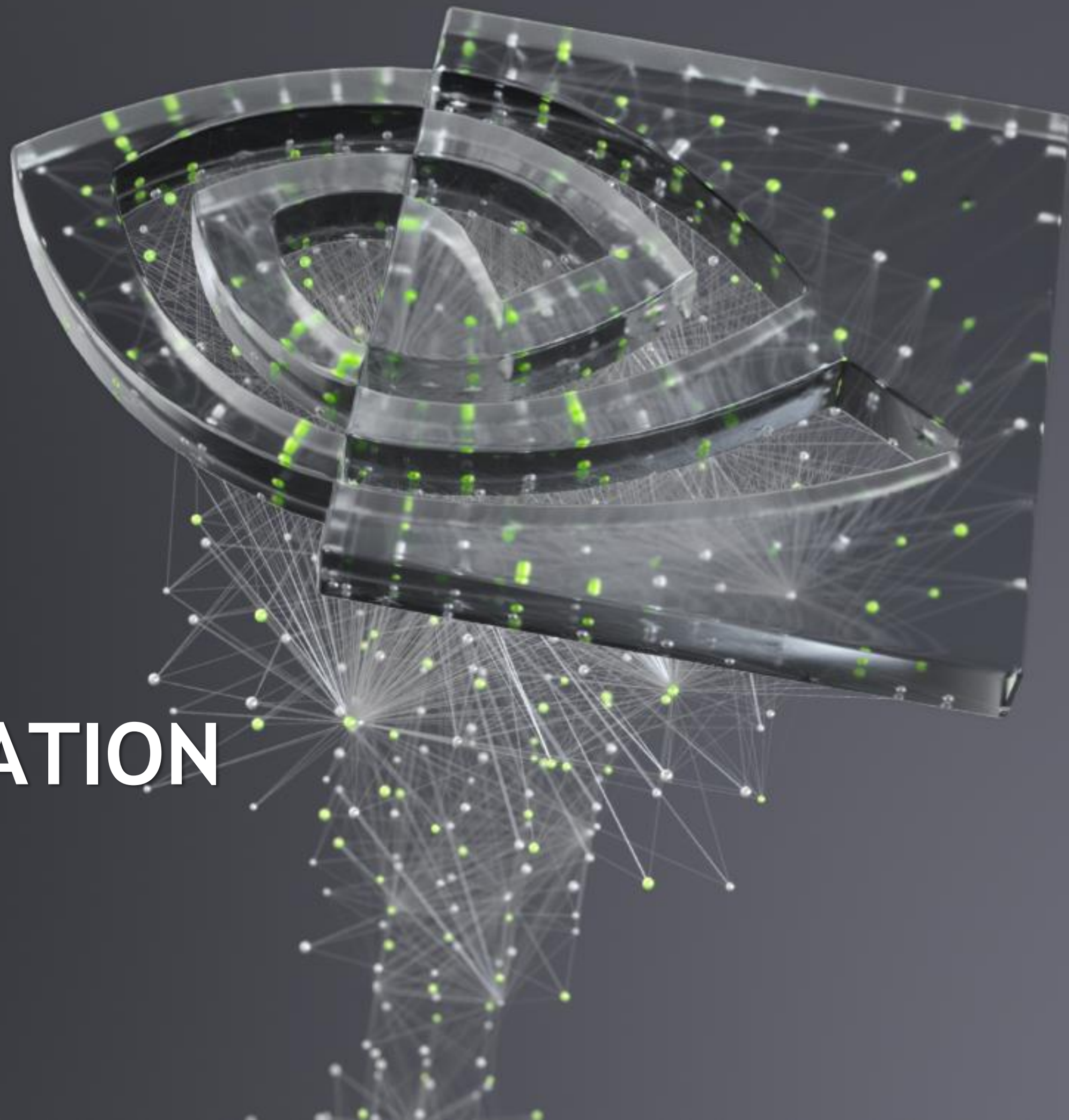




INVESTOR PRESENTATION 1Q FY2021

May 21, 2020



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, benefits, abilities and impact of our products and technology; the timing for including Mellanox in our financials and its impact; the impact of COVID-19 and our response; our use of cash; NVIDIA's financial outlook for the second quarter of fiscal 2021, including the impact of the Mellanox acquisition; our operating expenses for fiscal 2021; the benefits and impact of the Mellanox acquisition; the number of AI interactions; our growth drivers, including, but not limited to gaming, AI, AR/VR, self-driving cars, data center, professional visualization and automotive; accelerated computing; the number of end users and customers for our products and us reaching them; sustained growth in our profitability and businesses; the number of professional designers and creators; our financial policy; future revenue growth; our opportunities in existing and new markets; the TAM for our products; and performance in our financial metrics are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 Annual Report on Form 10-K and quarterly reports on Form 10-Q. 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 margin, non-GAAP net income, non-GAAP operating income, non-GAAP diluted earnings per share, non-GAAP operating expenses, non-GAAP other income net, non-GAAP other expense, net, free cash flow, and adjusted EBITDA. 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

Q1 FY2021 Earnings Summary

Mellanox Acquisition

GTC 2020 Announcements

NVIDIA Business Overview

NVIDIA Financials

GAAP vs non-GAAP Reconciliation

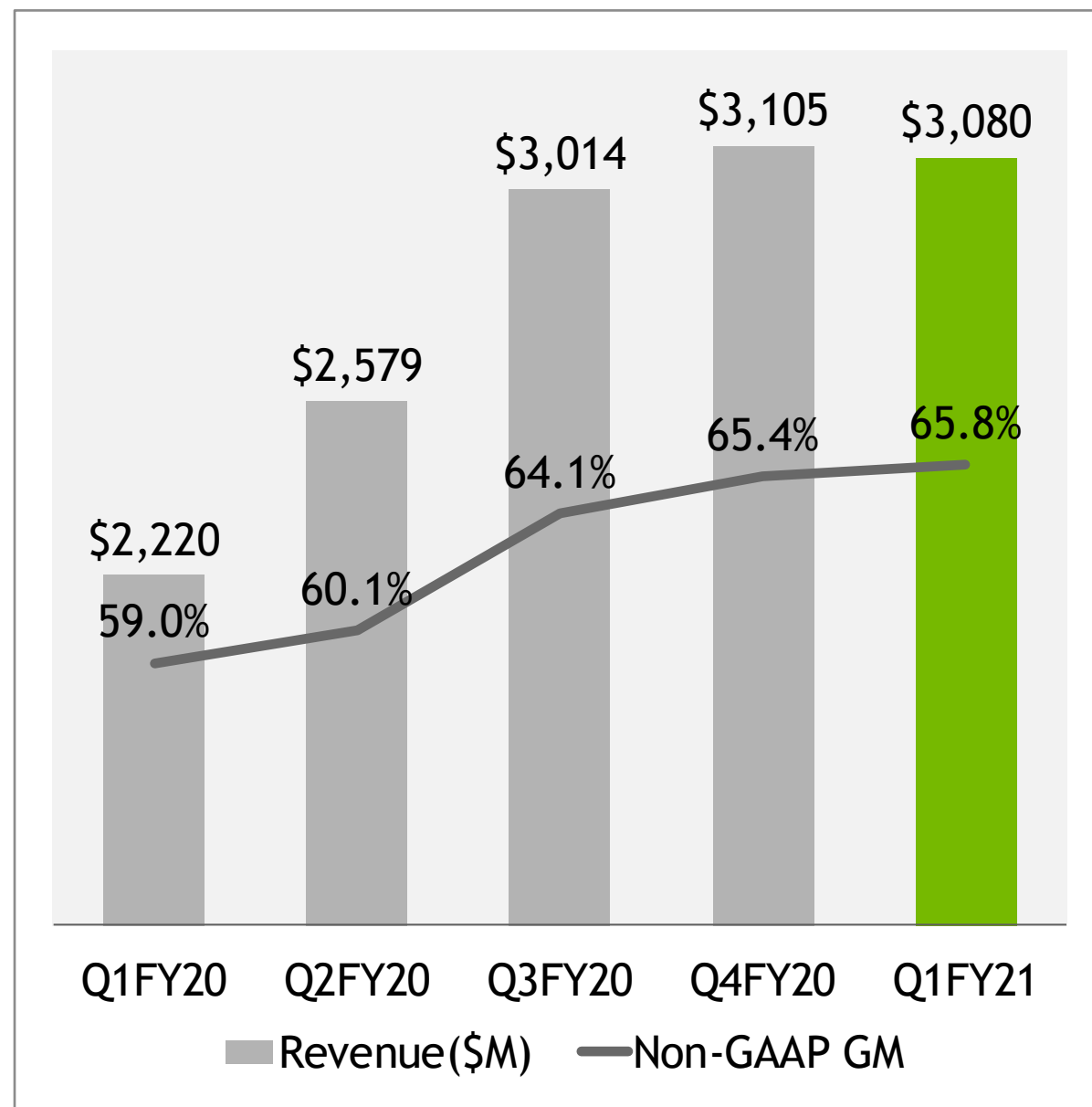


Q1 FY21 EARNINGS SUMMARY

HIGHLIGHTS

- ▶ Strong results, led by Data Center and Gaming
 - ▶ Total revenue up 39% y/y to \$3.08B, ahead of outlook of \$3.00B
 - ▶ Data Center up 80% y/y to a record \$1.14B
- ▶ A100 in full production, fastest ramp in history; contributed to Q1 revenue
 - ▶ Up to 20x faster vs. V100, biggest generational performance leap ever
 - ▶ Unifies training & inference; adds multi-instance GPU capability to enable elastic data center
- ▶ Mellanox acquisition closed on April 27, strengthens NVIDIA's Data Center strategy
 - ▶ Mellanox will be included in NVIDIA financials starting with Q2 FY2021 results
 - ▶ For the March quarter, standalone Mellanox revenue grew 40% y/y to a record \$429M
 - ▶ Immediately accretive to non-GAAP gross margins, non-GAAP EPS, and free cash flow

Q1 FY2021 FINANCIAL SUMMARY



	GAAP			Non-GAAP		
	Q1 FY21	Y/Y	Q/Q	Q1 FY21	Y/Y	Q/Q
Revenue	\$3,080	+39%	-1%	\$3,080	+39%	-1%
Gross Margin	65.1%	+670 bps	+20 bps	65.8%	+680 bps	+40 bps
Operating Income	\$976	+173%	-1%	\$1,205	+116%	-1%
Net Income	\$917	+133%	-3%	\$1,120	+106%	-4%
Diluted EPS	\$1.47	+130%	-4%	\$1.80	+105%	-5%
Cash Flow from Ops	\$909	+26%	-38%	\$909	+26%	-38%

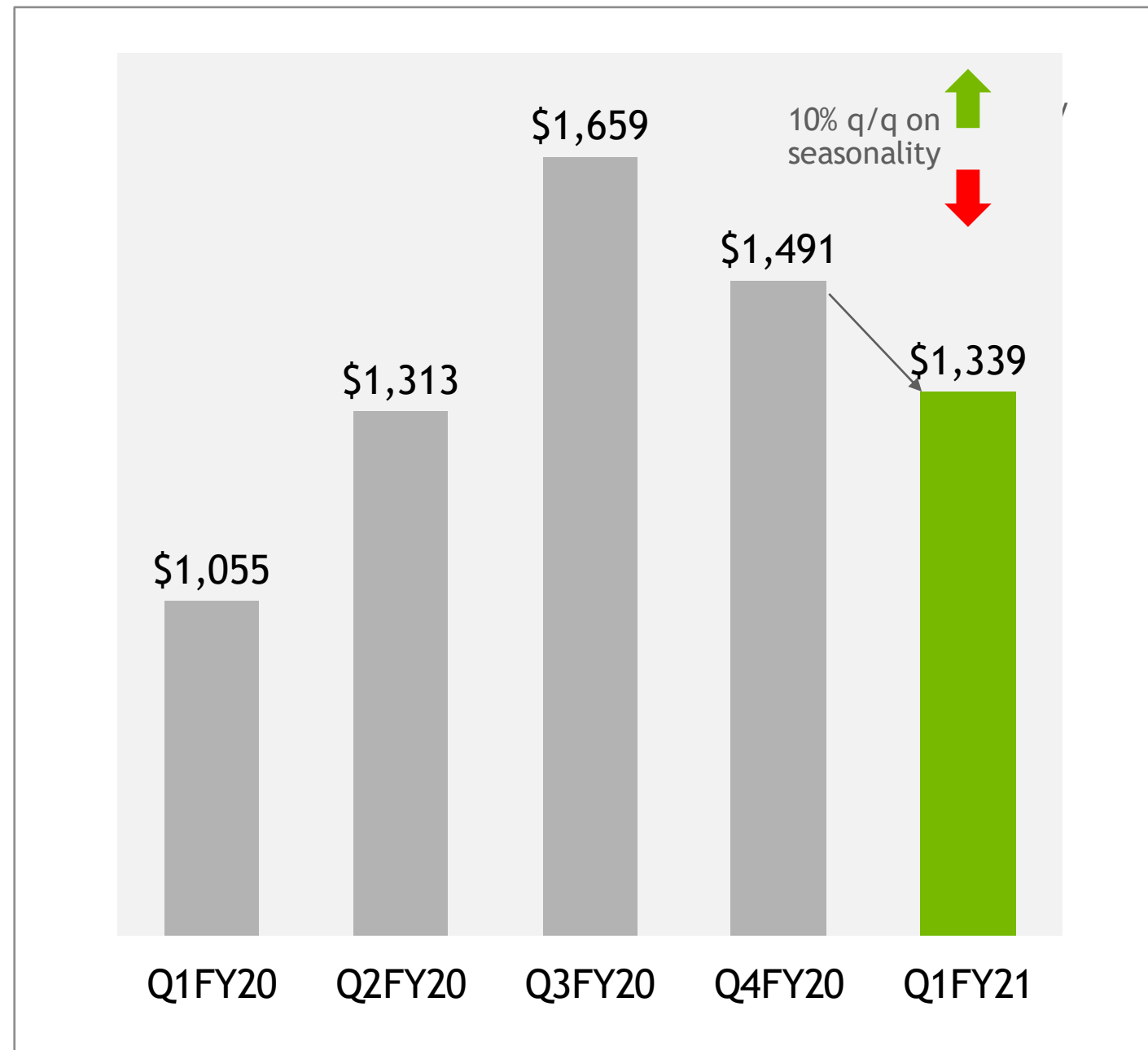
No difference between GAAP and Non-GAAP Cash Flow from Operations and Revenue

COVID-19 RESPONSE

- ▶ **Employees** - Committed to keep every job & accelerating annual raises; employees working from home very effectively
- ▶ **Customers** - Able to keep up with customer demand while working through industry-wide supply chain disruptions and logistics challenges
- ▶ **Community** - NVIDIA and its employees have committed to donate more than \$10M to those currently in need
- ▶ **World** - Offered Parabricks genomics stack free-of-charge; joined COVID-19 High Performance Computing Consortium; supported Folding@home project

GAMING

Revenue (\$M)

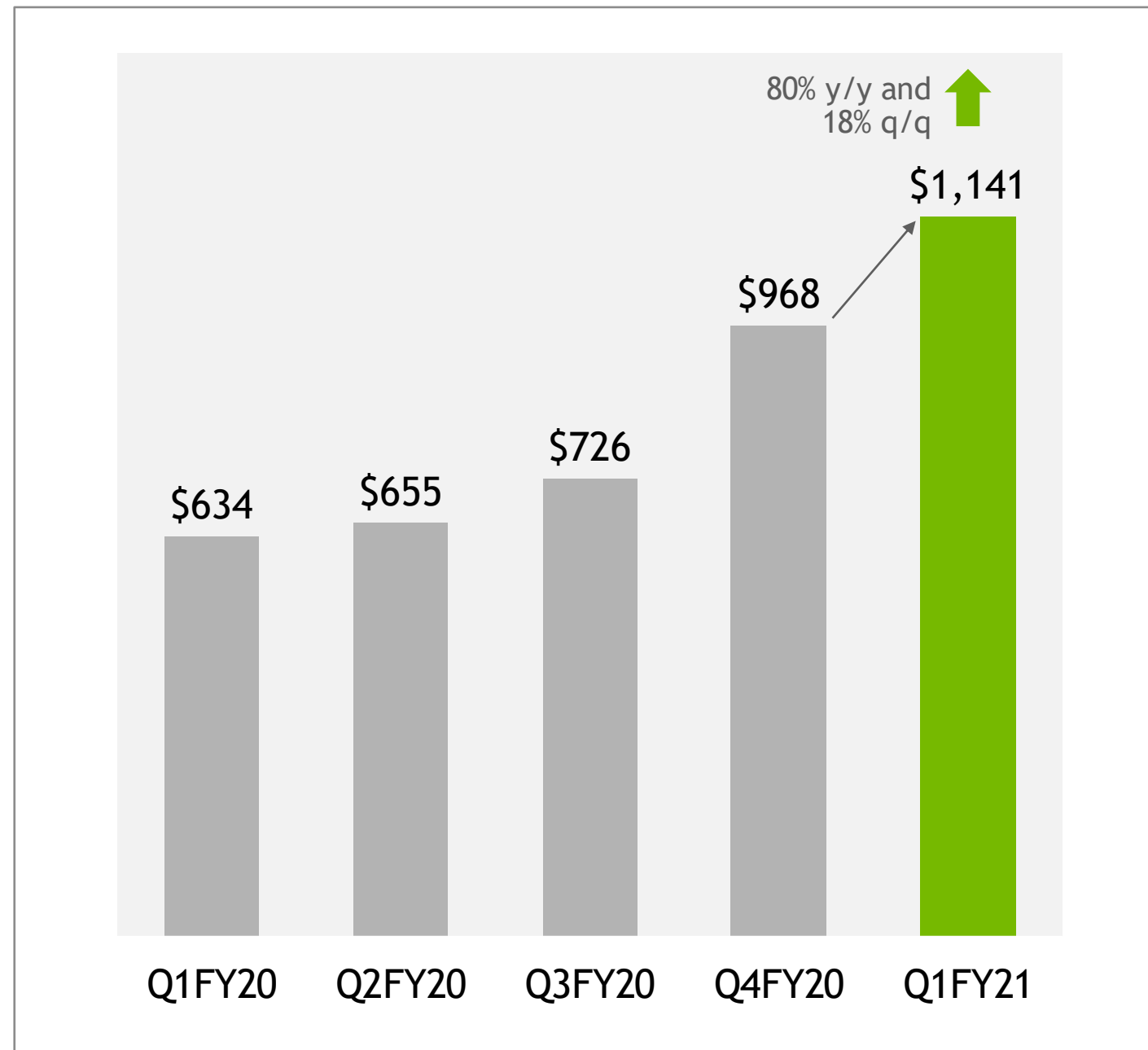


Highlights

- ▶ Strong demand across all major products
- ▶ Overcame COVID-19 related closures in iCafes and retail outlets with stronger e-tail demand
- ▶ 'Stay-at-home' driving > 50% increase in hours played on GeForce platform
- ▶ Launched RTX on Minecraft - the most popular PC game in the world
- ▶ Released DLSS 2.0 AI algorithm, effectively doubling game performance

DATA CENTER

Revenue (\$M)



