

Q3 2020 RESULTS



Harold Goddijn – CEO
Taco Titulaer – CFO
14 October 2020

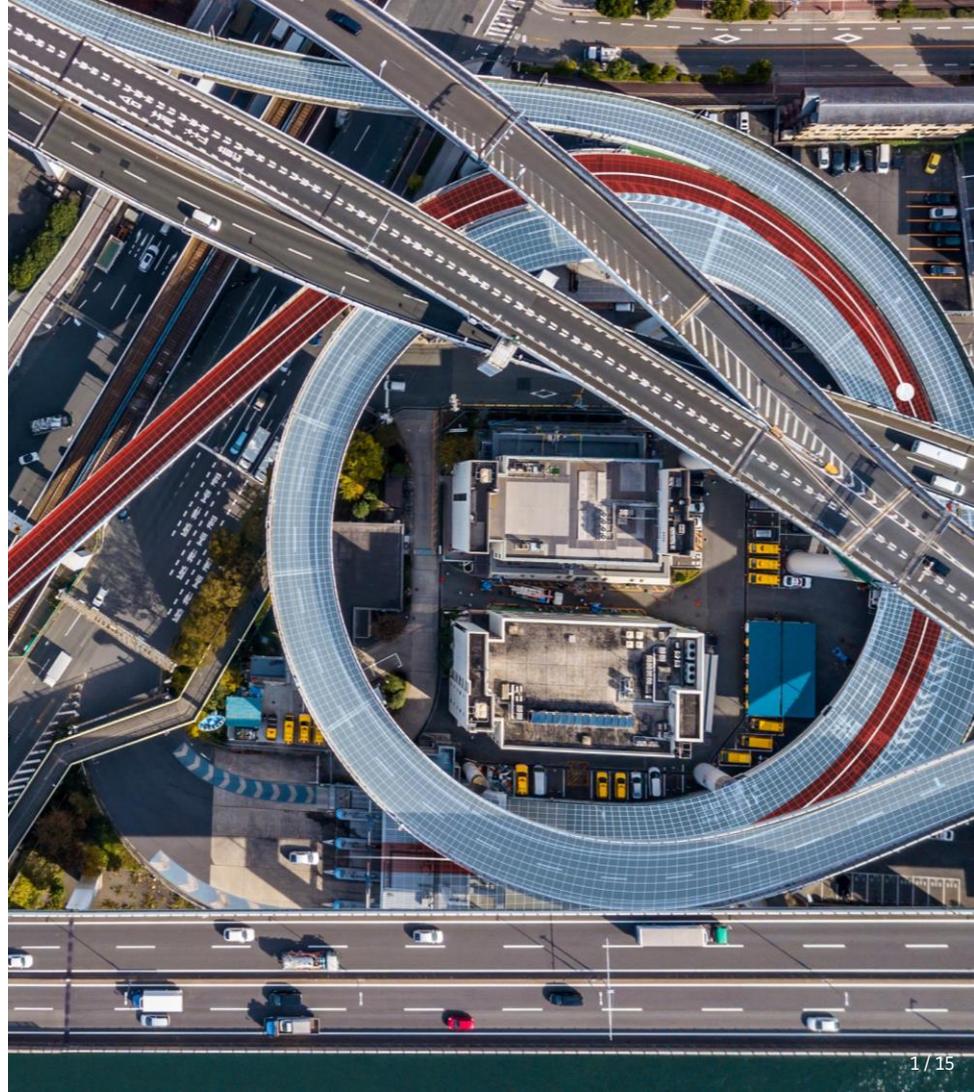
Shaosheng Road
Fair chance Sun Sat 0:00 - 24:00
\$ 17.00 / hour

