



**TomTom**



## TomTom Q3 2014 results

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# Consumer

## Operational highlights Q3 2014

- Lower rates of decline in the PND markets
- Awareness of Cardio GPS watch strengthened with a successful international marketing campaign
- Expansion of sports distribution network on track
- New GPS watch - TomTom Golfer - launched



**TOMTOM**  
START



**TOMTOM**  
CARDIO  
GPS WATCH

## Strategy

- Maximise value from the PND category and establish a multiproduct consumer business



**TOMTOM**  
GOLFER  
GPS WATCH

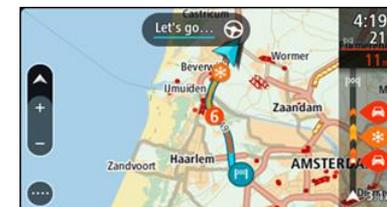
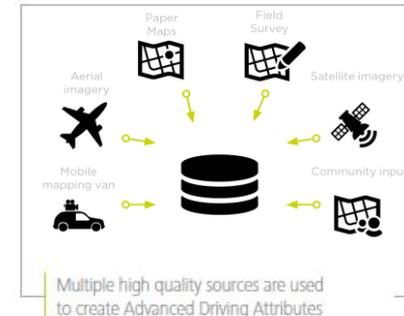
# Automotive & Licensing

## Operational highlights Q3 2014

- Bookings year to date above €170 million, to support growth from 2016 onwards
- HAD partnership with Volkswagen Research
- ADAS partnership with Bosch
- Online turn-by-turn navigation product launched
- Traffic services extended with real-time weather information

## Strategy

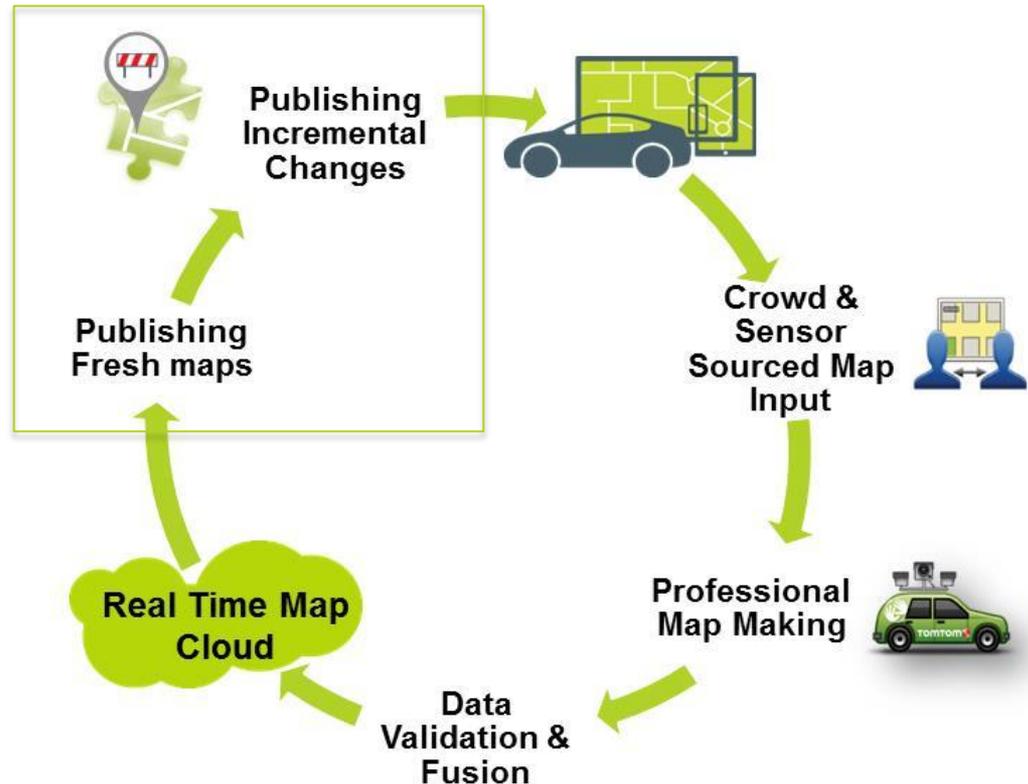
- Offer class leading software components and services as individual connected navigation system components such as fresh maps, traffic and navigation software
- License a wider portfolio of products and capitalise on our flexible approach to partnering with our customers