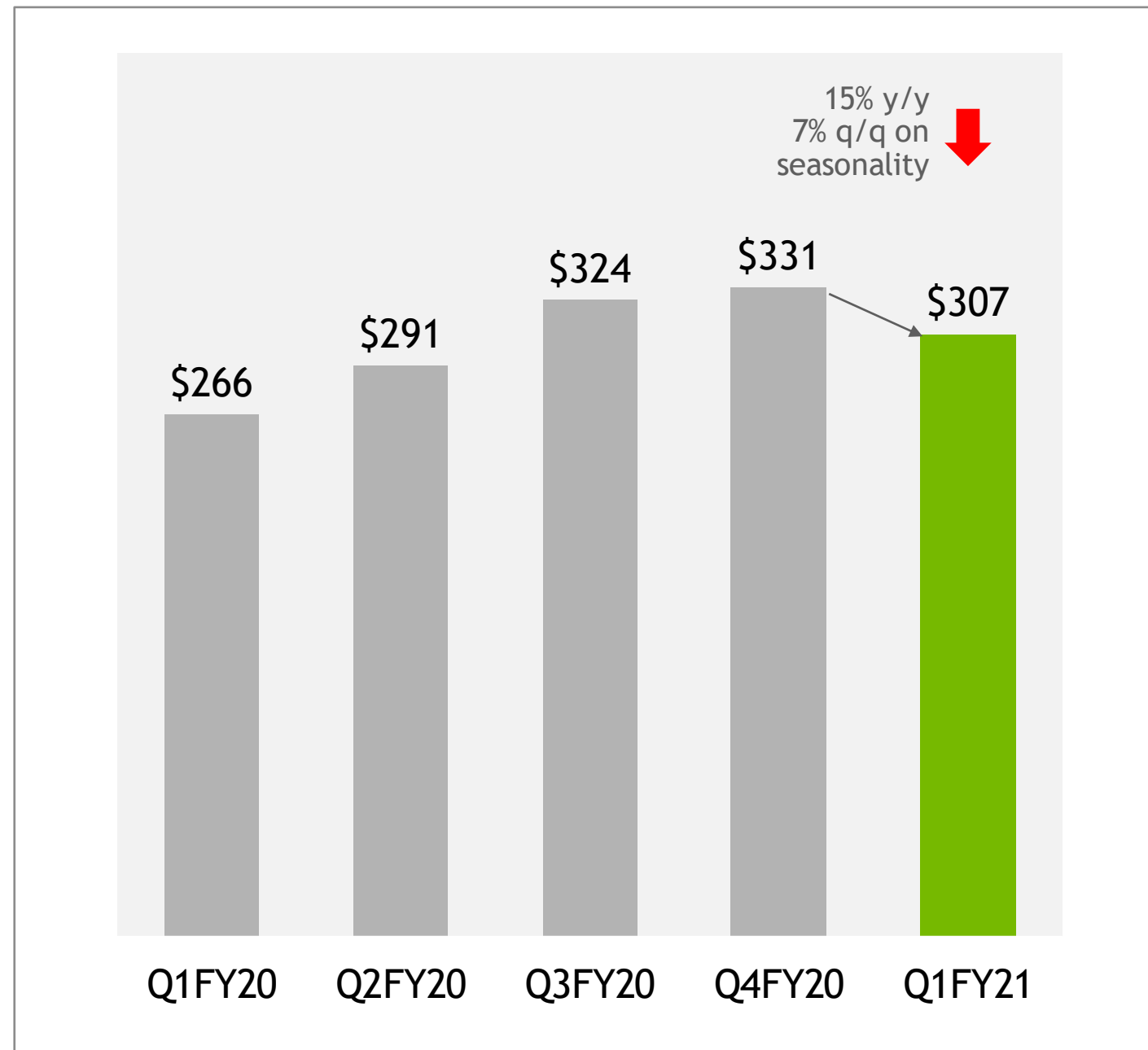
Highlights

- ▶ Record quarter, exceeded the \$1 billion mark for the first time
- ▶ Broad-based demand across hyperscale and vertical industries
- ▶ New A100 GPUs contributed to quarter with strong adoption across leading hyperscalers
- ▶ Solid visibility into Q2

Starting with Q2 FY2021, Data Center will incorporate Mellanox revenue

PROFESSIONAL VISUALIZATION

Revenue (\$M)

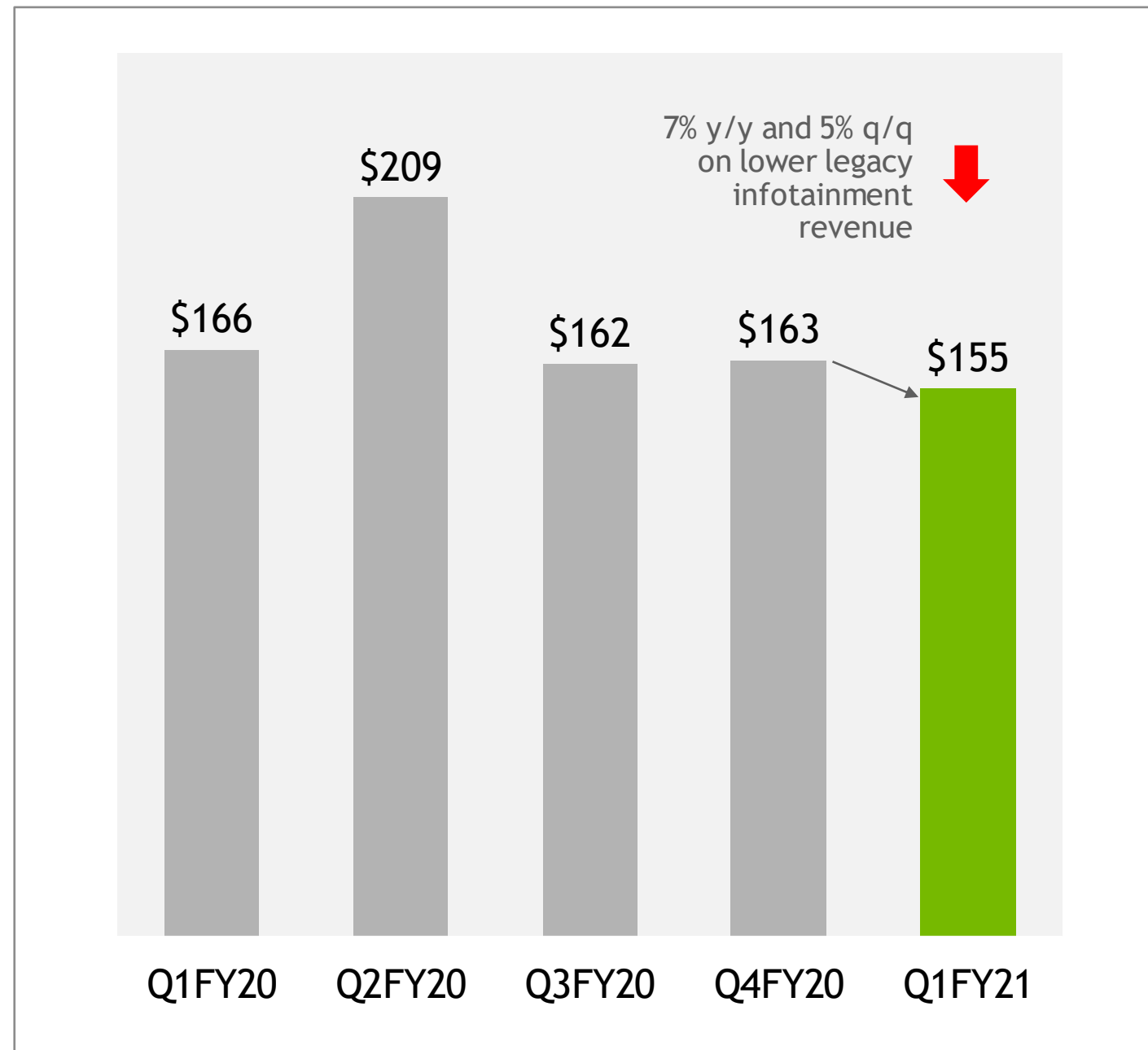


Highlights

- ▶ Continued strong demand for laptop workstations
- ▶ Turing adoption growing, now approximately 50% of sales
- ▶ Stronger demand verticals included healthcare, media & entertainment, and higher education
- ▶ Supported COVID-19 related applications with end customers such as Siemens, Oxford Nanopore, and Caption Health
- ▶ Remote workforce initiatives boosted demand from customers such as Disney

AUTOMOTIVE

Revenue (\$M)

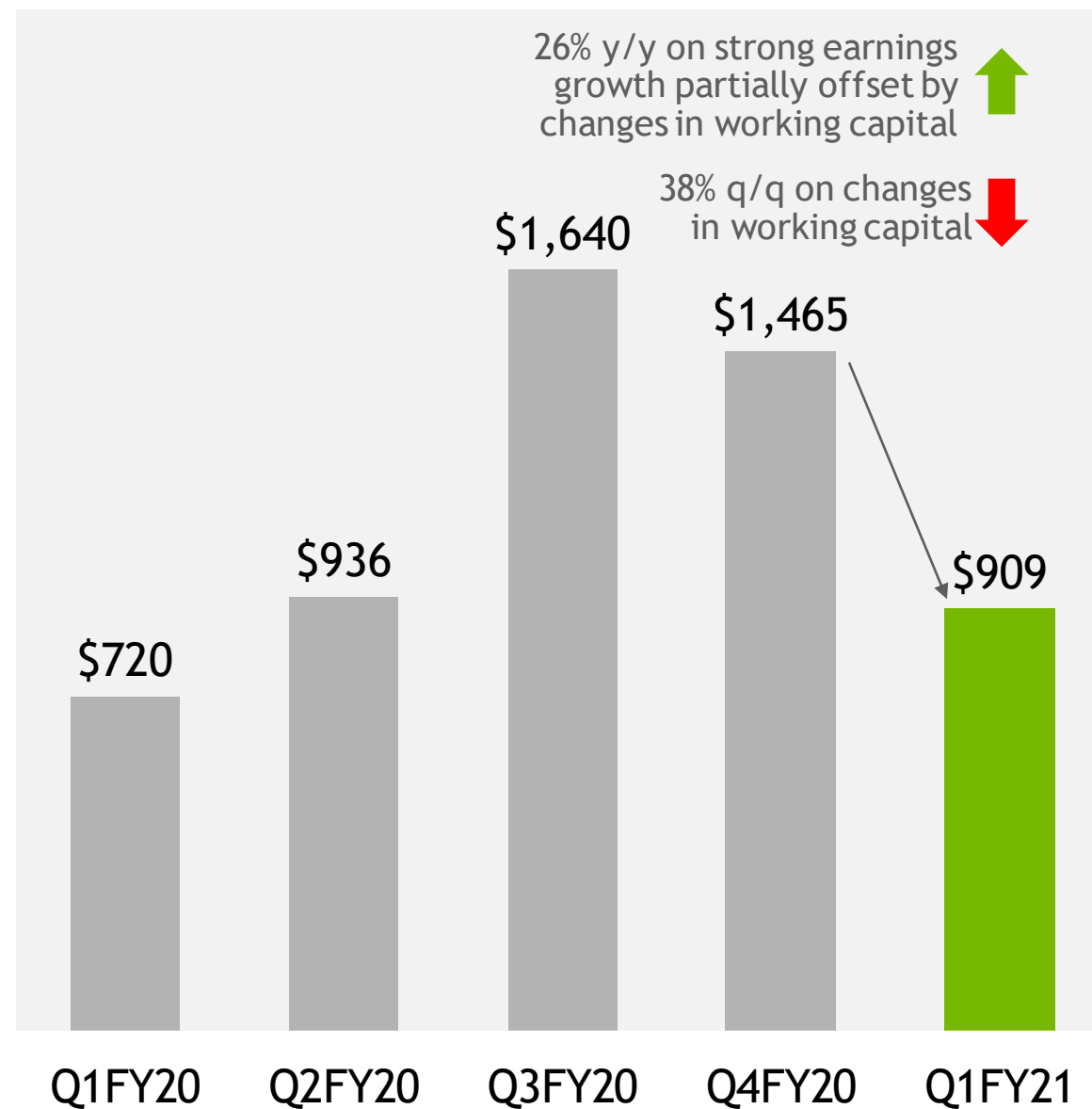


Highlights

- ▶ Xpeng introduced the P7, an all-electric sports sedan with L3 automated driving features, powered by NVIDIA DRIVE AGX Xavier; production deliveries begin next month
- ▶ Announced that the NVIDIA DRIVE AGX Orin is powered by Ampere, our next generation GPU architecture
- ▶ Announced that the NVIDIA DRIVE platform extends from high performance L5 to very low power ADAS - all on a single scalable, software-defined architecture

SOURCES & USES OF CASH

Cash Flow from Operations (\$M)



Highlights

- ▶ Returned \$98M to shareholders in the form of dividends
- ▶ Invested \$155M in capex
- ▶ Raised \$5B in notes with maturities of 10-40 years, at a blended rate of 3.3%
- ▶ Ended quarter with \$16.4B in gross cash and \$7.0B in debt, \$9.4B of net cash
- ▶ After the quarter's close, funded Mellanox acquisition with approximately \$7B in cash

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

Q2 FY2021 OUTLOOK

- ▶ **Revenue** - \$3.65 billion, plus or minus two percent
 - ▶ Includes a full quarter of Mellanox revenue
 - ▶ Automotive expected to decline about 40% q/q
- ▶ **Gross Margin** - 58.6% GAAP and 66.0% non-GAAP, plus or minus 50 basis points
- ▶ **Operating Expense** - \$1.52 billion GAAP and \$1.04 billion non-GAAP
 - ▶ FY2021 operating expense - approx. \$5.7 billion GAAP and \$4.1 billion non-GAAP, including 3 quarters of Mellanox
- ▶ **Other Income & Expenses** - net loss of \$50 million GAAP and \$45 million non-GAAP
- ▶ **Tax Rate** - GAAP and non-GAAP both approx. 9%
- ▶ **Capital Expenditure** - approximately \$225 to \$250 million



MELLANOX ACQUISITION



Strategic Highlights

Unites two of the world's leading companies in high performance & data center computing

NVIDIA computing + Mellanox networking will enable higher performance and lower operating costs for customers

Full-stack offerings from processors to software will advance next-gen data centers

Common culture of technology and performance leadership

Financial Highlights

\$7B transaction value, funded with cash

Acquisition closed on April 27, 2020 and will start contributing to NVIDIA financials in Q2 FY21

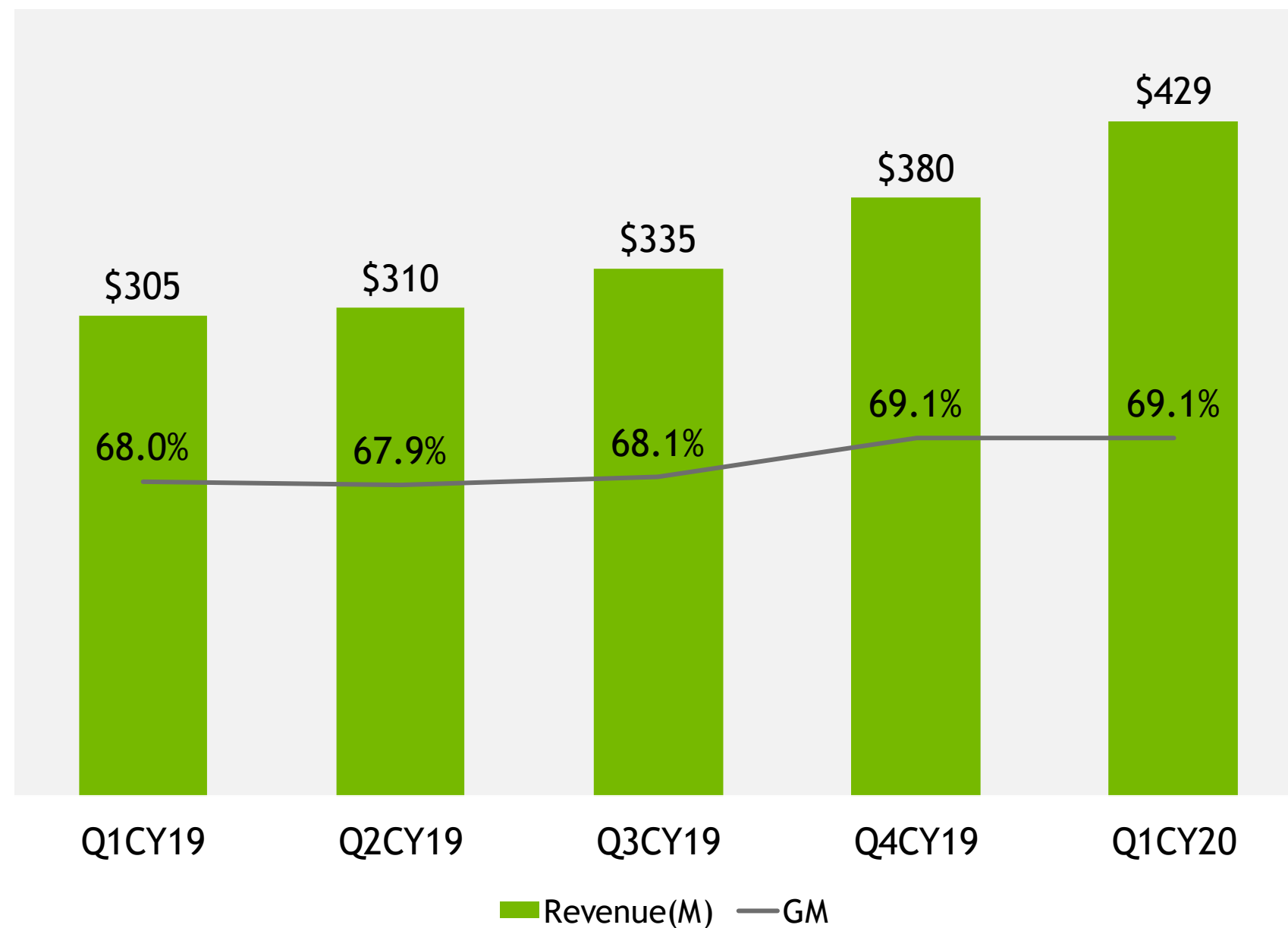
Adds >2,600 employees and trailing 4-qtr revenue of \$1.5B, growing at 27%+ y/y

Expected to be immediately accretive to non-GAAP gross margin, non-GAAP EPS and free cash flow