350 McAllister St, San Francisco
10 METAL, 4 BRIDGE
Accommodation
Phone No: 415 398 6100
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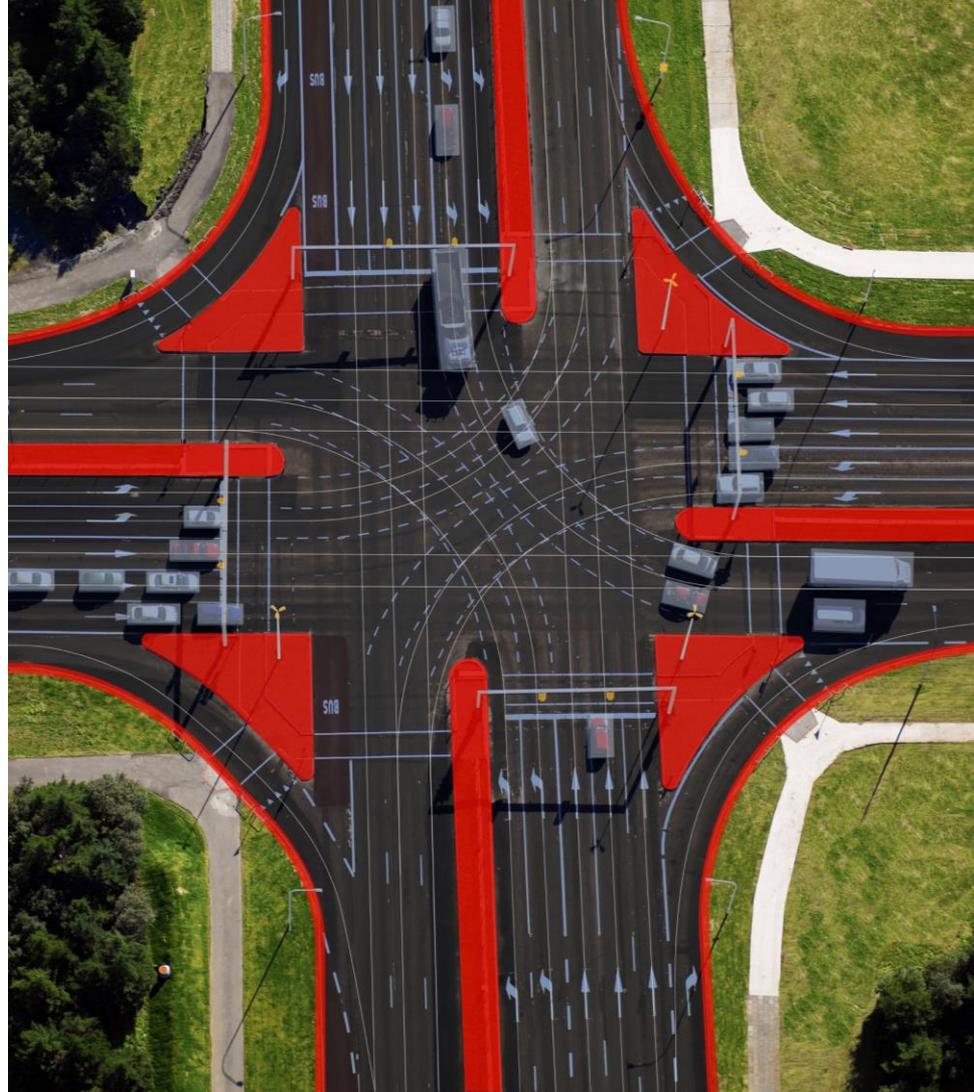
Operational highlights

- Market conditions continue to improve
- A multiyear contract extension to provide maps, traffic and maps APIs to Uber
- A map editing partnership with Uber helping us maintain the freshest maps
- A new global deal to provide maps, navigation and traffic to Maserati
- A new product launch, RoadCheck, allowing for safer activation of automated driving functions



