



# Q2 2016 RESULTS

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# STRATEGIC PRIORITIES AND Q2 HIGHLIGHTS

- Extract value from the PND category; Establish a sport product business
  - Launched three new portable navigation devices within the TomTom START range
  - MySports reached 1 million users
- Take advantage of the new map-making platform to deliver better maps, at lower cost, in real-time
  - HD Map and RoadDNA coverage launched in 17 states across the United States
- Win market share in Automotive; Maximise Licensing revenue via existing and new customers
  - Volvo Cars selected TomTom maps, traffic and software for its new infotainment platform
- Grow WEBFLEET installed base
  - 652k subscriptions; QoQ net additions in Q2 record high at 27k
- Diversify into the Connected Car services industry using our Telematics capabilities and Automotive relationships
  - Collaboration with PSA Group to offer fleet management services

# FINANCIAL HIGHLIGHTS

- Group revenue of €265 million (Q2 '15: €265 million)
- Gross margin of 55% (Q2 '15: 51%)
- EBITDA of €44 million (Q2 '15: €28 million)
- Net result of €12 million (Q2 '15: €3 million)
- Adjusted EPS<sup>1</sup> of €0.10 (Q2 '15: €0.05)
- Net cash position of €58 million (Q1 '16: €50 million)
- Revenue adversely impacted by FX movements
  - Effect of GBP depreciation was €2 million, effect of USD depreciation was €1 million

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

# FULL YEAR OUTLOOK 2016 RE-ITERATED

- Revenue to grow to around €1,050 million
- Adjusted EPS<sup>1</sup> expected to grow by around 10% to €0.23
- We expect the level of investment (both CAPEX and OPEX) to be higher than in 2015<sup>2</sup>

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

<sup>2</sup> In 2015 CAPEX was €108 million (excluding acquisitions) and OPEX was €518 million



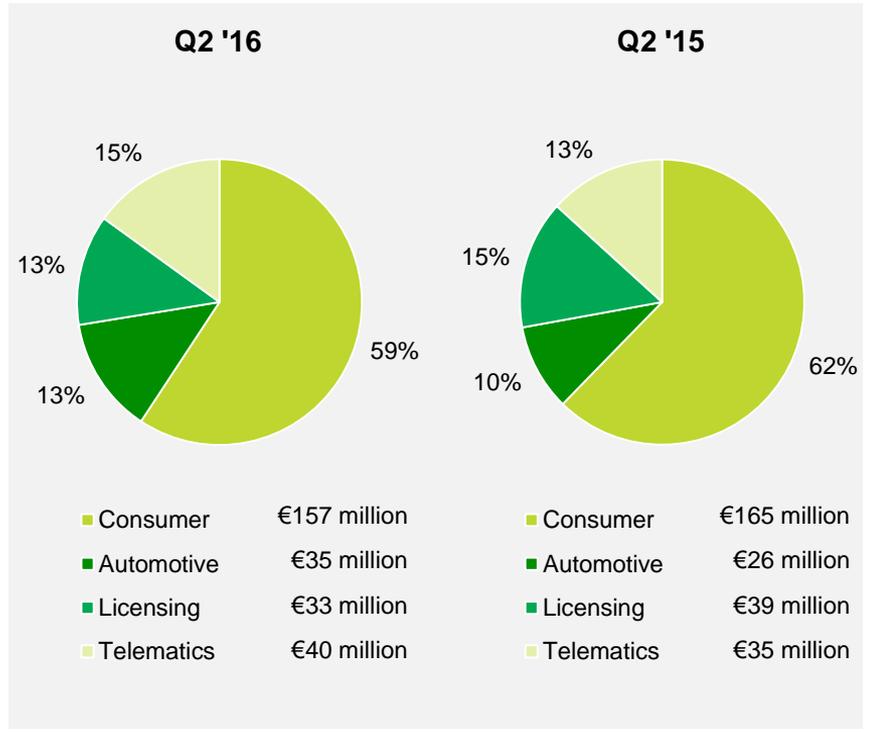
THANK YOU

Any questions?

