

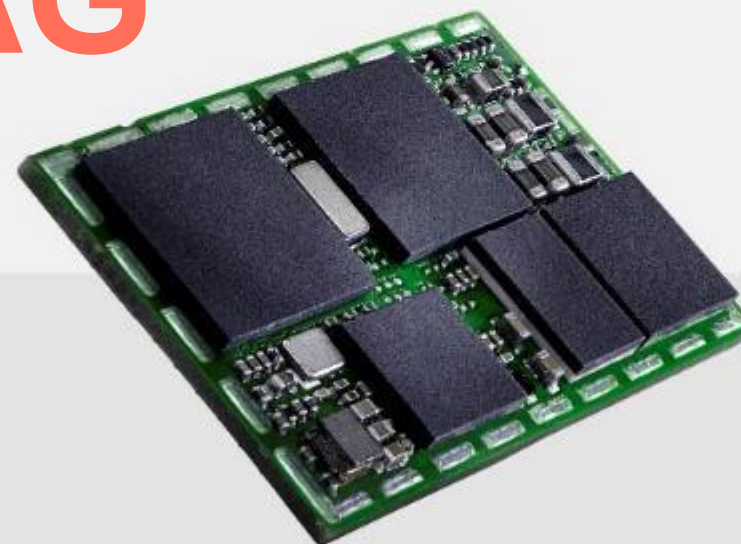
2022 Results

u-blox Holding AG

10 March 2023

Stephan Zizala, CEO

Roland Jud, CFO



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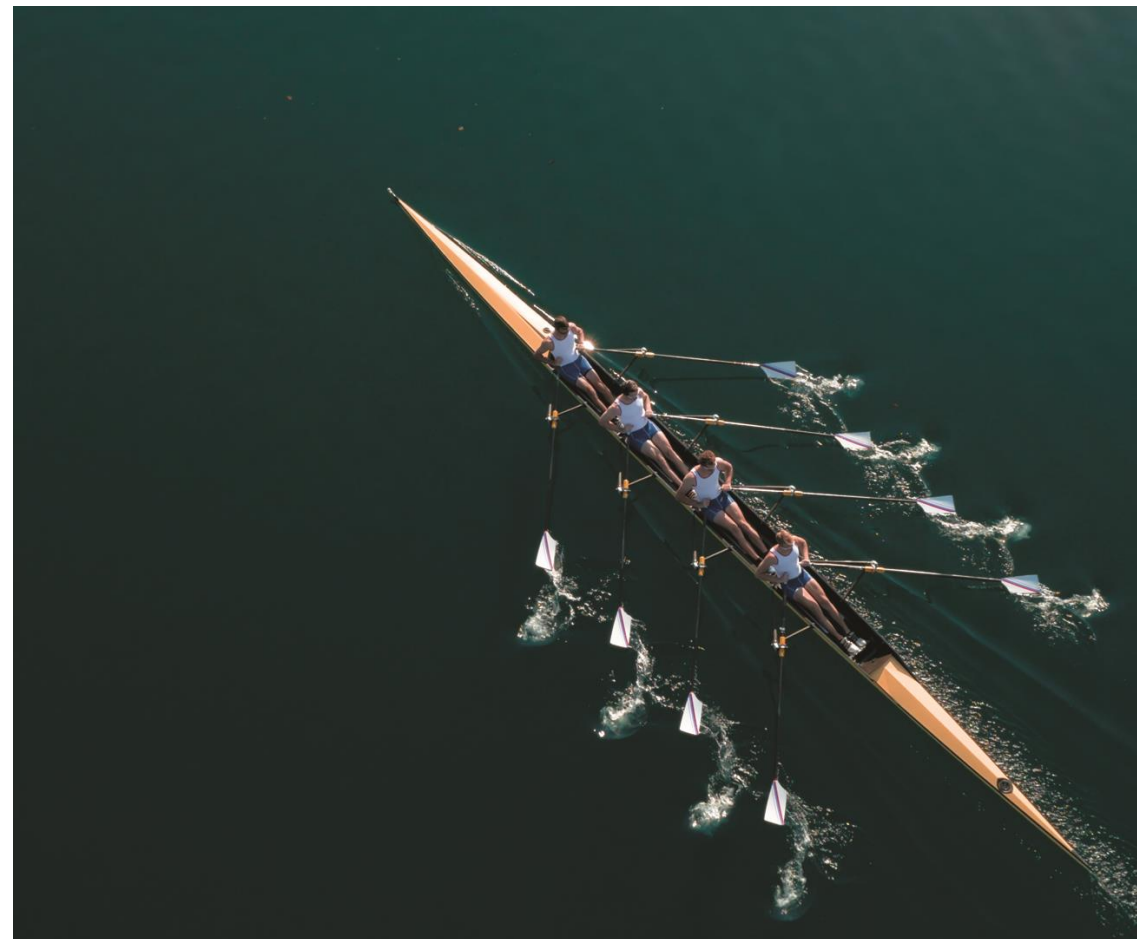
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2022 summary: u-blox made significant progress and achieved record results



- Record revenue of CHF 624m (+51% YoY)
- Record EBITDA (adjusted) of 27% (+983 bps YoY)
- Attractive growth stock: dividend of CHF 2 per share (+54% YoY) proposed
- Industrial remains largest, automotive grew fastest
- Strong growth in all regions
- More than 100m units shipped during 2022
- Strong ramp with new products
- Product mix and price management support margin expansion
- Well filled orderbook for 2023



What to expect from the new CEO: Focus, innovation, operational excellence



- We have a **proven strategy**, and we will **further advance** it
 - We will increase our **focus** on automotive and industrial customers where we can contribute and **capture superior value**
 - We will foster our **innovation culture** to create groundbreaking positioning and connectivity solutions
 - We will increase **operational excellence** to create **additional value** from our growing **scale**
- The u-blox **team** is committed to **excel**
- Update on company strategy during capital market day in Q4



Agenda



2022 financial review

2022 business review

2023 outlook

Market and strategy

Q&A

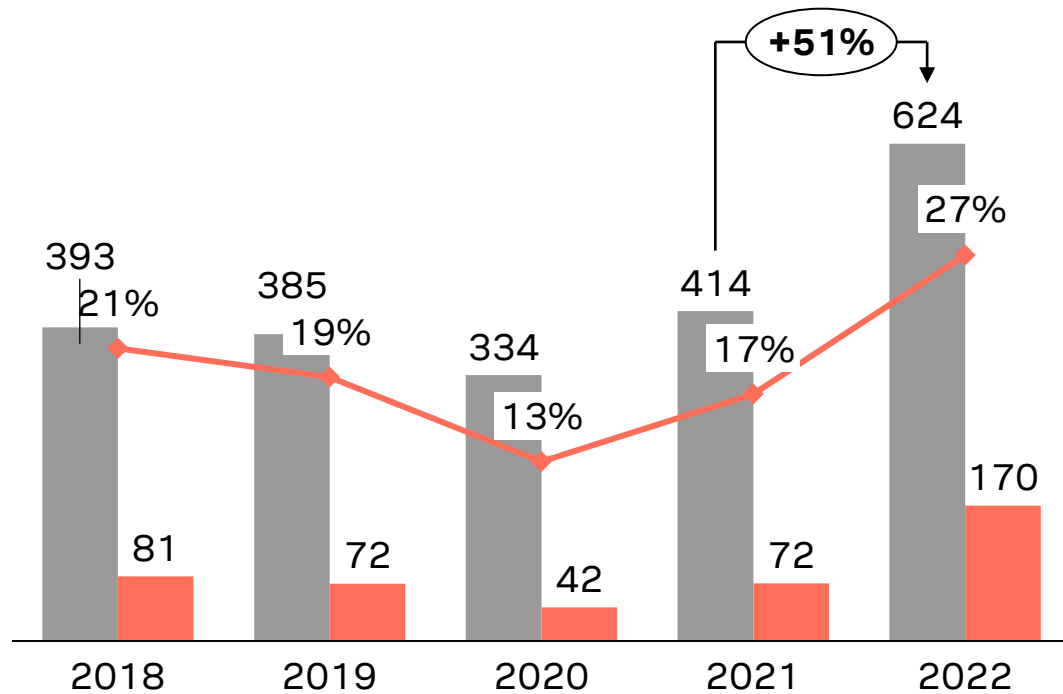
2022 financial review

Record high in revenue and EBITDA



Revenue and EBITDA (adjusted) [MCHF] EBITDA Margin (adjusted) [%]

■ Revenue [MCHF] ◆ EBITDA margin (adj.)
■ EBITDA (adj.) [MCHF]

