

FIRST QUARTER 2019 RESULTS

FINANCIAL SUMMARY

- Group Revenue increased by 14% to €170 million (Q1 '18: €149 million)
- Location Technology revenue increased by 29% (Q1 '19: €103 million; Q1 '18: €80 million)
- Free cash flow for the quarter is an outflow of €20 million (Q1 '18: outflow of €7 million*)

OPERATIONAL SUMMARY

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

OUTLOOK

Full year outlook reiterated; expected Group revenue of €675 million, of which Location Technology revenue of €430 million, and around 10% FCF as a percentage of Group revenue.

TOMTOM'S CHIEF EXECUTIVE OFFICER, HAROLD GODDIJN

"We had a good start of the year, winning the first two available HD map deals, which gives us an early position in this growth market. Additionally, a number of driver navigation deals were announced. Revenue in our core activities was up 29% year on year.

We will continue to invest in further improving the efficiency of our map-making platform and launch innovative products to enable driver navigation, automated driving and Maps APIs."

KEY FIGURES - Continuing operations

(€ in millions, unless stated otherwise)	Q1 '19	Q1 '18	y.o.y. change
Location Technology	102.9	79.8	29 %
Consumer	66.6	69.2	-4 %
Revenue	169.5	148.9	14%
Gross result	121.3	100.6	21%
Gross margin	72%	68%	
EBITDA	18.8	25.7	-27%
EBITDA margin	11%	17%	
Free cash flow (FCF)*	-20.2	-7.5	
FCF as a % of revenue	-12%	-5%	
Adjusted EPS, € fully diluted	0.00	0.08	

* Q1 '18 FCF from continuing operations is an estimate

OUTLOOK 2019

We are reiterating our full year guidance for our continuing operations.

(€ in millions, unless stated otherwise)	Outlook 2019	Actuals 2018
Revenue	675	687
Of which Location Technology	430	372
Adjusted EPS, € fully diluted	0.15	0.32
FCF as % of revenue	10%	13%

Location Technology revenue continues to grow by around 15% year on year, due to ramp-up of existing Automotive contracts and the extension of a partnership in Enterprise. Consumer is expected to continue its declining trend. We expect a gross margin of at least 70% in the year.

In order to advance our competitive positioning and further improve the efficiency of our map-making platform, OPEX and CAPEX will accelerate by around 10% year on year.

We reiterate our FCF guidance as a percentage of revenue of around 10%. The year started with an expected cash outflow and due to seasonality of customer payments, cash inflow materializes in the remainder of the year.

FINANCIAL AND BUSINESS REVIEW

REVENUE

Revenue for the first quarter amounted to €170 million, a 14% increase compared with the same quarter last year (Q1 '18: €149 million). Both Automotive and Enterprise showed strong year on year revenue increase, while Consumer showed a limited year on year decline.

Location Technology

(€ in millions)	Q1 '19	Q1 '18	y.o.y. change
Automotive	65.1	49.7	31 %
Enterprise	37.8	30.1	26 %
Location Technology revenue	102.9	79.8	29%

Location Technology revenue in the quarter was €103 million (Q1 '18: €80 million). Automotive generated revenue of €65 million in the quarter, representing a 31% increase year on year. The strong growth was the result of contracts that started at the end of 2018 and higher volumes from existing customers. Automotive operational revenue increased by 12% year on year (Q1 '19 €87 million vs Q1 '18 €78 million). Automotive operational revenue is impacted by the timing of invoicing.

Enterprise revenue in Q1 '19 was €38 million, 26% higher than the same quarter last year (Q1 '18: €30 million), mainly due to the expansion of our partnership with Microsoft.

Automotive business announced a series of new deals with OEMs during the quarter. At the Geneva Motor show, we disclosed that Nissan chose TomTom to provide Maps, Traffic, Online Search and EV Service for its Nissan LEAF. We were also awarded a multi-year global deal to provide traffic service to Volkswagen Group car brands, including Volkswagen, Audi, Porsche, Skoda, Lamborghini and Bentley. In addition, we will supply connected navigation solutions to Fiat Chrysler Automobiles' Jeep Renegade and Compass Plug-in Hybrid Electric Vehicles.