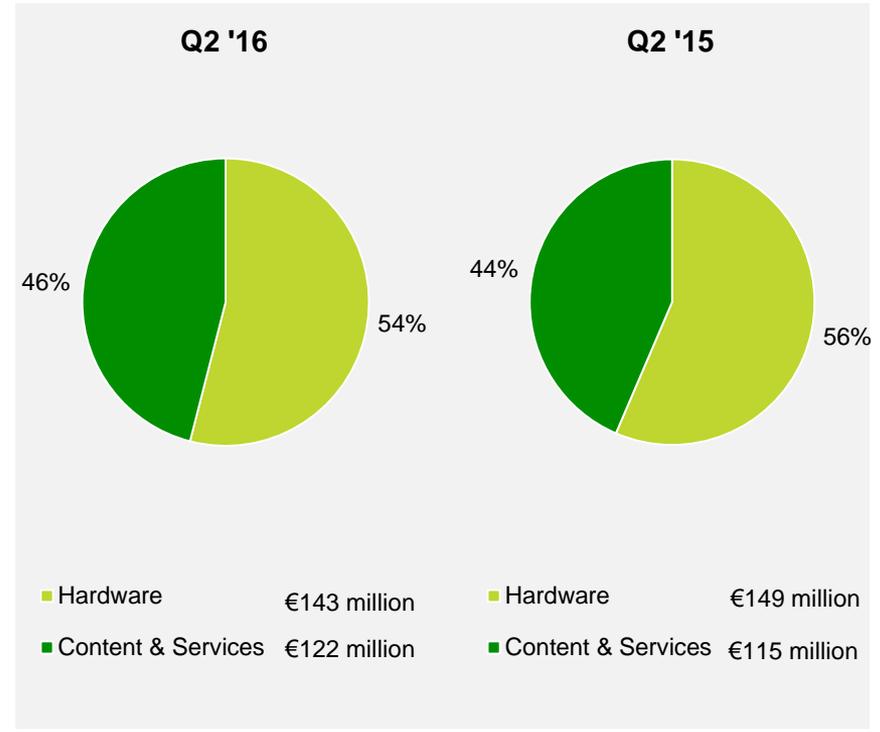
# REVENUE BREAKDOWN – QUARTERLY

Q2 '16 group revenue: €265 million; Q2 '15: €265 million

## BREAKDOWN BY SEGMENT



## BREAKDOWN BY CATEGORY



# QUARTERLY P&L STATISTICS

(in € thousands)	Q1 '15	Q2' 15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	H1 '16	FY '15
<b>REVENUE</b>	<b>205,275</b>	<b>264,613</b>	<b>254,231</b>	<b>282,488</b>	<b>217,155</b>	<b>265,225</b>	<b>482,380</b>	<b>1,006,607</b>
Cost of sales	95,403	129,993	119,161	143,523	93,850	119,967	213,817	488,080
<b>GROSS RESULT</b>	<b>109,872</b>	<b>134,620</b>	<b>135,070</b>	<b>138,965</b>	<b>123,305</b>	<b>145,258</b>	<b>268,563</b>	<b>518,527</b>
Research and development expenses	43,290	52,071	43,275	46,807	44,533	45,675	90,208	185,443
Amortisation of technology and databases	18,522	18,644	19,589	19,939	20,626	21,107	41,733	76,694
Marketing expenses	9,748	25,297	22,616	25,777	15,058	21,545	36,603	83,438
Selling, general and administrative expenses	43,381	38,029	44,703	46,239	47,401	44,179	91,580	172,352
<b>TOTAL OPERATING EXPENSES</b>	<b>114,941</b>	<b>134,041</b>	<b>130,183</b>	<b>138,762</b>	<b>127,618</b>	<b>132,506</b>	<b>260,124</b>	<b>517,927</b>
<b>OPERATING RESULT (EBIT)</b>	<b>-5,069</b>	<b>579</b>	<b>4,887</b>	<b>203</b>	<b>-4,313</b>	<b>12,752</b>	<b>8,439</b>	<b>600</b>
<b>EBITDA</b>	<b>21,424</b>	<b>27,841</b>	<b>32,692</b>	<b>41,739</b>	<b>25,557</b>	<b>43,693</b>	<b>69,250</b>	<b>123,696</b>
Interest result	-204	-223	-328	-170	-305	-377	-682	-925
Other financial result	-2,574	301	-2,633	-2,437	1,711	-1,233	478	-7,343
Result of associates	97	116	-210	164	327	134	461	167
<b>RESULT BEFORE TAX</b>	<b>-7,750</b>	<b>773</b>	<b>1,716</b>	<b>-2,240</b>	<b>-2,580</b>	<b>11,276</b>	<b>8,696</b>	<b>-7,501</b>
Income tax gain / (charge)	845	1,762	8	23,179	7,346	911	8,257	25,794
<b>NET RESULT</b>	<b>-6,905</b>	<b>2,535</b>	<b>1,724</b>	<b>20,939</b>	<b>4,766</b>	<b>12,187</b>	<b>16,953</b>	<b>18,293</b>
<b>MARGINS</b>								
Gross margin	54%	51%	53%	49%	57%	55%	56%	52%
EBITDA margin	10%	11%	13%	15%	12%	16%	14%	12%
EBIT margin	-2%	0%	2%	0%	-2%	5%	2%	0%
<b>EARNINGS PER SHARE (in €)</b>								
Diluted EPS	-0.03	0.01	0.01	0.09	0.02	0.05	0.07	0.08
Diluted Adjusted EPS <sup>1</sup>	0.01	0.05	0.05	0.10	0.03	0.10	0.13	0.21

