

# Q3 2021 RESULTS



Harold Goddijn – CEO

Taco Titulaer – CFO

14 OCTOBER 2021



**TOMTOM**

# Operational highlights

- The extension of our long-standing partnership with Precisely, a leading Enterprise data software company
- The launches of the new Jeep Grand Cherokee and Jeep Compass, both featuring our full stack navigation
- The launch of the new Fiat Ducato, Europe's most popular van, which comes equipped with our full stack navigation, ADAS and connected services
- The launch of the new Ford Focus, which utilizes our real-time predictive traffic information



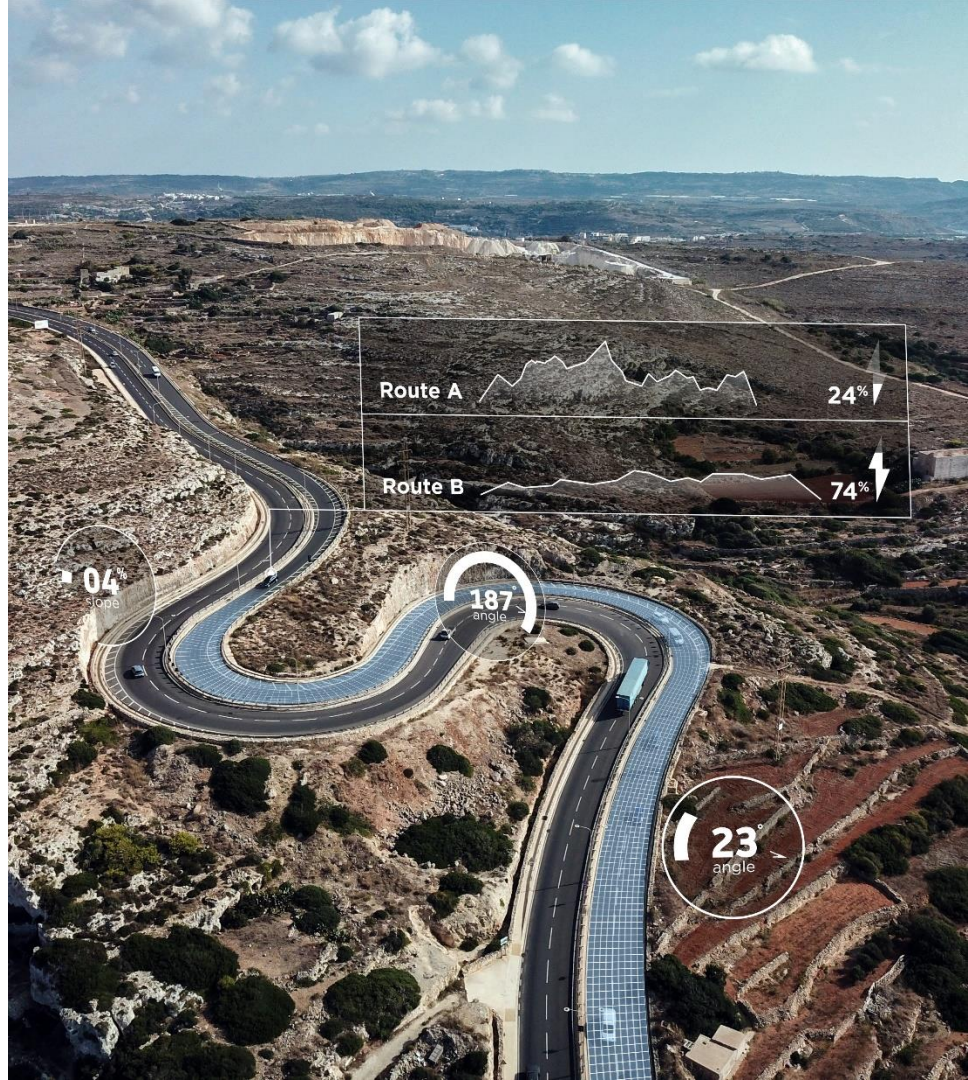
# Financial highlights

- Group revenue of €128m (Q3 '20: €148m)
- Location Technology revenue of €95m (Q3 '20: €106m)
- Automotive operational revenue of €58m (Q3 '20: €70m)
- Free cash outflow of €14m (Q3 '20: outflow of €20m)
- Net cash of €302m (Q3 '21: €319m)

