



Q3 2017
RESULTS
20 October 2017

tomtom 

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KEY HIGHLIGHTS

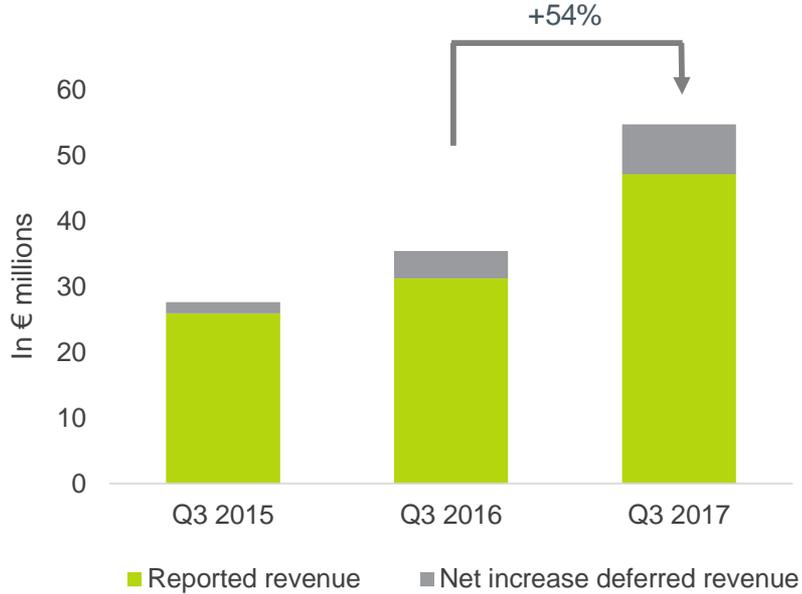
- Strategic review: Consumer Sports reduced in size; Drive will continue to provide a valuable platform for consumer insight and collecting location data
- TomTom strategy: build on our leading position in providing navigation technologies to business customers
- Combined revenue of Automotive, Licensing and Telematics up by 17% YoY year to date

FINANCIAL HIGHLIGHTS

- Revenue of €218 million (Q3 '16: €239 million)
- Gross margin of 65%, up by 5 ppt (Q3 '16: 60%)
- EBITDA of €31 million (Q3 '16: €33 million)
- Adjusted EPS¹ of €0.08 (Q3 '16: €0.05)
- Net cash of €102 million (Q3 '16: €81 million)

¹ Earnings per fully diluted share count adjusted for acquisition-related expenses & gains, impairments and material restructuring costs on a post-tax basis

AUTOMOTIVE



Automotive continues to grow strongly

FULL YEAR OUTLOOK 2017 UPDATED

- Revenue now expected of around €900 million (previous guidance was around €925 million)
- Despite lower revenue, adjusted EPS¹ of around €0.25 remains unchanged
- Level of investments (CAPEX and OPEX combined) to show a marginal increase compared with 2016², excluding acquisitions and restructuring charges

¹ Earnings per fully diluted share count adjusted for acquisition-related expenses & gains, impairments and material restructuring costs on a post-tax basis

² In 2016, CAPEX was €118 million and OPEX was €557 million. Year to date in 2017, we spent €24.5 million on acquisition-related CAPEX and €15.4 million on restructuring charges.

THANK YOU
Any questions?

QUARTERLY P&L STATISTICS

(€ in thousands)	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	YTD '17	FY '16
REVENUE	265,225	239,331	265,618	212,711	253,442	217,666	683,819	987,329
Cost of sales	119,967	94,690	112,594	80,341	92,833	77,149	250,323	421,101
GROSS RESULT	145,258	144,641	153,024	132,370	160,609	140,517	433,496	566,228
Research and development expenses	45,675	50,680	49,585	50,226	53,539	51,636	155,401	190,473
Amortisation of technology and databases	21,107	22,571	27,222	22,429	24,373	24,429	71,231	91,526
Marketing expenses	21,545	19,159	24,847	14,255	21,768	11,633	47,656	80,609
Selling, general and administrative expenses	44,179	51,278	51,868	50,313	51,743	58,827	160,883	194,726
Impairment charge					168,687		168,687	
TOTAL OPERATING EXPENSES	132,506	143,688	153,522	137,223	320,110	146,525	603,858	557,334
OPERATING RESULT (EBIT)	12,752	953	-498	-4,853	-159,501	-6,008	-170,362	8,894
EBITDA	43,693	33,093	38,554	27,955	45,241	31,169	104,365	140,897
Interest result	-377	-404	-285	-175	-318	-247	-740	-1,371
Other financial result	-1,233	513	-2,001	398	1,458	-115	1,741	-1,010
Result of associates	134	97	178	125	228	203	556	736
RESULT BEFORE TAX	11,276	1,159	-2,606	-4,505	-158,133	-6,167	-168,805	7,249
Income tax gain / (charge)	911	-594	-2,954	-51	-1,923	821	-1,153	4,709
NET RESULT	12,187	565	-5,560	-4,556	-160,056	-5,346	-169,958	11,958
MARGINS								
Gross margin	55%	60%	58%	62%	63%	65%	63%	57%
EBITDA margin	5%	14%	15%	13%	18%	14%	15%	14%
EBIT margin	5%	0%	0%	-2%	-63%	-3%	-25%	1%
EARNINGS PER SHARE (in €)								
Diluted EPS ¹	0.05	0.00	-0.02	-0.02	-0.68	-0.02	-0.72	0.05
Diluted Adjusted EPS ²	0.10	0.05	0.05	0.03	0.09	0.08	0.20	0.23

¹ When the basic EPS is negative, no additional shares from assumed conversion are taken into account as the effect would be anti dilutive.

