



Resilient HY 2024 Results

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Agenda

HY 2024 Financial Results

Outlook

Q&A

HY 2024 Financial Results



Resilient half-year 2024 results

- **Revenue of CHF 121.1 m (-64% YoY)**
 - Q1'24 the trough; Q2'24 revenue +16% QoQ
 - Weaker connectivity and industrial businesses
- **EBIT (adj.) of CHF -36.2 m (CHF 61.7 m in HY'23); EBIT margin (adj.) of -29.9% (18.6% in HY'23)**
 - CHF 4.9 m savings already realized in HY'24
- **Free cash flow of CHF 15.7 m (CHF -12.9 m in HY'23)**
 - Net working capital improvement of CHF 38.5 million
- **Gradual improvement expected for Q3'24**
- **Broadened cost optimization plan targeting annual savings of over CHF 20 m**



Significant project wins in the robotic lawnmower market

- Wins confirm u-blox as a dominant force in high-precision Global Navigation Satellite System (GNSS) technology
- Project wins expected to generate upwards of USD 100 million in expected revenue over time, starting from 2024
- The robotic lawnmower market will have 2.6 million units in 2024 and is estimated to grow by about 18.5% in the next years
- Our expectation for high-precision GNSS technology to reach a 33% penetration rate in this market by the end of the decade



u-blox engages with NVIDIA on AI platforms

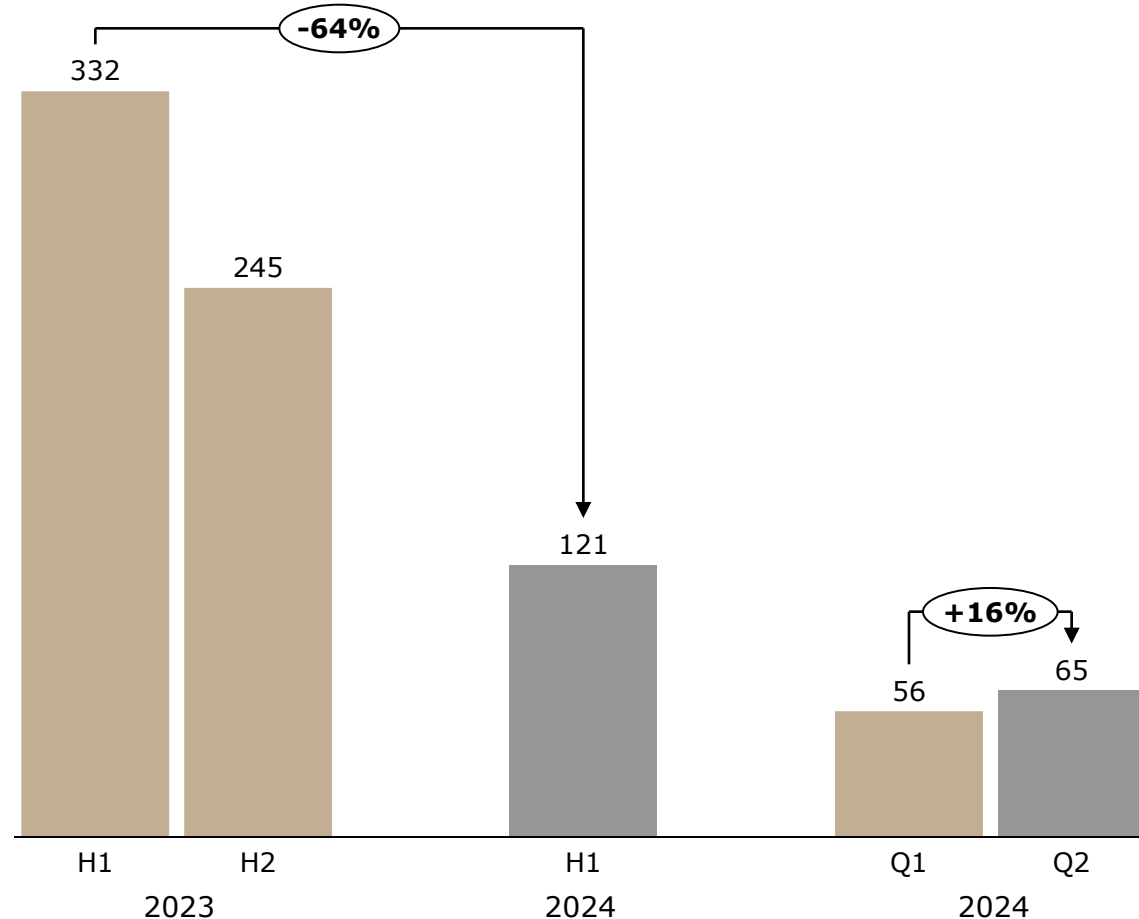
- u-blox contributes to NVIDIA platforms with high-precision positioning solutions
- NVIDIA Jetson Partner Ecosystem: modern AI for autonomous machines and other edge AI applications
- NVIDIA DRIVE AGX Orin™ Developer Kit for autonomous driving
- Customer benefit: Engineers can quickly develop and deploy AI-powered functionality



