



# Investor presentation

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Q3 2024





Location technology plays a crucial role in improving operations and products, helping customers **grow and innovate**



That is why the demand for location technology is **insatiable**, and requirements are high



TomTom provides the location technology that meets this demand, leveraging years of experience, advanced technology, and strong network effects to create a platform for **shared innovation** that enables us to **grow our market share**





# Insatiable market demand

Location technology is crucial for many use cases across all industries and sectors

**€15bn**

location technology market...



**Strong growth**

... of which

**€4bn**

directly addressable in '25

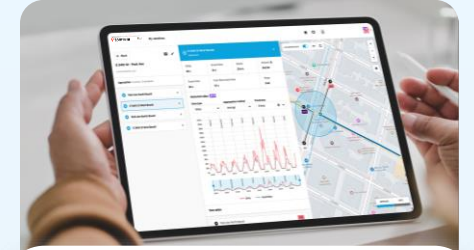
## A wide variety of use cases supported...



**Efficient movement of people and goods**  
Real-time asset tracking and dynamic routing



**Better exploration and discovery**  
Location-based recommendations, content, and pricing



**Location-informed decision-making**  
Maps for authorities, governments, insurers, and others

## ... with more currently coming into play or opening up over the mid- to long-term

**Self-driving and advanced safety**  
Vehicles increasingly rely on highly detailed, near real-time maps to support higher levels of autonomy



**Hundreds of adjacent use cases and future frontiers**  
From virtual reality, to AI-powered personal assistance and advanced robotics

# Why TomTom?

TomTom is uniquely positioned to meet the market's growing demands and requirements

## Established market position

- Known for flexible, cooperative approach, fostering innovation
- A **broad network of customers** across all market segments

Automotive

STELLANTIS

HYUNDAI  
MOTOR GROUP

VOLKSWAGEN  
GROUP

Supporting 50+  
brands in total

Enterprise

Microsoft

Uber

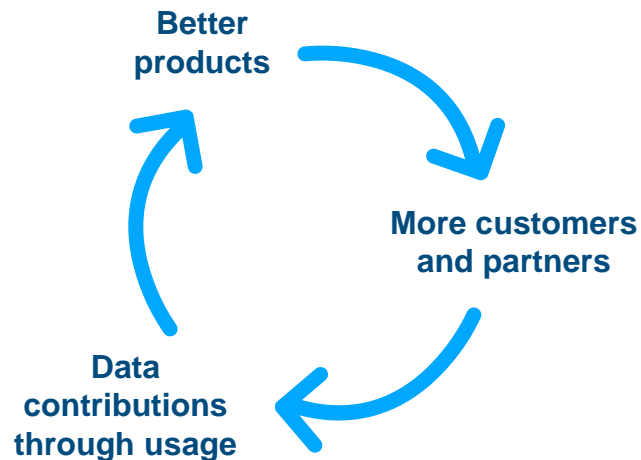
And  
many  
more

precisely

alteryx

## Unique mapmaking technology

- A **platform** that ingests diverse data sources, incl. open and live data
- This creates **network effects**, leading to **versatile, valuable maps**



## Collaborative mapmaking approach

- We believe rising requirements can only be met through **standardization**
- Collaborating on interoperable map data reinforces the **network effects**



Initiative to build interoperable, open map data on a common standard

Founded by

Microsoft Meta  
amazon tomtom

Joined by 25+ other companies

# Technology that meets markets demands

TomTom Orbis Maps provides significant customer value-add, enabling market share growth

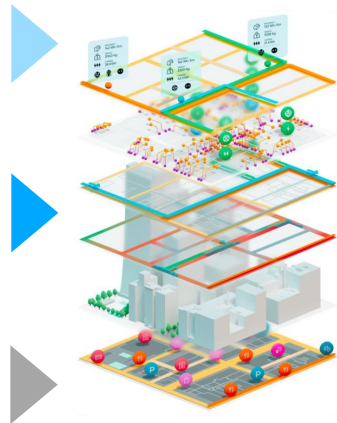
## Leveraging rich sources ...

