



# Q4 2023 Results

Harold Goddijn – CEO

Taco Titulaer – CFO

2 February 2024



**Brooklyn Bridge**  
**New York City**  
route summary

 **19.6 mph**  
average speed

 **1.5 m**  
route distance

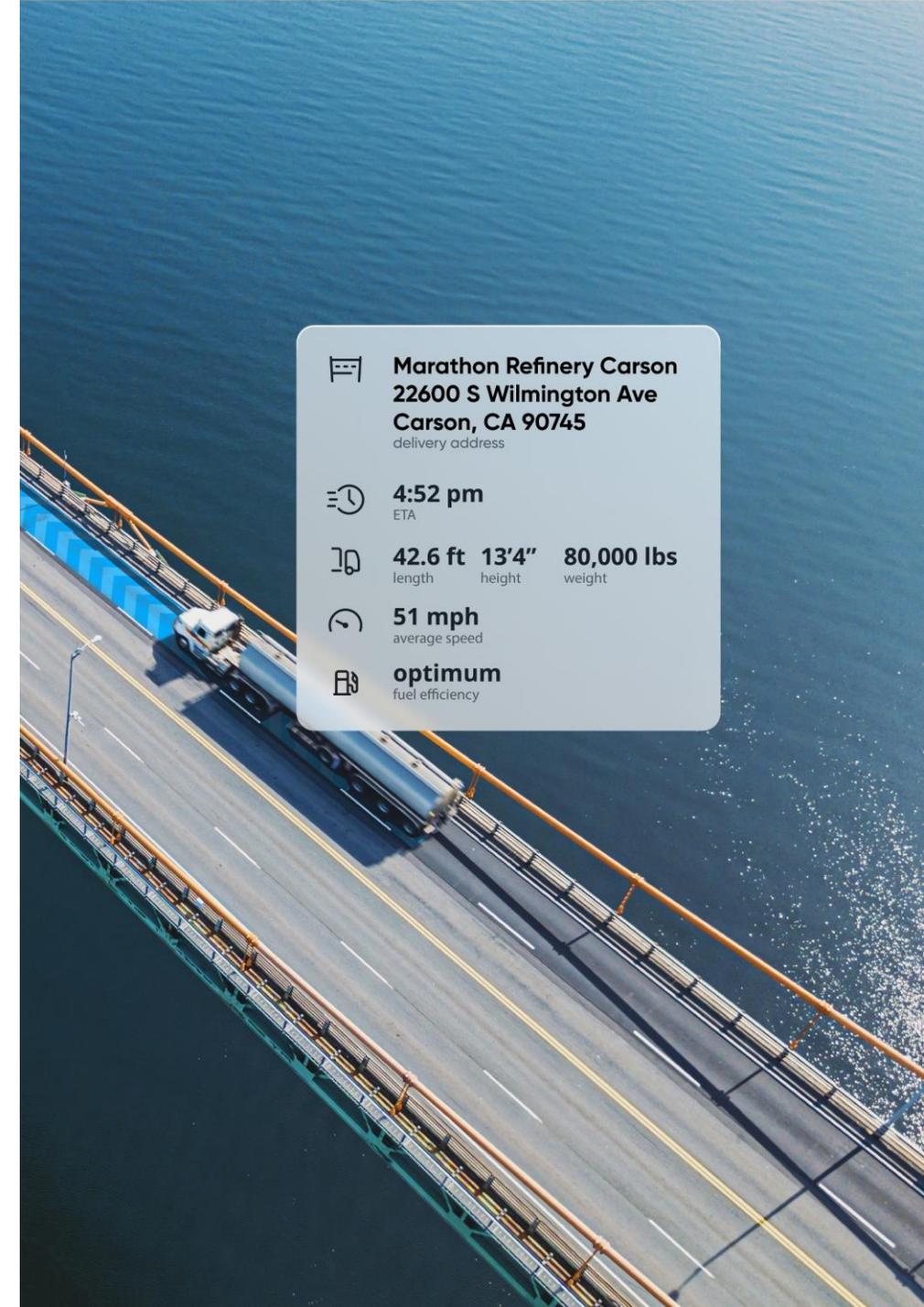
 **223s**  
average time

# Strategic overview

	2023	2024
Product innovation	<ul style="list-style-type: none"><li>• Launch of TomTom Orbis Maps and several AI-based products</li><li>• Advancement of data standardization and collaborative mapmaking approach</li></ul>	<ul style="list-style-type: none"><li>• Further enhance our products and services portfolio</li><li>• Leverage new technologies to drive innovation and improve efficiency</li></ul>
Commercial traction	<ul style="list-style-type: none"><li>• Strong order intake leading to record Automotive backlog</li><li>• Significant market interest for TomTom Orbis Maps</li></ul>	<ul style="list-style-type: none"><li>• Capitalize on robust deal activity in Automotive</li><li>• Accelerate conversion of sales funnel</li></ul>
Operating leverage	<ul style="list-style-type: none"><li>• Solid foundation established in 2023</li><li>• Good revenue growth and clear cash flow improvement</li></ul>	<ul style="list-style-type: none"><li>• Continue growing our Location Technology revenues</li><li>• Realize operating leverage and further improve cash generation</li></ul>

# Financial highlights for the quarter

- Group revenue of €143m (up from €139m in Q4 '22)
- Location Technology revenue of €125m (up from €118m in Q4 '22)
- Automotive operational revenue of €83m (up from €82m in Q4 '22)



