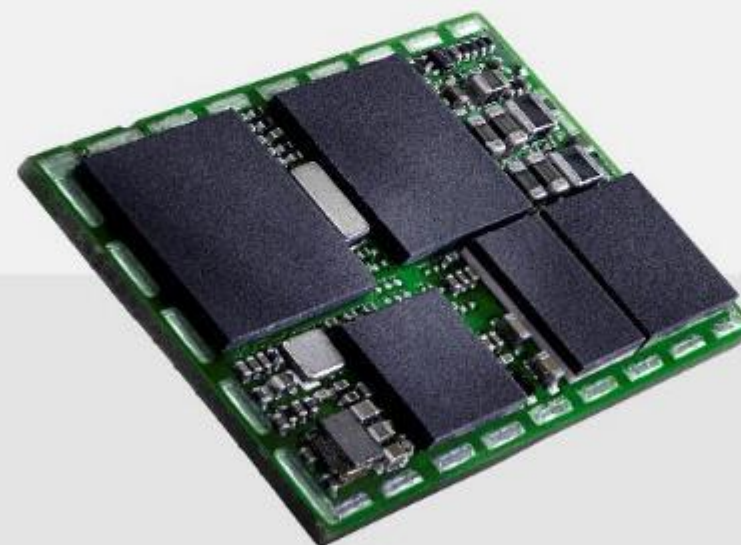


Annual results 2017

u-blox Holding AG

March 15, 2018

Thomas Seiler, CEO
Roland Jud, CFO



Disclaimer



This presentation contains certain forward-looking statements. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied herein.

Should such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation.

u-blox is providing the information in this presentation as of this date and does not undertake any obligation to update any forward-looking statements contained in it as a result of new information, future events or otherwise.

Agenda



Operational highlights 2017

Financial results 2017

Business review

Outlook

Q&A

Operational highlights 2017

Another good year



- Revenue strongly up – EBIT margin at high level:
 - Revenue growth recovered.
 - EBIT margin level maintained at high levels thanks to favorable product mix and continued cost improvements.
- Sharing applications a strong business growth factor, mainly in Asia.
- Strategic new products: Launch of new products in all three product areas: Cellular, Short Range and Positioning.
- Innovative products launched for all three product categories: New module form factor, new functions and combinations, extended specs.
- JV Sapcorda formed with Bosch, Mitsubishi and Geo++ for high precision GNSS service.
- Global expansion: Addition of personnel in all locations for supporting organic growth.

Key figures		Amount CHF	In relation to revenue	Change 2017 to 2016
Revenue		403.7m	-	12.1%
Gross profit	adjusted ¹⁾	184.8m	45.8%	10.1%
	IFRS reported	184.0m	45.6%	10.1%
EBITDA	adjusted ¹⁾	97.8m	24.2%	8.7%
	IFRS reported	87.4m	21.6%	6.9%
Operating profit (EBIT)	adjusted¹⁾	78.0m	19.3%	11.8%
	IFRS reported	65.1m	16.1%	10.3%
Net profit, attributable to owners of the parent	adjusted ¹⁾	57.6m	14.3%	5.1%
	IFRS reported	51.3m	12.7%	11.0%
Net cash generated from operating activities		60.5m	15.0%	-35.3%
Payout of a dividend of CHF 2.25 per share from capital reserves proposed				

¹⁾ excl. share based payments, impacts based on IAS-19, amortization of intangible assets acquired and non-recurring expenses

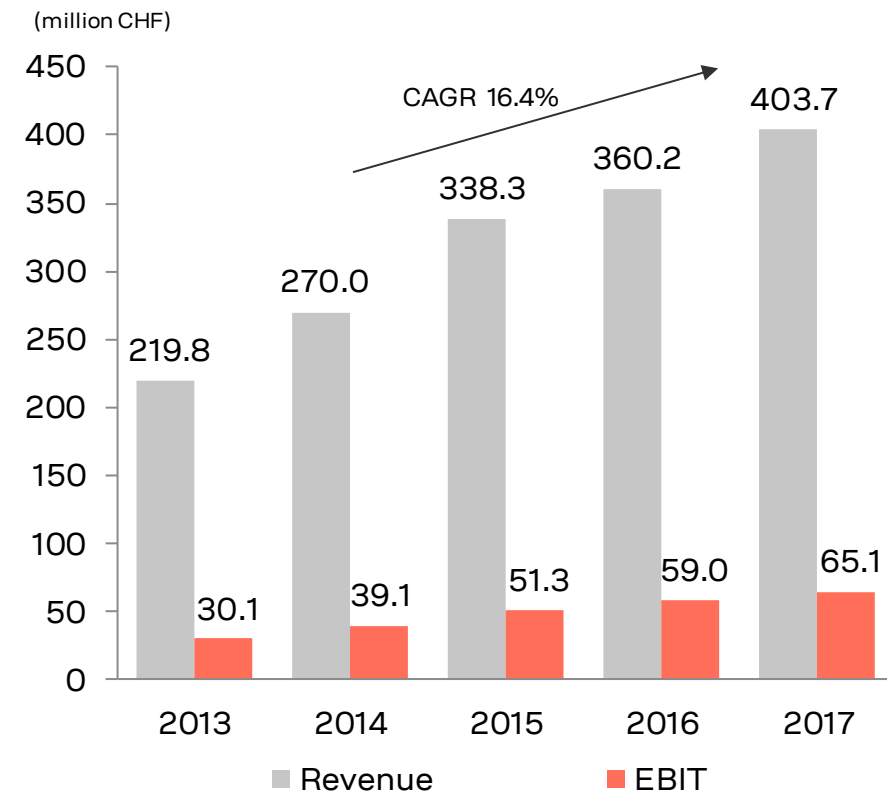
Revenue and EBIT

Continued growth

- Revenue growth of 12.1% compared to 2016, all organic growth
- At constant exchange rate: Revenue growth of 12.8% compared to 2016
- EBIT growth of 10.3% over 2016