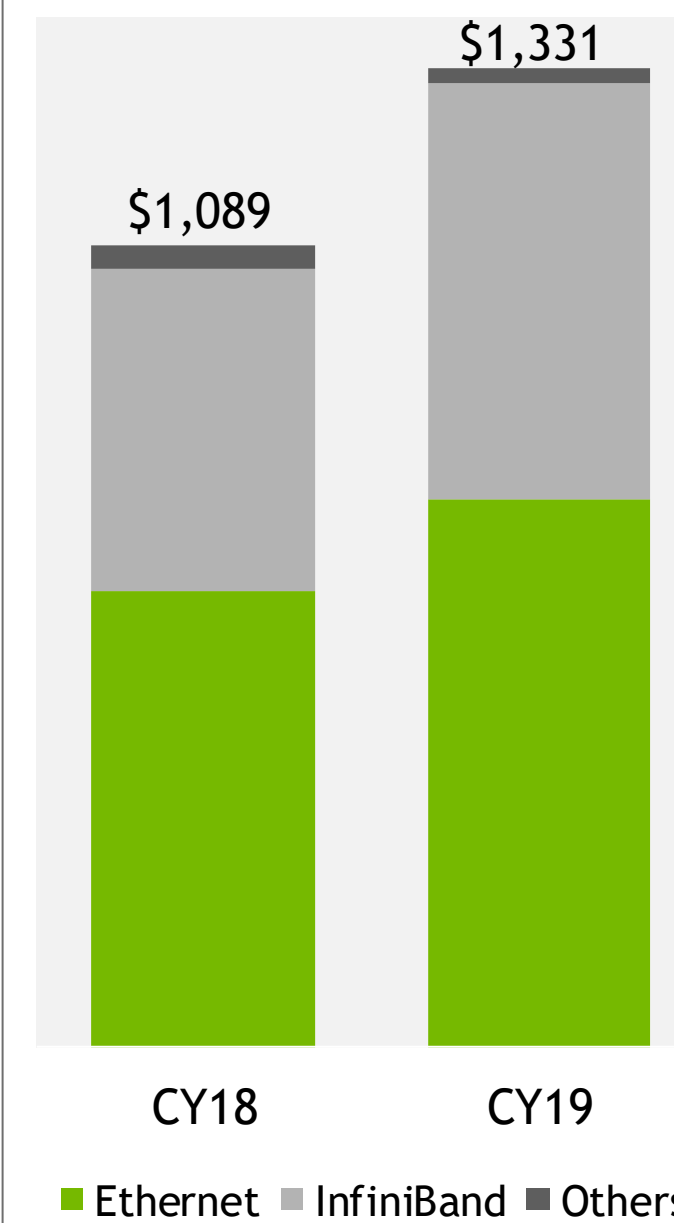
MELLANOX

Strong Financial Momentum

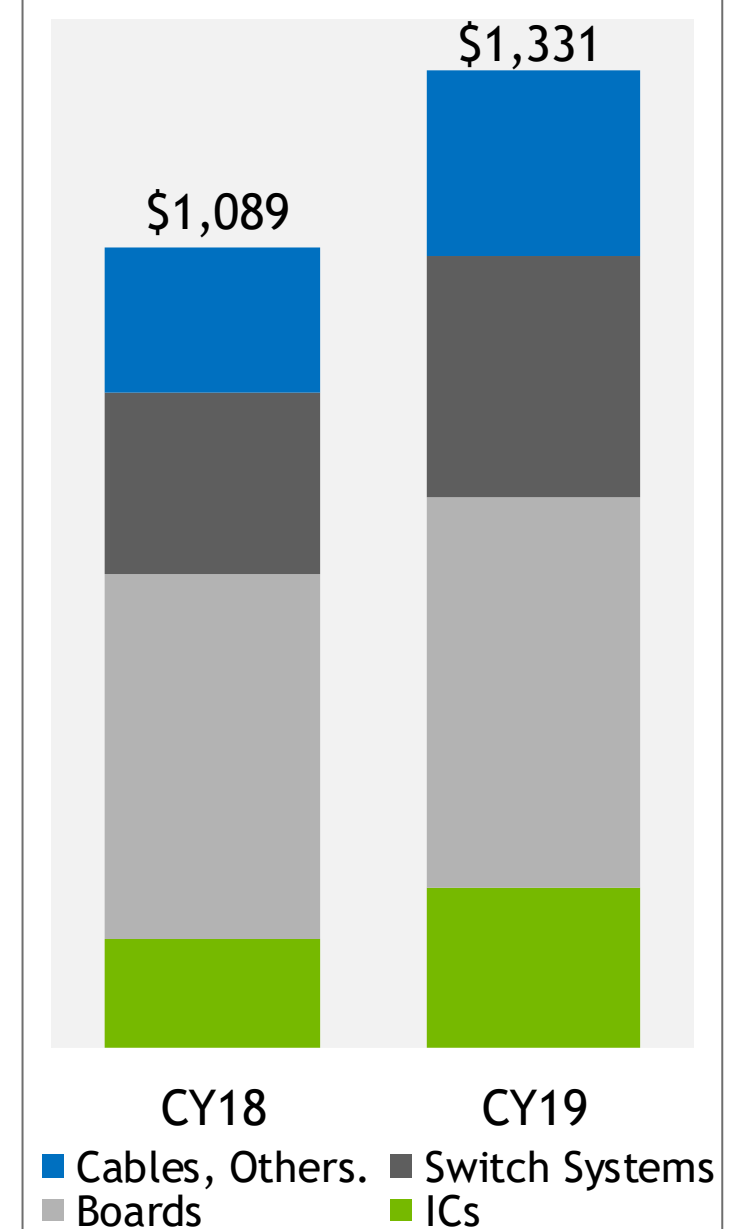
Revenue Growth and Profitability



Growth Across Both InfiniBand and Ethernet



22% Y/Y Increase



Note: Figures are in millions (\$). GM = Non-GAAP Gross Margin. Quarters are calendar quarters.



GTC 2020
ANNOUNCEMENTS

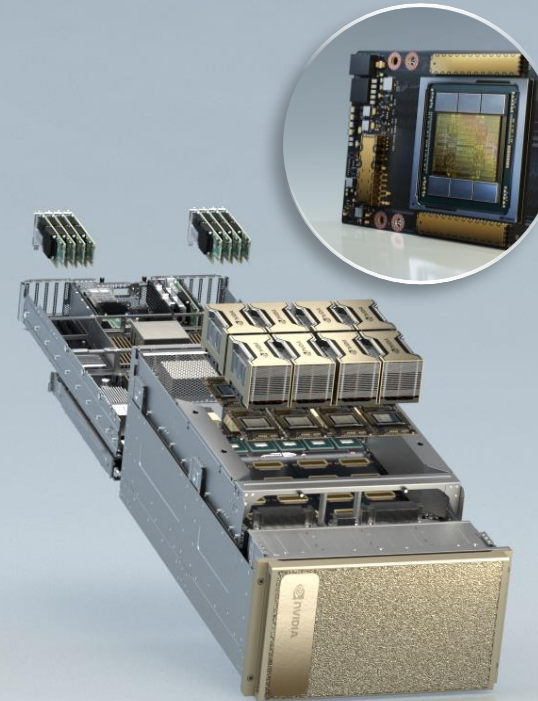
GTC 2020 ANNOUNCEMENTS



Data-Center-Scale
Computing



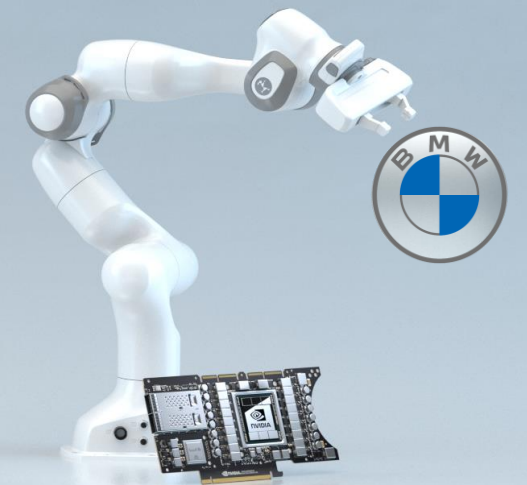
Omniverse RTX Server



A100 and DGX A100



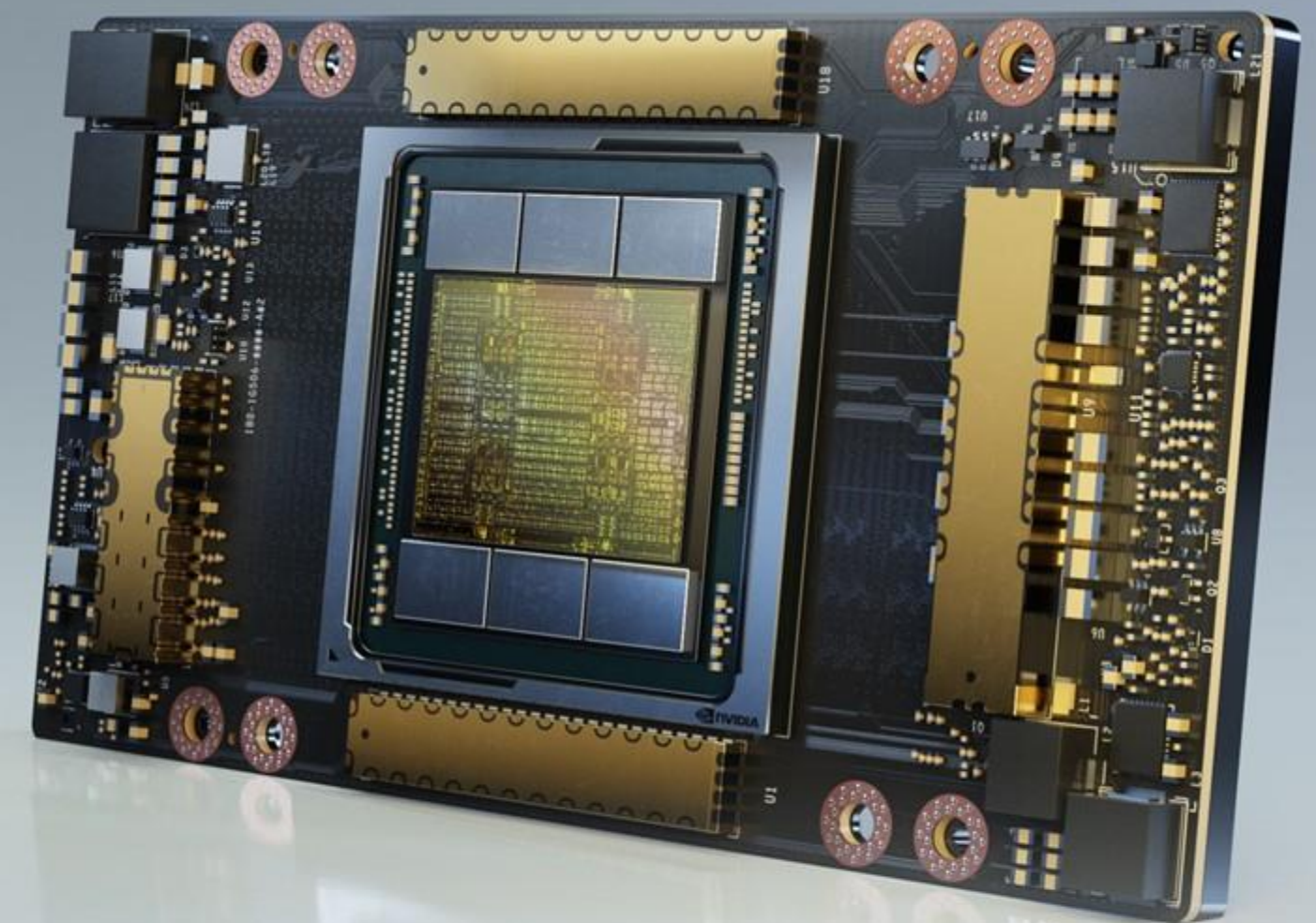
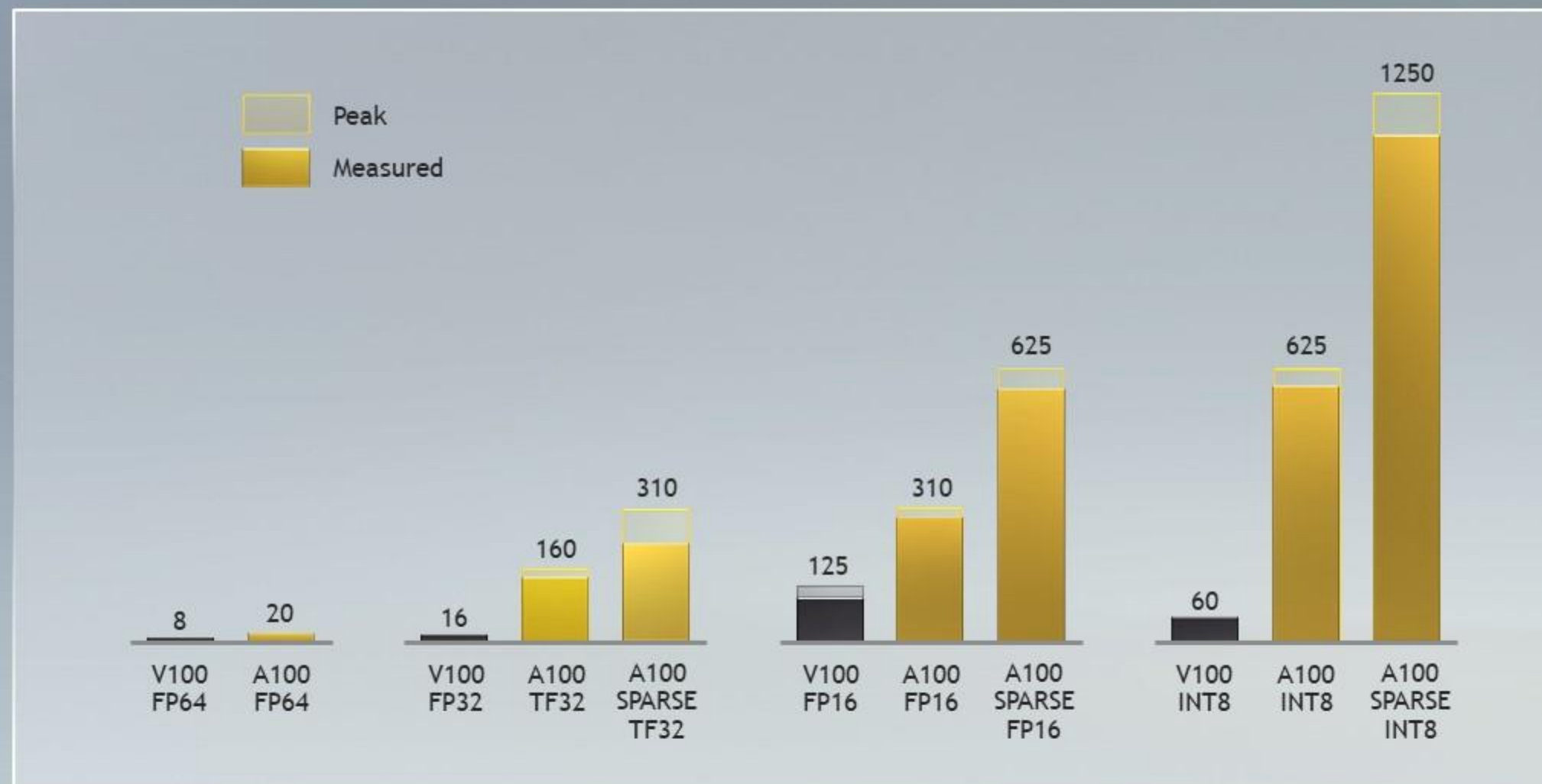
NVIDIA AI



EGX and ISAAC

ANNOUNCING NVIDIA A100

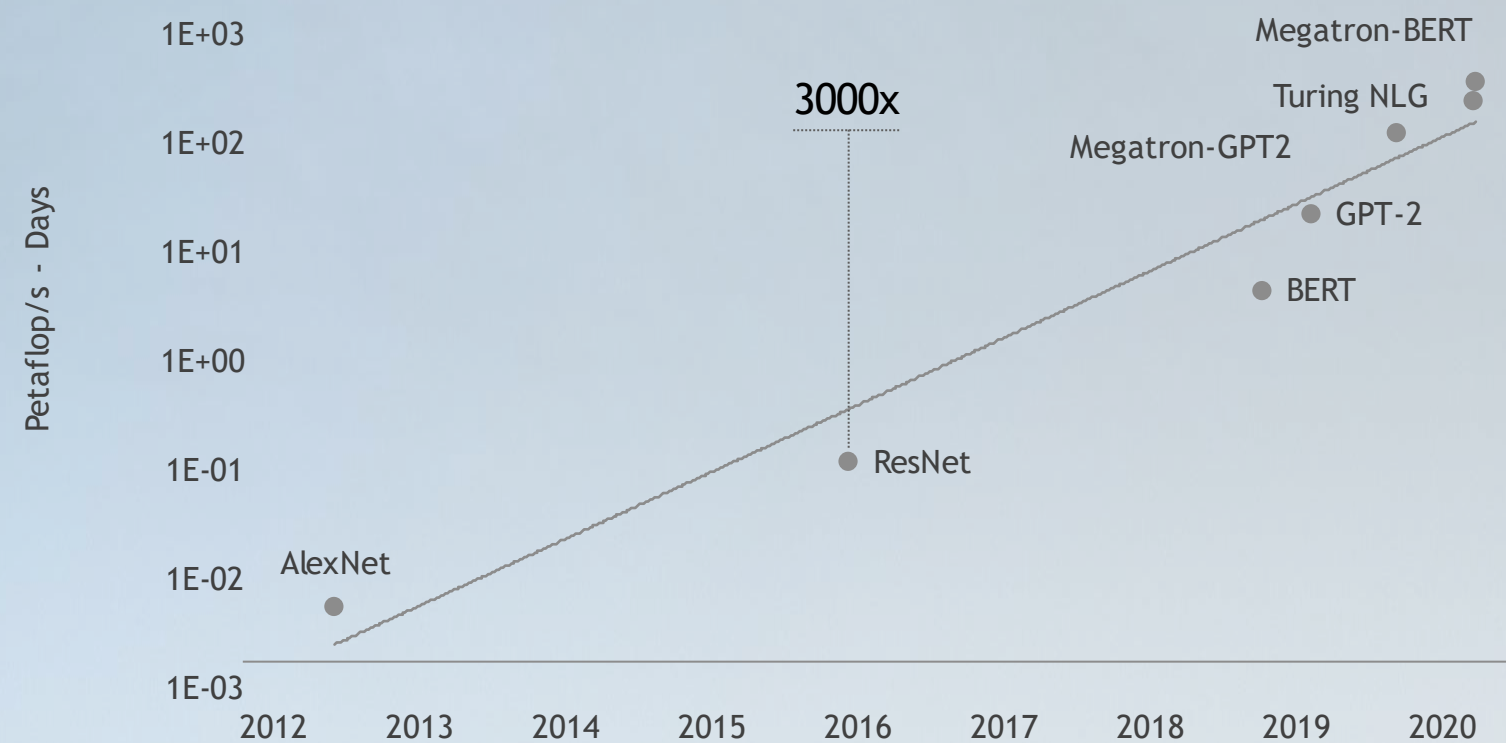
GREATEST GENERATIONAL LEAP – 20X VOLTA



54B xtors | 826mm² | TSMC 7N | 40GB Samsung HBM2 | 3rd gen Tensor Core GPU | 600 GB/s NVLink

CHALLENGES: ACCELERATING BIG AND SMALL

Computing For Training AI



3000X Higher Compute Required to Train
Largest Models Since Volta

AI Interactions Per Day



Every AI Powered Interaction Needs
Varying Amount of Compute



NVIDIA OVERVIEW

NVIDIA — A COMPUTING PLATFORM COMPANY

Headquarters: Santa Clara, CA
Headcount: 13,775

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 136 of the TOP500 supercomputers, and boasts 1.6 million developers.