- Our platform is **inherently compatible** with Overture's open data standard
- On top of the open data, we provide **proprietary value-add layers** and enable customers to add content and innovate

**Custom layers**, based on customer data

**Value-add layers**, such as Traffic or ADAS features, based on proprietary data

A stellar **base map**, based on open data



## ... to create versatile TomTom Orbis Maps ...

- Our collaborative approach yields maps that include **fresher, richer detail** and **broader coverage**
- This makes the maps suitable for even the most advanced use cases



## ... that allow us to expand our market share in a growing market

### Recent commercial success



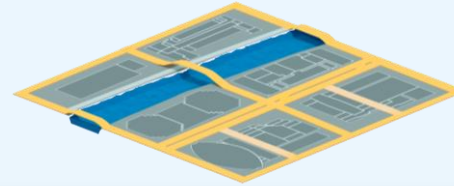
# Maps that become more valuable over time

Network effects accelerate the growth of our market share

## How we leverage network effects

- Customers and users share data, which our platform leverages to continuously improve our products
- This collaboration framework is broadened through Overture, with **companies sharing standardized data toward a greater good**
- As more companies join, **both quality and credibility rise**, as new users ascribe to a standard already adopted by so many others

## Examples of network effects at TomTom



### Base map

Leveraging Overture and OSM contributions



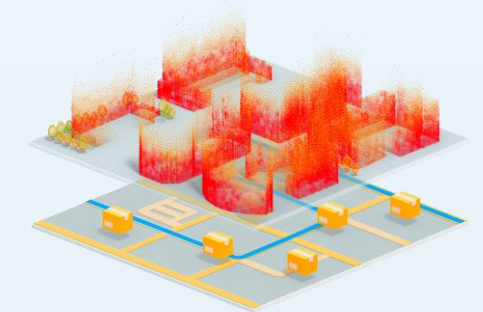
### Traffic

Generated through users' GPS probe data



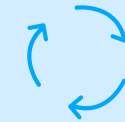
### Advanced high-detail features (e.g., ADAS)

Made using sensor-derived observations from cars



### Shared and custom layers

Created by customers bringing in own data



# Differentiating from the competition

Our mapmaking technology and approach, reinforced by network effects, set us apart

## Concentrated playing field, due to high barriers of entry



- Leading position in Automotive market
- Product legacy and backing from various OEMs



- Leading position in Enterprise market
- Focus on digital life integration, through APIs and SDKs



- Focus on visualization toolset and APIs and SDKs



- Focus on walled garden, maps not readily commercialized outside of it

Other

- Niche, local players

## Our differentiators



### A true mapmaker

We provide proprietary, value-add map layers on top of a standardized base



### Standardization and collaboration take center stage

We leverage partnerships and network effects, a springboard for collaborative innovation



### Straightforward governance model

No undue influences on decision-making, allowing for flexibility on product roadmaps

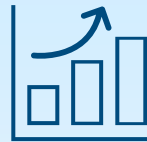


### Pure-play

No ulterior, potentially competing business models, providing customers peace of mind

# High potential for operating leverage

As a critical mass business, revenue growth yields strengthened free cash flow generation



## Great opportunities for revenue growth

- A highly versatile product portfolio that is strengthened by network effects, enables **market share growth** and increased revenues
- Incremental revenues are software-derived and thus **high-margin**



## Operating leverage, yielding greater profits

- **Incremental costs of incremental revenues are very limited**, owing to the platform-like nature of our business
- As costs don't grow in tandem with revenues, operating leverage kicks in, leading to **stronger free cash flows**



# Takeaways



## Insatiable demand for location technology

- The demand for location technology is insatiable, as it is critical to support existing and emerging use cases to help companies grow and innovate
- The multi-billion market for location technology is growing rapidly



## Unique value proposition

- Global, rich, and fresh maps created using a highly-automated mapmaking platform that ingests all relevant data, creating network effects
- Maps built on a standardized base, benefiting from open data contributions and additional credibility, accelerating network effects



## Potential for operating leverage

- Market share gains translate into growing, high-margin revenues
- With growing revenues and limited incremental costs, operating leverage yields enhanced profitability and cash generation

