

FY 2024 Results and Strategy Update

26 February 2025

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Agenda

Welcome from the Chairman

FY 2024 Financial Results

Enhancing Transparency – Deep Dive into Key Topics

Strategy update

Outlook

Q&A

Welcome from the Chairman



Welcome from the Chairman

- Clear signs of recovery in 2025 after a challenging 2024 for semiconductors and u-blox
 - Unique cycle with deeper and longer downturn
 - Overcorrection at u-blox due to prior overperformance leading to overstocking
 - Order levels in 2025 significantly higher YoY in Locate
- High execution capabilities from Management, making difficult decisions to navigate the challenges of 2024
 - >20% reduction in the work force
 - Decision to focus on Locate and to phase-out Cellular
 - The Board of Directors has voluntarily decided to forgo 25% of their compensation
- u-blox is in a much stronger position for the expected market recovery



We are fully convinced in the near- and long-term growth potential of u-blox and look forward to creating significant value in the future

FY 2024 Financial Results



Highlights 2024 results

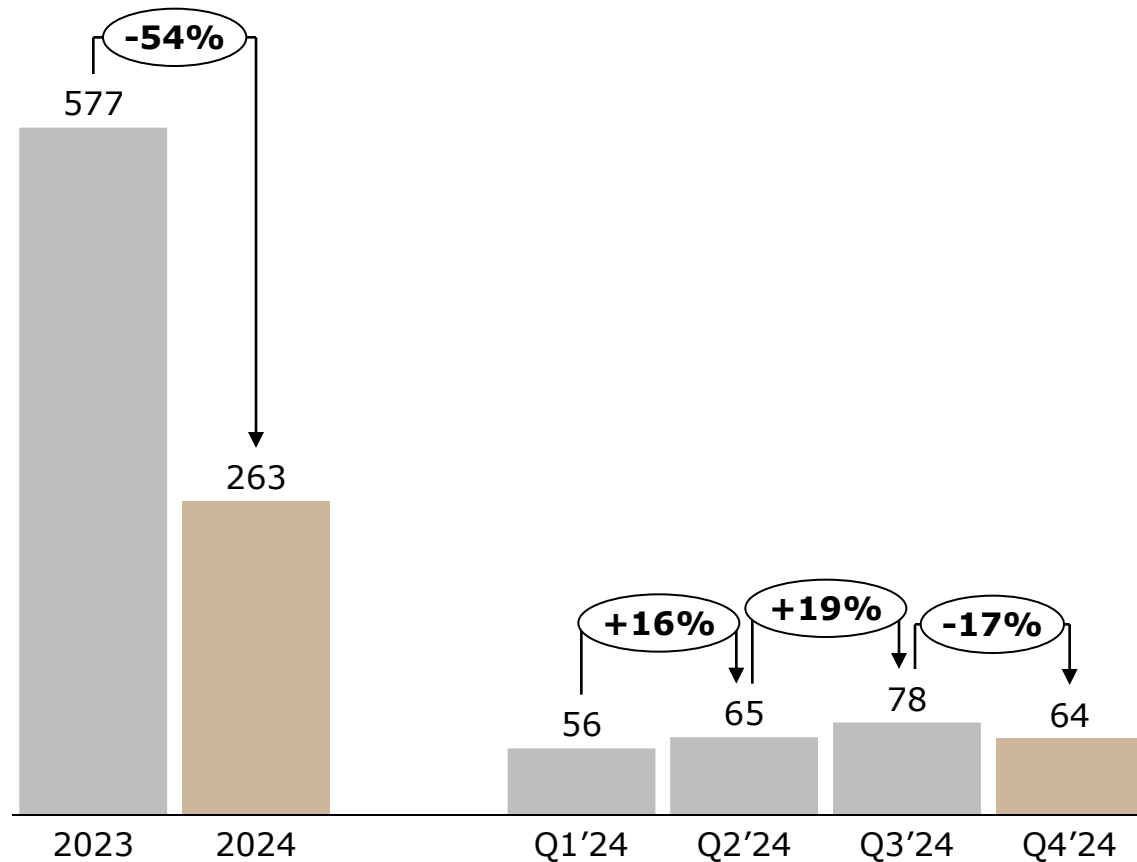
- Solid free cash flow generation of CHF 10m despite challenging 2024
 - Revenue and profitability impacted by overstocking and continued market softness. Locate held-up better than Connect
- Cost base significantly reduced, setting the stage for profitable growth once the market recovers
 - Cost optimization program fully implemented and exceeding expectations with total savings reaching CHF 25 million (vs. CHF 20m target)
- Strategic decision strengthening our focus on the Locate business and phase-out Cellular



2024 heavily impacted by overstocking and weak market environment – especially in Connect

Revenue

(CHF million)



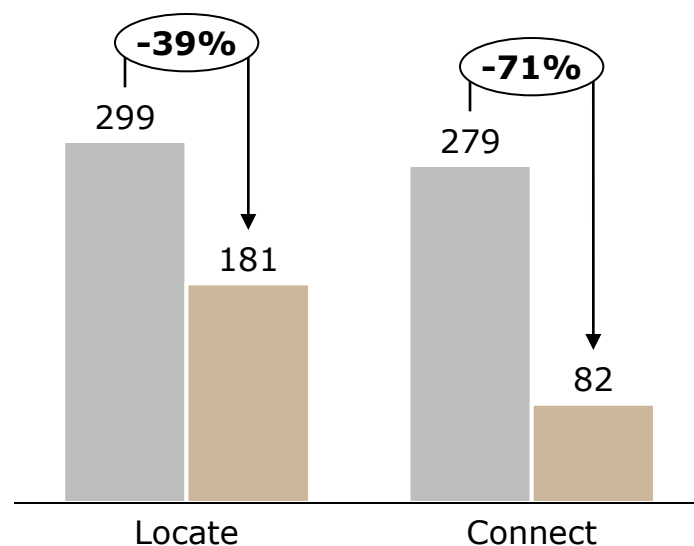
- Challenging 2024 revenue as expected, driven by overstocking at customers and continued market softness
- Locate held up better than Connect
- Softness particularly in industrial and automotive sectors

Locate performed better than Connect, in a challenging market environment

Revenue Locate / Connect

(CHF million)

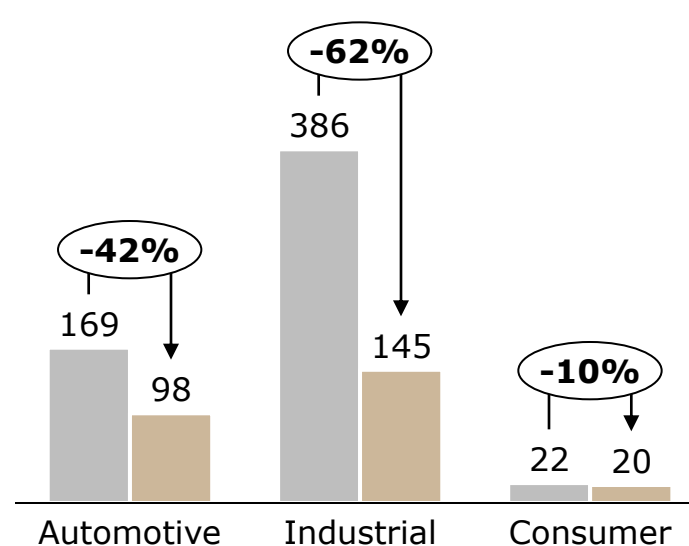
■ 2023 ■ 2024



Revenue by Market

(CHF million)

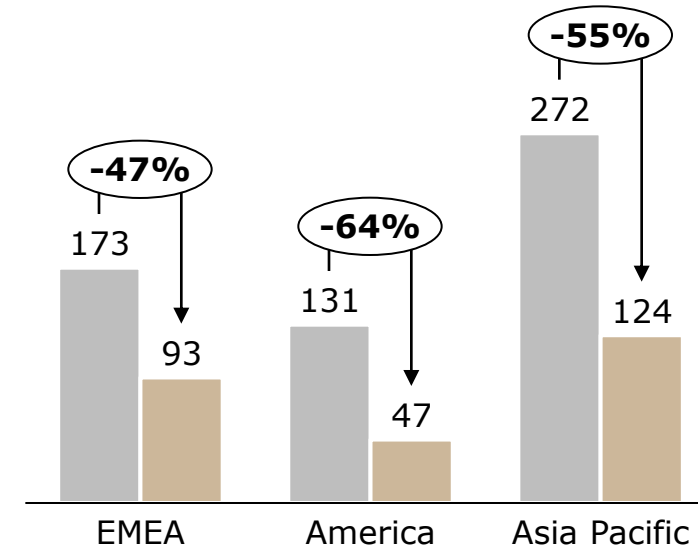
■ 2023 ■ 2024



Revenue by Region

(CHF million)

