

Q1 2019 RESULTS



Harold Goddijn – CEO

Taco Titulaer – CFO

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Operational highlights

- First HD map deals announced with leading OEMs
- New deals for driver navigation announced with Volkswagen Group, Nissan, FCA and MG
- TomTom IQ Maps launched, allowing for seamless over-the-air map updates to in-dash navigation systems
- Divestment of Telematics completed on the 1st of April



Financial highlights

- Group Revenue of €170 million (Q1 '18: €149 million)
- EBITDA of €19 million (Q1 '18: €26 million)
- Free cash flow of -€20 million (Q1 '18: -€7 million¹)
- Net cash position of €207 million (Q1 '18: €129 million)
- Deferred revenue position of €291 million (Q1 '18: €245 million)

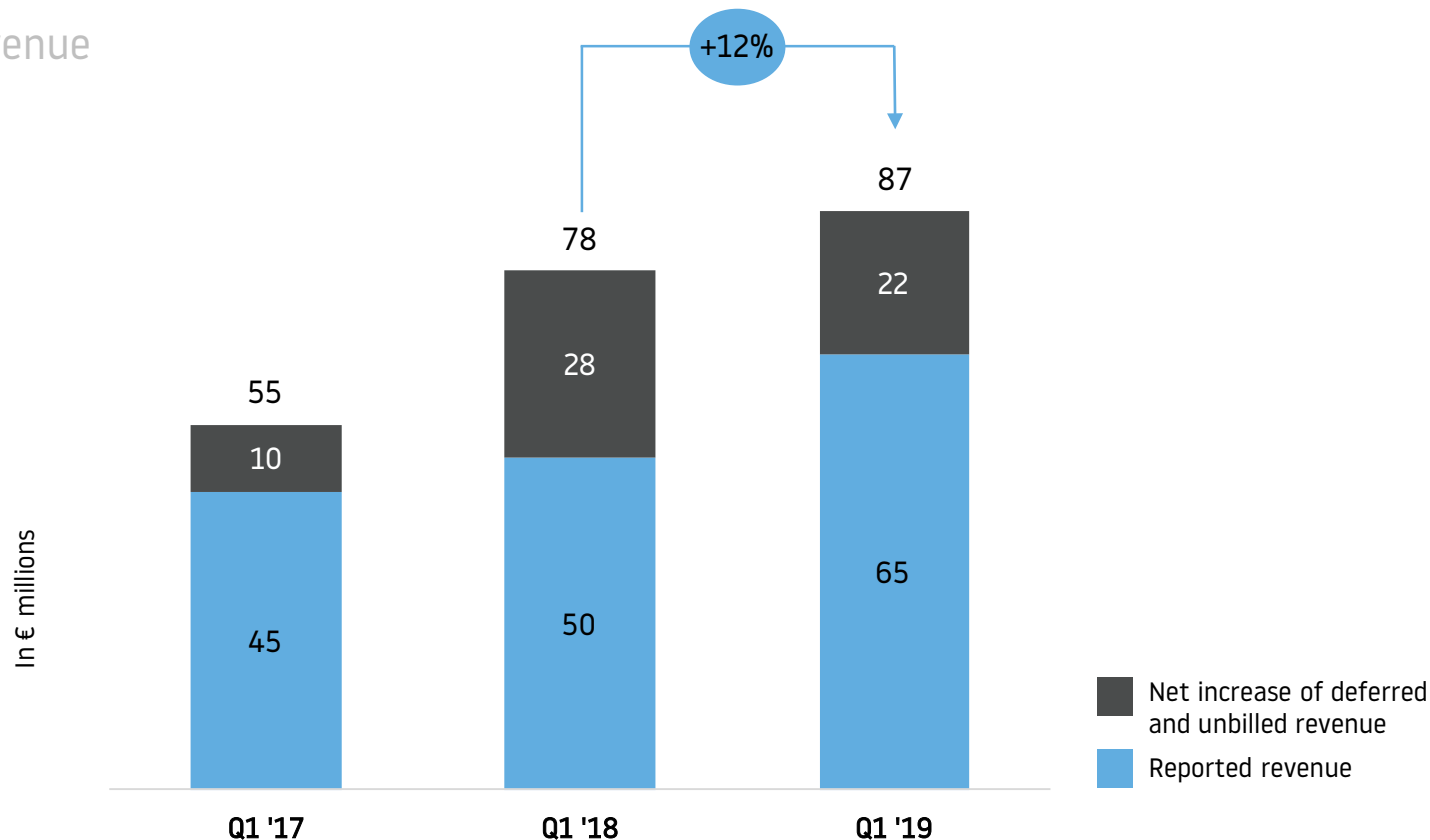
The figures presented above are for continuing operations only.