Weak HY 2024 revenue in line with guidance

Revenue

(CHF million)



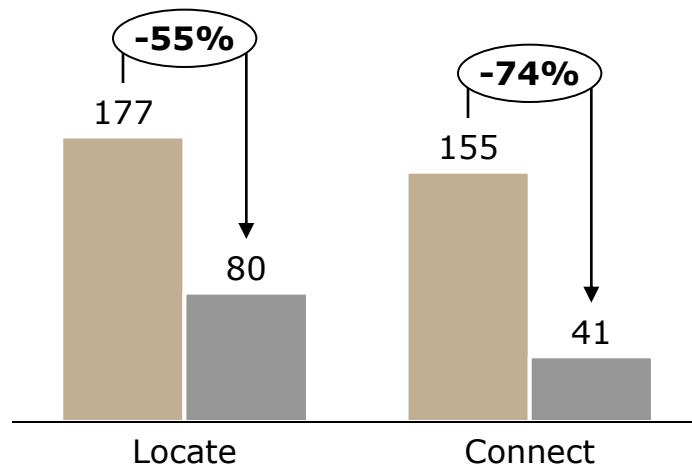
- Weak HY'24 revenue as expected
 - CHF 121.1 m (CHF 332.3 m in HY'23)
 - High inventory levels at customers
 - Weaker connectivity and industrial businesses
- Q2'24 +16% versus the Q1'24
 - Q2 at upper end of Guidance (CHF 55-65 m)
 - Trough in Q1'24 confirmed
 - Good signs of recovery in Locate – automotive: double-digit growth QoQ

More resilient performance in Locate compared to Connect

Revenue Locate / Connect

(CHF million)

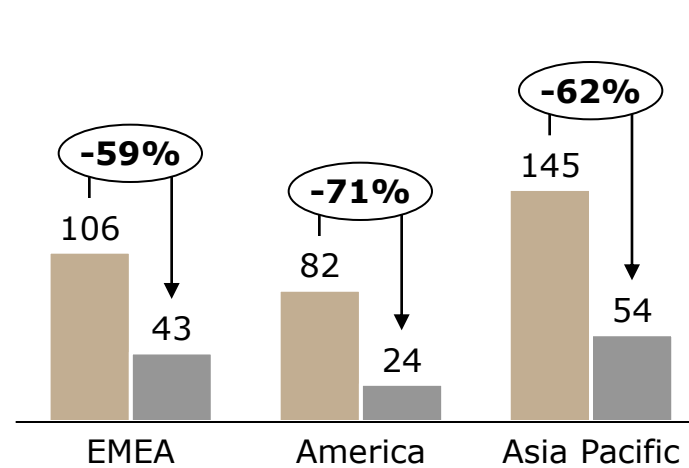
■ HY'23 ■ HY'24



Revenue by Region

(CHF million)

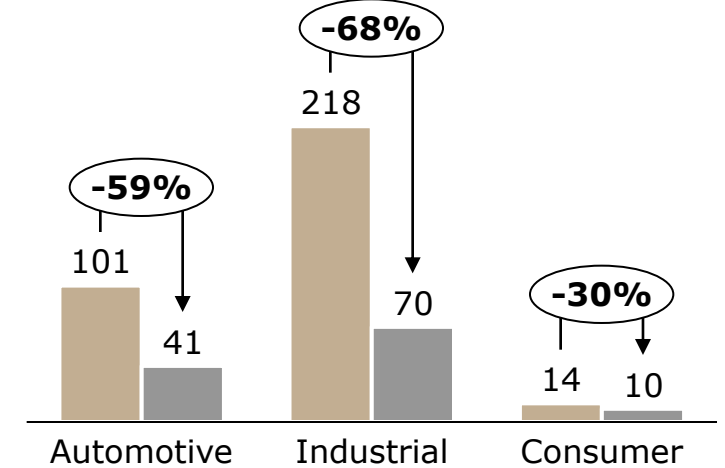
■ HY'23 ■ HY'24



Revenue by Market

(CHF million)

