

3RD QUARTER 2018 RESULTS ANNOUNCEMENT

HIGHLIGHTS FROM THE QUARTER

Revenues

- **Revenues of 2,247 MNOK** (1,855 MNOK in third quarter 2017) – up 21%
Adjusted for currency and acquisitions, revenues were:
 - Up 14% for TOMRA Group
 - Up 9% in TOMRA Collection Solutions
 - Up 20% in TOMRA Sorting Solutions

Gross margin

- **Gross margin 44%**, up from 43% in third quarter 2017
 - Stable margins in TOMRA Collection Solutions
 - Improved margins in TOMRA Sorting Solutions

Operating expenses

- **Operating expenses of 587 MNOK** (496 MNOK in third quarter 2017)
 - Higher activity
 - BBC and New South Wales

EBITA

- **EBITA of 408 MNOK** – up 35% from third quarter 2017

Cashflow

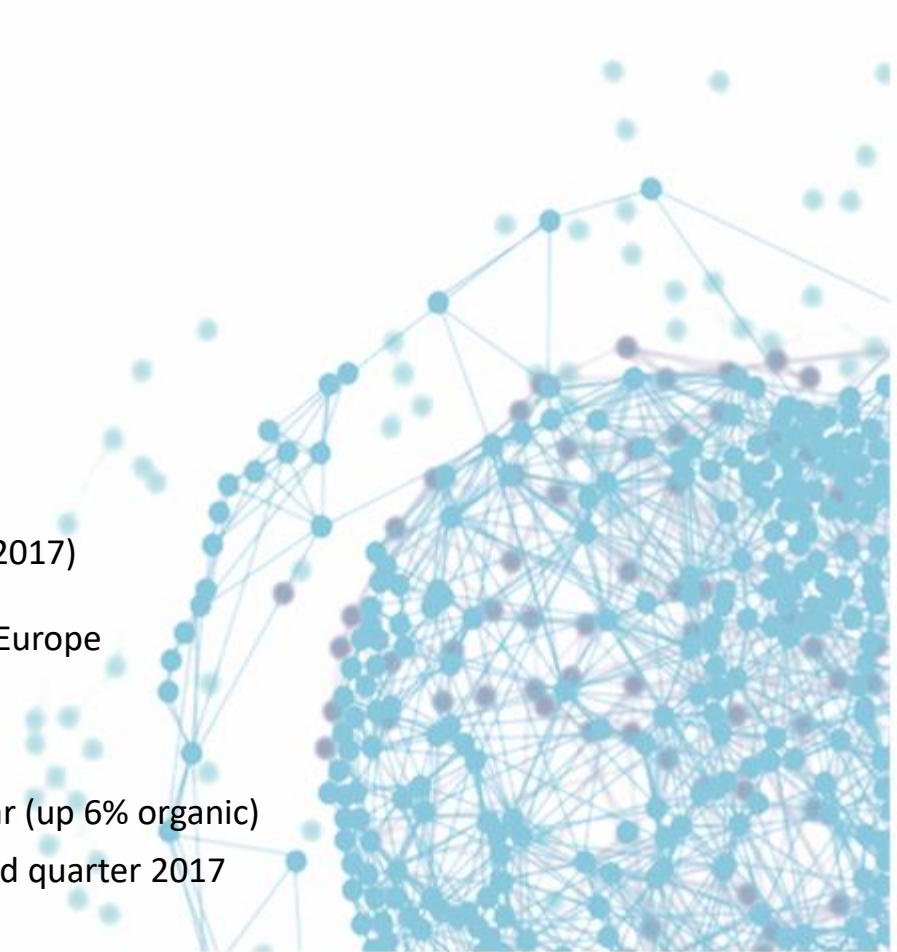
- **Cash flow from operations of 433 MNOK** (375 MNOK in third quarter 2017)

