Ambarella, Inc. Announces Third Quarter Fiscal Year 2027 Financial Results

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SANTA CLARA, Calif., Nov. 24, 2026 (GLOBE NEWSWIRE) -- Ambarella, Inc. (NASDAQ: AMBA), an edge AI semiconductor company, today announced third quarter fiscal 2027 financial results for the period ended October 31, 2026.

- Revenue for the third quarter of fiscal 2027 was $115.2 million, up 6.2% from $108.5 million in the same period in fiscal 2026. For the nine months ended October 31, 2026, revenue was $323.7 million, up 11.7% from $289.8 million for the nine months ended October 31, 2025.
- Gross margin under U.S. generally accepted accounting principles (GAAP) for the third quarter of fiscal 2027 was 57.8%, compared with 59.6% for the same period in fiscal 2026. For the nine months ended October 31, 2026, GAAP gross margin was 57.9%, compared with 59.5% for the nine months ended October 31, 2025.
- GAAP net loss for the third quarter of fiscal 2027 was $12.7 million, or loss per diluted ordinary share of $0.29, compared with a GAAP net loss of $15.1 million, or loss per diluted ordinary share of $0.35, for the same period in fiscal 2026. GAAP net loss for the nine months ended October 31, 2026 was $37.5 million or loss per diluted ordinary share of $0.85. This compares with GAAP net loss of $59.4 million, or loss per diluted ordinary share of $1.40, for the nine months ended October 31, 2025.

Financial results on a non-GAAP basis for the third quarter of fiscal 2027 are as follows:

- Gross margin on a non-GAAP basis for the third quarter of fiscal 2027 was 59.5%, compared with 60.9% for the same period in fiscal 2026. For the nine months ended October 31, 2026, non-GAAP gross margin was 59.6%, compared with 61.1% for the nine months ended October 31, 2025.
- Non-GAAP net income for the third quarter of fiscal 2027 was $12.7 million, or earnings per diluted ordinary share of $0.28. This compares with non-GAAP net income of $11.9 million, or earnings per diluted ordinary share of $0.27, for the same period in fiscal 2026. Non-GAAP net income for the nine months ended October 31, 2026 was $26.0 million, or earnings per diluted ordinary share of $0.58. This compares with non-GAAP net income of $21.3 million, or earnings per diluted ordinary share of $0.49, for the nine months ended October 31, 2025.

Based on information available as of today, Ambarella is offering the following guidance for the fourth quarter of fiscal year 2027, ending January 31, 2027:

- Revenue is expected to be between $70.0 million and $75.0 million.
- Gross margin on a non-GAAP basis is expected to be between 59.0% and 60.25%.
- Non-GAAP operating expenses are expected to be between $57.5 million and $59.5 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, nonrecurring development project termination credit 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 third quarter of fiscal 2027 was $282.8 million, compared with $272.3 million at the end of the prior quarter and $295.3 million at the end of the same quarter a year ago.

“We reported record edge AI revenue in our third quarter, although total revenue was at the low end of our guidance range as our consumer IoT revenue was below our expectations. The unprecedented rise in memory prices and the scarcity of memory supply we previously highlighted has intensified and is causing many customers to reduce their outlooks”, said Fermi Wang, President & CEO. “Memory related challenges do not have an impact on our very positive secular growth outlook for edge AI and our positioning and investment therein. Physical AI brings domain specific context to LLMs running in the datacenter, which differentiates and improves the overall combined edge AI and cloud AI value proposition. Our investments in new products, expanding Partner program, enhancements to our Cooper Development Platform and reach into new applications is expected to enable our fiscal 2028 to be a growth year.”

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 third quarter of fiscal year 2027 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

With an installed base of more than 55 million AI SoC units, Ambarella's products are utilized in a wide variety of physical edge AI applications, spanning edge endpoint and edge infrastructure use cases including physical security, vehicle safety, telematics, autonomy, portable video, aerial drones, and other emerging robotic applications. Building on this footprint, Ambarella offers a full-stack edge AI platform, from highly optimized silicon and programmable software to AI agentic frameworks that coordinate perception, decision-making and control across devices. Ambarella's low-power systems-on-chip (SoCs) integrate proprietary and highly efficient perception and deep learning neural network AI accelerators, enabling electronic systems to become more productive with partial or complete levels of machine autonomy. 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 fourth quarter of fiscal year 2027 ending January 31, 2027, and the comments of our CEO relating to our growth expectations for the edge AI market and our ability to successfully penetrate the edge AI market, our positive outlook on the combined edge AI and cloud AI value proposition; our ability to generate revenue growth from our investments in new products, our expanding partner program, and our Cooper Development Platform; our ability to successfully penetrate new applications with our AI SoCs; and our expectation for revenue growth in fiscal year 2028. 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 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 2026 fiscal year, which is on file with the Securities and Exchange Commission. Additional information is 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 third quarter of fiscal 2027 ended October 31, 2026 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 third quarter of fiscal year 2027, 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 fourth quarter of fiscal year 2027, 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 October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
Revenue	$ 115,219	$ 108,452	$ 323,701	$ 289,835

