

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **August 28, 2024**

NVIDIA CORPORATION

(Exact name of registrant as specified in its charter)

| | | |
|--|---|---|
| Delaware (State or other jurisdiction of incorporation) | 0-23985 (Commission File Number) | 94-3177549 (IRS Employer Identification No.) |
|--|---|---|

2788 San Tomas Expressway, Santa Clara, CA 95051

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(408) 486-2000**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|--------------------------|--|
| Common Stock, \$0.001 par value per share | NVDA | The Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 28, 2024, NVIDIA Corporation, or the Company, issued a press release announcing its results for the quarter ended July 28, 2024. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Attached hereto as Exhibit 99.2 and incorporated by reference herein is financial information and commentary by Colette M. Kress, Executive Vice President and Chief Financial Officer of the Company, regarding results for the quarter ended July 28, 2024, or the CFO Commentary. The CFO Commentary will be posted to <http://investor.nvidia.com> immediately after the filing of this Current Report.

The press release and CFO Commentary are furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information in this Current Report shall not be incorporated by reference in any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit | Description |
|----------------|--|
| 99.1 | Press Release, dated August 28, 2024, entitled "NVIDIA Announces Financial Results for Second Quarter Fiscal 2025" |
| 99.2 | CFO Commentary on Second Quarter Fiscal 2025 Results |
| 104 | The cover page of this Current Report on Form 8-K, formatted in inline XBRL (included as Exhibit 101) |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 28, 2024

NVIDIA Corporation
By: /s/ Colette M. Kress
Colette M. Kress
Executive Vice President and Chief Financial Officer

FOR IMMEDIATE RELEASE:

NVIDIA Announces Financial Results for Second Quarter Fiscal 2025

- Record quarterly revenue of \$30.0 billion, up 15% from Q1 and up 122% from a year ago
- Record quarterly Data Center revenue of \$26.3 billion, up 16% from Q1 and up 154% from a year ago

SANTA CLARA, Calif.—Aug. 28, 2024—NVIDIA (NASDAQ: NVDA) today reported revenue for the second quarter ended July 28, 2024, of \$30.0 billion, up 15% from the previous quarter and up 122% from a year ago.

For the quarter, GAAP earnings per diluted share was \$0.67, up 12% from the previous quarter and up 168% from a year ago. Non-GAAP earnings per diluted share was \$0.68, up 11% from the previous quarter and up 152% from a year ago.

“Hopper demand remains strong, and the anticipation for Blackwell is incredible,” said Jensen Huang, founder and CEO of NVIDIA. “NVIDIA achieved record revenues as global data centers are in full throttle to modernize the entire computing stack with accelerated computing and generative AI.”

“Blackwell samples are shipping to our partners and customers. Spectrum-X Ethernet for AI and NVIDIA AI Enterprise software are two new product categories achieving significant scale, demonstrating that NVIDIA is a full-stack and data center-scale platform. Across the entire stack and ecosystem, we are helping frontier model makers to consumer internet services, and now enterprises. Generative AI will revolutionize every industry.”

During the first half of fiscal 2025, NVIDIA returned \$15.4 billion to shareholders in the form of shares repurchased and cash dividends. As of the end of the second quarter, the company had \$7.5 billion remaining under its share repurchase authorization. On August 26, 2024, the Board of Directors approved an additional \$50.0 billion in share repurchase authorization, without expiration.

NVIDIA will pay its next quarterly cash dividend of \$0.01 per share on October 3, 2024, to all shareholders of record on September 12, 2024.

On June 7, 2024, NVIDIA completed a ten-for-one forward stock split. All share and per-share amounts presented have been retroactively adjusted to reflect the stock split.

Q2 Fiscal 2025 Summary

| GAAP | | | | | |
|---|----------|----------|----------|--------------|------------|
| (\$ in millions, except earnings per share) | Q2 FY25 | Q1 FY25 | Q2 FY24 | Q/Q | Y/Y |
| Revenue | \$30,040 | \$26,044 | \$13,507 | Up 15% | Up 122% |
| Gross margin | 75.1 % | 78.4 % | 70.1 % | Down 3.3 pts | Up 5.0 pts |
| Operating expenses | \$3,932 | \$3,497 | \$2,662 | Up 12% | Up 48% |
| Operating income | \$18,642 | \$16,909 | \$6,800 | Up 10% | Up 174% |
| Net income | \$16,599 | \$14,881 | \$6,188 | Up 12% | Up 168% |
| Diluted earnings per share | \$0.67 | \$0.60 | \$0.25 | Up 12% | Up 168% |

Non-GAAP

| (\$ in millions, except earnings per share) | Q2 FY25 | Q1 FY25 | Q2 FY24 | Q/Q | Y/Y |
|---|----------|----------|----------|--------------|------------|
| Revenue | \$30,040 | \$26,044 | \$13,507 | Up 15% | Up 122% |
| Gross margin | 75.7 % | 78.9 % | 71.2 % | Down 3.2 pts | Up 4.5 pts |
| Operating expenses | \$2,792 | \$2,501 | \$1,838 | Up 12% | Up 52% |
| Operating income | \$19,937 | \$18,059 | \$7,776 | Up 10% | Up 156% |
| Net income | \$16,952 | \$15,238 | \$6,740 | Up 11% | Up 152% |
| Diluted earnings per share | \$0.68 | \$0.61 | \$0.27 | Up 11% | Up 152% |