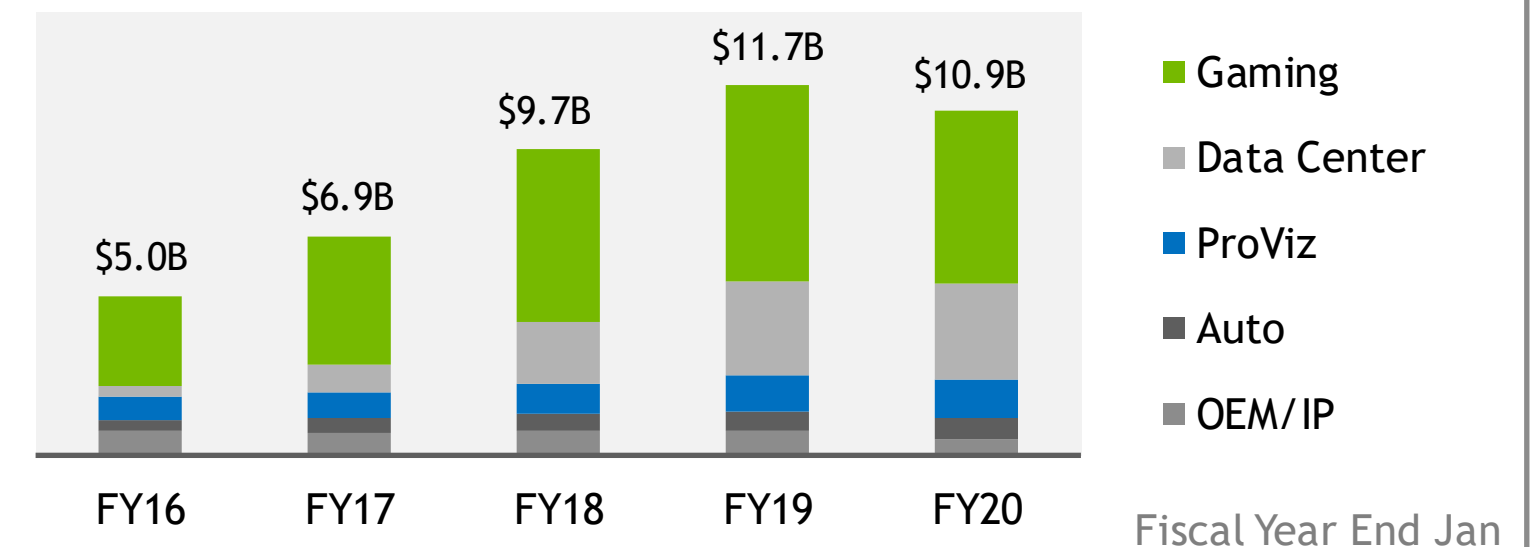
NVIDIA AT A GLANCE

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

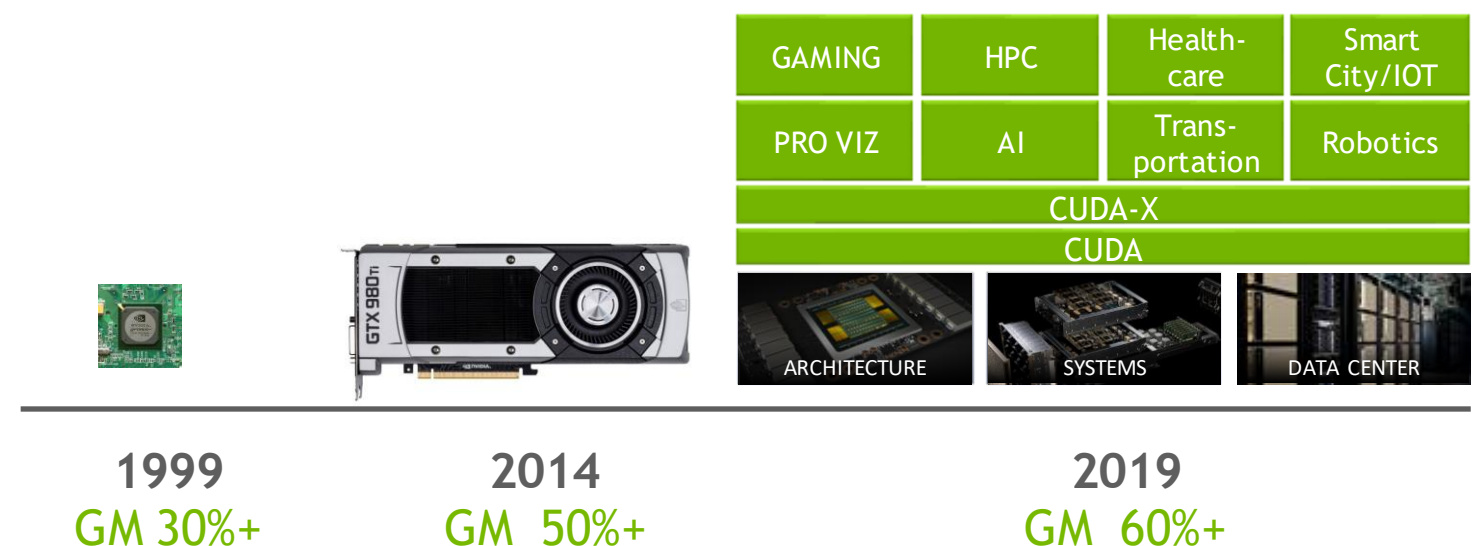
Revenue by Market Platform



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**

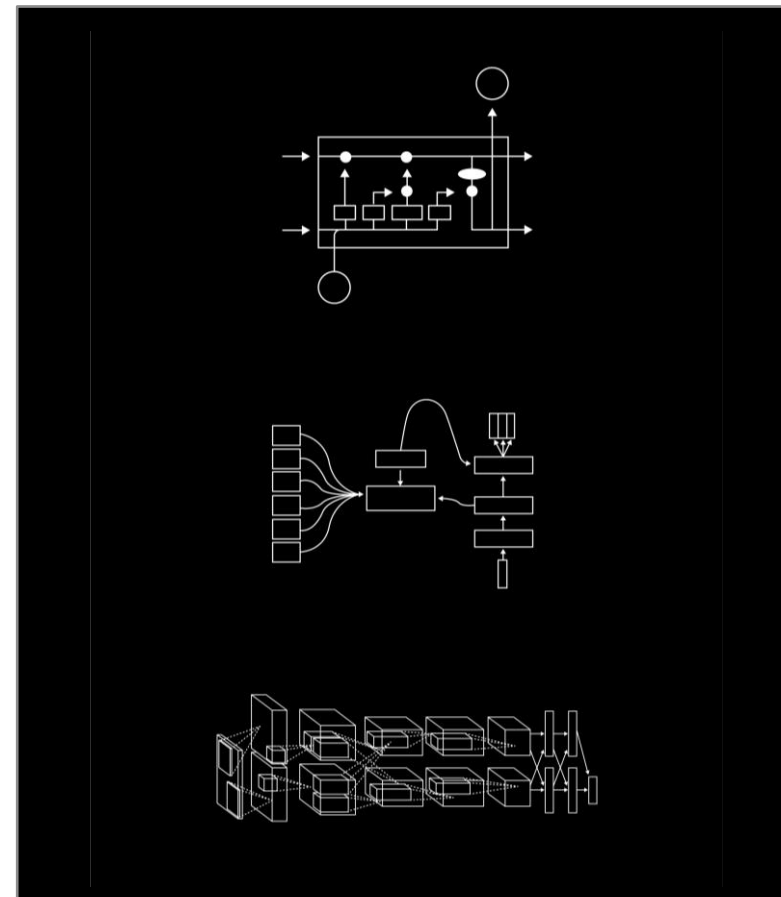
From Chip Vendor to Computing Platform



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

Gaming
51% of FY20 Rev

**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 5 of the top 10 and 136 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

Data Center
27% of FY20 Rev

**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

Professional Visualization
11% of FY20 Rev

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

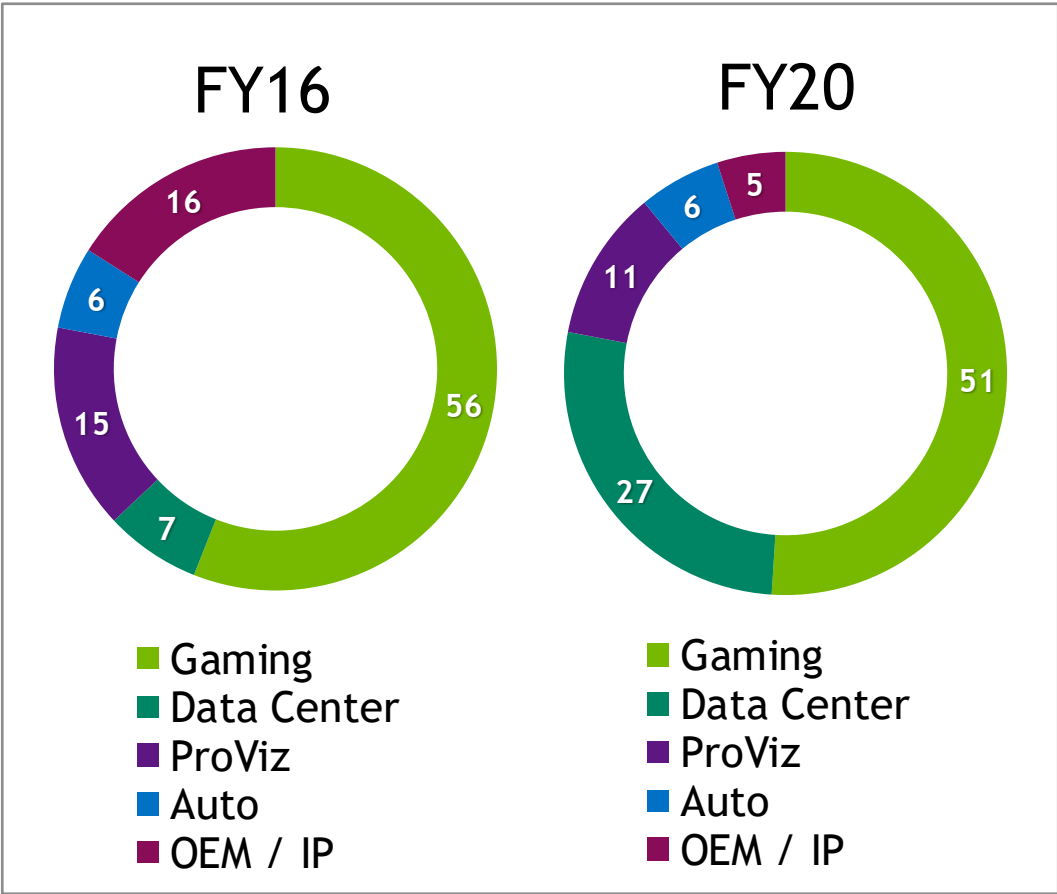
Current revenue driven largely by infotainment

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

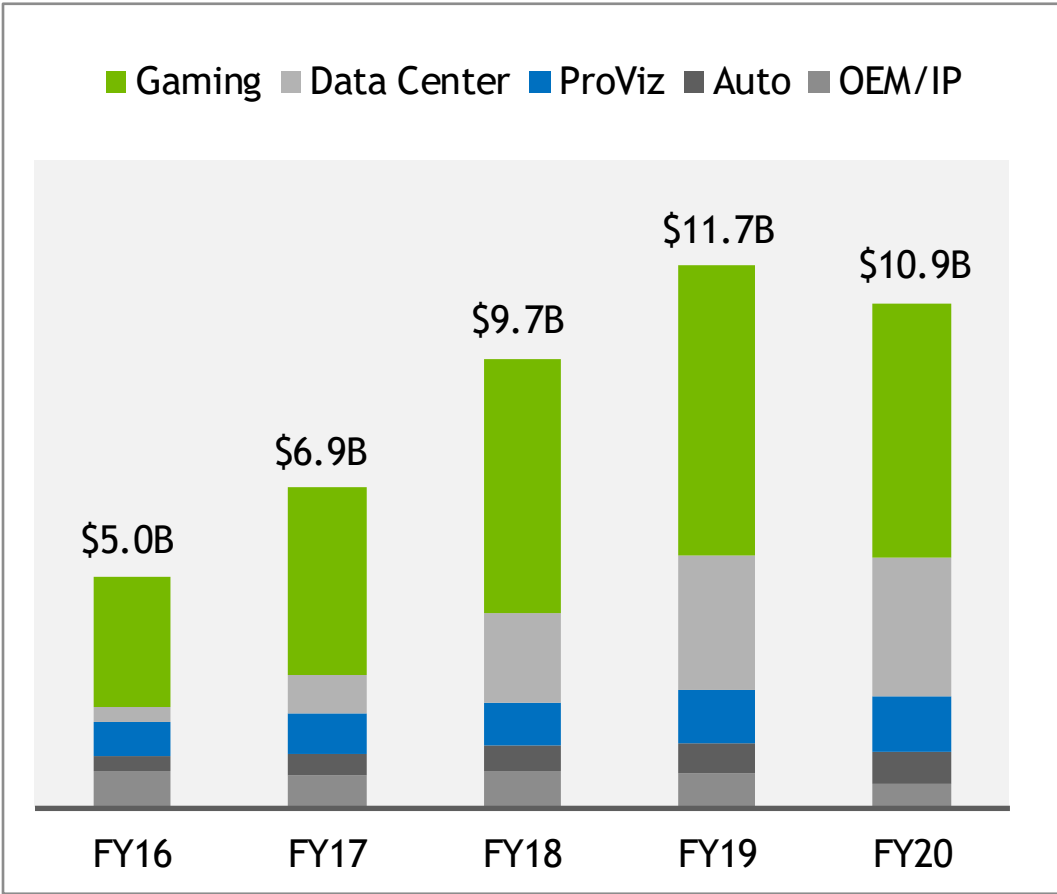
Large secular growth opportunity: autonomous vehicles estimated to drive a \$25B TAM for the AV computing stack by 2025

Automotive
6% of FY20 Rev

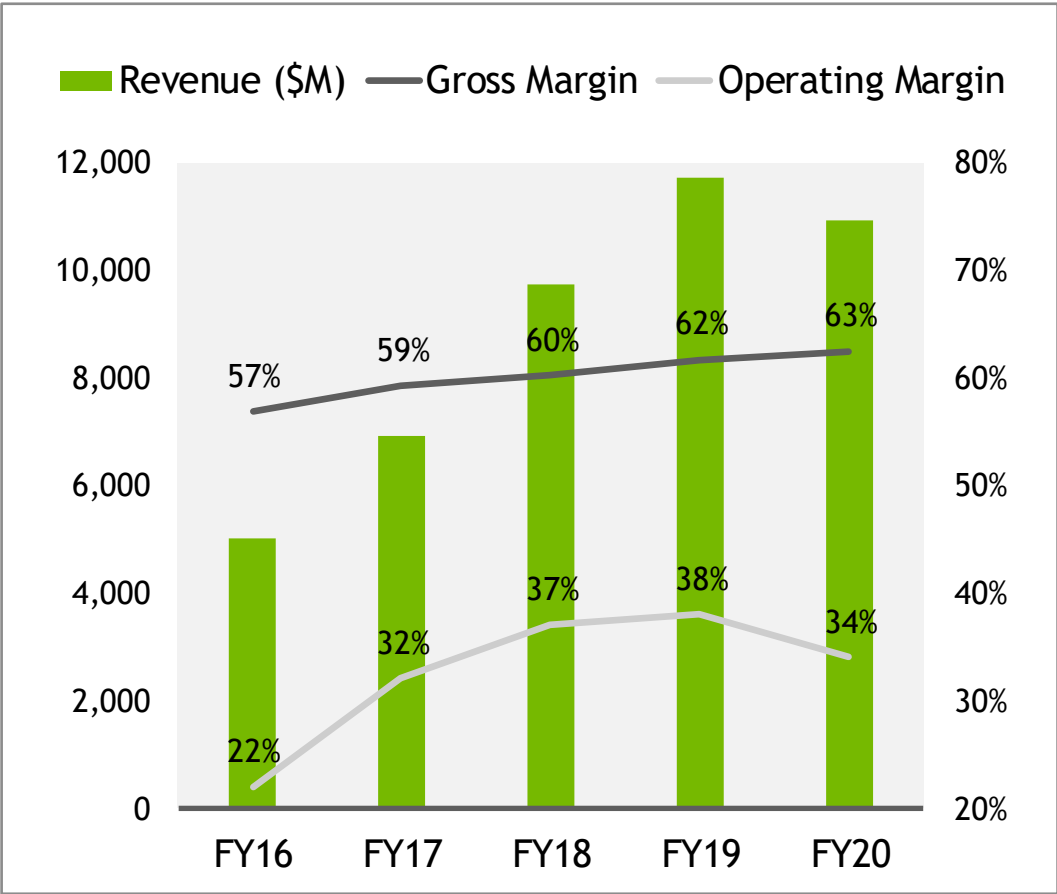
STRONG, PROFITABLE GROWTH



Business Mix (%)



Broad-based Growth



Sustained Profitability
(showing non-GAAP margins)

Refer to Appendix for reconciliation of Non-GAAP measures

WHY ACCELERATED COMPUTING?