¹ Q1 '18 Free cash flow from continuing operations is indicative.



Continued growth in Automotive

Operational revenue



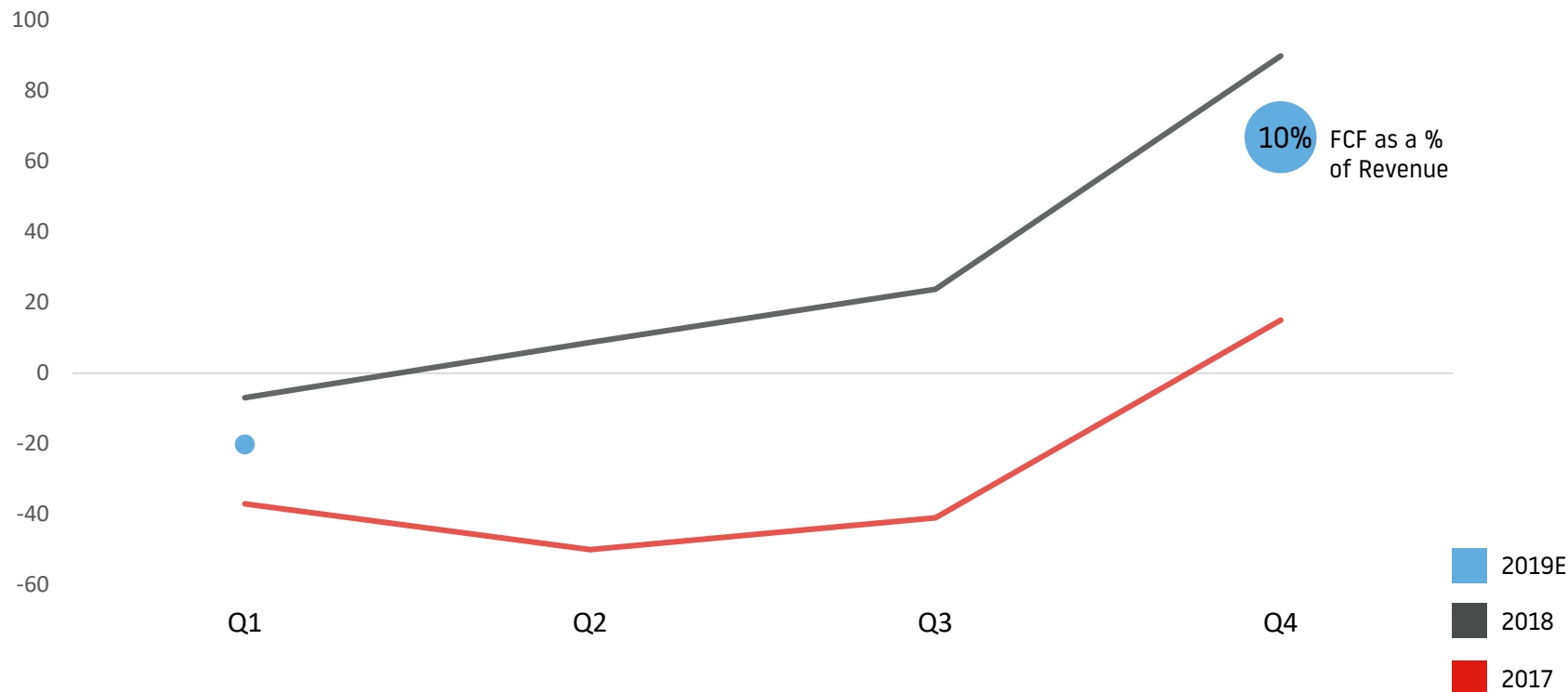
2019 Outlook

- Automotive and Enterprise revenue expected to grow by 15% year on year
- Gross margin of at least 70% in the year
- Combined OPEX and CAPEX spend expected to increase by 10% year on year
- Adjusted EPS of €0.15
- Free cash flow of around 10% of Group revenue
- Q1 started with an expected cash outflow. Due to seasonality of customer payments cash inflow materializes in the remainder of the year