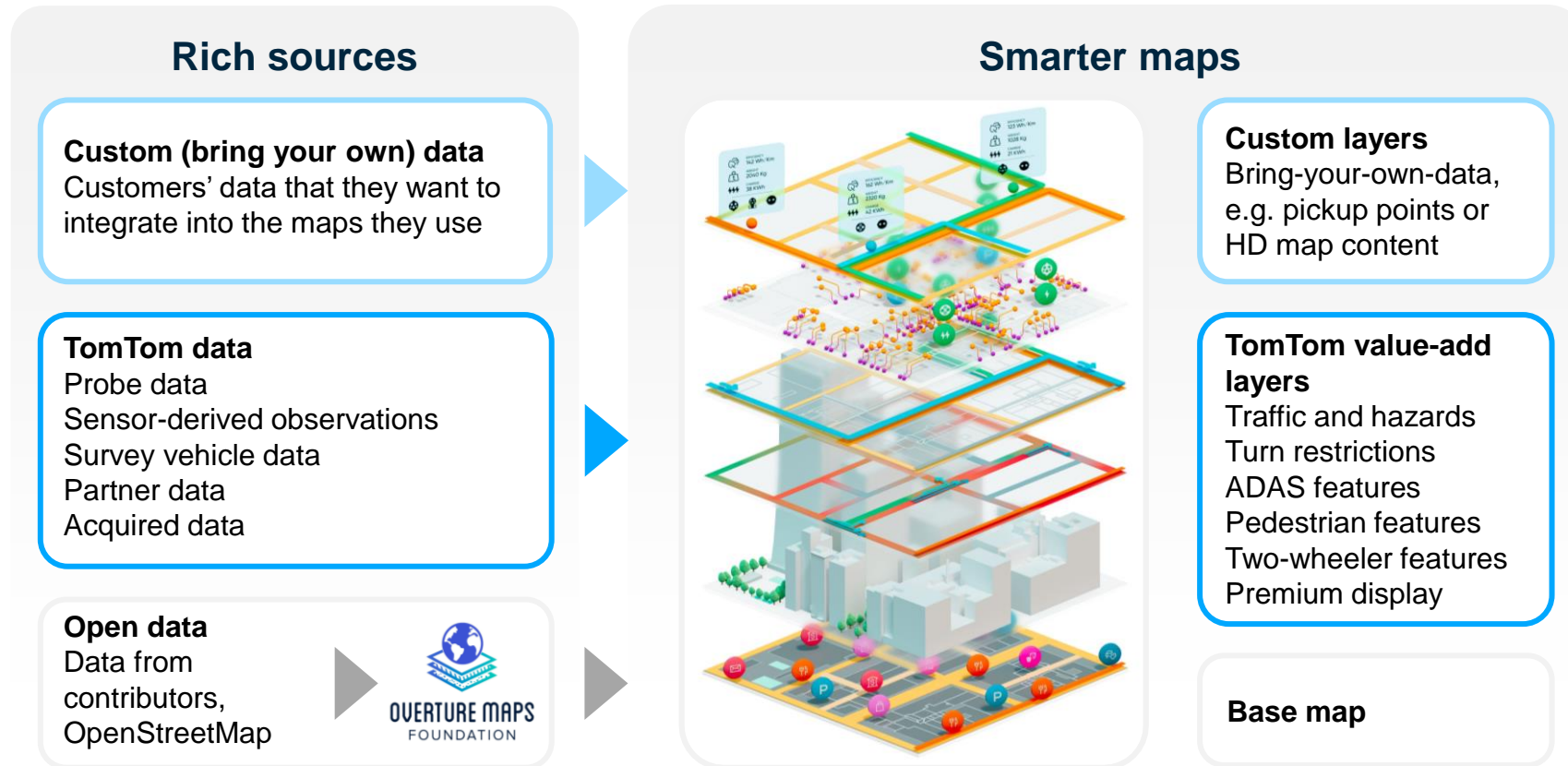


# Appendix

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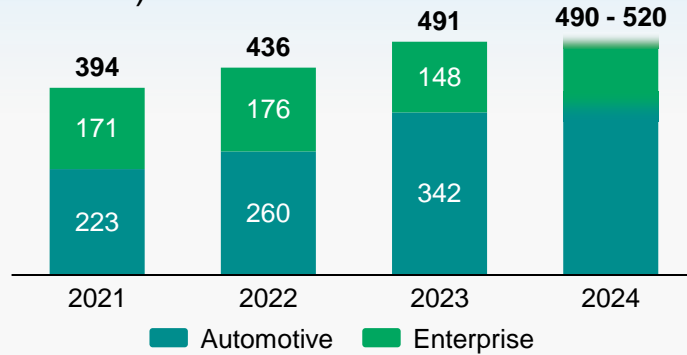
# How we create TomTom Orbis Maps



