

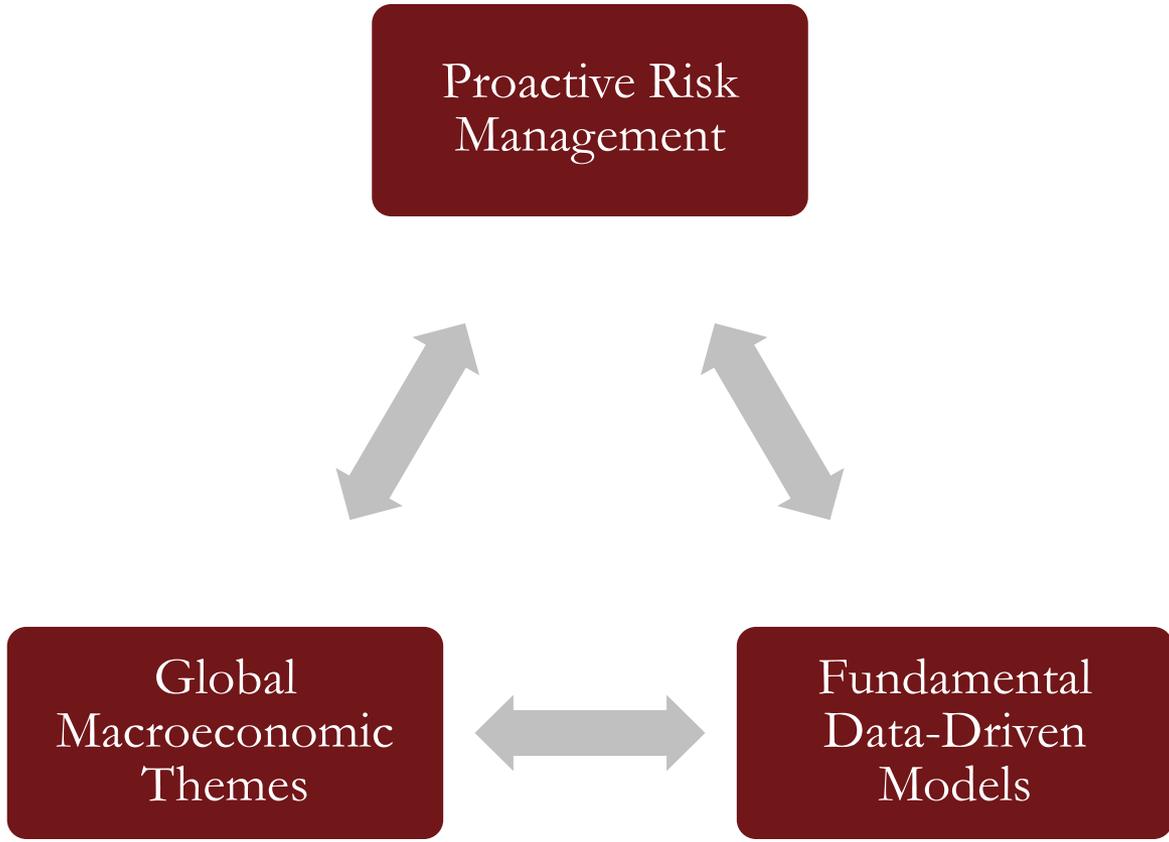
CRESCAT 



Kevin C. Smith, CFA
Founder and CEO
Crescat Capital LLC

ValueX Vail Conference
NVIDIA Presentation
June 20, 2014

Investment Process



Crescat Global Macro Investment Themes

Digital Evolution (Internet of Things (IoT))

Domestic Banking Resurgence

China Currency and Credit Bubble

India Policy Shift

Nanoscale

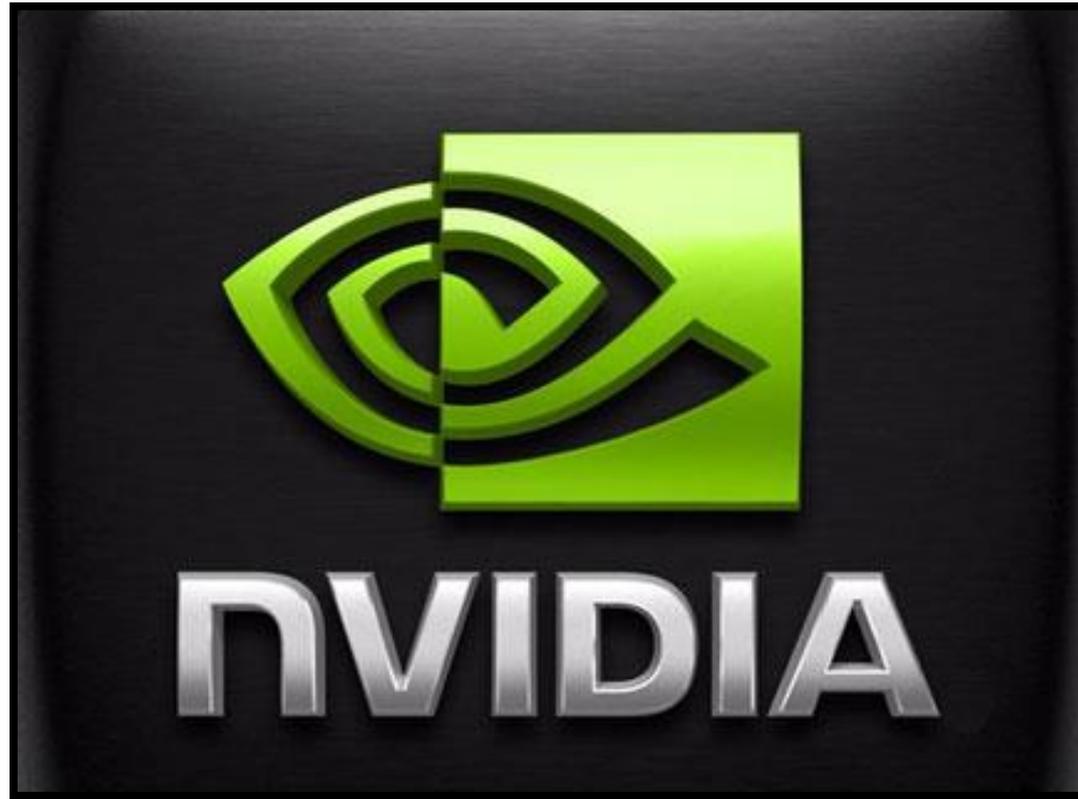
U.S. Housing Recovery

Global Fiat Currency Debasement

Global Debt-to-GDP Deleveraging

New Oil and Gas Resources

NVIDIA – A Free Cash Flow Machine

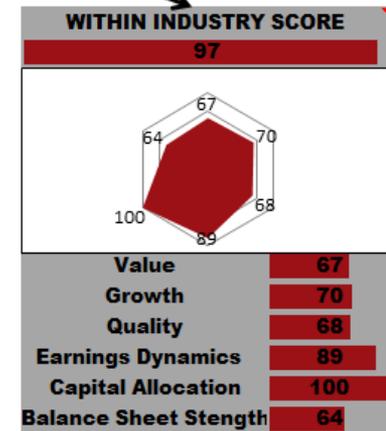
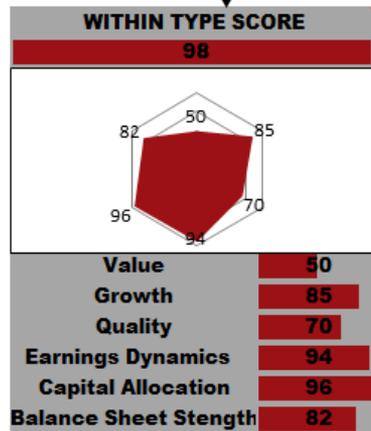
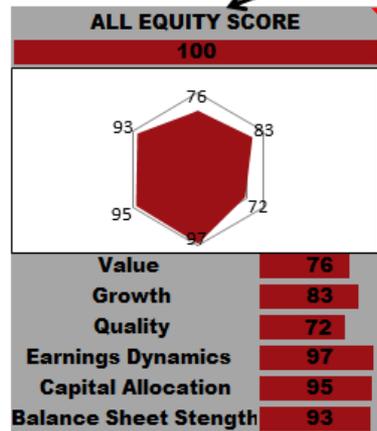
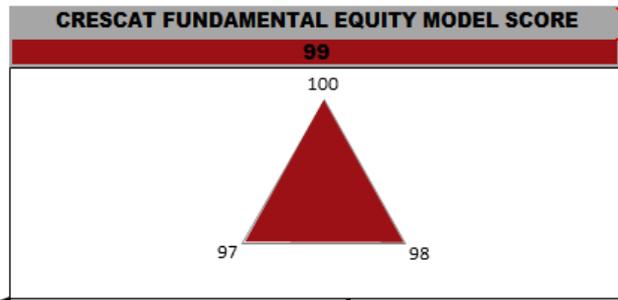


Key Valuation Metrics

Revenues	\$4.3 Billion	Free Cash Flow Margin	14%
Market Cap	\$10.7 Billion	Free Cash Flow Yield	8%
Net Cash	\$3 Billion	Free Cash Flow Multiple	13x
Net Market Value	\$7.7 Billion	15-yr Hist FCFPS CAGR	27%
Free Cash Flow	\$592 Million	Shares Outstanding	\$558 Million
Gross Margin	55%	Net Cash Per Share	\$5.35

Data as of and/or through trailing four quarters ended April 27, 2014 (Q1 2015); unless noted.

