Morgan Stanley Technology, Media & Telecom Conference

Company Participants

- Colette Kress, EVP and CFO
- Joe Moore, Analyst

Other Participants

- Unidentified Participant, Analyst, Unknown

Presentation

Joe Moore {BIO 17644779 <GO>}

I'm Joe Moore from the Morgan Stanley semiconductor franchise. Very excited to have with us today Colette Kress from NVIDIA. Colette, you guys have been on a really strong growth trajectory. You have outgrown most of our large-cap companies in the last couple of years. Maybe we could just start out, just give us a bit of an overview for what it is that you guys are doing and what has driven that growth rate. Then we can dig in to some of the individual pieces.

Colette Kress {BIO 18297352 <GO>}

Sure. We've just actually finished our fiscal year, fiscal year 2016. And announced a couple of weeks ago another very strong year for us. Our total revenue growth of about 7% in a market which had been very challenged in terms of the semiconductor. But what was key is really saying us fulfill what we had been working on it terms of a transformation. A transformation away from being a chip component company and focused on four specific, specialized markets. Those specific markets being gaming, pro visualization, data center and cloud. And automotive.

So in the Fourth Quarter alone, each one of those four markets both grew year-over-year as well as sequentially in there. But those four markets now represent more than 85% of our overall revenue. And them alone are growing more than 20% in terms of overall growth. So we are focused on end-to-end platform for these individual markets versus a component chip sale has really, really started our transformation.

Joe Moore {BIO 17644779 <GO>}

Okay. Great. So maybe we could look at some of those growth drivers little bit. Maybe start with the biggest, which is gaming. Your PC graphics business is the lion's share of the overall company revenues. You've been growing that gaming

portion between 20% and 50%, depending on the quarter, the last several quarters. And you've seen this decline in traditional OEM PC. Can we dig into that little bit? And maybe start with how do you categorize gaming? How do you decide what is gaming and what is OEM? And how do you measure those shifts over time?

Colette Kress {BIO 18297352 <GO>}

Sure, sure. When we think about our gaming businesses, our gaming business represents more than 50% of our overall company revenue. The last two yours it has probably grown more than 30%, 35% year on year in each of those years. That was a decision to really focus on that end customer, the gamer. And providing them a full ecosystem around their overall gaming experience. The use of a discrete GPU for PC gaming is the standard. It is what is necessary because of the increased production value of the games that are now out on the market. And continuing to see the market, the overall gaming experience, continues to rise in terms of that need.

So that has been our focus of providing the drivers, the updates, the understanding of how to compete in that overall gaming market. And where we look at this is to focus on our GPU experience in terms of those are our gamers that are actually phoning home or signing into our overall subscription. And we can see a good list of those of more than 75 million, almost 80 million of them that are registered. So that gives us a good understanding of our installed base. It gives us a good understanding of what they're using the overall GPU for, which we can see in terms of gaming using our GTX platform, is probably the most common use case. That's how we primarily differentiate to show what that gaming is.

Now, the overall mainstream OEM business is still some volume in terms of absolute overall size of GPU units that are sold. But it's not necessarily a workload that you will see a discrete GPU be used. It becomes a very competitive component market, whether or not you need a discrete GPU. We deal with the duopoly or the option in terms of an integrated as well. So it's becoming a lesser and lesser portion of our overall business. Maybe threes ago was probably more than 40%, 45%, of our overall business; now it is less than 10% as we really focused on gaming.

Joe Moore {BIO 17644779 <GO>}

And just maybe you could help us understand what that is, what those users are using the GPU for. Because I tend to think of, three years ago, still you were already at the point to buy a discrete GPU you had to seek it out. And you had to be somebody who really valued that. Which I think of that as being a gaming audience. So what is that large, non-gaming OEM unit base that is declining? But what are those users using it for? And is it just a legacy of where you have been historically?