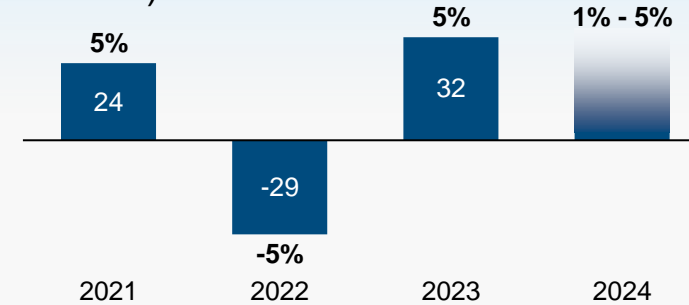
- Our mapmaking platform is **inherently compatible** with the Overture Maps Foundation standard, and automatically ingests all relevant data
- On top of the open data, we provide **proprietary value-add layers** to create maps that answer all industry demands
- We aim to provide a **canvas** for customers and partners to build on and add content to

# Financial profile

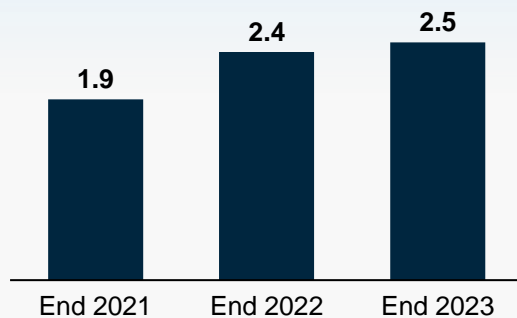
**Location Technology revenue**  
(in € millions)



**Free cash flow<sup>1</sup>**  
(in € millions)



**Automotive backlog<sup>2</sup>**  
(in € billions)



**€258m**

net cash at the  
end of Q2 '24

**No debt**



# P&L

(€ in thousands)	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24	H1 '24	H1 '23
Automotive	81,120	90,898	82,476	87,806	83,257	87,337	170,594	172,018
Enterprise	36,905	37,296	36,760	37,403	35,345	41,402	76,747	74,201
<b>Location Technology</b>	<b>118,025</b>	<b>128,194</b>	<b>119,236</b>	<b>125,209</b>	<b>118,602</b>	<b>128,739</b>	<b>247,341</b>	<b>246,219</b>
Consumer	22,693	28,355	24,878	18,170	20,683	23,440	44,123	51,048
<b>Revenue</b>	<b>140,718</b>	<b>156,549</b>	<b>144,114</b>	<b>143,379</b>	<b>139,285</b>	<b>152,179</b>	<b>291,464</b>	<b>297,267</b>
Cost of sales	20,025	27,281	25,175	16,511	18,954	31,132	50,086	47,307
<b>Gross profit</b>	<b>120,693</b>	<b>129,268</b>	<b>118,939</b>	<b>126,868</b>	<b>120,331</b>	<b>121,047</b>	<b>241,378</b>	<b>249,960</b>
<i>Gross margin</i>	86%	83%	83%	88%	86%	80%	83%	84%
Research and development expenses - Geographic data	42,180	45,798	43,661	42,957	43,018	43,904	86,922	87,977
Research and development expenses - Application layer	42,461	49,410	47,263	45,485	45,908	46,270	92,178	91,871
Sales and marketing expenses	12,982	14,158	14,180	15,760	13,642	14,905	28,547	27,140
General and administrative expenses	20,423	23,459	22,573	33,026	22,677	21,166	43,843	43,882
<b>Total operating expenses</b>	<b>118,046</b>	<b>132,825</b>	<b>127,677</b>	<b>137,228</b>	<b>125,245</b>	<b>126,245</b>	<b>251,490</b>	<b>250,870</b>
<b>Operating result (EBIT)</b>	<b>2,647</b>	<b>-3,557</b>	<b>-8,738</b>	<b>-10,360</b>	<b>-4,914</b>	<b>-5,198</b>	<b>-10,112</b>	<b>-910</b>
<i>EBIT margin</i>	2%	-2%	-6%	-7%	-4%	-3%	-3%	-0.3%
Financial result	1,598	699	3,371	332	2,843	2,438	5,281	2,299
<b>Result before tax</b>	<b>4,245</b>	<b>-2,858</b>	<b>-5,367</b>	<b>-10,028</b>	<b>-2,071</b>	<b>-2,760</b>	<b>-4,831</b>	<b>1,389</b>
Income tax (expense)/gain	-1,272	-1,597	-2,523	-1,608	-2,797	448	-2,349	-2,870
<b>Net result<sup>1</sup></b>	<b>2,973</b>	<b>-4,455</b>	<b>-7,890</b>	<b>-11,636</b>	<b>-4,868</b>	<b>-2,312</b>	<b>-7,180</b>	<b>-1,481</b>

