



Q2 2018 RESULTS

TOMTOM 

Harold Goddijn – CEO

Taco Titulaer – CFO

17 July 2018

OPERATIONAL HIGHLIGHTS

- TomTom EV Service wins TU-Automotive Award and the CLEPA Innovation Award
- Azure Maps, powered by TomTom, are now offered for general availability
- Telematics recognised by Frost & Sullivan as Europe's Fleet Telematics company of the year

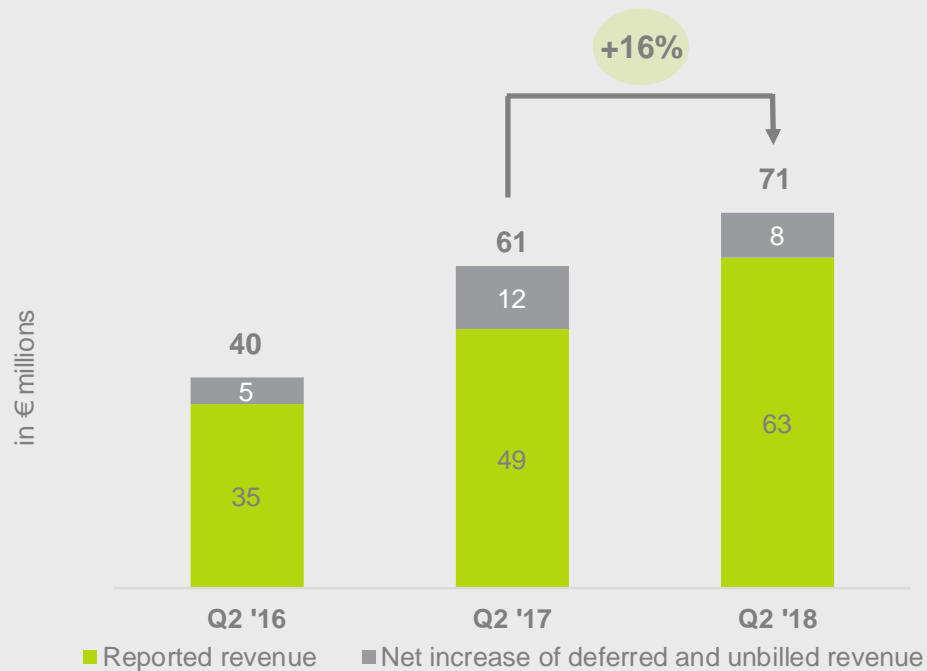
FINANCIAL HIGHLIGHTS

- Revenue of €231 million (Q2 '17: €253 million)
- Gross margin of 72% (Q2 '17: 64%)
- EBITDA of €63 million (Q2 '17: €50 million)
- Adjusted EPS of €0.05 (Q2 '17: €0.03)
- Net cash position of €155 million (Q2 '17: €82 million)
- Deferred revenue position of €277 million (Q2 '17: €240 million)

Non-GAAP measures: see slide 12 for more information

CONTINUED GROWTH IN AUTOMOTIVE

AUTOMOTIVE OPERATIONAL REVENUE



Q2 '16 revenue has not been restated under the new IFRS 15 accounting standards. Based on our assessment, the impact of IFRS 15 on full year 2016 revenues is not material.

2018 OUTLOOK INCREASED

Due to higher demand from our Automotive customers, we now expect revenue of around €825 million and an adjusted EPS of at least €0.30

Outlook FY '18	Updated	Previous
Revenue	~ €825 million	~ €800 million
Gross margin (%)	At least 70%	Close to 70%
OPEX	~ €550 million	~ €550 million
Adjusted EPS	At least €0.30	~ €0.25

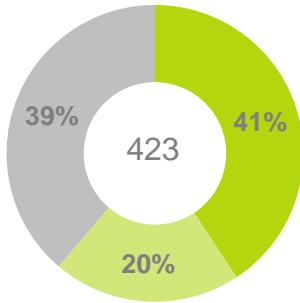
Non-GAAP measures: see slide 12 for more information

THANK YOU
Any questions?