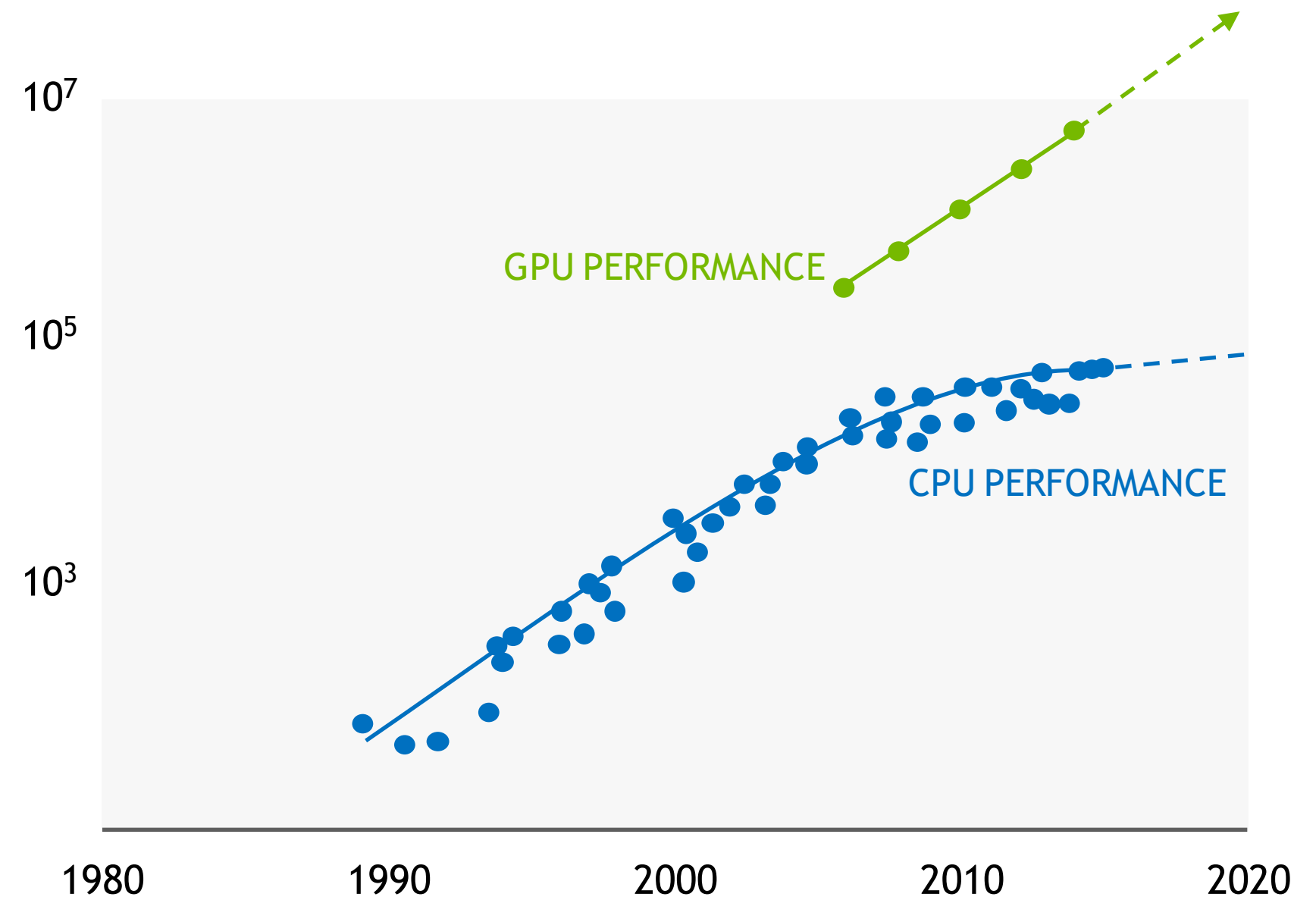
Advancing Computing in the Post-Moore's Law Era

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

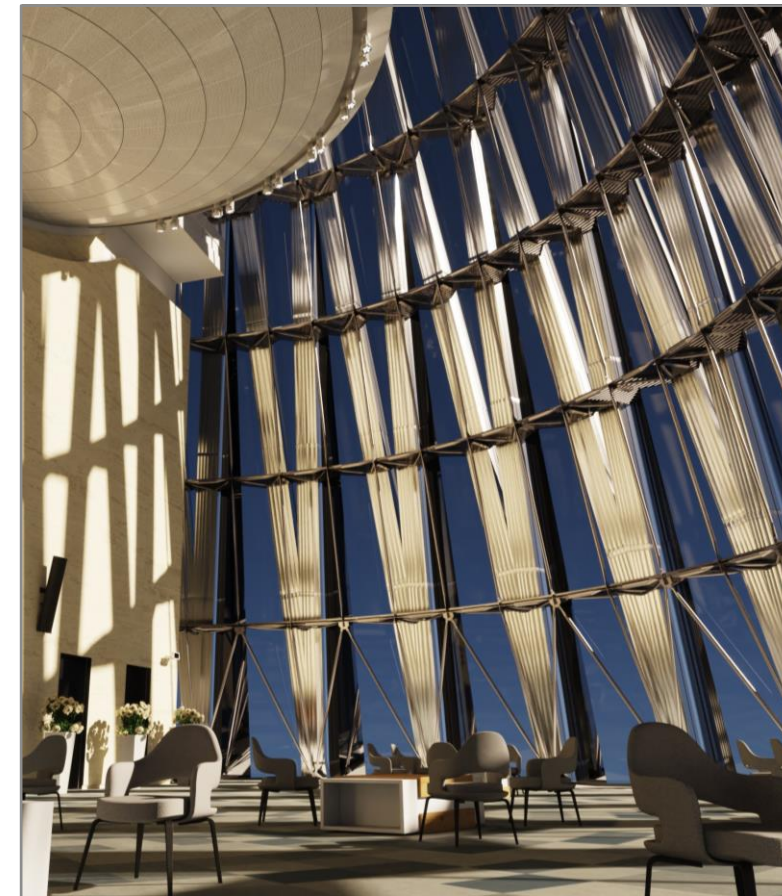
Our Four Market Platforms & Key Brands



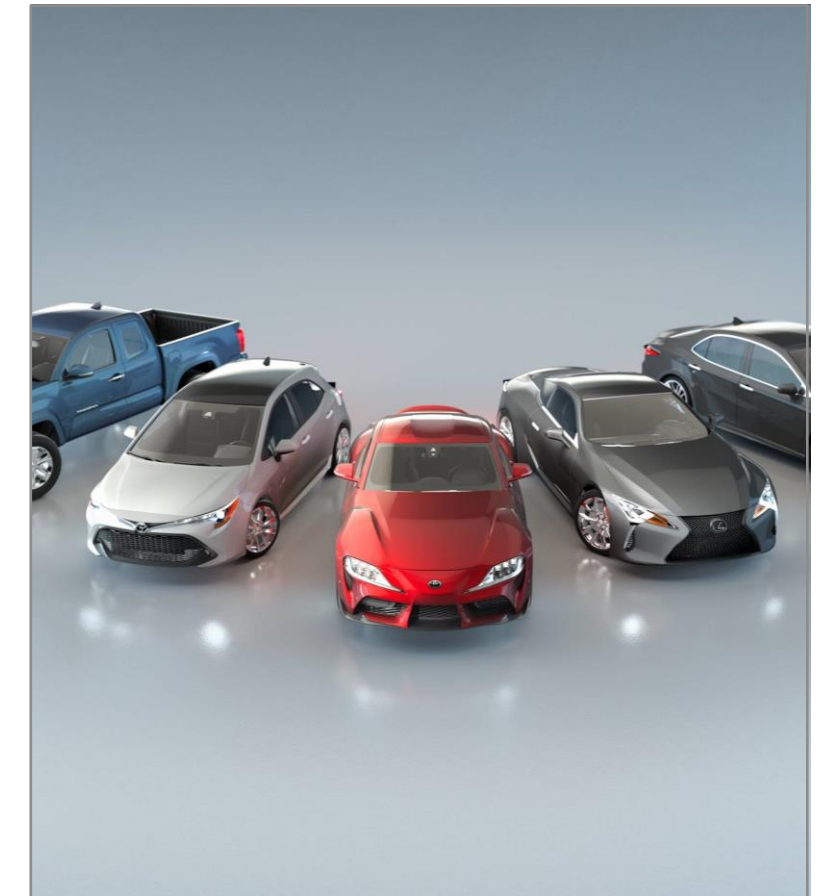
Gaming
GeForce GPUs for PC Gamers



Data Center
Tesla for HPC/AI



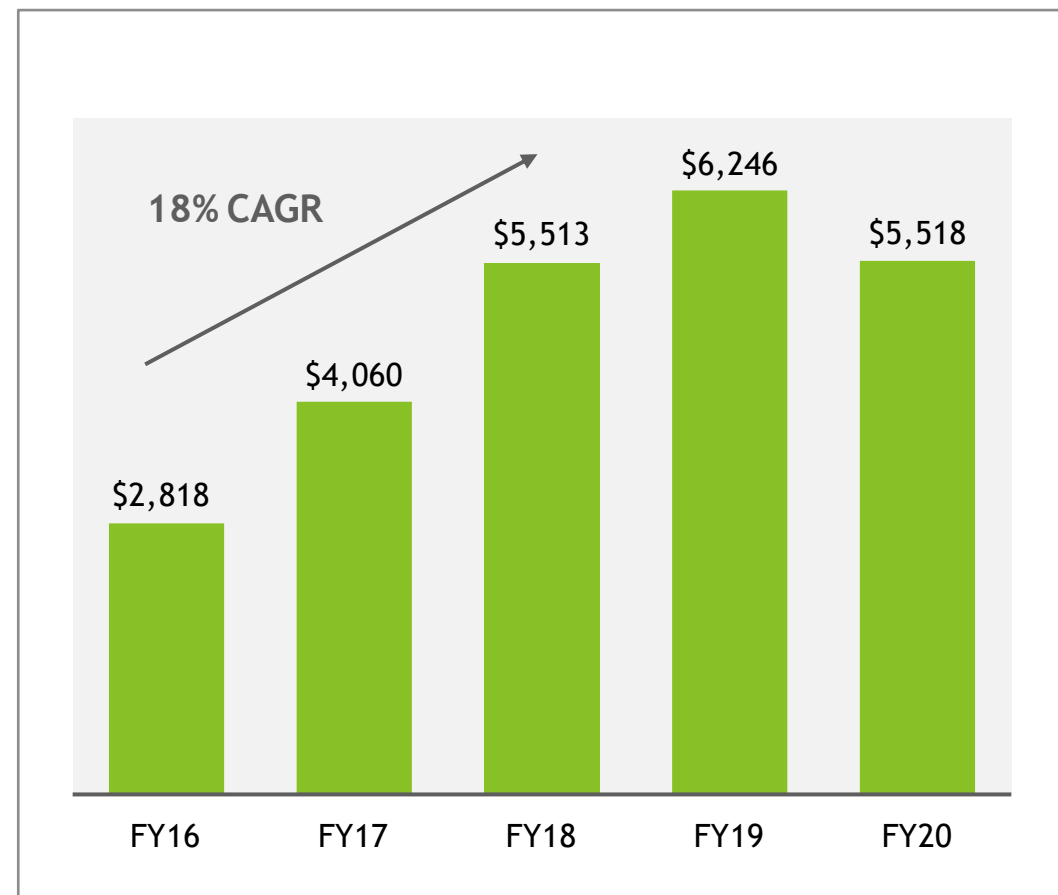
Professional Visualization
Quadro for Workstations



Auto
DRIVE for Autonomous Vehicles

GAMING

GeForce - The World's Largest Gaming Platform



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

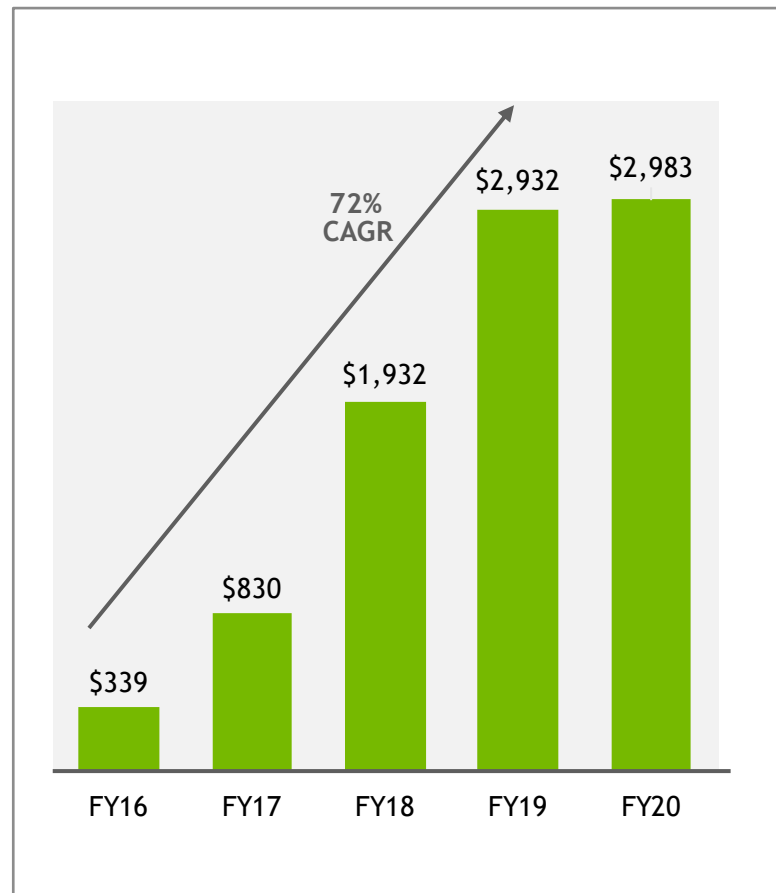
Highlights



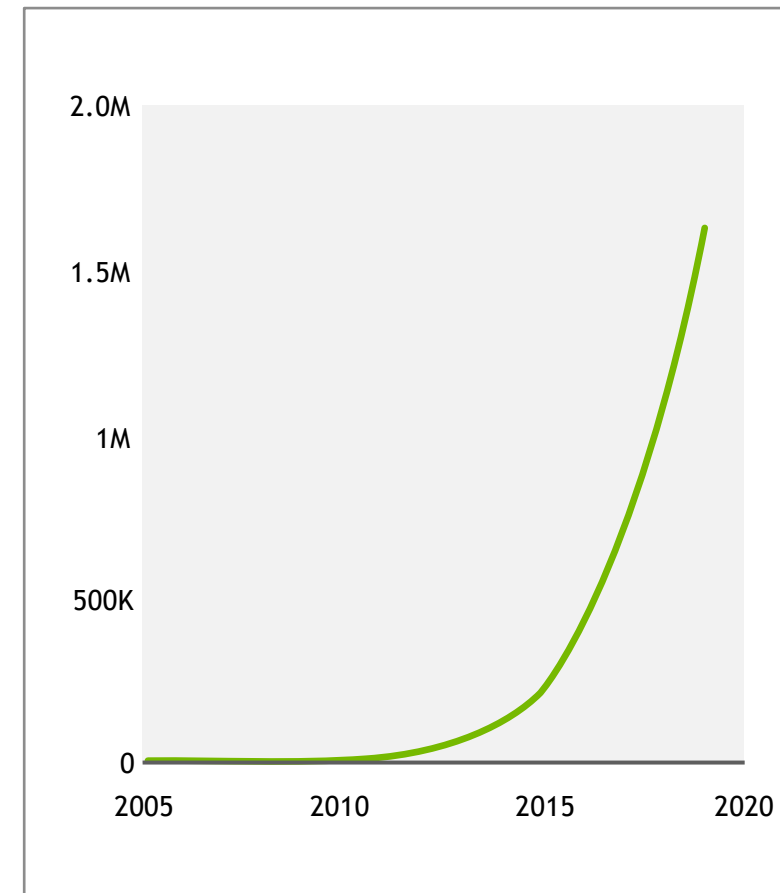
200M+ Gamers on GeForce

DATA CENTER

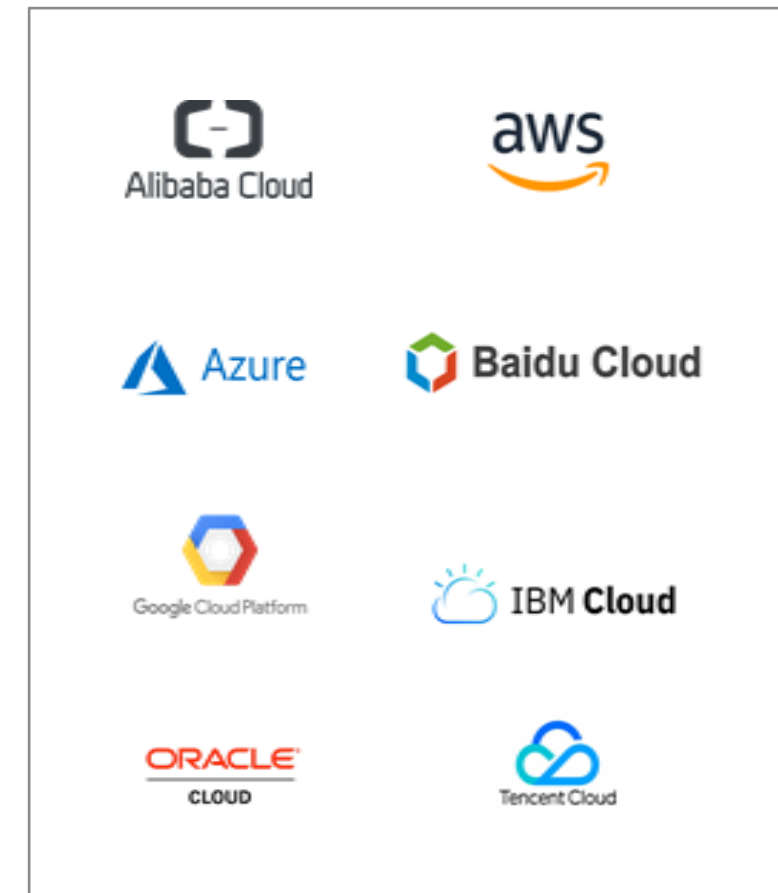
High Performance Computing (HPC) and AI



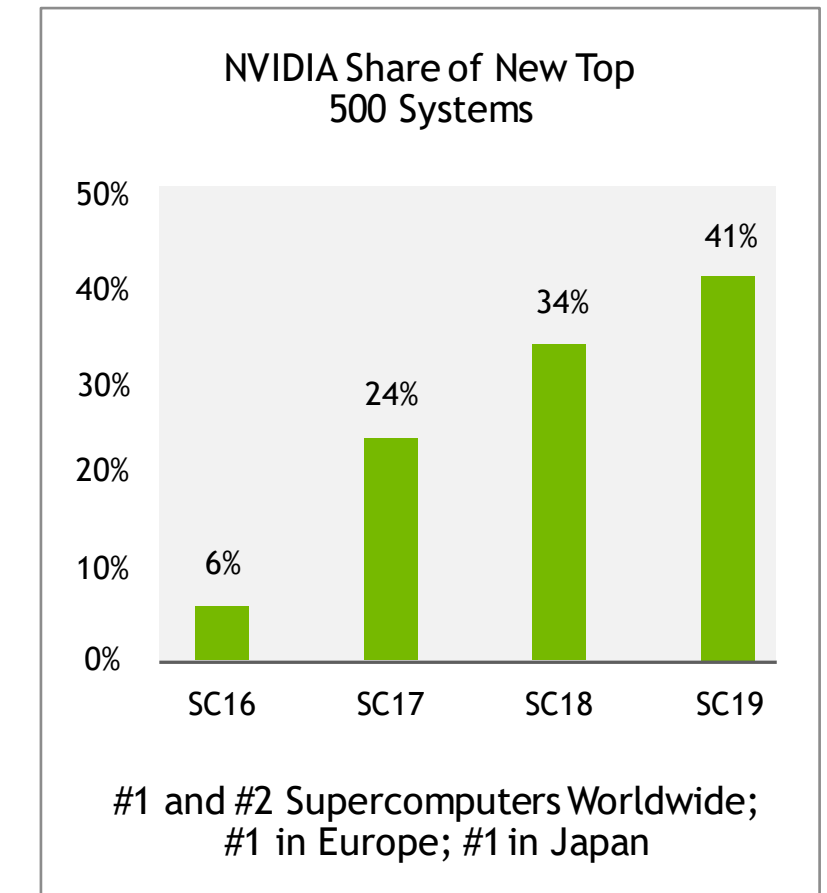
Revenue (\$M)



