



Investor Presentation

Q2 FY2023

September 1, 2022

Except for the historical information contained herein, certain matters in this presentation including, but not limited to, statements as to: our financial position; our markets; the performance, specifications, benefits, impact and availability of our products and technologies, including NVIDIA Grace and Grace Hopper, NVIDIA Omniverse, NVIDIA H100, NVIDIA QODA, NVIDIA DGX, and NVIDIA GPUs; upcoming launches of our products and architectures; channel inventory correction impacting future revenue; our partnerships, collaborations, and customers; our financial outlook, our expected tax rates and our expected capital expenditures for the third quarter of fiscal 2023; our growth and growth drivers; trends and our opportunities in existing and new markets; rollout plans on NVIDIA DRIVE; leading supercomputing centers being among the first with systems featuring NVIDIA Grace and Grace Hopper; NVIDIA AI delivering the highest productivity per dollar; evolving Universal Scene Description (USD) to become a foundation of the open metaverse and 3D internet and its impact; ongoing development unlocking metaverse workflows for manufacturing, engineering and design companies; neural graphics redefining how virtual worlds are created; optimizing across the entire stack allowing NVIDIA to advance computing in the post-Moore's law era; and our plan for 100% of our global electricity usage for our offices and data centers to be renewable by 2025 are forward-looking statements.

These forward-looking statements and any other forward-looking statements that go beyond historical facts that are made in this presentation are subject to risks and uncertainties that may cause actual results to differ materially. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of new products and technologies or enhancements to our existing product and technologies; market acceptance of our products or our partners' products; design, manufacturing or software defects; changes in consumer preferences and demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems and other factors.

NVIDIA has based these forward-looking statements largely on its current expectations and projections about future events and trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks and uncertainties, and you should not rely upon the forward-looking statements as predictions of future events. The future events and trends discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Although NVIDIA believes that the expectations reflected in the forward-looking statements are reasonable, the company cannot guarantee that future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances. For a complete discussion of factors that could materially affect our financial results and operations, please refer to the reports we file from time to time with the SEC, including our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Copies of reports we file with the SEC are posted on our website and are available from NVIDIA without charge.

NVIDIA uses certain non-GAAP measures in this presentation including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP diluted earnings per share, and free cash flow. NVIDIA believes the presentation of its non-GAAP financial measures enhances investors' overall understanding of the company's historical financial performance. The presentation of the company's non-GAAP financial measures is not meant to be considered in isolation or as a substitute for the company's financial results prepared in accordance with GAAP, and the company's non-GAAP measures may be different from non-GAAP measures used by other companies. Further information relevant to the interpretation of non-GAAP financial measures, and reconciliations of these non-GAAP financial measures to the most comparable GAAP measures, may be found in the slide titled "Reconciliation of Non-GAAP to GAAP Financial Measures".



Content

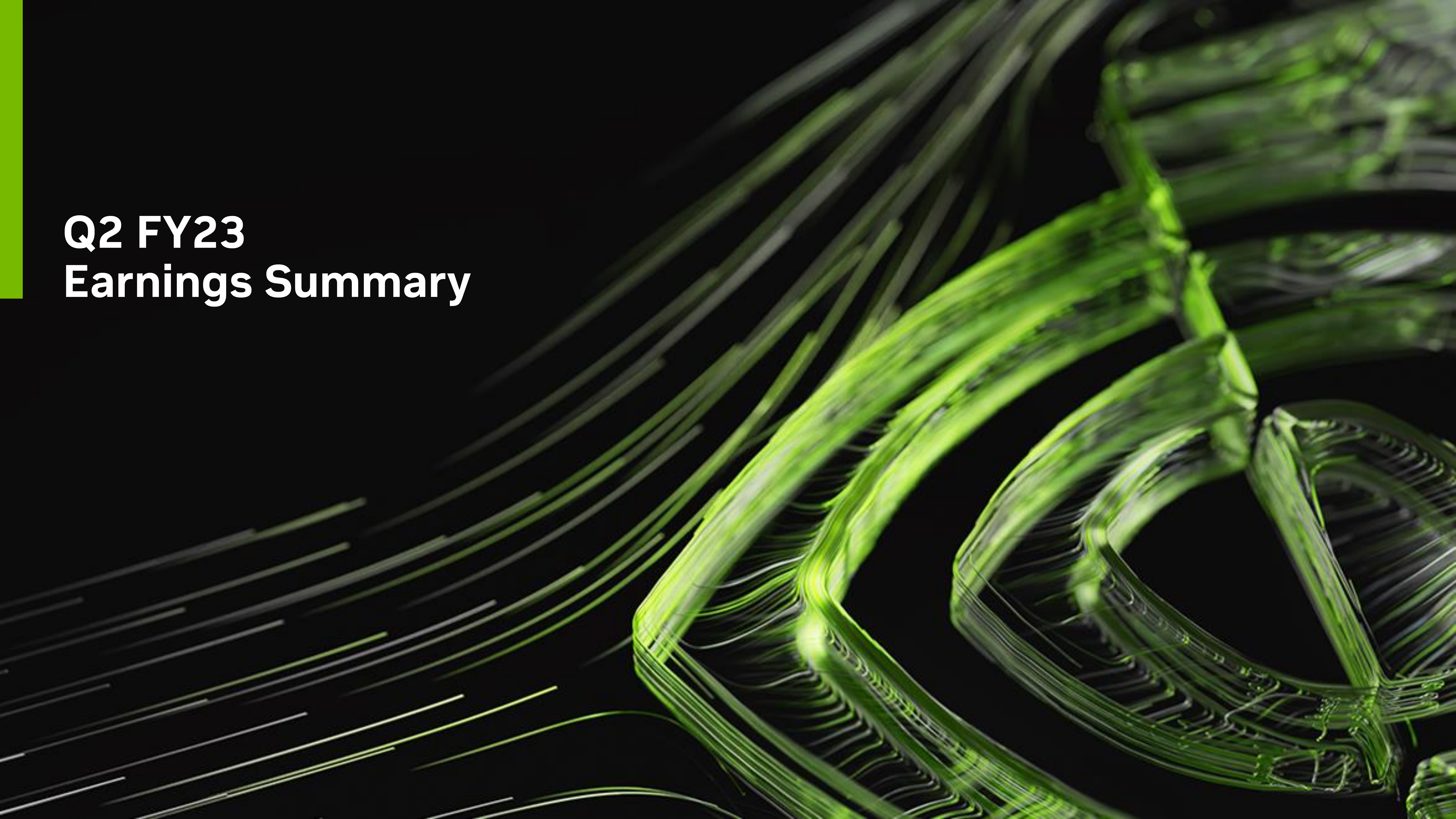
- Q2 FY23 Earnings Summary

- Key Announcements This Quarter

- NVIDIA Overview

- Financials

- Reconciliation of Non-GAAP to GAAP Financial Measures

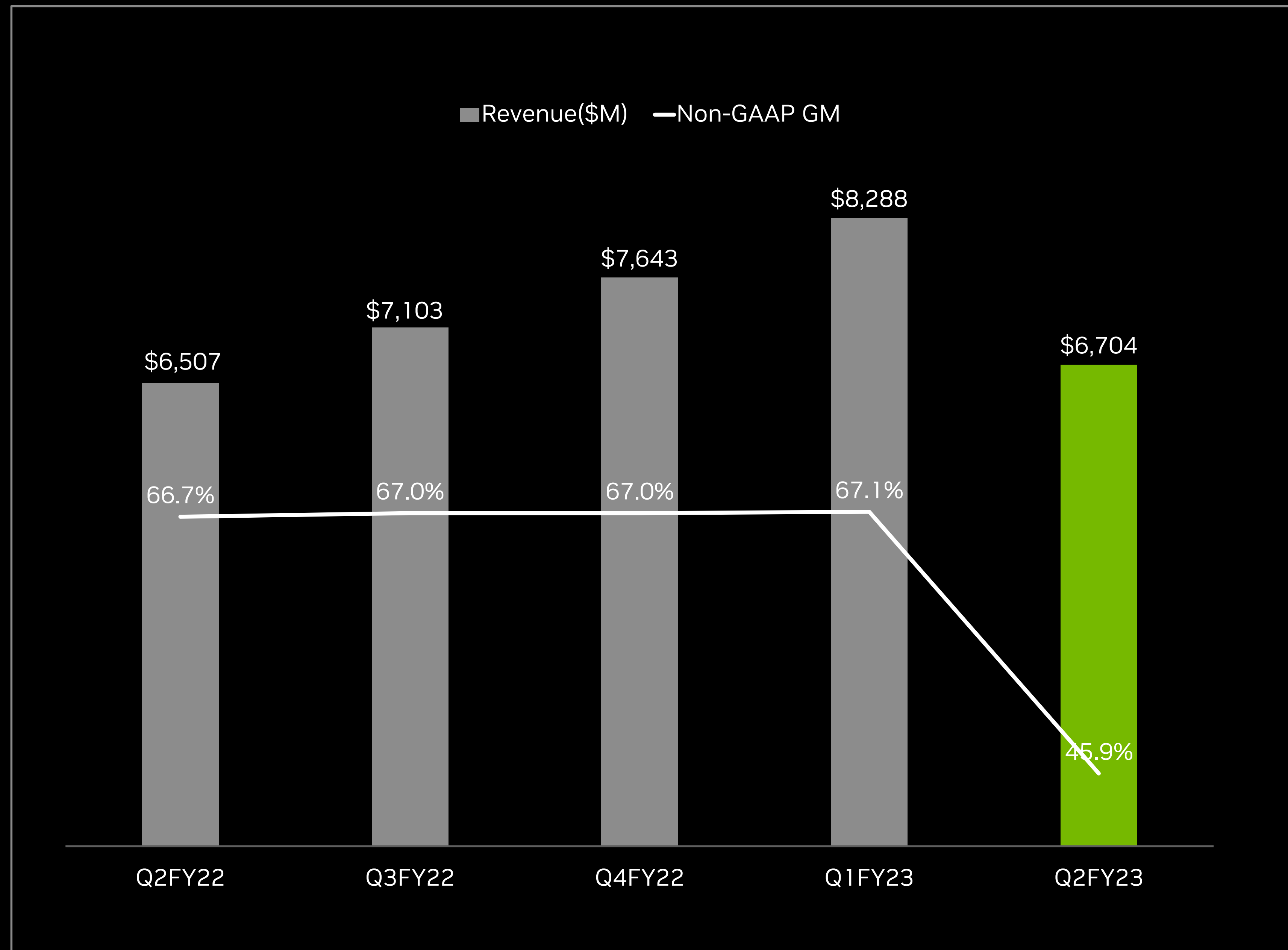
The background features a complex pattern of thin, curved green lines on a black field, creating a sense of motion and depth. A solid green vertical bar is positioned on the far left side of the image.

Q2 FY23 Earnings Summary

Highlights

- **Challenging quarter; shortfall to expectations driven primarily by weaker Gaming revenue**
 - Total revenue up 3% y/y to \$6.70B, below outlook of \$8.10B +/- 2% provided on the Q1 earnings call
 - Data Center up 61% y/y to \$3.81B
 - Gaming down 33% y/y to \$2.04B
- **Data Center revenue impacted by supply chain disruptions**
 - Revenue from hyperscale customers nearly doubled year-on-year
 - Vertical industries grew both sequentially and year-on-year
 - Upcoming launches of next-generation platforms; H100 data center GPU in production
- **Gaming revenue in Q2 and outlook for Q3 reflect channel inventory correction**
 - Macroeconomic headwinds across the world drove a sudden slowdown in consumer demand
 - Gaming partners and ecosystem are responding to the slowdown and correcting channel inventory
 - Upcoming Gaming architecture launch set to kickstart the next high-end upgrade cycle

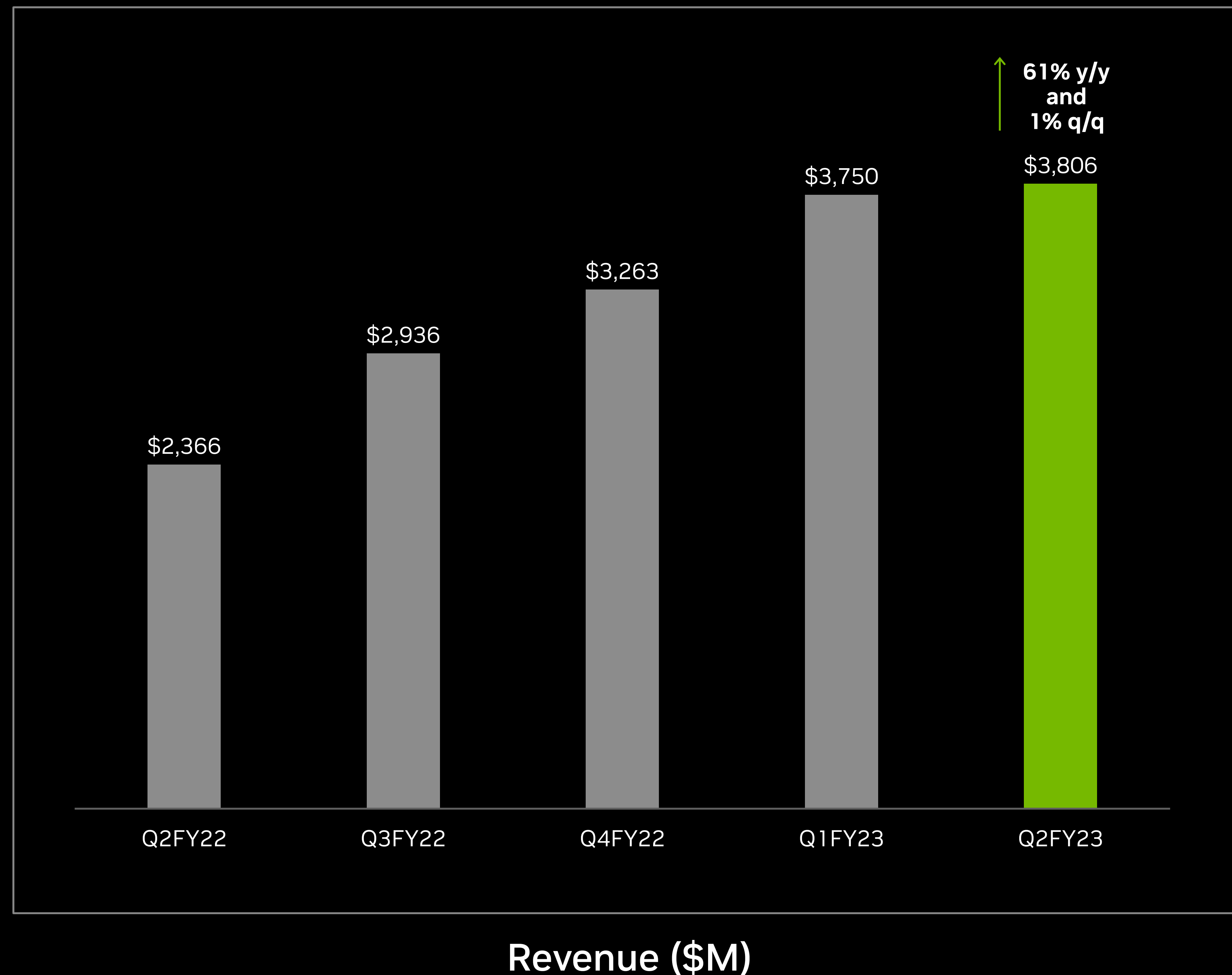
Q2 FY2023 Financial Summary



	GAAP			Non-GAAP		
	Q2 FY23	Y/Y	Q/Q	Q2 FY23	Y/Y	Q/Q
Revenue	\$6,704	+3%	-19%	\$6,704	+3%	-19%
Gross Margin	43.5%	-21.3 pts	-22.0 pts	45.9%	-20.8 pts	-21.2 pts
Operating Income	\$499	-80%	-73%	\$1,325	-57%	-66%
Net Income	\$656	-72%	-59%	\$1,292	-51%	-62%
Diluted EPS	\$0.26	-72%	-59%	\$0.51	-51%	-63%
Cash Flow from Ops	\$1,270	-53%	-27%	\$1,270	-53%	-27%

All dollar figures are in millions other than EPS. Diluted EPS changes reflects a four-for-one stock split effective July 2021.

