2018 Results
u-blox Holding AG

March 15, 2019

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Roland Jud, CFO
Disclaimer

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Agenda

Our Vision
Highlights 2018
Financial results 2018
Business review
Outlook
Q&A
Our vision

We deliver leading wireless technology to reliably locate and connect people and devices.

We are convinced that the Internet of Things will change every aspect of our societies, our businesses, and our everyday lives.

That’s why we develop reliable and innovative positioning and wireless communication solutions that securely connect vehicles, industries, things, and millions of people around the world.
Megatrends are driving our growth

**Mobility**

More and more automation enables the autonomous driving car.

A quarter billion connected cars delivered between 2019 – 2023.

BI Intelligence 2018

**Urbanization**

Infrastructure becomes smart for better usage and service of the increasing population living in cities.

1 billion smart meters installed between 2019 - 2023.

ABI research 2018

**Industry 4.0**

Automation is linked with the cloud for closer control loops that enhance process efficiency.

More than 2 billion connected devices in 2023.

BI Intelligence 2018

**New health**

The cloud delivers services to the mobile users and enhances insights into a healthy life.

Over a half billion sports and wellness trackers will be sold in the next 5 years (2019-2023).

TSR 2018
The future will be connected
Exciting technologies form our intellectual property

Mobility
Industry 4.0
Urbanization
New Health

Connected Vehicle
Connected Industry
Connected City
Connected Consumer
Highlights 2018
Resilient business model

• Financial performance reflects a difficult environment in 2018
• Market conditions remain favorable
  • EMEA on continued expansion – we achieved 21% growth in 2018
  • Americas declined slightly by 6% as some customers were delaying the migration to LTE based connectivity
  • APAC grew except in China: short-term decline of 13%
  • We expect growth in all regions in 2019
• Important product launches in 2018
• R&D pipeline expanded – significant product launches ahead
Financial highlights 2018

A year of transition to the next growth phase

• 2.6% revenue decrease as compared to 2017
• Gross profit down by 3.7%
• R&D efforts continued at high pace
• EBITDA and EBIT at guided level: CHF 71.6m resp. CHF 48.4m
• Positive Free Cash Flow (before changes in NWC) of CHF 5.2m
• Reduced cash flow from operating activities
  • Temporary increase in working capital to assure delivery reliability
• Strong product innovation
  • 9 new cutting-edge products launched
  • Strong business opportunity pipeline
## Results u-blox group 2018: Overview

<table>
<thead>
<tr>
<th>Key figures</th>
<th>Amount CHF</th>
<th>In relation to revenue</th>
<th>Change 2018 to 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>393.3m</td>
<td>-</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Gross profit adjusted</td>
<td>177.9m</td>
<td>45.2%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>IFRS reported</td>
<td>177.1m</td>
<td>45.0%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>EBITDA adjusted 1)</td>
<td>81.2m</td>
<td>20.7%</td>
<td>-16.9%</td>
</tr>
<tr>
<td>IFRS reported</td>
<td>71.6m</td>
<td>18.2%</td>
<td>-18.0%</td>
</tr>
<tr>
<td>Operating profit (EBIT) adjusted 1)</td>
<td>60.4m</td>
<td>15.4%</td>
<td>-22.6%</td>
</tr>
<tr>
<td>IFRS reported</td>
<td>48.3m</td>
<td>12.3%</td>
<td>-25.8%</td>
</tr>
<tr>
<td>Net profit, attributable to owners of the parent adjusted 1)</td>
<td>48.2m</td>
<td>12.2%</td>
<td>-21.7%</td>
</tr>
<tr>
<td>IFRS reported</td>
<td>38.5m</td>
<td>9.8%</td>
<td>-24.9%</td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>36.3m</td>
<td>9.2%</td>
<td>-39.9%</td>
</tr>
</tbody>
</table>

| Cash                                            | 136.3m     | 24.6%                  |                       |
| Equity                                          | 348.9m     | 63.1%                  |                       |