Colette Kress {BIO 18297352 <GO>}

Yes. The workload will be -- if they -- some of them wanting the same type of capabilities that they have in the enterprise in a consumer. Some enterprise workstations, meaning certain applications for that. But again, it's not a very large audience that will be there. They will use it maybe as a test environment. But again,

most of the focus on the PC is going to be related to gaming. And that takes up the majority share of both the revenue and our focus strategically.

Joe Moore {BIO 17644779 <GO>}

Okay. And that 30% type of growth that you have been seeing in gaming, I know you won't give any specifics, because I ask you this every time we meet. But a little bit of a qualitative sense of how much of that is price, how much of that is share gain, do you think, versus underlying unit growth of the market?

Colette Kress {BIO 18297352 <GO>}

Yes. It's actually all of the three. Our focus in terms of increasing the overall TAM of gamers that are out there continues to be an area of focus as we look at areas of emerging markets where access to broadband continues to expand. So our overall units have continued to grow as we have expanded the market for PC gaming.

Secondly, when we look at the overall ASPs. So it's also been a great focus. The production value of those games and it increasing has driven people to enter into the market either as new users at a higher price point than maybe where they had started several years ago. The overall upgrades that we also see as they move to the new architectures have been also entering at a higher price point. So we've seen a nice increase in terms of those overall ASPs.

We have gained a bit of share. We have a good amount of the discrete GPU share in total. But the overall high-end gamers have -- tend to be with NVIDIA for quite some time. So most of the share gains have probably been in the medium to the low end, over all the gamers, all grades. But I would still focus on unit growth and ASP growth being probably the two largest contributors to our growth.

Joe Moore {BIO 17644779 <GO>}

Okay. And one of the things that surprised me about the ASP growth in the high end is that you have done that with 28 nanometer silicon, which has been pretty long in the tooth at this point. You obviously have, since that product's come, you haven't given us a lot of color on those yet. But any sense for what that might do to your average selling price, getting those products into the market?

Colette Kress {BIO 18297352 <GO>}

Correct. So we have been selling our Maxwell architecture for more than two years, going on 2 1/2 years. The key part of that is we have introduced new cards throughout that 2 1/2 period of time. So not all of the cards are at a two year in terms of overall life. We've continued to see upgrades to the overall Maxwell architecture for gaming. But what has been interesting is we still probably have more than 65%, 70%, of our overall installed base that has not yet upgraded to Maxwell. So there's still an opportunity. And they are continuing to buy into the overall Maxwell architecture.

We did announce a year ago that our Pascal new architecture across the company is coming. And we will have more insight into that this year. I'm sure that we'll talk more. Yes. It is overall FinFET. So we will talk about in terms of how those products roll out. But there is a great opportunity with Maxwell as well as what we have coming in Pascal.

Joe Moore {BIO 17644779 <GO>}

Okay. And I guess then the big of all this is, what happens when OEM is gone? It is going to be a 30% growth business. Or is there a mix change at least -- what do you think of the growth rate once we get to a maturity where that OEM business is not the (multiple speakers)?

Colette Kress {BIO 18297352 <GO>}

Yes. I think the OEM business, outside of gaming, will probably be there at some level, for some time. It's not necessarily yet at a growth position yet but it will probably stabilize as an underlying need for just some basic types of workloads. But the over growth of the gaming, we still see a strong TAM in front of us. We see a TAM, just based on the main driver of what drives PC gaming, which is games. The stronger the pipeline that we see in gaming, the stronger that we believe the overall hardware that is going to need to drive that overall gaming which will be necessary. So we see this growth continuing.

The introduction of a new architecture, again, is another upgrade opportunity. We see virtual reality also on the horizon. That can also be a driver in terms of the overall upgrades as well. So a lot of great things going forward. PC gaming in terms of TAM externally, sources have probably predicted near double digits in terms of overall growth. We don't have an exact science on that. But again, we see definitely a TAM growing, going forward.