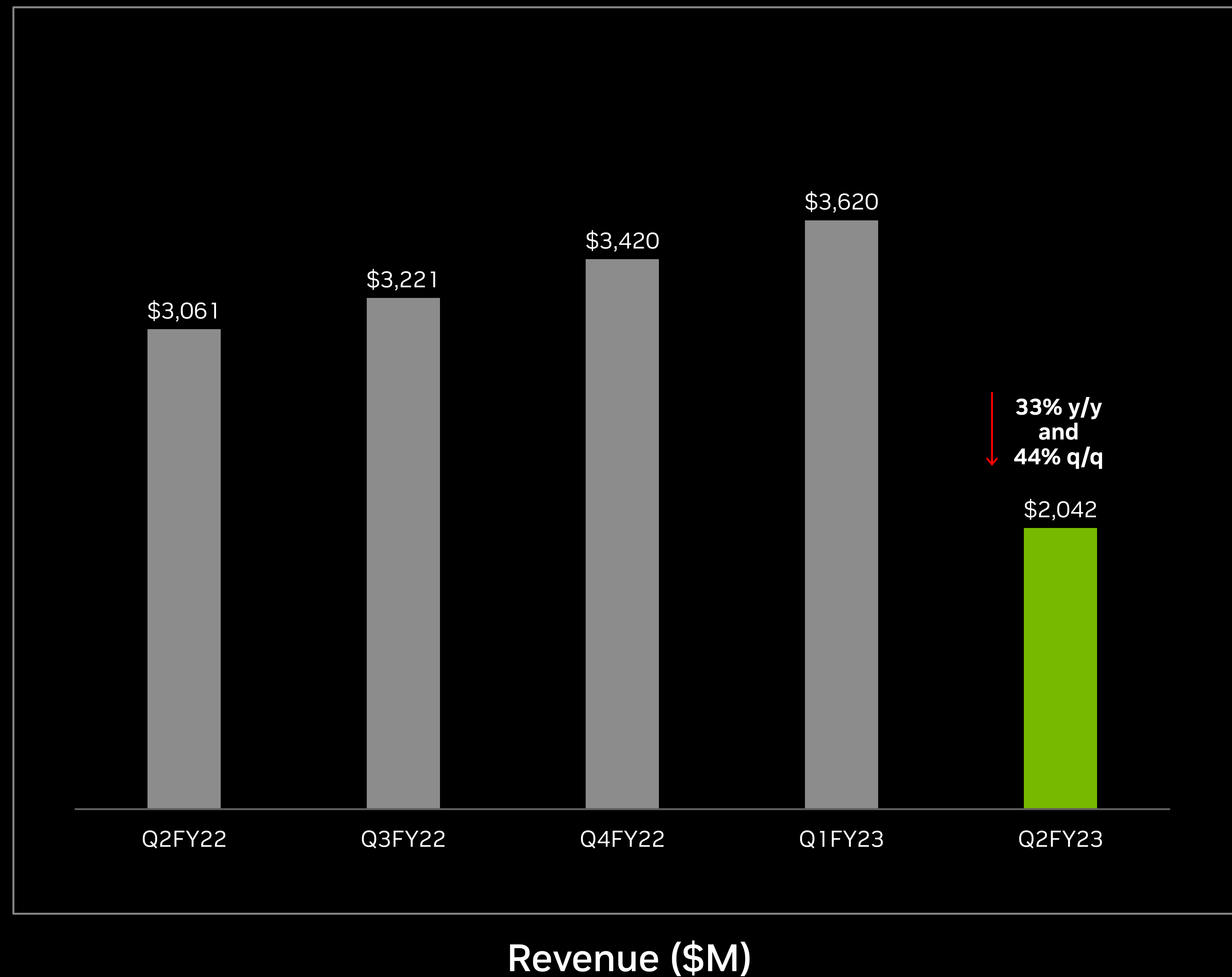
Data Center



Highlights

- Revenue from hyperscale customers nearly doubled y/y
- Sales to North America hyperscale and cloud computing customers increased q/q, but were more than offset by lower sales to China hyperscale customers
- Vertical industries grew both q/q and y/y
- Key workloads driving growth include:
 - Natural language processing
 - Recommender systems
 - Autonomous vehicle fleet data processing and training
 - Cloud graphics
- Strong demand for high-speed ethernet adapters and design win momentum toward next-gen adapters, including the ConnectX-6 and ConnectX-7
- Updates to the NeMo Megatron framework that can speed up the training of Large Language Models by up to 30%

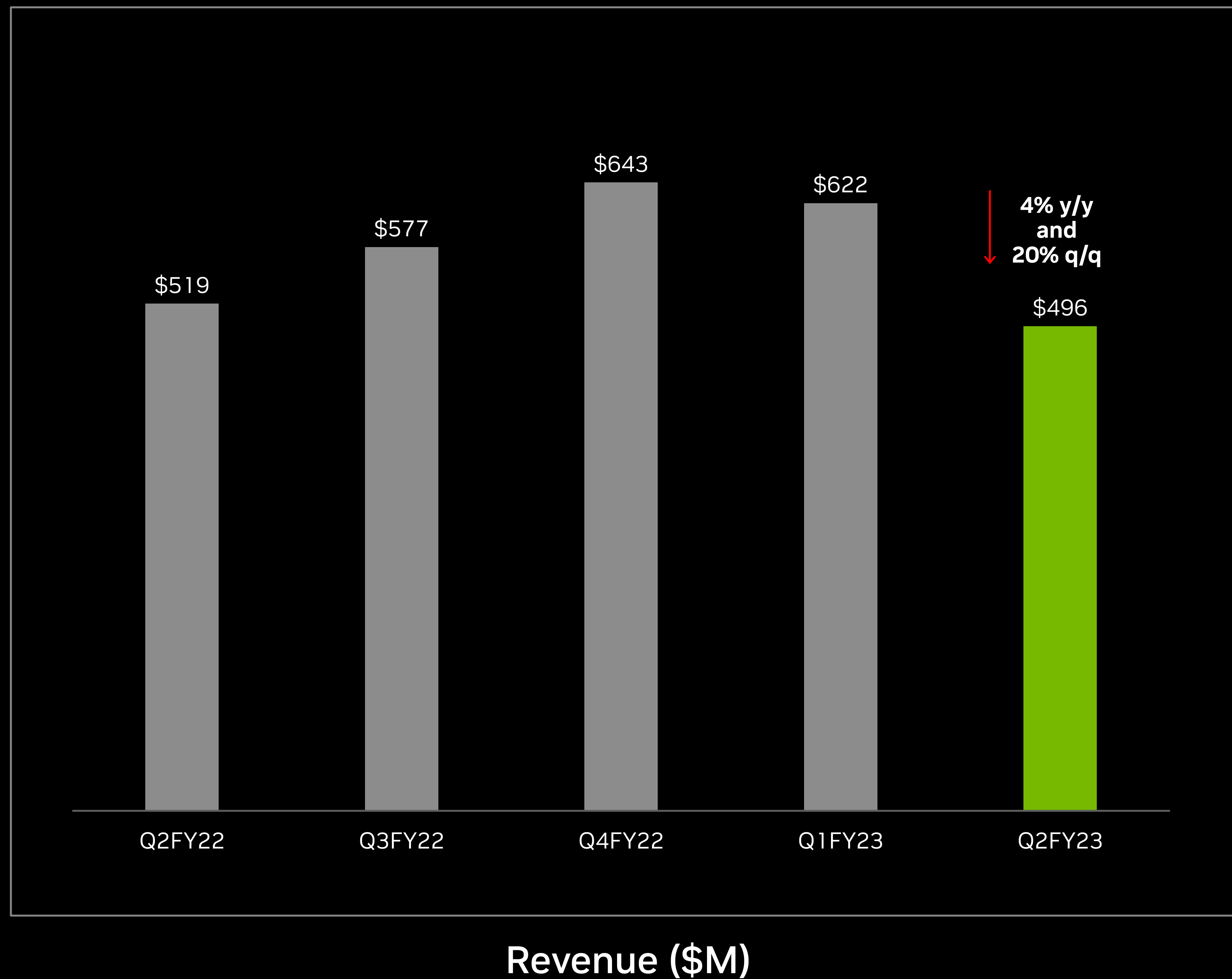
Gaming



Highlights

- Gaming partners and ecosystem are responding to a sudden slowdown in consumer demand and correcting channel inventory
- NVIDIA implemented programs with channel partners to adjust pricing, and to price-position current high-end desktop GPUs ahead of new architecture launch
- Estimated GeForce GPU sell-through is up over 70% since before the pandemic
- RTX now supported by almost 300 games & applications
- 15 of the top 15 most popular GPUs on Steam are NVIDIA GeForce GPUs
- GeForce Now registered members now exceed 20 million; over 1,350 games total

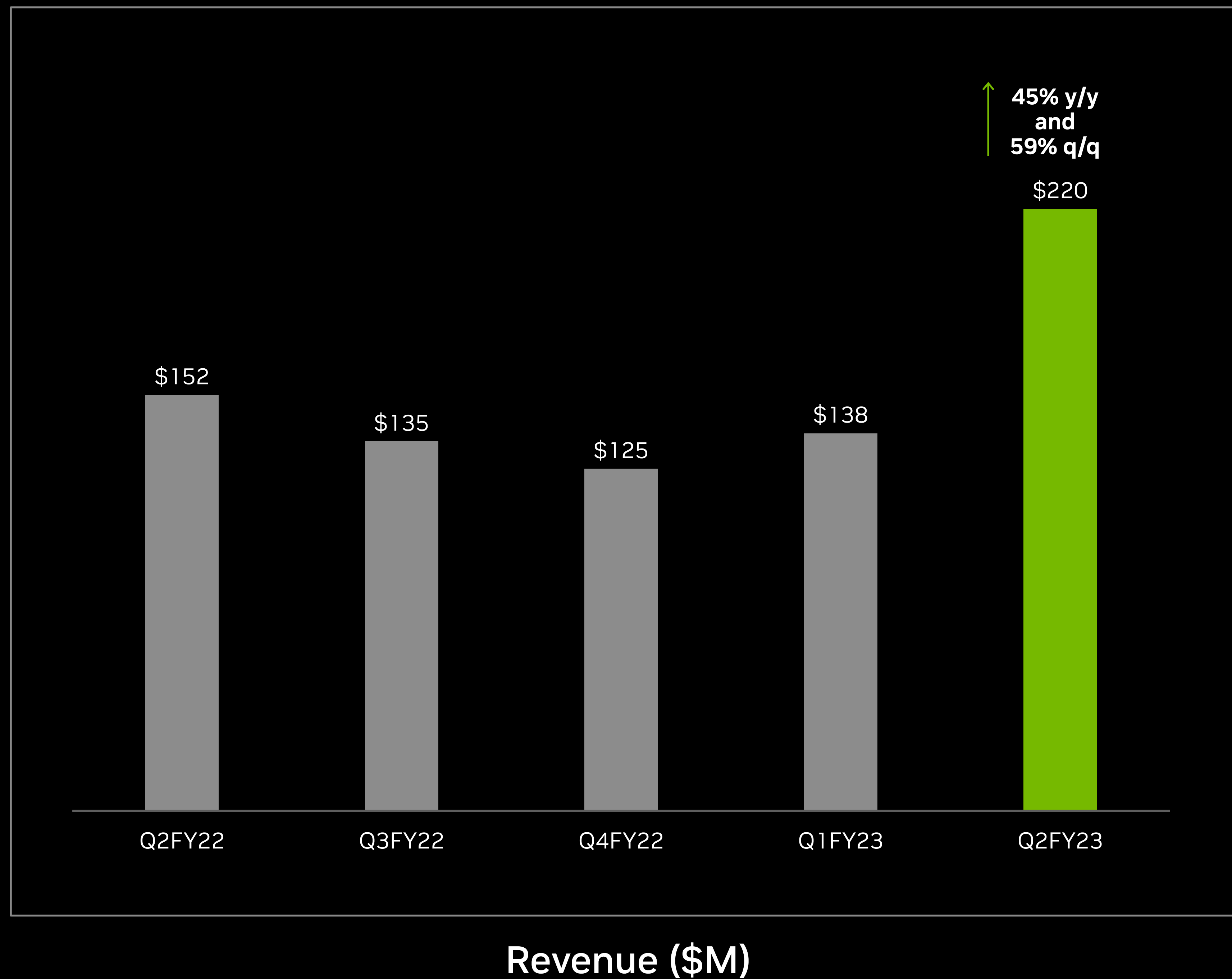
Professional Visualization



Highlights

- Sequential increase in mobile revenue was more than offset by lower desktop revenue, particularly at the high-end
- Enterprise demand slowed as macroeconomic headwinds intensified
- OEMs worked to reduce inventory; expect trends to persist in Q3
- While Pro Viz is undergoing a near-term adjustment after doubling last year, AI and Omniverse workloads have expanded the market opportunity over the last couple of years

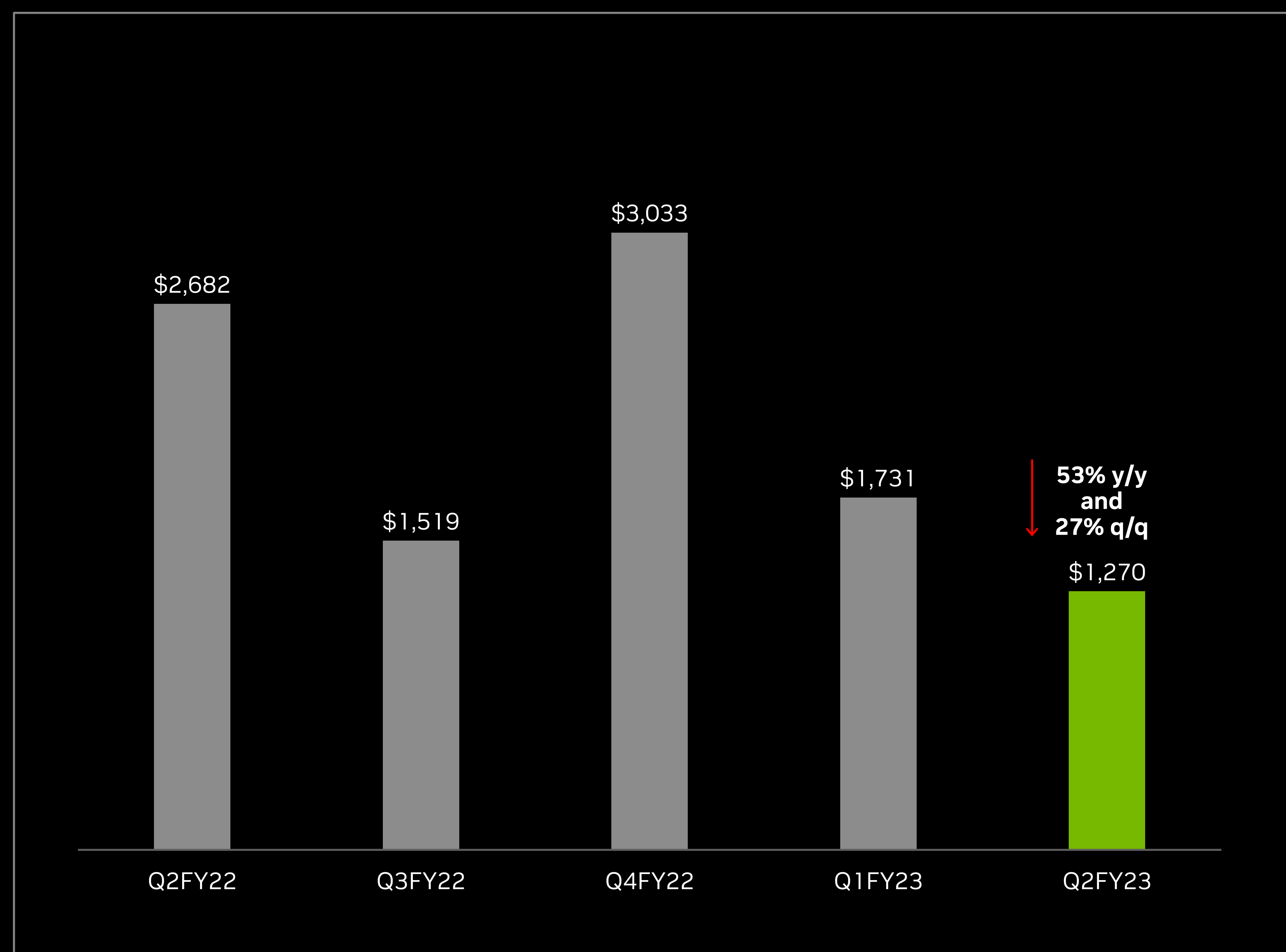
Automotive



Highlights

- Q2 an inflection point for Automotive revenue, as NVIDIA Orin has great momentum
- Strong growth driven by Auto AI Solutions (AI Cockpit and Self-Driving revenue)
- Strength in Self-Driving driven by New Energy Vehicle design wins ramping into volume
- Announced rollout plans, all built on NVIDIA DRIVE
 - New vehicles from NIO, Li Auto, JIDU, and Human Horizons
 - Pony.ai's line of self-driving trucks and robotaxis

Sources & Uses of Cash



Cash Flow from Operations (\$M)

Highlights

- Sequential decrease reflects lower revenue and higher cash tax payments, partially offset by reduced advance payments on supply payments
- Returned \$3.44 billion to shareholders in the form of share repurchases and cash dividends
- Invested \$447M in capex (includes principal payments on PP&E)
- Ended the quarter with \$17.0B in gross cash and \$11.0B in debt, \$6.0B in net cash

Gross cash is defined as cash/cash equivalents & marketable securities.

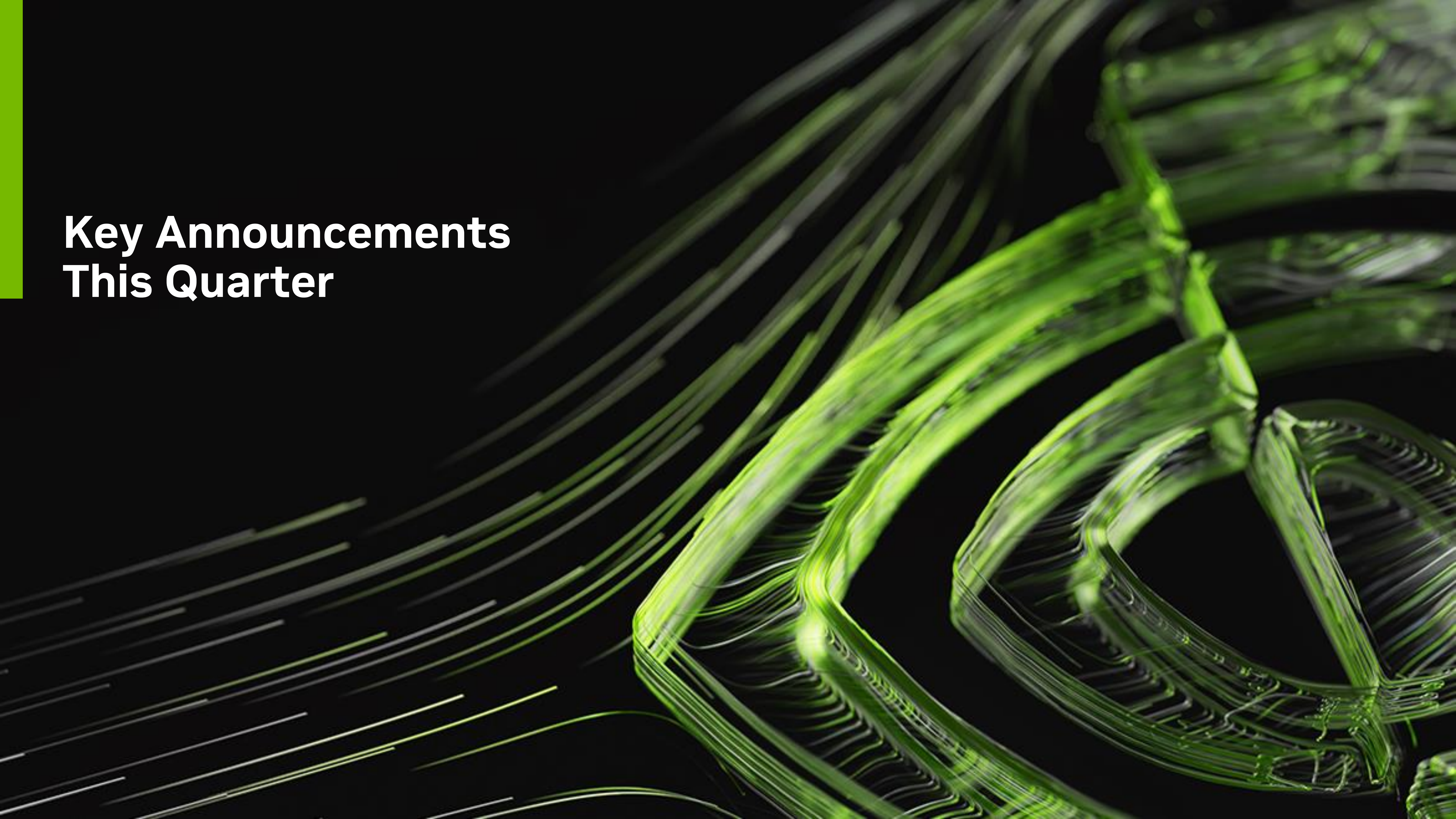
Debt is defined as principal value of debt.

Net cash is defined as gross cash less debt.

