

Fourth quarter and full year 2018 results

Throughout this press release we make reference to continuing operations (TomTom excluding Telematics), discontinued operations (Telematics) and total operations (continuing & discontinued).

Financial summary fourth quarter 2018

- Total revenue of €218m (Q4 '17: €218m); continuing operations €174m (Q4 '17: €176m)
- Gross margin of 70% (Q4 '17: 59%); continuing operations 67% (Q4 '17: 55%)
- Total EBITDA of €44m (Q4 '17: €38m); continuing operations €28m (Q4 '17: €19m)

Financial summary full year 2018

- Total revenue of €861m (FY '17: €903m); continuing operations €687m (FY '17: €739m)
- Gross margin of 71% (FY '17: 63%); continuing operations 69% (FY '17: 60%)
- Total EBITDA of €214m (FY '17: €158m); continuing operations €142m (FY '17: €87m)
- Net cash position of €252m (FY '17: €121m)

Operational summary

- TomTom sells Telematics business to Bridgestone for a purchase price of €910 million
- Announced €750 million capital repayment
- Collaboration with DENSO to develop an end-to-end autonomous driving system
- Strong Automotive operational revenue growth
- Automotive order intake exceeded €250 million
- Extended Microsoft partnership; now also powering Bing Maps

Key figures (total operations)

(€ in millions, unless stated otherwise)	Q4 '18	Q4 '17	Y.O.Y. change	FY '18	FY '17	Y.O.Y. change
Automotive & Enterprise	106.6	86.9	23%	372.3	333.2	12%
Consumer	67.4	89.4	-25%	314.5	406.1	-23%
Telematics (discontinued operations)	43.8	41.9	4%	173.8	163.6	6%
Total revenue	217.8	218.2		860.6	902.9	-5%
Total gross profit	151.7	129.5	17%	610.6	569.8	7%
<i>Gross margin</i>	70%	59%		71%	63%	
Total EBITDA	43.6	38.4	14%	213.7	158.3	35%
<i>EBITDA margin</i>	20%	18%		25%	18%	
Total operating result (EBIT)	0.0	-29.6		55.5	-186.0	
<i>Operating margin</i>	0%	-14%		6%	-21%	
Net result	1.4	-34.7		44.8	-194.4	
Adjusted net result	22.6	4.0		83.2	42.3	
EPS, € fully diluted	0.01	-0.15		0.19	-0.83	
Adjusted EPS ¹ , € fully diluted	0.10	0.02		0.36	0.18	

Change percentages and totals calculated before rounding.

This report includes the following non-GAAP measures: Automotive operational revenue, gross margin, EBIT (margin), EBITDA (margin), adjusted net result, adjusted EPS and net cash, which are further explained on page 13 of this report. Comparative figures have been restated to reflect the adoption of IFRS 15 and IFRS 16 accounting standards.

¹ Earnings per fully diluted share count adjusted for movement of deferred revenue, unbilled revenue, deferred cost of sales, impairments, material restructuring and disposal costs on a post-tax basis.

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"We closed 2018 with a strong fourth quarter, especially in Automotive, and solid cash generation. After the announced divestment of our Telematics business we are now a more focused company.

The recent extension of the partnership with Microsoft is another proof of the competitiveness of our product portfolio.

To keep the positive momentum, we will accelerate our investments in strategic areas while generating cash. Those areas are: further improvements in the efficiency of our map-making system, class-leading products and services for the automotive market, including maps for automated driving and developer products (Maps APIs).

We are excited with the progress we have made and the opportunities that are ahead of us."

OUTLOOK 2019

The outlook for 2019 is based on TomTom's continuing operations.

Continuing operations	Outlook 2019	Actuals 2018
Revenue	€675 million	€687 million
<i>Of which Location Technology</i>	<i>€430 million</i>	<i>€372 million</i>
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%

In 2019 Location Technology (Automotive and Enterprise) revenue is expected to grow by ~15% year on year. We have decided to accelerate our OPEX and CAPEX spend by ~10% year on year to further improve our competitive position in a constantly changing market and to keep current positive momentum going.

Although the adjusted EPS will decline (~€0.10 of the decline is explained by our Consumer business), we will continue to generate free cash flow around 10% of revenue.