# TomTom map-making platform

- Our transactional map production technology seamlessly integrates each step of the map-making closed loop process (from change detection to publication to our customers)
- This enables our maps to be published incrementally with high quality and at fast cycle times
- In September, we reached an important milestone with the launch of the Multinet-R map format
- MultiNet-R will serve as a key component in delivering short cycle times between detecting changes in the real world and updating the map on the end-user's devices

## Multinet-R map format



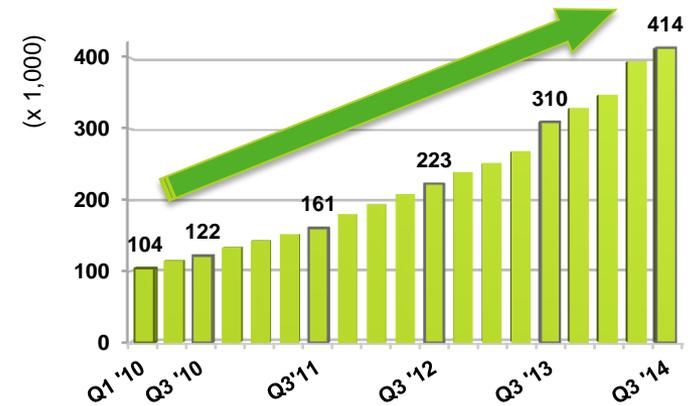
# Telematics

## Operational highlights Q3 2014

- Telematics installed base increased to 414k, a 34% YoY growth
- Integration of Coordina and DAMS Tracking according to plan
- PRO 8 series driver terminals introduced, connected to WEBFLEET and fully customisable
- Signal Iduna selects Telematics to offer German young drivers consumer insurance scheme

## Strategy

- Continue to expand our market leadership
- Grow through a combination of organic growth and targeted acquisitions



WEBFLEET subscriber installed base (#)



TomTom PRO 8270

# Financial highlights Q3 2014

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- Group revenue of €235 million (Q3 '13: €244 million)
- Gross margin of 57% (Q3 '13: 56%)
- OPEX of €125 million (Q3 '13: €124 million)
- EBIT of €8 million (Q3 '13: €14 million)
- Adjusted<sup>1</sup> EPS of €0.07 (Q3 '13: €0.10)
- Net cash of €104 million (Q3 '13: €52 million)

<sup>1</sup>Earnings per fully diluted share count adjusted for acquisition-related amortisation & gain on a post-tax basis

# Full year outlook 2014 updated

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- Revenue expected between €930 million and €950 million
- Adjusted<sup>1</sup> EPS of at least €0.25 is unchanged

<sup>1</sup>Earnings per fully diluted share count adjusted for acquisition-related amortisation & gain on a post-tax basis

NOTE:

February 2014 guidance: Revenue of around €900 million; Diluted adjusted<sup>1</sup> EPS of around €0.20;

April 2014 guidance: Revenue of at least €900 million; Diluted adjusted<sup>1</sup> EPS of around €0.25 (including one-off tax gain of €0.04 in Q1 '14)

July 2014 guidance: Revenue of at least €925 million; Diluted adjusted<sup>1</sup> EPS of at least €0.25 (including one-off tax gain of €0.04 in Q1 '14)