Joe Moore {BIO 17644779 <GO>}

Okay. Mostly I want this to be an opportunity for you guys to your tell your story, not to focus on how long I've been. But we've looked at some of the software data that shows, yay, Activision takes [ph] Ubisoft in aggregate. Their PC gaming revenues aren't growing that fast. They are growing even more like low single digits. It's not crazy that hardware would grow faster than software in that environment. Is it dependent on an upgrade cycle? Or how do you continue to outpace just the growth of software sales?

Colette Kress {BIO 18297352 <GO>}

Sure. There is an outpacing ability, just based on the actual card that they choose for that overall software. What is intriguing about PC gaming, the exact same game can have a completely different experience just based on the overall GPU that they desire. That becomes almost a competitive opportunity for the individual gamers playing against their friends. And they really can overall, just with an existing set of games, go and update that overall hardware.

So it's not uncommon to see that overall harbor potentially growing faster than some of the individual overall software players. But when you look at the amount of actual software that is out there, with one single piece of hardware that leverages across any of that, that growth can potentially be higher.

Joe Moore {BIO 17644779 <GO>}

Okay. Great. And the other thing that has been impressive about your growth is that you have done it with a fair amount of exposure to emerging markets that are going through a little bit of a headwind. Could you talk a little bit about that? And do you see, looking forward, are you focused on currency as a risk? Are you focused on macro as a risk? How do you think about those (multiple speakers)?

Colette Kress {BIO 18297352 <GO>}

Sure. Our growth in terms of gaming has actually been quite solid across all three of our regions: the US, the European region, as well as our Asia Pac and overall China regions. We are able to monetize quite well in all three of those. And the growth rates, with just a little bit of seasonality between the two, has been growing steady in all three of them.

Our growth in terms of our emerging markets, as well as what we had seen in Europe, about a year ago just due to the large FX swings, wasn't necessarily affecting the overall gaming purchases at all. We still saw gamers look at the capital markets but feel that gaming was still a strong priority for overall entertainment from them. We watch it closely in terms of that. But gaming has still been quite strong through these market conditions that we have seen.

Joe Moore {BIO 17644779 <GO>}

Okay. Great. Then just to finish up on the gaming, questions -- you mentioned virtual reality. Obviously, virtual reality is pretty cool. It's expensive. I feel like there's a big long-term opportunity. How do you think about the rate of adoption, 2016, 2017? And obviously it is going to drive a very high GPU sale for somebody who doesn't already have one. So if you could just talk a little bit about that.

Colette Kress {BIO 18297352 <GO>}

Yes. So VR we look at as a bonus. To help everybody understand in terms of what is needed to partake in the high level virtual reality that you see, it is generally tethered to a high-end PC. The high-end PC in terms of minimum specs that would make that experience a good experience is one of our top three GPUs that we sell. So essentially a GTX 970 or overall higher. We look at this as a great opportunity for either existing gamers to upgrade or a new cast of them to potentially enter into the overall gaming market with that.

It's a little uncertain for us. We don't have any more information regarding the number of units that will be available, its uptake. But we look at it as just another

reason to continue the higher level of gaming that is out there in the market.

Joe Moore {BIO 17644779 <GO>}

Okay. Makes sense. Maybe moving on then to the data center part of your business. In that business, including Tesla and GRID, about 7% of your revenues, grew 70% in 2014, grew high single digits last year. Can you talk about where that growth is coming from? And should we think of that as being a high performance compute oriented business or a cloud centric business, or more moving from one to the another?

Colette Kress {BIO 18297352 <GO>}

Absolutely. It's actually both. Our data center business concentrates on a couple different things that are happening in the data center. The overall high-performance computing arena has been there for several years and continues to grow consistently. We discussed some theorems of Supercomputing 2015 back in the late fall. The amount of applications that are now using accelerated computing to overall improve their workload. And work load throughput continues to grow. Nine out of the 10 top 10 high-performance computing applications are now using acceleration. And NVIDIA's GPUs are one of the key ones for that overall acceleration.

