

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **February 22, 2023**

NVIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-23985
(Commission
File Number)

94-3177549
(IRS Employer
Identification No.)

2788 San Tomas Expressway, Santa Clara, CA 95051

(Address of principal executive offices) (Zip Code)

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

Not Applicable

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

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

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

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

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

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

Emerging Growth Company

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

Item 2.02 Results of Operations and Financial Condition.

On February 22, 2023, NVIDIA Corporation, or the Company, issued a press release announcing its results for the quarter and fiscal year ended January 29, 2023. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Attached hereto as Exhibit 99.2 and incorporated by reference herein is financial information and commentary by Colette M. Kress, Executive Vice President and Chief Financial Officer of the Company, regarding results of the quarter and fiscal year ended January 29, 2023, or the CFO Commentary. The CFO Commentary will be posted to <http://investor.nvidia.com> immediately after the filing of this Current Report.

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit	Description
99.1	Press Release, dated February 22, 2023, entitled "NVIDIA Announces Financial Results for Fourth Quarter and Fiscal 2023"
99.2	CFO Commentary on Fourth Quarter and Fiscal 2023 Results
104	The cover page of this Current Report on Form 8-K, formatted in inline XBRL (included as Exhibit 101)

SIGNATURE

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

Date: February 22, 2023

NVIDIA Corporation

By: /s/ Colette M. Kress

Colette M. Kress

Executive Vice President and Chief Financial Officer

FOR IMMEDIATE RELEASE:

NVIDIA Announces Financial Results for Fourth Quarter and Fiscal 2023

- Quarterly revenue of \$6.05 billion, down 21% from a year ago
- Fiscal-year revenue of \$27.0 billion, flat from a year ago
- Quarterly and annual return to shareholders of \$1.15 billion and \$10.44 billion, respectively

SANTA CLARA, Calif.-Feb. 22, 2023- NVIDIA (NASDAQ: NVDA) today reported revenue for the fourth quarter ended January 29, 2023, of \$6.05 billion, down 21% from a year ago and up 2% from the previous quarter.

GAAP earnings per diluted share for the quarter were \$0.57, down 52% from a year ago and up 111% from the previous quarter. Non-GAAP earnings per diluted share were \$0.88, down 33% from a year ago and up 52% from the previous quarter.

For fiscal 2023, revenue was \$26.97 billion, flat from a year ago. GAAP earnings per diluted share were \$1.74, down 55% from a year ago. Non-GAAP earnings per diluted share were \$3.34, down 25% from a year ago.

"AI is at an inflection point, setting up for broad adoption reaching into every industry," said Jensen Huang, founder and CEO of NVIDIA. "From startups to major enterprises, we are seeing accelerated interest in the versatility and capabilities of generative AI.

"We are set to help customers take advantage of breakthroughs in generative AI and large language models. Our new AI supercomputer, with H100 and its Transformer Engine and Quantum-2 networking fabric, is in full production.

"Gaming is recovering from the post-pandemic downturn, with gamers enthusiastically embracing the new Ada architecture GPUs with AI neural rendering," he said.

NVIDIA AI Cloud Service Offerings

NVIDIA is partnering with leading cloud service providers to offer AI-as-a-service that provides enterprises access to NVIDIA's world-leading AI platform.

Customers will be able to engage each layer of NVIDIA AI – the AI supercomputer, acceleration libraries software or pretrained generative AI models – as a cloud service.

Using their browser, they will be able to engage an NVIDIA DGX™ AI supercomputer through the NVIDIA DGX Cloud, which is already offered on Oracle Cloud Infrastructure, with Microsoft Azure, Google Cloud Platform and others expected soon. At the AI platform software layer, they will be able to access NVIDIA AI Enterprise for training and deploying large language models or other AI workloads. And at the AI-model-as-a-service layer, NVIDIA will offer its NeMo™ and BioNeMo™ customizable AI models to enterprise customers who want to build proprietary generative AI models and services for their businesses.

Further details will be shared at the company's GTC developer conference, taking place virtually March 20-23.

Return to Shareholders

During the fourth quarter of fiscal 2023, NVIDIA returned to shareholders \$1.15 billion in share repurchases and cash dividends, bringing the return in the fiscal year to \$10.44 billion.

NVIDIA will pay its next quarterly cash dividend of \$0.04 per share on March 29, 2023, to all shareholders of record on March 8, 2023.

Q4 Fiscal 2023 Summary

GAAP					
(\$ in millions, except earnings per share)	Q4 FY23	Q3 FY23	Q4 FY22	Q/Q	Y/Y
Revenue	\$6,051	\$5,931	\$7,643	Up 2%	Down 21%
Gross margin	63.3 %	53.6 %	65.4 %	Up 9.7 pts	Down 2.1 pts
Operating expenses	\$2,576	\$2,576	\$2,029	--	Up 27%
Operating income	\$1,257	\$601	\$2,970	Up 109%	Down 58%
Net income	\$1,414	\$680	\$3,003	Up 108%	Down 53%
Diluted earnings per share	\$0.57	\$0.27	\$1.18	Up 111%	Down 52%

Non-GAAP					
(\$ in millions, except earnings per share)	Q4 FY23	Q3 FY23	Q4 FY22	Q/Q	Y/Y
Revenue	\$6,051	\$5,931	\$7,643	Up 2%	Down 21%
Gross margin	66.1 %	56.1 %	67.0 %	Up 10.0 pts	Down 0.9 pts
Operating expenses	\$1,775	\$1,793	\$1,447	Down 1%	Up 23%
Operating income	\$2,224	\$1,536	\$3,677	Up 45%	Down 40%
Net income	\$2,174	\$1,456	\$3,350	Up 49%	Down 35%
Diluted earnings per share	\$0.88	\$0.58	\$1.32	Up 52%	Down 33%

