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# EDITED TRANSCRIPT

TOM2.AS - Q3 2019 TomTom NV Earnings Call

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## CORPORATE PARTICIPANTS

### Bruno Priuli

**Harold C. A. Goddijn** TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

**Taco J. F. Titulaer** TomTom N.V. - Member of Management Board & CFO

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**Andrew Michael Gardiner** Barclays Bank PLC, Research Division - Director

**Marc Hesselink** ING Groep N.V., Research Division - Research Analyst

**Wim Gille** ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

## PRESENTATION

### Operator

Good day, ladies and gentlemen. Welcome to TomTom's Third Quarter 2019 Earnings Conference Call. (Operator Instructions) Please note, this conference is being recorded.

I would now turn the call over to your host for today conference, Bruno Priuli, Investor Relations Officer. You may begin.

### Bruno Priuli

Thank you, operator. Good afternoon, and welcome to our conference call during which we will discuss our operational and financial highlights for the third quarter 2019. With me today are Harold Goddijn, our CEO; and Taco Titulaer, our CFO. We will start today's call with Harold, who will discuss the key operational developments followed by a more detailed look at the financial results from Taco. We will then take your questions.

As usual, I would like to point out that safe harbor applies.

And with that, Harold, I would like to hand it over to you.

### Harold C. A. Goddijn - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Thank you very much, Bruno, and welcome, ladies and gentlemen. Thank you for joining us today.

We generated group revenue of EUR 164 million in the third quarter, which is a limited decline in relation to same quarter last year. Automotive operational revenue continues to grow strongly, totaling EUR 88 million in the quarter, which is an increase of 23% compared with last year.

Our gross margins further strengthened, resulting in gross profit growth and strong cash generation. Taco will provide further information of quarter's financial highlights and the financial outlook for the year later during his presentation, and I will now discuss the key operational highlights for the quarter.

Developing cutting-edge technology has helped us to build strong relationships with the leading technology companies. We announced during this quarter that we have further expanded our partnership with Microsoft. Our navigation technology is now integrated into the Microsoft Connected Vehicle Platform, and in combination, we can offer the full stack of an end-user car experience, including data analytics possibilities for carmakers that can generate data-driven insights. It's a very promising partnership that we plan to continue to develop over the years.

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Our mapmaking platform further matures during the quarter. We made a record of 2.4 billion modifications in map database in 1 month. Investments in machine learning results in higher degrees of automation, faster cycle times and lower operational cost per modification. Increasing automation for our mapmaking platform is incredible component of our strategy. We all spend less on maintaining and building the map and more on innovation and differentiating technologies and applications.

We continue to make inroads in automated driving. Over 1 million TomTom ADAS-enabled passenger and commercial vehicles are now on the road, powered by our maps and that number has doubled since the beginning of the year. Level 1 and Level 2 enabled vehicles can drive more efficiently, save fuel, reduce emission and can more safely pilot their passengers on the road.

We also launched our fully autonomous test vehicle to further advance our automated driving solutions. We've built multiple laser scanners, camera and radars into the vehicle to validate and test our autonomous technologies and services.

In the quarter, we also launched the TomTom Long Distance Electric Vehicle Routing API and the TomTom EV Charging Stations Availability API that will help developers to build applications for electric vehicle drivers that will help to build reliable and stress-free routes. We also launched the TomTom Map Styler, a new tool that allows developers to customize every element of a map, giving them full control over the look and feel of their map.

This concludes my part of the presentation. I'm now handing over to Taco.

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**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Thank you, Harold. Let me make a couple of comments on the financials and the outlook for the year and then we go to the Q&A.

In the third quarter of 2019, we reported group revenue of EUR 164 million, which is 7% lower compared with last year. Main reason for the lower group revenue is anticipated drop in consumer. Location Technology business, which represents roughly 60% of our group, revenue increased 4% year-on-year to EUR 97 million.

