

Q4 AND FY 2019 RESULTS



Harold Goddijn – CEO

Taco Titulaer – CFO

5 FEBRUARY 2020

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Operational highlights

- Automotive backlog increased to around €1.8 billion
- Fiat Chrysler Automobiles embeds our maps, navigation software and services globally
- Daimler Trucks adopted our ADAS Map to create a smart cruise control for its vehicles
- Subaru selected our maps and navigation software for its next generation IVI platform



Priorities for 2020

Continue to invest in strategic areas whilst generating cash

Mapmaking

- Further mapmaking system automation to provide better maps at lower cost per modification

Automotive

- Advance our online navigation system offering, allowing for fresher maps and up-to-date software
- Assist OEMs in delivering a better user experience

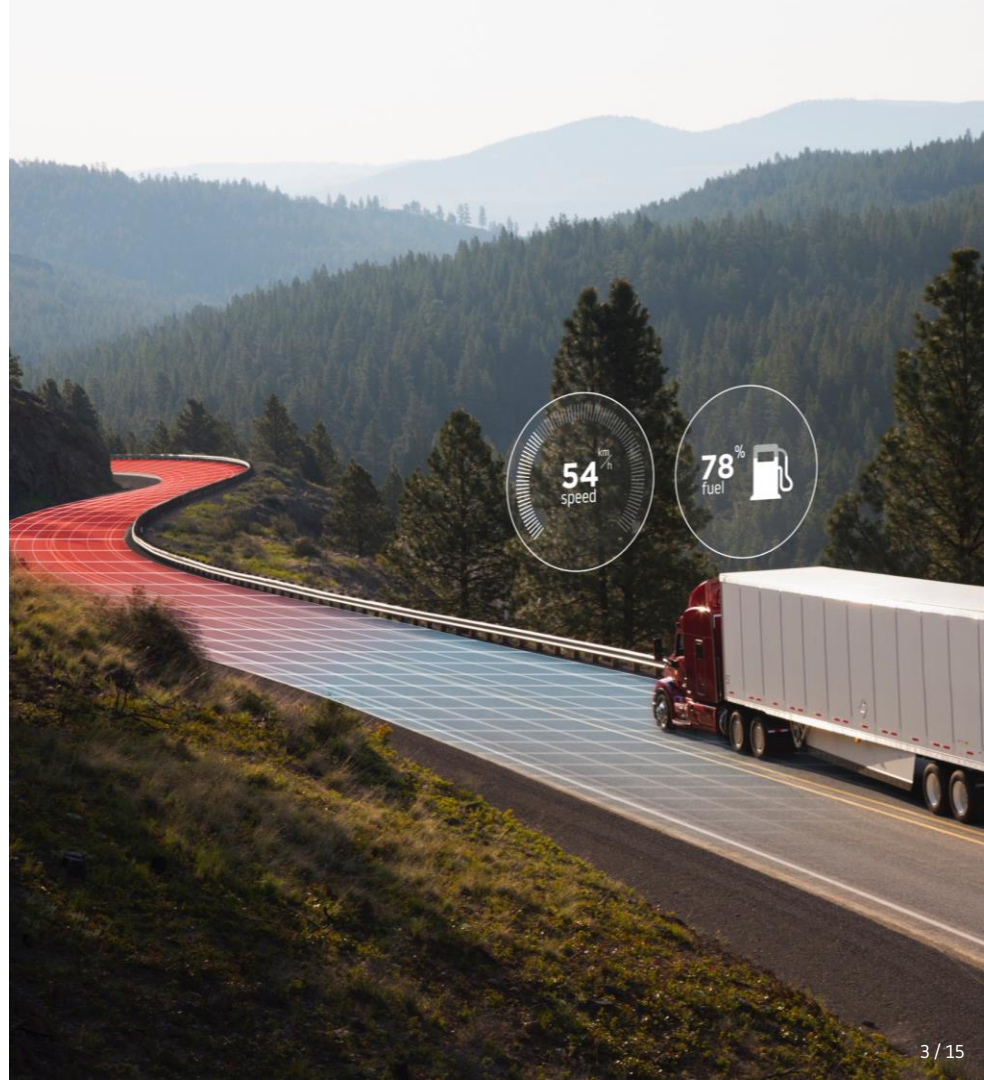
Enterprise

- Further improve our Maps APIs, especially map display and search

Financial highlights

- Group revenue of €156 million (Q4 '18: €174 million)
- Gross margin of 79% (Q4 '18: 67%)
- Free cash flow of €48 million (Q4 '18: €66 million¹)
- Deferred revenue position of €369 million (Q4 '18: €281 million)
- Net cash position of €437 million (Q4 '18: €252 million)
- New share buyback program of €50 million