 **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

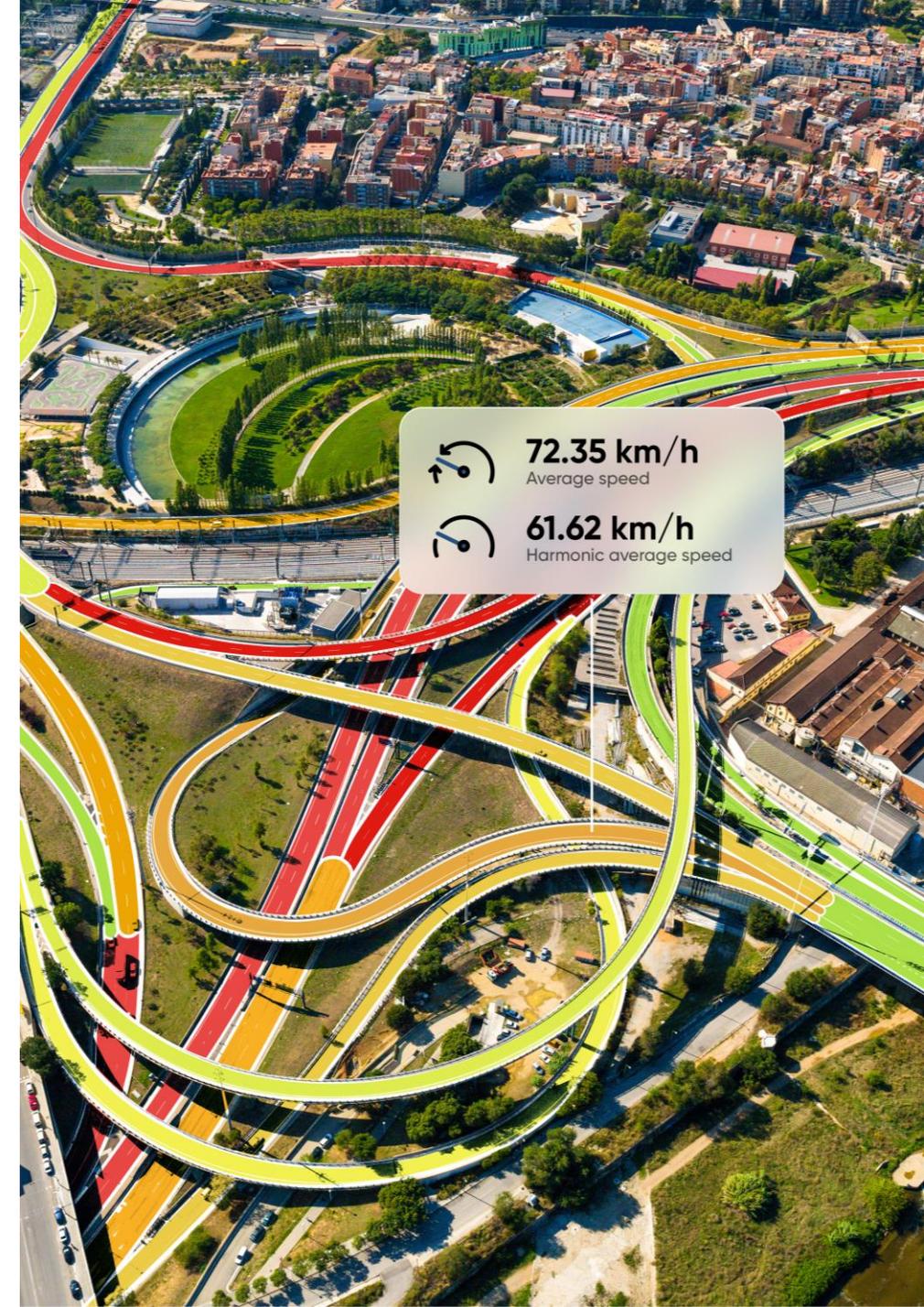
 **51 mph**  
average speed

 **optimum**  
fuel efficiency

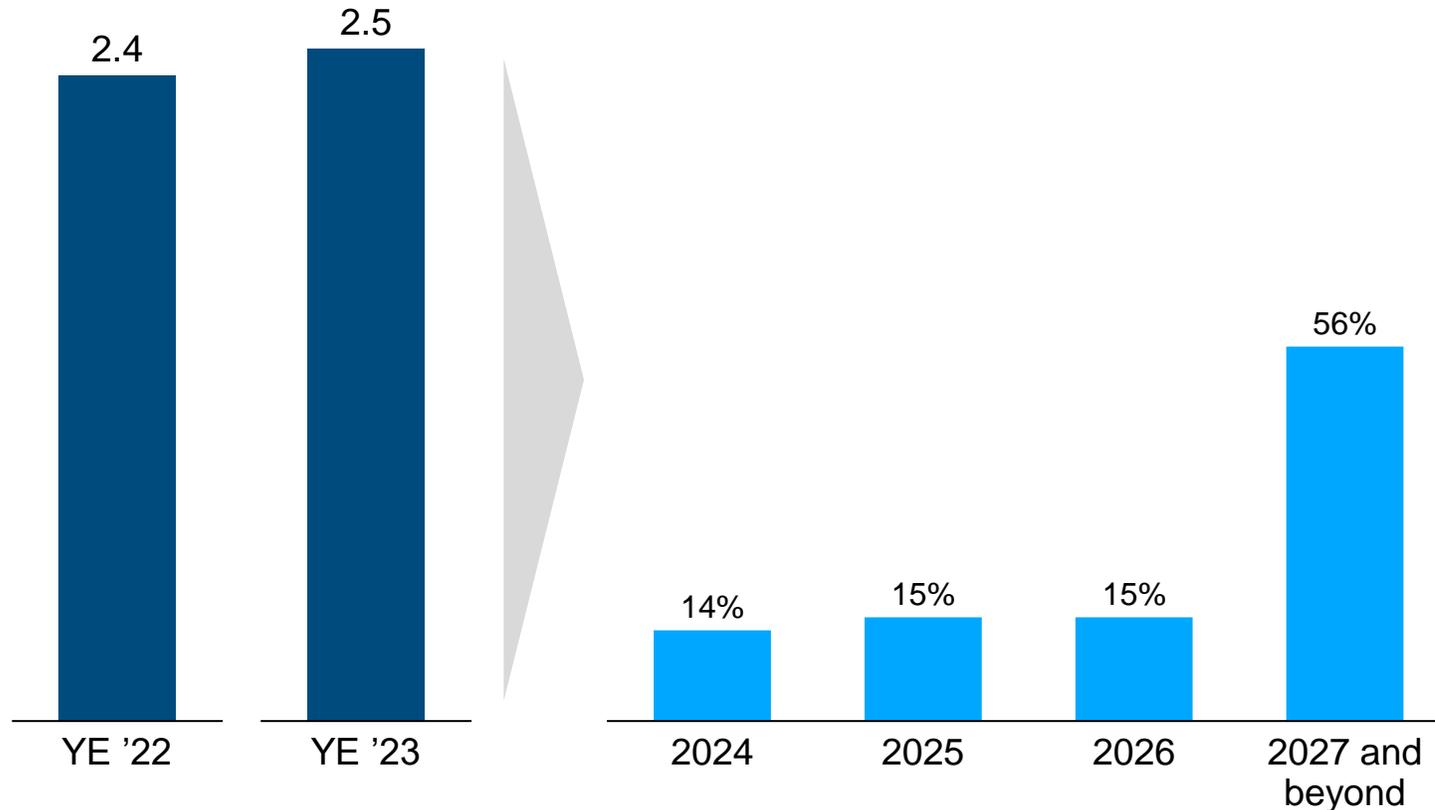
# Financial highlights for the year

- Group revenue of €585m (up from €536m in FY '22)
- Location Technology revenue of €491m (up from €436m in FY '22)
- Automotive operational revenue of €343m (up from €296m in FY '22)
- Free cash flow<sup>1</sup> of €32m (improved from an outflow of €29m in FY '22)
- Net cash of €315m (up from €304m at the end of FY '22)

