
**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**

**September 4, 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 September 4, 2014, Ambarella, Inc. issued a press release announcing its results for the second quarter of fiscal year 2015 ending July 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 September 4, 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: September 4, 2014

Ambarella, Inc.

/s/ George Laplante

George Laplante

Chief Financial Officer

Exhibit Index

**Exhibit
Number**

Exhibit Title

99.1 Press Release dated September 4, 2014

Ambarella, Inc. Announces Second Quarter Fiscal 2015 Financial Results**Second Quarter Revenue up 24.6% Year over Year**

Contact:

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Sept. 4, 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 second quarter ended July 31, 2014.

Revenue for the second quarter of fiscal 2015 was \$47.0 million, up 24.6% from \$37.7 million in the same period in fiscal 2014. For the six months ended July 31, 2014, revenue was \$87.9 million, up 22.7% from \$71.7 million for the six months ended July 31, 2013.

Gross margin under U.S. generally accepted accounting principles (GAAP) for the second quarter of fiscal 2015 was 65.0%, compared with 61.8% for the same period in fiscal 2014. For the six months ended July 31, 2014, GAAP gross margin was 63.9%, compared with 62.8% for the six months ended July 31, 2013.

GAAP net income for the second quarter of fiscal 2015 was \$9.3 million, or \$0.29 per diluted ordinary share, compared with GAAP net income of \$6.3 million, or \$0.21 per diluted ordinary share, for the same period in fiscal 2014. GAAP net income for the six months ended July 31, 2014 was \$14.6 million, or \$0.46 per diluted ordinary share. This compares with GAAP net income of \$11.0 million, or \$0.37 per diluted ordinary share, for the six months ended July 31, 2013.

Gross margin on a non-GAAP basis for the second quarter of fiscal 2015 was 65.1%, compared with 61.9% for the same period in fiscal 2014. For the six months ended July 31, 2014, non-GAAP gross margin was 64.0%, compared with 62.9% for the six months ended July 31, 2013.

Non-GAAP net income for the second quarter of fiscal 2015 was \$11.9 million, or \$0.37 per diluted ordinary share. This compares with non-GAAP net income of \$7.7 million, or \$0.26 per diluted ordinary share, for the same period in fiscal 2014. Non-GAAP net income for the six months ended July 31, 2014 was \$19.8 million, or \$0.62 per diluted ordinary share. This compares with non-GAAP net income of \$13.9 million for the six months ended July 31, 2013, or \$0.47 per diluted ordinary share.

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.

Total cash, cash equivalents and marketable securities on hand at the end of the second fiscal quarter of 2015 were \$166.5 million, compared with \$118.3 million at the end of the same quarter a year ago.

“We are delighted with our second quarter financial results,” said Fermi Wang, president and CEO. “We achieved revenue of \$47.0 million reflecting the success of our HD and Ultra-HD camera solutions in the expanding IP security camera, UAV and wearable sports camera markets.”

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 second quarter 2015 results. The call can be accessed by dialing 877-304-8963 in the USA; international callers should dial 760-666-4834. The conference ID is 86454638. Participant passcode is “**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 IP security cameras, wearable sports 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 the expansion of our target markets and our ability to generate revenue from our solutions in these markets. 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 2014 fiscal year, which is 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 Quarterly Report on Form 10-Q for the second quarter ended July 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 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.

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

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

	Three Months Ended July 31,		Six Months Ended July 31,	
	2014	2013	2014	2013
Revenue	\$ 46,968	\$ 37,710	\$ 87,889	\$ 71,651
Cost of revenue	16,432	14,419	31,757	26,667
Gross profit	<u>30,536</u>	<u>23,291</u>	<u>56,132</u>	<u>44,984</u>
Operating expenses:				
Research and development	13,497	10,974	26,411	22,291
Selling, general and administrative	6,875	5,385	13,630	10,542
Total operating expenses	20,372	16,359	40,041	32,833
Income from operations	10,164	6,932	16,091	12,151
Other income (loss), net	39	(11)	88	(16)
Income before income taxes	<u>10,203</u>	<u>6,921</u>	<u>16,179</u>	<u>12,135</u>
Provision for income taxes	893	667	1,609	1,140
Net income	<u>\$ 9,310</u>	<u>\$ 6,254</u>	<u>\$ 14,570</u>	<u>\$ 10,995</u>
Net income per share attributable to ordinary shareholders:				
Basic	<u>\$ 0.32</u>	<u>\$ 0.23</u>	<u>\$ 0.50</u>	<u>\$ 0.40</u>
Diluted	<u>\$ 0.29</u>	<u>\$ 0.21</u>	<u>\$ 0.46</u>	<u>\$ 0.37</u>
Weighted-average shares used to compute net income per share attributable to ordinary shareholders:				
Basic	<u>29,421,200</u>	<u>27,409,343</u>	<u>29,198,511</u>	<u>27,232,142</u>
Diluted	<u>31,899,501</u>	<u>29,848,676</u>	<u>31,831,489</u>	<u>29,456,374</u>

