



TomTom



TomTom Q2 2014 results

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Consumer

Operational highlights Q2 2014

- Rationalisation of the entire PND series to one software platform
- TomTom Cardio GPS sport watches now available in 26 countries
- Marketing campaign for Cardio launched in June

Strategy

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



PNDs



ATL CARDIO MARKETING CAMPAIGN

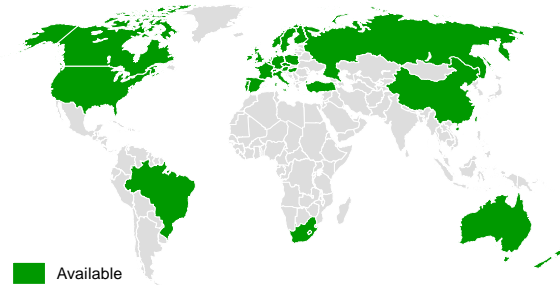
Automotive & Licensing

Operational highlights Q2 2014

- Daimler's Smart cars shipping with a new navigation system, featuring TomTom content and services
- Delivery of TomTom Traffic for Audi in China announced
- Real-time traffic service extended to Turkey
- TomTom mobile mapping fleet equipped with laser sensors (LiDAR) and high-resolution 3D cameras
- Advanced Driver Assistance Interface Specifications (ADASIS) Toolkit launched
- Partnership with AOL's MapQuest extended

Strategy

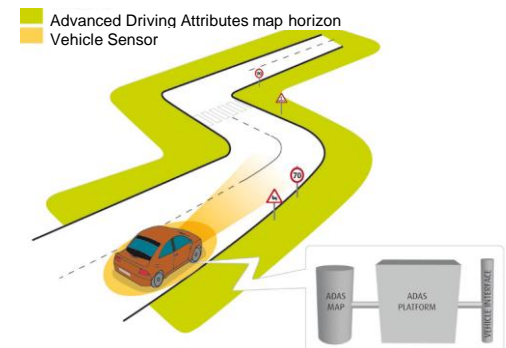
- Offer class leading software components and services as individual connected navigation system components such as fresh maps, traffic and navigation software
- License a wider portfolio of products and capitalise on our flexible approach to partnering with our customers