Cost of revenue	48,674	43,866	136,151	117,482
Gross profit	66,545	64,586	187,550	172,353
Operating expenses:				
Research and development	58,554	61,451	167,275	180,004
Selling, general and administrative	22,502	19,383	62,345	56,444
Total operating expenses	81,056	80,834	229,620	236,448
Loss from operations	(14,511)	(16,248)	(42,070)	(64,095)
Other income, net	2,116	2,074	6,005	6,496
Loss before income taxes	(12,395)	(14,174)	(36,065)	(57,599)
Provision for income taxes	308	933	1,420	1,831
Net loss	$ (12,703)	$ (15,107)	$ (37,485)	$ (59,430)
Net loss per share attributable to ordinary shareholders:				
Basic	$ (0.29)	$ (0.35)	$ (0.85)	$ (1.40)
Diluted	$ (0.29)	$ (0.35)	$ (0.85)	$ (1.40)
Weighted-average shares used to compute net loss per share attributable to ordinary shareholders:				
Basic	44,339,797	42,866,916	43,983,552	42,544,622
Diluted	44,339,797	42,866,916	43,983,552	42,544,622

The following table presents the impact in each functional line item in the condensed consolidated statements of operations from the items that are excluded from the non-GAAP calculations:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
	(unaudited, in thousands)			
Cost of revenue	$ 2,051	$ 1,415	$ 5,299	$ 4,660
Research and development	14,856	16,776	33,577	51,333
Selling, general and administrative	8,478	8,763	24,528	24,705
	$ 25,385	$ 26,954	$ 63,404	$ 80,698

The difference between GAAP and non-GAAP gross margin was 1.7% and 1.3%, or $2.1 million and $1.4 million, for the three months ended October 31, 2026 and 2025, respectively. The difference between GAAP and non-GAAP gross margin was 1.7% and 1.6%, or $5.3 million and $4.7 million, for the nine months ended October 31, 2026 and 2025, respectively. The differences were due to the effect of stock-based compensation and 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 October 31,		Nine Months Ended October 31,	
	2026	2025	2026	2025
	(unaudited)			
GAAP net loss	$ (12,703)	$ (15,107)	$ (37,485)	$ (59,430)
Non-GAAP adjustments:				
Stock-based compensation expense	24,172	25,741	68,765	77,059
Acquisition-related costs	1,213	1,213	3,639	3,639
Development project termination credit	—	—	(9,000)	—
Income tax effect	14	17	43	53
Non-GAAP net income	$ 12,696	$ 11,864	$ 25,962	$ 21,321

GAAP - diluted weighted average shares	44,339,797	42,866,916	43,983,552	42,544,622
Non-GAAP - diluted weighted average shares	44,780,928	43,954,650	44,398,587	43,117,403
GAAP - diluted net loss per share	$ (0.29)	$ (0.35)	$ (0.85)	$ (1.40)
Non-GAAP adjustments:				
Stock-based compensation expense	0.55	0.60	1.56	1.81
Acquisition-related costs	0.03	0.03	0.08	0.09
Development project termination credit	—	—	(0.20)	—
Income tax effect	—	—	—	—
Effect of Non-GAAP - diluted weighted average shares	(0.01)	(0.01)	(0.01)	(0.01)
Non-GAAP - diluted net income per share	$ 0.28	$ 0.27	$ 0.58	$ 0.49

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

	October 31, 2026	January 31, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 107,532	$ 191,019
Marketable debt securities	175,282	121,552
Accounts receivable, net	58,259	39,180
Inventories	61,449	52,246
Restricted cash	442	442
Prepaid expenses and other current assets	6,775	5,836
Total current assets	409,739	410,275
Property and equipment, net	11,233	11,553
Intangible assets, net	51,917	58,046
Operating lease right-of-use assets, net	10,905	12,118
Goodwill	303,625	303,625
Other non-current assets	2,883	2,983
Total assets	$ 790,302	$ 798,600
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	27,094	54,029
Accrued and other current liabilities	96,335	97,964
Operating lease liabilities, current	2,247	2,027
Income taxes payable	2,271	1,531
Deferred revenue, current	11,688	22,393
Total current liabilities	139,635	177,944
Operating lease liabilities, non-current	10,346	11,408
Other long-term liabilities	6,017	14,459
Total liabilities	155,998	203,811
Shareholders' equity:		
Preference shares	—	—
Ordinary shares	20	19
Additional paid-in capital	1,001,049	922,119
Accumulated other comprehensive income (loss)	(1,358)	573
Accumulated deficit	(365,407)	(327,922)
Total shareholders’ equity	634,304	594,789

Total liabilities and shareholders' equity	$ 790,302	$ 798,600

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