Fiscal 2023 Summary

GAAP			
(\$ in millions, except earnings per share)	FY23	FY22	Y/Y
Revenue	\$26,974	\$26,914	--
Gross margin	56.9 %	64.9 %	Down 8.0 pts
Operating expenses	\$11,132	\$7,434	Up 50%
Operating income	\$4,224	\$10,041	Down 58%
Net income	\$4,368	\$9,752	Down 55%
Diluted earnings per share	\$1.74	\$3.85	Down 55%

Non-GAAP			
(\$ in millions, except earnings per share)	FY23	FY22	Y/Y
Revenue	\$26,974	\$26,914	--
Gross margin	59.2 %	66.8 %	Down 7.6 pts
Operating expenses	\$6,925	\$5,279	Up 31%
Operating income	\$9,040	\$12,690	Down 29%
Net income	\$8,366	\$11,259	Down 26%
Diluted earnings per share	\$3.34	\$4.44	Down 25%

Outlook

NVIDIA's outlook for the first quarter of fiscal 2024 is as follows:

- Revenue is expected to be \$6.50 billion, plus or minus 2%.
- GAAP and non-GAAP gross margins are expected to be 64.1% and 66.5%, respectively, plus or minus 50 basis points.

- GAAP and non-GAAP operating expenses are expected to be approximately \$2.53 billion and \$1.78 billion, respectively.
- GAAP and non-GAAP other income and expense are expected to be an income of approximately \$50 million, excluding gains and losses from non-affiliated investments.
- GAAP and non-GAAP tax rates are expected to be 13.0%, plus or minus 1%, excluding any discrete items.

Highlights

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

Data Center

- Fourth-quarter revenue was \$3.62 billion, up 11% from a year ago and down 6% from the previous quarter. Fiscal-year revenue rose 41% to a record \$15.01 billion.
- Announced a partnership with Deutsche Bank to extend the use of AI in the financial-services sector.
- Launched, together with Dell Technologies, 15 next-generation Dell PowerEdge systems available with NVIDIA® acceleration, enabling enterprises to use AI to efficiently transform their business.
- Announced that NVIDIA A100 Tensor Core GPUs showed unrivaled throughput and top latency in the latest STAC-ML benchmarks for financial services.

Gaming

- Fourth-quarter revenue was \$1.83 billion, down 46% from a year ago and up 16% from the previous quarter. Fiscal-year revenue was down 27% to \$9.07 billion.
- Unveiled the GeForce RTX™ 40 Series for laptops, providing the company's largest-ever generational leap in performance and power efficiency.
- Launched the GeForce RTX 4070 Ti, which is faster than the GeForce RTX 3090 Ti, featuring NVIDIA Ada Lovelace architecture and NVIDIA DLSS 3 technology.
- Announced that DLSS 3 is available on, or coming soon to, more than 50 games and apps — including *Cyberpunk 2077*, *Portal with RTX* and *Marvel's Spider-Man: Miles Morales*.
- Launched the GeForce NOW™ Ultimate membership tier, delivering GeForce RTX 4080-class performance with NVIDIA Reflex, full ray tracing and DLSS 3.
- Signed a 10-year agreement with Microsoft to bring the Xbox PC game lineup, including *Minecraft*, *Halo* and *Flight Simulator*, to GeForce NOW. Following the close of Microsoft's Activision acquisition, GeForce NOW will add titles like *Call of Duty* and *Overwatch*.

Professional Visualization

- Fourth-quarter revenue was \$226 million, down 65% from a year ago and up 13% from the previous quarter. Fiscal-year revenue was down 27% to \$1.54 billion.
 - Enhanced NVIDIA Omniverse™ Enterprise's capabilities to help teams build connected 3D pipelines and develop large-scale 3D works through increased performance, generational leaps in real-time RTX ray and path tracing, and streamlined workflows.
 - Announced a collaboration with Lockheed Martin to build a digital twin of global weather conditions, enabling the U.S. National Oceanic and Atmospheric Administration to better monitor global environmental conditions, including extreme weather events.
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- Shared news that Mercedes-Benz is taking the next step to digitalize its production process, using NVIDIA Omniverse to design and plan manufacturing and assembly facilities.

Automotive and Embedded

- Fourth-quarter revenue was a record \$294 million, up 135% from a year ago and up 17% from the previous quarter. Fiscal-year revenue rose 60% to a record \$903 million.
- Announced a strategic partnership with Foxconn to develop automated and autonomous vehicle platforms based on NVIDIA DRIVE Orin™ and DRIVE Hyperion™.
- Released major updates to the NVIDIA Isaac Sim™ robotics simulation tool, including AI capabilities and cloud access, enabling the building and testing of virtual robots in realistic environments.

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 fourth quarter and fiscal 2023 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 first quarter of fiscal 2024.

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 acquisition termination costs, stock-based compensation expense, acquisition-related and other costs, contributions, IP-related costs, legal settlement costs, restructuring costs and other, gains and losses from non-affiliated investments, interest expense related to amortization of debt discount, the associated tax impact of these items where applicable, foreign tax benefit and domestication tax adjustments. Free cash flow is calculated as GAAP net cash provided by operating activities less both purchases of property and equipment and intangible assets and principal payments on property and equipment and intangible assets. NVIDIA believes the presentation of its non-GAAP financial measures enhances the user's overall understanding of the company's historical financial performance. The presentation of the company's non-GAAP financial measures is not meant to be considered in isolation or as a substitute for the company's financial results prepared in accordance with GAAP, and the company's non-GAAP measures may be different from non-GAAP measures used by other companies.

