



# Q4 2022 Results

Harold Goddijn – CEO

Taco Titulaer – CFO

3 February 2023



# Strategic overview

## **Strong foundation for growth**

- Record Automotive backlog
- Capitalizing on trends shaping the Automotive industry
- Significant opportunities in the location technology market

## **Innovative technologies**

- Improved maps built on new platform
- Supporting more use cases for our customers
- Collaborating on a global map standard

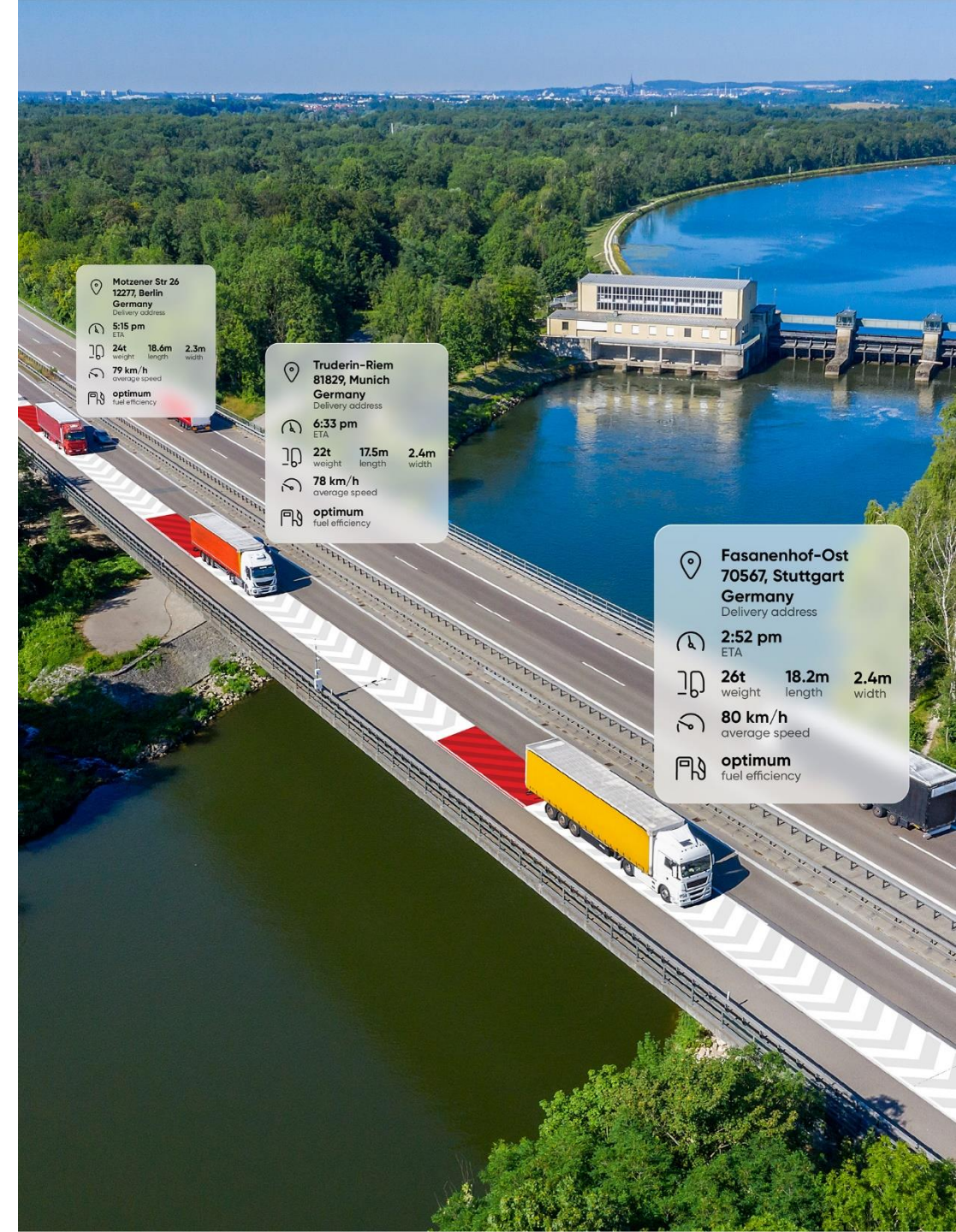
## **Profitable growth**

- Continuing top-line growth
- Realizing operating leverage
- Generating cash



# Financial highlights for the quarter

- Group revenue of €139m (Q4 '21: €115m)
- Location Technology revenue of €118m (Q4 '21: €91m)
- Automotive operational revenue of €82m (Q4 '21: €71m)