Revenue and EBIT



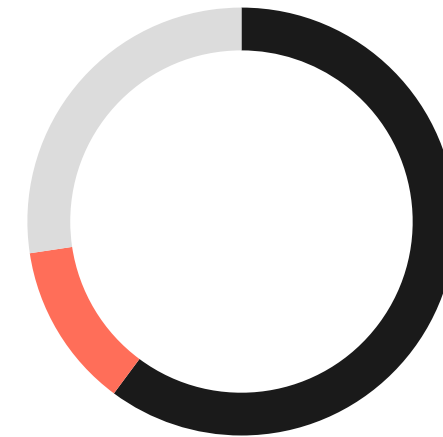
Markets trends

Maintained market sector positions

- No significant change in distribution of revenue between market sectors over past 4 years
- Growth in all market segments
- Strongest growth in consumer
- Growth in industrial driven by medical and automation applications



Revenue split per market for 2017



■ Industrial ■ Consumer ■ Automotive

Revenues by geography

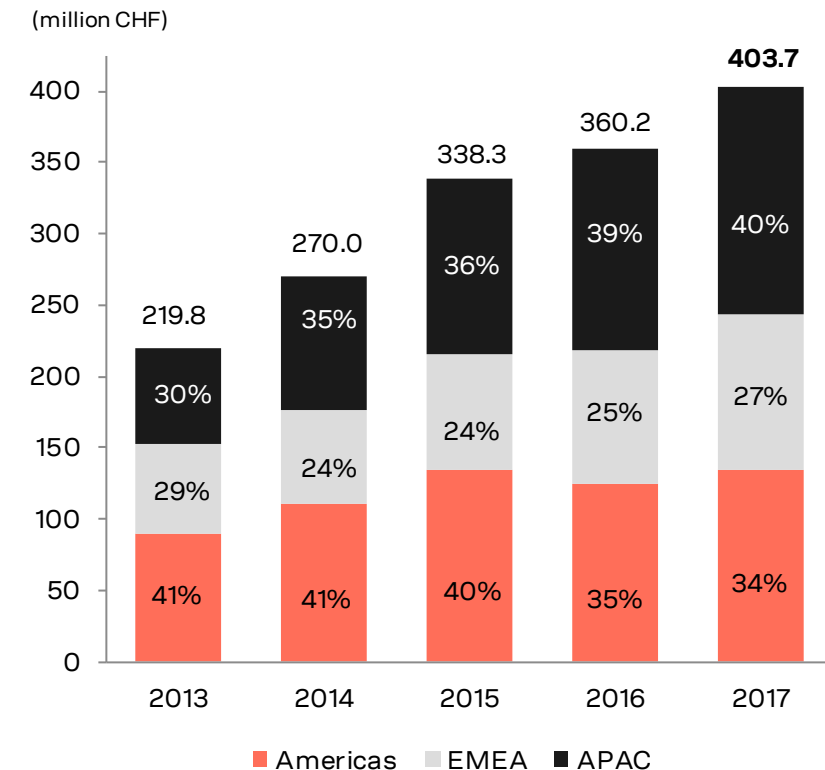
Broad geographical business diversification



- Revenue development according to reporting region
- Continued growth of 12.8% in APAC
- Good growth of 16.3% in EMEA
- America back on growth path with 8.1%
- Negative FX impact on growth of revenues of -0.7%:
 - Neutral impact of EUR: 0.4%
 - Negative impact of USD: - 1.0%
 - Negative impact of JPY: - 3.7%

Note: Growth based on reporting region (corporate revenue included in EMEA)

Revenues by geographic region



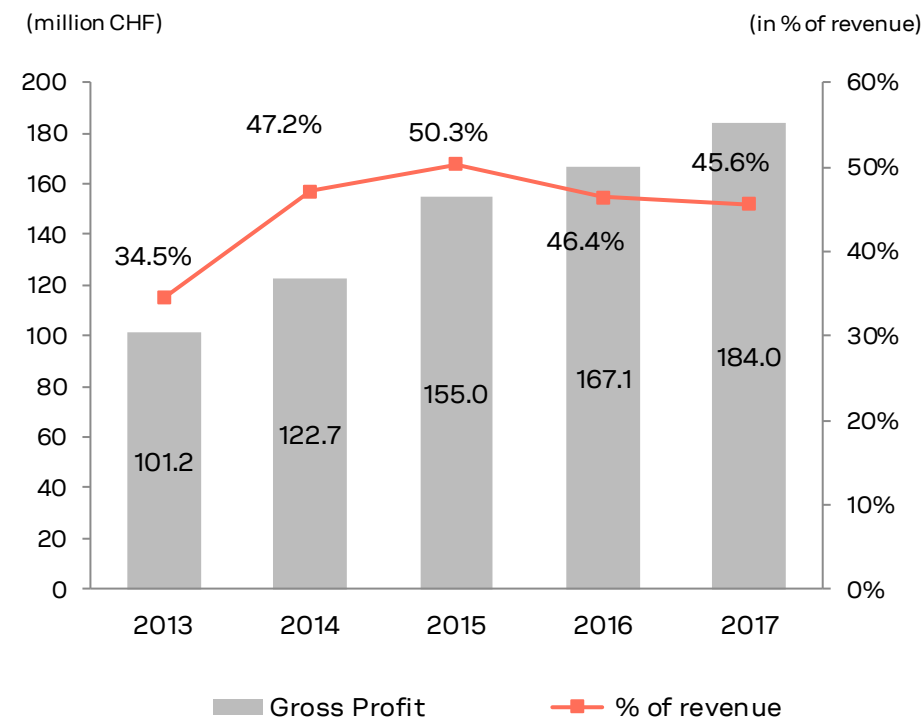
Gross profit

Maintained profit level



- Solid growth of gross profit by 10.1% to CHF 184.0m compared to 2016
- Gross profit margin in 2017 of 45.6 % slightly reduced due to changes in product mix

