



Q2 2017
RESULTS
19 July 2017

TomTom 

HAROLD GODDIJN – CEO
TACO TITULAER – CFO

KEY HIGHLIGHTS

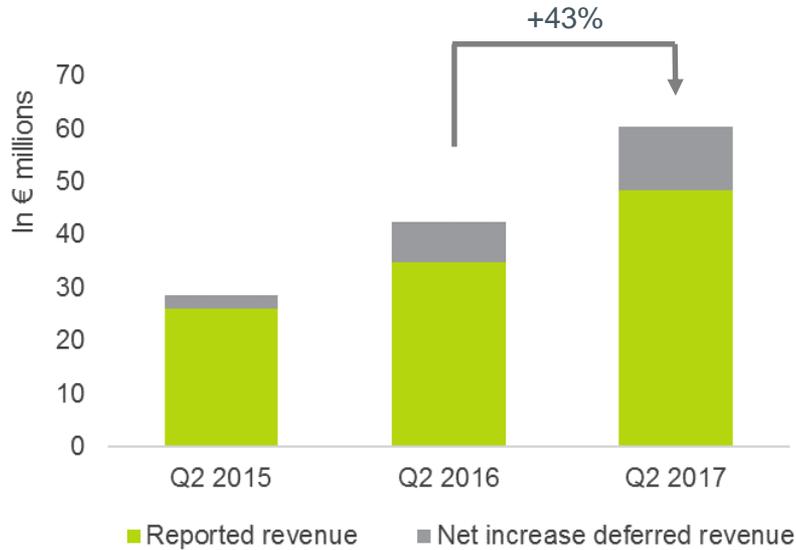
- Our strategy is to build on our leading position in navigation technologies and to provide location content, software, and services to business customers
- Combined Automotive, Licensing and Telematics revenue grew by 18% year on year this quarter, which was ahead of our expectations
- The wearables market has fallen short of expectations
- New share buy-back program of up to €50 million, equal to around 2.5% of total issued share capital

FINANCIAL HIGHLIGHTS

- Revenue of €253 million (Q2 '16: €265 million)
- Gross result up by 11% YoY
- Gross margin of 63%, up by 8 ppt (Q2 '16: 55%)
- EBITDA of €45 million (Q2 '16: €44 million)
- Adjusted EPS¹ of €0.09 (Q2 '16: €0.10)
- Net cash of €82 million

¹ Earnings per fully diluted share count adjusted for acquisition-related expenses & gains and material restructuring costs on a post-tax basis

AUTOMOTIVE



Automotive continues to grow strongly

FULL YEAR OUTLOOK 2017

- Revenue around the lower end of the range of between €925 million to €950 million
Adjusted EPS¹ of around €0.25 unchanged
- The combined revenue of Automotive, Licensing and Telematics businesses to grow around 15%, reiterating our previous expectations of revenue CAGR of 15% between 2016 and 2020
- Level of investments (both CAPEX and OPEX) to show a modest increase compared with 2016², excluding acquisitions

¹ Earnings per fully diluted share count adjusted for acquisition-related expenses & gains and material restructuring costs on a post-tax basis.

² In 2016, CAPEX was €118 million and OPEX was €557 million. Year to date in 2017 we spent €24.5 million on acquisition related CAPEX

THANK YOU
Any questions?