Payout of a dividend of CHF 1.60 per share from capital reserves proposed

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

Comments

• Revenue slightly below guidance and prior year (-2.6% compared to 2017)
• Currency impact on revenues
  • at 2017 rates: +0.2%
  • at guidance rates: -0.2%
• EBITDA (adjusted) of 20.7%
**Comments**

- Consumer market soft
- Automotive market stable
  - In-car navigation
  - In-car connectivity
- Industrial markets expanding
  - Infrastructure
  - Telematics

**Revenue split per market for 2018**

- Industrial: 57.2%
- Consumer: 10.2%
- Automotive: 29.2%
- Not assigned: 3.4%

Note: Estimate
Revenues by geography

Comments
Growth in geographic regions compared to 2017:
- EMEA: +20.5%: Strong growth with expanding customer base and high interest in IIoT
- Americas: -6.3%: Impacted by network readiness delays
- Asia Pacific: -13.3%.
  - Decline in revenue in APAC due to market regulation influencing some consumer applications in China
  - Sino-American trade tensions - vanishing now
  - China business rebounded in the second half year

Note: based on reporting area
Shipments and ASP development

- Decline in modules and chipsets due to the negative impacts in China
- Strong growth with u-blox 8/M8
- Module and chip ASPs increased

![Graph showing module and chip shipments and ASPs]

**Revenue**

- 2014: CHF 270.0 (25%)
- 2015: CHF 338.3 (27%)
- 2016: CHF 380.2 (26%)
- 2017: CHF 403.7 (25%)
- 2018: CHF 393.3 (24%)

**GNSS Chips**

- 2014: -12.1%
- 2015: -70%
- 2016: -78%
- 2017: -82%
- 2018: -85%

**Shipments modules**

- 2014: 360.2
- 2015: 338.3
- 2016: 270.0
- 2017: 393.3
- 2018: 403.7

**Other**

- 2014: 74%
- 2015: 24%
- 2016: 72%
- 2017: 25%
- 2018: 72%

**ASP**

- 2014: -3.1%
- 2015: -6.0%
- 2016: -7.0%
- 2017: -8.0%
- 2018: -9.0%
Gross profit

Comments

• Gross profit (adjusted) of CHF 177.9 million

• Gross profit margin (adjusted) slightly declined due to changes in product mix
  • CEL takes higher share in revenue
    • Highest ASP
    • Lowest gross margin of all three technologies
Global customer base

Comments

- Strong and stable customer base, now serving 6’900 customers worldwide (2017: 6’100 customers)
- Continued wide spread across different applications and geographical regions
- Customer dependency further reduced
  - 104 customers total 80% of revenue
  - Largest customer accounts for less than 3.7% of total revenue in 2018
- 10 biggest customers account for 26.5% of total revenue in 2018

Number of customers totaling 80% of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>69</td>
</tr>
<tr>
<td>2015</td>
<td>65</td>
</tr>
<tr>
<td>2016</td>
<td>71</td>
</tr>
<tr>
<td>2017</td>
<td>84</td>
</tr>
<tr>
<td>2018</td>
<td>104</td>
</tr>
</tbody>
</table>
**Comments**

- OPEX rates increased due to
  - base effect – revenue lower than expected
- D&M expenses (adjusted) were stable compared to 2017
- R&D expenses (adjusted)
  - R&D effort is adjusted on a long term horizon of expected average growth of gross margin
  - R&D pipeline fully maintained with several important new platforms
Employment
Long term vision for innovation with continued investment in people and expertise.

Employee breakdown
(end of 2018, FTE based)

- Research & development: 68% (PY: 639)
  - Total = 1,020 FTE (PY: 947.3 FTE)
- Sales, marketing, support: 17% (PY: 168)
  - 171
- Logistics, admin: 15% (PY: 140)
  - 157

Total = 1,020 FTE (PY: 947.3 FTE)

Note: 75% of employees based outside Switzerland (spread across 18 countries)

Average number of employees (FTE based)

Note: Average number of employees (FTE = full time equivalent)
## Income statement