Q3 FY2023 Outlook

Revenue	\$5.9 billion , plus or minus 2% Expect Gaming and Pro Viz revenue to decline q/q, partially offset by q/q growth in Data Center and Automotive
Gross Margins	62.4% GAAP and 65.0% non-GAAP, plus or minus 50 basis points
Operating Expense	Approximately \$2.59 billion GAAP and \$1.82 billion non-GAAP
Other Income & Expense	Net expense of approximately \$10 million for GAAP and non-GAAP Excluding gains and losses on non-affiliated investments
Tax Rate	9.5% GAAP and non-GAAP, plus or minus 1%, excluding discrete items
Capital Expenditure	Approximately \$550 million to \$600 million

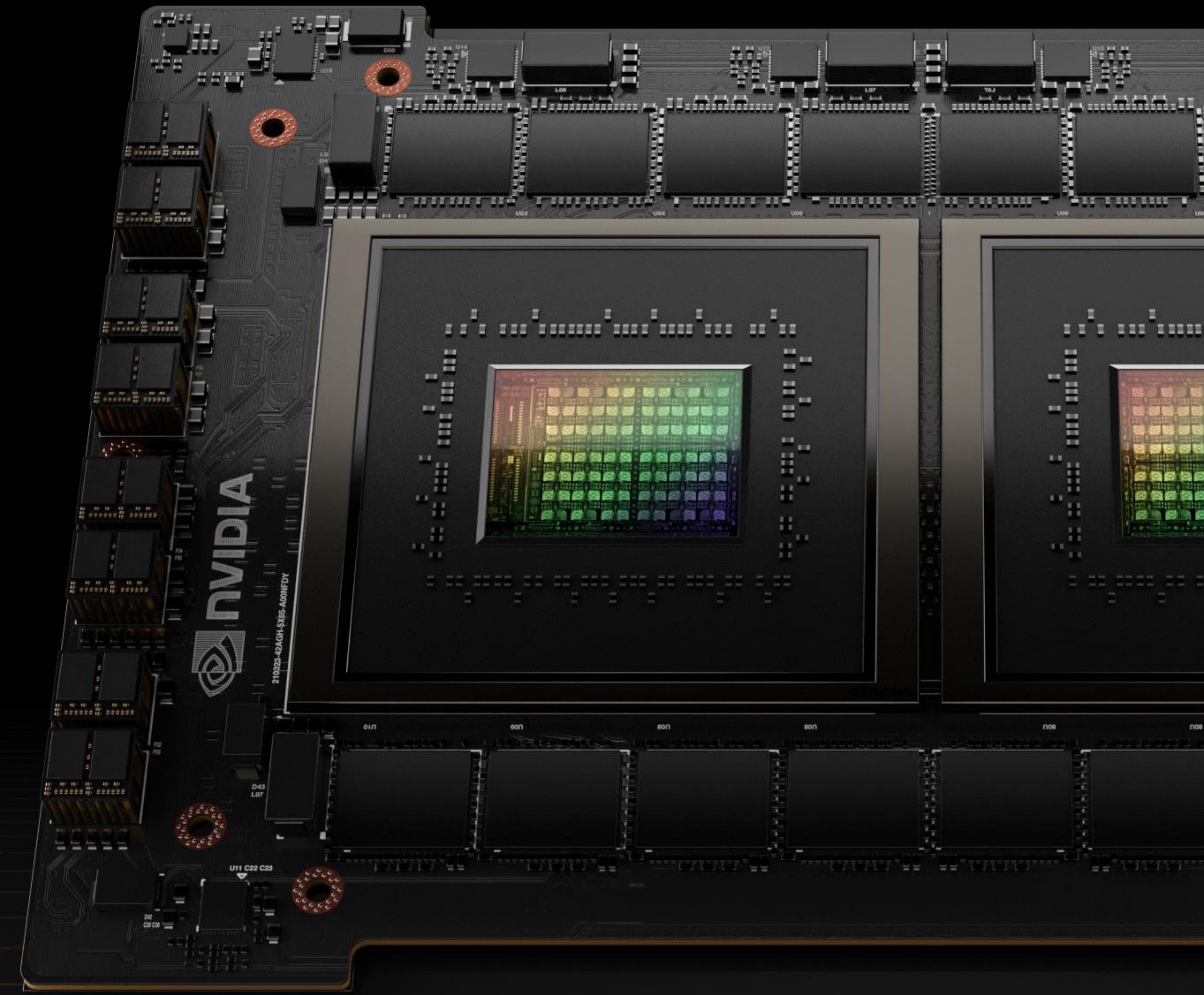
As disclosed in NVIDIA's Current Report on Form 8-K filed with the SEC on August 31, 2022, NVIDIA's outlook for its third fiscal quarter provided on August 24, 2022 included approximately \$400 million in potential sales to China (including Hong Kong) which may be subject to a new license requirement by the U.S. government if customers do not want to purchase NVIDIA's alternative product offerings.

The background of the slide is a black field filled with numerous thin, curved, and straight lines in shades of green and yellow. These lines create a sense of motion and depth, resembling a microscopic view of fibers or a stylized representation of light trails. On the far left, there is a solid green vertical bar.

Key Announcements This Quarter

Top Global Systems Makers Accelerate Adoption of NVIDIA Grace and Grace Hopper

- Atos, Dell Technologies, GIGABYTE, HPE, Inspur, Lenovo and Supermicro are adopting NVIDIA Grace CPU Superchip and Grace Hopper Superchip to build the next-gen of servers turbocharging AI and HPC workloads for the exascale era
- Leading supercomputing centers in the US and Europe will be among the first with systems featuring the superchips
 - Los Alamos National Laboratory announced that Venado, its next-gen system, will be the first system in the US to be powered by NVIDIA Grace CPU technology
 - Alps, the Swiss National Computing Center's new system, will use the Grace CPU Superchip to enable breakthrough research in a wide range of fields



NVIDIA Gains Ground in the Latest Top 500 List of Supercomputers

- 357 of the top 500 supercomputers, or 71%, are powered by NVIDIA, including 31 of 39 new systems
 - Includes 154 NVIDIA GPU-accelerated systems, up from 138 at ISC21 and 145 at SC21
- 23 of the top 30 on the GREEN500 list of most energy-efficient supercomputers are powered by NVIDIA
- NVIDIA's Selene supercomputer ranks at #8 in the TOP500, and is the world's fastest enterprise supercomputer



NVIDIA and Siemens to Enable Industrial Metaverse

- As a first step in this collaboration, NVIDIA plans to connect the Siemens Xcelerator open digital business platform with the NVIDIA Omniverse platform for 3D design and collaboration
 - Enables an industrial metaverse with physics-based digital models from Siemens and real-time AI from NVIDIA in which companies make decisions faster and with increased confidence
- Companies will be able to:
 - Employ digital twins with real-time performance data
 - Create innovative industrial IoT solutions
 - Leverage actionable insights from analytics at the edge/in the cloud
 - Tackle the engineering challenges of tomorrow by making visually rich, immersive simulations more accessible



Reinforcing NVIDIA's Leadership in Latest MLPerf Training Benchmark

What is MLPerf?

- The industry's first objective AI benchmark for measuring machine learning performance
- Consortium of over 70 universities and companies, including Google, Intel, Baidu, and NVIDIA, founded in 2018
- NVIDIA has consistently delivered leading results and record performances in both MLPerf Training and Inference benchmarks

MLPerf June 2022 — AI Training

- A100 GPU continues to secure the highest number of wins; NVIDIA AI remains the only platform to run all eight tests
- On the “per-chip” tests, A100 was the fastest on 6 of the 8 benchmarks. The NVIDIA H100, available in Q3 of this year, will deliver another giant leap in performance
- NVIDIA and partners accounted for 90% of all submissions, reflecting the scale and reach of our ecosystem
- NVIDIA AI delivers the highest productivity per dollar
- Over the last 3.5 years, the NVIDIA AI platform has delivered 23x more performance – the result of full-stack innovations – GPUs, software and at-scale improvements

NVIDIA Announces Hybrid Quantum-Classical Computing Platform

- NVIDIA QODA (Quantum Optimized Device Architecture) is an open, unified programming model that spans today's most powerful, "classical" computers and quantum processors
- NVIDIA QODA Unified Programming Platform adopted by community's global leaders to enable quantum-accelerated AI, HPC, Health and Finance Applications
- HPC and AI domain experts can use NVIDIA QODA in public clouds, NVIDIA DGX systems and a large installed base of NVIDIA GPUs in scientific supercomputing centers
- NVIDIA collaborations in quantum computing include:
 - Hardware: IQM Quantum Computers, Pasqal, Quantinuum, Quantum Brilliance and Xanadu
 - Software: QC Ware and Zapata Computing
 - Supercomputing: Forschungszentrum Jülich, Lawrence Berkeley National Laboratory and Oak Ridge National Laboratory



NVIDIA Omniverse Avatar Cloud Engine for Virtual Assistants and Digital Humans

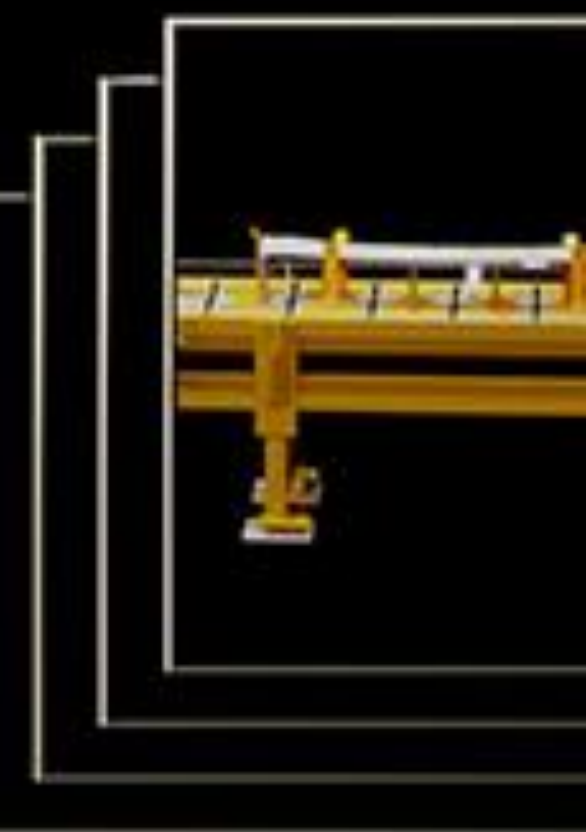
- NVIDIA Omniverse Avatar Cloud Engine (ACE) is a suite of cloud-native AI models and services enabling businesses to create and deploy assistants and avatars
- These assistants and avatars understand multiple languages, respond to speech prompts, interact with the environment and make intelligent recommendations
- These can transform interactions in gaming, entertainment, banking, transportation and hospitality



NVIDIA and Partners Build Out Universal Scene Description to Accelerate Industrial Metaverse and Next Wave of AI

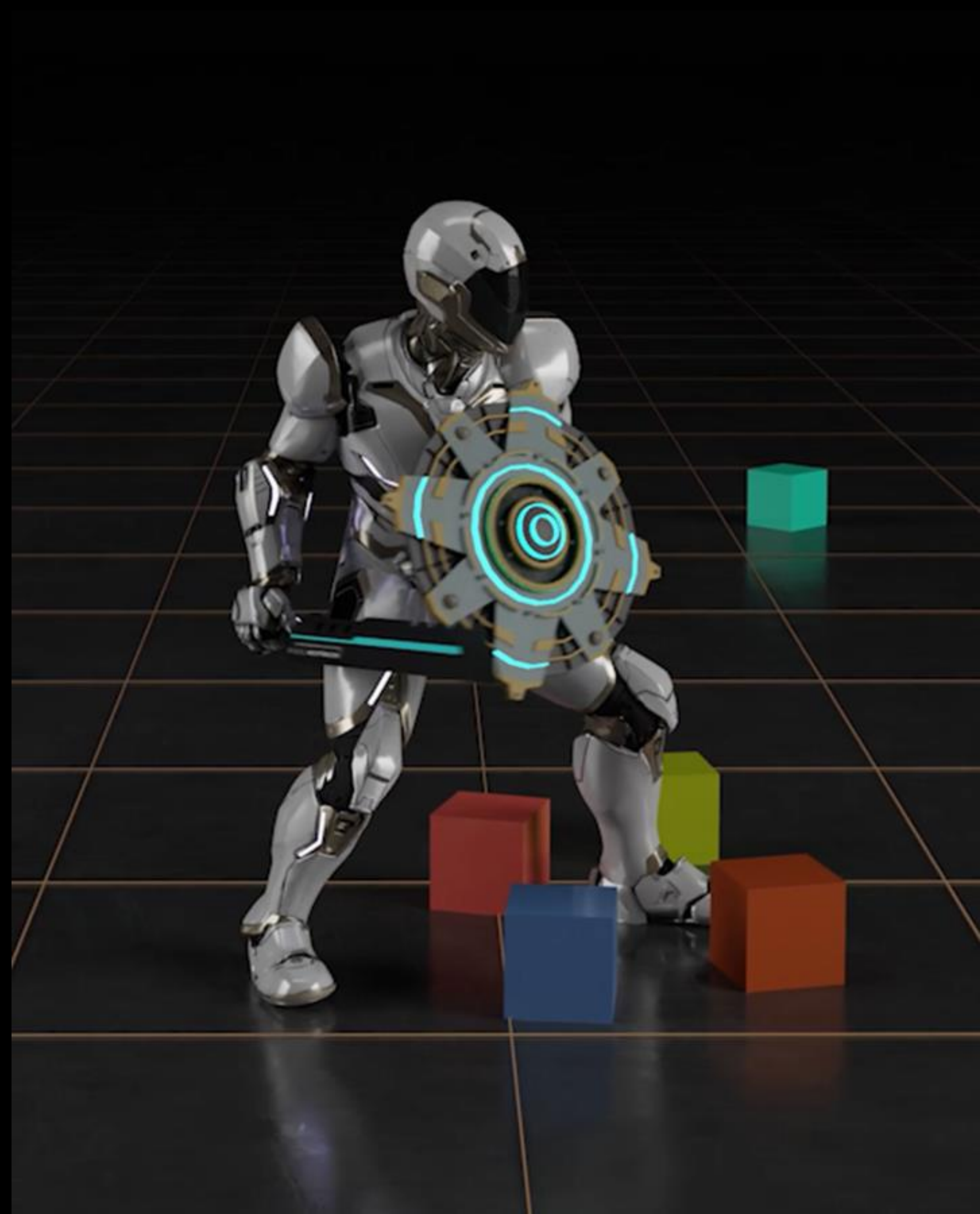
- Announced a broad initiative to evolve Universal Scene Description (USD), the open-source and extensible language of 3D worlds, to become a foundation of the open metaverse and 3D internet
- Working together with USD's inventor, Pixar, as well as Adobe, Autodesk, Siemens and a host of other leading companies, NVIDIA will pursue a multi-year roadmap to expand USD's capabilities beyond visual effects, such as:
 - Adding support for international characters
 - Geospatial coordinates
 - Real-time streaming of IoT data
- Enables USD to better support industrial metaverse applications in architecture, engineering, manufacturing, scientific computing, robotics and industrial digital twins

Composed World



Major Release of Omniverse with New USD Connectors and Neural Graphics SDKs

- Unveiled 11 new Omniverse Connectors including for PTC Creo, Visual Components and SideFX Houdini, bringing the total number of Connectors to the Omniverse USD ecosystem to 112
- Development is ongoing for Blender, Autodesk Alias and Autodesk Civil 3D, Siemens JT, SimScale, Open Geospatial Consortium, and Unity, which will further unlock metaverse workflows for manufacturing, engineering and design companies
- Neural Graphics is a new field intertwining AI and graphics to help automate design choices and provide new, yet to be imagined opportunities for artists and creators. Neural graphics will redefine how virtual worlds are created, simulated and experienced by users. Examples include:
 - Omniverse Audio2Face - create facial animations from an audio file
 - Audio2Gesture - generate realistic arm/body motion from an audio file



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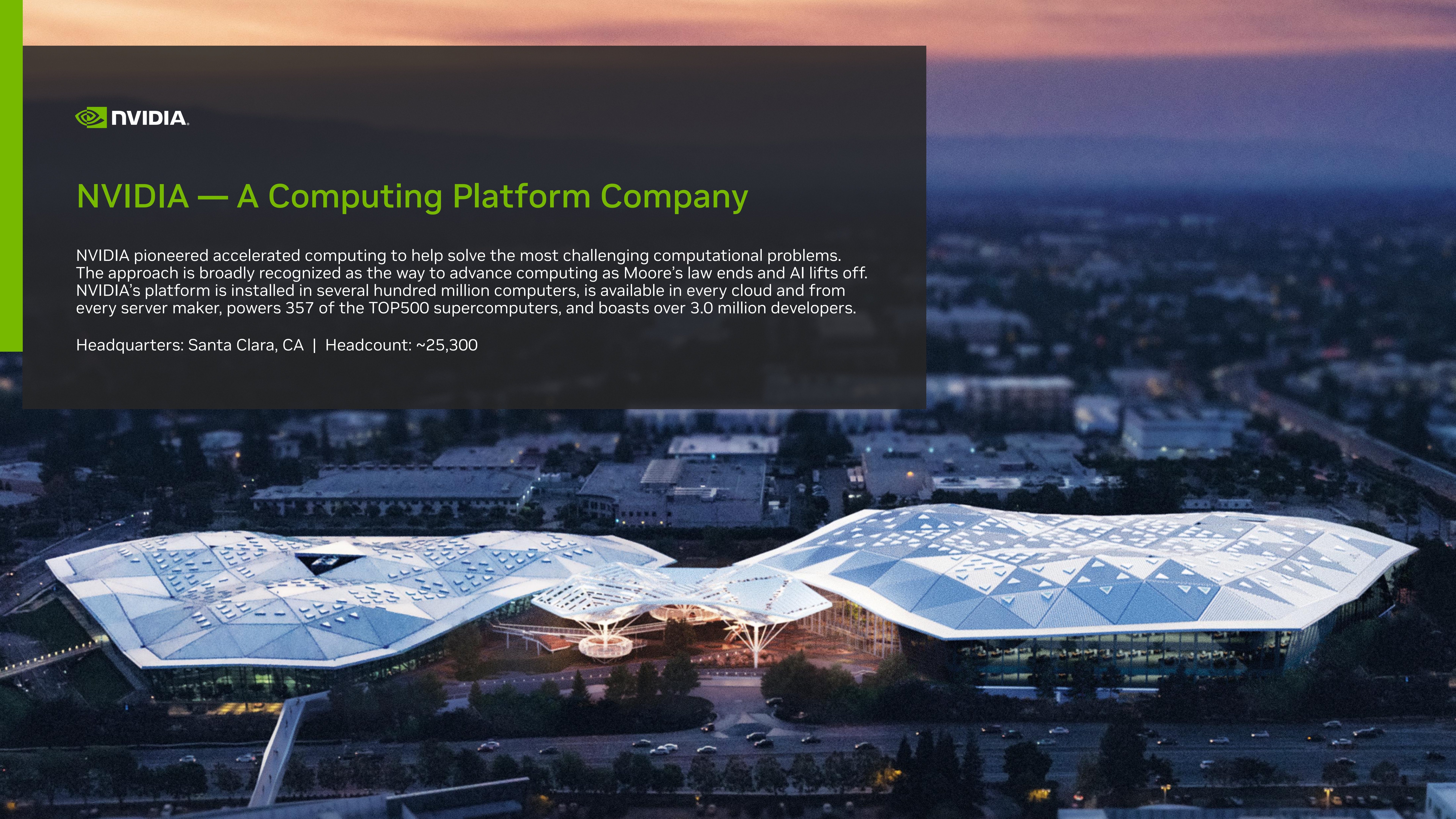
NVIDIA Overview



NVIDIA — A Computing Platform Company

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 357 of the TOP500 supercomputers, and boasts over 3.0 million developers.