# Thank you

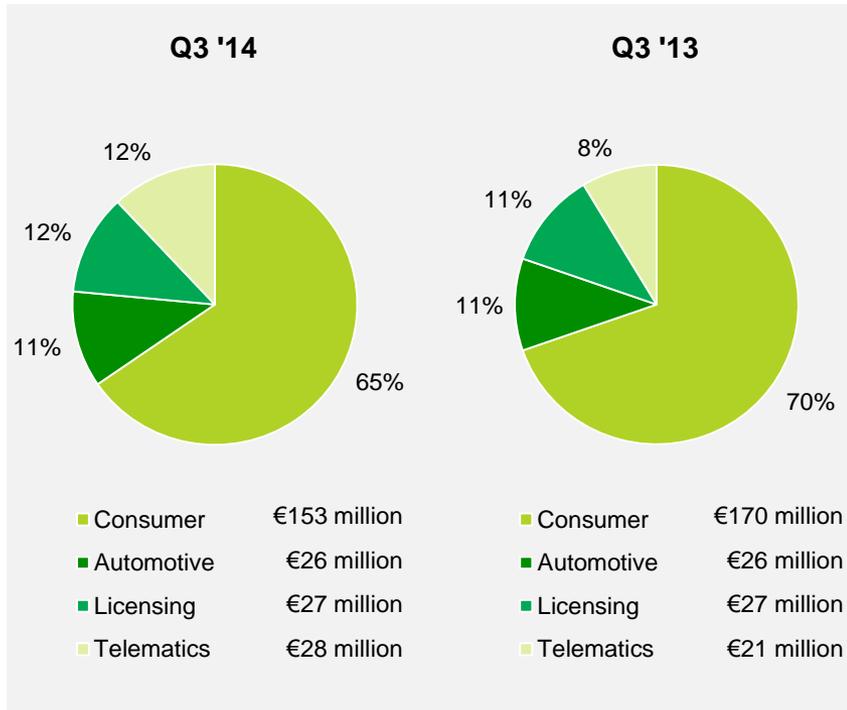
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Any questions?

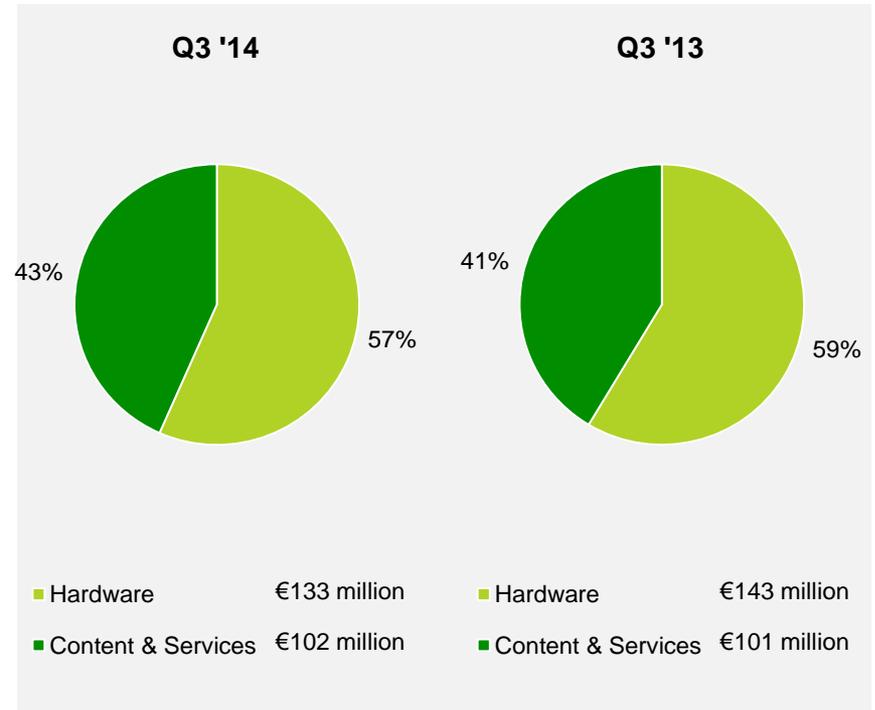
# Revenue breakdown – quarterly

Q3 '14 group revenue: €235 million; Q3 '13: €244 million

## Breakdown by segment<sup>1</sup>



## Breakdown by category<sup>1</sup>



<sup>1</sup>Revenue breakdown reflects TomTom's new reporting structure.