TOMRA Collection Solutions

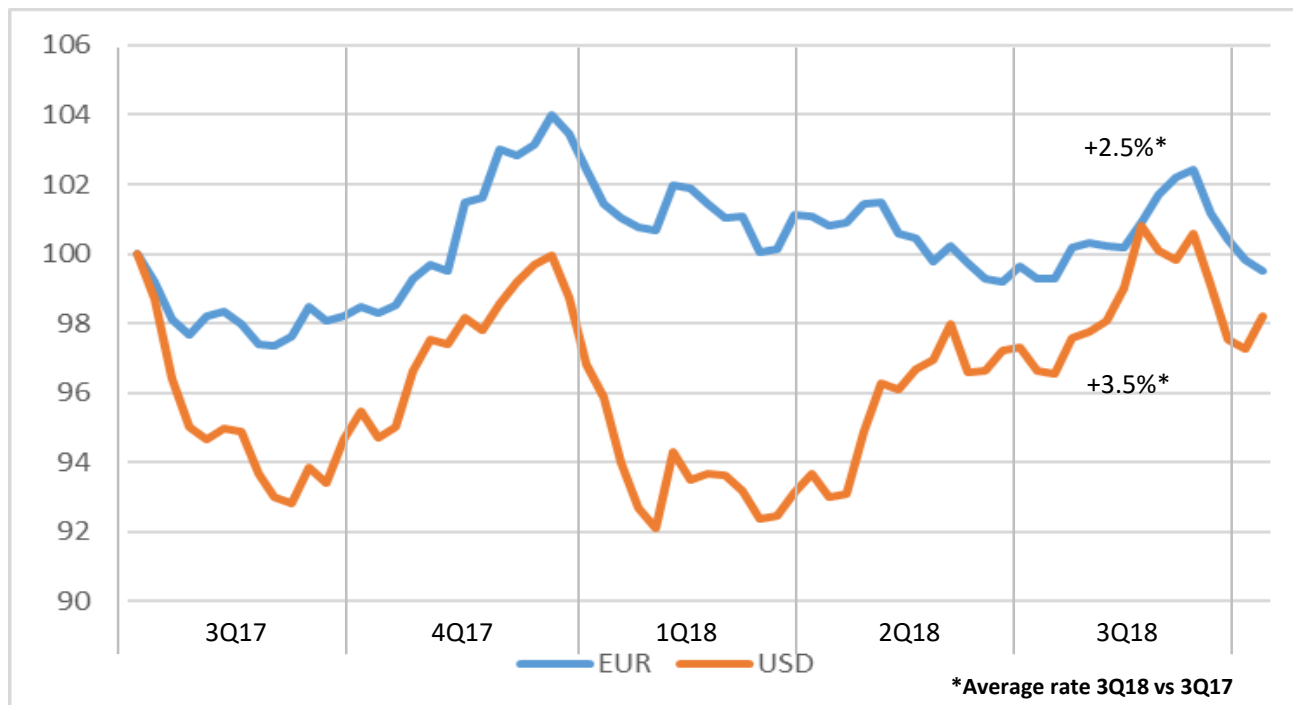
- Higher activity in North America, offset by somewhat lower activity in Europe
- Ramp-up in New South Wales completed

TOMRA Sorting Solutions

- **Order intake of 1,105 MNOK**, up from 964 MNOK same period last year (up 6% organic)
- **Order backlog of 1,579 MNOK**, up from 1,226 MNOK at the end of third quarter 2017



CURRENCY



**Overall limited
currency effect, still:**

TCS:
Positive impact from
both stronger EUR
and USD vs NOK.

TSS:
Positive impact by
weaker NOK and
stronger USD vs EUR.

