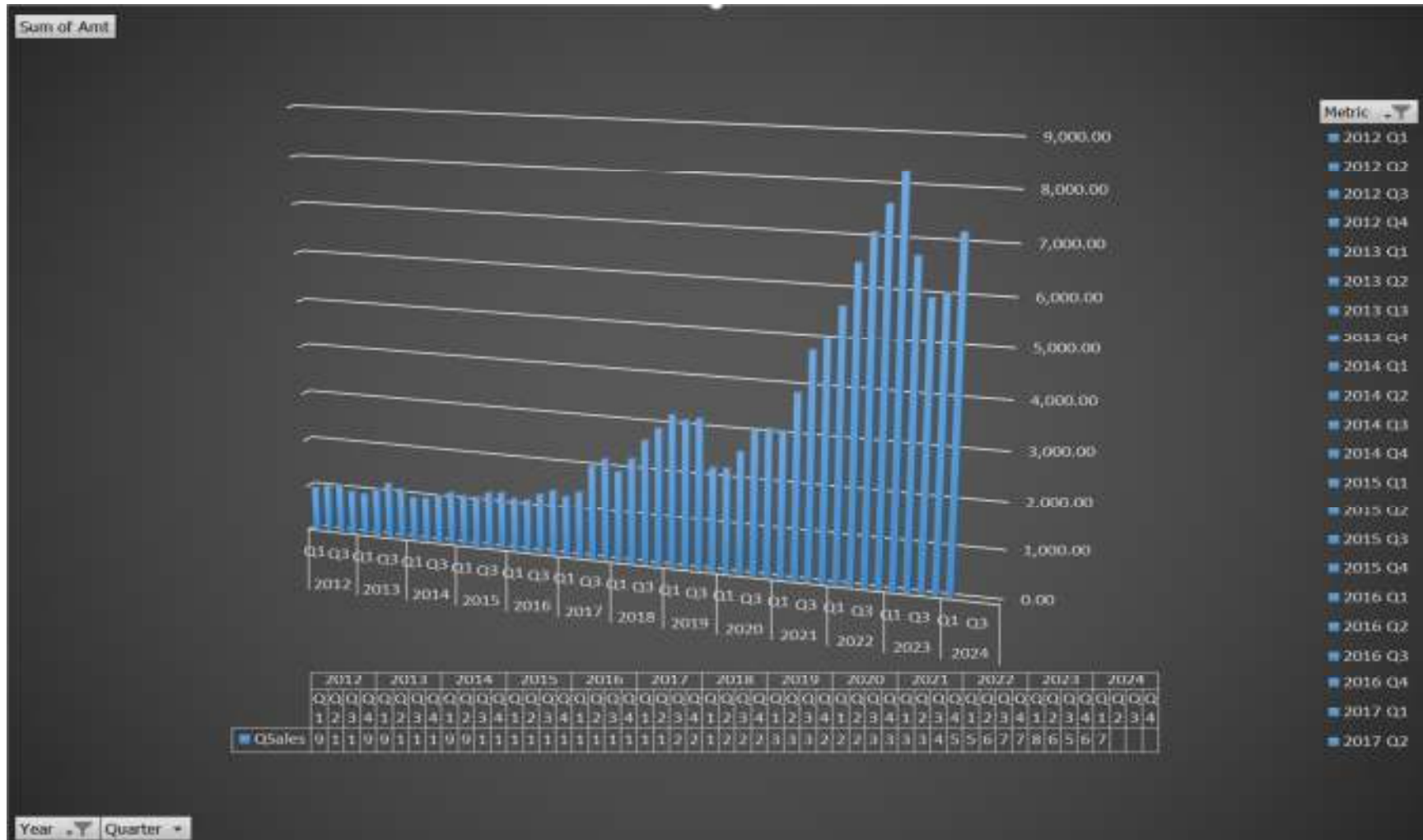


See charts that follow

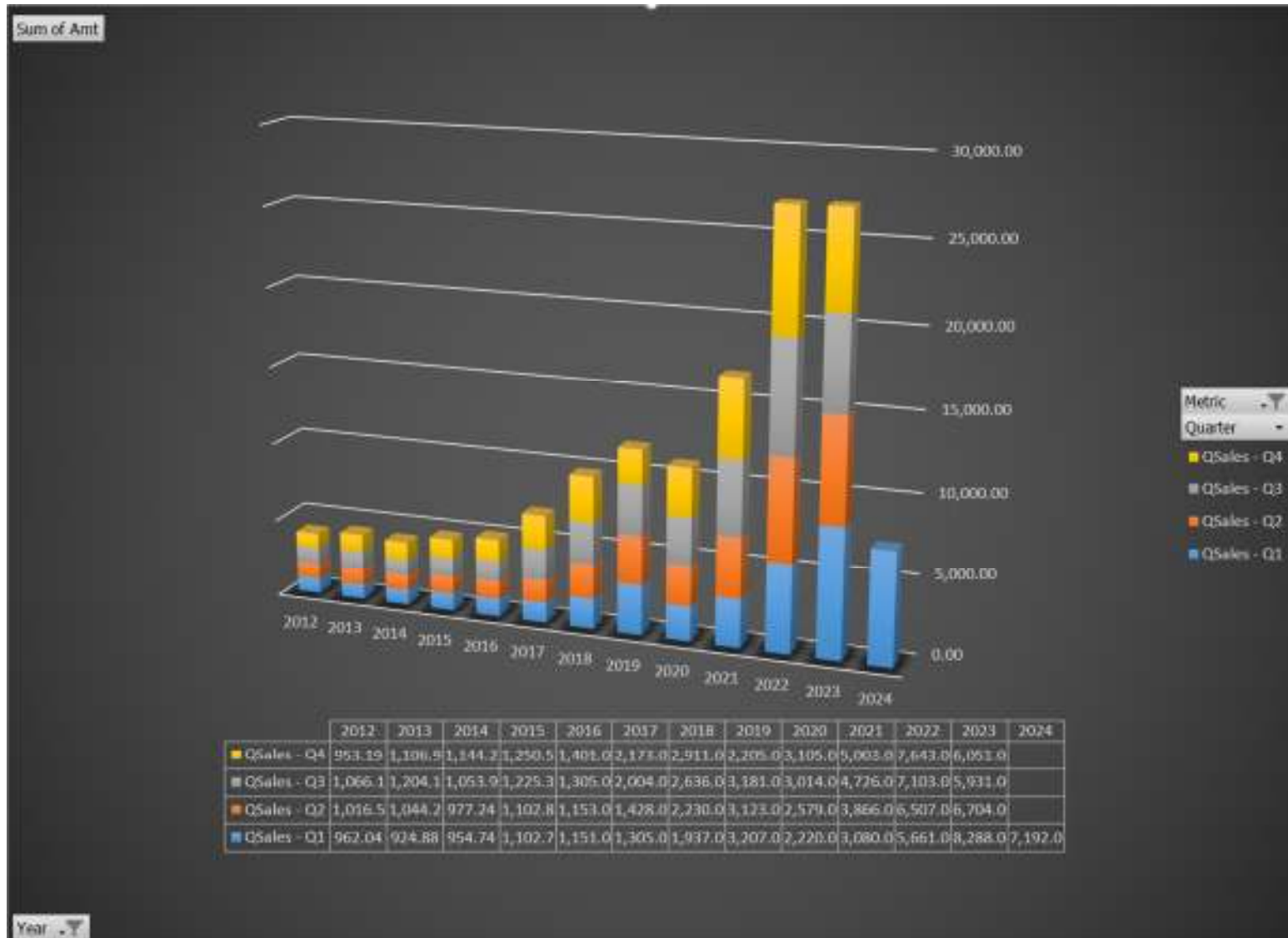
- Last year(LY) 1st quarter was the highest sales NVDA ever had at 8,288. This year's sales were 7,192. Down 13.2%. The market was excited because NVDA beat "expectations", **not last year's sales**. Additionally, the market was excited because the CEO is projecting sales to rise to 11 billion next year which is about 50% higher than projected by analysts.
- LY 1st quarter was the highest gross margin NVDA ever had at 5,431. This year's sales were 4,648. Down 14.4%
 - Gross margin stacked by year is shrinking
 - Gross margin percentage by quarter has been lower for the last four quarters.