■ 2023 ■ 2024

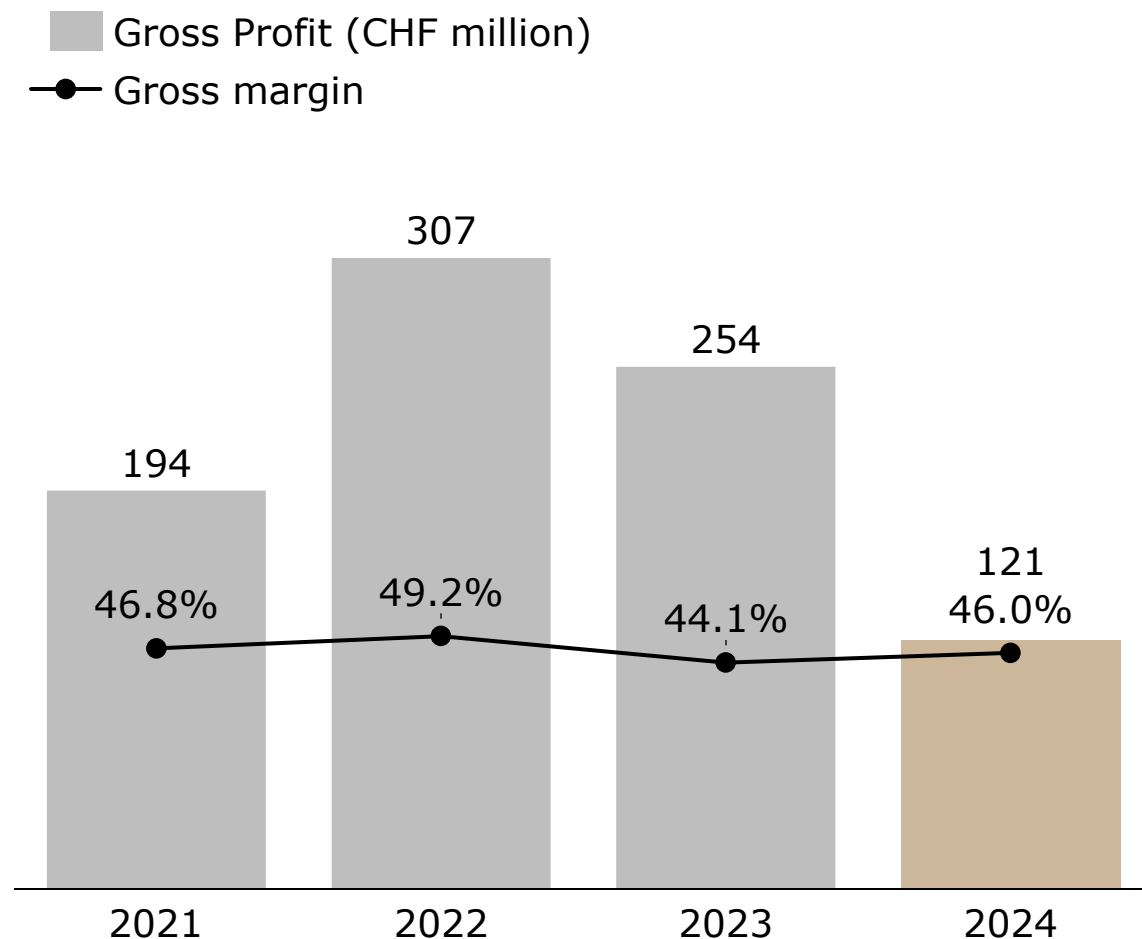


- Challenging performance, mainly reflecting overstocking at customers and weak end markets
- More resilient performance in Locate compared to Connect
- More resilient performance in Automotive compared to Industrial

Note: Locate: Positioning business
Connect: Cellular and Short-Range businesses

Gross Profit Margin improvement from mix effect towards Locate

Gross profit (adjusted)



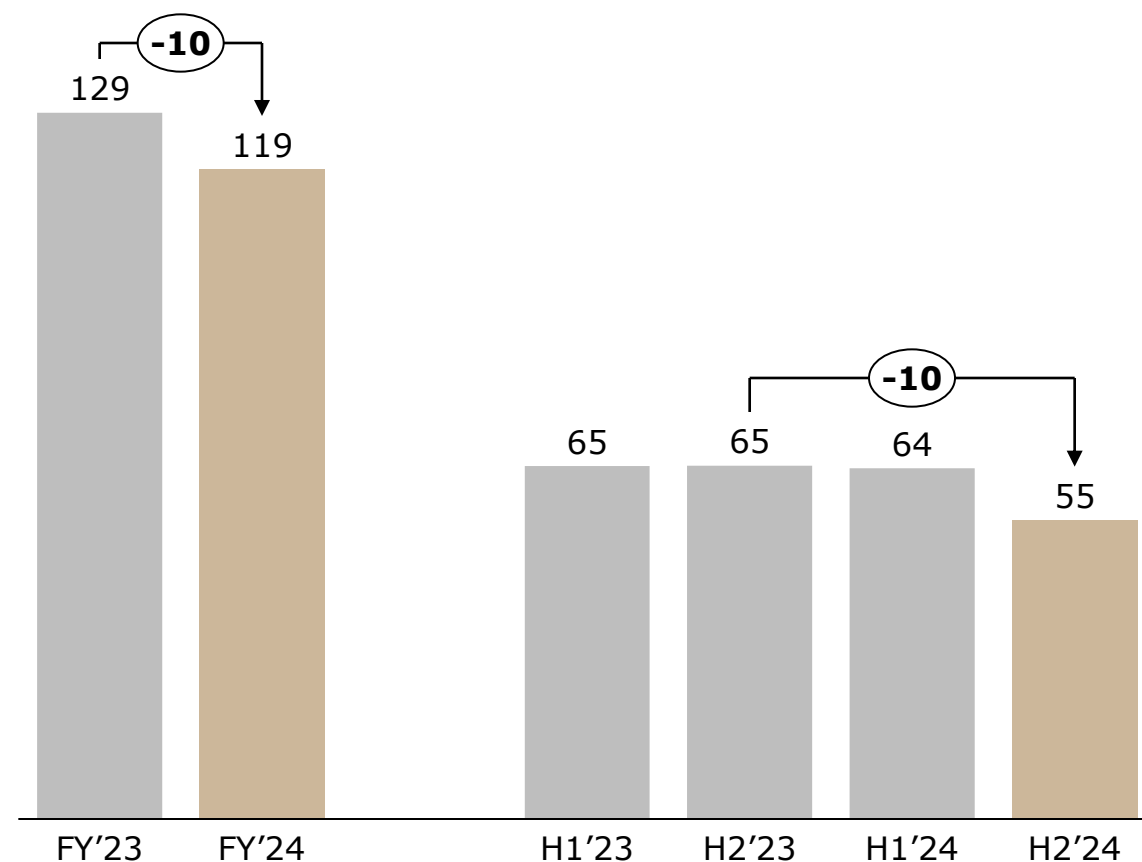
- Gross profit (adj.) of CHF 121m (CHF 254m in 2023)
- Gross margin reached 46.0% from 44.1%
- Better performance of Locate created a positive mix effect

Note: For the definitions of u-blox's alternative performance measures, please refer to u-blox's 2024 Annual Report

Significant reduction in R&D expenses without compromising on future innovations in Locate

Cash R&D expenses (adjusted)

(CHF million)



