

An aerial night view of a city, likely Singapore, with a string of lights arching over the scene. The background is a white semi-transparent box containing text and icons. The icons include a truck, a cloud, a smartphone, and a car, all connected by a dotted line.

# Q1 2018 RESULTS

**TOMTOM** 

Harold Goddijn – CEO

Taco Titulaer – CFO

17 April 2018

# OPERATIONAL HIGHLIGHTS

- Automotive operational revenue increased by 42% in the quarter
- Additional TomTom Connected Car Services provided to Hyundai and Kia
- On-Street Parking reached coverage in 100 European cities
- Telematics installed base increased by 14% in the year, reaching more than 826,000 subscriptions

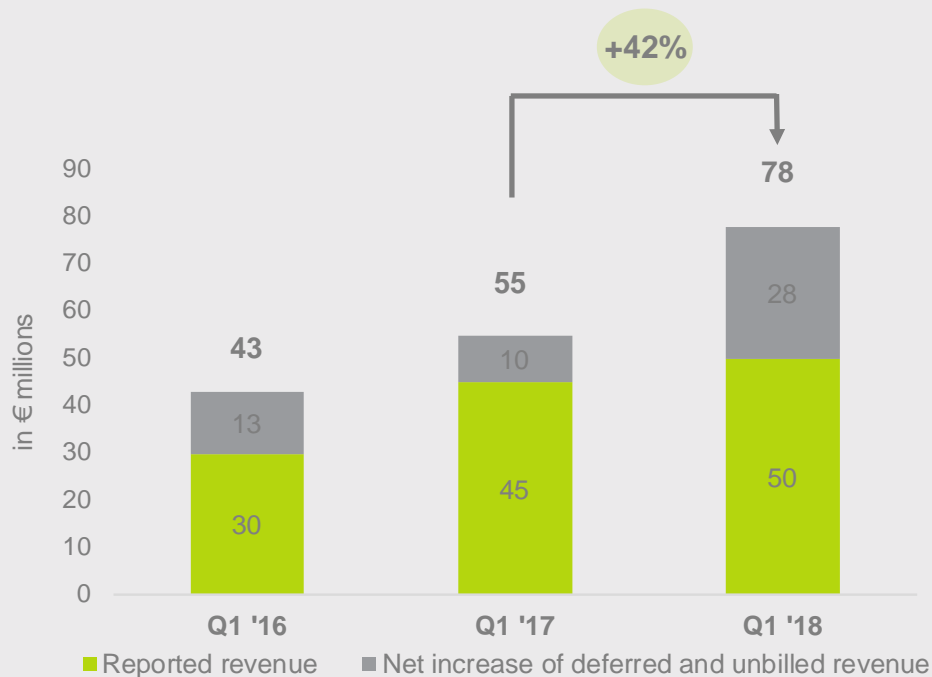
# FINANCIAL HIGHLIGHTS

- Revenue of €192 million (Q1 '17: €213 million)
- Gross margin of 70% (Q1 '17: 63%)
- EBITDA of €44 million (Q1 '17: €34 million)
- Adjusted EPS of €0.10 (Q1 '17: - €0.03)
- Net cash position of €129 million (Q1 '17: €79 million)
- Deferred revenue position of €275 million (Q1 '17: €232 million)

*Non-GAAP measures: see slide 12 for more information*

# STRONG GROWTH IN AUTOMOTIVE

## AUTOMOTIVE OPERATIONAL REVENUE



Q1 '16 revenue has not been restated under the new IFRS 15 accounting standards. Based on our assessment, the impact of IFRS 15 on full year 2016 revenues is not material.

# 2018 OUTLOOK REITERATED

	Outlook 2018
Revenue	~ €800 million
Gross margin (%)	close to 70%
Adjusted EPS	~ €0.25
OPEX & CAPEX <sup>1</sup>	~ €700 million

- For the period between 2016 and 2020, we expect the combined reported revenue of the Automotive, Enterprise and Telematics businesses to grow at a CAGR of around 12.5%, taking into account new IFRS accounting standards and current exchange rates<sup>2</sup>

<sup>1</sup> Excluding acquisitions

<sup>2</sup> Our previous expectation, and based on IAS 18 accounting standards, was a CAGR of 15% between 2016 and 2020. 2016 revenue has not materially changed under new IFRS accounting standards.

