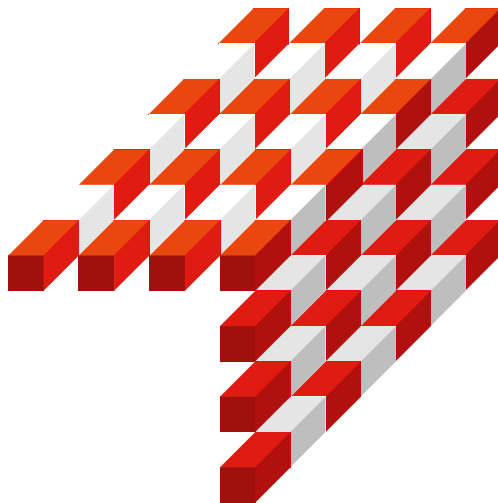


Delivering growth

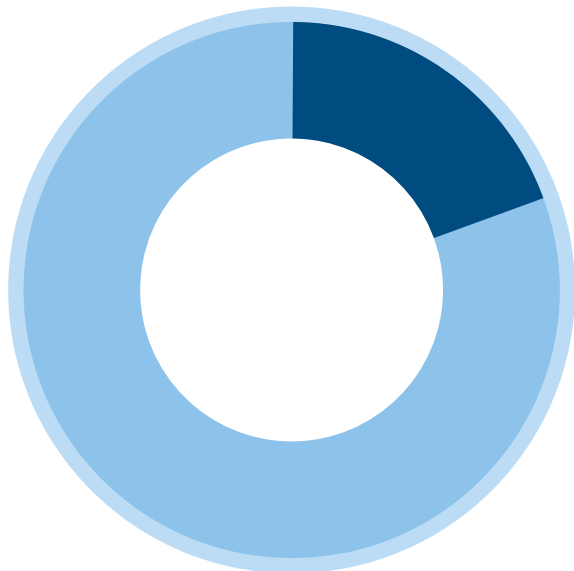


Taco Titulaer
Chief Financial Officer

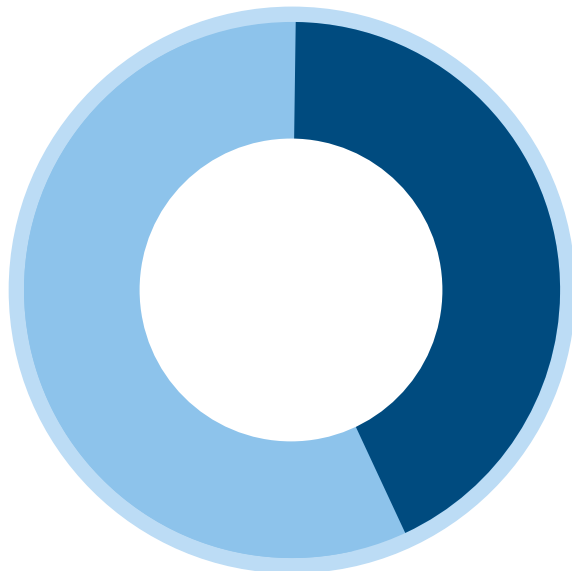
Successfully transitioned

Financial profile increasingly reflects the attractive software-oriented nature of our business

