



Q3 2023 Results

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Taco Titulaer – CFO

13 October 2023





A new approach to mapmaking



Insatiable market demand

A vast and growing number of applications is **empowered by location technology**

Location technology use cases are becoming **more and more advanced**

The demand and requirements for location data are **continuously increasing**

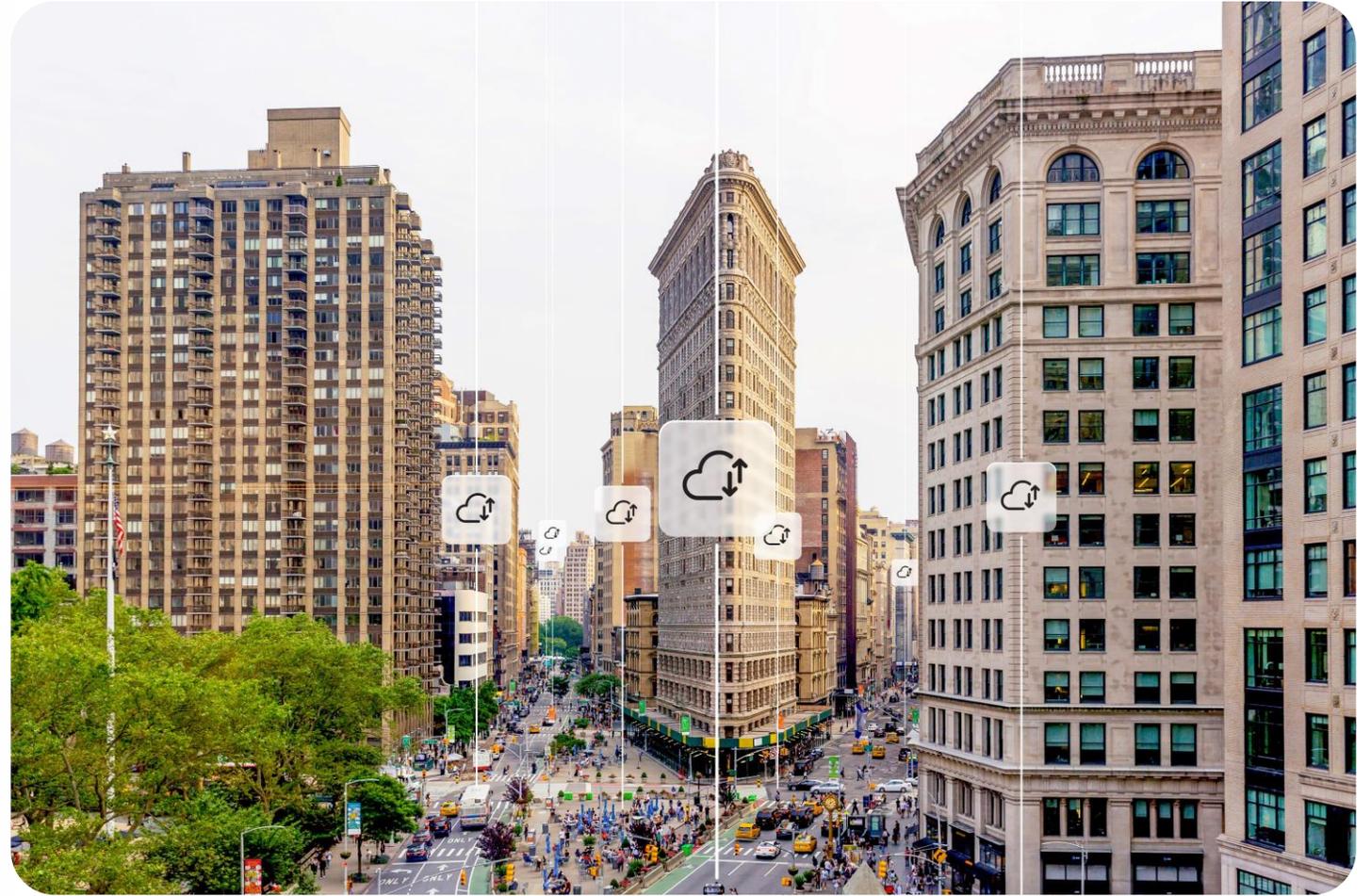


Bringing location data together

There is a **large volume of location data** produced in every instance, by phones, cars, and mapping communities such as **OpenStreetMap**

Bringing all this data together is hard, as it is mostly **non-standardized**, and available maps are **proprietary**

Standardization presents a **profound opportunity**



A new approach to mapmaking



Standardization

We are promoting a **standard specification** for the map that brings uniformity and consistency

Standardization is organized through the **Overture Maps Foundation**



Flexibility

Our mapmaking platform is **inherently compatible** with the emerging standard, and can ingest **all relevant data**

This includes a combination of **open data** and **proprietary data** sources



Interoperability

We aim to provide a **canvas** for customers and partners to build on and add content to