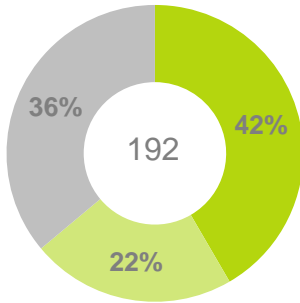
Non-GAAP measures: see slide 12 for more information

**THANK YOU**  
**Any questions?**

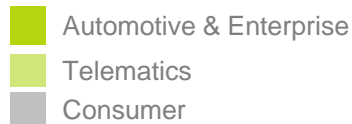
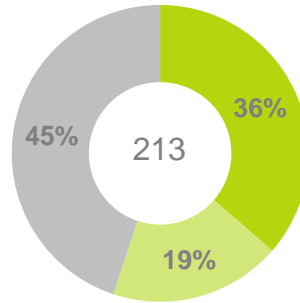
# REVENUE BREAKDOWN

## BY SEGMENT (€M)

Q1 '18

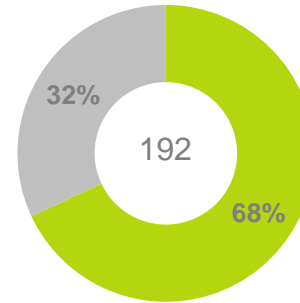


Q1 '17

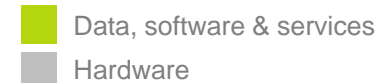
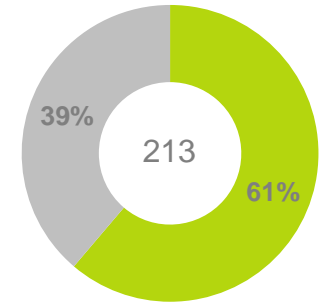


## BY TYPE (€M)

Q1 '18



Q1 '17



# P&L STATISTICS

(€ in thousands)	Q1 '17 Restated	Q2 '17 Restated	Q3 '17 Restated	Q4 '17 Restated	Q1 '18	FY '17 Restated
<b>REVENUE</b>	<b>213,034</b>	<b>253,014</b>	<b>218,649</b>	<b>218,191</b>	<b>191,779</b>	<b>902,888</b>
Cost of sales	79,557	90,397	74,457	88,698	58,252	333,110
<b>GROSS RESULT</b>	<b>133,476</b>	<b>162,617</b>	<b>144,192</b>	<b>129,493</b>	<b>133,527</b>	<b>569,778</b>
Research and development expenses	50,226	53,539	51,636	52,456	47,950	207,857
Amortisation of technology and databases	22,429	24,373	24,429	41,062	24,071	112,293
Marketing expenses	12,776	19,523	10,419	9,091	8,180	51,809
Selling, general and administrative expenses	49,571	50,956	58,092	56,471	46,440	215,091
Impairment charge		168,687				168,687
<b>TOTAL OPERATING EXPENSES</b>	<b>135,002</b>	<b>317,078</b>	<b>144,577</b>	<b>159,080</b>	<b>126,641</b>	<b>755,737</b>
<b>OPERATING RESULT (EBIT)</b>	<b>-1,526</b>	<b>-154,461</b>	<b>-385</b>	<b>-29,587</b>	<b>6,886</b>	<b>-185,959</b>
<b>EBITDA</b>	<b>34,009</b>	<b>50,392</b>	<b>35,488</b>	<b>38,373</b>	<b>44,200</b>	<b>158,262</b>
Interest result	-429	-554	-483	-427	-417	-1,893
Other financial result	398	1,458	-115	926	1,721	2,667
Result of associates	125	228	203	203	163	759
<b>RESULT BEFORE TAX</b>	<b>-1,432</b>	<b>-153,329</b>	<b>-780</b>	<b>-28,884</b>	<b>8,353</b>	<b>-184,426</b>
Income tax (expense)	-758	-3,028	-418	-5,776	-1,966	-9,980
<b>NET RESULT</b>	<b>-2,190</b>	<b>-156,357</b>	<b>-1,198</b>	<b>-34,660</b>	<b>6,387</b>	<b>-194,406</b>
<b>MARGINS</b>						
Gross margin	63%	64%	66%	59%	70%	63%
EBITDA margin	16%	20%	16%	18%	23%	18%
EBIT margin	-1%	-61%	0%	-14%	4%	-21%
<b>EARNINGS PER SHARE (in €)</b>						
Diluted EPS	-0.01	-0.67	0.00	-0.15	0.03	-0.83
Diluted Adjusted EPS <sup>1</sup>	-0.03	0.03	0.16	0.02	0.10	0.18