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



# Automotive backlog



## Automotive backlog and phasing of revenues

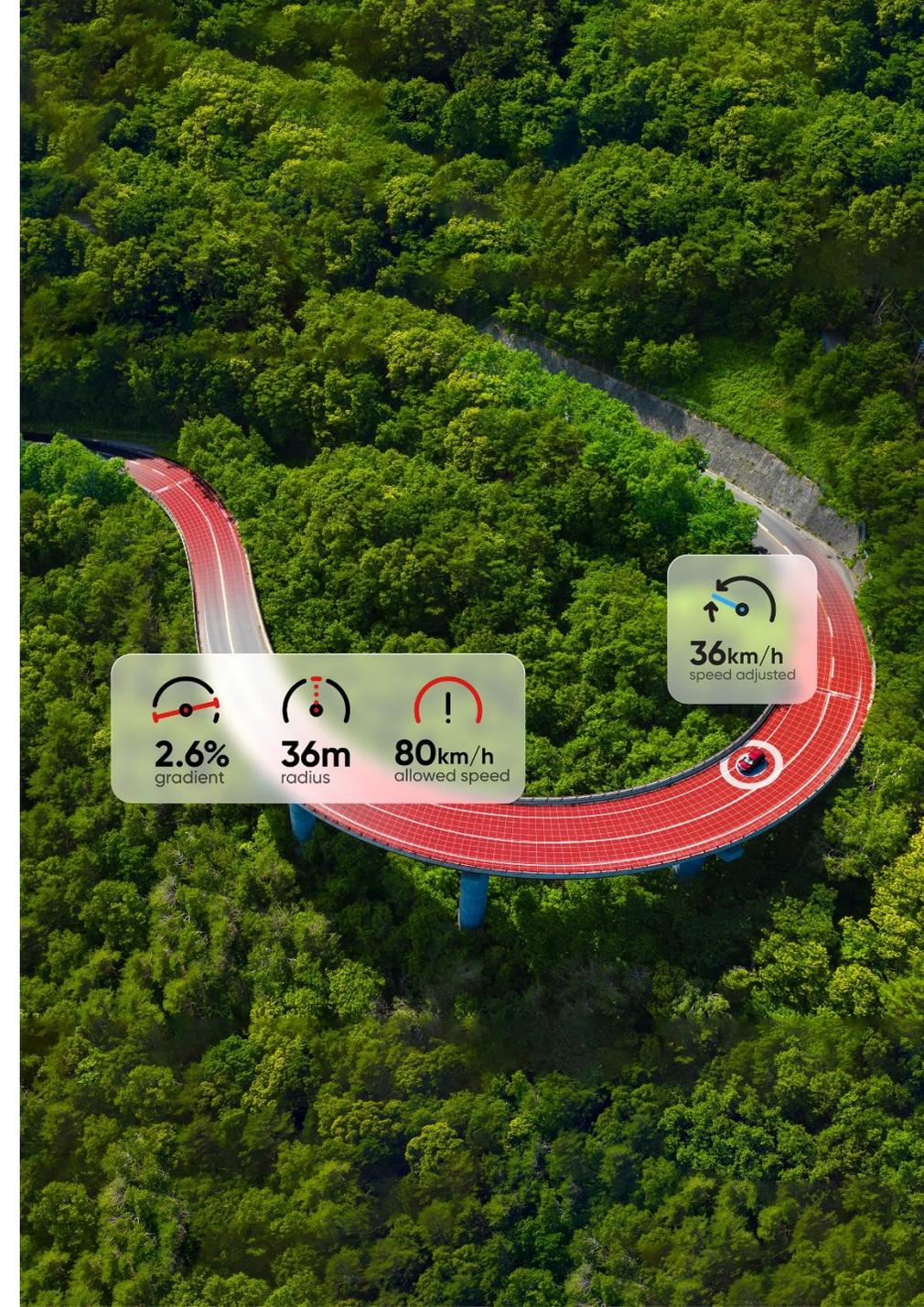
in € billion, phasing of revenues in %

- 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 2024

in € million	Outlook 2024	Actual 2023
Group revenue	570 - 610	585
Location Technology revenue	490 - 520	491
FCF <sup>1</sup> as % of Group revenue	> 5%	5%

<sup>1</sup> Free cash flow in 2023 excludes restructuring charges related to the Maps realignment announced in June 2022



Thank you  
Any questions?