We made headways and secured market leadership in HD mapping with the announcement that we have closed two deals with top 10 car makers for HD maps. Furthermore, in collaboration with Elektrobit, we released an industry-first HD map horizon using our AutoStream technology, for automated driving. An HD map horizon helps vehicles to build a highly accurate virtual picture of the road ahead, enhancing driver safety and comfort.

After quarter-end, we announced that our full stack of navigation components was chosen by MG Motor to power its first ever car in India, the connected car MG Hector. The launch also marks our ground-breaking new service, TomTom IQ Maps.

In Enterprise, we announced a collaboration with Moovit and Microsoft for the first comprehensive multi-modal trip planner, a solution to reduce congestion in cities around the world that will enable

developers to build richer apps for consumers to get around their cities. The solution identifies all of the driving, parking, and public transit options, and surfaces them in a single package for map users.

Enterprise also launched Geo-fencing APIs during Developer Week 2019 in Silicon Valley, as well as continuing to make strides in the process of building our developer community by launching a dedicated blog and a Twitter handle, both valuable developer engagement tools.

Consumer

(€ in millions)	Q1 '19	Q1 '18	y.o.y. change
Consumer products	53.0	57.0	-7 %
Automotive hardware	13.6	12.2	12 %
Total Consumer revenue	66.6	69.2	-4%

Total Consumer revenue for the quarter was €67 million, 4% lower compared with the same quarter last year (Q1 '18: €69 million).

GROSS MARGIN

The gross margin for the quarter was 72%, compared with 68% in Q1 '18, reflecting increasing proportion of high margin recurring data, software and services revenue in our product mix.

OPERATING RESULT

Operating result (EBIT) in the quarter was a loss of €13 million (Q1 '18: loss of €5 million).

Total operating expenses from continuing operations in the quarter was €134 million, an increase of €29 million compared with the same quarter last year (Q1 '18: €105 million), mainly as the result of higher R&D employee expenses in combination with lower capitalization as our map making platform reached its intended use.

FINANCIAL INCOME, EXPENSES AND INCOME TAX

Total financial result from continuing operations for the quarter was a loss of €2.3 million (Q1 '18: gain of €0.6 million), which consisted primarily of foreign exchange loss from the revaluation of monetary balance sheet items.

The net income tax gain for the quarter was €0.1 million compared with an €1.9 million expense in Q1 '18.

ADJUSTED NET RESULT AND ADJUSTED EPS

(€ in millions, unless stated otherwise)	Q1 '19	Q1 '18
Net result from continuing operations	-15.3	-6.0
Movement of deferred and unbilled revenue	6.6	21.6
Acquisition related amortization	11.6	11.6
Tax impact	-3.8	-7.7
Adjusted net result	-0.9	19.5
Adjusted EPS, € fully diluted	0.00	0.08

The net result from continuing operations for the quarter was a loss of €15 million compared with a loss of €6 million in Q1 '18. Adjusted net result for the quarter was a loss of €0.9 million, which translates to a fully diluted adjusted EPS of €0.00 (Q1 '18: €0.08).

NET MOVEMENT OF DEFERRED AND UNBILLED REVENUES

(€ in millions)	Q1 '19	Q1 '18
Automotive	21.6	28.0
Enterprise	-7.9	-0.7
Consumer	-7.1	-5.7
Total	6.6	21.6

The net movement in Enterprise for the quarter is explained by the timing of invoicing of certain customers.

BALANCE SHEET

WORKING CAPITAL

Trade receivables were €100 million in Q1 '19 compared with €93 million at the end of 2018. The inventory level at the end of the quarter was €26 million, which is in line with the end of last year.

Current liabilities excluding both deferred revenue and assets held for sale were €182 million compared with €216 million at the end of 2018. The decrease is mainly due to a decrease in 'accruals and other liabilities' reflecting personnel bonus payments in Q1 '19.