Gross profit / Gross profit margin



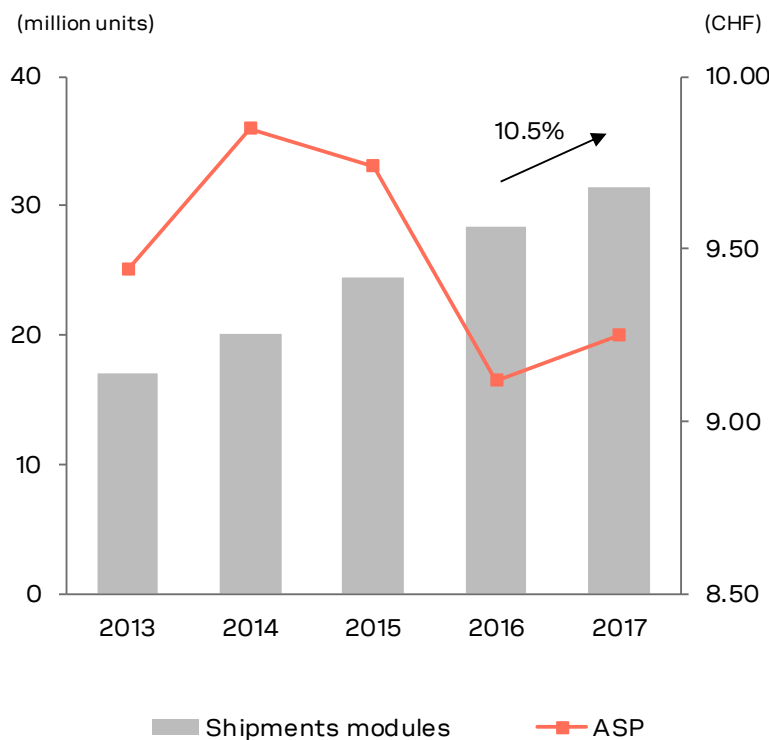
Shipments and ASP development

Strong volume growth

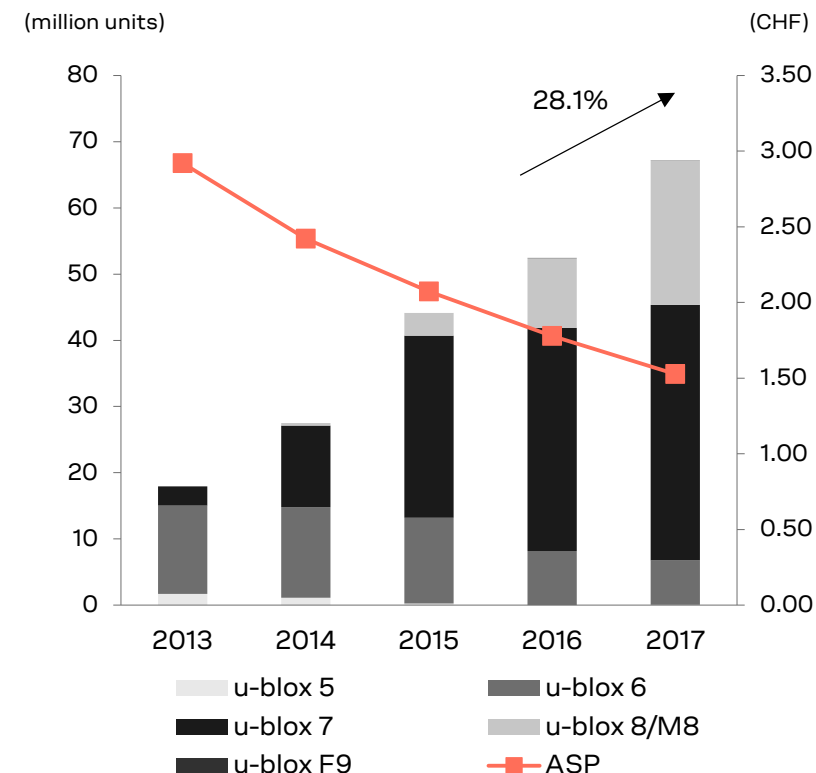


- Continued growth of chips and modules volume
- Shipments of u-blox 8/M8 chips expanding strongly
- Module ASP impacted by product mix (not an indicator for market price changes)

Modules



GPS/GNSS chips



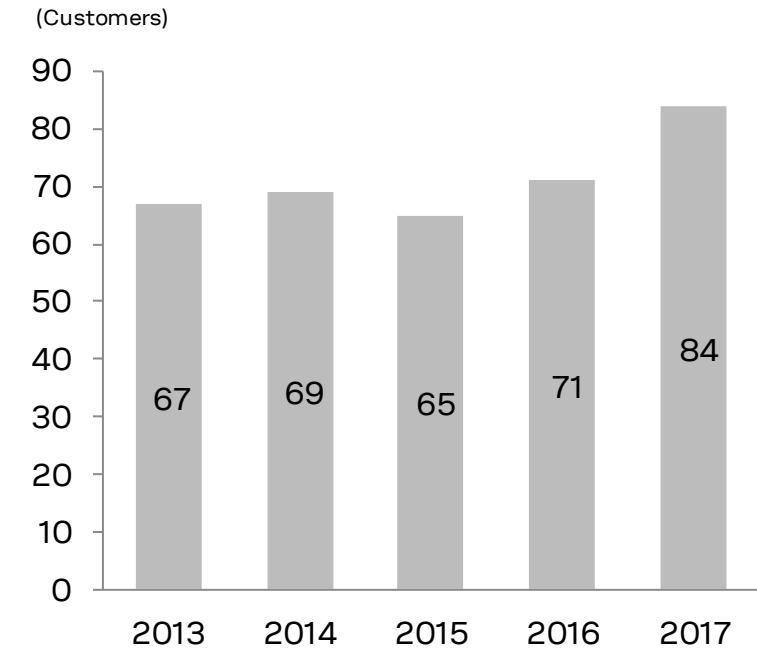
Global customer base

Customer base more diversified



- Strong and stable customer base
- More than 6'100 customers worldwide
- Wide spread over different applications and geographical regions
- Largest customer accounts for no more than 6% of total revenue
- 10 biggest customers account for 32% of total revenue