TOMTOM TRAFFIC – GLOBAL COVERAGE



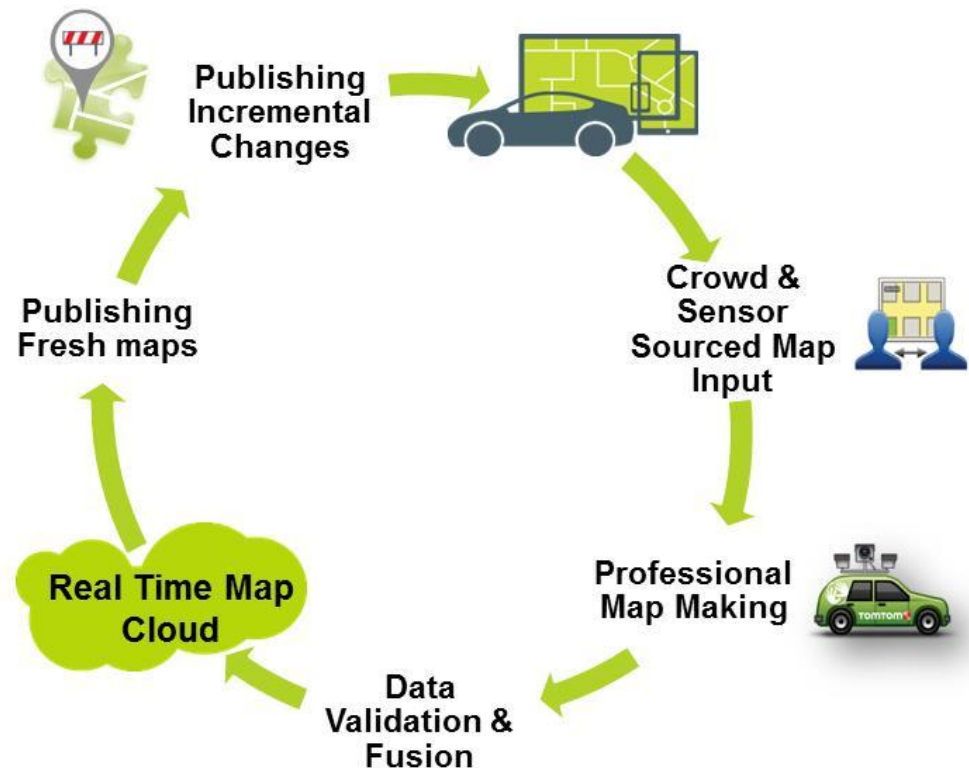
TOMTOM MOBILE MAPPING VAN



ADVANCED DRIVING ATTRIBUTES

TomTom map-making platform

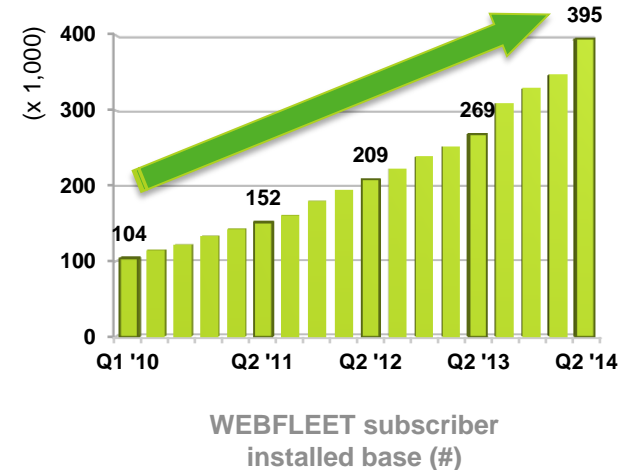
- Real-time map making platform substantially completed by the end of 2014
- TomTom is superior in combining multiple resources in its map-making process
- Unique map making capabilities: our maps will be updated on an incremental basis with high quality, high efficiency and at fast cycle times



Telematics

Operational highlights Q2 2014

- 395,000 vehicles subscribed to our WEBFLEET SaaS platform, a 47% increase YoY
- Acquisition of DAMS Tracking's installed base completed
- Partnership with Allianz announced in relation to a consumer telematics car insurance product
- First International Developer Conference successfully held in May



Strategy

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

Financial highlights Q2 2014

- Group revenue of €252 million (Q2 '13: €250 million)
- Gross margin of 56% (Q2 '13: 51%)
- OPEX of €130 million (Q2 '13: €120 million)
- EBIT of €10 million (Q2 '13: €8 million)
- Adjusted¹ EPS of €0.08 (Q2 '13: €0.07)
- Net cash of €51 million

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

Full year outlook 2014 increased

- Revenue of at least €925 million
- Adjusted¹ EPS of at least €0.25

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

NOTE:

February 2014 guidance: Revenue of around €900 million; Adjusted¹ EPS of around €0.20;

April 2014 guidance: Revenue of at least €900 million; Adjusted¹ EPS of around €0.25 (including one-off tax gain of €0.04 in Q1 '14)

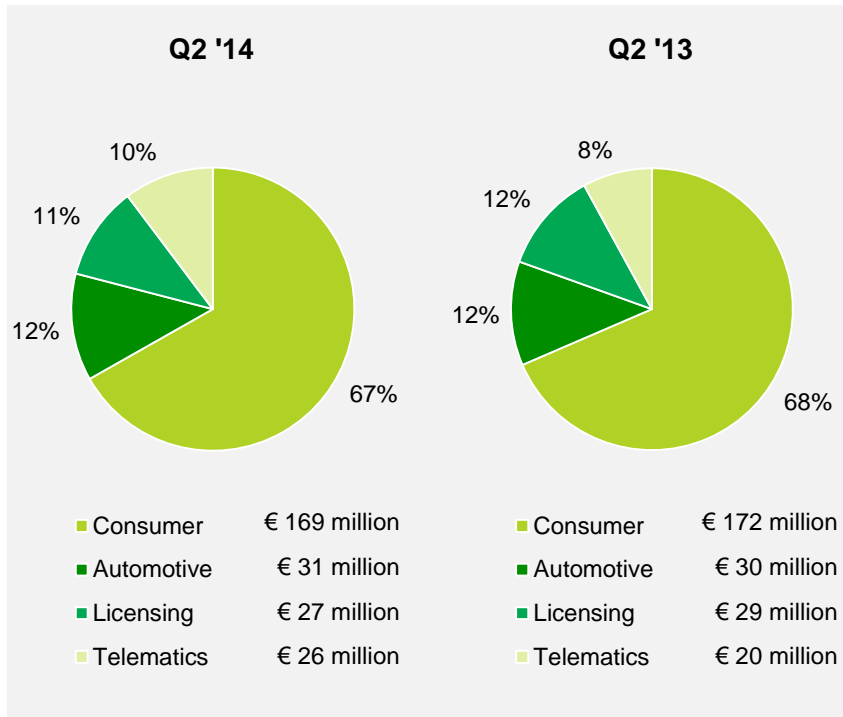
Thank you

Any questions?