DEFERRED REVENUE

(€ in millions)	31 Mar 2019	31 Dec 2018
Automotive	195.0	172.1
Enterprise	10.7	17.4
Consumer	85.5	91.4
Total	291.1	280.9

Total deferred revenue was €291 million at the end of Q1 '19, compared with €281 million at the end of 2018. The sequential increase is driven by increase of Automotive deferred revenue, offset by releases of deferred revenue in Consumer and Enterprise.

CASH FLOW

In Q1'19, the free cash flow (FCF) from continuing operations was an outflow of €20 million versus an outflow of €7 million in the same quarter last year. The year on year decrease was mainly driven by higher personnel costs, including higher bonus payments, the settlement of accounts payable and the timing of invoicing resulting in a higher unbilled receivables balance.

Total cash flow from operating activities, including discontinued operations, totaled €1 million for the quarter, compared to €32 million in the same quarter last year.

The cash flow used in investing activities for continuing operations in the quarter was €9 million, a €12 million decrease compared with the same quarter last year. The decrease reflects lower capitalization as our map-making platform reached its intended use and most of the investments benefit our existing product and service offerings.

CAPEX

(€ in millions)	Q1 '19	Q1 '18
Map content and map-making platform	6.2	15.9
Other	2.7	4.8
Total continuing operations	8.9	20.7
Telematics	1.0	1.7
Total	9.9	22.4

The cash flow from financing activities for the quarter was an outflow of €2.9 million (Q1 '18: outflow of €2.1 million). In the quarter, 124 thousand options were exercised (Q1 '18: 185 thousand options), related to our long-term employee incentive programs, resulting in a €0.5 million cash inflow (Q1 '18: €0.7 million).

On 31 March 2019, the group had no outstanding bank borrowings and reported a net cash position of €241 million (Q1 '18: net cash of €129 million). Included in the net cash position is an amount of €34 million which is presented as held for sale of which €30 million is generated by Telematics during the locked box period which commenced on 1 July 2018.

NET RESULT FROM DISCONTINUED OPERATIONS

The sale of Telematics to Bridgestone was completed on the 1st of April.

(€ in millions)	Q1 '19	Q1 '18	y.o.y. change
Telematics revenue	44.6	42.8	4 %
Gross profit	35.6	32.9	8 %
Operating expenses	16.6	21.2	-22 %
Operating profit	19.0	11.7	62 %
EBITDA	19.0	18.6	2 %
Net result discontinued operations	18.6	12.4	50%

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CONSOLIDATED CONDENSED STATEMENT OF INCOME

(€ in thousands)	Q1 '19	Q1 '18
	Unaudited	Unaudited
Revenue	169,527	148,943
Cost of sales	48,273	48,320
Gross profit	121,254	100,623
Research and development expenses	72,498	45,853
Amortization of technology and databases	24,474	23,769
Marketing expenses	6,945	5,934
Selling, general and administrative expenses	30,529	29,848
Total operating expenses	134,446	105,404
Operating result	-13,192	-4,781
Financial (expense)/income	-2,253	620
Result before tax	-15,445	-4,161
Income tax gain/(expense)	120	-1,868
Net result from continuing operations	-15,325	-6,029
Net result from discontinued operations	18,615	12,416
Net result	3,290	6,387
Attributable to:		
Equity holders of the parent	3,290	6,399
Non-controlling interests	0	-12
Net result	3,290	6,387
Earnings per share (in €):		
Basic	0.01	0.03
Diluted	0.01	0.03
Earnings per share from continuing operations (in €):		
Basic	-0.07	-0.03
Diluted	-0.07	-0.03