Number of customers totaling 80% of revenue

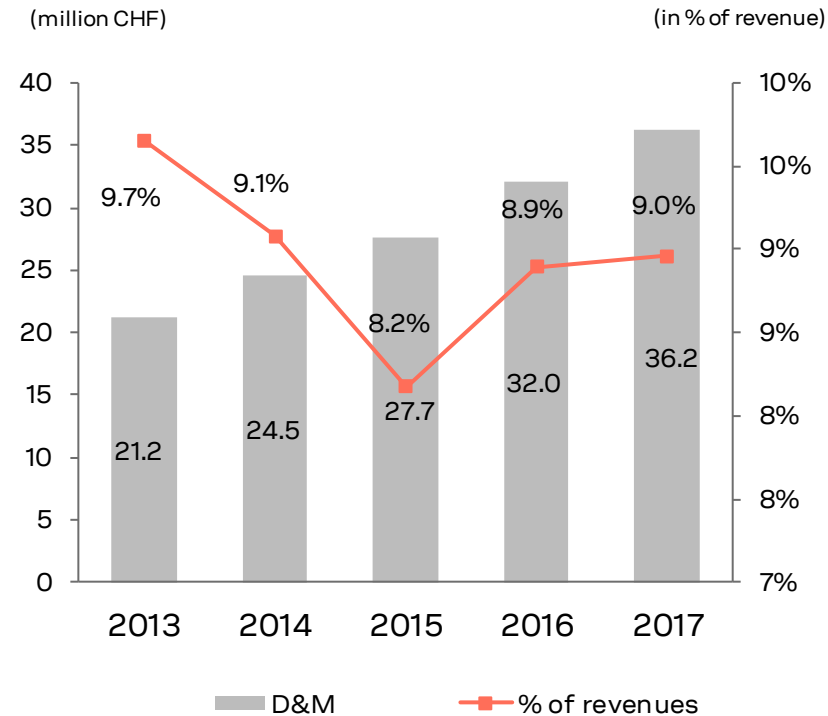


Operational Expense

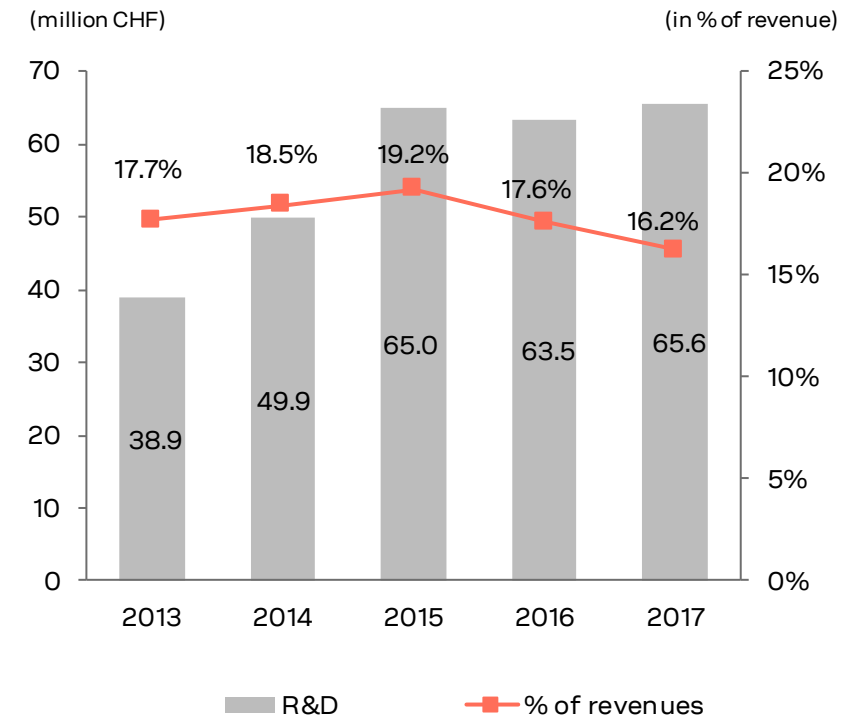
OPEX levels well maintained



Distribution & marketing expenses



Research & development expenses

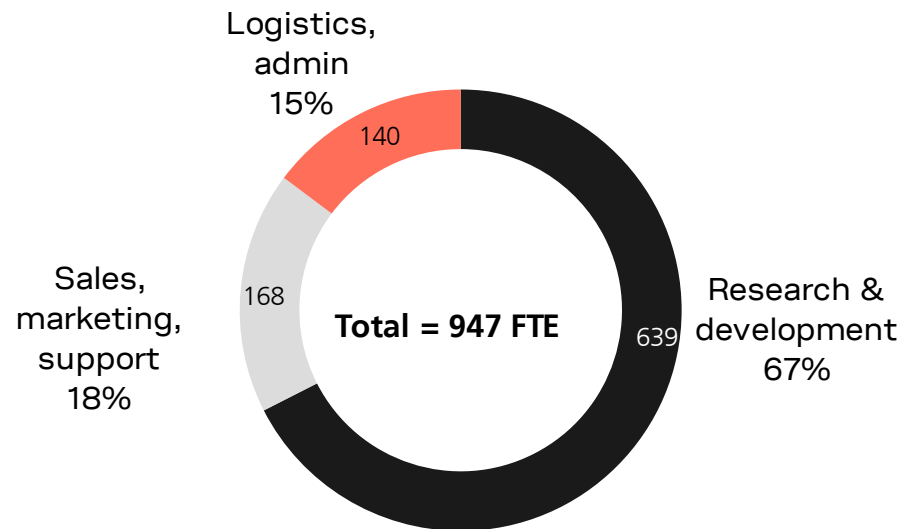


Employees

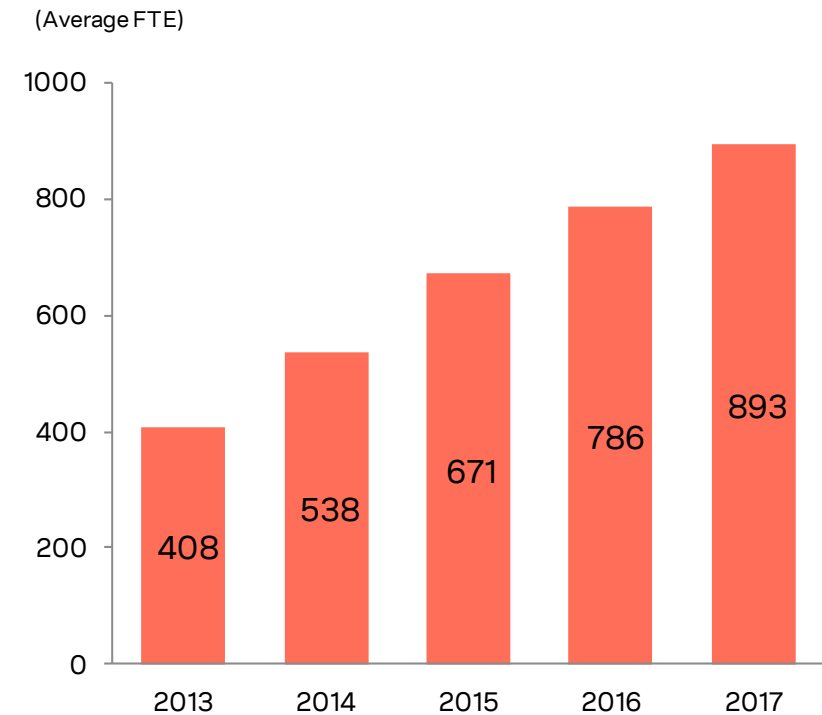
Continued expansion of workforce



**Employee breakdown
(end of 2017, FTE based)**



**Average employee level
(2013 – 2017, FTE based)**



Income statement

Strong profitability: 16.1% EBIT margin



- Revenue increase organic only with 12.1%
- EBITDA margin slightly decreased to 21.6%
- EBIT margin was 16.1%
- Share based payment cost in the amount of CHF 8.1m included in OPEX
- Finance income includes gains from building joint venture Sapcorda
- Finance costs include unrealized foreign exchange losses of CHF 3.5m and the bond interest
- Tax rate declined to 20.8% (2016: 25.1%) due to flat share price development and therefore no impact on taxes from change of local provisions

Consolidated income statement (condensed)

(in CHF 000s)	for the year ended December 31,		June 30,
	2017	2016	2017
	(audited)	(audited)	(unaudited)
Revenue	403'712	360'230	193'908
Cost of sales	-219'695	-193'123	-106'518
Gross profit	184'017	167'107	87'390
Operating expenses	-120'852	-110'136	-58'707
Other income	1'921	2'033	845
Operating profit (EBIT)	65'086	59'004	29'528
Finance income	5'668	4'337	309
Finance costs	-6'052	-1'653	-6'979
Profit before income tax (EBT)	64'702	61'688	22'858
Income tax expense	-13'442	-15'488	-4'846
Net profit, attributable to owners of the parent	51'260	46'200	18'012
Operating profit (EBIT)	65'086	59'004	29'528
Depreciation and amortization	22'290	22'762	10'730
EBITDA*)	87'376	81'766	40'258