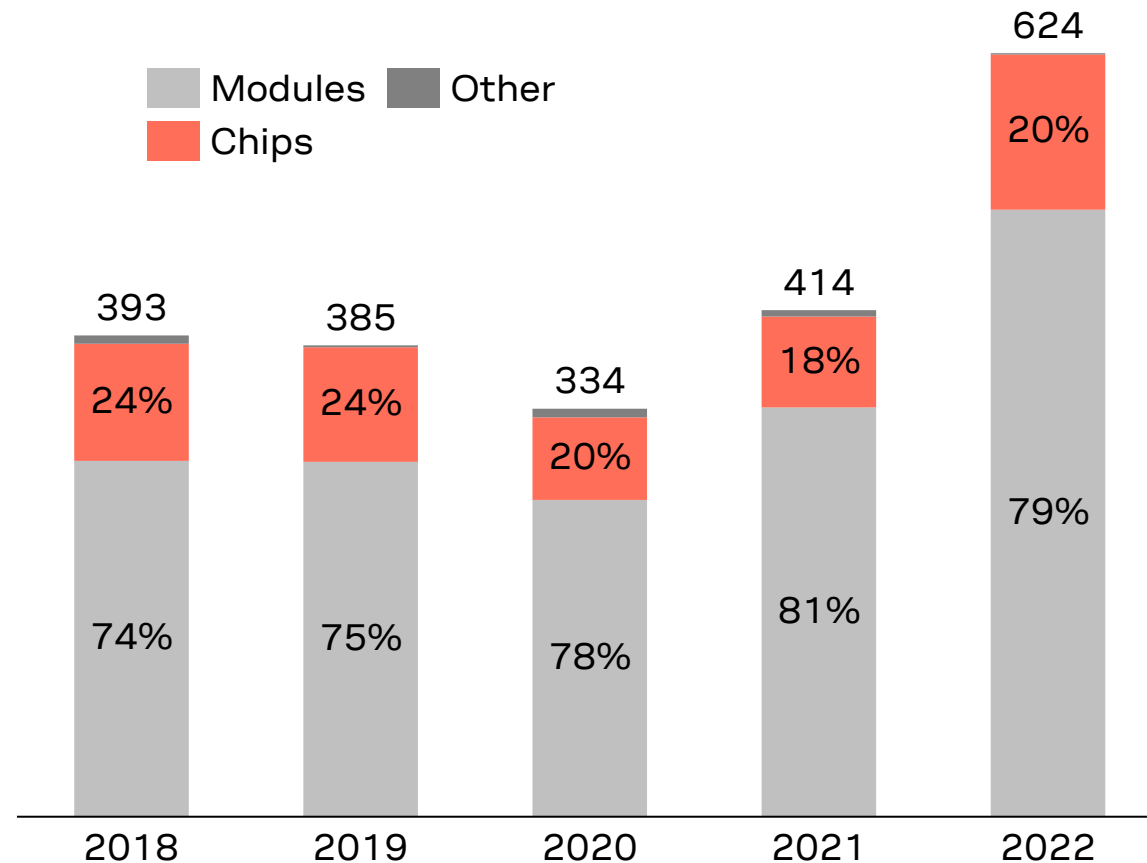


- EBITDA (adjusted¹) margin of 27%
- The FX rates impacted revenue:
 - MCHF +17
 - Growth at average 2021 FX rates: 47%

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

Strong growth driven by volume, product mix and price

Revenue [MCHF]

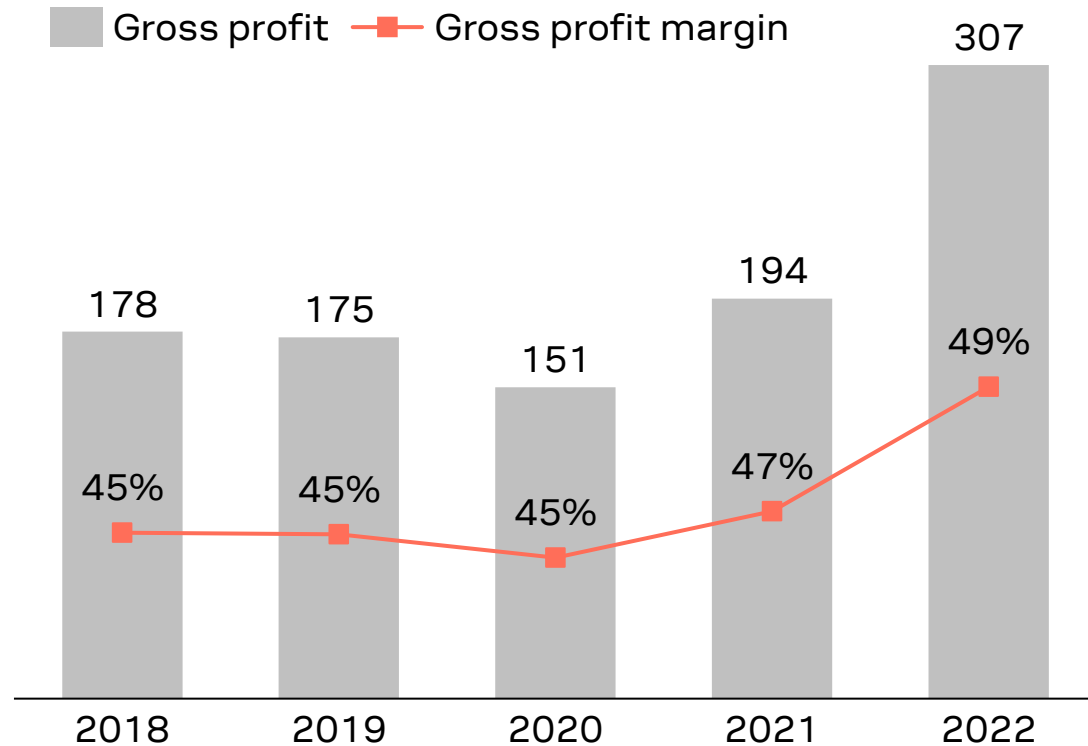


- Module business grew by 48%
- Chip business grew by 71%
- FX effect: MCHF +17m
- Major revenue driver: volume
- Product mix towards higher-end products and price increases were important, but not the dominant driver

Gross Profit Margin elevated to 49%



Gross Profit (adjusted) [MCHF] Gross Profit Margin (adjusted) [%]

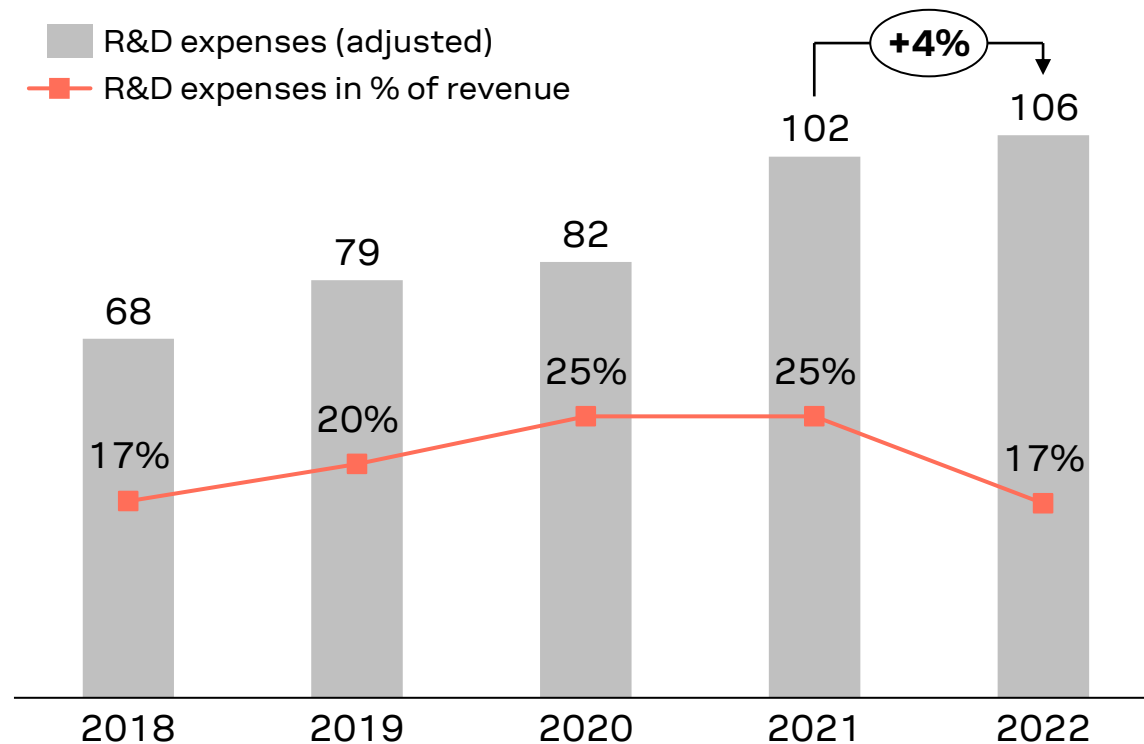


- Gross profit margin (adjusted) increased from 47% to 49%
 - Product mix change towards high-end
 - Price increase
 - Operational effectiveness improvement

Research & Development cost were tightly managed and we could leverage our economies of scale



R&D expenses* (adjusted) [MCHF] R&D in % of revenue

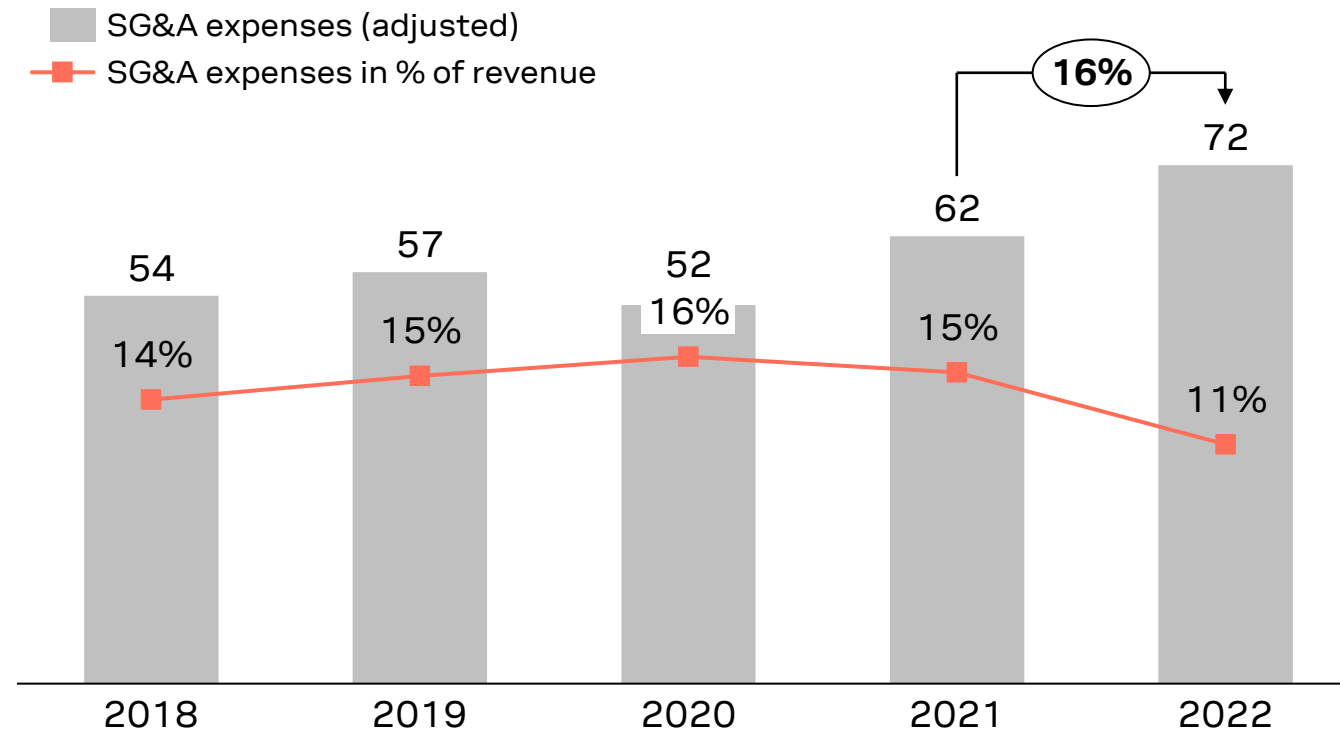


- We continue to invest in next generation innovations
- R&D expenses increased only slightly due to operational effectiveness improvement
- Gross R&D cost adjusted MCHF 115 (2021: MCHF 108)
- R&D in percent of revenue improved significantly

