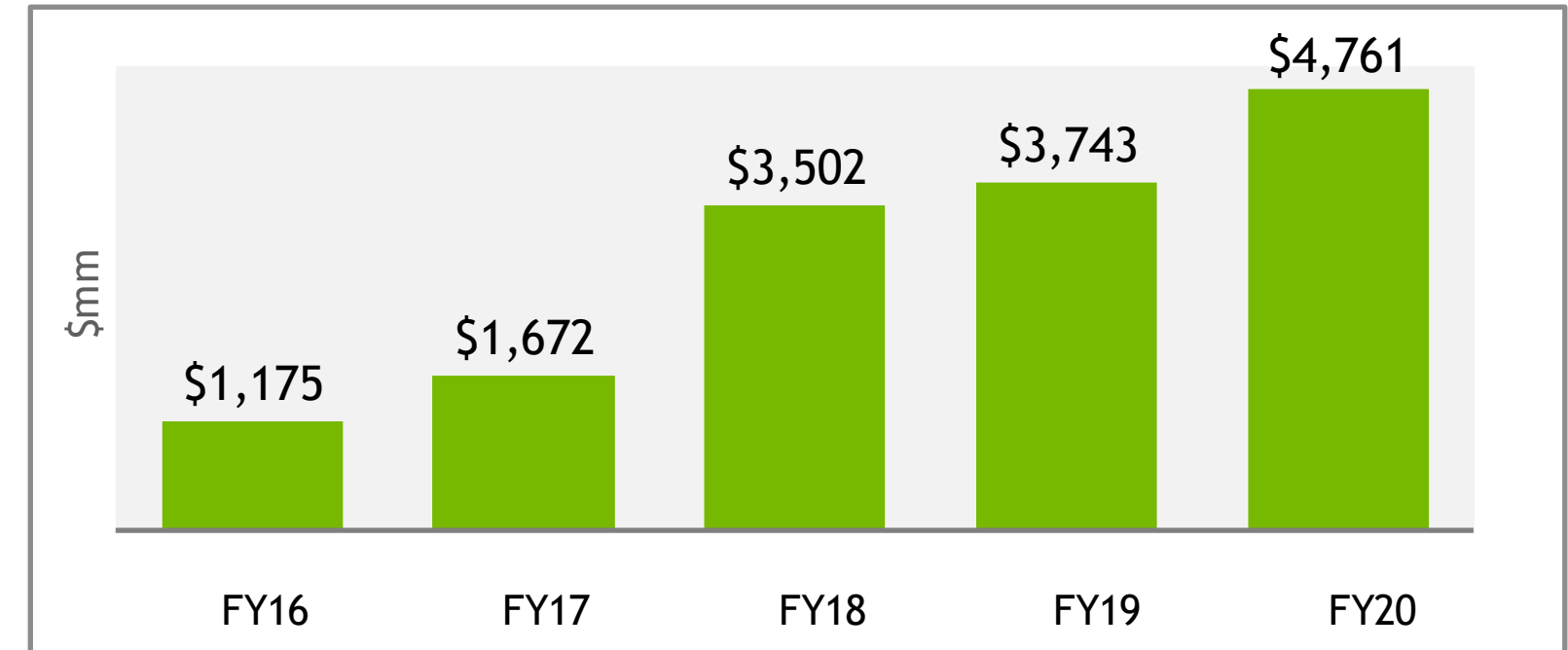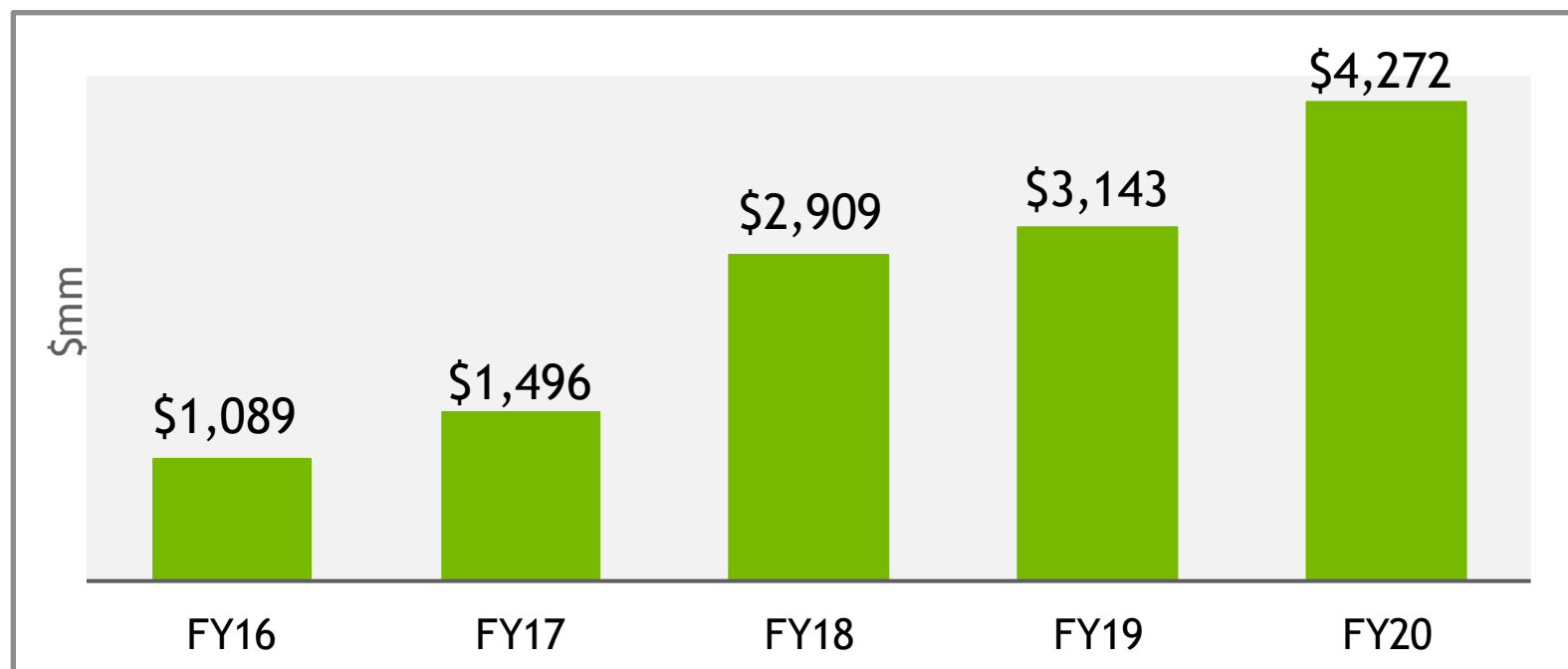