# Quarterly P&L statistics

(€ in thousands)	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	YTD '14	FY '13
<b>REVENUE</b>	<b>250,246</b>	<b>244,056</b>	<b>267,563</b>	<b>205,378</b>	<b>251,951</b>	<b>234,564</b>	<b>691,893</b>	<b>963,454</b>
Cost of sales	122,386	106,573	124,126	88,089	112,089	101,271	301,449	442,207
<b>GROSS RESULT</b>	<b>127,860</b>	<b>137,483</b>	<b>143,437</b>	<b>117,289</b>	<b>139,862</b>	<b>133,293</b>	<b>390,444</b>	<b>521,247</b>
Research and development expenses	44,422	41,118	43,655	43,178	46,225	39,052	128,456	168,155
Amortisation of technology and databases	19,392	20,962	22,175	21,182	21,114	26,227	68,522	81,436
Marketing expenses	11,314	12,825	27,908	9,298	21,499	18,993	49,790	62,796
Selling, general and administrative expenses	45,084	48,963	45,466	42,120	40,792	41,178	124,090	183,315
<b>TOTAL OPERATING EXPENSES</b>	<b>120,212</b>	<b>123,868</b>	<b>139,204</b>	<b>115,778</b>	<b>129,630</b>	<b>125,450</b>	<b>370,858</b>	<b>495,701</b>
<b>OPERATING RESULT</b>	<b>7,648</b>	<b>13,615</b>	<b>4,233</b>	<b>1,511</b>	<b>10,232</b>	<b>7,843</b>	<b>19,586</b>	<b>25,546</b>
Interest result	-263	-765	-800	-1,020	10	-1,017	-2,027	-2,945
Other financial result	-1,299	358	317	-1,176	-306	-657	-2,139	-1,619
Result of associates	2,560	166	112	136	-75	232	294	3,091
<b>RESULT BEFORE TAX</b>	<b>8,646</b>	<b>13,374</b>	<b>3,862</b>	<b>-549</b>	<b>9,861</b>	<b>6,401</b>	<b>15,714</b>	<b>24,073</b>
Income tax income/(expense)	-977	-2,009	-637	8,103	-1,010	-619	6,475	-4,010
<b>NET RESULT</b>	<b>7,669</b>	<b>11,365</b>	<b>3,225</b>	<b>7,554</b>	<b>8,851</b>	<b>5,782</b>	<b>22,189</b>	<b>20,063</b>
<b>MARGINS</b>								
Gross margin	51%	56%	54%	57%	56%	57%	56%	54%
Operating margin	3%	6%	2%	1%	4%	3%	3%	3%
<b>EARNINGS PER SHARE (in €)</b>								
Diluted EPS	0.03	0.05	0.01	0.03	0.04	0.03	0.10	0.09
Diluted Adjusted EPS <sup>1</sup>	0.07	0.10	0.06	0.08	0.08	0.07	0.23	0.26

<sup>1</sup>Earnings per fully diluted share count adjusted for acquisition-related amortisation & gain on a post-tax basis.

<sup>2</sup>Operating expenses breakdown reflects TomTom's new reporting structure.

# Quarterly balance sheet statistics

(€ in thousands)	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	30-Jun-14	30-Sep-14
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Goodwill	381,569	381,569	381,569	381,569	381,569	381,569
Other intangible assets	809,964	812,246	803,635	798,468	799,394	786,997
Other non-current assets	38,941	39,152	38,339	37,758	38,646	39,589
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,230,474</b>	<b>1,232,967</b>	<b>1,223,543</b>	<b>1,217,795</b>	<b>1,219,609</b>	<b>1,208,155</b>
<b>CURRENT ASSETS</b>						
Inventories	46,978	55,514	42,260	46,212	41,314	54,828
Receivables, prepayments & derivatives	175,338	175,206	153,926	142,624	180,592	170,351
Cash and cash equivalents	181,139	227,538	257,785	219,279	226,324	278,621
<b>TOTAL CURRENT ASSETS</b>	<b>403,455</b>	<b>458,258</b>	<b>453,971</b>	<b>408,115</b>	<b>448,230</b>	<b>503,800</b>
<b>TOTAL ASSETS</b>	<b>1,633,929</b>	<b>1,691,225</b>	<b>1,677,514</b>	<b>1,625,910</b>	<b>1,667,839</b>	<b>1,711,955</b>
<b>EQUITY AND LIABILITIES</b>						
<b>TOTAL EQUITY</b>	<b>842,583</b>	<b>852,598</b>	<b>854,261</b>	<b>864,130</b>	<b>874,511</b>	<b>890,713</b>
Deferred tax liability	167,825	167,106	171,727	166,356	163,896	162,791
Non-current borrowings	172,984	173,864	99,348	99,445	99,608	99,739
Current borrowings	0	106	74,089	74,219	74,284	74,381
Provisions	80,684	80,977	79,832	88,277	90,822	85,552
Trade payables	93,237	88,537	82,337	74,111	87,562	93,350
Deferred revenue	83,835	115,150	113,816	109,234	107,980	138,999
Other liabilities	192,781	212,887	202,104	150,138	169,176	166,430
<b>TOTAL LIABILITIES</b>	<b>791,346</b>	<b>838,627</b>	<b>823,253</b>	<b>761,780</b>	<b>793,328</b>	<b>821,242</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,633,929</b>	<b>1,691,225</b>	<b>1,677,514</b>	<b>1,625,910</b>	<b>1,667,839</b>	<b>1,711,955</b>
<i>(Net debt) / Net cash</i>	6,138	51,778	82,785	44,279	51,324	103,621

