



**TomTom**



# TomTom Q4 and FY 2013 results

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# Consumer

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## Strategy

- Maximise value from the PND category and establish a multiproduct consumer business

## Operational highlights

- European PND business held up well in 2013
- North America remains challenging; new PND range will be rolled out in Q1 2014
- Successful rollout of TomTom branded sports watches

## 2014 Agenda

- Complete the rationalisation of the entire PND range on to our new PND software platform
- Further expand our TomTom branded sports watches range
- Explore opportunities to diversify into other product categories that have a natural fit with our brand, distribution channel and product design capabilities



PNDs



GPS SPORTS WATCHES

# Automotive

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## Strategy

- Offer class leading software components and services as individual connected navigation system (CNS) components such as fresh maps, traffic and navigation software

## Operational highlights

- We continued to make inroads in the Automotive market
  - Fiat U-Connect
  - Daimler - traffic service
  - R-link in new Renault models
- Leadership position with TomTom Traffic; available in 36 countries worldwide

## 2014 Agenda

- Effectively market our Automotive products to OEMs and Tier1s
- Launch incremental map update services



### MODULAR CNS COMPONENTS

USER INTERFACE

NAVIGATION SOFTWARE

FRESH MAPS

TRAFFIC

# Licensing

## Strategy

- License a wider portfolio of products and capitalise on our flexible approach to partnering with our customers

## Operational highlights

- New map making platform: real-time map data
- Map coverage: 41 million navigable roads in 114 countries
- Partnership agreement with Total Traffic + Weather Network (Clear Channel) in North America announced

## 2014 Agenda

- Launch of our new map making platform
- Broaden product portfolio and geographical footprint



MAP CONTENT



TRAFFIC INFORMATION



LOCATION BASED SERVICES



# Business Solutions

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## Strategy

- Continue to expand our market leadership
- Grow through a combination of organic growth and targeted acquisitions

## 2013 operational highlights

- Strong growth in 2013; WEBFLEET installed base of subscriptions increased by 38% year on year
- Successful integration of Coordina
- Further expansion of our product offering (a.o. launch of App Center, new road toll reporting functionality)

## 2014 Agenda

- Ongoing expansion of our WEBFLEET installed base, both organically as through potential bolt-on acquisitions and partnerships



WEBFLEET

# Financial highlights FY 2013

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- Group revenue of €963 million in 2013 (FY '12: €1,057 million)
- Gross margin of 54% (FY '12: 52%)
- OPEX of €496 million (FY '12: €484 million)
- Adjusted<sup>1</sup> EPS of €0.26 (FY '12: €0.40)
- Cash flow from operating activities of €180 million (FY '12: €167 million)
- Net cash of €83 million (YE '12: net debt of €86 million)

<sup>1</sup>Earnings per share adjusted for acquisition-related amortisation & gain on a post-tax basis

<sup>2</sup>€180 million excludes a €80 million one-off tax gain received from the Dutch tax authorities

# Outlook 2014

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- Revenue of around €900 million
- Adjusted<sup>1</sup> EPS of around €0.20

<sup>1</sup>Earnings per share adjusted for acquisition-related amortisation & gain on a post-tax basis

# Thank you

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Any questions?