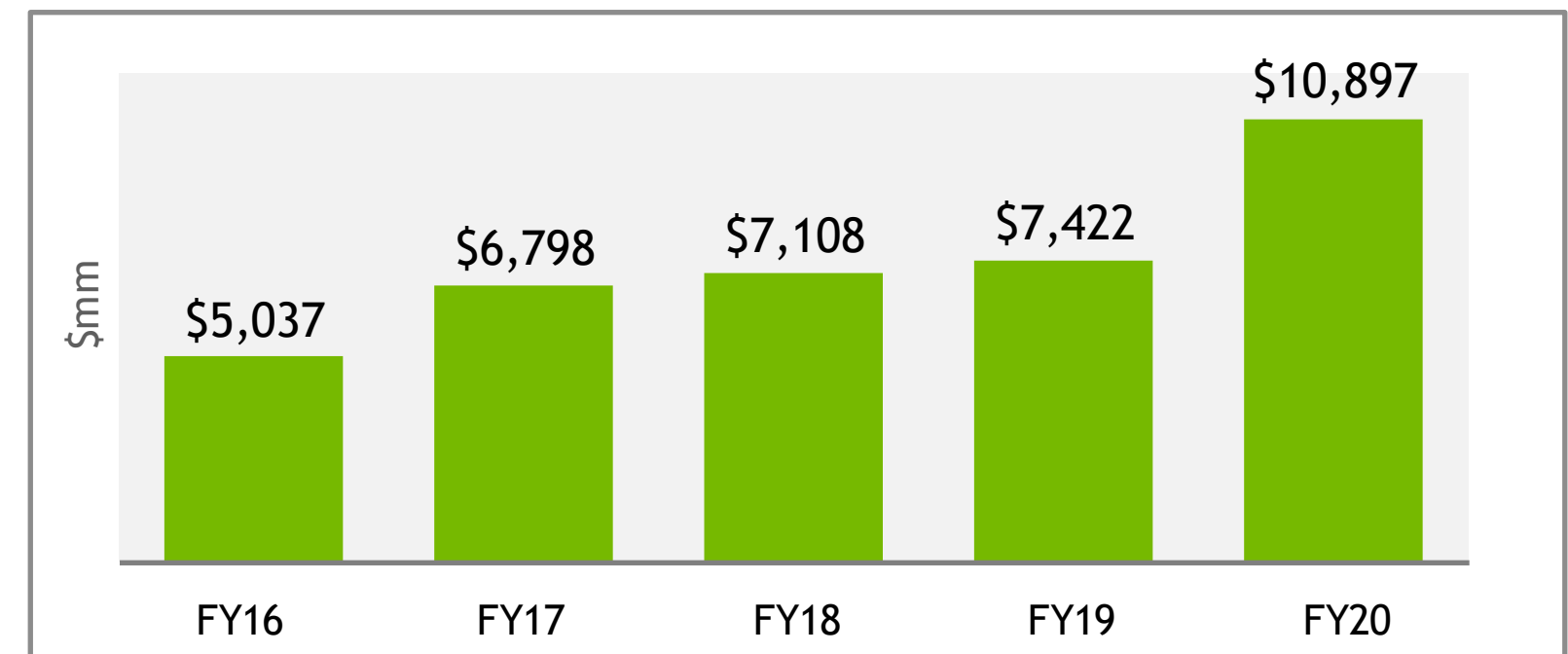
Cash balance is defined as cash and cash equivalents plus marketable securities