*) EBITDA (earnings before interest, taxes, depreciation and amortization) calculated by adding back depreciation and amortization to operating profit (EBIT), in each case determined in accordance with IFRS.

Income statement (adjusted)



(in CHF 000s)	Jan- Dec		Adjustments			Jan- Dec	Jan- Dec
	2017 (IFRS)	Share based payments	Pension impact based on IAS-19	Non-recurring expenses	Amortization intangible assets acquired	2017 (adjusted)	2016 (adjusted)
Revenue	403'712					403'712	360'230
Cost of sales	-219'695	794				-218'901	-192'435
Gross Profit	184'017	794	0	0	0	184'811	167'795
<i>% gross profit margin</i>	<i>45.6%</i>					<i>45.8%</i>	<i>46.6%</i>
Operating expenses	-120'852	7'382	1'444	827	2'510	-108'689	-100'035
Other income	1'921					1'921	2'033
Operating profit (EBIT)	65'086	8'176	1'444	827	2'510	78'043	69'793
<i>% margin</i>	<i>16.1%</i>					<i>19.3%</i>	<i>19.4%</i>
Finance income	5'668			-4'984		684	4'337
Finance costs	-6'052					-6'052	-1'653
Profit before income tax (EBT)	64'702	8'176	1'444	-4'157	2'510	72'675	72'477
Income tax expense	-13'442	-1'635	-289	831	-502	-15'037	-17'646
Net profit, attributable to owners of the parent	51'260	6'541	1'155	-3'326	2'008	57'638	54'831
<i>Earnings per share in CHF</i>	<i>7.42</i>					<i>8.34</i>	<i>8.07</i>
<i>Diluted earnings per share in CHF</i>	<i>7.34</i>					<i>8.25</i>	<i>7.86</i>
Operating profit (EBIT)	65'086	8'176	1'444	827	2'510	78'043	69'793
Depreciation and amortization	22'290				-2'510	19'780	20'234
EBITDA¹⁾	87'376	8'176	1'444	827	0	97'823	90'027
<i>% EBITDA margin</i>	<i>21.6%</i>					<i>24.2%</i>	<i>25.0%</i>

¹⁾ EBITDA (earnings before interest, taxes, depreciation and amortization) calculated by adding depreciation and amortization to operating profit (EBIT), in each case determined in accordance with IFRS.

