



TomTom reports third quarter 2018 results

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial summary Q3 '18

- Revenue of €220 million (Q3 '17: €219 million)
- Gross margin of 73% (Q3 '17: 66%)
- EBITDA of €62 million (Q3 '17: €35 million)
- Adjusted EPS¹ of €0.11 (Q3 '17: €0.16)
- Net cash position of €179 million (Q3 '17: €102 million)
- Deferred revenue position of €285 million (Q3 '17: €258 million)

Operational summary Q3 '18

- We have had strong interest in the Telematics business and our strategic review is on schedule
- Groupe PSA selected TomTom's maps, navigation and live services for its next generation infotainment
- BMW Group selected TomTom's traffic data, routing and EV services
- Mapmaking platform milestone: more than 1.5 billion updates in a single month

Outlook 2018

Full year outlook increased; expected full year revenue of around €850 million (was €825 million) and adjusted EPS¹ of around €0.35 (was €0.30).

An agreement has been reached to bring the contract for TomTom to provide location and navigation content and services to Volvo, as communicated on 8 June 2016, to an end.

Key figures

(€ in millions, unless stated otherwise)	Q3 '18	Q3 '17	y.o.y. change	YTD '18	YTD '17	y.o.y. change
Automotive & Enterprise	93.3	81.3	15%	265.7	246.3	8%
Telematics	43.4	40.7	6%	130.1	121.7	7%
Consumer	83.0	96.6	-14%	247.1	316.7	-22%
REVENUE	219.7	218.6		642.9	684.7	-6%
GROSS RESULT	159.8	144.2	11%	458.9	440.3	4%
<i>Gross margin</i>	<i>73%</i>	<i>66%</i>		<i>71%</i>	<i>64%</i>	
EBITDA	62.4	35.5	76%	170.1	119.9	42%
<i>EBITDA margin</i>	<i>28%</i>	<i>16%</i>		<i>26%</i>	<i>18%</i>	
OPERATING RESULT (EBIT)	23.8	-0.4		55.6	-156.4	-136%
<i>Operating margin</i>	<i>11%</i>			<i>9%</i>	<i>-23%</i>	
NET RESULT	17.2	-1.2		43.3	-159.7	-127%
ADJUSTED NET RESULT	26.3	38.1	-31%	60.6	38.3	58%
EPS, € fully diluted	0.07	0.00		0.19	-0.68	-127%
Adjusted EPS¹, € fully diluted	0.11	0.16	-30%	0.26	0.16	62%

Change percentages and totals calculated before rounding.

This report includes the following non-GAAP measures: Automotive operational revenue, gross margin, EBIT (margin), EBITDA (margin), adjusted net result, adjusted EPS and net cash, which are further explained on page 10 of this report. Comparative figures have been restated to reflect the adoption of IFRS 15 and IFRS 16 accounting standards.

¹ Earnings per fully diluted share count adjusted for movement of deferred revenue, unbilled revenue, deferred cost of sales, impairments and material restructuring and disposal costs on a post-tax basis.

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"We continue to make headways in a turbulent automotive environment. Operational revenue increased 36% year on year, and we recently announced new deals with Groupe PSA and BMW Group – highlighting the quality and constant development of our connected navigation products.

We are currently considering strategic options for our Telematics business. With innovation and a renewed focus on the Automotive and Enterprise segment, we will continue to shape the future of driving with accurate maps, navigation software and real-time traffic information and services."

OUTLOOK 2018

We are updating our guidance for the year.

Outlook full year 2018	Updated	Previous
Revenue	~ €850 million	- €825 million
Gross margin	At least 70%	At least 70%
OPEX	- €560 million	- €550 million
Adjusted EPS	Around €0.35	At least €0.30

An agreement has been reached to bring the contract for TomTom to provide location and navigation content and services to Volvo, as communicated on 8 June 2016, to an end. As a result of this agreement, the order intake for 2016 is adjusted downwards to more than €250 million (was more than €300 million). We will continue to work together with Volvo going forward, including the Volvo Drive Me programme, a research project into autonomous driving.

During the quarter, we announced that we are exploring strategic alternatives for our Telematics business unit, which may result in a sale of the division. There is strong interest, the process is on schedule and we are aiming to provide a further update in Q1 '19, or earlier when appropriate.

View the full TomTom reports third quarter 2018 results release on our [quarterly results website](#).