NVIDIA.

CONSERVATIVE FINANCIAL POLICY

Key Credit Metrics

	FY20
Revenue	$10.92B
Adjusted EBITDA	$4.11B
Free Cash Flow	$4.27B
Cash & Cash Equivalents and Marketable Securities	$10.90B
Principal Value of Debt	$2.00B
Net Cash	$8.90B
Principal Value of Debt / Adjusted EBITDA	0.5x

Financial Policy Highlights

▶ Commitment to maintain our historically modest leverage, consistent with investment grade credit ratings

▶ Disciplined capital return policy

▶ Solid balance sheet with substantial liquidity, and positive net cash position

▶ Disciplined approach to M&A

Historical Debt / Adjusted EBITDA
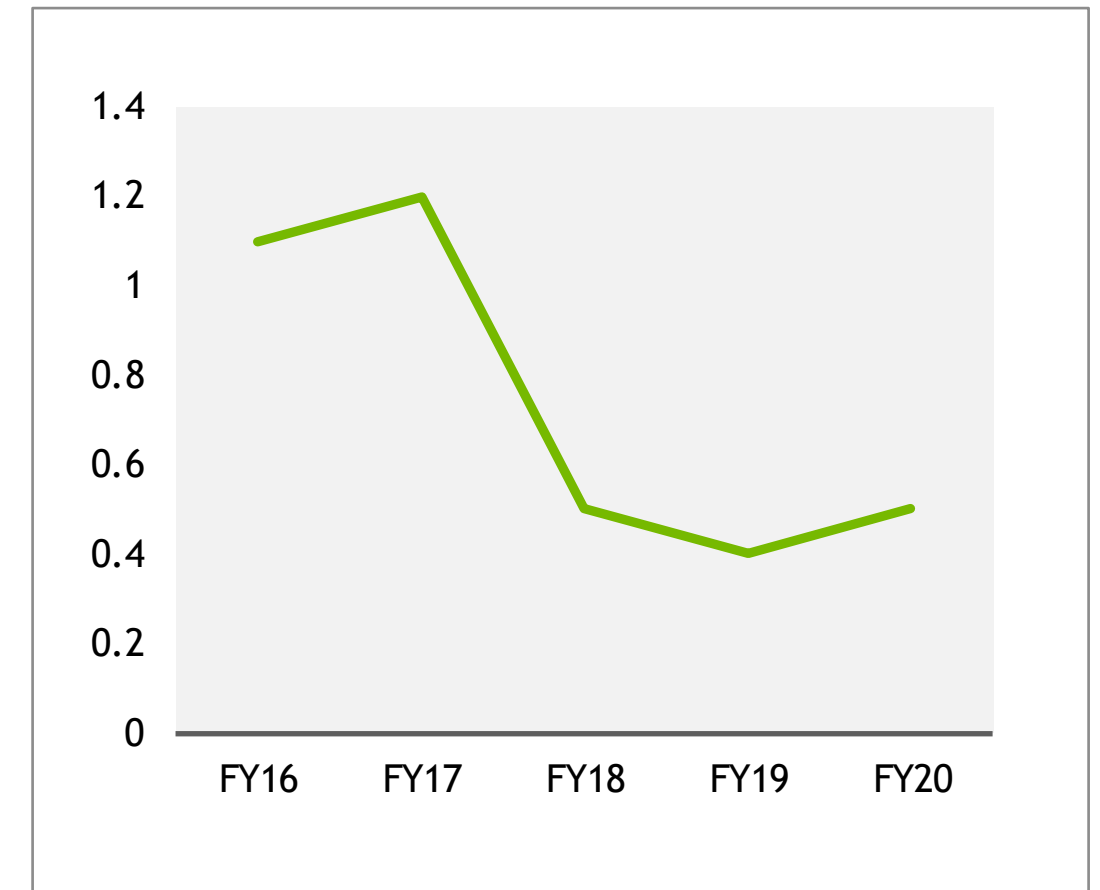
Source: SEC filings and public disclosures

1 Adjusted EBITDA and Free Cash Flow are Non-GAAP measures. Refer to Appendix for reconciliation of Non-GAAP measures
2 Net Cash is defined as Cash & Cash Equivalents and Marketable Securities less principal value of debt

NVIDIA'S COMMITMENT TO ESG

Creating a Leading Workplace

FAST COMPANY
Most Innovative Companies in
AI/Machine Learning
FAST COMPANY

glassdoor
2020 **BEST PLACES TO WORK**
Best Places to Work: Employee's Choice
GLASSDOOR

BEST PLACES TO WORK
2020 for LGBTQ Equality
100% CORPORATE EQUALITY INDEX
Best Places to Work for LGBT equality
HUMAN RIGHTS CAMPAIGN

FORTUNE
100 BEST COMPANIES TO WORK FOR 2020
100 Best Companies to Work For
FORTUNE