^{*)} expenses including depreciation and amortization

SG&A efforts were adapted to enable the larger business

SG&A expenses* (adjusted) [MCHF] SG&A in % of revenue



- Main driver for absolute growth: sales bonus payments
- SG&A in percent of revenue decreased from 15% in 2021 to 11% in 2022

^{*)} expenses including depreciation and amortization

Income statement

Adjusted and IFRS numbers



in CHF 1'000	2022			2022			2021	
	IFRS	%	Adjustments ²⁾	Adjusted	%	Adjusted	%	
Revenue	623'852	100.0		623'852	100.0	414'057	100.0	
Cost of sales	-317'088	-50.8	+387	-316'701	-50.8	-220'126	-53.2	
Gross Profit	306'764	49.2	+387	307'151	49.2	193'931	46.8	
Distribution and marketing expenses	-44'906	-7.2	+1'340	-43'566	-7.0	-38'887	-9.4	
Research and development expenses	-111'566	-17.9	+5'285	-106'281	-17.0	-102'234	-24.7	
General and administrative expenses	-30'490	-4.9	+2'487	-28'003	-4.5	-22'854	-5.5	
Other income	1'975	+0.3		1'975	+0.3	5'139	+1.3	
Operating Profit (EBIT)	121'777	19.5	+9'499	131'276	21.0	35'095	8.5	
Finance income	561	+0.1		561	+0.1	3'947	+1.0	
Finance costs	-2'075	-0.3		-2'075	-0.3	-6'936	-1.8	
Share of profit of equity-accounted investees, net of taxes	-119	0		-119	0	-1'819	-0.4	
Profit before income tax (EBT)	120'144	19.3	+9'499	129'643	20.8	30'287	7.3	
Income tax expense	-18'372	-3.0	-2'226	-20'598	-3.3	-7'395	-1.8	
Net Profit	101'772	16.3	+7'273	109'045	17.5	22'892	5.5	
Minority interests	0	0		0	0	-21	0	
Net Profit, attributable to equity holders of the parent	101'772	16.3	+7'273	109'045	17.5	22'871	5.5	
Earnings per share in CHF	14.60			15.65		3.30		
Diluted earnings per share in CHF	14.34			15.36		3.30		
Operating Profit (EBIT)	121'777	19.5	+9'499	131'276	21.0	35'095	8.5	
Depreciation and amortization	+41'990	+6.8	-3'336	+38'654	+6.2	+36'976	+8.9	
EBITDA¹⁾	163'767	26.3	+6'163	169'930	27.2	72'071	17.4	

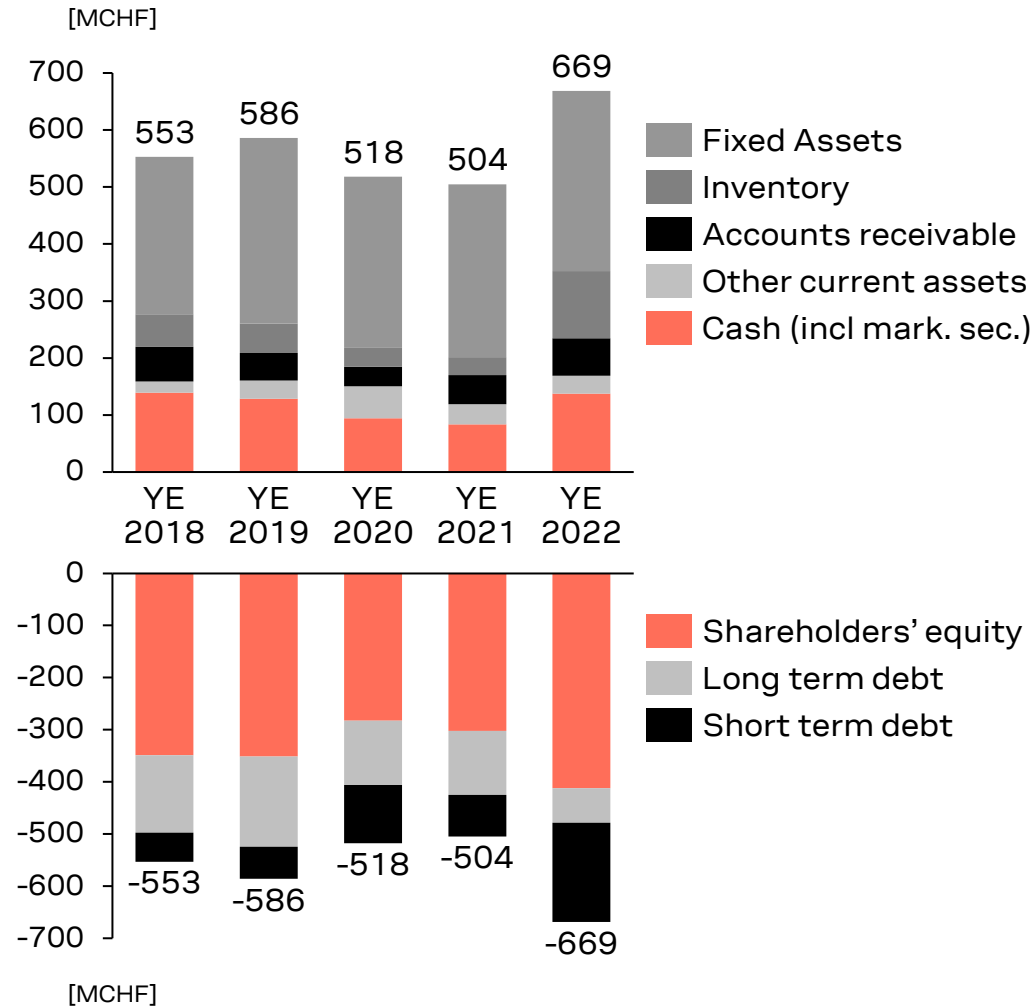
1 Adjustments are share-based payments of CHF 4.4m, pension impact of IAS-19 of CHF 1.8m, amortization of intangible assets acquired of CHF 3.3m and no non-recurring expenses

2 Financial results consist primarily of the interest for the outstanding bond, the interest booked under IFRS-16 (leasing) and the result of equity-accounted investees

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

²⁾ Adjustments are impacts of share based payments, pension calculation according to IAS-19, non recurring expenses, impairments and amortization of intangible assets acquired.

