

Q1 2020 RESULTS



Harold Goddijn – CEO
Taco Titulaer – CFO
15 APRIL 2020

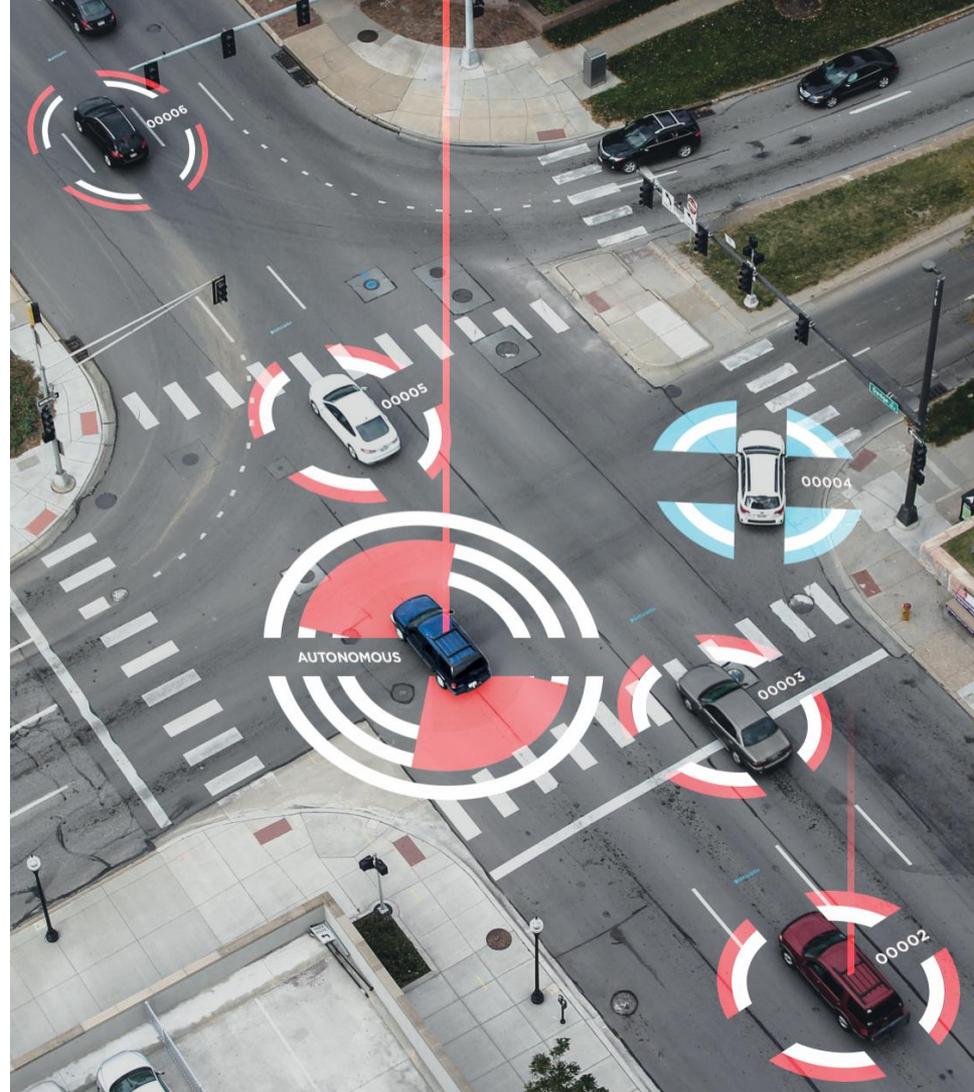
Shaosheng Road
Fair chance Sun Sat 0:00 - 24:00
\$ 17.00 / hour

350 McAllister St, San Francisco
10 METERS ABOVE
Accommodation
Parking
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VISA