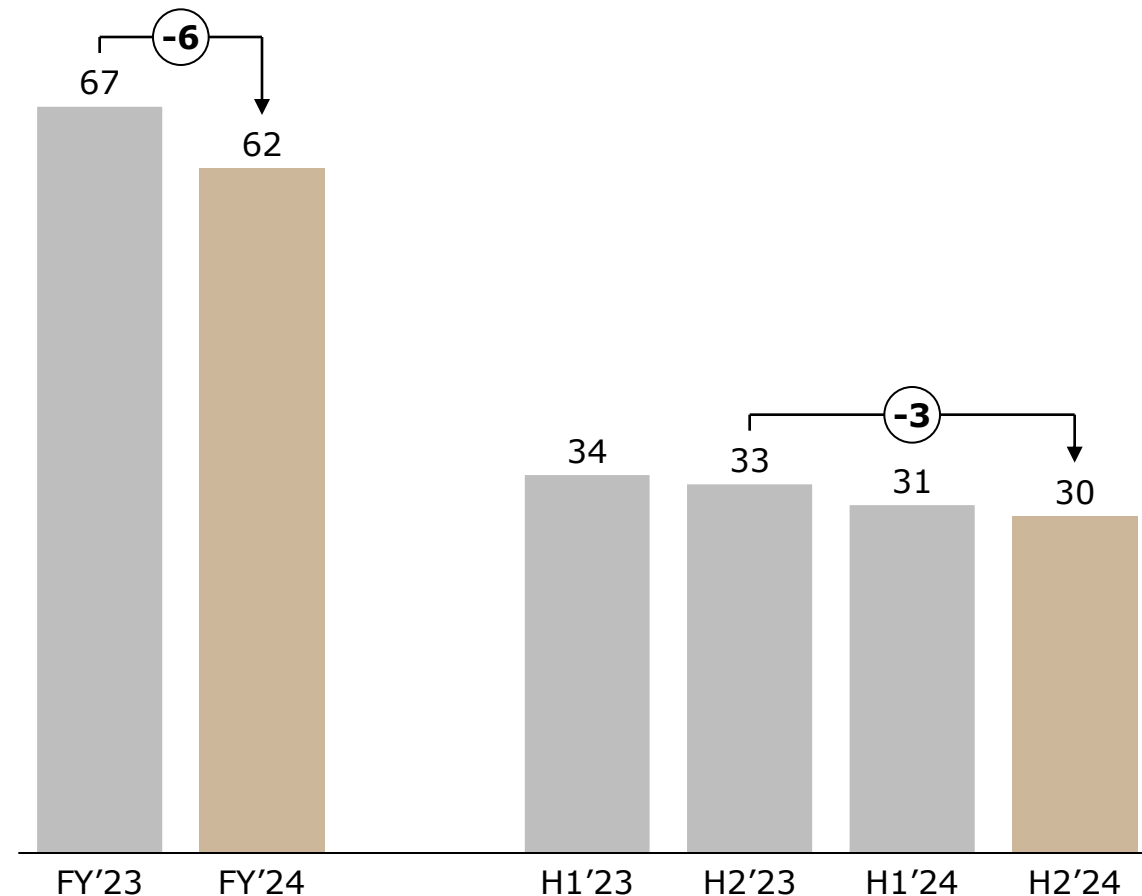
- Cash R&D expenses (adjusted) of CHF 119m (CHF 129m in 2023)
- Reduction of CHF 10m in 2024
- Cost optimization program: reduction of CHF 2m reflected in Q4'24

Note: For the definitions of u-blox's alternative performance measures, please refer to u-blox's 2024 Annual Report

SG&A reduction supported by the cost optimization prog.

SG&A expenses (adjusted)

(CHF million)

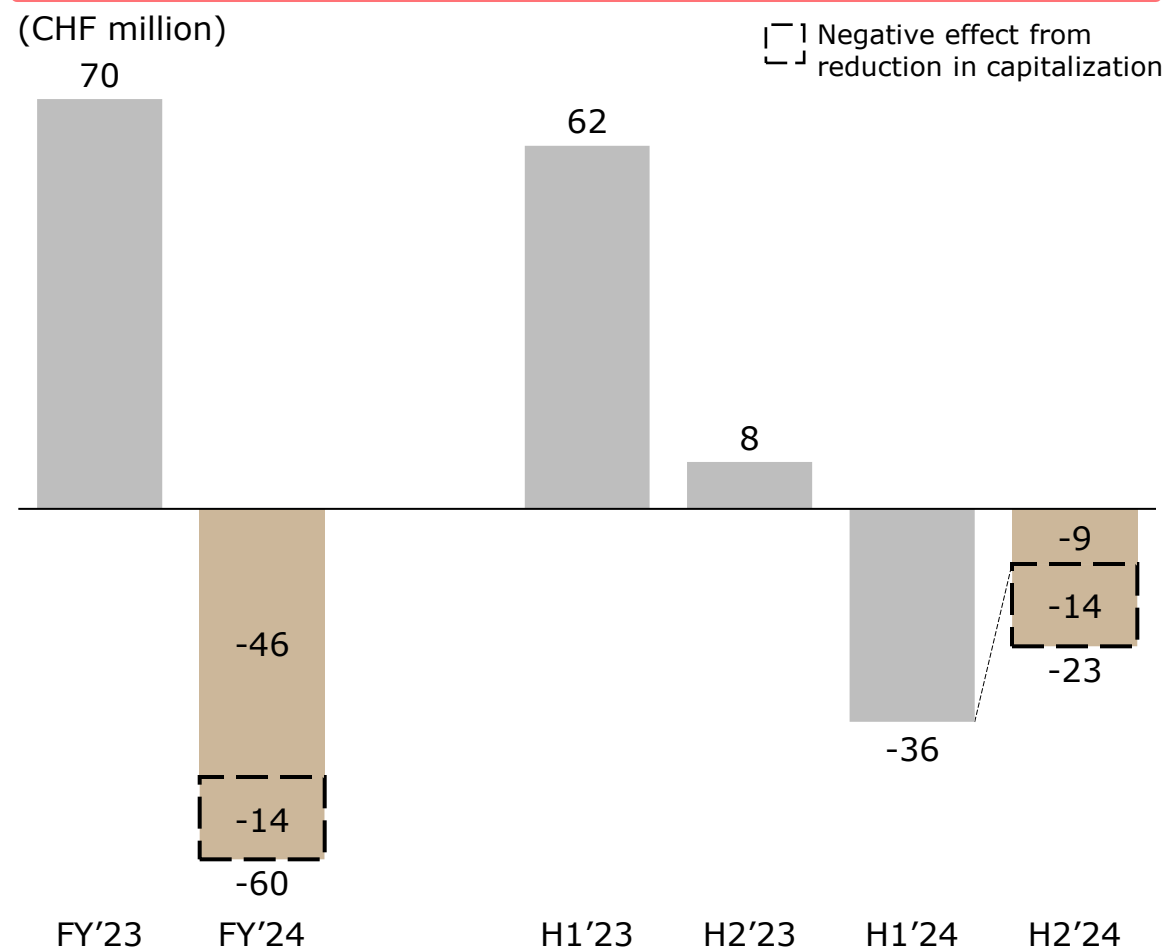


- SG&A expenses (adjusted) of CHF 62m (CHF 67m in 2023)
- Reduction of CHF 6m in 2024
- Cost optimization program: reduction of CHF 2m in Q4'24

Note: For the definitions of u-blox's alternative performance measures, please refer to u-blox's 2024 Annual Report

We reduced our losses from H1 to H2 significantly and will measure our future performance with Cash EBIT

EBIT (adjusted)