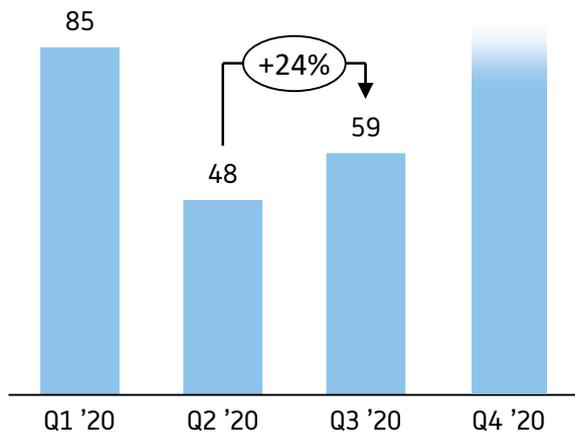
Financial highlights

- Group revenue of €148m (Q2 '20 €124m | Q3 '19: €164m)
- Automotive operational revenue of €59m (Q2 '20: €48m | Q3 '19: €88m)
- Gross margin of 76% (Q2 '20 86% | Q3 '19: 78%)
- Free cash flow -/- €20m (Q2 '20 -/- €54m | Q3 '19: €23m)
- Net cash of €346m (Q2 '20: €373m | Q3 '19: €393m)