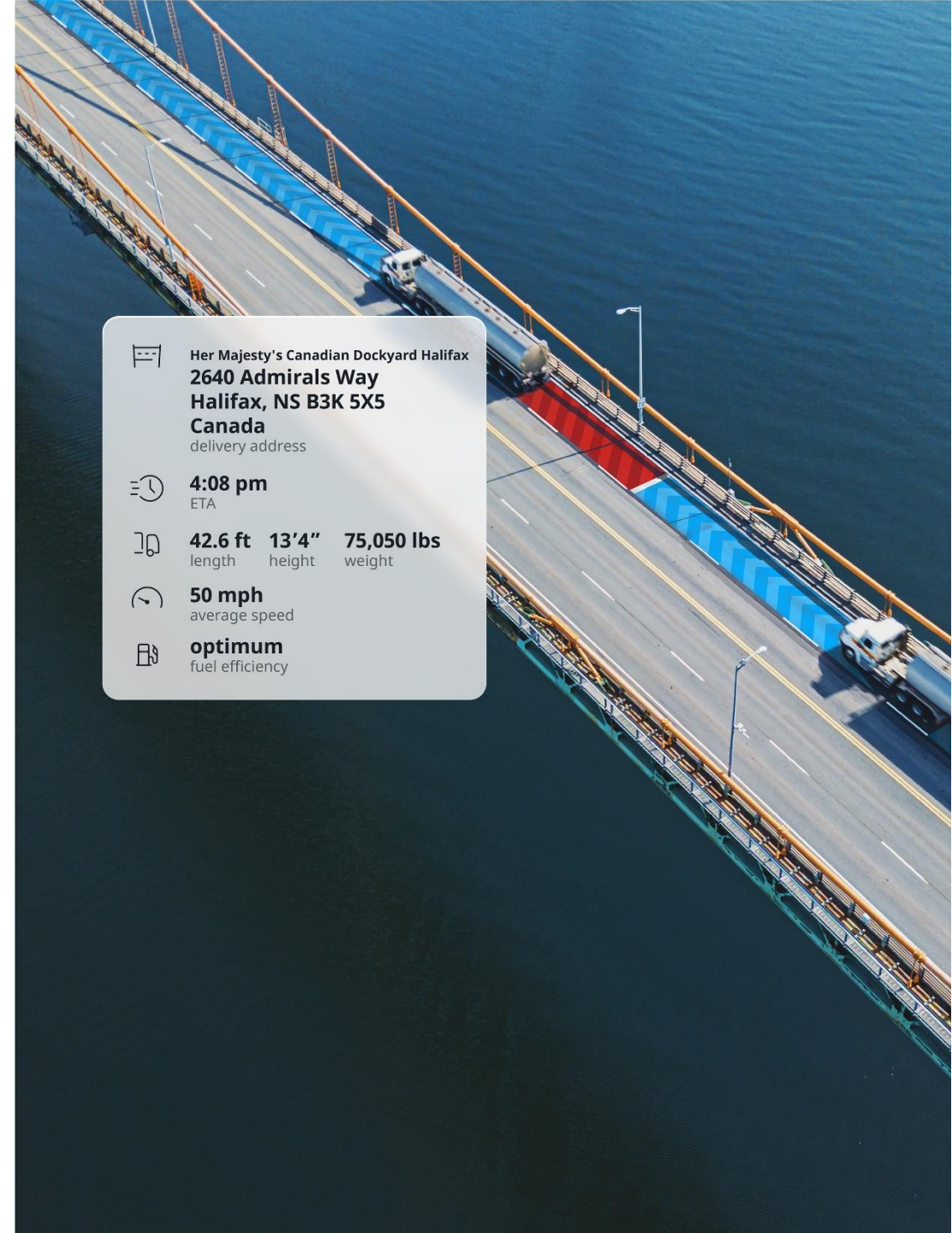




# Financial highlights for the year

- Group revenue of €536m (FY '21: €507m)
- Location Technology revenue of €436m (FY '21: €394m)
- Automotive operational revenue of €296m (FY '21: €266m)
- Free cash flow<sup>1</sup> of -€29m (FY '21: €24m)
- Net cash of €304m (FY '21: €356m)

<sup>1</sup> Free cash flow excludes restructuring charges related to the Maps realignment announced in June 2022



Her Majesty's Canadian Dockyard Halifax  
2640 Admirals Way  
Halifax, NS B3K 5X5  
Canada  
delivery address