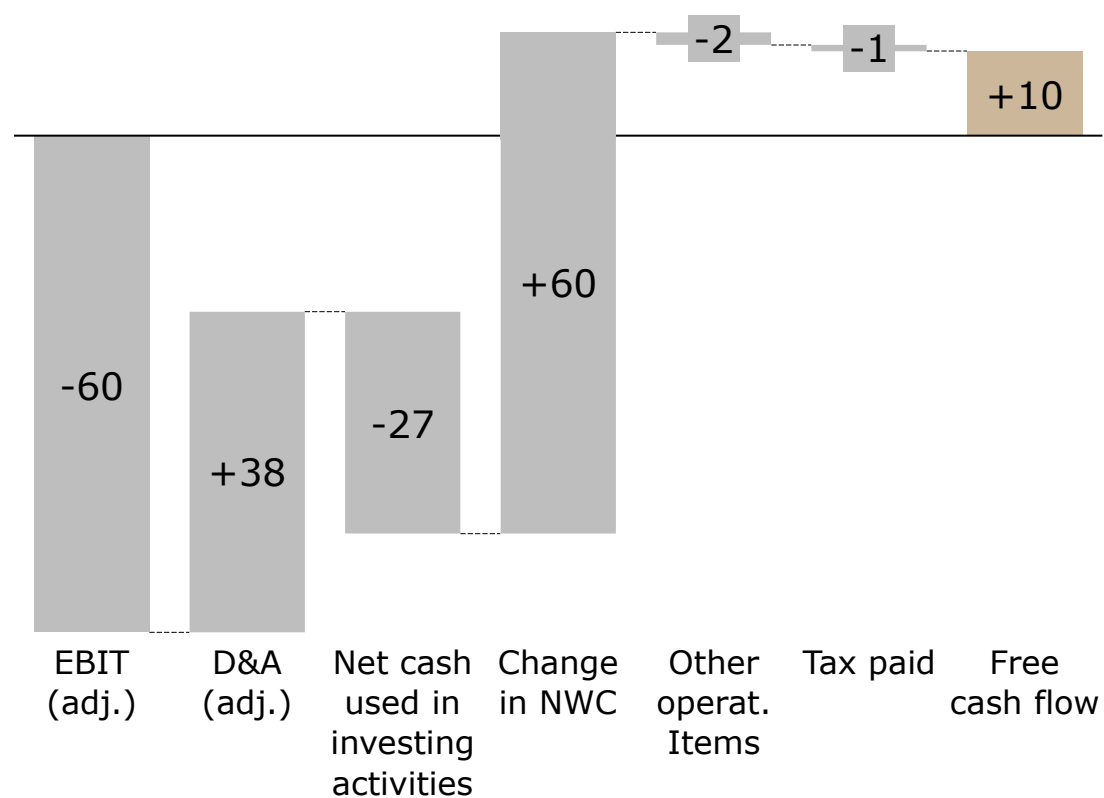
- EBIT (adjusted) of CHF -60m (CHF 70m in 2023) due to lower operating leverage
- Reduction in capitalization caused a negative impact of CHF 14m in H2'24
- Without reduction in capitalization, EBIT (adjusted) reached CHF -9 million in H2'24
- Going forward u-blox to use "Cash EBIT" as KPI
- "Cash R&D" to be used in the calculation, therefore no longer affected by capitalization

Note: For the definitions of u-blox's alternative performance measures, please refer to u-blox's 2024 Annual Report

Positive free cash flow of CHF 10m despite challenging year

Free cash flow 2024

(CHF million)



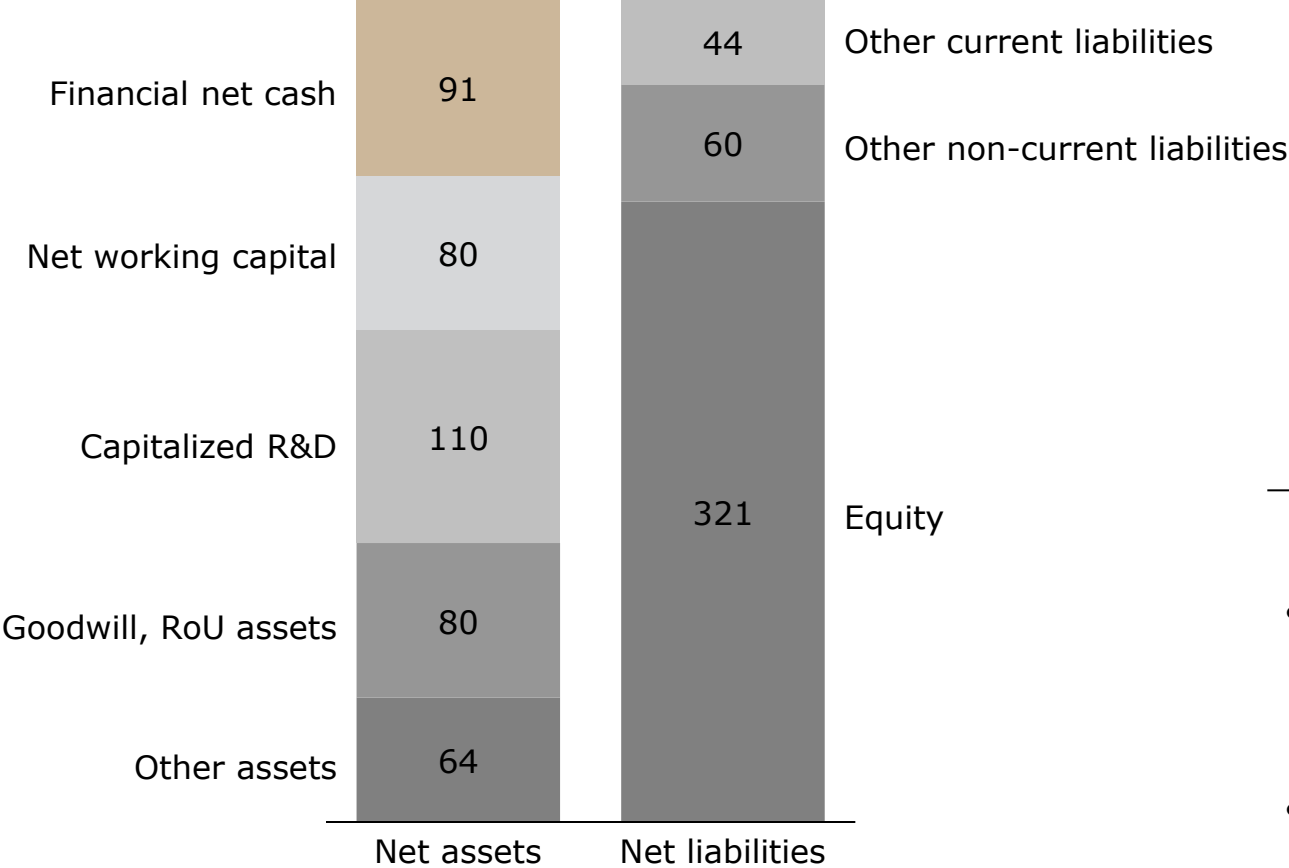
- EBIT (adjusted) of CHF -60m
- Inflow from working capital of CHF 60m
 - Receivables: CHF 55m
 - Inventories: CHF 34m
 - Payables: CHF -29m
- Free cash flow of CHF 10m

Note: For the definitions of u-blox's alternative performance measures, please refer to u-blox's 2024 Annual Report

Balance Sheet

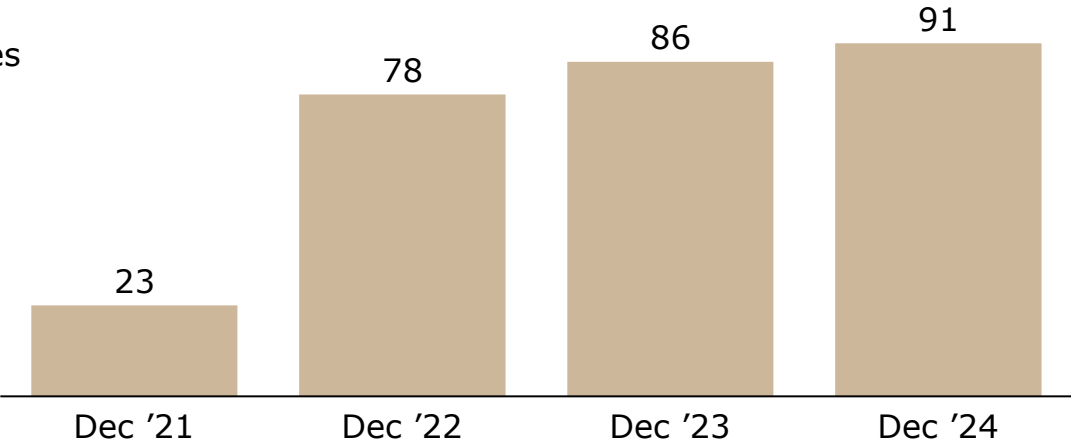
Balance Sheet (31.12.2024)

(CHF million)



Financial Net Cash

(CHF million)



- Net cash position reflecting positive free cash flow despite dividends of CHF 7.3 m to group shareholders
- No financial debt

Enhancing Transparency – Deep Dive into Key Topics



Broadened cost optimization program fully executed and overachieved: CHF 25 million

