



Q2 2023 Results

Harold Goddijn – CEO

Taco Titulaer – CFO

17 July 2023



Operational highlights for the quarter

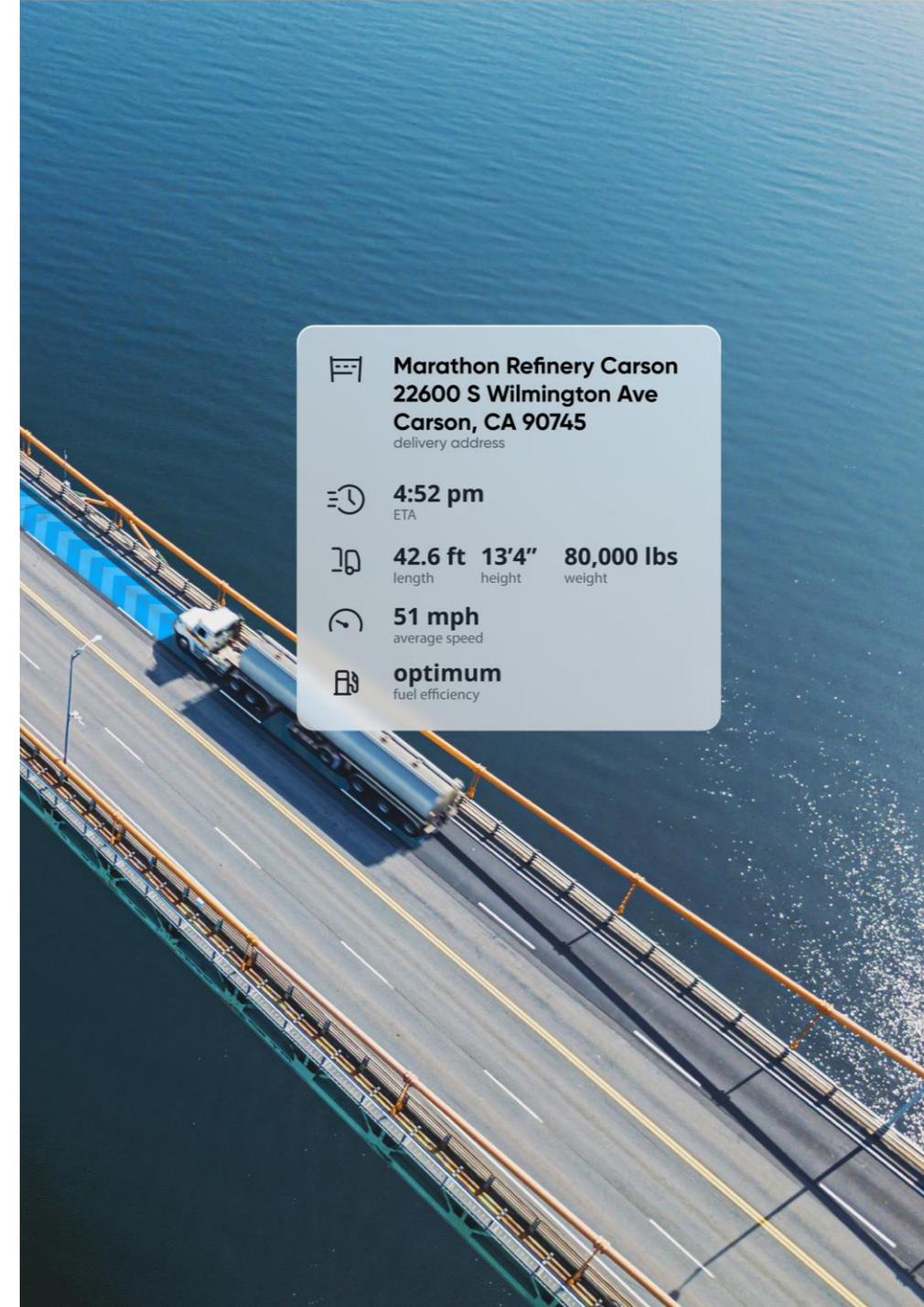
- Good performance of our Location Technology business, showing continuing momentum and growth
- A deepening of our relationship with Alteryx, with the company now integrating TomTom location data and Maps APIs into its new cloud-based analytics solution
- Progress with the roll-out of new maps according to schedule, as they were delivered to selected partners for testing and validation
- The release of the core technical specifications underlying the Overture Maps Foundation's data sets, furthering our goal of establishing an open standard for base map data