### Comments to adjusted numbers

- Adjustments are share based payments of CHF 8.4 million, pension impact of IAS-19 of CHF 1.2 million, and amortization of intangible assets acquired of CHF 2.5 million
- OPEX 29.9% of revenue (2017: 26.4%)
- EBITDA margin of 20.7% (2017: 24.2%)
- EBIT margin of 15.4% (2017: 19.3%)
- Financial result consists mainly of unrealized foreign exchange gains and the interest for the two bonds
- Tax rate of 20.0% (2017: 20.8%)
- Net profit margin of 12.2% (2017: 15.2%)

<table>
<thead>
<tr>
<th>(in CHF 000s)</th>
<th>Jan - Dec 2018 (IFRS)</th>
<th>Adjustments</th>
<th>Jan - Dec 2018 (adjusted)</th>
<th>Jan - Dec 2017 (adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>393'269</td>
<td>100.0%</td>
<td>393'269</td>
<td>403'712</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-216'151</td>
<td>-55.0%</td>
<td>-215'342</td>
<td>-218'901</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>177'118</td>
<td>45.0%</td>
<td>177'927</td>
<td>184'811</td>
</tr>
<tr>
<td>Distribution and marketing expenses</td>
<td>-36'966</td>
<td>-9.4%</td>
<td>-34'782</td>
<td>-34'049</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>-74'925</td>
<td>-19.1%</td>
<td>-78'812</td>
<td>-58'345</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>-20'755</td>
<td>-5.3%</td>
<td>-21'111</td>
<td>-16'295</td>
</tr>
<tr>
<td>Other income</td>
<td>3'618</td>
<td>1.0%</td>
<td>3'618</td>
<td>1'921</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>48'290</td>
<td>12.2%</td>
<td>12'111</td>
<td>78'043</td>
</tr>
<tr>
<td>Finance income</td>
<td>5'305</td>
<td>1.3%</td>
<td>5'305</td>
<td>5'668</td>
</tr>
<tr>
<td>Finance costs</td>
<td>-2'158</td>
<td>-0.5%</td>
<td>-2'158</td>
<td>-5'652</td>
</tr>
<tr>
<td>Share of profit of equity-accounted investees, net of taxes</td>
<td>-3'339</td>
<td>-0.9%</td>
<td>-3'339</td>
<td>-400</td>
</tr>
<tr>
<td>Profit before income tax (EBT)</td>
<td>48'098</td>
<td>12.2%</td>
<td>12'111</td>
<td>78'043</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-9'617</td>
<td>-2.4%</td>
<td>-2'422</td>
<td>-16'134</td>
</tr>
<tr>
<td>Net profit, attributable to owners of the parent</td>
<td>38'481</td>
<td>9.8%</td>
<td>9'689</td>
<td>61'525</td>
</tr>
<tr>
<td>Earnings per share in CHF</td>
<td>5.56</td>
<td></td>
<td>6.99</td>
<td>8.81</td>
</tr>
<tr>
<td>Diluted earnings per share in CHF</td>
<td>5.56</td>
<td></td>
<td>6.96</td>
<td>8.81</td>
</tr>
<tr>
<td>Operating Profit (EBIT)</td>
<td>48'290</td>
<td>12.2%</td>
<td>12'111</td>
<td>78'043</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>23'356</td>
<td>5.9%</td>
<td>-2'512</td>
<td>19'780</td>
</tr>
<tr>
<td>EBITDA 1)</td>
<td>71'646</td>
<td>18.2%</td>
<td>9'599</td>
<td>97'823</td>
</tr>
</tbody>
</table>

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 and amortization of intangible assets acquired.
## Segment information

