


Nvidia reports 122% revenue growth on surging demand for data center chips

Nvidia reported earnings after the bell that beat Wall Street expectations, and provided stronger-than-expected guidance for the current quarter. Nvidia has been the primary beneficiary of the ongoing artificial intelligence boom. The stock slippedNvidia CEO Jensen Huang speaks during Computex 2024 in Taipei on June 4, 2024. after hours but is up about 150% for the year.

In this article

NVDA-0.39 (-0.33%)



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[Nvidia](#)

reported earnings after the bell that beat Wall Street expectations, and provided stronger-than-expected guidance for the current quarter.

Nvidia shares fell 8% in extended trading.

Here is how the company did for the fiscal second quarter versus LSEG consensus expectations:

Earnings per share: 68 cents adjusted vs. 64 cents expected

Revenue: \$30.04 billion vs. \$28.7 billion expected

Nvidia said it expects about \$32.5 billion in current-quarter revenue, versus \$31.7 billion expected by analysts, according to StreetAccount. That would be an increase of 80% from a year earlier.

Revenue continues to surge at the chipmaker, rising 122% on an annual basis during the quarter, following three straight periods of year-over-year growth in excess of 200%.

Net income more than doubled to \$16.6 billion, or 67 cents per share, in the quarter, from \$6.18 billion, or 25 cents per share, in the year-ago period.

Nvidia has been the primary beneficiary of the ongoing artificial intelligence boom. Nvidia shares are up more than 150% this year after soaring almost 240% in 2023. Its market cap recently eclipsed \$3 trillion, and Nvidia was briefly the most valuable public company in the world, though it is now second to Apple.

Revenue in Nvidia's data center business, which includes its AI processors, climbed 154% from a year earlier to \$26.3 billion, accounting for 88% of total sales. It also topped StreetAccount expectations of \$25.24 billion.

Not all of those sales are AI chips. Nvidia said Wednesday that \$3.7 billion in revenue came from the company's networking products.

Much of its business is targeted at a handful of cloud service providers and consumer internet companies including Microsoft, Alphabet, Meta and Tesla. Nvidia's chips, such as the H100 and H200, are used in the vast majority of generative AI applications, such as OpenAI's ChatGPT.

Many customers are waiting for Nvidia's next-generation AI chip, called Blackwell. Nvidia said it shipped samples of Blackwell chips during the

quarter, and made a change to the product to make it more efficient to manufacture.

“In the fourth quarter, we expect to ship several billion dollars in Blackwell revenue,” Nvidia Chief Financial Officer Colette Kress said on a call with analysts.

“The change to the mask is complete. There were no functional changes necessary,” Nvidia CEO Jensen Huang said on the call.

“When I said start production in Q4, I mean shipping out. I don’t mean starting to ship,” he continued.

However, Nvidia said it expected the current-generation chip, called Hopper, to increase total shipments for the next two quarters, as opposed to taper off.

“Hopper demand remains strong, and the anticipation for Blackwell is incredible,” said Huang in the press release. Nvidia noted that supply for Hopper is becoming more available while Blackwell is still in short supply.

Nvidia said its gross margin slipped in the quarter to 75.1% from 78.4% in the prior period, though it is still up from 70.1% a year ago. For the full year, the

company said it expects gross margins to be in the “mid-70% range.” Analysts were expecting a full-year margin of 76.4%, according to StreetAccount.

Nvidia’s gaming business used to be the company’s primary focus before the data center took off. Gaming revenue increased 16% from a year ago to \$2.9 billion, beating StreetAccount’s estimate of \$2.7 billion. The company said it was partially due to increased PC gaming card shipments as well as “game console SOCs.” Nvidia provides chips for Nintendo’s consoles.

Nvidia also makes chips for high-end graphic designers as well as cars and robots. The company’s professional visualization business rose 20% and reported \$454 million in revenue. Nvidia reported \$346 million in automotive and robotics revenue, versus StreetAccount expectations of \$344.7 million.

