
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

March 6, 2014

Date of Report (date of earliest event reported)

AMBARELLA, INC.

(Exact name of Registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction
of incorporation)

001-35667
(Commission
File Number)

98-0459628
(I. R. S. Employer
Identification No.)

3101 Jay Street
Santa Clara, CA 95054
(Address of principal executive offices)

Registrant's telephone number, including area code: (408) 734-8888

N/A

(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 (see General Instruction A.2. below):

- 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))
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Item 2.02 Results of Operations and Financial Condition

On March 6, 2014, Ambarella, Inc. issued a press release announcing its results for the fourth fiscal quarter and fiscal year ended January 31, 2014. A copy of the press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

The information in this current report on Form 8-K and the exhibits attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated March 6, 2014

Signature

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

Dated: March 6, 2014

Ambarella, Inc.

/s/ George Laplante

George Laplante

Chief Financial Officer

Exhibit Index

**Exhibit
Number**

Exhibit Title

99.1

Press Release dated March 6, 2014

Ambarella, Inc. Announces Fourth Quarter and Fiscal 2014 Financial Results**Fourth Quarter Revenue up 27% Year over Year**

Contact:

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March 6, 2014 — Santa Clara, Calif. — Ambarella, Inc. (NASDAQ: AMBA), a leading developer of low-power, HD video compression and image processing semiconductors, today announced financial results for its fiscal fourth quarter and year ended January 31, 2014.

Revenue for the fourth quarter of fiscal 2014 was \$40.0 million, up 26.8% from \$31.5 million in the same period in fiscal 2013. For the fiscal year ended January 31, 2014, revenue was \$157.6 million, up 30.2% from \$121.1 million for the year ending January 31, 2013.

Gross margin under U.S. generally accepted accounting principles (GAAP) for the fourth quarter of fiscal 2014 was 64.0%, compared with 63.2% for the same period in fiscal 2013. For the year ended January 31, 2014, GAAP gross margin was 63.4%, compared with 66.6% for the year ended January 31, 2013.

GAAP net income for the fourth quarter of fiscal 2014 was \$5.5 million, or \$0.18 per diluted ordinary share, compared with GAAP net income of \$3.6 million, or \$0.13 per diluted ordinary share, for the same period in fiscal 2013. GAAP net income for the year ended January 31, 2014 was \$25.7 million, or \$0.85 per diluted ordinary share. This compares to GAAP net income of \$18.2 million, or \$0.60 per diluted ordinary share, for the year ended January 31, 2013.

Gross margin on a non-GAAP basis for the fourth quarter of fiscal 2014 was 64.1%, compared with 63.3% for the same period in fiscal 2013. For the year ended January 31, 2014, non-GAAP gross margin was 63.5%, compared with 66.7% for the year ended January 31, 2013.

Non-GAAP net income for the fourth quarter of fiscal 2014 was \$8.2 million, or \$0.26 per diluted ordinary share. This compares with non-GAAP net income of \$5.0 million, or \$0.18 per diluted ordinary share, for the same period in fiscal 2013. Non-GAAP net income for the year ended January 31, 2014 was \$33.2 million, or \$1.10 per diluted ordinary share. This compares to non-GAAP net income of \$22.7 million, or \$0.79 per diluted ordinary share, for the year ended January 31, 2013.

Ambarella reports gross margin, net income and earnings per share in accordance with GAAP and, additionally, on a non-GAAP basis. Non-GAAP financial information excludes the impact of stock-based compensation and the associated tax impact. A reconciliation of the GAAP to non-GAAP gross margin, net income and earnings per share numbers, as well as a description of the items excluded from the non-GAAP calculations, is included in the financial statements portion of this press release.

Cash on hand at the end of the fourth fiscal quarter of 2014 was \$143.4 million, compared with \$100.5 million at the end of the same quarter a year ago.

“We are very pleased with our fourth quarter and fiscal year 2014 financial results,” said Fermi Wang, president and CEO. “During the fourth quarter we had revenue of \$40M, up 26.8% from the same period last year. Our revenue for the whole fiscal year was up 30.2% from last year, while revenue from IP-security cameras more than doubled. In Q4 we introduced innovative surround-view solutions for the automotive market and collaborated with Google to explore new opportunities in wearable cameras. We look forward to driving continued innovation in the year ahead.”

Quarterly Conference Call

Ambarella plans to hold a conference call at 5 p.m. Eastern Time / 2 p.m. Pacific Time today with Fermi Wang, Chief Executive Officer, and George Laplante, Chief Financial Officer, to discuss fourth quarter and fiscal 2014 results. The call can be accessed by dialing **877-304-8963** in the USA; international callers should dial **760-666-4834**. Participant passcode is **48732876** or **“Ambarella.”** Please dial in ten minutes prior to the scheduled conference call time. A live and archived webcast of the call will be available on Ambarella’s website at <http://www.ambarella.com/> for up to 30 days after the call.