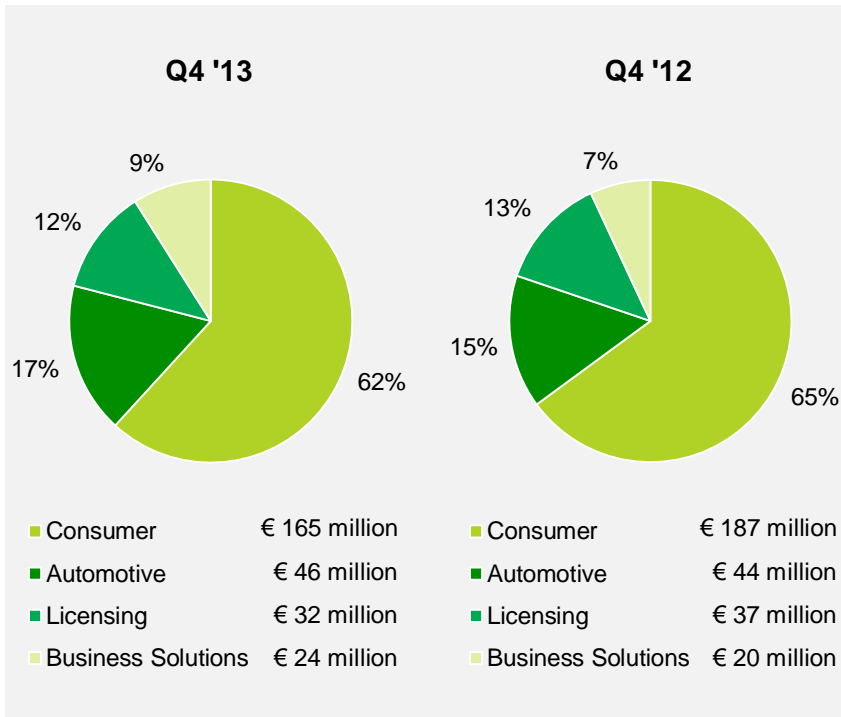
# Key figures

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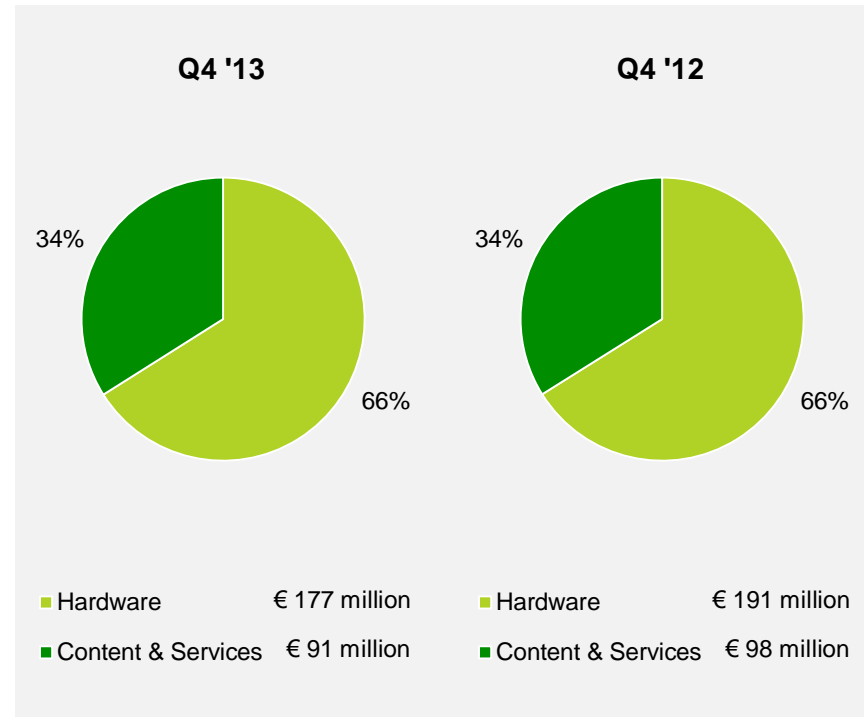
# Revenue breakdown – quarterly