Revenues and expenses per currency:

NOTE: Rounded figures

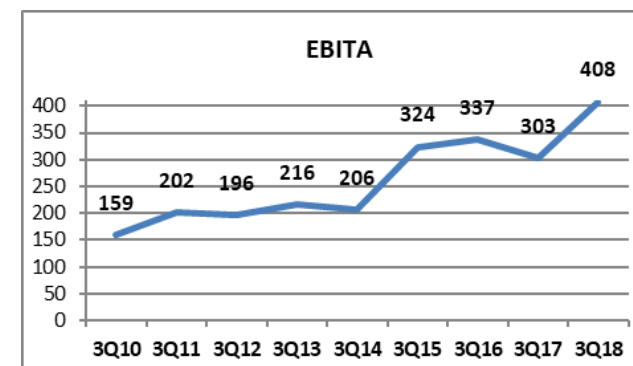
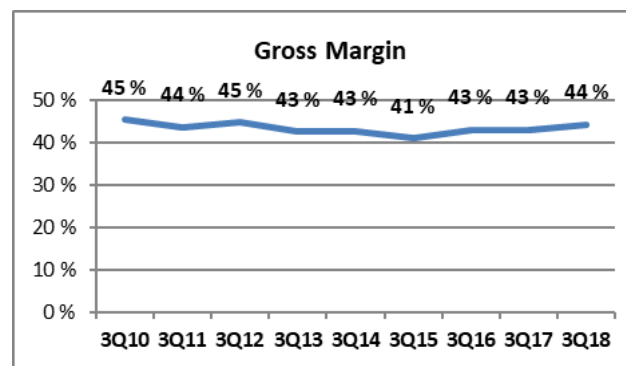
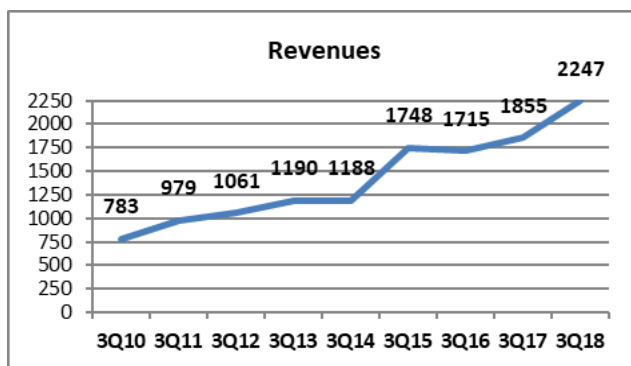
	EUR*	USD	NOK	NZD	OTHER	TOTAL
Revenues	45 %	45 %	0 %	0 %	10 %	100 %
Expenses	40 %	30 %	5 %	5 %	20 %	100 %
EBITA	50 %	100 %	- 20 %	- 20 %	-10 %	100 %

* EUR includes DKK

FINANCIAL HIGHLIGHTS

P&L STATEMENT

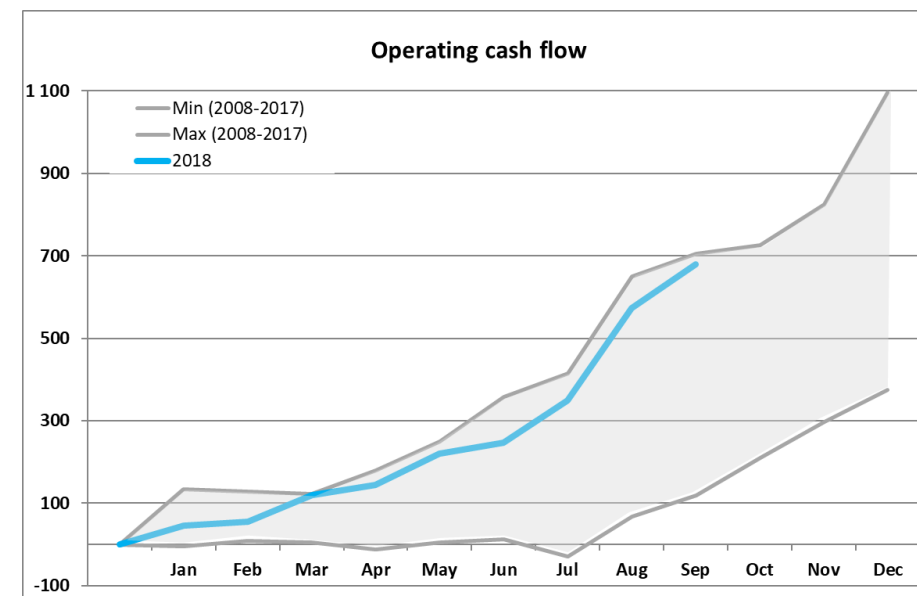
	3 rd Quarter			YTD 9 months		
<i>Amounts in NOK million</i>	2018	2017	17 Adj*	2018	2017	17 Adj*
Revenues	2,247	1,855	1,896	6,129	5,391	5,404
• Collection Solutions	1,135	1,024	1,044	3,124	2,876	2,897
• Sorting Solutions	1,112	831	852	3,005	2,515	2,507
Gross contribution	995	799	819	2,633	2,266	2,258
<i>in %</i>	<i>44%</i>	<i>43%</i>	<i>43%</i>	<i>43%</i>	<i>42%</i>	<i>42%</i>
Operating expenses	587	496	502	1,776	1,499	1,520
EBITA	408	303	317	857	767	738
<i>in %</i>	<i>18%</i>	<i>16%</i>	<i>17%</i>	<i>14%</i>	<i>14%</i>	<i>14%</i>