Cost optimization program

Savings of over CHF 20m

Implementation in H2'24

First savings reflected in the P&L in H2'24
Full effect in H1'25

One-off costs below CHF 20m in H2'24

Status update

✓✓ Overachieved: CHF 25m

✓ 100% concluded

✓✓ CHF 4 m in H2'24, CHF 21m incremental in 2025

✓✓ CHF 13m instead of CHF 20m one-off costs in H2'24*

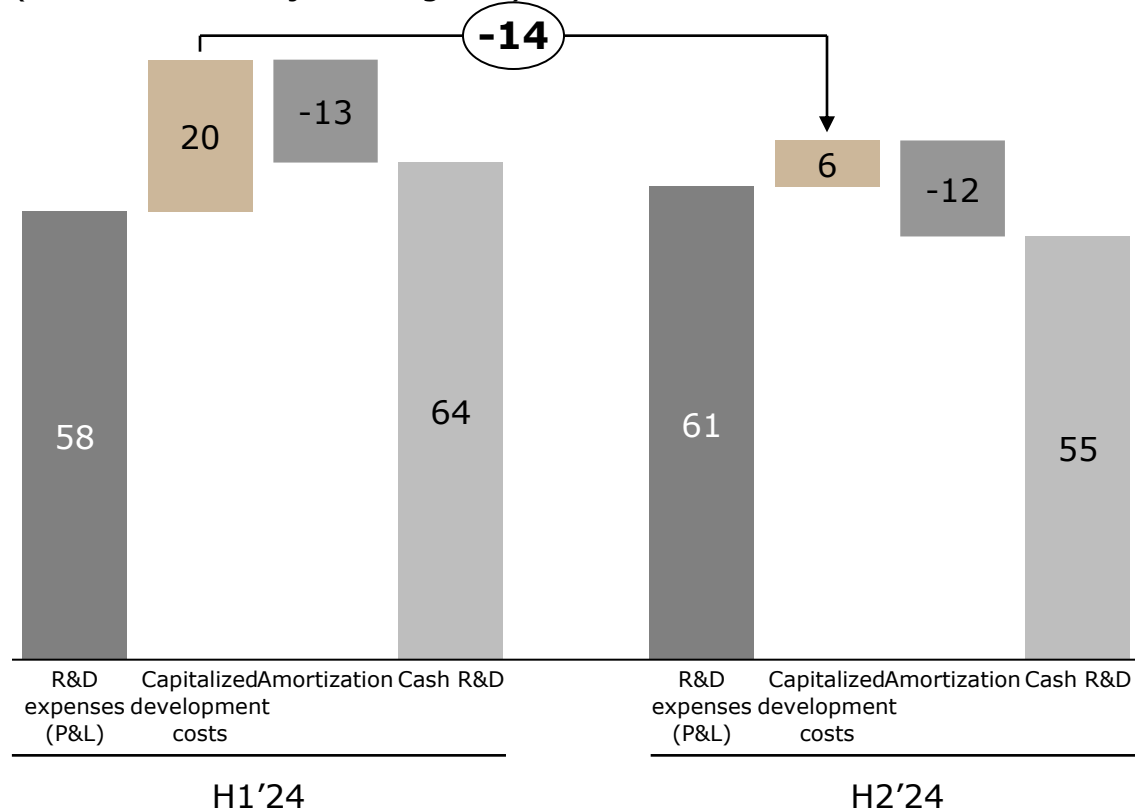


Implementation of the cost optimization program underscores u-blox's ability to focus on Execution, one of the pillars of our "Innovate, Focus, Execute" strategy

R&D Capitalization Significantly Reduced Going Forward

R&D capitalization in 2024

(CHF million – adjusted figures)

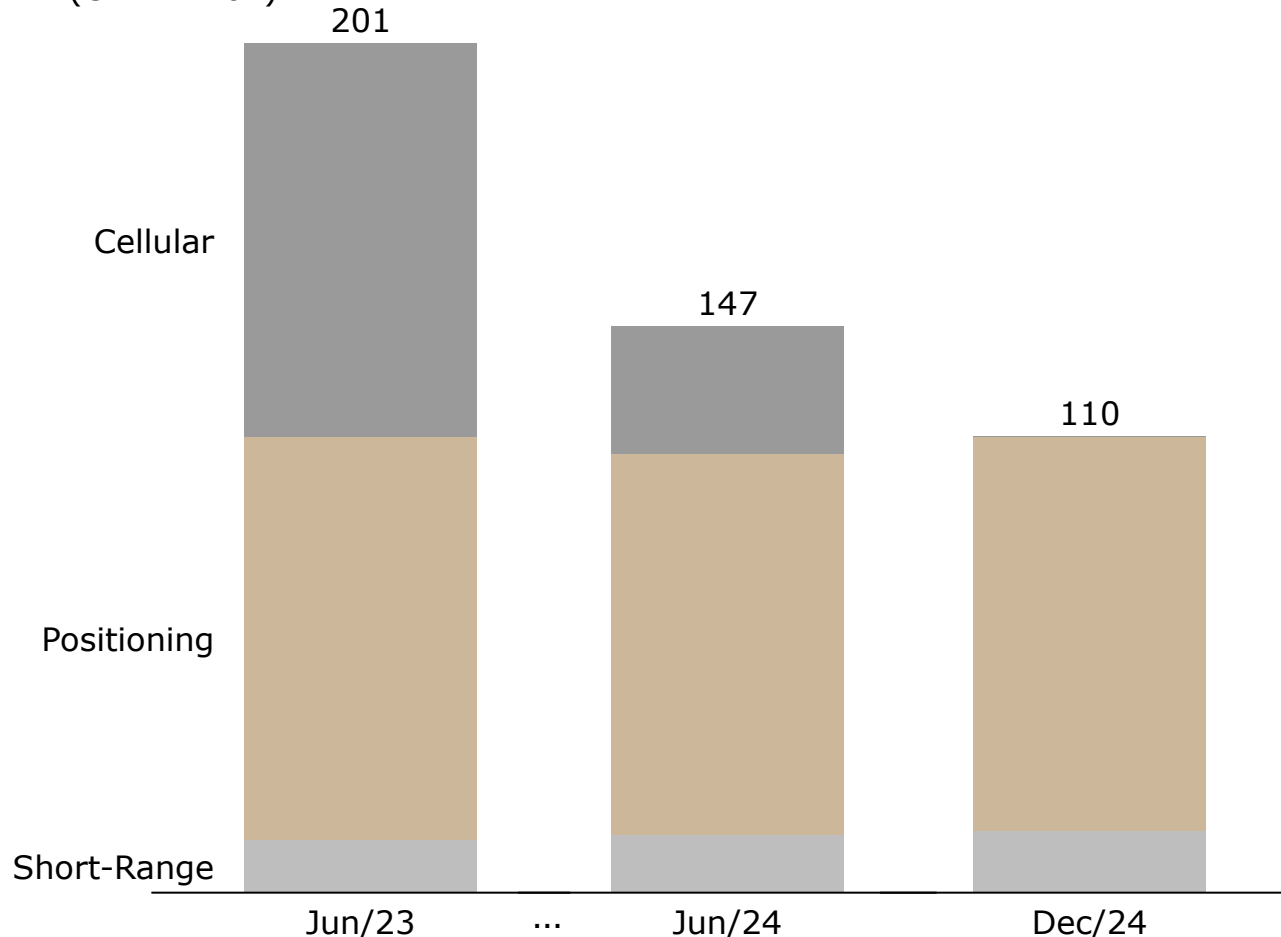


- In H2'24, u-blox has significantly reduced its R&D capitalization
- New R&D capitalization levels are lower than R&D amortization
- Cash R&D is not impacted by this, it is therefore comparable over time

Reduced balance sheet exposure post impairment

Intangible Assets - Capitalized R&D

(CHF million)



- First major impairment of capitalized R&D in Cellular after stopping own Cellular chip development as announced during CMD 2023
- Impairment of the remaining Cellular Capitalized R&D of CHF 31 million in FY 2024
- Post-impairment, capitalized R&D mostly related to Locate
- R&D capitalization will be significantly further reduced: low single digit CHFm amount in 2025 and beyond

Phasing out of Cellular business – Recap

Phase out cellular business as the best value generation option

- Revenue of CHF 51m and cash EBIT losses of CHF 31m in 2024
- No feasible path to profitability
- Limited synergies with Locate