# Quarterly cash flow statistics

(€ in thousands)	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	YTD '14	FY '13
Operating result	7,648	13,615	4,233	1,511	10,232	7,843	19,586	25,546
Financial gains/(losses)	-1,610	-323	-3,179	380	-34	150	497	-7,757
Depreciation and amortisation	32,212	27,416	29,083	28,184	26,673	33,158	88,014	117,419
Other	2,276	-3,804	1,264	6,537	263	-3,749	3,052	-845
Changes in working capital	-13,046	37,977	27,207	-49,332	1,236	33,560	-14,536	53,673
<b>CASH GENERATED FROM OPERATIONS</b>	<b>27,480</b>	<b>74,881</b>	<b>58,608</b>	<b>-12,720</b>	<b>38,370</b>	<b>70,962</b>	<b>96,613</b>	<b>188,036</b>
Interest received	613	73	71	103	1,061	145	1,309	1,139
Interest paid	-635	-607	-749	-895	-824	-628	-2,347	-2,863
Corporate income taxes (paid)/received	18,030	-3,389	-7,093	-1,127	-5,364	-2,834	-9,325	73,196
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>45,488</b>	<b>70,958</b>	<b>50,837</b>	<b>-14,639</b>	<b>33,243</b>	<b>67,645</b>	<b>86,250</b>	<b>259,508</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-24,014</b>	<b>-24,459</b>	<b>-21,243</b>	<b>-23,878</b>	<b>-27,028</b>	<b>-21,742</b>	<b>-72,648</b>	<b>-90,504</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>157</b>	<b>0</b>	<b>1,177</b>	<b>52</b>	<b>399</b>	<b>5,366</b>	<b>5,818</b>	<b>-73,869</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>21,631</b>	<b>46,499</b>	<b>30,771</b>	<b>-38,465</b>	<b>6,614</b>	<b>51,269</b>	<b>19,420</b>	<b>95,135</b>

# Impact of FX rate changes – quarterly

Actual key Q3 '14 financials recalculated based on last year (Q3 '13) and last quarter (Q2 '14) FX rates