- LY 1st quarter for operating earnings was 1,868 billion and this year's 1st quarter was 2,140 billion. But LY included an extraordinary charge of 1,353 billion for their acquisition that was nixed by the FTC.
 - Without the extraordinary expense, LY's earnings are estimated to be 3080 . This means this year's operating expenses was 30.5% lower.
 - Here are the calculations for adjusting LY's earnings for the one-time extraordinary acquisition termination cost.
 - Tax rate calc $187/1805 = 10.4\%$

- One minus Tax rate times acquisition termination cost is the incremental earnings without the termination fee $(1-.104)*1,353 = 1212$.
- So adjusted operating earnings LY should have been 3,080 $(1868+1212)$.
- This means that operating earnings actually fell 30.5% $(1-(2140/3080))!$

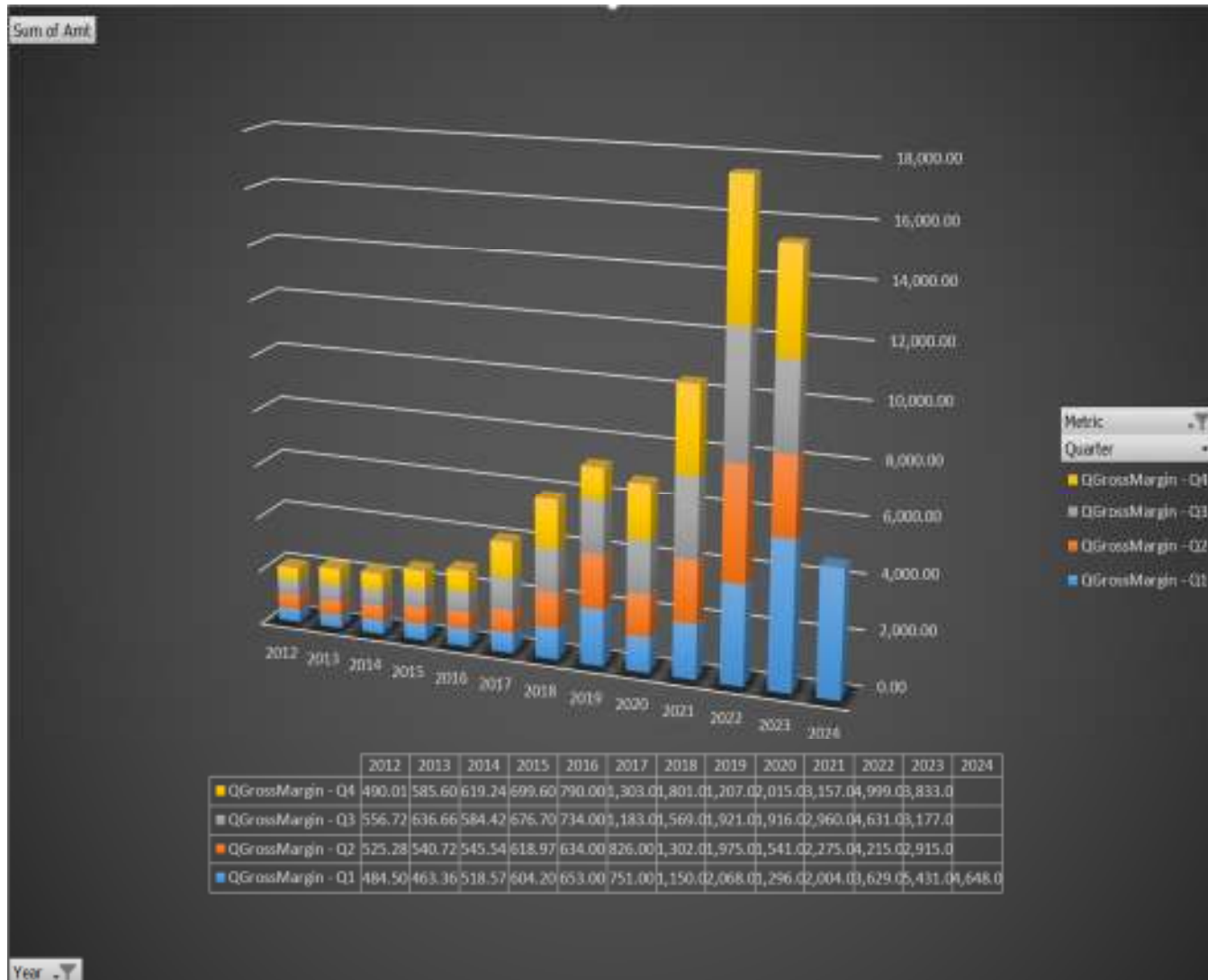
Sales by quarter



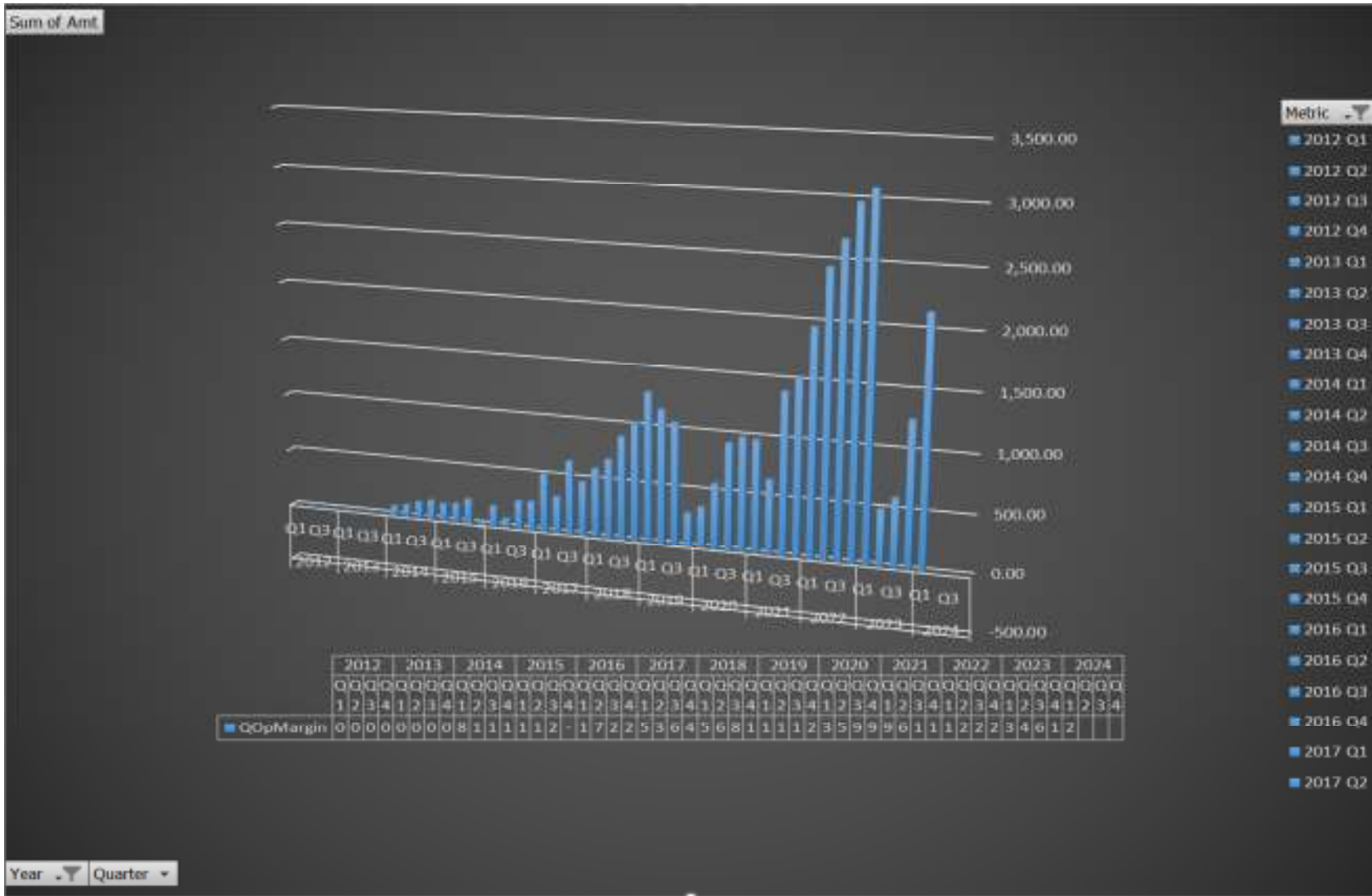
Sales Stacked by Year



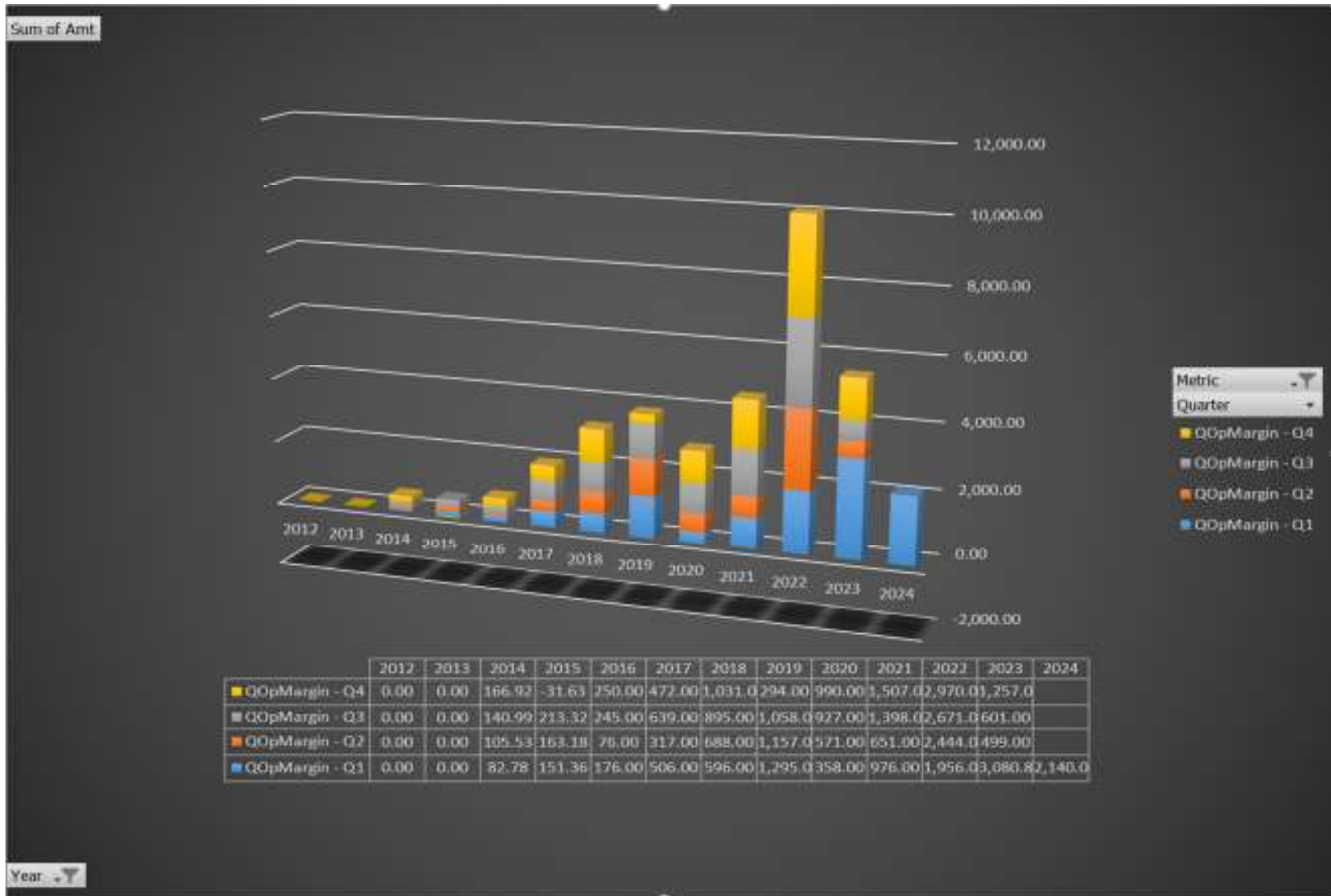
Gross Margin stacked by Year



