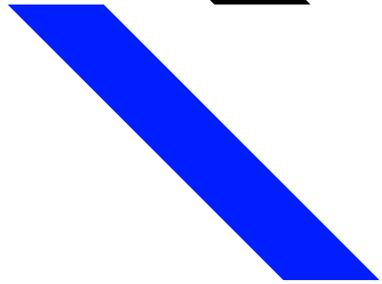
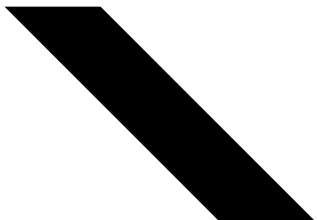
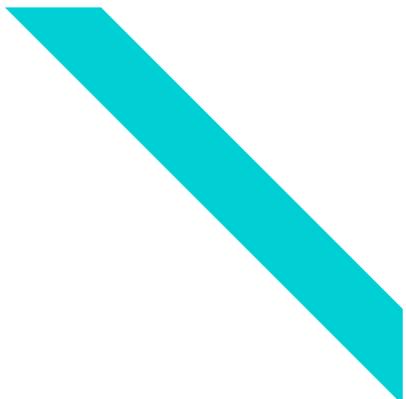


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Q3 2025 TOMTOM NV EARNINGS CALL

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CORPORATE PARTICIPANTS

- **Claudia Janssen** *TomTom NV - Group Controller & Head of Investor Relations*
- **Harold Goddijn** *TomTom NV - Chief Executive Officer, Member of the Management Board*
- **Taco Titulaer** *TomTom NV - Chief Financial Officer, Member of the Management Board*

CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Marc Hesselink** *ING Groep NV - Equity Analyst*
- **Robert Vink** *Kepler Cheuvreux SA - Analyst*
- **Wim Gille** *Oddo BHF SCA - Analyst*
- **Andrew Hayman** *Independent Minds - Analyst*

PRESENTATION

Operator

Good day, ladies and gentlemen. Welcome to TomTom's third quarter 2025 results conference call. (Operator Instructions) Please note that this conference is being recorded.

I will now turn the call over to your host for today's conference, Claudia Janssen, Group Controller, Head of Investor Relations. You may begin.

Claudia Janssen TomTom NV - Group Controller & Head of Investor Relations

Thank you, Mel, and good afternoon, everyone, and welcome to our conference call. In today's call, we will discuss the third quarter 2025 operational highlights and financial results with CEO, Harold Goddijn; and CFO, Taco Titulaer. Harold will begin with an update on strategic developments. Taco will then provide an overview of financial performance and outlook. After their prepared remarks, we will open the line for your questions. As always, please note that Safe Harbor applies.

And with that, Harold, let me pass it over to you.

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Well, thank you very much, Claudia, and good afternoon, everyone. I appreciate you joining us today. I'll give you a short strategic and operational update for the third quarter, and then I hand over to Taco for the financials.

So this quarter, we launched our next-generation Automotive Navigation Application, which is a ready-to-use but also configurable and integrated solutions for OEMs that enables quick deployment of high-quality navigation systems. The product sets a new benchmark for user experience, quality, and flexibility in the industry, and we see the products generating strong interest.

The release is an important milestone in our quest to deliver a standardized product portfolio.

The automotive market remains dynamic, but we are encouraged by several promising developments. We announced the expansion of our partnership with Hyundai, and we secured a multiyear agreement to provide real-time traffic and speed camera services for the vehicles across Europe. But also promising discussions around automated driving use cases and our continued investment in mapping and next-generation solution positions us well to support our partners as the industry evolves. We're encouraged by the progress we're making, and we remain confident in our long-term prospect within the Automotive sector.

Enterprise is progressing, though adoption is building more gradually, with US dollar currency movements adding some pressure. We continue adding new customers and broadening the customer base. We will make it easier for developers and for businesses to access our data, and this will be a key driver of future growth.

Taco will now walk you through the financials. So with that, I hand it over to you, Taco. Thank you.

Taco Titulaer TomTom NV - Chief Financial Officer, Member of the Management Board

Thank you, Harold. Before discussing our outlook, I'll walk you through our financial results and highlight a few key developments. After my prepared remarks, we will open the line for your questions.

Group revenue for the third quarter was EUR137 million from EUR141 million in the same period last year, and Location Technology revenue totaled EUR118 million.

