

THIRD QUARTER 2024 RESULTS

Location Technology revenue stable year on year despite automotive industry slowdown

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"Our Location Technology revenue remained stable year on year. While the automotive industry continues to face headwinds affecting both 2024 revenue and backlog developments, revenues from our Enterprise business have increased. Since the commercial launch of TomTom Orbis Maps with global coverage, we have seen growing momentum in our Enterprise business, with a widening range of customers using our location technology across diverse applications.

TomTom Orbis Maps offers customers a flexible and versatile base for innovation, built on a data standard that is supported and adopted by many leading partners. On top of this unique platform, we are continuing to launch new and improved applications. With these applications, it becomes even easier for customers to derive true added value from our location technology, whether through integrating beautiful maps into end-user software, leveraging advanced routing, or navigating the last 100 meters of a delivery with ease."

OPERATIONAL SUMMARY

- [NextBillion.ai, GfK, S&P Global Mobility, and others](#) selected our maps, traffic information, and software, to support various use cases ranging from logistics and geomarketing, to location analytics
- [IVECO](#) selected our location technology to power the navigation experience in its global lineup of light and heavy commercial vehicles
- We launched the [Premium Geocoding API](#), with which customers can now navigate the last 100 meters to an exact unit location at a complex address with ease

FINANCIAL SUMMARY THIRD QUARTER 2024

- Group revenue decreased by 2% to €141 million (Q3 '23: €144 million)
- Location Technology revenue was €120 million (Q3 '23: €119 million)
- Automotive operational revenue decreased by 19% to €69 million (Q3 '23: €85 million)
- Free cash flow¹ was an inflow of €15 million (Q3 '23: inflow of €13 million)
- Net cash of €270 million (Q2 '24: €258 million)

KEY FIGURES

| (€ in millions, unless stated otherwise) | Q3 '24 | Q3 '23 | y.o.y. change | YTD '24 | YTD '23 | y.o.y. change |
|--|--------------|--------------|---------------|--------------|--------------|---------------|
| Location Technology | 119.8 | 119.2 | 0% | 367.1 | 365.5 | 0% |
| Automotive | 78.1 | 82.5 | -5% | 248.7 | 254.5 | -2% |
| Enterprise | 41.7 | 36.8 | 13% | 118.5 | 111.0 | 7% |
| Consumer | 20.9 | 24.9 | -16% | 65.0 | 75.9 | -14% |
| Revenue | 140.7 | 144.1 | -2% | 432.1 | 441.4 | -2% |
| Gross result | 121.8 | 118.9 | 2% | 363.2 | 368.9 | -2% |
| Gross margin | 87% | 83% | | 84% | 84% | |
| Operating expenses | 125.9 | 127.7 | -1% | 377.4 | 378.5 | 0% |
| Operating result (EBIT) | -4.1 | -8.7 | | -14.2 | -9.6 | |
| Operating margin | -3% | -6% | | -3% | -2% | |
| Net result | -4.4 | -7.9 | | -11.6 | -9.4 | |
| Free cash flow¹ (FCF) | 15.0 | 12.9 | 16% | 0.9 | 26.5 | -97% |
| FCF ¹ as a % of revenue | 11% | 9% | | 0% | 6% | |

¹ Free cash flow in 2023 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; free cash flow; net cash and gross deferred revenue.

Investor Relations

Phone | +31 20 757 5194

Email | ir@tomtom.com

TOMTOM'S CHIEF FINANCIAL OFFICER, TACO TITULAER

"In the third quarter, we experienced a continued weakening of the global automotive industry. Additionally, delays in the launch of new car models to which we are supplying negatively impacted our Automotive business. These factors combined, led to a decline in our Automotive operational revenue.

Our Enterprise business, in contrast, showed significant revenue growth, driven by the growing success of existing customers with our location technology products and continued commercial traction. In all, Location Technology revenue was roughly flat year on year, enlarging its relative contribution to Group revenue and elevating our gross margin to 87%.

Free cash flow turned positive in the third quarter, bringing our year-to-date free cash flow to break-even. Accordingly, we reiterate our free cash flow guidance for the full year. We also maintain our full-year guidance for Group revenue and expect Location Technology revenue to land around the lower boundary of our guidance."

OUTLOOK 2024

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

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

REVENUE FOR THE PERIOD

Revenue for the third quarter amounted to €141 million, a year-on-year decrease of 2% (Q3 '23: €144 million).

LOCATION TECHNOLOGY

Location Technology revenue was €120 million, roughly flat compared with last year (Q3 '23: €119 million).