About Ambarella

Ambarella, Inc. (NASDAQ: AMBA), is a leading developer of low-power, high-definition (HD) video compression and image processing solutions. The company’s products are used in a variety of HD cameras including security IP-cameras, wearable sports cameras, digital still cameras, and automotive video camera recorders. Ambarella technology is also used in television broadcasting with TV programs being transmitted worldwide using Ambarella compression chips. For more information about Ambarella, please visit www.ambarella.com.

“Safe harbor” statement under the Private Securities Litigation Reform Act of 1995

This press release contains forward-looking statements that are not historical facts and often can be identified by terms such as “outlook,” “projected,” “intends,” “will,” “estimates,” “anticipates,” “expects,” “believes,” “could,” or similar expressions, including the comments of our CEO relating to our ability to generate revenue from our collaboration with Google or other business relationships, and the ability of our technology and product features to gain market acceptance and design wins. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. Our actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of our future performance.

The risks and uncertainties referred to above include, but are not limited to, risks associated with revenue being generated from new customers or design wins, neither of which is assured; our growth strategy; our ability to anticipate future market demands and future needs of our customers; our ability to introduce new and enhanced solutions; our ability to retain and expand customer relationships and to achieve design wins; our ability to successfully enter new markets; anticipated trends and challenges, including competition, in the markets in which we operate; our ability to effectively manage growth; our ability to retain key employees; and the potential for intellectual property disputes or other litigation.

Further information on these and other factors that could affect our financial results is included in the company's Annual Report on Form 10-K for our 2013 fiscal year and Quarterly Report on Form 10-Q for our third quarter of fiscal year 2014, which are on file with the Securities and Exchange Commission. Additional information will also be set forth in the company's quarterly reports on Form 10-Q, annual reports on Form 10-K and other filings the company makes with the Securities and Exchange Commission from time to time, copies of which may be obtained by visiting the Investor Relations portion of our web site at www.ambarella.com or the SEC's web site at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in this release, which are based on information available to us on the date hereof. The results we report in our Annual Report on Form 10-K for the fiscal year ended January 31, 2014 could differ from the preliminary results announced in this press release.

Ambarella assumes no obligation and does not intend to update the forward-looking statements made in this press release, except as required by law.

Non-GAAP Financial Measures

The company has provided in this release non-GAAP financial information including non-GAAP gross margin, net income, and earnings per share, as a supplement to the consolidated financial statements, which are prepared in accordance with generally accepted accounting principles ("GAAP"). Management uses these non-GAAP financial measures internally in analyzing the company's financial results to assess operational performance and liquidity. The company believes that both management and investors benefit from referring to these non-GAAP financial measures in assessing its performance and when planning, forecasting and analyzing future periods. Further, the company believes these non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key financial metrics that the company uses in making operating decisions and because the company believes that investors and analysts use them to help assess the health of its business and for comparison to other companies. Non-GAAP results are presented for supplemental informational purposes only for understanding the company's operating results. The non-GAAP information should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from non-GAAP measures used by other companies.

The company has provided below reconciliations between its non-GAAP financial measures to its most directly comparable GAAP financial measures.

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(unaudited)

	<u>Three Months Ended January 31,</u>		<u>Twelve Months Ended January 31,</u>	
	2014	2013	2014	2013
Revenue	\$ 39,967	\$ 31,518	\$ 157,608	\$ 121,066
Cost of revenue	14,405	11,584	57,761	40,405
Gross profit	<u>25,562</u>	<u>19,934</u>	<u>99,847</u>	<u>80,661</u>
Operating expenses:				
Research and development	13,010	11,198	48,777	42,829
Selling, general and administrative	6,850	5,114	23,153	17,926
Total operating expenses	19,860	16,312	71,930	60,755
Income from operations	5,702	3,622	27,917	19,906
Other income (loss), net	6	(3)	(22)	136
Income before income taxes	<u>5,708</u>	<u>3,619</u>	<u>27,895</u>	<u>20,042</u>
Provision (benefit) for income taxes	175	(24)	2,241	1,854
Net income	<u>\$ 5,533</u>	<u>\$ 3,643</u>	<u>\$ 25,654</u>	<u>\$ 18,188</u>
Net income per share attributable to ordinary shareholders:				
Basic	<u>\$ 0.19</u>	<u>\$ 0.14</u>	<u>\$ 0.93</u>	<u>\$ 0.64</u>
Diluted	<u>\$ 0.18</u>	<u>\$ 0.13</u>	<u>\$ 0.85</u>	<u>\$ 0.60</u>
Weighted-average shares used to compute net income per share attributable to ordinary shareholders:				
Basic	<u>28,430,988</u>	<u>26,894,966</u>	<u>27,680,778</u>	<u>13,511,646</u>
Diluted	<u>31,430,522</u>	<u>28,547,219</u>	<u>30,172,563</u>	<u>15,016,986</u>