Q4 '13 group revenue: €268 million; Q4 '12: €289 million

## Breakdown by segment



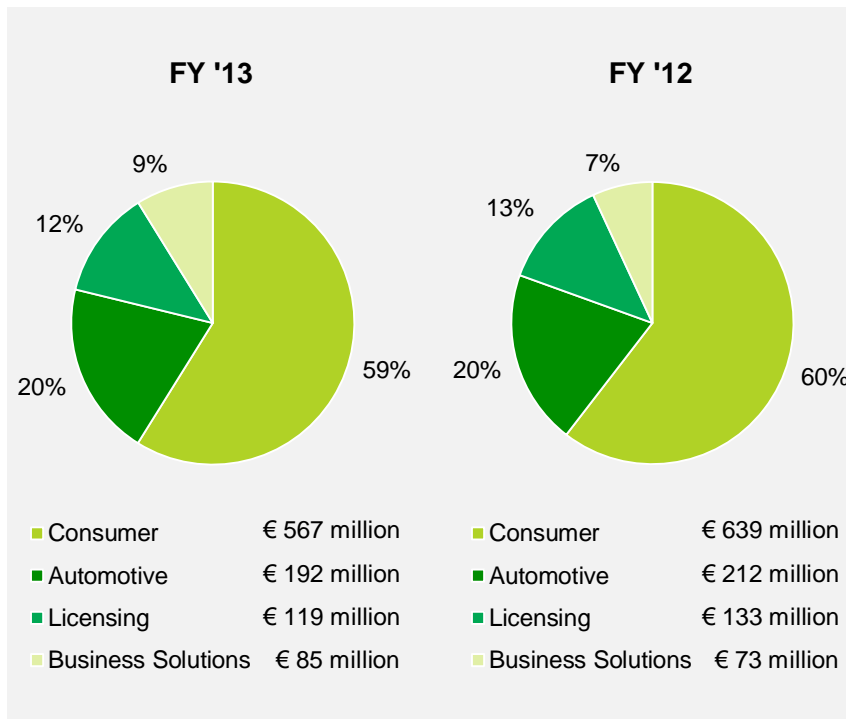
## Breakdown by category



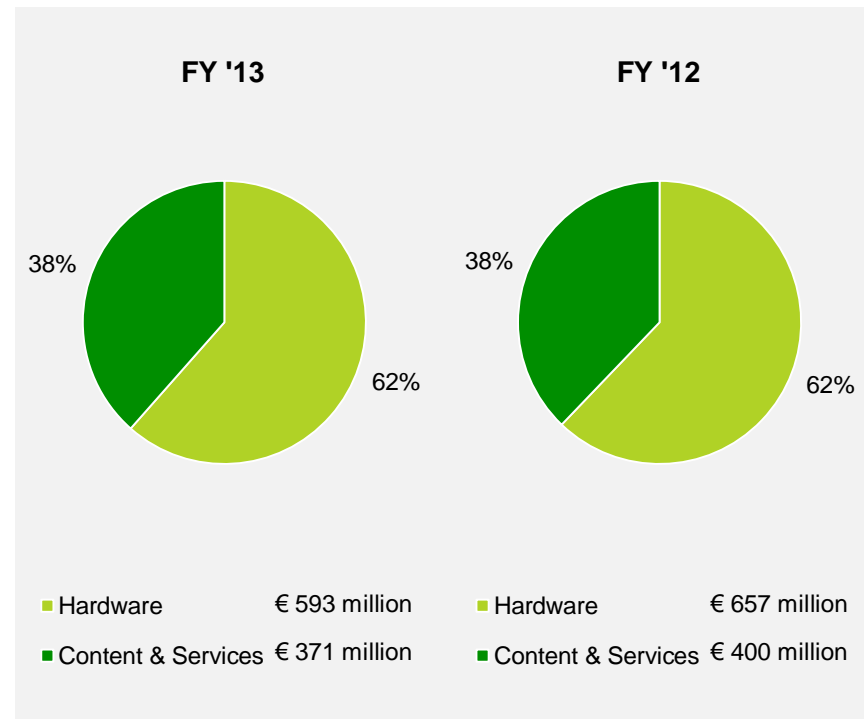
# Revenue breakdown – annually

FY '13 group revenue: €963 million; FY '12: €1,057 million

## Breakdown by segment



## Breakdown by segment



# Quarterly P&L statistics

(€ in thousands)	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13	Q4 '13
<b>REVENUE</b>	<b>273,561</b>	<b>289,010</b>	<b>201,589</b>	<b>250,246</b>	<b>244,056</b>	<b>267,563</b>
Cost of Sales	123,286	134,678	89,123	122,386	106,573	124,126
<b>GROSS RESULT</b>	<b>150,275</b>	<b>154,332</b>	<b>112,466</b>	<b>127,860</b>	<b>137,483</b>	<b>143,437</b>
Research and development expenses	40,154	45,257	38,181	43,627	40,276	43,324
Amortisation of technology and databases	19,900	21,777	18,908	19,392	20,962	22,175
Marketing expenses	14,933	14,238	10,687	11,250	12,758	27,882
Selling, general and administrative expenses	41,723	46,698	43,171	43,635	46,207	45,288
Stock compensation	1,742	1,723	1,471	2,308	3,665	535
<b>TOTAL OPERATING EXPENSES</b>	<b>118,452</b>	<b>129,693</b>	<b>112,418</b>	<b>120,212</b>	<b>123,868</b>	<b>139,204</b>
<b>OPERATING RESULT</b>	<b>31,823</b>	<b>24,639</b>	<b>48</b>	<b>7,648</b>	<b>13,615</b>	<b>4,233</b>
Interest result	-3,187	-2,374	-1,116	-263	-765	-800
Other financial result	-169	-290	-995	-1,299	358	317
Result of associates	356	137	254	2,560	166	112
<b>RESULT BEFORE TAX</b>	<b>28,823</b>	<b>22,112</b>	<b>-1,809</b>	<b>8,646</b>	<b>13,374</b>	<b>3,862</b>
Income tax	-6,554	77,403	-387	-977	-2,009	-637
<b>NET RESULT</b>	<b>22,269</b>	<b>99,515</b>	<b>-2,196</b>	<b>7,669</b>	<b>11,365</b>	<b>3,225</b>
<b>MARGINS</b>						
Gross margin	55%	53%	56%	51%	56%	54%
Operating margin	12%	9%	0%	3%	6%	2%
<b>EARNINGS PER SHARE (in €)</b>						
Diluted EPS	0.10	0.45	-0.01	0.03	0.05	0.01
Diluted Adjusted EPS <sup>1</sup>	0.14	0.13	0.03	0.07	0.10	0.06