Crescat Fundamental Equity Model



Custom Industry **No**

Crescat Fundamental Equity Model

Fundamental Regression Statistics

EPS to GDP Beta	9-Yr EPS Gr%	Std Dev of EPS Gr%	EPS Sharpe	EPS R	EPS R2	EPS p-value	EPS # of Qtrs p	EPS # of Qtrs
12.0	56	182	0	0.15	0.02	0.05	35	36
71	79	67	53	52	32			

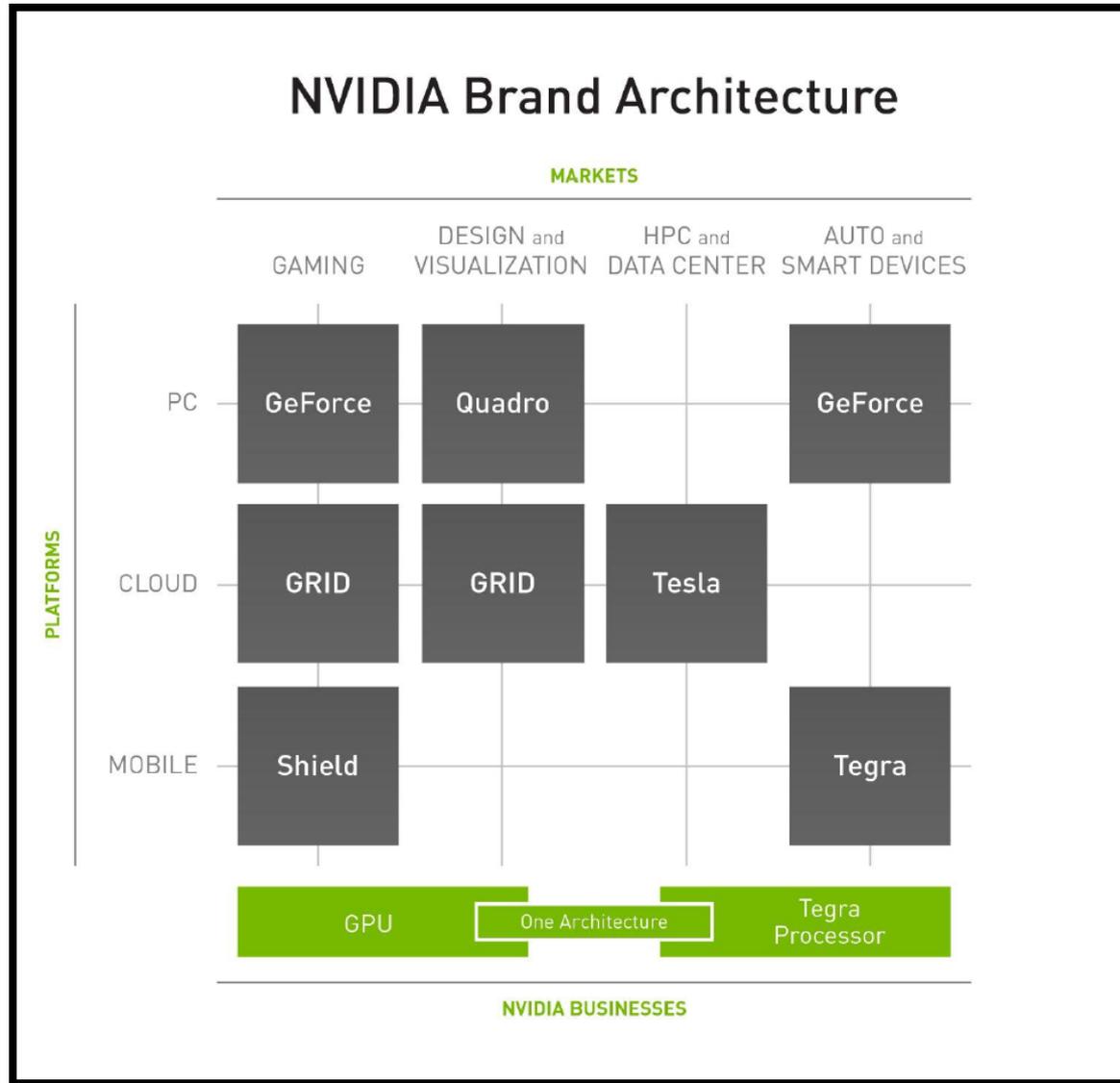
FCFPS to GDP Beta	9-Yr FCFPS Gr%	Std Dev of FCFPS Gr%	FCFPS Sharpe	FCFPS R	FCFPS R2	FCFPS p-value	FCFPS # of Qtrs p	FCFPS # of Qtrs
114.6	515	2183	0	0.12	0.01	0.17	35	36
91	95	89	69	76	42			

Jen-Hsun Huang (Jenson Wong)