Solid financial position

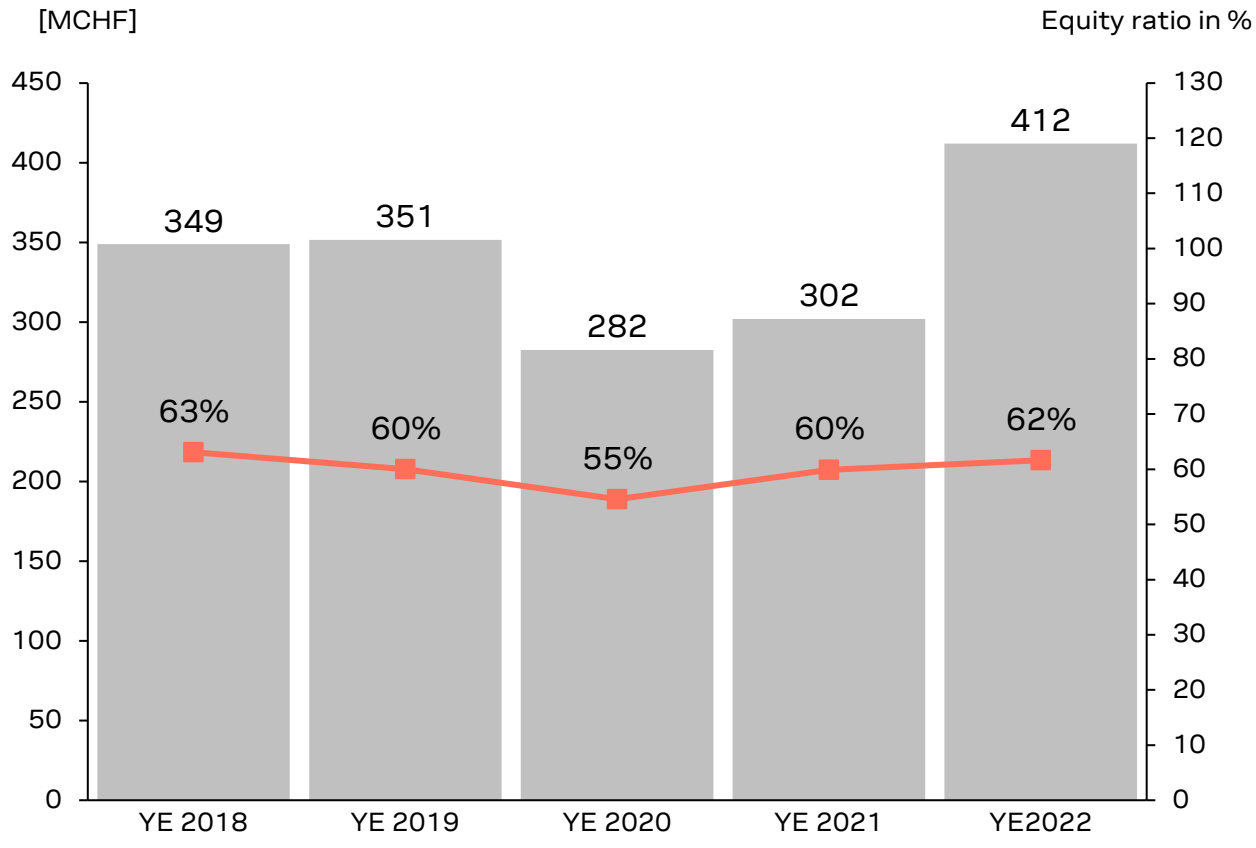


- Solid financial position with liquidity (incl. marketable securities) of MCHF 138 (2021: MCHF 84)
- Inventory MCHF 118 (2021: MCHF 31), mainly raw material and work in progress
- Other current assets MCHF 97 (CHF 2021: MCHF 86)
- Non-current assets amounted to MCHF 316 (2021: MCHF 303), incl. capitalized R&D of MCHF 193 (2021: MCHF 175)
- Current liabilities contain trade payables of MCHF 61 (2021: MCHF 25) and the bond to be repaid in April 2023 of MCHF 60
- Non-current liabilities amounted to MCHF 67 (2021: MCHF 123)

Solid equity base with an increase equity ratio



Total Equity [MCHF] Equity ratio [%]

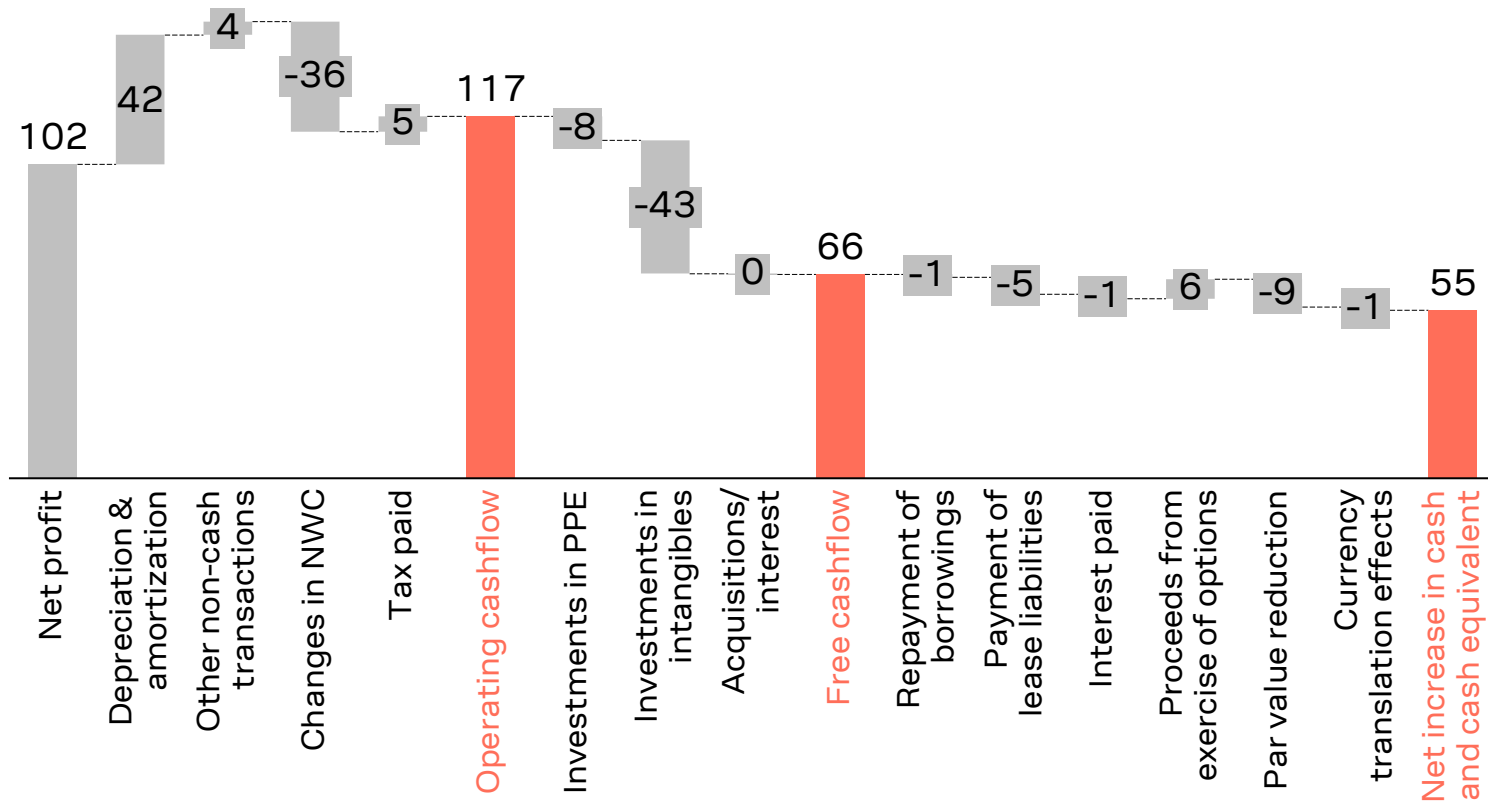


- Solid equity base maintained
- Increase equity ratio of 62% (2021: 60%)
- Treasury shares for option program MCHF 28 (2021: MCHF 32)
- Equity ratio without treasury shares: 63.1% (2021: 62.3%)
- No minority interests

Consolidated statement of cashflows



Cashflow [MCHF]



- Increased business
 - Record cash flow from operating activities with MCHF 117 (2021: MCHF 99)
 - Net working capital increase
- Investing in future products (intangibles)
- Free cash flow MCHF 66 (2021: MCHF 56)
- Cash and cash equivalents on 31 Dec. 2022 amounted to MCHF 137.7 (2021: MCHF 83.7)

Business review

2022: Strong market, right products, reliable partnerships

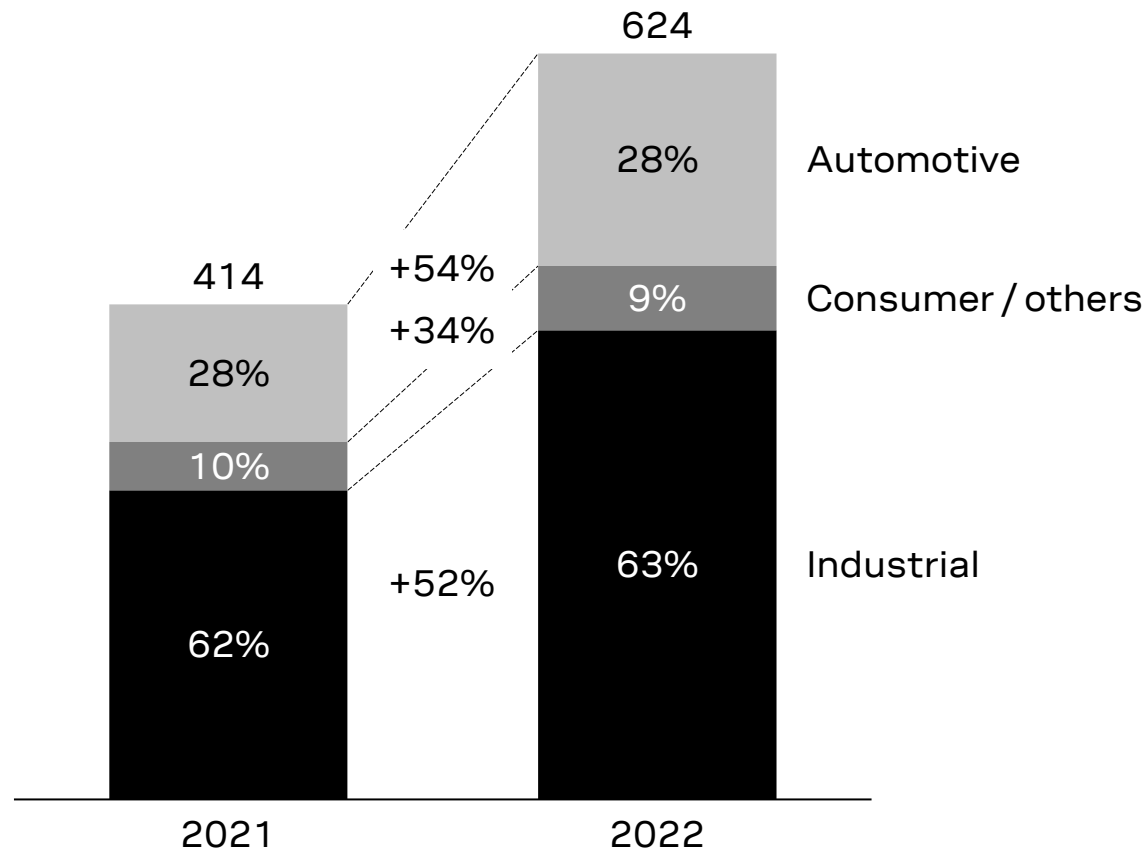


- Automotive and industrial markets grew well
- Key customers were very successful in the market and ramped up their production
- New u-blox cellular, positioning, short-range and service offerings were well accepted
 - Cellular, own R5 chipset modules are very well accepted by customers and selling in millions
 - Positioning, M10 chip: ramp to a “millions per month” run-rate within 6 months
 - 5G timing: Ramp up of new business and achieving leading position
 - Several new projects won from competition
- Supply improvement initiatives and our diversified supplier base were very effective