Let me go through the details one by one. Automotive revenue was down by 7% to EUR 55 million in the quarter. The decrease is primarily due to accounting, with a larger portion of our operational revenue in the quarter having to be deferred versus the same quarter last year. There was a EUR 20 million year-on-year extra buildup in the net movement of deferred and unbilled revenue, which lets to a 23% increase year-on-year of Automotive operational revenue. The increase in operational revenue reflects higher volumes in connection with contracts, which started at the end of last year. We expect Automotive reported revenue to grow just south of 10% for the full year and operational revenue to grow with around 20%.

Enterprise revenue was up 21% to EUR 41 million in the quarter, mainly due to deferred integration of our partnership with Microsoft. For the full year, we expect Enterprise revenue to grow with around 25%.

Consumer revenue was down by 18% to EUR 68 million in the quarter, reflecting a decrease in both Consumer products as well as Automotive hardware revenue. For the year as a whole, we expect the decline to be more than 10%.

Gross margin was strong at 78% during the quarter, increasing by 7 percentage points year-on-year. The year-on-year improvement is mainly the result of a change in estimates of certain provisions, mainly related to the GPS Week Number Rollover issue and the larger share of software versus hardware in our revenue mix.

Then OpEx. Total operating expenses in the quarter was EUR 185 million, an increase of EUR 69 million compared with the same quarter last year, mainly due to the change in the estimated remaining useful life of our map database, which increased our amortization expense. Additionally, R&D expense increased due to lower capitalization of tools and content as well as higher personnel costs to support our growing Location Technology business.

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EBITDA decreased by 64% in the quarter to EUR 16 million, and EBITDA margin of 10%. As explained during the 2019 outlook, presented in February, we shifted CAPEX to OPEX cash spending due to the maturity of our map products. Therefore, CAPEX declined by sevenfold in comparison with Q3 2018, from EUR 28 million in 2018 to EUR 4 million in 2019.

Free cash flow was an inflow of EUR 23 million, mainly due to higher Automotive operational revenue. In the quarter, we increased our cash position with EUR 21 million. We now have EUR 393 million of cash and no debt. We expect our full year cash position to be well above EUR 400 million.

Our deferred revenue position is now EUR 348 million compared with EUR 281 million at the end of 2018. The increase is driven by Automotive, offset by releases of deferred revenue in Consumer.

Let's now go to the next slide on the Automotive operational numbers. As shown before, this slide highlights the operational revenue for Automotive. Operational revenue is the reported revenue plus the net change in the deferred and unbilled revenue positions. Automotive operational revenue increased by 23% year-on-year to EUR 88 million due to the higher-than-expected volumes associated with contracts, which started at the end of last year. For the full year, we expect operational revenue to increase by around 20%.

And now let's go to the next slide on the guidance for 2019. We're updating our revenue guidance to around EUR 700 million for the group and to around EUR 425 million for Location Technology. As reported revenue reduction relates primarily to IFRS 15 revenue recognition accounting and not to today's operational cash flows, our FCF guidance of around 9% of group revenue remains unchanged.

The adjusted earnings per share is now expected to around -- to be around EUR 0.20, partly due to a higher gross margin.

During our Capital Markets Day, on the 24th of September, we gave a medium-term outlook for Location Technology and introduced the Automotive backlog as a new KPI, with the aim of giving better feasibility on our future Automotive revenue. We expect the Location Technology business to grow its revenue to around EUR 500 million by 2021, which represents a CAGR of around 10% for the period between 2018 and 2021. Our Automotive backlog is currently around EUR 1.6 billion, which represents the sum of the total expected IFRS revenue from all existing awarded Automotive deals. We will give an update during our full year results on the KPI. From then on, we will update the market on an annual basis during our full year results.

To conclude, I would like to comment on the free cash flow as a percentage of revenue in the next slide. As previously explained, the year starts with an expected cash outflow, while cash inflows materializes in the second half of the year due to a higher volume of customer payments. This being the usual seasonality in our cash flow.