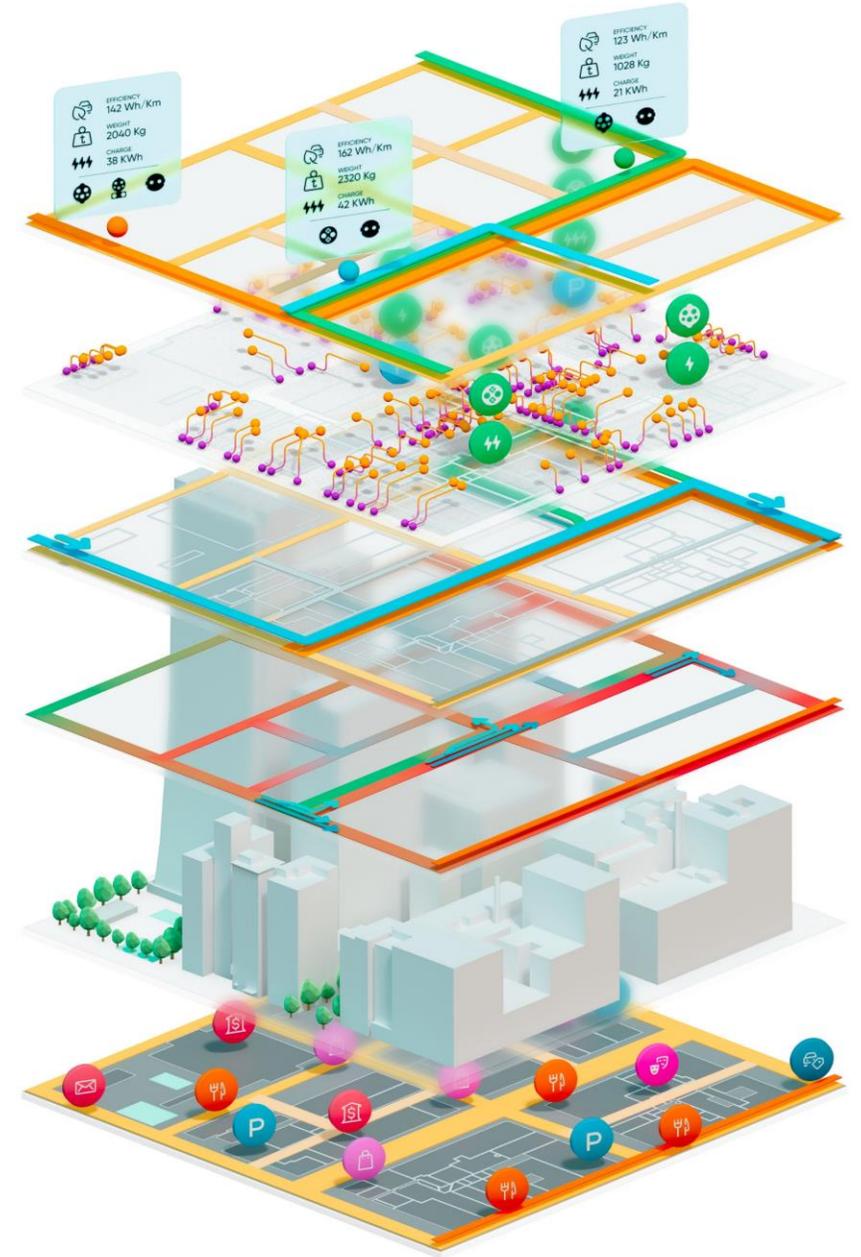
This is facilitated by standardization and our platform, which is able to integrate all different datasets

What we are building

First open dataset released by the Overture Maps Foundation

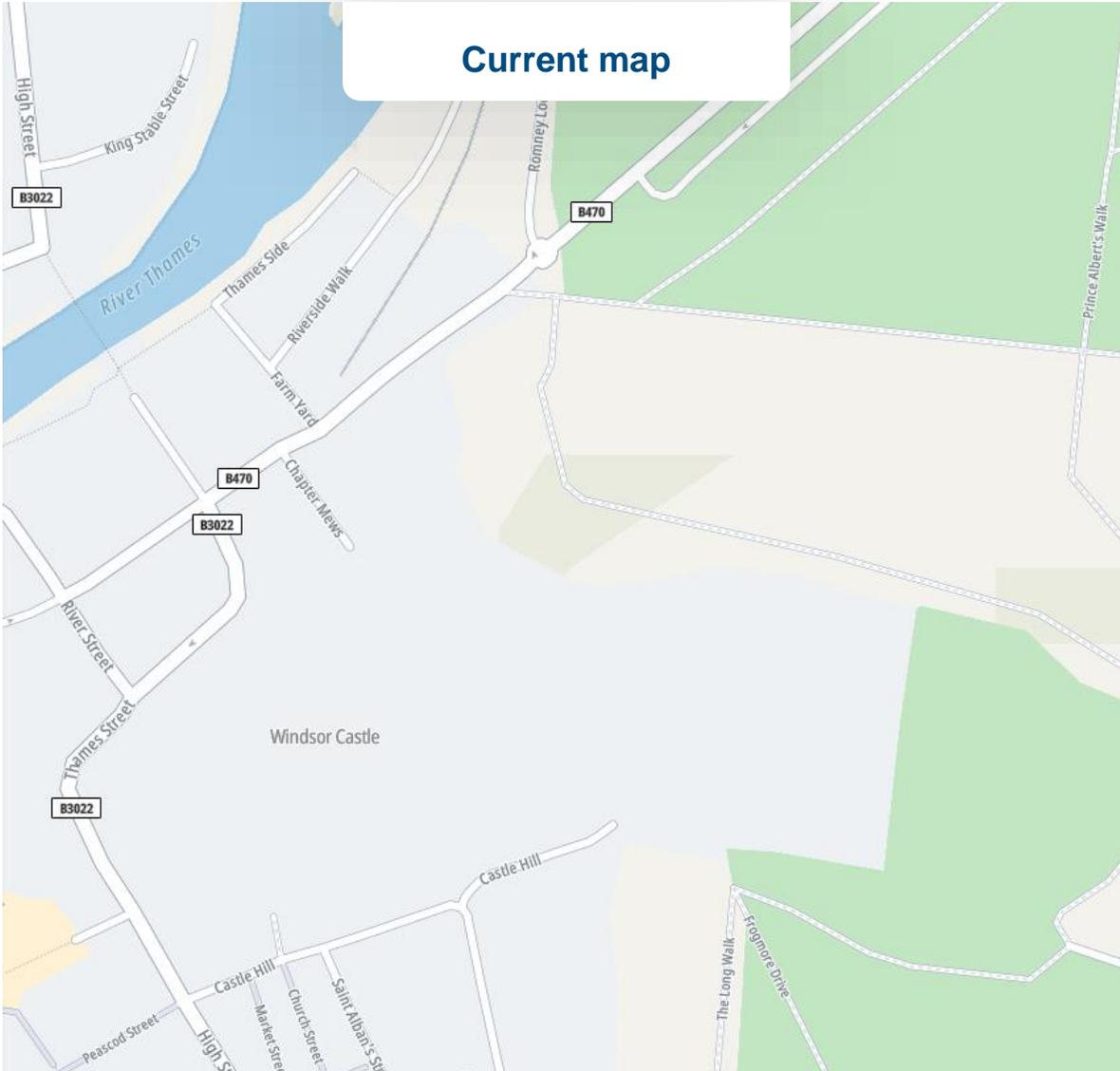
All relevant data, including data from Overture and OSM, is flexibly integrated by our platform

