

Q2 2019 RESULTS



Harold Goddijn – CEO

Taco Titulaer – CFO

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TomTom 

Operational highlights

- Divestment of Telematics and capital repayment to shareholders completed. Net gain on the Telematics transaction of €807 million
- Record number of Mapping Updates: 1.9 billion modifications in a single month
- Global map database extended to more than 67 million kilometers in 194 countries and territories
- Maps SDK for website applications enhanced



Great portfolio to capture huge market opportunities

Automated

- ADAS and HD maps
- Sensors based services
- Navigation for Automated Driving



Connected

- Software & map updates
- Sharing sensor data
- Monetizing new services



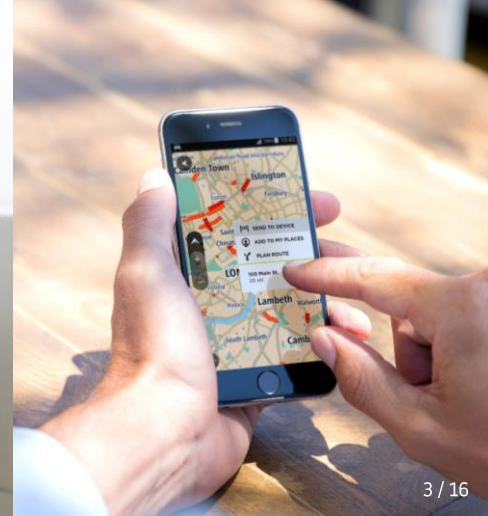
Electrified

- New EV services (charging stations)
- Navigation for EV (range)



Maps APIs

- Location-based services for Mobility as a Service
- Both for website and mobile apps