For the full year, we reiterate our guidance to generate free cash flow of around 9% of revenue with our midterm aim to deliver double-digit number.

Operator, we would now like to start with Q&A session.

## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) And your first question comes from the line of Andrew Gardiner.

### Andrew Michael Gardiner - Barclays Bank PLC, Research Division - Director

Taco, I think I got one for you regarding the Automotive business, in particular, the distinction between the reported and operational revenue. As you've highlighted, the net increase in deferred and unbilled was up quite a bit in the quarter, bigger than the changes that we've seen in previous quarters. I'm just wondering, is this sort of element of the business, these changes in the deferred and unbilled? Is that becoming more or less challenging for you guys to forecast, as you've got sort of a broader customer base and these products are ramping into the market? Is that sort

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of materially -- materializing as you had expected? Or is it becoming more challenging to forecast? I think we -- in the market, we're still trying to get used to how to forecast that. So is there any rules of thumbs or trends that you're starting to see, it will be helpful to better understand?

**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Yes. On the one hand, we will see a lot more contracts that form our IFRS 15 accounting and that will create a bit of more stability. On the other hand, if you are further down the line with the contract, only a small change in the expected value of the contract can lead to quite a bit of changes in what you could have reported and what should have been on the balance sheet. So if contract just started and you are in the first month and we get via our commencement in that the expected value of the contract goes up with 5% or down with 5%, it will not have material impact. But at a certain point in the lifetime of the contract, that a small change will have bigger effects. We saw that last year in Q2 2018. We've seen a lot of small ones in Q3 2019. I would say that we will get better in predicting them, and -- but we can't prevent them from happening.

**Andrew Michael Gardiner** - Barclays Bank PLC, Research Division - Director

I see. But if so, the move in the third quarter is primarily related to what you just described sort of these small changes, but towards the end of a current contract and therefore an outsized move in terms of the value that you're having to recognize. It's not related to say, sort of, I think the operational side of things you're talking about the -- some of the newer contracts coming on...

**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Yes. The biggest fluctuations you can expect to happen in the mid -- or just over half of the year lifetime of the contract. At the end of the contract, the total value of the contract will not materially change. So that's not likely to happen. That's more that if you are kind of -- at your half way point, then you will see bigger swings.

**Operator**

We'll now take our next question and it comes from the line of Marc Hesselink.

**Marc Hesselink** - ING Groep N.V., Research Division - Research Analyst

Also, going back to Automotive and the operational trends, what are you seeing underlying given that quite some -- obviously some talk that there's pressure on the automotive sector, probably take ratio is still going up. How do you see that for your clients, the volumes and the take rates? How did they develop over the year -- over the quarter?

**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Well, I think, longer term, so you see 2 movements. Typically, there's a bit of anti-cyclicism in the revenue numbers. We have seen one effect is that the volumes of car shipments have been slightly reduced by carmakers, and you can read the newspapers why that is. But often those events also come with a higher trim levels. So if carmakers are struggling to get rid of their stock, they tend to increase the value with higher trim levels and navigation is an obvious one. So we see -- when the market is weak, you see lower car shipments, but generally speaking slightly higher attachment rates. And those are the effects I think that you -- that we have seen happening in Q3 this year.

**Marc Hesselink** - ING Groep N.V., Research Division - Research Analyst

Okay. Clear. And then maybe the outlook for the full year. So you increased the EPS guidance a bit for the full year. But if I'm looking to adjusted EPS that you made in the third quarter, that's a very big chunk. And to square that for the full year guidance, probably I have to say that the increase

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in deferred revenue that you saw in Enterprise and needs to reverse in the fourth quarter. But maybe -- just maybe to explain a bit like all the moving parts, what are you seeing on the OPEX side, on the EUR 185 million that you reported in third quarter? Is that going to be about similar in the fourth quarter? And in deferred revenue, all the different parts of Automotive, Enterprising and Consumer, what are you seeing there for the fourth quarter? If you can help me to square -- to get to that \$0.20 number?