Registered NVIDIA Developers



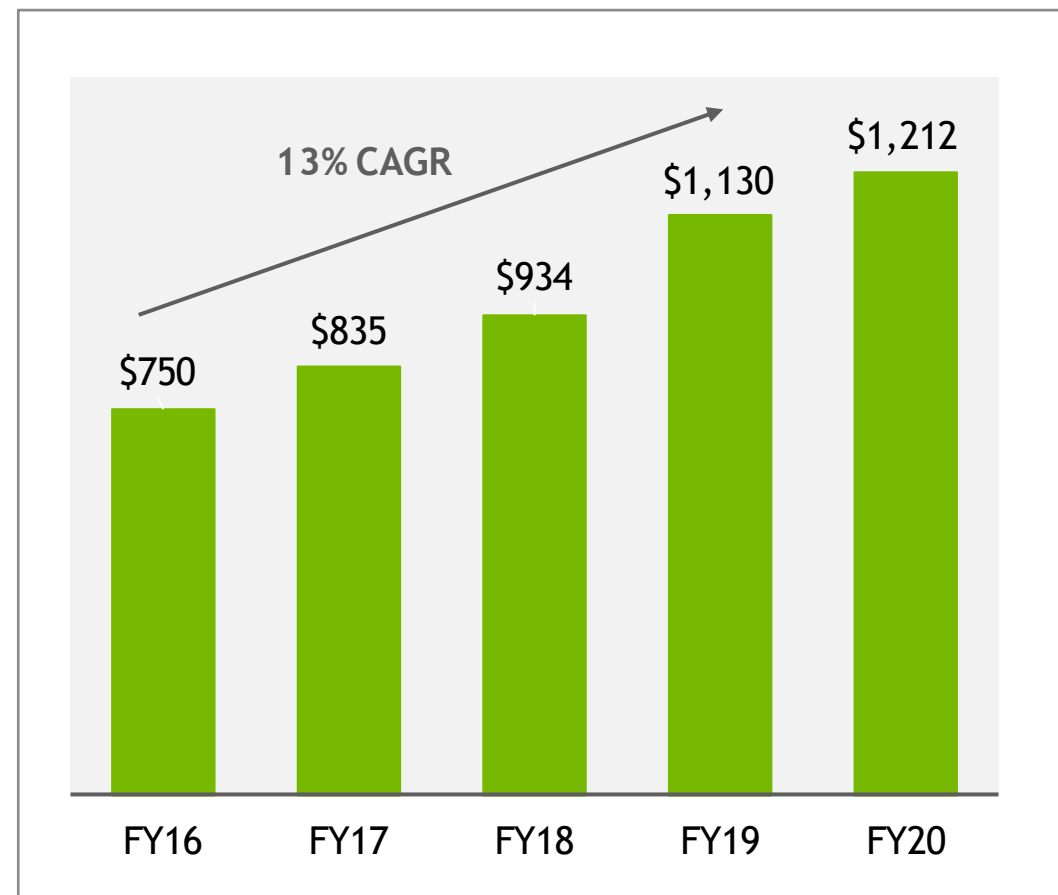
Every Major Cloud Provider



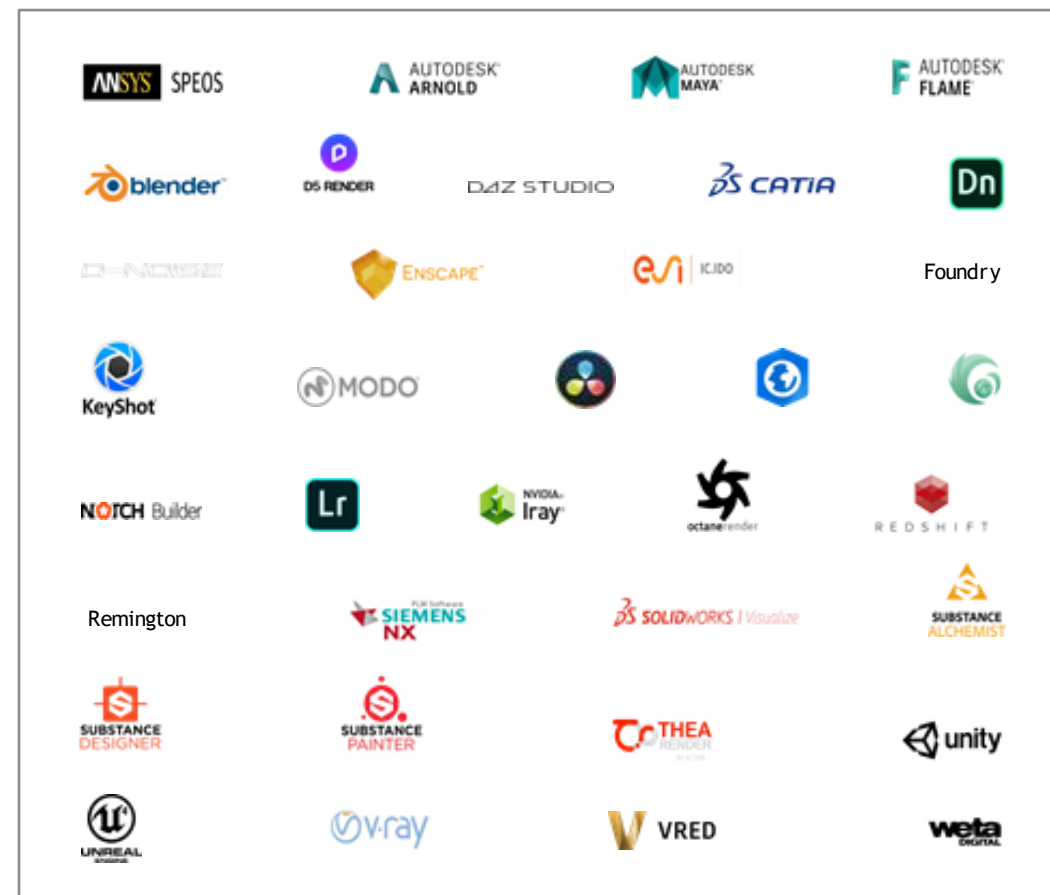
90%+ Share of Accelerators in Supercomputing

PROFESSIONAL VISUALIZATION

Workstation Graphics



Revenue (\$M)



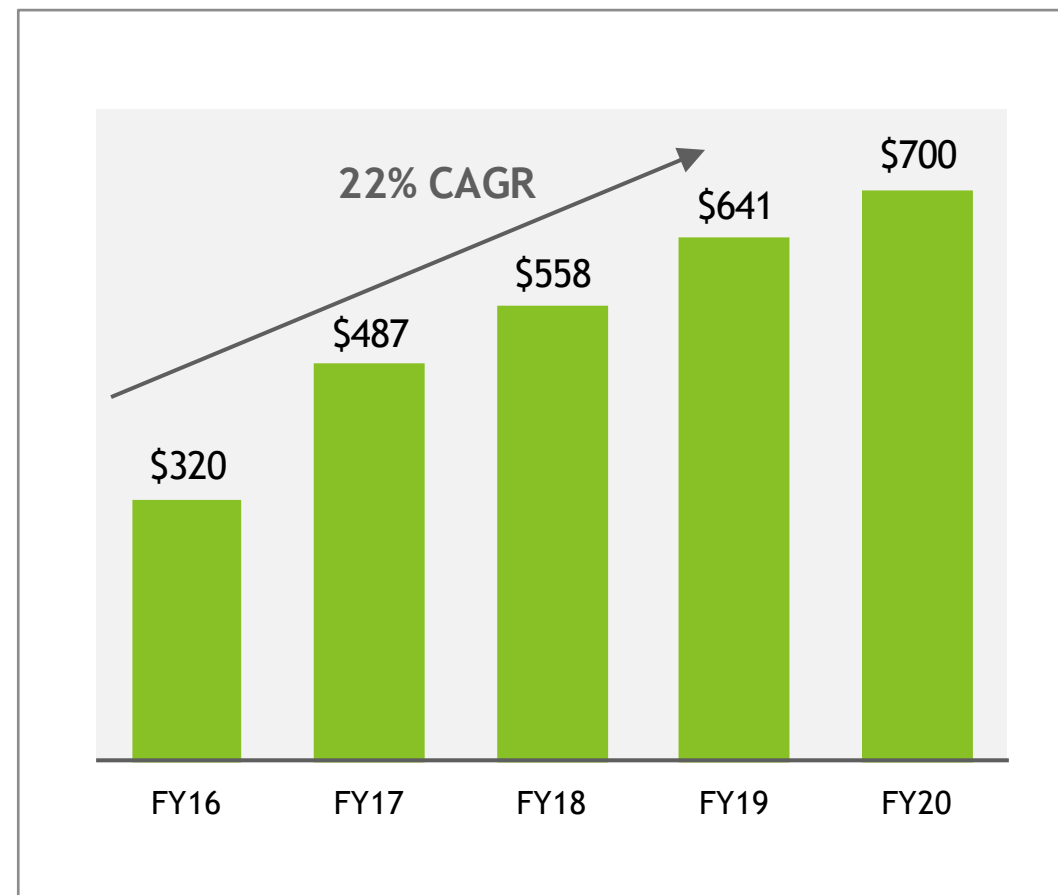
40+ Applications
Unlocking New Markets



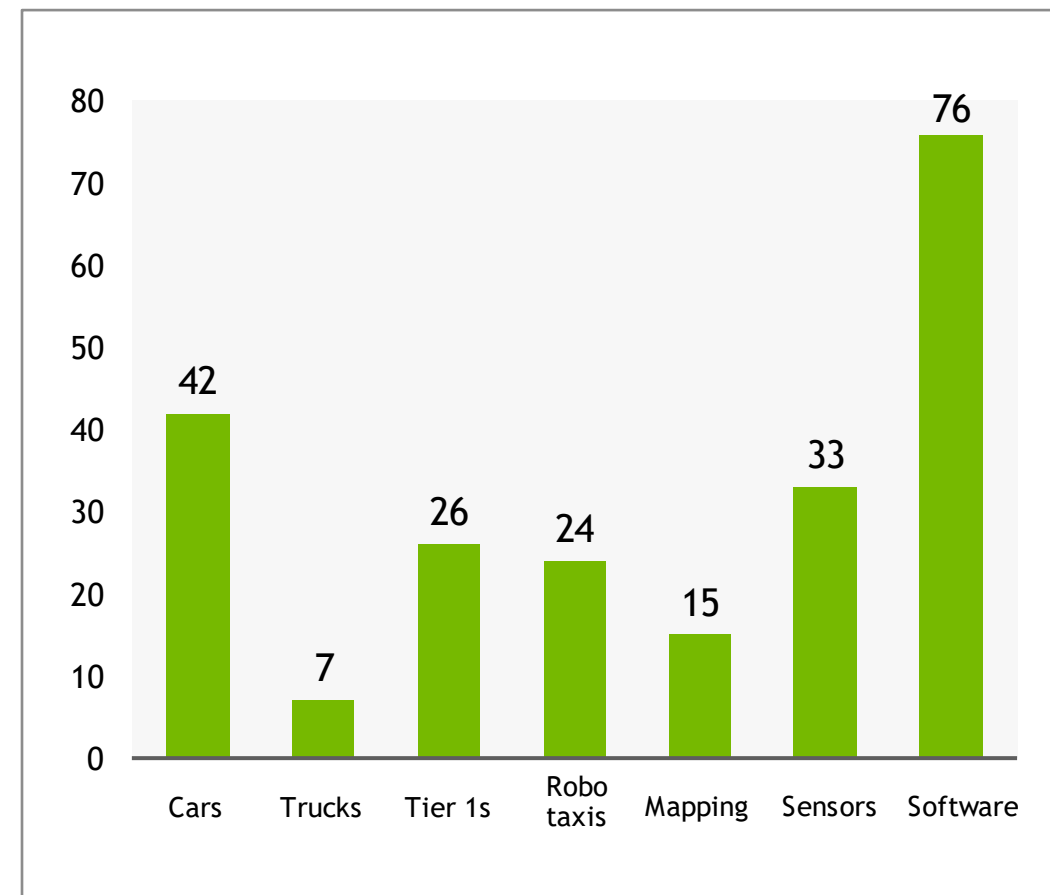
40M Designers and Creatives

AUTO

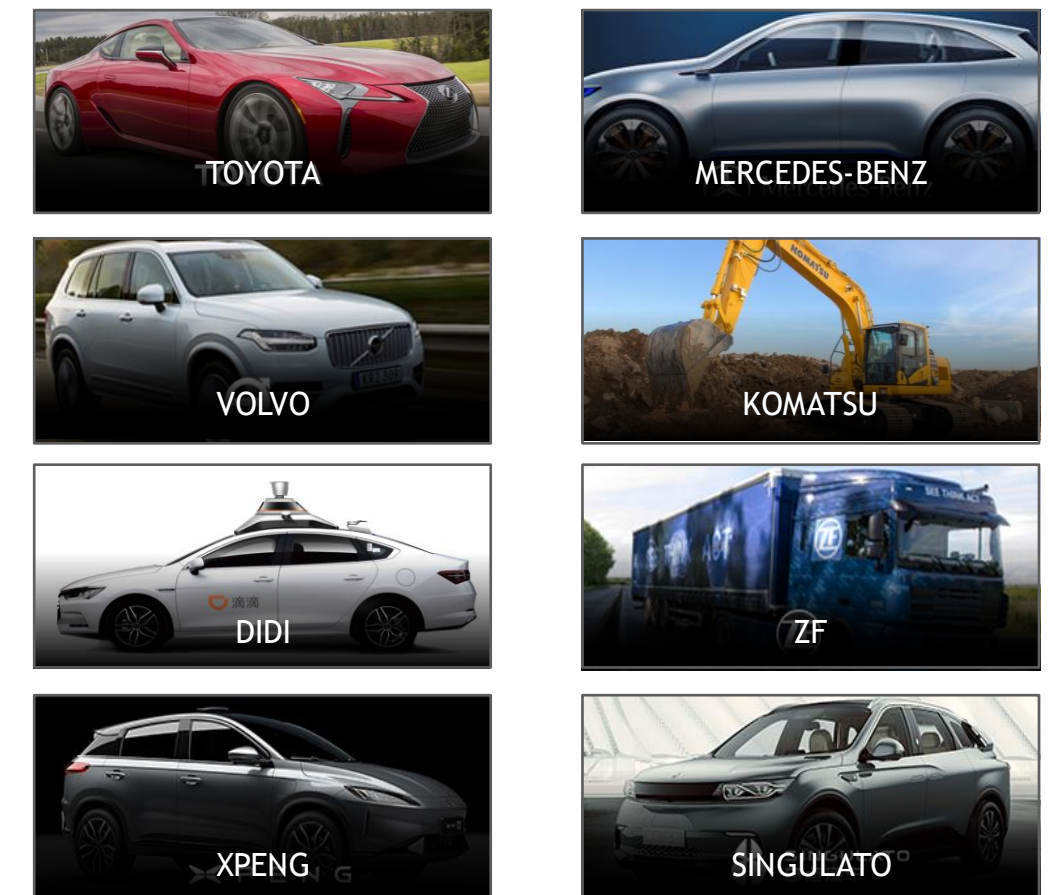
Infotainment and Autonomous Vehicles



Revenue (\$M)



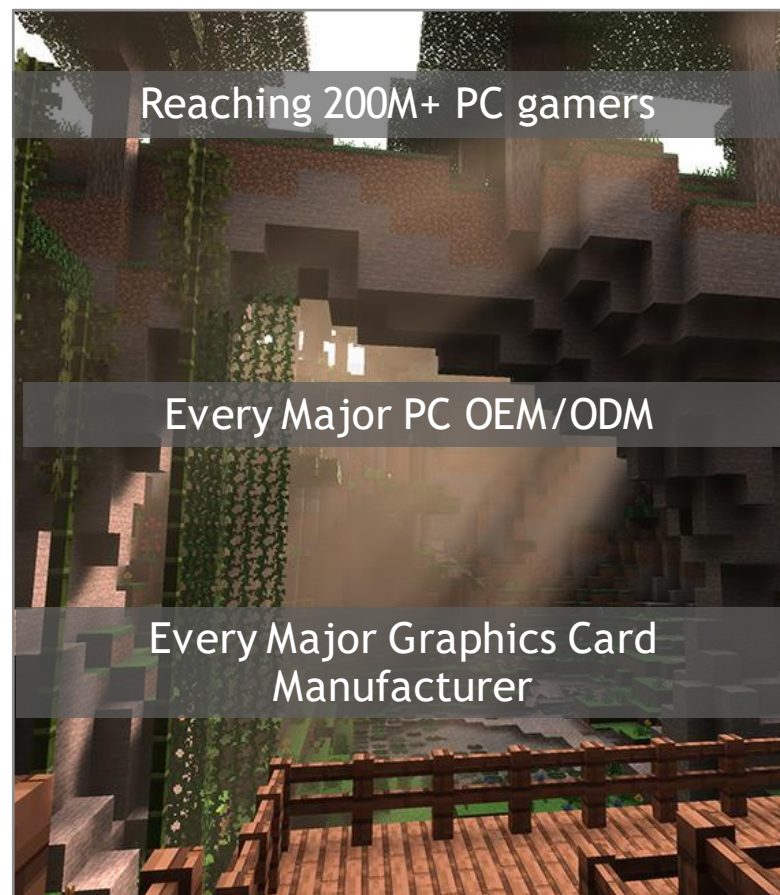
NVIDIA DRIVE Partners



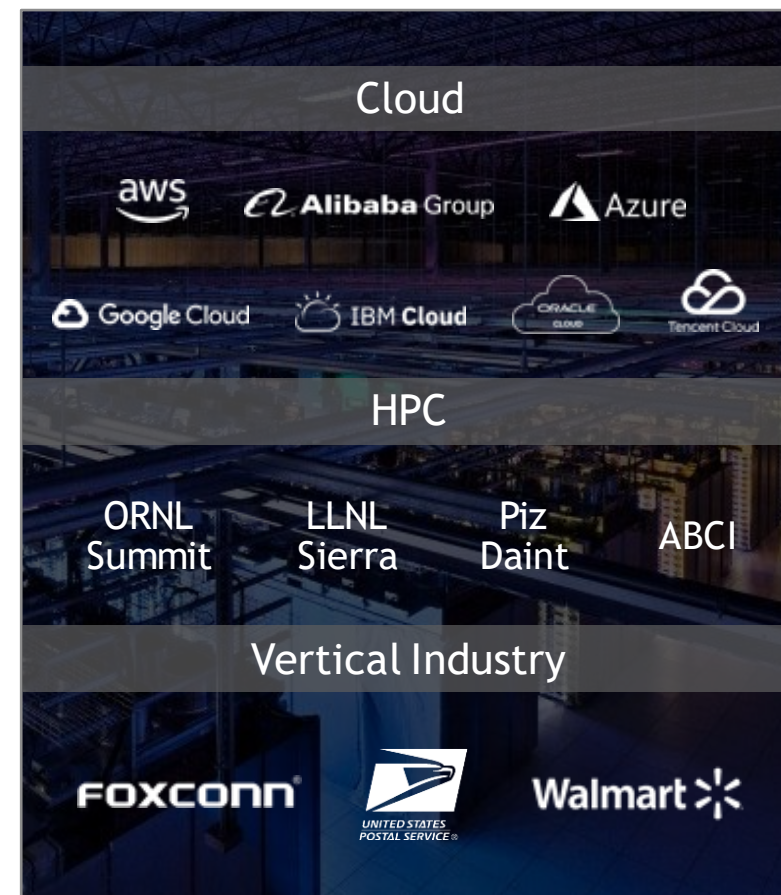
Strong Partnership / Ecosystem

LARGE AND DIVERSE CUSTOMER BASE

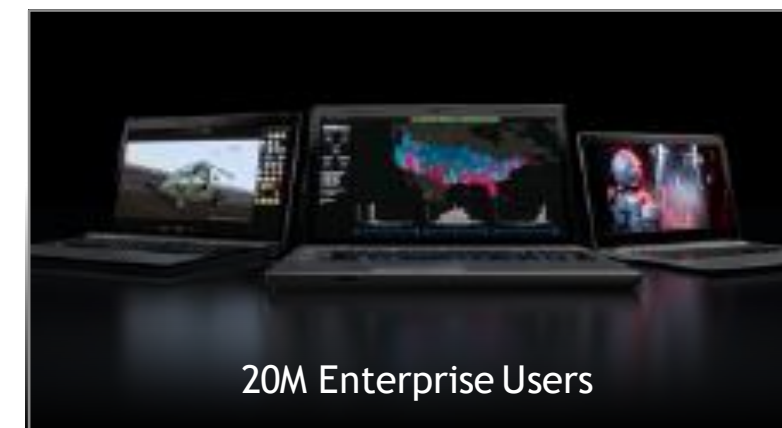
Reaching Hundreds of Millions of End Users Through Hundreds of Customers