CRO
100 Best Corporate Citizens
CRO MAGAZINE

Dow Jones Sustainability Indexes
Dow Jones Sustainability Index
MEMBER

Tackling Climate Change

The **GREEN 500**

NVIDIA GPUs power 90 percent of the top 30 supercomputers on the Green500 list (as of Nov. 2019).
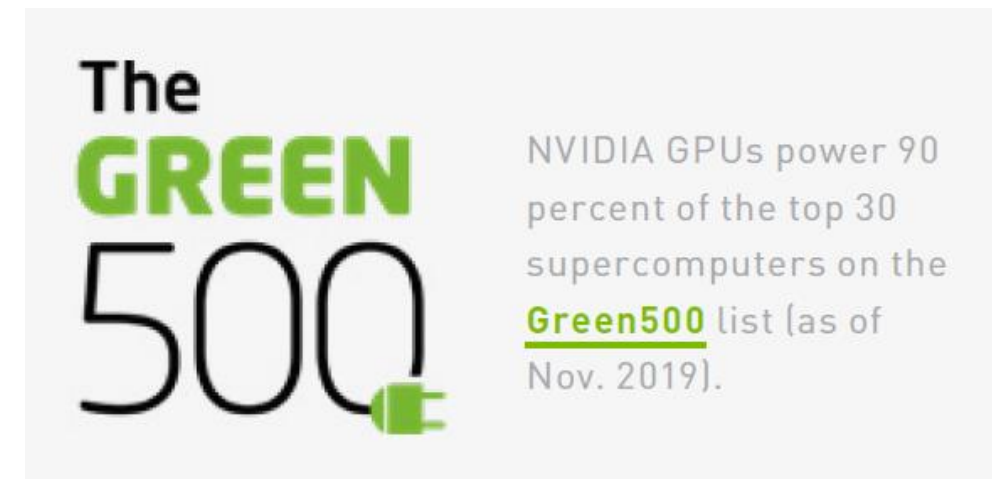
NVIDIA GPUs are 20 to 25 times more energy efficient than traditional CPU servers for AI workloads.

65%

global electricity use from renewable energy by FY25
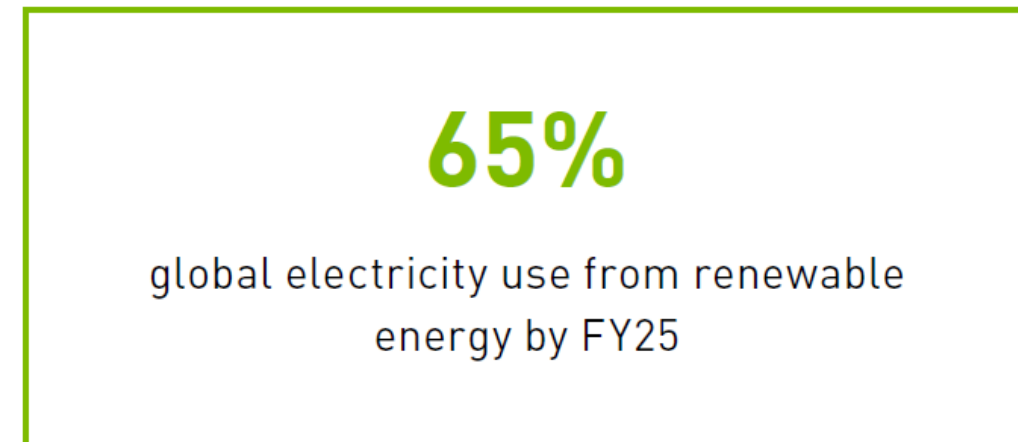
"*NVIDIA GPUs POWER SIX OUT OF THE TEN MOST ENERGY-EFFICIENT MACHINES ON THE TOP500*"

HPCWIRE

Accelerated computing is the way forward for powerful & efficient supercomputers

NVIDIA GPUs and/or InfiniBand power 8 of top 10 systems on latest TOP500 list

Fastest systems in U.S., Europe & China

RECONCILIATION OF NON-GAAP
TO GAAP FINANCIAL MEASURES

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES

($ IN MILLIONS)	NON-GAAP OPERATING INCOME (A)	GAAP DEPRECIATION & AMORTIZATION	AMORTIZATION OF ACQUISITION-RELATED INTANGIBLES	ADJUSTED EBITDA
FY 2016	$1,125	197	(17)	$1,305
FY 2017	$2,221	187	(16)	$2,392
FY 2018	$3,617	199	(13)	$3,803
FY 2019	$4,407	262	(7)	$4,662
FY 2020	$3,735	381	(6)	$4,110

