

Q3 2018 RESULTS



Harold Goddijn – CEO
Taco Titulaer – CFO
16 OCTOBER 2018



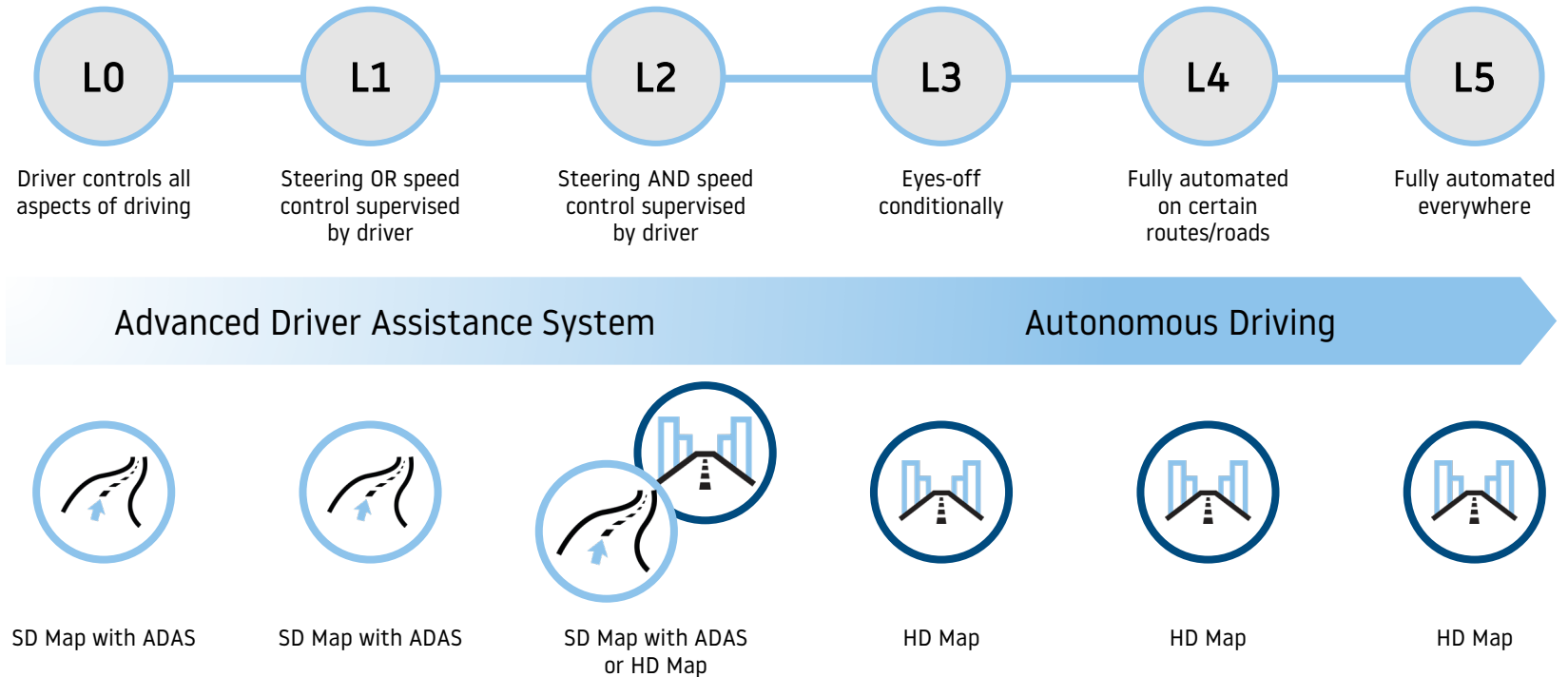
Operational highlights

- 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
- Exploring strategic alternatives for Telematics