We are able to produce maps that are vastly improved

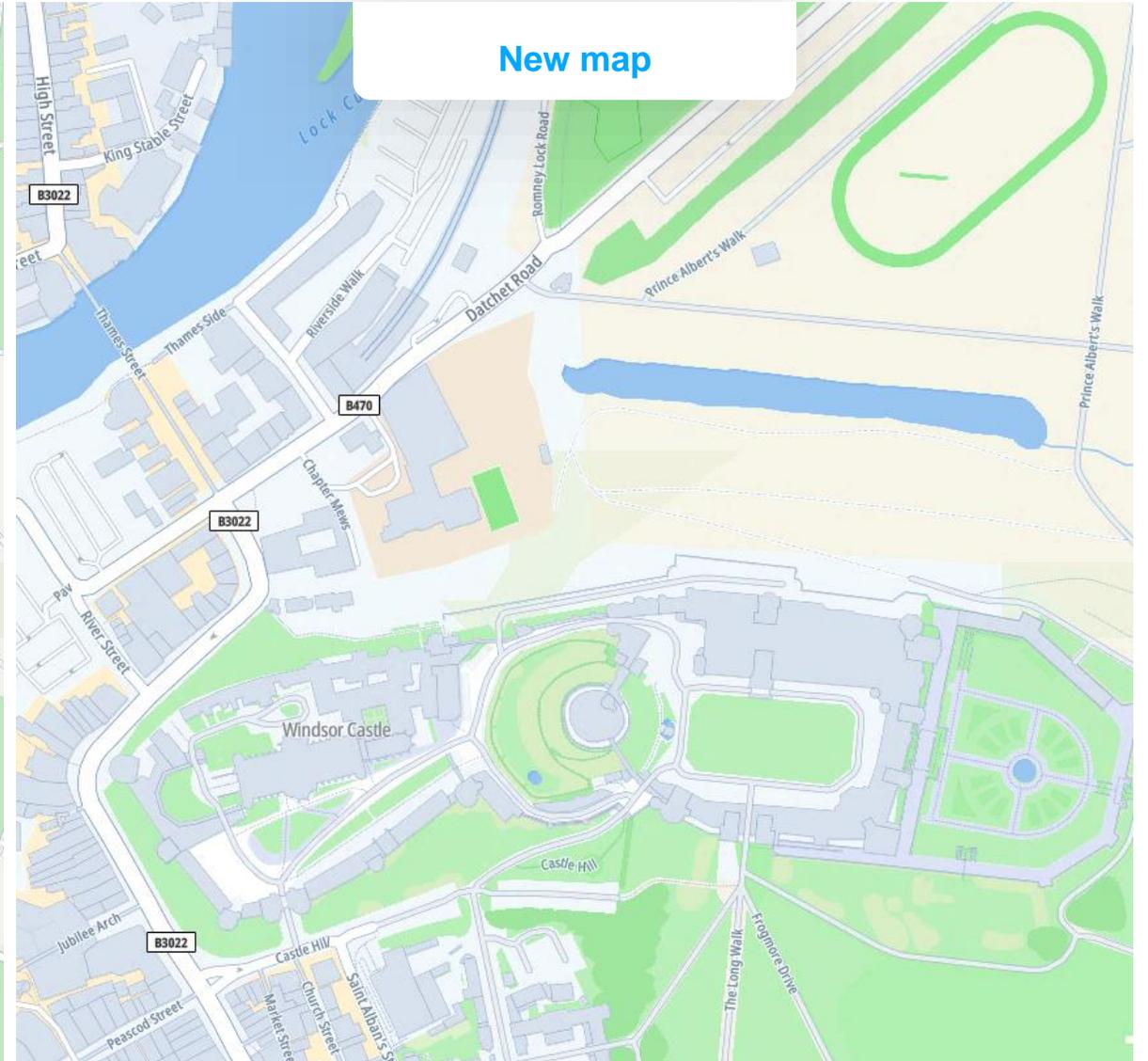


Windsor, UK

Current map

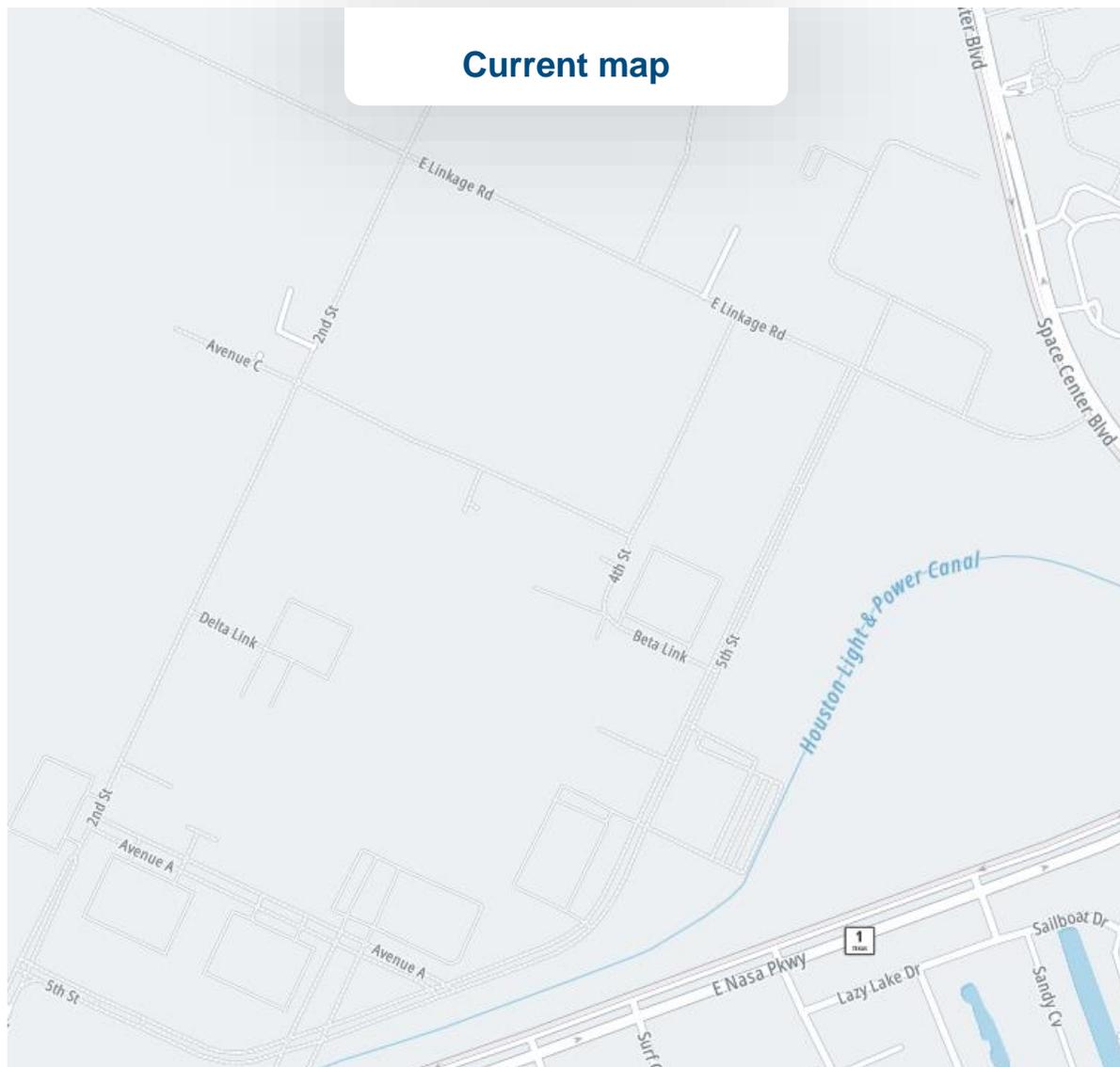


New map

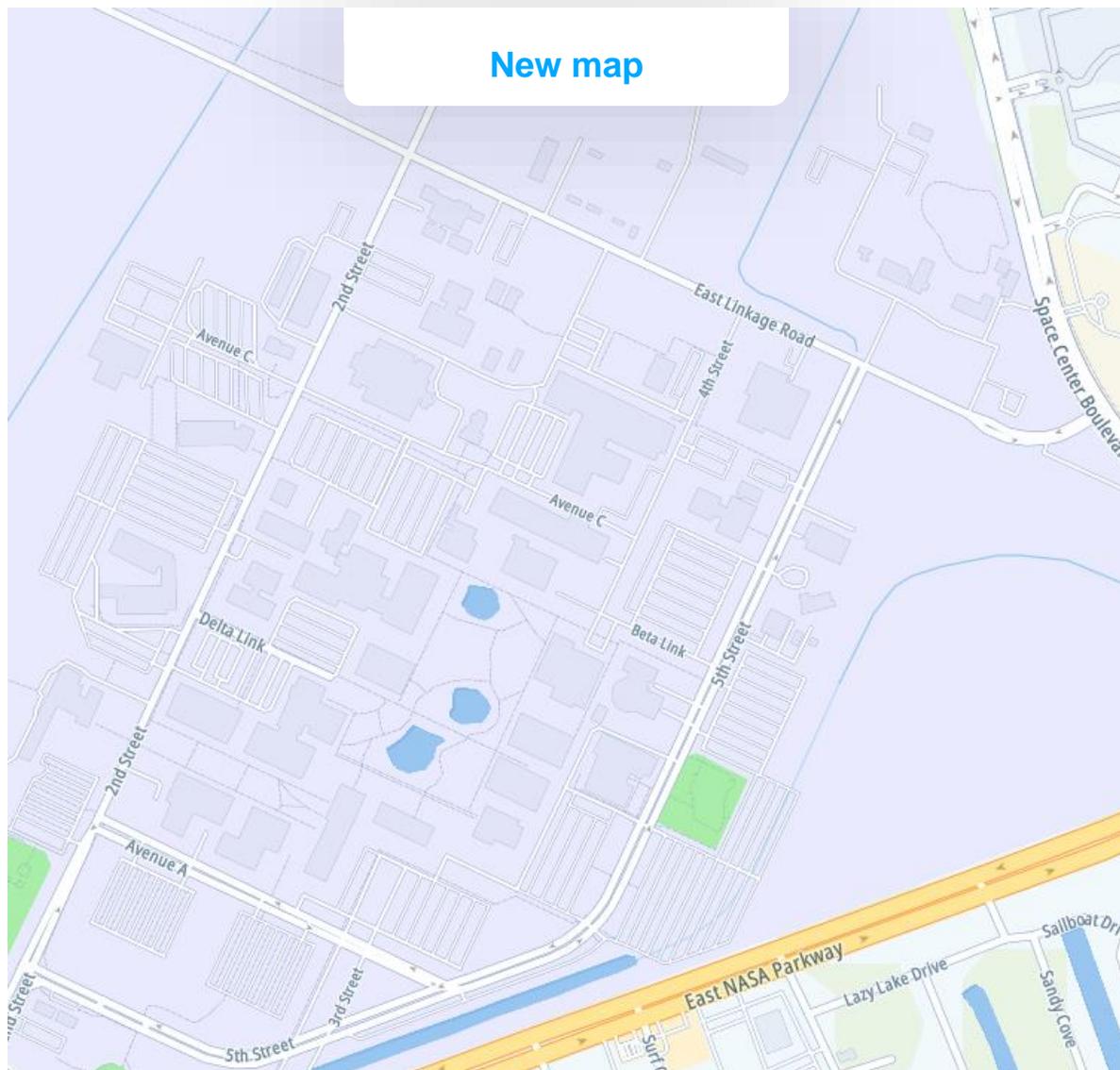


Houston, TX, USA

Current map



New map



Where we are now



Launch of our new maps

We launched our new and improved maps of **most of North America and Europe**



Meaningful results

Maps support **new use cases**, boost **operational efficiency**, and provide possibilities for **differentiation**



