



Ambarella, Inc. Announces First Quarter Fiscal Year 2026 Financial Results

May 29, 2025 at 4:05 PM EDT

SANTA CLARA, Calif., May 29, 2025 (GLOBE NEWSWIRE) -- Ambarella, Inc. (NASDAQ: AMBA), an edge AI semiconductor company, today announced first quarter fiscal 2026 financial results for the period ended April 30, 2025.

- Revenue for the first quarter of fiscal 2026 was \$85.9 million, up 57.6% from \$54.5 million in the same period in fiscal 2025.
- Gross margin under U.S. generally accepted accounting principles (GAAP) for the first quarter of fiscal 2026 was 60.0%, compared with 60.9% for the same period in fiscal 2025.
- GAAP net loss for the first quarter of fiscal 2026 was \$24.3 million, or loss per diluted ordinary share of \$0.58, compared with a GAAP net loss of \$37.9 million, or loss per diluted ordinary share of \$0.93, for the same period in fiscal 2025.

Financial results on a non-GAAP basis for the first quarter of fiscal 2026 are as follows:

- Gross margin on a non-GAAP basis for the first quarter of fiscal 2026 was 62.0%, compared with 63.4% for the same period in fiscal 2025.
- Non-GAAP net profit for the first quarter of fiscal 2026 was \$3.0 million, or earnings per diluted ordinary share of \$0.07. This compares with non-GAAP net loss of \$10.5 million, or loss per diluted ordinary share of \$0.26, for the same period in fiscal 2025.

Based on information available as of today, Ambarella is offering the following guidance for the second quarter of fiscal year 2026, ending July 31, 2025:

- Revenue is expected to be between \$86.0 million and \$94.0 million.
- Gross margin on a non-GAAP basis is expected to be between 60.5% and 62.0%.
- Non-GAAP operating expenses are expected to be between \$52.5 million and \$55.5 million.

Ambarella reports gross margin, net income (loss) and earnings (losses) 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 acquisition-related costs adjusted for the associated tax impact, which includes the effect of any benefits or shortfalls recognized. A reconciliation of the GAAP to non-GAAP gross margin, net income (loss) and earnings (losses) per share for the periods presented, 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.

Total cash, cash equivalents and marketable debt securities on hand at the end of the first quarter of fiscal 2026 was \$259.4 million, compared with \$250.3 million at the end of the prior quarter and \$203.3 million at the end of the same quarter a year ago.

"As the established edge AI market leader, we achieved our fourth consecutive quarter of record AI revenue with results in the upper half of our Q1 revenue guidance range. We are increasing our fiscal 2026 revenue growth guidance to a range of 19% to 25%, or approximately \$348 million at the mid-point, with the broader guidance range reflecting our consideration of the uncertain geopolitical environment," said Fermi Wang, President & CEO. "We continue to innovate at a rapid pace, and by leveraging our low power and scalable 3rd generation AI silicon and software architecture, our development of a new SoC is efficiently extending our reach into the edge AI infrastructure market."

Stock Repurchase

During the second quarter of fiscal year 2026, Ambarella's Board of Directors approved an extension of the current share repurchase program for an additional twelve months ending June 30, 2026. In the first quarter of fiscal year 2026, the company repurchased a total of 24,152 shares for total consideration of approximately \$1.0 million. As of today, there is approximately \$48.0 million available for repurchase under the company's stock repurchase program. The repurchase program does not obligate the company to acquire any particular amount of ordinary shares, and it may be suspended at any time at the company's discretion.

Quarterly Conference Call

Ambarella plans to hold a conference call at 4:30 p.m. Eastern Time / 1:30 p.m. Pacific Time today with Fermi Wang, President and Chief Executive Officer, and John Young, Chief Financial Officer, to discuss the first quarter of fiscal year 2026 results. 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's products are used in a wide variety of edge AI and human vision applications, including video security, advanced driver assistance systems (ADAS), electronic mirror, drive recorder, driver/cabin monitoring, autonomous driving and robotics applications. Ambarella's low-power systems-on-chip (SoCs) provide powerful deep neural network processing to enable intelligent perception, fusion and planning, and offer high-resolution video compression, advanced image and radar processing. For more information, 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," "should," or similar expressions, including the guidance for the second quarter of fiscal year 2026 ending July 31, 2025, and the comments of our CEO relating to our expectation of future revenue growth, the growth potential for our edge AI inference products, our ability to continue to innovate, and our ability to expand into edge infrastructure. 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, global economic and political conditions; changes in government policies, including possible trade tariffs and restrictions; revenue being generated from new customers or design wins, neither of which is assured; the commercial success of our customers' products; our customers' ability to manage their inventory requirements; our growth strategy; our ability to anticipate future market demands and future needs of our customers, particularly for AI inference applications; our ability to introduce, and to generate revenue from, new and enhanced solutions; our ability to develop, and to generate revenue from, new advanced technologies, such as computer vision, AI functionality and advanced networks, including vision-language models and GenAI; our ability to retain and expand customer relationships and to achieve design wins; the expansion of our current markets and our ability to successfully enter new markets and applications, such as edge infrastructure; anticipated trends and challenges, including competition, in the markets in which we operate; risks associated with global health conditions and associated risk mitigation measures; 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 2025 fiscal year, which is on file with the Securities and Exchange Commission. Additional information will also 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 Quarterly Report on Form 10-Q for the first fiscal quarter ended April 30, 2025 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 (loss), and earnings (losses) per share, as a supplement to the condensed 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.