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**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Yes. Let me take it, if I may. So the top line Q4 will be the smallest quarter of the year, that is -- that we will see sequential drop in Consumer. Enterprise is expected to be relatively flat and Automotive sequentially will go up. But the group revenue as a total will be lower than what we've seen in Q3.

Then gross margin is -- will remain high, but as we saw the one-off in Q3, we'll probably not beat the Q3 gross margin number, but it will be in the high 70s.

For OPEX, OPEX is expected to increase from Q3 to Q4, that is mainly driven by our R&D spend and that is a factor of -- buildup of our workforce in that area and as also a reflection of an ongoing reduction in the capitalization, so we will see more costs taking directly.

Then on deferred -- our deferred and unbilled revenue position, you are right that we probably will see a release in Enterprise in the fourth quarter. So the total number -- the net total number for the full year in Enterprise is expected to be just south of 20%, so anywhere between EUR 15 million and EUR 20 million release -- Consumer release of EUR 25 million as well. And Automotive, we now think that, that can increase with more than EUR 120 million. So the group addition to deferred and unbilled movement is roughly EUR 80 million.

On the adjusted earnings per share, we -- if you all add that together, we expect our adjusted earnings and also our adjusted earnings per share to be negative in the fourth quarter, and that will lead to an adjusted earnings per share for the full year of around EUR 0.20.

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**Operator**

Your next question comes from the line of Wim Gille.

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

First, a small question on the Automotive hardware, which showed a bit of a drop in this quarter. What we -- Should we be reading into that, is that primarily the carving out, which is coming at the end of its life? Or did something else happened there? That would be my first question.

The second question will be on the deferred revenues. So there's quite a big change in the deferred revenues that you forecast for full year '19 with a net number of EUR 80 million for full year versus EUR 60 million that you basically reported in the second quarter. So if I -- what -- basically what changed in, let's say, this quarter or compared to the Capital Markets Day a few weeks ago, that this delta is there. Can you maybe walk us through kind of what all the moving parts are in these discussions or in these discussions that you basically have with your accountant on this particular number? And also, what is your current thinking about the deferred revenues in 2020? And then I have a few follow-up questions, but let's start with these 2.

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**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Yes. The first question is quite simple. That's indeed related to legacy product that we mainly have with Renault and that is -- yes, it's end of life. So that we continue to ship that but with smaller volumes.

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The deferred revenue, this can have 2 factors: Roughly, one is that there's the change in the contract terms and that leads to different treatments of the deferred revenue, what you can report and what you can -- you should defer. So there are some of these contracts that we have extended or updated or renewed the contract, and then some of these changes can lead to more deferrals. So to give you an example, if you have a short-term contracting, you renew that to a long-term contract. That means that you accumulated invoiced revenue is, certainly, a much larger than what's allowed under the -- than the maximum that you can report on because you're earlier in the contract than before, so those are technicalities.

And the other one is that you -- we -- on a quarterly basis, at least, sometimes on a monthly basis, we assess the total value of each and every contract. And due to more insight, that's not coming from our accountant, but more from our account management. So our account parts, the OEMs side, et cetera. That total contract value changes that can lead to more deferrals today, so that isn't related to operational performance in this quarter or maybe next quarter, but more the outlook that they have given for the year 2020 or '21 if the term of that contract incorporates that.

So on the IFRS 15, you may need to do a quarterly reassessment of each and every contract that you have. And a bit -- and it's also a bit linked to the question that Andrew was asking. If you are in the half -- at your half way point of your contract, then small changes in the total value can lead to big swings in what you need to certainly release or extra defer. We saw that last year in our Q2 2018 numbers as well when we released a lot of the previously deferred revenue, and we now saw the other way around.

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

Okay. And just for my understanding or reconfirming my current beliefs, is it fair to say that your operational revenues, your reported revenues plus the deferred or the net movement and deferred, that, that number is pretty close to the number that you are invoicing to your clients and as a consequence also reasonably close to kind of the cash flow profile of the contract?

