

# Q4 2021 RESULTS



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**TOMTOM**

# Operational highlights

- Grew Automotive backlog to a strong €1.9 billion
- Announced a partnership with Volkswagen Group to deliver an EV-centric navigation service
- Launched TomTom IndiGO, the first open digital cockpit software platform for carmakers



# Strategic priorities

## Market expansion

- Build on strong Automotive backlog
- Grow Enterprise business
- Harmonize product portfolio

## Mapmaking automation

- Better map
- Lower latency
- Lower cost

## Profit

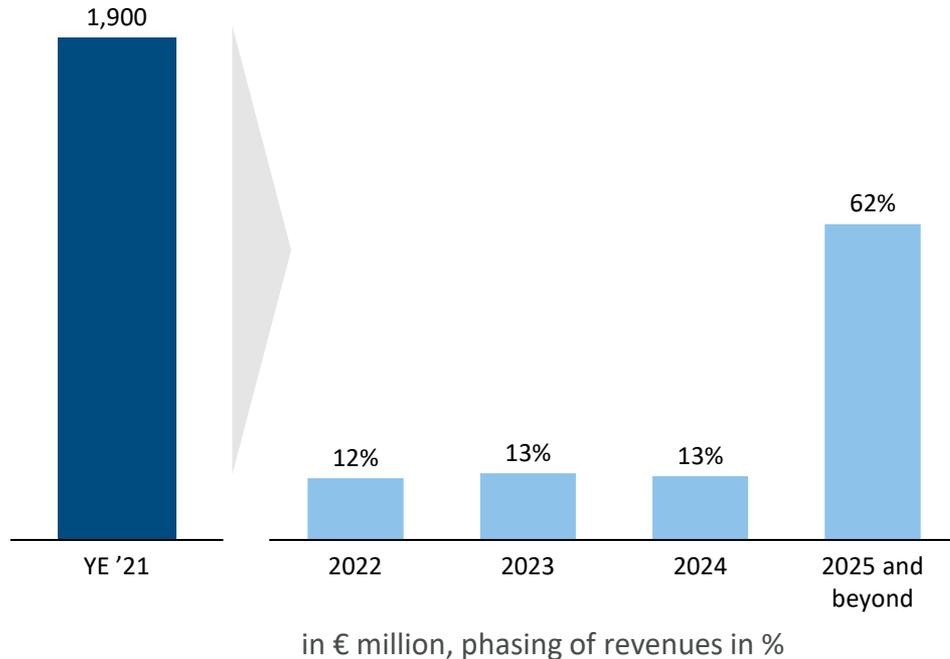
- Grow operational revenue
- Realize cost efficiencies
- Generate strong free cash flow as of 2023 and onwards

# Financial highlights

- Group revenue of €115m (Q4 '20: €125m)
- Location Technology revenue of €91m (Q4 '20: €102m)
- Automotive operational revenue of €71m (Q4 '20: €85m)
- Free cash flow of €57m (Q4 '20: €34m)
- Net cash of €356m (Q3 '21: €302m)