A. Refer to Appendix herein for reconciliation of Non-GAAP operating income to GAAP operating income

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

($ IN MILLIONS)	NON-GAAP OPERATING INCOME	STOCK-BASED COMPENSATION (A)	PRODUCT WARRANTY (B)	ACQUISITION-RELATED AND OTHER COSTS (C)	OTHER (D)	GAAP OPERATING INCOME
FY 2016	$1,125	(205)	(20)	(22)	(131)	$747
FY 2017	$2,221	(248)	—	(16)	(23)	$1,934
FY 2018	$3,617	(391)	—	(13)	(3)	$3,210
FY 2019	$4,407	(557)	—	(2)	(44)	$3,804
FY 2020	$3,735	(844)	—	(30)	(15)	$2,846

A. Stock-based compensation charge was allocated to cost of goods sold, research and development expense, and sales, general and administrative expense
B. Consists of warranty charge associated with a product recall
C. Consists of amortization of acquisition-related intangible assets, transaction costs, compensation charges, other credits related to acquisitions, and other costs
D. Comprises of legal settlement costs, contributions, and restructuring and other charges

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

($ IN MILLIONS)	NON-GAAP OPERATING INCOME	STOCK-BASED COMPENSATION (A)	ACQUISITION-RELATED AND OTHER COSTS (B)	OTHER (C)	GAAP OPERATING INCOME
1H FY20	$1,358	(401)	(15)	(13)	$929
1H FY21	$2,721	(598)	(479)	(17)	$1,627

A. Stock-based compensation charge was allocated to cost of goods sold, research and development expense, and sales, general and administrative expense
B. Consists of amortization of intangible assets, inventory step-up, transaction costs, and certain compensation charges
C. Comprises of legal settlement costs

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

($ IN MILLIONS)	NON-GAAP	STOCK-BASED COMPENSATION (A)	ACQUISITION-RELATED ITEMS AND OTHER COSTS (B)	OTHER (C)	TAX IMPACT OF ADJUSTMENTS	GAAP
Q2 FY2021						
Revenue	$3,866	—	—	—	—	$3,866
Gross profit	$2,551	(14)	(245)	(17)	—	$2,275
Gross margin	66.0%	(0.4)	(6.3)	(0.5)	—	58.8%
Research and development expense	$766	228	3	—	—	$997
Sales, general and administrative expense	$269	132	226	—	—	$627
Operating expense	$1,035	360	229	—	—	$1,624
Operating income	$1,516	(374)	(474)	(17)	—	$651
Net income	$1,366	(374)	(474)	(20)	124	$622
Diluted EPS	$2.18	(0.60)	(0.76)	(0.03)	0.20	$0.99

A. Stock-based compensation charge was allocated to cost of goods sold, research and development expense, and sales, general and administrative expense
B. Primarily consists of amortization of intangible assets, inventory step-up, transaction costs, and certain compensation charges
C. Comprises of legal settlement costs, losses from non-affiliated investments, and interest expense related to amortization of debt discount

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

	NON-GAAP GROSS MARGIN	STOCK-BASED COMPENSATION (A)	PRODUCT WARRANTY (B)	OTHER (C)	GAAP GROSS MARGIN
FY 2016	56.8%	(0.3)	(0.4)	—	56.1%
FY 2017	59.2%	(0.2)	—	(0.2)	58.8%
FY 2018	60.2%	(0.3)	—	—	59.9%
FY 2019	61.7%	(0.2)	—	(0.3)	61.2%
FY 2020	62.5%	(0.4)	—	(0.1)	62.0%

A. *Stock-based compensation charge was allocated to cost of goods sold*
B. *Consists of warranty charge associated with a product recall*
C. *Consists of legal settlement costs*

