

Strategy update

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Welcome, I'm very excited to be here. And thank you for coming, both the people who traveled to Amsterdam and the people that are obviously behind a screen, somewhere in the world. We're here today in Amsterdam, in the A'DAM Tower overlooking the city of Amsterdam. You will, by now, have seen our press release earlier this morning, where we announced the availability of a new mapping platform, a new map, a record Automotive order intake for 2022. And we also provided some mid-term guidance for revenue growth and cash generation. The changes that we are announcing today in our tech and in our way of working will have a profound impact on our business, but also on the industry that we are operating in. The introduction movie gives you a bit of a flavor of what our customers expect from us, and we have completely rethought how to make maps and how to make them useful. Our improved products will make us more competitive in our existing markets, but will also open new opportunities and new business. And we will offer new possibilities to customers as well, giving them a lot more freedom to innovate.

We are aspiring to get back to growth. We want to achieve scale and operating leverage and that will take us to a path of profit and cash generation. Now, the market for location technology is growing rapidly. It's a foundational technology to find things. But, less visibly and often running in the background, but equally important, maps are enabling people and things to move safely, easily, and efficiently. Let me give you a simple example. Every time you order an Uber, hundreds of calculations, if not thousands, are made to work out which driver is best-placed to pick you up, where to pick you up, and what happens after you've left a taxi. And the accuracy of those calculations has a direct effect on customer satisfaction and operational excellence, and eventually on your bottom line. Now, when you are carmaker and you want to get to a higher degree of automation and self-driving, you have a separate set of requirements. Developers of those systems need to know how many lanes there are, where the zebra crossings are, where the traffic lights are, and much more. And those requirements drive an insatiable demand for new things to map, for improved accuracy, and improved freshness. And traditionally, it's been very hard to keep up with that ever-expanding list of requirements. Mapping is expensive, it's hard. And often there's no economic justification to map and maintain certain attributes.

Now, at the same time map users are producing an ever-increasing amount of data, and signals. Every time an Uber client orders a taxi, we learn something through the app about the world around us. And when an intelligent front-facing camera passes by a traffic sign, minutes later, we can see the traffic sign popping up on our servers. And also the open source community has gone from strength to strength. The OpenStreetMap community is producing and maintaining a visually extremely attractive map, with a wealth of detail.

Now, our new Maps Platform is designed to bring all those sources together in a consistent way to power the most demanding applications. And that new Maps Platform is combining, of course, our own data, but we combine that with new what we call 'super' sources – not local sources, but sources that are relevant for the whole map, across the whole world. And those new sources are sensor observations and open data. And that Maps Platform is designed to support an ecosystem of customers and partners to contribute data back to the map, improving the location technology we all use. In addition, and this is also new, customers and partners can map their own data against a consistent base map, creating layers that cater to their specific needs. And that new Maps Platform is designed to reintegrate those layers seamlessly, so the applications can use that data as well. Now the technology will be a driving force for accelerated innovation, the new maps platform will foster an ecosystem where the world can come together to create the smartest map of the planet.

The immediate effect is that our new maps are richer, they contain more data types, they've got wider geographical coverage, and they are easier to maintain. And that makes us more competitive in our existing markets. But importantly, it also opens markets and use cases where we currently are not present or not competitive. Now, let me show you a first glimpse of what that means. Let me pop up a number of maps. Here you see Amsterdam, of course, it's our home city, it's well-mapped. Navigation is very good, traffic information is very good. But even here, if we combine the data on our new Maps Platform, you see a higher level of detail, especially in the non-build-up areas, building footprints, parks, water features, tram lines, railways, are all now part of our new mapping platform.

This is an example of a completely different dimension, Kazakhstan. Now, Kazakhstan is not one of our core markets, let's face it, but a lot of our customers have worldwide exposure. And they want us to not only do Western Europe or North America, but also Asia and other countries outside Asia. And when you don't have that map, that detracts. And by not having Kazakhstan, we can lose an important Automotive deal. This is what the new technology does to our map in Kazakhstan. You see much higher detail, visually much more attractive – much more detailed than we have ever had before. And we can do this at relatively low costs. Another example, again of a well-developed map – this is Kansas. Again, a high quality navigation map, and combine that with the new sources that we have, you get much more detail, richness, a visually more attractive map. And that's important for customers who want that map visually represented in their application. Another example, Southeast Asia, very important, a big market. Indonesia is one of these potentially important markets. And again, there you see a massive improvement in detail outside of the road network. The road network is relatively well covered, we improve there. But look at all the detail in the visual implementation. You get a feel for how you can start using these maps outside of the Automotive world.

At a completely new level of improvement, this is Japan. In Japan, we don't have a map for historical reasons and competitive reasons. There are very few countries where we don't have a map. China obviously is an important market where we're not represented. But also until now, Japan was out of reach. It was simply a too expensive and too difficult market to enter. But here we are starting with a new map, with a very impressive base map already, from where we can improve using our other sources, such as trace data, sensors-derived observations, and more.

Finally, again, this is a well-developed market. Disneyland, Paris. Now, with our current map, we can get you perfectly okay to the entrance of Disneyland. But once you're inside of this land, there's not a lot we can do for you. But that was until recently. When you look at that new map, this is the power of the OpenStreetMap community detailing, visualizing everything. Combining that with the high quality base map that we are producing, and also inside of Disneyland, we now have something to tell you. You can see the railways, they're much more detailed. The paths, the attractions, you get the gist, I think. Now, leveraging the opportunities of our new map offering also prompts us to overhaul our complete application landscape. We have a set of brand new APIs and SDKs. And that will make it much easier to consume all that good news that we bring with our new maps, and to power all those demanding applications.

2022 will be our biggest year for bookings in Automotive by far and we are shredding our previous record. The backlog has grown to €2.4 billion, up from €1.9 billion at the end of 2021, thanks to a record order intake. We aspire to further grow our market share in Automotive, and our new maps give us a good entrance there. But also new developments like electrification, new safety legislations, ongoing progress in ADAS, and automated driving, will provide further opportunities for growth. Outside of Automotive, completely new markets will open to us. More countries, more use cases. And we aspire to double our revenue outside of Automotive in the mid term, on the back of better products and improved applications.

Now, in order to get where we are, we have attracted a lot of talent from leading tech companies, to join us on our journey to build the best map of the planet. We complement that, of course, with very deep knowledge of mapmaking skills. Combining that new talent with the wealth of knowledge we have of mapmaking, has enabled us to get us where we are and to launch this product today. We are changing the way we are working. We are transforming into a leading tech company. And we're excited, the world needs an independent mapmaker that caters to a wide range of products and solutions, lining up to provide a platform and technologies to bring all that together. My colleagues will, later on in this presentation, take you through what that means, and give you a bit more detail. We'll also tell you what we think that will do to our commercial competitive position, both in Automotive and in the Enterprise market. Thank you very much so far. I'm handing over the microphone to Michael Harrell. Thank you, Mike.