Continuing operations	Outlook 2019	Actuals 2018
Revenue	€675 million	€687 million
of which from Location Technology	€430 million	€372 million
FCF as % of Group revenue	10%	13%

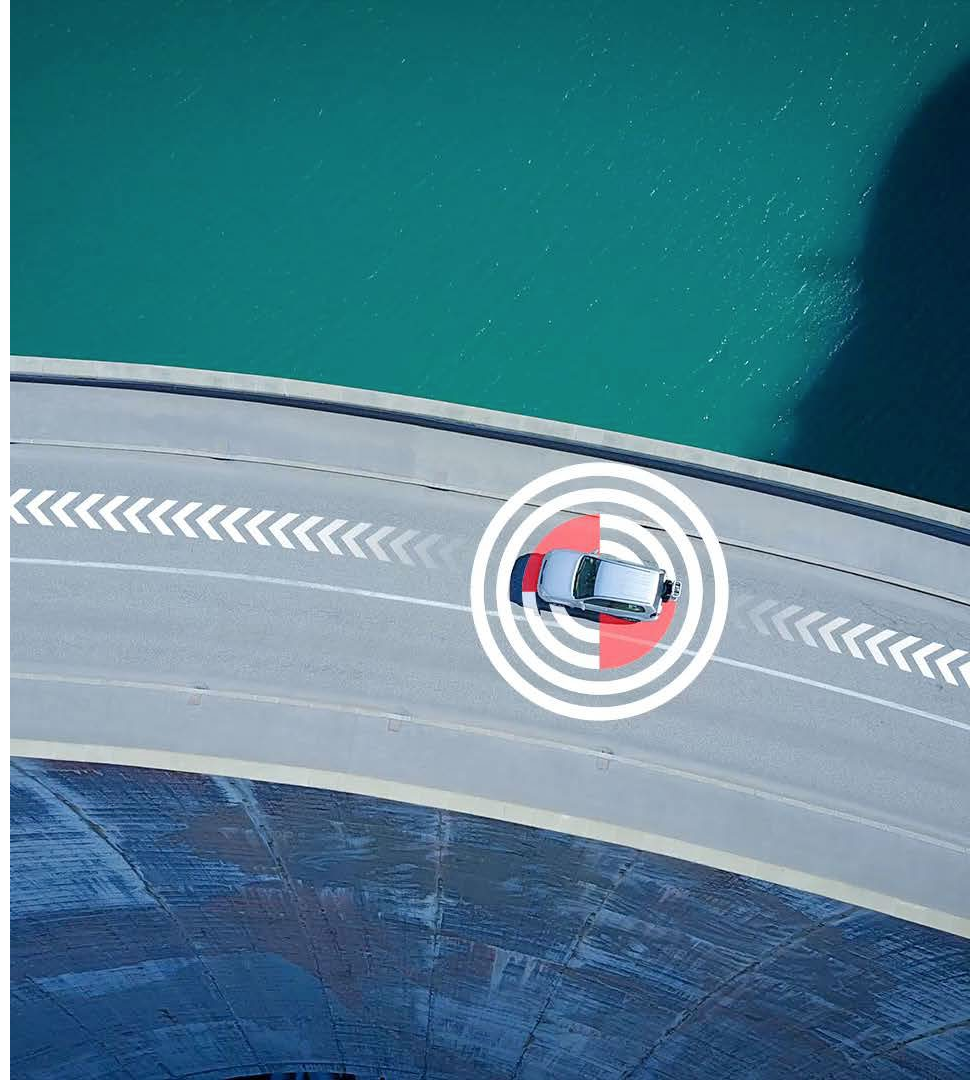
Cumulative free cash flows

Expected positive FCF for the rest of the year



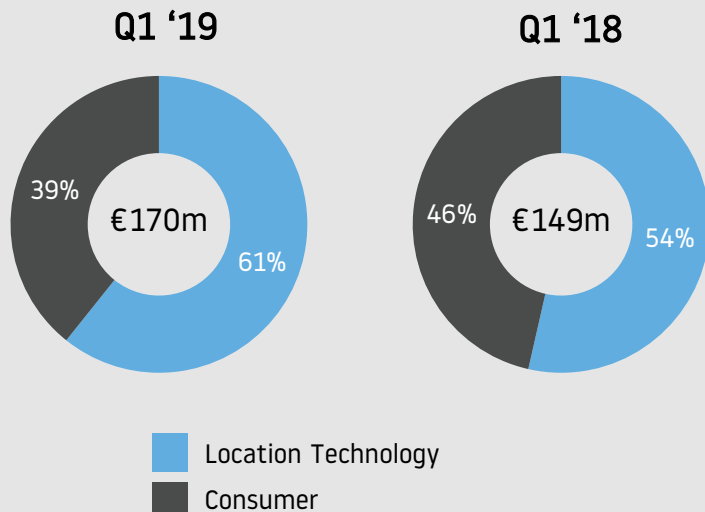
2017 and 2018 FCF are high level estimates only, which involves use of assumptions on working capital movement and others. 2017 FCF also excludes acquisition.