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**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Yes. Now -- yes, that's correct. So if you add the reported revenue and you do plus the net number that is deferred or unbilled, then you get very close to the invoice. You need to -- the only mismatch then is timing on payment terms and payment terms can be...

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

Okay. But this can be 60 days whatever, but it's just closer to operational performance. So in that sense, is it might not better to kind of incorporated also into your outlook because, in essence, group reported revenues are pretty meaningless number because: a, your group revenues, I think, there's not a lot of investors that really care about what consumer or how fast consumer is declining; and b, we only care about your operational performance and whatever IFRS 15 kind of changes in terms of your -- I mean, what we today see is kind of there is shifts from -- of EUR 20 million to deferred revenues. So in essence, you have an underlying upgrade of your revenue outlook for full year, while it now reads like a downgrade if I read the press release, and that's kind of not fair to yourselves. Because in essence, there is an underlying upgrade if you add the EUR 20 million back in the outlook. So wouldn't it be kind of a good idea to just start the press release with the operational revenues in Automotive because that's by far the most important number in your press release?

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**Taco J. F. Titulaer** - TomTom N.V. - Member of Management Board & CFO

Yes. So yes, it is now point 2 of our press release. So it was almost on the top of our press release. So Automotive operational revenue was the second point on press release, but...

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

Correct. But the first point is, is it pretty meaningless number? I mean, that's more what I'm trying to refer to. But that's like, what -- or I'll just say something may be for offline. Let's go to a few more follow-up questions that I have. First is on the current discussions that you have with OEMs.

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As I understand it, you currently mainly discussing contract extensions at this point in time. And the discussions that you have are about how to get fresh maps into the dashboard. So can you give us a bit more flavor of what the current thinking is within the OEMs? And how that the concept of fresh maps is basically being embedded in your commercial discussions? Let's put it that way.

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**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. So the discussion -- negotiations of our contracts are threefold, so it's contract extensions, of course, which is kind of normal. There's quite a few discussions about new contracts as well. And then there are discussions around contracts for HD Maps taking place. And they also entering in a more serious phase there. So we are busy with all the working that's going in line with expectations. I don't expect any surprises there. So we feel good about the discussions that are currently taking place.

What we are not yet selling is the real online version of our maps. I think there's a little bit further out. So you do -- the quotations we're doing now and the contracts we're renegotiating now are really for embedded software for ADAS and for HD Maps and online -- real online maps that's something for 2020.

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

And if I read into that, is that also potentially going to give a boost to kind of your order backlog? Or is that too early to tell?

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**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. That's a bit early to say -- to tell. As usual, we go with new -- with an update to the trading update in next year. So it's -- we don't comment on that at this stage. But next year, we will get an overview, including new metrics that we've been talking about during the Capital Markets Day.

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

Very good. And then during the Capital Markets Day, you also highlighted, let's say, the new product developments that you guys are doing in UX and you showcased a couple of examples of how you incorporate ADAS features into kind of the user experience, and how that can potentially differentiate the user experience of an in-dash product versus the product that we currently have on our smartphones. How are automotives responding to that new product? And is it fair to say that they are more open today about having these discussions with you versus, let's say, a year ago? And when can we kind of see the inflection point where this product is basically ready to be sold?

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**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. You can see a clear -- nice engagement from the Automotive industry. I think the -- specially the car designers don't like the way the proliferation of controls and buttons and warning signals, on various places of the dashboard is getting messy, it's getting difficult to integrate. So the message we're presenting there resonates in terms of this is what future systems will look like, uncluttered, easier to read, more consistent and then in a more modern way. Add to that, lane-level navigation. So current products are based on point-to-point navigation of note-to-note navigation, but we closed off introducing lanes as well. We derive those lanes from our HD mapmaking efforts. And with camera in a car, you can exactly see in which lane the car then is. And that makes guidance a whole lot clearer. And it's really a step up from where we are today in clarity. And -- yes, and easy to read. So there's a lot of interest in that, and we have confirmation from the car industry that this is the technology they -- and the user interface design that they are looking for and aspiring to.