Outlook

NVIDIA's outlook for the third quarter of fiscal 2025 is as follows:

- Revenue is expected to be \$32.5 billion, plus or minus 2%.
- GAAP and non-GAAP gross margins are expected to be 74.4% and 75.0%, respectively, plus or minus 50 basis points. For the full year, gross margins are expected to be in the mid-70% range.
- GAAP and non-GAAP operating expenses are expected to be approximately \$4.3 billion and \$3.0 billion, respectively. Full-year operating expenses are expected to grow in the mid- to upper-40% range.
- GAAP and non-GAAP other income and expense are expected to be an income of approximately \$350 million, excluding gains and losses from non-affiliated investments and publicly-held equity securities.
- GAAP and non-GAAP tax rates are expected to be 17%, plus or minus 1%, excluding any discrete items.

Highlights

NVIDIA achieved progress since its previous earnings announcement in these areas:

Data Center

- Second-quarter revenue was a record \$26.3 billion, up 16% from the previous quarter and up 154% from a year ago.
- Announced that the combination of NVIDIA H200 Tensor Core and NVIDIA Blackwell architecture B200 Tensor Core processors swept the latest industry-standard MLPerf benchmark results for inference.
- Revealed that H200 GPU-powered systems are now available on CoreWeave, the first cloud service provider to announce general availability.
- Unveiled an array of Blackwell systems featuring NVIDIA Grace™ CPUs, networking and infrastructure from top manufacturers such as GIGABYTE, QCT and Wiwynn.
- Reported broad adoption of the NVIDIA Spectrum-X™ Ethernet networking platform by cloud service providers, GPU cloud providers and enterprises, as well as partners incorporating it into their offerings.
- Released NVIDIA NIM™ for broad availability to developers globally and announced more than 150 companies are integrating microservices into their platforms to speed generative AI application development.

- Unveiled an inference service with Hugging Face powered by NIM microservices on NVIDIA DGX™ Cloud to enable developers to deploy popular large language models.
- Introduced an NVIDIA AI Foundry service and NIM inference microservices to accelerate generative AI for the world's enterprises with the Llama 3.1 collection of models.
- Announced Japan advanced its sovereign AI capabilities with its ABCI 3.0 supercomputer, integrating H200 GPUs and NVIDIA Quantum-2 InfiniBand networking.
- Accelerated quantum computing efforts at national supercomputing centers around the world with the open-source NVIDIA CUDA-Q™ platform.

Gaming and AI PC

- Second-quarter Gaming revenue was \$2.9 billion, up 9% from the previous quarter and up 16% from a year ago.
- Announced NVIDIA ACE, a suite of generative AI technologies that bring digital humans to life, now includes NVIDIA Nemotron-4 4B, a small language model for on-device inference, and is available in early access for RTX AI PCs.
- Introduced Project G-Assist, a technology preview demonstrating the power of AI agents to assist gamers and creators in real time.
- Announced new NVIDIA GeForce RTX and DLSS titles, including *Indiana Jones and the Great Circle*, *Dune: Awakening and Dragon Age: The Veilguard*, bringing the total number of RTX games and apps to over 600.
- Surpassed 2,000 games on GeForce NOW, expanded the service into Japan and announced launches of *Black Myth: Wukong* and *Star Wars Outlaws*.

Professional Visualization

- Second-quarter revenue was \$454 million, up 6% from the previous quarter and up 20% from a year ago.
- Introduced generative AI models and NIM microservices for OpenUSD to accelerate workflows and the development of industrial digital twins and robotics.
- Announced major Taiwanese electronics makers are creating more autonomous factories with a new reference workflow that combines NVIDIA Metropolis vision AI, NVIDIA Omniverse™ simulation and NVIDIA Isaac™ AI robot development.

Automotive and Robotics

- Second-quarter Automotive revenue was \$346 million, up 5% from the previous quarter and up 37% from a year ago.
- Unveiled the world's leaders in robot development, including BYD Electronics, Siemens and Teradyne Robotics, are adopting the Isaac robotics platform for R&D and production.
- Announced Omniverse Cloud Sensor RTX™ microservices to enable physically accurate sensor simulation to speed development of autonomous machines.
- Won the Autonomous Grand Challenge at the Computer Vision and Pattern Recognition conference in the category of End-to-End Driving at Scale for advances in building physical, generative AI applications for autonomous vehicle development.

CFO Commentary

Commentary on the quarter by Colette Kress, NVIDIA's executive vice president and chief financial officer, is available at <https://investor.nvidia.com>.

Conference Call and Webcast Information

NVIDIA will conduct a conference call with analysts and investors to discuss its second quarter fiscal 2025 financial results and current financial prospects today at 2 p.m. Pacific time (5 p.m. Eastern time). A live webcast (listen-only mode) of the conference call will be accessible at NVIDIA's investor relations website, <https://investor.nvidia.com>. The webcast will be recorded and available for replay until NVIDIA's conference call to discuss its financial results for its third quarter of fiscal 2025.