Golden Gate Bridge  
San Francisco  
route summary

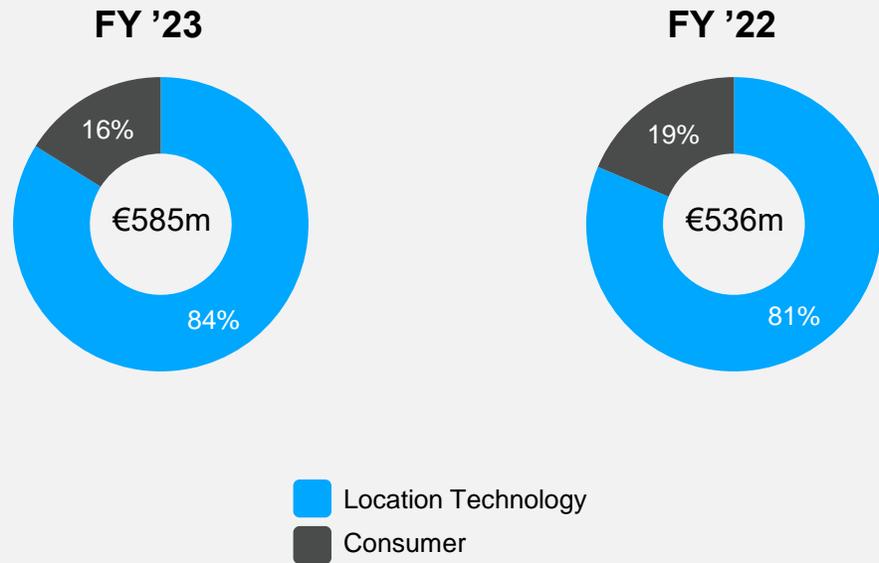
 **43.6 mph**  
average speed

 **1.95 m**  
route distance

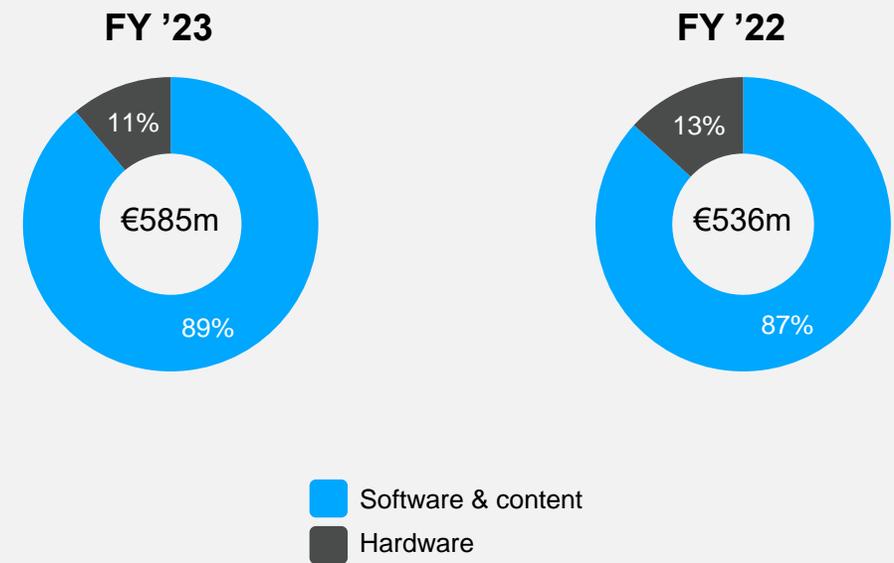
 **163s**  
average time

# Revenue breakdown

## By segment



## By type



# P&L

(€ in thousands)	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23	FY '22
Automotive	62,446	77,070	81,120	90,898	82,476	87,806	342,300	259,978
Enterprise	45,894	40,453	36,905	37,296	36,760	37,403	148,364	176,424
<b>Location Technology</b>	<b>108,340</b>	<b>117,523</b>	<b>118,025</b>	<b>128,194</b>	<b>119,236</b>	<b>125,209</b>	<b>490,664</b>	<b>436,402</b>
Consumer	27,963	21,490	22,693	28,355	24,878	18,170	94,096	99,941
<b>Revenue</b>	<b>136,303</b>	<b>139,013</b>	<b>140,718</b>	<b>156,549</b>	<b>144,114</b>	<b>143,379</b>	<b>584,760</b>	<b>536,343</b>
Cost of sales	26,381	18,100	20,025	27,281	25,175	16,511	88,992	86,619
<b>Gross profit</b>	<b>109,922</b>	<b>120,913</b>	<b>120,693</b>	<b>129,268</b>	<b>118,939</b>	<b>126,868</b>	<b>495,768</b>	<b>449,724</b>
<i>Gross margin</i>	81%	87%	86%	83%	83%	88%	85%	84%
Research and development expenses - Geographic data	50,548	43,736	42,180	45,798	43,661	42,957	174,596	205,760
Research and development expenses - Application layer	45,768	42,713	42,461	49,410	47,263	45,485	184,619	171,504
Sales and marketing expenses	13,568	14,202	12,982	14,158	14,180	15,760	57,080	50,353
General and administrative expenses	17,823	24,791	20,423	23,459	22,573	33,026	99,481	119,720
<b>Total operating expenses</b>	<b>127,707</b>	<b>125,442</b>	<b>118,046</b>	<b>132,825</b>	<b>127,677</b>	<b>137,228</b>	<b>515,776</b>	<b>547,337</b>
<b>Operating result (EBIT)</b>	<b>-17,785</b>	<b>-4,529</b>	<b>2,647</b>	<b>-3,557</b>	<b>-8,738</b>	<b>-10,360</b>	<b>-20,008</b>	<b>-97,613</b>
<i>EBIT margin</i>	-13%	-3%	2%	-2%	-6%	-7%	-3%	-18%