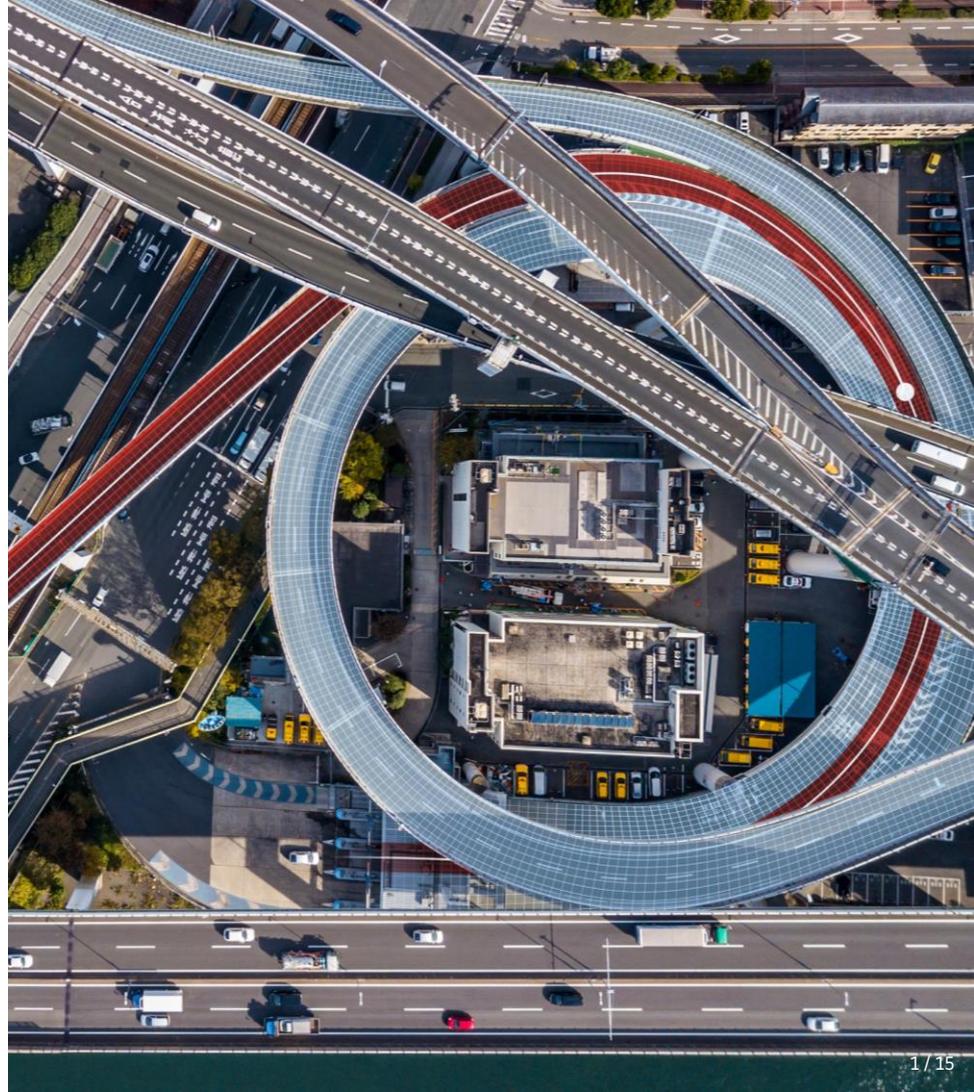
COVID-19

- Revenue down
- Adjusted to the new reality swiftly and decisively
- Strong deal activity and product delivery
- Strong debt-free balance sheet