Silicon Valley Visionary/Entrepreneur

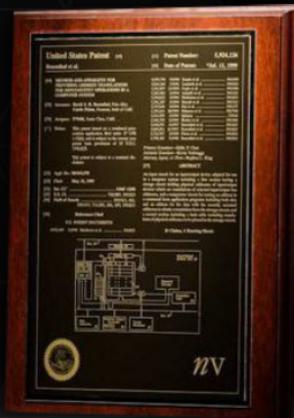


There is a Misconception in the Market



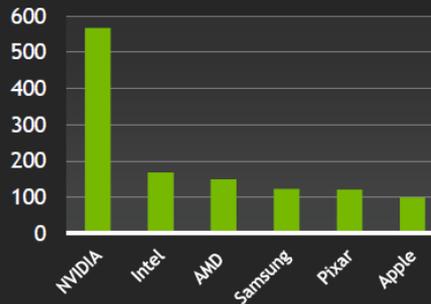
Visual Computing Company

IP —
LICENSING THE
WORLD'S BEST GPU

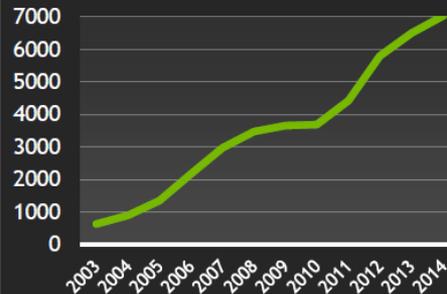


INVENTOR of
GPU • GPGPU • Programmable Shading

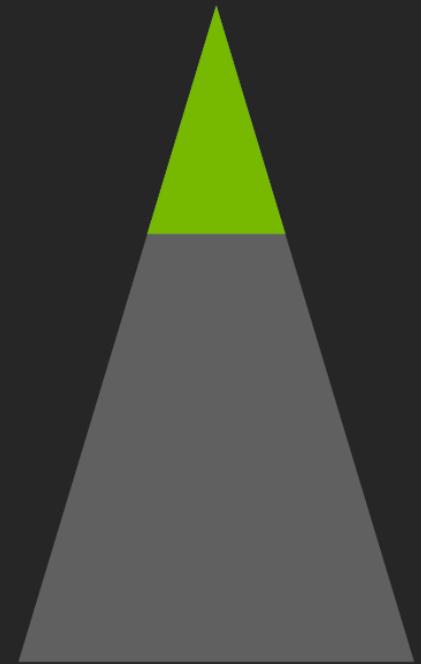
Fundamental Graphics Patents



Patent Portfolio Growth



Target Vertically Integrated OEMs Building Differentiated Devices



2B+ Devices per Year

Enterprise: Design, HPC, Data Center, Cloud

ENTERPRISE GROUP

Visualization, Accelerated Computing & Virtualization



QUADRO
Revolutionizing Design &
Visualization

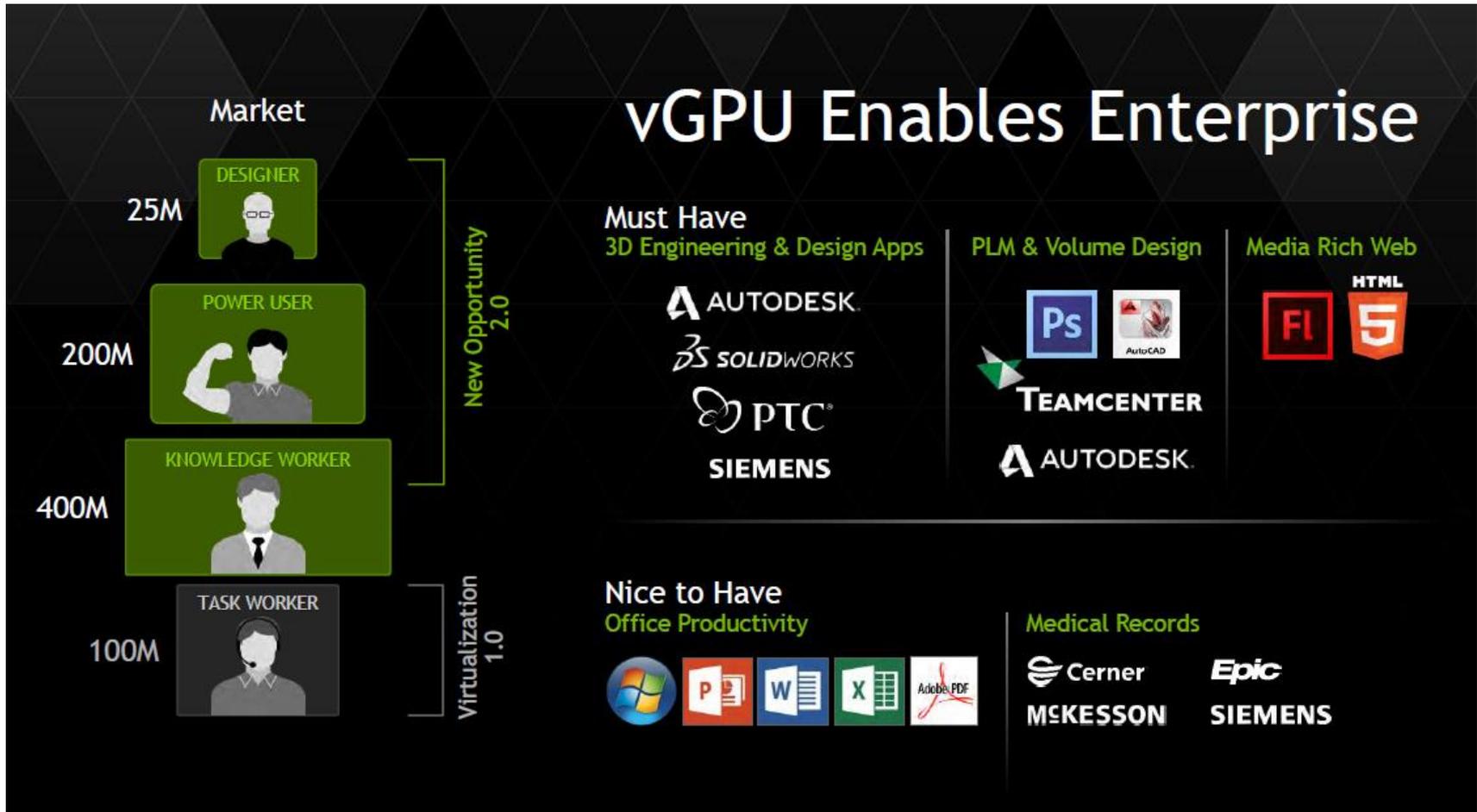


TESLA
Accelerating Momentum in
HPC and Big Data Analytics



GRID
Enabling End-to-End
Enterprise Virtualization

Design in the Cloud



Enabling HPC in the Data Center

World's Top 3 Servers Now GPU-Accelerated



R720



DL380



x3650

Supercomputers

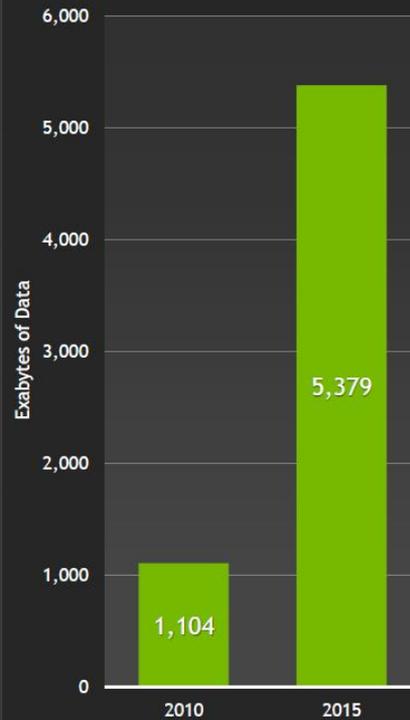
TESLA —
ACCELERATING MOMENTUM
IN HPC & DATA CENTER



“IBM-NVIDIA Deal Latest in Hot Supercomputer Sector”

— Wall Street Journal

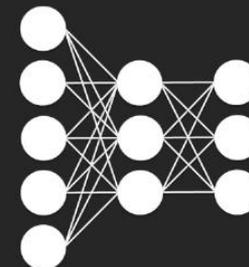
A Torrent of Unstructured Data



THE **GREEN**
500™

“10 OF TOP 10”

CUDA for Machine Learning



Adobe
Baidu
flickr
IBM
NETFLIX
Yandex

SOURCE: Green500 list November 2013. Data growth: IDC's Digital Universe Study.

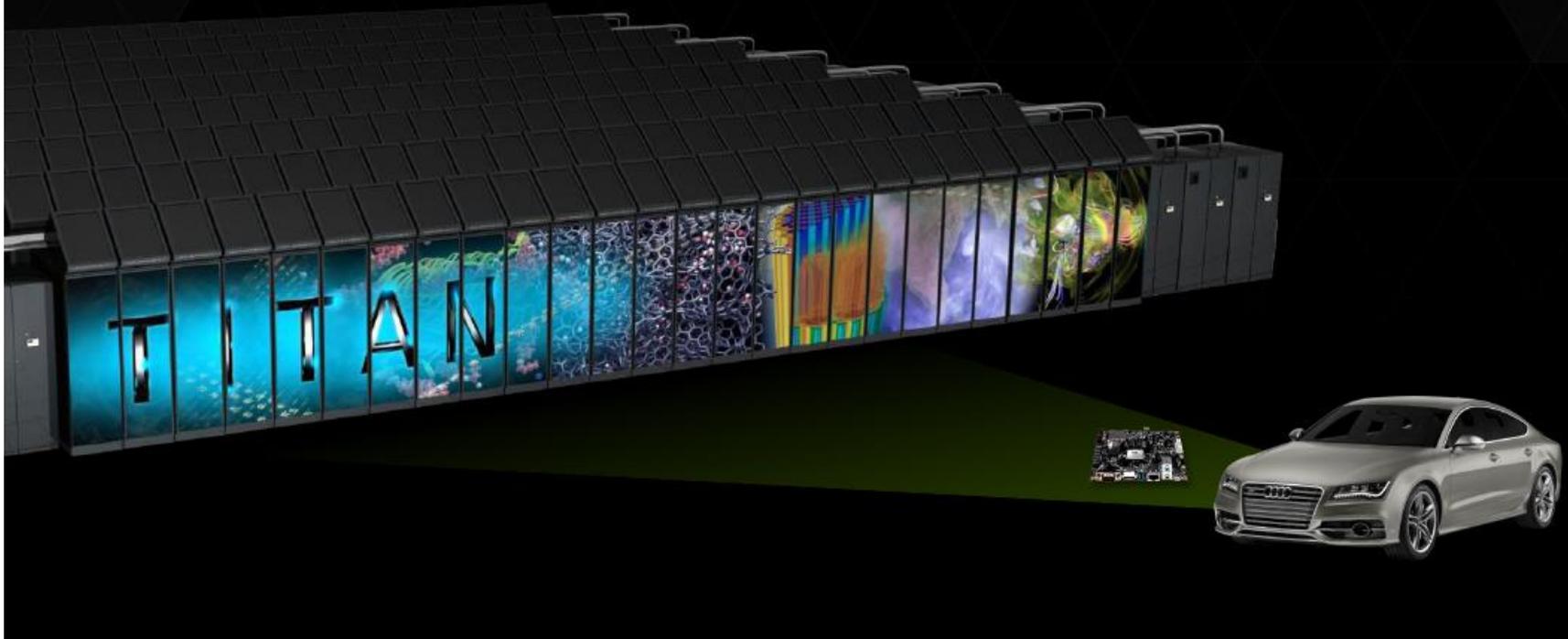
Big Data Analytics

Beyond HPC to Big Data Analytics



The Car of Tomorrow Today

Tomorrow's Car Computer is a
Visual Super Computer



Visual Computing Software

Software Matters

Automotive Apps

Infotainment, NAV
Digital Cluster
Advanced Driver Assistance Systems

Middleware

UI Composer VisionWorks

Android

Linux

QNX

VxWorks

Integrity

Tools

System Software

3rd Party Eco-System

Over a decade of automotive software development

420+ Jetsons being developed on in the automotive ecosystem

300+ developer technology engineers & artists at NVIDIA to support developers

1,900,000+ CUDA toolkit downloads, including computer vision and audio processing research

Years of development experience with all key OS platforms

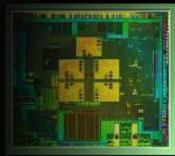
Tesla Innovation

“Model S feels and drives like the future. It’s a rolling testament to the potential of automotive innovation, and a massive leap forward for an industry struggling to stake a claim in the 21st century.”

