

# u-blox acquires Fastrax

30 October 2012

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# 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

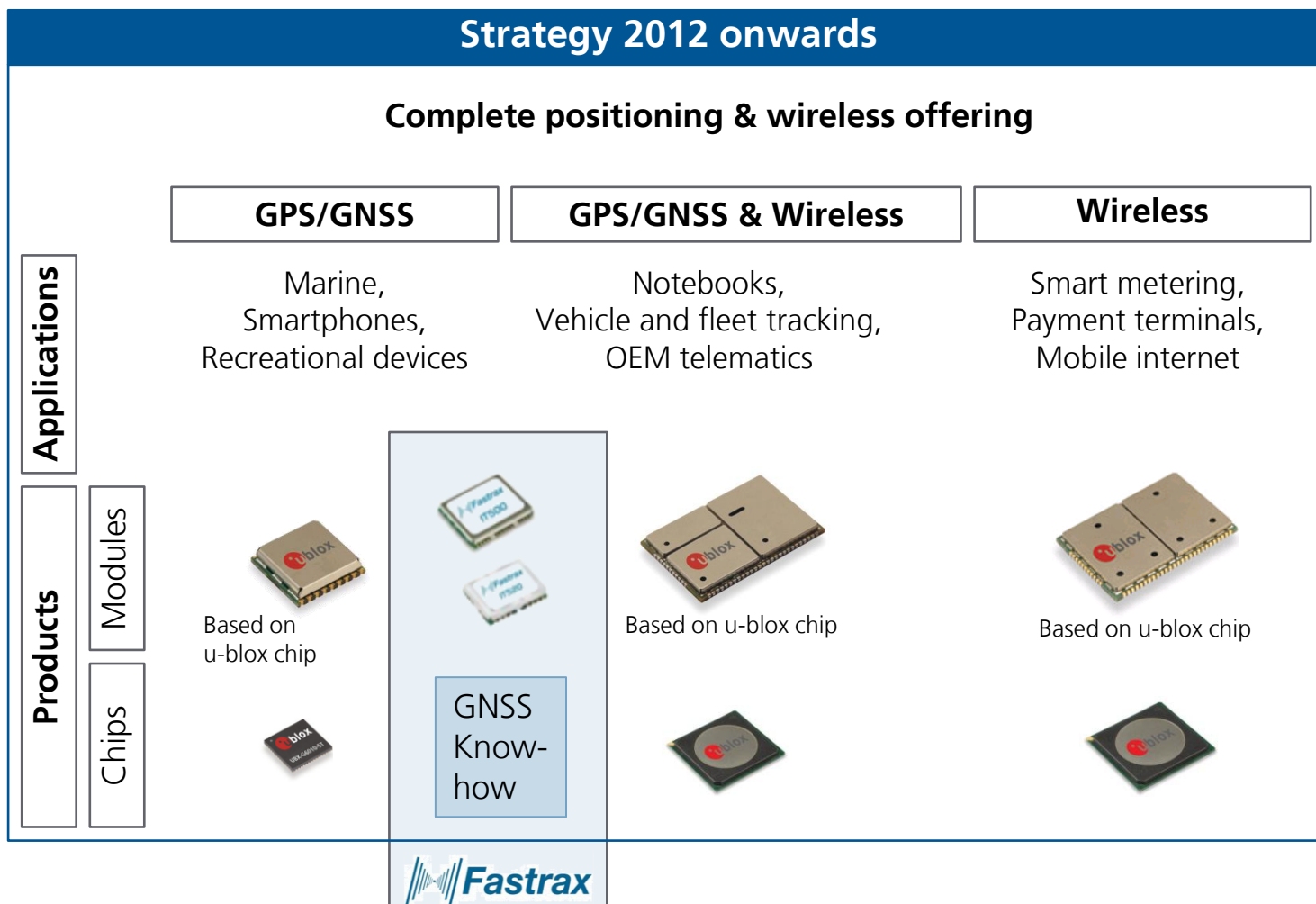
# Fastrax' Strengths

- 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

IT430, IT530



9.6 x 9.6 mm

Fastrax

u-blox 7

MAX



9.7 x 10.1 mm

u-blox 6

u-blox 7

NEO



12 x 16 mm

ANTARIS 4

u-blox 5

u-blox 6

u-blox 7

LEA



17 x 22 mm

ANTARIS 4

u-blox 5

u-blox 6

u-blox 7

TIM



25 x 25 mm

ANTARIS 4

u-blox 5

2012

2013

2014

# 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

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**Thank you!**