So you are going to continue to see that be a core component of our data center and the overall growth. But what we saw over at least over the last 18 months. And definitely a focus in the second half of the year, is the focus on the hyperscale overall service providers using GPUs for deep learning training or essentially artificial intelligence of deep neural networks, in terms of providing additional information, very user specific, or service application specific things. Things that you see such as video encoding, voice recognition, voice translation -- these are very popular types of large data sets but using overall GPUs to scale those overall applications for better use for the overall user.

So those have been key projects and key areas in terms re-focus. You have seen us focused with both Google, Facebook, Alibaba, Baidu, all across the world in terms of key projects where there are using this deep learning training. Which has driven a lot of our overall growth. But it does come in in terms of lumpy types of projects. But it is a clear focus that we think in terms of growing our TAM going forward. And growing our overall revenue.

Joe Moore {BIO 17644779 <GO>}

Okay. And in the GRID portion of that business, where you are looking at actually virtualizing that GPU capability, both in enterprise and in consumer, that is now being -- it is in the same segment as other HPCs. But I don't want to lose visibility on that segment because it seems pretty interesting. (multiple speakers) Can you talk a little bit about that opportunity? And you are you more excited about enterprise type deployments, or the consumer infrastructure as a service?

Colette Kress {BIO 18297352 <GO>}

They are both. And we have seen a great interest both from service providers, both Microsoft, AWS, provide that ability of using it for overall streaming capabilities to key workloads. But we've also expanded tremendously in terms of key enterprises, who are also interested in using GRID for virtualized workstations, virtualized PCs, or specific overall applications. Our progress in terms of working with VMware and Citrix has continued to grow. And we will see this developed going forward.

But it is a long cycle. Definitely with the business units in a lot of these enterprises working with VM and Citrix. And actually putting it into overall production. But again, we are seeing strong interest, strong growth because it really does solve a lot of problems of the global workforce and wanting to have a clear value of providing this workstation in the cloud.

Joe Moore {BIO 17644779 <GO>}

Okay. Great. Thank you very much. So maybe if we then move onto the Tegra opportunity, which if we were having this conversation two years ago, it would of been largely about smartphones and tablets. And autos would be an afterthought. It has become largely an automotive opportunity. Can you talk a little bit about that? And can you talk about -- the CES presentations that you guys did were largely oriented around autos. But it was very focused on DRIVE PX and kind of future ASPs. Can you differentiate all those between where your revenue is today and where that opportunity is going?

Colette Kress {BIO 18297352 <GO>}

Sure. Our Tegra business, probably the largest business unit underneath our Tegra segment is automotive. We have been in the automotive business for more than 8 to 10 years focusing on key designs in infotainment for these high-end cars. Infotainment as it relates to center console and/or digital dashboards. But really that high-end visual computing capabilities that you see across Audi, BMW. And a lot of other really high-end types of cars. That's been driving our overall revenue.

We have more than 10 million cars on the road today. We have a pipeline of more than 25 million yet to go just based on the existing design wins that we've had. We have approximately an ASP of probably around $50 to $100 each for different modules, what's inside those cars. So the growth rate has really been both the success that we have in those auto manufacturers understanding the importance of this key technology; people really thrive to that. And our focus has been to continue to build out to virtual dashboards as we think about in the future.

But you are correct: our focus as we talked about at CES is really the long-term channel opportunity of autonomous driving. No one goes anywhere without a key headline in terms of a newspaper and the interest of self-driving cars, really because of the overall disruption of the technology that this would be in the next 20 years. Will there actually be cars on the road driven individually by humans? But our focus

is very different in terms of what we are providing for infotainment systems and what we want to provide for autonomous cars.

Autonomous driving cars are a focus on essential compute, the central supercomputer. And taking that exact same learning that we learned in our data center work in terms of deep neural networks to overall determine everything that surrounds the overall car. All that data, all of that network information to create a database for that self-driving car going forward. So we couldn't be more pleased in terms of our platform and our platform interest, which is essentially a data center for the car.