<table>
<thead>
<tr>
<th></th>
<th>Positioning and wireless products</th>
<th>Wireless services</th>
<th>Total segments</th>
<th>Non-allocated/eliminations</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January - December</td>
<td></td>
<td>January - December</td>
<td></td>
<td>January - December</td>
</tr>
<tr>
<td>Revenue third parties</td>
<td>393’000</td>
<td>403’510</td>
<td>269</td>
<td>202</td>
<td>393’269</td>
</tr>
<tr>
<td>Revenue intragroup</td>
<td>31’178</td>
<td>32’600</td>
<td>31’178</td>
<td>32’600</td>
<td>-31’178</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>393’000</td>
<td>403’510</td>
<td>31’447</td>
<td>32’802</td>
<td>424’447</td>
</tr>
<tr>
<td>EBITDA *)</td>
<td>68’616</td>
<td>84’720</td>
<td>3’098</td>
<td>2’894</td>
<td>71’714</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-6’650</td>
<td>-6’709</td>
<td>-2’653</td>
<td>-2’559</td>
<td>-9’303</td>
</tr>
<tr>
<td>Amortization</td>
<td>-14’023</td>
<td>-12’852</td>
<td>-30</td>
<td>-42</td>
<td>-14’053</td>
</tr>
<tr>
<td>Impairment</td>
<td>-128</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Operating profit (EBIT)</strong></td>
<td>47’943</td>
<td>65’031</td>
<td>415</td>
<td>293</td>
<td>48’358</td>
</tr>
</tbody>
</table>

**Finance income**
5’305 | 5’668

**Finance costs**
-2’158 | -5’652

**Share of profit of equity-accounted investees, net of taxes**
-3’339 | -400

**EBT**
48’098 | 64’702
Comments

• Strong financial position with a liquidity (incl. marketable securities) of CHF 137.7m (Dec. 2017: CHF 172.4m)
• Inventory CHF 57.5m (Dec. 2017: CHF 44.2m) temporarily increased to ensure delivery reliability
• Trade receivables CHF 60.8m (Dec. 2017: CHF 50.4m) increased with accelerated business at end of 2018
• Increased intangible assets due to capitalization of R&D expenses. Capitalized R&D is at CHF 174.6m (2017: CHF 130.7m)
• Trade payables of CHF 21.6m (Dec. 2017: CHF 20.3m)
• Non-current liabilities contain bonds of CHF 119.2m, Deferred tax liabilities (CHF 8.0 m), employee benefits (IAS-19, CHF 18.0m), provisions (CHF 6.9m)
Statement of financial position

Comments

- Strong equity base maintained
- Equity ratio of 63.1% (2017: 60.7%)
- Share capital increase due to exercise of options
- Treasury shares for option program CHF 32.0m (2017: CHF 24.4m)
- Equity ratio without treasury shares: 65.1% (2017: 62.5%)
### Consolidated statement of cash flows

**Comments**

- Cash flow from operating activities negatively impacted by temporarily investment into working capital of CHF 32.2m to ensure delivery reliability
- R&D investments maintained for new platforms and product extensions
- Further investment into JV Sapcorda of CHF 4.1 million

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>38'481</td>
<td>51'260</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>23'356</td>
<td>22'290</td>
</tr>
<tr>
<td>Other non-cash transactions</td>
<td>9'814</td>
<td>12'538</td>
</tr>
<tr>
<td>Change in Networking Capital</td>
<td>-32'235</td>
<td>-19'977</td>
</tr>
<tr>
<td>Financial income &amp; Financial expense</td>
<td>192</td>
<td>384</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>9'617</td>
<td>13'442</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-12'983</td>
<td>-19'433</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>36'342</td>
<td>60'504</td>
</tr>
<tr>
<td>Net investment into property, plant and equipment</td>
<td>-7'312</td>
<td>-10'548</td>
</tr>
<tr>
<td>Net investment into intangibles</td>
<td>-54'075</td>
<td>-54'371</td>
</tr>
<tr>
<td>Acquisition of subsidiaries, net of cash acquired</td>
<td>-4'107</td>
<td>-3'560</td>
</tr>
<tr>
<td>Net proceeds from financial investments</td>
<td>2'103</td>
<td>4'966</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>-63'391</td>
<td>-63'511</td>
</tr>
<tr>
<td>Proceeds from issuance of ordinary shares</td>
<td>15'286</td>
<td>6'827</td>
</tr>
<tr>
<td>Dividends paid to owners of the parent</td>
<td>-15'441</td>
<td>-14'526</td>
</tr>
<tr>
<td>Net Proceeds from borrowings</td>
<td>0</td>
<td>59'284</td>
</tr>
<tr>
<td>Purchase of treasury shares</td>
<td>-7'609</td>
<td>-24'422</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-1'917</td>
<td>-1'751</td>
</tr>
<tr>
<td><strong>Net cash provided by / used in financing activities</strong></td>
<td>-9'681</td>
<td>26'012</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>-36'730</td>
<td>23'005</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>169'624</td>
<td>149'545</td>
</tr>
<tr>
<td>Exchange gains/(losses) on cash and cash equivalents</td>
<td>3'402</td>
<td>-2'926</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the period</strong></td>
<td>136'296</td>
<td>169'624</td>
</tr>
</tbody>
</table>
Business update
Product highlights