**Thank you -
Any questions?**

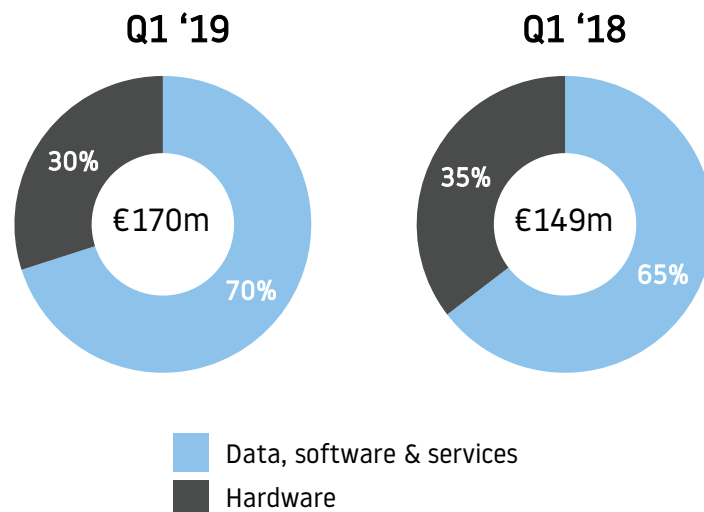


Revenue break-down

BY SEGMENT



BY TYPE



P&L

(€ in thousands)	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	FY '18
Revenue	148,943	187,524	176,330	173,999	169,527	686,798
Automotive	49,710	62,574	59,365	73,397	65,126	245,046
Enterprise	30,059	30,036	33,906	33,225	37,833	127,226
Consumer	69,174	94,914	83,059	67,377	66,568	314,526
Cost of sales	48,320	56,237	50,275	56,638	48,273	211,471
Gross result	100,623	131,287	126,055	117,361	121,254	475,327
Gross margin	68%	70%	71%	67%	72%	69%
Research and development expenses	45,853	52,461	50,637	71,902	72,498	220,853
Amortization of technology and databases	23,769	26,105	27,126	31,200	24,474	108,200
Marketing expenses	5,934	7,072	7,570	7,439	6,945	28,015
Selling, general and administrative expenses	29,848	35,418	30,521	19,568	30,529	115,354
Total operating expenses	105,404	121,056	115,854	130,109	134,446	472,422
Operating Result (EBIT)	-4,781	10,231	10,201	-12,748	-13,192	2,905
EBIT margin	-3%	5%	6%	-7%	-8%	0%
EBITDA	25,668	44,821	43,778	27,774	18,779	142,042
EBITDA margin	17%	24%	25%	16%	11%	21%
Net result from continuing operations	-6,029	7,814	4,535	-9,184	-15,325	-2,862
Net result tax profit from discontinued operations	12,416	11,974	12,625	10,607	18,615	47,622
Net Result	6,387	19,788	17,160	1,423	3,290	44,760
EPS from continuing operations (in €)						
Diluted EPS	-0.03	0.03	0.02	-0.04	-0.07	-0.01
Diluted Adjusted EPS ¹	0.08	0.04	0.1	0.09	0.00	0.32
Net result from continuing operations	-6,029	7,814	4,535	-9,184	-15,325	-2,862
Movement of deferred and unbilled revenue	21,578	-10,325	12,931	28,700	6,578	52,884
Acquisition related amortization	11,643	11,643	11,643	11,643	11,643	46,571
Tax impact	-7,707	-306	-5,701	-9,360	-3,826	-23,074
Adjusted net result from continuing operations	19,485	8,826	23,408	21,799	-930	73,519