Let me briefly touch on performance business by business, starting with Automotive. Automotive operational revenue saw a strong year-on-year increase of 22% to EUR85 million. This increase can be attributed to multiple factors: the ramp-up of new vehicle lines we supply, a recovery in automotive production volumes especially within the United States, and certain royalty reports related to previous periods, which amounted to roughly EUR5 million.

Automotive IFRS revenue came in at EUR80 million, a 2% increase compared with the same period last year. The difference between the operational reported trend is partly due to royalty reports from prior periods that will be recognized later. And like mentioned in previous quarter already, on a year-to-date basis, the trends of Automotive IFRS and operational revenue are much more aligned as IFRS revenue typically shows a more stable pattern, while operational revenues can be influenced by periodic swings that are neutralized when looking at longer periods of time.

Enterprise revenue was EUR39 million. Adjusted for constant currency, we maintained stable revenue quarter on quarter. We realized a strong gross margin of 89%, up from 87% last year. The year-on-year increase in gross margin primarily reflects a greater share of high-margin content and software revenue within our overall revenue mix.

Our operating expenses were EUR114 million, reflecting a marked year-on-year decrease. This decrease was mainly driven by strong cost discipline, the capitalization of our mapping development costs, and lower amortization charges.

Free cash flow was an inflow of EUR17 million in the quarter compared with EUR15 million last year. For completeness, the EUR17 million, excluding EUR14 million restructuring charges paid during the quarter. We expect the majority of the remaining EUR11 million we provided for will be paid out in the next two quarters. Our net cash position at the quarter end was EUR267 million, equal to the end of last quarter and up from EUR264 million at the end of 2024.

Having covered our results. Let me touch on our outlook. Revenue performance this year so far was solid. Accordingly, we are increasing our expectations. We now forecast that both full-year group revenue and Location Technology revenue will approach the upper end of our previously communicated guidance range. Free cash flow is expected at around 5% of group revenue.

Our business fundamentals are strong. We are beginning to see how the stronger emphasis from our product-led approach is positioning us well for a long-term growth.

And with that, we are now ready to take your questions. Now please start the Q&A session.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Marc Hesselink, ING.

Marc Hesselink *ING Groep NV - Equity Analyst*

Yes. I have two, please. First, on Automotive, quite good momentum, especially if you take into account the weakness in auto end markets. You can understand that there's a difference between auto end markets and the production levels. But it also seems that you're gaining some share there, and you also point out the automated driving opportunity.

Can you maybe point towards the building blocks that we have discussed before, as in how much share -- is share gains part of the building blocks? How much is adoption rates because of maybe automotive driving functions? Maybe if you can talk about the separate parts, please.

Taco Titulaer *TomTom NV - Chief Financial Officer, Member of the Management Board*

Yeah. So I think it's a bit of a mix, to be honest. So in the third quarter, we saw indeed ramp-ups in certain car lines that included existing customers, but also some new customers. But there were also some ramp-downs of customer contracts. So I think the increase that you are experiencing is probably mostly attributed to the adoption rate.

So the overall car market is stable at best. Market shares we do gain here and there, but I don't think that is reflected in Q3 results. The main driver for a little bit stronger performance than the car market overall you need to look towards adoption rates.

For the AV, so you have the EV opportunity, and of course, that is a further increase in adoption rates. You also have AV, so automated vehicles. I think that is not significant in today's P&L results, but it is a huge part of the order intake, what we see coming in.

Marc Hesselink *ING Groep NV - Equity Analyst*

Okay. So you're already seeing those orders coming in? I mean, that (multiple speakers) --

Taco Titulaer *TomTom NV - Chief Financial Officer, Member of the Management Board*

Yeah, for sure. Yeah, for sure. But that is probably two, three years out before that will contribute to our P&L.

Marc Hesselink *ING Groep NV - Equity Analyst*

Okay, okay, clear. Thanks. Then Enterprise, I think you had very strong momentum last year. This year, if you try to -- like-for-like currency is still a bit slower. I would have expected with the initial ramp-up with Orbis that you would gradually see this picking up.

And then also maybe what you said before, maybe some of the bigger clients, which have longer lead times coming through. Is that still what you expect? And why is it a bit slower than the initial expectations?

Harold Goddijn *TomTom NV - Chief Executive Officer, Member of the Management Board*

Yeah, it's a bit slower. You're right, and it's also a bit slower than I had hoped. There's a lot going on. It's not that there's no activity. And I think we will continue to grow the Enterprise segment.