Headquarters: Santa Clara, CA | Headcount: ~25,300



NVIDIA At a Glance

Accelerated computing pioneer

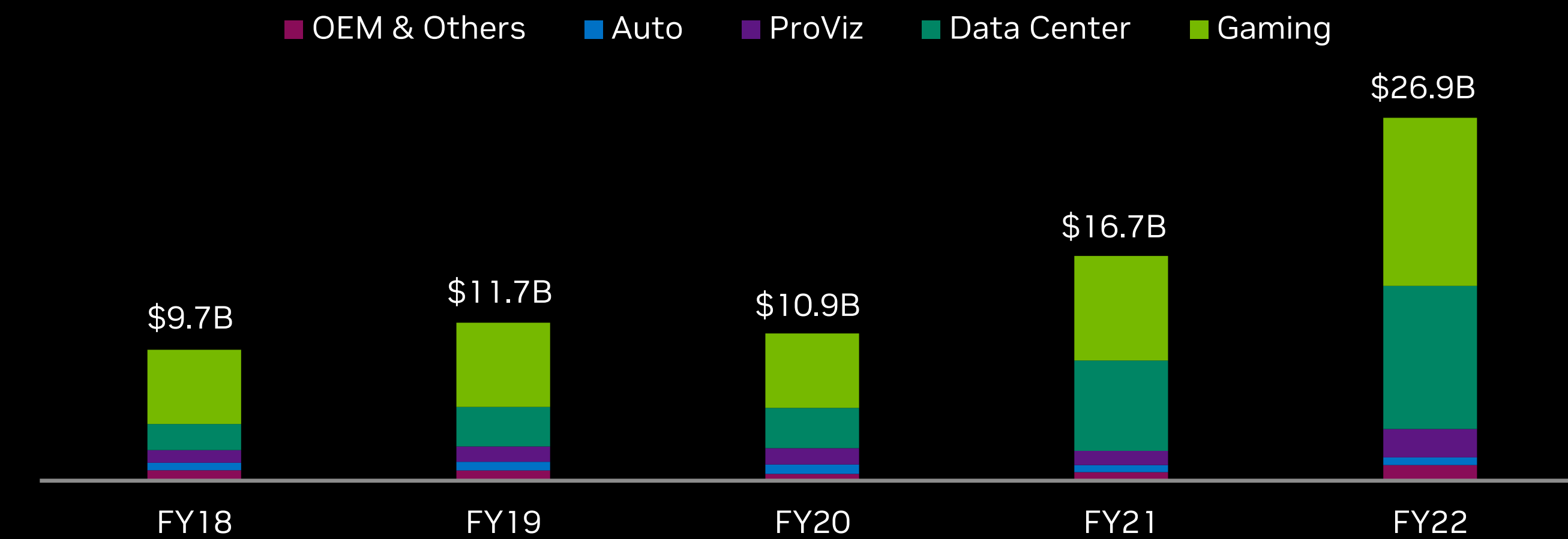
Brief History

1993: Founded by Jensen Huang, Chris Malachowsky, and Curtis Priem
1999: IPO on NASDAQ at \$12 (prior to 5 stock splits, now 48:1)
2001: Xbox win; fastest semiconductor company to reach \$1B in sales
2006: Unveils CUDA architecture, expanding to scientific computing
2016: Introduces first products for AI and autonomous driving
2020: Acquires Mellanox for \$7B; launches DPU as new processor class

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**

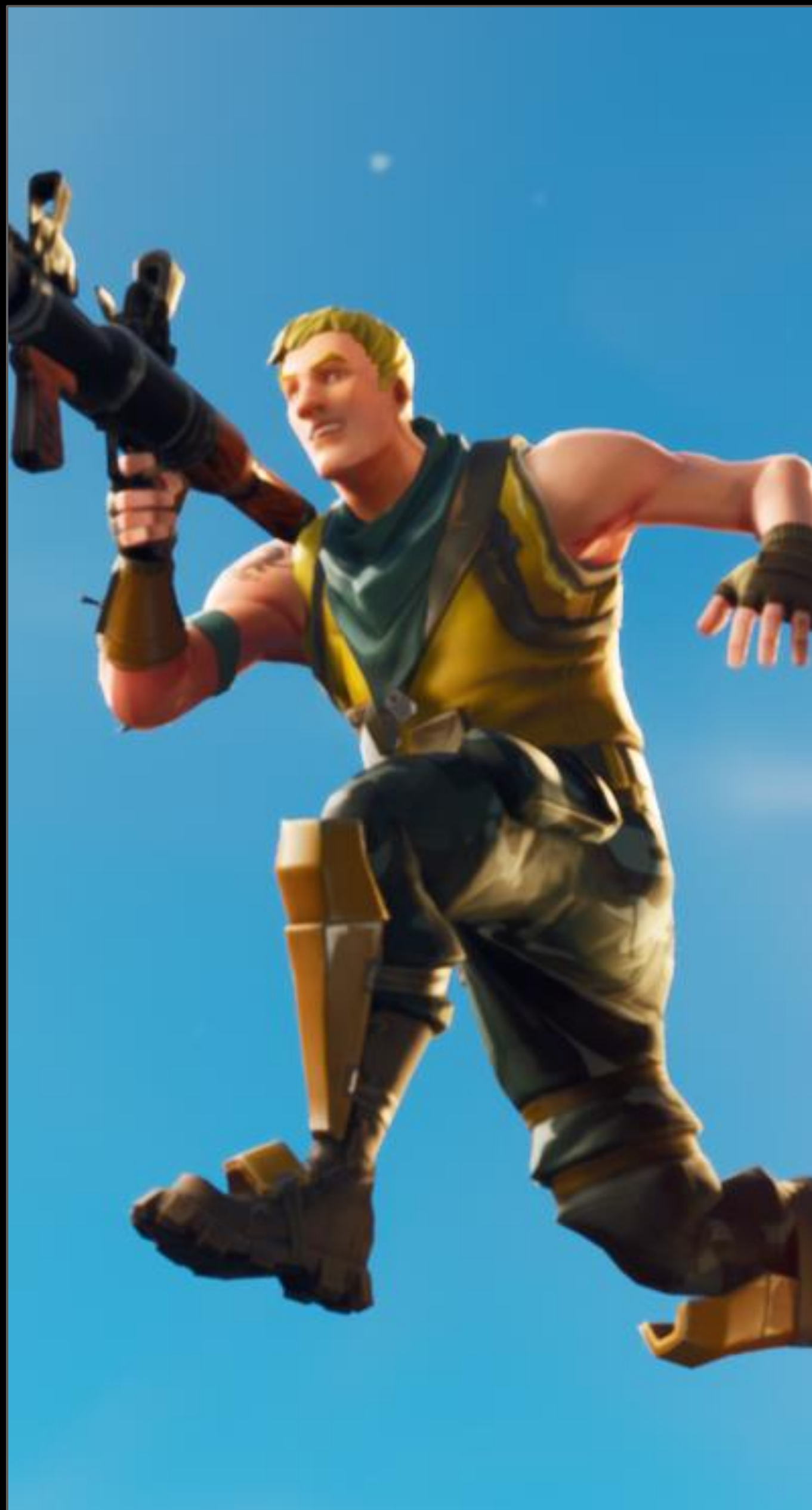
Revenue by Market Platform



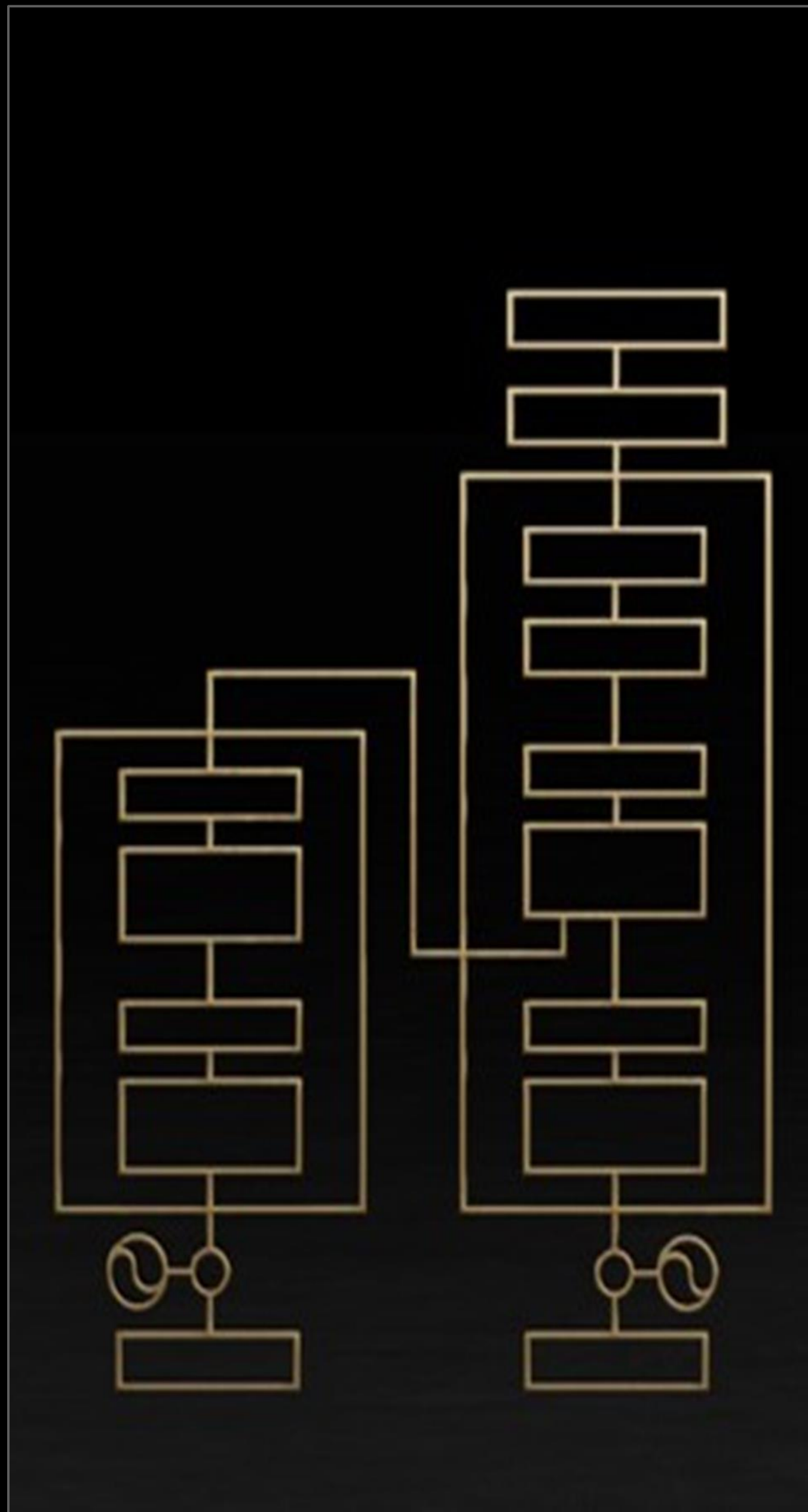
From Chip Vendor to Computing Platform



Tremendous Market Forces Driving NVIDIA Growth



Gaming



Artificial Intelligence



Data Center



Autonomous
Vehicles



Robotics &
Omniverse

Our Core Businesses

Gaming

46% of FY22 revenue

**FY22 REVENUE \$12.5B,
5-YEAR CAGR OF 25%**

Strong market position and
technology leadership

Compounded long-term
unit and ASP growth

200M+ gamers on GeForce

Strong Gaming ecosystem

Multiple secular growth drivers:
adoption of RTX, expanding
population of gamers and creators,
eSports, VR, rising production value
of games, gaming laptops and
cloud gaming

Data Center

40% of FY22 revenue

**FY22 REVENUE OF \$10.6B,
5-YEAR CAGR OF 66%**

Leader in deep learning/AI

—
used by all major cloud computing
providers and thousands
of enterprises

Leader in Supercomputing

—
357 of the TOP500

Multiple secular growth drivers:
fast growing adoption of AI and
graphics in every major industry;
rising compute needs unmet by
conventional approaches such as x86
CPUs; data-center scale computing

Professional Visualization

8% of FY22 revenue

**FY22 REVENUE OF \$2.1B,
5-YEAR CAGR OF 20%**

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:
adoption of RTX, hybrid work
environments and collaborative
3D design, AR/VR, AI and virtual
world workloads, Omniverse
Enterprise software

Automotive

2% of FY22 revenue

**FY22 REVENUE OF \$566M,
5-YEAR CAGR OF 3%**

Historical revenue driven largely
by infotainment

**Future growth largely driven by
Autonomous Vehicles,** where
NVIDIA offers a full hardware &
software stack

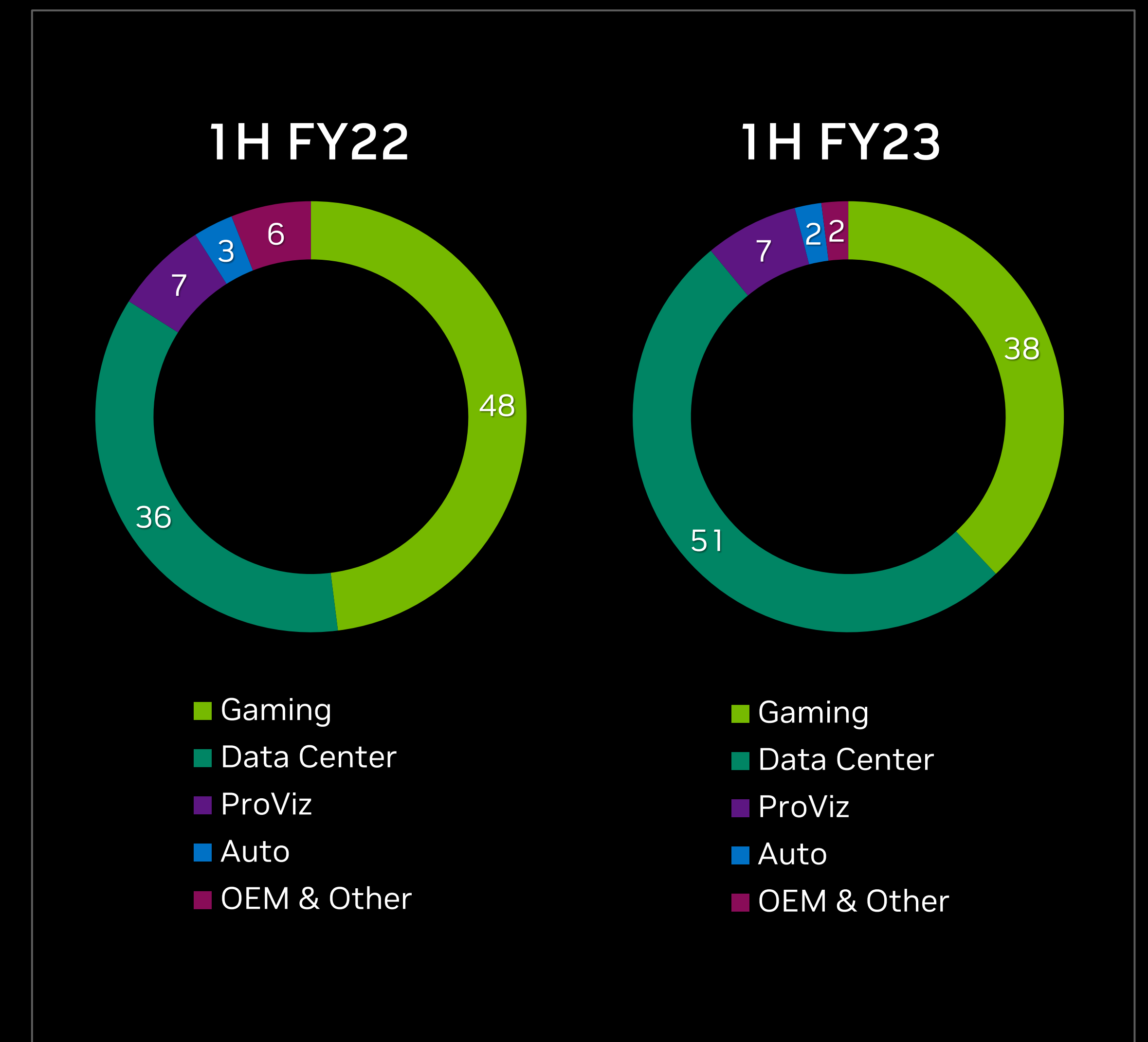
Over \$11B design win pipeline

Multiple secular growth drivers:
transition to self-driving,
software-defined cars, with
new software and services
business models

Growth, Profitability and Mix Metrics



Revenue and Profitability
(showing non-GAAP margins)



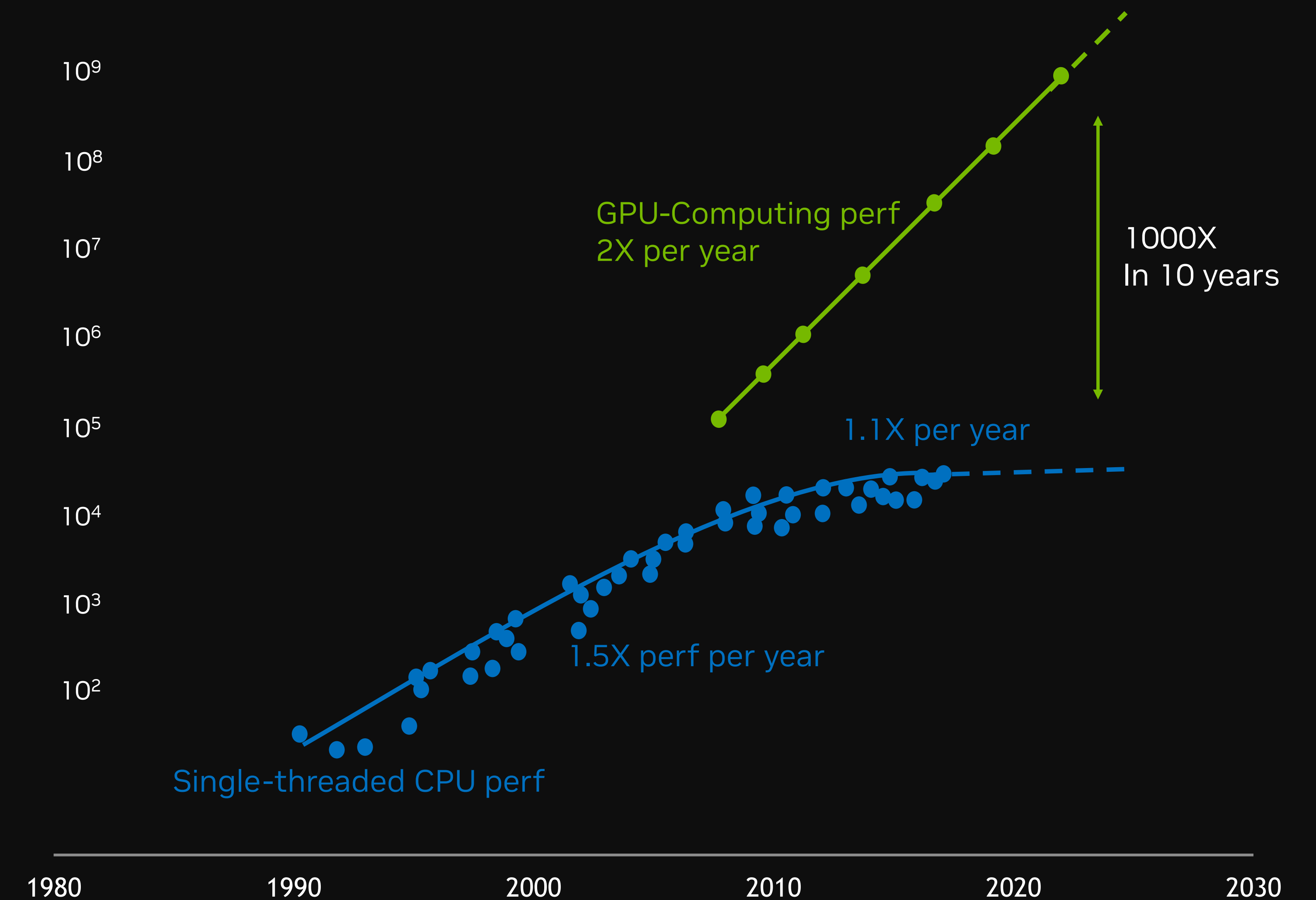
Business Mix (%)

Refer to Appendix for reconciliation of Non-GAAP measures. Gross margin and operating margin are rounded to the nearest percent in the charts above.