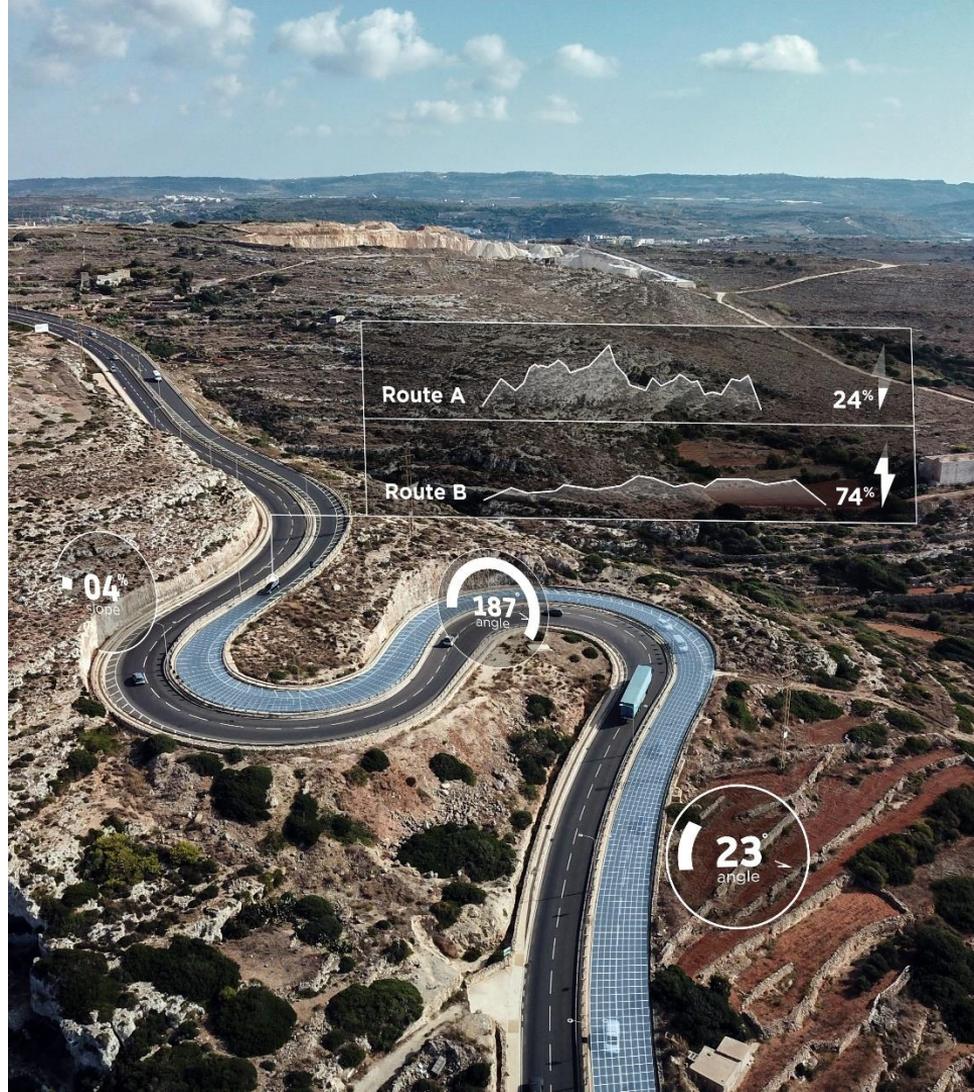
# Automotive backlog



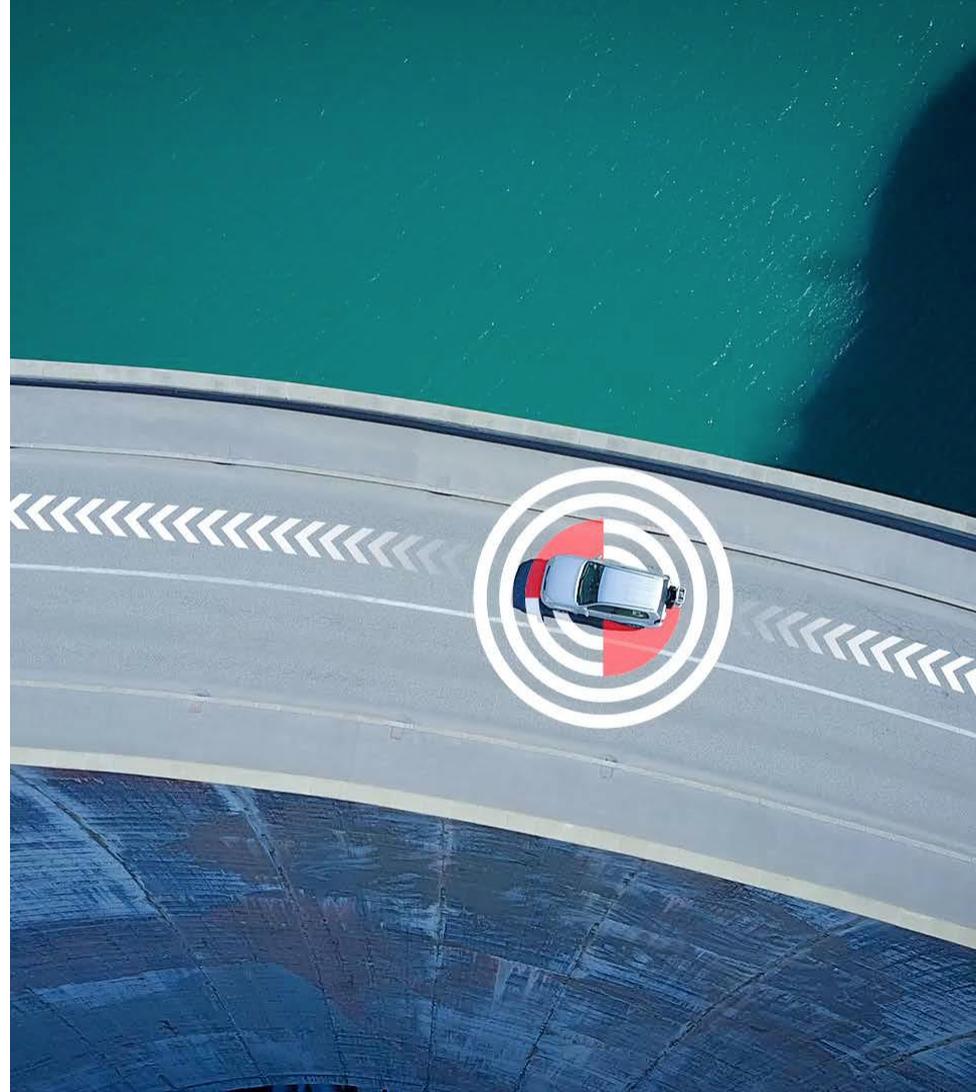
- Automotive backlog is defined as the cumulative expected IFRS revenue from all awarded Automotive deals
- Automotive awards do not provide minimum volume or purchase requirements. Volumes are based on estimates of car sales and take rates
- Year-on-year change of the backlog is the result of the following:
  - 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 2022 & 2023