Nvidia also said it approved \$50 billion in additional share buybacks.

<https://www.cnbc.com/2024/08/28/nvidias-earnings-report-shows-problem-of-being-priced-for-perfection.html>

Nvidia's earnings report shows the problem of being priced for perfection

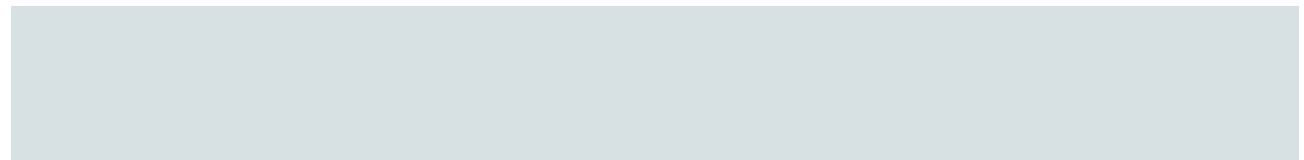
Published Wed, Aug 28 2024 7:33 PM EDT

Key Points

Nvidia reported better-than-expected results on Wednesday and issued optimistic revenue guidance, but the gross margin showed slight slippage.

The stock, up almost nine-fold since the end of 2022, slid in extended trading.

Revenue increased 122% from a year earlier, topping estimates of 113% growth.



Nvidia CEO Jensen Huang delivers a keynote address during the Nvidia GTC Artificial Intelligence Conference at SAP Center on March 18, 2024 in San Jose, California.

Justin Sullivan | Getty Images

[Nvidia](#)

reported its fourth-straight quarter of triple-digit revenue growth on Wednesday, [sailing past estimates](#) on the top and bottom line while also issuing a forecast that topped Wall Street expectations. The company even bolstered its [buyback program](#) with a plan to repurchase \$50 billion in shares.

But the stock dropped 7% in extended trading.

That's life for Nvidia, which has ridden the artificial intelligence boom to a [\\$3 trillion market cap](#), soaring almost nine-fold since the end of 2022 and surpassing every public company other than Apple in valuation. (It topped Apple for a stretch in June.)

In addition to reporting 122% annual revenue growth on Wednesday to over \$30 billion, Nvidia said sales in the current period will jump about 80% to roughly \$32.5 billion. Analysts were expecting close to \$32 billion.

However, Stacy Rasgon, an analyst at Bernstein, told CNBC before the report came out that “buyside whispers” were closer to \$33 billion to \$34 billion, meaning Nvidia would have to dramatically surpass analyst estimates in its guidance in order to see a pop.

Rasgon, who recommends buying shares of the chipmaker, said there are no indications that demand is waning for Nvidia's graphics processing units (GPUs), the core infrastructure for developing and running AI models.

"There's still a ton of demand," Rasgon said on CNBC's "Closing Bell."

"They're still shipping everything that they can sell."

Nvidia said it expects to ship "several billion dollars" worth of Blackwell revenue in the fiscal third quarter, which ends in October. Blackwell is the company's latest generation of technology, following Hopper. There had been some concerns that Blackwell would be delayed, but CFO Colette Kress said on the call with analysts that "supply and availability have improved."

Still, "demand for Blackwell platforms is well above supply, and we expect this to continue into next year," Kress said.

Other than missing the "whisper" numbers, some investors may be looking at Nvidia's gross margin, which slipped a bit in the quarter to 75.1% from 78.4% in the prior period. That's up from 43.5% two years ago and 70.1% in the fiscal second quarter of last year.

For the full year, the company said it expects its gross margin to be in the “mid-70% range.” Analysts were expecting full-year margin of 76.4%, according to StreetAccount.

‘Getting returns right away’

On the earnings call, analysts asked Nvidia executives about customers and whether they’re making money on their investment. Following the company’s prior report, Kress gave investors [data points](#) showing that a cloud provider could make \$5 over four years selling access to \$1 of Nvidia chips.