* The adjusted EPS¹ is now adjusted as well for acquisition related amortization on a post-tax basis.

** Free cash flow (FCF) is defined as cash flow before financing activities. 2018 FCF of continuing operations was €90 million.

¹ Adjusted EPS is calculated as adjusted net result divided by the weighted average number of diluted shares over the period. The adjusted net result for 2019 outlook 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. The 2018 movement of deferred/unbilled revenue and deferred cost of sales on a post-tax basis for continuing operations was €41 million and the acquisition related amortization on a post-tax basis was €37 million. The adjusted EPS outlook will be restated after the capital repayment and share consolidation expected during the third quarter 2019.

FINANCIAL AND BUSINESS REVIEW

Revenue for the fourth quarter from continuing operations amounted to €174 million, in line with the same quarter last year (Q4 '17: €176 million). Automotive showed a considerable year on year revenue increase, while Enterprise was broadly flat and Consumer showed a strong decline. Group revenue from continuing operations in 2018 was €687 million, which is 7% lower compared with €739 million in 2017.

Operating result (EBIT) from continuing operations in the quarter was a loss of €13 million (Q4 '17: loss €45 million). 2018 operating result (EBIT) from continuing operations amounted to €2.9 million (FY '17: -€71 million - excluding impairment) driven by lower operating expenses and higher gross result.

Adjusted net result from total operations for the quarter was a gain of €23 million, which translates to a fully diluted adjusted EPS of €0.10 (Q4 '17: €0.02). For the full year this amounted to €83 million compared with €42 million in 2017. The adjusted EPS for the year was €0.36 (FY '17: €0.18).

Automotive & Enterprise

(€ in millions)	Q4 '18	Q4 '17	Y.O.Y. change	FY '18	FY '17	Y.O.Y. change
Automotive	73.4	54.3	35%	245.0	195.7	25%
Enterprise	33.2	32.6	2%	127.3	137.5	-7%
Total Automotive & Enterprise revenue	106.6	86.9	23%	372.3	333.2	12%
Automotive & Enterprise EBITDA				87.2	101.1	-14%
<i>EBITDA margin (%)</i>				23%	30%	
Automotive & Enterprise Operating result (EBIT)				-46.0	-43.0	7%
<i>Operating margin (%)</i>				-12%	-13%	

Change percentages and totals calculated before rounding.

Automotive & Enterprise combined revenue in the quarter was €107 million (Q4 '17: €87 million) and for the full year €372 million (FY'17: €333 million). Automotive & Enterprise combined reported year on year revenue growth of 12% driven by strong revenue growth in Automotive, partially offset by a limited decline in Enterprise, mainly caused by a revenue recognition one-off in 2017.

Automotive generated revenue of €73 million in the quarter, representing a 35% increase year on year. Automotive operational revenue increased by 28% year on year (Q4 '18 €97 million vs Q4 '17 €76 million). The strong growth was the result of new contracts that started during 2018 and higher volumes from existing customers.

Enterprise revenue in Q4 '18 was €33 million, flat compared with the same quarter last year.

EBITDA for the full year declined year on year because of a shift from CAPEX to OPEX.

Automotive announced new collaborations with DENSO and Delphi Technologies during CES 2019. With DENSO, TomTom's HD Map will work in combination with their in-vehicle sensors such as cameras and radars to power the localization, perception and path planning functions for a complete autonomous driving system. This collaboration will allow DENSO to offer a market-leading system targeting Level 2 automation for highways and major urban roads.

Our collaboration with Delphi Technologies will bolster vehicles' powertrains. The powertrain control system will become more predictive through TomTom's map data, such as speed limits and road gradient, which will reduce energy consumption and improve safety.

In Enterprise, we announced the expansion of our partnership with Microsoft, with our location technologies chosen to power mapping services across all of Microsoft, including Bing, Cortana, Windows and other products.

Consumer

(€ in millions)	Q4 '18	Q4 '17	Y.o.Y. change	FY '18	FY '17	Y.o.Y. change
Consumer products	55.1	79.2	-30%	271.0	361.2	-25%
Automotive hardware	12.3	10.2	21%	43.5	44.9	-3%
Total Consumer revenue	67.4	89.4	-25%	314.5	406.1	-23%
Consumer EBITDA				70.0	2.7	
<i>EBITDA margin (%)</i>				22%	1%	
Consumer Operating result (EBIT)				63.4	-12.1	
<i>Operating margin (%)</i>				20%	-3%	

Change percentages and totals calculated before rounding.