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



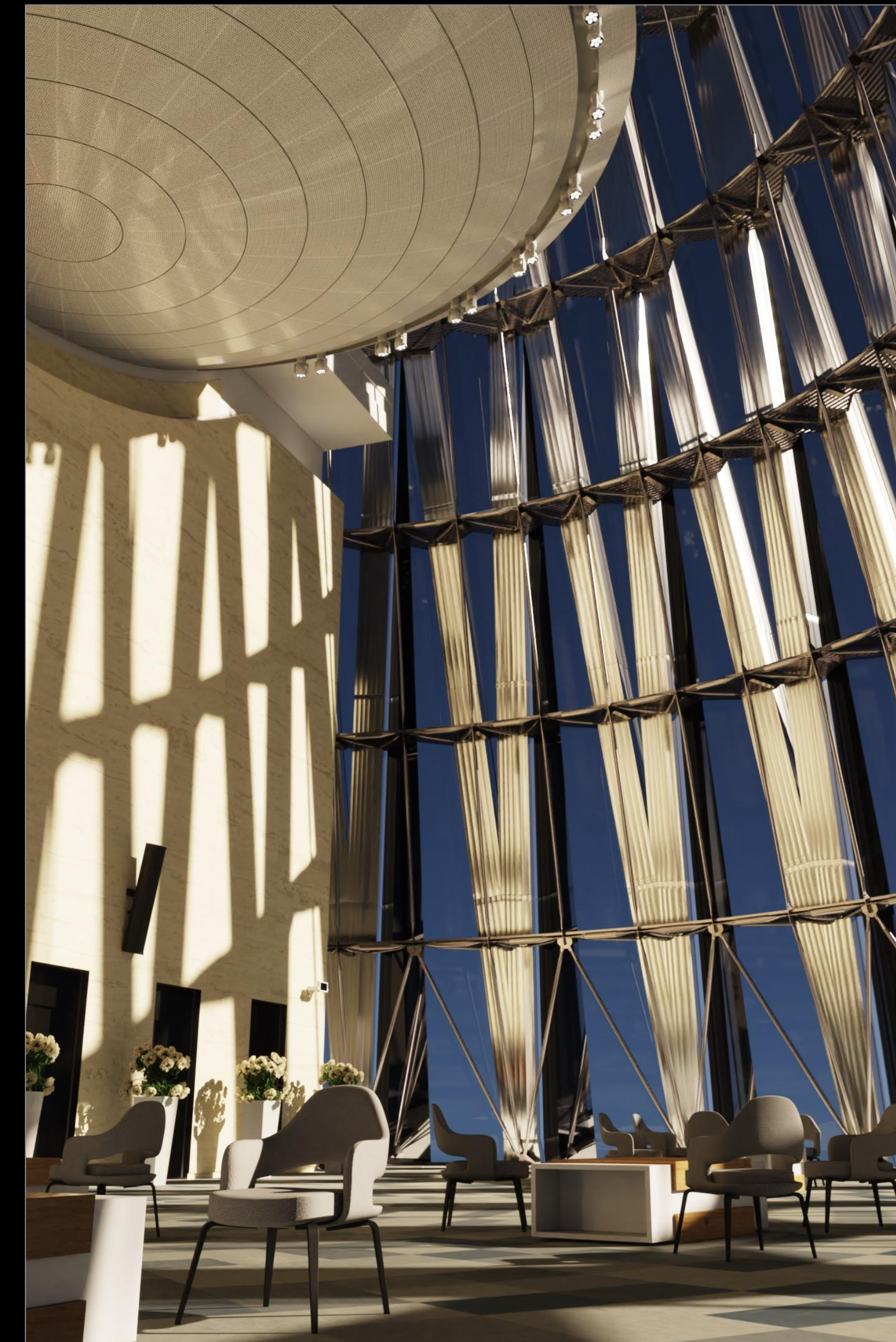
Gaming

GeForce GPU for PC gamers



Data Center

DGX/HGX/EGX for HPC/AI compute
NVIDIA networking



Professional Visualization

Quadro/NVIDIA RTX for workstations

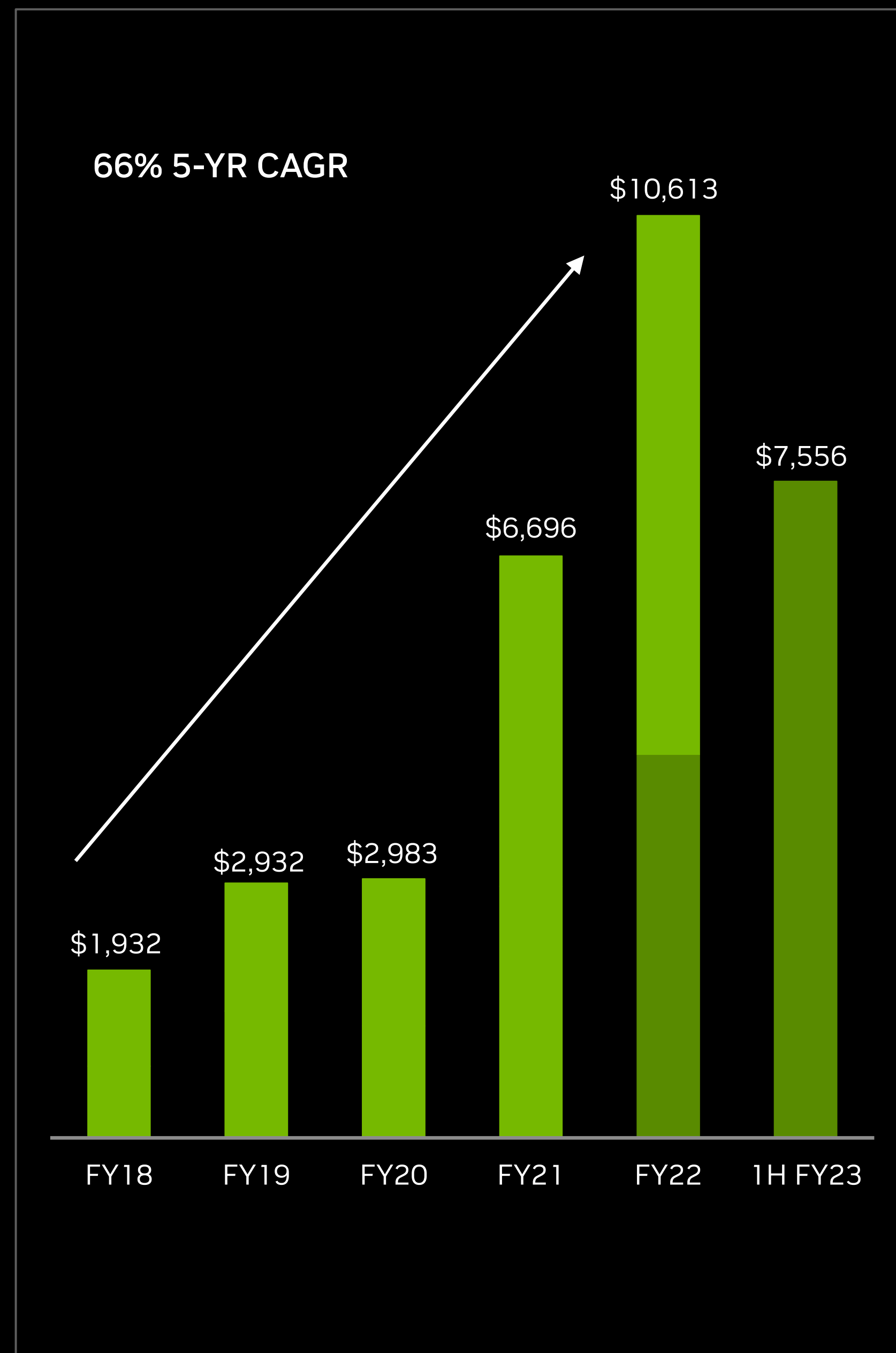


Automotive

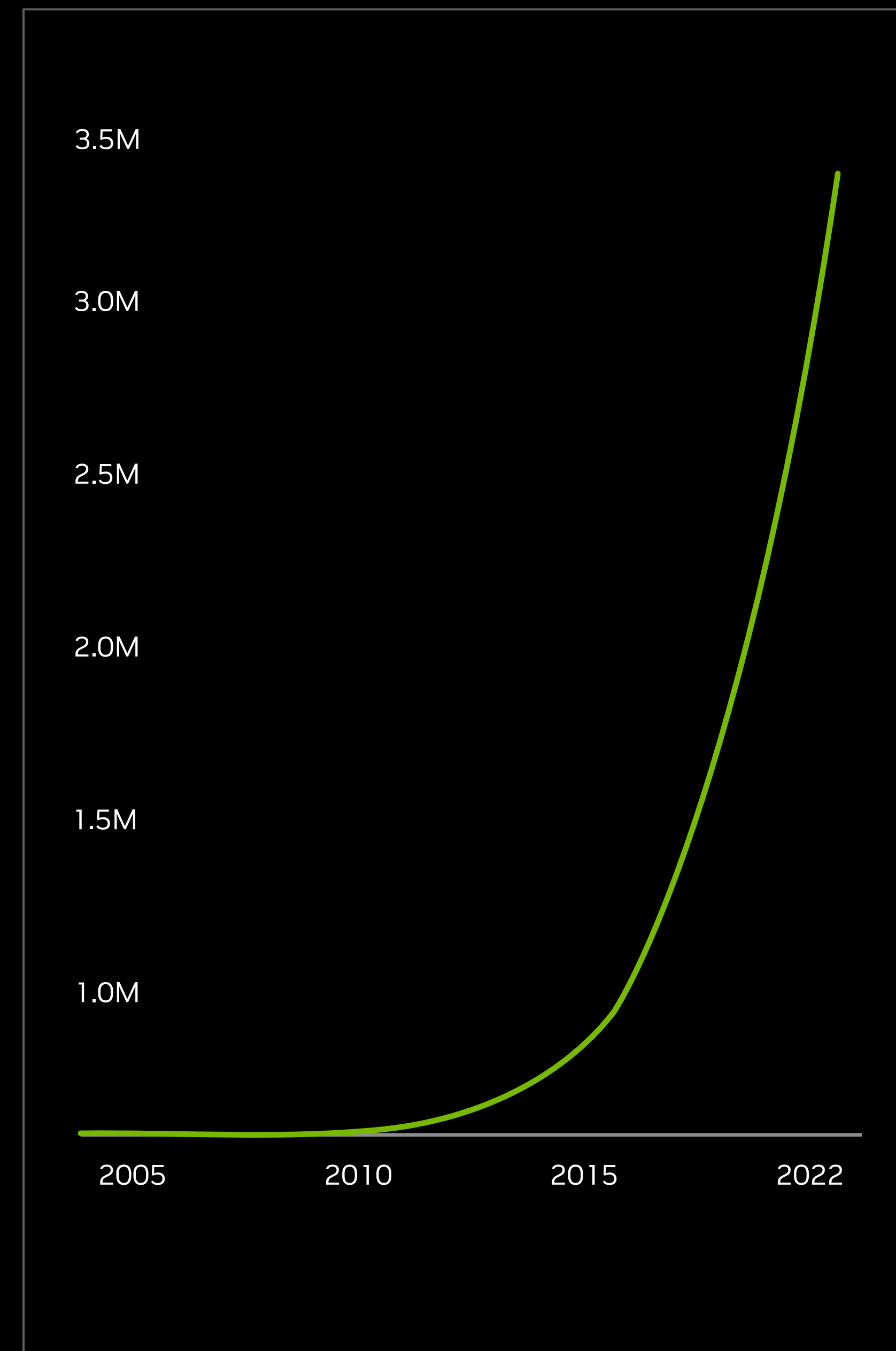
DRIVE for autonomous vehicles

Data Center

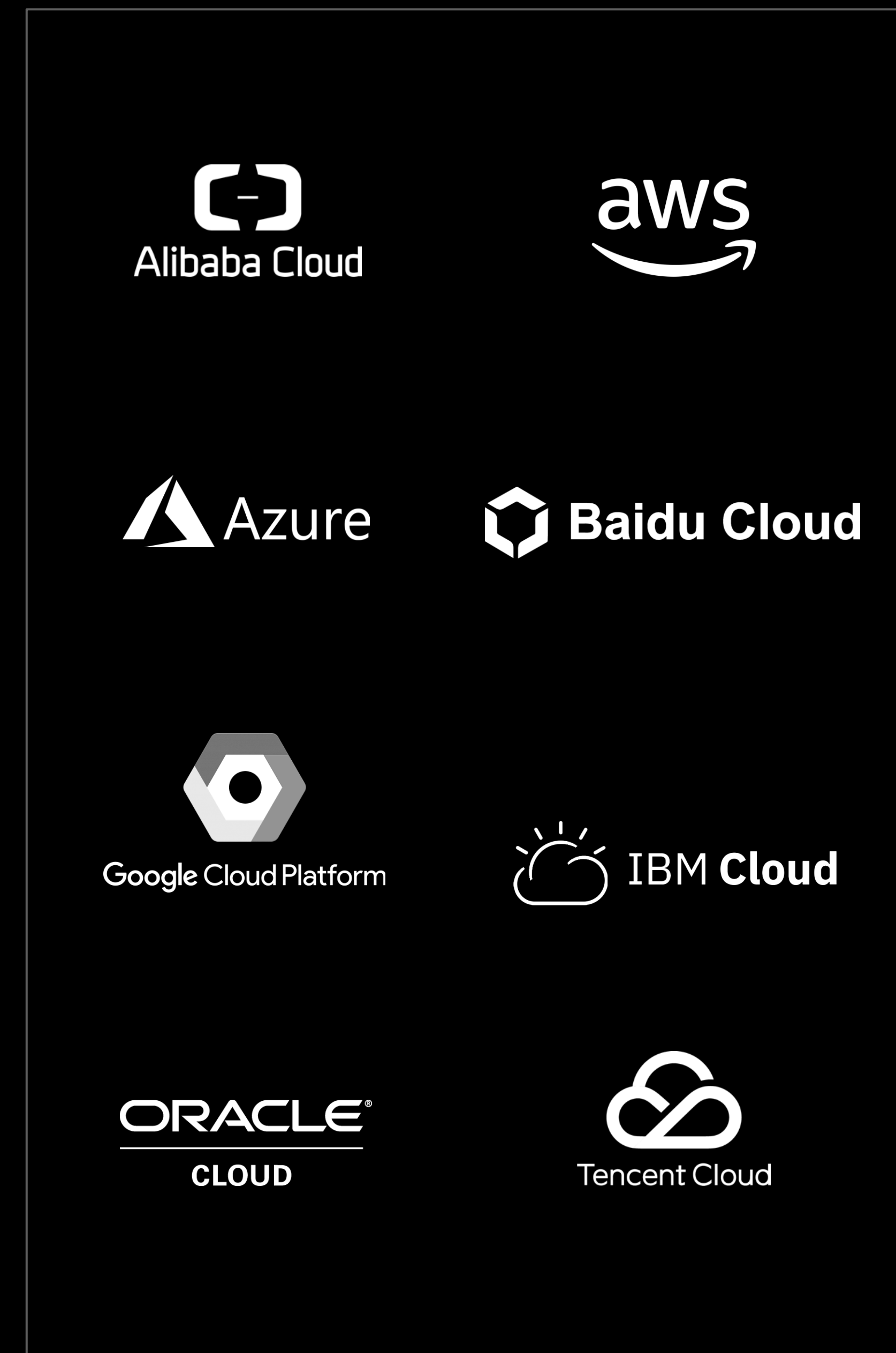
High performance computing (HPC) and AI



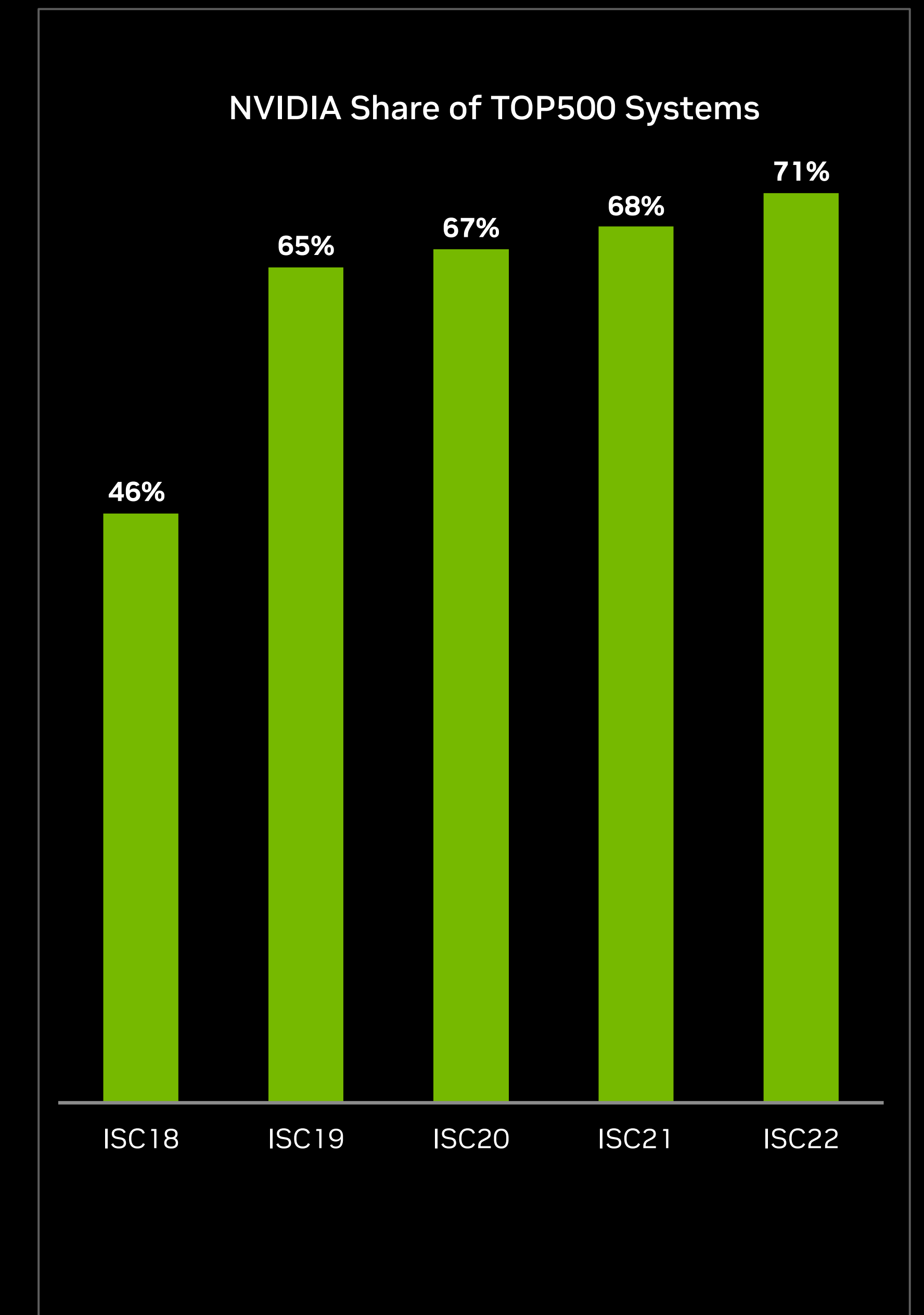
Revenue (\$M)



Registered NVIDIA Developers



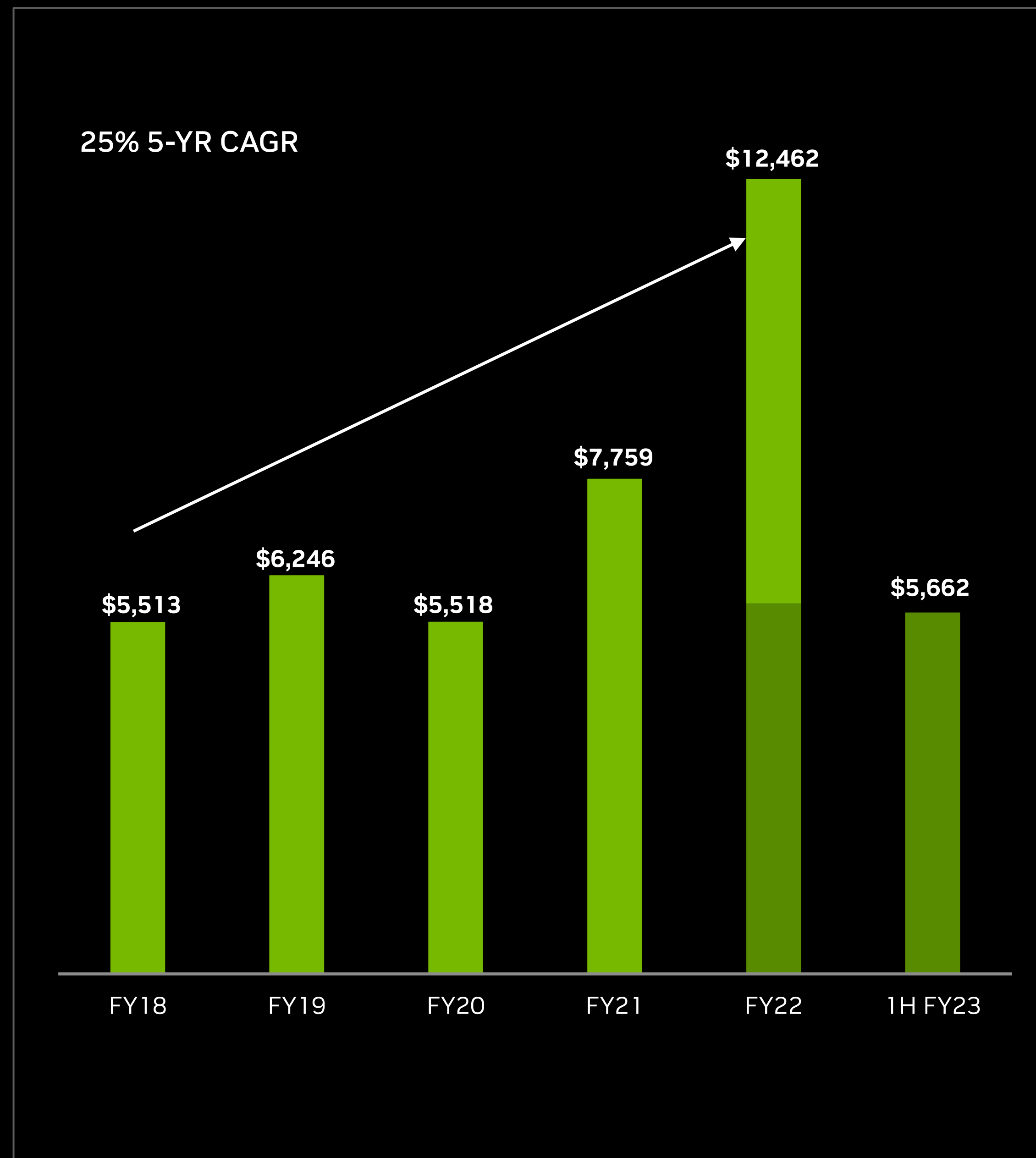
Every Major Cloud Provider



