

Q2 2022 RESULTS



Harold Goddijn – CEO

Taco Titulaer – CFO

15 JULY 2022



◇ HOV lanes



40 km/h
current flow
60 km/h
average flow

↗ Obstruction
ahead

Operational highlights

- Improvements in our mapmaking process, resulting in a realignment of our organization
- The launch of our Navigation SDK for mobile, enabling developers to build customized navigation applications
- A partnership with the Dutch Ministry of Infrastructure and Water Management to improve road safety
- The launch of the new Opel Astra and Citroën C5 by Stellantis, both featuring our full stack navigation solution



Financial highlights

- Group revenue of €133m (Q2 '21: €133m)
- Location Technology revenue of €105m (Q2 '21: €103m)
- Automotive operational revenue of €71m (Q2 '21: €63m)
- Restructuring charge in operating expenses of €31m
- Free cash flow of €0m (Q2 '21: outflow of €16m)
- Net cash of €329m (Q2 '21: €319m)



Outlook 2022 & 2023

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

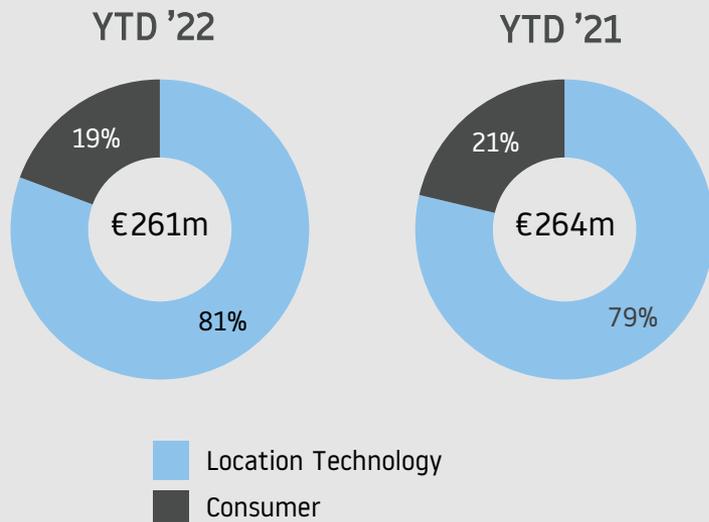


**Thank you -
Any questions?**

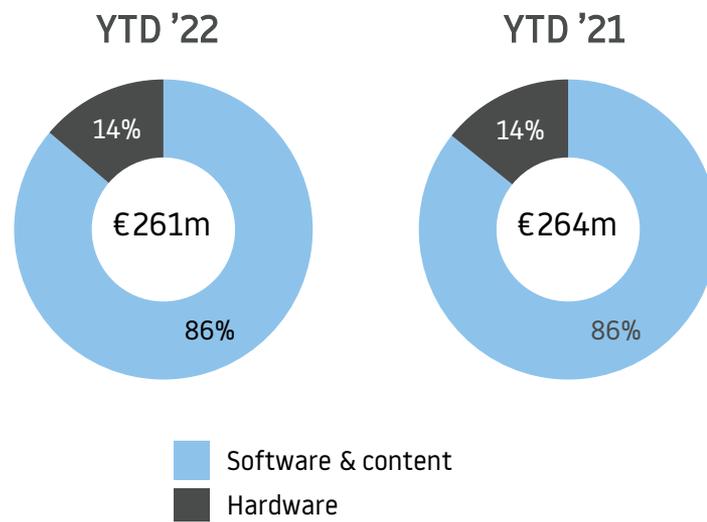


Revenue breakdown

BY SEGMENT



BY TYPE



P&L

(€ in thousands)	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	H1 '22	H1 '21
Automotive	62,654	60,983	52,368	47,063	60,511	59,951	120,462	123,637
Enterprise	42,142	42,267	42,994	43,513	44,733	45,344	90,077	84,409
Location Technology	104,796	103,250	95,361	90,577	105,244	105,295	210,539	208,046
Consumer	26,395	29,853	32,108	24,586	23,205	27,283	50,488	56,248
Revenue	131,191	133,102	127,469	115,164	128,449	132,578	261,028	264,293
Cost of sales	24,681	30,367	23,842	20,931	19,313	22,825	42,138	55,048
Gross profit	106,510	102,735	103,627	94,233	109,136	109,753	218,890	209,245
<i>Gross margin</i>	81%	77%	81%	82%	85%	83%	84%	79%
Research and development expenses - Geographic data	53,268	55,261	55,822	55,457	56,531	54,945	111,476	108,528
Research and development expenses - Application layer	34,831	35,839	37,040	38,499	39,365	43,658	83,023	70,670
Sales and marketing expenses	10,230	11,312	10,994	12,645	10,506	12,077	22,583	21,542
General and administrative expenses	22,421	21,383	22,315	22,979	22,567	54,539	77,107	43,806
Total operating expenses	120,750	123,795	126,171	129,580	128,969	165,219	294,189	244,546
Operating result (EBIT)	-14,240	-21,060	-22,544	-35,347	-19,833	-55,466	-75,299	-35,301
<i>EBIT margin</i>	-11%	-16%	-18%	-31%	-15%	-42%	-29%	-13%
Financial result	4,400	-1,764	2,213	1,480	-279	2,160	1,880	2,638
Result before tax	-9,840	-22,824	-20,331	-33,867	-20,112	-53,306	-73,419	-32,663
Income tax expense	-1,641	-791	-452	-4,907	-1,378	-1,670	-3,049	-2,432
Net result	-11,481	-23,615	-20,783	-38,774	-21,490	-54,976	-76,468	-35,095