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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

And then when would you say that these products are for the first time visible in your revenues. Is that a 2020, 2021 discussion?

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**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

No. No, that's not a 2020 thing. No, unfortunately things don't go that quickly in the car industry. That it will take longer, but we will be able to demonstrate a full suite of applications in early 2020. During CES, they will probably meet behind doors, but they will have a more integrated view of what we think the future of corporate will look like. And then we move away also from a PowerPoint stage and be able to show some moving and working applications in that domain.

**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

Helpful. And then on Trillian. Obviously, we saw that the vehicle and the technology during the Capital Markets Day. I think it's fair to say that having a fully autonomous vehicle in-house functioning well, which has been developed in-house from the ground up is, I think, an achievement, not a lot of companies have made. So what can you tell us about your first interactions or first data points that you got from the Trillian? So how many kilometers is this vehicle driving? What are your future plans? Are you going to deploy more of these cars in the future to come? And would you also be able to drive them outside of Germany in the future?

**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. So it's important to stress that we're not building our own self-driving technology for the -- for -- with a view to commercialize that, that's not the aim. The aim is here to test HD maps, ADAS features, user-interface concepts, to be able to share those insights and test with our key customers for demonstration purposes and brainstorm purposes and joint development purposes and also for our own developers, of course, to see how the products we are developing are behaving in the real world environment. And that is pretty important because, otherwise, you're dependent on hearsay and information you get from suppliers and Tier 1s, which is not the best way of exclusively improving and harden your technology.

The other thing that we learned, of course, by developing and driving Trillian is what sensors are doing. So we get a first-hand view on accuracy problems with sensors, how sensors are developing and how we can use those sensors also to create data to find map problems and eventually build those self-healing maps that we've been talking about. So it's really, you need to see it in the R&D context and not so much in the -- how well is the self-drive technology itself is performing. That's important. It's important as well that we understand how that works. And how -- and we are really very happy that we've gone that far. We have now a license for Germany, and we are applying for licenses in other countries, so we can take the car also to the head offices of our key accounts and use them for demonstration and for research.

**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

Very good. Maybe a last question from my end. What can you tell us about the HD Maps trucking product, that is live now? Is it still going according to plan? And what will be the next HD mapping product or application that will go live at a client?

**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. So the trucking product is behaving well and also in the fields, and it results in real life fuel savings. And that's a key metric for truck builders. It's the total cost of ownership for a truck operator that is the most important driver, so that works. And we see also interest from other truck makers to apply the same thinking and same technology. So that's encouraging.

And then we also won 2 map news for HD Maps, one from a Japanese manufacturer and another one from a North American manufacturer, and that will go live probably in 2020, 2021. And we are fully delivering those products and testing them and hardening them. So they are ready for commercial applications around that time frame.



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**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

So end of 2020?

**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. I don't -- there will be low volume, but nevertheless, very important test cases for real-life commercial applications.

**Wim Gille** - ABN AMRO Bank N.V., Research Division - Head of Research & Equity Research Analyst

And will that also include the Roadagram and the AutoStream functionality? Or is it more still...

**Harold C. A. Goddijn** - TomTom N.V. - Co-Founder, Chairman of the Management Board & CEO

Yes. In one case, it will involve AutoStream. The Roadagram functionality is to follow after that. And to be clear, the Roadagram functionality is the ability to derive map data from the inbuilt sensors in a vehicle and use them for mapmaking and map checking.

**Operator**

(Operator Instructions) There are currently no further questions coming through, sir.

**Bruno Priuli**

As there are no further questions, I would like to thank you all for joining us this afternoon. Operator, you can close the call.

**Operator**

Thank you, sir. That does conclude today's presentation. Thank you for participating. You may now disconnect.

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