

Q4 AND FY 2018 RESULTS



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TomTom 

Operational highlights

- Divestment of Telematics
- Capital repayment of €750 million announced
- Extended Microsoft partnership; now also powering Bing Maps
- Collaboration with DENSO to develop end-to-end autonomous driving system
- Strong Automotive operational revenue growth
- Automotive order intake exceeded €250 million



Priorities

Accelerate investments in strategic areas whilst generating cash

Map-making

- Further improvements in the efficiency of our map-making system

Automotive

- Class leading products and services for the automotive market, including maps for automated driving

Enterprise

- Class leading developer products (Maps APIs)

Financial highlights

- Revenue of €687 million (FY '17: €739 million)
- Gross margin of 69% (FY '17: 60%)
- EBITDA of €142 million (FY '17: €87 million)
- Net cash position of €252 million (FY '17: €121 million)
- Deferred revenue position of €281 million (FY '17: €230 million)

The figures presented above are for continuing operations only. Comparative figures have been restated to reflect the adoption of IFRS 5, IFRS 15 and IFRS 16 accounting standards.



Delivered on 2018 guidance

Total Revenue €861 million

(Initial outlook ~ €800 million)

Gross Margin 71%

(Initial outlook close to 70%)

Adjusted EPS €0.36

(Initial outlook ~ €0.25)

Figures include both continuing and discontinued operations.

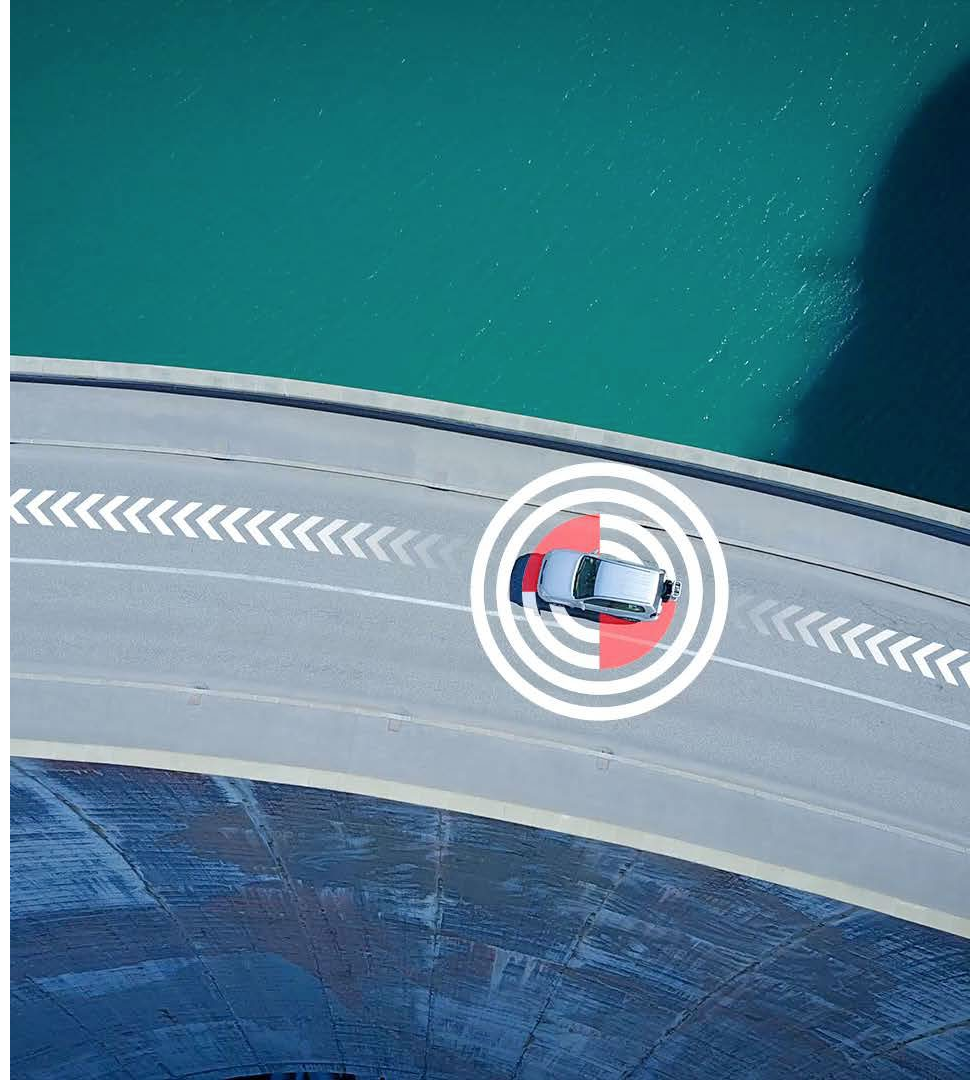
2019 Outlook

- Automotive and Enterprise revenue expected to grow by 15% year on year
- Combined OPEX and CAPEX spend expected to increase by 10% year on year
- Continue to generate free cash flow around 10% of revenue

* Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period. The adjusted net result is calculated as net result attributed to equity holders adjusted for movement of deferred/unbilled revenue, deferred cost of sales, impairments and acquisition related amortization on a post-tax basis.