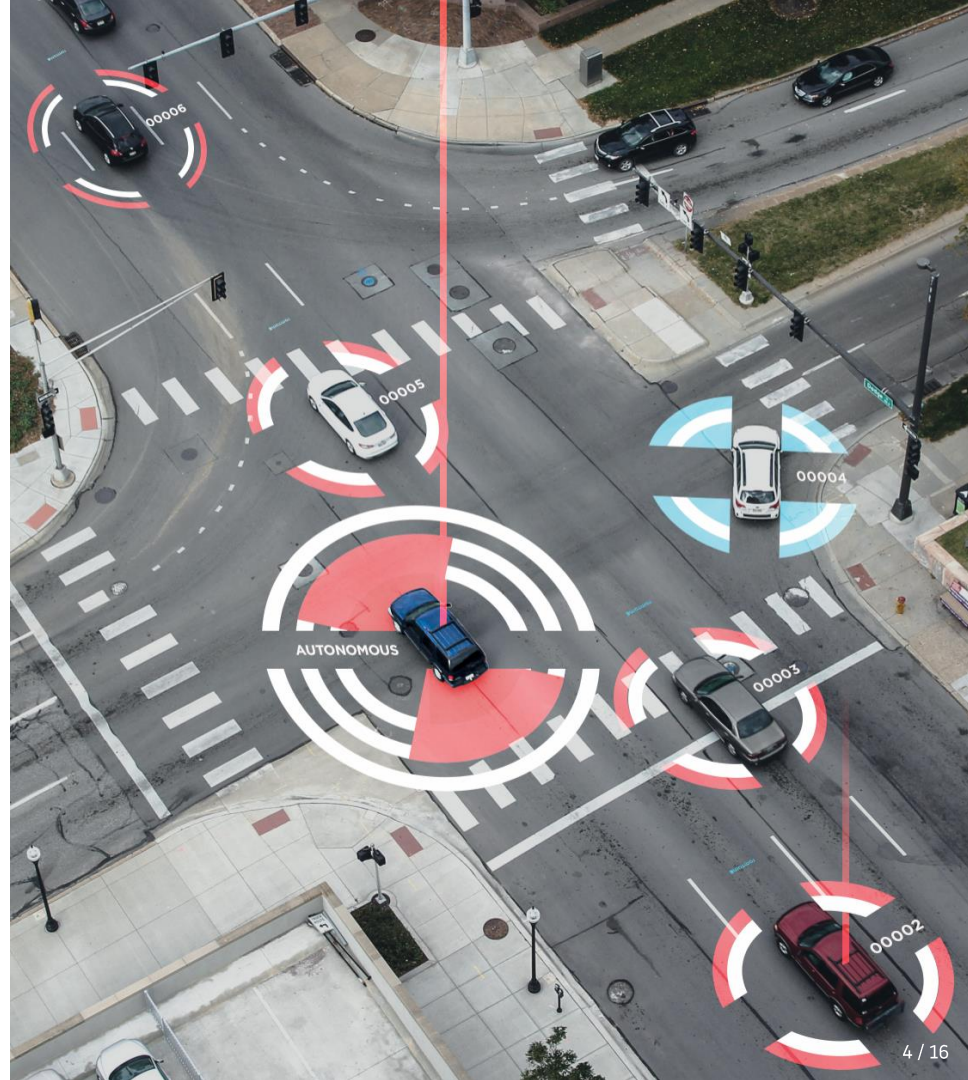


Financial highlights

- Group Revenue of €211 million (Q2 '18: €188 million)
- EBITDA of €31 million (Q2 '18: €45 million)
- Deferred revenue position of €297 million (Q2 '18: €247 million)
- Free cash flow of €16 million (Q2 '18: €16 million¹)
- Net cash position of €372 million (Q2 '18: €155 million)

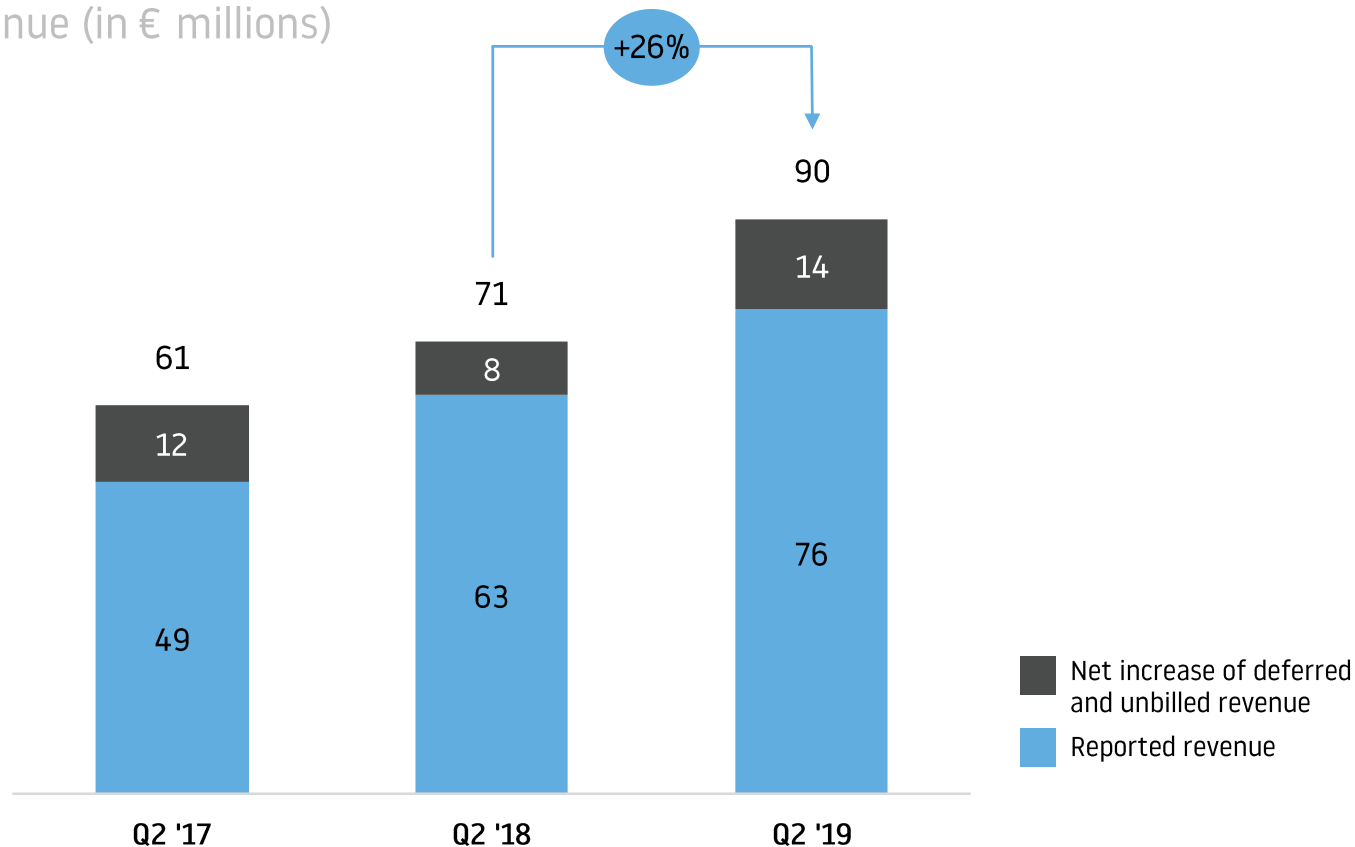
The figures presented above are for continuing operations only.