Continued improvements

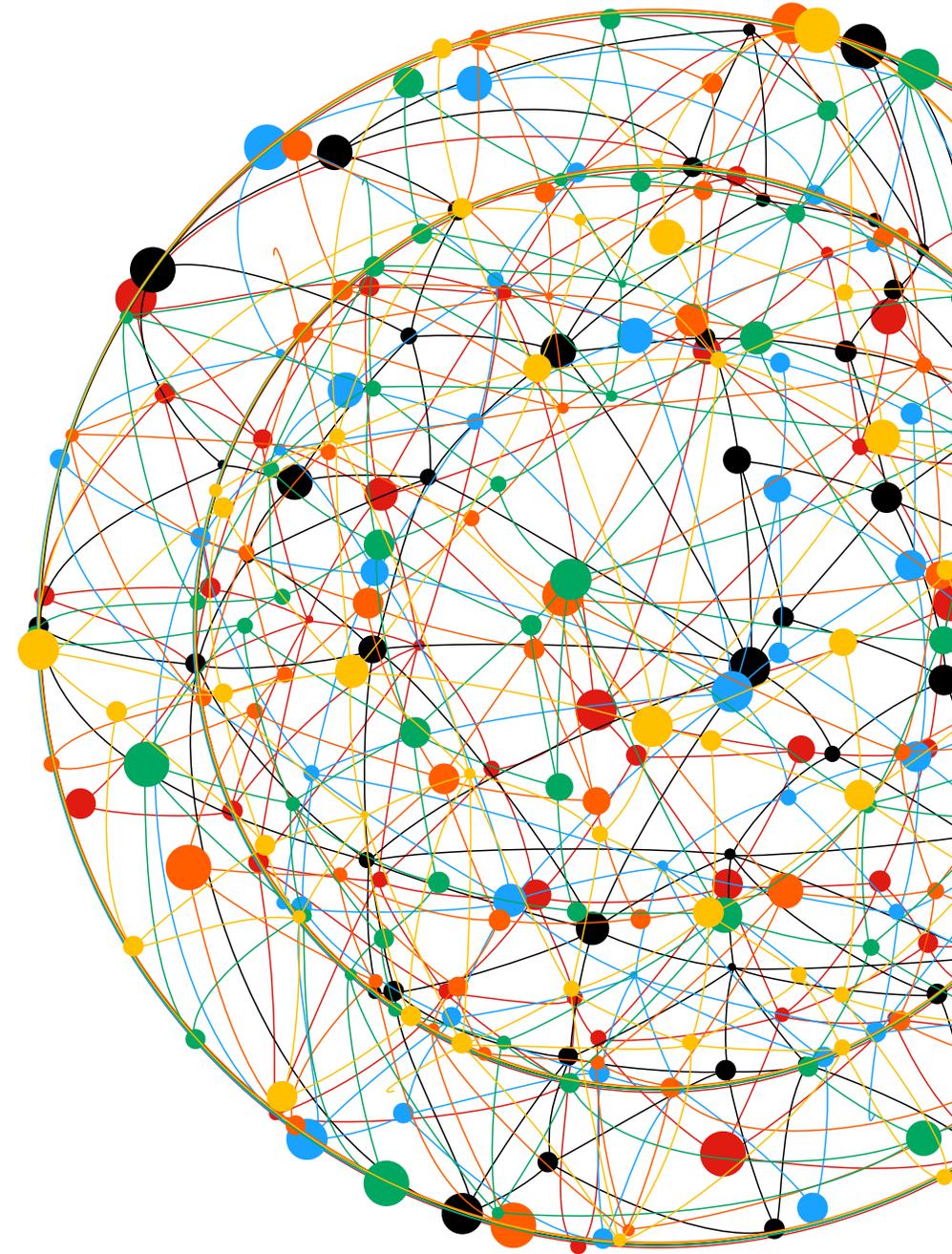
We will further improve the maps, and aim to **significantly expand their coverage** over the coming months

At the forefront of an industry shift

Standardization provides a scalable way to collect and manage location data

We are able to create **greatly improved maps** and give others the ability to **add data to the map**

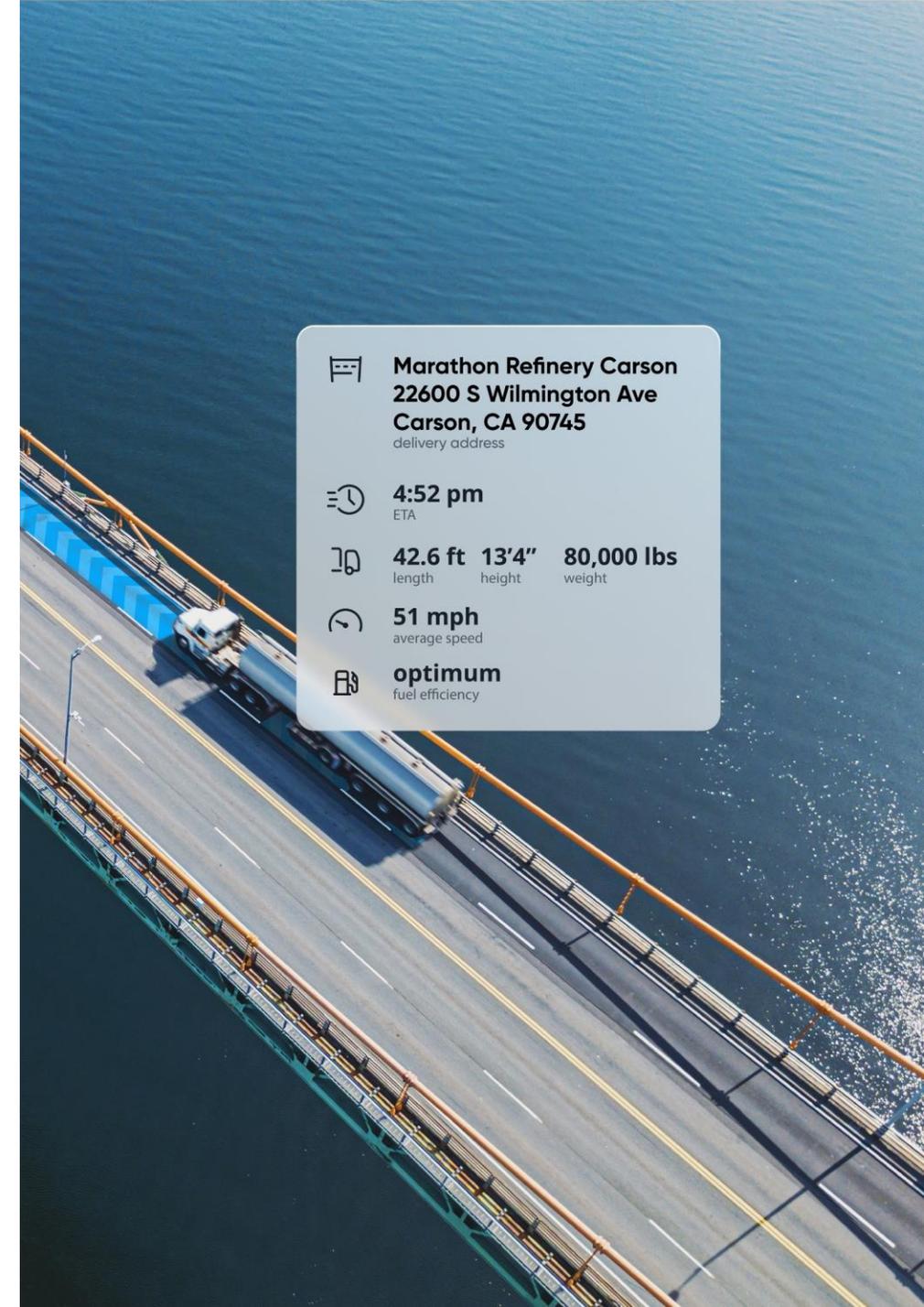
This new approach to mapmaking leads to **greater value creation** and drives **business growth**