FINANCIAL HIGHLIGHTS

BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

<i>Amounts in NOK million</i>	30 Sept 2018	30 Sept 2017	31 Dec 2017
ASSETS	9,117	8,214	8,437
• Intangible non-current assets	3,653	3,314	3,412
• Tangible non-current assets	1,129	848	998
• Financial non-current assets	327	307	349
• Inventory	1,400	1,204	1,197
• Receivables	2,322	2,067	1,887
• Cash and cash equivalents	286	474	594
LIABILITIES AND EQUITY	9,117	8,214	8,437
• Equity	4,577	4,326	4,594
• Minority interest	156	174	143
• Interest bearing liabilities	1,487	1,214	1,280
• Non-interest bearing liabilities	2,897	2,500	2,420



Ordinary cashflow from operations

- 433 MNOK (375 MNOK in third quarter 2017)

Solidity

- 50% equity
- NIBD/EBITDA = 0.8x (Rolling 12 months)

A young boy with short brown hair is smiling and holding two aluminum cans up to his eyes, using them as makeshift binoculars. He is wearing a black long-sleeved shirt with a graphic of a dinosaur's head. The background is a plain, light-colored wall. A dark grey horizontal band is overlaid across the middle of the image, containing the text 'TOMRA COLLECTION SOLUTIONS' in white, uppercase letters.

TOMRA COLLECTION SOLUTIONS

HIGHLIGHTS COLLECTION SOLUTIONS

Overall

- **Revenues of 1,135 MNOK**, up from 1,024 MNOK in third quarter 2017
 - Revenues up 9% in local currencies, driven mainly by New South Wales' volumes
- **Gross margin was 43%** in the period
 - Unchanged from third quarter 2017
- **Operating expenses of 240 MNOK**, up from 202 MNOK in third quarter 2017
 - New South Wales
 - Ramp up
 - Currencies
- **EBITA increased** from 236 MNOK to **244 MNOK**

Europe

- Currency adjusted, revenues were slightly down in Europe

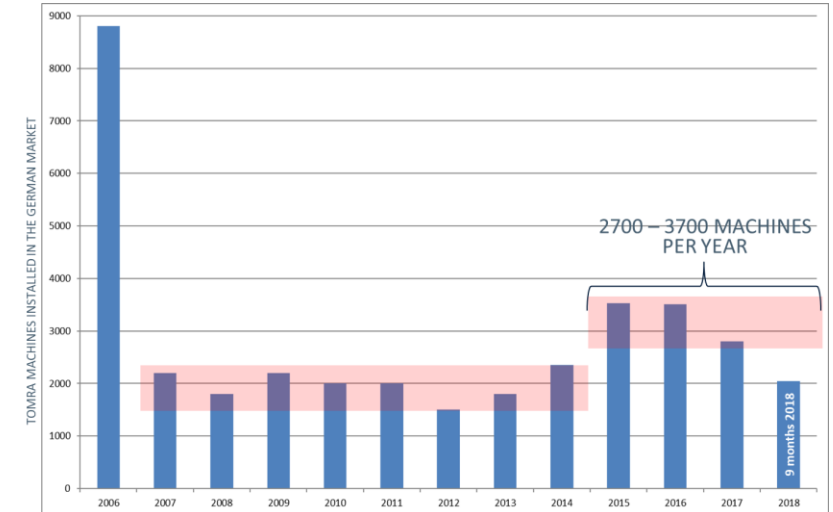
North America

- Currency adjusted, revenues were up in North America
 - Both machine sales and throughput volumes improved from last year