4:08 pm  
ETA



42.6 ft  
length

13'4"  
height

75,050 lbs  
weight

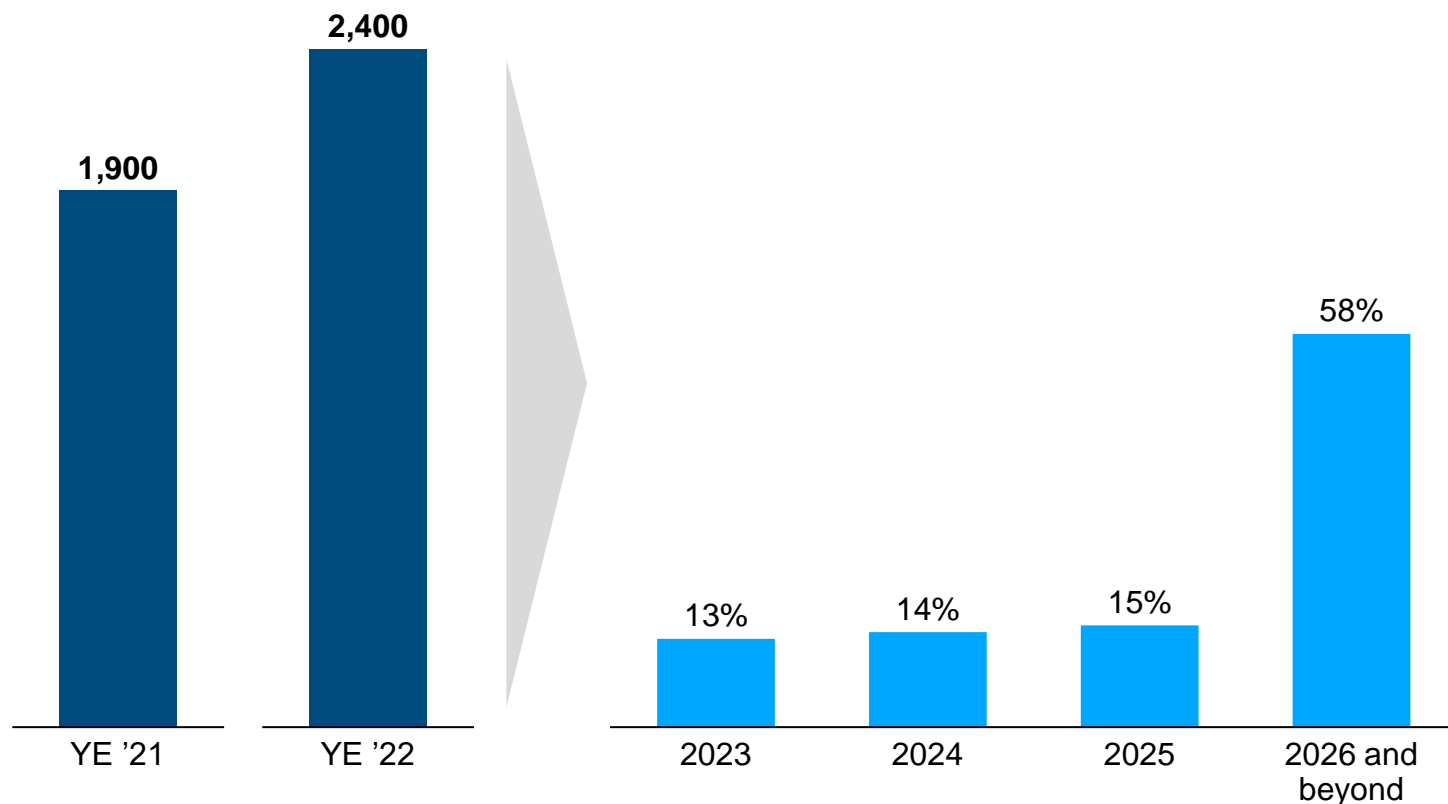


50 mph  
average speed



optimum  
fuel efficiency

# Automotive backlog



## Automotive backlog and phasing of revenues

in € million, phasing of revenues in %

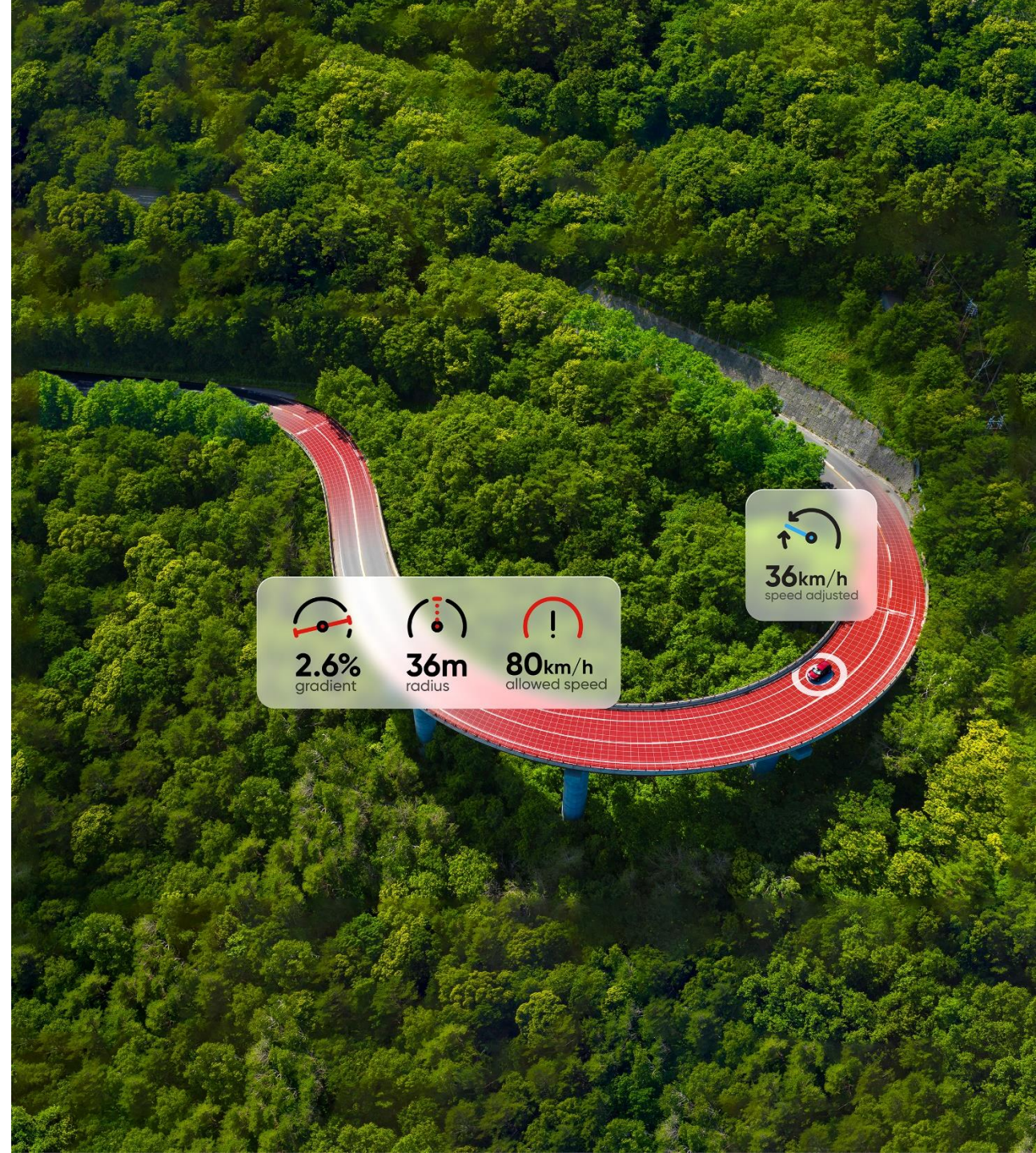
- Automotive backlog is defined as the cumulative expected IFRS revenue from all awarded Automotive deals
- Automotive awards do not include minimum volume or purchase commitments. Volumes are based on estimates of car sales and take rates
- Year-on-year change of the backlog is the result of the following:
  - Revenue recognition during the year
  - Estimate of cumulative value of all awarded contracts during the year
  - Changes in our customers' car production forecasts for previously awarded deals