Significant expansion of product offering

Cellular Communication

- **SARA-R410M**
  - The world’s smallest multi-mode LTE Cat M1, NB-IoT module, ideal for diverse IoT and M2M applications including smart cities, connected healthcare, and more.

- **SARA-R412M**
  - The world’s smallest multi-mode LTE Cat M1 module with 2G fallback, ideal for diverse IoT and M2M applications in EMEA.

- **SARA-N3**
  - A multi-band NB-IoT module that supports a preliminary set of 3GPP Release 14 features (LTE Cat NB2).

Short Range Communication

- **UBX-P3**
  - The industry’s smallest V2X communication chip, taking u-blox’s commitment to shaping the future of active safety and autonomous driving technologies to the next level.

- **ANNA-B1**
  - Ultra-compact Bluetooth 5 module designed for tough environments, ANNA-B1 is fully tailored to applications for the Industrial Internet of Things.

- **NINA-W15**
  - Multiradio and gateway modules with concurrent Wi-Fi and dual-mode Bluetooth connectivity.

Positioning

- **u-blox F9 platform**
  - High precision positioning solutions for mass market industrial and automotive applications.

- **ZED-F9P**
  - First high precision GNSS module based on u-blox F9 technology delivering centimeter-level accuracy in seconds.

- **ZED-F9T**
  - The ZED-F9T timing module offers nanosecond-level timing accuracy and concurrent reception of GNSS signals for global coverage.
• Autonomous driving will need (aside others) two key components
  • High precision positioning – to retrieve an absolute location measurement
  • V2X – to communicate safely and reliably between cars and the infrastructure
• With Bosch we are developing the next generation of positioning chips
  • High precision – lane-level accuracy
  • Functionally safe according to ISO26262
• We launched UBX-P3
  • The industry’s smallest V2X communication chip
  • Best-in-class design: Concurrent dual-channel, wide temperature range, low power
Customer relationships: Husqvarna
We deliver core technology for innovative products

- Husqvarna’s latest robotic lawnmower, the AWD Automower®, launched at Mobile World Congress, uses u-blox technologies:
  - Cellular connectivity
  - M8 multi-constellation positioning
“We've been working with u-blox for a long time.”

- Helena Flygare, Ericsson, MWC 2019
Telecom networks expanding for 5G
We deliver essential timing reference products

- Network capacity expansion
  - LTE (4G) networks still expanding with need for increased data capacity
  - 5G will require more cells due to higher carrier frequencies
  - Denser networks need better timing quality for synchronization
- We launched the u-blox F9 platform
  - Multi-constellation
  - Multi-frequency
Industrial IoT becoming reality with LTE
Our R3 Cat1 platform makes the IIoT viable

- **RF Transceiver**
- **Baseband Modem**
- **GNSS Receiver**  
  u-blox 8
- **Processor**
- **Power Management**

**UBX-R3 Platform**  
(u-blox IP)

**LARA-R3121**  
LTE Cat 1 Module

24 x 26 x 2.6 mm

**Designed to last an IoT lifetime**

**Hybrid positioning & timing**

**Purpose-built for IoT applications**
Our four pillar strategy continues to deliver

- Market position: ✓ Product range for all markets, ✓ High quality and reliability

- Technology and innovation: ✓ Significant long term product road map, ✓ Product and service portfolio expanded, while taking greater control.