About NVIDIA

Since its founding in 1993, NVIDIA (NASDAQ: NVDA) has been a pioneer in accelerated computing. The company's invention of the GPU in 1999 sparked the growth of the PC gaming market, redefined computer graphics, ignited the era of modern AI and is fueling the creation of the metaverse. NVIDIA is now a full-stack computing company with data-center-scale offerings that are reshaping industry. More information at <https://nvidianews.nvidia.com/>.

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For further information, contact:

Simona Jankowski
Investor Relations
NVIDIA Corporation
sjankowski@nvidia.com

Robert Sherbin
Corporate Communications
NVIDIA Corporation
rsherbin@nvidia.com

Certain statements in this press release including, but not limited to, statements as to: AI being at an inflection point, setting up for broad adoption reaching into every industry; seeing accelerated interest in the versatility and capabilities of generative AI; NVIDIA being set to help customers take advantage of breakthroughs in generative AI and large language models; NVIDIA's new AI supercomputer being in full production; gaming recovering from the post-pandemic downturn; gamers enthusiastically embracing the new Ada architecture GPUs with AI neural rendering; partnering with leading cloud service providers to offer NVIDIA AI cloud service; customers being able to engage each layer of NVIDIA AI – the AI supercomputer, acceleration libraries software or pretrained generative AI models – as a cloud service; NVIDIA's next quarterly cash dividend; NVIDIA's financial outlook and expected tax rates for the first quarter of fiscal 2024; the benefits, impact, performance, and availability of our products and technologies, including NVIDIA AI as a cloud service, the GeForce RTX 40 Series, GeForce RTX 4070 Ti, DLSS 3, GeForce RTX 3090 Ti, NVIDIA Ada Lovelace, GeForce NOW Ultimate membership tier, GeForce RTX 4080, NVIDIA Reflex, NVIDIA Omniverse Enterprise, NVIDIA DRIVE Orin and DRIVE Hyperion, and NVIDIA Isaac Sim; and the benefits and impact of our collaborations with Deutsche Bank, Dell Technologies, Lockheed Martin, Microsoft, Mercedes-Benz and Foxconn are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of new products and technologies or enhancements to our existing product and technologies; market acceptance of our products or our partners' products; design, manufacturing or software defects; changes in consumer preferences or demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems; as well as other factors detailed from time to time in the most recent reports NVIDIA files with the Securities and Exchange Commission, or SEC, including, but not limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of the date hereof, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

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NVIDIA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)

(Unaudited)

	Three Months Ended		Twelve Months Ended	
	January 29, 2023	January 30, 2022	January 29, 2023	January 30, 2022
Revenue	\$ 6,051	\$ 7,643	\$ 26,974	\$ 26,914
Cost of revenue	2,218	2,644	11,618	9,439
Gross profit	3,833	4,999	15,356	17,475
Operating expenses				
Research and development	1,951	1,466	7,339	5,268
Sales, general and administrative	625	563	2,440	2,166
Acquisition termination cost	—	—	1,353	—
Total operating expenses	2,576	2,029	11,132	7,434
Income from operations	1,257	2,970	4,224	10,041
Interest income	115	9	267	29
Interest expense	(65)	(61)	(262)	(236)
Other, net	(18)	(53)	(48)	107
Other income (expense), net	32	(105)	(43)	(100)
Income before income tax	1,289	2,865	4,181	9,941
Income tax expense (benefit)	(125)	(138)	(187)	189
Net income	<u>\$ 1,414</u>	<u>\$ 3,003</u>	<u>\$ 4,368</u>	<u>\$ 9,752</u>
Net income per share:				
Basic	<u>\$ 0.57</u>	<u>\$ 1.20</u>	<u>\$ 1.76</u>	<u>\$ 3.91</u>
Diluted	<u>\$ 0.57</u>	<u>\$ 1.18</u>	<u>\$ 1.74</u>	<u>\$ 3.85</u>
Weighted average shares used in per share computation:				
Basic	2,464	2,504	2,487	2,496
Diluted	2,477	2,545	2,507	2,535

NVIDIA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	January 29, 2023	January 30, 2022
ASSETS		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 13,296	\$ 21,208
Accounts receivable, net	3,827	4,650
Inventories	5,159	2,605
Prepaid expenses and other current assets	791	366
Total current assets	23,073	28,829
Property and equipment, net	3,807	2,778
Operating lease assets	1,038	829
Goodwill	4,372	4,349
Intangible assets, net	1,676	2,339
Deferred income tax assets	3,396	1,222
Other assets	3,820	3,841
Total assets	\$ 41,182	\$ 44,187
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,193	\$ 1,783
Accrued and other current liabilities	4,120	2,552
Short-term debt	1,250	—
Total current liabilities	6,563	4,335
Long-term debt	9,703	10,946
Long-term operating lease liabilities	902	741
Other long-term liabilities	1,913	1,553
Total liabilities	19,081	17,575
Shareholders' equity	22,101	26,612
Total liabilities and shareholders' equity	\$ 41,182	\$ 44,187