And the amount of work that we are doing with tier 1 manufacturers, overall tier 1 suppliers, as well as key startups and researchers that are approaching this problem quite interestingly. It is going to be a question in terms of what happens first. We will continue to see ADAS opportunities continue to develop in the market and merge with autonomous driving going forward.

But you will also probably see where transportation as a service as we focus on those really want to change whether or not there's actually a person behind that wheel that are driving others around. And focusing that on just truly starting at autonomous driving, rather than not having the ADAS. So it's going to be a question in terms of what happens first. But our focus really is the central compute for those types of offerings.

Joe Moore {BIO 17644779 <GO>}

Okay. So maybe if move through that chronologically. So the business that you serve today obviously is going to grow quickly because you have a lot of cars with dials and knobs moving to a virtualized cockpit. How far are we, do you think, through that transition? And how competitive do you think that market is? Qualcomm made a fair amount of noise about penetrating Audi in those applications. Should we think of that as being a market where win the socket and keep it for many years, like the traditional auto business? Or could it be more competitive than that?

Colette Kress {BIO 18297352 <GO>}

Yes. I think at the high end, it would still be very, very competitive. Really moving to, at some point, it's just a screen. It's not knobs. It's not dials in any part of that car. And that's where our expertise and our focus is. Sure, there's an opportunity to make it a standard component and offering in every single car. But you are going to probably move in terms of the low-end, not necessarily a part that we are going to focus on; really focus on that virtual dashboard as it moves collectively with autonomous driving. And we think there is definitely opportunity going forward for expansion in terms of the overall technology that we have there.

Joe Moore {BIO 17644779 <GO>}

Okay. Then thinking about the ADAS opportunity, am I wrong to think of that as almost two different opportunities? There's one which is the deep learning, where -- and you have this Global 100 program were you have 100 cars with GPUs. And I'm going around gathering data, building up the analytics capability to compete with guys who develop that one picture of the time. Is that separate from the ADAS opportunity, where you have a GPU in a car in every -- one in every car that has the ADAS system in it. Is there the data collection analytics opportunity that is separate? Or will that necessarily lead to volume down the road?

Colette Kress {BIO 18297352 <GO>}

So let's talk more about the probably the first, because I think that's a better understanding of using an example like Volvo. We had announced that Volvo will, on their 100 first piloted cars, use our DRIVE PX platform that will come out probably in about 2017 and on the road. But there's a set of things that we provide to them that we actually allow them to build that overall neural network. So an overall digit spot [ph] that enables them to take their data, any data that we provide, together to create that training environment that will eventually go in terms of the car.

We continue to work with them at the development platform layer. We have development tools to help them in terms of the algorithms and build out how you want the car to react and go forward. Then, lastly, there's actually the DRIVE PX that we will actually be included in the car, probably the trunk; a lunchbox-sized that actually is running that processing actually in the car. That is primarily where our focus is.

We do still have some ADAS as well. You have seen Audi in zFAS, as that was announced not this last CES. But the CES before, where they are again using that processing power, building algorithms in terms of there. So there's two overall funnels in terms of how we will get to autonomous driving. But we've really focused primarily on that overall supercomputer. And kept focus.

Joe Moore {BIO 17644779 <GO>}

And how do the automakers' desires fit into this? Because I feel like when we talk to them, a lot of them are striving to add value in their own right. They want to be able to add on top of the platform that you are providing them. Is that something that you are focused on. And are you -- how open are you to doing semi-custom type products in this market, if customers want you to?

Colette Kress {BIO 18297352 <GO>}

Yes. I think the work that we have seen with the traditional car manufacturers is those that are really interested in understanding that the technology and the software incorporated in these cars going forward is essential. The centralization of that, the centralization management, that is their core to them. That is their soul in terms of what be the car the future. So our best work has been those that fully understand the importance of the safety, the overall security. And that centralization of the software.

And that's where the overall joint work has been. Our ability to provide a consistent platform for them, a set of development tools, in order for them to enable that software layer, has been very, very key for them going forward. You'll probably see us with many development contracts as we go forward, before it is actually a platform or a module actual sale in terms of working collectively with them.