Total Consumer revenue for the quarter was €67 million, 25% lower compared with the same quarter last year (Q4 '17: €89 million). Consumer revenue for the year was €315 million, a 23% decrease from 2017.

EBITDA showed a sharp increase following the reorganization at the end of 2017.

Consumer recently won a series of awards from Stiftung Warentest, a German consumer benchmark organization, for several of our portable navigation devices and navigation apps.

Gross margin

The gross margin of continuing operations for the quarter was 67%, compared with 55% in Q4 '17, reflecting increasing proportion of high margin recurring data, software and services revenue in our product mix.

While revenue declined in 2018, the gross profit for the year was €475 million, 7% higher than €446 million in 2017. The gross margin for the year was 69% compared with 60% last year.

Operating expenses

Total operating expenses from continuing operations in the quarter was €130 million, a decrease of €12 million compared with the same quarter last year (Q4 '17: €142 million). In Q4 '18 we recorded a one-time gain of €13 million resulting from a litigation settlement. In Q4 '17, operating expenses included €29 million relating to restructuring and asset disposals. Excluding the one-off items, operating expenses increased mainly as the result of lower capitalization as our map making platform matured and reached its intended use.

For the full year, operating expenses were €472 million compared with €517 million (excluding a €169 million goodwill impairment charge) in 2017. Both years are impacted by one-off items. In 2018 we recorded a one-time gain of €22 million from litigation settlements. 2017 operating expenses included €41 million restructuring costs and asset disposals. Excluding these one-off items, the underlying operating expenses showed a modest year on year increase following higher spend in our map activities.

FX sensitivity

(€ in millions, unless stated otherwise)	Q4 '18 actual	Q4 '18 recalculated at Q4 '17 FX rates ¹	FY '18 actual	FY '18 recalculated at FY '17 FX rates ¹
Revenue	174.0	172.5	686.8	692.5
Gross profit	117.4	117.0	475.3	473.3
<i>Gross margin</i>	67%	68%	69%	68%
Operating result (EBIT)	-12.7	-12.5	2.9	-2.3
<i>Operating margin</i>	-7%	-7%	0%	0%
FX RATES (IN €)	Q4 '18	Q4 '17	FY '18	FY '17
US dollar	1.14	1.18	1.18	1.13
GB pound	0.89	0.88	0.89	0.87

¹ The Q4 '18/FY '18 income and expense in US dollar and GB pound have been converted to euro using Q4 '17 / FY '17 average exchange rates. All other foreign currencies have not been converted.

Financial income and expenses

Total financial result from continuing operations for the quarter was a gain of €1.8 million (Q4 '17: gain of €0.3 million), which consisted primarily of foreign exchange gains from the revaluation of monetary balance sheet items.

Total financial income and expenses for the year was a €3.5 million gain, slightly higher than the gain of €2.8 million in 2017 attributable to lower financing costs.

Income tax

The net income tax gain for the quarter was €1.8 million compared with an €5.4 million expense in Q4 '17. The year on year change is driven by a re-measurements of deferred tax assets and liabilities. For the full year, we recorded an income tax expense of €9.2 million versus €9.0 million in 2017.

DISCONTINUED OPERATIONS

Telematics

After a strategic review, it was decided to divest the Telematics business unit. In January 2019, we announced the sale of Telematics to Bridgestone for a purchase price of €910 million. The transaction is subject to customary closing conditions and is expected to close in the second quarter, followed by the capital repayment expected to be executed in the third quarter of 2019. This capital repayment will not be subject to Dutch dividend withholding tax. For the year ended 31 December 2018, we apply held-for-sale accounting (IFRS 5) and present Telematics as discontinued operations.