NVIDIA CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	January 29, 2023	January 30, 2022	January 29, 2023	January 30, 2022
Cash flows from operating activities:				
Net income	\$ 1,414	\$ 3,003	\$ 4,368	\$ 9,752
Adjustments to reconcile net income to net cash provided by operating activities:				
Stock based compensation expense	738	551	2,709	2,004
Depreciation and amortization	426	309	1,544	1,174
(Gain) losses on investments in non affiliates, net	10	53	45	(100)
Deferred income taxes	(647)	(225)	(2,164)	(406)
Acquisition termination cost	—	—	1,353	—
Other	20	21	(7)	47
Changes in operating assets and liabilities, net of acquisitions:				
Accounts receivable	1,081	(692)	822	(2,215)
Inventories	(706)	(374)	(2,554)	(774)
Prepaid expenses and other assets	(210)	(158)	(1,517)	(1,715)
Accounts payable	(193)	183	(551)	568
Accrued liabilities and other current liabilities	166	423	1,341	581
Other long-term liabilities	150	(61)	252	192
Net cash provided by operating activities	<u>2,249</u>	<u>3,033</u>	<u>5,641</u>	<u>9,108</u>
Cash flows from investing activities:				
Proceeds from maturities of marketable securities	2,633	7,417	19,425	15,197
Proceeds from sales of marketable securities	—	107	1,806	1,023
Purchases of marketable securities	(2,133)	(8,767)	(11,897)	(24,787)
Purchase related to property and equipment and intangible assets	(509)	(273)	(1,833)	(976)
Acquisitions, net of cash acquired	—	(60)	(49)	(263)
Investments and other, net	5	(11)	(77)	(24)
Net cash provided by (used in) investing activities	<u>(4)</u>	<u>(1,587)</u>	<u>7,375</u>	<u>(9,830)</u>
Cash flows from financing activities:				
Proceeds related to employee stock plans	5	4	355	281
Payments related to repurchases of common stock	(1,212)	—	(10,039)	—
Payments related to tax on restricted stock units	(344)	(622)	(1,475)	(1,904)
Dividends paid	(98)	(100)	(398)	(399)
Principal payments on property and equipment and intangible assets	(4)	(21)	(58)	(83)
Issuance of debt, net of issuance costs	—	—	—	4,977
Repayment of debt	—	—	—	(1,000)
Other	(3)	(5)	(2)	(7)
Net cash provided by (used in) financing activities	<u>(1,656)</u>	<u>(744)</u>	<u>(11,617)</u>	<u>1,865</u>
Change in cash and cash equivalents	589	702	1,399	1,143
Cash and cash equivalents at beginning of period	2,800	1,288	1,990	847
Cash and cash equivalents at end of period	<u>\$ 3,389</u>	<u>\$ 1,990</u>	<u>\$ 3,389</u>	<u>\$ 1,990</u>

NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)
(Unaudited)

	Three Months Ended			Twelve Months Ended	
	January 29, 2023	October 30 2022	January 30, 2022	January 29, 2023	January 30, 2022
GAAP gross profit	\$ 3,833	\$ 3,177	\$ 4,999	\$ 15,356	\$ 17,475
GAAP gross margin	63.3 %	53.6 %	65.4 %	56.9 %	64.9 %
Acquisition-related and other costs (A)	120	120	86	455	344
Stock-based compensation expense (B)	30	32	39	138	141
IP-related costs	16	—	—	16	9
Non-GAAP gross profit	<u>\$ 3,999</u>	<u>\$ 3,329</u>	<u>\$ 5,124</u>	<u>\$ 15,965</u>	<u>\$ 17,969</u>
Non-GAAP gross margin	<u>66.1 %</u>	<u>56.1 %</u>	<u>67.0 %</u>	<u>59.2 %</u>	<u>66.8 %</u>
GAAP operating expenses	\$ 2,576	\$ 2,576	\$ 2,029	\$ 11,132	\$ 7,434
Stock-based compensation expense (B)	(709)	(713)	(512)	(2,572)	(1,863)
Acquisition-related and other costs (A)	(54)	(54)	(70)	(219)	(292)
Restructuring costs and other	(38)	(16)	—	(54)	—
Acquisition termination cost	—	—	—	(1,353)	—
Legal settlement costs	—	—	—	(7)	—
Contributions	—	—	—	(2)	—
Non-GAAP operating expenses	<u>\$ 1,775</u>	<u>\$ 1,793</u>	<u>\$ 1,447</u>	<u>\$ 6,925</u>	<u>\$ 5,279</u>
GAAP income from operations	\$ 1,257	\$ 601	\$ 2,970	\$ 4,224	\$ 10,041
Total impact of non-GAAP adjustments to income from operations	967	935	707	4,816	2,649
Non-GAAP income from operations	<u>\$ 2,224</u>	<u>\$ 1,536</u>	<u>\$ 3,677</u>	<u>\$ 9,040</u>	<u>\$ 12,690</u>
GAAP other income (expense), net	\$ 32	\$ 12	\$ (105)	\$ (43)	\$ (100)
(Gains) losses from non-affiliated investments	10	11	53	45	(99)
Interest expense related to amortization of debt discount	1	1	—	5	3
Non-GAAP other income (expense), net	<u>\$ 43</u>	<u>\$ 24</u>	<u>\$ (52)</u>	<u>\$ 7</u>	<u>\$ (196)</u>
GAAP net income	\$ 1,414	\$ 680	\$ 3,003	\$ 4,368	\$ 9,752
Total pre-tax impact of non-GAAP adjustments	978	947	760	4,865	2,553
Income tax impact of non-GAAP adjustments (C)	(218)	(171)	(330)	(867)	(712)
Domestication tax adjustments	—	—	7	—	(244)
Foreign tax benefit	—	—	(90)	—	(90)
Non-GAAP net income	<u>\$ 2,174</u>	<u>\$ 1,456</u>	<u>\$ 3,350</u>	<u>\$ 8,366</u>	<u>\$ 11,259</u>