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)	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Assets						
Goodwill	256,319	256,115	255,451	255,858	192,294	192,294
Intangible assets	718,397	705,387	693,202	684,229	634,728	613,978
Contract related assets	14,638	18,198	20,428	20,896	24,497	27,715
Other non-current assets	90,986	81,944	87,065	86,175	70,968	75,281
Inventories	31,609	33,576	33,742	35,717	26,400	25,571
Trade receivables	114,254	113,910	118,939	128,868	92,530	99,631
Unbilled receivables	25,150	18,024	30,580	26,375	22,512	26,169
Other receivables and prepayments	26,396	29,927	27,163	34,088	54,998	45,522
Cash and cash equivalents	120,850	128,537	155,292	178,522	247,675	206,593
Assets held for sale					128,323	155,325
Total assets	1,398,599	1,385,618	1,421,862	1,450,728	1,494,925	1,468,079
Total equity	721,902	727,961	750,873	771,266	774,109	780,425
Deferred tax liability	85,804	83,816	84,076	84,506	80,436	78,827
Lease liability	48,176	40,758	44,874	40,647	38,730	38,938
Provisions	80,900	78,261	76,507	81,522	91,075	87,314
Trade payables	51,441	54,999	56,420	49,903	51,076	46,383
Deferred revenue	261,304	275,197	277,108	284,694	280,910	291,145
Contract related liabilities	64,380	54,219	57,845	48,376	38,665	36,376
Accruals and other liabilities	84,692	70,407	74,159	89,814	84,517	59,670
Liabilities associated with assets held for sale					55,407	49,001
Total liabilities	676,697	657,657	670,989	679,462	720,816	687,654
Total equity and liabilities	1,398,599	1,385,618	1,421,862	1,450,728	1,494,925	1,468,079
Net cash	120,850	128,537	155,292	178,522	252,112	240,551
Net cash classified as held for sale					4,437	33,958
Net cash of continuing operations	120,850	128,537	155,292	178,522	247,675	206,593

Cash flow

(€ in thousands)	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	FY '18
Operating result	6,886	24,890	23,782	-45	5,824	55,513
Financial gains/(losses)	-253	-1,421	523	1,420	-437	269
Depreciation and amortization	37,353	38,515	38,654	43,666	31,971	158,188
Other	-2,972	-2,778	2,569	7,530	-196	4,349
Changes in working capital ¹	-5,027	-4,566	-7,387	37,898	-34,186	20,918
Cash generated from operations	35,987	54,640	58,141	90,469	2,976	239,237
Interest received	110	100	187	32	277	429
Interest (paid)	-444	-126	-506	-517	-437	-1,593
Corporate income taxes (paid)/received	-3,295	-1,687	-1,407	-2,711	-1,887	-9,100
Cash flows from operating activities	32,358	52,927	56,415	87,273	929	228,973
Cash flows from investing activities	-22,279	-24,587	-27,915	-9,112	-9,913	-83,893
Cash flows from financing activities	-2,087	-2,720	-5,307	-4,657	-2,902	-14,771
Net increase/decrease in cash and cash equivalents	7,992	25,620	23,193	73,504	-11,886	130,309
Free cash flow - total operations	10,079	28,340	28,500	78,161	-8,984	145,080
Free cash flow from continuing operations*	-7,456	16,034	15,163	66,134	-20,228	89,875
<i>FCF from continuing operations as a % revenue</i>	<i>-5%</i>	<i>9%</i>	<i>9%</i>	<i>38%</i>	<i>-12%</i>	<i>13%</i>

¹ Includes the movement of non-current deferred revenue. 2018 Free cash flows from continuing operations are indicative.

Outstanding shares

	Q1 '19
Common shares outstanding at the end of the period	235,318,516
Shares in issue at the beginning of the period	231,240,514
Shares in issue at the end of the period	231,740,280
Average shares in issue during the period*	231,584,360 [A]
In the money share options at the beginning of the period	2,805,980
In the money share options at the end of the period	2,924,714
Average potential dilutive share options outstanding during the period**	2,689,003
Average non-dilutive share options during the period	1,388,263
Average shares outstanding from dilution of options***	1,300,740 [B]
Average shares outstanding from dilution of other equity-settled grants	347,643 [C]
Average fully diluted shares outstanding during Q1 '19 and YTD '19****	233,232,743 [A+B+C]

* Shares held in treasury of 3,578,236 are taken into account when calculating the weighted 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 year-to-date was €7.61

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 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 flow before financing from continuing operations



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