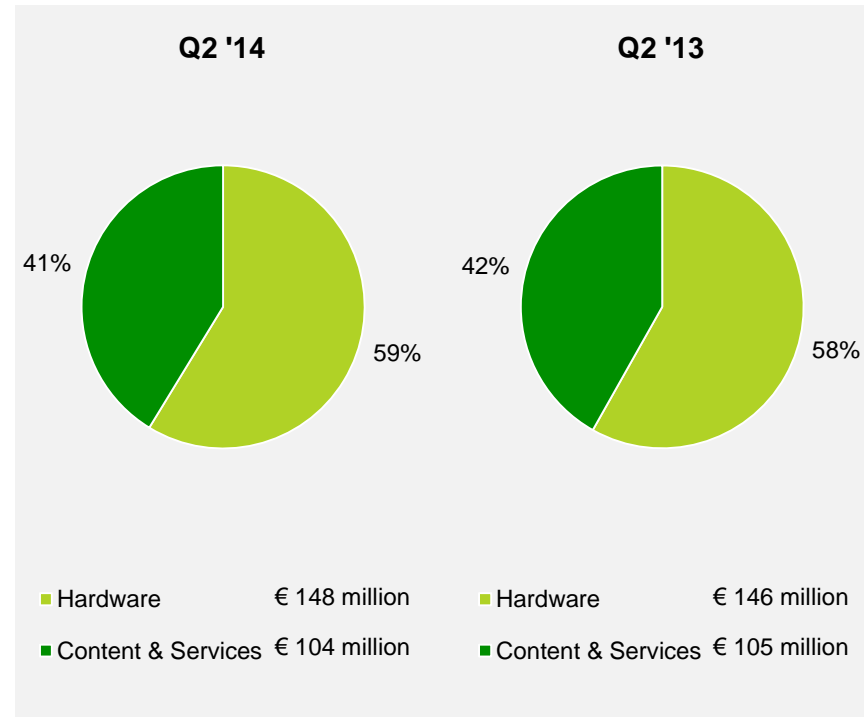
Revenue breakdown – quarterly

Q2 '14 group revenue: €252 million; Q2 '13: €250 million

Breakdown by segment¹



Breakdown by category¹



¹Revenue breakdown reflects TomTom's new reporting structure.

Quarterly P&L statistics

(€ in thousands)	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	H1 '14	FY '13
REVENUE	201,589	250,246	244,056	267,563	205,378	251,951	457,329	963,454
Cost of Sales	89,123	122,386	106,573	124,126	88,089	112,089	200,178	442,207
GROSS RESULT	112,466	127,860	137,483	143,437	117,289	139,862	257,151	521,247
Research and development expenses	38,961	44,422	41,118	43,655	43,178	46,225	89,403	168,155
Amortisation of technology and databases	18,908	19,392	20,962	22,175	21,182	21,114	42,296	81,436
Marketing expenses	10,749	11,314	12,825	27,908	9,298	21,499	30,797	62,796
Selling, general and administrative expenses	43,800	45,084	48,963	45,466	42,120	40,792	82,913	183,315
TOTAL OPERATING EXPENSES	112,418	120,212	123,868	139,204	115,778	129,630	245,409	495,701
OPERATING RESULT	48	7,648	13,615	4,233	1,511	10,232	11,742	25,546
Interest result	-1,116	-263	-765	-800	-1,020	10	-1,009	-2,945
Other financial result	-995	-1,299	358	317	-1,176	-306	-1,482	-1,619
Result of associates	254	2,560	166	112	136	-75	61	3,091
RESULT BEFORE TAX	-1,809	8,646	13,374	3,862	-549	9,861	9,312	24,073
Income tax	-387	-977	-2,009	-637	8,103	-1,010	7,094	-4,010
NET RESULT	-2,196	7,669	11,365	3,225	7,554	8,851	16,406	20,063
MARGINS								
Gross margin	56%	51%	56%	54%	57%	56%	56%	54%
Operating margin	0%	3%	6%	2%	1%	4%	3%	3%
EARNINGS PER SHARE (in €)								
Diluted EPS	-0.01	0.03	0.05	0.01	0.03	0.04	0.07	0.09
Diluted Adjusted EPS ¹	0.03	0.07	0.10	0.06	0.08	0.08	0.16	0.26

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

²Operating expenses breakdown reflects TomTom's new reporting structure.