| in € million                   | Actual<br>2021 | Outlook<br>2022 | Outlook<br>2023  |
|--------------------------------|----------------|-----------------|------------------|
| Group revenue                  | 507            | 470 – 510       | 500 – 550        |
| Location Technology<br>revenue | 394            | 380 – 420       | 425 – 475        |
| FCF as % of Group<br>revenue   | + 5%           | Around<br>- 5%  | At least<br>+ 5% |

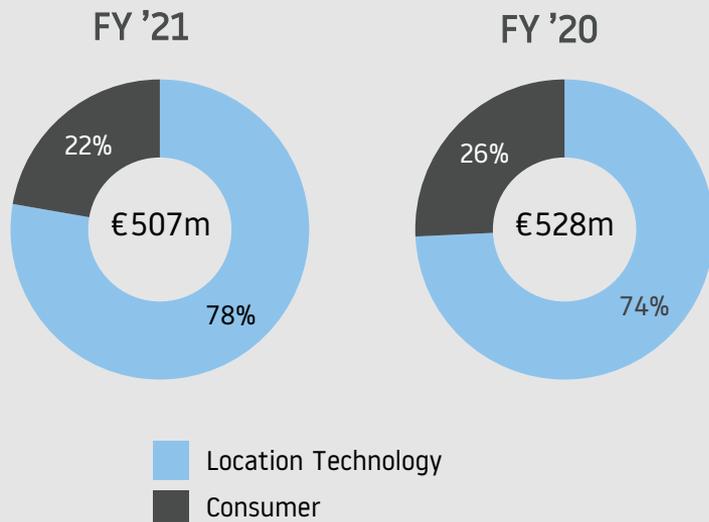


**Thank you -  
Any questions?**

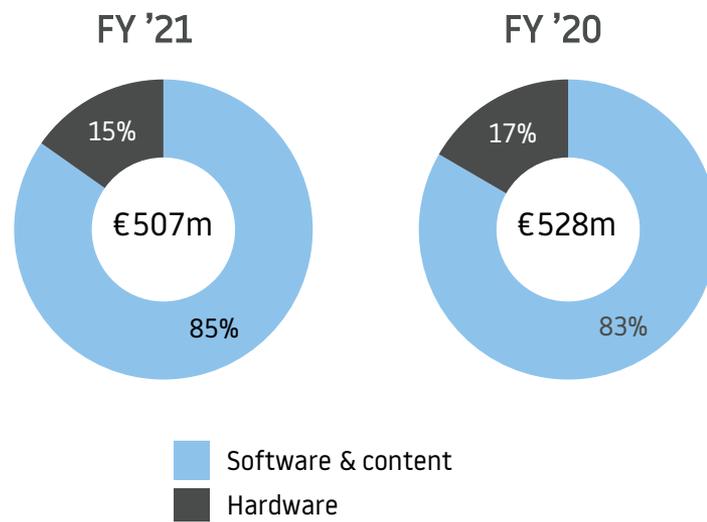


# Revenue breakdown

## BY SEGMENT



## BY TYPE



# P&L

| (€ in thousands)                                      | Q3 '20         | Q4 '20         | Q1 '21         | Q2 '21         | Q3 '21         | Q4 '21         | FY '21         | FY '20          |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Automotive  | 65,945         | 59,843         | 62,654         | 60,983         | 52,368         | 47,063         | 223,068        | 227,164         |
| Enterprise  | 39,654         | 41,651         | 42,142         | 42,267         | 42,994         | 43,513         | 170,916        | 164,997         |
| <b>Location Technology</b>                            | <b>105,599</b> | <b>101,494</b> | <b>104,796</b> | <b>103,250</b> | <b>95,361</b>  | <b>90,577</b>  | <b>393,984</b> | <b>392,161</b>  |
| Consumer  | 42,252         | 23,940         | 26,395         | 29,853         | 32,108         | 24,586         | 112,942        | 136,024         |
| <b>Revenue</b>  | <b>147,851</b> | <b>125,434</b> | <b>131,191</b> | <b>133,102</b> | <b>127,469</b> | <b>115,164</b> | <b>506,926</b> | <b>528,185</b>  |
| Cost of sales   | 35,861         | 22,381         | 24,681         | 30,367         | 23,842         | 20,931         | 99,821         | 104,794         |
| <b>Gross profit</b>                                   | <b>111,990</b> | <b>103,053</b> | <b>106,510</b> | <b>102,735</b> | <b>103,627</b> | <b>94,233</b>  | <b>407,105</b> | <b>423,391</b>  |
| <i>Gross margin</i>                                   | 76%            | 82%            | 81%            | 77%            | 81%            | 82%            | 80%            | 80%             |
| Research and development expenses - Geographic data   | 109,177        | 106,017        | 53,268         | 55,261         | 55,822         | 55,457         | 219,808        | 429,810         |
