

## FIRST QUARTER 2024 RESULTS

# TomTom reports Location Technology revenue of €119 million and reiterates outlook

### TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"In the first quarter of 2024, revenue was comparable to the same quarter last year. While Location Technology revenue remained flat, we made significant progress in maturing our product offering and expanding our business development efforts.

This quarter, we reached global coverage with TomTom Orbis Maps. With our new maps, we are extending our market reach, addressing a broader range of use cases and industries. We have expanded our sales funnel and are gaining momentum."

### OPERATIONAL SUMMARY

- We had [commercial success](#) in addressing a broadening variety of use cases and industries in Enterprise, ranging from insurance tech to geomarketing
- Our [TomTom Orbis Maps](#) now feature global coverage, supporting advanced map visualization, routing, and POI search
- Our [€50 million share buyback](#), aimed at reducing our share capital, was 64% completed by the end of the quarter

### FINANCIAL SUMMARY

- Group revenue decreased by 1% to €139 million (Q1 '23: €141 million)
- Location Technology revenue increased by 0.5% to €119 million (Q1 '23: €118 million)
- Automotive operational revenue decreased by 6% to €79 million (Q1 '23: €84 million)
- Free cash flow<sup>1</sup> was an outflow of €9 million (Q1 '23: inflow of €10 million)
- Net cash of €284 million (Q4 '23: €315 million)

### KEY FIGURES

| (€ in millions)                         | Q1 '24       | Q1 '23       | y.o.y. change |
|---|--------------|--------------|---------------|
| Location Technology                     | 118.6        | 118.0        | 0%            |
| Automotive                              | 83.3         | 81.1         | 3%            |
| Enterprise                              | 35.3         | 36.9         | -4%           |
| Consumer                                | 20.7         | 22.7         | -9%           |
| <b>Revenue</b>                          | <b>139.3</b> | <b>140.7</b> | <b>-1%</b>    |
| <b>Gross result</b>                     | <b>120.3</b> | <b>120.7</b> | <b>0%</b>     |
| Gross margin                            | 86%          | 86%          |               |
| Operating expenses                      | 125.2        | 118.0        | 6%            |
| <b>Operating result (EBIT)</b>          | <b>-4.9</b>  | <b>2.6</b>   |               |
| Operating margin                        | -4%          | 2%           |               |
| <b>Net result</b>                       | <b>-4.9</b>  | <b>3.0</b>   |               |
| <b>Free cash flow<sup>1</sup> (FCF)</b> | <b>-9.4</b>  | <b>10.5</b>  |               |
| FCF <sup>1</sup> as a % of revenue      | -7%          | 7%           |               |

<sup>1</sup> Free cash flow in Q1 '23 excludes restructuring payments related to the Maps realignment announced in June 2022.

This report includes the following non-GAAP measures which are further explained at the end of this report: operational revenue; gross margin; EBIT (margin); EBITDA, free cash flow; net cash and gross deferred revenue.

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## TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"Our first-quarter Location Technology revenue was comparable to last year. In Automotive, lower car production volumes of some of our customers impacted operational revenue. Within the Enterprise business, we expect increasing revenues later this year and in 2025 as a result of the gradual conversion of our sales funnel for TomTom Orbis Maps.

We saw high gross margins in the quarter and maintained tight cost control, keeping underlying operating expenses stable quarter on quarter by absorbing inflationary pressures. Partially as a result of seasonal cash-outs, first-quarter free cash flow was negative, as anticipated.

We reiterate our full-year guidance for both free cash flow and revenue."

## OUTLOOK

| (€ in millions, unless stated otherwise) | Outlook<br>2024 | Actual<br>2023 |
|--|-----------------|----------------|
| Revenue                                  | 570 - 610       | 585            |
| Of which Location Technology             | 490 - 520       | 491            |
| FCF <sup>1</sup> as % of Group revenue   | > 5%            | 5%             |

For 2025, we are reiterating our Location Technology revenue ambition of €600 million, as well as our free cash flow target of 10% of group revenue. We will continue to closely monitor car production volumes of our main customers and optimize sales funnel conversion rates.