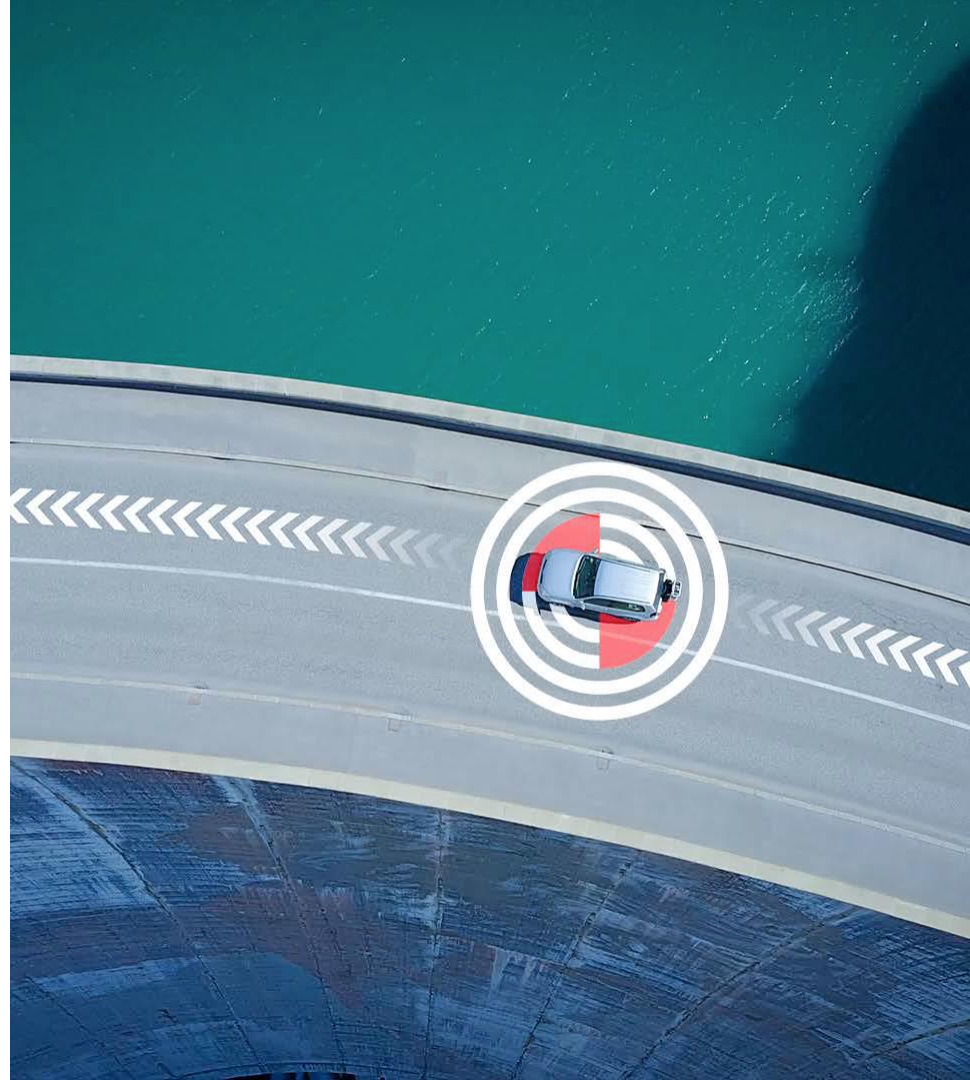


# Outlook 2021

in € million	Updated Outlook 2021	Previous Outlook 2021	Actual 2020
Group revenue	500 – 530	500 – 530	528
Location Technology revenue	400 – 430	400 – 430	392
FCF as % of Group revenue	+/- 2%	+/- 5%	-/- 5%