The figures presented above are for continuing operations only.
¹Q4 '18 Free cash flow from continuing operations is indicative.



Delivered on 2019 guidance

Total Revenue €701 million

(initial outlook ~ €675 million)

Gross Margin 74%

(initial outlook > 70%)

Adjusted EPS €0.20

(initial outlook ~ €0.15)

FCF 9%

(initial outlook 10%)

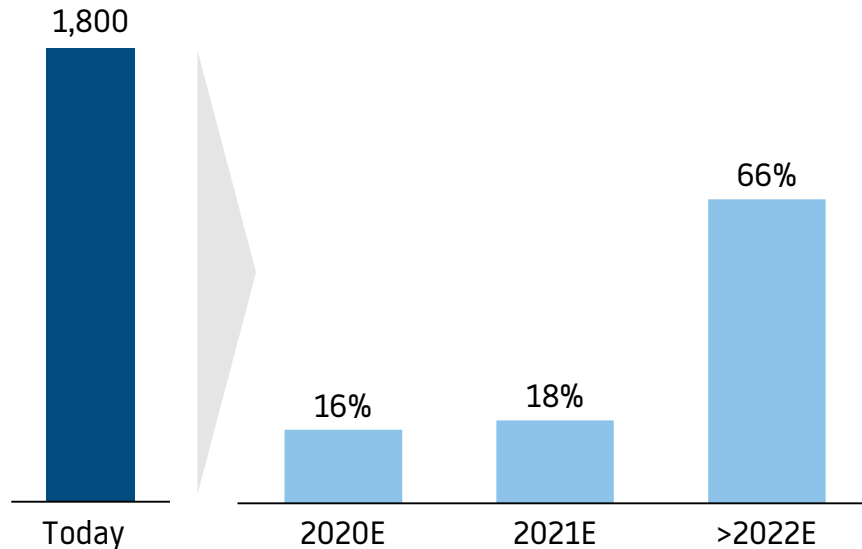
2020 Outlook

- We reiterate our mid-term revenue guidance for Location Technology to grow its revenue to around €500 million by 2021, which represents a CAGR of around 10% for the period between 2018 and 2021. Our expectations are supported by an Automotive backlog of around €1.8 billion
- We will continue to invest to improve our competitive position and capture market opportunities. We forecast for 2020 a limited increase in our cash spend compared with 2019
- Double digit FCF as a % of group revenue as a mid-term target

	2020 Outlook	Actuals 2019
Revenue	€650 - €675 million	€701 million
of which from Location Technology	€450 - €475 million	€426 million
FCF as % of Group revenue	Mid to high single digit	9%