Most TOP500 Supercomputers

Gaming

GeForce — The world's largest gaming platform



Revenue (\$M)

#1 in PC gaming with 80%+ market share
15 of the top 15 most popular GPUs on Steam

Expanding the market with creators,
gaming laptops and cloud gaming

Powering the Nintendo Switch console

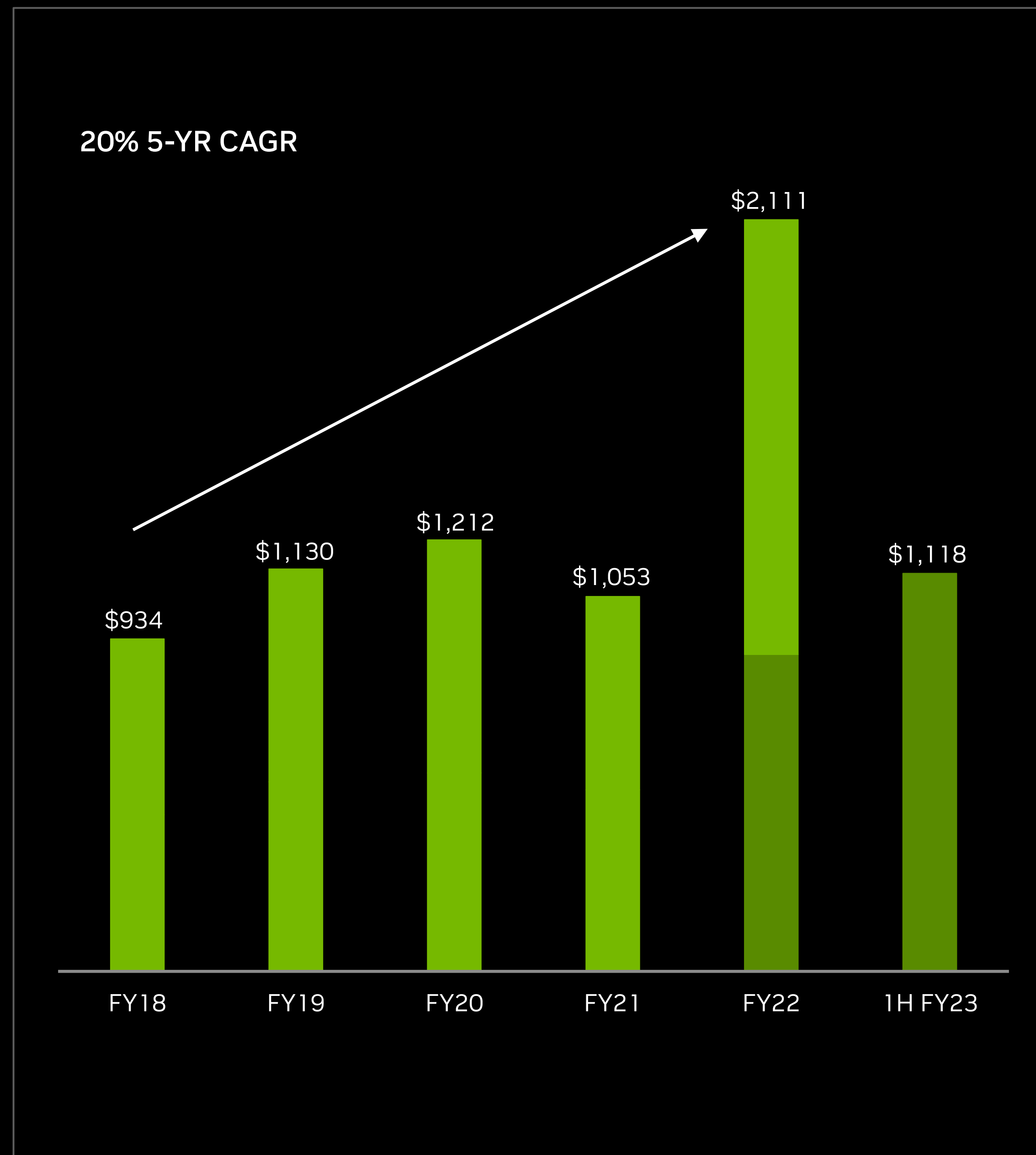
Highlights



200M+ Gamers and Creators on GeForce

Professional Visualization

Workstation graphics



Revenue (\$M)



70+ Applications
Unlocking New Markets

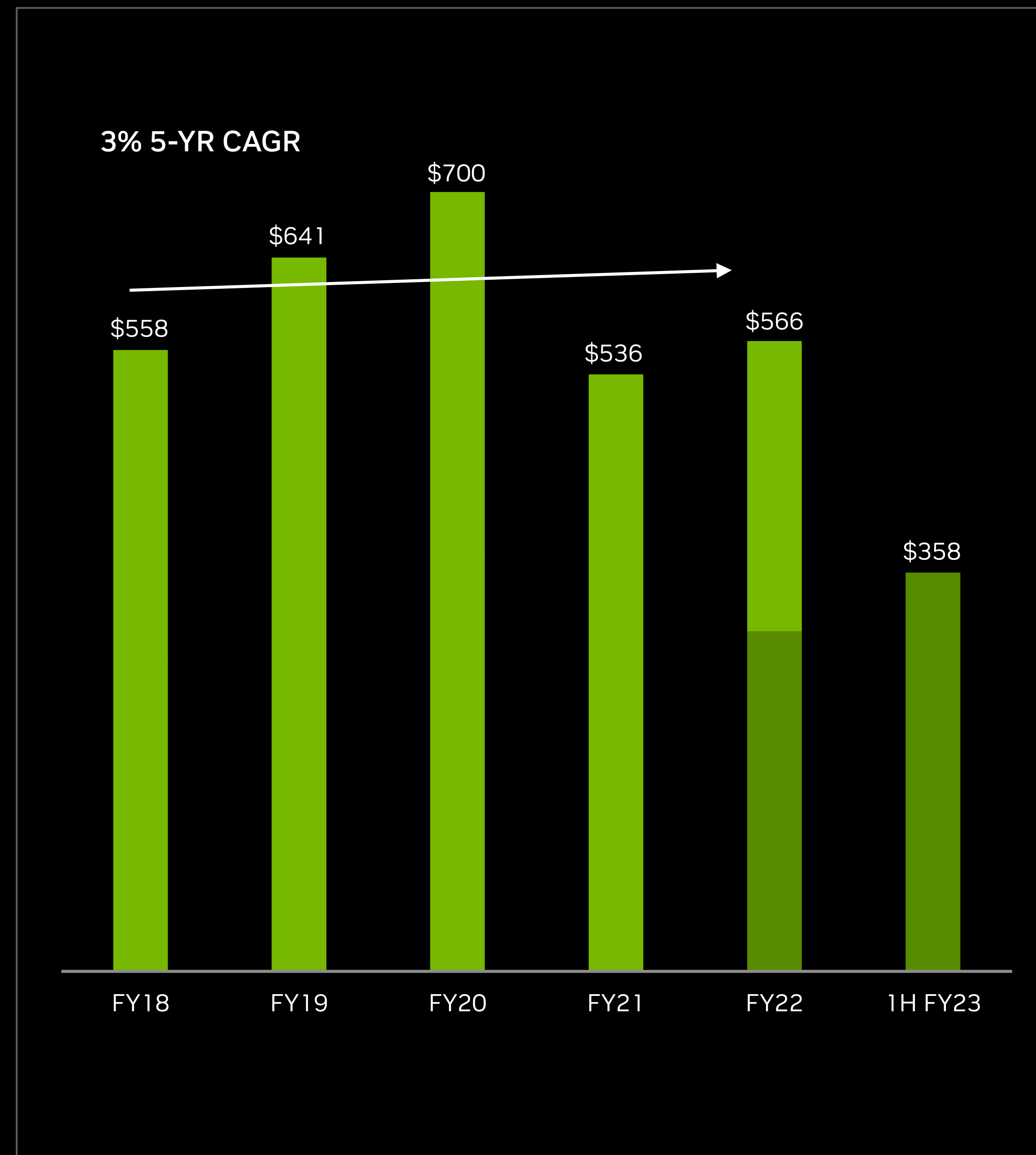


Accelerate Rendering | AR/VR | Data Science
Simulation and Sci Viz | Virtual Workstations