Non-GAAP Measures

To supplement NVIDIA's condensed consolidated financial statements presented in accordance with GAAP, the company uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP other income (expense), net, non-GAAP net income, non-GAAP net income, or earnings, per diluted share, and free cash flow. For NVIDIA's investors to be better able to compare its current results with those of previous periods, the company has shown a reconciliation of GAAP to non-GAAP financial measures. These reconciliations adjust the related GAAP financial measures to exclude stock-based compensation expense, acquisition-related and other costs, other, gains from non-affiliated investments and publicly-held equity securities, net, interest expense related to amortization of debt discount, and the associated tax impact of these items where applicable. Free cash flow is calculated as GAAP net cash provided by operating activities less both purchases related to property and equipment and intangible assets and principal payments on property and equipment and intangible assets. NVIDIA believes the presentation of its non-GAAP financial measures enhances the user's 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.

About NVIDIA

NVIDIA (NASDAQ: NVDA) is the world leader in accelerated computing.

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Certain statements in this press release including, but not limited to, statements as to: the strong demand for Hopper and the incredible anticipation for Blackwell; global data centers in full throttle to modernize the entire computing stack with accelerated computing and generative AI; the timing of Blackwell samples shipping to partners and customers; Spectrum-X Ethernet for AI and NVIDIA AI Enterprise software achieving significant scale; NVIDIA helping frontier model makers, consumer internet services, and enterprises; generative AI revolutionizing every industry; the benefits and performance of NVIDIA's products and services, including NVIDIA H200, NVIDIA Blackwell and B200, NVIDIA Spectrum-X, NVIDIA NIM, NVIDIA DGX Cloud, NVIDIA AI Foundry service, NVIDIA Quantum-2 InfiniBand, NVIDIA CUDA-Q, NVIDIA ACE, NVIDIA Nemotron-4 4B, Project G-Assist, RTX AI Toolkit, NVIDIA Metropolis, NVIDIA Omniverse, NVIDIA Isaac and Omniverse Cloud Sensor RTX; NVIDIA's next quarterly cash dividend; NVIDIA's expected full-year gross margins and operating expenses; and NVIDIA's financial outlook and expected tax rates for the third quarter of fiscal 2025 are forward-looking statements that

are subject to risks and uncertainties that could cause results to be materially different than expectations. 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 or demands; changes in industry standards and interfaces; and unexpected loss of performance of our products or technologies when integrated into systems, as well as other factors detailed from time to time in the most recent reports NVIDIA files with the Securities and Exchange Commission, or SEC, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of the date hereof, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

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NVIDIA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)

(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|
| | July 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 |
| Revenue | \$ 30,040 | \$ 13,507 | \$ 56,084 | \$ 20,699 |
| Cost of revenue | 7,466 | 4,045 | 13,105 | 6,589 |
| Gross profit | 22,574 | 9,462 | 42,979 | 14,110 |
| Operating expenses | | | | |
| Research and development | 3,090 | 2,040 | 5,810 | 3,916 |
| Sales, general and administrative | 842 | 622 | 1,618 | 1,253 |
| Total operating expenses | 3,932 | 2,662 | 7,428 | 5,169 |
| Operating income | 18,642 | 6,800 | 35,551 | 8,941 |
| Interest income | 444 | 187 | 803 | 338 |
| Interest expense | (61) | (65) | (125) | (131) |
| Other, net | 189 | 59 | 264 | 42 |
| Other income (expense), net | 572 | 181 | 942 | 249 |
| Income before income tax | 19,214 | 6,981 | 36,493 | 9,190 |
| Income tax expense | 2,615 | 793 | 5,013 | 958 |
| Net income | \$ 16,599 | \$ 6,188 | \$ 31,480 | \$ 8,232 |
| Net income per share: | | | | |
| Basic | \$ 0.68 | \$ 0.25 | \$ 1.28 | \$ 0.33 |
| Diluted | \$ 0.67 | \$ 0.25 | \$ 1.27 | \$ 0.33 |
| Weighted average shares used in per share computation: | | | | |
| Basic | 24,578 | 24,729 | 24,599 | 24,716 |
| Diluted | 24,848 | 24,994 | 24,869 | 24,948 |

NVIDIA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)
 (Unaudited)

**July 28,
 2024** **January 28,
 2024**

ASSETS

Current assets:

| | | |
|--|------------------|------------------|
| Cash, cash equivalents and marketable securities | \$ 34,800 | \$ 25,984 |
| Accounts receivable, net | 14,132 | 9,999 |
| Inventories | 6,675 | 5,282 |
| Prepaid expenses and other current assets | 4,026 | 3,080 |
| Total current assets | 59,633 | 44,345 |
| Property and equipment, net | 4,885 | 3,914 |
| Operating lease assets | 1,556 | 1,346 |
| Goodwill | 4,622 | 4,430 |
| Intangible assets, net | 952 | 1,112 |
| Deferred income tax assets | 9,578 | 6,081 |
| Other assets | 4,001 | 4,500 |
| Total assets | \$ 85,227 | \$ 65,728 |

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

| | | |
|---|------------------|------------------|
| Accounts payable | \$ 3,680 | \$ 2,699 |
| Accrued and other current liabilities | 10,289 | 6,682 |
| Short-term debt | — | 1,250 |
| Total current liabilities | 13,969 | 10,631 |
| Long-term debt | 8,461 | 8,459 |
| Long-term operating lease liabilities | 1,304 | 1,119 |
| Other long-term liabilities | 3,336 | 2,541 |
| Total liabilities | 27,070 | 22,750 |
| Shareholders' equity | 58,157 | 42,978 |
| Total liabilities and shareholders' equity | \$ 85,227 | \$ 65,728 |