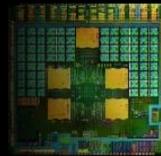
*Wired Magazine
- Damon Lavrinc*



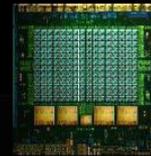
Audi's Innovation Roadmap



Tegra 3



Tegra 4



Tegra K1

Top to Bottom BMW Group

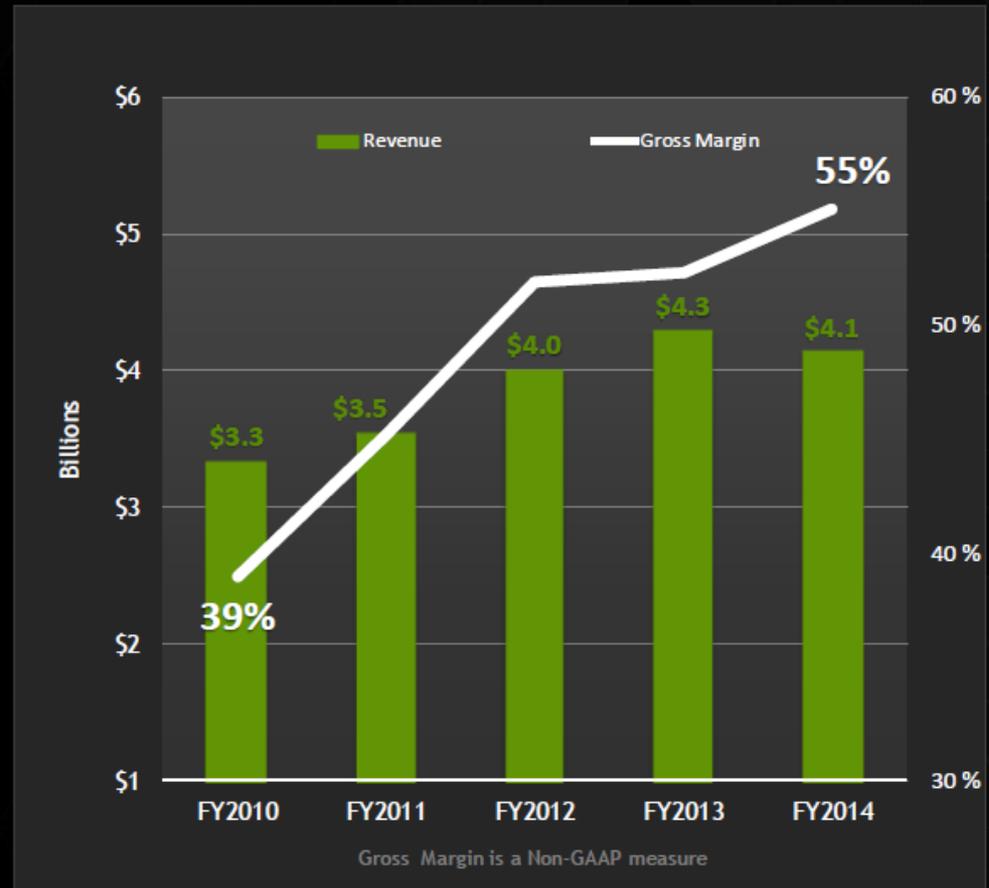


Margin Expansion

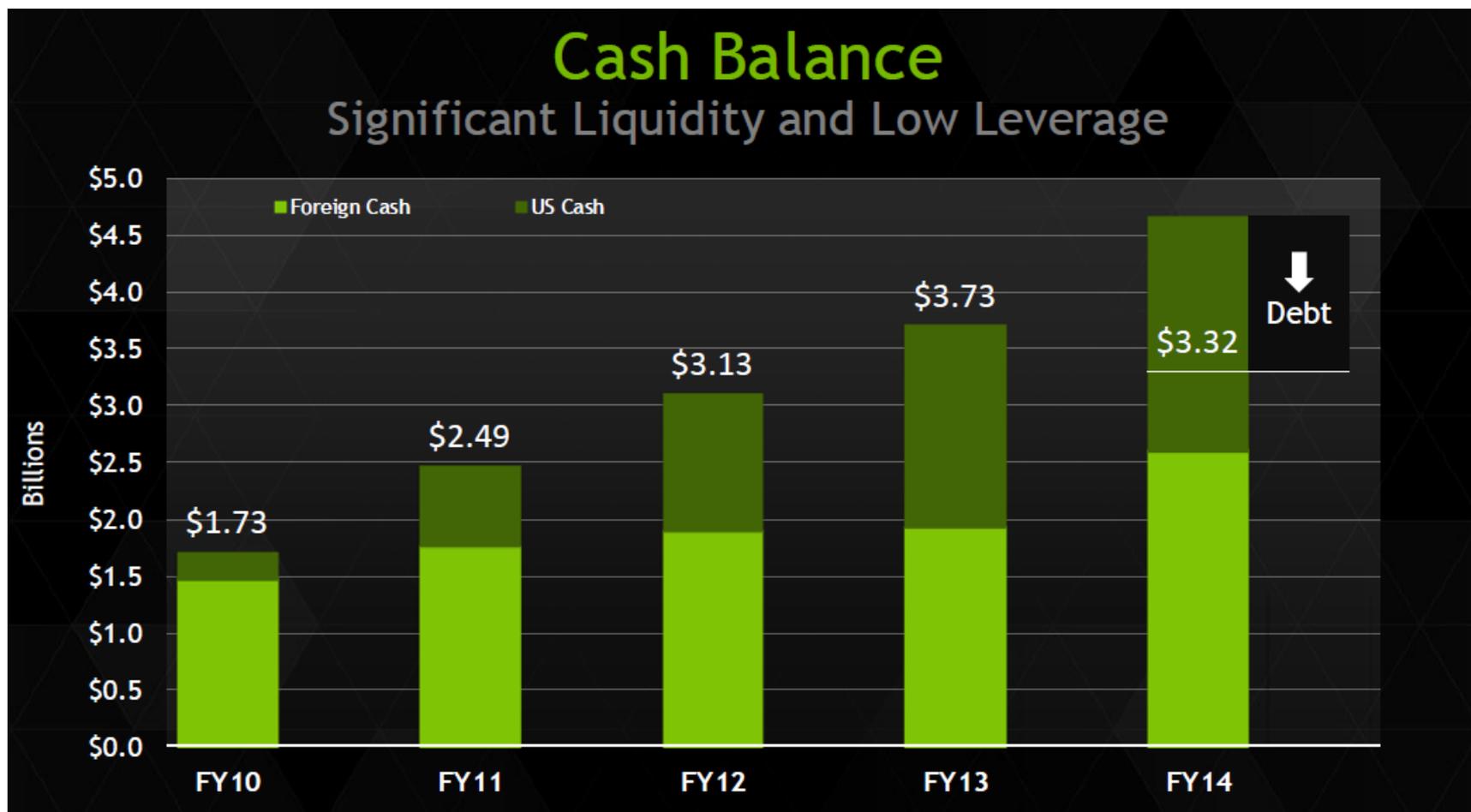
Gross Margin Expansion

Drivers

- ASPs for visual computing
- Expansion to new high-margin verticals: Tesla and GRID
- Ongoing focus on costs



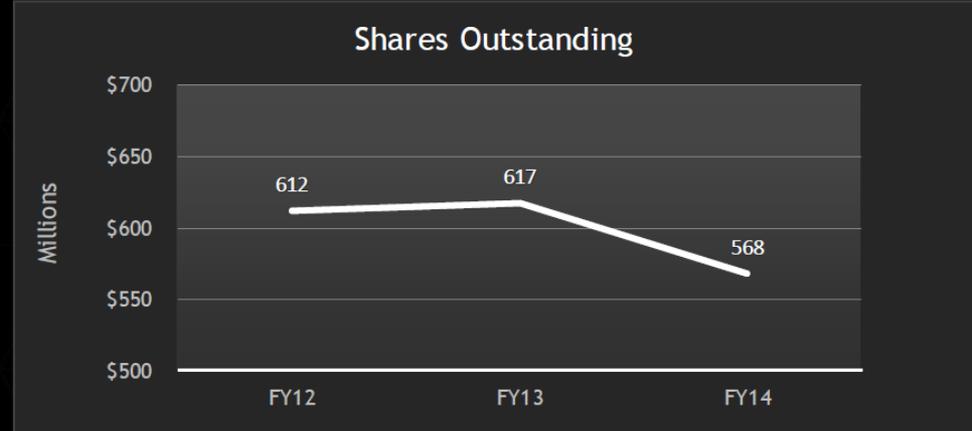
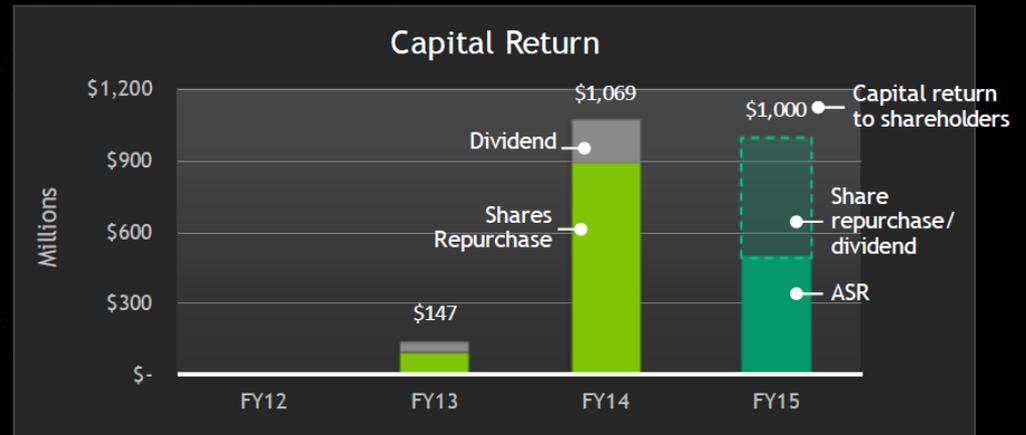
Balance Sheet Strength