Australia

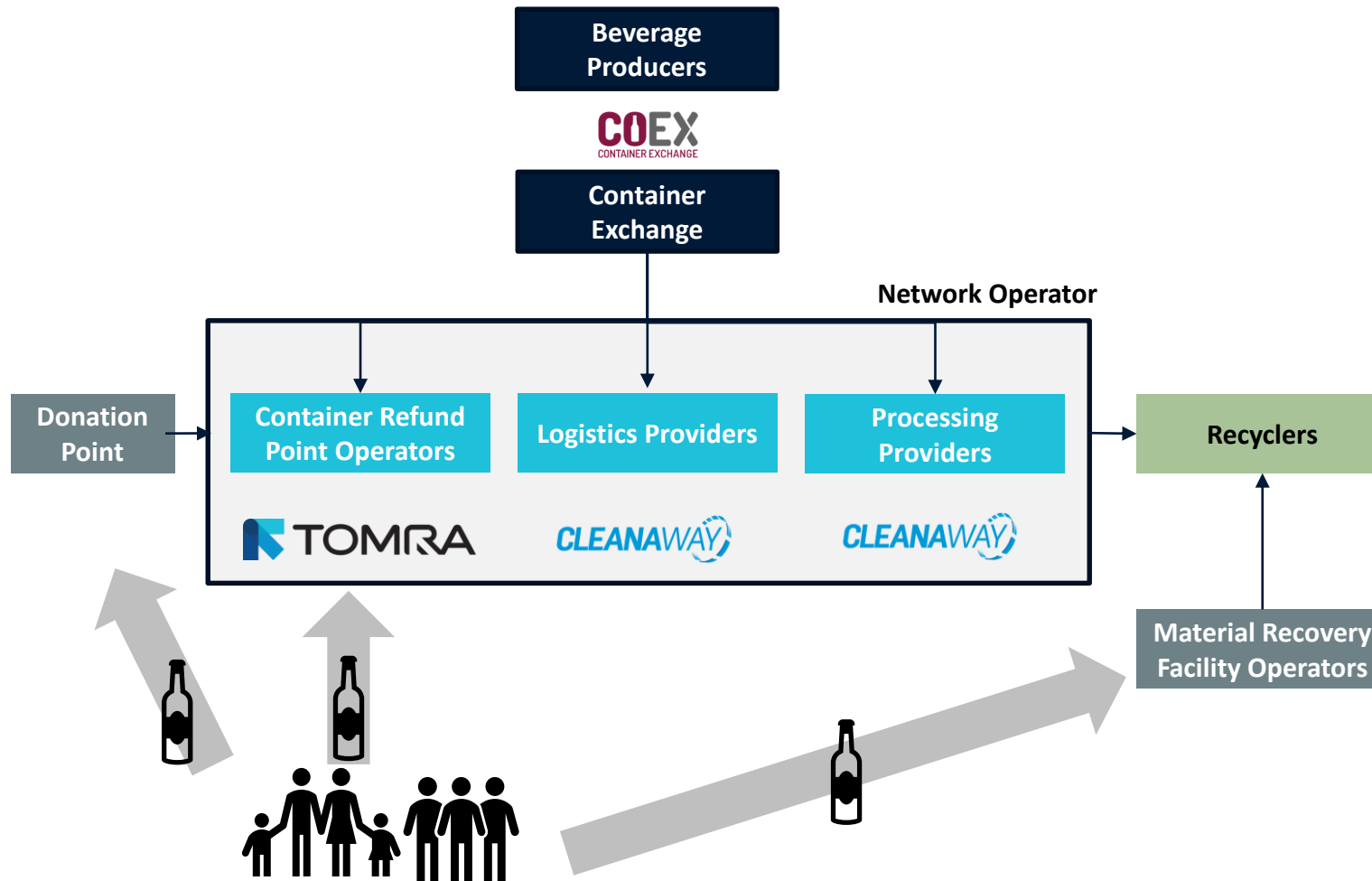
- Deposit introduced 1st of December 2017 in New South Wales
 - Ramp-up concluded in 3Q18
- Deposit to be introduced 1st of November 2018 in Queensland
 - Tomra to operate 10 Collection Refund Points