Strong growth in automotive and industrial markets

Revenue by market [MCHF]



Key growth drivers – Automotive

- Infotainment, navigation, and telematics
- Market recovery

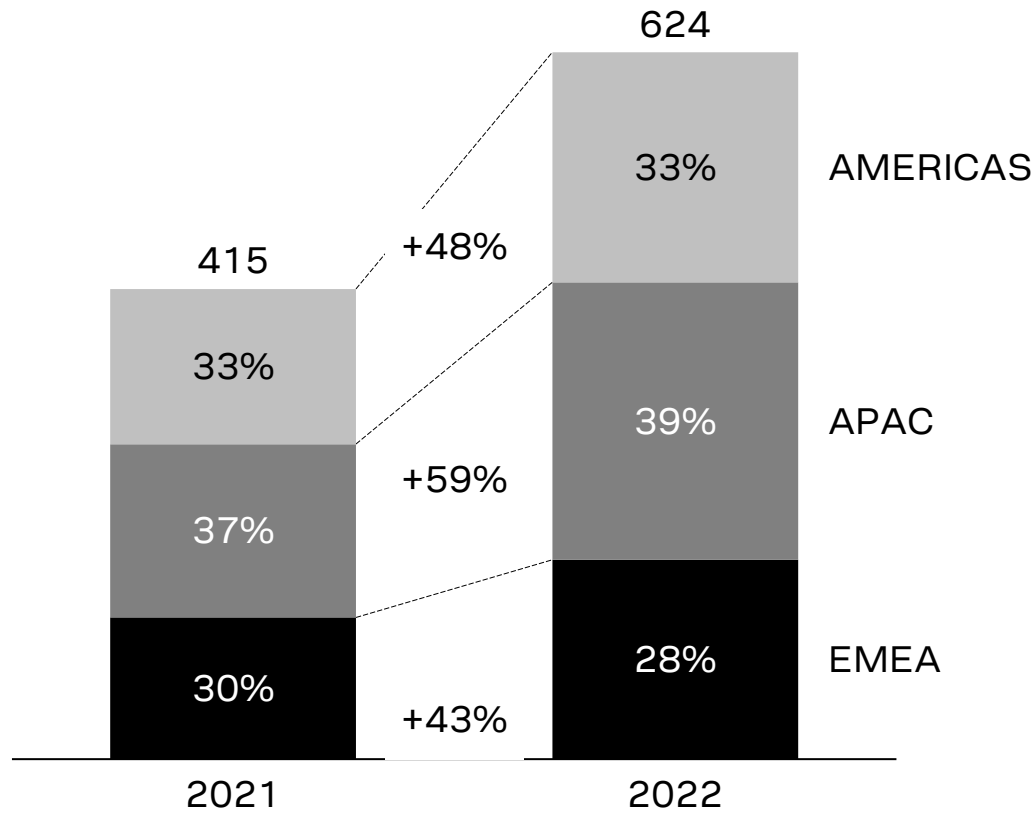
Key growth drivers – Industrial

- Healthcare
- Industrial automation and monitoring
- Smart buildings

Strong growth in all regions



Revenue by region [MCHF]
(based on reporting region)



Key growth drivers – AMERICAS

- Infotainment, navigation, and telematics
- Healthcare

Key growth drivers – APAC

- Australia, Japan, Korea
- Healthcare
- Infotainment and navigation

Key growth drivers – EMEA

- Infotainment and navigation
- Industrial automation and monitoring
- Asset tracking

Innovation is in our DNA and will fuel our future growth



Cellular communication

We launched the world's smallest LTE Cat 1 module with global coverage

Within **two months** after launch over **one million units** were shipped.

Positioning

We created the world's smallest GNSS module

The **4.5 by 4.5-millimeter** miniature size, roughly **half the size of competing products**, enables highly compact IoT solutions.

Short range radio communication

We launched a tri-radio Wi-Fi 6, Bluetooth LE 5.2, and Thread module

The new module extends the benefits of highly efficient **Wi-Fi 6** to industrial applications. The tri-radio functionality makes it ideal for gateways and bridges in **low-power IoT** and **mesh networks**.

Services

We introduced SaaS – Security-as-a-Service

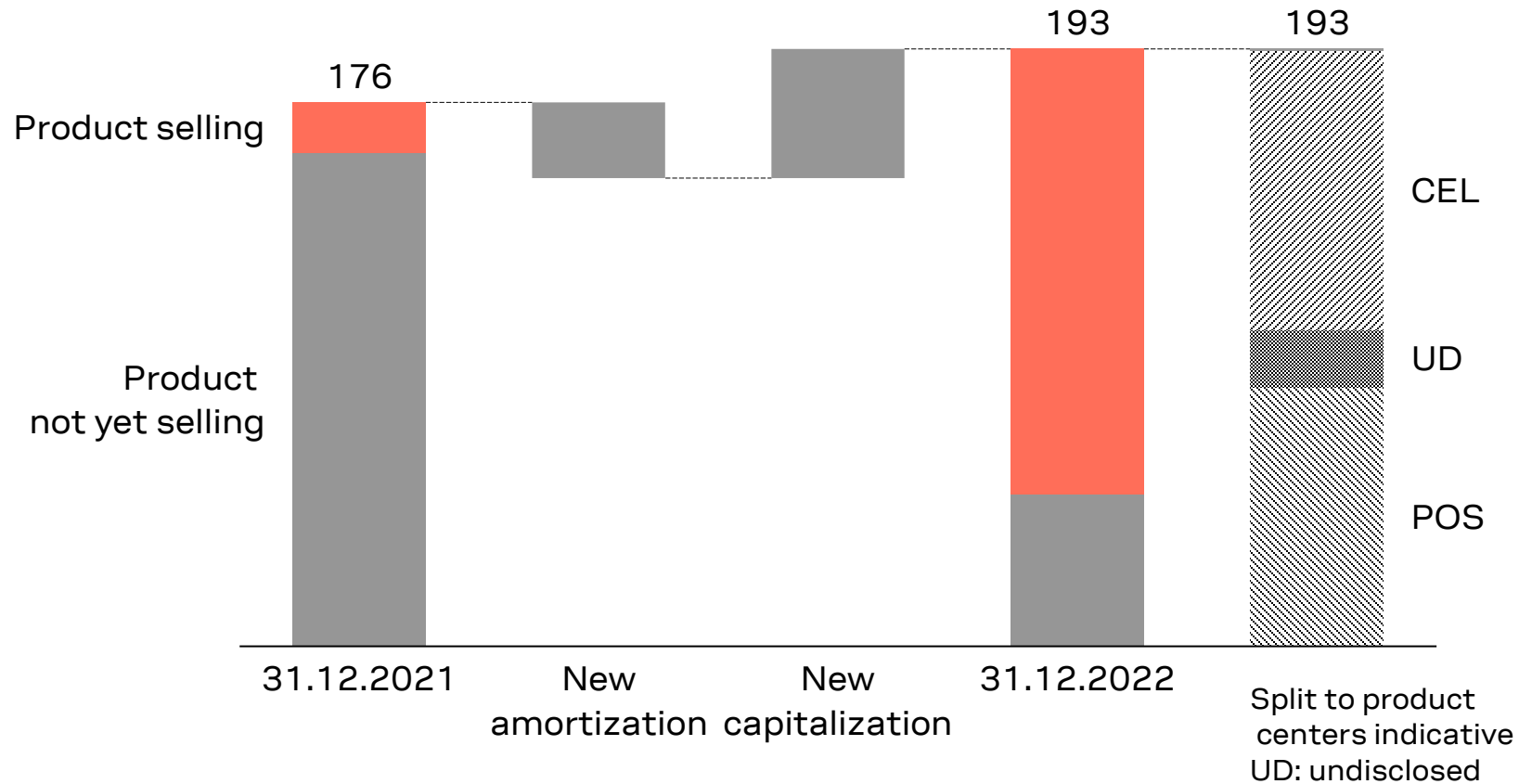
A service that continuously renews **device credentials** in a fully automated mode.

u-blox provides out-of-the-box onboarding to **IoT Cloud** platforms with total control of the device certificate lifecycle.

Majority of our capitalized R&D activities created revenue in 2022



Development of capitalized R&D [MCHF]



- R&D capitalization is well balanced between cellular and positioning programs (own chip-sets)
- Yearly impairment test to confirm value of capitalized R&D
- Development phase (capitalization) for major developments starts 3 to 4 years before first revenue and triggers capitalization
- Revenue phase (amortization) starts after development and can exceed 10 years

Partnering with GMV enables an unique and complete safe positioning solution for autonomous vehicles



Challenge

- Functional safety required for autonomous vehicles
- Significant effort to develop and integrate hardware and software from several vendors

Solution

- u-blox partnering with GMV
Spain, founded in 1984, 3000 employees, CMMi 5, strong automotive expertise
- Leading functional safe positioning solution: GNSS + safe positioning engine + safe augmentation service