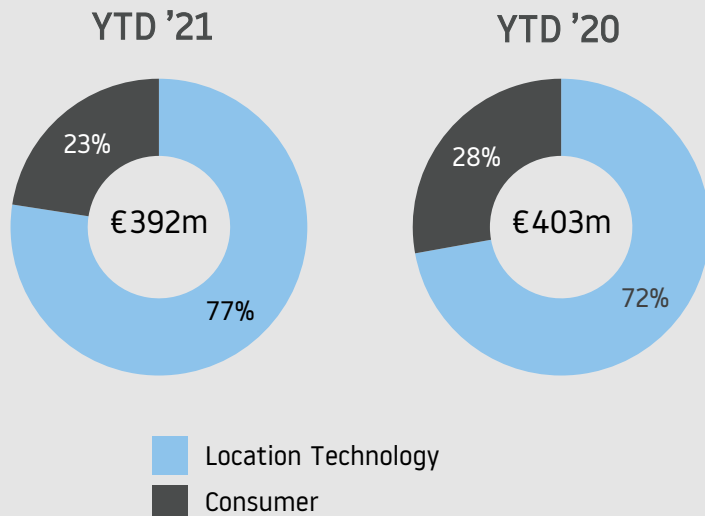


**Thank you -  
Any questions?**

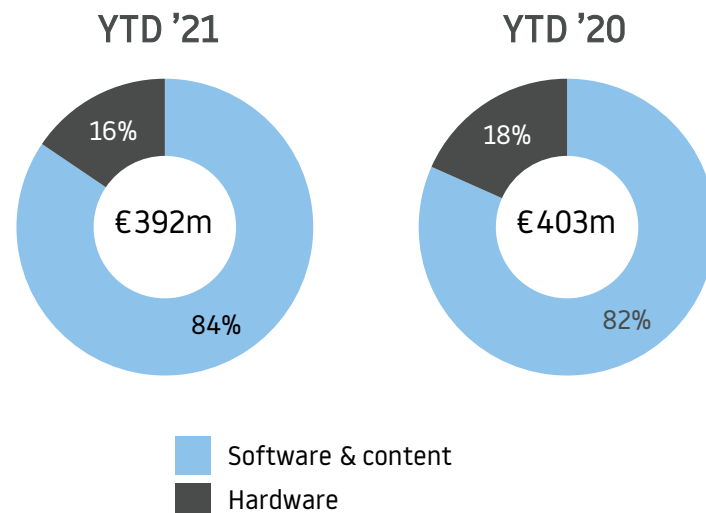


# Revenue breakdown

## BY SEGMENT



## BY TYPE



# P&L

(€ in thousands)	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	YTD '21	YTD '20
Automotive	51,588	65,945	59,843	62,654	60,983	52,368	176,004	167,320
Enterprise	42,211	39,654	41,651	42,142	42,267	42,994	127,403	123,346
<b>Location Technology</b>	<b>93,799</b>	<b>105,599</b>	<b>101,494</b>	<b>104,796</b>	<b>103,250</b>	<b>95,361</b>	<b>303,407</b>	<b>290,666</b>
Consumer	29,904	42,252	23,940	26,395	29,853	32,108	88,356	112,084
<b>Revenue</b>	<b>123,703</b>	<b>147,851</b>	<b>125,434</b>	<b>131,191</b>	<b>133,102</b>	<b>127,469</b>	<b>391,762</b>	<b>402,750</b>
Cost of sales	17,921	35,861	22,381	24,681	30,367	23,842	78,890	82,413
<b>Gross profit</b>	<b>105,782</b>	<b>111,990</b>	<b>103,053</b>	<b>106,510</b>	<b>102,735</b>	<b>103,627</b>	<b>312,872</b>	<b>320,337</b>
<i>Gross margin</i>	86%	76%	82%	81%	77%	81%	80%	80%
Research and development expenses - Geographic data	105,828	109,177	106,017	53,268	55,261	55,822	164,350	323,793
Research and development expenses - Application layer	33,541	35,271	36,621	34,831	35,839	37,040	107,710	100,959
Sales and marketing expenses	12,427	13,536	15,432	10,230	11,312	10,994	32,536	42,124
General and administrative expenses	18,184	21,616	23,138	22,421	21,383	22,315	66,120	63,016
<b>Total operating expenses</b>	<b>169,980</b>	<b>179,600</b>	<b>181,208</b>	<b>120,750</b>	<b>123,795</b>	<b>126,171</b>	<b>370,716</b>	<b>529,892</b>
<b>Operating result (EBIT)</b>	<b>-64,198</b>	<b>-67,610</b>	<b>-78,155</b>	<b>-14,240</b>	<b>-21,060</b>	<b>-22,544</b>	<b>-57,844</b>	<b>-209,555</b>
<i>EBIT margin</i>	-52%	-46%	-62%	-11%	-16%	-18%	-15%	-52%
Depreciation and amortization	71,511	71,465	70,328	21,520	18,756	17,210	57,486	215,281
<b>EBITDA</b>	<b>7,313</b>	<b>3,855</b>	<b>-7,827</b>	<b>7,280</b>	<b>-2,304</b>	<b>-5,334</b>	<b>-358</b>	<b>5,726</b>
<i>EBITDA margin</i>	6%	3%	-6%	6%	-2%	-4%	-%	1%