<sup>1</sup> Free cash flow in 2023 excludes restructuring payments related to the Maps realignment announced in June 2022.

## REVENUE FOR THE PERIOD

Revenue for the first quarter amounted to €139 million, a year-on-year decrease of 1% (Q1 '23: €141 million).

## LOCATION TECHNOLOGY

Location Technology revenue for the quarter was €119 million, remaining stable as compared with the same quarter last year (Q1 '23: €118 million).

Automotive generated revenue of €83 million for the quarter, an increase of 3% compared with the same quarter last year (Q1 '23: €81 million). Automotive operational revenue was €79 million in the quarter, 6% lower year on year (Q1 '23: €84 million), reflecting lower car production volumes of some of our customers and divergent phasing of ramp-ups and ramp-downs of some car lines.

Automotive operational revenue is calculated as follows:

| (€ in millions)                         | Q1 '24      | Q1 '23      | y.o.y. change |
|---|-------------|-------------|---------------|
| Automotive reported revenue             | 83.3        | 81.1        | 3%            |
| Movement of Automotive deferred revenue | -4.2        | 2.5         |               |
| <b>Automotive operational revenue</b>   | <b>79.0</b> | <b>83.6</b> | <b>-6%</b>    |

Enterprise revenue decreased to €35 million in Q1 '24, 4% lower than the same quarter last year (Q1 '23: €37 million).

We made significant progress with the roll-out of TomTom Orbis Maps during the quarter. We expanded geographical coverage, establishing a global footprint. Further, the new maps now support advanced map visualization, POI search, routing, and many other features. We are extending our market reach, addressing a broader range of use cases and industries, resulting in increasing commercial momentum.

We are already seeing that our product and services are being used for a broadening variety of use cases. Over the quarter, we announced deals with Enterprise customers in various industries and sectors, supporting a large number of applications. These range from railroad logistics optimization, pairing shipments with their optimal rail stations, to insurance tech, helping insurers promote safer driving. Our technologies also support data-driven decision-making in domains as varied as location-based marketing and electric vehicle charging.

## CONSUMER

Consumer reported revenue of €21 million for the quarter, a 9% decline versus the same quarter last year (Q1 '23: €23 million).

## RESULT FOR THE PERIOD

### GROSS MARGIN

The gross margin for the quarter remained stable at 86% (Q1 '23: 86%).

### OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €5 million (Q1 '23: profit of €3 million). Total operating expenses in the quarter were €125 million, an increase of €7 million compared with the same quarter last year (Q1 '23: €118 million). This is mainly attributable to a limited increase in research and development expenses, as a result of continued investments in our application layer.

Sequentially, our operating expenses decreased by €12 million (Q4 '23: €137 million), mostly explained by a restructuring charge of €10 million recorded in the previous quarter. Correcting for this restructuring charge and lower depreciation and amortization, underlying operating expenses were relatively flat as merit increases were offset by savings in other areas.

### FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result for the quarter was an income of €2.8 million, mainly resulting from increased interest income on our fixed-term deposits (Q1 '23: income of €1.6 million).

The income tax expense for the quarter was €2.8 million compared with an expense of €1.3 million in Q1 '23.

### CASH FLOW, LIQUIDITY, AND WORKING CAPITAL

In Q1 '24, free cash flow was an outflow of €9 million versus an inflow of €6 million in the same quarter last year.