Capital Allocation

Capital Return Strategy to Drive Shareholder Value

- Regular and consistent return of capital over time
- Increased quarterly dividend 13% from \$0.075/sh to \$0.085/sh
- Intend to return \$1.0B in capital to shareholders in FY15 with dividends and share repurchases
- Increased share repurchase authorization to ~\$1.3B through FY16



4 Key Growth Drivers

Investment Thesis

NVIDIA Opened a Huge Market for Visual Computing

GeForce & Tegra Gaming

~\$100B Gaming Market

Tegra for Auto

~100M Cars

GRID for Enterprise Virtualization

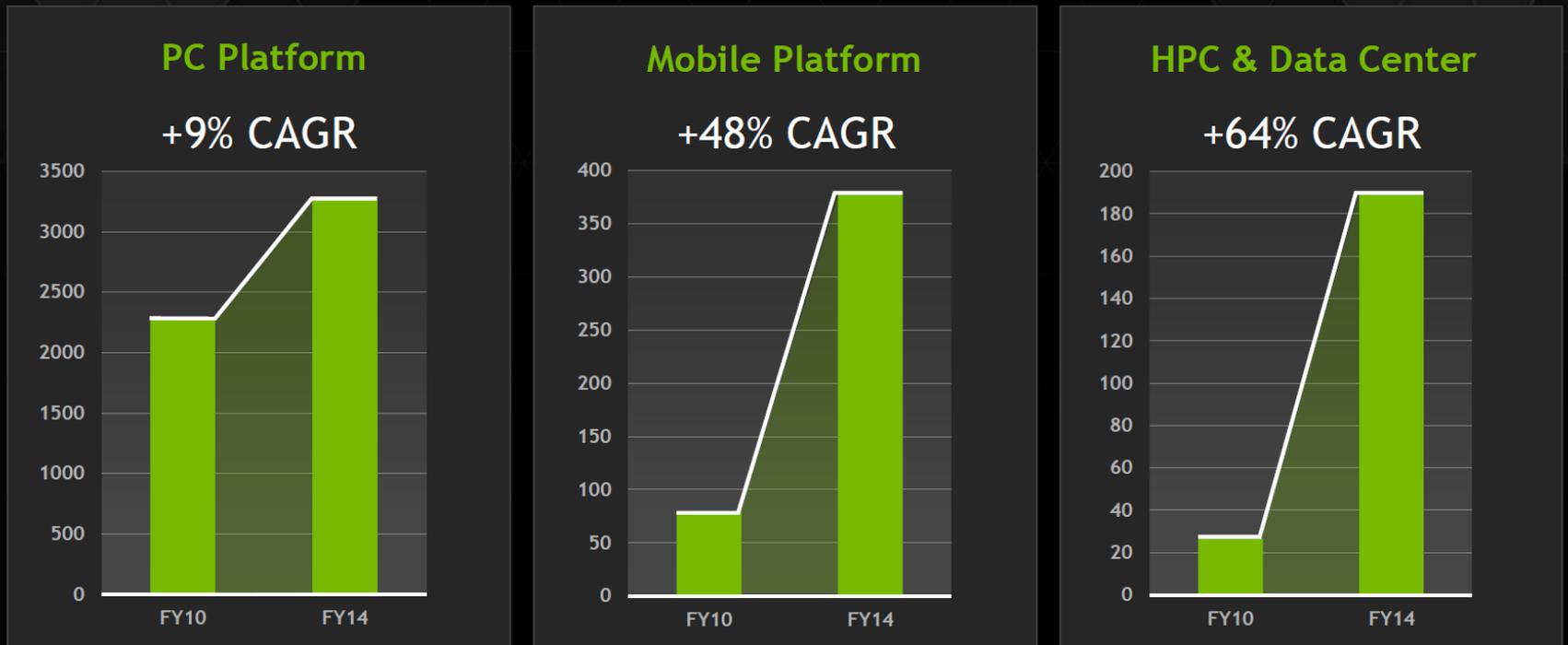
~500M Enterprise Workers

Tesla for Machine Learning

Big Data Grows 5X in 5 yrs

Three Platforms

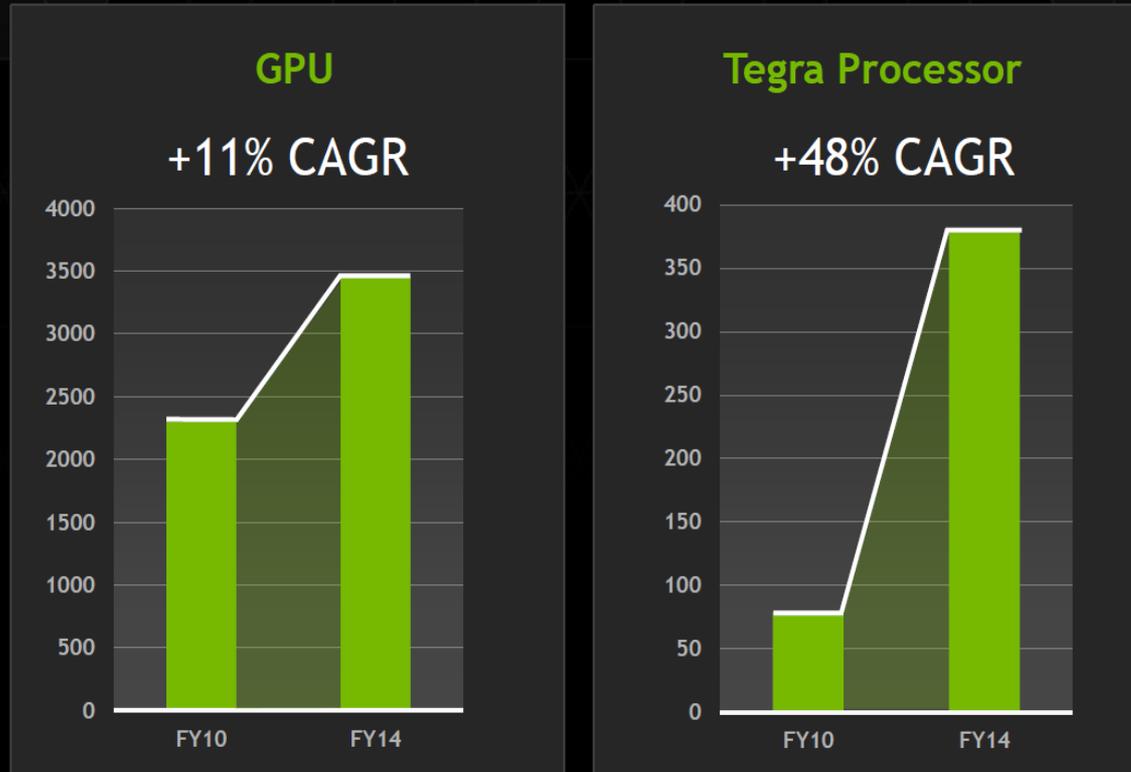
Growth in All Platforms



(Revenue, in millions)

Two Revenue Reporting Businesses

Growth by Business



(Revenue, in millions)

