

# Q3 2022 RESULTS

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# Operational highlights

- A new partnership with Hyundai Motor Group, who will equip all of their cars in Europe with our maps and traffic
- Progress in Enterprise, supported by matured Maps API portfolio
- Maps organization realignment finalized





# Financial highlights

- Group revenue of €136m (Q3 '21: €127m)
- Location Technology revenue of €108m (Q3 '21: €95m)
- Automotive operational revenue of €75m (Q3 '21: €58m)
- Free cash flow<sup>1</sup> of €8m (Q3 '21: outflow of €14m)
- Net cash of €330m (Q2 '22: €329m)

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



# Outlook 2022

in € million	Updated Outlook 2022	Previous Outlook 2022
Group revenue	505 – 520	470 – 510
Location Technology revenue	410 – 425	380 – 420
FCF as % of Group revenue <sup>1</sup>	- 2%	- 5%

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





# Outlook 2023

in € million	Updated Outlook 2023	Previous Outlook 2023
Group revenue	500 – 550	500 – 550
Location Technology revenue	425 – 475	425 – 475
FCF as % of Group revenue <sup>1</sup>	0%	+ 5%

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

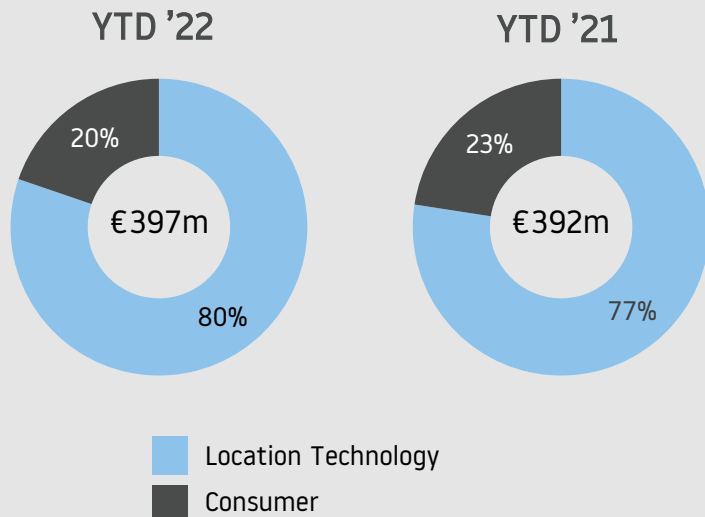


**Thank you –  
Any questions?**

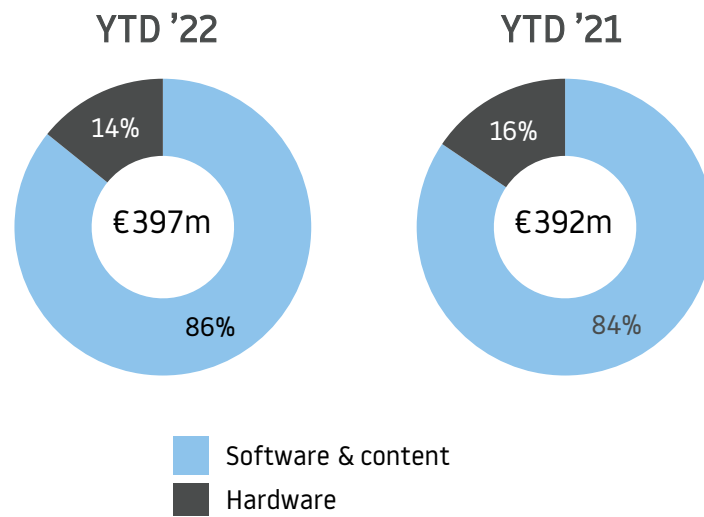


# Revenue breakdown

## BY SEGMENT



## BY TYPE





# P&L

(€ in thousands)	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	YTD '22	YTD '21
Automotive	60,983	52,368	47,063	60,511	59,951	62,446	182,908	176,004
Enterprise	42,267	42,994	43,513	44,733	45,344	45,894	135,971	127,403
<b>Location Technology</b>	<b>103,250</b>	<b>95,361</b>	<b>90,577</b>	<b>105,244</b>	<b>105,295</b>	<b>108,340</b>	<b>318,879</b>	<b>303,407</b>
Consumer	29,853	32,108	24,586	23,205	27,283	27,963	78,451	88,356
<b>Revenue</b>	<b>133,102</b>	<b>127,469</b>	<b>115,164</b>	<b>128,449</b>	<b>132,578</b>	<b>136,303</b>	<b>397,330</b>	<b>391,762</b>
Cost of sales	30,367	23,842	20,931	19,313	22,825	26,381	68,519	78,890
<b>Gross profit</b>	<b>102,735</b>	<b>103,627</b>	<b>94,233</b>	<b>109,136</b>	<b>109,753</b>	<b>109,922</b>	<b>328,811</b>	<b>312,872</b>
<i>Gross margin</i>	<i>77%</i>	<i>81%</i>	<i>82%</i>	<i>85%</i>	<i>83%</i>	<i>81%</i>	<i>83%</i>	<i>80%</i>
Research and development expenses - Geographic data	55,261	55,822	55,457	56,531	54,945	50,548	162,024	164,350
Research and development expenses - Application layer	35,839	37,040	38,499	39,365	43,658	45,768	128,791	107,710
Sales and marketing expenses	11,312	10,994	12,645	10,506	12,077	13,568	36,151	32,536