Financial result	1,826	-889	1,598	699	3,371	332	6,000	2,818
<b>Result before tax</b>	<b>-15,959</b>	<b>-5,418</b>	<b>4,245</b>	<b>-2,858</b>	<b>-5,367</b>	<b>-10,028</b>	<b>-14,008</b>	<b>-94,795</b>
Income tax (expense)/gain	-1,525	-3,367	-1,272	-1,597	-2,523	-1,608	-7,000	-7,940
<b>Net result<sup>1</sup></b>	<b>-17,484</b>	<b>-8,785</b>	<b>2,973</b>	<b>-4,455</b>	<b>-7,890</b>	<b>-11,636</b>	<b>-21,008</b>	<b>-102,735</b>

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

# Balance sheet

(€ in thousands)	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	50,147	42,917	36,534	30,427	25,170	20,275
Other contract related assets	28,329	30,627	32,806	34,632	33,478	35,019
Lease assets, PP&E and other assets	67,474	72,432	53,579	70,557	71,268	70,143
Inventories	13,653	14,660	14,002	12,550	14,140	14,823
Trade receivables	75,813	65,743	69,192	76,470	77,096	69,156
Unbilled receivables	57,572	48,298	46,177	51,589	47,458	42,778
Prepayments and other receivables	20,814	36,803	37,309	33,260	26,117	36,209
Cash and cash equivalents and fixed-term deposits	329,808	303,729	321,249	316,059	325,427	315,194
<b>TOTAL ASSETS</b>	<b>835,904</b>	<b>807,503</b>	<b>803,142</b>	<b>817,838</b>	<b>812,448</b>	<b>795,891</b>
Total equity	208,491	199,606	206,815	208,014	202,829	181,588
Deferred tax liability	2,665	2,404	1,281	692	427	1,040
Lease liability	27,403	37,725	33,897	50,166	48,139	46,713
Provisions	37,643	29,257	25,022	24,628	25,051	25,720
Trade payables	11,820	6,102	10,981	16,575	10,471	21,168
Deferred revenue	444,609	438,650	441,802	437,947	439,908	433,230
Other contract related liabilities	22,169	18,921	18,644	20,100	19,715	17,078
Income taxes	2,180	3,133	2,986	2,406	3,012	1,594
Accruals and other liabilities	78,924	71,705	61,714	57,310	62,896	67,760
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>835,904</b>	<b>807,503</b>	<b>803,142</b>	<b>817,838</b>	<b>812,448</b>	<b>795,891</b>