Financial result	-2,457	-3,716	-6,213	4,400	-1,764	2,213	4,850	-1,094
<b>Result before tax</b>	<b>-66,655</b>	<b>-71,326</b>	<b>-84,368</b>	<b>-9,840</b>	<b>-22,824</b>	<b>-20,331</b>	<b>-52,994</b>	<b>-210,649</b>
Income tax (expense)/gain	4,640	4,358	18,465	-1,641	-791	-452	-2,884	18,914
<b>Net result</b>	<b>-62,015</b>	<b>-66,968</b>	<b>-65,903</b>	<b>-11,481</b>	<b>-23,615</b>	<b>-20,783</b>	<b>-55,878</b>	<b>-191,735</b>

# Balance Sheet

(€ in thousands)	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	247,122	181,458	117,475	104,403	91,933	80,771
Other contract related assets	29,885	25,864	26,080	26,299	20,239	22,257
Other non-current assets	79,026	74,443	78,835	77,063	79,563	79,766
Inventories	31,902	27,611	26,146	23,500	23,554	18,815
Trade receivables	52,751	110,105	79,661	60,706	65,378	130,234
Unbilled receivables	52,688	56,400	58,313	73,541	67,809	65,925
Other receivables and prepayments	38,996	35,016	26,765	33,617	27,295	23,330
Cash and cash equivalents and fixed-term deposits	373,369	346,463	372,450	351,970	318,908	302,187
<b>TOTAL ASSETS</b>	<b>1,098,033</b>	<b>1,049,654</b>	<b>978,019</b>	<b>943,393</b>	<b>886,973</b>	<b>915,579</b>
<b>TOTAL EQUITY</b>	<b>516,281</b>	<b>450,503</b>	<b>387,616</b>	<b>364,950</b>	<b>333,008</b>	<b>317,477</b>
Deferred tax liability	14,216	7,527	1,344	1,293	1,464	1,342
Lease liability	43,926	40,143	43,673	40,939	39,484	35,175
Provisions	49,482	54,706	48,932	47,302	43,879	41,380
Trade payables	25,144	22,169	21,998	15,337	21,799	15,374
Deferred revenue	371,950	396,954	403,706	397,930	377,332	433,228
Other contract related liabilities	18,150	19,274	19,084	18,790	18,393	18,506
Income taxes	14,500	13,978	1,893	2,622	2,427	2,676
Accruals and other liabilities	44,384	44,400	49,773	54,230	49,187	50,421
<b>TOTAL LIABILITIES</b>	<b>581,752</b>	<b>599,151</b>	<b>590,403</b>	<b>578,443</b>	<b>553,965</b>	<b>598,102</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,098,033</b>	<b>1,049,654</b>	<b>978,019</b>	<b>943,393</b>	<b>886,973</b>	<b>915,579</b>