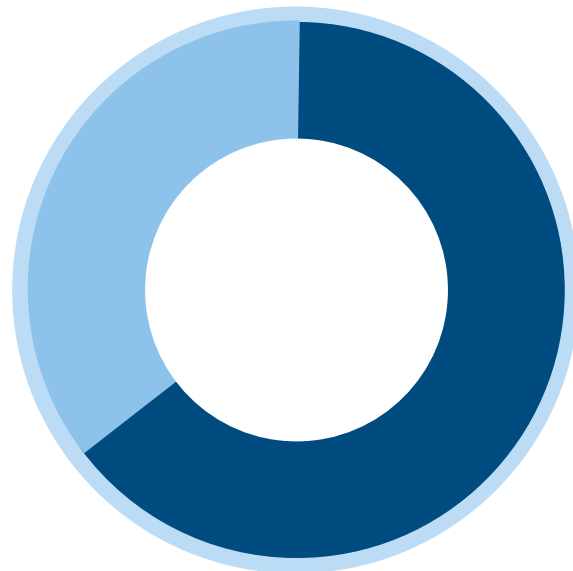
2009



2014



2019E



Software revenue

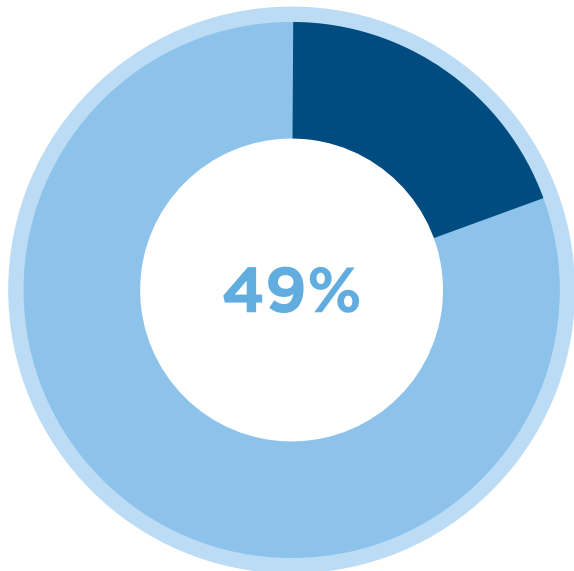


Hardware revenue

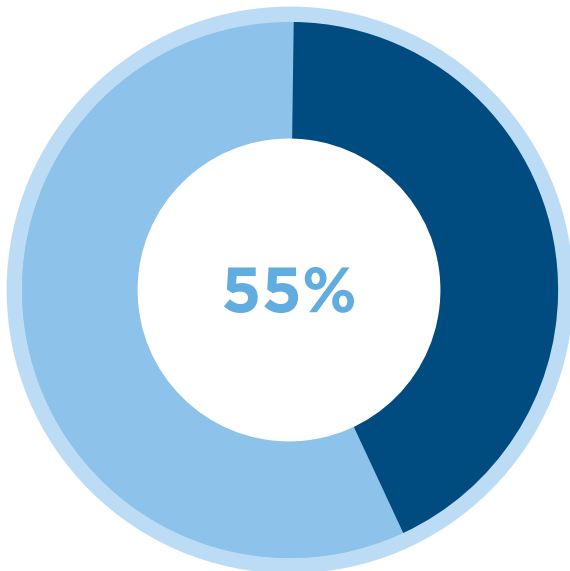
Successfully transitioned

Financial profile increasingly reflects the attractive software-oriented nature of our business