	Three Months Ended			Twelve Months Ended	
	January 29, 2023	October 30 2022	January 30, 2022	January 29, 2023	January 30, 2022
Diluted net income per share					
GAAP	\$ 0.57	\$ 0.27	\$ 1.18	\$ 1.74	\$ 3.85
Non-GAAP	\$ 0.88	\$ 0.58	\$ 1.32	\$ 3.34	\$ 4.44
Weighted average shares used in diluted net income per share computation	2,477	2,499	2,545	2,507	2,535
GAAP net cash provided by operating activities	\$ 2,249	\$ 392	\$ 3,033	\$ 5,641	\$ 9,108
Purchases related to property and equipment and intangible assets	(509)	(530)	(273)	(1,833)	(976)
Principal payments on property and equipment and intangible assets	(4)	(18)	(21)	(58)	(83)
Free cash flow	\$ 1,736	\$ (156)	\$ 2,739	\$ 3,750	\$ 8,049

(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			Twelve Months Ended	
	January 29, 2023	October 30 2022	January 30, 2022	January 29, 2023	January 30, 2022
Cost of revenue	\$ 120	\$ 120	\$ 86	\$ 455	\$ 344
Research and development	\$ 10	\$ 10	\$ 9	\$ 39	\$ 19
Sales, general and administrative	\$ 44	\$ 44	\$ 61	\$ 180	\$ 273

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

	Three Months Ended			Twelve Months Ended	
	January 29, 2023	October 30 2022	January 30, 2022	January 29, 2023	January 30, 2022
Cost of revenue	\$ 30	\$ 32	\$ 39	\$ 138	\$ 141
Research and development	\$ 527	\$ 530	\$ 362	\$ 1,892	\$ 1,298
Sales, general and administrative	\$ 182	\$ 183	\$ 150	\$ 680	\$ 565

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

NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP OUTLOOK

	Q1 FY2024 Outlook
	(\$ in millions)
GAAP gross margin	64.1 %
Impact of stock-based compensation expense, acquisition-related costs, and other costs	2.4 %
Non-GAAP gross margin	<u>66.5 %</u>
GAAP operating expenses	\$ 2,525
Stock-based compensation expense, acquisition-related costs, and other costs	(750)
Non-GAAP operating expenses	<u>\$ 1,775</u>



CFO Commentary on Fourth Quarter and Fiscal 2023 Results

Q4 Fiscal 2023 Summary

GAAP					
(\$ in millions, except earnings per share)	Q4 FY23	Q3 FY23	Q4 FY22	Q/Q	Y/Y
Revenue	\$6,051	\$5,931	\$7,643	Up 2%	Down 21%
Gross margin	63.3 %	53.6 %	65.4 %	Up 9.7 pts	Down 2.1 pts
Operating expenses	\$2,576	\$2,576	\$2,029	--	Up 27%
Operating income	\$1,257	\$601	\$2,970	Up 109%	Down 58%
Net income	\$1,414	\$680	\$3,003	Up 108%	Down 53%
Diluted earnings per share	\$0.57	\$0.27	\$1.18	Up 111%	Down 52%

Non-GAAP					
(\$ in millions, except earnings per share)	Q4 FY23	Q3 FY23	Q4 FY22	Q/Q	Y/Y
Revenue	\$6,051	\$5,931	\$7,643	Up 2%	Down 21%
Gross margin	66.1 %	56.1 %	67.0 %	Up 10.0 pts	Down 0.9 pts
Operating expenses	\$1,775	\$1,793	\$1,447	Down 1%	Up 23%
Operating income	\$2,224	\$1,536	\$3,677	Up 45%	Down 40%
Net income	\$2,174	\$1,456	\$3,350	Up 49%	Down 35%
Diluted earnings per share	\$0.88	\$0.58	\$1.32	Up 52%	Down 33%

Revenue by Reportable Segments					
(\$ in millions)	Q4 FY23	Q3 FY23	Q4 FY22	Q/Q	Y/Y
Compute & Networking	\$3,673	\$3,816	\$3,225	Down 4%	Up 14%
Graphics	2,378	2,115	4,418	Up 12%	Down 46%
Total	\$6,051	\$5,931	\$7,643	Up 2%	Down 21%

Revenue by Market Platform					
(\$ in millions)	Q4 FY23	Q3 FY23	Q4 FY22	Q/Q	Y/Y
Data Center	\$3,616	\$3,833	\$3,263	Down 6%	Up 11%
Gaming	1,831	1,574	3,420	Up 16%	Down 46%
Professional Visualization	226	200	643	Up 13%	Down 65%
Automotive	294	251	125	Up 17%	Up 135%
OEM and Other	84	73	192	Up 15%	Down 56%
Total	\$6,051	\$5,931	\$7,643	Up 2%	Down 21%

Fiscal 2023 Summary

GAAP			
(\$ in millions, except earnings per share)	FY23	FY22	Y/Y
Revenue	\$26,974	\$26,914	--
Gross margin	56.9 %	64.9 %	Down 8.0 pts
Operating expenses	\$11,132	\$7,434	Up 50%
Operating income	\$4,224	\$10,041	Down 58%
Net income	\$4,368	\$9,752	Down 55%
Diluted earnings per share	\$1.74	\$3.85	Down 55%

Non-GAAP			
(\$ in millions, except earnings per share)	FY23	FY22	Y/Y
Revenue	\$26,974	\$26,914	--
Gross margin	59.2 %	66.8 %	Down 7.6 pts
Operating expenses	\$6,925	\$5,279	Up 31%
Operating income	\$9,040	\$12,690	Down 29%
Net income	\$8,366	\$11,259	Down 26%
Diluted earnings per share	\$3.34	\$4.44	Down 25%