NVDA – Price and Product Timeline



2000: NVDA releases first GPU – FCF increases 5,286% from 2000-2001

2006: CUDA Architecture introduced – FCF increases 1,568% from 2005-2008

2007: Tesla released
2008: Tegra released

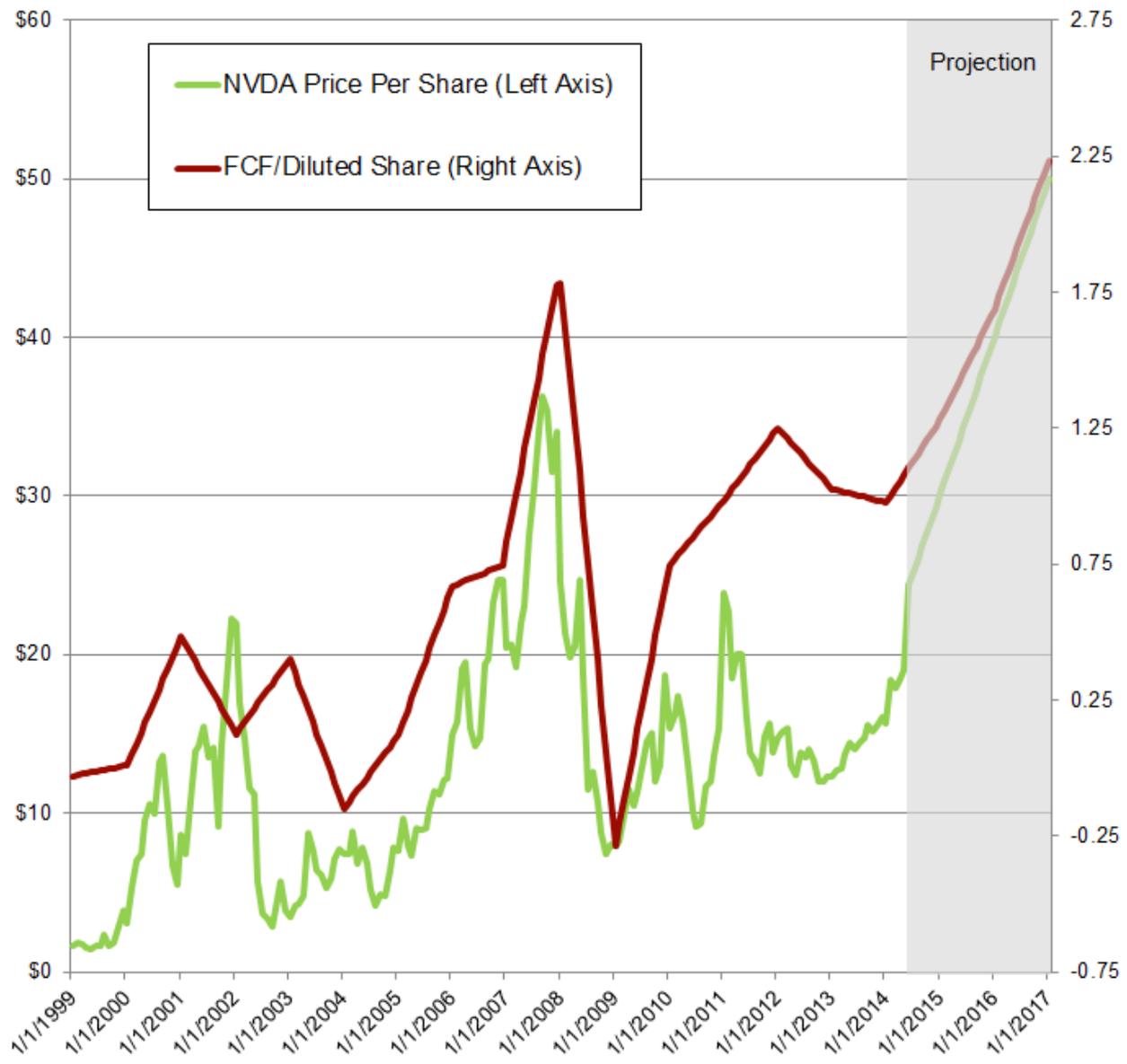
2012: GRID, Tegra 3 released

2009-2014: FCF increases 466%

2002: Fortune Magazine's fastest growing company

2007: Forbes Company of the Year

Valuation: \$50 per share



Current Market Price:	\$19.14
Crescat Intrinsic Value	\$50
Margin of Safety	38%
Appreciate to Target	161%

Valuation Methodology:

1. FCF per share CAGR of 25% for next three fiscal years supported by: Crescat Fundamental Equity Model; IP moat; core and new high-growth markets; historical FCF per share CAGR of 27% since IPO in 1999.
2. Future free cash flow stream valued at 20x (5% yld) Crescat projections of \$2.25 per share for 2017 FYE (January); NVDA 15-yr historical median is 23x FCF (4.3% yld); Current Crescat 2000 Investable Universe median is 28x FCF (3.6% yld).
3. Include net cash of \$5.35/share

Contact Info



Crescat Capital LLC
1560 Broadway, Suite 2270
Denver, CO 80202
Office: 303-271-9997
Fax: 303-271-9998
Kevin C. Smith, CFA
CEO/CIO
ksmith@crescat.net

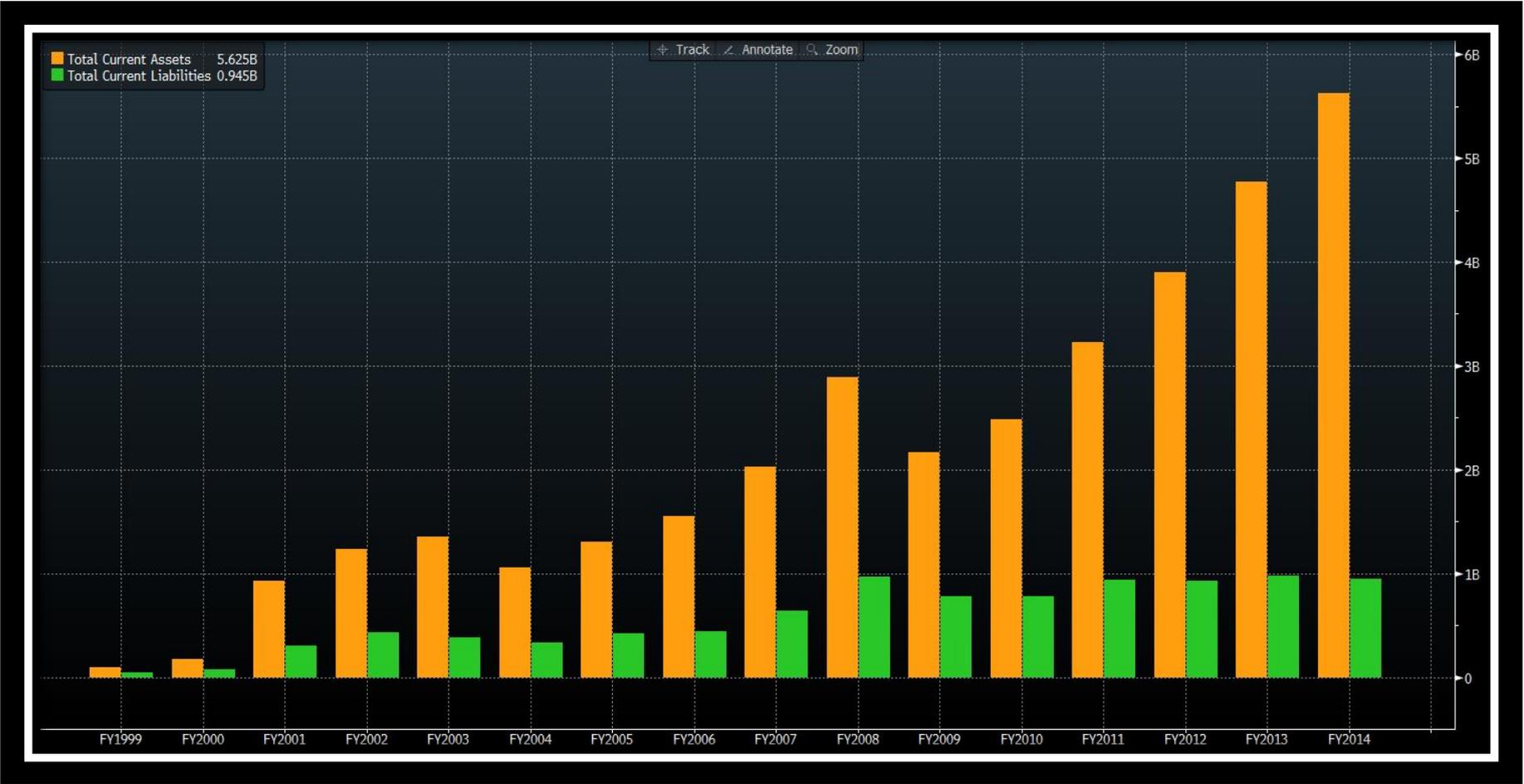
Disclosures

Sources for this presentation include: NVIDIA, Bloomberg, and the Crescat Fundamental Equity Model. The information contained herein does not constitute an offer to sell nor the solicitation of an offer to buy interests in any security.