Segment information



	Positioning and wireless products		Wireless services		Total segments		Non-allocated/ eliminations		Group	
(in CHF 000s)	January - December		January - December		January - December		January - December		January - December	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue third	403'510	360'070	202	160	403'712	360'230			403'712	360'230
Revenue intragroup			32'600	25'874	32'600	25'874	-32'600	-25'874	0	0
Total revenue	403'510	360'070	32'802	26'034	436'312	386'104	-32'600	-25'874	403'712	360'230
EBITDA ^{*)}	84'720	74'848	2'894	6'512	87'614	81'360	-238	406	87'376	81'766
Depreciation	-6'709	-6'176	-2'559	-2'116	-9'268	-8'292			-9'268	-8'292
Amortization	-12'852	-14'416	-42	-54	-12'894	-14'470			-12'894	-14'470
Impairment	-128				-128	0			-128	0
Operating profit (EBIT)	65'031	54'256	293	4'342	65'324	58'598	-238	406	65'086	59'004
Finance income									5'668	4'337
Finance costs									-6'052	-1'653
EBT									64'702	61'688
	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Assets	319'728	242'879	27'316	21'366	347'044	264'245	180'732	160'627	527'776	424'872
Liabilities	60'187	110'218	17'473	16'270	77'660	126'488	131'604	13'657	209'264	140'145
additions to non-current assets	61'952	46'650	2'874	2'874	64'826	49'524	280		65'106	49'524

*) EBITDA (earnings before interest, taxes, depreciation and amortization) calculated by adding back depreciation and amortization to operating profit (EBIT), in each case determined in accordance with IFRS.

Statement of financial position (1)

Solid on all dimensions



- Very strong financial position with liquidity (incl. marketable securities) of CHF 172.4m
- Inventory CHF 44.2m (thereof WIP CHF 9.0m)
- Goodwill increased due to higher EUR/CHF rate
- Increase of intangible assets due to capitalization of growing R&D efforts

Statement of financial position (condensed)

(in CHF 000s)	Dec. 31, 2017	Dec. 31, 2016	June 30, 2017
	(audited)	(audited)	(unaudited)
ASSETS			
Current assets			
Cash and cash equivalents	169'624	149'545	163'785
Marketable securities	2'813	7'573	4'831
Trade accounts receivable	50'401	39'792	46'084
Other current assets	60'476	42'670	52'102
Total current assets	283'314	239'580	266'802
Non-current assets			
Property, plant and equipment	17'494	15'774	15'570
Goodwill	57'628	54'104	54'621
Other Intangible assets	153'986	111'905	132'169
Financial assets	8'351	1'074	1'139
Deferred tax assets	3'739	2'435	2'458
Total non-current assets	241'198	185'292	205'957
Total assets	524'512	424'872	472'759

Statement of financial position (2)

2nd bond issued



- Trade accounts payable of CHF 20.3m
- Non-current liabilities includes bond, provisions, deferred tax liabilities and pension liabilities
- 2nd bond issued in 2017 in the amount of CHF 60m (6 years, interest 1.375% p.a.) providing financial flexibility
- Share capital increase due to exercise of options

Statement of financial position (condensed)

(in CHF 000s)	Dec. 31, 2017 (audited)	Dec. 31, 2016 (audited)	June 30, 2017 (unaudited)
LIABILITIES AND EQUITY			
Current liabilities	58'946	59'098	57'307
Non-current liabilities	147'054	81'047	140'676
Total liabilities	206'000	140'145	197'983
Shareholders' equity			
Share capital	6'261	6'152	6'238
Share premium	66'579	74'387	65'180
Retained earnings	245'672	204'188	203'358
Total equity, attributable to owners of the parent	318'512	284'727	274'776
Total liabilities and equity	524'512	424'872	472'759

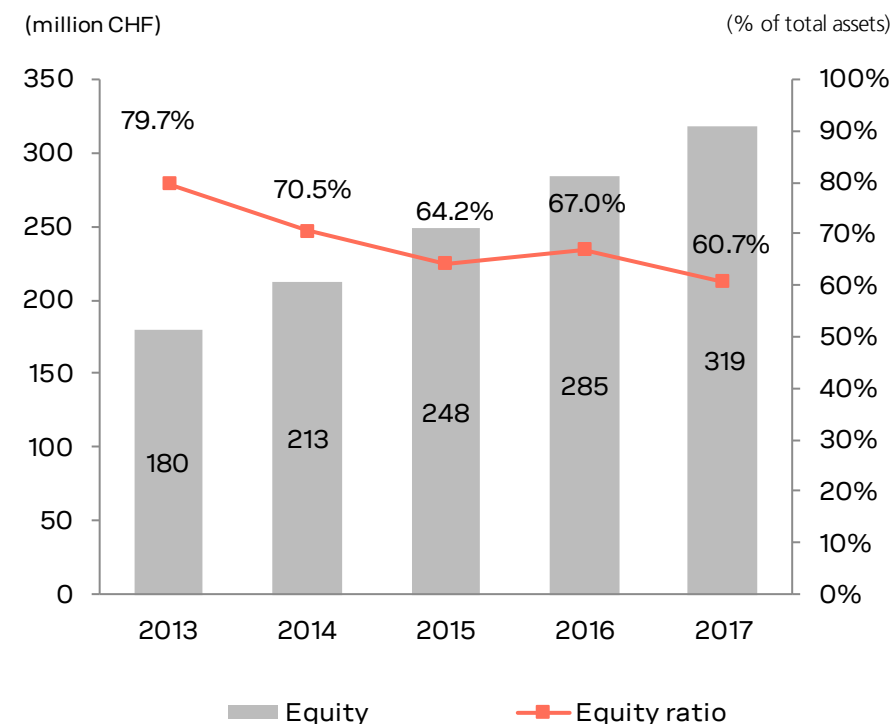
Statement of financial position

CHF 2.25 Dividend proposed



- Strong equity ratio with 60.7%
- Payout of a dividend of CHF 2.25 per share proposed to the Annual General Meeting
 - Increase by 7% from 2016
 - Dividend payout ratio: 30.5% of net profit, similar to previous year