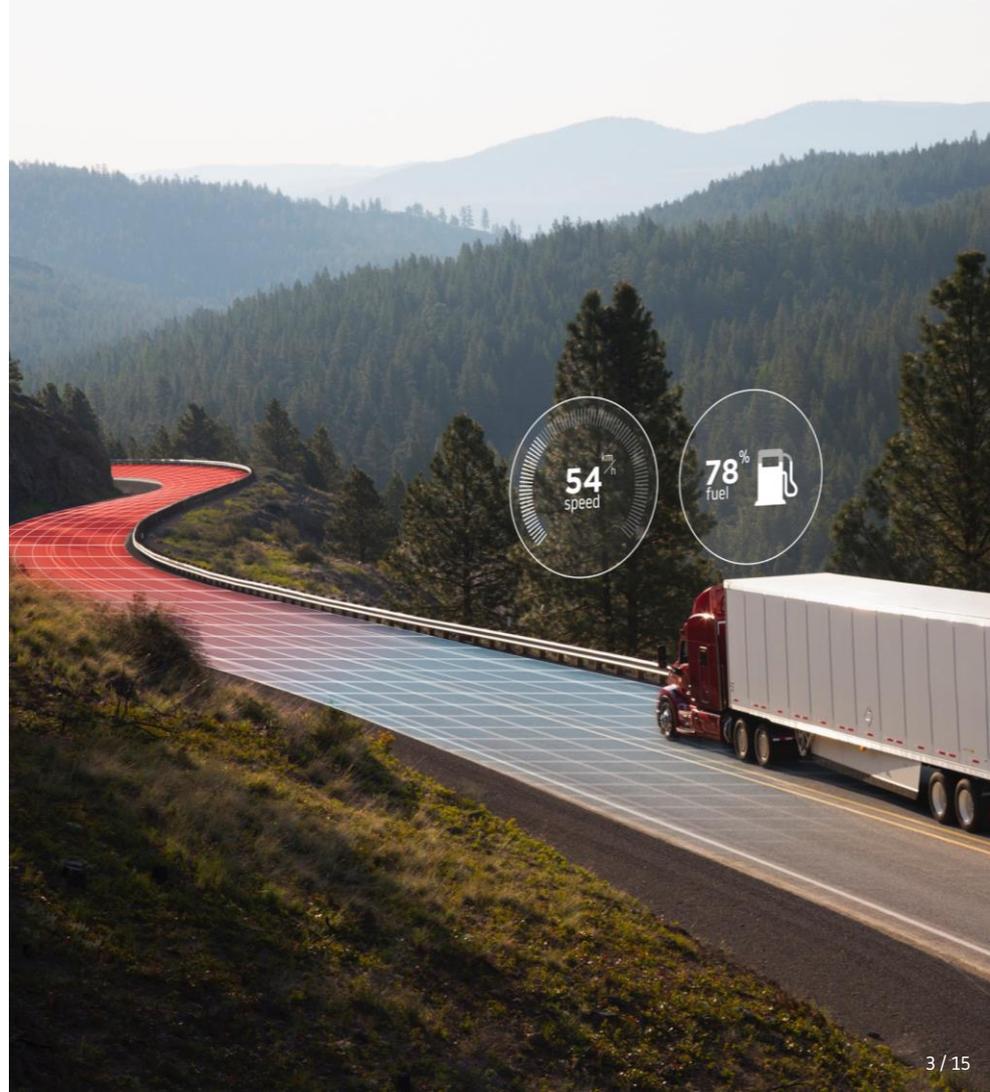
Operational highlights

- Verizon integrates TomTom's Maps APIs and SDKs into its location services offering
- TomTom, Toyota Research Institute - Advanced Development, Inc. and DENSO collaborate on advanced mapmaking for automated driving
- Traffic data widely used to monitor consequence of COVID-19 measures on economic activity



Financial highlights

- Group revenue of €131 million (Q1 '19: €170 million)
- Gross margin of 78% (Q1 '19: 72%)
- Free cash flow of €14 million (Q1 '19: -€20 million)
- Net cash of €432 million (Q1 '19: €241 million)
- Share buyback suspended until further notice; 2.4 million shares purchased for €16.6 million