NVIDIA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
 (Unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|
| | July 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 |
| Cash flows from operating activities: | | | | |
| Net income | \$ 16,599 | \$ 6,188 | \$ 31,480 | \$ 8,232 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Stock-based compensation expense | 1,154 | 842 | 2,164 | 1,576 |
| Depreciation and amortization | 433 | 365 | 843 | 749 |
| Gains on investments in non-affiliated entities and publicly-held equity securities, net | (193) | (60) | (264) | (45) |
| Deferred income taxes | (1,699) | (746) | (3,276) | (1,881) |
| Other | (144) | (69) | (288) | (102) |
| Changes in operating assets and liabilities, net of acquisitions: | | | | |
| Accounts receivable | (1,767) | (2,986) | (4,133) | (3,239) |
| Inventories | (803) | 296 | (1,380) | 861 |
| Prepaid expenses and other assets | 714 | (376) | (12) | (592) |
| Accounts payable | 823 | 777 | 801 | 789 |
| Accrued and other current liabilities | (888) | 1,986 | 3,314 | 2,675 |
| Other long-term liabilities | 260 | 131 | 584 | 236 |
| Net cash provided by operating activities | 14,489 | 6,348 | 29,833 | 9,259 |
| Cash flows from investing activities: | | | | |
| Proceeds from maturities of marketable securities | 4,094 | 2,598 | 8,098 | 5,111 |
| Proceeds from sales of marketable securities | 15 | — | 164 | — |
| Purchases of marketable securities | (5,744) | (2,542) | (15,047) | (5,343) |
| Purchase related to property and equipment and intangible assets | (977) | (289) | (1,346) | (537) |
| Acquisitions, net of cash acquired | (279) | — | (317) | (83) |
| Purchases of investments in non-affiliated entities | (344) | (235) | (534) | (456) |
| Proceeds from sales of investments in non-affiliated entities | 50 | — | 105 | — |
| Other | — | 21 | — | 21 |
| Net cash used in investing activities | (3,185) | (447) | (8,877) | (1,287) |

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|------------------|------------------|
| | July 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 |
| Cash flows from financing activities: | | | | |
| Proceeds related to employee stock plans | — | 1 | 285 | 247 |
| Payments related to repurchases of common stock | (7,158) | (3,067) | (14,898) | (3,067) |
| Repayment of debt | (1,250) | (1,250) | (1,250) | (1,250) |
| Payments related to tax on restricted stock units | (1,637) | (672) | (3,389) | (1,179) |
| Dividends paid | (246) | (99) | (344) | (199) |
| Principal payments on property and equipment and intangible assets | (29) | (11) | (69) | (31) |
| Net cash used in financing activities | (10,320) | (5,098) | (19,665) | (5,479) |
| Change in cash, cash equivalents, and restricted cash | 984 | 803 | 1,291 | 2,493 |
| Cash, cash equivalents, and restricted cash at beginning of period | 7,587 | 5,079 | 7,280 | 3,389 |
| Cash, cash equivalents, and restricted cash at end of period \$ | 8,571 | \$ 5,882 | \$ 8,571 | \$ 5,882 |
| Reconciliation of cash, cash equivalents, and restricted cash to the Condensed Consolidated Balance Sheet: | | | | |
| Cash and cash equivalents | \$ 8,563 | \$ 5,783 | \$ 8,563 | \$ 5,783 |
| Restricted cash, included in prepaid expenses and other current assets | 8 | 99 | 8 | 99 |
| Total cash, cash equivalents, and restricted cash | \$ 8,571 | \$ 5,882 | \$ 8,571 | \$ 5,882 |
| Supplemental disclosure of cash flow information: | | | | |
| Cash paid for income taxes, net | \$ 7,208 | \$ 227 | \$ 7,449 | \$ 328 |

NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In millions, except per share data)
(Unaudited)