A reconciliation from operating result to free cash flow, to net cash movement is presented below:

| (€ in millions)   | Q1 '24       | Q1 '23      |
|---|--------------|-------------|
| <b>Operating result (EBIT)</b>                                      | <b>-4.9</b>  | <b>2.6</b>  |
| Depreciation and amortization                                       | 8.9          | 12.5        |
| Equity-settled stock compensation expenses                          | 2.8          | 2.6         |
| Other non-cash items  | 0.5          | -0.6        |
| Movements in working capital (excl. deferred revenue)               | -24.8        | -11.0       |
| Movements in deferred revenue                                       | 8.9          | 3.2         |
| Interest and tax  | 0.0          | -1.5        |
| Investments in property, plant and equipment, and intangible assets | -0.9         | -1.4        |
| <b>Free cash flow</b>   | <b>-9.4</b>  | <b>6.4</b>  |
| Lease payments  | -2.1         | -3.5        |
| Cash flow from other investing and financing activities             | -19.9        | 15.0        |
| Exchange rate differences on cash and fixed-term deposits           | 0.1          | -0.4        |
| <b>Net cash movement</b>  | <b>-31.3</b> | <b>17.5</b> |

Free cash flow saw a year-on-year decrease of €16 million. Excluding the impact of restructuring charges related to the Maps realignment, recorded in Q1 '23, the year-on-year decrease was €20 million. This decrease in free cash flow is partially explained by higher working capital utilization as well as a lower EBITDA.

The underlying movements in working capital during the quarter included a comparatively higher payout of personnel-related accruals.

Deferred revenue increased to €442 million, from €433 million at the end of 2023. The following table presents the deferred revenue including the effect of netting:

| (€ in millions)                              | 31 March 2024 | 31 December 2023 |
|--|---------------|------------------|
| Automotive                                   | 427.6         | 431.8            |
| Enterprise                                   | 21.0          | 10.3             |
| Consumer                                     | 18.7          | 19.6             |
| <b>Gross deferred revenue</b>                | <b>467.3</b>  | <b>461.7</b>     |
| Less: Netting adjustment to unbilled revenue | 25.1          | 28.4             |
| <b>Deferred revenue</b>                      | <b>442.2</b>  | <b>433.3</b>     |

The increase in net deferred revenue primarily results from an increase in Enterprise deferred revenue, related to quarterly fluctuations in the timing of invoicing.

Cash flow from other investing and financing activities in the quarter primarily reflect the cash-out related to our €50 million share buyback program, which was announced in October 2023 and was 64% completed by the end of the quarter. Further, the comparative figures for Q1 '23 included proceeds of €15 million from the divestment of our equity interest in Cyient Ltd.

On 31 March 2024, the Group had no outstanding bank borrowings and reported a net cash position of €284 million (Q4 '23: net cash of €315 million).

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## CONSOLIDATED CONDENSED STATEMENT OF INCOME

| (€ in thousands)                                      | Q1 '24<br>Unaudited | Q1 '23<br>Unaudited |
|---|---------------------|---------------------|
| Revenue   | 139,285             | 140,718             |
| Cost of sales   | 18,954              | 20,025              |
| <b>Gross profit</b>                                   | <b>120,331</b>      | <b>120,693</b>      |
| Research and development expenses - Geographic data   | 43,018              | 42,180              |
| Research and development expenses - Application layer | 45,908              | 42,461              |
| Sales and marketing expenses                          | 13,642              | 12,982              |
| General and administrative expenses <sup>1</sup>      | 22,677              | 20,423              |
| <b>Total operating expenses</b>                       | <b>125,245</b>      | <b>118,046</b>      |
| <b>Operating result</b>                               | <b>-4,914</b>       | <b>2,647</b>        |
| Financial result                                      | 2,843               | 1,598               |
| <b>Result before tax</b>                              | <b>-2,071</b>       | <b>4,245</b>        |
| Income tax  | -2,797              | -1,272              |
| <b>Net result<sup>2</sup></b>                         | <b>-4,868</b>       | <b>2,973</b>        |
| <b>Earnings per share (in €):</b>                     |                     |                     |
| Basic   | -0.04               | 0.02                |
| Diluted <sup>3</sup>                                  | -0.04               | 0.02                |

<sup>1</sup> Includes a €2 million gain in Q1 '23 due to a release of the restructuring provision related to the Maps realignment announced in June 2022.

<sup>2</sup> Fully attributable to the equity holders of the parent.

<sup>3</sup> When the net result is a loss, no additional shares from assumed conversion are taken into account as the effect would be anti-dilutive.