(€ in millions, unless stated otherwise)	Q4 '18	Q4 '17	y.o.y. change	FY '18	FY '17	y.o.y. change
Subscriptions	34.8	32.7	6%	136.2	126.3	8%
Hardware and other services ¹	9.0	9.2	-3%	37.6	37.3	1%
Total Telematics revenue	43.8	41.9	4%	173.8	163.6	6%
Discontinued operations EBITDA	15.8	19.7	-20%	71.7	70.8	1%
<i>EBITDA margin</i>	36%	47%		41%	43%	
Discontinued operations Operating result (EBIT)	12.7	15.1	-16%	52.6	53.6	-2%
<i>Operating margin</i>	29%	36%		30%	33%	
Net result discontinued operations	10.6	15.2	-30%	47.6	51.3	-7%

Change percentages and totals calculated before rounding.

¹ Other services revenue comprises installation services and separately purchased traffic service and/or map content.

Telematics revenue for the quarter was €44 million, 4% increase compared with the same quarter last year. The recurring subscription revenue for the quarter increased by 6% year on year to €35 million (Q4 '17: €33 million).

Revenue for the year increased by 6% from €164 million in 2017 to €174 million in 2018.

The operating result (EBIT) from discontinued operations in 2018 showed a marginal decline compared with 2017. The operating result from discontinued operations (IFRS 5) deviates from segment reporting, as it does not include cost allocations for the usage of TomTom products or shared services.

Telematics sources certain products and services from TomTom such as driver terminals, map and traffic data, and will continue to do so under Bridgestone's ownership. The agreement will also secure the delivery of probe data to TomTom.

Adjusted net result and adjusted EPS

(€ in millions, unless stated otherwise)	Q4 '18	Q4 '17	Y.O.Y. change	FY '18	FY '17	Y.O.Y. change
Net result continuing operations	-9.2	-49.9	-82%	-2.9	-245.7	-99%
Net result discontinued operations	10.6	15.2	-30%	47.6	51.3	-7%
Net result total operations	1.4	-34.7	-104%	44.8	-194.4	-123%
Net result attributed to equity holders	1.4	-34.4	-104%	44.9	-194.0	-123%
Movement of deferred/unbilled revenue and deferred CoS	27.6	2.4		50.0	24.1	107%
Tax effect on movement of deferred/unbilled revenue and deferred CoS	-6.4	-0.5		-11.6	-5.1	127%
One-off items (net of tax) ¹		36.5			217.3	
Adjusted net result	22.6	4.0		83.2	42.3	97%
Adjusted EPS, € fully diluted	0.10	0.02		0.36	0.18	100%

Change percentages and totals calculated before rounding.

¹ One-off items in FY '17 included an impairment charge of €168.7 million as well as material restructuring and disposal costs on a post-tax basis.

The net result from total operations for the year was a gain of €45 million compared with a loss of €194 million in 2017.

The adjusted net result for the full year from total operations was a profit of €83 million compared with a profit of €42 million in FY '17, translating into an adjusted EPS of €0.36 and €0.18, respectively.

Net movement of deferred and unbilled revenues and deferred cost of sales per segment.

(€ in millions)	Q4 '18	Q4 '17	FY '18	FY '17
Automotive	23.5	21.3	72.4	48.7
Enterprise	10.7	-13.8	5.3	-4.6
Consumer	-5.4	-4.9	-24.5	-17.2
Total continuing operations	28.8	2.5	53.2	26.9
Telematics	-1.2	-0.1	-3.2	-2.7
Total	27.6	2.4	50.0	24.1

Totals calculated before rounding.

Balance sheet

Trade receivables were €93 million in Q4 '18 compared with €114 million at the end of Q4 '17. The inventory level at the end of the quarter was €26 million, compared with €32 million at the end of the same quarter last year, following the decline in hardware sales.

Current liabilities excluding deferred revenue were €244 million compared with €253 million at the end of Q4 '17. The decrease is mainly due to a decrease in 'other contract related liabilities' in line with the overall revenue decline Consumer.

Total deferred revenue was €308 million at the end of Q4 '18, compared with €261 million at the end of the same quarter last year. The year on year trend reflects an increase of Automotive contracts for multi-year service offerings, offset by releases of deferred revenue in Consumer.

Deferred revenue balance by business unit

(€ in millions)	31 December 2018	31 December 2017
Automotive	172.1	98.0
Enterprise	17.4	15.7
Consumer	91.4	116.3
Total continuing operations	280.9	230.0
Telematics	27.5	31.3
Total	308.4	261.3

Totals calculated before rounding.