¹ Q2 '18 Free cash flow from continuing operations is indicative.



Continued growth in Automotive

Operational revenue (in € millions)



2019 Outlook updated

- Location Technology revenue now expected to grow by 17% year on year
- Gross margin of at least 70% in the year
- Acquisition related amortization increased from €50 million to around €210 million on a pre-tax basis
- Adjusted EPS of €0.15 unchanged
- Free cash flow as a percentage of Group revenue updated to around 9%

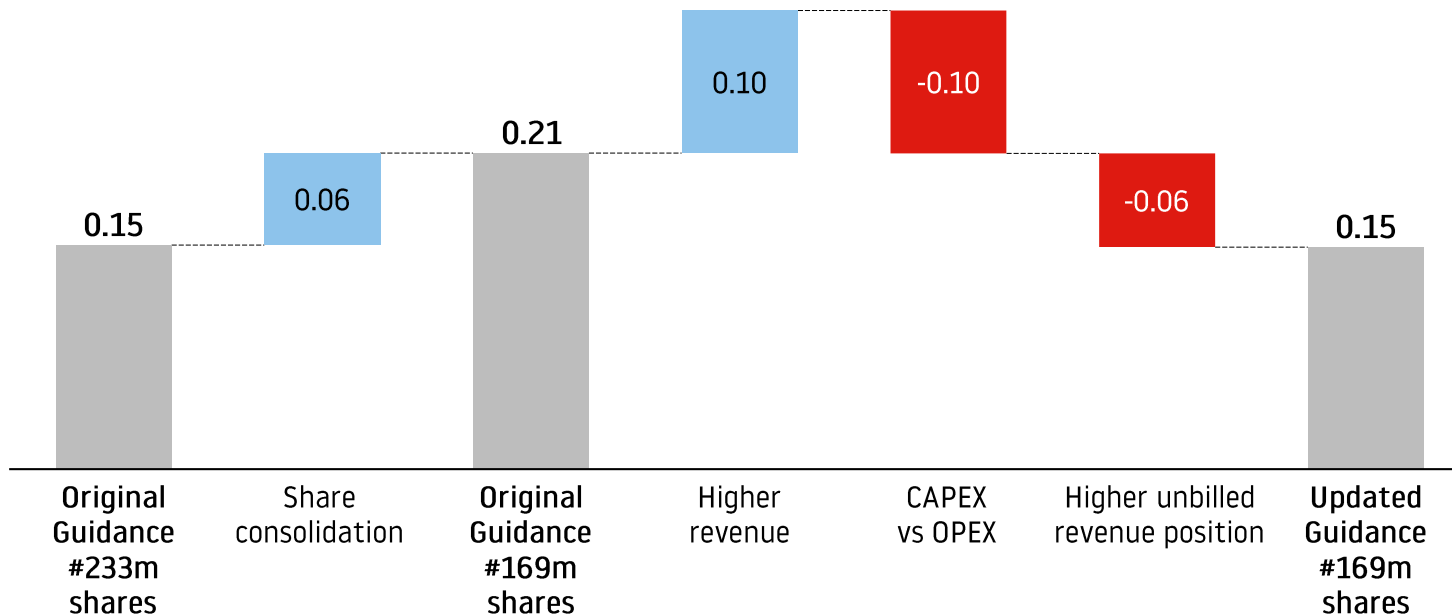
	Updated Outlook 2019	Previous Outlook 2019	Actuals 2018
Revenue	€700 million	€675 million	€687 million
of which from Location Technology	€435 million	€430 million	€372 million
FCF* as % of Group revenue	9%	10%	13%