TOMRA machines installed in the German market



QUEENSLAND DEPOSIT SCHEME: LIVE FROM 1 NOVEMBER 2018

QLD Scheme: The Beverage Industry Governs the Scheme through Producer Responsibility Organization CoEx



- TOMRA and Cleanaway have signed standalone contracts directly with CoEx
- TOMRA will run 10 modern depots in the Greater Brisbane Area
- The depot need to sort in 8 fractions:
 - Glass
 - PET clear
 - PET color
 - Aluminum
 - Steel, Tetra Pak (Liquid Packaging Board), HDPE, Other Plastic95% of volume



POTENTIAL NEW DEPOSIT MARKETS



Western Australia

- Beverage containers accounts for 35% of all litter in WA
- Deposit value: 0.1 AUD (150mL – 3L)
- Utilize curbside recycling and other existing waste services
- Consultation round ended 10th of September 2018

Estimated Startup:
Early 2020



Scotland

- September 2017, First Minister Nicola Sturgeon announced a deposit return scheme for drink containers
- Aims to increase recycling rates from current levels of 50%
- Consultation round ended 25th of September 2018

Estimated Startup:
1/7/2020



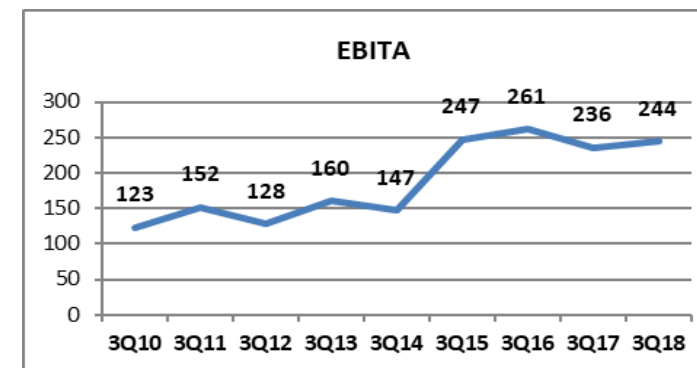
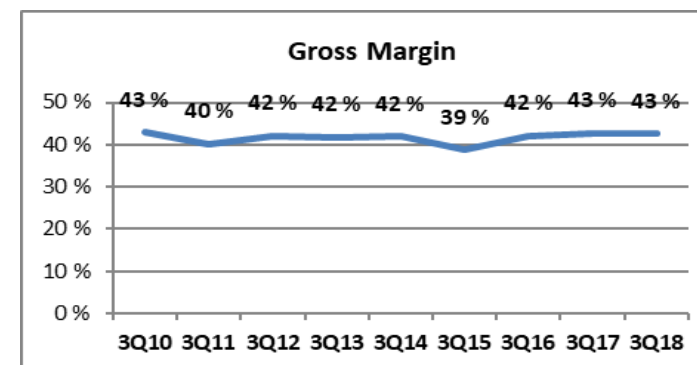
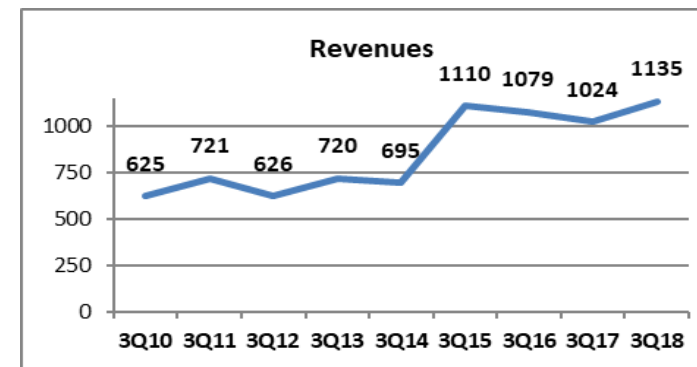
England