Cash flow

The cash flow from operating activities for the quarter was €87 million compared with €98 million in Q4 '17. The year on year decrease was mainly driven by higher working capital utilization.

The cash flow used in investing activities for the quarter was €9 million, a decrease of €17 million compared with €26 million in the same quarter last year. The decrease reflects lower capitalization as our map-making platform matured and has reached the intended productivity level.

On 31 December 2018, the group had no outstanding bank borrowings and reported a cash position of €248 million excluding cash classified as held for sale of €4.4 million (Q4 '17: net cash of €121 million).

Cash flow from investing activities (excluding acquisitions)

(€ in millions)	Q4 '18	Q4 '17	Y.o.Y. change	FY '18	FY '17	Y.o.Y. change
Map content and map-making platform	6.0	17.3	-66%	61.3	63.9	-4%
Other	2.5	6.1	-59%	15.4	28.6	-46%
Total continuing operations	8.5	23.4	-64%	76.7	92.5	-17%
Telematics	0.8	2.7	-72%	7.4	13.0	-43%
Total	9.2	26.1	-65%	84.2	105.4	-20%

Change percentages and totals calculated before rounding.

The cash flow from financing activities for the quarter was an outflow of €4.7 million (Q4 '17: outflow of €56 million). The year on year decrease is due to the share buy back program held in the fourth quarter last year. In the quarter, 73 thousand options were exercised (Q4 '17: 112 thousand options), related to our long-term employee incentive programs, resulting in a €0.3 million cash inflow (Q4 '17: €0.6 million).

- END -

RECONCILIATION OF CONTINUING AND DISCONTINUED OPERATIONS

FULL YEAR

(€ in millions)	FY '18			FY '17		
	Continuing operations	Discontinued operations	Total operations	Continuing operations	Discontinued operations	Total operations
Revenue	686.8	173.8	860.6	739.3	163.6	902.9
Cost of sales	211.5	38.5	250.0	293.3	39.8	333.1
Gross profit	475.3	135.3	610.6	446.0	123.8	569.8
Research and development expenses	220.9	10.8	231.7	202.0	5.9	207.9
Amortization of technology and databases	108.2	2.4	110.6	111.1	1.2	112.3
Marketing expenses	28.0	8.5	36.6	43.8	8.0	51.8
Selling, general and administrative expenses	115.4	60.9	176.3	160.0	55.1	215.1
Impairment charge	0.0	0.0	0.0	168.7	0.0	168.7
Total operating expenses	472.4	82.7	555.1	685.5	70.2	755.7
Operating result	2.9	52.6	55.5	-239.6	53.6	-186.0
Financial income/(expense)	3.5	-3.6	-0.1	2.8	-1.3	1.5
Income tax income/(expense)	-9.2	-1.4	-10.6	-9.0	-1.0	-10.0
Net (loss) / profit	-2.9	47.6	44.8	-245.7	51.3	-194.4
Adjusted earnings per share (in €):						
Adjusted EPS, € basic			0.36			0.18
Adjusted EPS, € diluted			0.36			0.18
Basic number of shares (in thousands)			230,878			233,722
Diluted number of shares (in thousands)			233,143			236,836

QUARTER TO DATE

(€ in millions)	Q4 '18			Q4 '17		
	Continuing operations	Discontinued operations	Total operations	Continuing operations	Discontinued operations	Total operations
Revenue	174.0	43.8	217.8	176.3	41.9	218.2
Cost of sales	56.6	9.4	66.0	78.7	10.0	88.7
Gross profit	117.4	34.4	151.7	97.6	31.9	129.5
Research and development expenses	71.9	3.4	75.3	51.5	0.9	52.5
Amortization of technology and databases	31.2	0.7	31.9	40.8	0.3	41.1
Marketing expenses	7.4	2.0	9.4	7.1	2.0	9.1
Selling, general and administrative expenses	19.6	15.6	35.2	42.9	13.6	56.5
Total operating expenses	130.1	21.7	151.8	142.3	16.8	159.1
Operating result	-12.7	12.7	0.0	-44.7	15.1	-29.6
Financial income/(expense)	1.8	-1.0	0.8	0.3	0.4	0.7
Income tax income/(expense)	1.8	-1.1	0.7	-5.4	-0.3	-5.8
Net (loss) / profit	-9.2	10.6	1.4	-49.9	15.2	-34.7
Adjusted earnings per share (in €):						
Adjusted EPS, € basic			0.10			0.02
Adjusted EPS, € diluted			0.10			0.02
Basic number of shares (in thousands)			231,203			232,167
Diluted number of shares (in thousands)			233,193			235,027