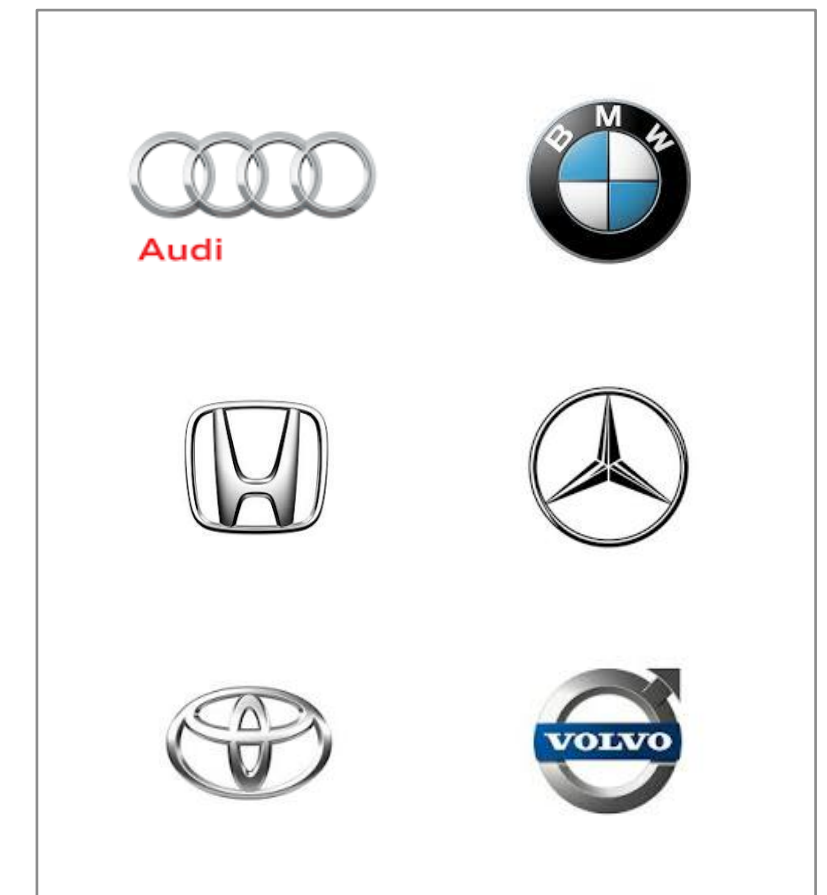
Gaming



Data Center



Pro Visualization



Auto

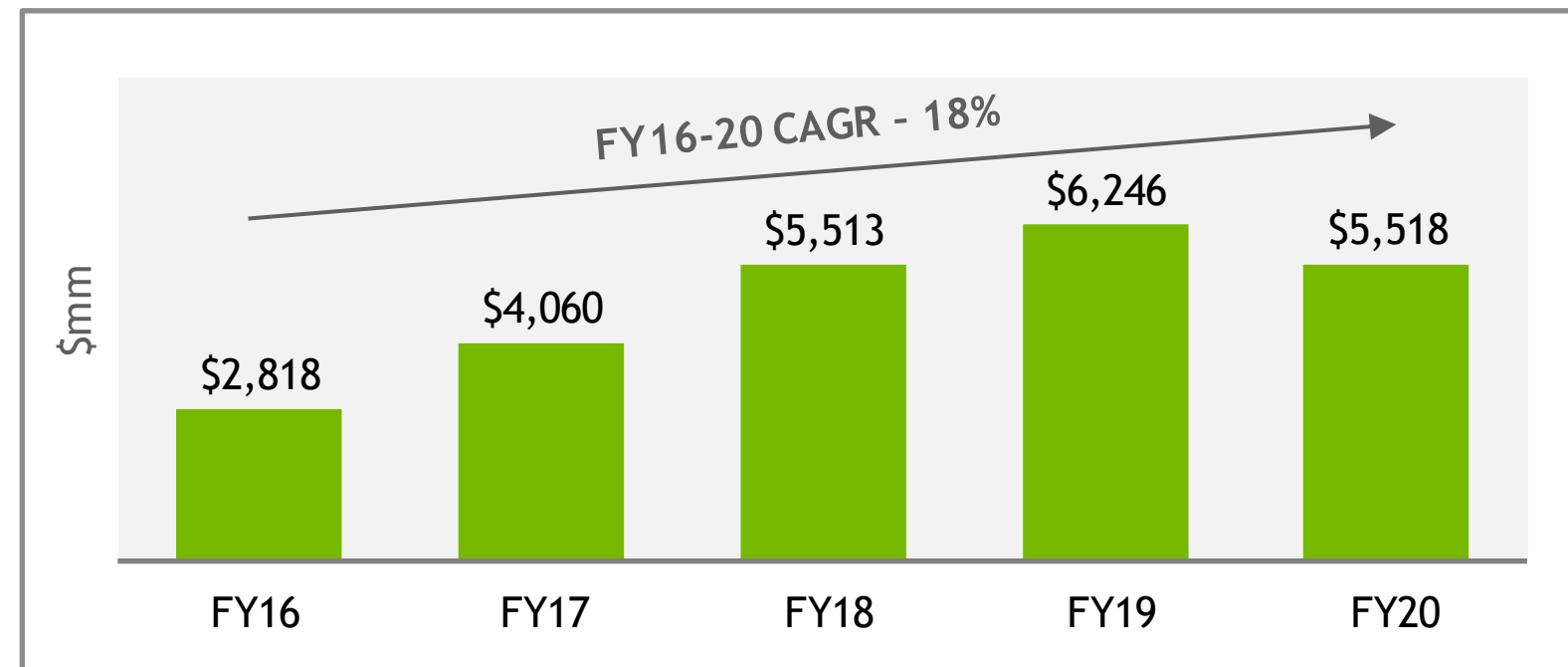
Largest Customer 11% of Total Revenue Over Past 3 Fiscal Years