| Research and development expenses - Application layer | 35,271         | 36,621         | 34,831         | 35,839         | 37,040         | 38,499         | 146,209        | 137,580         |
| Sales and marketing expenses                          | 13,536         | 15,432         | 10,230         | 11,312         | 10,994         | 12,645         | 45,181         | 57,556          |
| General and administrative expenses                   | 21,616         | 23,138         | 22,421         | 21,383         | 22,315         | 22,979         | 89,098         | 86,155          |
| <b>Total operating expenses</b>                       | <b>179,600</b> | <b>181,208</b> | <b>120,750</b> | <b>123,795</b> | <b>126,171</b> | <b>129,580</b> | <b>500,296</b> | <b>711,101</b>  |
| <b>Operating result (EBIT)</b>                        | <b>-67,610</b> | <b>-78,155</b> | <b>-14,240</b> | <b>-21,060</b> | <b>-22,544</b> | <b>-35,347</b> | <b>-93,191</b> | <b>-287,710</b> |
| <i>EBIT margin</i>                                    | -46%           | -62%           | -11%           | -16%           | -18%           | -31%           | -18%           | -54%            |
| Depreciation and amortization                         | 71,465         | 70,328         | 21,520         | 18,756         | 17,210         | 16,185         | 73,671         | 285,609         |
| <b>EBITDA</b>   | <b>3,855</b>   | <b>-7,827</b>  | <b>7,280</b>   | <b>-2,304</b>  | <b>-5,334</b>  | <b>-19,162</b> | <b>-19,520</b> | <b>-2,101</b>   |
| <i>EBITDA margin</i>                                  | 3%             | -6%            | 6%             | -2%            | -4%            | -17%           | -4%            | -%              |
| Financial result                                      | -3,716         | -6,213         | 4,400          | -1,764         | 2,213          | 1,480          | 6,329          | -7,307          |
| <b>Result before tax</b>                              | <b>-71,326</b> | <b>-84,368</b> | <b>-9,840</b>  | <b>-22,824</b> | <b>-20,331</b> | <b>-33,867</b> | <b>-86,862</b> | <b>-295,017</b> |
| Income tax (expense)/gain                             | 4,358          | 18,465         | -1,641         | -791           | -452           | -4,907         | -7,791         | 37,378          |
| <b>Net result</b>                                     | <b>-66,968</b> | <b>-65,903</b> | <b>-11,481</b> | <b>-23,615</b> | <b>-20,783</b> | <b>-38,774</b> | <b>-94,653</b> | <b>-257,639</b> |