# Cash flow

(€ in thousands)	Q2 '20	Q3 '20	Q4 '20	Q1 '21	Q2 '21	Q3 '21	YTD '21	YTD '20
Operating result	-64,198	-67,610	-78,155	-14,240	-21,060	-22,544	-57,844	-209,555
Financial losses	-1,059	-2,249	-1,724	3,084	-970	2,753	4,867	-3,163
Depreciation and amortization	71,511	71,465	70,328	21,520	18,756	17,210	57,486	215,281
Other	-1,151	78	2,374	2,355	-2,974	-1,209	-1,828	-273
Changes in working capital	-53,089	-19,185	43,272	-11,365	-5,530	-5,594	-22,489	-49,678
<b>Cash flow from operations</b>	<b>-47,986</b>	<b>-17,501</b>	<b>36,095</b>	<b>1,354</b>	<b>-11,778</b>	<b>-9,384</b>	<b>-19,808</b>	<b>-47,388</b>
Interest (paid) / received	-213	-87	-283	-398	-202	-404	-1,004	-591
Corporate income taxes paid	-3,932	-1,399	-678	-1,736	-1,078	-1,109	-3,923	-7,335
<b>Cash flow from operating activities</b>	<b>-52,131</b>	<b>-18,987</b>	<b>35,134</b>	<b>-780</b>	<b>-13,058</b>	<b>-10,897</b>	<b>-24,735</b>	<b>-55,314</b>
<b>Cash flow from investing activities</b>	<b>32,216</b>	<b>36,340</b>	<b>6,907</b>	<b>18,348</b>	<b>58,733</b>	<b>-2,384</b>	<b>74,697</b>	<b>66,607</b>
<b>Cash flow from financing activities</b>	<b>-2,971</b>	<b>-3,996</b>	<b>-4,080</b>	<b>-20,531</b>	<b>-15,798</b>	<b>-3,741</b>	<b>-40,070</b>	<b>-25,600</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-22,886</b>	<b>13,357</b>	<b>37,961</b>	<b>-2,963</b>	<b>29,877</b>	<b>-17,022</b>	<b>9,892</b>	<b>-14,307</b>
<b>Free cash flow</b>								
Cash flow from operating activities	-52,131	-18,987	35,134	-780	-13,058	-10,897	-24,735	-55,314
Investments in property, plant and equipment	-1,849	-1,027	-1,311	-3,117	-2,732	-2,612	-8,461	-4,987
<b>Free cash flow</b>	<b>-53,980</b>	<b>-20,014</b>	<b>33,823</b>	<b>-3,897</b>	<b>-15,790</b>	<b>-13,509</b>	<b>-33,196</b>	<b>-60,301</b>
% of revenue	-44%	-14%	27%	-3%	-12%	-11%	-8%	-15%

# Outstanding shares

	Q3 '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	126,912,453	126,912,453
<b>Average shares in issue during the period<sup>1</sup></b>	<b>126,912,453</b>	<b>127,977,784 [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	-	30,110
<b>Average potential dilutive share options outstanding during the period<sup>2</sup></b>	<b>-</b>	<b>180,553</b>
Average non-dilutive share options during the period	-	29,888
<b>Average shares outstanding from dilution of options<sup>3</sup></b>	<b>-</b>	<b>150,665 [B]</b>
<b>Average shares outstanding from dilution of restricted stock units</b>	<b>1,244,589</b>	<b>1,433,728 [C]</b>
<b>Average fully diluted shares outstanding during Q3 '21<sup>4</sup></b>	<b>128,157,042</b>	<b>129,562,177 [A+B+C]</b>

<sup>1</sup> Shares held in treasury of 5,454,219 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 €6.88 and the average share price for the year was €7.57.

# 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

**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)

**Gross deferred revenue** is deferred revenue before the netting of unbilled receivables



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