Revenue by Reportable Segments			
(\$ in millions)	FY23	FY22	Y/Y
Compute & Networking	\$15,068	\$11,046	Up 36%
Graphics	11,906	15,868	Down 25%
Total	\$26,974	\$26,914	--

Revenue by Market Platform			
(\$ in millions)	FY23	FY22	Y/Y
Data Center	\$15,005	\$10,613	Up 41%
Gaming	9,067	12,462	Down 27%
Professional Visualization	1,544	2,111	Down 27%
Automotive	903	566	Up 60%
OEM and Other	455	1,162	Down 61%
Total	\$26,974	\$26,914	--

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

Revenue

Revenue for the fourth quarter was \$6.05 billion, down 21% from a year ago and up 2% sequentially. Fiscal-year revenue was \$26.97 billion, flat compared with a year ago.

Data Center revenue for the fourth quarter was up 11% from a year ago and down 6% sequentially. Fiscal-year revenue was up 41%. The year-on-year increase for the quarter was driven by U.S. cloud service providers (CSPs), while the year-on-year and sequential quarter changes also reflect reduced sales in China. The fiscal-year increase was led by strong growth from hyperscale customers and also

reflects purchases made by several CSP partners to support multi-year cloud service agreements for our new NVIDIA AI cloud service offerings and our research and development activities.

Gaming revenue was down 46% from a year ago and up 16% sequentially. Fiscal-year revenue was down 27%. The year-on-year decreases for the quarter and fiscal year reflect lower sell-in to partners to help reduce channel inventory levels as global macro-economic conditions and COVID-19 related disruptions in China weighed on gaming demand. The sequential increase was driven by the ramp of our new GeForce RTX GPUs based on the Ada Lovelace architecture, partially offset by lower shipments of SOCs for game consoles.

Professional Visualization revenue was down 65% from a year ago and up 13% sequentially. Fiscal-year revenue was down 27%. The year-on-year decreases for the quarter and fiscal year reflect lower sell-in to partners to help reduce channel inventory levels. The sequential increase was driven by desktop workstation GPUs.

Automotive revenue was a record, up 135% from a year ago and up 17% sequentially. Fiscal-year revenue was up 60%. These increases reflect growth in sales of self-driving solutions, computing solutions for electric vehicle makers and strength in sales of AI cockpit solutions. The increase also included growth in automotive development arrangements.

OEM and Other revenue was down 56% from a year ago and up 15% sequentially. Fiscal-year revenue was down 61%. The year-on-year decreases for the quarter and fiscal year were driven by notebook OEM and Cryptocurrency Mining Processor (CMP). CMP revenue was nominal in fiscal 2023 and \$550 million in fiscal 2022.

Gross Margin

Reconciliation of GAAP to Non-GAAP Gross Margin					
(\$ in millions)	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
GAAP gross profit	\$3,833	\$3,177	\$4,999	\$15,356	\$17,475
<i>GAAP gross margin</i>	63.3 %	53.6 %	65.4 %	56.9 %	64.9 %
Acquisition-related and other costs	120	120	86	455	344
Stock-based compensation expense	30	32	39	138	141
IP-related costs	16	--	--	16	9
Non-GAAP gross profit	\$3,999	\$3,329	\$5,124	\$15,965	\$17,969
<i>Non-GAAP gross margin</i>	66.1 %	56.1 %	67.0 %	59.2 %	66.8 %

GAAP and Non-GAAP gross margin for the fourth quarter declined from a year earlier, reflecting lower Gaming margins and a higher contribution from Automotive, partially offset by a higher contribution from Data Center. Sequentially, GAAP and Non-GAAP gross margin increased, primarily due to lower inventory charges.

Fiscal-year GAAP and Non-GAAP gross margin declined, driven by \$2.17 billion of inventory charges largely relating to excess supply of NVIDIA Ampere architecture Gaming and Data Center products as compared to the demand expectations for these products, particularly for the expected demand in China. The inventory charges were comprised of \$1.04 billion for inventory on hand and \$1.13 billion for inventory purchase obligations in excess of our demand expectations.

Expenses

Reconciliation of GAAP to Non-GAAP Operating Expenses					
(\$ in millions)	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
GAAP operating expenses	\$2,576	\$2,576	\$2,029	\$11,132	\$7,434
Stock-based compensation expense	(709)	(713)	(512)	(2,572)	(1,863)
Acquisition-related and other costs	(54)	(54)	(70)	(219)	(292)
Restructuring costs and other	(38)	(16)	--	(54)	--
Acquisition termination cost	--	--	--	(1,353)	--
Legal settlement costs	--	--	--	(7)	--
Contributions	--	--	--	(2)	--
Non-GAAP operating expenses	\$1,775	\$1,793	\$1,447	\$6,925	\$5,279

GAAP operating expenses were up 27% from a year ago and flat sequentially. The year-on-year increase for the quarter reflects compensation and data center infrastructure. Fiscal-year GAAP operating expenses, which included a \$1.35 billion acquisition termination charge related to the Arm transaction, were up 50% from a year ago. The fiscal-year increase also reflects compensation, data center infrastructure, and engineering development costs.

Non-GAAP operating expenses were up 23% from a year ago and down 1% sequentially. Fiscal-year non-GAAP operating expenses were up 31% from a year ago.