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

# QUARTERLY BALANCE SHEET STATISTICS

(in € thousands)	31-Mar-15	30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-16	30-Jun-16
<b>ASSETS</b>						
Goodwill	381,569	381,569	381,569	403,437	403,529	400,412
Other intangible assets	797,524	807,822	813,185	810,908	806,684	806,271
Other non-current assets	59,505	68,543	70,703	75,908	75,594	80,097
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,238,598</b>	<b>1,257,934</b>	<b>1,265,457</b>	<b>1,290,253</b>	<b>1,285,807</b>	<b>1,286,780</b>
Inventories	46,747	48,488	53,848	48,657	57,476	50,955
Receivables, prepayments & derivatives	155,331	197,365	200,020	193,093	178,152	233,201
Cash and cash equivalents	117,367	121,627	124,427	147,565	114,630	136,391
<b>TOTAL CURRENT ASSETS</b>	<b>319,445</b>	<b>367,480</b>	<b>378,295</b>	<b>389,315</b>	<b>350,258</b>	<b>420,547</b>
<b>TOTAL ASSETS</b>	<b>1,558,043</b>	<b>1,625,414</b>	<b>1,643,752</b>	<b>1,679,568</b>	<b>1,636,065</b>	<b>1,707,327</b>
<b>EQUITY AND LIABILITIES</b>						
<b>TOTAL EQUITY</b>	<b>914,951</b>	<b>938,443</b>	<b>939,292</b>	<b>970,533</b>	<b>970,017</b>	<b>992,268</b>
Deferred tax liability	166,578	162,366	159,206	149,806	140,000	137,986
Non-current borrowings	39,005	44,089	29,171	44,254	64,336	77,420
Current borrowings	0	0	0	4,287	0	0
Provisions	79,858	75,994	71,708	67,638	62,776	65,079
Trade payables	79,109	101,679	109,077	94,951	79,167	93,504
Deferred revenue	143,079	145,153	190,338	186,873	183,321	188,084
Accruals and other liabilities	135,463	157,690	144,960	161,226	136,448	152,986
<b>TOTAL LIABILITIES</b>	<b>643,092</b>	<b>686,971</b>	<b>704,460</b>	<b>709,035</b>	<b>666,048</b>	<b>715,059</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,558,043</b>	<b>1,625,414</b>	<b>1,643,752</b>	<b>1,679,568</b>	<b>1,636,065</b>	<b>1,707,327</b>
<i>Net cash</i>	<i>77,367</i>	<i>76,627</i>	<i>94,427</i>	<i>98,278</i>	<i>49,630</i>	<i>58,391</i>