■ HY'23 ■ HY'24

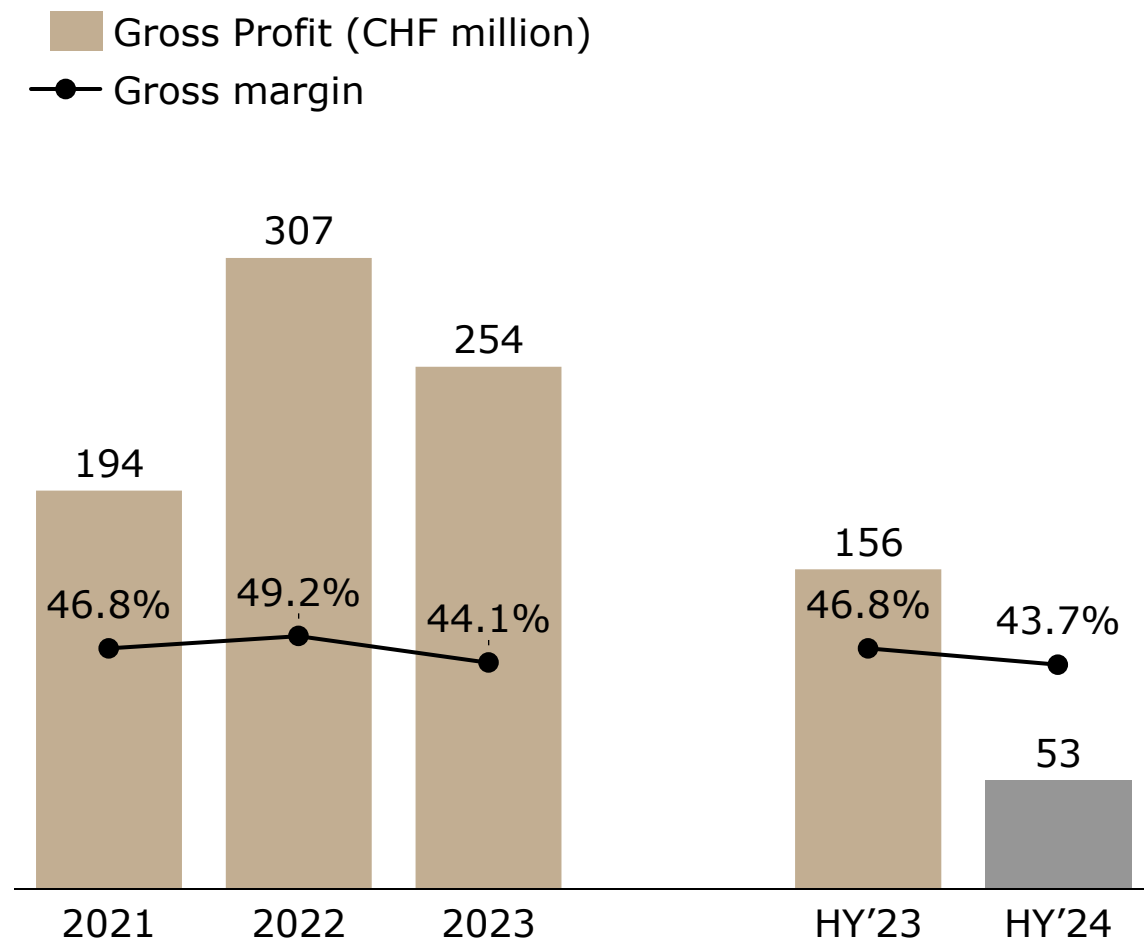


- Weak performance generalized, mainly reflecting the overstocking at customers and weak end markets
- More resilient performance in Locate compared to Connect

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

Gross profit margin: Positive mix effect offset by lower operational leverage

Gross profit (adjusted)

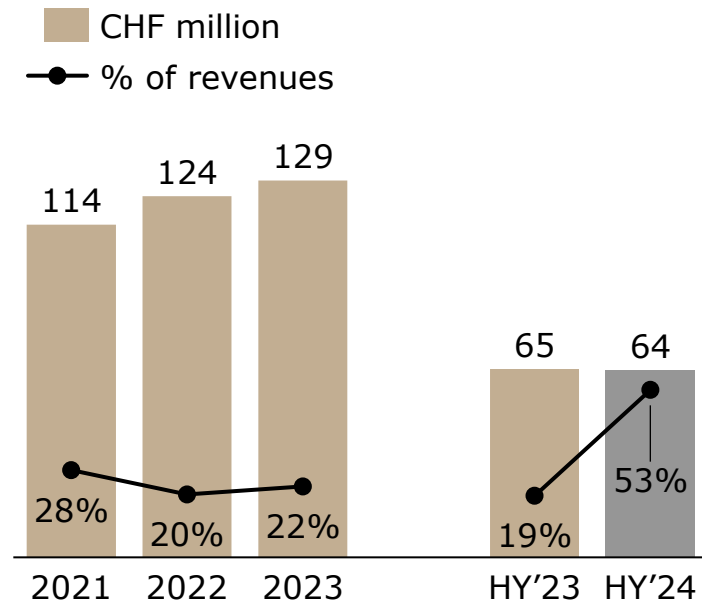


- Gross profit (adjusted) of CHF 52.9 m (CHF 155.6 m in HY'23)
- Gross margin (adjusted) reached 43.7% from 46.8% driven by lower operating leverage
- Better performance of Locate created a positive mix effect, offset by the lower operating leverage