Automotive backlog

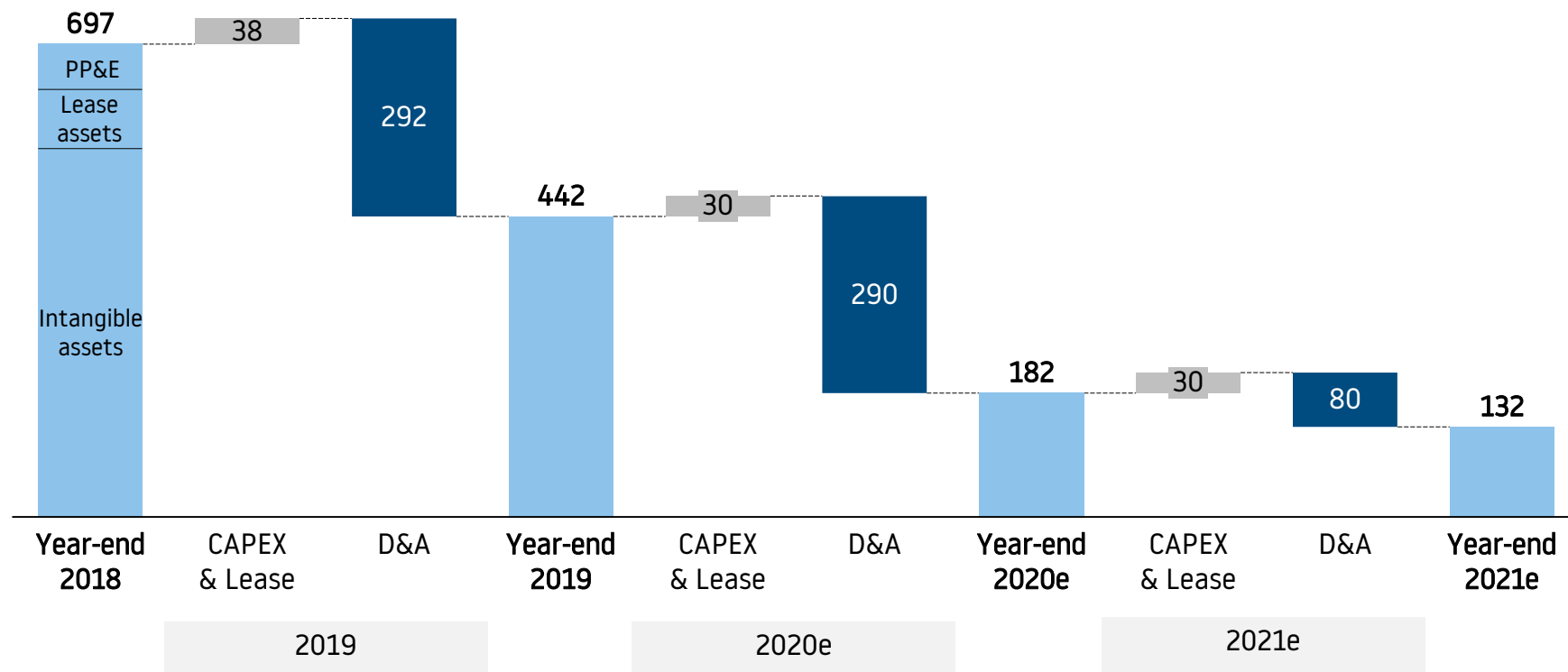
Estimated Automotive IFRS backlog phasing of revenues (in %)



- Automotive backlog is defined as the cumulative expected IFRS revenue from all awarded Automotive deals
- Automotive awards do not provide minimum volume or purchase requirements. Volumes are based on our and our clients' estimates of car sales and take rates
- Year on year change of the backlog is the result of the following:
 - Revenue recognition during the year
 - Estimate of cumulative value of all awarded contracts during the year
 - Reassessment of the value of awarded contracts from previous periods