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-------------------|------------------|------------------|------------------|--|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 | |
| GAAP gross profit | \$ 22,574 | \$ 20,406 | \$ 9,462 | \$ 42,979 | \$ 14,110 | |
| <i>GAAP gross margin</i> | 75.1 % | 78.4 % | 70.1 % | 76.6 % | 68.2 % | |
| Acquisition-related and other costs (A) | 118 | 119 | 119 | 238 | 239 | |
| Stock-based compensation expense (B) | 40 | 36 | 31 | 75 | 58 | |
| Other (C) | (3) | (1) | 2 | (4) | 10 | |
| Non-GAAP gross profit | \$ 22,729 | \$ 20,560 | \$ 9,614 | \$ 43,288 | \$ 14,417 | |
| <i>Non-GAAP gross margin</i> | 75.7 % | 78.9 % | 71.2 % | 77.2 % | 69.7 % | |
| GAAP operating expenses | \$ 3,932 | \$ 3,497 | \$ 2,662 | \$ 7,428 | \$ 5,169 | |
| Stock-based compensation expense (B) | (1,114) | (975) | (811) | (2,089) | (1,518) | |
| Acquisition-related and other costs (A) | (26) | (21) | (18) | (48) | (72) | |
| Other (C) | — | — | 5 | — | 10 | |
| Non-GAAP operating expenses | \$ 2,792 | \$ 2,501 | \$ 1,838 | \$ 5,291 | \$ 3,589 | |
| GAAP operating income | \$ 18,642 | \$ 16,909 | \$ 6,800 | \$ 35,551 | \$ 8,941 | |
| Total impact of non-GAAP adjustments to operating income | 1,295 | 1,150 | 976 | 2,446 | 1,887 | |
| Non-GAAP operating income | \$ 19,937 | \$ 18,059 | \$ 7,776 | \$ 37,997 | \$ 10,828 | |
| GAAP other income (expense), net | \$ 572 | \$ 370 | \$ 181 | \$ 942 | \$ 249 | |
| Gains from non-affiliated investments and publicly-held equity securities, net | (193) | (69) | (62) | (264) | (46) | |
| Interest expense related to amortization of debt discount | 1 | 1 | 1 | 2 | 2 | |
| Non-GAAP other income (expense), net | \$ 380 | \$ 302 | \$ 120 | \$ 680 | \$ 205 | |
| GAAP net income | \$ 16,599 | \$ 14,881 | \$ 6,188 | \$ 31,480 | \$ 8,232 | |
| Total pre-tax impact of non-GAAP adjustments | 1,103 | 1,082 | 915 | 2,184 | 1,843 | |
| Income tax impact of non-GAAP adjustments (D) | (750) | (725) | (363) | (1,475) | (622) | |
| Non-GAAP net income | \$ 16,952 | \$ 15,238 | \$ 6,740 | \$ 32,189 | \$ 9,453 | |

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-------------------|------------------|------------------|------------------|--|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 | |
| Diluted net income per share | | | | | | |
| GAAP | \$ 0.67 | \$ 0.60 | \$ 0.25 | \$ 1.27 | \$ 0.33 | |
| Non-GAAP | \$ 0.68 | \$ 0.61 | \$ 0.27 | \$ 1.29 | \$ 0.38 | |
| Weighted average shares used in diluted net income per share computation | 24,848 | 24,890 | 24,994 | 24,869 | 24,948 | |
| GAAP net cash provided by operating activities | \$ 14,489 | \$ 15,345 | \$ 6,348 | \$ 29,833 | \$ 9,259 | |
| Purchases related to property and equipment and intangible assets | (977) | (369) | (289) | (1,346) | (537) | |
| Principal payments on property and equipment and intangible assets | (29) | (40) | (11) | (69) | (31) | |
| Free cash flow | \$ 13,483 | \$ 14,936 | \$ 6,048 | \$ 28,418 | \$ 8,691 | |

(A) Acquisition-related and other costs are comprised of amortization of intangible assets, transaction costs, and certain compensation charges and are included in the following line items:

| | Three Months Ended | | | Six Months Ended | | |
|-----------------------------------|--------------------|-------------------|------------------|------------------|------------------|--|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 | |
| Cost of revenue | \$ 118 | \$ 119 | \$ 119 | \$ 238 | \$ 239 | |
| Research and development | \$ 17 | \$ 12 | \$ 12 | \$ 30 | \$ 24 | |
| Sales, general and administrative | \$ 9 | \$ 8 | \$ 6 | \$ 18 | \$ 48 | |

(B) Stock-based compensation consists of the following:

| | Three Months Ended | | | Six Months Ended | | |
|-----------------------------------|--------------------|-------------------|------------------|------------------|------------------|--|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 | |
| Cost of revenue | \$ 40 | \$ 36 | \$ 31 | \$ 75 | \$ 58 | |
| Research and development | \$ 832 | \$ 727 | \$ 600 | \$ 1,559 | \$ 1,124 | |
| Sales, general and administrative | \$ 282 | \$ 248 | \$ 211 | \$ 530 | \$ 394 | |

(C) Other consists of IP-related costs and assets held for sale related adjustments.

(D) Income tax impact of non-GAAP adjustments, including the recognition of excess tax benefits or deficiencies related to stock-based compensation under GAAP accounting standard (ASU 2016-09).

NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP OUTLOOK

| | Q3 FY2025 Outlook |
|--|----------------------|
| | (\$ in millions) |
| GAAP gross margin | 74.4 % |
| Impact of stock-based compensation expense, acquisition-related costs, and other costs | 0.6 % |
| Non-GAAP gross margin | 75.0 % |
| | |
| GAAP operating expenses | \$ 4,250 |
| Stock-based compensation expense, acquisition-related costs, and other costs | (1,250) |
| Non-GAAP operating expenses | \$ 3,000 |