*Free cash flow before financing activities.

Adjusted EPS outlook bridge

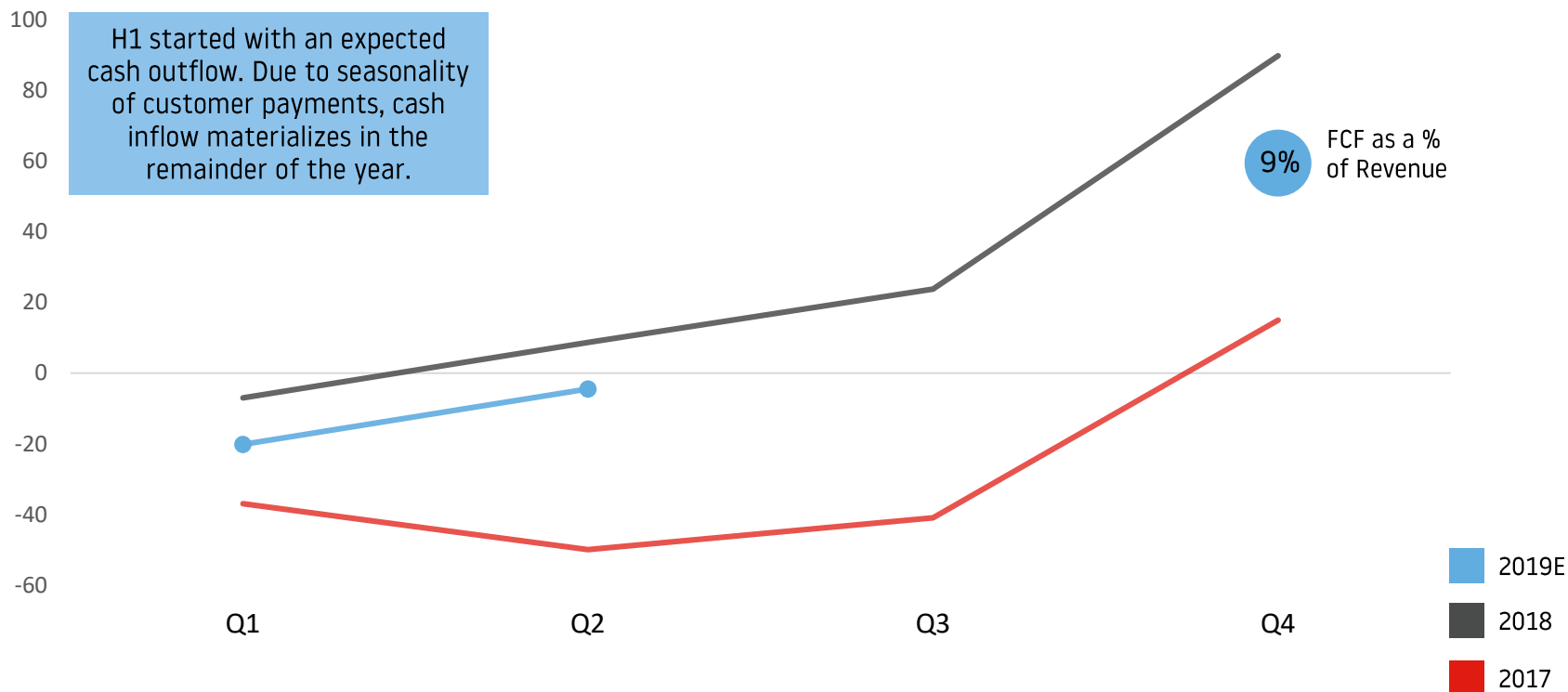
Flat guidance at €0.15; underlying moving elements