# Balance Sheet

| (€ in thousands)                                  | 30-Sep-20        | 31-Dec-20      | 31-Mar-21      | 30-Jun-21      | 30-Sep-21      | 31-Dec-21      |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| Goodwill  | 192,294          | 192,294        | 192,294        | 192,294        | 192,294        | 192,294        |
| Intangible assets                                 | 181,458          | 117,475        | 104,403        | 91,933         | 80,771         | 70,478         |
| Other contract related assets                     | 25,864           | 26,080         | 26,299         | 20,239         | 22,257         | 23,818         |
| Other non-current assets                          | 74,443           | 78,835         | 77,063         | 79,563         | 79,766         | 79,826         |
| Inventories                                       | 27,611           | 26,146         | 23,500         | 23,554         | 18,815         | 19,585         |
| Trade receivables                                 | 110,105          | 79,661         | 60,706         | 65,378         | 130,234        | 56,179         |
| Unbilled receivables                              | 56,400           | 58,313         | 73,541         | 67,809         | 65,925         | 67,311         |
| Other receivables and prepayments                 | 35,016           | 26,765         | 33,617         | 27,295         | 23,330         | 25,429         |
| Cash and cash equivalents and fixed-term deposits | 346,463          | 372,450        | 351,970        | 318,908        | 302,187        | 355,820        |
| <b>TOTAL ASSETS</b>                               | <b>1,049,654</b> | <b>978,019</b> | <b>943,393</b> | <b>886,973</b> | <b>915,579</b> | <b>890,740</b> |
| Total equity                                      | 450,503          | 387,616        | 364,950        | 333,008        | 317,477        | 282,723        |
| Deferred tax liability                            | 7,527            | 1,344          | 1,293          | 1,464          | 1,342          | 3,934          |
| Lease liability                                   | 40,143           | 43,673         | 40,939         | 39,484         | 35,175         | 33,339         |
| Provisions  | 54,706           | 48,932         | 47,302         | 43,879         | 41,380         | 40,021         |
| Trade payables                                    | 22,169           | 21,998         | 15,337         | 21,799         | 15,374         | 14,022         |
| Deferred revenue                                  | 396,954          | 403,706        | 397,930        | 377,332        | 433,228        | 440,727        |
| Other contract related liabilities                | 19,274           | 19,084         | 18,790         | 18,393         | 18,506         | 19,782         |
| Income taxes                                      | 13,978           | 1,893          | 2,622          | 2,427          | 2,676          | 1,273          |
| Accruals and other liabilities                    | 44,400           | 49,773         | 54,230         | 49,187         | 50,421         | 54,919         |
| <b>TOTAL EQUITY AND LIABILITIES</b>               | <b>1,049,654</b> | <b>978,019</b> | <b>943,393</b> | <b>886,973</b> | <b>915,579</b> | <b>890,740</b> |