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

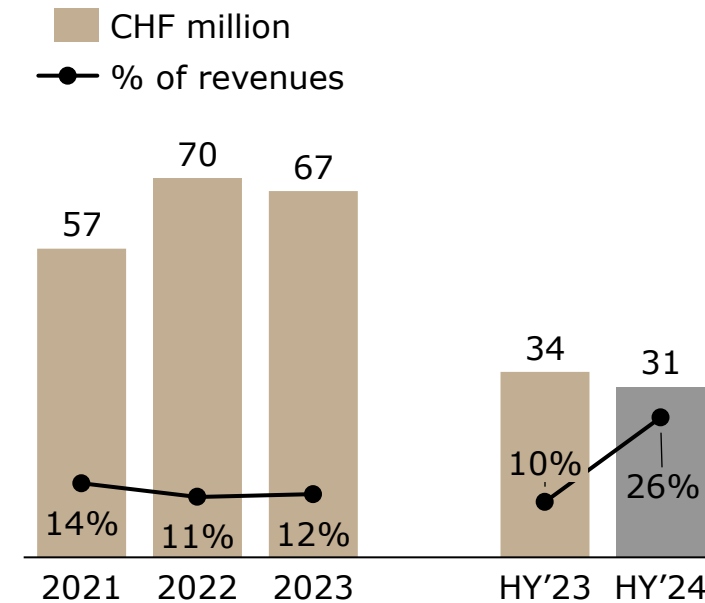
EBIT impacted mainly by the lower Revenue

Cash R&D expenses (adj)



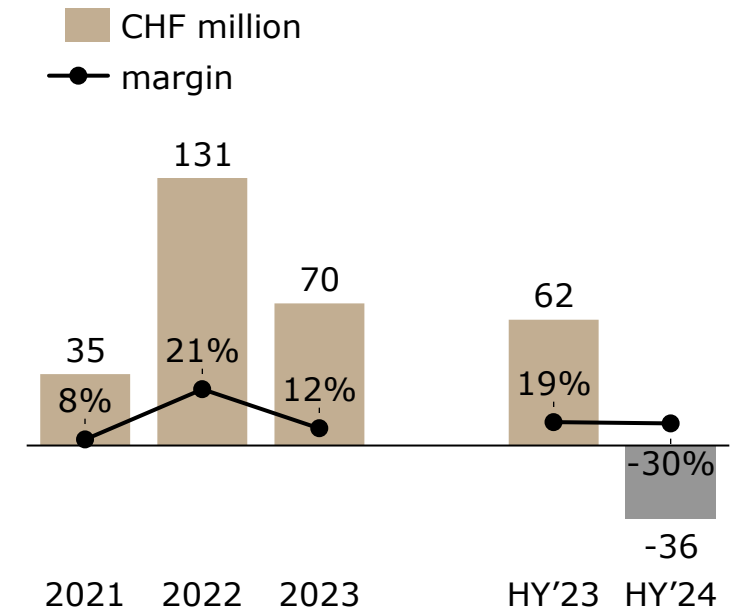
- R&D cost reduction initiatives generated CHF 2.7 m in savings in HY'24.

SG&A expenses (adj)



- SG&A (adj) expenses reduced by CHF 3 m, mainly due to CHF 2.2 m savings from a hiring freeze and a reduction in admin costs.

EBIT (adj)