<sup>1</sup>Earnings per share adjusted for acquisition-related amortisation & gain on a post-tax basis

# Quarterly balance sheet statistics

(€ in thousands)	30-Sep-12	31-Dec-12	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Goodwill	381,569	381,569	381,569	381,569	381,569	381,569
Other intangible assets	835,757	821,233	811,827	809,964	812,246	803,635
Other non-current assets	40,526	44,260	43,969	38,941	39,152	38,339
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,257,852</b>	<b>1,247,062</b>	<b>1,237,365</b>	<b>1,230,474</b>	<b>1,232,967</b>	<b>1,223,543</b>
<b>CURRENT ASSETS</b>						
Inventories	59,108	44,383	53,346	46,978	55,514	42,260
Receivables, prepayments & derivatives	218,663	268,540	173,848	175,338	175,206	153,926
Cash and cash equivalents	136,528	164,459	160,955	181,139	227,538	257,785
<b>TOTAL CURRENT ASSETS</b>	<b>414,299</b>	<b>477,382</b>	<b>388,150</b>	<b>403,455</b>	<b>458,258</b>	<b>453,971</b>
<b>TOTAL ASSETS</b>	<b>1,672,151</b>	<b>1,724,444</b>	<b>1,625,515</b>	<b>1,633,929</b>	<b>1,691,225</b>	<b>1,677,514</b>
<b>EQUITY AND LIABILITIES</b>						
<b>TOTAL EQUITY</b>	<b>741,794</b>	<b>838,417</b>	<b>837,174</b>	<b>842,583</b>	<b>852,598</b>	<b>854,261</b>
Deferred tax liability	173,015	170,909	168,118	167,825	167,106	171,727
Non-current borrowings	0	173,437	172,757	172,984	173,864	99,348
Current borrowings	289,214	73,703	0	0	106	74,089
Provisions	87,460	81,460	80,897	80,684	80,977	79,832
Trade payables	95,178	84,162	88,573	93,237	88,537	82,337
Deferred revenue	92,983	77,126	65,695	59,318	84,138	113,816
Other liabilities	192,508	225,230	212,301	217,298	243,899	202,104
<b>TOTAL LIABILITIES</b>	<b>930,358</b>	<b>886,027</b>	<b>788,341</b>	<b>791,346</b>	<b>838,627</b>	<b>823,253</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,672,151</b>	<b>1,724,444</b>	<b>1,625,515</b>	<b>1,633,929</b>	<b>1,691,225</b>	<b>1,677,514</b>