We see, in the mix, two things. We see a decline of one larger customer. I think that's well documented. That's been filled in by a number of smaller customers. So the overall customer base is growing.

There's quite a lot in the pipeline, and that will probably fall either end of this year or beginning of next year. But if we want to enable the next generation of growth, also things need to happen on the product portfolio, and the access to our products needs to be made easier. That's all planned for the beginning of next year. And we are confident that the Enterprise segment will continue to grow in the midterm.

Marc Hesselink *ING Groep NV - Equity Analyst*

Okay. And then the final question I have is on the gross margin. I think it's clearly a good mix effect, but also more -- less customization structurally going forward. Is it fair to assume that eventually, Location Technology will be almost like 100% gross margin business, given that you're planning to sell the same product to all the clients? Or is that -- or am I missing something there?

Harold Goddijn *TomTom NV - Chief Executive Officer, Member of the Management Board*

Well, there is -- in some cases, there are license costs, but they are not massive. That's a small percentage of sales revenue. But what you will see increasingly is the cost to serve when it's concerned online solutions. So there's a cloud cost element coming in, and that will grow over time. Not massively, but it will grow.

Taco Titulaer *TomTom NV - Chief Financial Officer, Member of the Management Board*

But you're right that it will start with a 9 very soon, starting next year, probably. So it will continue to grow, but it will not reach the 100%.

Marc Hesselink *ING Groep NV - Equity Analyst*

Okay. It's very clear. Thank you.

Operator

Robert Vink, Kepler Cheuvreux.

Robert Vink *Kepler Cheuvreux SA - Analyst*

I have a question about the outlook. Encouraging that TomTom improves its outlook to the upper end of the previously guided range. I'll be interested to hear why you've decided to kind of maintain the upper range of your revenue outlook as you are approaching it and why you have not decided to maybe increase the upper limit of the guided revenue range for fiscal year '25.

Maybe second question, yeah, bigger picture question on self-driving. How do you see your automotive customers using TomTom's HD Maps for self-driving type of applications? Of course, we see the emergence of players like Wayve, which are pursuing a more autonomous learning-based type of approach, maybe a different way of interacting with maps. Is that maybe transforming how these automotive -- autonomous players are interacting with your map technology? Do you maybe see more of an emphasis on certain functionalities over others?

Yeah. So maybe how is that picture of autonomous driving and how that interacts with your technology? How is it evolving from your perspective?

Taco Titulaer TomTom NV - Chief Financial Officer, Member of the Management Board

Yeah. Let me touch on your first question and then hand it over to Harold for your second question. Yeah, the guidance, if you look at the three revenue-generating units, there will be some sequential improvement expected both from Automotive and Enterprise, although for both cases, it will be modest. And then the last one, consumer will decline as it is doing for the last period. So if you add it all up, then I think we are still within the provided range, and that's also how we guided.

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Yeah. So let me handle the self-driving part of business. So the -- we see carmakers now fully preparing for next generation of level of self-driving. We expect that to come to market in '26, '27, a higher level of autonomy, and the map plays in all the use cases that we know, provides two different functions. First, it's providing an extra data source to the self-driving robots, and that means that you can achieve a higher degree of reliability, less interference of the driver.

So an important measure is human interference per kilometer or per 1,000 kilometers. With a map, you can improve that number. The map becomes a safety device as much as an active input into the self-driving behavior. And the second important part where the map is used is to explain to the driver what the robot is doing and why it's doing it, what it is seeing around it, why it makes a certain decision. And that is an important input for the driver to understand what's happening, and that provides comfort but also safety as well.

So it's for those two functions that the map is used. And we see interest for the use of that map across the range, across the whole ecosystem. So both from the OEMs, but also from the software makers across -- whether they're based in the US or in Europe or in China, all builders of self-driving software are looking to use a map in one way or another, with the notable exception, as you said, of Wayve, that's a UK outfit. Everybody else seems to be relying on maps to give that extra level of security and safety and predictability.

Robert Vink Kepler Cheuvreux SA - Analyst

Okay. Thank you very much.

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Yeah. And I think on top of that, we have quite an innovative approach to building those maps. We're coming out of a period of HD thinking that didn't quite work. It was too expensive, didn't scale. But with new technologies and new data available to us, we can now construct those maps at scale, at quality and add detail for the whole road network. And that's a different way of looking at those maps as well. They become more economic to build and to maintain, and their application is over a much wider set of use cases. So technology is really progressing quickly here.