CONSOLIDATED CONDENSED BALANCE SHEET

(€ in thousands)	31 March 2019	31 December 2018
	Unaudited	Audited
Goodwill	192,294	192,294
Other intangible assets	613,978	634,728
Property, plant and equipment	29,263	26,380
Lease assets	36,401	35,393
Other contract related assets	12,162	10,426
Investments in associates	4,167	3,899
Deferred tax assets	5,450	5,296
Total non-current assets	893,715	908,416
Inventories	25,571	26,400
Trade receivables	99,631	92,530
Unbilled receivables	26,169	22,512
Other contract related assets	15,553	14,071
Other receivables and prepayments	45,522	54,998
Cash and cash equivalents	206,593	247,675
	419,039	458,186
Assets held for sale	155,325	128,323
Total current assets	574,364	586,509
Total assets	1,468,079	1,494,925
Equity attributable to equity holders of the parent	780,425	774,109
Lease liabilities	26,640	25,558
Deferred tax liability	78,827	80,436
Provisions	60,337	62,085
Deferred revenue	159,576	155,875
Total non-current liabilities	325,380	323,954
Trade payables	46,383	51,076
Lease liabilities	12,298	13,172
Provisions	26,977	28,990
Deferred revenue	131,569	125,035
Other contract related liabilities	36,376	38,665
Income taxes	1,615	946
Accruals and other liabilities	58,055	83,571
	313,273	341,455
Liabilities associated with assets held for sale	49,001	55,407
Total current liabilities	362,274	396,862
Total equity and liabilities	1,468,079	1,494,925

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

(€ in thousands)	Q1 '19	Q1 '18
	Unaudited	Unaudited
Operating result from continuing operations	-13,192	-4,781
Operating result from discontinued operations	19,016	11,667
Operating result	5,824	6,886
Financial losses	-437	-253
Depreciation, amortization and impairment	31,971	37,353
Change in provisions	-1,107	-4,558
Equity-settled stock compensation expenses	911	1,586
Changes in working capital:		
Change in inventories	433	720
Change in receivables and prepayments	-4,537	3,291
Change in liabilities (excluding provisions)	-30,082	-9,038
Cash generated from operations	2,976	35,987
Interest received	277	110
Interest paid	-437	-444
Corporate income taxes paid	-1,887	-3,295
Cash generated from operating activities	929	32,358
Investments in intangible assets	-4,851	-18,815
Investments in property, plant and equipment	-5,062	-3,539
Dividends received	0	75
Cash used by investing activities	-9,913	-22,279
Change in lease liabilities	-3,434	-2,786
Proceeds on issue of ordinary shares	532	699
Cash used by financing activities	-2,902	-2,087
Net (decrease)/increase in cash and cash equivalents	-11,886	7,992
Cash and cash equivalents at the beginning of period	252,112	120,850
Exchange rate changes on cash balances held in foreign currencies	325	-305
Total cash and cash equivalents at the end of the period	240,551	128,537
Of which:		
Cash and cash equivalents classified as held for sale	33,958	0
Cash and cash equivalents at the end of the period	206,593	128,537

¹ Includes movements in the non-current portion of deferred revenue presented under non-current liabilities.

ACCOUNTING POLICIES

The condensed consolidated financial information for the three-month period ended 31 March 2019 and the related comparative information has been prepared using accounting policies and methods of computation which are based on International Financial Reporting Standards (IFRS) as disclosed in the Financial Statements for the year ended 31 December 2018.

Unless otherwise indicated, the quarterly condensed consolidated information in this press release is unaudited nor reviewed. Due to rounding, amounts may not add up precisely to totals. All change percentages are calculated before rounding.

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 as 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

FOR MORE INFORMATION

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AUDIO WEBCAST FIRST QUARTER 2019 RESULTS

The information for our audio webcast is as follows:

Date and time: 17 April 2019 at 14:00 CET

corporate.tomtom.com/presentations.cfm

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ABOUT TOMTOM

TomTom is the leading independent location technology specialist, shaping mobility with highly accurate maps, navigation software, real-time traffic information and services.

To achieve our vision of a safer world, free of congestion and emissions, we create innovative technologies that keep the world moving. By combining our extensive experience with leading business and technology partners, we power connected vehicles, smart mobility and, ultimately, autonomous driving.

Headquartered in Amsterdam with offices in 30 countries, TomTom's technologies are trusted by hundreds of millions of people worldwide.

For further information, please visit www.tomtom.com.

FORWARD-LOOKING STATEMENTS / IMPORTANT NOTICE

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 the company operates and the risk of a downturn in the market. Statements regarding market share, including the company'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.

This document contains inside information as meant in clause 7 of the Market Abuse Regulation.