² Earnings per fully diluted share count adjusted for acquisition-related expenses & gains, impairments and material restructuring costs on a post-tax basis.

QUARTERLY BALANCE SHEET STATISTICS

(€ in thousands)	30-Jun-16	30-Sep-16	31-Dec-16	31-Mar-17	30-Jun-17	30-Sep-17
ASSETS						
NON-CURRENT ASSETS						
Goodwill	400,412	400,770	400,318	423,577	254,899	254,525
Other intangible assets	806,271	807,112	795,771	797,955	795,196	787,726
Other non-current assets	52,554	51,818	56,385	53,359	51,929	49,092
TOTAL NON-CURRENT ASSETS	1,259,237	1,259,700	1,252,474	1,274,891	1,102,024	1,091,343
CURRENT ASSETS						
Inventories	50,955	60,933	54,078	62,556	54,301	53,141
Receivables, prepayments & derivatives	233,201	219,161	179,749	188,407	216,069	226,850
Cash and cash equivalents	136,391	129,262	142,527	84,427	85,041	105,220
TOTAL CURRENT ASSETS	420,547	409,356	376,354	335,390	355,411	385,211
TOTAL ASSETS	1,679,784	1,669,056	1,628,828	1,610,281	1,457,435	1,476,554
EQUITY AND LIABILITIES						
TOTAL EQUITY	992,268	988,967	996,737	998,346	843,151	831,642
Deferred tax liability	110,443	96,688	97,282	95,260	95,821	93,305
Borrowings	77,420	47,503	9,586	4,669	2,752	2,835
Provisions	65,079	62,100	90,816	84,691	81,137	90,027
Trade payables	93,504	93,581	76,630	73,845	75,288	64,510
Deferred revenue	188,084	205,548	204,407	210,713	220,118	240,211
Accruals and other liabilities	152,986	174,669	153,370	142,757	139,168	154,024
TOTAL LIABILITIES	687,516	680,089	632,091	611,935	614,284	644,912
TOTAL EQUITY AND LIABILITIES	1,679,784	1,669,056	1,628,828	1,610,281	1,457,435	1,476,554
<i>Net cash</i>	<i>58,391</i>	<i>81,262</i>	<i>132,527</i>	<i>79,047</i>	<i>82,041</i>	<i>102,220</i>

QUARTERLY CASH FLOW STATISTICS

(€ in thousands)	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	YTD '17	FY '16
Operating result	12,752	953	-498	-4,853	-159,501	-6,008	-170,362	8,894
Financial gains/(losses)	-553	-1,960	2,794	1,916	-1,519	-3,315	-2,918	1,235
Depreciation and amortisation	30,941	32,140	39,052	32,808	204,742	37,177	274,727	132,003
Other	5,792	-1,606	11,008	-3,534	-334	13,821	9,953	12,924
Changes in working capital ¹	-14,225	31,228	26,568	-25,993	-11,324	9,704	-27,613	3,065
CASH GENERATED FROM OPERATIONS	34,707	60,755	78,924	344	32,064	51,379	83,787	158,121
Interest received	44	42	57	107	44	48	199	185
Interest (paid)	-338	-364	-261	-200	-276	-214	-690	-1,227
Corporate income taxes (paid)/received	-1,151	-6,695	-3,046	-2,068	-3,163	-3,082	-8,313	-12,762
CASH FLOWS FROM OPERATING ACTIVITIES	33,262	53,738	75,674	-1,817	28,669	48,131	74,983	144,317
CASH FLOWS FROM INVESTING ACTIVITIES	-30,156	-31,848	-26,352	-53,110	-33,414	-28,664	-115,188	-119,726
CASH FLOWS FROM FINANCING ACTIVITIES	19,162	-28,854	-36,884	-3,155	6,304	860	4,009	-29,484
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	22,268	-6,964	12,438	-58,082	1,559	20,327	-36,196	-4,893

¹ Includes the movement of non-current deferred revenue.

OUTSTANDING SHARES AND ADJUSTED EPS

per 30 September 2017, average over Q3 2017

Common shares outstanding end of Q2'17	235,135,716
Common shares outstanding end of Q3'17	235,318,516
Average shares outstanding during Q3'17*	235,226,884 [A]
In the money share options end of Q2'17	5,612,853
In the money share options end of Q3'17	5,558,220
Average potential dilutive share options outstanding during Q3'17**	5,613,389
Average non dilutive share options	3,610,605
Average shares outstanding from dilution of options***	2,002,784 [B]
Average shares outstanding from dilution of other equity-settled grants	542,561 [C]
Average fully diluted shares outstanding during Q3'17****	237,772,229 [A+B+C]

* Shares held in treasury (663,797 shares) are taken into account when calculating the average shares outstanding during the quarter

** In the money options during the quarter based on average share price for the quarter

*** Weighted average diluted options based on the period outstanding during the quarter

**** The average share price for the quarter was €8.99

Adjusted earnings per share calculation (in € million)

Net result attributed to equity holders	-5.3
Acquisition related expenses	15.3
Restructuring	15.4
Tax effect of adjustments	-6.6
Adjusted earnings	18.8
Adjusted earnings per share (in €)	
Basic	0.08
Diluted	0.08

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.

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, amortisation and impairment charges

EBITDA margin is calculated as operating result plus depreciation, amortisation and impairment charges divided by revenue

Adjusted net result is calculated as net result attributed to equity holders adjusted for acquisition-related expenses and gains, impairments and material restructuring 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 borrowings

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.

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