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

	NON-GAAP GROSS MARGIN	STOCK-BASED COMPENSATION (A)	ACQUISITION-RELATED ITEMS AND OTHER COSTS (B)	OTHER (C)	GAAP GROSS MARGIN
Q2 FY2020	60.1%	(0.3)	—	—	59.8%
Q3 FY2020	64.1%	(0.5)	—	—	63.6%
Q4 FY2020	65.4%	(0.4)	—	(0.1)	64.9%
Q1 FY2021	65.8%	(0.7)	—	—	65.1%
Q2 FY2021	66.0%	(0.4)	(6.3)	(0.5)	58.8%

A. Stock-based compensation charge was allocated to cost of goods sold
B. Consists of amortization of intangible assets and inventory step-up
C. Consists of legal settlement costs

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

	NON-GAAP GROSS MARGIN	STOCK-BASED COMPENSATION (A)	ACQUISITION-RELATED ITEMS AND OTHER COSTS (B)	OTHER (C)	GAAP GROSS MARGIN
1H FY20	59.6%	(0.3)	—	(0.2)	59.1%
1H FY21	65.9%	(0.5)	(3.5)	(0.3)	61.6%

A. *Stock-based compensation charge was allocated to cost of goods sold*
B. *Consists of amortization of intangible assets and inventory step-up*
C. *Consists of legal settlement costs*

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

	NON-GAAP OPERATING MARGIN	STOCK-BASED COMPENSATION (A)	PRODUCT WARRANTY (B)	ACQUISITION-RELATED AND OTHER COSTS (C)	OTHER (D)	GAAP OPERATING MARGIN
FY 2016	22.5%	(4.2)	(0.4)	(0.4)	(2.6)	14.9%
FY 2017	32.1%	(3.6)	–	(0.2)	(0.3)	28.0%
FY 2018	37.2%	(4.0)	–	(0.2)	–	33.0%
FY 2019	37.6%	(4.7)	–	–	(0.4)	32.5%
FY 2020	34.2%	(7.7)	–	(0.3)	(0.1)	26.1%

A. Stock-based compensation charge was allocated to cost of goods sold, research and development expense, and sales, general and administrative expense
B. Consists of warranty charge associated with a product recall
C. Consists of amortization of acquisition-related intangible assets, transaction costs, compensation charges, other credits related to acquisitions, and other costs
D. Comprises of legal settlement costs, contributions, and restructuring and other charges

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

	NON-GAAP OPERATING MARGIN	STOCK-BASED COMPENSATION (A)	ACQUISITION-RELATED AND OTHER COSTS (B)	OTHER (C)	GAAP OPERATING MARGIN
1H FY20	28.3%	(8.3)	(0.3)	(0.3)	19.4%
1H FY21	39.2%	(8.6)	(6.9)	(0.3)	23.4%

A. Stock-based compensation charge was allocated to cost of goods sold, research and development expense, and sales, general and administrative expense
B. Consists of amortization of intangible assets, inventory step-up, transaction costs, and certain compensation charges
C. Comprises of legal settlement costs

RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES (CONTD.)

($ IN MILLIONS)	NET CASH PROVIDED BY OPERATING ACTIVITIES	PURCHASES OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	FREE CASH FLOW
FY 2016	$1,175	(86)	$1,089
FY 2017	$1,672	(176)	$1,496
FY 2018	$3,502	(593)	$2,909
FY 2019	$3,743	(600)	$3,143
FY 2020	$4,761	(489)	$4,272

RECONCILIATION OF GAAP TO NON-GAAP OUTLOOK

($ in millions)	Q3 FY2021 Outlook
GAAP gross margin	62.5%
Impact of stock-based compensation expense, acquisition-related costs, and other costs	3.0%
Non-GAAP gross margin	65.5%
GAAP operating expenses	$1,535
Stock-based compensation expense, acquisition-related costs, and other costs	(445)
Non-GAAP operating expenses	$1,090