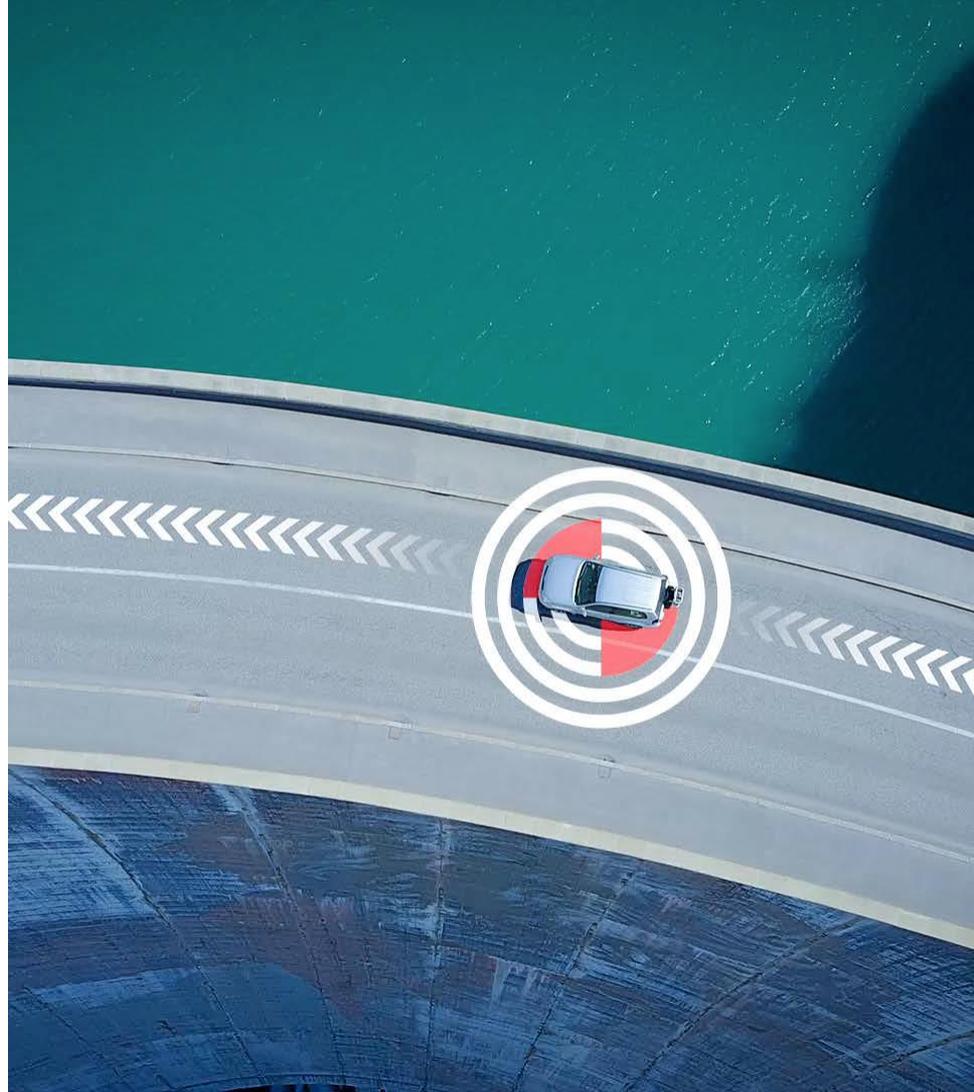


2020 Outlook

- Withdrawn full year guidance
- Automotive revenue impacted by factory closures
- Consumer revenue impacted by retail closures
- Continue to invest in R&D in line with strategy
- Negative free cash flow expected in 2020



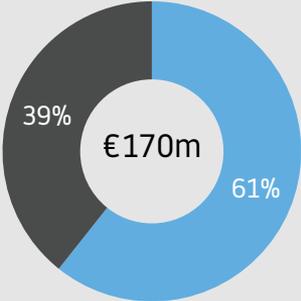
**Thank you –
Any questions?**



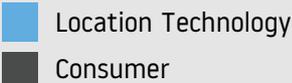
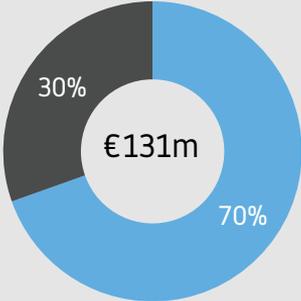
Revenue breakdown

BY SEGMENT

Q1 '19

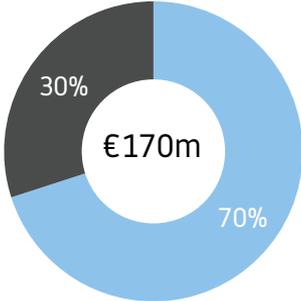


Q1 '20

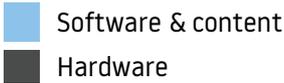
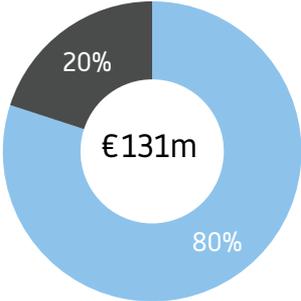


