## **u-blox** acquires Fastrax

30 October 2012

locate, communicate, accelerate



#### **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**

- Transaction highlights
- Introduction of Fastrax Oy
- Strategic rationale
- Outlook
- Q&A



#### **Overview**



- European fabless manufacturer of Global Navigation Satellite System (GNSS) modules located in Espoo, Finland
- Makes modules based on chips from CSR, MediaTek (MTK), STMicroelectronics (ST) and Intel
- Owns full IP for a GNSS receiver (HW and SW) with 12 years experience
- Worldwide sales



#### **Strategic Rationale**

# Overview of Fastrax

- Highly specialized in GNSS receivers with own GNSS receiver IP
- Wide module product offering based on 4 chips suppliers
- Strong growth mainly in EMEA

#### **Strategic rationale**

- Expand market share
- Complement u-blox' existing product portfolio
- Leverage IP and R&D capacity to expand GNSS product offering
- Improve overall economies of scale

# Shareholder value creation

- Increase profits from current business operations
- Business growth through extension of u-blox' product offering



## **Acquisition Overview**

- Acquisition of 100% of the shares of Fastrax Oy, Espoo from existing shareholders
- Acquisition price EUR 13.0m
- Closing date 29 Oct 2012
- Certain pay-out rules apply to Fastrax management members



## **Company Milestones**

1999	Foundation and first low power consuming GPS module, iTrax02™
1999	First to bring RF signal through I/O connector
2000	First commercially available SDK on GPS chipset, iSuite02 SDK™
2002	First GPS Loop Antenna
2003	First measurement front end, iFix™
2004	First commercial pseudolite transmitter and receiver
2006	First embedded firmware stack on multiple GNSS chipsets, iSuite™3 SDK
2007	Management buy out
2008	First GPS chip antenna module
2010	Most sensitive Software GPS Indoor acquisition, -175dBm
2011	Smallest antenna module, UC430
2011	First true MultiGNSS receiver, IT600
2012	Lowest power consuming receiver module, IT530



#### **Fastrax' Strengths**

- Extensive experience and 12 year history with GNSS technologies
- Complete GNSS knowledge
  - Strong GNSS capabilities and owner of full GNSS intellectual property
  - Has been licensing their know-how successfully
- Stable low cost manufacturing system
- Strong relationship with chip suppliers
- Constantly growing sales volume
- Strong position in industrial applications

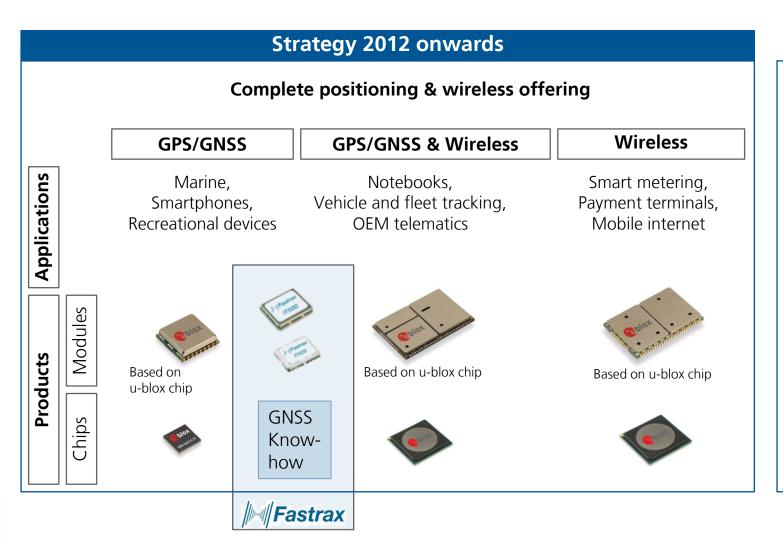


#### **Fastrax Key Value Proposition**

- Wide and flexible module product offering matched to varying customer needs
- Can build on chipset suppliers' reputation and awareness
- Able to differentiate offering more broadly via several chip suppliers
- Good technical support based on well-established GNSS capabilities
- Good market positioning value/price
- Software GPS as an additional USP and proof of capability



## **Opportunity: Expanding our position in GPS/GNSS**



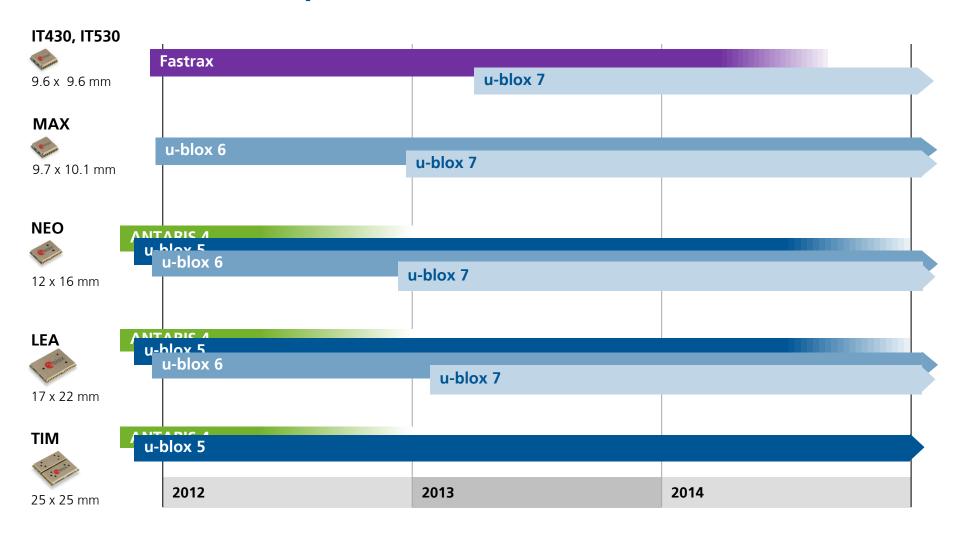
- Positioning markets served with own chip and firmware
- Positioning modules contain u-blox chip
- Know-how of Fastrax integrated into u-blox technology and products

## **Business model after acquisition**

- Integration into u-blox
  - Integrate the team expanded capacities in R&D and sales
  - Streamline/expand product offering wider and more complete product portfolio
  - Optimize production and logistics higher efficiency
  - Improve economy of scale
  - Integrate products into u-blox road map improve customer loyalty



## **Product Roadmap – GNSS LCC Modules Form-Factor**





## Synergies between u-blox and Fastrax

#### **Strengths of Fastrax**

- GNSS correlator and algorithm knowhow
- Module making and manufacturing
- Sales channels via distributors

#### Strengths of u-blox

- Leading GNSS chip and firmware
- Industry dominant module form factors
- High volume module manufacturing
- Direct global sales channel

#### **Key synergies**

- One unified sales channel
- Lower COGS in Fastrax offer
- Additional GNSS IP



#### Impact on u-blox business

- On-going income from modules sales has little impact on guidance due to late closing of the acquisition in fiscal year 2012
- Outlook 2012 for the remainder of the fiscal year
  - CHF 2m revenues.
  - Small positive impact on EBIT (CHF 0.1M)
- Outlook 2013 for acquired Fastrax business
  - CHF 13 15m revenues
  - Accretive to EBIT with 15 20% margin