Implementation of the phase-out

- Support our customers with existing portfolio
- Stop new product developments
- A small team will be kept to support customers

What to expect

- Revenue from existing portfolio
- Inventory consumption
- Process involving personnel initiated
 - Running costs until lay-offs
 - Restructuring costs
- A much lower cost base in the 25'H2

Phasing out of Cellular business – Financial implications

Cellular 2024

(CHF million – non audited)	2024
Revenue	51
Gross profit	7
Opex (adj.)	-38
Cash EBIT (adj.)¹	-31
One-offs	31
cash	0
non-cash	31

(1) Excludes one-offs

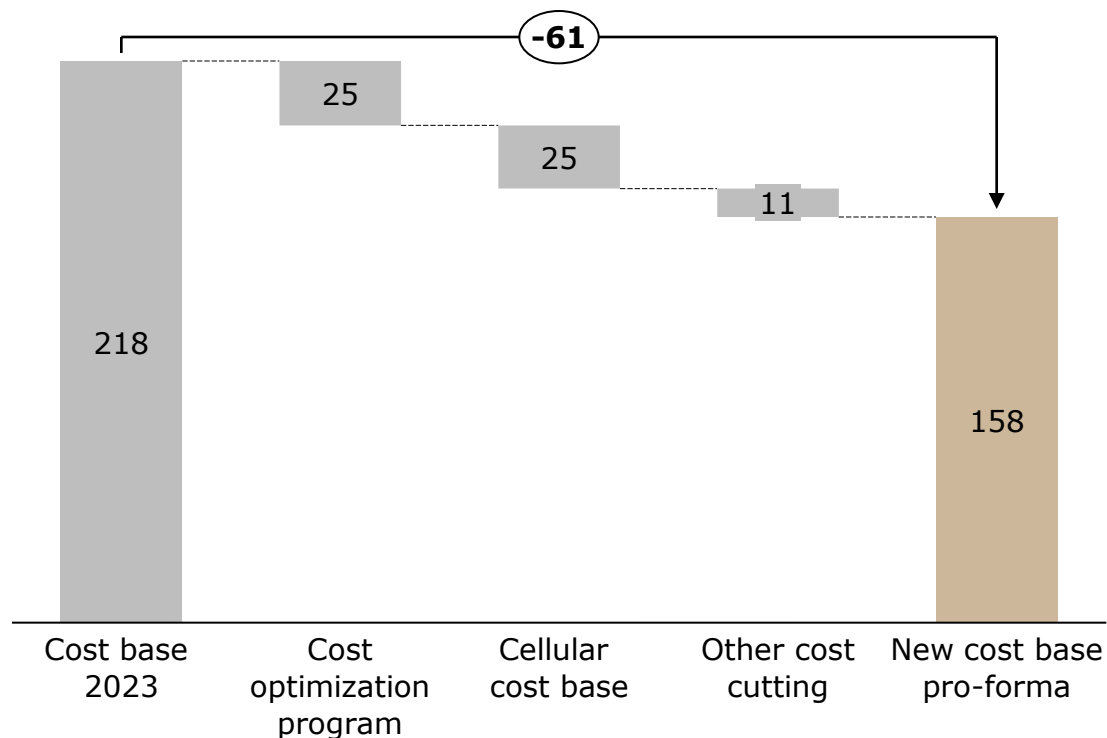
Cellular 2025 estimated financial impact

- Cash one-offs of CHF ~26m
- Non-cash one-offs of CHF ~39m
- Excluding one-offs:
 - Current estimate of a single-digit negative Cash EBIT adjusted
 - Potential inflow from existing inventory
 - Possible neutral cash impact on u-blox

Leaner cost structure ready for profitable growth

Reduction in cost base

(CHF million)



Note: Cost base = Opex (adj) + fixed cost in COGS (adj.) (e.g. Logistics)

- Sustainable reduction of the cost base by CHF 61m (-28%)
 - Cost optimization program CHF 25m
 - Over achievement of cost optimization program reflected in the P&L in 2024 and 2025
 - Cellular phase out CHF 25m
 - Cost base of Cellular to be eliminated over the phase out period in 2025 and 2026 (~50% with effect in 25'H2)

- ✓ Cost base down-sized
- ✓ Cash EBIT breakeven point lowered to CHF ~50m revenue per quarter (Locate)
- ✓ Significant operating leverage as markets recover

"Cash EBIT" as KPI from 2025

	2024	H1'24	H2'24
Gross profit (adjusted)	121	53	68
R&D expenses (adjusted)	(119)	(58)	(61)
SG&A expenses (adjusted)	(62)	(31)	(30)
EBIT (adjusted)	(60)	(36)	(23)
R&D amortization	26	13	12
Capitalized development costs	(26)	(20)	(6)
Cash EBIT (adjusted)	(59)	(43)	(17)

- A lower capitalization impacts EBIT negatively
 - Amortization > Capitalization
- Going forward, u-blox to use "Cash EBIT" as main KPI
- Cash EBIT reflects better the economic performance of u-blox and allows for historical comparison

Strategy Update



Focus-Innovate-Execute: We build the new u-blox

November 2023

- Focus-Innovate-Execute strategy
 - 1) Increase focus Positioning
 - 2) Turn-around Connectivity
 - 3) Improve execution performance

August 2024

- ✓ Strategic Review of Connect business as geopolitical tailwinds did not materialize as expected
- ✓ Decisive action to down-size the cost base: Cost optimization program fully executed and overachieved: CHF 25m
- ✓ Organizational complexity reduced:
 - 20% staff reduction since 2023 (>250 employees)
 - 3 R&D sites closed
 - Further optimization in progress

January 2025

- ✓ Strengthening focus on Locate with strong optimization of all functions
- ✓ Decision to phase out Cellular business
- ✓ High focus on accountability and complexity reduction

Background “noise”: Weak market since mid 2023 and massive overstocking effect in 2023 and 2024

Summary: Focus – Innovate – Execute

Higher focus on Locate happens now

Key long-term growth drivers

- Strong structural growth: automated driving, mobile robotics, asset tracking and management, industrial automation and monitoring
- Trustworthy partner with a reliable supply chain

Mid-term strategy update

- 1) Expand Locate's market leadership with optimized offerings for automated driving, mobile robotics, asset tracking/ management, and industrial automation
- 2) Transform into a lean organization with strong focus on value generation
- 3) Execute the Cellular phase-out



Locate Target Financial Model

(CHF million)

Revenue	~200	~250	~350
% of peak (2022)	60%	70%	100%

Gross profit margin	>60%	>60%	>60%
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Cash EBIT (adj) margin	~0%	~10%	>25%
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Note: Cash EBIT margin levels for Locate are comparable to the indications provided at the 2022 CMD, when adjusted for capitalization

