

NVIDIA CORP
Form 10-Q
May 23, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended April 30, 2017

OR

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

Commission file number: 0-23985

NVIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 94-3177549
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

2701 San Tomas Expressway
Santa Clara, California 95050
(408) 486-2000

(Address, including zip code, and telephone number,
including area code, of principal executive offices)

N/A

(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ..

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o Emerging growth company o

(Do not check if a smaller reporting company)

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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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of common stock, \$0.001 par value, outstanding as of May 19, 2017, was 595 million.

NVIDIA CORPORATION
 FORM 10-Q
 FOR THE QUARTER ENDED April 30, 2017

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WHERE YOU CAN FIND MORE INFORMATION

Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. We also use the following social media channels as a means of disclosing information about the company, our products, our planned financial and other announcements and attendance at upcoming investor and industry conferences, and other matters and for complying with our disclosure obligations under Regulation FD:

NVIDIA Twitter Account (<https://twitter.com/NVIDIA>)

NVIDIA Company Blog (<http://blogs.nvidia.com/>)

NVIDIA Facebook Page (<https://www.facebook.com/NVIDIA>)

NVIDIA LinkedIn Page (<http://www.linkedin.com/company/nvidia>)

In addition, investors and others can use the Pulse news reader to subscribe to the NVIDIA Daily News feed and can view NVIDIA videos on YouTube.

The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these accounts and the blog, in addition to following our press releases, SEC filings and public conference calls and webcasts. This list may be updated from time to time. The information we post through these channels is not a part of this quarterly report on Form 10-Q. These channels may be updated from time to time on NVIDIA's investor relations website.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

NVIDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)

(Unaudited)

	Three Months Ended	
	April 30, 2017	May 1, 2016
Revenue	\$1,937	\$1,305
Cost of revenue	787	554
Gross profit	1,150	751
Operating expenses		
Research and development	411	346
Sales, general and administrative	185	159
Restructuring and other charges	—	1
Total operating expenses	596	506
Income from operations	554	245
Interest income	16	12
Interest expense	(16)	(12)
Other, net	(18)	(4)
Total other income (expense)	(18)	(4)
Income before income tax expense	536	241
Income tax expense	29	33
Net income	\$507	\$208
Net income per share:		
Basic	\$0.86	\$0.39
Diluted	\$0.79	\$0.35
Weighted average shares used in per share computation:		
Basic	592	537
Diluted	641	599
Cash dividends declared and paid per common share	\$0.140	\$0.115

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

(Unaudited)

	Three Months Ended	
	April 30, 2017	May 1, 2016
Net income	\$507	\$208
Other comprehensive income (loss), net of tax:		
Available-for-sale securities:		
Net unrealized gain	3	6
Reclassification adjustments for net realized gain included in net income	—	—
Net change in unrealized gain	3	6
Cash flow hedges:		
Net unrealized loss	(1)	(1)
Reclassification adjustments for net realized gain included in net income	1	—
Net change in unrealized loss	—	(1)
Other comprehensive income, net of tax	3	5
Total comprehensive income	\$510	\$213

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)

(Unaudited)

	April	January
	30,	29,
	2017	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,989	\$1,766
Marketable securities	4,217	5,032
Accounts receivable, net	976	826
Inventories	821	794
Prepaid expenses and other current assets	113	118
Total current assets	8,116	8,536
Property and equipment, net	539	521
Goodwill	618	618
Intangible assets, net	90	104