Path to Autonomous Driving

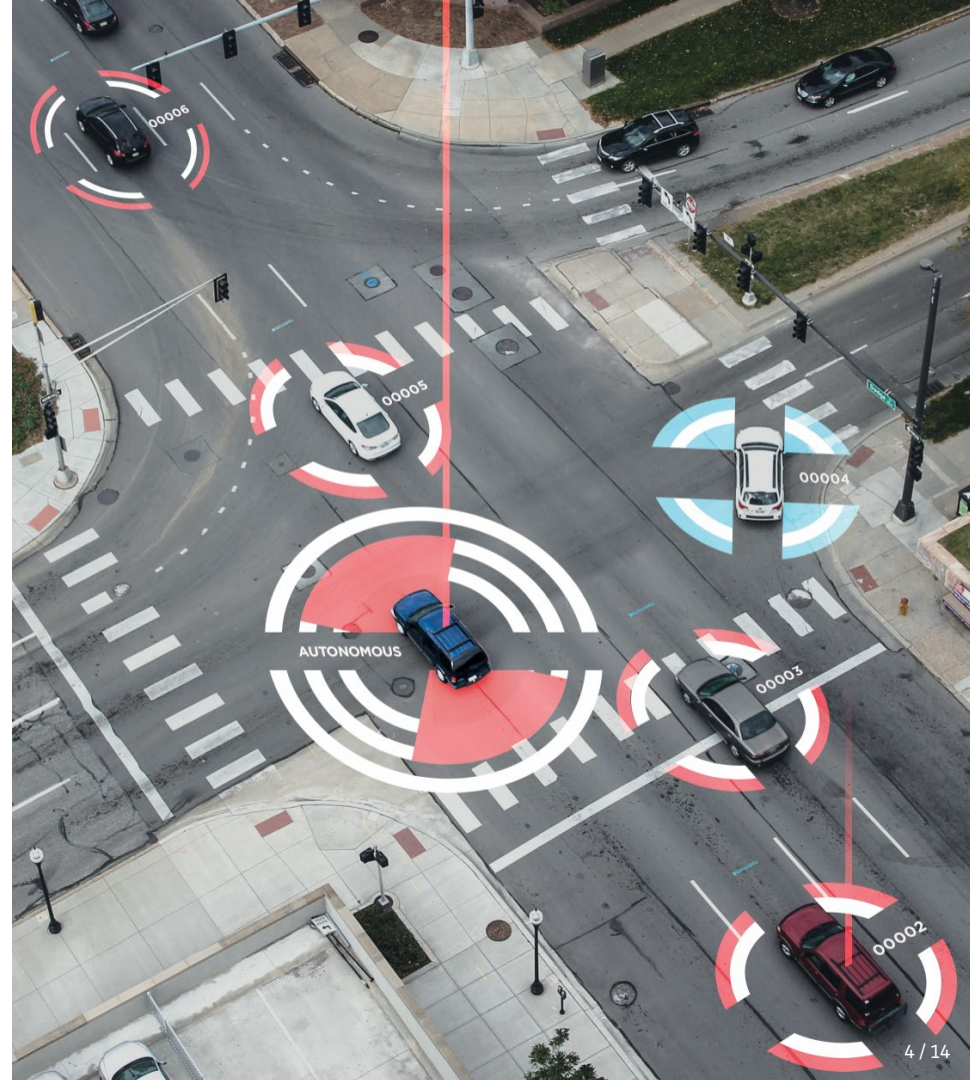
From level 0 to level 5



Standard-definition (SD) Maps are used in infotainment systems, while High-definition (HD) Maps are used by the vehicles' processing systems for path planning and perception.