Balance Sheet

(€ in thousands)	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22
ASSETS						
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	104,403	91,933	80,771	70,478	66,521	58,010
Other contract related assets	26,299	20,239	22,257	23,818	25,782	28,634
Other non-current assets	77,063	79,563	79,766	79,826	73,954	68,616
Inventories	23,500	23,554	18,815	19,585	18,872	14,975
Trade receivables	60,706	65,378	130,234	56,179	65,575	66,134
Unbilled receivables	73,541	67,809	65,925	67,311	64,472	63,537
Other receivables and prepayments	33,617	27,295	23,330	25,429	28,051	24,194
Cash and cash equivalents and fixed-term deposits	351,970	318,908	302,187	355,820	330,652	329,364
TOTAL ASSETS	943,393	886,973	915,579	890,740	866,173	845,758
Total equity	364,950	333,008	317,477	282,723	265,960	218,174
Deferred tax liability	1,293	1,464	1,342	3,934	3,561	2,907
Lease liability	40,939	39,484	35,175	33,339	29,911	28,974
Provisions	47,302	43,879	41,380	40,021	40,391	65,083
Trade payables	15,337	21,799	15,374	14,022	12,677	12,676
Deferred revenue	397,930	377,332	433,228	440,727	439,795	434,212
Other contract related liabilities	18,790	18,393	18,506	19,782	19,695	23,926
Income taxes	2,622	2,427	2,676	1,273	2,511	3,072
Accruals and other liabilities	54,230	49,187	50,421	54,919	51,672	56,734
TOTAL EQUITY AND LIABILITIES	943,393	886,973	915,579	890,740	866,173	845,758

Cash flow

(€ in thousands)	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	H1 '22	H1 '21
Operating result	-14,240	-21,060	-22,544	-35,347	-19,833	-55,466	-75,299	-35,301
Financial gains / (losses)	3,084	-970	2,753	3,037	1,392	4,574	5,965	2,114
Depreciation and amortization	21,520	18,756	17,210	16,185	15,244	14,369	29,613	40,276
Change in provisions	759	-4,277	-2,166	-1,790	-590	29,745	29,155	-3,518
Other	1,596	1,303	957	2,032	1,774	2,671	4,445	2,899
Changes in working capital	-11,365	-5,530	-5,594	81,433	-13,453	5,893	-7,560	-16,895
Cash flow from operations	1,354	-11,778	-9,384	65,550	-15,466	1,786	-13,681	-10,425
Interest (paid) / received	-398	-202	-404	-386	-360	-243	-603	-600
Corporate income taxes paid	-1,736	-1,078	-1,109	-3,646	-1,107	-345	-1,452	-2,814
Cash flow from operating activities	-780	-13,058	-10,897	61,518	-16,933	1,198	-15,736	-13,839
Cash flow from investing activities	18,348	58,733	-2,384	-94,675	-6,311	13,202	6,891	77,081
Cash flow from financing activities	-20,531	-15,798	-3,741	-3,585	-2,122	-1,949	-4,071	-36,329
Net increase/(decrease) in cash and cash equivalents	-2,963	29,877	-17,022	-36,742	-25,366	12,451	-12,916	26,913
Free cash flow								
Cash flow from operating activities	-780	-13,058	-10,897	61,518	-16,933	1,198	-15,736	-13,839
Investments in intangible assets					-5,053	-24	-5,077	
Investments in property, plant and equipment	-3,117	-2,732	-2,612	-4,813	-1,258	-998	-2,256	-5,849
Free cash flow	-3,897	-15,790	-13,509	56,705	-23,244	176	-23,069	-19,688
% of revenue	-3%	-12%	-11%	49%	-18%	0%	-9%	-7%

Outstanding shares

	Q2 '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	127,138,496	126,949,550	
Shares in issue at the end of the period	128,124,072	128,124,072	
Average shares in issue during the period¹	127,779,415	127,387,424	[A]
Average in the money share options at the beginning of the period	940,374	459,174	
Average in the money share options at the end of the period	438,654	438,654	
Average potential dilutive share options outstanding during the period²	705,860	959,972	
Average non-dilutive share options during the period	430,656	423,266	
Average shares outstanding from dilution of options³	275,204	536,706	[B]
Average shares outstanding from dilution of restricted stock units	1,301,891	1,255,817	[C]
Average fully diluted shares outstanding during the period⁴	129,356,510	129,179,947	[A+B+C]

¹ Shares held in treasury of 4,242,600 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 €7.71 and the average share price for the year was €7.85

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.

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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



TomTom NV
De Ruijterkade 154
1011 AC Amsterdam
The Netherlands

ir@tomtom.com

+31 20 757 5194

www.tomtom.com/investors



40 km/h
current flow
60 km/h
average flow

◇ HOV lanes

↗ Obstruction
ahead

LANE
EXPRS