With respect to its financial results for the first quarter of fiscal year 2026, the company has provided below reconciliations of its non-GAAP financial measures to its most directly comparable GAAP financial measures. With respect to the company's expectations for the second quarter of fiscal year 2026, a reconciliation of non-GAAP gross margin and non-GAAP operating expenses guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability and low visibility with respect to the charges excluded from these non-GAAP measures. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

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

	Three Months Ended April 30,	
	2025	2024
Revenue	\$ 85,872	\$ 54,473
Cost of revenue	34,336	21,313
Gross profit	51,536	33,160
Operating expenses:		
Research and development	58,819	54,137
Selling, general and administrative	18,575	18,468

Total operating expenses	77,394	72,605
Loss from operations	(25,858)	(39,445)
Other income, net	2,175	2,271
Loss before income taxes	(23,683)	(37,174)
Provision for income taxes	645	758
Net loss	<u>\$ (24,328)</u>	<u>\$ (37,932)</u>
Net loss per share attributable to ordinary shareholders:		
Basic	<u>\$ (0.58)</u>	<u>\$ (0.93)</u>
Diluted	<u>\$ (0.58)</u>	<u>\$ (0.93)</u>
Weighted-average shares used to compute net loss per share attributable to ordinary shareholders:		
Basic	<u>42,219,972</u>	<u>40,774,991</u>
Diluted	<u>42,219,972</u>	<u>40,774,991</u>

The following tables present details of stock-based compensation and acquisition-related costs included in each functional line item in the condensed consolidated statements of operations above:

	Three Months Ended April 30,	
	2025	2024
	(unaudited, in thousands)	
Stock-based compensation:		
Cost of revenue	\$ 951	\$ 607
Research and development	17,585	17,621
Selling, general and administrative	7,594	7,808
Total stock-based compensation	<u>\$ 26,130</u>	<u>\$ 26,036</u>

	Three Months Ended April 30,	
	2025	2024
	(unaudited, in thousands)	
Acquisition-related costs:		
Cost of revenue	\$ 757	\$ 757
Research and development	—	—
Selling, general and administrative	456	520
Total acquisition-related costs	<u>\$ 1,213</u>	<u>\$ 1,277</u>

The difference between GAAP and non-GAAP gross margin was 2.0% and 2.5%, or \$1.7 million and \$1.4 million, for the three months ended April 30, 2025 and 2024, respectively. The differences were due to the effect of stock-based compensation and amortization of acquisition-related costs.

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

Three Months Ended April 30,	
2025	2024

	(unaudited)	
GAAP net loss	\$ (24,328)	\$ (37,932)
Non-GAAP adjustments:		
Stock-based compensation expense	26,130	26,036
Acquisition-related costs	1,213	1,277
Income tax effect	14	152
Non-GAAP net income (loss)	<u>\$ 3,029</u>	<u>\$ (10,467)</u>
GAAP - diluted weighted average shares	42,219,972	40,774,991
Non-GAAP - diluted weighted average shares	42,451,235	40,774,991
GAAP - diluted net loss per share	\$ (0.58)	\$ (0.93)
Non-GAAP adjustments:		
Stock-based compensation expense	0.62	0.64
Acquisition-related costs	0.03	0.03
Income tax effect	—	—
Effect of Non-GAAP - diluted weighted average shares	—	—
Non-GAAP - diluted net income (loss) per share	\$ 0.07	\$ (0.26)

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

	April 30, 2025	January 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 141,285	\$ 144,622
Marketable debt securities	118,102	105,643
Accounts receivable, net	30,235	29,767
Inventories	39,289	34,428
Restricted cash	441	7
Prepaid expenses and other current assets	6,197	6,084
Total current assets	<u>335,549</u>	<u>320,551</u>
Property and equipment, net	10,248	9,084
Intangible assets, net	44,895	47,279
Operating lease right-of-use assets, net	4,377	5,188
Goodwill	303,625	303,625
Other non-current assets	3,224	3,241
Total assets	<u>\$ 701,918</u>	<u>\$ 688,968</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	35,290	21,775
Accrued and other current liabilities	73,479	80,781
Operating lease liabilities, current	2,335	2,829
Income taxes payable	1,633	1,383
Deferred revenue, current	12,114	14,226
Total current liabilities	<u>124,851</u>	<u>120,994</u>
Operating lease liabilities, non-current	2,056	2,436
Other long-term liabilities	2,295	4,126
Total liabilities	<u>129,202</u>	<u>127,556</u>

Shareholders' equity:

Preference shares	—	—
Ordinary shares	19	19
Additional paid-in capital	848,756	813,683
Accumulated other comprehensive income (loss)	326	(233)
Accumulated deficit	<u>(276,385)</u>	<u>(252,057)</u>
Total shareholders' equity	<u>572,716</u>	<u>561,412</u>
Total liabilities and shareholders' equity	<u>\$ 701,918</u>	<u>\$ 688,968</u>

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