

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)

	Year Ended		
	January 28, 2018	January 29, 2017	January 31, 2016
Revenue	\$ 9,714	\$ 6,910	\$ 5,010
Cost of revenue	3,892	2,847	2,199
Gross profit	5,822	4,063	2,811
Operating expenses			
Research and development	1,797	1,463	1,331
Sales, general and administrative	815	663	602
Restructuring and other charges	—	3	131
Total operating expenses	2,612	2,129	2,064
Income from operations	3,210	1,934	747
Interest income	69	54	39
Interest expense	(61)	(58)	(47)
Other, net	(22)	(25)	4
Total other income (expense)	(14)	(29)	(4)
Income before income tax	3,196	1,905	743
Income tax expense	149	239	129
Net income	\$ 3,047	\$ 1,666	\$ 614
Net income per share:			
Basic	\$ 5.09	\$ 3.08	\$ 1.13
Diluted	\$ 4.82	\$ 2.57	\$ 1.08
Weighted average shares used in per share computation:			
Basic	599	541	543
Diluted	632	649	569
Cash dividends declared and paid per common share	\$ 0.570	\$ 0.485	\$ 0.395

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except par value)

	January 28, 2018	January 29, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,002	\$ 1,766
Marketable securities	3,106	5,032
Accounts receivable, less allowances of \$13 as of January 28, 2018 and January 29, 2017	1,265	826
Inventories	796	794
Prepaid expenses and other current assets	86	118
Total current assets	9,255	8,536
Property and equipment, net	997	521
Goodwill	618	618
Intangible assets, net	52	104
Other assets	319	62
Total assets	<u>\$ 11,241</u>	<u>\$ 9,841</u>
LIABILITIES, CONVERTIBLE DEBT CONVERSION OBLIGATION AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 596	\$ 485
Accrued and other current liabilities	542	507
Convertible short-term debt	15	796
Total current liabilities	1,153	1,788
Long-term debt	1,985	1,983
Other long-term liabilities	632	277
Total liabilities	3,770	4,048
Commitments and contingencies - see Note 12		
Convertible debt conversion obligation	—	31
Shareholders' equity:		
Preferred stock, \$.001 par value; 2 shares authorized; none issued	—	—
Common stock, \$.001 par value; 2,000 shares authorized; 932 shares issued and 606 outstanding as of January 28, 2018; 868 shares issued and 585 outstanding as of January 29, 2017	1	1
Additional paid-in capital	5,351	4,708
Treasury stock, at cost (326 shares in 2018 and 283 shares in 2017)	(6,650)	(5,039)
Accumulated other comprehensive loss	(18)	(16)
Retained earnings	8,787	6,108
Total shareholders' equity	7,471	5,762
Total liabilities, convertible debt conversion obligation and shareholders' equity	<u>\$ 11,241</u>	<u>\$ 9,841</u>

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended		
	January 28, 2018	January 29, 2017	January 31, 2016
Cash flows from operating activities:			
Net income	\$ 3,047	\$ 1,666	\$ 614
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation expense	391	247	204
Depreciation and amortization	199	187	197
Loss on early debt conversions	19	21	—
Amortization of debt discount	3	25	29
Deferred income taxes	(359)	197	134
Net gain on sale and disposal of long-lived assets and investments	(1)	(3)	(6)
Restructuring and other charges	—	—	45
Tax benefit from stock-based compensation	—	—	(10)
Other	18	11	19
Changes in operating assets and liabilities:			
Accounts receivable	(440)	(321)	(32)
Inventories	—	(375)	66
Prepaid expenses and other assets	21	(18)	(16)
Accounts payable	90	184	(11)
Accrued and other current liabilities	33	(135)	39
Other long-term liabilities	481	(14)	(97)
Net cash provided by operating activities	3,502	1,672	1,175
Cash flows from investing activities:			
Proceeds from sales of marketable securities	863	1,546	2,102
Proceeds from maturities of marketable securities	1,078	969	1,036
Proceeds from sale of long-lived assets and investments	2	7	7
Purchases of marketable securities	(36)	(3,134)	(3,477)
Purchases of property and equipment and intangible assets	(593)	(176)	(86)
Reimbursement of building development costs from banks	—	—	24
Investment in non-affiliates	(36)	(5)	(6)
Net cash provided by (used in) investing activities	1,278	(793)	(400)
Cash flows from financing activities:			
Proceeds from issuance of debt	—	1,988	—
Payments related to repurchases of common stock	(909)	(739)	(587)
Repayment of Convertible Notes	(812)	(673)	—
Dividends paid	(341)	(261)	(213)
Proceeds related to employee stock plans	139	167	186
Payments related to tax on restricted stock units	(612)	(176)	(66)
Payments for debt issuance costs	—	(8)	—
Tax benefit from stock-based compensation	—	—	10
Other	(9)	(7)	(6)
Net cash provided by (used in) financing activities	(2,544)	291	(676)
Change in cash and cash equivalents	2,236	1,170	99
Cash and cash equivalents at beginning of period	1,766	596	497
Cash and cash equivalents at end of period	\$ 4,002	\$ 1,766	\$ 596