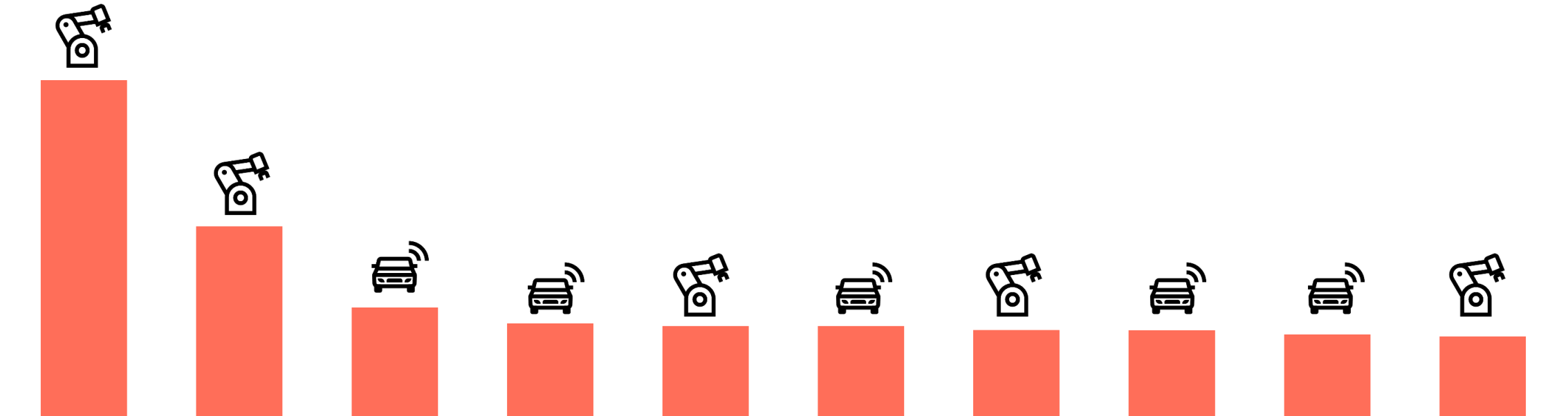
Customer benefits

- Less effort
- Faster time-to-market
- Less risk



Top 10 customers are automotive and industrial customers with high entry barriers

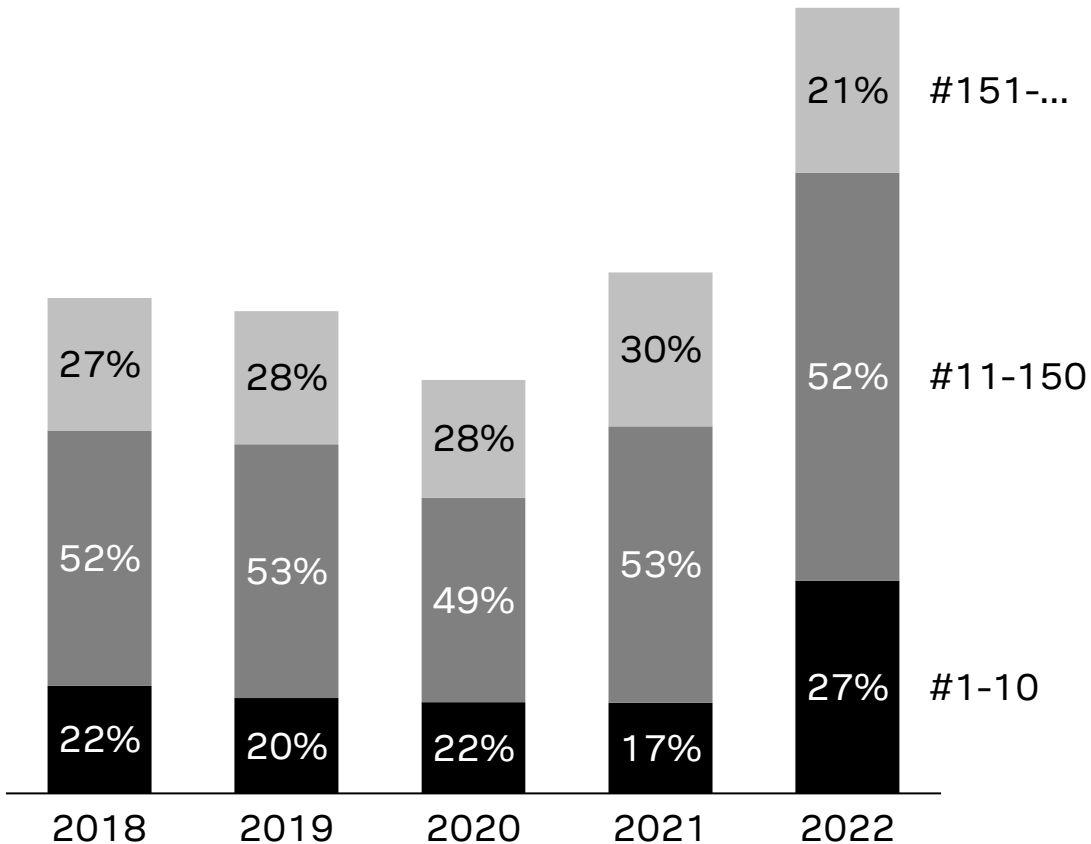
Largest customer accounts for 7% of total revenue
10 largest customers account for about 30% of revenue



Effective channel strategy ensures growth and low dependency on single customers



Revenue share of end-customers



- High diversification and low dependency on single customers
 - Largest end-customer accounts for 7% of total revenue in 2022
 - 10 largest customers account for about 30% of total revenue in 2022
- Successful channel strategy
 - We are successful at large customers with our direct sales team
 - Distribution partners grow our business with medium size customers and innovators in the long-tail

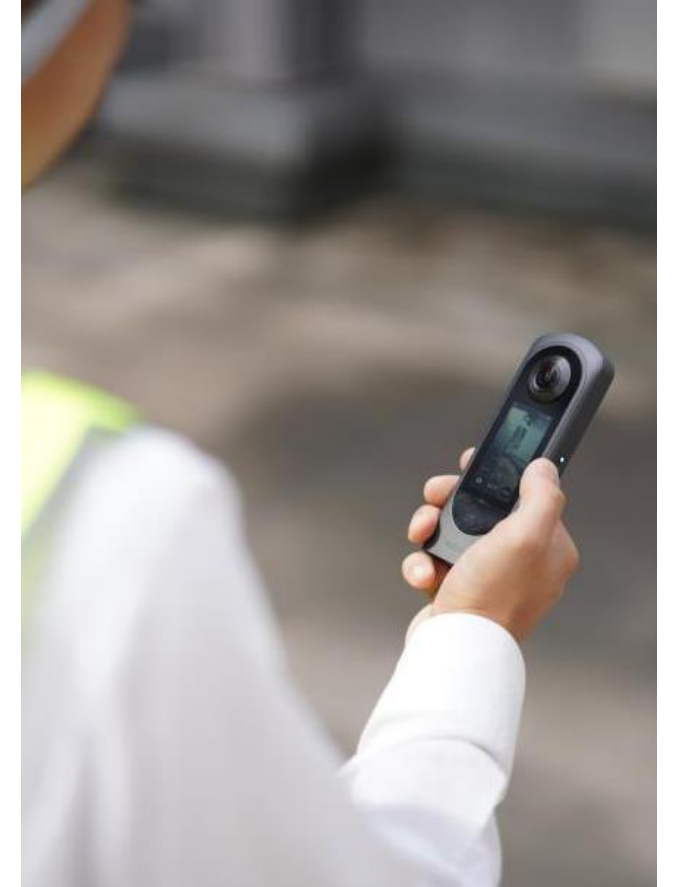
Our customer Ricoh uses a u-blox GNSS module for dependable location accuracy



- The professional Ricoh THETA X 360-degree camera needs a highly accurate position
- The u-blox ZOE-M8B GNSS module provides highly accurate position data, small size and low power consumption
- THETA X a wide range of industrial and professional applications

“We chose to integrate the u-blox ZOE-M8B GNSS module into our THETA X because of the **highly accurate location** information it offers, alongside easy integration thanks to its **small size**, and **low power consumption**. The module offers what we needed in terms of a small antenna design whilst not compromising on highly accurate positioning performance - a function essential to our customers,”

Mr. Kenji Daigo, GPS Function Developer for THETA X at Ricoh.



Ricoh Theta X 360-Degree Camera

Our customer Nofence enables regenerative farming with u-blox products



- Nofence's GNSS-enabled livestock collar
 - replaces expensive fences
 - improves animal wellbeing
 - rotating livestock and crop fields, fertilizers and pesticides are significantly reduced
 - replaces expensive fences
- u-blox contributes with
 - the most compact u-blox modules for positioning and for cellular connectivity
 - highest reliability and robustness
 - low-power solution to last the season



Controls herd anytime from anywhere

Partnering with Amazon Web Services (AWS) simplifies cloud services for industrial innovators



- Joint u-blox and AWS development
- Two first-of-kind modules pre-provisioned to enable out-of-the-box secure communication with AWS via Wi-Fi and cellular IoT
- Rapid development cycles are ideal for small to medium-sized customers
- Simplifying access to cloud services, AWS IoT ExpressLink knocks down one of the key barriers standing in the way of newcomers to the IoT space: complexity

“The decision to work with u-blox was a clear choice for us at AWS, as we knew that their high-quality modules targeting industrial and professional applications would complement our wide range of software and cloud services for IoT.”