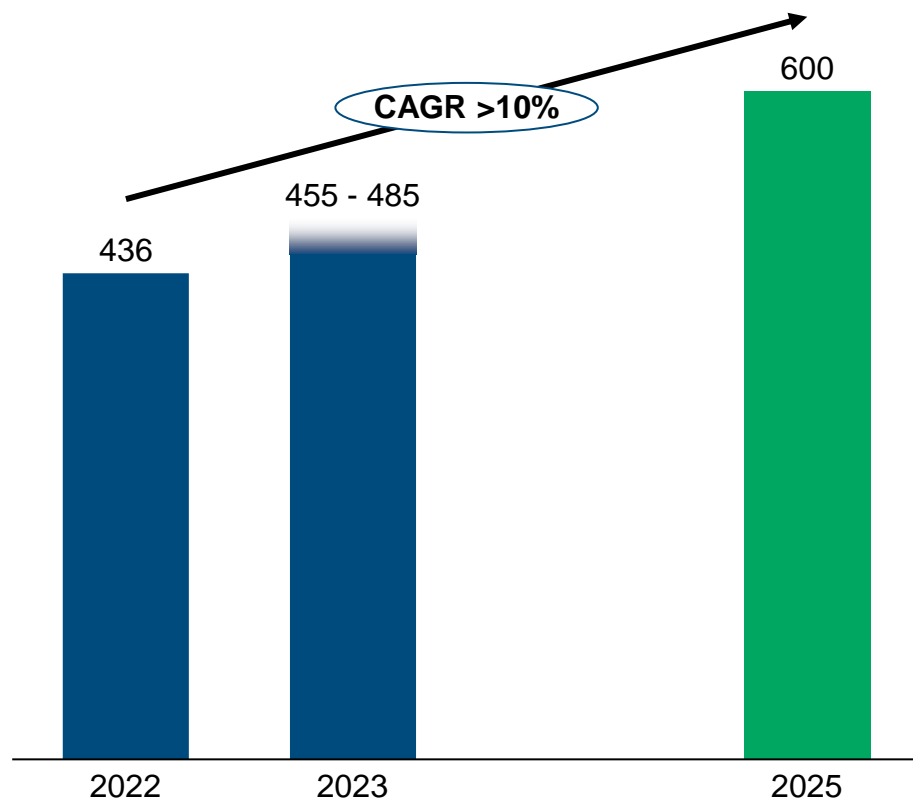
# Outlook 2023

in € million	Outlook 2023	Actual 2022
Group revenue	540 - 580	536
Location Technology revenue	455 - 485	436
FCF as % of Group revenue <sup>1</sup>	0% - +5%	-5%

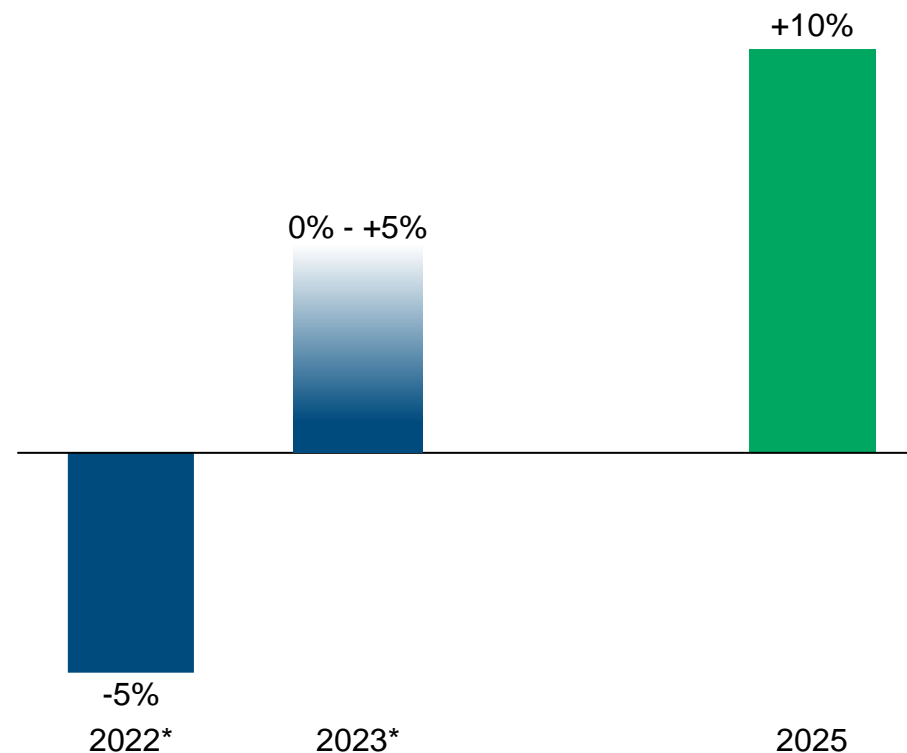
<sup>1</sup> Free cash flow excludes restructuring charges related to the Maps realignment announced in June 2022