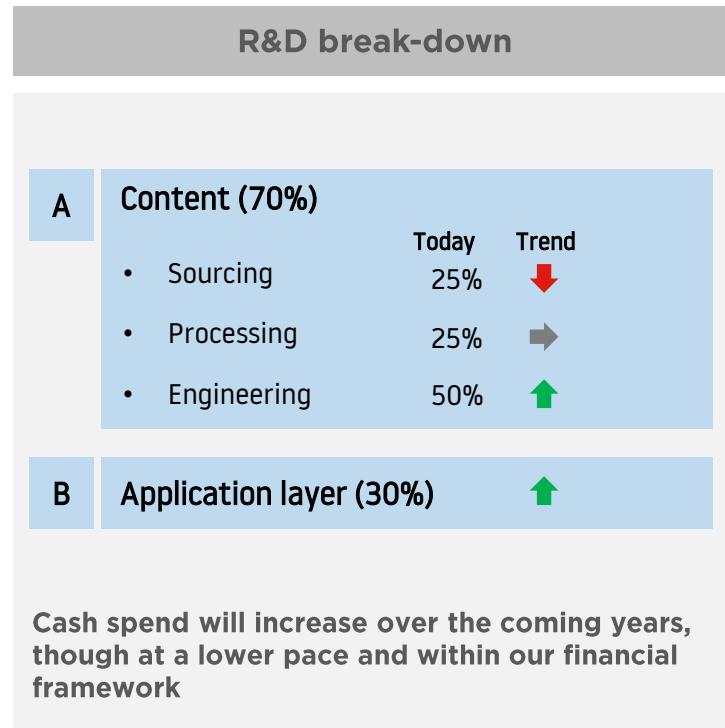
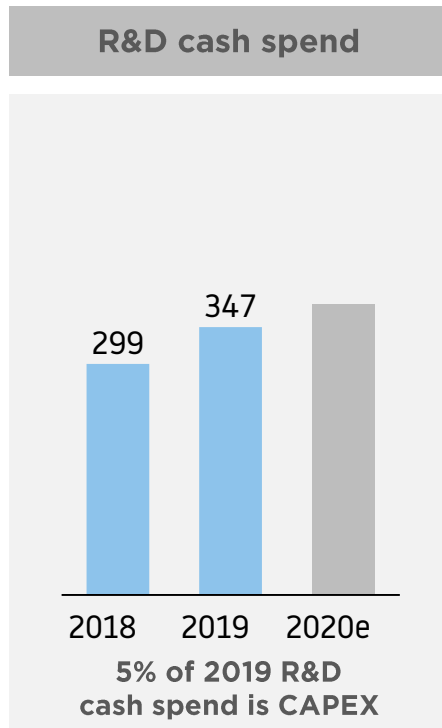
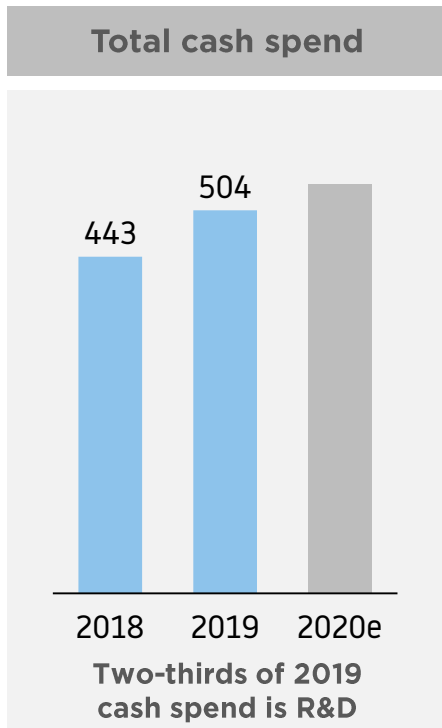
SaaS will reduce our intangible assets

Continuously refreshed content and releasable software leads to a different balance sheet profile