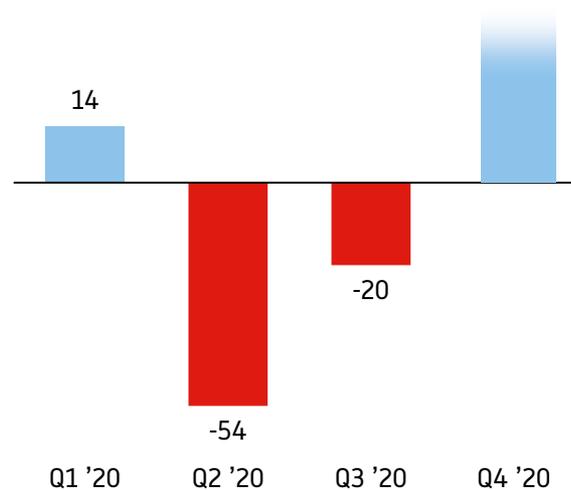
Quarter on quarter development

Automotive operational revenue
in € millions



Strong sequential growth expected in Q4 '20

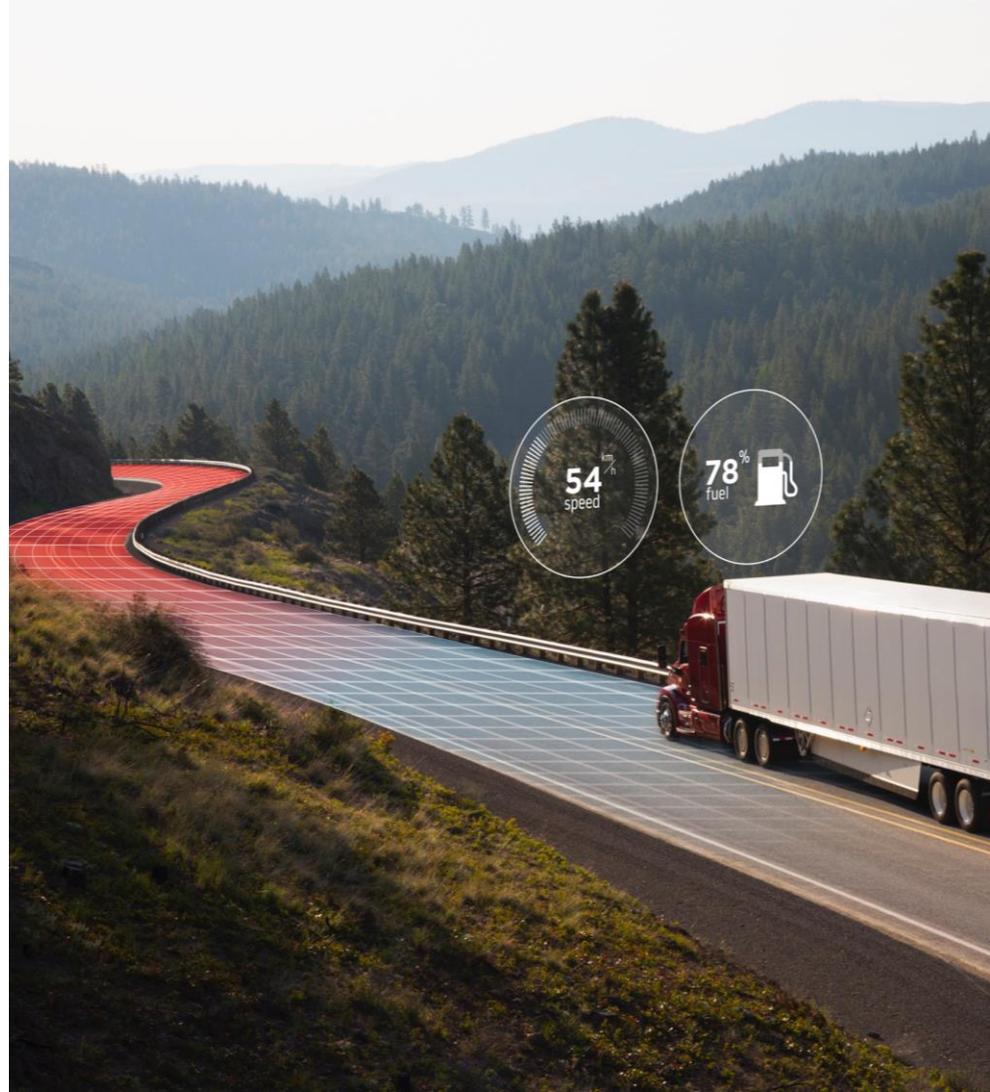
Free cash flow
in € millions



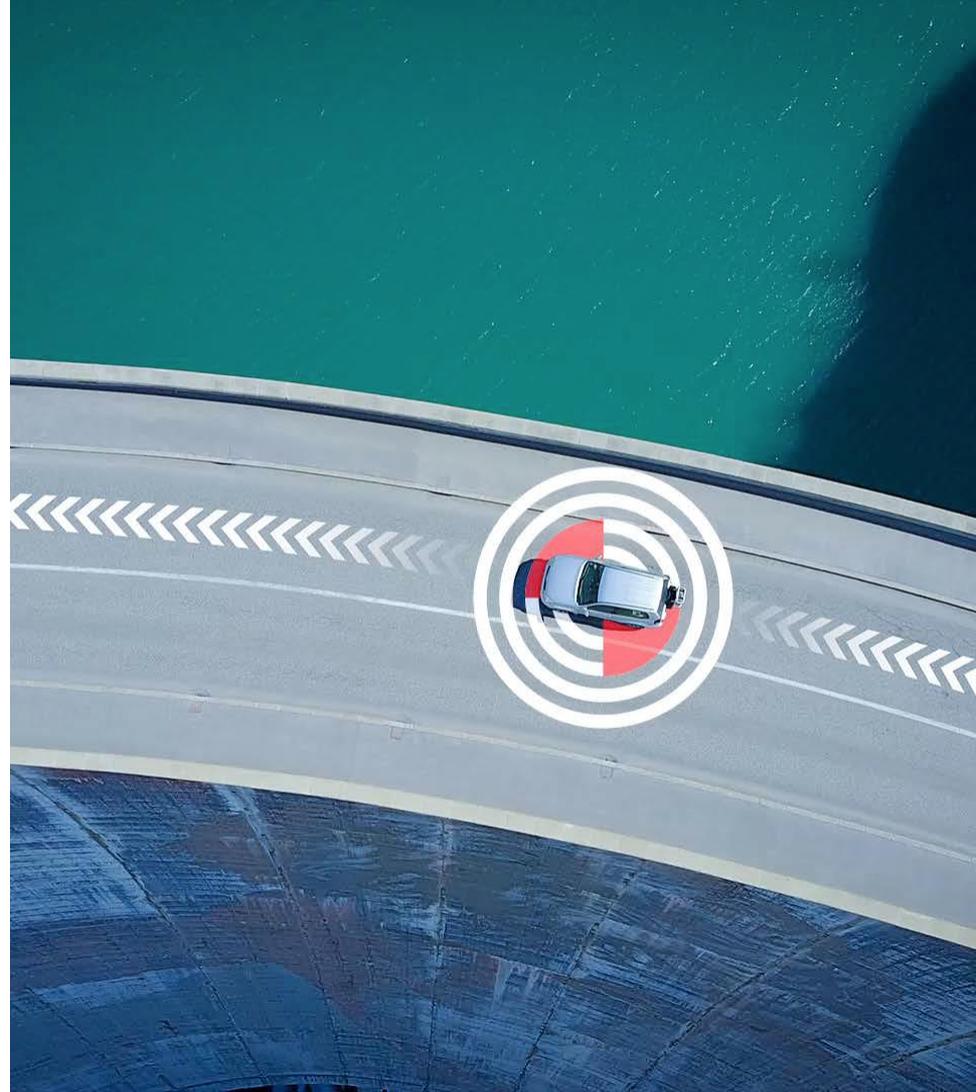
Free cash flow is expected around €30m in Q4 '20