- Operational excellence: ✓ Fabless with leading long-term partners, ✓ 98.6% of orders reached customers on the confirmed delivery date

- Strategic partnerships: ✓ Further investments in Sapcorda JV and partnership with Kudelski, ✓ 14 growth-accelerating acquisitions to date
Strategic priorities 2019 (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 2019 (2)

Operational excellence
• Strongly focus on emerging applications in the Industrial IoT space
• Further explore unique partnerships with suppliers of key components
• Improve the resilience of our supply chain by reducing dependency on any single supplier

Strategic partnership & acquisition opportunities
• Develop new relationships with key players in our markets and expand existing ones
• Continue to review potential acquisitions that will strengthen our product portfolio and technology base and accelerate our strategy
Why we are competitive

Efficient use of available resources

- Since our foundation as a spin off from ETH, we have maintained our **innovative spirit**.
- We focus on our markets and customers with **high dedication**.
- We are **lean and agile** - we make innovative products with less resources and shorter turnaround times.
- Our large competitors focus on their large customers – not our realm.
- We have **important markets shares** in our market sectors and are often the **undisputed leader**.
- There is **no comparable company with our unique strategic line-up**.
Driving growth
Extracting more from the value chain

• Continuous **technology innovation**
  • More technological capabilities open new application possibilities.
  • Innovations at IP core assure continued margin expansion.
• New standards **expand application possibilities**
  • 5G → more applications enabled.
  • Bluetooth and Wi-Fi standards expansion → capillary IIoT.
  • New satellite signals → higher availability and precision.
• Cloud enables **adding services** with recurring revenue on top of our product sales
  • Sold to OEM (u-blox customer).
  • Sold to end customer (via partners).
Solid basis for growth
Our many product initiatives pave the way into expanding markets

- We **participate in market expansion** driven by increasing mobility and expansion of cloud services.
- Our **product initiatives** preempt important megatrends in the industry – we have invested in new platforms in all our technologies
- We are preferred by the **leading customers** for our technology IP and innovation leadership.
- Our technology core assures the basis for **resilient value-adding services**.
- Our product diversification by customers, applications, and geography **assure stability in growth**.
- Economies of scale **strengthen profitability**.
Outlook
Guidance 2019

- **Outlook 2019** based on strong growth perspective
  - APAC solid business in automotive, telematics, and infrastructure – no trade related issues anymore
  - EMEA expanding with telematics and infrastructure
  - Americas taking off with LTE Cat M1 deployments
  - R&D amortizations increasing over 2018

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2018 (IFRS)</th>
<th>Guidance 2019 (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>393.3m</td>
<td>460m...490m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>71.6m</td>
<td>70m...90m</td>
</tr>
<tr>
<td>EBIT</td>
<td>48.3m</td>
<td>30m... 45m</td>
</tr>
</tbody>
</table>

Exchange rate assumptions for 2019:
- EUR/CHF: 1.12  USD/CHF: 0.99  GBP/CHF: 1.27

FX-sensitivity against CHF:

<table>
<thead>
<tr>
<th>+10% of</th>
<th>USD</th>
<th>EUR</th>
<th>GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>+ 9%</td>
<td>+ 1%</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>+ 16%</td>
<td>0%</td>
<td>-1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>+ 22%</td>
<td>- 1%</td>
<td>- 2%</td>
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</tbody>
</table>
### Long term outlook - 2022

**Substantial growth ahead**

<table>
<thead>
<tr>
<th>Revenue M CHF</th>
<th>Free Cash Flow %</th>
<th>EBIT %</th>
<th>EBITDA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>700</td>
<td>7%</td>
<td>12%</td>
<td>22%</td>
</tr>
<tr>
<td>800</td>
<td>10%</td>
<td>15%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Before acquisitions and extra-ordinary effects**
Upcoming events

• Annual General Meeting  April 25, 2019
• 2019 Half Year Results  August 23, 2019
• Investor and Analyst Day  November 20, 2019
Thank you for your attention