- March 2018, UK Environment Secretary Michael Gove announced plans for a deposit return scheme
- Consultation expected to be released within year end
- No known consultation round deadline

Estimated Startup:
1/1/2021

COLLECTION SOLUTIONS FINANCIALS

	3rd Quarter			YTD 9 months		
	2018	2017	17 Adj*	2018	2017	17 Adj*
<i>Amounts in NOK million</i>						
Revenues	1,135	1,024	1,044	3,124	2,876	2,897
• Northern Europe	147	146		457	434	
• Europe (ex Northern)	433	470		1,245	1,264	
• North America	467	397		1,202	1,143	
• Rest of the world	88	11		220	35	
Gross contribution	484	438	445	1,299	1,200	1,211
<i>in %</i>	43%	43%	43%	42%	42%	42%
Operating expenses	240	202	206	752	629	638
EBITA	244	236	239	547	571	573
<i>in %</i>	21%	23%	23%	18%	20%	20%



A collage of various metal scrap pieces. The top half shows a perforated metal sheet, a large cast metal part, and a dark metal piece. The bottom half shows a dark, textured metal piece, a large cast metal part, and a pipe with red markings. The text "TOMRA SORTING SOLUTIONS" is overlaid in the center.

TOMRA SORTING SOLUTIONS

HIGHLIGHTS SORTING SOLUTIONS

Revenues

- **Revenues** equaled **1,112 MNOK** in third quarter 2018, up from 831 MNOK in third quarter 2017
 - Adjusted for currency and acquisitions, revenues were up 20%
 - Includes BBC revenues of 93 MNOK in third quarter 2018

Gross margin

- **Gross margin 46%**
 - Up from 43% last year, due to product mix and higher activity
 - Improved or stable margins in all business streams

EBITA

- **EBITA of 184 MNOK** (83 MNOK in third quarter 2017)

Orders

- **Order intake of 1,105 MNOK**, up from 964 MNOK same period last year (+6% organic)
- **Order backlog of 1,579 MNOK**, up from 1,226 MNOK at the end of third quarter 2017



BUSINESS STREAM UPDATE



FOOD

- Stable revenues in 3Q18 compared to 3Q17
- Order intake slightly down in the quarter due to timing, but up year-to date
- BBC consolidated from 1 March 2018, ending third quarter with a backlog of 80 MNOK



RECYCLING

- Revenues in 3Q18 significantly up from 3Q17
- Order intake up quarter over quarter
- Order backlog significantly up from end of 3Q17