## CONSOLIDATED CONDENSED BALANCE SHEET

| (€ in thousands)                     | 31 March 2024<br>Unaudited | 31 December 2023<br>Audited |
|--------------------------------------|----------------------------|-----------------------------|
| Goodwill                             | 192,294                    | 192,294                     |
| Other intangible assets              | 15,828                     | 20,275                      |
| Property, plant and equipment        | 23,230                     | 24,313                      |
| Lease assets                         | 44,759                     | 44,624                      |
| Other contract-related assets        | 25,419                     | 24,384                      |
| Deferred tax assets                  | 1,122                      | 1,206                       |
| <b>Total non-current assets</b>      | <b>302,652</b>             | <b>307,096</b>              |
| Inventories                          | 15,105                     | 14,823                      |
| Trade receivables                    | 73,473                     | 69,156                      |
| Unbilled receivables                 | 43,768                     | 42,778                      |
| Other contract-related assets        | 11,392                     | 10,635                      |
| Prepayments and other receivables    | 40,783                     | 36,209                      |
| Fixed-term deposits                  | 224,225                    | 227,662                     |
| Cash and cash equivalents            | 59,632                     | 87,532                      |
| <b>Total current assets</b>          | <b>468,378</b>             | <b>488,795</b>              |
| <b>Total assets</b>                  | <b>771,030</b>             | <b>795,891</b>              |
| <b>Total equity</b>                  | <b>159,654</b>             | <b>181,588</b>              |
| Lease liabilities                    | 39,041                     | 38,441                      |
| Deferred tax liability               | 1,403                      | 1,040                       |
| Provisions                           | 15,059                     | 14,841                      |
| Deferred revenue                     | 271,722                    | 267,059                     |
| <b>Total non-current liabilities</b> | <b>327,225</b>             | <b>321,381</b>              |
| Trade payables                       | 17,794                     | 21,168                      |
| Lease liabilities                    | 8,038                      | 8,272                       |
| Provisions                           | 7,283                      | 10,879                      |
| Deferred revenue                     | 170,453                    | 166,171                     |
| Other contract-related liabilities   | 15,731                     | 17,078                      |
| Income taxes                         | 1,812                      | 1,594                       |
| Accruals and other liabilities       | 63,040                     | 67,760                      |
| <b>Total current liabilities</b>     | <b>284,151</b>             | <b>292,922</b>              |
| <b>Total equity and liabilities</b>  | <b>771,030</b>             | <b>795,891</b>              |

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

| (€ in thousands)  | Q1 '24<br>Unaudited | Q1 '23<br>Unaudited |
|---|---------------------|---------------------|
| <b>Operating result</b>   | <b>-4,914</b>       | <b>2,647</b>        |
| Foreign exchange adjustments                                    | 883                 | 38                  |
| Depreciation and amortization                                   | 8,905               | 12,508              |
| Change in provisions  | -371                | -455                |
| Equity-settled stock compensation expenses                      | 2,786               | 2,608               |
| Other non-cash movement   | 0                   | -207                |
| Changes in working capital:                                     |                     |                     |
| Change in inventories   | 898                 | 1,124               |
| Change in receivables and prepayments                           | -12,084             | -3,904              |
| Change in liabilities <sup>1</sup> (excluding provisions)       | -4,627              | -5,073              |
| <b>Cash flow from operations</b>                                | <b>-8,524</b>       | <b>9,286</b>        |
| Interest received   | 2,877               | 1,424               |
| Interest paid   | -484                | -315                |
| Corporate income taxes paid                                     | -2,434              | -2,587              |
| <b>Cash flow from operating activities</b>                      | <b>-8,565</b>       | <b>7,808</b>        |
| Investments in property, plant and equipment                    | -851                | -1,371              |
| Proceeds from sale of investments                               | 0                   | 14,965              |
| Change in fixed-term deposits                                   | 3,437               | -60,753             |
| <b>Cash flow from investing activities</b>                      | <b>2,586</b>        | <b>-47,159</b>      |
| Payment of lease liabilities                                    | -2,112              | -3,456              |
| Purchase of treasury shares                                     | -19,920             | 0                   |
| <b>Cash flow from financing activities</b>                      | <b>-22,032</b>      | <b>-3,456</b>       |
| <b>Net decrease in cash and cash equivalents</b>                | <b>-28,011</b>      | <b>-42,807</b>      |
| Cash and cash equivalents at the beginning of period            | 87,532              | 132,729             |
| Exchange rate changes on foreign cash balances                  | 111                 | -426                |
| <b>Total cash and cash equivalents at the end of the period</b> | <b>59,632</b>       | <b>89,496</b>       |
| Cash held in short term fixed deposits                          | 224,225             | 231,753             |
| <b>Net cash at the end of the period</b>                        | <b>283,857</b>      | <b>321,249</b>      |