# Ambition 2025



**Location Technology revenue**  
in € million

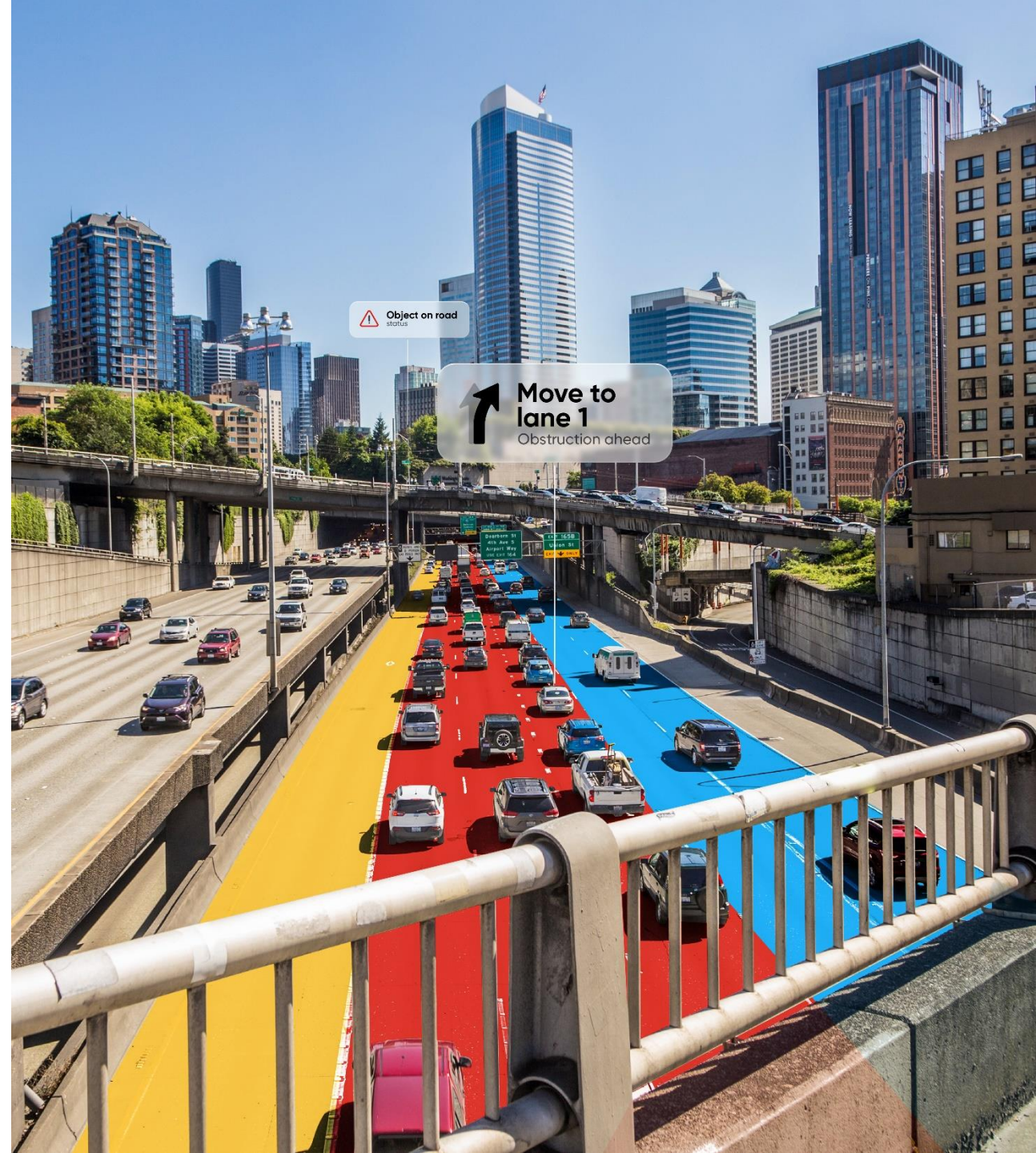


**Free cash flow**  
in % of group revenue

\*Note: Free cash flow excludes restructuring charges related to the Maps realignment announced in June 2022