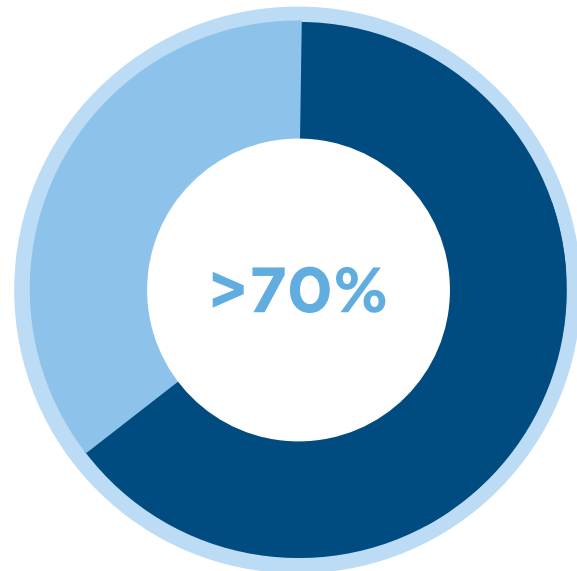
2009



2014



2019E



Software revenue

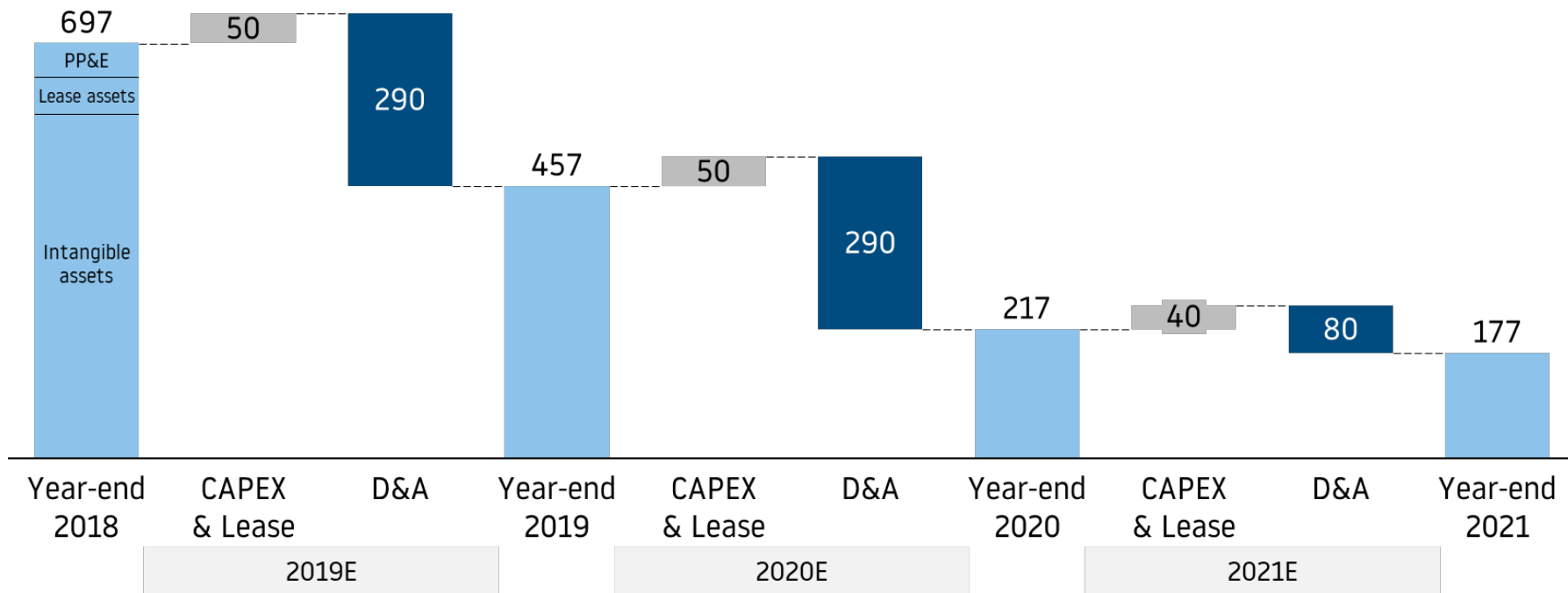


Hardware revenue

% is representing gross margin

SaaS will reduce our intangible assets

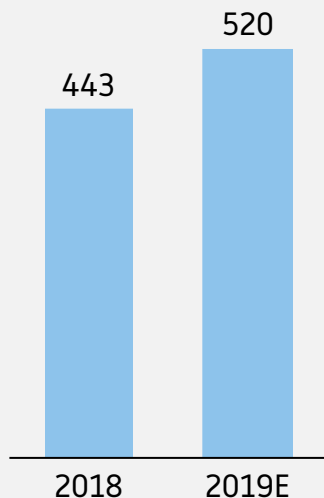
Continuously refreshed content and releasable software leads to a different balance sheet profile



Investing to capture mega trends

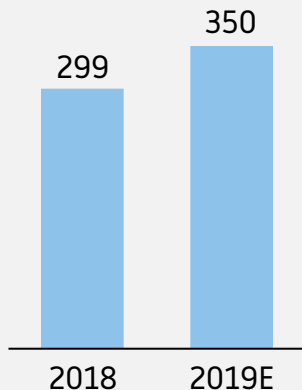
We will continue to invest in our transactional mapmaking platform to realize a higher degree of automation in content creation and further develop our online navigation software and Maps APIs

Total cash spend



Two-thirds is R&D

R&D cash spend



7% of R&D cash spend is CAPEX

R&D break-down

A

Content (70%)

	Today	Trend
• Sourcing	30%	↓
• Processing	25%	↓
• Engineering	45%	↑↑

B

Application layer (30%)

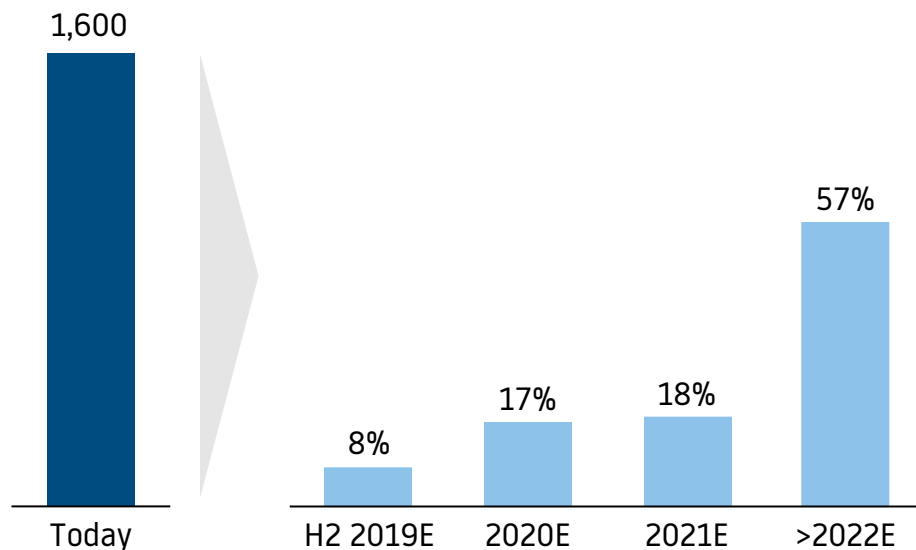


Cash spend will increase over the coming years, though at a lower pace and within our financial framework