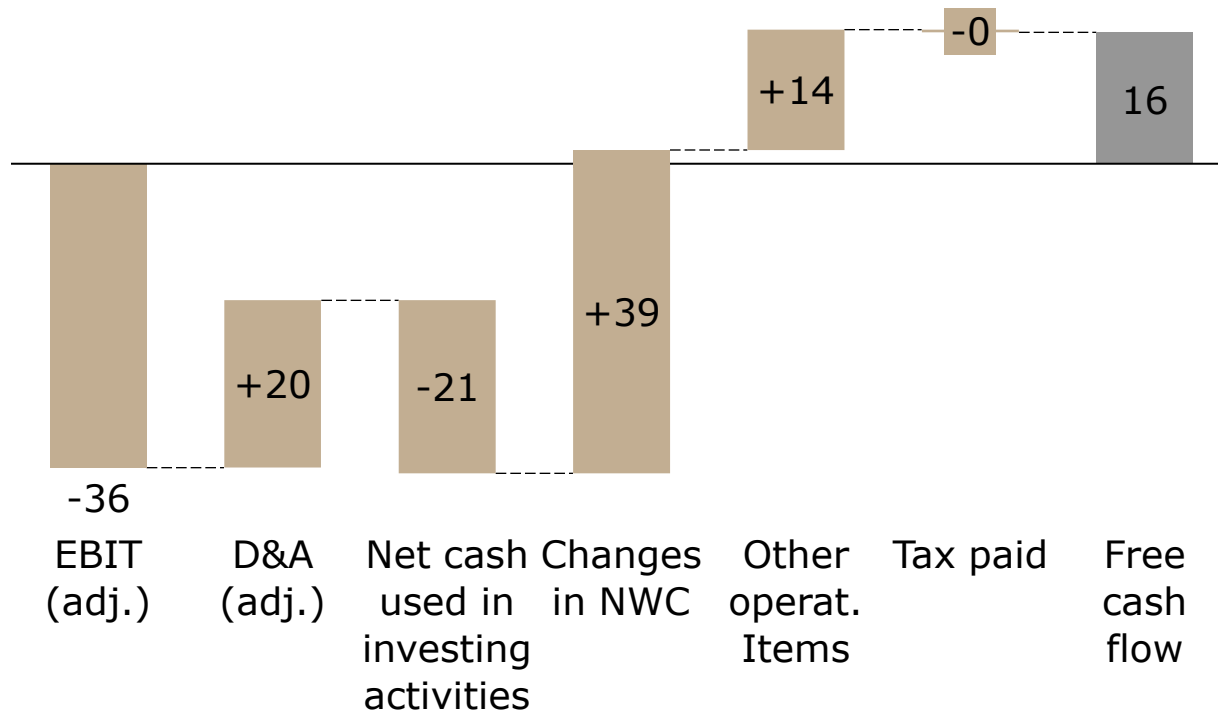
- EBIT (adj) reached CHF -36 m (CHF 62 m in HY'23).

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Positive free cash flow in HY 2024

Free cash flow HY 2024

(CHF million)

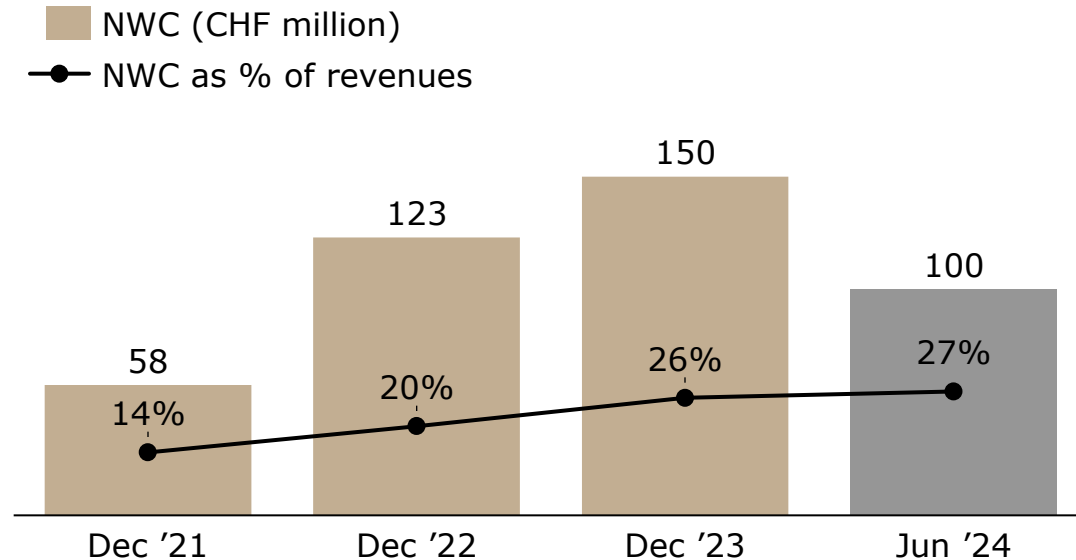


- Strong free cash flow in HY'24 of CHF 15.7 m (CHF -12.9 m in HY'23), despite negative EBIT
- Net working capital improvement of CHF 38.5 m mainly from a reduction in trade receivables
- Capex reached CHF 20.6 m in HY'24 (CHF 23.4 m in HY'23)

