



Ad hoc announcement pursuant to article 53 LR

## **u-blox Announces Strategic Decision to Increase Focus on Locate Business and Phase Out Cellular as well as an Impairment**

**Thalwil, Switzerland – 14 January 2025** – u-blox (SIX: UBXN), a global provider of leading positioning and wireless communication technologies and services, announced the strategic decision to increase focus on its Locate business and phase out its Cellular business. This change positions u-blox as a leading and dedicated provider of GNSS semiconductor solutions in a dynamic and growing market, while retaining its value creative Short-Range business.

By further focusing on the Locate business, u-blox will be better positioned to drive innovation, leverage its unique technology assets, and address expanding opportunities within the global positioning market, including autonomous vehicles, industrial IoT, and tracking applications. This focused strategy is anticipated to reinforce u-blox's position as a premier provider of world-class location solutions.

After careful evaluation, u-blox has concluded that phasing out the Cellular business is the most viable course of action to ensure the company's long-term strategic focus and operational efficiency. u-blox's Cellular business currently has over 200 employees and generated revenue of CHF 27 million and adjusted EBIT loss in excess of CHF 15 million in H1 2024.

In its strategic review, u-blox decided to continue to improve the performance of its Short-Range business, which comprises Wi-Fi and Bluetooth modules.

“This strategic shift will enable us to unlock even greater potential within the positioning technology market and accelerate the development of cutting-edge solutions for our customers,” said Stephan Zizala, CEO of u-blox. “Our efforts to find a viable path forward for the Cellular business did not pan out, including exploring a potential sale, leading us to the decision to phase out this business. We will do our utmost to support our employees, customers and partners impacted by this decision.”

The company will work closely with affected stakeholders to minimize disruptions and to ensure a smooth and responsible phase out process. u-blox will initiate the transition immediately. The majority of the cost reduction actions are expected to be executed in 2025.

The following financial impacts are expected:

- Elimination of at least CHF 30 million EBIT annual losses
- One-time negative EBIT impact of around CHF 65 million in Q1 2025 from restructuring, of which around 40 percent is cash<sup>1</sup>
- One-time non-cash negative EBIT impact of CHF 31 million in Q4 2024 from intangible assets impairment (capitalized R&D)

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<sup>1</sup> Before any potential positive proceeds from the business generated during the phase out phase.



### **Guidance for Q4 2024**

u-blox confirms its previously communicated guidance for Q4 2024. It expects revenue of CHF 60-70 million, and EBIT margin (adjusted)<sup>2</sup> of -25% to -15%.

### **Cost optimization program update**

As of December 2024, u-blox achieved the completion of the CHF 20 million cost optimization program. The first savings will be reflected in the P&L in H2 2024, while the full effect is expected in H1 2025.

### **Webcast**

u-blox will host a Q&A session to discuss the announcement of the phase out of its Cellular business today, 14 January 2025, at 14:00 CET. To register, please visit the [webcast registration page](#).

### **For further information, please contact:**

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**u-blox (SIX:UBXN)** provides semiconductor chips, modules, and IoT services that reliably locate and connect every thing. Our cutting-edge solutions drive innovation for the car of the future and the Internet of Things. Headquartered in Thalwil (Zurich), Switzerland, we have a global presence of 1,400 experts who enable our customers to build solutions for a precise, smart, and sustainable future.

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<sup>2</sup> Excluding restructuring costs.