Financial highlights for the quarter

- Group revenue of €144m (up from €136m in Q3 '22)
- Location Technology revenue of €119m (up from €108m in Q3 '22)
- Automotive operational revenue of €85m (up from €75m in Q3 '22)
- Free cash flow¹ of €13m (improved from €8m in Q3 '22)
- Net cash of €325m (up from €316m at the end of Q2 '23)

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

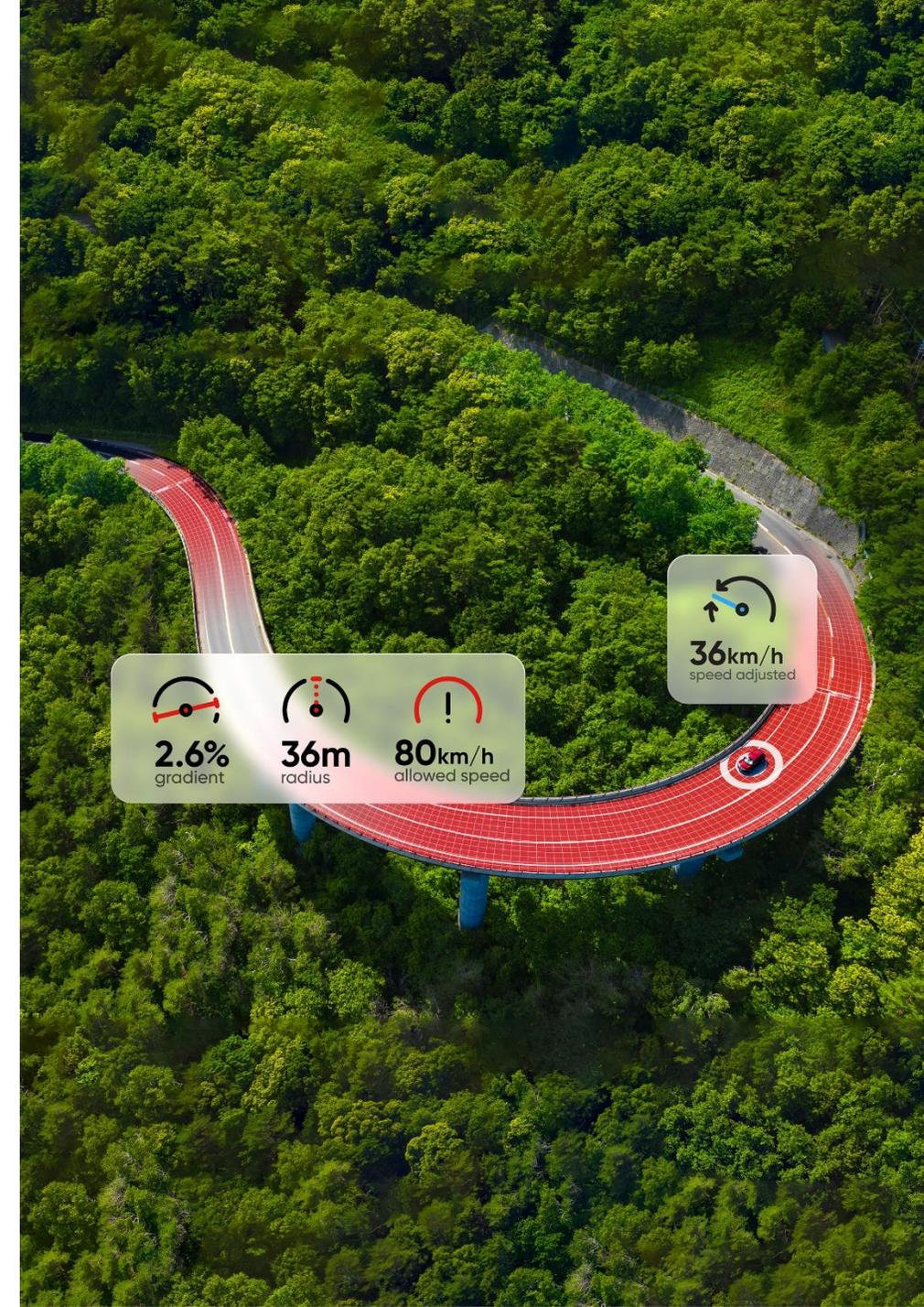
 **51 mph**
average speed

 **optimum**
fuel efficiency

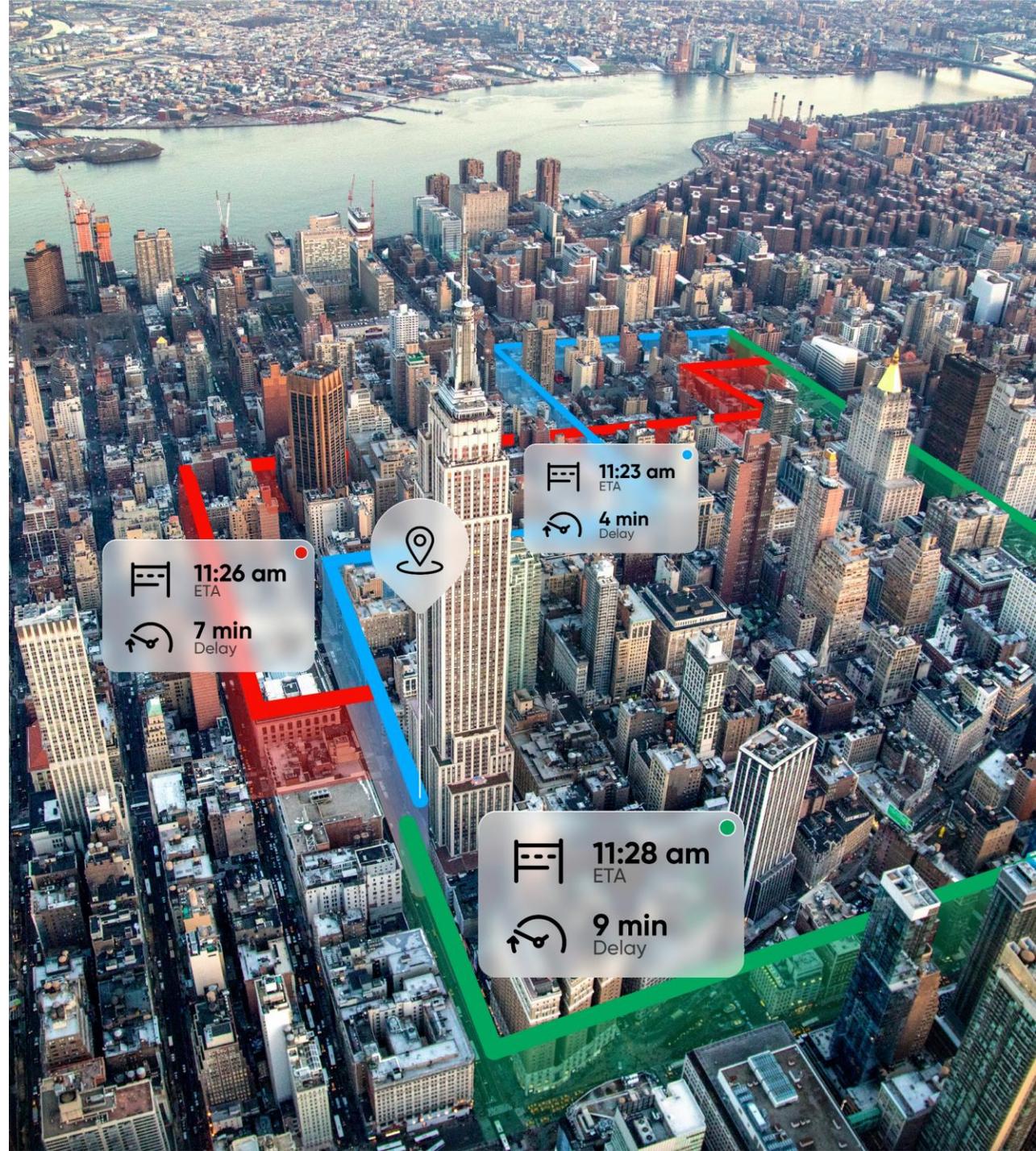
Outlook 2023

in € million	Outlook 2023	Actual 2022
Group revenue	570 - 600	536
Location Technology revenue	480 - 505	436
FCF ¹ as % of Group revenue	Around +5%	-5%

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

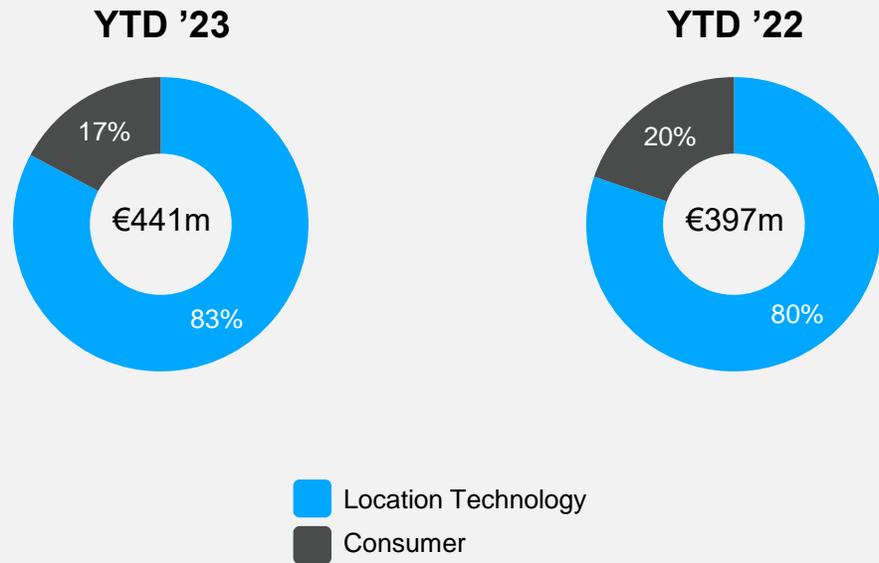


Thank you
Any questions?