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

Substantial reduction in working capital supports healthy cash position

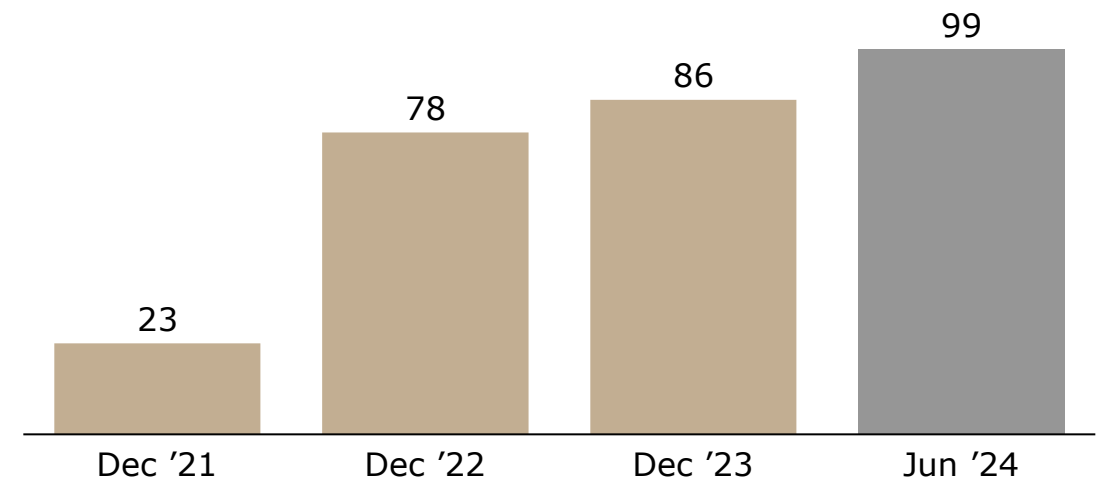
Net working capital



- Substantial reduction in net working capital by CHF 50 m versus Dec '23
 - Inventories down by CHF 11 m
 - Trade receivables down by CHF 57 m
 - Trade payables down by CHF 18 m

Net cash position

(CHF million)



- Net cash position reflecting positive free cash flow despite dividends of CHF 7.3 m to group shareholders
- Debt free

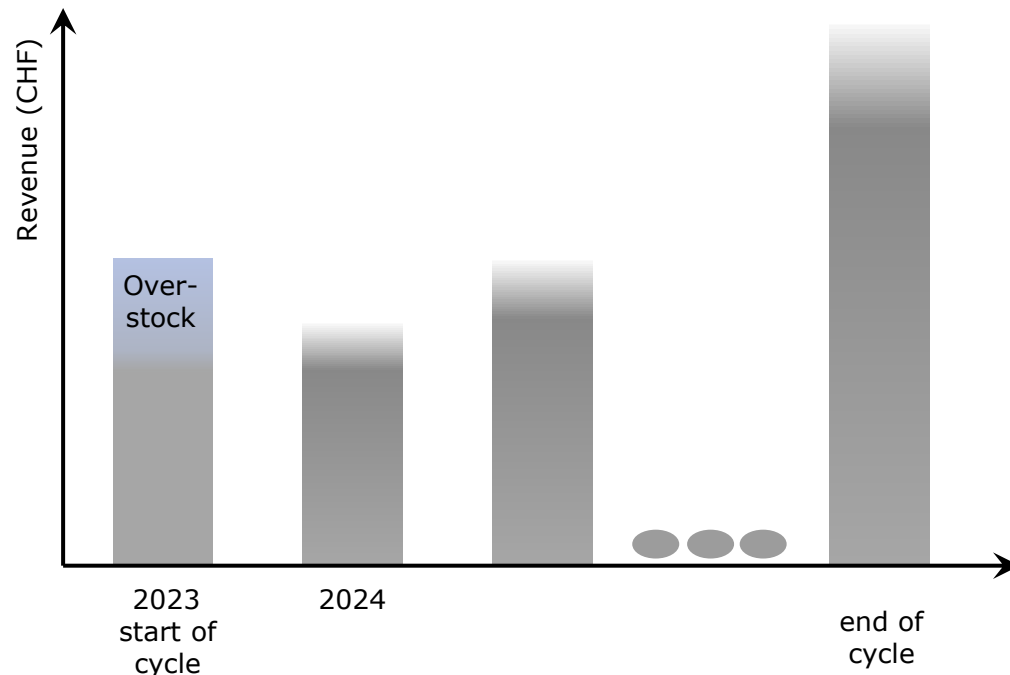
Note: For the definitions of u-blox's alternative performance measures, please refer to u-blox's HY 2024 Financial Report