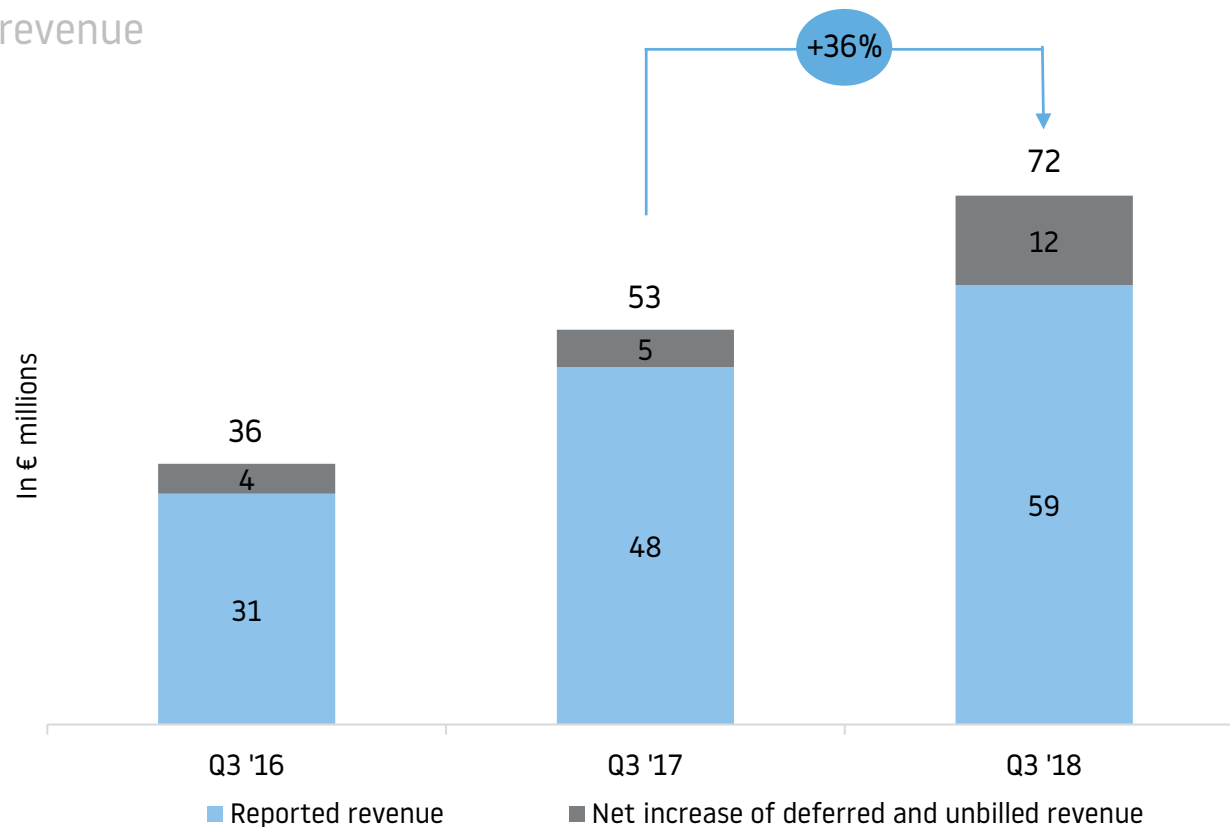
Financial highlights

- Revenue of €220 million (Q3 '17: €219 million)
- Gross margin of 73% (Q3 '17: 66%)
- EBITDA of €62 million (Q3 '17: €35 million)
- Adjusted EPS 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)



Continued growth in Automotive

Operational revenue



Q3 '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

Full year guidance increased

Q3 results

- Solid performance and year on year growth in Automotive, Telematics and Enterprise
- Consumer beating expectations
- Phasing of aEPS due to timing of invoicing (from Q3 into Q4)