Robert Vink Kepler Cheuvreux SA - Analyst

Yeah. Thank you. Thank you. Maybe a different question here on regions in general across the Location Technologies segment. Of course, with Orbis Maps, you have kind of improved your offering globally, particularly in some emerging markets. And I think many of your customers are global. But in some cases, you only service them in certain regions like Europe or North America.

Do you maybe see some momentum maybe in your conversations to service customers more globally? Is that something which is happening? Or is that more, yeah, still early stage?

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Well, I think -- so the quality of our map is really starting to shine across three dimensions: so coverage, detail, freshness. We put a lot of effort in that. And now we also start to get the feedback from the market that are -- that we have superior maps product. And

we hear that from customers who are testing those maps and doing independent verification in order to make buying decisions for the future.

So we will -- I think that strategy is working, and we start to get some recognition for that as well, and that gives us confidence for order intake, midterm revenue growth in the Automotive segment as well.

Robert Vink Kepler Cheuvreux SA - Analyst

Perfect. Thank you.

Operator

(Operator Instructions) Wim Gille, ABN AMRO ODDO BHF.

Wim Gille Oddo BHF SCA - Analyst

Let me see what I have left. I think the first question would be on an accounting one. You started to capitalize some of the R&D and intangibles earlier this year, which is essentially related to a change in your kind of map philosophy with HD Maps becoming de facto standard and the standard definition map derivative. And the question here is, when will we actually see a tangible increase in HD revenues in your financials and your revenues? And is this also the moment when you will start to amortize on the capitalized R&D again? So is this something we need to build in for 2026 already? Or is it more a 2027 story?

The second question I would have is more of a commercial one on the Enterprise side. Obviously, the dollar had quite a bit of a negative impact. So underlying, you're close to being kind of neutral, flat, whatever, still having -- not having any organic growth in the Enterprise segment is quite disappointing.

So I would like to have a bit more feeling about the commercial momentum here. So what's the churn amongst clients, if that is an issue at all, which type of new clients are you adding at the moment? Is it still mainly smaller OSM users? Or are you already converting Google and HERE users? So where are we on that spectrum?

What's the momentum that you have with Orbis Maps in the government vertical, which is the transaction you had last year with the Australian government? And when can we see kind of more conversions for basically larger customers that are -- have been testing the product for a long time now? Obviously, larger customers have way longer sales cycles, but are we getting any closer to announcing some bigger deals? That's it.

Taco Titulaer TomTom NV - Chief Financial Officer, Member of the Management Board

Yeah. Let me take the first question, and then I'll hand over to Harold for the second question. On capitalization on this new way of AV mapping and automated driving, that indeed started this year. I expect revenue to start coming in as of H2 2027. So that's still two years away, significant revenue that is 2028, but the amortization will start towards the end of 2027.

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Okay, Wim. And then your question on the Enterprise side. So churn, I think there is a well-documented case with a large customer that is building off the partnership. They have built their own map in the meantime. We're filling that gap, but we're not outgrowing it.

So the customer base is broadening. We have more customers with smaller customers. And net-net, it's flatlining. There is a lot of movement, though, a lot of opportunity. One sector that stands out is government and intelligence sector. We have quite a bit of RFQs and RFIs outstanding there, and we feel that we're well placed to win at least a proportion of those opportunities. And there are also larger opportunities as well.

So the government and intelligence potential contracts are significant revenue opportunities. So I'm not too worried. It is a bit disappointing that we haven't been able to show growth in this quarter. But I feel that we are strengthening our position, that we are broadening our customer base and that we will continue to grow this segment over time.

Wim Gille Oddo BHF SCA - Analyst

And what about the kind of current customers that you are onboarding? I assume, looking at the numbers that we're still talking about smaller OSM users.

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Well, it's not only smaller OSM users. It's real business and real customers in insurtech and fleet logistics. And traffic is doing well. So we have launched a number of new traffic products and traffic analytics. For us, we are a market leader in that segment that seems to be accelerating. So there's quite a lot of good underlying developments going on, but it's a little bit obscured by the decrease of revenue coming from a particular one customer.

Wim Gille Oddo BHF SCA - Analyst

And that large customer that started building their own maps in 2012, I think it was -- '15, how big is that customer still in your revenue base? Are we talking about a few percentage points?

Taco Titulaer TomTom NV - Chief Financial Officer, Member of the Management Board

As you know, Wim, we don't quantify that. But it will remain to contribute to our revenue up until H2 2026.