CFO Commentary on Second Quarter Fiscal 2025 Results

Q2 Fiscal 2025 Summary

| GAAP | | | | | |
|---|----------|----------|----------|--------------|------------|
| (\$ in millions, except earnings per share) | Q2 FY25 | Q1 FY25 | Q2 FY24 | Q/Q | Y/Y |
| Revenue | \$30,040 | \$26,044 | \$13,507 | Up 15% | Up 122% |
| Gross margin | 75.1 % | 78.4 % | 70.1 % | Down 3.3 pts | Up 5.0 pts |
| Operating expenses | \$3,932 | \$3,497 | \$2,662 | Up 12% | Up 48% |
| Operating income | \$18,642 | \$16,909 | \$6,800 | Up 10% | Up 174% |
| Net income | \$16,599 | \$14,881 | \$6,188 | Up 12% | Up 168% |
| Diluted earnings per share | \$0.67 | \$0.60 | \$0.25 | Up 12% | Up 168% |

| Non-GAAP | | | | | |
|---|----------|----------|----------|--------------|------------|
| (\$ in millions, except earnings per share) | Q2 FY25 | Q1 FY25 | Q2 FY24 | Q/Q | Y/Y |
| Revenue | \$30,040 | \$26,044 | \$13,507 | Up 15% | Up 122% |
| Gross margin | 75.7 % | 78.9 % | 71.2 % | Down 3.2 pts | Up 4.5 pts |
| Operating expenses | \$2,792 | \$2,501 | \$1,838 | Up 12% | Up 52% |
| Operating income | \$19,937 | \$18,059 | \$7,776 | Up 10% | Up 156% |
| Net income | \$16,952 | \$15,238 | \$6,740 | Up 11% | Up 152% |
| Diluted earnings per share | \$0.68 | \$0.61 | \$0.27 | Up 11% | Up 152% |

| Revenue by Reportable Segments | | | | | |
|--------------------------------|----------|----------|----------|--------|---------|
| (\$ in millions) | Q2 FY25 | Q1 FY25 | Q2 FY24 | Q/Q | Y/Y |
| Compute & Networking | \$26,446 | \$22,675 | \$10,402 | Up 17% | Up 154% |
| Graphics | 3,594 | 3,369 | 3,105 | Up 7% | Up 16% |
| Total | \$30,040 | \$26,044 | \$13,507 | Up 15% | Up 122% |

| Revenue by Market Platform | | | | | |
|----------------------------|----------|----------|----------|--------|---------|
| (\$ in millions) | Q2 FY25 | Q1 FY25 | Q2 FY24 | Q/Q | Y/Y |
| Data Center | \$26,272 | \$22,563 | \$10,323 | Up 16% | Up 154% |
| Compute | 22,604 | 19,392 | 8,612 | Up 17% | Up 162% |
| Networking | 3,668 | 3,171 | 1,711 | Up 16% | Up 114% |
| Gaming | 2,880 | 2,647 | 2,486 | Up 9% | Up 16% |
| Professional Visualization | 454 | 427 | 379 | Up 6% | Up 20% |
| Automotive | 346 | 329 | 253 | Up 5% | Up 37% |
| OEM and Other | 88 | 78 | 66 | Up 13% | Up 33% |
| Total | \$30,040 | \$26,044 | \$13,507 | Up 15% | Up 122% |

We specialize in markets where our computing platforms can provide tremendous acceleration for applications. These platforms incorporate processors, interconnects, software, algorithms, systems and services to deliver unique value. Our platforms address four large markets where our expertise is critical: Data Center, Gaming, Professional Visualization, and Automotive.

On June 7, 2024, we completed a 10-for-1 forward stock split. All share and per share amounts presented have been retroactively adjusted to reflect the stock split.

Revenue

Revenue was a record \$30.0 billion, up 122% from a year ago and up 15% sequentially.

Data Center revenue was a record, up 154% from a year ago and up 16% sequentially. The strong sequential and year-on-year growth was driven by demand for our Hopper GPU computing platform for training and inferencing of large language models, recommendation engines, and generative AI applications. Sequential growth was driven by consumer internet and enterprise companies. Cloud service providers represented roughly 45% of our Data Center revenue, and more than 50% stemmed from consumer internet and enterprise companies. Strong year-on-year growth was driven by all customer types from both compute and networking revenue. Customers continue to accelerate their Hopper architecture purchases while gearing up to adopt Blackwell. Data Center compute revenue was \$22.6 billion, up 162% from a year ago and up 17% sequentially. Networking revenue was \$3.7 billion, up 114% from a year ago driven by InfiniBand and Ethernet for AI revenue, which includes Spectrum-X end-to-end ethernet platform. Networking revenue sequentially was up 16% and includes a doubling of Ethernet for AI revenue.

We shipped customer samples of our Blackwell architecture in the second quarter. We executed a change to the Blackwell GPU mask to improve production yield. Blackwell production ramp is scheduled to begin in the fourth quarter and continue into fiscal 2026. In the fourth quarter, we expect to ship several billion dollars in Blackwell revenue. Hopper demand is strong, and shipments are expected to increase in the second half of fiscal 2025.

Gaming revenue was up 16% from a year ago and up 9% sequentially. These increases reflect higher sales of our GeForce RTX 40 Series GPUs and game console SOCs. We had solid demand in the second quarter for our gaming GPUs as part of the back-to-school season.

Professional Visualization revenue was up 20% from a year ago and up 6% sequentially. These increases were driven by the continued ramp of RTX GPU workstations based on our Ada architecture.

Automotive revenue was up 37% from a year ago and up 5% sequentially. These increases were driven by AI Cockpit solutions and self-driving platforms.

Gross Margin

GAAP and non-GAAP gross margins increased from a year ago on strong Data Center revenue growth primarily driven by our Hopper GPU computing platform. Sequentially, gross margins decreased primarily driven by inventory provisions for low-yielding Blackwell material and a higher mix of new products within Data Center.