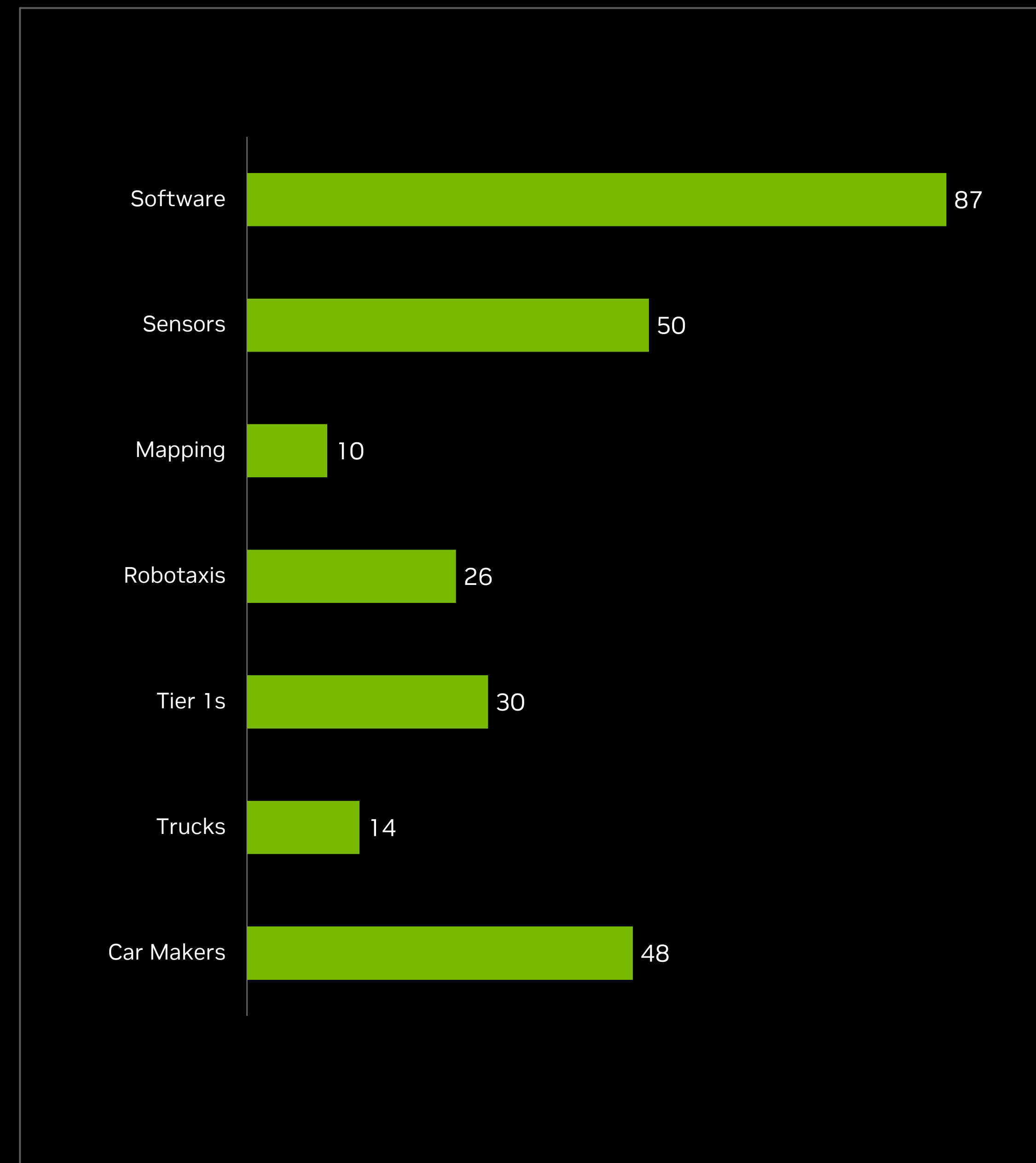
45M Designers and Creatives

Automotive

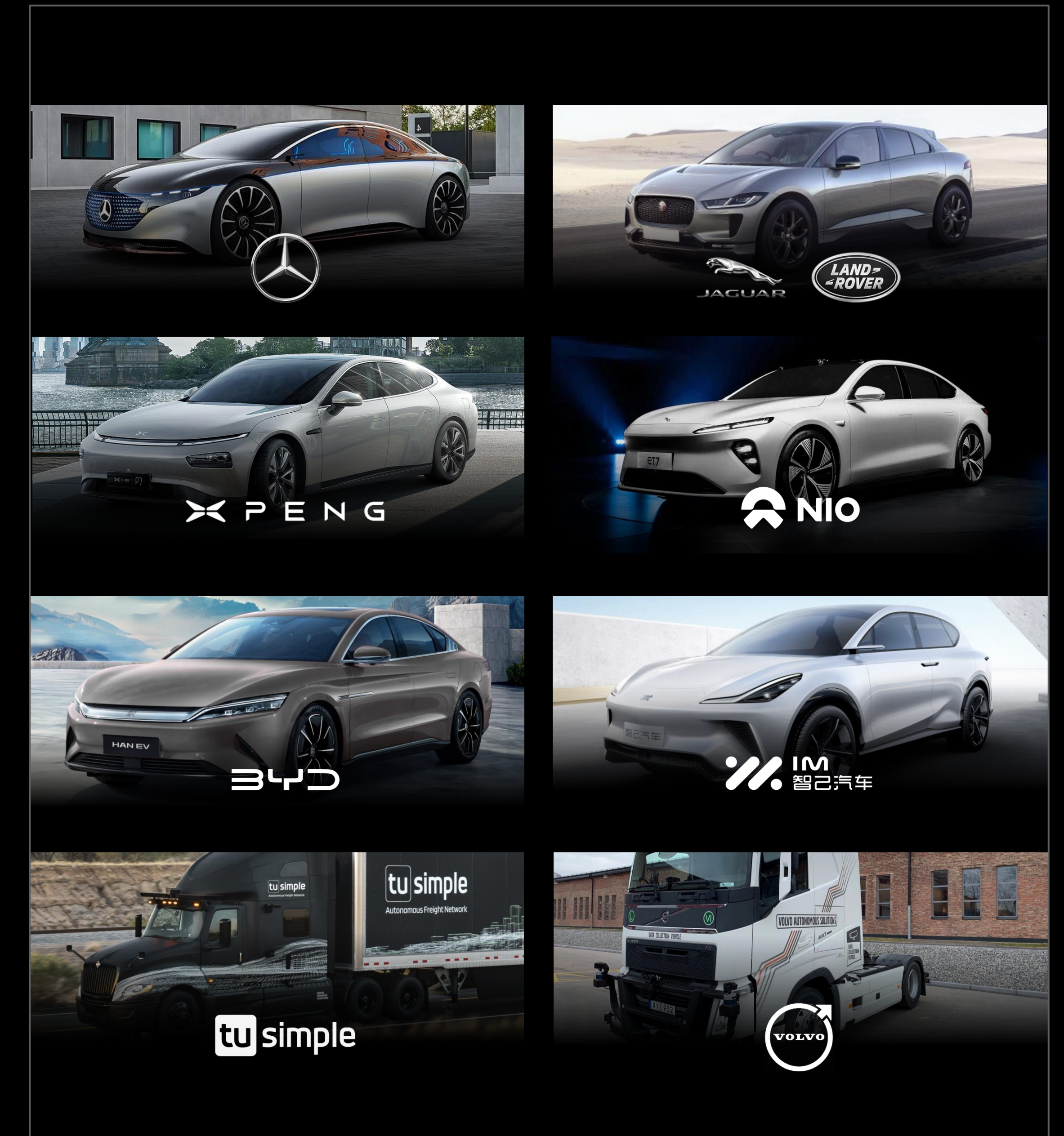
Infotainment and autonomous vehicles



Revenue (\$M)



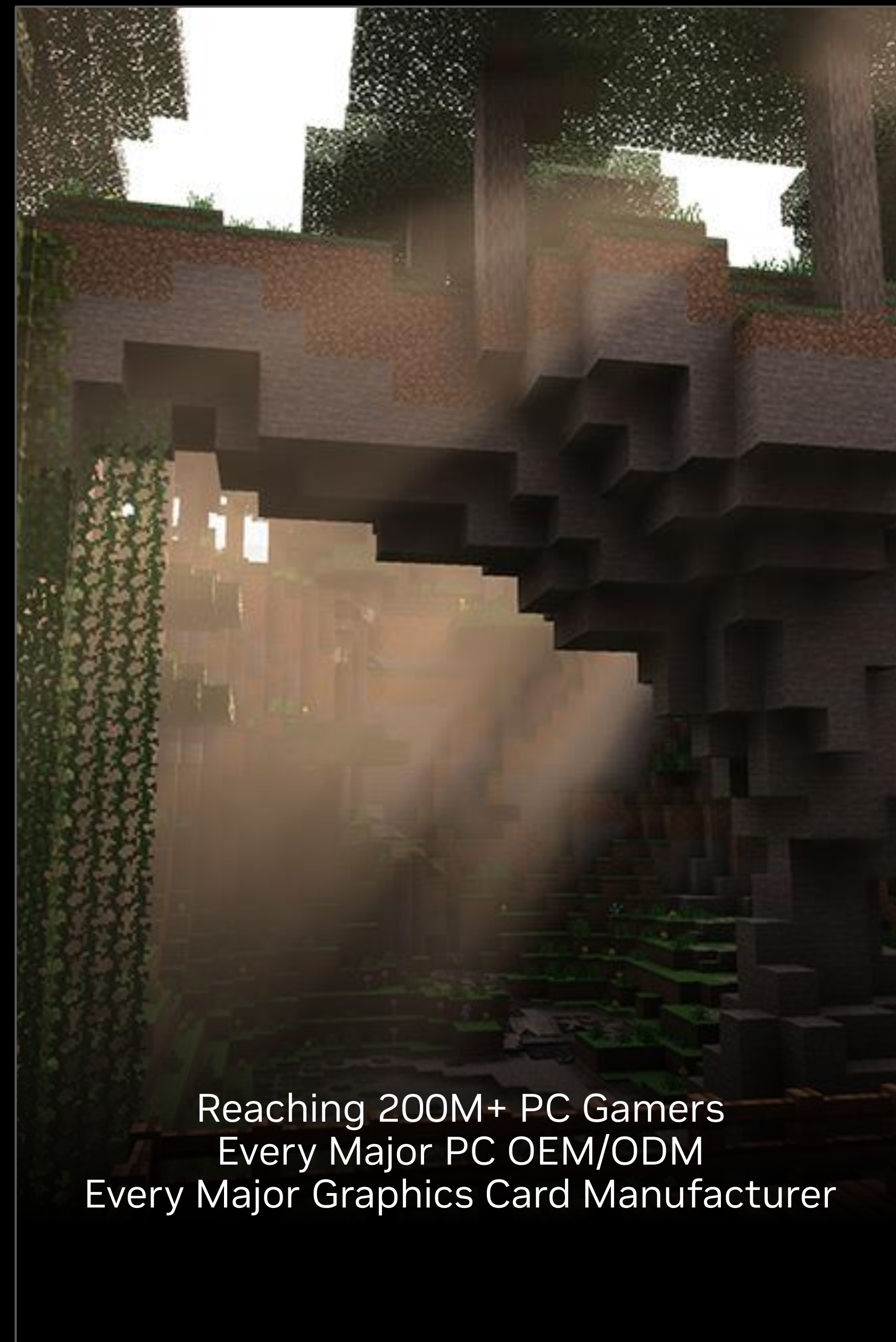
NVIDIA DRIVE Partners



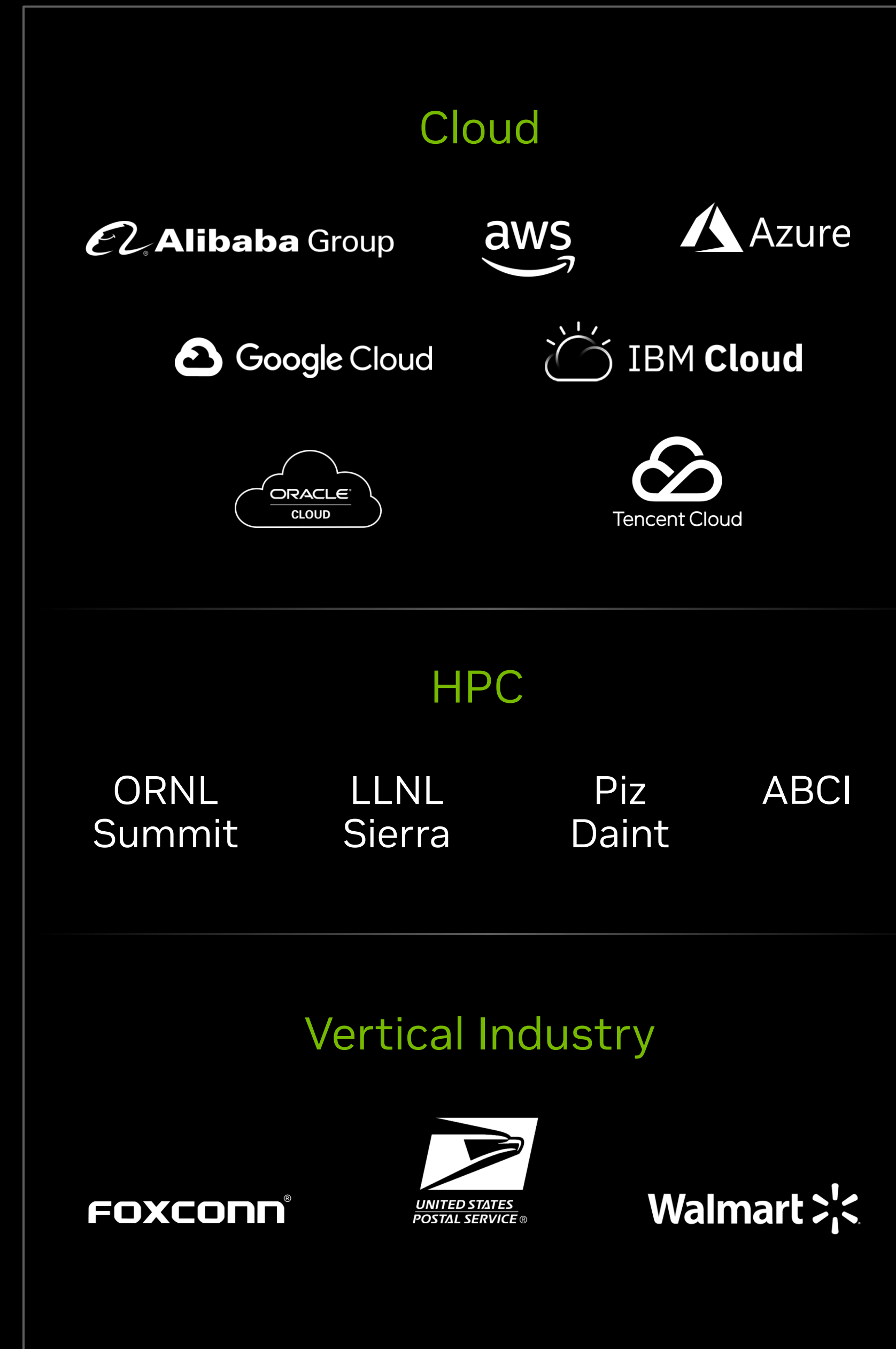
Strong Partnership / Ecosystem

Large and Diverse Customer Base

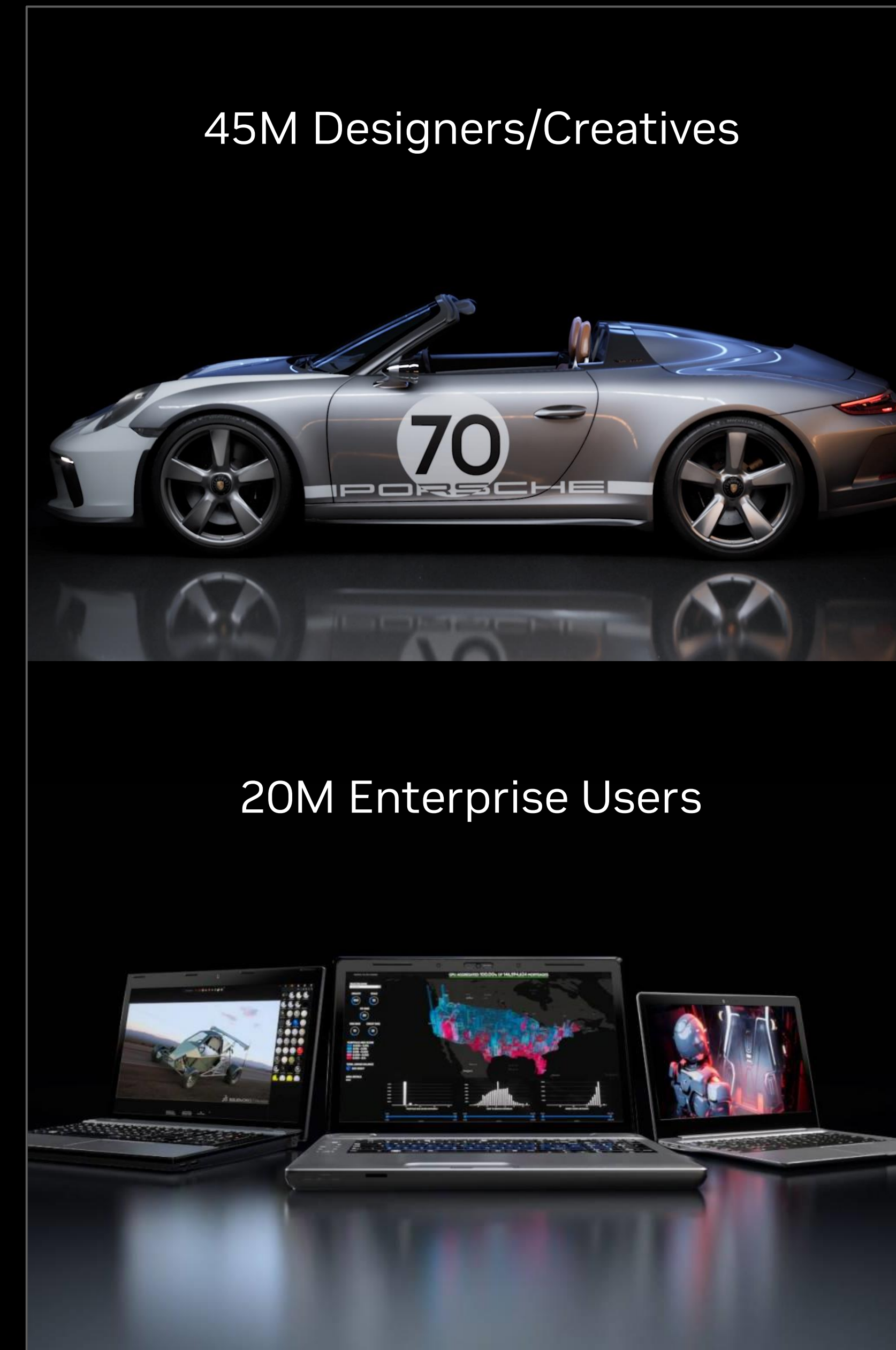
Reaching hundreds of millions of end users through hundreds of customers