QUARTERLY P&L STATISTICS

(€ in thousands)	Q1 '16	Q2 '16	Q3'16	Q4 '16	Q1 '17	Q2 '17	H1 '17	FY '16
REVENUE	217,155	265,225	239,331	265,618	212,711	253,442	466,153	987,329
Cost of sales	93,850	119,967	94,690	112,594	80,341	92,833	173,174	421,101
GROSS RESULT	123,305	145,258	144,641	153,024	132,370	160,609	292,979	566,228
Research and development expenses	44,533	45,675	50,680	49,585	50,226	53,539	103,765	190,473
Amortisation of technology and databases	20,626	21,107	22,571	27,222	22,429	24,373	46,802	91,526
Marketing expenses	15,058	21,545	19,159	24,847	14,255	21,768	36,023	80,609
Selling, general and administrative expenses	47,401	44,179	51,278	51,868	50,313	51,743	102,056	194,726
Impairment charge	0	0	0	0	0	168,687	168,687	168,687
TOTAL OPERATING EXPENSES	127,618	132,506	143,688	153,522	137,223	320,110	457,333	557,334
OPERATING RESULT (EBIT)	-4,313	12,752	953	-498	-4,853	-159,501	-164,354	8,894
EBITDA	25,557	43,693	33,093	38,554	27,955	45,241	73,196	140,897
Interest result	-305	-377	-404	-285	-175	-318	-493	-1,371
Other financial result	1,711	-1,233	513	-2,001	398	1,458	1,856	-1,010
Result of associates	327	134	97	178	125	228	353	736
RESULT BEFORE TAX	-2,580	11,276	1,159	-2,606	-4,505	-158,133	-162,638	7,249
Income tax gain / (charge)	7,346	911	-594	-2,954	-51	-1,923	-1,974	4,709
NET RESULT	4,766	12,187	565	-5,560	-4,556	-160,056	-164,612	11,958
MARGINS								
Gross margin	57%	55%	60%	58%	62%	63%	63%	57%
EBITDA margin	12%	5%	14%	15%	13%	18%	16%	14%
EBIT margin	-2%	5%	0%	0%	-2%	-63%	-35%	1%
EARNINGS PER SHARE (in €)								
Diluted EPS ¹	0.02	0.05	0.00	-0.02	-0.02	-0.68	-0.70	0.05
Diluted Adjusted EPS ²	0.03	0.10	0.05	0.05	0.03	0.09	0.12	0.23

¹ When the basic EPS is negative, no additional shares from assumed conversion are taken into account as the effect would be anti dilutive.

² Earnings per fully diluted share count adjusted for acquisition-related expenses & gains and material restructuring costs on a post-tax basis.

QUARTERLY BALANCE SHEET STATISTICS

(€ in thousands)	31-Mar-16	30-Jun-16	30-Sep-16	31-Dec-16	31-Mar-17	30-Jun-17
ASSETS						
NON-CURRENT ASSETS						
Goodwill	403,529	400,412	400,770	400,318	423,577	254,899
Other intangible assets	806,684	806,271	807,112	795,771	797,955	795,196
Other non-current assets	52,592	52,554	51,818	56,385	53,359	51,929
TOTAL NON-CURRENT ASSETS	1,262,805	1,259,237	1,259,700	1,252,474	1,274,891	1,102,024
CURRENT ASSETS						
Inventories	57,476	50,955	60,933	54,078	62,556	54,301
Receivables, prepayments & derivatives	178,152	233,201	219,161	179,749	188,407	216,069
Cash and cash equivalents	114,630	136,391	129,262	142,527	84,427	85,041
TOTAL CURRENT ASSETS	350,258	420,547	409,356	376,354	335,390	355,411
TOTAL ASSETS	1,613,063	1,679,784	1,669,056	1,628,828	1,610,281	1,457,435
EQUITY AND LIABILITIES						
TOTAL EQUITY	970,017	992,268	988,967	996,737	998,346	843,151
Deferred tax liability	116,998	110,443	96,688	97,282	95,260	95,821
Borrowings	64,336	77,420	47,503	9,586	4,669	2,752
Provisions	62,776	65,079	62,100	90,816	84,691	81,137
Trade payables	79,167	93,504	93,581	76,630	73,845	75,288
Deferred revenue	183,321	188,084	205,548	204,407	210,713	220,118
Accruals and other liabilities	136,448	152,986	174,669	153,370	142,757	139,168
TOTAL LIABILITIES	643,046	687,516	680,089	632,091	611,935	614,284
TOTAL EQUITY AND LIABILITIES	1,613,063	1,679,784	1,669,056	1,628,828	1,610,281	1,457,435
<i>Net cash</i>	<i>49,630</i>	<i>58,391</i>	<i>81,262</i>	<i>132,527</i>	<i>79,047</i>	<i>82,041</i>