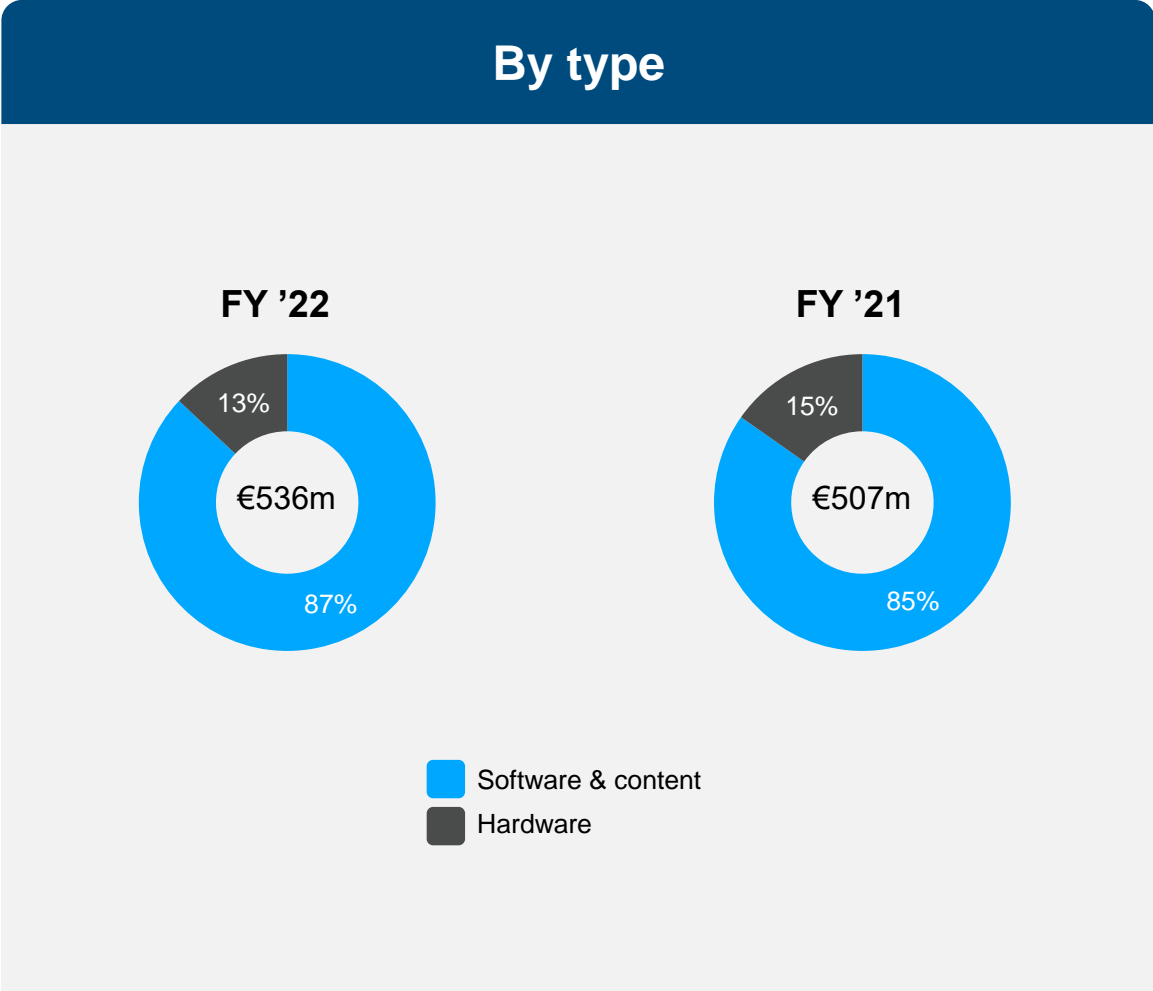
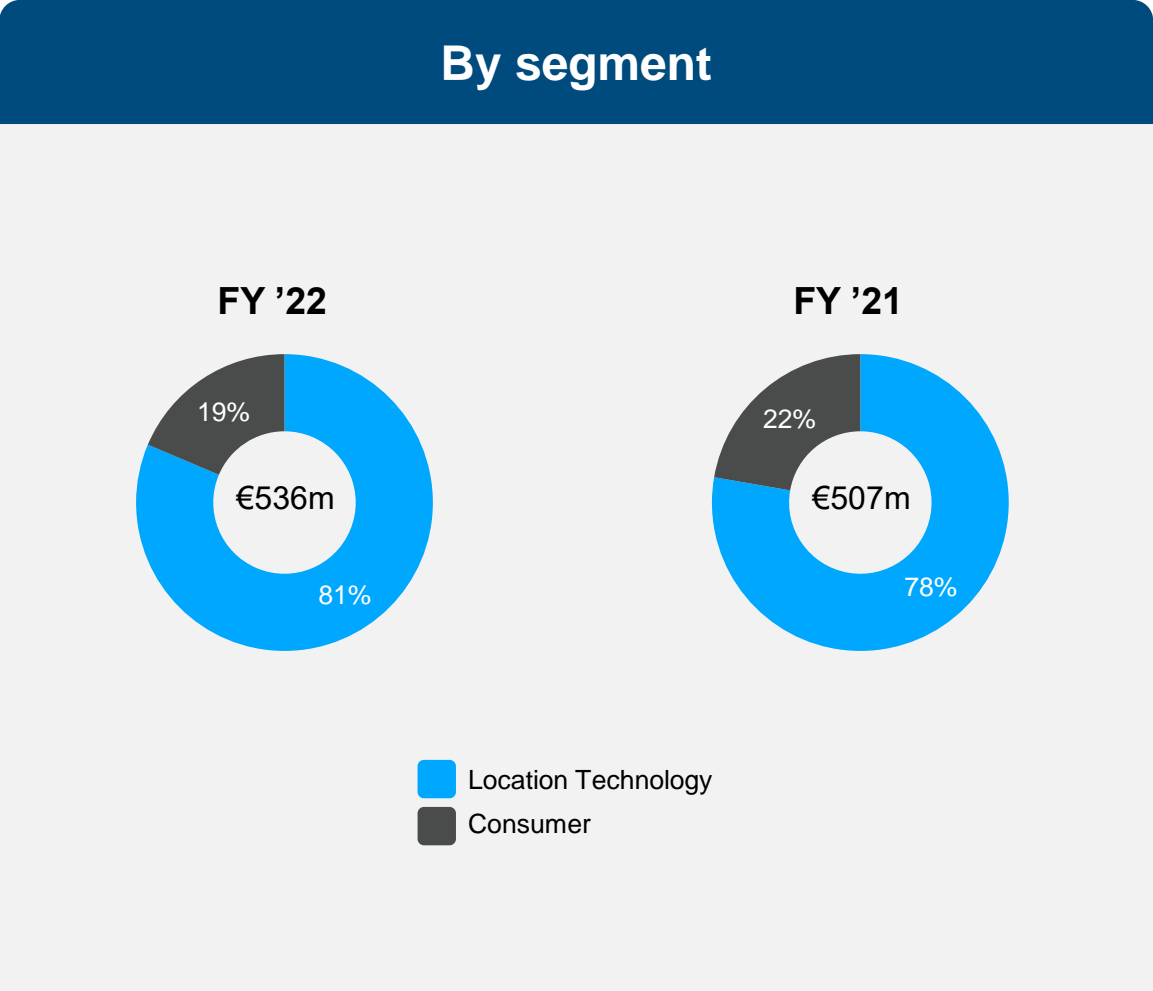


Thank you  
Any questions?