# Quarterly cash flow statistics

(€ in thousands)	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13	Q4 '13
Operating result	31,823	24,639	48	7,648	13,615	4,233
Financial (losses)/ gains	26,537	28,528	28,608	32,010	27,328	-3,179
Depreciation and amortisation	26,537	28,528	28,608	32,010	27,328	29,083
Other	-5,334	282	-582	2,276	-3,804	1,264
Changes in working capital	51	49,168	1,534	-13,046	37,977	27,207
<b>CASH GENERATED FROM OPERATIONS</b>	<b>52,983</b>	<b>98,391</b>	<b>27,064</b>	<b>27,480</b>	<b>74,881</b>	<b>58,608</b>
Interest received	433	214	382	613	73	71
Interest paid	-1,715	-3,466	-871	-635	-607	-749
Corporate income taxes received/(paid)	-1,466	-4,244	65,648	18,030	-3,389	-7,093
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>50,235</b>	<b>90,895</b>	<b>92,223</b>	<b>45,488</b>	<b>70,958</b>	<b>50,837</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-12,622</b>	<b>-14,554</b>	<b>-20,789</b>	<b>-24,014</b>	<b>-24,459</b>	<b>-21,243</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-50,000</b>	<b>-47,782</b>	<b>-75,204</b>	<b>157</b>	<b>0</b>	<b>1,177</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-12,387</b>	<b>28,559</b>	<b>-3,770</b>	<b>21,631</b>	<b>46,499</b>	<b>30,771</b>



# Impact of FX rate changes – quarterly

*Actual gross result recalculated based on last quarter FX rates and last year FX rates*

(€ in thousands)	Q4 '13	Q3 '13	Q4 '12
<b>REVENUE</b>	<b>267,563</b>	<b>268,346</b>	<b>273,516</b>
Cost of Sales	124,126	126,772	128,513
<b>GROSS RESULT</b>	<b>143,437</b>	<b>141,574</b>	<b>145,003</b>
<i>Gross margin</i>	<i>54%</i>	<i>53%</i>	<i>53%</i>
<b>P&amp;L RATES IN €</b>			
US dollar	1.36	1.32	1.29
GB pound	0.84	0.86	0.80
<b>BALANCE SHEET RATES IN €</b>			
US dollar	1.35	1.30	1.29
GB pound	0.84	0.86	0.80

# Outstanding shares

Common shares outstanding end of Q3 '13	221,940,012
Common shares outstanding end of Q4 '13	222,176,212
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<b>Average shares outstanding in Q4 '13</b>	<b>222,061,150 (A)</b>
In the money share options as of Q3 '13	7,574,500
In the money share options as of Q4 '13	7,474,500
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Average potential dilutive share options outstanding Q4 '13*	10,865,001
Non dilutive share options:	8,129,871
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<i>Average shares outstanding from dilution of options**</i>	2,735,130 (B)
<i>Average shares outstanding from dilution of other equity-settled grants</i>	198,000 (C)
<b>Average fully diluted shares outstanding Q4 '13***</b>	<b>224,994,280 (A+B+C)</b>

\* In the money options during the quarter  
\*\* Weighted average diluted options based on the period outstanding during the quarter  
\*\*\* The average share price for the quarter was €5.49

# Deferred revenue

IFRS deferred revenue for Lifetime Maps (LTM) and Lifetime Traffic (LTT) example



The value and percentages included in this slide are for illustrative purpose only. Actual (estimated) stand-alone value and percentages applied vary between product ranges and are not necessarily the same as those illustrated.

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