Adjusted Earnings Per Share (in €)



Cumulative free cash flows

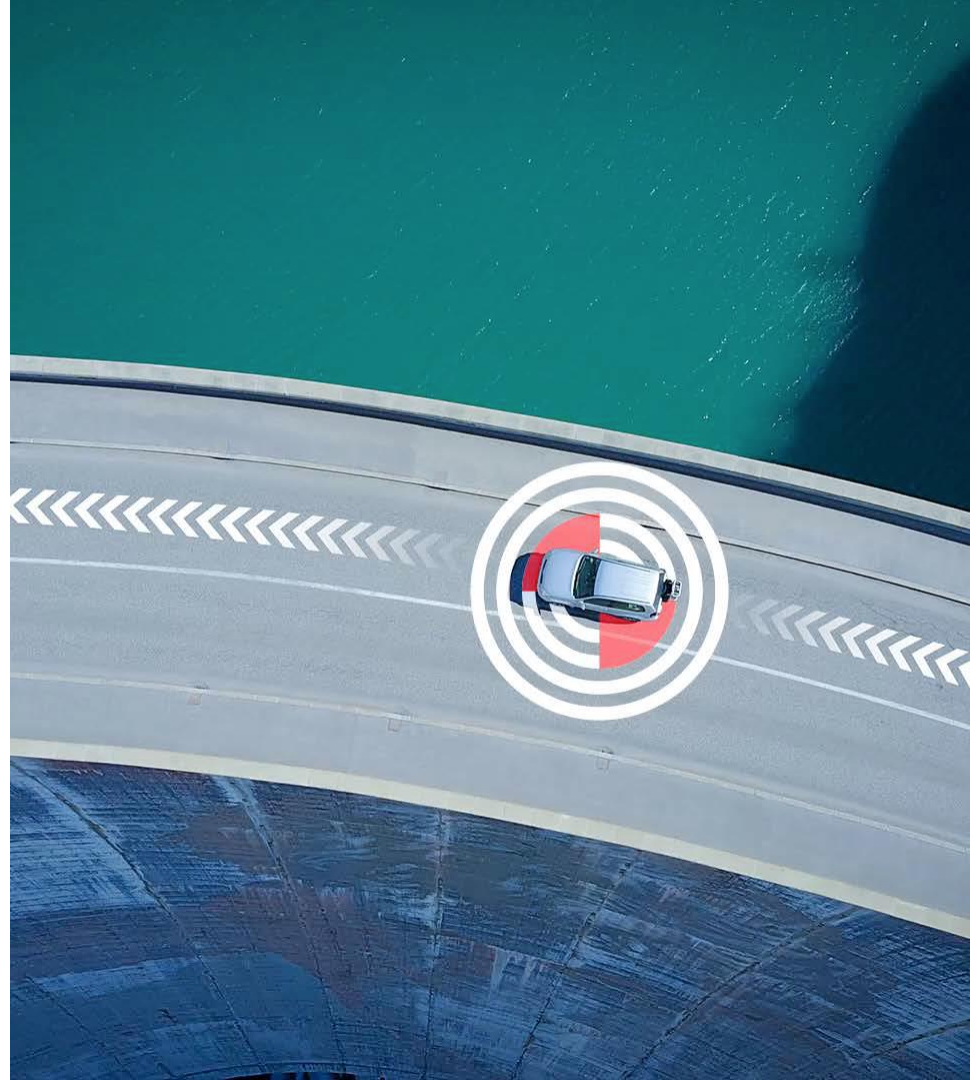
Expected positive FCF for the rest of the year