Quarterly balance sheet statistics

(€ in thousands)	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	30-Jun-14
ASSETS						
NON-CURRENT ASSETS						
Goodwill	381,569	381,569	381,569	381,569	381,569	381,569
Other intangible assets	811,827	809,964	812,246	803,635	798,468	799,394
Other non-current assets	43,969	38,941	39,152	38,339	37,758	38,646
TOTAL NON-CURRENT ASSETS	1,237,365	1,230,474	1,232,967	1,223,543	1,217,795	1,219,609
CURRENT ASSETS						
Inventories	53,346	46,978	55,514	42,260	46,212	41,314
Receivables, prepayments & derivatives	173,848	175,338	175,206	153,926	142,624	180,592
Cash and cash equivalents	160,955	181,139	227,538	257,785	219,279	226,324
TOTAL CURRENT ASSETS	388,150	403,455	458,258	453,971	408,115	448,230
TOTAL ASSETS	1,625,515	1,633,929	1,691,225	1,677,514	1,625,910	1,667,839
EQUITY AND LIABILITIES						
TOTAL EQUITY	837,174	842,583	852,598	854,261	864,130	874,511
Deferred tax liability	168,118	167,825	167,106	171,727	166,356	163,896
Non-current borrowings	172,757	172,984	173,864	99,348	99,445	99,608
Current borrowings	0	0	106	74,089	74,219	74,284
Provisions	80,897	80,684	80,977	79,832	88,277	90,822
Trade payables	88,573	93,237	88,537	82,337	74,111	87,562
Deferred revenue	85,729	83,835	115,150	113,816	109,234	107,980
Other liabilities	192,267	192,781	212,887	202,104	150,138	169,176
TOTAL LIABILITIES	788,341	791,346	838,627	823,253	761,780	793,328
TOTAL EQUITY AND LIABILITIES	1,625,515	1,633,929	1,691,225	1,677,514	1,625,910	1,667,839
<i>(Net debt) / Net cash</i>	<i>-14,045</i>	<i>6,138</i>	<i>51,778</i>	<i>82,785</i>	<i>44,279</i>	<i>51,324</i>

Quarterly cash flow statistics

(€ in thousands)	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	H1 '14	FY '13
Operating result	48	7,648	13,615	4,233	1,511	10,232	11,742	25,546
Financial gains/(losses)	-2,643	-1,610	-323	-3,179	380	-34	331	-7,757
Depreciation and amortisation	28,708	32,212	27,416	29,083	28,184	26,673	54,856	117,419
Other	-582	2,276	-3,804	1,264	6,537	263	6,800	-845
Changes in working capital	1,533	-13,046	37,977	27,207	-49,332	1,236	-48,079	53,673
CASH GENERATED FROM OPERATIONS	27,064	27,480	74,881	58,608	-12,720	38,370	25,650	188,036
Interest received	382	613	73	71	103	1,061	1,164	1,139
Interest paid	-871	-635	-607	-749	-895	-824	-1,719	-2,863
Corporate income taxes (paid)/received	65,648	18,030	-3,389	-7,093	-1,127	-5,364	-6,490	73,196
CASH FLOWS FROM OPERATING ACTIVITIES	92,223	45,488	70,958	50,837	-14,639	33,243	18,605	259,508
CASH FLOWS FROM INVESTING ACTIVITIES	-20,789	-24,014	-24,459	-21,243	-23,878	-27,028	-50,908	-90,504
CASH FLOWS FROM FINANCING ACTIVITIES	-75,204	157	0	1,177	52	399	452	-73,869
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	-3,770	21,631	46,499	30,771	-38,465	6,614	-31,851	95,135

Impact of FX rate changes – quarterly

Actual key Q2 '14 financials recalculated based on last year (Q2 '13) and last quarter (Q1 '14) FX rates

(€ in thousands)	Q2 '14	Q2 '13	Q1 '14
REVENUE	252	254	252
Cost of Sales	112	116	112
GROSS RESULT	140	138	139
<i>Gross margin</i>	55.5%	54.4%	55.4%
P&L RATES IN €			
US dollar	1.38	1.30	1.37
GB pound	0.82	0.85	0.83
BALANCE SHEET RATES IN €			
US dollar	1.37	1.30	1.38
GB pound	0.80	0.86	0.83

Outstanding shares

Common shares outstanding end of Q1 '14	222,191,212
Common shares outstanding end of Q2 '14	222,311,912
Average shares outstanding in Q2 '14	222,237,582 (A)
In the money share options end of Q1 '14	7,200,100
In the money share options end of Q2 '14	11,737,143
Average potential dilutive share options outstanding Q2 '14*	6,849,701
Non dilutive share options:	4,740,291
<i>Average shares outstanding from dilution of options**</i>	2,109,410 (B)
<i>Average shares outstanding from dilution of other equity-settled grants</i>	173,858 (C)
Average fully diluted shares outstanding Q2 '14***	224,520,850 (A+B+C)

* 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 €5.22

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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