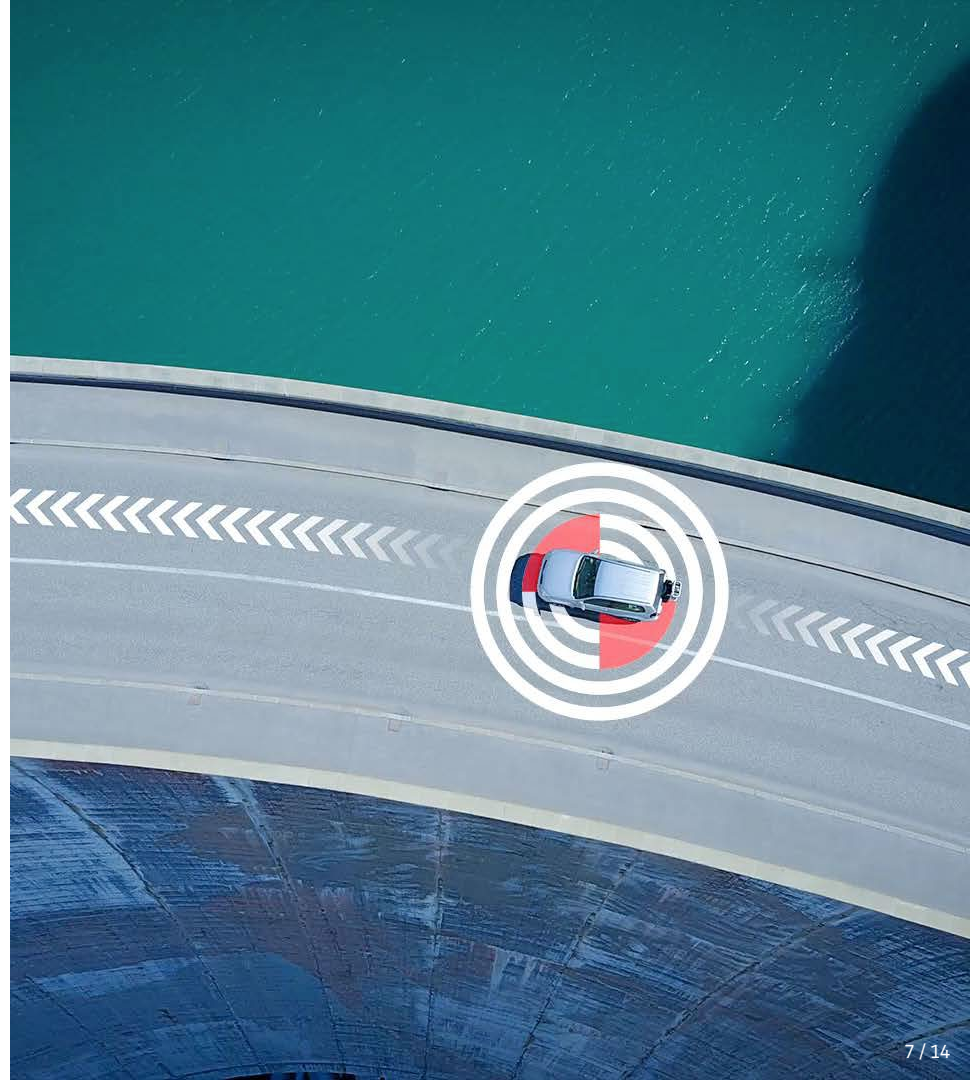
Q4 outlook

- Higher expectations from our Consumer business and also higher demand from Automotive customers
- Phasing of aEPS due to timing of invoicing (from Q3 into Q4)

Full year outlook

Revenue	~ €850 million
Gross margin	At least 70%
OPEX	~ €560 million
Adjusted EPS	Around €0.35

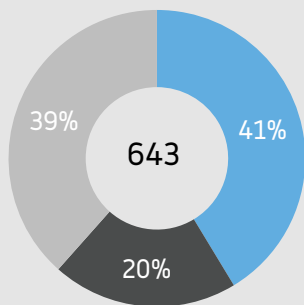
**Thank you -
Any questions?**



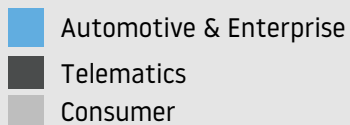
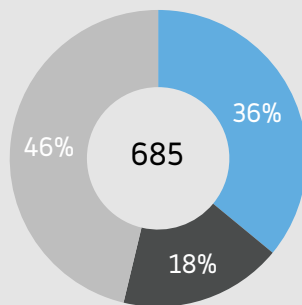
Revenue break-down

BY SEGMENT (€M)