# QUARTERLY CASH FLOW STATISTICS

(in € thousands)	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	H1 '16	FY '15
Operating result	-5,069	579	4,887	203	-4,313	12,752	8,439	600
Financial gains/(losses)	1,970	1,974	-6,586	278	954	-553	401	-2,364
Depreciation and amortisation	26,493	27,262	27,805	41,536	29,870	30,941	60,811	123,096
Other	-2,763	8	-578	-8,265	-2,270	5,792	3,522	-11,598
Changes in working capital <sup>1</sup>	-32,528	-1,914	23,407	24,580	-40,506	-14,225	-54,731	13,545
<b>CASH GENERATED FROM OPERATIONS</b>	<b>-11,897</b>	<b>27,909</b>	<b>48,935</b>	<b>58,332</b>	<b>-16,265</b>	<b>34,707</b>	<b>18,442</b>	<b>123,279</b>
Interest received	116	173	103	112	42	44	86	504
Interest (paid)	-239	-315	-347	-57	-264	-338	-602	-958
Corporate income taxes (paid)/received	-1,209	20	-2,031	-830	-1,870	-1,151	-3,021	-4,050
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-13,229</b>	<b>27,787</b>	<b>46,660</b>	<b>57,557</b>	<b>-18,357</b>	<b>33,262</b>	<b>14,905</b>	<b>118,775</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-23,953</b>	<b>-44,107</b>	<b>-31,135</b>	<b>-55,020</b>	<b>-31,370</b>	<b>-30,156</b>	<b>-61,526</b>	<b>-154,215</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>1,198</b>	<b>20,554</b>	<b>-11,965</b>	<b>19,484</b>	<b>17,092</b>	<b>19,162</b>	<b>36,254</b>	<b>29,271</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>-35,984</b>	<b>4,234</b>	<b>3,560</b>	<b>22,021</b>	<b>-32,635</b>	<b>22,268</b>	<b>-10,367</b>	<b>-6,169</b>

<sup>1</sup> Includes movements in the non-current portion of deferred revenue presented under Non-Current liabilities.

# SEGMENT REPORTING

(in € millions)	H1 '16 Unaudited	H1 '15 Unaudited
<b>Revenue</b>		
Consumer	273.9	286.6
Automotive and Licensing	131.5	117.2
Telematics	77.0	66.1
<b>TOTAL</b>	<b>482.4</b>	<b>469.9</b>
<b>EBIT</b>		
Consumer	-4.4	1.3
Automotive and Licensing	-6.2	-19.8
Telematics	22.6	17.8
Unallocated expenses	-3.6	-3.8
<b>TOTAL</b>	<b>8.4</b>	<b>-4.5</b>
<b>EBITDA</b>		
Consumer	-1.2	6.6
Automotive and Licensing	44.5	24.0
Telematics	29.6	22.5
Unallocated expenses	-3.6	-3.8
<b>TOTAL</b>	<b>69.3</b>	<b>49.3</b>

# OUTSTANDING SHARES AND ADJUSTED EPS Q2 '16

Common shares outstanding end of Q1 '16	230,774,051
Common shares outstanding end of Q2 '16	232,271,086
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<b>Average shares outstanding during Q2 '16</b>	231,192,881 (A)
In the money share options end of Q1 '16	10,115,067
In the money share options end of Q2 '16	9,045,823
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Average potential dilutive share options outstanding during Q2 '16*	9,755,143
Non dilutive share options:	6,426,002
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<i>Average shares outstanding from dilution of options**</i>	3,329,141 (B)
<i>Average shares outstanding from dilution of other equity-settled grants</i>	0 (C)
<b>Average fully diluted shares outstanding during Q2 '16***</b>	<b>234,522,022 (A+B+C)</b>

\* 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 €7.84

## Adjusted earnings per share calculation (in € million)

Net result attributed to equity holders	12.2
Amortisation of acquired intangibles	13.7
Tax effect of adjustments	-2.6

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**ADJUSTED EARNINGS** **23.2**

## ADJUSTED EARNINGS PER SHARE (in €)

Basic	0.10
Diluted	0.10

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