General and administrative expenses	21,383	22,315	22,979	22,567	54,539	17,823	94,929	66,120
<b>Total operating expenses</b>	<b>123,795</b>	<b>126,171</b>	<b>129,580</b>	<b>128,969</b>	<b>165,219</b>	<b>127,707</b>	<b>421,895</b>	<b>370,716</b>
<b>Operating result (EBIT)</b>	<b>-21,060</b>	<b>-22,544</b>	<b>-35,347</b>	<b>-19,833</b>	<b>-55,466</b>	<b>-17,785</b>	<b>-93,084</b>	<b>-57,844</b>
<i>EBIT margin</i>	<i>-16%</i>	<i>-18%</i>	<i>-31%</i>	<i>-15%</i>	<i>-42%</i>	<i>-13%</i>	<i>-23%</i>	<i>-15%</i>
Financial result	-1,764	2,213	1,480	-279	2,160	1,826	3,707	4,850
<b>Result before tax</b>	<b>-22,824</b>	<b>-20,331</b>	<b>-33,867</b>	<b>-20,112</b>	<b>-53,306</b>	<b>-15,959</b>	<b>-89,377</b>	<b>-52,994</b>
Income tax expense	-791	-452	-4,907	-1,378	-1,670	-1,525	-4,573	-2,884
<b>Net result</b>	<b>-23,615</b>	<b>-20,783</b>	<b>-38,774</b>	<b>-21,490</b>	<b>-54,976</b>	<b>-17,484</b>	<b>-93,950</b>	<b>-55,878</b>

General and administrative expenses include a €5 million gain in restructuring for Q3 '22 and a total restructuring charge of €26 million for YTD '22.



# Balance Sheet

(€ in thousands)	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	91,933	80,771	70,478	66,521	58,010	50,147
Other contract related assets	20,239	22,257	23,818	25,782	28,634	28,329
Other non-current assets	79,563	79,766	79,826	73,954	68,616	67,474
Inventories	23,554	18,815	19,585	18,872	14,975	13,653
Trade receivables	65,378	130,234	56,179	65,575	66,134	75,813
Unbilled receivables	67,809	65,925	67,311	64,472	63,537	57,572
Other receivables and prepayments	27,295	23,330	25,429	28,051	24,194	20,814
Cash and cash equivalents and fixed-term deposits	318,908	302,187	355,820	330,652	329,364	329,808
<b>TOTAL ASSETS</b>	<b>886,973</b>	<b>915,579</b>	<b>890,740</b>	<b>866,173</b>	<b>845,758</b>	<b>835,904</b>
Total equity	333,008	317,477	282,723	265,960	218,174	208,491
Deferred tax liability	1,464	1,342	3,934	3,561	2,907	2,665
Lease liability	39,484	35,175	33,339	29,911	28,974	27,403
Provisions	43,879	41,380	40,021	40,391	65,083	37,643
Trade payables	21,799	15,374	14,022	12,677	12,676	11,820
Deferred revenue	377,332	433,228	440,727	439,795	434,212	444,609
Other contract related liabilities	18,393	18,506	19,782	19,695	23,926	22,169
Income taxes	2,427	2,676	1,273	2,511	3,072	2,180
Accruals and other liabilities	49,187	50,421	54,919	51,672	56,734	78,924
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>886,973</b>	<b>915,579</b>	<b>890,740</b>	<b>866,173</b>	<b>845,758</b>	<b>835,904</b>