YTD '18

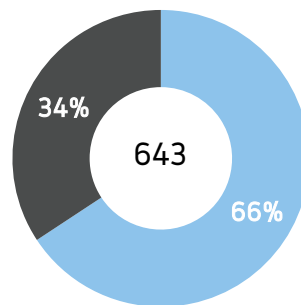


YTD '17

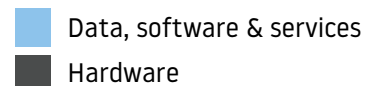
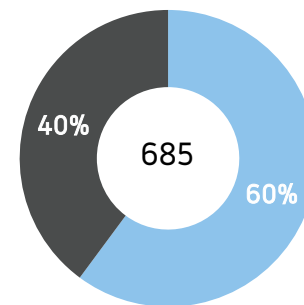


BY TYPE (€M)

YTD '18



YTD '17



P&L

(€ in millions)	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	YTD '18	YTD '17
	Restated	Restated	Restated					Restated
REVENUE	253.0	218.6	218.2	191.8	231.4	219.7	642.9	684.7
Cost of sales	90.4	74.5	88.7	58.3	65.8	59.9	183.9	244.4
GROSS RESULT	162.6	144.2	129.5	133.5	165.6	159.8	458.9	440.3
Research and development expenses	53.5	51.6	52.5	48.0	54.9	53.6	156.4	155.4
Amortisation of technology and databases	24.4	24.4	41.1	24.1	26.4	28.2	78.7	71.2
Marketing expenses	19.5	10.4	9.1	8.2	9.4	9.5	27.2	42.7
Selling, general and administrative expenses	51.0	58.1	56.5	46.4	49.9	44.7	141.1	158.6
Impairment charge	168.7							168.7
TOTAL OPERATING EXPENSES	317.1	144.6	159.1	126.6	140.7	136.0	403.4	596.7
OPERATING RESULT (EBIT)	-154.5	-0.4	-29.6	6.9	24.9	23.8	55.6	-156.4
EBITDA	50.4	35.5	38.4	44.2	63.4	62.4	170.1	119.9
Interest result	-0.6	-0.5	-0.4	-0.4	0.0	-0.3	-0.8	-1.5
Other financial result	1.5	-0.1	0.9	1.7	-1.9	-0.3	-0.5	1.7
Result of associates	0.2	0.2	0.2	0.2	0.1	0.1	0.4	0.6
RESULT BEFORE TAX	-153.3	-0.8	-28.9	8.4	23.0	23.3	54.6	-155.5
Income tax (expense)	-3.0	-0.4	-5.8	-2.0	-3.2	-6.1	-11.3	-4.2
NET RESULT	-156.4	-1.2	-34.7	6.4	19.8	17.2	43.3	-159.7
MARGINS								
Gross margin	64%	66%	59%	70%	72%	73%	71%	64%
EBITDA margin	20%	16%	18%	23%	27%	28%	26%	18%
EBIT margin	-61%	0%	-14%	4%	11%	11%	9%	-23%
EARNINGS PER SHARE (in €)								
Diluted EPS	-0.67	0.00	-0.15	0.03	0.09	0.07	0.19	-0.68
Diluted Adjusted EPS ¹	0.03	0.16	0.02	0.10	0.05	0.11	0.26	0.16