Automotive backlog

Introducing a new KPI to increase visibility on future Automotive revenue

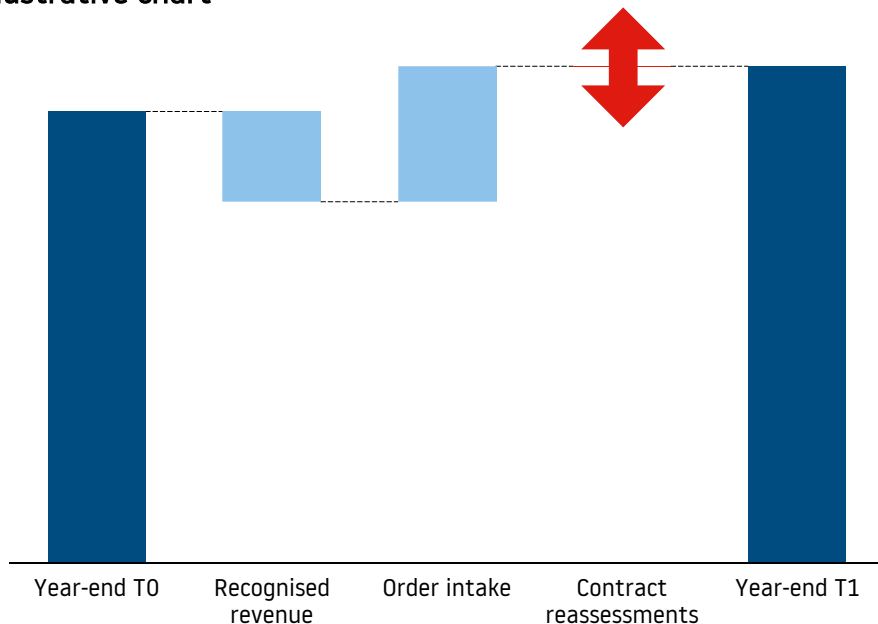
Estimated Automotive IFRS backlog phasing of revenues (in %)



- 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
- Reported revenue per year will deviate from the provided estimates in the table, due to the abovementioned reason and due to future awarded deals not yet included in the backlog amount

Automotive backlog explained

Illustrative chart

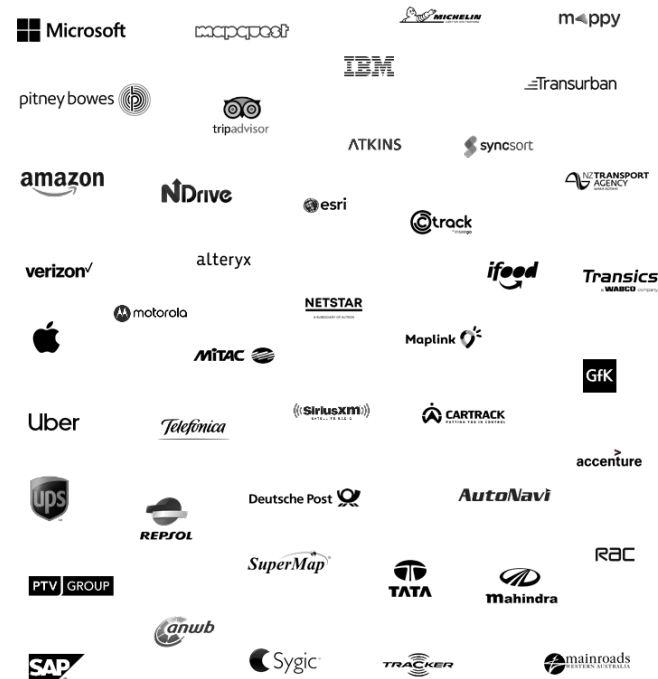
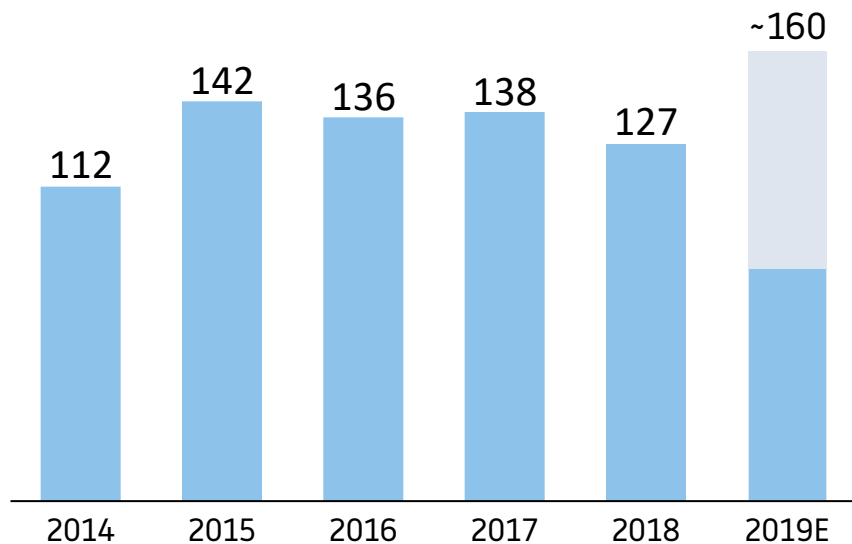