2020 Outlook

- Full year revenue expected around €530m
- Full year free cash flow expected around +/- €30m



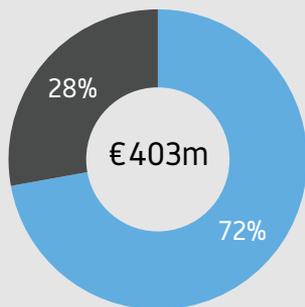
**Thank you -
Any questions?**



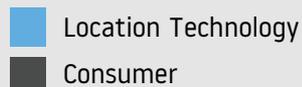
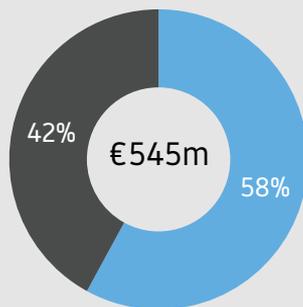
Revenue breakdown

BY SEGMENT

YTD '20

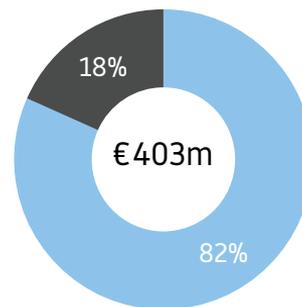


YTD '19

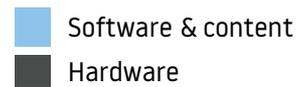
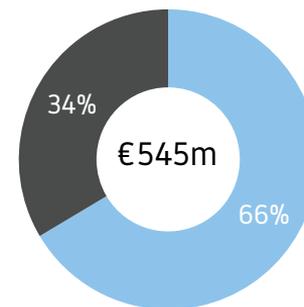