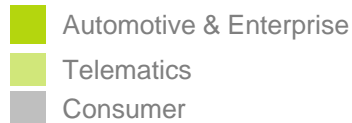
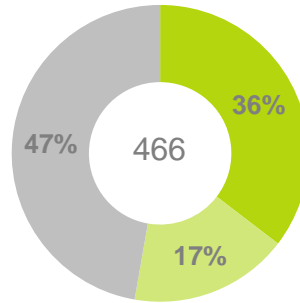
REVENUE BREAKDOWN

BY SEGMENT (€M)

H1 '18

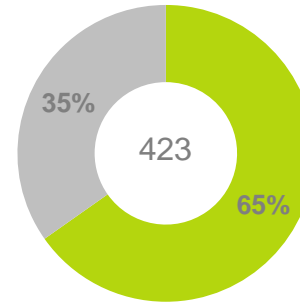


H1 '17

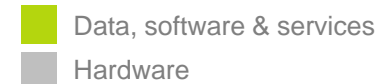
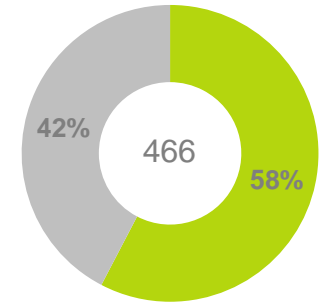


BY TYPE (€M)

H1 '18



H1 '17



P&L STATISTICS

(€ in thousands)	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	H1 '18	H1 '17
	Restated	Restated	Restated	Restated				Restated
REVENUE	213,034	253,014	218,649	218,191	191,779	231,382	423,161	466,048
Cost of sales	79,558	90,397	74,457	88,698	58,252	65,814	124,066	169,955
GROSS RESULT	133,476	162,617	144,192	129,493	133,527	165,568	299,095	296,093
Research and development expenses	50,226	53,539	51,636	52,456	47,950	54,909	102,859	103,765
Amortisation of technology and databases	22,429	24,373	24,429	41,062	24,071	26,402	50,473	46,802
Marketing expenses	12,776	19,523	10,419	9,091	8,180	9,430	17,610	32,299
Selling, general and administrative expenses	49,571	50,956	58,092	56,471	46,440	49,937	96,377	100,527
Impairment charge		168,687						168,687
TOTAL OPERATING EXPENSES	135,002	317,078	144,577	159,080	126,641	140,678	267,319	452,080
OPERATING RESULT (EBIT)	-1,526	-154,461	-385	-29,587	6,886	24,890	31,776	-155,987
EBITDA	34,009	50,392	35,488	38,373	44,239	63,405	107,644	84,401
Interest result	-429	-554	-483	-427	-417	-27	-444	-983
Other financial result	398	1,458	-115	926	1,721	-1,947	-227	1,856
Result of associates	125	228	203	203	163	111	275	353
RESULT BEFORE TAX	-1,432	-153,329	-780	-28,884	8,353	23,027	31,380	-154,761
Income tax (expense)	-758	-3,028	-418	-5,776	-1,966	-3,239	-5,205	-3,786
NET RESULT	-2,190	-156,357	-1,198	-34,660	6,387	19,788	26,175	-158,547
MARGINS								
Gross margin	63%	64%	66%	59%	70%	72%	71%	64%
EBITDA margin	16%	20%	16%	18%	23%	27%	25%	18%
EBIT margin	-1%	-61%	0%	-14%	4%	11%	8%	-33%
EARNINGS PER SHARE (in €)								
Diluted EPS	-0.01	-0.67	0.00	-0.15	0.03	0.09	0.11	-0.68
Diluted Adjusted EPS ¹	-0.03	0.03	0.16	0.02	0.10	0.05	0.15	0.00

¹Earnings 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.

BALANCE SHEET STATISTICS

(€ in thousands)	31-Mar-17 Restated	30-Jun-17 Restated	30-Sept-17 Restated	31-Dec-17 Restated	31-Mar-18	30-Jun-18
ASSETS						
Goodwill	423,577	254,899	254,525	256,319	256,115	255,451
Other intangible assets and capitalised contract costs	771,148	770,558	765,922	731,138	723,585	711,809
Other non-current assets	106,096	103,690	97,942	90,986	81,944	87,066
Inventories	62,556	54,301	53,141	31,609	33,576	33,742
Receivables, prepayments & derivatives	188,637	216,355	227,155	167,697	161,861	178,502
Cash and cash equivalents	84,427	85,041	105,220	120,850	128,537	155,292
TOTAL ASSETS	1,636,441	1,484,844	1,503,905	1,398,599	1,385,618	1,421,862
EQUITY AND LIABILITIES						
TOTAL EQUITY	958,215	806,280	799,669	721,902	727,961	750,873
Deferred tax liability	83,273	84,808	83,755	85,804	83,816	84,076
Borrowings	4,669	2,752	2,835	0	0	0
Lease liability	56,009	55,099	50,765	48,176	40,758	44,874
Provisions	84,691	81,137	90,027	80,900	78,261	76,507
Trade payables	73,845	75,288	64,510	51,441	54,999	56,420
Deferred revenue	231,598	239,579	258,227	261,304	275,197	277,107
Accruals and other liabilities	144,141	139,901	154,117	149,072	124,626	132,005
TOTAL LIABILITIES	678,225	678,564	704,236	676,697	657,657	670,989
TOTAL EQUITY AND LIABILITIES	1,636,441	1,484,844	1,503,905	1,398,599	1,385,618	1,421,862
<i>Net cash</i>	<i>79,047</i>	<i>82,041</i>	<i>102,220</i>	<i>120,850</i>	<i>128,537</i>	<i>155,292</i>