BY TYPE

Q1 '19



Q1 '20



P&L

(€ in thousands)	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20
REVENUE	173,999	169,527	210,803	164,206	156,223	131,197
<i>Automotive</i>	73,397	65,126	75,944	55,404	69,190	49,788
<i>Enterprise</i>	33,225	37,833	40,156	41,141	41,187	41,481
<i>Consumer</i>	67,377	66,568	94,703	67,661	45,846	39,928
Cost of sales	56,638	48,273	68,759	36,277	32,249	28,631
GROSS RESULT	117,361	121,254	142,044	127,929	123,974	102,566
<i>Gross margin</i>	67%	72%	67%	78%	79%	78%
Research and development expenses	71,902	72,498	78,840	80,272	91,175	76,195
Amortization of technology and databases	31,200	24,474	106,561	65,038	65,120	64,740
Marketing expenses	7,439	6,945	6,432	7,057	9,002	6,854
Selling, general and administrative expenses	19,568	30,529	33,170	32,647	36,398	32,524
TOTAL OPERATING EXPENSES	130,109	134,446	225,003	185,014	201,695	180,313
OPERATING RESULT (EBIT)	-12,748	-13,192	-82,959	-57,085	-77,721	-77,747
<i>EBIT margin</i>	-7%	-8%	-39%	-35%	-50%	-59%
EBITDA	27,774	18,779	30,983	15,854	-4,588	-5,442
<i>EBITDA margin</i>	16%	11%	15%	10%	-3%	-4%
Net result from continuing operations	-9,184	-15,325	-65,254	-43,429	-68,958	-62,753
Net result tax profit from discontinued operations	10,607	18,615	807,237			
NET RESULT	1,423	3,290	741,983	-43,429	-68,958	-62,753
Diluted EPS from continuing operations (in €)	-0.04	-0.07	-0.34	-0.33	-0.52	-0.48

Balance Sheet

(€ in thousands)	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
ASSETS						
Goodwill	192,294	192,294	192,294	192,294	192,294	192,294
Intangible assets	634,728	613,978	509,597	444,646	380,160	312,168
Other contract related assets	24,497	27,715	21,606	23,679	23,923	26,519
Other non-current assets	70,968	75,281	73,421	72,125	71,454	78,481
Inventories	26,400	25,571	19,033	27,483	25,315	23,971
Trade receivables	92,530	99,631	111,981	136,755	99,776	66,507
Unbilled receivables	22,512	26,169	42,621	33,359	34,374	42,393
Other receivables and prepayments	54,998	45,522	56,891	59,435	45,351	44,539
Cash and cash equivalents and fixed term deposits	247,675	206,593	372,030	392,865	436,520	431,563
Assets held for sale	128,323	155,325				
TOTAL ASSETS	1,494,925	1,468,079	1,399,474	1,382,641	1,309,167	1,218,435
TOTAL EQUITY	774,109	780,425	774,619	735,016	665,932	574,294
Deferred tax liability	80,436	78,827	57,605	42,764	27,283	20,570
Lease liability	38,730	38,938	36,757	34,672	34,268	42,924
Provisions	74,412	70,353	67,261	56,809	55,020	53,555
Trade payables	51,076	46,383	52,871	46,651	47,085	32,266
Deferred revenue	280,910	291,145	296,861	348,230	369,317	395,411
Other contract related liabilities	38,665	36,376	40,519	37,692	26,745	21,031
Accruals and other liabilities	101,180	76,631	72,981	80,807	83,517	78,384
Liabilities associated with assets held for sale	55,407	49,001				
TOTAL LIABILITIES	720,816	687,654	624,855	647,625	643,235	644,141
TOTAL EQUITY AND LIABILITIES	1,494,925	1,468,079	1,399,474	1,382,641	1,309,167	1,218,435
Net cash	252,112	240,551	372,030	392,865	436,520	431,563
<i>Net cash classified as held for sale</i>	<i>4,437</i>	<i>33,958</i>				
<i>Net cash of continuing operations</i>	<i>247,675</i>	<i>206,593</i>	<i>372,030</i>	<i>392,865</i>	<i>436,520</i>	<i>431,563</i>