Financial highlights for the quarter

- Group revenue of €157m (up from €133m in Q2 '22)
- Location Technology revenue of €128m (up from €105m in Q2 '22)
- Automotive operational revenue of €90m (up from €71m in Q2 '22)
- Free cash flow¹ of €3m (improved from €0m in Q2 '22)
- Net cash of €316m (up from €304m at the end of Q4 '22)

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



 **Marathon Refinery Carson**
22600 S Wilmington Ave
Carson, CA 90745
delivery address

 **4:52 pm**
ETA

 **42.6 ft** **13'4"** **80,000 lbs**
length height weight

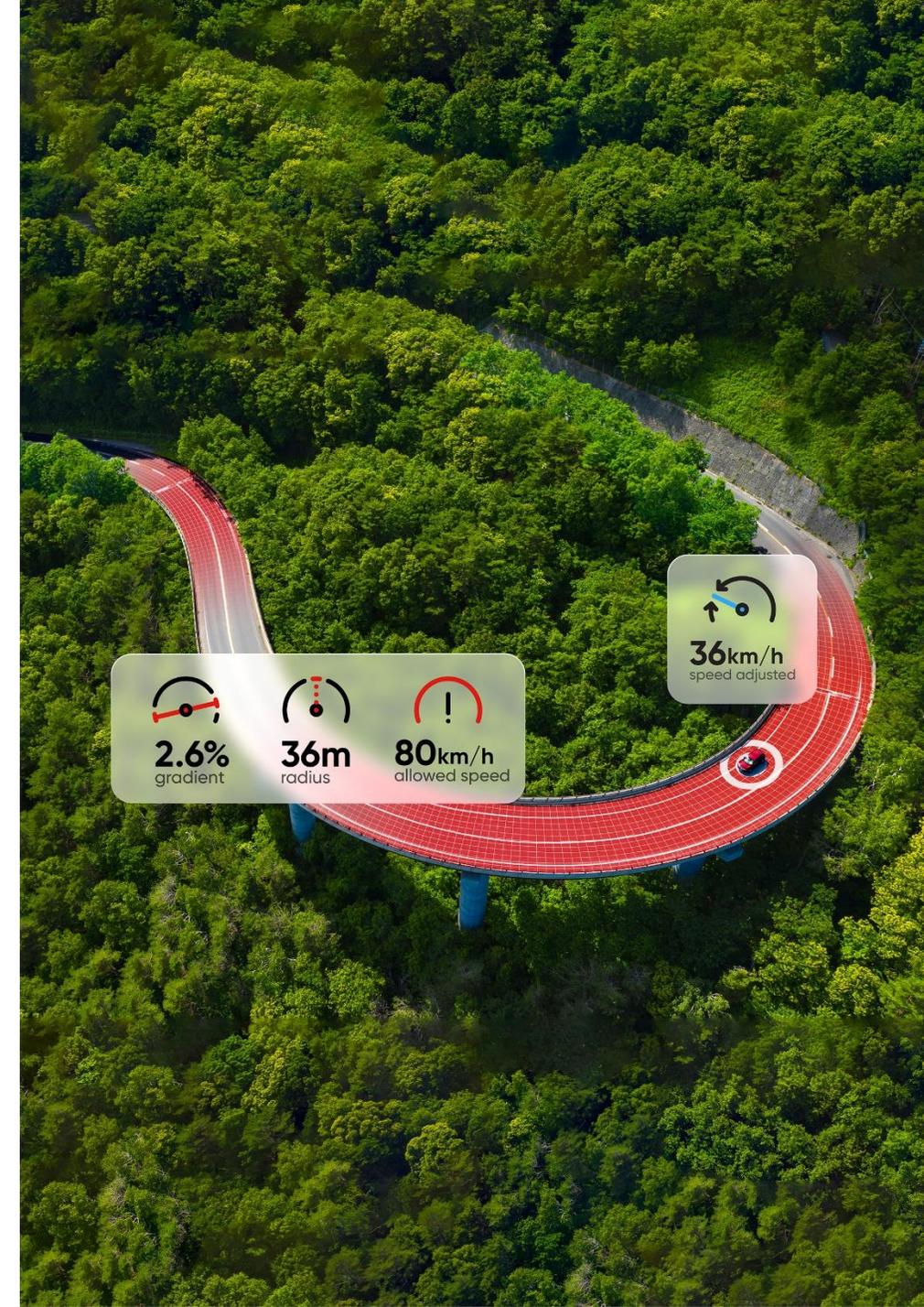
 **51 mph**
average speed

 **optimum**
fuel efficiency

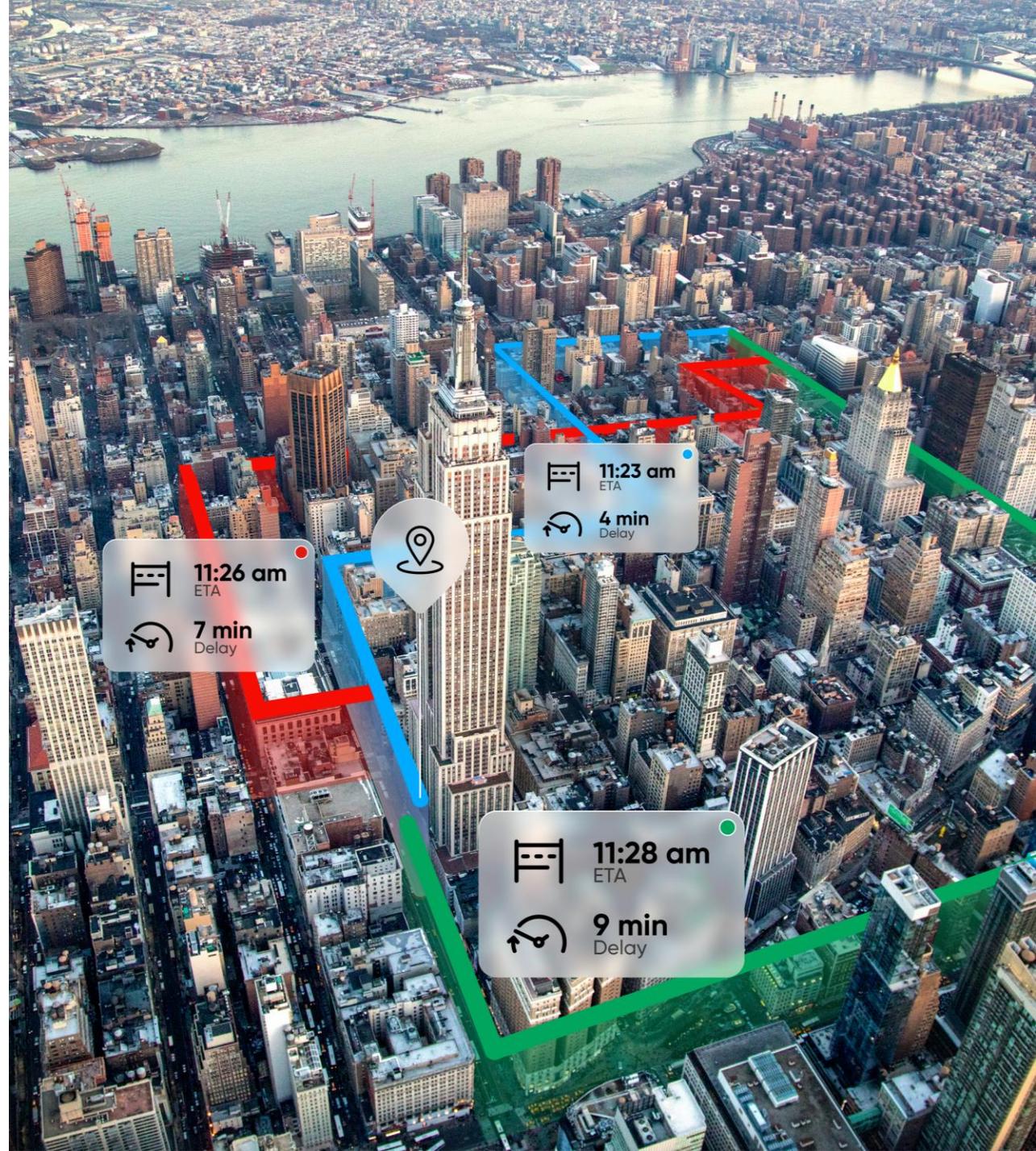