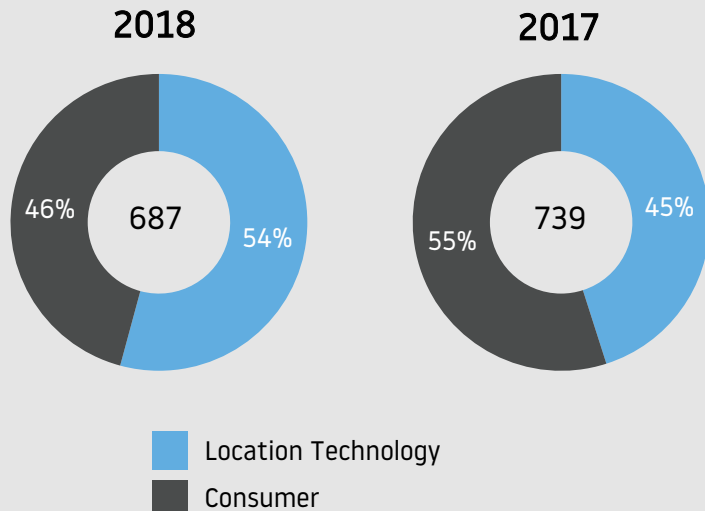
Continuing operations	Outlook 2019	Actuals 2018
Revenue	€675 million	€687 million
of which from Location Technology	€430 million	€372 million
Gross margin	> 70%	69%
OPEX	€555 million	€472 million
CAPEX	€55 million	€77 million
Adjusted EPS*	€0.15	€0.32
FCF as % of revenue	10%	13%

**Thank you -
Any questions?**

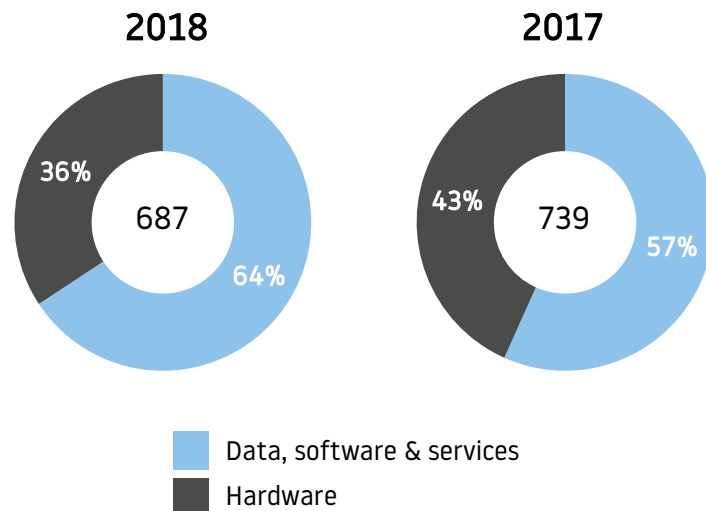


Revenue break-down

BY SEGMENT (€M)



BY TYPE (€M)



P&L

(€ in thousands)	Q4 '17 Restated	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	FY '17 Restated
REVENUE	176,258	148,943	187,524	176,330	173,999	686,798	739,284
Cost of sales	78,691	48,320	56,237	50,275	56,638	211,471	293,295
GROSS RESULT	97,567	100,623	131,287	126,055	117,361	475,327	445,989
Research and development expenses	51,539	45,853	52,461	50,637	71,902	220,853	201,979
Amortisation of technology and databases	40,763	23,769	26,105	27,126	31,200	108,200	111,102
Marketing expenses	7,076	5,934	7,072	7,570	7,439	28,015	43,791
Selling, general and administrative expenses	42,891	29,848	35,418	30,521	19,568	115,354	159,985
Impairment charge	0	0	0	0			168,687
TOTAL OPERATING EXPENSES	142,269	105,404	121,056	115,854	130,109	472,422	685,544
OPERATING RESULT (EBIT)	-44,702	-4,781	10,231	10,201	-12,748	2,905	-239,555
EBITDA	18,645	25,668	44,821	43,778	27,774	142,042	87,424
Interest result	-386	-387	1	-272	-404	-1,062	-1,699
Other financial result	455	844	805	316	1,590	3,555	3,748
Result of associates	203	163	111	105	603	982	759
RESULT BEFORE TAX	-44,430	-4,161	11,148	10,350	-10,959	6,380	-236,747
Income tax (expense)	-5,438	-1,868	-3,334	-5,815	1,775	-9,242	-8,991
Net loss from continuing operations	-49,868	-6,029	7,814	4,535	-9,184	-2,862	-245,738
Net after tax profit from discontinued operations	15,207	12,416	11,974	12,625	10,607	47,622	51,340
NET RESULT	-34,661	6,387	19,788	17,160	1,423	44,760	-194,398
MARGINS							
Gross margin					67%	69%	60%
EBITDA margin					16%	21%	12%
EBIT margin					7%	0%	-32%
EARNINGS PER SHARE (in €)							
Diluted EPS					0.01	0.19	-0.83
Diluted Adjusted EPS ¹					0.10	0.36	0.18

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.