Outlook



We expect a sequential improvement in H2 2024

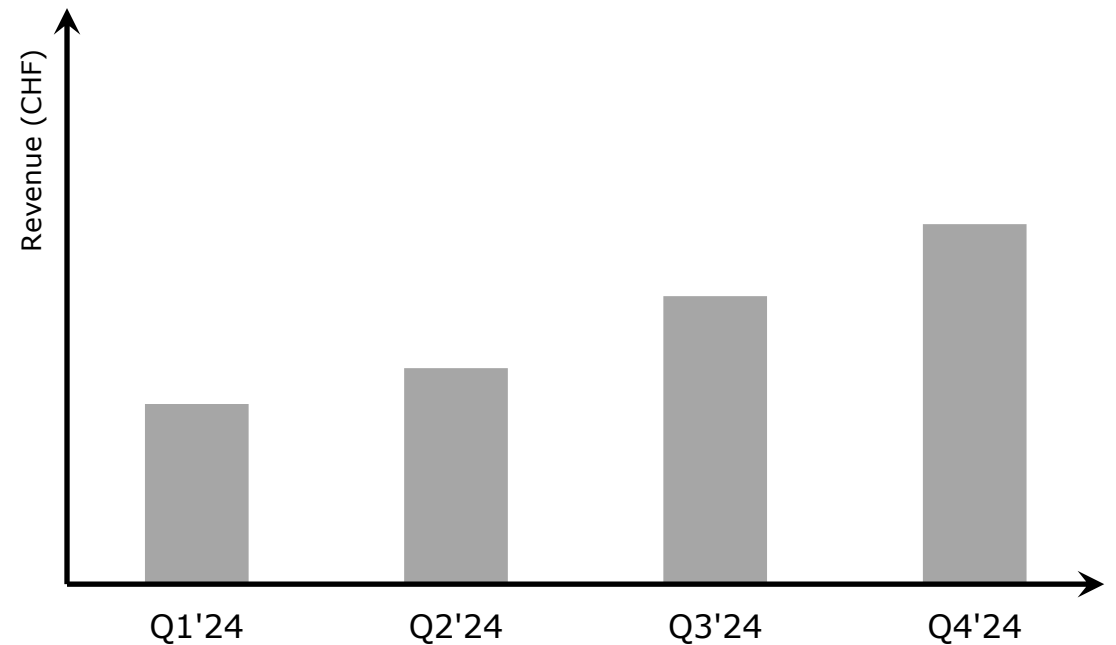
Illustrative mid-term development



Illustrative, no guidance

- Deliveries in 2023 higher than underlining demand created an overstocking situation
- Customers started 2024 with high inventories

Illustrative 2024 quarterly development



Illustrative, no guidance

- Q1'24 is expected to be the lowest level, sequentially improving thereafter
- Gradual improvement expected in H2'24

Guidance and Outlook

Q3 2024 guidance

Revenue	EBIT margin
CHF 75 - 85 m	-10% to -5% EBIT margin (adjusted)*

*Excluding restructuring costs

- Q1'24 considered as the trough of the cycle
- Slight improvement in Q2'24 revenue (+16% versus Q1'24)
- Sequential improvement expected for Q3'24
 - Customer orders improving, but at a slower pace than previously expected
 - Weak industrial market environment
 - Still overstock in the long value chain
- Broader cost reduction program: targeting annual savings of over CHF 20 m

Note: FX rates for Q3 2024 guidance: EURCHF 0.96, USDCHF 0.90
For the definitions of u-blox's alternative performance measures, please refer to u-blox's HY 2024 Financial Report

Broadened cost optimization plan targeting over CHF 20 m

- Due to the continued weak economic environment in the industry, the scope of the existing cost optimization plan was broadened
 - Expected savings of over CHF 20 m
 - Implementation in H2'24
 - First savings reflected in the P&L in H2'24, full effect in H1'25
 - One-off costs below CHF 20 m in H2'24

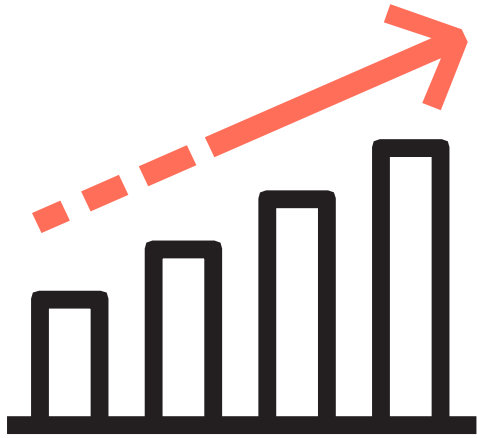
Update on Connectivity turnaround

Assumptions for Connect turnaround

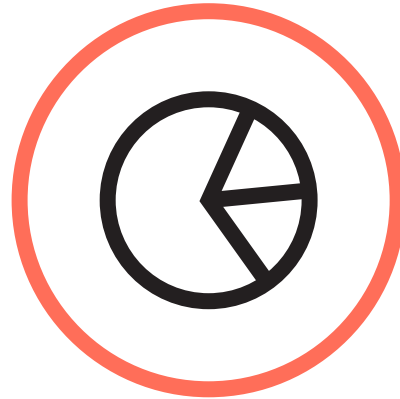
- ✓ Stopped future cellular chip development
- Win market share leveraging our trustworthiness as Swiss supplier in a multi-polar world
- Use scale to become the western cost leader