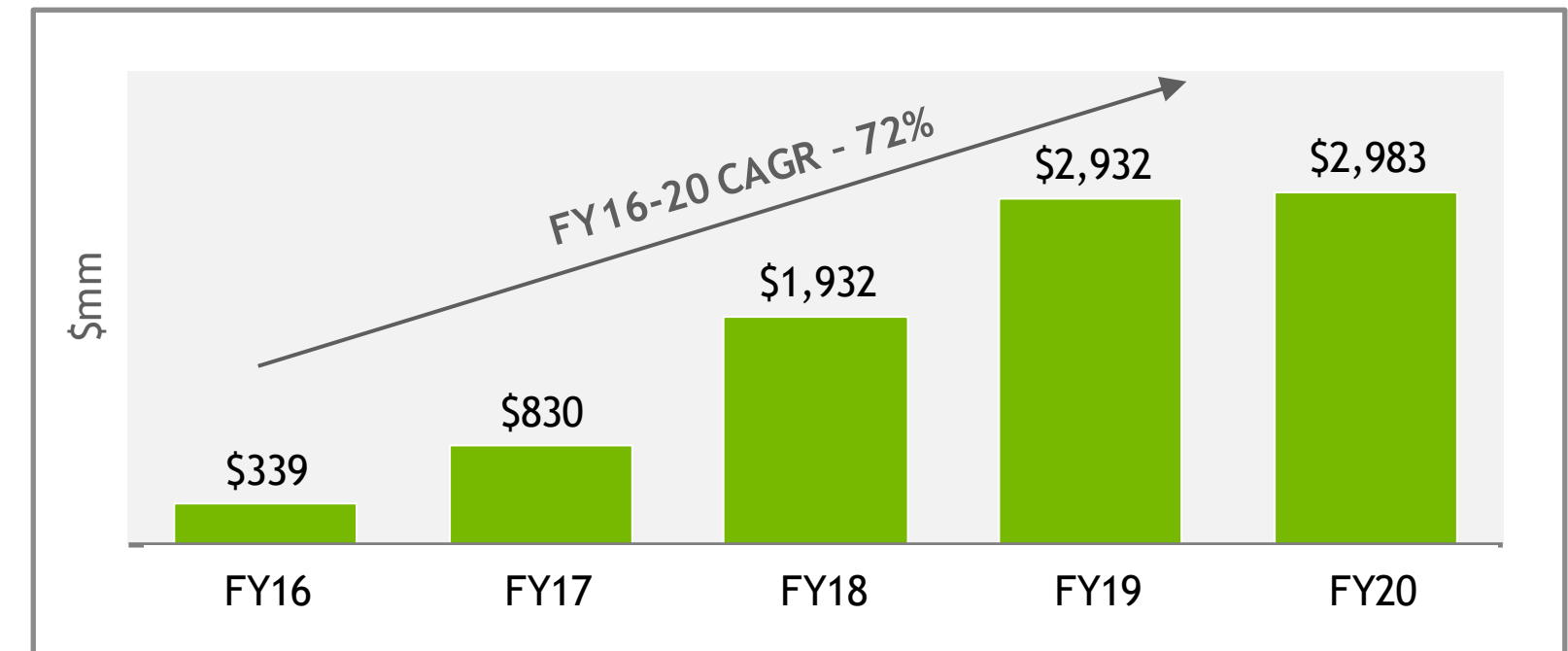
FINANCIALS

ANNUAL REVENUE BY MARKET PLATFORM

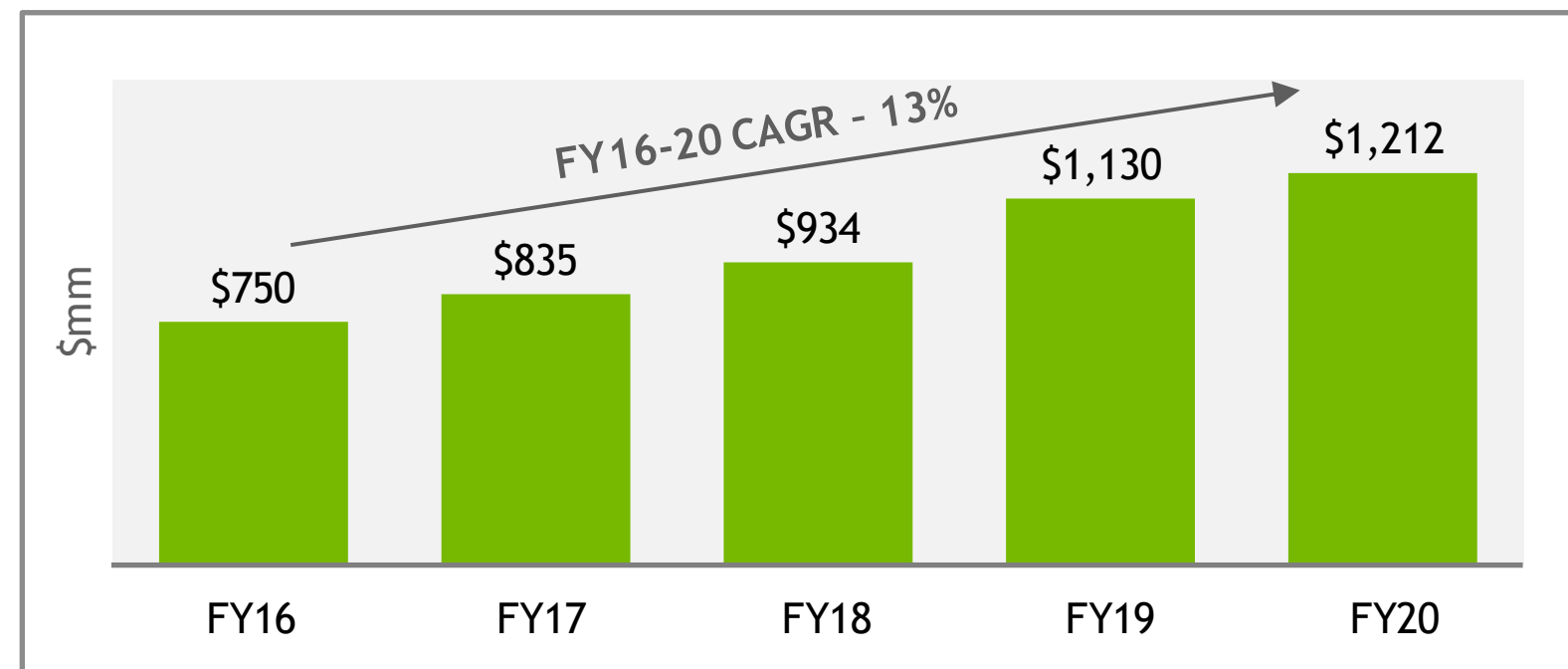
Gaming



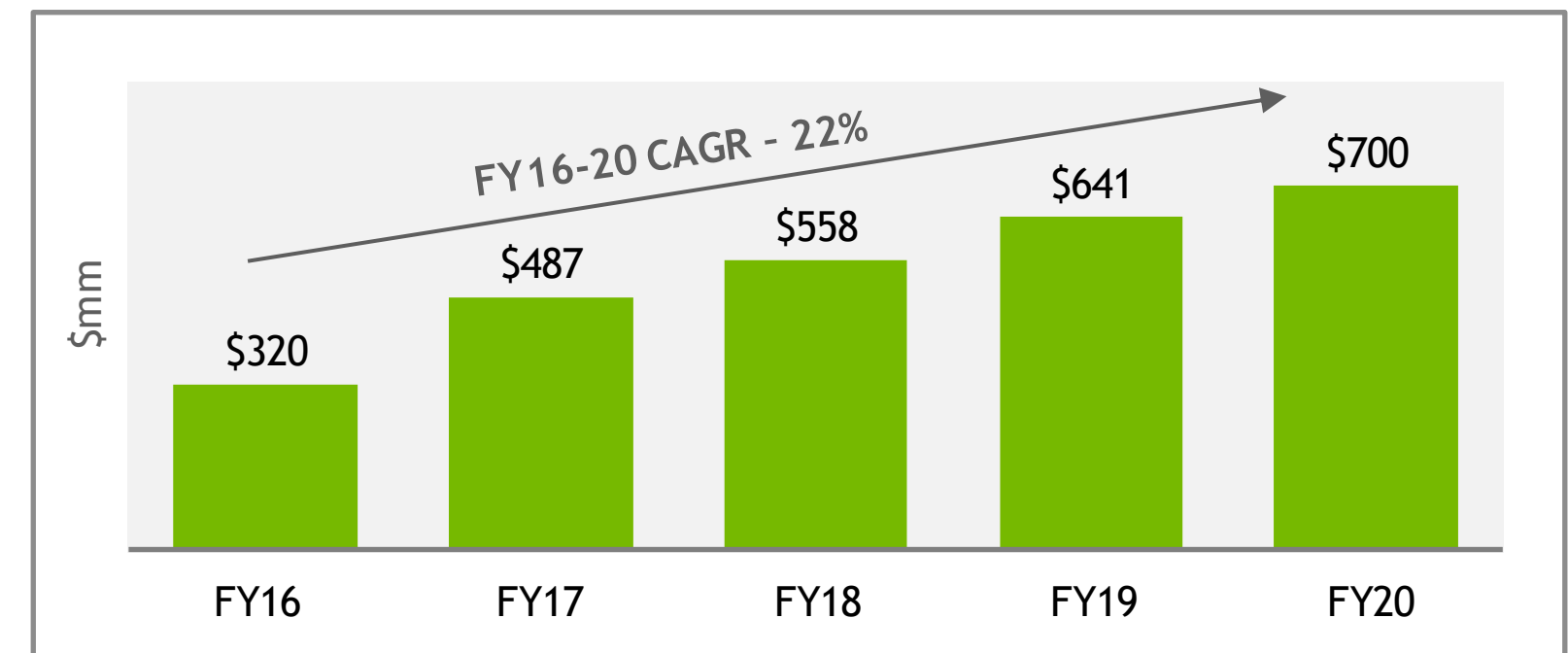
Data Center



Pro Visualization

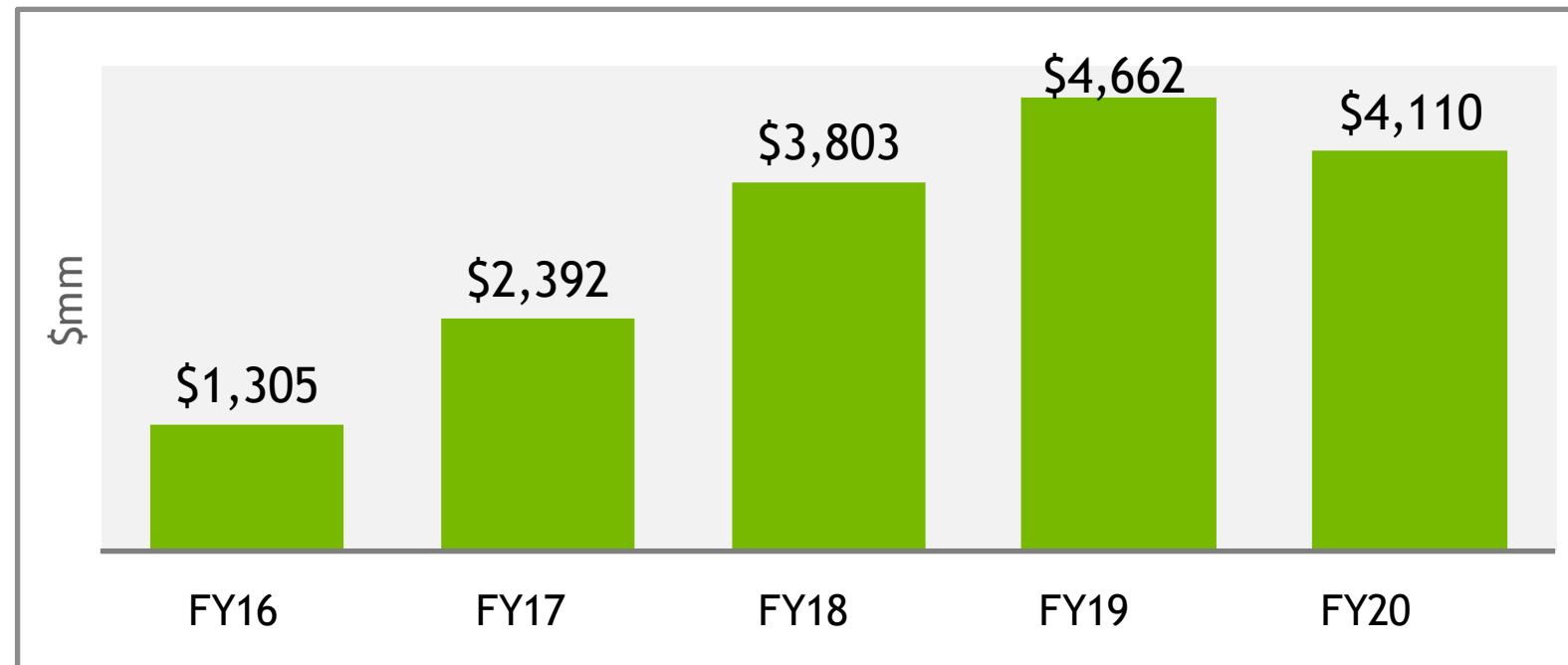


Auto

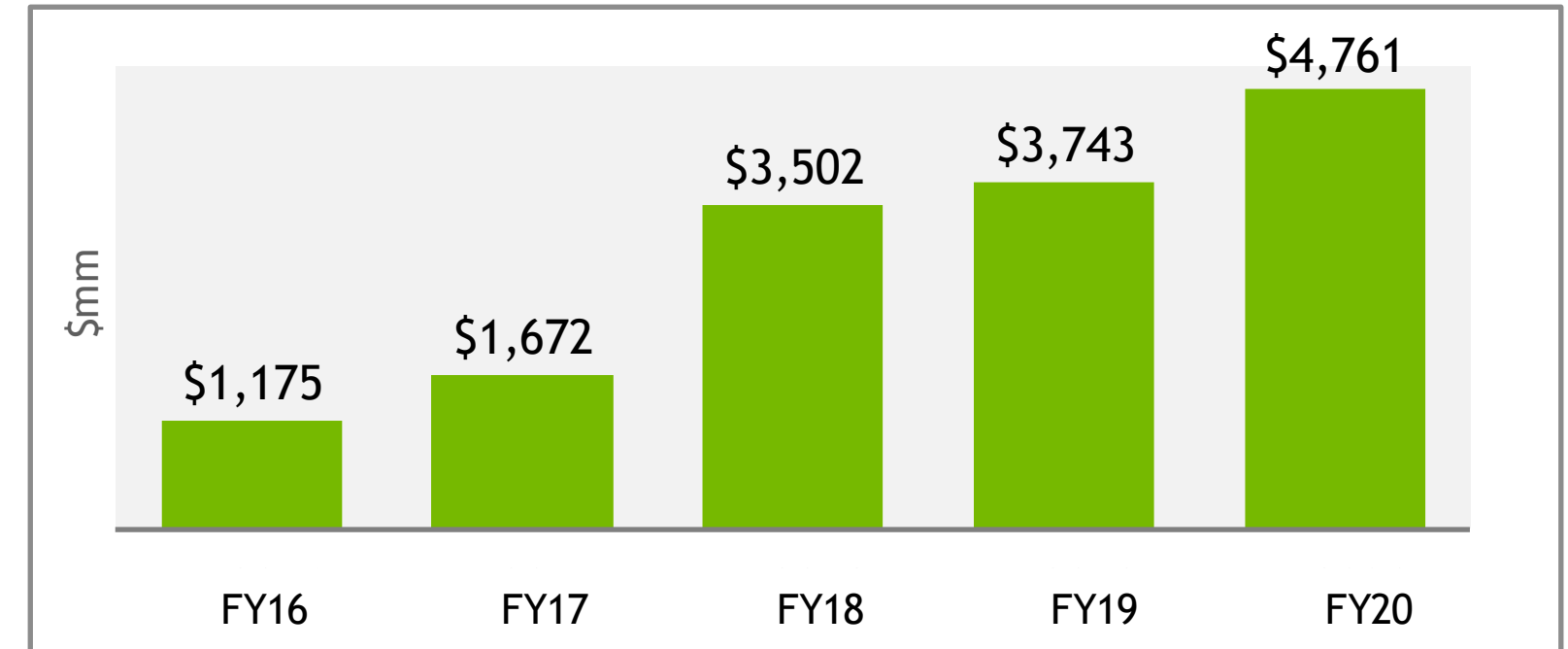


ANNUAL CASH & CASH FLOW METRICS

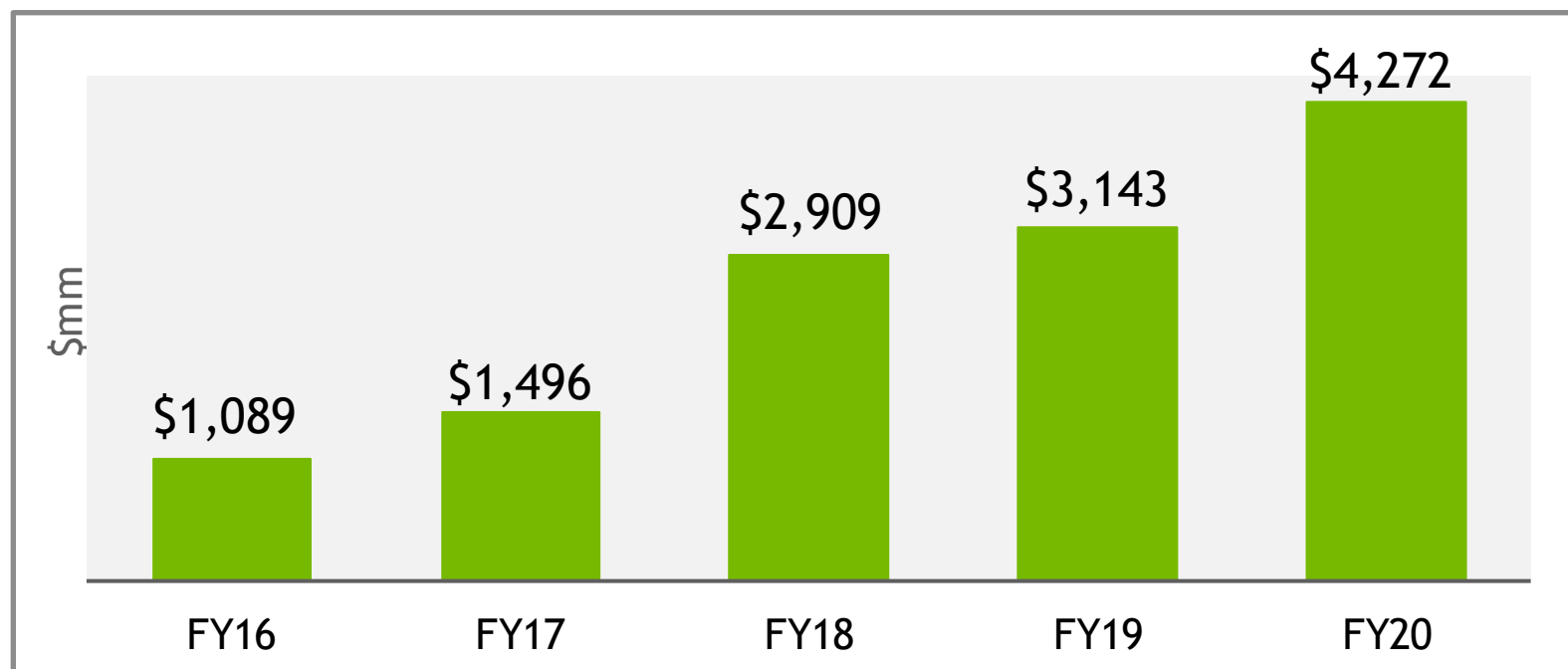
ADJUSTED EBITDA (NON-GAAP)



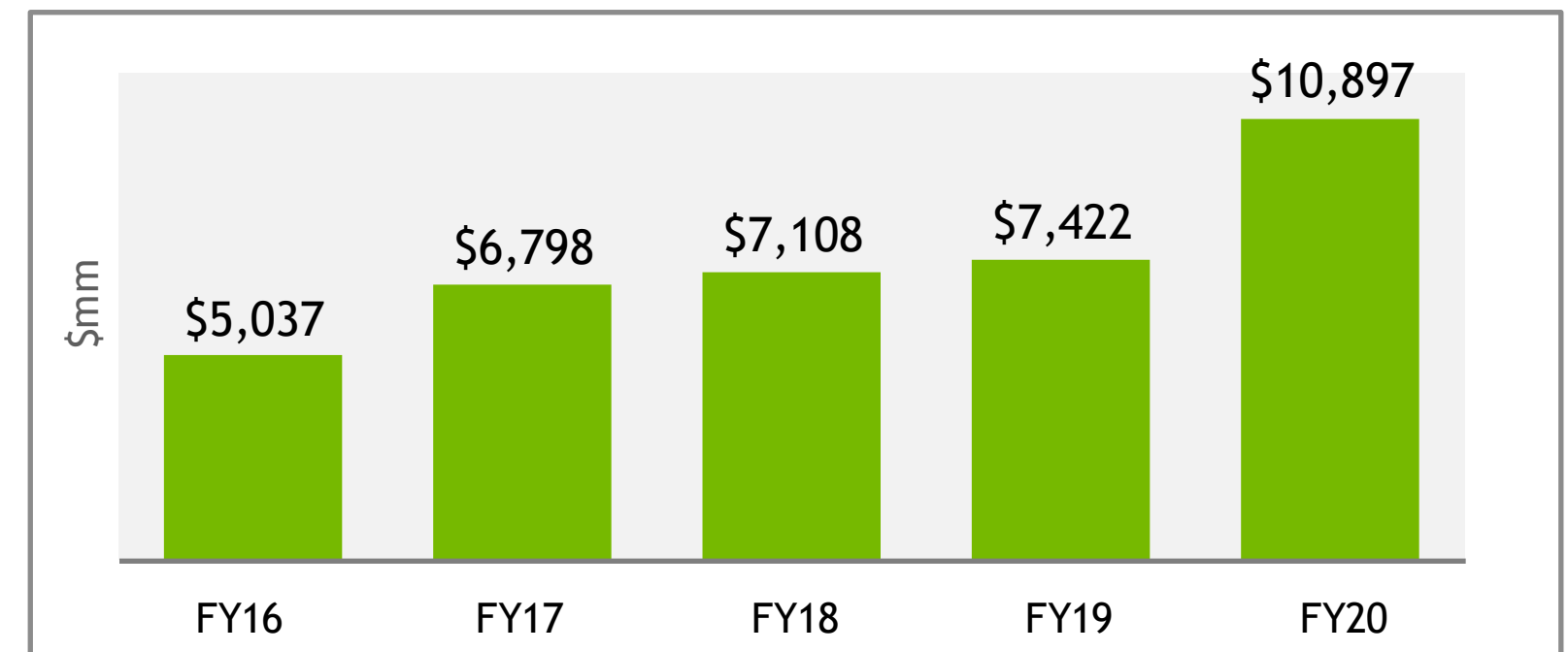
OPERATING CASH FLOW



FREE CASH FLOW



CASH BALANCE



CONSERVATIVE FINANCIAL POLICY

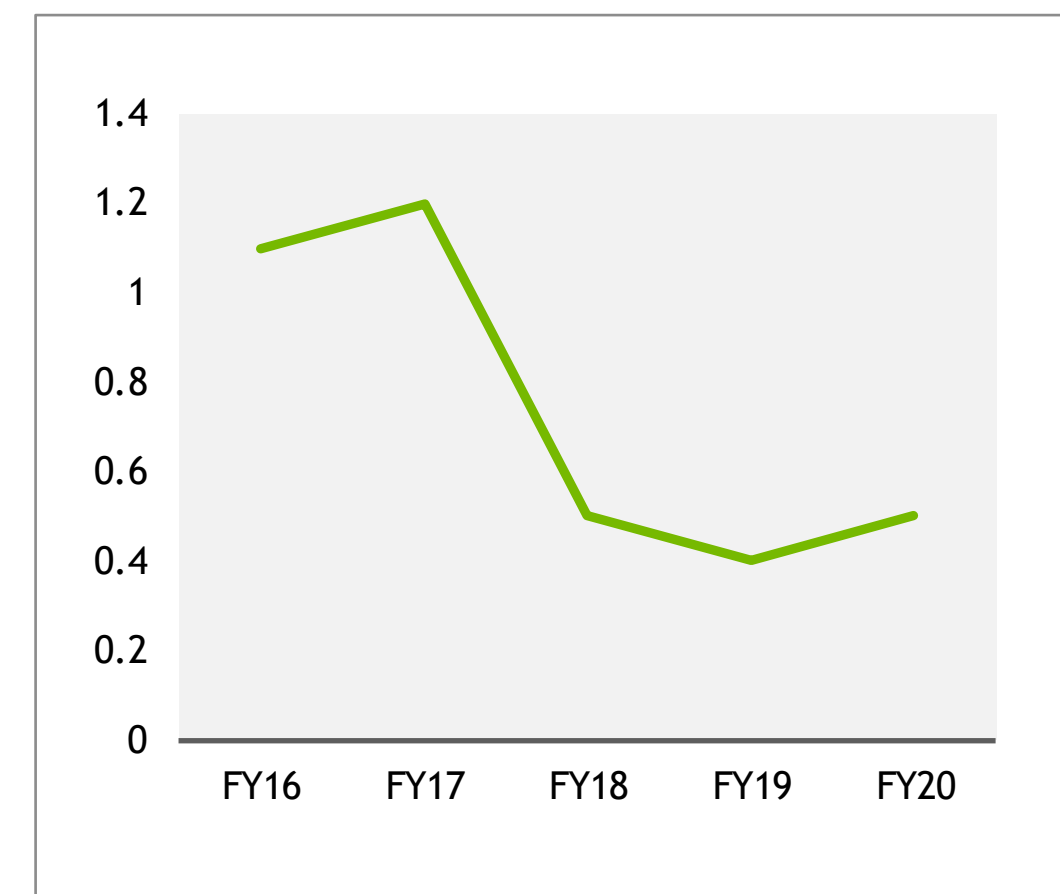
Key Credit Metrics

	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

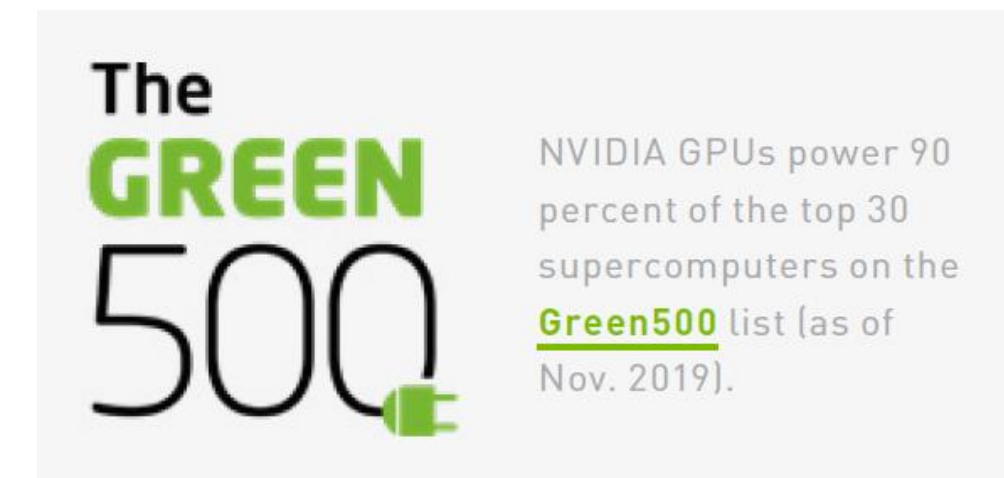
1 Adjusted EBITDA and Free Cash Flow are Non-GAAP measures. Refer to Appendix for reconciliation of Non-GAAP measures
 2 Net Cash is defined as Cash & Cash Equivalents and Marketable Securities less principal value of debt

NVIDIA'S COMMITMENT TO ESG

Creating a Leading Workplace



Tackling Climate Change



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



RECONCILIATION OF GAAP VS NON-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	STOCK-BASED COMPENSATION (A)	ACQUISITION- RELATED ITEMS AND OTHER COSTS (B)	OTHER (C)	TAX IMPACT OF ADJUSTMENTS	GAAP
Q1 FY2021						
Revenue	\$3,080	—	—	—	—	\$3,080
Gross profit	\$2,026	(21)	(1)	—	—	\$2,004
Gross margin	65.8%	(0.7)	—	—	—	65.1%
Operating expense	\$821	203	4	—	—	\$1,028
Operating income	\$1,205	(224)	(5)	—	—	\$976
Net income	\$1,120	(224)	(5)	(3)	29	\$917
Diluted EPS	\$1.80	(0.36)	(0.01)	(0.01)	0.05	\$1.47

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 acquisition-related intangible assets, transaction costs, and other costs.

C. Other comprises of 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)	OTHER (B)	GAAP GROSS MARGIN
Q1 FY2020	59.0%	(0.2)	(0.4)	58.4%
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%

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

B. 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.)

(\$ 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)	Q2 FY2021 Outlook
GAAP gross margin	58.6%
Impact of stock-based compensation expense, acquisition-related costs, and other costs	7.4%
Non-GAAP gross margin	66.0%
GAAP operating expenses	\$1,515
Stock-based compensation expense, acquisition-related costs, and other costs	(475)
Non-GAAP operating expenses	\$1,040
GAAP other expense, net	\$50
Interest expense from amortization of debt discount and other costs	(5)
Non-GAAP other expense, net	\$45

RECONCILIATION OF GAAP TO NON-GAAP OUTLOOK (CONTD.)

(\$ in millions)	FY2021 Outlook
GAAP operating expenses	\$5,700
Stock-based compensation expense, acquisition-related costs, and other costs	(1,600)
Non-GAAP operating expenses	\$4,100

MELLANOX RECONCILIATION OF NON-GAAP TO GAAP FINANCIAL MEASURES

	NON-GAAP GROSS MARGIN	STOCK-BASED COMPENSATION (A)	AMORTIZATION OF ACQUIRED INTANGIBLES	GAAP GROSS MARGIN
Q1 CY2019	68.0%	(0.2)	(3.2)	64.6%
Q2 CY2019	67.9%	(0.3)	(3.1)	64.5%
Q3 CY2019	68.1%	(0.3)	(2.9)	64.9%
Q4 CY2019	69.1%	(0.3)	(2.6)	66.2%
Q1 CY2020	69.1%	(0.2)	(2.1)	66.8%

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