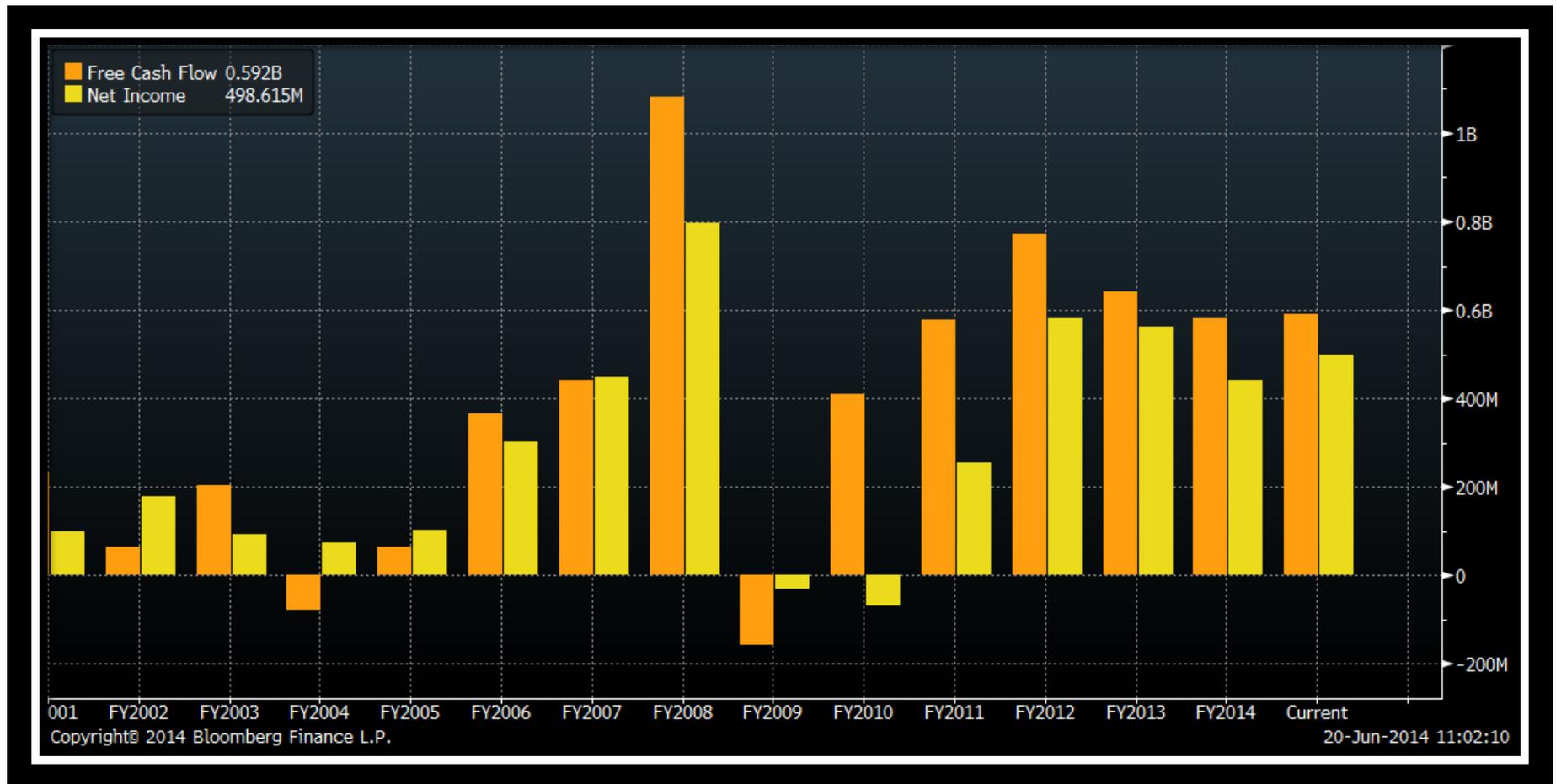


Appendix

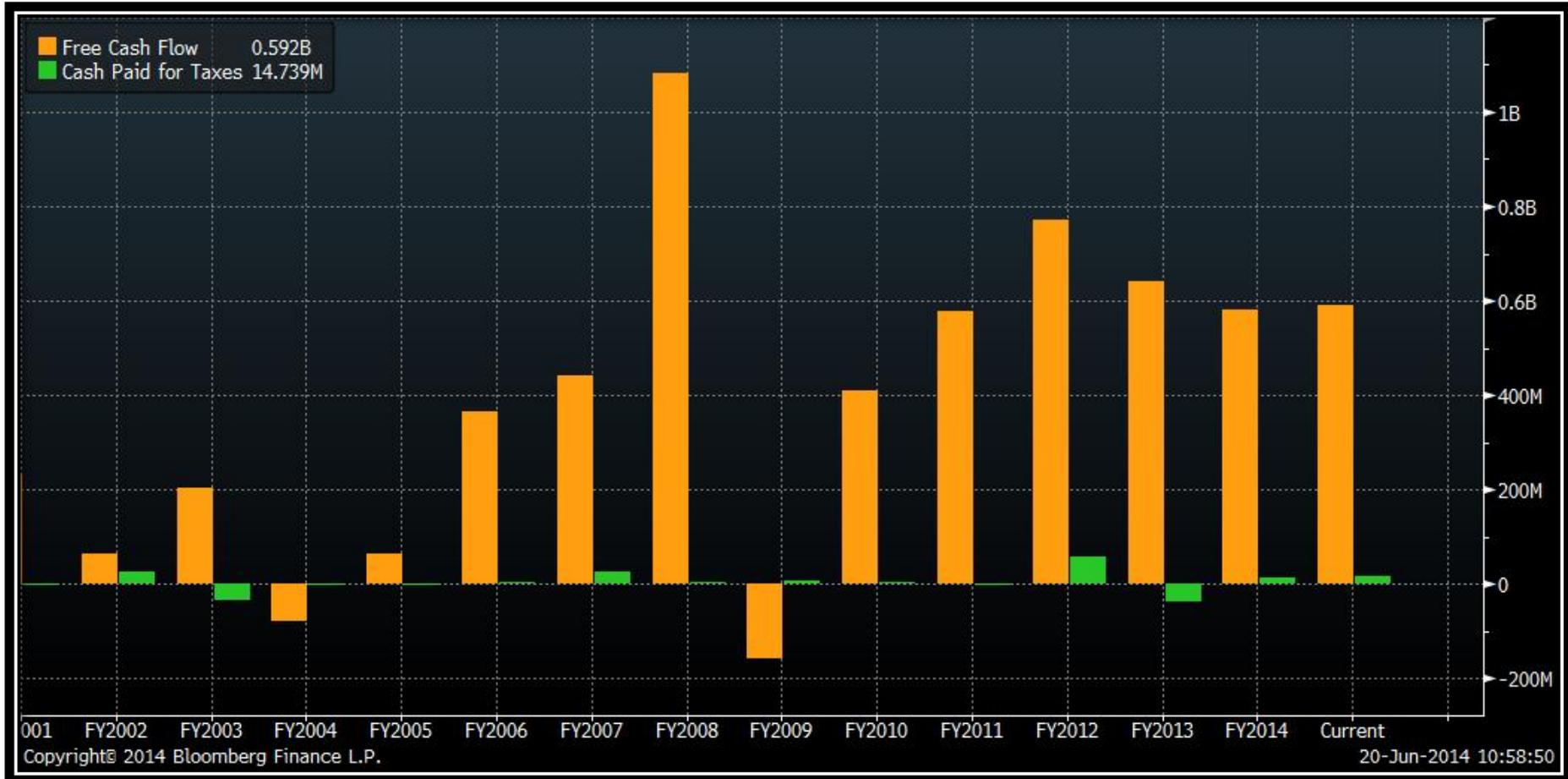
Current Assets vs. Current Liabilities



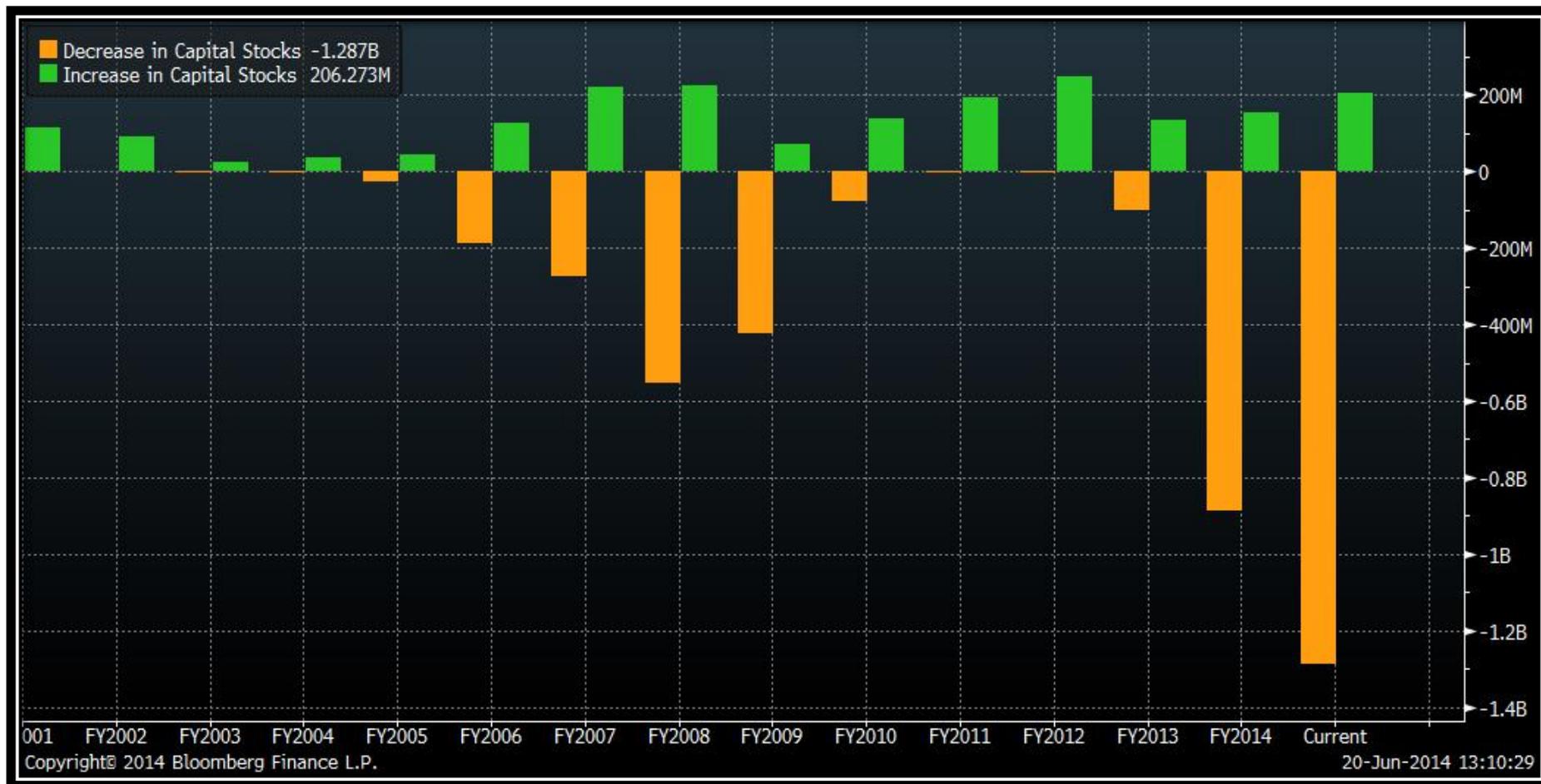
GAAP Net Income Versus Free Cash Flow



Cash Paid for Taxes Relative to Free Cash Flow

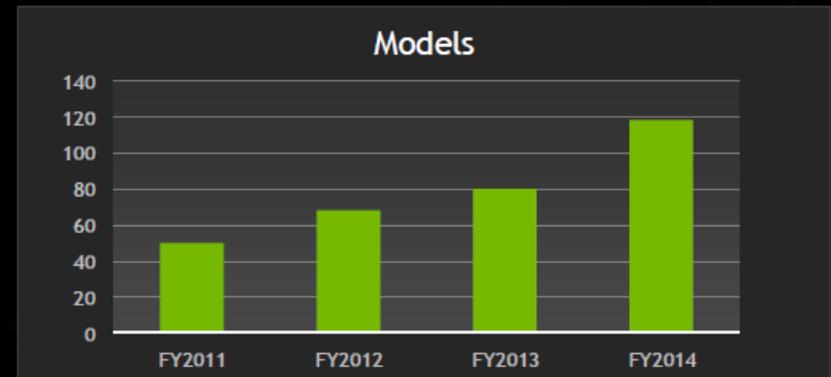
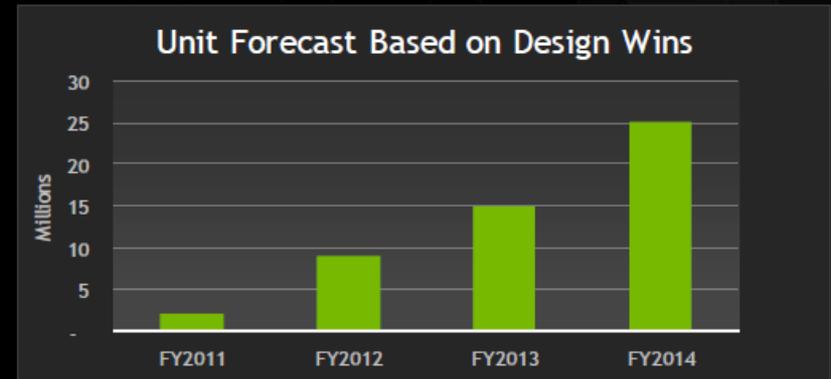
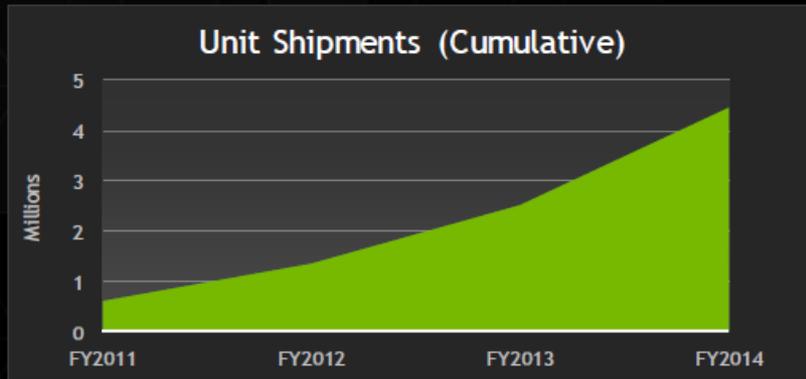


Stock Issuances Versus Repurchases



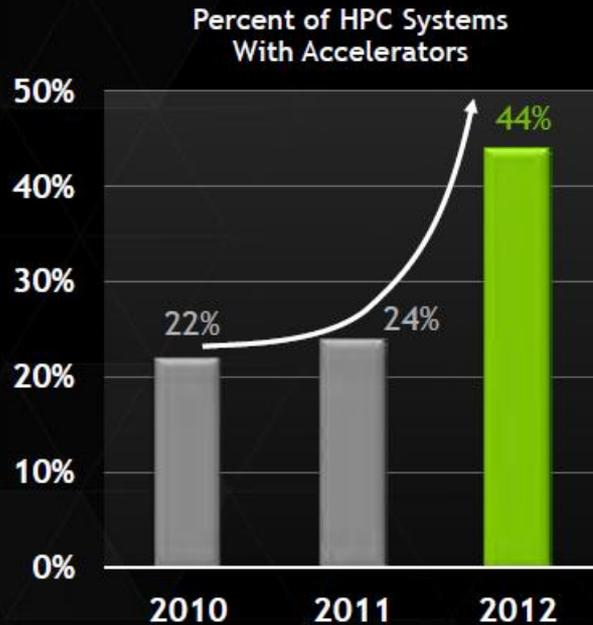
Automotive Metrics

NVIDIA Automotive Growth - By the Numbers



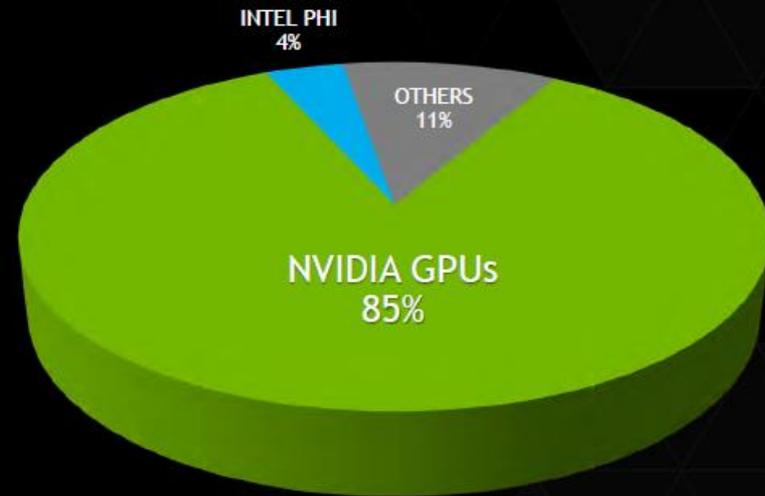
Accelerated Computing Growing Fast

2x Growth in One Year



Intersect360 Research
HPC User Site Census: Systems, July 2013

NVIDIA GPU is Accelerator of Choice



Intersect360 Research
HPC User Site Census: Systems, July 2013

Crescat Fundamental Equity Model

6 Fundamental Scoring Categories

Value Score	
	50
All Equity	76
Within Type	50
Within Industry	67

Value Factors	PE4QT	PE4QF	PBLQ	P/FCF TTM	PCFO4QT	P/Tang Bk	AnDiv%	PrtoFCF4
Metric Value	18	17	3	19	14	3	2	16
All Equity Rank	67	55	56	68	51	68	67	79
Within Type Rank	55	44.5	45.54	61.25	32.98	47.12	63.35	62.3
Within Industry Rank	80	62	62	65	65	62	80	59

Growth Score	
	82
All Equity	83
Within Type	85
Within Industry	70

Growth Factors	FCFG LQ	FCFG TTM	FCFG Chg	EPSQLQ	EEPSGCQ	SPSG LQ	SPSG PQ	SPSG Chg	CQG-LQG	Act-5Yr	R&D	CFOPSG	CAPEXG	9-Yr EPS