Total equity and equity ratio



Statement of cash flows

Strong investments in working capital



Operational cash flow impacted by increased working capital requirements from inventory cycle due to business expansion and supply constraints

- Cash generated from operating activities 15.0% of revenues
- Change in net working capital: CHF – 17.9m
- Investing activities:
 - CHF - 54.5m investments into intangible assets, mainly capitalized R&D expenses and intellectual property
 - CHF - 10.6m investments into fixed assets
 - CHF + 4.7m net proceeds from marketable securities
 - CHF - 3.6m invested into JV Sapcorda GmbH
- Financing activities:
 - CHF - 14.5m dividend 2016 payment
 - CHF + 6.8m proceeds from issuance of shares
 - CHF + 60.0m proceeds from issuance of 2nd bond
 - CHF - 24.4m purchase of treasury shares for employee option program
 - CHF - 1.0m bond interest payment

Consolidated cash flow Statement (condensed)

(in CHF 000s)	For the year ended December 31,	
	2017	2016
Net cash generated from operating activities	60'504	93'559
Net cash used in investing activities	-63'511	-45'711
Net cash provided by / used in financing activities	26'012	-10'515
Net increase in cash and cash equivalents	23'005	37'333
Cash and cash equivalents at beginning of year	149'545	112'387
Exchange gains/(losses) on cash and cash equivalents	-2'926	-175
Cash and cash equivalents at end of year	169'624	149'545

Business review

Product launch highlights



Positioning



ZOE-M8 series

New GNSS module form factor shrinks our customers' designs. Suitable for both industrial and consumer markets.

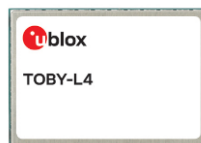


MAX-M8Q-01A

Automotive grade GNSS module. The smallest automotive grade GNSS module on the market to offer an operating temperature range from -40°C to 105°C .



Cellular Communication



TOBY-L4

A high-bandwidth LTE Cat 6 module, aimed at the automotive sector.



SARA-R410M-02B

World's smallest LTE Cat M1/NB1 multimode module with global support for IoT and M2M applications.



Short Range Communication



NINA-B1 and NINA-B3

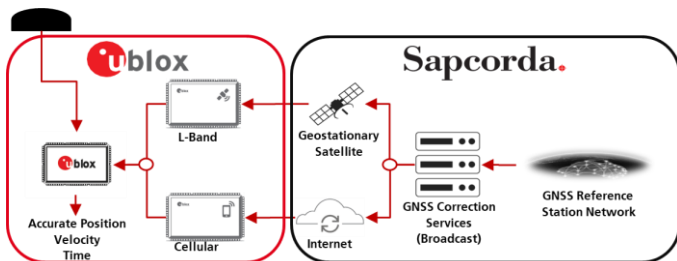
Aimed at a variety of scenarios, from large-scale industrial mesh networks to smart cities, low-power remote sensors and health devices.



JODY-W1

Wi-Fi & Bluetooth module with RSDB support. Ideal for infotainment and telematics applications.

New technology expands application range



Positioning

High precision positioning system

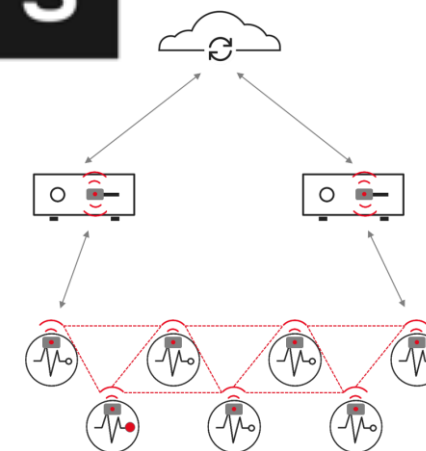
- Automated vehicles
- Surveillance
- UAV