# Cash flow

| (€ in thousands)  | Q3 '20         | Q4 '20        | Q1 '21         | Q2 '21         | Q3 '21         | Q4 '21         | FY '21         | FY '20         |
|---|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Operating result  | -67,610        | -78,155       | -14,240        | -21,060        | -22,544        | -35,347        | -93,191        | -287,710       |
| Financial gains/(losses)                                    | -2,249         | -1,724        | 3,084          | -970           | 2,753          | 3,037          | 7,904          | -4,887         |
| Depreciation and amortization                               | 71,465         | 70,328        | 21,520         | 18,756         | 17,210         | 16,185         | 73,671         | 285,609        |
| Other   | 78             | 2,374         | 2,355          | -2,974         | -1,209         | 242            | -1,586         | 2,101          |
| Changes in working capital                                  | -19,185        | 43,272        | -11,365        | -5,530         | -5,594         | 81,433         | 58,944         | -6,406         |
| <b>Cash flow from operations</b>                            | <b>-17,501</b> | <b>36,095</b> | <b>1,354</b>   | <b>-11,778</b> | <b>-9,384</b>  | <b>65,550</b>  | <b>45,742</b>  | <b>-11,293</b> |
| Interest (paid)/received                                    | -87            | -283          | -398           | -202           | -404           | -386           | -1,390         | -874           |
| Corporate income taxes paid                                 | -1,399         | -678          | -1,736         | -1,078         | -1,109         | -3,646         | -7,569         | -8,013         |
| <b>Cash flow from operating activities</b>                  | <b>-18,987</b> | <b>35,134</b> | <b>-780</b>    | <b>-13,058</b> | <b>-10,897</b> | <b>61,518</b>  | <b>36,783</b>  | <b>-20,180</b> |
| <b>Cash flow from investing activities</b>                  | <b>36,340</b>  | <b>6,907</b>  | <b>18,348</b>  | <b>58,733</b>  | <b>-2,384</b>  | <b>-94,675</b> | <b>-19,978</b> | <b>73,514</b>  |
| <b>Cash flow from financing activities</b>                  | <b>-3,996</b>  | <b>-4,080</b> | <b>-20,531</b> | <b>-15,798</b> | <b>-3,741</b>  | <b>-3,585</b>  | <b>-43,655</b> | <b>-29,680</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>13,357</b>  | <b>37,961</b> | <b>-2,963</b>  | <b>29,877</b>  | <b>-17,022</b> | <b>-36,742</b> | <b>-26,850</b> | <b>23,654</b>  |
| <b>Free cash flow</b>                                       |                |               |                |                |                |                |                |                |
| Cash flow from operating activities                         | -18,987        | 35,134        | -780           | -13,058        | -10,897        | 61,518         | 36,783         | -20,180        |
| Investments in property, plant and equipment                | -1,027         | -1,311        | -3,117         | -2,732         | -2,612         | -4,813         | -13,274        | -6,298         |
| <b>Free cash flow</b>                                       | <b>-20,014</b> | <b>33,823</b> | <b>-3,897</b>  | <b>-15,790</b> | <b>-13,509</b> | <b>56,705</b>  | <b>23,509</b>  | <b>-26,478</b> |
| % of revenue  | -14%           | 27%           | -3%            | -12%           | -11%           | 49%            | 5%             | -5%            |

# Outstanding shares

|   | Q4 '21             | YTD '21                    |
|---|--------------------|----------------------------|
| Common shares outstanding at the end of the period  | 132,366,672        | 132,366,672                |
| Shares in issue at the beginning of the period  | 126,912,453        | 130,262,819                |
| Shares in issue at the end of the period  | 126,949,550        | 126,949,550                |
| <b>Average shares in issue during the period<sup>1</sup></b>                              | <b>126,933,125</b> | <b>127,714,464 [A]</b>     |
| Average in the money share options at the beginning of the period                         | -                  | 892,280                    |
| Average in the money share options at the end of the period                               | 459,174            | 428,024                    |
| <b>Average potential dilutive share options outstanding during the period<sup>2</sup></b> | <b>464,265</b>     | <b>561,392</b>             |
| Average non-dilutive share options during the period                                      | 452,173            | 426,662                    |
| <b>Average shares outstanding from dilution of options<sup>3</sup></b>                    | <b>12,092</b>      | <b>134,730 [B]</b>         |
| <b>Average shares outstanding from dilution of restricted stock units</b>                 | <b>1,446,763</b>   | <b>1,580,600 [C]</b>       |
| <b>Average fully diluted shares outstanding during Q4 '21<sup>4</sup></b>                 | <b>128,391,980</b> | <b>129,429,794 [A+B+C]</b> |

<sup>1</sup> Shares held in treasury of 5,417,122 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 €7.69 and the average share price for the year was €7.60.

# 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

**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 IFRS revenue

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

**Net cash** is defined as our cash and cash equivalents, plus cash held in fixed term deposits

**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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