Outlook 2023

in € million	Updated Outlook 2023	Previous Outlook 2023	Actual 2022
Group revenue	570 - 600	540 - 580	536
Location Technology revenue	480 - 505	455 - 485	436
FCF ¹ as % of Group revenue	Around +5%	0% - +5%	-5%

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

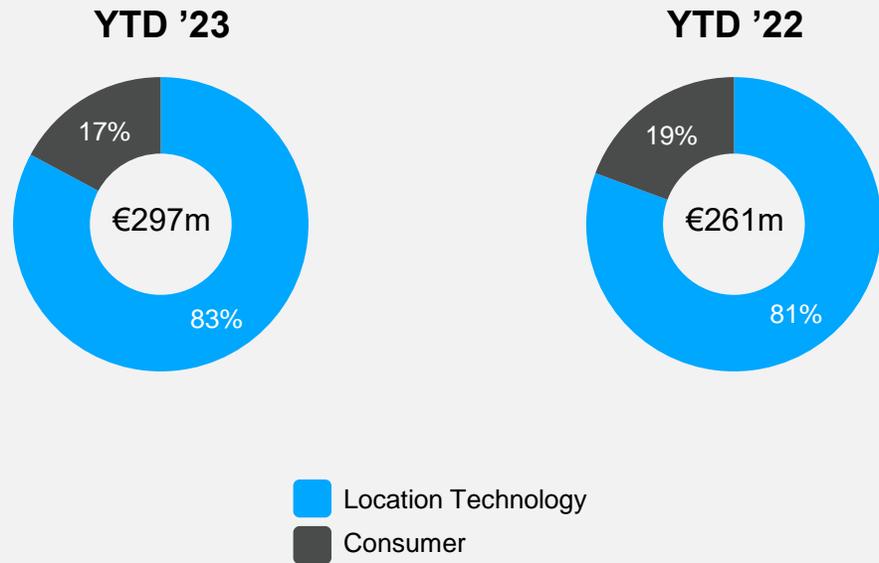


Thank you
Any questions?