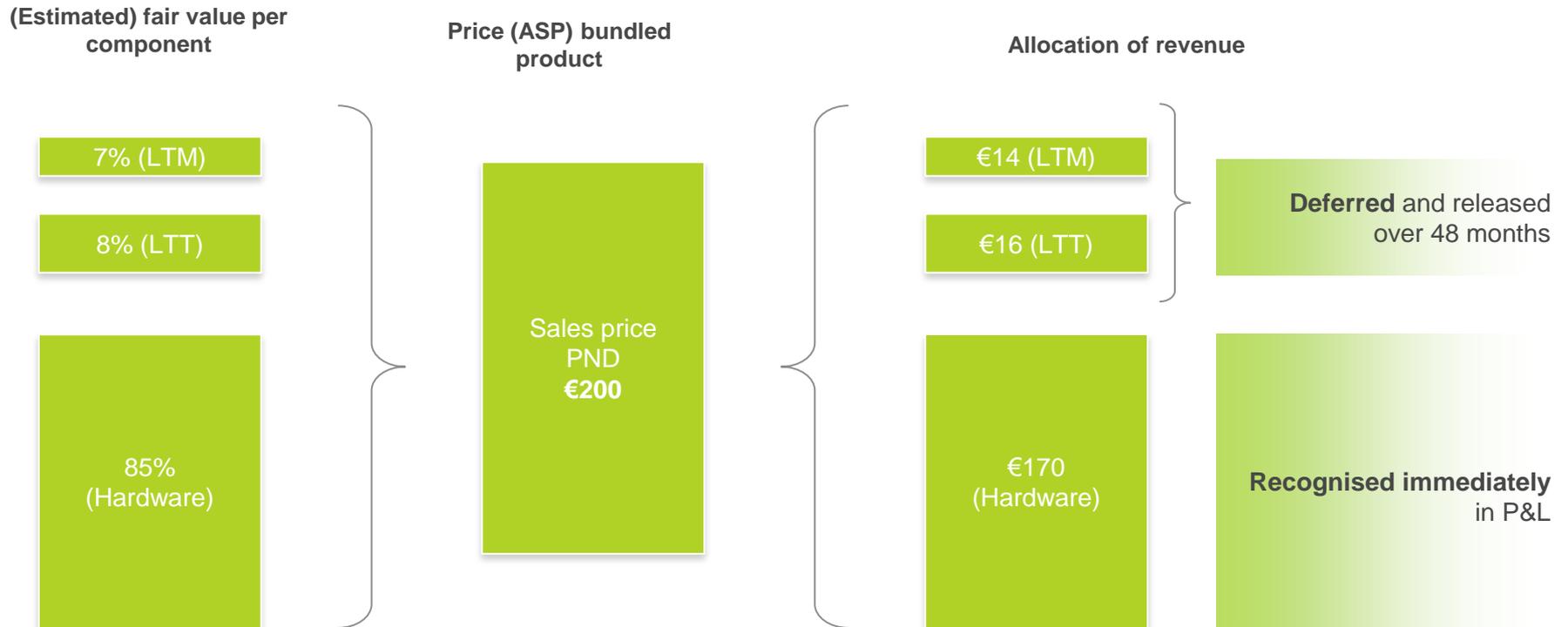
(€ in thousands)	Q3 '14 Actual	Q3 '14 recalc. based on Q3 '13 FX rates	Q3 '14 recalc. based on Q2 '14 FX rates
<b>REVENUE</b>	<b>235</b>	<b>233</b>	<b>233</b>
Cost of Sales	101	102	99
<b>GROSS RESULT</b>	<b>133</b>	<b>130</b>	<b>133</b>
<i>Gross margin</i>	56.8%	56.0%	57.2%
<b>P&amp;L RATES IN €</b>			
US dollar	1.34	1.32	1.38
GB pound	0.79	0.86	0.82
<b>BALANCE SHEET RATES IN €</b>			
US dollar	1.26	1.35	1.37
GB pound	0.78	0.84	0.80

# Outstanding shares and adjusted earnings per share Q3 '14

Common shares outstanding end of Q2 '14	222,311,912
Common shares outstanding end of Q3 '14	223,389,812
<b>Average shares outstanding in Q3 '14</b>	<b>222,739,749 (A)</b>
In the money share options as of Q2 '14	11,737,143
In the money share options as of Q3 '14	16,831,270
Average potential dilutive share options outstanding Q3 '14*	14,822,797
Non dilutive share options:	11,800,550
<i>Average shares outstanding from dilution of options**</i>	3,022,247 (B)
<i>Average shares outstanding from dilution of other equity-settled grants</i>	152,000 (C)
<b>Average fully diluted shares outstanding Q3 '14***</b>	<b>225,913,996 (A+B+C)</b>
* In the money options during the quarter	
** Weighted average diluted options based on the period outstanding during the quarter	
*** The average share price for the quarter was €5.80	
<b>Adjusted earnings per share calculation (in € million)</b>	
Net result attributed to equity holders	5,741
Amortisation of acquired intangibles	12,004
Tax effect of adjustments	-3,001
<b>ADJUSTED EARNINGS</b>	<b>14,744</b>
<b>ADJUSTED EARNINGS PER SHARE (in €)</b>	
Basic	0.07
Diluted	0.07

# Deferred revenue

*IFRS deferred revenue for Lifetime Maps (LTM) and Lifetime Traffic (LTT) example*



*The value and percentages included in this slide are for illustrative purpose only. Actual (estimated) stand-alone value and percentages applied vary between product ranges and are not necessarily the same as those illustrated.*

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