2019 FCF excludes the impact of the Telematics divestment.

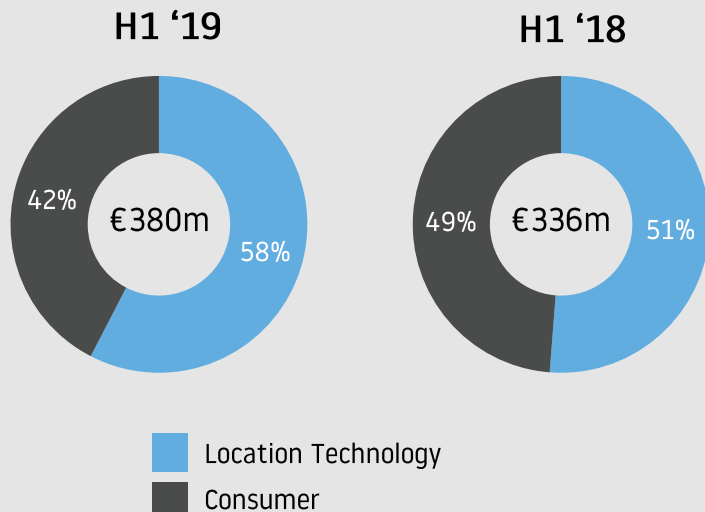
2017 and 2018 FCF are high level estimates only, which involves use of assumptions on working capital movement and others. 2017 FCF also excludes acquisition.