- Year on year change of the backlog is the result of the following:
 - Revenue recognition during the year
 - Estimate of all cumulative value of all awarded contracts during the year
 - Reassessment of the value of all awarded contracts from previous periods

Enterprise revenue

Enterprise contracts have a tenure of 2 – 6 years

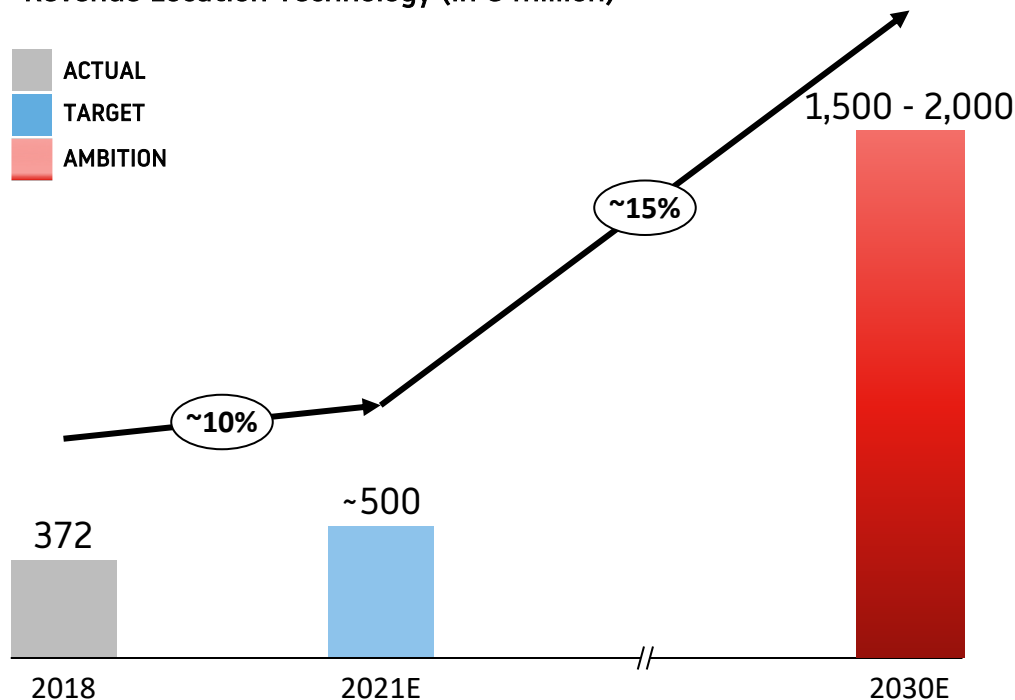
Enterprise Revenue (in € million)



Mid & long term outlook

Location Technology is expected to grow by 10% CAGR 2018 - 2021

Revenue Location Technology (in € million)



All percentages represent CAGR

Financial framework:

- Growth company
- We will further invest to capture the market opportunities
- We plan to continue to generate a positive FCF with a mid-term target of double digit FCF as a % of group revenue
- Next year, we will reassess our optimal balance sheet position, which could result, amongst other things, into a share buyback program

Thank you

TomTom 