Gaming



Data Center

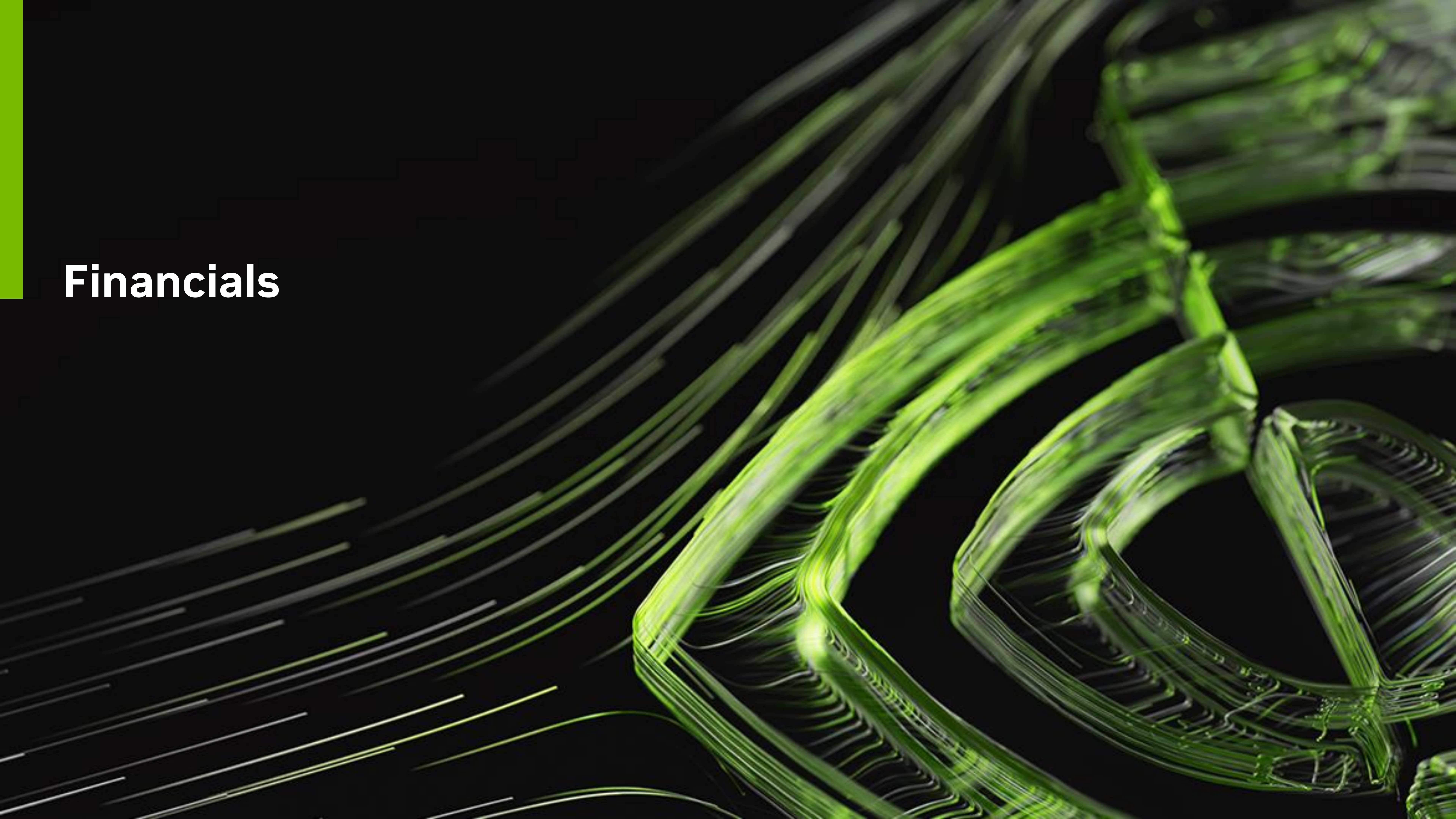


Pro Visualization



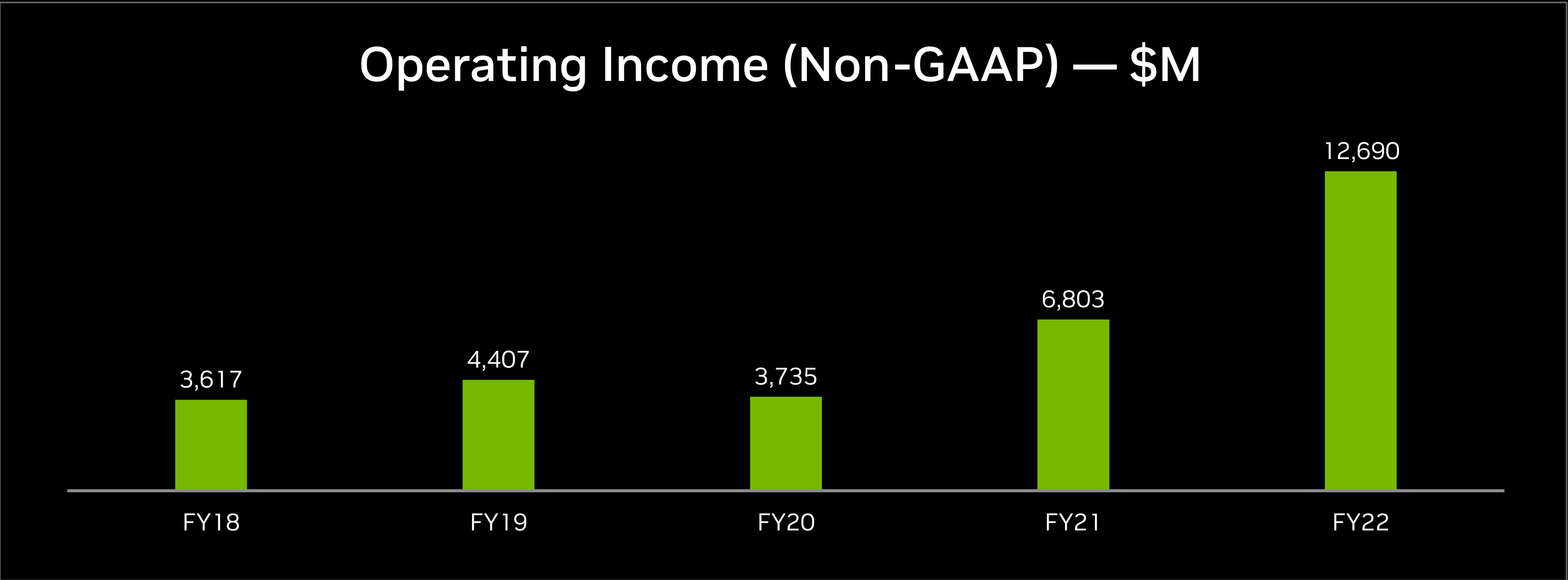
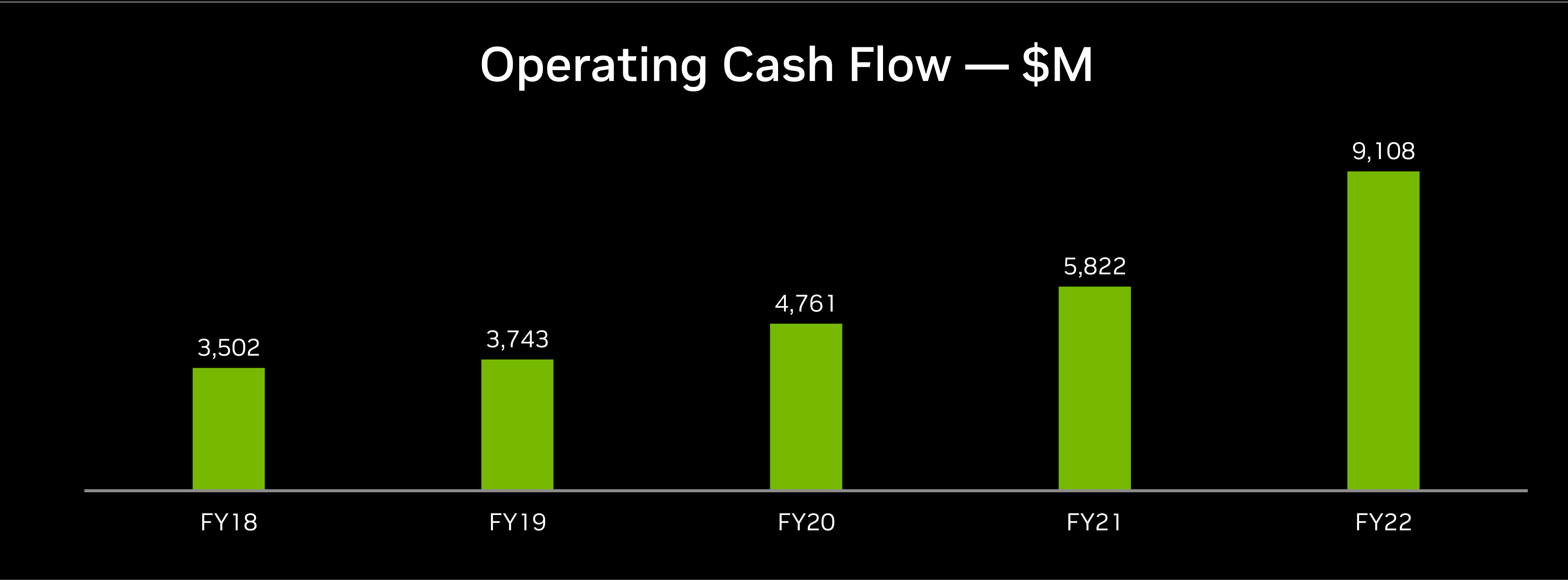
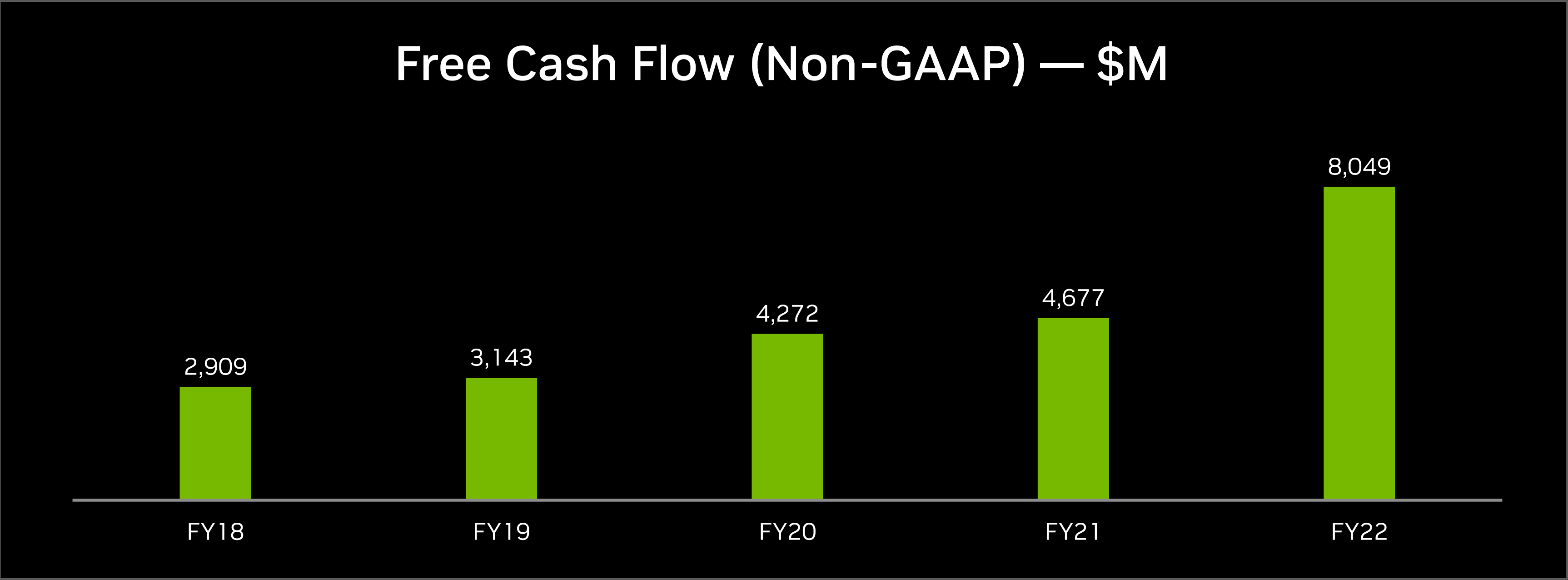
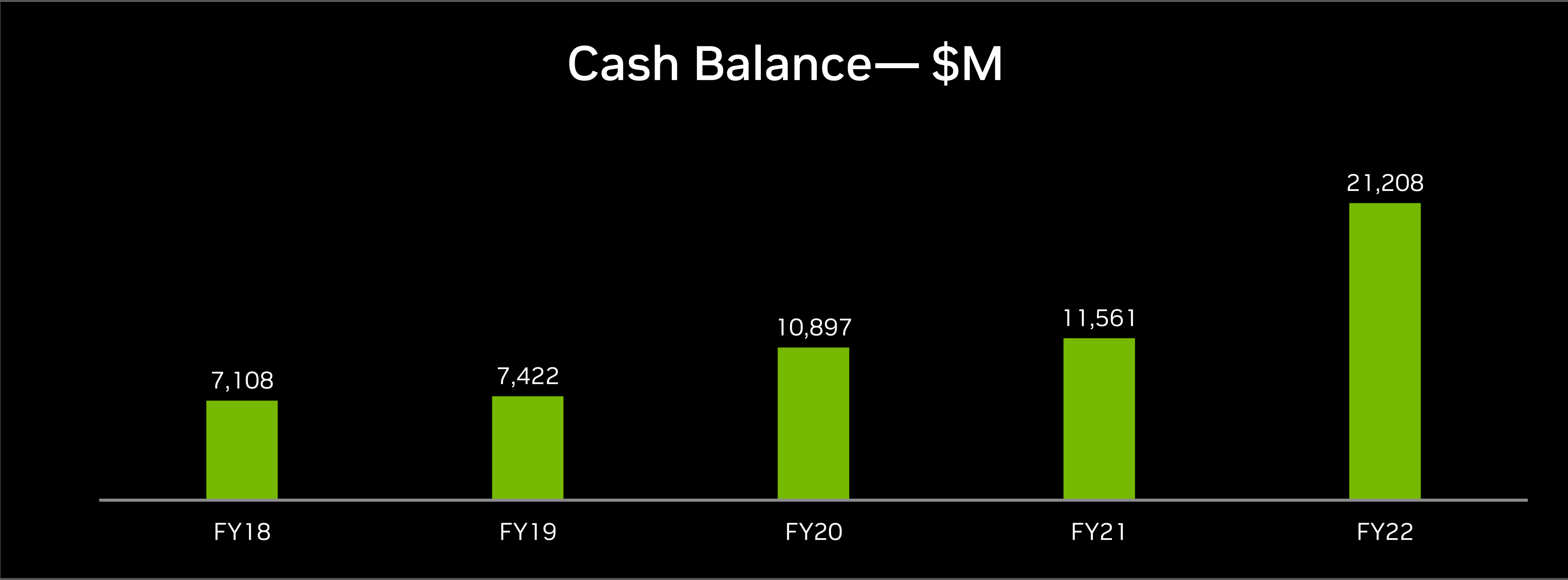
Auto

No Customer Larger than 10% of Total Revenue for the Last 2 Fiscal Years

The background of the slide is a dynamic, abstract composition. It features a solid black field overlaid with numerous thin, elongated streaks in vibrant green and yellow. These streaks are oriented diagonally, creating a sense of movement and energy. On the far left, there is a vertical lime green bar. The word "Financials" is written in white, bold, sans-serif font, positioned to the right of this bar.

Financials

Annual Cash & Cash Flow Metrics



Cash balance is defined as cash and cash equivalents plus marketable securities
Refer to Appendix for reconciliation of non-GAAP measures

Corporate Responsibility

ENVIRONMENTALLY CONSCIOUS



NVIDIA GPUs Are Typically
20X More Energy Efficient
than Traditional CPU
Servers For AI



Earth-2 – Building the
World's Most Powerful AI
Supercomputer Dedicated to
Predicting Climate Change



23 of Top 30
Supercomputers on the
June 2022 Green500
Powered by NVIDIA



We Plan For **100% of Our Global
Electricity Usage For Our Offices
and Data Centers to
Be Renewable by 2025**

A PLACE FOR PEOPLE TO DO THEIR LIFE'S WORK

#1



“100 Best Companies to Work For”
FORTUNE

“America’s Most Just Companies”
FORBES

“Most Responsible Companies”
NEWSWEEK

“Best Places to Work for LGBT Equality”
HUMAN RIGHTS CAMPAIGN

MANAGEMENT

Time Magazine’s 100 Most Influential Companies
CEO Magazine’s 10 Best CEOs
Fortune’s World’s Most Admired Companies
Wall Street Journal’s Management Top 250 All-
Stars

CORPORATE GOVERNANCE

38% Of Board is Gender, Racially, or Ethnically Diverse
92% of Directors are Independent

The background features a complex pattern of thin, curved green lines on a black field, creating a sense of motion and depth. A solid green vertical bar is positioned on the far left side of the image.

Reconciliation of Non-GAAP to GAAP Financial Measures

Reconciliation of Non-GAAP to GAAP Financial Measures

Gross Margin	Non-GAAP	Acquisition-Related and Other Costs (A)	Stock-Based Compensation (B)	IP-Related Costs	GAAP
Q2 FY2022	66.7%	(1.3)	(0.5)	(0.1)	64.8%
Q3 FY2022	67.0%	(1.2)	(0.6)	—	65.2%
Q4 FY2022	67.0%	(1.1)	(0.5)	—	65.4%
Q1 FY2023	67.1%	(1.1)	(0.5)	—	65.5%
Q2 FY2023	45.9%	(1.8)	(0.6)	—	43.5%

A. Consists of amortization of intangible assets

B. Stock-based compensation charge was allocated to cost of goods sold

Reconciliation of Non-GAAP to GAAP Financial Measures (contd)

Gross Margin	Non-GAAP	Acquisition-Related and Other Costs (A)	Stock-Based Compensation (B)	IP-Related Costs	GAAP
1H FY22	66.4%	(1.3)	(0.5)	(0.1)	64.5%
1H FY23	57.6%	(1.4)	(0.5)	—	55.7%

A. Consists of amortization of intangible assets
B. Stock-based compensation charge was allocated to cost of goods sold

Reconciliation of Non-GAAP to GAAP Financial Measures (contd.)

Gross Margin	Non-GAAP	Acquisition-Related and Other Costs (A)	Stock-Based Compensation (B)	IP-Related Costs	GAAP
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%
FY 2021	65.6%	(2.6)	(0.5)	(0.2)	62.3%
FY 2022	66.8%	(1.4)	(0.5)	—	64.9%

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

Reconciliation of Non-GAAP to GAAP Financial Measures (contd.)

Operating Margin (\$ in Millions & Margin Percentage)	Non-GAAP	Acquisition-Related and Other Costs (A)	Stock-Based Compensation (B)	Other	GAAP
FY 2018	\$3,617	(13)	(391)	(3)	\$3,210
	37.2%	(0.2)	(4.0)	—	33.0%
FY 2019	\$4,407	(2)	(557)	(44)	\$3,804
	37.6%	—	(4.7)	(0.4)	32.5%
FY 2020	\$3,735	(31)	(844)	(14)	\$2,846
	34.2%	(0.3)	(7.7)	(0.1)	26.1%
FY 2021	\$6,803	(836)	(1,397)	(38)	\$4,532
	40.8%	(5.0)	(8.4)	(0.2)	27.2%
FY 2022	\$12,690	(636)	(2,004)	(9)	\$10,041
	47.2%	(2.5)	(7.4)	—	37.3%

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

Reconciliation of Non-GAAP to GAAP Financial Measures (contd.)

Operating Margin (\$ in Millions & Margin Percentage)	Non-GAAP	Acquisition Termination Cost	Acquisition-Related and Other Costs (A)	Stock-Based Compensation (B)	Other	GAAP
1 H FY22	\$5,628	--	(325)	(894)	(9)	\$4,400
	46.3%	--	(2.7)	(7.3)	(0.1)	36.2%
1 H FY23	\$5,280	(1,353)	(324)	(1,227)	(9)	\$2,367
	35.2%	(9.0)	(2.2)	(8.2)	—	15.8%

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

Reconciliation of Non-GAAP to GAAP Financial Measures (contd.)

	Non-GAAP	Acquisition Termination Cost	Acquisition- Related and Other Costs (A)	Stock- Based Compensation (B)	Other (C)	Tax Impact of Adjustments	GAAP
Q2 FY2023							
Operating income (\$ in million)	\$1,325	--	(175)	(649)	(2)	--	\$499
Net income (\$ in million)	\$1,292	--	(175)	(649)	(9)	197	\$656
Shares used in diluted per share calculation (millions)	2,516	—	—	—	—	—	2,516
Diluted EPS	\$0.51	—	—	—	—	—	\$0.26

A. Consists of amortization of intangible assets, transaction costs, and certain compensation charges.

B. Stock-based compensation charge was allocated to cost of goods sold, research and development expense, and sales, general and administrative expense.

C. Other comprises of contributions and net losses from non-affiliated investments

Reconciliation of Non-GAAP to GAAP Financial Measures (contd.)

(\$ in Millions)	Free Cash Flow	Purchases Related to Property and Equipment and Intangible Assets	Principal Payments on Property and Equipment	Net Cash Provided by Operating Activities
FY 2018	\$2,909	593	—	\$3,502
FY 2019	\$3,143	600	—	\$3,743
FY 2020	\$4,272	489	—	\$4,761
FY 2021	\$4,677	1,128	17	\$5,822
FY 2022	\$8,049	976	83	\$9,108

Reconciliation of Non-GAAP to GAAP Financial Measures

(\$ in Millions)	Q3 FY2023 Outlook
Non-GAAP gross margin	65.0%
Impact of stock-based compensation expense, acquisition-related costs, and other costs	(2.6%)
GAAP gross margin	62.4%
Non-GAAP operating expenses	\$1,820
Impact of stock-based compensation expense and acquisition-related costs	770
GAAP operating expenses	\$2,590