Factor Value	20	-19	40	61	11	25	11	14	-50	NA	21	-7	-25	56
All Equity Rank	58	31	70	86	56	87	67	88	12	50	76	41	15	79
Within Type Rank	54.45	28.27	62.3	77.48	51.3	82.72	60.73	87.43	16.23	50	20.41	38.21	17.8	26.7
Within Industry Rank	44	26	52	64	48	86	62	86	24	50	85	35	14	61

Quality Score	
	75
All Equity	72
Within Type	70
Within Industry	68

Quality Factors	PM4QT%	FCF Mrg	ROIC 4Q-	ROIC 4	ROE4QT	CFO/NI %	ROIC 5 Yr
Factor Value	12	14	3	10	11	64	7
All Equity Rank	69	75	77	64	49	44	48
Within Type Rank	61.78	73.29	79.58	63.87	48.59	36.64	42.4
Within Industry Rank	70	50	89	68	59	44	42

Earnings Dynamics Score	
	95
All Equity	97
Within Type	94
Within Industry	89

EPS Dynamics	EPSS%LQ	EPSR3M%	SS%LQ	SR3M%
Factor Value	38	7	5	3
All Equity Rank	90	88	90	88
Within Type Rank	81.67	79.58	79.05	82.19
Within Industry Rank	76	65	86	68

Capital Allocation Score	
	98
All Equity	95
Within Type	96
Within Industry	100

Cap Alloc Factors	AnDiv%	DivCvg	BBk Yld	Div%Ch	Δ in BBk
Factor Value	2	2	0	0	0
All Equity Rank	67	45	97	72	95
Within Type Rank	63.35	26.17	88.48	61.78	84.29
Within Industry Rank	80	23	91	65	89

Balance Sheet Strength	
	84
All Equity	93
Within Type	82
Within Industry	64

Balance Sheet	CE to TA	Current	Quick
Metric Value	61	6	5
All Equity Rank	79	92	94
Within Type Rank	81.67	81.15	81.15
Within Industry Rank	42	80	80