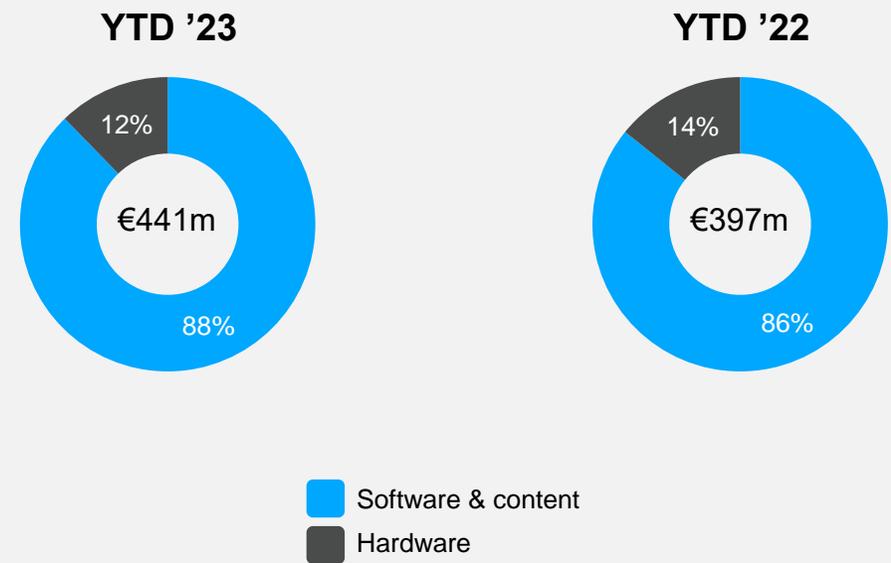


Revenue breakdown

By segment



By type



Balance sheet

(€ in thousands)	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	58,010	50,147	42,917	36,534	30,427	25,170
Other contract related assets	28,634	28,329	30,627	32,806	34,632	33,478
Lease assets, PP&E and other assets	68,616	67,474	72,432	53,579	70,557	71,268
Inventories	14,975	13,653	14,660	14,002	12,550	14,140
Trade receivables	66,134	75,813	65,743	69,192	76,470	77,096
Unbilled receivables	63,537	57,572	48,298	46,177	51,589	47,458
Prepayments and other receivables	24,194	20,814	36,803	37,309	33,260	26,117
Cash and cash equivalents and fixed-term deposits	329,364	329,808	303,729	321,249	316,059	325,427
TOTAL ASSETS	845,758	835,904	807,503	803,142	817,838	812,448
Total equity	218,174	208,491	199,606	206,815	208,014	202,829
Deferred tax liability	2,907	2,665	2,404	1,281	692	427
Lease liability	28,974	27,403	37,725	33,897	50,166	48,139
Provisions	65,083	37,643	29,257	25,022	24,628	25,051
Trade payables	12,676	11,820	6,102	10,981	16,575	10,471
Deferred revenue	434,212	444,609	438,650	441,802	437,947	439,908
Other contract related liabilities	23,926	22,169	18,921	18,644	20,100	19,715
Income taxes	3,072	2,180	3,133	2,986	2,406	3,012
Accruals and other liabilities	56,734	78,924	71,705	61,714	57,310	62,896
TOTAL EQUITY AND LIABILITIES	845,758	835,904	807,503	803,142	817,838	812,448

P&L

(€ in thousands)	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	YTD '23	YTD '22
Automotive	59,951	62,446	77,070	81,120	90,898	82,476	254,494	182,908
Enterprise	45,344	45,894	40,453	36,905	37,296	36,760	110,961	135,951
Location Technology	105,295	108,340	117,523	118,025	128,194	119,236	365,455	318,858
Consumer	27,283	27,963	21,490	22,693	28,355	24,878	75,926	78,471
Revenue	132,578	136,303	139,013	140,718	156,549	144,114	441,381	397,330
Cost of sales	22,825	26,381	18,100	20,025	27,281	25,175	72,481	68,519
Gross profit	109,753	109,922	120,913	120,693	129,268	118,939	368,900	328,811
<i>Gross margin</i>	83%	81%	87%	86%	83%	83%	84%	83%
Research and development expenses - Geographic data	54,945	50,548	43,736	42,180	45,798	43,661	131,639	162,024
Research and development expenses - Application layer	43,658	45,768	42,713	42,461	49,410	47,263	139,134	128,791
Sales and marketing expenses	12,077	13,568	14,202	12,982	14,158	14,180	41,320	36,151
General and administrative expenses	54,539	17,823	24,791	20,423	23,459	22,573	66,455	94,929
Total operating expenses	165,219	127,707	125,442	118,046	132,825	127,677	378,548	421,895
Operating result (EBIT)	-55,466	-17,785	-4,529	2,647	-3,557	-8,738	-9,648	-93,084
<i>EBIT margin</i>	-42%	-13%	-3%	2%	-2%	-6%	-2%	-23%
Financial result	2,160	1,826	-889	1,598	699	3,371	5,668	3,707
Result before tax	-53,306	-15,959	-5,418	4,245	-2,858	-5,367	-3,980	-89,377
Income tax (expense)/gain	-1,670	-1,525	-3,367	-1,272	-1,597	-2,523	-5,392	-4,573
Net result¹	-54,976	-17,484	-8,785	2,973	-4,455	-7,890	-9,372	-93,950

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

Cash flow

(€ in thousands)	Q2 '22	Q3 '22	Q4 '22	Q1 '23	Q2 '23	Q3 '23	YTD '23	YTD '22
Operating result	-55,466	-17,785	-4,529	2,647	-3,557	-8,738	-9,648	-93,084
Foreign exchange adjustments	4,574	4,340	-3,933	38	-1,027	1,118	129	10,306
Depreciation and amortization	14,369	13,720	13,339	12,508	11,180	9,837	33,525	43,333
Change in provisions	29,745	-26,674	-4,953	-455	-697	308	-844	2,481
Other	2,671	3,113	2,905	2,401	3,810	2,627	8,838	7,558
Changes in working capital:	5,893	28,775	-20,169	-7,853	-7,886	11,104	-4,635	21,215
Cash flow from operations	1,786	5,489	-17,340	9,286	1,823	16,256	27,365	-8,191
Interest (paid) / received	-243	-238	47	1,109	2,005	2,257	5,371	-841
Corporate income taxes paid	-345	-1,376	-2,255	-2,587	-3,620	-2,197	-8,404	-2,828
Cash flow from operating activities	1,198	3,875	-19,548	7,808	208	16,316	24,332	-11,860
Cash flow from investing activities	13,202	-81,257	43,592	-47,159	101,140	-112,446	-58,465	-74,366
Cash flow from financing activities	-1,949	-2,698	-3,549	-3,456	-2,745	-2,918	-9,119	-6,769
Net increase/(decrease) in cash and cash equivalents	12,451	-80,080	20,495	-42,807	98,603	-99,048	-43,252	-92,995

Additional information:

Free cash flow

Cash flow from operating activities	1,198	3,875	-19,548	7,808	208	16,316	24,332	-11,860
Investments in intangible assets	-24	-116	-78	0	0	0	0	-5,193
Investments in property, plant and equipment	-998	-1,141	-1,498	-1,371	-2,868	-4,337	-8,576	-3,397
Free cash flow	176	2,618	-21,124	6,437	-2,660	11,979	15,756	-20,450
% of revenue	0%	2%	-15%	5%	-2%	8%	4%	-5%
Restructuring-related cash flow	0	5,849	6,539	4,043	5,792	944	10,779	5,849
Free cash flow excluding restructuring	176	8,467	-14,585	10,480	3,132	12,923	26,535	-14,601
% of revenue	0%	6%	-10%	7%	2%	9%	6%	-4%

Outstanding shares

	Q3 '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	129,207,917	128,392,291
Shares in issue at the end of the period	129,363,391	129,363,391
Average shares in issue during the period¹	129,330,910	128,933,490 [A]
Average shares outstanding from dilution of restricted stock units	3,308,607	3,477,720 [B]
Average fully diluted shares outstanding during the period²	132,639,517	132,411,210 [A+B]

¹ Shares held in treasury of 3,003,281 are taken into account when calculating the weighted average shares outstanding.

² The average share price for the quarter was €7.22 and the average share price for the year was €7.20.

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, 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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