The following table presents details of stock-based compensation expense included in each functional line item in the consolidated statements of operations above:

	<u>Three Months Ended January 31,</u>		<u>Twelve Months Ended January 31,</u>	
	2014	2013	2014	2013
	(unaudited, in thousands)			
Stock-based compensation:				
Cost of revenue	\$ 63	\$ 33	\$ 178	\$ 92
Research and development	1,628	963	4,887	2,942
Selling, general and administrative	1,184	562	3,470	1,965
Total stock-based compensation	<u>\$ 2,875</u>	<u>\$ 1,558</u>	<u>\$ 8,535</u>	<u>\$ 4,999</u>

AMBARELLA, INC.
RECONCILIATION OF GAAP TO NON-GAAP DILUTED EARNINGS PER SHARE
(in thousands, except share and per share data)
(unaudited)

	<u>Three Months Ended January 31,</u>		<u>Twelve Months Ended January 31,</u>	
	2014	2013	2014	2013
GAAP net income	\$ 5,533	\$ 3,643	\$ 25,654	\$ 18,188
Two-class method - allocation to participating securities	(3)	(8)	(31)	(9,578)
Treasury stock method - additional allocation to ordinary shares	—	—	2	432
GAAP net income - diluted	<u>\$ 5,530</u>	<u>\$ 3,635</u>	<u>\$ 25,625</u>	<u>\$ 9,042</u>
Non-GAAP adjustments:				
Stock-based compensation expense, net of tax effect	2,648	1,372	7,558	4,538
Two-class method - additional allocation to participating securities	(2)	(2)	(9)	(1,827)
Treasury stock method - additional allocation to ordinary shares	1	—	1	117
Non-GAAP net income - diluted	<u>\$ 8,177</u>	<u>\$ 5,005</u>	<u>\$ 33,175</u>	<u>\$ 11,870</u>
GAAP - diluted weighted average shares	31,430,522	28,547,219	30,172,563	15,016,986
Non-GAAP - diluted weighted average shares	31,430,522	28,547,219	30,172,563	15,016,986
GAAP - diluted net income per share	\$ 0.18	\$ 0.13	\$ 0.85	\$ 0.60
Non-GAAP adjustments:				
Stock-based compensation expense, net of tax effect	0.08	0.05	0.25	0.30
Non-GAAP adjustment to two-class method diluted net income	—	—	—	(0.12)
Non-GAAP adjustment to treasury stock method diluted net income	—	—	—	0.01
Non-GAAP - diluted net income per share	\$ 0.26	\$ 0.18	\$ 1.10	\$ 0.79

For each period presented, the difference between GAAP and non-GAAP gross margin was 0.1%, respectively, or \$63,000 for the fourth quarter of fiscal 2014, \$33,000 for the fourth quarter of fiscal 2013, \$178,000 for fiscal 2014 and \$92,000 for fiscal 2013. The difference was due to the effect of stock-based compensation and the associated tax impact, recorded for GAAP purposes.

AMBARELLA, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	January 31, 2014	January 31, 2013
ASSETS		
Current assets:		
Cash	\$ 143,394	\$ 100,494
Accounts receivable, net	18,837	20,153
Inventories	10,452	8,918
Restricted cash	3	3
Deferred tax assets, current	1,599	1,220
Prepaid expenses and other current assets	2,951	2,360
Total current assets	<u>177,236</u>	<u>133,148</u>
Property and equipment, net	3,018	2,536
Deferred tax assets, non-current	1,134	938
Other assets	1,919	1,981
Total assets	<u>\$ 183,307</u>	<u>\$ 138,603</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	8,321	7,051
Accrued liabilities	11,705	14,042
Income taxes payable	545	286
Deferred revenue, current	4,831	3,451
Total current liabilities	<u>25,402</u>	<u>24,830</u>
Other long-term liabilities	1,544	1,441
Total liabilities	<u>26,946</u>	<u>26,271</u>
Shareholders' equity:		
Preference shares	—	—
Ordinary shares	13	12
Additional paid-in capital	110,285	91,911
Retained earnings	46,063	20,409
Total shareholders' equity	<u>156,361</u>	<u>112,332</u>
Total liabilities and shareholders' equity	<u>\$ 183,307</u>	<u>\$ 138,603</u>