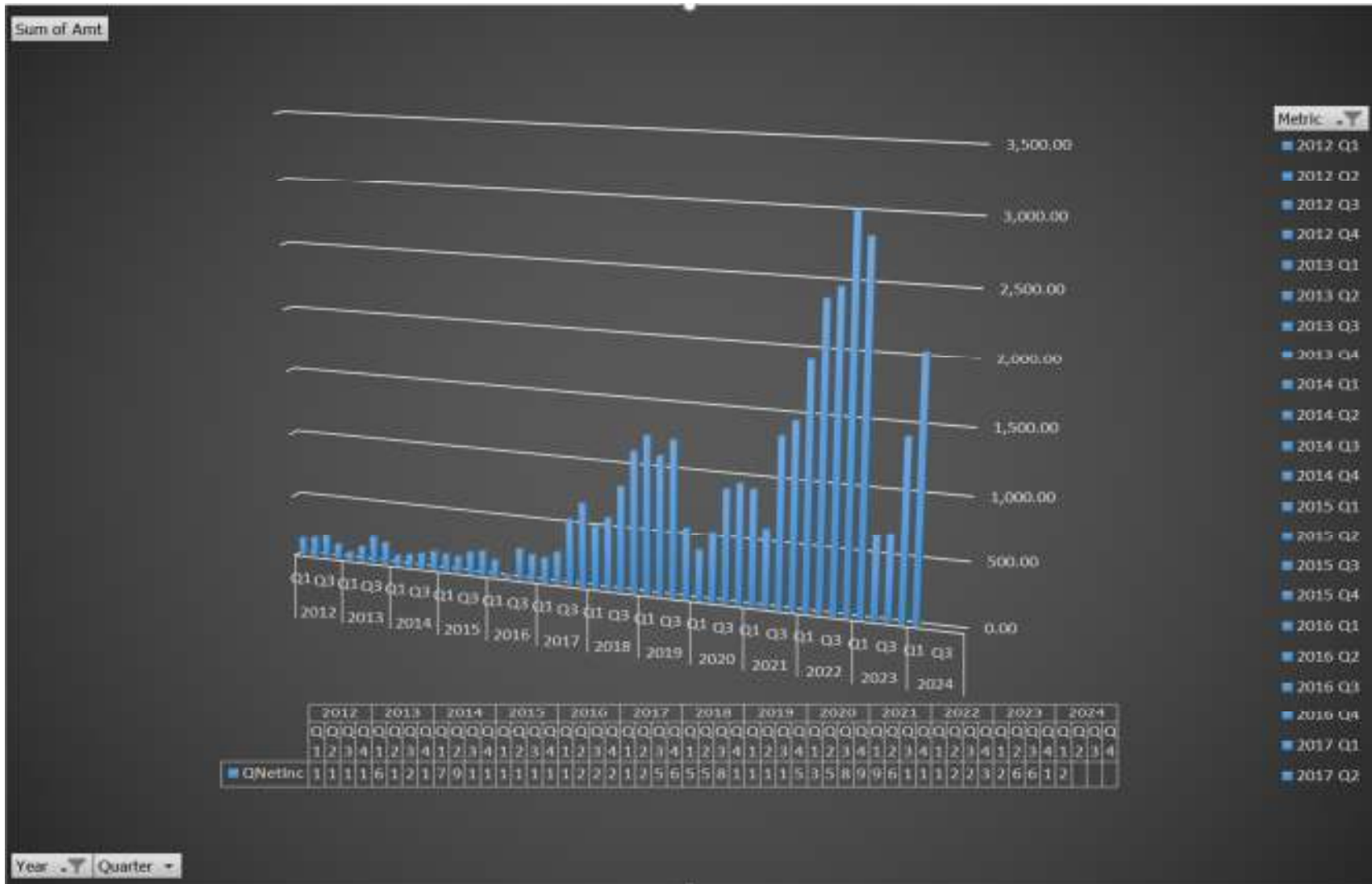
Operating Margin by Quarter



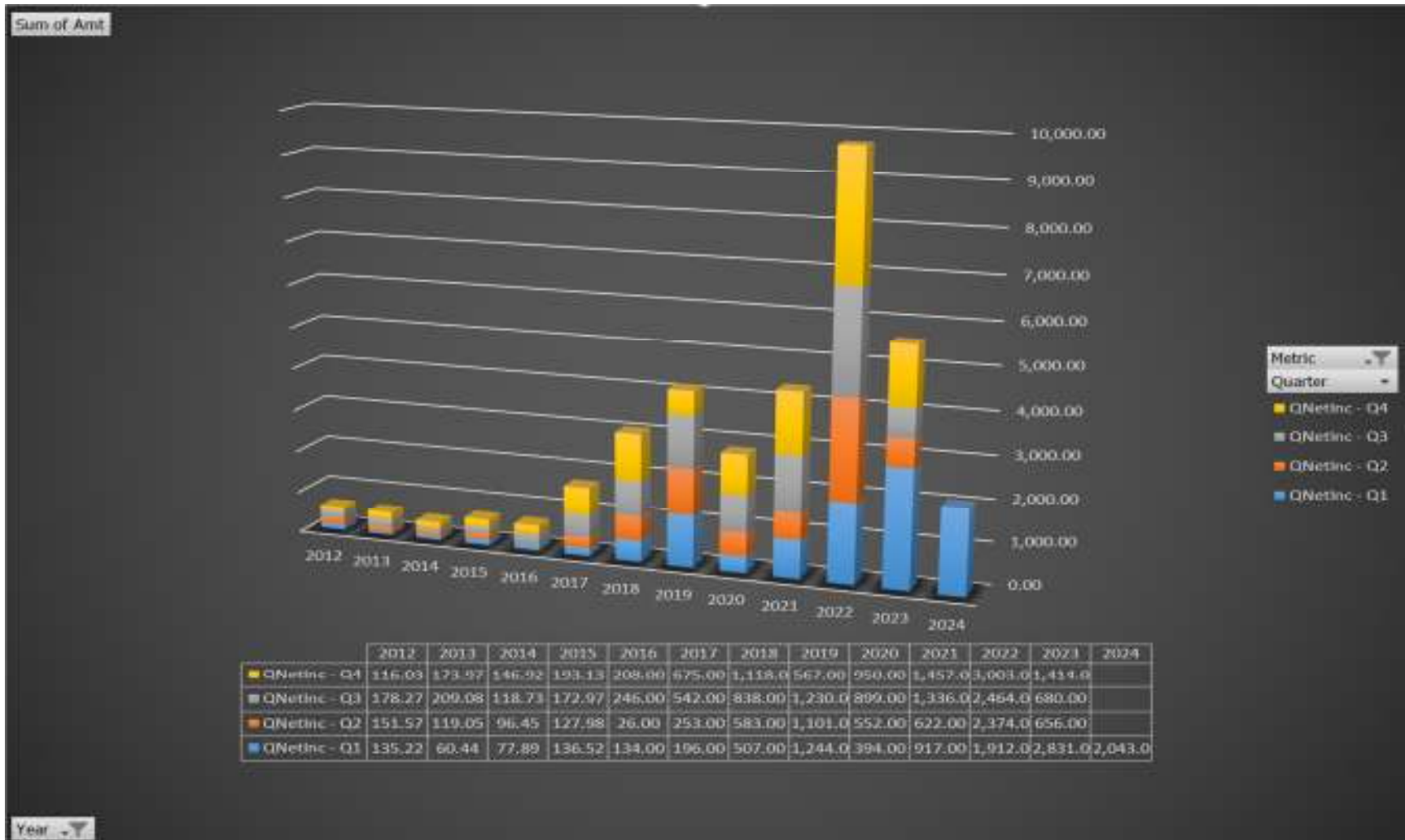
Operating Margin stacked by Year



Net Income by Quarter



Net Income Stacked by Year



Share Earnings Stacked by Year