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

(€ in millions)	30-Jun-17 Restated	30-Sept-17 Restated	31-Dec-17 Restated	31-Mar-18	30-Jun-18	30-Sep-18
ASSETS						
Goodwill	254.9	254.5	256.3	256.1	255.5	255.9
Other intangible assets and capitalised contract costs	770.6	765.9	731.1	723.6	711.8	703.4
Other non-current assets	103.7	97.9	91.0	81.9	87.1	86.2
Inventories	54.3	53.1	31.6	33.6	33.7	35.7
Receivables, prepayments & derivatives	216.4	227.2	167.7	161.9	178.5	191.1
Cash and cash equivalents	85.0	105.2	120.9	128.5	155.3	178.5
TOTAL ASSETS	1,484.8	1,503.9	1,398.6	1,385.6	1,421.9	1,450.7
EQUITY AND LIABILITIES						
TOTAL EQUITY	806.3	799.7	721.9	728.0	750.9	771.3
Deferred tax liability	84.8	83.8	85.8	83.8	84.1	84.5
Borrowings	2.8	2.8	0.0	0.0	0.0	0.0
Lease liability	55.1	50.8	48.2	40.8	44.9	40.6
Provisions	81.1	90.0	80.9	78.3	76.5	81.5
Trade payables	75.3	64.5	51.4	55.0	56.4	49.9
Deferred revenue	239.6	258.2	261.3	275.2	277.1	284.7
Accruals and other liabilities	139.9	154.1	149.1	124.6	132.0	138.2
TOTAL LIABILITIES	678.6	704.2	676.7	657.7	671.0	679.5
TOTAL EQUITY AND LIABILITIES	1,484.8	1,503.9	1,398.6	1,385.6	1,421.9	1,450.7
<i>Net cash</i>	82.0	102.2	120.9	128.5	155.3	178.5

Cash flow

(€ in millions)	Q2 '17 Restated	Q3 '17 Restated	Q4 '17 Restated	Q1 '18	Q2 '18	Q3 '18	YTD '18	YTD '17 Restated
Operating result	-154.5	-0.4	-29.6	6.9	24.9	23.8	55.6	-156.4
Financial gains/(losses)	-1.5	-3.3	0.6	-0.3	-1.4	0.5	-1.2	-2.9
Depreciation and amortisation	204.9	35.9	68.0	37.4	38.5	38.7	114.5	276.3
Other	-0.3	13.8	2.9	-3.0	-2.8	2.6	-3.2	10.0
Changes in working capital ¹	-16.2	5.9	56.8	-5.0	-4.6	-7.4	-17.0	-41.9
CASH GENERATED FROM OPERATIONS	32.3	51.9	98.7	36.0	54.6	58.1	148.8	85.1
Interest received	0.0	0.0	0.1	0.1	0.1	0.2	0.4	0.2
Interest (paid)	-0.5	-0.4	-0.4	-0.4	-0.1	-0.5	-1.1	-1.4
Corporate income taxes (paid)/received	-3.2	-3.1	-0.3	-3.3	-1.7	-1.4	-6.4	-8.3
CASH FLOWS FROM OPERATING ACTIVITIES	28.7	48.4	98.1	32.4	52.9	56.4	141.7	75.5
CASH FLOWS FROM INVESTING ACTIVITIES	-29.4	-24.9	-26.1	-22.3	-24.6	-27.9	-74.8	-103.7
CASH FLOWS FROM FINANCING ACTIVITIES	2.2	-3.2	-55.9	-2.1	-2.7	-5.3	-10.1	-8.1
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1.6	20.3	16.1	8.0	25.6	23.2	56.8	-36.2

¹ Includes the movement of non-current deferred revenue.

Outstanding shares and adjusted EPS

	Q3 '18	YTD '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*	231,069,285	230,767,811 [A]
In the money share options at the beginning of the period	4,029,810	5,295,020
In the money share options at the end of the period	3,857,300	3,857,300
Average potential dilutive share options outstanding during the period**	3,824,528	3,309,374
Average non-dilutive share options during the period	2,343,079	1,652,371
Average shares outstanding from dilution of options***	1,481,449	1,657,003 [B]
Average shares outstanding from dilution of other equity-settled grants	601,165	603,079 [C]
Average fully diluted shares outstanding during Q3 '18 and YTD '18****	233,151,899	233,027,893 [A+B+C]
* Shares held in treasury of 4 148 296 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 €8.09 and the average share price for the year was €8.16		
Adjusted earnings per share calculation (in € millions)	Q3 '18	YTD '18
Net result attributed to equity holders	17.2	43.4
Movement of deferred revenue, unbilled revenue and deferred CoS	11.9	22.4
Tax effect on movement of deferred revenue, unbilled revenue and deferred CoS	-2.8	-5.2
Adjusted earnings	26.3	60.6
Adjusted earnings per diluted share (in €)	0.11	0.26

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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