Shyam Krishnamoorthy, General Manager of Consumer IoT and Connectivity at AWS



2023 outlook

In 2023, we expect growth in our target markets despite some clouds



- **Automotive**
 - Growing market demand due to higher take rates, especially in electric cars
 - Ongoing car demand overhang causing catch up effects
 - More careful ordering vs. 2022
- **Industrial**
 - Growing market demand due to industrial automation, asset tracking and healthcare
 - Still constraints due to missing parts („golden screw“)
 - Slow down in some applications
- **Consumer / Others**
 - Slow down in line with market



In 2023, we expect a growth environment across the regions despite some clouds



- **AMERICAS**
Slow down in order entry in recent months, still growth expected
- **APAC**
Solid growth, China recovery could increase growth rates
- **EMEA**
First signs of slow down Q2, still growing



We enter 2023 well prepared

- Strong orderbook
- Customer contracts (volume, price) in place for >50% of planned 2023 revenue



Guidance 2023



	2020 act.	2021 act.	2022 act.	Guidance 2023
Revenue change YoY	-13%	24%	51%	6...16% +37 ... +100 (MCHF)
EBITDA¹⁾ margin	12.5%	17.4%	27.2%	21...24%
EBIT¹⁾ margin	5.4%	8.5%	21.0%	14...18%

Transparent reporting

- Full P&L bi-annually
- Quarterly update of revenue

Exchange rate assumptions

1 USD = 0.98 CHF, 1 EUR = 0.99 CHF, 1 Pound Sterling = 1.18 CHF

FX-sensitivity against CHF

+10% of	USD	EUR	GBP
Revenue	+ 9%	+ 1%	0%
EBITDA	+ 14%	0%	-2%
EBIT	+ 19%	0%	- 4%

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

Market and strategy

Global megatrends expand our markets

Positioning and connectivity for billions of smart devices



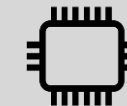
Climate change and resource scarcity



Demographic and social change



Urbanization

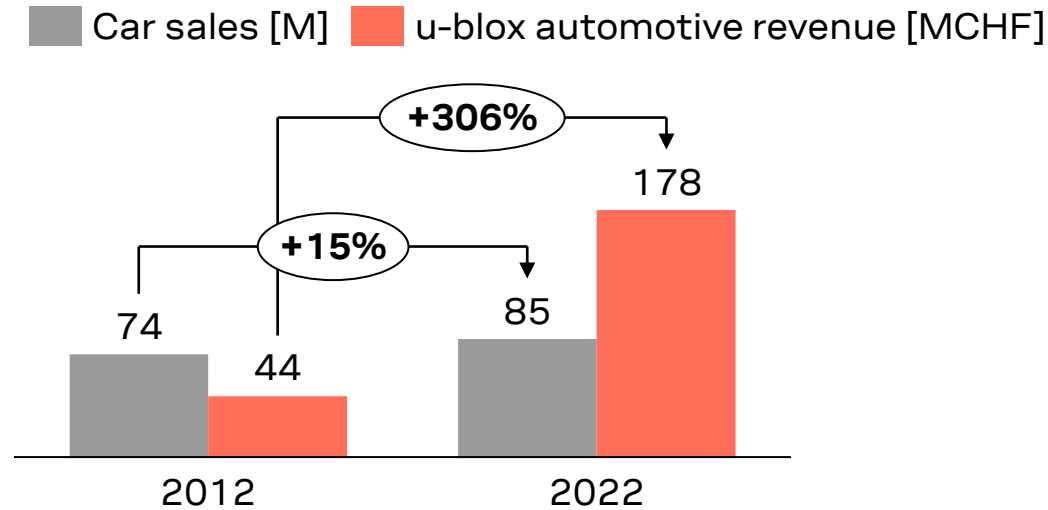


Digital transformation

u-blox has more than 20 years automotive expertise materializes in our growing BOM per car

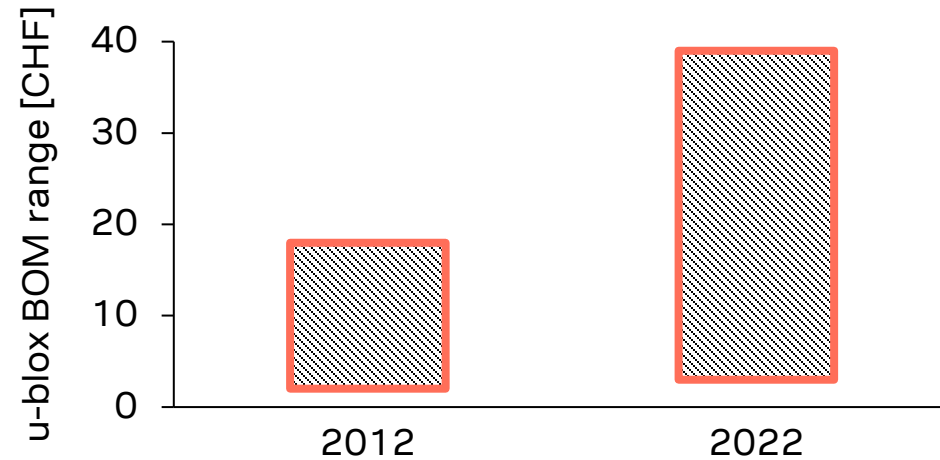


u-blox automotive vs. car sales



Sources: TSR, u-blox

u-blox Bill of Material (BOM) range in cars



- Value per car grew significantly
- Expanding from positioning to connectivity and services

Future cars will be autonomous, electric and increasingly shared: a growth opportunity for u-blox



Autonomous

- Level 2+ gains traction
- Upgrade path to Level 3 and above

Electric

- Driven by legislation
- Consumer pull started

Evolving and software defined

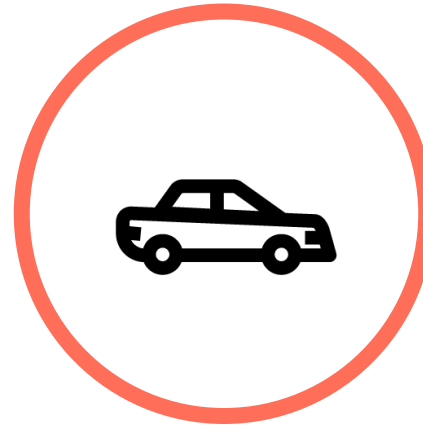
- Upgrades over the air during lifetime
- Functionality as a service on demand

New use models and user experience

- Shared mobility
- Personalized entertainment

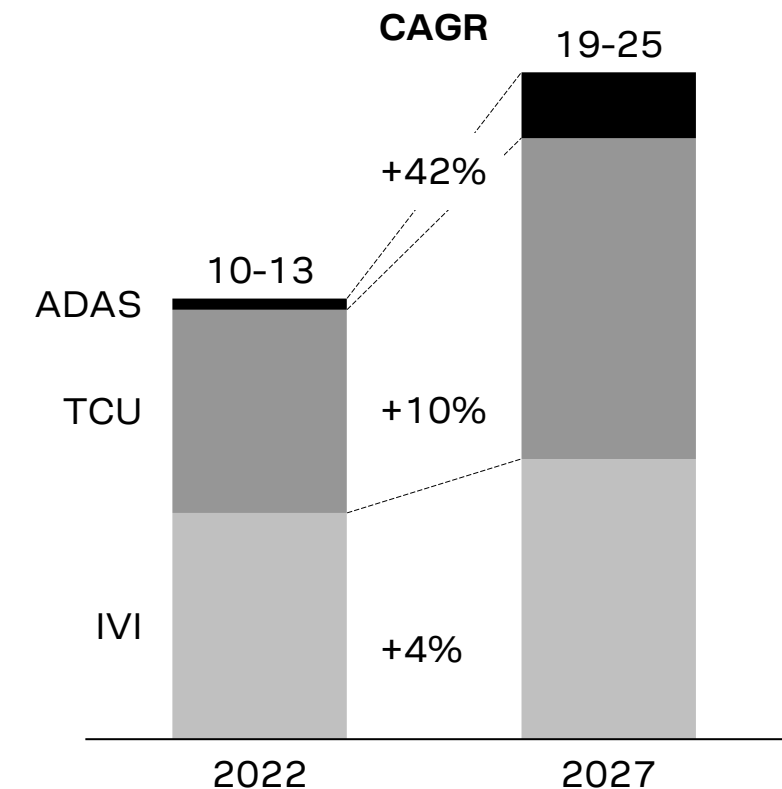
OEM influence key electronics / SW

- Software architecture
- Autonomous driving systems



IVI: In-vehicle Infotainment
TCU: Telematic Control Unit
ADAS: Advanced Driver-Assistance

Average Bill of Material per car addressable [USD]



Industrial applications will become connected and autonomous: a growth opportunity for u-blox



Remote and autonomous operation

- Remote maintainance
- Autonomous construction machines
- Sensors and intelligence in edge devices

Optimized resource usage

- Advanced asset tracking
- Home and remote health
- Decision taking on edge devices based on realtime sensor data

Mass adoption of high precision technology

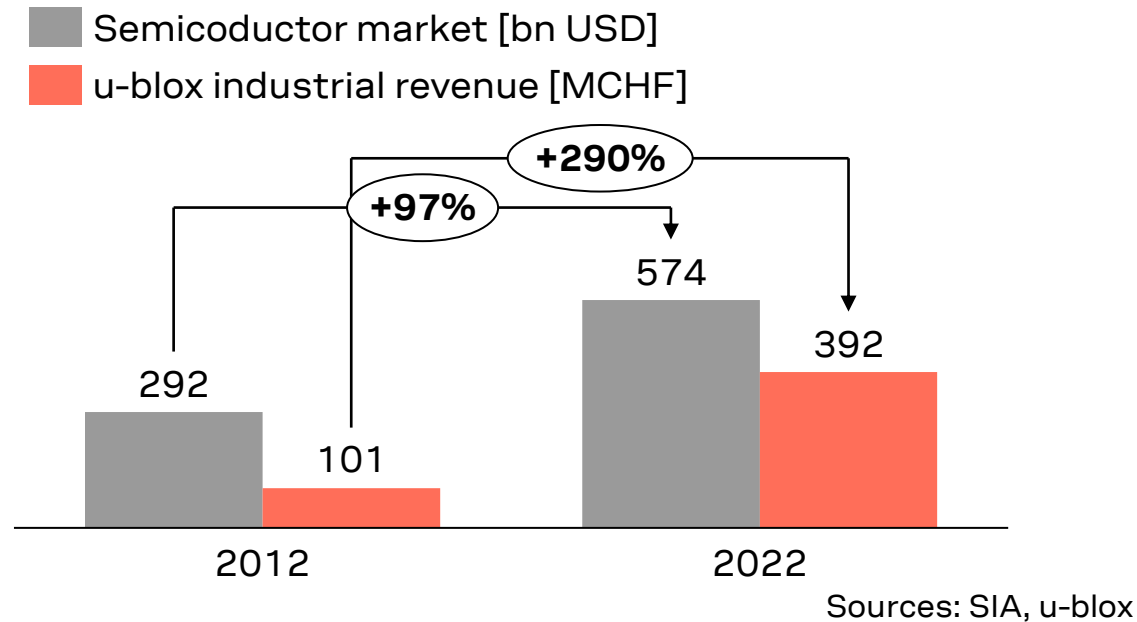
- Industry automation
- Automated and autonomous construction and agricultural equipment
- Delivery robots