That's where we think those key manufacturers are really focused on. In the same manner of the startups, in terms of how do we get a single platform for their entire car. So not necessarily working what they traditionally have had, because they haven't been in the industry for 50 years. And approaching it in a new manner of how you start. Start with the overall computer platform and build on top of that.

Joe Moore {BIO 17644779 <GO>}

Okay. I just I have one more Tegra question. And then we can open it to the audience. An unrelated Tegra question: a couple of years ago you did have this view that tablets would evolve such that they need high-end graphics. And I actually still think that makes a lot of sense. And it hasn't really happened yet. But how big of a focus is that for you guys? You have the SHIELD, which is an effort to evangelize that. But how do you get ultimately software to be written for a GPU and it's how the -- I feel like a lot of the development activity is let's develop this for iPad and port it to an Android platform.

And so giving them a superset of graphics functionality versus what is in an iPhone or an iPad hasn't really done very much. Is there a prospect for that to change? And how much do you guys internally still think about that, a more GPU intensive smartphone or tablet environment?

Colette Kress {BIO 18297352 <GO>}

Yes. I think it relates back to our overall gaming environment. PC gaming, one of the strengths is the overall performance that you have. And what we have enabled [ph] to do even in this last year is focus on the mobility of overall gaming. For example, notebook gaming, notebook specific gaming machines have been an extremely popular area, particularly leading into the holidays. The OEMs had clearly seen PC gaming, the overall market, continue to expand and be. And building specific high-end notebooks for that mobility of a gamer has been a key area, particularly as we even lead towards virtual reality.

Virtual reality with a high-end notebook has also been something that they have expanded to. But that builds exactly to tablets as well. Moving from a PC to a notebook to a tablet, in order to do that type of mobile type of gaming, will continue to grow. Wanting to game everywhere, want that ease-of-use, in terms of a tablet -- a tablet potentially connect to a monitor, a screen, a TV in order to do that.

Our SHIELD is a prime example of that. It also takes advantage of our capabilities to provide the high-end streaming collectively to finish off that full offering. So we will

continue to see that grow. I think we are just in the early stages of seeing that mobility of gaming and how it will grow going forward.

Joe Moore {BIO 17644779 <GO>}

Okay. Let me see if we have questions from the audience. We have eight more minutes.

Questions And Answers

Q - Unidentified Participant

Just a question on the competition, maybe specifically Intel after acquisition of Altera. And Altera has been vocal about trying to go after some of your markets before the acquisition. How do you see that playing out? And is that a threat in some of your growth markets?

A - Colette Kress {BIO 18297352 <GO>}

Sure. Altera and many other potential forms of accelerated computing in the data center has existed for many years. Altera, other forms of that. The GPU and what we have seen in our sales so far has been the GPU is, bar none, probably the strongest capable in term of accelerated computing in the data center. One of the key pieces in terms of why is its overall programmability. If you recall several years ago, we enabled CUDA on every single one of our overall GPUs in the market. We had gone out to universities, research institutions. And trained on the overall capabilities of using CUDA.

So although an ASIC type of approach with Altera is a possibility in terms of configurability, it is not programmable. So we haven't necessarily seen them in our overall markets as we have focused really on key, key customers that are using the overall GPUs because they overall know the overall performance capability of a GPU. And that ease-of-use in terms of programming. But we do understand there's definitely different ways to actually do accelerated computing.

Q - Unidentified Participant

And Intel competes within GPU compute as well.

A - Colette Kress {BIO 18297352 <GO>}

They do.

A - Joe Moore {BIO 17644779 <GO>}

But they have topped at midteens market share thus far, at least.