**Thank you –
Any questions?**

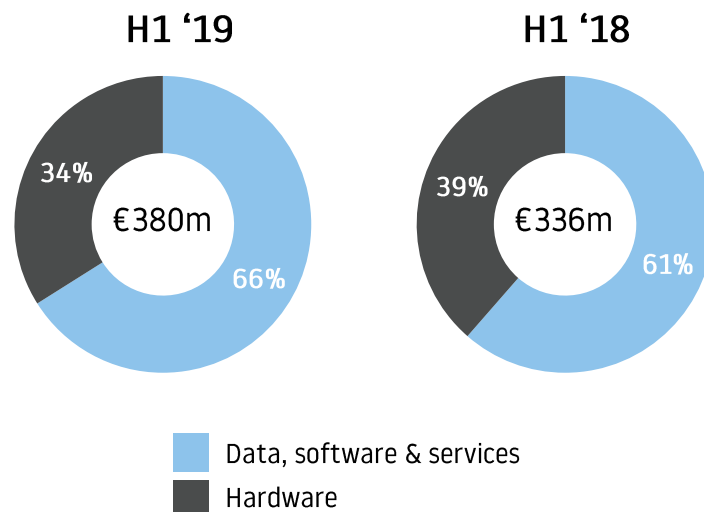


Revenue break-down

BY SEGMENT



BY TYPE



(€ in thousands)	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	H1 '19	H1 '18
REVENUE	148,943	187,524	176,330	173,999	169,527	210,803	380,330	336,468
Automotive	49,710	62,574	59,365	73,397	65,126	75,944	141,070	112,284
Enterprise	30,059	30,036	33,906	33,225	37,833	40,157	77,989	60,095
Consumer	69,174	94,914	83,059	67,377	66,568	94,702	161,271	164,089
Cost of sales	48,320	56,237	50,275	56,638	48,273	68,759	117,032	104,557
GROSS RESULT	100,623	131,287	126,055	117,361	121,254	142,044	263,298	231,911
Gross margin	68%	70%	71%	67%	72%	67%	69%	69%
Research and development expenses	45,853	52,461	50,637	71,902	72,498	78,840	151,339	98,314
Amortisation of technology and databases	23,769	26,105	27,126	31,200	24,474	106,561	131,035	49,874
Marketing expenses	5,934	7,072	7,570	7,439	6,945	6,432	13,377	13,007
Selling, general and administrative expenses	29,848	35,418	30,521	19,568	30,529	33,170	63,699	65,266
TOTAL OPERATING EXPENSES	105,404	121,056	115,854	130,109	134,446	225,003	359,450	226,461
OPERATING RESULT (EBIT)	-4,781	10,231	10,201	-12,748	-13,192	-82,959	-96,152	5,450
EBIT margin	-3%	5%	6%	-7%	-8%	-39%	-25%	2%
EBITDA	25,668	44,821	43,778	27,774	18,779	30,983	49,761	70,488
EBITDA margin	17%	24%	25%	16%	11%	15%	13%	21%
Net result from continuing operations	-6,029	7,814	4,535	-9,184	-15,325	-65,254	-80,579	1,785
Net result tax profit from discontinued operations	12,416	11,974	12,625	10,607	18,615	807,237	825,852	24,390
NET RESULT	6,387	19,788	17,160	1,423	3,290	741,983	745,273	26,175
EPS FROM CONTINUING OPERATIONS (in €)								
Diluted EPS	-0.03	0.03	0.02	-0.04	-0.07	-0.34	-0.38	0.01
Diluted Adjusted EPS ¹	0.08	0.04	0.1	0.09	0.00	-0.01	-0.01	0.12
Net result from continuing operations	-6,029	7,814	4,535	-9,184	-15,325	-65,254	-80,579	1,785
Movement of deferred and unbilled revenue	21,578	-10,325	12,931	28,700	6,578	-10,766	-4,188	11,253
Acquisition related amortization	11,643	11,643	11,643	11,643	11,643	91,999	103,642	23,285
Tax impact	-7,707	-306	-5,701	-9,360	-3,826	-17,017	-20,843	-8,013
Adjusted net result from continuing operations	19,485	8,826	23,408	21,799	-930	-1,038	-1,969	28,310

¹Earnings per fully diluted share count adjusted for movement of deferred and unbilled revenue, impairments and acquisition related amortization on a post-tax basis.

Balance Sheet

(€ in thousands)	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
ASSETS						
Goodwill	256,115	255,451	255,858	192,294	192,294	192,269
Intangible assets	705,387	693,202	684,229	634,728	613,978	509,622
Contract related assets	18,198	20,428	20,896	24,497	27,715	21,606
Other non-current assets	81,944	87,065	86,175	70,968	75,281	73,421
Inventories	33,576	33,742	35,717	26,400	25,571	19,033
Trade receivables	113,910	118,939	128,868	92,530	99,631	111,981
Unbilled receivables	18,024	30,580	26,375	22,512	26,169	42,621
Other receivables and prepayments	29,927	27,163	34,088	54,998	45,522	56,891
Cash and cash equivalents	128,537	155,292	178,522	247,675	206,593	372,030
Assets held for sale				128,323	155,325	
TOTAL ASSETS	1,385,618	1,421,862	1,450,728	1,494,925	1,468,079	1,399,474
TOTAL EQUITY	727,961	750,873	771,266	774,109	780,425	774,619
Deferred tax liability	83,816	84,076	84,506	80,436	78,827	57,605
Lease liability	40,758	44,874	40,647	38,730	38,938	36,757
Provisions	63,275	60,911	65,841	74,412	70,353	67,261
Trade payables	54,999	56,420	49,903	51,076	46,383	52,871
Deferred revenue	275,197	277,108	284,694	280,910	291,145	296,861
Contract related liabilities	54,219	57,845	48,376	38,665	36,376	40,519
Accruals and other liabilities	85,393	89,755	105,495	101,180	76,631	72,981
Liabilities associated with assets held for sale				55,407	49,001	
TOTAL LIABILITIES	657,657	670,989	679,462	720,816	687,654	624,855
TOTAL EQUITY AND LIABILITIES	1,385,618	1,421,862	1,450,728	1,494,925	1,468,079	1,399,474
Net cash	128,537	155,292	178,522	252,112	240,551	372,030
Net cash classified as held for sale				4,437	33,958	
Net cash of continuing operations	128,537	155,292	178,522	247,675	206,593	372,030