# Cash flow

(€ in thousands)	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22	YTD '22	YTD '21
Operating result	-21,060	-22,544	-35,347	-19,833	-55,466	-17,785	-93,084	-57,844
Financial gains/ (losses)	-970	2,753	3,037	1,392	4,574	4,340	10,306	4,867
Depreciation and amortization	18,756	17,210	16,185	15,244	14,369	13,720	43,333	57,486
Change in provisions	-4,277	-2,166	-1,790	-590	29,745	-26,674	2,481	-5,684
Other	1,303	957	2,032	1,774	2,671	3,113	7,558	3,856
Changes in working capital	-5,530	-5,594	81,433	-13,453	5,893	28,775	21,215	-22,489
<b>Cash flow from operations</b>	<b>-11,778</b>	<b>-9,384</b>	<b>65,550</b>	<b>-15,466</b>	<b>1,786</b>	<b>5,489</b>	<b>-8,191</b>	<b>-19,808</b>
Interest (paid) / received	-202	-404	-386	-360	-243	-238	-841	-1,004
Corporate income taxes paid	-1,078	-1,109	-3,646	-1,107	-345	-1,376	-2,828	-3,923
<b>Cash flow from operating activities</b>	<b>-13,058</b>	<b>-10,897</b>	<b>61,518</b>	<b>-16,933</b>	<b>1,198</b>	<b>3,875</b>	<b>-11,860</b>	<b>-24,735</b>
<b>Cash flow from investing activities</b>	<b>58,733</b>	<b>-2,384</b>	<b>-94,675</b>	<b>-6,311</b>	<b>13,202</b>	<b>-81,257</b>	<b>-74,366</b>	<b>74,697</b>
<b>Cash flow from financing activities</b>	<b>-15,798</b>	<b>-3,741</b>	<b>-3,585</b>	<b>-2,122</b>	<b>-1,949</b>	<b>-2,698</b>	<b>-6,769</b>	<b>-40,070</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>29,877</b>	<b>-17,022</b>	<b>-36,742</b>	<b>-25,366</b>	<b>12,451</b>	<b>-80,080</b>	<b>-92,995</b>	<b>9,892</b>
<b>Free cash flow</b>								
Cash flow from operating activities	-13,058	-10,897	61,518	-16,933	1,198	3,875	-11,860	-24,735
Investments in intangible assets				-5,053	-24	-116	-5,193	
Investments in property, plant and equipment	-2,732	-2,612	-4,813	-1,258	-998	-1,141	-3,397	-8,461
<b>Free cash flow</b>	<b>-15,790</b>	<b>-13,509</b>	<b>56,705</b>	<b>-23,244</b>	<b>176</b>	<b>2,618</b>	<b>-20,450</b>	<b>-33,196</b>
Restructuring-related cash flow	0	0	0	0	0	5,849	5,849	0
<b>Free cash flow excluding restructuring</b>	<b>-15,790</b>	<b>-13,509</b>	<b>56,705</b>	<b>-23,244</b>	<b>176</b>	<b>8,467</b>	<b>-14,601</b>	<b>-33,196</b>
% of revenue	-12%	-11%	49%	-18%	0%	6%	-4%	-8%



# Outstanding shares

	Q3 '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	128,124,072	126,949,550
Shares in issue at the end of the period	128,282,635	128,282,635
<b>Average shares in issue during the period<sup>1</sup></b>	<b>128,238,425</b>	<b>127,674,204 [A]</b>
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	376,964	370,384
<b>Average potential dilutive share options outstanding during the period<sup>2</sup></b>	<b>386,867</b>	<b>750,125</b>
Average non-dilutive share options during the period	352,284	353,303
<b>Average shares outstanding from dilution of options<sup>3</sup></b>	<b>34,583</b>	<b>396,822 [B]</b>
<b>Average shares outstanding from dilution of restricted stock units</b>	<b>1,754,142</b>	<b>1,570,089 [C]</b>
<b>Average fully diluted shares outstanding during the period<sup>4</sup></b>	<b>130,027,150</b>	<b>129,641,115 [A+B+C]</b>

<sup>1</sup> Shares held in treasury of 4,084,037 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 €8.11 and the average share price for the year was €7.94

# 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.

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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





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