BY TYPE

YTD '20



YTD '19



P&L

(€ in thousands)	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	YTD '20	YTD '19
REVENUE	210,803	164,206	156,223	131,197	123,703	147,851	402,750	544,536
Automotive	75,944	55,404	69,190	49,788	51,588	65,945	167,320	196,474
Enterprise	40,156	41,141	41,187	41,481	42,211	39,654	123,346	119,130
Consumer	94,703	67,661	45,846	39,928	29,904	42,252	112,084	228,932
Cost of sales	68,759	36,277	32,249	28,631	17,921	35,861	82,413	153,309
GROSS RESULT	142,044	127,929	123,974	102,566	105,782	111,990	320,337	391,227
Gross margin	67 %	78%	79%	78%	86%	76%	80%	72%
Research and development expenses	78,840	80,272	91,175	76,195	75,055	80,155	231,405	231,610
Amortization of technology and databases	106,561	65,038	65,120	64,740	64,314	64,293	193,348	196,073
Marketing expenses	6,432	7,057	9,002	6,854	4,946	5,825	17,625	20,434
Selling, general and administrative expenses	33,170	32,647	36,398	32,524	25,665	29,327	87,514	96,346
TOTAL OPERATING EXPENSES	225,003	185,014	201,695	180,313	169,980	179,600	529,892	544,463
OPERATING RESULT (EBIT)	-82,959	-57,085	-77,721	-77,747	-64,198	-67,610	-209,555	-153,236
EBIT margin	-39%	-35%	-50%	-59%	-52%	-46%	-52%	-28%
EBITDA	30,983	15,854	-4,588	-5,442	7,313	3,856	5,726	65,616
EBITDA margin	15%	10%	-3%	-4%	6%	3%	1%	12%
Net result from continuing operations	-65,254	-43,429	-68,958	-62,753	-62,015	-66,968	-191,735	-124,008
Net result tax profit from discontinued operations	807,237							825,852
NET RESULT	741,983	-43,429	-68,958	-62,753	-62,015	-66,968	-191,735	701,844
Automotive operational revenue	89,639	88,254	116,010	85,339	47,858	59,354	192,551	264,632
Diluted EPS from continuing operations	-0.34	-0.33	-0.52	-0.48	-0.48	-0.51	-1.47	-0.67

Balance Sheet

(€ in thousands)	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20
ASSETS						
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	509,597	444,646	380,160	312,168	247,122	181,458
Other contract related assets	21,606	23,679	23,923	26,519	29,885	25,864
Other non-current assets	73,421	72,125	71,454	78,481	79,026	74,443
Inventories	19,033	27,483	25,315	23,971	31,902	27,611
Trade receivables	111,981	136,755	99,776	66,507	52,751	110,105
Unbilled receivables	42,621	33,359	34,374	42,393	52,688	56,400
Other receivables and prepayments	56,891	59,435	45,351	44,539	38,996	35,016
Cash and cash equivalents and fixed term deposits	372,030	392,865	436,520	431,563	373,369	346,463
TOTAL ASSETS	1,399,474	1,382,641	1,309,167	1,218,435	1,098,033	1,049,654
TOTAL EQUITY	774,619	735,016	665,932	574,294	516,281	450,503
Deferred tax liability	57,605	42,764	27,283	20,570	14,216	7,527
Lease liability	36,757	34,672	34,268	42,924	43,926	40,143
Provisions	67,261	56,809	55,020	53,555	49,482	54,706
Trade payables	52,871	46,651	47,085	32,266	25,144	22,169
Deferred revenue	296,861	348,230	369,317	395,411	371,950	396,954
Other contract related liabilities	40,519	37,692	26,745	21,031	18,150	19,274
Accruals and other liabilities	72,981	80,807	83,517	78,384	58,884	58,378
TOTAL LIABILITIES	624,855	647,625	643,235	644,141	581,752	599,151
TOTAL EQUITY AND LIABILITIES	1,399,474	1,382,641	1,309,167	1,218,435	1,098,033	1,049,654
Net cash	372,030	392,865	436,520	431,563	373,369	346,463