Automotive revenue in the quarter was €78 million, a decrease of 5% compared with the same quarter last year (Q3 '23: €82 million). Automotive operational revenue in the quarter was €69 million, a year-on-year decrease of 19% (Q3 '23: €85 million). This decrease is caused by a decline in car production volumes in our core markets compared with last year, as well as some delays in the introduction of new car lines to which we are supplying.

Automotive operational revenue is calculated as follows:

| (€ in millions, unless stated otherwise) | Q3 '24 | Q3 '23 | y.o.y. change | YTD '24 | YTD '23 | y.o.y. change |
|--|-------------|-------------|------------------|--------------|--------------|------------------|
| Automotive revenue | 78.1 | 82.5 | -5% | 248.7 | 254.5 | -2% |
| Movement of Automotive deferred revenue | -8.6 | 3.0 | | -11.1 | 5.1 | |
| Automotive operational revenue | 69.5 | 85.4 | -19% | 237.5 | 259.6 | -9% |

Enterprise revenue increased to €42 million in Q3 '24, 13% higher than the same quarter last year (Q3 '23: €37 million). This growth is driven by the increased utilization of our products by various existing customers, as well as our continued commercial traction, following the successful launch of TomTom Orbis Maps.

The uptake of our innovative maps and broader location technology products is expanding. Throughout the quarter, we broadened our commercial relationship with location platform provider Nextbillion.ai and extended our collaboration with GfK, a leading consumer intelligence company, among many others. S&P Global Mobility also selected our versatile maps to continue supporting its automotive industry analytics products, aiding in network planning, market sizing, and loyalty analyses.

Our Automotive business announced a renewed collaboration with IVECO. The market-leading commercial vehicle manufacturer chose our full stack navigation, including maps, custom truck routing, real-time traffic information, and connected services, to support its global lineup of light and heavy commercial vehicles, including electric models.

We are continuing to innovate, rolling out new applications and features. This quarter, we launched our Premium Geocoding API, addressing one of the toughest challenges in last-mile logistics, the final 100 meters. With it, delivery people can now navigate to precise unit locations at complex addresses with ease, through routes that include building entrances, floor numbers, stairways, and elevators. Enhancements like these make the integration of our location products into end-user systems even more valuable.

CONSUMER

Consumer reported revenue of €21 million for the quarter, compared with €25 million in the same quarter last year.

RESULT FOR THE PERIOD

GROSS MARGIN

The gross margin for the quarter was 87%, compared with 83% in Q3 '23. The year-on-year improvement in gross margin is mainly the result of a larger proportion of higher-margin content and software revenue in our revenue mix.

OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €4.1 million (Q3 '23: loss of €8.7 million). Total operating expenses in the quarter were €126 million, marginally lower compared with the same quarter last year (Q3 '23: €128 million). This decrease is mainly the result of lower depreciation and amortization charges.

FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result for the quarter was an income of €2.0 million, mainly resulting from interest income on our fixed-term deposits (Q3 '23: income of €3.4 million).

The income tax expense for the quarter was €2.3 million, compared with an expense of €2.5 million in Q3 '23.

CASH FLOW, LIQUIDITY, AND WORKING CAPITAL

In Q3 '24, free cash flow was an inflow of €15 million, compared with an inflow of €12 million in the same quarter last year. Correcting last year's free cash flow for the impact of restructuring charges related to the Maps realignment, Q3 '23 free cash flow was an inflow of €13 million. The year-on-year increase in free cash flow is mainly due to lower investments in property, plant and equipment.

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

| (€ in millions) | Q3 '24 | Q3 '23 | YTD '24 | YTD '23 |
|---|-------------|-------------|--------------|-------------|
| Operating result | -4.1 | -8.7 | -14.2 | -9.6 |
| Depreciation and amortization | 8.9 | 9.8 | 26.6 | 33.5 |
| Equity-settled stock compensation expenses | 3.6 | 2.6 | 10.0 | 9.2 |
| Other non-cash items | -1.0 | 1.4 | -1.4 | -1.1 |
| Movements in working capital (excl. deferred revenue) | 17.4 | 9.1 | -12.7 | -5.9 |
| Movements in deferred revenue | -9.1 | 2.0 | -5.7 | 1.3 |
| Interest and tax payments | 0.6 | 0.1 | 1.6 | -3.0 |
| Investments in property, plant and equipment, and intangible assets | -1.3 | -4.3 | -3.3 | -8.6 |
| Free cash flow | 15.0 | 12.0 | 0.9 | 15.8 |
| Lease payments | -2.5 | -2.9 | -6.6 | -9.5 |
| Cash flow from other investing and financing activities | 0.0 | 0.0 | -38.8 | 15.3 |
| Exchange rate differences on cash and fixed-term deposits | -0.2 | 0.3 | -0.2 | 0.1 |
| Net cash movement | 12.3 | 9.4 | -44.7 | 21.7 |

Working capital movements were positively impacted by faster cash collection from customers compared with last year.