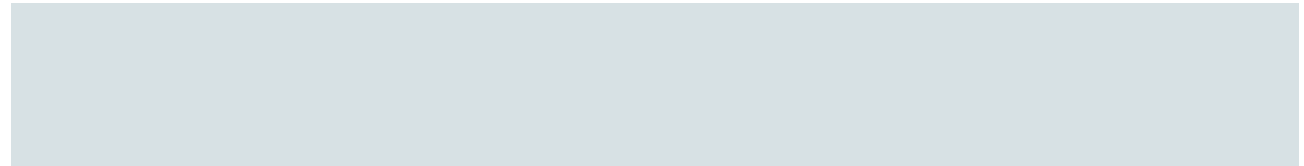
This time, Nvidia took a different approach. CEO Jensen Huang said on Wednesday’s call that Nvidia’s technology will be taking work away from traditional processors, like those made by [Intel](#)

or [AMD](#)

. He also said generative AI would start to do more coding, that companies like Meta can use Nvidia chips for recommender systems, and that nations are starting to buy more chips.

“The people who are investing in Nvidia infrastructure are getting returns on it right away,” Huang said.

Huang also said that next-generation AI models would require “10, 20, 40 times” more computing power, echoing comments recently made by [former Google CEO Eric Schmidt](#).



The logo of Nvidia Corporation is seen during the annual Computex computer exhibition in Taipei, Taiwan.

Tyrone Siu | Reuters

“The frontier models are growing in quite substantial scale,” Huang said.

He said Nvidia’s main customers are vying to be first to produce new AI advancements.

“The first person to the next plateau gets to introduce a revolutionary level of AI,” Huang said. “The second person who gets there is incrementally better or about the same.”

But buying into Nvidia at these levels is a bet that the company can continue to outperform very high expectations and requires a willingness to accept the kind of stock volatility generally reserved for much smaller companies.

After reaching a record in June, Nvidia proceeded to lose almost 30% of its value over the next seven weeks, shedding roughly \$800 billion in market cap. It's since recovered most of those losses.

In the past two years, the stock has moved 5% or more in a single day on 50 separate occasions. For [Microsoft](#)

, that's happened only six times, which is one more than for [Apple](#)

. At [Meta](#)

, it's happened 21 times. [Tesla](#)

fans, however, can relate. Shares of the electric automaker have moved at least 5% on more than 70 trading days over that stretch.

One reason for Nvidia's increased volatility is that it relies on a small group of customers — including those mentioned above — for an outsized amount of its revenue. Top execs at [Alphabet](#)

and Meta both [acknowledged recently](#) that they could be overspending in their AI buildout, but said the risk of underinvesting was too great for them to not be aggressive.

<https://nvidianews.nvidia.com/news/nvidia-announces-financial-results-for-second-quarter-fiscal-2025>

NVIDIA Announces Financial Results for Second Quarter Fiscal 2025

August 28, 2024



- 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

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

	Q2 FY25	Q1 FY25	Q2 FY24	Q/Q	Y/Y
per share)					
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.

NVIDIA CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)

(Unaudited)

Three Months Ended

Six Months Ended

	<div> <div></div> <div></div> </div>		<div> <div></div> <div></div> </div>	
	July 28,	July 30,	July 28,	July 30,
	2024	2023	2024	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
<hr/>				
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
<hr/>				
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
<hr/>				
Net income	\$ 16,599	\$ 6,188	\$ 31,480	\$ 8,232

Net income per share:

Basic	\$	0.68	\$	0.25	\$	1.28	\$	0.33
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Diluted	\$	0.67	\$	0.25	\$	1.27	\$	0.33
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Weighted average shares used in per share computation:

Basic	24,578	24,729	24,599	24,716
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Diluted

24,848

24,994

24,869

24,948

NVIDIA CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

(Unaudited)

	July 28,	January 28,
	2024	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
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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
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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
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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
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Total liabilities	27,070	22,750
Shareholders' equity	58,157	42,978
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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	
	<hr/>		<hr/>	
	July 28,	July 30,	July 28,	July 30,
	2024	2023	2024	2023
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Cash flows from operating activities:

Net income	\$	16,599	\$	6,188	\$	31,480	\$	8,232
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Adjustments to reconcile net income to net cash provided by
operating activities:

Stock-based compensation expense	1,154	842	2,164	1,576
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Depreciation and amortization	433	365	843	749
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Gains on investments in non-affiliated entities and publicly-held equity securities, net	(193)	(60)	(264)	(45)
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Deferred income taxes	(1,699)	(746)	(3,276)	(1,881)
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Other	(144)	(69)	(288)	(102)
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Changes in operating assets and liabilities, net of acquisitions:

Accounts receivable	(1,767)	(2,986)	(4,133)	(3,239)
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Inventories	(803)	296	(1,380)	861
Prepaid expenses and other assets	714	(376)	(12)	(592)
Accounts payable	823	777	801	789
Accrued liabilities 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
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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
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Net cash used in investing activities	(3,185)	(447)	(8,877)	(1,287)
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Cash flows from financing activities:

Proceeds related to employee stock plans	-	1	285	247
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Payments related to repurchases of common stock	(7,158)	(3,067)	(14,898)	(3,067)
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Repayment of debt	(1,250)	(1,250)	(1,250)	(1,250)
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Payments related to tax on restricted stock units	(1,637)	(672)	(3,389)	(1,179)
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Dividends paid	(246)	(99)	(344)	(199)
Principal payments on property and equipment and intangible assets	(29)	(11)	(69)	(31)
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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
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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
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Total cash, cash equivalents, and restricted cash	\$ 8,571	\$ 5,882	\$ 8,571	\$ 5,882

Supplemental disclosures of cash flow information:

Cash paid for income taxes, net	\$ 7,208	\$ 227	\$ 7,449	\$ 328
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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
<hr/>					
Non-GAAP gross profit	\$ 22,729	\$ 20,560	\$ 9,614	\$ 43,288	\$ 14,417
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<i>Non-GAAP gross margin</i>	<i>75.7%</i>	<i>78.9%</i>	<i>71.2%</i>	<i>77.2%</i>	<i>69.7%</i>
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
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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
<hr/>					
Non-GAAP operating income	\$ 19,937	\$ 18,059	\$ 7,776	\$ 37,997	\$ 10,828

GAAP other income (expense), net	\$	572	\$	370	\$	181	\$	942	\$	249
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Gains from non-affiliated investments and publicly-held equity securities, net		(193)		(69)		(62)		(264)		(46)
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Interest expense related to amortization of debt discount		1		1		1		2		2
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Non-GAAP other income (expense), net	\$	380	\$	302	\$	120	\$	680	\$	205
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GAAP net income	\$	16,599	\$	14,881	\$	6,188	\$	31,480	\$	8,232
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Total pre-tax impact of non-GAAP adjustments		1,103		1,082		915		2,184		1,843
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Income tax impact of non-GAAP adjustments (D)	(750)	(725)	(363)	(1,475)	(622)
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Non-GAAP net income	\$ 16,952	\$ 15,238	\$ 6,740	\$ 32,189	\$ 9,453
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
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GAAP net cash provided by operating activities	\$ 14,489	\$ 15,345	\$ 6,348	\$ 29,833	\$ 9,259
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Purchases related to property and equipment and intangible assets	(977)	(369)	(289)	(1,346)	(537)
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Principal payments on property and equipment and intangible assets	(29)	(40)	(11)	(69)	(31)
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Free cash flow	\$ 13,483	\$ 14,936	\$ 6,048	\$ 28,418	\$ 8,691
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(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,	April 28,	July 30,	July 28,	July 30,
2024	2024	2023	2024	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,	April 28,	July 30,			July 28,	July 30,			

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
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Stock-based compensation expense, acquisition-related costs, and other costs		(1,250)
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Non-GAAP operating expenses	\$	3,000
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