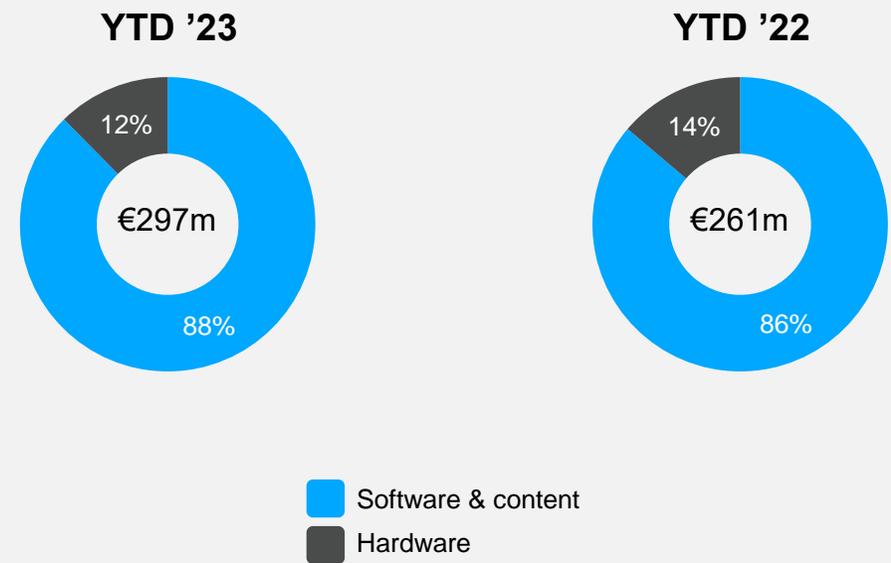


Revenue breakdown

By segment



By type



Balance sheet

(€ in thousands)	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	66,521	58,010	50,147	42,917	36,534	30,427
Other contract related assets	25,782	28,634	28,329	30,627	32,806	34,632
Lease assets, PP&E and other assets	73,954	68,616	67,474	72,432	53,579	70,557
Inventories	18,872	14,975	13,653	14,660	14,002	12,550
Trade receivables	65,575	66,134	75,813	65,743	69,192	76,470
Unbilled receivables	64,472	63,537	57,572	48,298	46,177	51,589
Prepayments and other receivables	28,051	24,194	20,814	36,803	37,309	33,260
Cash and cash equivalents and fixed-term deposits	330,652	329,364	329,808	303,729	321,249	316,059
TOTAL ASSETS	866,173	845,758	835,904	807,503	803,142	817,838
Total equity	265,960	218,174	208,491	199,606	206,815	208,014
Deferred tax liability	3,561	2,907	2,665	2,404	1,281	692
Lease liability	29,911	28,974	27,403	37,725	33,897	50,166
Provisions	40,391	65,083	37,643	29,257	25,022	24,628
Trade payables	12,677	12,676	11,820	6,102	10,981	16,575
Deferred revenue	439,795	434,212	444,609	438,650	441,802	437,947
Other contract related liabilities	19,695	23,926	22,169	18,921	18,644	20,100
Income taxes	2,511	3,072	2,180	3,133	2,986	2,406
Accruals and other liabilities	51,672	56,734	78,924	71,705	61,714	57,310
TOTAL EQUITY AND LIABILITIES	866,173	845,758	835,904	807,503	803,142	817,838

P&L

(€ in thousands)	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	H1 '23	H1 '22
Automotive	60,511	59,951	62,446	77,070	81,120	90,898	172,018	120,462
Enterprise	44,733	45,344	45,894	40,453	36,905	37,296	74,201	90,077
Location Technology	105,244	105,295	108,340	117,523	118,025	128,194	246,219	210,539
Consumer	23,205	27,283	27,963	21,490	22,693	28,355	51,048	50,488
Revenue	128,449	132,578	136,303	139,013	140,718	156,549	297,267	261,028
Cost of sales	19,313	22,825	26,381	18,100	20,025	27,281	47,307	42,138
Gross profit	109,136	109,753	109,922	120,913	120,693	129,268	249,960	218,890
<i>Gross margin</i>	85%	83%	81%	87%	86%	83%	84%	84%
Research and development expenses - Geographic data	56,531	54,945	50,548	43,736	42,180	45,798	87,977	111,476
Research and development expenses - Application layer	39,365	43,658	45,768	42,713	42,461	49,410	91,871	83,023
Sales and marketing expenses	10,506	12,077	13,568	14,202	12,982	14,158	27,140	22,583
General and administrative expenses	22,567	54,539	17,823	24,791	20,423	23,459	43,882	77,107
Total operating expenses	128,969	165,219	127,707	125,442	118,046	132,825	250,870	294,189
Operating result (EBIT)	-19,833	-55,466	-17,785	-4,529	2,647	-3,557	-910	-75,299
<i>EBIT margin</i>	-15%	-42%	-13%	-3%	2%	-2%	-0%	-29%
Financial result	-279	2,160	1,826	-889	1,598	699	2,299	1,880
Result before tax	-20,112	-53,306	-15,959	-5,418	4,245	-2,858	1,389	-73,419
Income tax (expense)/gain	-1,378	-1,670	-1,525	-3,367	-1,272	-1,597	-2,870	-3,049
Net result¹	-21,490	-54,976	-17,484	-8,785	2,973	-4,455	-1,481	-76,468