Cash flow

(€ in thousands)	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	H1 '19	H1 '18
Operating result	6,886	24,890	23,782	-45	5,824	-82,959	-77,136	31,776
Financial gains/(losses)	-253	-1,421	523	1,420	-437	-208	-644	-1,674
Depreciation and amortisation	37,353	38,515	38,654	43,666	31,971	113,942	145,913	75,868
Other	-2,972	-2,778	2,569	7,530	-196	-1,764	-1,960	-5,750
Changes in working capital ¹	-5,027	-4,566	-7,387	37,898	-34,186	-6,830	-41,016	-9,593
CASH GENERATED FROM OPERATIONS	35,987	54,640	58,141	90,469	2,976	22,181	25,157	90,627
Interest received	110	100	187	32	277	213	490	210
Interest (paid)	-444	-126	-506	-517	-437	-1,203	-1,640	-570
Corporate income taxes (paid)/received	-3,295	-1,687	-1,407	-2,711	-1,887	-6,816	-8,703	-4,982
CASH FLOWS FROM OPERATING ACTIVITIES	32,358	52,927	56,415	87,273	929	14,375	15,304	85,285
CASH FLOWS FROM INVESTING ACTIVITIES	-22,279	-24,587	-27,915	-9,112	-9,913	867,491	857,578	-46,866
CASH FLOWS FROM FINANCING ACTIVITIES	-2,087	-2,720	-5,307	-4,657	-2,902	-750,221	-753,123	-4,807
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,992	25,620	23,193	73,504	-11,886	131,645	119,759	33,612
Free cash flow	10,079	28,340	28,500	78,161	-8,984	881,866	872,882	38,419
Free cash flow from continuing operations²	-7,456	16,034	15,163	66,134	-20,228	15,805	-4,423	8,578
<i>FCF from continuing operations as a % revenue</i>	<i>-5%</i>	<i>9%</i>	<i>9%</i>	<i>38%</i>	<i>-12%</i>	<i>7%</i>	<i>-1%</i>	<i>3%</i>

¹Includes the movement of non-current deferred revenue.

²2018 Free cash flows from continuing operations are indicative.

Outstanding shares

	Q2 '19	YTD '19
Common shares outstanding at the end of the period	132,366,672	132,366,672
Shares in issue at the beginning of the period	231,740,280	231,240,514
Shares in issue at the end of the period	131,068,158	131,068,158
Average shares in issue during the period*	191,057,404	211,208,929 [A]
In the money share options at the beginning of the period	2,924,714	4,441,110
In the money share options at the end of the period	3,164,464	3,164,464
Average potential dilutive share options outstanding during the period**	2,656,879	2,800,164
Average non-dilutive share options during the period	1,574,209	1,569,732
Average shares outstanding from dilution of options***	1,082,670	1,230,432 [B]
Average shares outstanding from dilution of other equity-settled grants	387,939	355,802 [C]
Average fully diluted shares outstanding during Q2 '19 and YTD '19****	192,528,013	212,795,163 [A+B+C]

* Shares held in treasury of 1,298,514 are taken into account when calculating the weighted average shares outstanding

** In the money options based on average share price for the period

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

**** The average share price for the quarter was €8.12 and the average share price year-to-date was €7.87

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.

Automotive operational revenue is IFRS Automotive revenue adjusted for the movement of deferred and unbilled revenue

Gross margin is calculated as gross profit 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 and amortization charges

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

Adjusted net result is calculated as net result of continuing operations attributed to equity holders adjusted for movement of deferred/unbilled revenue, impairments and acquisition related amortization 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, including cash classified as held-for-sale (IFRS 5) minus the nominal value of our outstanding bank borrowings

Free cash flow is cash flow before financing from continuing operations



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