A - Colette Kress {BIO 18297352 <GO>}

Yes. Again, it really comes down in terms of sometimes the software and the overall capabilities of being able to expand that out. As we talked about at Supercomputing 2015, accelerated computing is a very, very top area. And the reason is Moore's Law will likely reach its max capabilities, or essentially slow down and maybe go to zero. So there's a huge interest in terms of accelerating the overall throughput in terms of overall data centers. And with that work, what you saw was a focus of new accelerated data centers, or supercomputers in the world, grow substantially. But we still have more than 70%, 75%, of the overall share of the top supercomputers in the world using NVIDIA for that overall acceleration.

Q - Unidentified Participant

I was hoping you could clarify for us some of the recent comments on the 50-50 split on the last call between training and inference. And just how you think about ultimately the inference market, given that historically that is more of a cost optimized compute acceleration market? Does that come in a unit, a revenue, profit pool? Overall, how do you think about that? Thanks.

A - Colette Kress {BIO 18297352 <GO>}

So what we are referring to here in the overall deep learning and artificial intelligent works that we see with the overall hyperscales. What we want is a consistency of moving that from the overall training environment to actually in production, using the same set. We have already seen some initial work with those doing complex translation of language translation. And the necessity of the overall GPU for those types of inference environments. And we've seen some of the hyperscales come out talking about using the GPUs in those inference.

But we also came out with what we referred to as the M Series back in late fall. Now the M Series takes a smaller form factor of an overall GPU, about the size of a large overall candy bar. And also taking a lower overall power consumption offering. Now, the key piece of this would be for it to exist in terms of existing data center configurations. We needed to find a key slot that they can add on the overall GPU capabilities into those. So that M Series is just right for that type of work in terms of inference. And we will see that continue to roll out.

We just announced it the end of the fall. And it is a key component to move into the new year.

A - Joe Moore {BIO 17644779 <GO>}

More questions from the audience? Maybe you could give us an update on the Samsung litigation. You had some early setbacks there. Just where do you stand now with that?

A - Colette Kress {BIO 18297352 <GO>}

Sure. So our Samsung litigation work is still in progress. You are correct. Probably a little disappointed in some of the initial rulings from the ITC in the initial case. Just last week we heard back regarding the case where Samsung sued us, where the

Commission will review two of the patents in terms of the judge ruling. So we are pleased about that next part of the outcome. But we will see these cases through.

And it's a little unsure in terms of how the actual legal system will play out in terms of here. But I think it is true to say that we feel that infringing on our products or using our products without monetization and our overall IP is not something that we would like to see. But we will be careful and thoughtful as we go forward. This wasn't to create a business unit for litigation. It was really an important decision that we felt in terms of defending our IP which is underneath our products. So we have a little bit of a ways to go in terms of the existing agreements, as I said.

A - Joe Moore {BIO 17644779 <GO>}

Understood. Okay. I can see one more question in the back. And let's finish up after that.

Q - Unidentified Participant

Very quickly, I was looking for some -- a little bit more context on the 25 million unit pipeline figure. I was curious what that looked like a year ago, how much it has grown. And what the average duration of that is. And I assume the vast majority, 95% of that plus, is still infotainment (multiple speakers).

A - Colette Kress {BIO 18297352 <GO>}

So our focus in terms of car manufacturers and models and continuing to grow the pipeline -- what you will tend to see us do is expand on to the number of manufacturers that we are working with. So we have announced the increase in terms of Honda, with Daimler. And our continued work with Audi, BMW, Tesla, many of the high-end Bentleys, others in terms of those pieces.

What is interesting about those relationships is that is a continued model for them to use a platform that they've already approved in terms of the design. And work in terms of additional models. And we will continue to see that. But you will see them move our modules all the way across many of their models within type there.

So the 25 million is fluid. It continues to grow both in terms of revenue that we have received in this last year, as well as an addition as they fine tune the overall models that will go forward, going. So that is a continued growing model. There is still an opportunity. It is not set in stone, where they will continue to switch in terms of the models that they will go into.

A - Joe Moore {BIO 17644779 <GO>}

We will wrap up there. Colette, thank you very much.

A - Colette Kress {BIO 18297352 <GO>}

Thank you.

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