Cash flow

(€ in thousands)	Q2 '19	Q3 '19	Q4 '19	Q1 '20	Q2 '20	Q3 '20	YTD '20	YTD '19
Operating result	-82,959	-57,085	-77,721	-77,747	-64,198	-67,610	-209,555	-134,220
Financial gains/(losses)	-208	1,424	-1,098	145	-1,059	-2,249	-3,163	779
Depreciation and amortisation	113,942	72,939	73,133	72,305	71,511	71,465	215,281	218,852
Other	-1,764	-12,608	-9,031	800	-1,151	78	-273	-14,568
Changes in working capital ¹	-6,830	23,431	68,062	22,596	-53,089	-19,185	-49,678	-17,585
CASH GENERATED FROM OPERATIONS	22,181	28,101	53,345	18,099	-47,986	-17,501	-47,388	53,258
Interest received	213	339	357	95	585	266	946	829
Interest (paid)	-1,203	-262	-409	-386	-798	-353	-1,537	-1,902
Corporate income taxes (paid)/received	-6,816	-1,062	-2,034	-2,004	-3,932	-1,399	-7,335	-9,765
CASH FLOWS FROM OPERATING ACTIVITIES	14,375	27,116	51,259	15,804	-52,131	-18,987	-55,314	42,420
CASH FLOWS FROM INVESTING ACTIVITIES	867,491	-4,445	-226,046	-1,949	32,216	36,340	66,607	853,133
CASH FLOWS FROM FINANCING ACTIVITIES	-750,221	-2,231	-3,762	-18,633	-2,971	-3,996	-25,600	-755,354
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	131,645	20,440	-178,549	-4,778	-22,886	13,357	-14,307	140,199
Free cash flow								
Cash flow from operating activities	14,375	27,116	51,259	15,804	-52,131	-18,987	-55,314	42,420
Investments in intangible assets	-3,530	-1,573	-1,462					-9,954
Investment in tangible assets	-2,592	-2,872	-2,118	-2,111	-1,849	-1,027	-4,987	-10,526
Free cash flow from total operations	8,253	22,671	47,679	13,693	-53,980	-20,014	-60,301	21,940
Free cash flow from discontinued operations	7,378							-3,866
Free cash flow from continuing operations	15,631	22,671	47,679	13,693	-53,980	-20,014	-60,301	18,074
<i>FCF from continuing operations as a % revenue</i>	<i>7%</i>	<i>14%</i>	<i>31%</i>	<i>10%</i>	<i>-44%</i>	<i>-14%</i>	<i>-15%</i>	<i>3%</i>

¹Includes the movement of non-current deferred revenue.

Outstanding shares

	Q3 '20	YTD '20
Common shares outstanding at the end of the period	132,366,672	132,366,672
Shares in issue at the beginning of the period	130,207,823	131,541,998
Shares in issue at the end of the period	130,223,136	130,223,136
Average shares in issue during the period¹	130,220,376	130,670,717 [A]
In the money share options at the beginning of the period	928,280	2,709,084
In the money share options at the end of the period	928,280	1,465,154
Average potential dilutive share options outstanding during the period²	941,164	1,637,960
Average non-dilutive share options during the period	658,260	1,114,226
Average shares outstanding from dilution of options³	282,904	523,734 [B]
Average shares outstanding from dilution of restricted stock units	474,586	536,564 [C]
Average fully diluted shares outstanding during Q3 '20 and YTD '20⁴	130,977,866	131,731,015 [A+B+C]

¹ Shares held in treasury of 2 143 536 are taken into account when calculating the weighted average shares outstanding.

² In the money options based on average share price for the period.

³ Weighted average diluted options based on the period outstanding.

⁴ The average share price for the quarter was €7.04 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 deferred and unbilled revenue

Gross margin is calculated as gross profit divided by revenue

EBIT is equal to the operating result

EBIT margin is calculated as operating result divided by revenue

EBITDA is equal to operating result plus depreciation and amortization charges

EBITDA margin is calculated as operating result plus depreciation and amortization charges divided by revenue

Net cash is defined as our cash and cash equivalents, including cash classified as held-for-sale (IFRS 5) minus the nominal value of our outstanding bank borrowings

Free cash flow is cash from operating activities from continuing operations minus capital expenditure (investments in intangible assets and property, plant and equipment) of continuing operations



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