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



# BALANCE SHEET STATISTICS

(€ in thousands)	31-Mar-17 Restated	30-Jun-17 Restated	30-Sept-17 Restated	31-Dec-17 Restated	31-Mar-18
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Goodwill	423,577	254,899	254,525	256,319	256,115
Other intangible assets	771,148	770,558	765,922	718,397	705,387
Other non-current assets	102,096	99,690	93,942	99,093	100,142
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,296,821</b>	<b>1,125,147</b>	<b>1,114,389</b>	<b>1,073,809</b>	<b>1,061,644</b>
<b>CURRENT ASSETS</b>					
Inventories	62,556	54,301	53,141	31,609	33,576
Receivables, prepayments & derivatives	188,637	216,355	227,155	167,698	161,861
Cash and cash equivalents	84,427	85,041	105,220	120,850	128,537
<b>TOTAL CURRENT ASSETS</b>	<b>335,620</b>	<b>355,697</b>	<b>385,516</b>	<b>320,157</b>	<b>323,974</b>
<b>TOTAL ASSETS</b>	<b>1,632,441</b>	<b>1,480,844</b>	<b>1,499,905</b>	<b>1,393,966</b>	<b>1,385,618</b>
<b>EQUITY AND LIABILITIES</b>					
<b>TOTAL EQUITY</b>	<b>958,215</b>	<b>806,280</b>	<b>799,669</b>	<b>721,902</b>	<b>727,961</b>
Deferred tax liability	83,273	84,808	83,755	85,804	83,816
Borrowings	4,669	2,752	2,835	0	0
Lease liability	52,009	51,099	46,765	43,543	40,758
Provisions	84,691	81,137	90,027	80,900	78,261
Trade payables	73,845	75,288	64,510	51,441	54,999
Deferred revenue	231,598	239,579	258,227	261,304	275,197
Accruals and other liabilities	144,141	139,901	154,117	149,072	124,626
<b>TOTAL LIABILITIES</b>	<b>674,225</b>	<b>674,563</b>	<b>700,236</b>	<b>672,064</b>	<b>657,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,632,441</b>	<b>1,480,844</b>	<b>1,499,905</b>	<b>1,393,966</b>	<b>1,385,618</b>
<i>Net cash</i>	<i>79,047</i>	<i>82,041</i>	<i>102,220</i>	<i>120,850</i>	<i>128,537</i>

# CASH FLOW STATISTICS

(€ in thousands)	Q1 '17 Restated	Q2 '17 Restated	Q3 '17 Restated	Q4 '17 Restated	Q1 '18	FY '17 Restated
Operating result	-1,526	-154,461	-385	-29,587	6,886	-185,959
Financial gains/(losses)	1,916	-1,519	-3,315	615	-253	-2,303
Depreciation and amortisation	35,536	204,853	35,873	67,959	37,353	344,221
Other	-3,534	-334	13,821	2,939	-2,972	12,892
Changes in working capital <sup>1</sup>	-31,565	-16,219	5,927	56,818	-5,027	14,962
<b>CASH GENERATED FROM OPERATIONS</b>	<b>827</b>	<b>32,320</b>	<b>51,921</b>	<b>98,744</b>	<b>35,987</b>	<b>183,813</b>
Interest received	107	44	48	59	110	258
Interest (paid)	-454	-512	-449	-403	-444	-1,819
Corporate income taxes (paid)/received	-2,068	-3,163	-3,082	-341	-3,295	-8,654
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-1,588</b>	<b>28,689</b>	<b>48,438</b>	<b>98,059</b>	<b>32,358</b>	<b>173,598</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-49,376</b>	<b>-29,376</b>	<b>-24,918</b>	<b>-26,051</b>	<b>-22,279</b>	<b>-129,721</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-7,118</b>	<b>2,246</b>	<b>-3,193</b>	<b>-55,905</b>	<b>-2,087</b>	<b>-63,970</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-58,082</b>	<b>1,559</b>	<b>20,327</b>	<b>16,103</b>	<b>7,992</b>	<b>-20,093</b>

<sup>1</sup> Includes the movement of non-current deferred revenue.

# OUTSTANDING SHARES AND ADJUSTED EPS

at 31 March 2018

	Q1'18
Common shares outstanding at the beginning of the period	235,318,516
Common shares outstanding at the end of the period	235,318,516
<b>Average shares outstanding during the period*</b>	<b>230,086,000 [A]</b>
In the money share options at the beginning of the period	5,558,220
In the money share options at the end of the period	4,441,110
<b>Average potential dilutive share options outstanding during the period**</b>	<b>4,477,224</b>
Average non-dilutive share options during the period	2,786,358
<b>Average shares outstanding from dilution of options***</b>	<b>1,690,866 [B]</b>
Average shares outstanding from dilution of other equity-settled grants	474,944 [C]
<b>Average fully diluted shares outstanding during Q1'18****</b>	<b>232,251,810 [A+B+C]</b>
* Shares held in treasury (4711660 shares) are taken into account when calculating the 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 for the quarter was €8.13	
<b>Adjusted earnings per share calculation (in € million)</b>	<b>Q1'18</b>
Net result attributed to equity holders	6.4
Movement of deferred revenue, unbilled revenue and deferred CoS	21.1
Tax effect on movement of deferred revenue, unbilled revenue and deferred CoS	-4.9
<b>Adjusted earnings</b>	<b>22.6</b>
<b>Adjusted earnings per diluted share (in €)</b>	<b>0.10</b>

# 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 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.

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 revenue adjusted for the movement of deferred and unbilled revenue

**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 and amortisation charges

**EBITDA margin** is calculated as operating result plus depreciation and amortisation 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 minus the nominal value of our outstanding bank borrowings

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