<sup>1</sup> Includes movements in the non-current portion of deferred revenue presented under non-current liabilities.

## ACCOUNTING POLICIES

The condensed consolidated financial information for the three-month period ended 31 March 2024 and the related comparative information has been prepared using accounting policies and methods of computation which are based on International Financial Reporting Standards (IFRS) as disclosed in the Financial Statements for the year ended 31 December 2023.

Unless otherwise indicated, the quarterly condensed consolidated information in this press release is neither audited nor reviewed. Due to rounding, amounts may not add up precisely to totals. All change percentages are calculated before rounding.

## 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 as 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 our operating result

**EBIT margin** is calculated as operating result divided by IFRS revenue

**EBITDA** is equal to our operating result plus depreciation and amortization charges

**Free cash flow** is cash from operating activities minus investments in intangible assets and property, plant and equipment

| (€ in thousands)                                      | Q1 '24        | Q1 '23        |
|---|---------------|---------------|
| Cash flow from operating activities                   | -8,565        | 7,808         |
| Investments in intangible assets                      | 0             | 0             |
| Investments in property, plant and equipment          | -851          | -1,371        |
| <b>Free cash flow</b>                                 | <b>-9,416</b> | <b>6,437</b>  |
| Restructuring-related cash flow <sup>1</sup>          | 0             | 4,043         |
| <b>Free cash flow excl. restructuring<sup>1</sup></b> | <b>-9,416</b> | <b>10,480</b> |

**Net cash** is cash and cash equivalents, plus cash held in fixed term deposits

**Gross deferred revenue** is deferred revenue<sup>2</sup> before the netting of unbilled receivables

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

<sup>2</sup> Deferred revenue reflects amounts not yet recognized as revenue as services still need to be delivered. Unbilled revenue represents amounts accrued for when a contractual right to invoice exists. When a single contract has both an accrual, based on contractual invoicing terms, and a deferral, because the underlying services are not yet fully delivered, the unbilled and the deferred positions are netted for presentation on the balance sheet.

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## AUDIO WEBCAST FIRST QUARTER 2024 RESULTS

The information for our audio webcast is as follows:

Date and time: 17 April 2024 at 14:00 CEST

<https://corporate.tomtom.com/investors/financial-publications/quarterly-results>

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands

ISIN: NL0013332471 / Symbol: TOM2

## ABOUT TOMTOM

Billions of data points. Millions of sources. Hundreds of communities.

We are the mapmaker bringing it all together to build the world's smartest map. We provide location data and technology to drivers, carmakers, businesses, and developers. Our application-ready maps, routing, real-time traffic, APIs and SDKs enable the dreamers and doers to shape the future of mobility.

Headquartered in Amsterdam with 3,700 employees around the globe, TomTom has been helping people find their way in the world for over 30 years.

For further information, please visit [www.tomtom.com](http://www.tomtom.com).

## FORWARD-LOOKING STATEMENTS / IMPORTANT NOTICE

*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 the company operates and the risk of a downturn in the market. Statements regarding market share, including the company'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.*

*This document contains inside information as meant in clause 7 of the Market Abuse Regulation.*