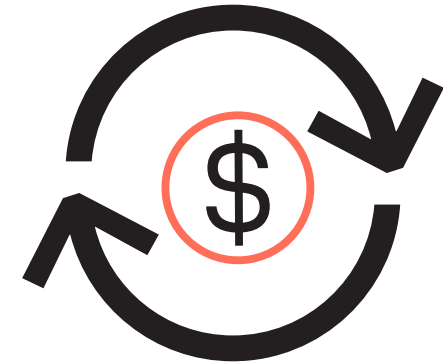
u-blox investment thesis



Strong in structural growth markets



Undisputed market leader in Positioning based on unique IP



Sustainable value creation

Q&A



Upcoming events

9M 2024 trading update

23/Oct



Contact

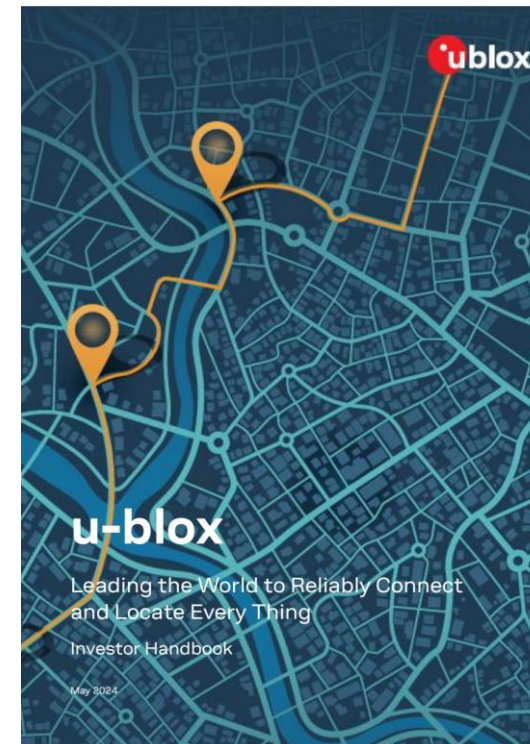
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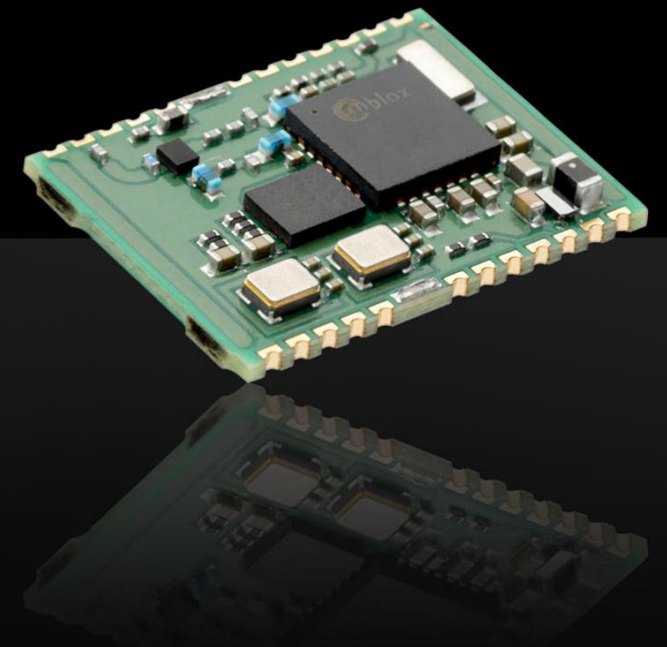
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Check out our new Investor Handbook at
<https://www.u-blox.com/en/investor-relations>



Appendix



Adjusted Income Statement

(CHF million)	HY 2024			HY 2024			HY 2023	
	IFRS	%	adjustments	adjusted	%	adjusted	%	
Revenue	121.1	100.0%	-	121.1	100.0%	332.3	100.0%	
Gross profit	52.7	43.5%	+0.2	52.9	43.7%	155.6	46.8%	
R&D expenses	(60.6)	-50.1%	+2.8	(57.8)	-47.7%	(59.9)	-18.0%	
SG&A expenses	(33.0)	-27.2%	+1.7	(31.3)	-25.8%	(34.0)	-10.2%	
EBIT	(40.9)	-33.8%	+4.7	(36.2)	-29.9%	61.7	18.6%	
Finance income	10.4	8.6%	-	10.4	8.6%	0.7	0.2%	
Finance costs	(1.2)	-1.0%	+0.1	(1.1)	-0.9%	(4.4)	-1.3%	
Share of loss of equity-accounted investees, net of taxes	(0.1)	-0.1%	-	(0.1)	-0.1%	(0.1)	-0.0%	
EBT	(31.8)	-26.3%	+4.8	(27.0)	-22.3%	57.8	17.4%	
Income tax	6.0	5.0%	-0.7	5.3	4.4%	(9.5)	-2.9%	
Net profit	(25.8)	-21.3%	+4.1	(21.7)	-17.9%	48.3	14.5%	
Basic EPS (in CHF)	(3.51)			(2.96)		6.85		
Diluted EPS (in CHF)	(3.51)			(2.96)		6.67		

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