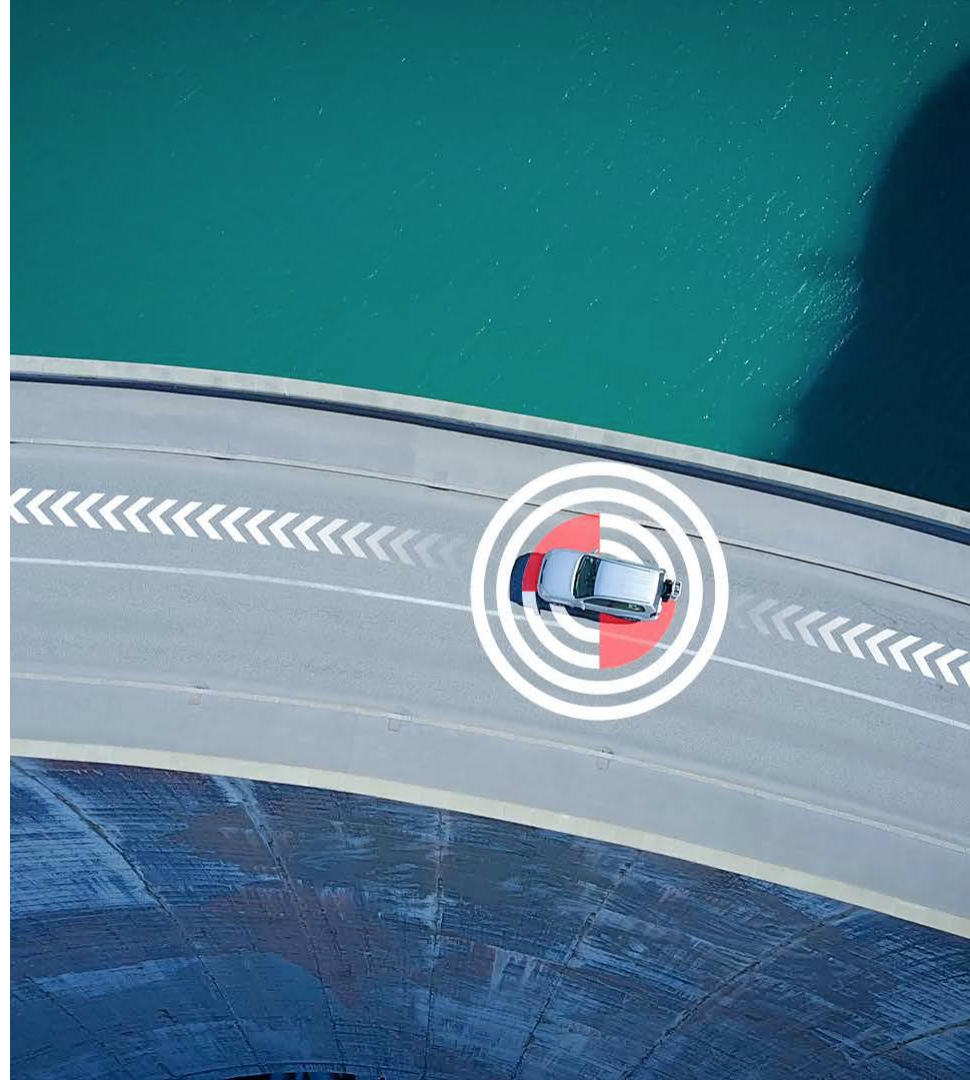


Investing to capture mega trends

We will continue to invest in our transactional mapmaking platform to realize a higher degree of automation in content creation and further develop our online navigation software and Maps APIs



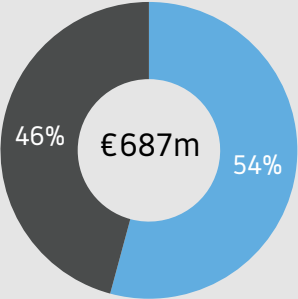
**Thank you -
Any questions?**



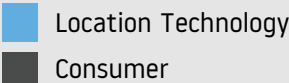
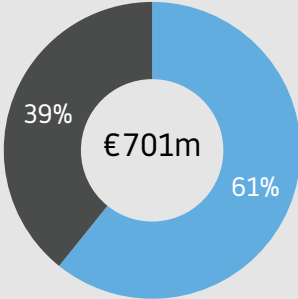
Revenue break-down

BY SEGMENT

FY '18

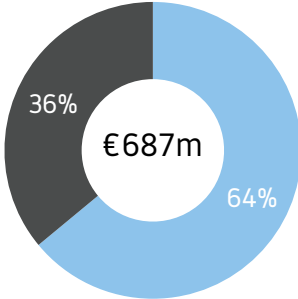


FY '19

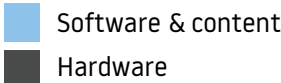
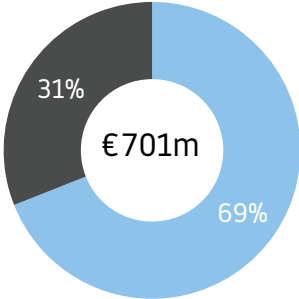