¹ Net result is fully attributable to equity holders of the parent.

Cash flow

(€ in thousands)	Q1 '22	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	H1 '23	H1 '22
Operating result	-19,833	-55,466	-17,785	-4,529	2,647	-3,557	-910	-75,299
Foreign exchange adjustments	1,392	4,574	4,340	-3,933	38	-1,027	-989	5,965
Depreciation and amortization	15,244	14,369	13,720	13,339	12,508	11,180	23,688	29,613
Change in provisions	-590	29,745	-26,674	-4,953	-455	-697	-1,152	29,155
Other	1,774	2,671	3,113	2,905	2,401	3,810	6,211	4,445
Changes in working capital	-13,453	5,893	28,775	-20,169	-7,853	-7,886	-15,739	-7,560
Cash flow from operations	-15,466	1,786	5,489	-17,340	9,286	1,823	11,109	-13,681
Interest (paid)/received	-360	-243	-238	47	1,109	2,005	3,114	-603
Corporate income taxes paid	-1,107	-345	-1,376	-2,255	-2,587	-3,620	-6,207	-1,452
Cash flow from operating activities	-16,933	1,198	3,875	-19,548	7,808	208	8,016	-15,736
Cash flow from investing activities	-6,311	13,202	-81,257	43,592	-47,159	101,140	53,981	6,891
Cash flow from financing activities	-2,122	-1,949	-2,698	-3,549	-3,456	-2,745	-6,201	-4,071
Net increase/(decrease) in cash and cash equivalents	-25,366	12,451	-80,080	20,495	-42,807	98,603	55,796	-12,916

Additional information:

Free cash flow

Cash flow from operating activities	-16,933	1,198	3,875	-19,548	7,808	208	8,016	-15,736
Investments in intangible assets	-5,053	-24	-116	-78				-5,077
Investments in property, plant and equipment	-1,258	-998	-1,141	-1,498	-1,371	-2,868	-4,239	-2,256
Free cash flow	-23,244	176	2,618	-21,124	6,437	-2,660	3,777	-23,069
% of revenue	-18%	0%	2%	-15%	5%	-2%	1%	-9%
Restructuring-related cash flow			5,849	6,539	4,043	5,792	9,835	0
Free cash flow excluding restructuring	-23,244	176	8,467	-14,585	10,480	3,132	13,612	-23,069
% of revenue	-18%	0%	6%	-10%	7%	2%	5%	-9%

¹ Restructuring-related cash flows are related to the Maps realignment announced in June 2022.

Outstanding shares

	Q2 '23	YTD '23
Common shares outstanding at the end of the period	132,366,672	132,366,672
Shares in issue at the beginning of the period	128,488,325	128,392,291
Shares in issue at the end of the period	129,177,376	129,207,917
Average shares in issue during the period¹	128,969,778	128,731,488 [A]
Average shares outstanding from dilution of options²	190,543	443,738 [B]
Average shares outstanding from dilution of restricted stock units	2,820,485	2,492,986 [C]
Average fully diluted shares outstanding during the period³	131,980,806	131,668,212 [A+B+C]

¹ Shares held in treasury of 3,158,755 are taken into account when calculating the weighted average shares outstanding.

² Weighted average diluted options based on the period outstanding.

³ The average share price for the quarter was €7.36.

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 investments in intangible assets and property, plant and equipment

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



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