Wim Gille Oddo BHF SCA - Analyst

All right.

Operator

(Operator Instructions) Andrew Hayman, Independent Minds.

Andrew Hayman Independent Minds - Analyst

Just on -- you've linked quite well with OpenStreetMap for Orbis, but I was just wondering, do you see open source vehicle routing software is becoming a viable competitor to you?

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

The routing software?

Andrew Hayman Independent Minds - Analyst

Yes, open source routing software. Is it making any headway whatsoever?

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Well, I mean, it's often used as a starting point for companies who want to do their own routing algorithm. They start with an open source program and then tune it to their needs. So it is a factor in the market. But none of those initiatives will -- have been able to

match the reliability and efficiency of the real commercial route plans and routing algorithms from us or from Google or from Apple. That's a different level of sophistication.

Andrew Hayman *Independent Minds - Analyst*

Okay. And then maybe just another question. When you were launching the new auto navigation app, I was looking at your promotional videos and there was a big emphasis on how quick it could be rolled out, for example, from the drawing board to the dashboard in 12 weeks. I mean how does that compare to your competitors? And is that one of the key selling points of it?

Harold Goddijn *TomTom NV - Chief Executive Officer, Member of the Management Board*

Well, I think the key selling point is the UI and the overall user experience is the key selling point. It's a high-quality program with good search, good EV routing, routing, great map display, that's a unique selling point. But to also meet the requirements for cost-effective integration, we built it up in such a way that, that's possible. And that's not the main segment of the market. But if you want, you can get it up and running in 12 weeks.

And that tells you something about the quality and the completeness of that product. If you want to go beyond that, there's also a lot of possibilities to do that and tune it completely to your own requirements, but the fact that it is a standard but also configurable application is in itself an important message for the market. And certainly, if you look at the history of those programs, they have always been long and expensive and ultimately disappointing in what they offer the end user. And with this, we give a clear signal to the market, we -- it's possible to break that doom loop of high-cost long development cycles and mediocre products.

Andrew Hayman *Independent Minds - Analyst*

Good. Thank you very much.

Operator

Wim Gille, ABN AMRO ODDO BHF.

Wim Gille *Oddo BHF SCA - Analyst*

Yeah, a follow-up question indeed related to Automotive and some of the commercial momentum we see there. In the past, you always indicated that 2025 was a year where there was quite an active year with regards to RFPs and what have you. So there were a lot of contract renewals in the market. How are you feeling about that today? I'm acutely aware that you will be giving the new order book numbers next quarter.

But can you give us a bit of a sense on the direction here? How are you feeling about win rates? And how are you feeling about that big opportunity for RFPs in the market? Did they materialize or are OEMs pushing them out to 2026? Thanks.

Harold Goddijn *TomTom NV - Chief Executive Officer, Member of the Management Board*

Yeah. So I think we're well positioned. I think it is indeed -- it's going to be a big year, I think, 2025 in terms of total opportunity. The year is not over, and it's easy for those things to slip over into January. But the direction of travel is quite clear.

Carmakers have postponed decisions for quite a while. I feel they can no longer do that, need to act even in certain times. We see that happening. And as a result, the quoting and the RFI, RFQ activity has gone up. I think in many cases, we are very well positioned to get a big chunk of those available opportunities in our way.

Wim Gille Oddo BHF SCA - Analyst

So would you say, based on kind of the numbers and the data that you -- and the win rates that you see today that after this round, your market share will go up or go down?

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

It's a bit early, and there's always a delay effect, of course, of winning and losing and whatnot. It can take up to three, four years before you start seeing the actual market shares in the market changing. We'll give you, I think, a better feel in February when we give an outlook and the order intake number for 2026, with a bit of a feel of how that will play out over the coming years.

Taco Titulaer TomTom NV - Chief Financial Officer, Member of the Management Board

But it is -- to add to that, it's a mix of renewals. In your question, you spoke about renewals, but it is a mix of renewals and new opportunities.

Harold Goddijn TomTom NV - Chief Executive Officer, Member of the Management Board

Yeah. Since this is both renewals and market share gains that we are after, obviously.

Wim Gille Oddo BHF SCA - Analyst

All right. Thank you.

Claudia Janssen TomTom NV - Group Controller & Head - Investor Relations

Okay. As there seems to be no additional questions, I want to thank you all for joining us today. Operator, you may now close the call.

Operator

Thank you. This concludes today's presentation. Thank you for participating. You may now disconnect.

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