During the quarter, the deferred revenue position decreased by €9.1 million, from €437 million to €428 million. This decrease is driven by a decrease in Automotive deferred revenue which is only partly offset by increases in the balance sheet positions for both Enterprise and Consumer. The sequential and year-on-year decreases in Automotive deferred revenue position resulted from a decline in Automotive operational revenue versus comparative periods.

The following table presents the deferred revenue including the effect of netting:

| (€ in millions) | 30 September 2024 | 30 June 2024 | 31 December 2023 |
|--|-------------------|--------------|------------------|
| Automotive | 420.6 | 429.2 | 431.8 |
| Enterprise | 22.5 | 20.5 | 10.3 |
| Consumer | 21.4 | 19.8 | 19.6 |
| Gross deferred revenue | 464.6 | 469.6 | 461.7 |
| Less: Netting adjustment to unbilled revenue | 37.0 | 33.0 | 28.4 |
| Deferred revenue | 427.5 | 436.6 | 433.3 |

Investments in property, plant and equipment in the quarter decreased compared with the same quarter last year, as we invested last year in various leasehold improvements.

Cash flow from other investing and financing activities was nil in the quarter, as no stock options related to our long-term employee incentive programs were exercised (Q3 '23: nil). Year-to-date cash flow from other investing and financing activities primarily reflects the cash-out related to our €50 million share buyback program, which was initiated late October 2023 and completed in June of this year. As part of the program, 7.8 million shares were repurchased. 7.4 million of these, or 5.6% of issued capital, were canceled on August 8, 2024. The remaining shares purchased as part of the buyback program will be used to cover commitments arising from long-term employee incentive plans.

On 30 September 2024, the Group had no outstanding bank borrowings and reported a net cash position of €270 million (Q2 '24: €258 million).

- END -

CONSOLIDATED CONDENSED STATEMENT OF INCOME

| (€ in thousands) | Q3 '24 | Q3 '23 | YTD '24 | YTD '23 |
|---|----------------|----------------|----------------|----------------|
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Revenue | 140,679 | 144,114 | 432,143 | 441,381 |
| Cost of sales | 18,905 | 25,175 | 68,991 | 72,481 |
| Gross profit | 121,774 | 118,939 | 363,152 | 368,900 |
| Research and development expenses - Geographic data | 44,355 | 43,661 | 131,277 | 131,639 |
| Research and development expenses - Application layer | 46,230 | 47,263 | 138,408 | 139,134 |
| Sales and marketing expenses | 14,575 | 14,180 | 43,122 | 41,320 |
| General and administrative expenses | 20,723 | 22,573 | 64,566 | 66,455 |
| Total operating expenses | 125,883 | 127,677 | 377,373 | 378,548 |
| Operating result | -4,109 | -8,738 | -14,221 | -9,648 |
| Financial result | 2,018 | 3,371 | 7,299 | 5,668 |
| Result before tax | -2,091 | -5,367 | -6,922 | -3,980 |
| Income tax expense | -2,288 | -2,523 | -4,637 | -5,392 |
| Net result¹ | -4,379 | -7,890 | -11,559 | -9,372 |
| Earnings per share (in €): | | | | |
| Basic | -0.04 | -0.06 | -0.09 | -0.07 |
| Diluted ² | -0.04 | -0.06 | -0.09 | -0.07 |

¹ Fully attributable to the equity holders of the parent.

² 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) | 30 September 2024 Unaudited | 31 December 2023 Audited |
|--------------------------------------|--------------------------------|-----------------------------|
| Goodwill | 192,294 | 192,294 |
| Other intangible assets | 7,027 | 20,275 |
| Property, plant and equipment | 21,173 | 24,313 |
| Lease assets | 42,133 | 44,624 |
| Other contract-related assets | 23,674 | 24,384 |
| Deferred tax assets | 1,202 | 1,206 |
| Total non-current assets | 287,503 | 307,096 |
| Inventories | 14,570 | 14,823 |
| Trade receivables | 60,913 | 69,156 |
| Unbilled receivables | 43,386 | 42,778 |
| Other contract-related assets | 6,064 | 10,635 |
| Prepayments and other receivables | 30,685 | 36,209 |
| Fixed-term deposits | 205,868 | 227,662 |
| Cash and cash equivalents | 64,585 | 87,532 |
| Total current assets | 426,071 | 488,795 |
| Total assets | 713,574 | 795,891 |
| Total equity | 141,060 | 181,588 |
| Lease liabilities | 35,575 | 38,441 |
| Deferred tax liability | 354 | 1,040 |
| Provisions | 13,258 | 14,841 |
| Deferred revenue | 293,048 | 267,059 |
| Total non-current liabilities | 342,235 | 321,381 |
| Trade payables | 17,405 | 21,168 |
| Lease liabilities | 8,992 | 8,272 |
| Provisions | 7,500 | 10,879 |
| Deferred revenue | 134,477 | 166,171 |
| Other contract-related liabilities | 12,852 | 17,078 |
| Income taxes | 2,695 | 1,594 |
| Accruals and other liabilities | 46,358 | 67,760 |
| Total current liabilities | 230,279 | 292,922 |
| Total equity and liabilities | 713,574 | 795,891 |