Expenses

GAAP operating expenses were up 48% from a year ago and up 12% sequentially, and non-GAAP operating expenses were up 52% from a year ago and up 12% sequentially. These increases were largely driven by compensation and benefits, reflecting growth in employees and compensation.

Other Income & Expense and Income Tax

GAAP other income and expense (OI&E) includes interest income, interest expense, gains and losses from non-affiliated investments and publicly-held equity securities. Non-GAAP OI&E primarily excludes the gains or losses from non-affiliated investments and publicly-held equity securities.

Interest income was \$444 million, up from a year ago and sequentially, primarily reflecting higher cash balances. Net realized and unrealized gains from non-affiliated investments and publicly-held equity securities were \$193 million, reflecting fair value adjustments.

GAAP effective tax rate was 13.6%, an increase from a year ago reflecting the lower effect of tax benefits from the foreign derived intangible income deduction relative to the increase in pre-tax income. Non-GAAP effective tax rate was 16.6%.

Balance Sheet and Cash Flow

Cash, cash equivalents and marketable securities were \$34.8 billion, up from \$16.0 billion a year ago and \$31.4 billion a quarter ago. The increases primarily reflect higher revenue partially offset by higher cash taxes, stock repurchases and repayment of \$1.25 billion of our notes at maturity.

Accounts receivable was \$14.1 billion with 43 days sales outstanding (DSO). Accounts receivable reflects \$2.8 billion of customer payments received prior to next quarter's invoice due date.

Inventory was \$6.7 billion with 81 days sales of inventory (DSI). Purchase commitments and obligations for inventory and manufacturing capacity were \$27.8 billion, including new commitments for Blackwell capacity and components. Prepaid supply agreements were \$4.7 billion.

Other non-inventory purchase obligations were \$12.0 billion, including \$9.8 billion of multi-year cloud service agreements. We expect cloud service agreements to be used to support our research and development efforts and our DGX Cloud offerings.

Cash flow from operating activities was \$14.5 billion, up from \$6.3 billion a year ago and down from \$15.3 billion a quarter ago. The year-on-year increase reflects higher revenue partially offset by higher cash taxes paid. The sequential decrease reflects cash taxes paid partially offset by higher revenue.

We utilized cash of \$7.4 billion towards shareholder returns, including \$7.2 billion in share repurchases and \$246 million in cash dividends. Our dividend increased by 150% to one cent per share in the second quarter.

On August 26, 2024, our Board of Directors approved an additional \$50.0 billion to our share repurchase authorization, without expiration.

Third Quarter of Fiscal 2025 Outlook

Outlook for the third quarter of fiscal 2025 is as follows:

- Revenue is expected to be \$32.5 billion, plus or minus 2%.
- GAAP and non-GAAP gross margins are expected to be 74.4% and 75.0%, respectively, plus or minus 50 basis points. For the full year, gross margins are expected to be in the mid-70% range.
- GAAP and non-GAAP operating expenses are expected to be approximately \$4.3 billion and \$3.0 billion, respectively. Full-year operating expenses are expected to grow in the mid to upper 40% range.

- GAAP and non-GAAP other income and expense are expected to be an income of approximately \$350 million, excluding gains and losses from non-affiliated investments and publicly-held equity securities.
 - GAAP and non-GAAP tax rates are expected to be 17%, plus or minus 1%, excluding any discrete items.
-

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Non-GAAP Measures

To supplement NVIDIA's condensed consolidated financial statements presented in accordance with GAAP, the company uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP other income (expense), net, non-GAAP net income, non-GAAP net income, or earnings, per diluted share, and free cash flow. In order for NVIDIA's investors to be better able to compare its current results with those of previous periods, the company has shown a reconciliation of GAAP to non-GAAP financial measures. These reconciliations adjust the related GAAP financial measures to exclude stock-based compensation expense, acquisition-related and other costs, other, gains from non-affiliated investments and publicly-held equity securities, net, interest expense related to amortization of debt discount, and the associated tax impact of these items where applicable. Free cash flow is calculated as GAAP net cash provided by operating activities less both purchases related to property and equipment and intangible assets and principal payments on property and equipment and intangible assets. NVIDIA believes the presentation of its non-GAAP financial measures enhances the user's 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.

Certain statements in this CFO Commentary including, but not limited to, statements as to: our computing platforms providing tremendous acceleration for applications and delivering unique value; markets where our expertise is critical; customers continuing to accelerate their Hopper architecture purchases while gearing up to adopt Blackwell; the Blackwell GPU mask change improving production yield; Blackwell production ramp and revenue timing; expected Blackwell revenue; Hopper demand being strong and expected increase in shipments in the second half of fiscal 2025; cloud service agreements being used to support our research and development efforts and our DGX Cloud offerings; our expected full-year gross margins and operating expenses; and our financial outlook and expected tax rates for the third quarter of fiscal 2025 are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. 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 or demands; changes in industry standards and interfaces; and unexpected loss of performance of our products or technologies when integrated into systems; as well as other factors detailed from time to time in the most recent reports NVIDIA files with the Securities and Exchange Commission, or SEC, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of the date hereof, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

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NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In millions, except per share data)
(Unaudited)