Cash flow

(€ in thousands)	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	Q1 '20
Operating result	-45	5,824	-82,959	-57,085	-77,721	-77,747
Financial gains/(losses)	1,420	-437	-208	1,424	-1,098	145
Depreciation and amortization	43,666	31,971	113,942	72,939	73,133	72,305
Other	7,530	-196	-1,764	-12,608	-9,031	800
Changes in working capital ¹	37,898	-34,186	-6,830	23,431	68,062	22,596
CASH GENERATED FROM OPERATIONS	90,469	2,976	22,181	28,101	53,345	18,099
Interest received	32	277	213	339	357	95
Interest (paid)	-517	-437	-1,203	-262	-409	-386
Corporate income taxes (paid)/received	-2,711	-1,887	-6,816	-1,062	-2,034	-2,004
CASH FLOWS FROM OPERATING ACTIVITIES	87,273	929	14,375	27,116	51,259	15,804
CASH FLOWS FROM INVESTING ACTIVITIES	-9,112	-9,913	867,491	-4,445	-226,046	-1,949
CASH FLOWS FROM FINANCING ACTIVITIES	-4,657	-2,902	-750,221	-2,231	-3,762	-18,633
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	73,504	-11,886	131,645	20,440	-178,549	-4,778
Free cash flow						
Cash flow from operating activities	87,273	929	14,375	27,116	51,259	15,804
Investments in intangible assets	-4,762	-4,851	-3,530	-1,573	-1,462	
Investment in tangible assets	-4,459	-5,062	-2,592	-2,872	-2,118	-2,111
Free cash flow from total operations	78,052	-8,984	8,253	22,671	47,679	13,693
Free cash flow from discontinued operations	-12,027	-11,244	7,378			
Free cash flow from continuing operations	66,025	-20,228	15,631	22,671	47,679	13,693
<i>FCF from continuing operations as a % revenue</i>	<i>38%</i>	<i>-12%</i>	<i>7%</i>	<i>14%</i>	<i>31%</i>	<i>10%</i>

¹Includes the movement of non-current deferred revenue.

Outstanding shares

	Q1 '20	
Common shares outstanding at the end of the period	132,366,672	
Shares in issue at the beginning of the period	131,541,998	
Shares in issue at the end of the period	129,955,625	
Average shares in issue during the period¹	131,689,745	[A]
In the money share options at the beginning of the period	2,709,084	
In the money share options at the end of the period	2,316,964	
Average potential dilutive share options outstanding during the period²	2,091,441	
Average non-dilutive share options during the period	1,059,917	
Average shares outstanding from dilution of options³	1,031,524	[B]
Average shares outstanding from dilution of restricted stock units	1,032,775	[C]
Average fully diluted shares outstanding during Q1 '20⁴	133,754,044	[A+B+C]

¹ Shares held in treasury of 2 411 047 are taken into account when calculating the weighted average shares outstanding.

² In the money options based on average share price for the period.

³ Weighted average diluted options based on the period outstanding.

⁴ The average share price for the quarter was €9.11.

Important Notice

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 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.

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.

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.

Operational revenue is IFRS revenue adjusted for the movement of deferred and unbilled revenue

Gross margin is calculated as gross profit divided by revenue

EBIT is equal to the operating result

EBIT margin is calculated as operating result divided by revenue

EBITDA is equal to operating result plus depreciation and amortization charges

EBITDA margin is calculated as operating result plus depreciation and amortization charges divided by revenue

Net cash is defined as our cash and cash equivalents, including cash classified as held-for-sale (IFRS 5) minus the nominal value of our outstanding bank borrowings

Free cash flow is cash from operating activities from continuing operations minus capital expenditure (investments in intangible assets and property, plant and equipment) of continuing operations



TomTom NV
De Ruijterkade 154
1011 AC Amsterdam
The Netherlands

ir@tomtom.com

+31 20 757 5194

www.tomtom.com/investors

LANE #3