<sup>1</sup> Net result is fully attributable to equity holders of the parent.

# Balance sheet

(€ in thousands)	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	36,534	30,427	25,170	20,275	15,828	11,392
Other contract related assets	32,806	34,632	33,478	35,019	36,811	27,742
Lease assets, PP&E and other assets	53,579	70,557	71,268	70,143	69,111	67,835
Inventories	14,002	12,550	14,140	14,823	15,105	11,666
Trade receivables	69,192	76,470	77,096	69,156	73,473	73,089
Unbilled receivables	46,177	51,589	47,458	42,778	43,768	48,322
Prepayments and other receivables	37,309	33,260	26,117	36,209	40,783	35,877
Cash and cash equivalents and fixed-term deposits	321,249	316,059	325,427	315,194	283,857	258,123
<b>TOTAL ASSETS</b>	<b>803,142</b>	<b>817,838</b>	<b>812,448</b>	<b>795,891</b>	<b>771,030</b>	<b>726,340</b>
Total equity	206,815	208,014	202,829	181,588	159,654	143,086
Deferred tax liability	1,281	692	427	1,040	1,403	757
Lease liability	33,897	50,166	48,139	46,713	47,079	46,929
Provisions	25,022	24,628	25,051	25,720	22,342	20,803
Trade payables	10,981	16,575	10,471	21,168	17,794	11,399
Deferred revenue	441,802	437,947	439,908	433,230	442,175	436,633
Other contract related liabilities	18,644	20,100	19,715	17,078	15,731	13,494
Income taxes	2,986	2,406	3,012	1,594	1,812	2,836
Accruals and other liabilities	61,714	57,310	62,896	67,760	63,040	50,403
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>803,142</b>	<b>817,838</b>	<b>812,448</b>	<b>795,891</b>	<b>771,030</b>	<b>726,340</b>