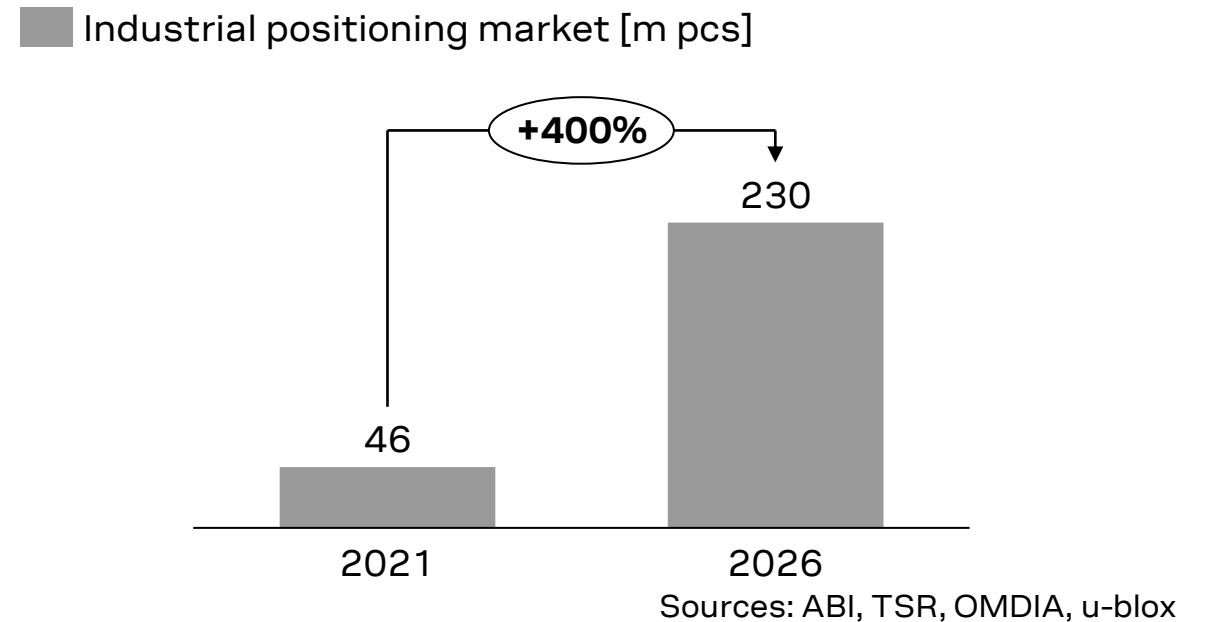
u-blox contribution

- Power efficient and secure cellular and short-range connectivity
- Reliable and safe positioning solutions and services even in challenging conditions
- Enhanced security, resilience of positioning and communication
- Services on demand to ease market entry of customers
- Solutions ready for use for thousands of customers

u-blox long-term focus on industrial growth applications pays off



- u-blox industrial revenue outgrew the semiconductor market significantly
- Number of served industrial applications with more than 5% revenue share tripled



- There is a long-term growth in industrial applications expected, especially in positioning
- Previously stand-alone devices become connected: growth for cellular, short-range and services
- u-blox will continue to excel in this market

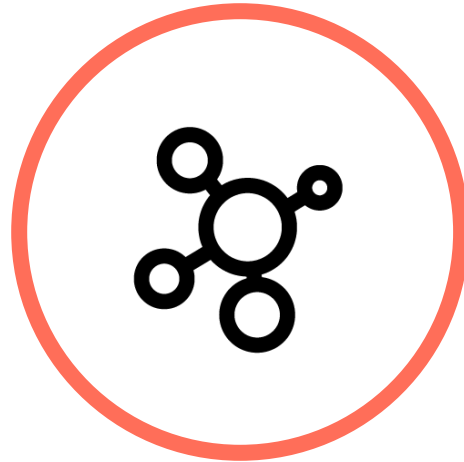
u-blox: positioning and connectivity – precise, reliable, easy to work with



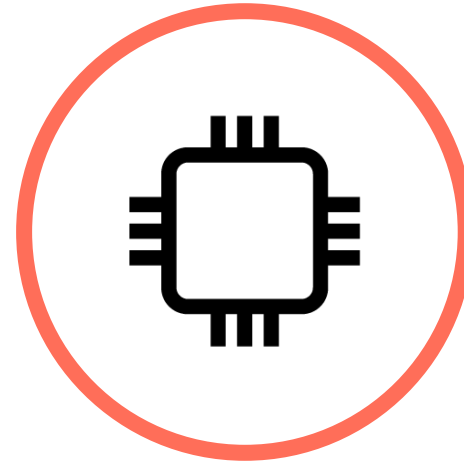
Position



Connect



Compute



Cloud



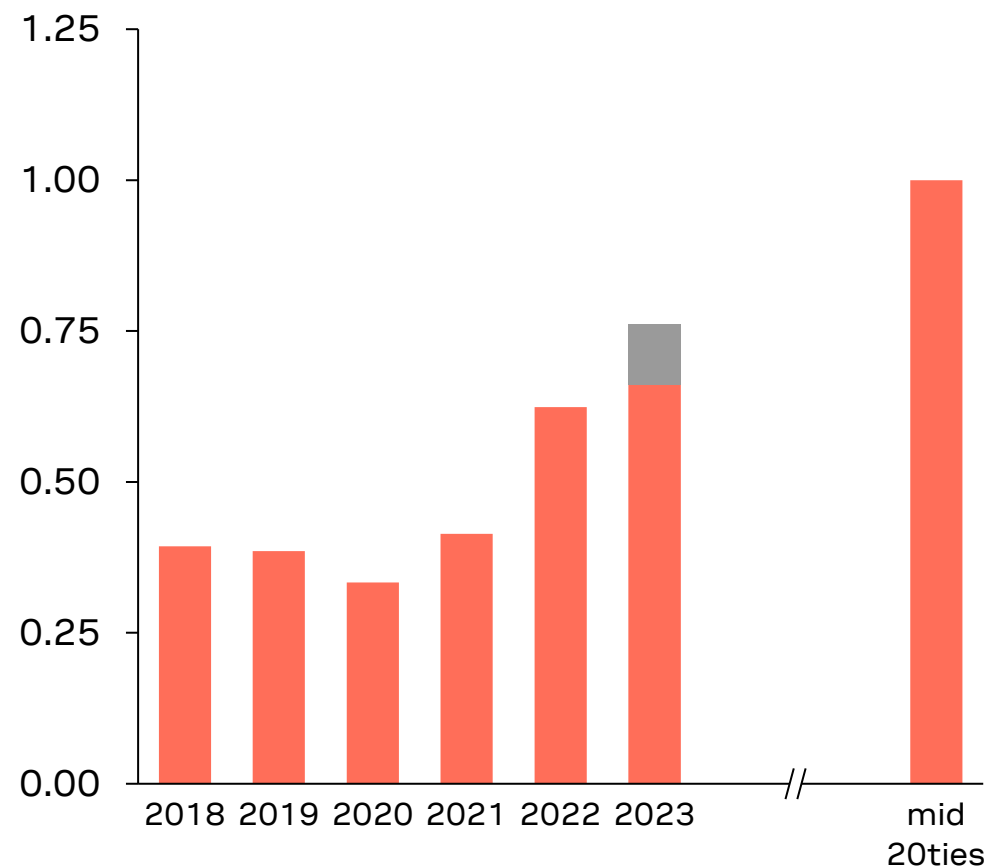
Safe and secure



Easy to implement

Financial ambitions: on course with continued growth while maintaining our profitability

Revenue [bn CHF]



**Ambitions, consistent to
CMD 2022**

GM ~ 50%

R&D < 20%

SG&A < 14%

(indicative, no guidance)

We consider M&A if ...



Strategy

- ... we can improve profitability by economies of scale
- ... we can complement our offering
(technology, business model, market coverage)



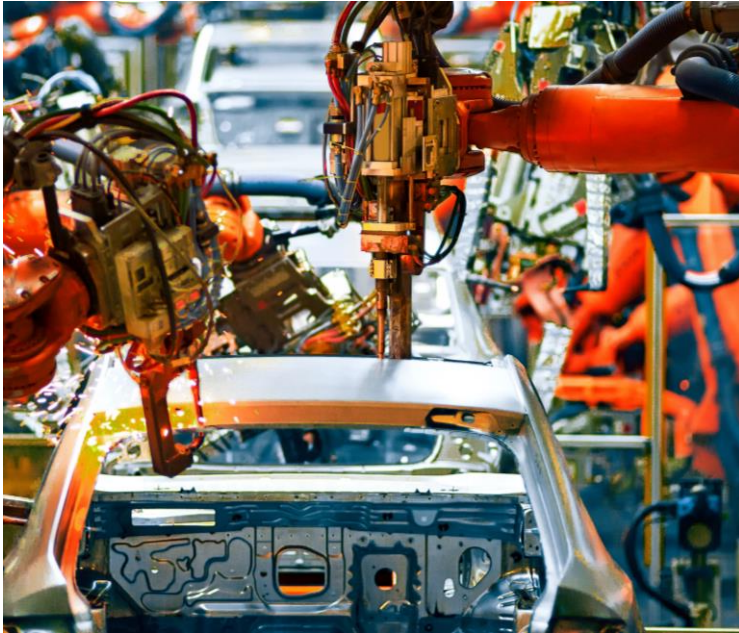
Culture

- ... target team has a good cultural fit



Shareholder value

- ... purchase price enables shareholder value creation



Strong in automotive and industrial growth markets



Sustainable levels of profitability and free cash flow



Reliable and growing total shareholder return

Q&A

Upcoming events



- Three-months revenue 12 April 2023
- Annual general meeting 19 April 2023
- Six-month revenue 12 July 2023
- Half-year results 18 August 2023
- Nine-month revenue 11 October 2023

Thank you for your attention