# Cash flow

(€ in thousands)	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	FY '23	FY '22
Operating result	-17,785	-4,529	2,647	-3,557	-8,738	-10,360	-20,008	-97,613
Foreign exchange adjustments	4,340	-3,933	38	-1,027	1,118	-1,343	-1,214	6,373
Depreciation and amortization	13,720	13,339	12,508	11,180	9,837	10,091	43,616	56,672
Change in provisions	-26,674	-4,953	-455	-697	308	-1,754	-2,598	-2,472
Other	3,113	2,905	2,401	3,810	2,627	3,622	12,460	10,463
Changes in working capital:	28,775	-20,169	-7,853	-7,886	11,104	7,960	3,325	1,046
<b>Cash flow from operations</b>	<b>5,489</b>	<b>-17,340</b>	<b>9,286</b>	<b>1,823</b>	<b>16,256</b>	<b>8,216</b>	<b>35,581</b>	<b>-25,531</b>
Interest (paid) / received	-238	47	1,109	2,005	2,257	2,574	7,945	-794
Corporate income taxes paid	-1,376	-2,255	-2,587	-3,620	-2,197	-2,427	-10,831	-5,083
<b>Cash flow from operating activities</b>	<b>3,875</b>	<b>-19,548</b>	<b>7,808</b>	<b>208</b>	<b>16,316</b>	<b>8,363</b>	<b>32,695</b>	<b>-31,408</b>
<b>Cash flow from investing activities</b>	<b>-81,257</b>	<b>43,592</b>	<b>-47,159</b>	<b>101,140</b>	<b>-112,446</b>	<b>4,911</b>	<b>-53,554</b>	<b>-30,774</b>
<b>Cash flow from financing activities</b>	<b>-2,698</b>	<b>-3,549</b>	<b>-3,456</b>	<b>-2,745</b>	<b>-2,918</b>	<b>-14,339</b>	<b>-23,458</b>	<b>-10,318</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-80,080</b>	<b>20,495</b>	<b>-42,807</b>	<b>98,603</b>	<b>-99,048</b>	<b>-1,065</b>	<b>-44,317</b>	<b>-72,500</b>

## Additional information:

### Free cash flow

Cash flow from operating activities	3,875	-19,548	7,808	208	16,316	8,363	32,695	-31,408
Investments in intangible assets	-116	-78	0	0	0	0	0	-5,271
Investments in property, plant and equipment	-1,141	-1,498	-1,371	-2,868	-4,337	-3,281	-11,857	-4,895
<b>Free cash flow</b>	<b>2,618</b>	<b>-21,124</b>	<b>6,437</b>	<b>-2,660</b>	<b>11,979</b>	<b>5,082</b>	<b>20,838</b>	<b>-41,574</b>
% of revenue	2 %	-15 %	5 %	-2 %	8 %	4 %	4 %	-8 %
Restructuring-related cash flow	5,849	6,539	4,043	5,792	944	399	11,178	12,388
<b>Free cash flow excluding restructuring</b>	<b>8,467</b>	<b>-14,585</b>	<b>10,480</b>	<b>3,132</b>	<b>12,923</b>	<b>5,481</b>	<b>32,016</b>	<b>-29,186</b>
% of revenue	6 %	-10 %	7 %	2 %	9 %	4 %	5 %	-5 %

# Outstanding shares

	Q4 '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	129,363,391	128,392,291
Shares in issue at the end of the period	127,649,310	127,649,310
<b>Average shares in issue during the period<sup>1</sup></b>	<b>128,567,971</b>	<b>128,841,359 [A]</b>
<b>Average shares outstanding from dilution of restricted stock units</b>	<b>2,558,650</b>	<b>3,585,448 [B]</b>
<b>Average fully diluted shares outstanding during the period<sup>2</sup></b>	<b>131,126,621</b>	<b>132,426,807 [A+B]</b>

<sup>1</sup> Shares held in treasury of 4,717,362 are taken into account when calculating the weighted average shares outstanding.

<sup>2</sup> The average share price for the quarter was €6.11 and the average share price for the year was €6.93.

# 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.

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

**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, plus cash held in fixed term deposits

**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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