CASH FLOW STATISTICS

(€ in thousands)	Q1 '17 Restated	Q2 '17 Restated	Q3 '17 Restated	Q4 '17 Restated	Q1 '18	Q2 '18	H1 '18	H1 '17 Restated
Operating result	-1,526	-154,461	-385	-29,587	6,886	24,890	31,776	-155,987
Financial gains/(losses)	1,916	-1,519	-3,315	615	-253	-1,421	-1,674	397
Depreciation and amortisation	35,536	204,853	35,873	67,959	37,353	38,515	75,868	240,389
Other	-3,534	-334	13,821	2,939	-2,972	-2,778	-5,750	-3,868
Changes in working capital ¹	-31,565	-16,219	5,927	56,818	-5,027	-4,566	-9,593	-47,783
CASH GENERATED FROM OPERATIONS	827	32,320	51,921	98,744	35,987	54,640	90,627	33,148
Interest received	107	44	48	59	110	100	210	151
Interest (paid)	-454	-512	-449	-403	-444	-126	-570	-966
Corporate income taxes (paid)/received	-2,068	-3,163	-3,082	-341	-3,295	-1,687	-4,982	-5,232
CASH FLOWS FROM OPERATING ACTIVITIES	-1,588	28,689	48,438	98,059	32,358	52,927	85,285	27,101
CASH FLOWS FROM INVESTING ACTIVITIES	-49,376	-29,376	-24,918	-26,051	-22,279	-24,587	-46,866	-78,752
CASH FLOWS FROM FINANCING ACTIVITIES	-7,118	2,246	-3,193	-55,905	-2,087	-2,720	-4,807	-4,872
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-58,082	1,559	20,327	16,103	7,992	25,620	33,612	-56,523

¹ Includes the movement of non-current deferred revenue.

OUTSTANDING SHARES AND ADJUSTED EPS

at 30 June 2018

	Q2 '18	H1 '18
Common shares outstanding at the beginning of the period	235,318,516	235,318,516
Common shares outstanding at the end of the period	235,318,516	235,318,516
Average shares outstanding during the period*	230,835,778	230,614,581 [A]
In the money share options at the beginning of the period	4,441,110	5,295,020
In the money share options at the end of the period	4,029,810	4,029,810
Average potential dilutive share options outstanding during the period**	3,867,885	3,644,051
Average non-dilutive share options during the period	2,237,062	1,911,595
Average shares outstanding from dilution of options***	1,630,823	1,732,456 [B]
Average shares outstanding from dilution of other equity-settled grants	430,239	427,342 [C]
Average fully diluted shares outstanding during Q2 '18 and H1 '18****	232,896,840	232,774,379 [A+B+C]
* Shares held in treasury of 4 317 022 are taken into account when calculating the 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 €8.26 and the average share price for the year was €8.2		
Adjusted earnings per share calculation (in € million)	Q2 '18	H1 '18
Net result attributed to equity holders	19.9	26.3
Movement of deferred revenue, unbilled revenue and deferred CoS	-10.7	10.5
Tax effect on movement of deferred revenue, unbilled revenue and deferred CoS	2.5	-2.4
Adjusted earnings	11.7	34.3
Adjusted earnings per diluted share (in €)	0.05	0.15

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 specialised 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 revenue adjusted for the movement of deferred and unbilled revenue

Gross margin is calculated as gross result 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 amortisation charges

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

Adjusted net result is calculated as net result attributed to equity holders adjusted for movement of deferred revenue, unbilled revenue, deferred cost of sales, impairments and material restructuring and disposal costs 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 minus the nominal value of our outstanding bank borrowings

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