Consolidated condensed statement of income

(€ in thousands)	Q4 '18 Unaudited	Q4 '17 Unaudited Restated	FY '18 Unaudited	FY '17 Audited Restated
Revenue	173,999	176,258	686,798	739,284
Cost of sales	56,638	78,691	211,471	293,295
Gross profit	117,361	97,567	475,327	445,989
Research and development expenses	71,902	51,539	220,853	201,979
Amortization of technology and databases	31,200	40,763	108,200	111,102
Marketing expenses	7,439	7,076	28,015	43,791
Selling, general and administrative expenses	19,568	42,891	115,354	159,985
Impairment charge	0	0	0	168,687
Total operating expenses	130,109	142,269	472,422	685,544
Operating result	-12,748	-44,702	2,905	-239,555
Interest result	-404	-386	-1,062	-1,699
Other financial result	1,590	455	3,555	3,748
Result of associates	603	203	982	759
Result before tax	-10,959	-44,430	6,380	-236,747
Income tax income/(expense)	1,775	-5,438	-9,242	-8,991
Net result from continuing operations	-9,184	-49,868	-2,862	-245,738
Net after tax profit from discontinued operations	10,607	15,207	47,622	51,340
Net (loss) / profit	1,423	-34,661	44,760	-194,398
Net result attributable to:				
Equity holders of the parent	1,423	-34,398	44,857	-193,974
Non-controlling interests	0	-263	-97	-424
Net result	1,423	-34,661	44,760	-194,398
Earnings per share (in €):				
EPS, € basic	0.01	-0.15	0.19	-0.83
EPS, € diluted	0.01	-0.15	0.19	-0.83
Earnings per share from continuing operations (in €):				
EPS, € basic	-0.04	-0.21	-0.01	-1.05
EPS, € diluted	-0.04	-0.21	-0.01	-1.05
Basic number of shares (in thousands)	231,203	232,167	230,878	233,722
Diluted number of shares (in thousands)	233,193	235,027	233,143	236,836

Consolidated condensed balance sheet

(€ in thousands)	31 December 2018 Unaudited	31 December 2017 Audited Restated
Goodwill	192,294	256,319
Other intangible assets	634,728	718,397
Property, plant and equipment	26,380	33,621
Lease assets	35,393	45,689
Other contract related assets	10,426	8,657
Investments in associates	3,899	4,223
Deferred tax assets	5,296	7,453
Total non-current assets	908,416	1,074,359
Inventories	26,400	31,609
Trade receivables	92,530	114,254
Unbilled receivables	22,512	25,150
Other contract related assets	14,071	5,981
Other receivables and prepayments	54,977	26,396
Other financial assets	21	0
Cash and cash equivalents	247,675	120,850
	458,186	324,240
Assets held for sale	128,323	0
Total current assets	586,509	324,240
Total assets	1,494,925	1,398,599
Share capital	47,064	47,064
Share premium	1,066,201	1,068,149
Treasury shares	-37,707	-48,790
Other reserves	251,799	263,164
Accumulated deficit	-553,248	-609,993
Equity attributable to equity holders of the parent	774,109	719,594
Non-controlling interests	0	2,308
Total equity	774,109	721,902
Lease liabilities	25,558	33,172
Deferred tax liability	80,436	85,804
Provisions	62,085	43,727
Deferred revenue	155,875	148,058
Total non-current liabilities	323,954	310,761
Trade payables	51,076	51,441
Lease liabilities	13,172	15,006
Provisions	28,990	37,173
Deferred revenue	125,035	113,246
Other contract related liabilities	38,665	64,380
Income taxes	946	1,702
Accruals and other liabilities	83,571	82,988
	341,455	365,936
Liabilities associated with assets held for sale	55,407	0
Total current liabilities	396,862	365,936
Total equity and liabilities	1,494,925	1,398,599