# Revenue breakdown



# P&L

(€ in thousands)	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	FY '21
Automotive	52,368	47,051	60,511	59,951	62,446	77,070	259,978	223,056
Enterprise	42,994	43,513	44,733	45,344	45,894	40,453	176,424	170,916
<b>Location Technology</b>	<b>95,361</b>	<b>90,564</b>	<b>105,244</b>	<b>105,295</b>	<b>108,340</b>	<b>117,523</b>	<b>436,402</b>	<b>393,972</b>
Consumer	32,108	24,598	23,205	27,283	27,963	21,490	99,941	112,954
<b>Revenue</b>	<b>127,469</b>	<b>115,162</b>	<b>128,449</b>	<b>132,578</b>	<b>136,303</b>	<b>139,013</b>	<b>536,343</b>	<b>506,926</b>
Cost of sales	23,842	20,931	19,313	22,825	26,381	18,100	86,619	99,821
<b>Gross profit</b>	<b>103,627</b>	<b>94,233</b>	<b>109,136</b>	<b>109,753</b>	<b>109,922</b>	<b>120,913</b>	<b>449,724</b>	<b>407,105</b>
<i>Gross margin</i>	<i>81%</i>	<i>82%</i>	<i>85%</i>	<i>83%</i>	<i>81%</i>	<i>87%</i>	<i>84%</i>	<i>80%</i>
Research and development expenses - Geographic data	55,822	55,457	56,531	54,945	50,548	43,736	205,760	219,808
Research and development expenses - Application layer	37,040	38,499	39,365	43,658	45,768	42,713	171,504	146,209
Sales and marketing expenses	10,994	12,645	10,506	12,077	13,568	14,202	50,353	45,181
General and administrative expenses	22,315	22,979	22,567	54,539	17,823	24,791	119,720	89,098
<b>Total operating expenses</b>	<b>126,171</b>	<b>129,580</b>	<b>128,969</b>	<b>165,219</b>	<b>127,707</b>	<b>125,442</b>	<b>547,337</b>	<b>500,296</b>
<b>Operating result (EBIT)</b>	<b>-22,544</b>	<b>-35,347</b>	<b>-19,833</b>	<b>-55,466</b>	<b>-17,785</b>	<b>-4,529</b>	<b>-97,613</b>	<b>-93,191</b>
<i>EBIT margin</i>	<i>-18%</i>	<i>-31%</i>	<i>-15%</i>	<i>-42%</i>	<i>-13%</i>	<i>-3%</i>	<i>-18%</i>	<i>-18%</i>
Financial result	2,213	1,480	-279	2,160	1,826	-889	2,818	6,329
<b>Result before tax</b>	<b>-20,331</b>	<b>-33,867</b>	<b>-20,112</b>	<b>-53,306</b>	<b>-15,959</b>	<b>-5,418</b>	<b>-94,795</b>	<b>-86,862</b>
Income tax (expense)/gain	-452	-4,907	-1,378	-1,670	-1,525	-3,367	-7,940	-7,791
<b>Net result<sup>1</sup></b>	<b>-20,783</b>	<b>-38,774</b>	<b>-21,490</b>	<b>-54,976</b>	<b>-17,484</b>	<b>-8,785</b>	<b>-102,735</b>	<b>-94,653</b>

<sup>1</sup> Net result is fully attributable to equity holders of the parent.



# Balance sheet

(€ in thousands)	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	80,771	70,478	66,521	58,010	50,147	42,917
Other contract related assets	22,257	23,818	25,782	28,634	28,329	30,627
Other non-current assets	79,766	79,826	73,954	68,616	67,474	72,432
Inventories	18,815	19,585	18,872	14,975	13,653	14,660
Trade receivables	130,234	56,179	65,575	66,134	75,813	65,743
Unbilled receivables	65,925	67,311	64,472	63,537	57,572	48,298
Other receivables and prepayments	23,330	25,429	28,051	24,194	20,814	36,803
Cash and cash equivalents and fixed-term deposits	302,187	355,820	330,652	329,364	329,808	303,729
<b>TOTAL ASSETS</b>	<b>915,579</b>	<b>890,740</b>	<b>866,173</b>	<b>845,758</b>	<b>835,904</b>	<b>807,503</b>
Total equity	317,477	282,723	265,960	218,174	208,491	199,606
Deferred tax liability	1,342	3,934	3,561	2,907	2,665	2,404
Lease liability	35,175	33,339	29,911	28,974	27,403	37,725
Provisions	41,380	40,021	40,391	65,083	37,643	29,257
Trade payables	15,374	14,022	12,677	12,676	11,820	6,102
Deferred revenue	433,228	440,727	439,795	434,212	444,609	438,650
Other contract related liabilities	18,506	19,782	19,695	23,926	22,169	18,921
Income taxes	2,676	1,273	2,511	3,072	2,180	3,133
Accruals and other liabilities	50,421	54,919	51,672	56,734	78,924	71,705
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>915,579</b>	<b>890,740</b>	<b>866,173</b>	<b>845,758</b>	<b>835,904</b>	<b>807,503</b>