Other Income & Expense and Income Tax

GAAP OI&E					
(\$ in millions)	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
Interest income	\$115	\$88	\$9	\$267	\$29
Interest expense	(65)	(65)	(61)	(262)	(236)
Gains (losses) from non-affiliated investments	(10)	(11)	(53)	(45)	99
Other	(8)	--	--	(3)	8
Total	\$32	\$12	(\$105)	(\$43)	(\$100)

Non-GAAP OI&E					
(\$ in millions)	Q4 FY23	Q3 FY23	Q4 FY22	FY23	FY22
Interest income	\$115	\$88	\$9	\$267	\$29
Interest expense	(64)	(64)	(61)	(257)	(233)
Other	(8)	--	--	(3)	8
Total	\$43	\$24	(\$52)	\$7	(\$196)

GAAP other income and expense (OI&E) includes interest income, interest expense, gains and losses from non-affiliated investments and other. Non-GAAP OI&E excludes the portion of interest expense from the amortization of the debt discount and the gains or losses from non-affiliated investments.

Interest income for the fourth quarter was \$115 million, up from a year ago and sequentially, due to higher yields on investments. Fiscal-year interest income was \$267 million, up from \$29 million in the prior year. Net loss from non-affiliated investments for the fourth quarter was \$10 million due to the mark-to-market of publicly traded equity investments and changes in value from our non-affiliated private investments. The fiscal-year net loss from non-affiliated investments was \$45 million compared with a net gain of \$99 million in the prior year.

GAAP effective tax rate for the fourth quarter was a benefit of 9.7% and for the fiscal year was a benefit of 4.5%, which reflect the foreign-derived intangible income deduction, tax benefits related to stock-based compensation, and the U.S. federal research tax credit. Non-GAAP effective tax rate for the fourth quarter and fiscal year was 4.1% and 7.5%, respectively.

Balance Sheet and Cash Flow

Cash, cash equivalents and marketable securities were \$13.30 billion and accounts receivable was \$3.83 billion, or DSO of 58.

Inventory was \$5.16 billion, or DSI of 212, primarily to support the ramp of new products in Data Center and Gaming. Gross inventory purchase and long-term supply obligations were \$4.92 billion and prepaid supply agreements were \$3.45 billion.

Other purchase obligations, inclusive of \$2.23 billion of multi-year cloud service agreements, were \$3.14 billion. The cloud service agreements will allow us to leverage GPU capacity in public clouds that will be deployed through fiscal 2024, over terms of four to six years. We expect to use this capacity for our NVIDIA AI cloud service offerings and for research and development activities.

Cash flow from operating activities was \$2.25 billion, down from \$3.03 billion a year ago and up from \$392 million a quarter ago. Fiscal-year cash flow from operating activities was \$5.64 billion, down from \$9.11 billion a year ago. The year-on-year decreases for the quarter and fiscal year reflect lower operating income and timing of supplier payments and inventory deliveries, partially offset by lower accounts receivable due to strong collections. The sequential increase reflects timing of supplier payments and lower accounts receivable due to improved shipment linearity.

Free cash flow was \$1.74 billion compared with \$2.74 billion a year ago and negative \$156 million a quarter ago. Fiscal-year free cash flow was \$3.75 billion, down from \$8.05 billion a year ago.

Depreciation and amortization expense was \$426 million for the fourth quarter and \$1.54 billion for the fiscal year, including amortization of acquisition-related intangible assets. Starting in fiscal 2024, we are extending the useful lives of a majority of our servers, storage, and network equipment from three years to a range of four to five years, and assembly and test equipment from five to seven years. As a result, we expect favorable impact to operating income of approximately \$26 million in the first quarter and \$133 million in fiscal 2024 from a reduction in depreciation expense based on equipment balances as of January 29, 2023. The favorable impact will be primarily in operating expense, and to a lesser extent in cost of goods sold.

Capital expenditures were \$513 million for the fourth quarter and \$1.89 billion for the fiscal year, including principal payments on property and equipment.

During the fourth quarter and fiscal 2023, we returned \$1.15 billion and \$10.44 billion to shareholders in the form of share repurchases and cash dividends, respectively. As of the end of the fourth quarter, we had \$7.23 billion remaining under our share repurchase authorization through December 2023.

First Quarter of Fiscal 2024 Outlook

Outlook for the first quarter of fiscal 2024 is as follows:

- Revenue is expected to be \$6.50 billion, plus or minus 2%.
 - GAAP and non-GAAP gross margins are expected to be 64.1% and 66.5%, respectively, plus or minus 50 basis points.
 - GAAP and non-GAAP operating expenses are expected to be approximately \$2.53 billion and \$1.78 billion, respectively.
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- GAAP and non-GAAP other income and expense are expected to be an income of approximately \$50 million, excluding gains and losses from non-affiliated investments.
- GAAP and non-GAAP tax rates are expected to be 13.0%, plus or minus 1%, excluding any discrete items.
- Capital expenditures are expected to be approximately \$350 million to \$400 million, including principal payments on property and equipment. For full year fiscal 2024, capital expenditures are expected to be approximately \$1.10 billion to \$1.30 billion, including principal payments on property and equipment.