Balance sheet

(€ in thousands)	31-Dec-17 Restated	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18
ASSETS					
Goodwill	256,319	256,115	255,451	255,858	192,294
Other intangible assets and capitalised contract costs	731,138	723,585	711,809	703,384	657,602
Other non-current assets	90,986	81,944	87,066	86,175	58,520
Inventories	31,609	33,576	33,742	35,717	26,400
Receivables, prepayments & derivatives	167,697	161,861	178,502	191,072	184,111
Cash and cash equivalents	120,850	128,537	155,292	178,522	247,675
Assets held for sale					128,323
TOTAL ASSETS	1,398,599	1,385,618	1,421,862	1,450,728	1,494,925
EQUITY AND LIABILITIES					
TOTAL EQUITY	721,902	727,961	750,873	771,266	774,109
Deferred tax liability	85,804	83,816	84,076	84,506	80,436
Lease liability	48,176	40,758	44,874	40,647	38,730
Provisions	80,900	78,261	76,507	81,522	91,075
Trade payables	51,441	54,999	56,420	49,903	51,076
Deferred revenue	261,304	275,197	277,107	284,694	280,910
Accruals and other liabilities	149,072	124,626	132,005	138,190	123,182
Liabilities associated with assets held for sale					55,407
TOTAL LIABILITIES	676,697	657,657	670,989	679,462	720,816
TOTAL EQUITY AND LIABILITIES	1,398,599	1,385,618	1,421,862	1,450,728	1,494,925
<i>Net cash</i>	<i>120,850</i>	<i>128,537</i>	<i>155,292</i>	<i>178,522</i>	<i>252,112</i>

Cash flow

(€ in thousands)	Q4 '17 Restated	Q1 '18	Q2 '18	Q3 '18	Q4 '18	FY '18	FY '17 Restated
Operating result	-29,587	6,886	24,890	23,782	-45	55,513	-185,951
Financial gains/(losses)	615	-253	-1,421	523	1,420	269	-2,303
Depreciation and amortisation	67,959	37,353	38,515	38,654	43,666	158,188	344,221
Other	2,939	-2,972	-2,778	2,569	7,530	4,349	12,892
Changes in working capital ¹	56,816	-5,027	-4,566	-7,387	37,898	20,918	14,954
CASH GENERATED FROM OPERATIONS	98,742	35,987	54,640	58,141	90,469	239,237	183,813
Interest received	59	110	100	187	32	429	258
Interest (paid)	-403	-444	-126	-506	-517	-1,593	-1,819
Corporate income taxes (paid)/received	-341	-3,295	-1,687	-1,407	-2,711	-9,100	-8,654
CASH FLOWS FROM OPERATING ACTIVITIES	98,057	32,358	52,927	56,415	87,273	228,973	173,598
CASH FLOWS FROM INVESTING ACTIVITIES	-26,050	-22,279	-24,587	-27,915	-9,112	-83,893	-129,721
CASH FLOWS FROM FINANCING ACTIVITIES	-55,905	-2,087	-2,720	-5,307	-4,657	-14,771	-63,970
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,102	7,992	25,620	23,193	73,504	130,309	-20,093

¹ Includes the movement of non-current deferred revenue.

Outstanding shares and adjusted EPS

	Q4 '18	FY '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*	231,203,181	230,877,549 [A]
In the money share options at the beginning of the period	3,857,300	5,295,020
In the money share options at the end of the period	2,805,980	4,386,330
Average potential dilutive share options outstanding during the period**	2,789,513	3,717,113
Average non-dilutive share options during the period	1,469,971	2,131,669
Average shares outstanding from dilution of options***	1,319,542	1,585,444 [B]
Average shares outstanding from dilution of other equity-settled grants	669,815	680,486 [C]
Average fully diluted shares outstanding during Q4 '18 and FY '18****	233,192,538	233,143,479 [A+B+C]
* Shares held in treasury of 4 078 002 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 €7.52 and the average share price for the year was €8.00		
	Q4 '18	FY '18
Adjusted earnings per share calculation (in € millions)		
Net result attributed to equity holders	1.4	44.9
Movement of deferred revenue, unbilled revenue and deferred CoS	27.6	50.0
Tax effect on movement of deferred revenue, unbilled revenue and deferred CoS	-6.4	-11.6
Adjusted earnings	22.6	83.2
Adjusted earnings per diluted share (in €)	0.10	0.36

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 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, including cash classified as held-for-sale minus the nominal value of our outstanding bank borrowings



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