# Cash flow

(€ in thousands)	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	Q4 '22	FY '22	FY '21
Operating result	-22,544	-35,347	-19,833	-55,466	-17,785	-4,529	-97,613	-93,191
Financial gains/ (losses)	2,753	3,037	1,392	4,574	4,340	-3,933	6,373	7,904
Depreciation and amortization	17,210	16,185	15,244	14,369	13,720	13,339	56,672	73,671
Change in provisions	-2,166	-1,790	-590	29,745	-26,674	-4,953	-2,472	-7,474
Other	957	2,032	1,774	2,671	3,113	2,905	10,463	5,888
Changes in working capital:	-5,594	81,433	-13,453	5,893	28,775	-20,169	1,046	58,944
<b>Cash flow from operations</b>	<b>-9,384</b>	<b>65,550</b>	<b>-15,466</b>	<b>1,786</b>	<b>5,489</b>	<b>-17,340</b>	<b>-25,531</b>	<b>45,742</b>
Interest (paid)/received	-404	-386	-360	-243	-238	47	-794	-1,390
Corporate income taxes paid	-1,109	-3,646	-1,107	-345	-1,376	-2,255	-5,083	-7,569
<b>Cash flow from operating activities</b>	<b>-10,897</b>	<b>61,518</b>	<b>-16,933</b>	<b>1,198</b>	<b>3,875</b>	<b>-19,548</b>	<b>-31,408</b>	<b>36,783</b>
<b>Cash flow from investing activities</b>	<b>-2,384</b>	<b>-94,675</b>	<b>-6,311</b>	<b>13,202</b>	<b>-81,257</b>	<b>43,592</b>	<b>-30,774</b>	<b>-19,978</b>
<b>Cash flow from financing activities</b>	<b>-3,741</b>	<b>-3,585</b>	<b>-2,122</b>	<b>-1,949</b>	<b>-2,698</b>	<b>-3,549</b>	<b>-10,318</b>	<b>-43,655</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-17,022</b>	<b>-36,742</b>	<b>-25,366</b>	<b>12,451</b>	<b>-80,080</b>	<b>20,495</b>	<b>-72,500</b>	<b>-26,850</b>

## Additional information:

### Free cash flow

Cash flow from operating activities	-10,897	61,518	-16,933	1,198	3,875	-19,548	-31,408	36,783
Investments in intangible assets			-5,053	-24	-116	-78	-5,271	
Investments in property, plant and equipment	-2,612	-4,813	-1,258	-998	-1,141	-1,498	-4,895	-13,274
<b>Free cash flow</b>	<b>-13,509</b>	<b>56,705</b>	<b>-23,244</b>	<b>176</b>	<b>2,618</b>	<b>-21,124</b>	<b>-41,574</b>	<b>23,509</b>
Restructuring-related cash flow					5,849	6,539	12,388	
<b>Free cash flow excluding restructuring</b>	<b>-13,509</b>	<b>56,705</b>	<b>-23,244</b>	<b>176</b>	<b>8,467</b>	<b>-14,585</b>	<b>-29,186</b>	<b>23,509</b>
% of revenue	-11%	49%	-18%	0%	6%	-10%	-5%	5%



# Outstanding shares

	Q4 '22	YTD '22
Common shares outstanding at the end of the period	132,366,672	132,366,672
Shares in issue at the beginning of the period	128,282,635	126,949,550
Shares in issue at the end of the period	128,392,291	128,392,291
<b>Average shares in issue during the period<sup>1</sup></b>	<b>128,369,562</b>	<b>127,849,477 [A]</b>
Average in the money share options at the beginning of the period	376,964	459,174
Average in the money share options at the end of the period	-	370,384
<b>Average potential dilutive share options outstanding during the period<sup>2</sup></b>	<b>22,730</b>	<b>738,694</b>
Average non-dilutive share options during the period	-	358,970
<b>Average shares outstanding from dilution of options<sup>3</sup></b>	<b>22,730</b>	<b>379,724 [B]</b>
<b>Average shares outstanding from dilution of restricted stock units</b>	<b>1,921,517</b>	<b>1,888,369 [C]</b>
<b>Average fully diluted shares outstanding during the period<sup>4</sup></b>	<b>130,313,809</b>	<b>130,117,570 [A+B+C]</b>

<sup>1</sup> Shares held in treasury of 3,974,381 are taken into account when calculating the weighted average shares outstanding

<sup>2</sup> In-the-money options based on average share price for the period

<sup>3</sup> Weighted average diluted options based on the period outstanding

<sup>4</sup> The average share price for the quarter was €7.44 and the average share price for the year was €7.81

# Important notice

## Disclaimer

This document contains certain forward-looking statements with respect to the financial position and results of TomTom's activities. We have based these forward-looking statements on our current expectations and projections about future events, including numerous assumptions regarding our present and future business strategies, operations and the environment in which we will operate in the future. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, and you should not place undue reliance on them. Many of these risks and uncertainties relate to factors that are beyond TomTom's ability to control or estimate precisely, such as levels of customer spending in major economies, changes in consumer preferences, the performance of the financial markets, the levels of marketing and promotional expenditures by TomTom and its competitors, costs of raw materials, employee costs, exchange-rate and interest-rate fluctuations, changes in tax rates, changes in law, acquisitions or disposals, the rate of technological changes, political developments in countries where TomTom operates and the risk of a downturn in the market. Statements regarding market share, including TomTom's competitive position, contained in this document are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates.

The forward-looking statements contained herein speak only as of the date they are made. We do not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.

You will be solely responsible for your own assessment of the market and the market position of TomTom and you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of TomTom's business. This document does not constitute or form part of, and should not be constructed as, an offer or invitation to subscribe for or purchase any TomTom securities.

## Non-GAAP measures

The financial information in this report includes measures, which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, gives insight to investors because it provides a basis for evaluating our operational performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures.

**Operational revenue** is IFRS revenue adjusted for the movement of gross deferred revenue

**Gross margin** is calculated as gross profit divided by IFRS revenue

**EBIT** is equal to the operating result

**EBIT margin** is calculated as operating result divided by IFRS revenue

**Net cash** is defined as our cash and cash equivalents minus the nominal value of our outstanding bank borrowings

**Free cash flow** is cash from operating activities (excluding restructuring) minus capital expenditure (investments in intangible assets and property, plant and equipment)

**Gross deferred revenue** is deferred revenue before the netting of unbilled receivables

**Automotive backlog** is the cumulative expected IFRS revenue from all awarded Automotive deals





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