QUARTERLY CASH FLOW STATISTICS

(€ in thousands)	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	H1 '17	FY '16
Operating result	-4,313	12,752	953	-498	-4,853	-159,501	-164,354	8,894
Financial gains/(losses)	954	-553	-1,960	2,794	1,916	-1,519	397	1,235
Depreciation and amortisation	29,870	30,941	32,140	39,052	32,808	204,742	237,550	132,003
Other	-2,270	5,792	-1,606	11,008	-3,534	-334	-3,868	12,924
Changes in working capital ¹	-40,506	-14,225	31,228	26,568	-25,993	-11,324	-37,317	3,065
CASH GENERATED FROM OPERATIONS	-16,265	34,707	60,755	78,924	344	32,064	32,408	158,121
Interest received	42	44	42	57	107	44	151	185
Interest (paid)	-264	-338	-364	-261	-200	-276	-476	-1,227
Corporate income taxes (paid)/received	-1,870	-1,151	-6,695	-3,046	-2,068	-3,163	-5,231	-12,762
CASH FLOWS FROM OPERATING ACTIVITIES	-18,357	33,262	53,738	75,674	-1,817	28,669	26,852	144,317
CASH FLOWS FROM INVESTING ACTIVITIES	-31,370	-30,156	-31,848	-26,352	-53,110	-33,414	-86,524	-119,726
CASH FLOWS FROM FINANCING ACTIVITIES	17,092	19,162	-28,854	-36,884	-3,155	6,304	3,149	-29,484
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	-32,635	22,268	-6,964	12,438	-58,082	1,559	-56,523	-4,893

¹ Includes the movement of non-current deferred revenue.

OUTSTANDING SHARES AND ADJUSTED EPS

per 30 June 2017, average over Q2 2017

Common shares outstanding end of Q1 '17	233,353,202
Common shares outstanding end of Q2 '17	235,135,716
Average shares outstanding during Q2 '17	234,417,193 (A)
In the money share options end of Q1 '17	7,658,577
In the money share options end of Q2 '17	5,612,853
Average potential dilutive share options outstanding during Q2 '17*	6,327,254
Non dilutive share options:	3,748,587
<i>Average shares outstanding from dilution of options**</i>	<i>2,578,667 (B)</i>
<i>Average shares outstanding from dilution of other equity-settled grants</i>	<i>1,127,817 (C)</i>
Average fully diluted shares outstanding during Q2 '17***	238,123,677 (A+B+C)

* In the money options during the quarter based on average share price for the quarter

** Weighted average diluted options based on the period outstanding during the quarter

*** The average share price for the quarter was €9.08

Adjusted earnings per share calculation (in € million)

Net result attributed to equity holders	-159.9
Impairment charge	168.7
Acquisition related expenses	15.7
Tax effect of adjustments	-3.5

ADJUSTED EARNINGS **21.0**

ADJUSTED EARNINGS PER SHARE (in €)

Basic	0.09
Diluted	0.09

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.

Gross margin is calculated as gross result divided by revenue

EBIT is equal to our operating result

EBIT margin is calculated as operating result divided by revenue

EBITDA is equal to our operating result plus depreciation, amortisation and impairment charges

EBITDA margin is calculated as operating result plus depreciation, amortisation and impairment charges divided by revenue

Adjusted net result is calculated as net result attributed to equity holders adjusted for acquisition-related expenses and gains and material restructuring costs on a post-tax basis

Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period

Net cash is defined as our cash and cash equivalents minus the nominal value of our outstanding borrowings

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 specialised 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.

You will be solely responsible for your own assessment of the market and the market position of TomTom and you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of TomTom's business. This document does not constitute or form part of, and should not be constructed as, an offer or invitation to subscribe for or purchase any TomTom securities.

TomTom NV

De Ruijterkade 154
1011 AC Amsterdam
The Netherlands

@: ir@tomtom.com

T: +31 20 757 5194

www.tomtom.com/investors