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

| (€ in thousands) | Q3 '24 Unaudited | Q3 '23 Unaudited | YTD '24 Unaudited | YTD '23 Unaudited |
|---|---------------------|---------------------|----------------------|----------------------|
| Operating result | -4,109 | -8,738 | -14,221 | -9,648 |
| Foreign exchange adjustments | -854 | 1,118 | 597 | 129 |
| Depreciation and amortization | 8,855 | 9,837 | 26,630 | 33,525 |
| Change in provisions | -118 | 308 | -2,002 | -844 |
| Equity-settled stock compensation expenses | 3,606 | 2,627 | 10,043 | 9,179 |
| Other non-cash movement | 0 | 0 | 0 | -341 |
| Changes in working capital: | | | | |
| Change in inventories | -1,917 | -1,583 | 2,544 | 1,444 |
| Change in receivables and prepayments | 18,496 | 11,682 | 17,806 | -1,270 |
| Change in liabilities (excluding provisions) ¹ | -8,288 | 1,005 | -38,799 | -4,809 |
| Cash flow from operations | 15,671 | 16,256 | 2,598 | 27,365 |
| Interest received | 2,824 | 2,755 | 8,318 | 6,626 |
| Interest paid | -1,024 | -498 | -1,978 | -1,255 |
| Corporate income taxes paid | -1,178 | -2,197 | -4,770 | -8,404 |
| Cash flow from operating activities | 16,293 | 16,316 | 4,168 | 24,332 |
| Investments in property, plant and equipment | -1,309 | -4,337 | -3,283 | -8,576 |
| Proceeds from sale of investments | 0 | 0 | 0 | 14,965 |
| Change in fixed-term deposits | -926 | -108,109 | 21,794 | -64,854 |
| Cash flow from investing activities | -2,235 | -112,446 | 18,511 | -58,465 |
| Payment of lease liabilities | -2,470 | -2,918 | -6,635 | -9,487 |
| Proceeds on issue of ordinary shares | 0 | 0 | 0 | 368 |
| Purchase of treasury shares | 0 | 0 | -38,812 | 0 |
| Cash flow from financing activities | -2,470 | -2,918 | -45,447 | -9,119 |
| Net increase/(decrease) in cash and cash equivalents | 11,588 | -99,048 | -22,768 | -43,252 |
| Cash and cash equivalents at the beginning of period | 53,182 | 188,314 | 87,532 | 132,729 |
| Exchange rate changes on foreign cash balances | -185 | 307 | -179 | 96 |
| Total cash and cash equivalents at the end of the period | 64,585 | 89,573 | 64,585 | 89,573 |
| Cash held in short term fixed deposits | 205,868 | 235,854 | 205,868 | 235,854 |
| Net cash at the end of the period | 270,453 | 325,427 | 270,453 | 325,427 |

¹ 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- and nine- month period ended 30 September 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 revenue

EBIT is equal to our operating result

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

| (€ in thousands) | Q3 '24 | Q3 '23 | YTD '24 | YTD '23 |
|---|---------------|---------------|------------|---------------|
| Cash flow from operating activities | 16,293 | 16,316 | 4,168 | 24,332 |
| Investments in intangible assets | 0 | 0 | 0 | 0 |
| Investments in property, plant and equipment | -1,309 | -4,337 | -3,283 | -8,576 |
| Free cash flow | 14,984 | 11,979 | 885 | 15,756 |
| Restructuring-related cash flow ¹ | 0 | 944 | 0 | 10,779 |
| Free cash flow excl. restructuring¹ | 14,984 | 12,923 | 885 | 26,535 |

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

Gross deferred revenue is deferred revenue² before the netting of unbilled receivables

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

² 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.

FOR MORE INFORMATION

TomTom Investor Relations

Email: ir@tomtom.com

+31 20 757 5194

AUDIO WEBCAST THIRD QUARTER 2024 RESULTS

The information for our audio webcast is as follows:

Date and time: 11 October 2024 at 13:00 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 empower the dreamers and doers to move our world forward.

Headquartered in Amsterdam with 3,700 employees around the globe, TomTom has been shaping the future of mobility for over 30 years.

For further information, please visit 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.