



Bridgestone Europe To Acquire TomTom Telematics For €910 Million Cash Consideration

Bridgestone Europe NV/SA (“Bridgestone”), a subsidiary of Bridgestone Corporation in EMEA, has entered into an agreement with TomTom to acquire its telematics business, for a cash consideration of €910 million.

The transaction will bring together the world’s largest tyre and rubber company with the number one provider of digital fleet solutions in Europe, creating a leading data platform for connected vehicles. TomTom Telematics will accelerate Bridgestone on its journey to becoming a mobility solutions leader in the region, and the combination of both companies’ offerings will allow Bridgestone to cross-sell tyres and solutions to a larger customer base. Furthermore, the data access will enhance Bridgestone’s virtual tyre development and testing as well as connected tyre innovation benefiting all customers including OEMs.

New social, economic and technological megatrends are pushing the pace of change in the automotive industry and the future of vehicles is connected, autonomous, shared and electric. In that context, Bridgestone has identified digital mobility solutions and fleet solutions as a strategic priority. This is reinforced by the growing importance of fleets over individually-owned vehicles for transportation of people and goods. Increasing demand in the transportation industry means that fleet owners and managers need to maximise productivity and minimise total cost of ownership more than ever.

This latest investment builds on previous work at Bridgestone to strengthen its digital capabilities in EMEA. Specifically, the company has built capabilities in data collection from sensors, data platforms and analytics. This has resulted in the launch of a range of digital solutions and applications such as Tirematics, Mobox, FleetPulse and Bridgestone Connect.

TomTom Telematics, a front-runner in a double-digit growth industry, fits Bridgestone strategically as it has a large and growing installed user base of 860,000 vehicles of which more than two thirds are commercial. It has a tailored go-to-market system and a premium digital offering including WebFleet and NextFleet. Its strong underlying technologies based on data analytics rely on an open, scalable, secure and cloud-based platform. It handles on average over 800 million GPS positions, 3.3 million trips, and 200 million inbound messages per day.

Its platform enables customers such as commercial fleets, leasing companies or corporate fleets to make their operations more efficient. It also enables partnerships such as with OEMs because of the improved driver experience. TomTom Telematics’ management team has been successful in constantly growing its customer base and maintaining a profitable business year after year. The business is also well-positioned for future growth in fleet solutions and to develop new business models relying on software capabilities.

Bridgestone has the perfect set of assets to accelerate the TomTom Telematics business. It can draw on its strong brand equity, large customer base, preferred supplier status at many of the world’s leading vehicle manufacturers and fleets, and 2,600 points-of-sale in EMEA. In addition, Bridgestone brings its industry-leading R&D investment, and Rome-based Digital Garage dedicated to the development of digital mobility solutions.

Paolo Ferrari, CEO and President of Bridgestone EMEA, Executive Vice President of Bridgestone Group, said: *“We have found our perfect match in TomTom Telematics. Our complementary assets and capabilities will create a fleet solutions powerhouse and will further strengthen Bridgestone’s digital technology arm. Beyond scale, there would be considerable benefits by complementing our offerings, allowing us, among many other opportunities, to sell tyres and solutions across our customers. We are now well-positioned in EMEA to accelerate our data-driven business, expand our fleet customer base and seize fast-growing, profitable*

opportunities in the automotive mobility industry.”

“We recognise and respect the talent and skill of TomTom Telematics’ management team and its 670 employees. It’s our intention to foster and grow the business and support its current plans. We want TomTom Telematics to continue serving its customers as successfully as it has done over the last few years and take advantage of its number one position in a fast-growing market.”

“After a thorough review of multiple strategic options, we have determined that the sale of TomTom Telematics to Bridgestone is in the best interest of both TomTom Telematics and our core location technology business,” commented Harold Goddijn, CEO, TomTom. “We will continue to invest in our innovative map-making system, enabling faster map updates while lowering operational costs, paving the road towards autonomous driving.”

“TomTom Telematics is the number one Telematics Service Provider in Europe, and we continue to grow our installed base of vehicles we service globally,” added Thomas Schmidt, Managing Director, TomTom Telematics. “We look forward to accelerating our ambitious growth plan and seizing new opportunities as part of Bridgestone. In the meantime, we expect the transition to be seamless with no disruption for our customers, suppliers and employees.”

Transaction details

Upon closing, Bridgestone will acquire all issued and outstanding share capital of TomTom Telematics for a cash consideration of €910 million, subject to customary closing adjustments. The acquisition is being funded with available cash on the balance sheet and is expected to be EPS accretive in year one. It is only the telematics business unit of TomTom which is being acquired.

The transaction is anticipated to be completed latest in the second quarter of 2019. The transaction is still subject to the relevant regulatory approvals, the consultation with TomTom employee representative bodies, and approval of TomTom’s shareholders.

In connection with this transaction, Morgan Stanley is acting as exclusive financial advisor to Bridgestone and Simmons & Simmons is acting as legal advisor.

About Bridgestone in Europe, Middle East and Africa

We’re the EMEA business of the world’s largest tyre and rubber company. For almost 90 years, we’ve been providing the confidence to get people and goods where they need to go as conveniently as possible, without interruption. That’s as true today as ever and means we’re trusted where it matters most: where the vehicle meets the road. We’re brilliant chemists, engineers and data scientists with some of Europe’s most advanced factories and world-beating technology. We’re uncompromisingly focused on providing real solutions to the real problems that drivers face on the road every day. We keep them going, no matter what.

We’re present in 38 countries in EMEA, employing more than 18,300 people. We have 15 tyre plants in the region, a major R&D centre, and a proving ground. We’re proud to be the largest R&D spender in our industry, investing over €790 million over the past year.

For more information about Bridgestone in EMEA, please visit www.bridgestone.eu and www.bridgestonenewsroom.eu. Follow us on Facebook, Instagram, YouTube, Twitter and LinkedIn.

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 37 countries, TomTom’s technologies are trusted by hundreds of millions of people worldwide.

For more information, please visit www.tomtom.com

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