For further information, contact:

Simona Jankowski
Investor Relations
NVIDIA Corporation
sjankowski@nvidia.com

Robert Sherbin
Corporate Communications
NVIDIA Corporation
rsherbin@nvidia.com

Non-GAAP Measures

To supplement NVIDIA's condensed consolidated financial statements presented in accordance with GAAP, the company uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP other income (expense), net, non-GAAP net income, non-GAAP net income, or earnings, per diluted share, and free cash flow. In order for NVIDIA's investors to be better able to compare its current results with those of previous periods, the company has shown a reconciliation of GAAP to non-GAAP financial measures. These reconciliations adjust the related GAAP financial measures to exclude acquisition termination costs, stock-based compensation expense, acquisition-related and other costs, contributions, IP-related costs, legal settlement costs, restructuring costs and other, gains and losses from non-affiliated investments, interest expense related to amortization of debt discount, the associated tax impact of these items where applicable, foreign tax benefit, and domestication tax adjustments. Free cash flow is calculated as GAAP net cash provided by operating activities less both purchases of property and equipment and intangible assets and principal payments on property and equipment and intangible assets. NVIDIA believes the presentation of its non-GAAP financial measures enhances the user's overall understanding of the company's historical financial performance. The presentation of the company's non-GAAP financial measures is not meant to be considered in isolation or as a substitute for the company's financial results prepared in accordance with GAAP, and the company's non-GAAP measures may be different from non-GAAP measures used by other companies.

Certain statements in this CFO Commentary including, but not limited to, statements as to: our computing platforms providing tremendous acceleration for applications and delivering unique value; cloud service agreements allowing us to leverage GPU capacity in public clouds that will be deployed through fiscal 2024; our expectation to use data center capacity for our NVIDIA AI cloud service offerings and for research and development activities; extending the useful lives of a majority of servers, storage, and network equipment from three years to a range of four to five years, and assembly and test equipment from five to seven years; the expected favorable impact on fiscal 2024 operating income, primarily in operating expense, and to a lesser extent in cost of goods sold; our financial outlook and expected tax rates for the first quarter of fiscal 2024; and our expected capital expenditures for the first quarter and full year of fiscal 2024 are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of new products and technologies or enhancements to our existing product and technologies; market acceptance of our products or our partners' products; design, manufacturing or software defects; changes in consumer preferences or demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems; as well as other factors detailed from time to time in the most recent reports NVIDIA files with the Securities and Exchange Commission, or SEC, including, but not

limited to, its annual report on Form 10-K and quarterly reports on Form 10-Q. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of the date hereof, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

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NVIDIA CORPORATION
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

(In millions, except per share data)
(Unaudited)

	Three Months Ended			Twelve Months Ended	
	January 29, 2023	October 30 2022	January 30, 2022	January 29, 2023	January 30, 2022
GAAP gross profit	\$ 3,833	\$ 3,177	\$ 4,999	\$ 15,356	\$ 17,475
GAAP gross margin	63.3 %	53.6 %	65.4 %	56.9 %	64.9 %
Acquisition-related and other costs (A)	120	120	86	455	344
Stock-based compensation expense (B)	30	32	39	138	141
IP-related costs	16	—	—	16	9
Non-GAAP gross profit	\$ 3,999	\$ 3,329	\$ 5,124	\$ 15,965	\$ 17,969
Non-GAAP gross margin	66.1 %	56.1 %	67.0 %	59.2 %	66.8 %
GAAP operating expenses	\$ 2,576	\$ 2,576	\$ 2,029	\$ 11,132	\$ 7,434
Stock-based compensation expense (B)	(709)	(713)	(512)	(2,572)	(1,863)
Acquisition-related and other costs (A)	(54)	(54)	(70)	(219)	(292)
Restructuring costs and other	(38)	(16)	—	(54)	—
Acquisition termination cost	—	—	—	(1,353)	—
Legal settlement costs	—	—	—	(7)	—
Contributions	—	—	—	(2)	—
Non-GAAP operating expenses	\$ 1,775	\$ 1,793	\$ 1,447	\$ 6,925	\$ 5,279
GAAP income from operations	\$ 1,257	\$ 601	\$ 2,970	\$ 4,224	\$ 10,041
Total impact of non-GAAP adjustments to income from operations	967	935	707	4,816	2,649
Non-GAAP income from operations	\$ 2,224	\$ 1,536	\$ 3,677	\$ 9,040	\$ 12,690
GAAP other income (expense), net	\$ 32	\$ 12	\$ (105)	\$ (43)	\$ (100)
(Gains) losses from non-affiliated investments	10	11	53	45	(99)
Interest expense related to amortization of debt discount	1	1	—	5	3
Non-GAAP other income (expense), net	\$ 43	\$ 24	\$ (52)	\$ 7	\$ (196)
GAAP net income	\$ 1,414	\$ 680	\$ 3,003	\$ 4,368	\$ 9,752
Total pre-tax impact of non-GAAP adjustments	978	947	760	4,865	2,553
Income tax impact of non-GAAP adjustments (C)	(218)	(171)	(330)	(867)	(712)
Domestication tax adjustments	—	—	7	—	(244)
Foreign tax benefit	—	—	(90)	—	(90)
Non-GAAP net income	\$ 2,174	\$ 1,456	\$ 3,350	\$ 8,366	\$ 11,259

	Three Months Ended			Twelve Months Ended	
	January 29, 2023	October 30 2022	January 30, 2022	January 29, 2023	January 30, 2022
Diluted net income per share					
GAAP	\$ 0.57	\$ 0.27	\$ 1.18	\$ 1.74	\$ 3.85
Non-GAAP	\$ 0.88	\$ 0.58	\$ 1.32	\$ 3.34	\$ 4.44
Weighted average shares used in diluted net income per share computation	2,477	2,499	2,545	2,507	2,535
GAAP net cash provided by operating activities	\$ 2,249	\$ 392	\$ 3,033	\$ 5,641	\$ 9,108
Purchases related to property and equipment and intangible assets	(509)	(530)	(273)	(1,833)	(976)
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NVIDIA CORPORATION
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Stock-based compensation expense, acquisition-related costs, and other costs	(750)
Non-GAAP operating expenses	\$ 1,775