BY TYPE

FY '18



FY '19



P&L

(€ in thousands)	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	FY '18
REVENUE	176,330	173,999	169,527	210,803	164,206	156,223	700,759	686,798
<i>Automotive</i>	59,365	73,397	65,126	75,944	55,404	69,190	265,665	245,046
<i>Enterprise</i>	33,906	33,225	37,833	40,156	41,141	41,187	160,317	127,226
<i>Consumer</i>	83,059	67,377	66,568	94,703	67,661	45,846	274,777	314,526
Cost of sales	50,275	56,638	48,273	68,759	36,277	32,249	185,557	211,471
GROSS RESULT	126,055	117,361	121,254	142,044	127,929	123,974	515,202	475,327
<i>Gross margin</i>	71%	67%	72%	67%	78%	79%	74%	69%
Research and development expenses	50,637	71,902	72,498	78,840	80,272	91,175	322,785	220,853
Amortisation of technology and databases	27,126	31,200	24,474	106,561	65,038	65,120	261,194	108,200
Marketing expenses	7,570	7,439	6,945	6,432	7,057	9,002	29,436	28,015
Selling, general and administrative expenses	30,521	19,568	30,529	33,170	32,647	36,398	132,744	115,354
TOTAL OPERATING EXPENSES	115,854	130,109	134,446	225,003	185,014	201,695	746,159	472,422
OPERATING RESULT (EBIT)	10,201	-12,748	-13,192	-82,959	-57,085	-77,721	-230,957	2,905
<i>EBIT margin</i>	6%	-7%	-8%	-39%	-35%	-50%	-33%	0%
EBITDA	43,778	27,774	18,779	30,983	15,854	-4,588	61,028	142,042
<i>EBITDA margin</i>	25%	16%	11%	15%	10%	-3%	9%	21%
Net result from continuing operations	4,535	-9,184	-15,325	-65,254	-43,429	-68,958	-192,965	-2,862
Net result tax profit from discontinued operations	12,625	10,607	18,615	807,237			825,852	47,622
NET RESULT	17,160	1,423	3,290	741,983	-43,429	-68,958	632,887	44,760
EPS FROM CONTINUING OPERATIONS (in €)								
Diluted EPS	0.02	-0.04	-0.07	-0.34	-0.33	-0.52	-1.13	-0.01
Diluted Adjusted EPS ¹	0.10	0.09	0.00	-0.01	0.33	-0.07	0.20	0.32
Net result from continuing operations	4,535	-9,184	-15,325	-65,254	-43,429	-68,958	-192,965	-2,862
Movement of deferred and unbilled revenue	12,931	28,700	6,578	-10,736	60,632	20,070	76,544	53,200
Acquisition related amortization	11,643	11,643	11,643	91,999	51,821	51,822	207,283	46,572
Tax impact	-5,701	-9,360	-3,826	-17,017	-24,740	-11,549	-57,134	-23,074
Adjusted net result	23,408	21,799	-930	-1,008	44,284	-8,619	33,728	73,836

¹ Earnings 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)	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19
ASSETS						
Goodwill	255,858	192,294	192,294	192,294	192,294	192,294
Intangible assets	684,229	634,728	613,978	509,597	444,646	380,160
Other contract related assets	20,896	24,497	27,715	21,606	23,679	23,923
Other non-current assets	86,175	70,968	75,281	73,421	72,125	71,454
Inventories	35,717	26,400	25,571	19,033	27,483	25,315
Trade receivables	128,868	92,530	99,631	111,981	136,755	99,776
Unbilled receivables	26,375	22,512	26,169	42,621	33,359	34,374
Other receivables and prepayments	34,088	54,998	45,522	56,891	59,435	45,351
Cash and cash equivalents and fixed term deposits	178,522	247,675	206,593	372,030	392,865	436,520
Assets held for sale		128,323	155,325			
TOTAL ASSETS	1,450,728	1,494,925	1,468,079	1,399,474	1,382,641	1,309,167
TOTAL EQUITY	771,266	774,109	780,425	774,619	735,016	665,932
Deferred tax liability	84,506	80,436	78,827	57,605	42,764	27,283
Lease liability	40,647	38,730	38,938	36,757	34,672	34,268
Provisions	65,841	74,412	70,353	67,261	56,809	55,020
Trade payables	49,903	51,076	46,383	52,871	46,651	47,085
Deferred revenue	284,694	280,910	291,145	296,861	348,230	369,317
Other contract related liabilities	48,376	38,665	36,376	40,519	37,692	26,745
Accruals and other liabilities	105,495	101,180	76,631	72,981	80,807	83,517
Liabilities associated with assets held for sale		55,407	49,001			
TOTAL LIABILITIES	679,462	720,816	687,654	624,855	647,625	643,235
TOTAL EQUITY AND LIABILITIES	1,450,728	1,494,925	1,468,079	1,399,474	1,382,641	1,309,167
Net cash	178,522	252,112	240,551	372,030	392,865	436,520
<i>Net cash classified as held for sale</i>		4,437	33,958			
<i>Net cash of continuing operations</i>	178,522	247,675	206,593	372,030	392,865	436,520