Cellular Communication

LTE technology in chip

- Industrial automation
- Data rich telematics



Short Range Communication

Gateway and mesh system components

- Sensor networks
- Industrial controls

Customers and partnerships

New technologies enable customers for value creating solutions



AeroSense, Japan
Surveying solution with drone
Product: NEO-M8T



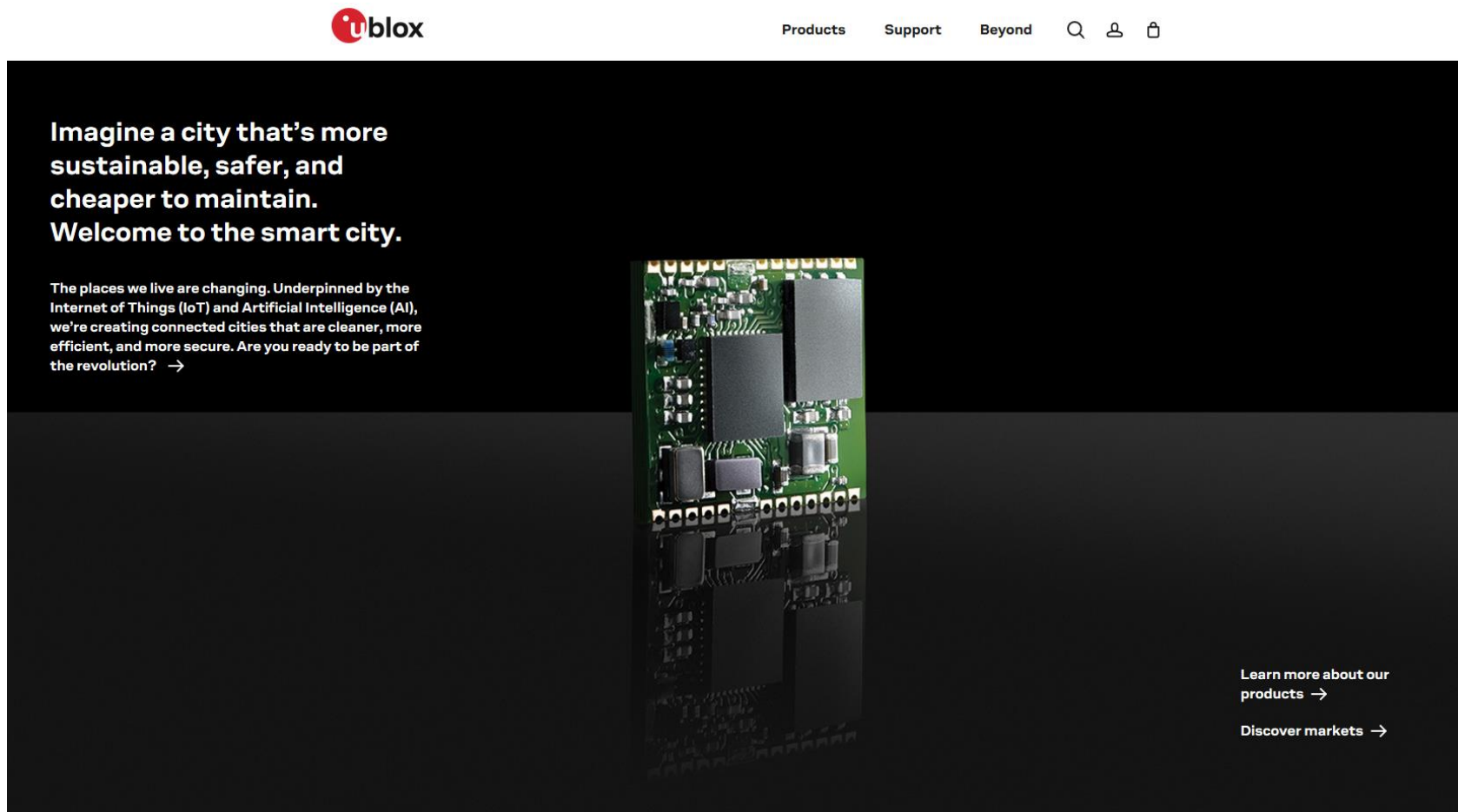
**Partnership with NOS, EDP
Distribuição, Huawei, Janz CE,
UPGRID**
**First NB-IoT smart meter pilot
project in Portugal**
Product: SARA-N2



Atoll Solutions
**Easy access to LPWA technologies
for Smart Cities in India**
Products: SARA-N2 and SARA-R4

u-blox new website launched Feb 27

Integrated digital experience



- Cleaner navigation
- Focus on Products, Support and Beyond
- Maximum space for new imagery

How to find our updates

Investor news and events



ProductsSupportBeyond

Q

u

u

IR news & events

Investor Relations

For quick information please see the

Upcoming events

2017 full year results

15 March 2018

Organization

We operate in more than 25 countries worldwide.

Share price

204.40

+3.28 %/+6.50

ProductsSupportBeyond

Q

u

u

Investor news

Investor events

Latest ↓

05 February 2018

Announcement of new Chairman and new Board Member

24 August 2017

u-blox firmly on track for sustained growth and profitability

08 August 2017

Bosch, Geo++ , Mitsubishi Electric and u-blox to establish joint venture Sapcorda Services to bring high precision GNSS positioning services to Mass Markets

View more

Strategy

Strategic priorities 2018 (1)



Market position



- Further develop our position in the automotive market, including for autonomous vehicles
- Expand high-precision Positioning into a broader range of markets, to support general automation
- Capitalize on strong move towards LTE based Cellular connectivity for the IoT
- Establish Short Range Radio solutions based on latest standards

Technology & Innovation



- Push ahead with the development of our own silicon, to give us even more control over the core technology in our products
- Launch products based on our own silicon across all three technology areas
- Continually strive to make our products more secure
- Expand our offering of solutions combining u-blox products from different lines

Strategic priorities 2018 (2)

Operational excellence



- Further explore unique partnerships with suppliers for key components
- Improve the resilience of our supply chain by reducing dependency on any single supplier

Strategic partnerships & acquisition opportunities



- Develop new and expand existing relationships with key players in our markets
- Continue to review potential acquisitions that will strengthen our product portfolio and technology base, and accelerate our strategy

Outlook

Goals

- Grow business with new products
 - Cellular
 - Strong traction for M1 and Cat1
 - Continued demand for 2G and 3G
 - Positioning
 - Business growth based on u-blox 8/M8
 - High precision business expansion
 - Launch of new F9 product generation
 - Short Range
 - Strong demand for Bluetooth
 - Gateway functionality gaining traction
- Continued focus on strategic development
- Operational excellence for higher efficiency

Financial performance outlook 2018

- Continued strong business growth in 2018
- Impact by product mix on relative gross margin
- Natural hedging protects gross margin against foreign exchange variations
- Accelerated revenue growth rates expected for second half of the year 2018

	Actual FY 2016	Actual FY 2017	Guidance 2018 ^{*)} (IFRS)
Revenue	360.2m	403.7m	460m...475m
EBITDA	81.8m	87.4m	95m...105m
EBIT	59.0m	65.1m	65m... 70m
	CHF	CHF	CHF

^{*)} This guidance is based on the absence of unforeseen economic adversity and exchange rates assumed at prior year level

Exchange rate assumptions for 2018:

- EUR/CHF: 1.11 | USD/CHF: 0.98 | GBP/CHF: 1.27
- FX-sensitivity against CHF on Guidance 2018

+10% change of	USD	EUR	GBP
Revenue	+ 9%	+ 1%	0%
EBITDA	+ 16%	0%	- 1%
EBIT	+ 22%	- 1%	- 2%

Upcoming events



- | | |
|-------------------------------------|-------------------|
| • Latest registration date for AGM: | April 17, 2018 |
| • Annual General Meeting: | April 24, 2018 |
| • Shares traded ex dividend: | April 26, 2018 |
| • Dividend payout: | April 30, 2018 |
| • Half-year results 2018: | August 24, 2018 |
| • Analyst Day | November 21, 2018 |

Thank you for your attention