Markets targeted by u-blox are set to grow by 10% per year until 2029

u-blox POS SAM development 2023-2029 (USD million)
Excl. Consumer

POS competitor ranking 2023
Standalone GNSS chip/module market

#1

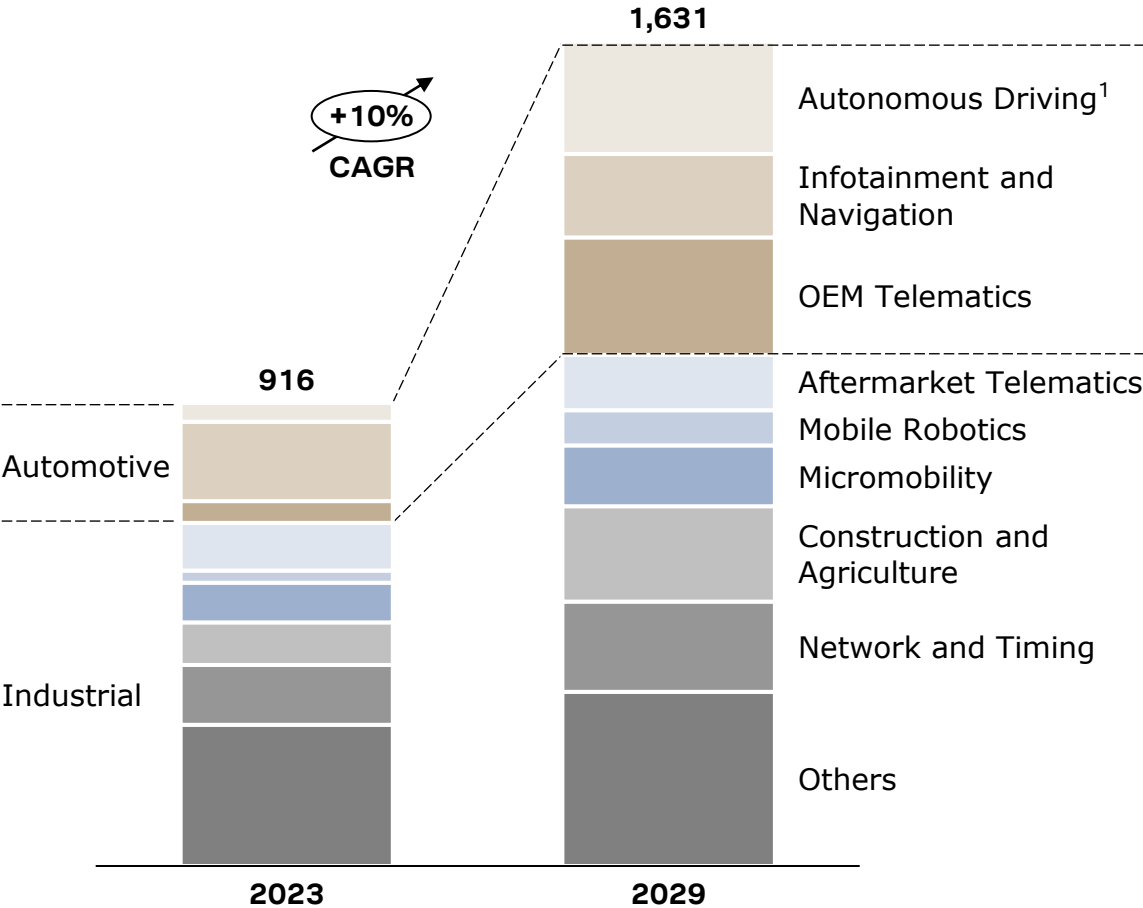


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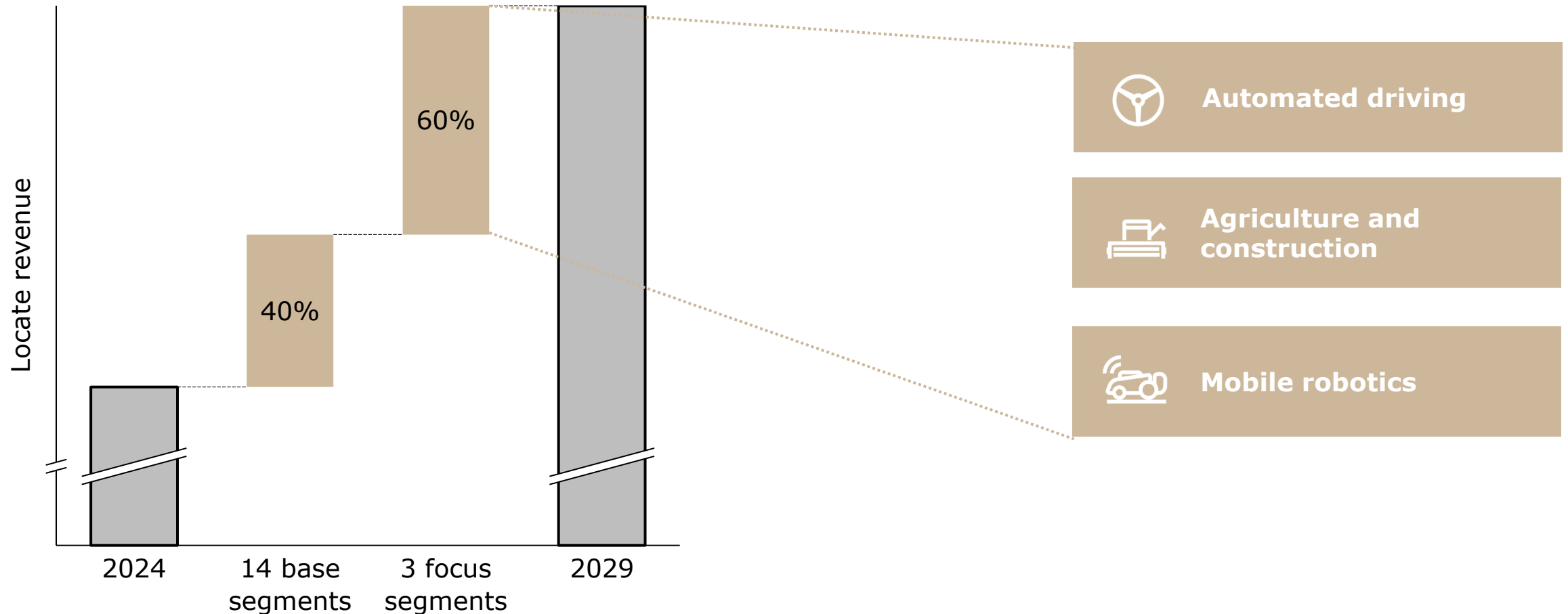
Broadcom

#3

STMicroelectronics



u-blox strives to outperform the market by fully leveraging its strength in 3 high growth segments





Automated driving: As a leading provider of automotive GNSS solutions, we are well-positioned for the future

The present | We have a unique foothold in the automotive market

- 18 of top 20 car makers work with u-blox
- We serve OEMs across geographies: Americas, APAC, Europe
- We work with both traditional and new auto players

The future | We are well-positioned to win in Advanced Driver Assistance Systems (ADAS)

- Share of vehicles shipped with advanced driver assistance systems is expected to reach 90% by 2030¹
- A relevant share of these will require GNSS data as an input – an area where u-blox is market-leading
- We expect USD 100 million revenue over the lifetime of projects we have won already





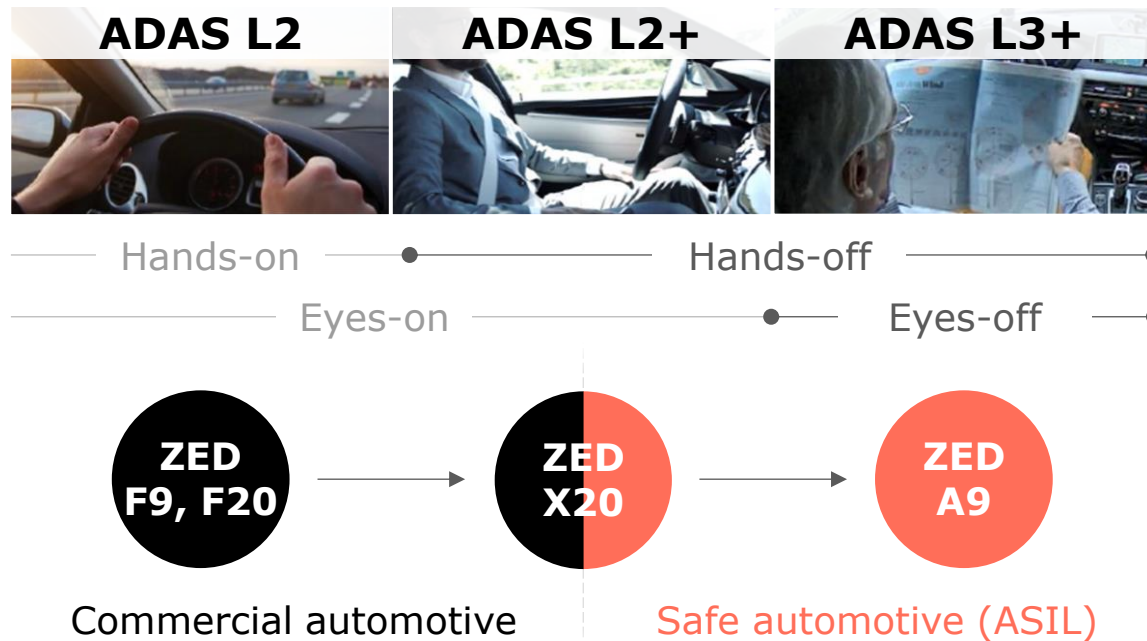
Automated driving: Our scalable offering is tailor-made for a long-term growth market that accelerates now