Consolidated condensed statements of cash flows

(€ in thousands)	Q4 '18 Unaudited	Q4 '17 Unaudited Restated	FY '18 Unaudited	FY '17 Audited Restated
Operating result from continuing operations	-12,748	-44,702	2,905	-239,555
Operating result from discontinued operations	12,703	15,115	52,608	53,604
Operating result	-45	-29,587	55,513	-185,951
Financial gains/(losses)	1,420	615	269	-2,303
Depreciation, amortization and impairment	43,666	67,959	158,188	344,221
Change in provisions	6,268	1,583	-1,155	4,788
Equity-settled stock compensation expenses	1,262	1,356	5,504	8,104
Changes in working capital:				
Change in inventories	2,846	10,254	8,140	9,964
Change in receivables and prepayments	2,338	54,823	-29,814	7,135
Change in liabilities (excluding provisions) ¹	32,714	-8,261	42,592	-2,145
Cash generated from operations	90,469	98,742	239,237	183,813
Interest received	32	59	429	258
Interest (paid)	-517	-403	-1,593	-1,819
Corporate income taxes (paid)	-2,711	-341	-9,100	-8,654
Cash flows from operating activities	87,273	98,057	228,973	173,598
Investments in intangible assets	-4,762	-20,845	-64,117	-89,313
Investments in property, plant and equipment	-4,459	-5,301	-20,035	-16,116
Acquisition of subsidiaries and other businesses	0	0	0	-24,494
Dividends received	109	96	259	202
Cash flows from investing activities	-9,112	-26,050	-83,893	-129,721
Change in utilisation of credit facility	0	-3,000	0	-10,000
Repayment of borrowings	0	0	0	-708
Change in lease liability	-4,915	-3,516	-17,011	-15,590
Change in non-controlling interest	0	-121	-1,545	-244
Proceeds on issue of ordinary shares	258	563	3,785	12,403
Purchase of share capital	0	-49,831	0	-49,831
Cash flows from financing activities	-4,657	-55,905	-14,771	-63,970
Net increase / (decrease) in cash and cash equivalents	73,504	16,102	130,309	-20,093
Cash and cash equivalents at beginning of period	178,522	105,220	120,850	142,527
Exchange rate changes on cash balances held in foreign currencies	86	-472	953	-1,584
Cash and cash equivalents at the end of the period	252,112	120,850	252,112	120,850
Cash and cash equivalents classified as held for sale	4,437	0	4,437	0
Cash and cash equivalents at the end of the period	247,675	120,850	247,675	120,850

¹ Includes movements in the non-current portion of deferred revenue presented under non-current liabilities.

Accounting policies - basis of accounting

The condensed consolidated financial information for the three- and the twelve-month period ended 31 December 2018 and the related comparative information has been prepared using accounting policies and methods of computation which are based on International Financial Reporting Standards (IFRS) and disclosed in the Financial Statements for the year ended 31 December 2018.

The consolidated and company financial statements of TomTom NV for the year ended 31 December 2018 have been prepared and audited but are not yet published.

Unless otherwise indicated, the quarterly condensed consolidated information in this press release is unaudited nor reviewed. Due to rounding, amounts may not add up precisely to totals.

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 as 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 (IFRS 5) minus the nominal value of our outstanding bank borrowings

For more information

TomTom Investor Relations

Email: ir@tomtom.com

+31 20 757 5194

Audio webcast fourth quarter 2018 results

The information for our audio webcast is as follows:

Date and time: 6 February 2019 at 14:00 CET

corporate.tomtom.com/presentations.cfm

TomTom is listed at NYSE Euronext Amsterdam in the Netherlands

ISIN: NL0000387058 / Symbol: TOM2

About TomTom

TomTom (TOM2) is the leading independent location technology specialist, shaping mobility with highly accurate maps, navigation software, real-time traffic information and services. To achieve our vision of a safer world, free of congestion and emissions, we create innovative technologies that keep the world moving. By combining our extensive experience with leading business and technology partners, we power connected vehicles, smart mobility and, ultimately, autonomous driving. Headquartered in Amsterdam with offices in 30 countries, TomTom's technologies are trusted by hundreds of millions of people worldwide. For further information, please visit www.tomtom.com.

Forward-looking statements/Important notice

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 the company operates and the risk of a downturn in the market. Statements regarding market share, including the company'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.

This document contains inside information as meant in clause 7 of the Market Abuse Regulation.