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|-------------------|------------------|------------------|------------------|--|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 | |
| GAAP gross profit | \$ 22,574 | \$ 20,406 | \$ 9,462 | \$ 42,979 | \$ 14,110 | |
| GAAP gross margin | 75.1 % | 78.4 % | 70.1 % | 76.6 % | 68.2 % | |
| Acquisition-related and other costs (A) | 118 | 119 | 119 | 238 | 239 | |
| Stock-based compensation expense (B) | 40 | 36 | 31 | 75 | 58 | |
| Other (C) | (3) | (1) | 2 | (4) | 10 | |
| Non-GAAP gross profit | \$ 22,729 | \$ 20,560 | \$ 9,614 | \$ 43,288 | \$ 14,417 | |
| Non-GAAP gross margin | 75.7 % | 78.9 % | 71.2 % | 77.2 % | 69.7 % | |
| GAAP operating expenses | \$ 3,932 | \$ 3,497 | \$ 2,662 | \$ 7,428 | \$ 5,169 | |
| Stock-based compensation expense (B) | (1,114) | (975) | (811) | (2,089) | (1,518) | |
| Acquisition-related and other costs (A) | (26) | (21) | (18) | (48) | (72) | |
| Other (C) | — | — | 5 | — | 10 | |
| Non-GAAP operating expenses | \$ 2,792 | \$ 2,501 | \$ 1,838 | \$ 5,291 | \$ 3,589 | |
| GAAP operating income | \$ 18,642 | \$ 16,909 | \$ 6,800 | \$ 35,551 | \$ 8,941 | |
| Total impact of non-GAAP adjustments to operating income | 1,295 | 1,150 | 976 | 2,446 | 1,887 | |
| Non-GAAP operating income | \$ 19,937 | \$ 18,059 | \$ 7,776 | \$ 37,997 | \$ 10,828 | |
| GAAP other income (expense), net | \$ 572 | \$ 370 | \$ 181 | \$ 942 | \$ 249 | |
| Gains from non-affiliated investments and publicly-held equity securities, net | (193) | (69) | (62) | (264) | (46) | |
| Interest expense related to amortization of debt discount | 1 | 1 | 1 | 2 | 2 | |
| Non-GAAP other income (expense), net | \$ 380 | \$ 302 | \$ 120 | \$ 680 | \$ 205 | |
| GAAP net income | \$ 16,599 | \$ 14,881 | \$ 6,188 | \$ 31,480 | \$ 8,232 | |
| Total pre-tax impact of non-GAAP adjustments | 1,103 | 1,082 | 915 | 2,184 | 1,843 | |
| Income tax impact of non-GAAP adjustments (D) | (750) | (725) | (363) | (1,475) | (622) | |
| Non-GAAP net income | \$ 16,952 | \$ 15,238 | \$ 6,740 | \$ 32,189 | \$ 9,453 | |

| | Three Months Ended | | | Six Months Ended | |
|--|--------------------|-------------------|------------------|------------------|------------------|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 |
| Diluted net income per share | | | | | |
| GAAP | \$ 0.67 | \$ 0.60 | \$ 0.25 | \$ 1.27 | \$ 0.33 |
| Non-GAAP | \$ 0.68 | \$ 0.61 | \$ 0.27 | \$ 1.29 | \$ 0.38 |
| Weighted average shares used in diluted net income per share computation | 24,848 | 24,890 | 24,994 | 24,869 | 24,948 |
| GAAP net cash provided by operating activities | \$ 14,489 | \$ 15,345 | \$ 6,348 | \$ 29,833 | \$ 9,259 |
| Purchases related to property and equipment and intangible assets | (977) | (369) | (289) | (1,346) | (537) |
| Principal payments on property and equipment and intangible assets | (29) | (40) | (11) | (69) | (31) |
| Free cash flow | \$ 13,483 | \$ 14,936 | \$ 6,048 | \$ 28,418 | \$ 8,691 |

(A) Acquisition-related and other costs are comprised of amortization of intangible assets, transaction costs, and certain compensation charges and are included in the following line items:

| | Three Months Ended | | | Six Months Ended | |
|-----------------------------------|--------------------|-------------------|------------------|------------------|------------------|
| | July 28, 2024 | April 28, 2024 | July 30, 2023 | July 28, 2024 | July 30, 2023 |
| Cost of revenue | \$ 118 | \$ 119 | \$ 119 | \$ 238 | \$ 239 |
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| Sales, general and administrative | \$ 9 | \$ 8 | \$ 6 | \$ 18 | \$ 48 |

(B) Stock-based compensation consists of the following:

| | Three Months Ended | | | Six Months Ended | |
|-----------------------------------|--------------------|-------------------|------------------|------------------|------------------|
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| Cost of revenue | \$ 40 | \$ 36 | \$ 31 | \$ 75 | \$ 58 |
| Research and development | \$ 832 | \$ 727 | \$ 600 | \$ 1,559 | \$ 1,124 |
| Sales, general and administrative | \$ 282 | \$ 248 | \$ 211 | \$ 530 | \$ 394 |

(C) Other consists of IP-related costs and assets held for sale related adjustments.

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NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP OUTLOOK

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|--|----------------------|
| | (\$ in millions) |
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| Non-GAAP gross margin | 75.0 % |
| GAAP operating expenses | \$ 4,250 |
| Stock-based compensation expense, acquisition-related costs, and other costs | (1,250) |
| Non-GAAP operating expenses | \$ 3,000 |