Market

We expect this to translate into a substantial new market segment for u-blox

- In 2030, ~45%¹ of all vehicles shipped will use GNSS for automated driving functionalities
- By then, we expect the total addressable market for u-blox to surpass USD 200 million

u-blox value proposition



Easy scalability

- Complete solution (incl. correction service)
- Same form factor across ADAS levels
- Enables fast, cost-effective market introduction



Agriculture and construction: GNSS applications are both growing and increasingly aligned with u-blox offerings

Market



- Automatic guided vehicles drive demand for high-precision GNSS in this segment
- Demand: > 4m units by 2030¹
- Current solutions rely on costly application-specific silicon and premium correction services

u-blox value proposition



- Market is moving toward more affordable options while retaining position accuracy requirements
- High precision level is necessary to achieve pass-to-pass accuracy needed for high crop yield
- u-blox X20 & correction services provide a cost-optimized high-precision solution



Mobile robotics: Our success in early use cases like lawnmowers signals strong future growth

Market



- Robotic lawnmowers (RLM) are an early use case in mobile robotics that showcases the value-add of GNSS applications
- RLM market: 2.6m units in 2024, ~18% CAGR
- By 2030, high-precision GNSS penetration rate is expected to surpass 30%

u-blox value proposition



- Market has high accuracy and availability requirements at an affordable mass market price
- Our high-precision receivers with correction services show strong product-market fit
- u-blox positioning products and services are used by the market leader, Husqvarna

Outlook



Guidance and Outlook

Q1 2025 guidance

Revenue	Cash EBIT margin
CHF 65 - 75 m	-12% to -2% Cash EBIT margin (adj)*

*Excluding restructuring costs
Considers:
- R&D capitalization of CHF 1m
- R&D amortization of CHF 5m

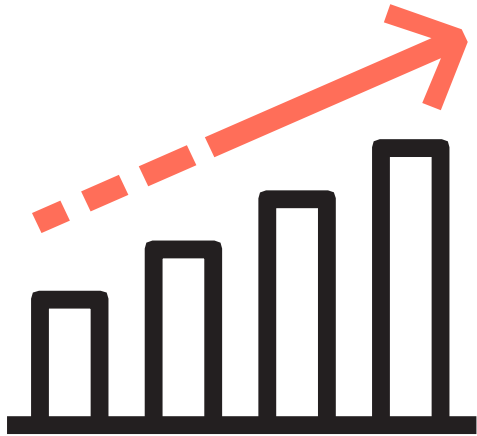
Outlook

- Sequential quarterly improvement expected for 2025
 - Increasing booking levels
- Double-digit growth expectation in Locate and Short Range in 2025 confirmed

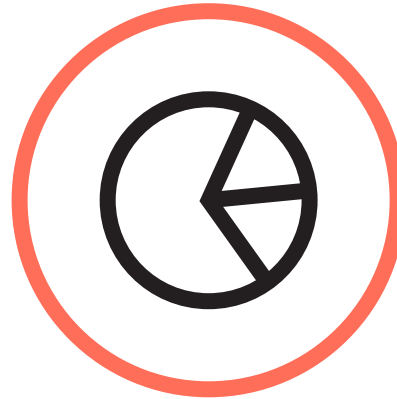
Note: FX rates for Q1 2025 guidance: EURCHF 0.94, USDCHF 0.91

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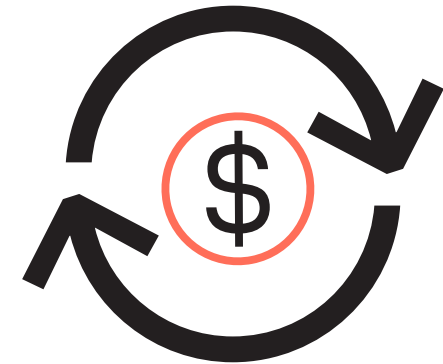
u-blox investment thesis



Strong in structural
growth markets

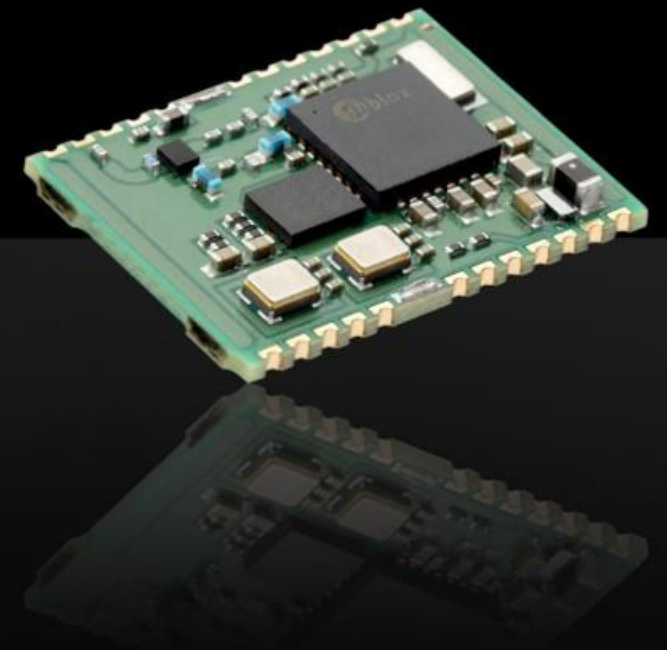


Undisputed market
leader in Positioning
based on unique IP



Sustainable value
creation

Q&A



Upcoming events

FY 2024 results	26/Feb
AGM 2025	16/Apr
Q1 2025 trading update	23/Apr
HY 2025 results	6/Aug
Q3 2025 trading update	22/Oct



Contact

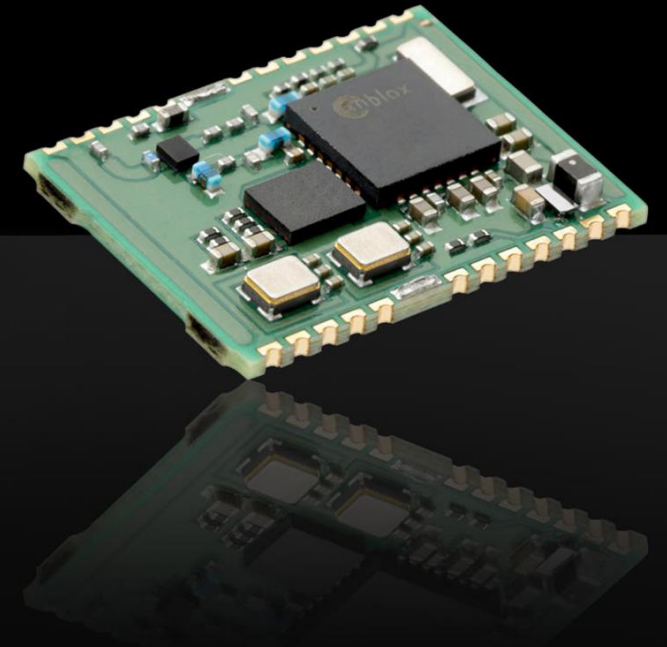
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Appendix



Income Statement Bridge (IFRS – Adjusted)

(CHF million)	FY 2024			FY 2024			FY 2023	
	IFRS	%	adjustments	adjusted	%	adjusted		
Revenue	262.9	100.0%	-	262.9	100.0%	576.9	100.0%	
Gross profit	120.1	45.7%	0.8	120.9	46.0%	254.3	44.1%	
R&D expenses	(164.3)	-62.5%	45.5	(118.8)	-45.2%	(117.4)	-20.4%	
SG&A expenses	(67.9)	-25.8%	6.3	(61.6)	-23.4%	(67.2)	-11.6%	
EBIT	(112.2)	-42.7%	52.6	(59.6)	-22.7%	69.7	12.1%	
Finance income	10.1	0.3%	-	10.1	0.3%	2.2	0.0%	
Finance costs	-2.4	2.6%	-0.2	-2.2	2.6%	(10.9)	-1.6%	
Share of loss of equity-accounted investees, net of taxes	-0.1	-39.8%	-	-0.1	-19.0%	-0.2	10.5%	
EBT	(104.5)		54.5	(51.8)	-16.1%	60.7	-15.9%	
Income tax	15.6	-33.8%	(7.6)	8.0	-16.6%	(9.6)	8.9%	
Net profit	(88.9)		45.2	(43.7)		51.1		
Basic EPS (in CHF)	(12.07)			(5.95)		7.17		
Diluted EPS (in CHF)	(12.07)			(5.95)		7.01		

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