# Cash flow

(€ in thousands)	Q1 '23	Q2 '23	Q3 '23	Q4 '23	Q1 '24	Q2 '24	H1 '24	H1 '23
Operating result	2,647	-3,557	-8,738	-10,360	-4,914	-5,198	-10,112	-910
Foreign exchange adjustments	38	-1,027	1,118	-1,343	883	568	1,451	-989
Depreciation and amortization	12,508	11,180	9,837	10,091	8,905	8,870	17,775	23,688
Change in provisions	-455	-697	308	-1,754	-371	-1,513	-1,884	-1,152
Other	2,401	3,810	2,627	3,622	2,786	3,651	6,437	6,211
Changes in working capital:	-7,853	-7,886	11,104	7,960	-15,813	-10,927	-26,740	-15,739
<b>Cash flow from operations</b>	<b>9,286</b>	<b>1,823</b>	<b>16,256</b>	<b>8,216</b>	<b>-8,524</b>	<b>-4,549</b>	<b>-13,073</b>	<b>11,109</b>
Interest (paid) / received	1,109	2,005	2,257	2,574	2,393	2,147	4,540	3,114
Corporate income taxes paid	-2,587	-3,620	-2,197	-2,427	-2,434	-1,158	-3,592	-6,207
<b>Cash flow from operating activities</b>	<b>7,808</b>	<b>208</b>	<b>16,316</b>	<b>8,363</b>	<b>-8,565</b>	<b>-3,560</b>	<b>-12,125</b>	<b>8,016</b>
<b>Cash flow from investing activities</b>	<b>-47,159</b>	<b>101,140</b>	<b>-112,446</b>	<b>4,911</b>	<b>2,586</b>	<b>18,160</b>	<b>20,746</b>	<b>53,981</b>
<b>Cash flow from financing activities</b>	<b>-3,456</b>	<b>-2,745</b>	<b>-2,918</b>	<b>-14,339</b>	<b>-22,032</b>	<b>-20,945</b>	<b>-42,977</b>	<b>-6,201</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-42,807</b>	<b>98,603</b>	<b>-99,048</b>	<b>-1,065</b>	<b>-28,011</b>	<b>-6,345</b>	<b>-34,356</b>	<b>55,796</b>
<b>Additional information:</b>								
<b>Free cash flow</b>								
Cash flow from operating activities	7,808	208	16,316	8,363	-8,565	-3,560	-12,125	8,016
Investments in intangible assets	0	0	0	0	0	0	0	0
Investments in property, plant and equipment	-1,371	-2,868	-4,337	-3,281	-851	-1,123	-1,974	-4,239
<b>Free cash flow</b>	<b>6,437</b>	<b>-2,660</b>	<b>11,979</b>	<b>5,082</b>	<b>-9,416</b>	<b>-4,683</b>	<b>-14,099</b>	<b>3,777</b>
% of revenue	5%	-2%	8%	4%	-7%	-3%	-5%	1%
Restructuring-related cash flow <sup>1</sup>	4,043	5,792	944	399	0	0	0	9,835
<b>Free cash flow excluding restructuring</b>	<b>10,480</b>	<b>3,132</b>	<b>12,923</b>	<b>5,481</b>	<b>-9,416</b>	<b>-4,683</b>	<b>-14,099</b>	<b>13,612</b>
% of revenue	7%	2%	9%	4%	-7%	-3%	-5%	5%

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

# Shareholder structure and outstanding shares

## Major shareholder structure

	Shares	% of total
Founder - Harold Goddijn	15,540,868	12.4%
Founder - Corinne Vigreux	15,001,371	12.0%
Founder - Peter-Frans Pauwels	14,702,530	11.8%
Founder - Pieter Geelen	14,140,030	11.3%
<b>Founders</b>	<b>59,384,799</b>	<b>47.5%</b>
<b>Free float</b>	<b>63,491,887</b>	<b>50.8%</b>
<b>Treasury shares<sup>1</sup></b>	<b>2,123,314</b>	<b>1.7%</b>
<b>Total shares</b>	<b>125,000,000</b>	<b>100%</b>

Date as of 31 August 2024

Note 1: Treasury shares are related to TomTom's [share buyback program](#).

## Outstanding shares

	Q2 '24	YTD '24
Common shares outstanding at the end of the period	132,366,672	132,366,672
Shares in issue at the beginning of the period	124,930,566	127,649,310
Shares in issue at the end of the period	122,759,759	122,759,759
<b>Average shares in issue during the period<sup>1</sup></b>	<b>123,920,662</b>	<b>125,139,073 [A]</b>
<b>Average shares outstanding from dilution of restricted stock units</b>	<b>2,804,670</b>	<b>3,316,766 [B]</b>
<b>Average fully diluted shares outstanding during the period<sup>2</sup></b>	<b>126,725,332</b>	<b>128,455,839 [A+B]</b>

Date as of 30 June 2024

Note 1: Shares held in treasury of 9,606,913 are taken into account when calculating the weighted average shares outstanding.

Note 2: The average share price for the first half of the year was €6.44. The average share price for the quarter was €5.93.



# 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.

**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 minus capital expenditure (investments in intangible assets and property, plant and equipment)

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



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