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

	Three Months Ended July 31,		Six Months Ended July 31,	
	2014	2013	2014	2013
	(in thousands)			
Stock-based compensation:				
Cost of revenue	\$ 58	\$ 34	\$ 117	\$ 68
Research and development	1,629	900	3,219	1,874
Selling, general and administrative	1,262	659	2,487	1,257
Total stock-based compensation	<u>\$ 2,949</u>	<u>\$ 1,593</u>	<u>\$ 5,823</u>	<u>\$ 3,199</u>

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

	Three Months Ended July 31,		Six Months Ended July 31,	
	2014	2013	2014	2013
			(unaudited)	
GAAP net income	\$ 9,310	\$ 6,254	\$ 14,570	\$ 10,995
Two-class method - allocation to participating securities	(2)	(8)	(4)	(17)
Treasury stock method - additional allocation to ordinary shares	—	1	—	1
GAAP net income - diluted	<u>\$ 9,308</u>	<u>\$ 6,247</u>	<u>\$ 14,566</u>	<u>\$ 10,979</u>
Non-GAAP adjustments:				
Stock-based compensation expense, net of tax effect	2,631	1,449	5,207	2,911
Two-class method - additional allocation to participating securities	—	(2)	(2)	(4)
Treasury stock method - additional allocation to ordinary shares	—	—	1	—
Non-GAAP net income - diluted	<u>\$ 11,939</u>	<u>\$ 7,694</u>	<u>\$ 19,772</u>	<u>\$ 13,886</u>
GAAP - diluted weighted average shares	31,899,501	29,848,676	31,831,489	29,456,374
Non-GAAP - diluted weighted average shares	31,899,501	29,848,676	31,831,489	29,456,374
GAAP - diluted net income per share	\$ 0.29	\$ 0.21	\$ 0.46	\$ 0.37
Non-GAAP adjustments:				
Stock-based compensation expense, net of tax effect	0.08	0.05	0.16	0.10
Non-GAAP adjustment to two-class method diluted net income	—	—	—	—
Non-GAAP adjustment to treasury stock method diluted net income	—	—	—	—
Non-GAAP - diluted net income per share	\$ 0.37	\$ 0.26	\$ 0.62	\$ 0.47

The difference between GAAP and non-GAAP gross margin was 0.1% for each period, or \$57,701 and \$33,595 for the three months ended July 31, 2014 and 2013, respectively, or \$116,858 and \$67,636 for the six months ended July 31, 2014 and 2013, respectively. The difference was due to the effect of stock-based compensation, and the associated tax impact, recorded for GAAP purposes.

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

	July 31, 2014	January 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$128,263	\$ 143,394
Marketable securities	38,265	—
Accounts receivable, net	26,833	18,837
Inventories	13,003	10,452
Restricted cash	3	3
Deferred tax assets, current	1,599	1,599
Prepaid expenses and other current assets	2,227	2,951
Total current assets	<u>210,193</u>	<u>177,236</u>
Property and equipment, net	3,080	3,018
Deferred tax assets, non-current	1,375	1,134
Other assets	1,772	1,919
Total assets	<u>\$216,420</u>	<u>\$ 183,307</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	14,424	8,321
Accrued liabilities	12,344	11,705
Income taxes payable	706	545
Deferred revenue, current	4,888	4,831
Total current liabilities	<u>32,362</u>	<u>25,402</u>
Deferred revenue, non-current	178	—
Other long-term liabilities	1,569	1,544
Total liabilities	<u>34,109</u>	<u>26,946</u>
Shareholders' equity:		
Preference shares	—	—
Ordinary shares	13	13
Additional paid-in capital	121,686	110,285
Accumulated other comprehensive income	(21)	—
Retained earnings	60,633	46,063
Total shareholders' equity	<u>182,311</u>	<u>156,361</u>
Total liabilities and shareholders' equity	<u>\$216,420</u>	<u>\$ 183,307</u>