Cash flow

(€ in thousands)	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19	Q4 '19	FY '19	FY '18
Operating result	23,782	-45	5,824	-82,959	-57,085	-77,721	-211,941	55,513
Financial gains/(losses)	523	1,420	-437	-208	1,424	-1,098	-319	269
Depreciation and amortisation	38,654	43,666	31,971	113,942	72,939	73,133	291,985	158,188
Other	2,569	7,530	-196	-1,764	-12,608	-9,031	-23,599	4,349
Changes in working capital ¹	-7,387	37,898	-34,186	-6,830	23,431	68,062	50,477	20,918
CASH GENERATED FROM OPERATIONS	58,141	90,469	2,976	22,181	28,101	53,345	106,603	239,237
Interest received	187	32	277	213	339	357	1,186	429
Interest (paid)	-506	-517	-437	-1,203	-262	-409	-2,311	-1,593
Corporate income taxes (paid)/received	-1,407	-2,711	-1,887	-6,816	-1,062	-2,034	-11,799	-9,100
CASH FLOWS FROM OPERATING ACTIVITIES	56,415	87,273	929	14,375	27,116	51,259	93,679	228,973
CASH FLOWS FROM INVESTING ACTIVITIES	-27,915	-9,112	-9,913	867,491	-4,445	-226,046	627,087	-83,893
CASH FLOWS FROM FINANCING ACTIVITIES	-5,307	-4,657	-2,902	-750,221	-2,231	-3,762	-759,116	-14,771
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	23,193	73,504	-11,886	131,645	20,440	-178,549	-38,350	130,309
Free cash flow								
Cash flow from operating activities	56,415	87,273	929	14,375	27,116	51,259	93,679	228,973
Investments in intangible assets	-22,149	-4,762	-4,851	-3,530	-1,573	-1,462	-11,416	-64,117
Investment in tangible assets	-5,841	-4,459	-5,062	-2,592	-2,872	-2,118	-12,644	-20,035
Free cash flow from total operations	28,425	78,052	-8,984	8,253	22,671	47,679	69,619	144,821
Free cash flow from discontinued operations	-13,337	-12,027	-11,244	7,378			-3,866	-55,205
Free cash flow from continuing operations	15,088	66,025	-20,228	15,631	22,671	47,679	65,753	89,616
<i>FCF from continuing operations as a % revenue</i>	9%	38%	-12%	7%	14%	31%	9%	13%

¹Includes the movement of non-current deferred revenue.

²2018 Free cash flows from continuing operations are indicative.

Outstanding shares

	Q4 '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	131,447,251	231,240,514
Shares in issue at the end of the period	131,541,998	131,541,998
Average shares in issue during the period¹	131,483,105	170,973,367 [A]
In the money share options at the beginning of the period	2,803,141	2,805,980
In the money share options at the end of the period	2,709,084	2,709,084
Average potential dilutive share options outstanding during the period²	2,686,700	1,713,877
Average non-dilutive share options during the period	1,557,453	398,160
Average shares outstanding from dilution of options³	1,129,247	1,315,717 [B]
Average shares outstanding from dilution of restricted stock units	729,049	591,306 [C]
Average fully diluted shares outstanding during Q4 '19 and YTD '19⁴	133,341,401	172,880,390 [A+B+C]

¹ Shares held in treasury of 824,674 are taken into account when calculating the weighted average shares outstanding.

² In the money options based on average share price for the period.

³ Weighted average diluted options based on the period outstanding.

⁴ The average share price for the quarter was €9.85 and the average share price for the year was €9.09.

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

Automotive backlog is the cumulative expected IFRS revenue from all awarded Automotive deals

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 from operating activities from continuing operations minus capital expenditure (investments in intangible assets and property, plant and equipment) of continuing operations



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