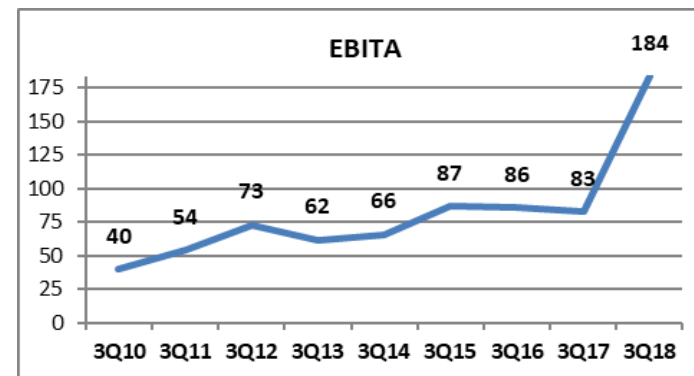
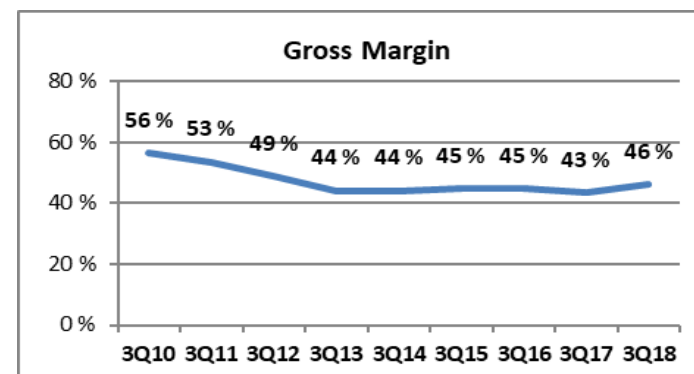
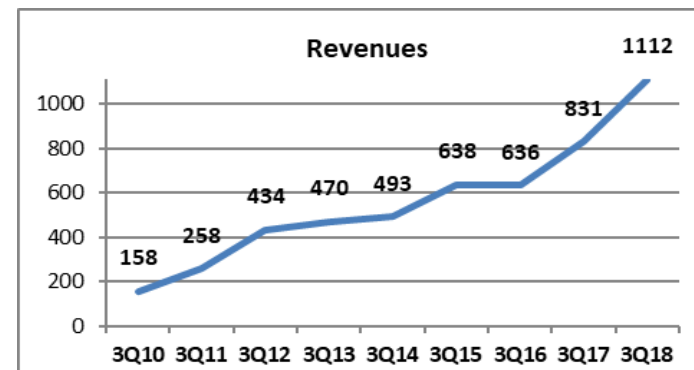


MINING

- Both revenues, order intake and backlog improved significantly in Mining

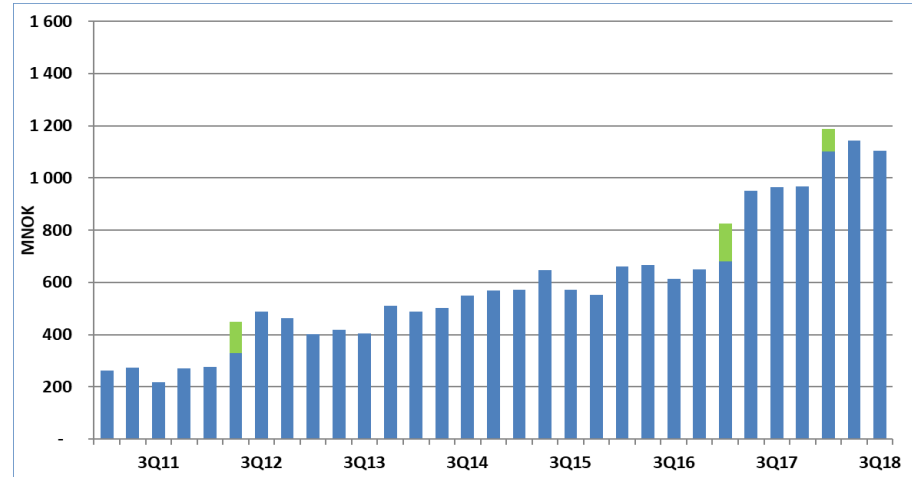
SORTING SOLUTIONS FINANCIALS

	3rd Quarter			YTD 9 months		
<i>Amounts in NOK million</i>	2018	2017	17 Adj*	2018	2017	17 Adj*
Revenues	1,112	831	852	3,005	2,515	2,507
• Europe	423	344		1,107	880	
• North America	336	242		1,024	928	
• South America	74	31		142	89	
• Asia	136	91		339	291	
• Oceania	97	73		254	212	
• Africa	46	50		139	115	
Gross contribution	511	361	374	1,334	1,066	1,047
<i>in %</i>	46%	43%	44%	44%	42%	42%
Operating expenses	327	278	280	964	822	832
EBITA	184	83	94	370	244	215
<i>in %</i>	17%	10%	11%	12%	10%	8%

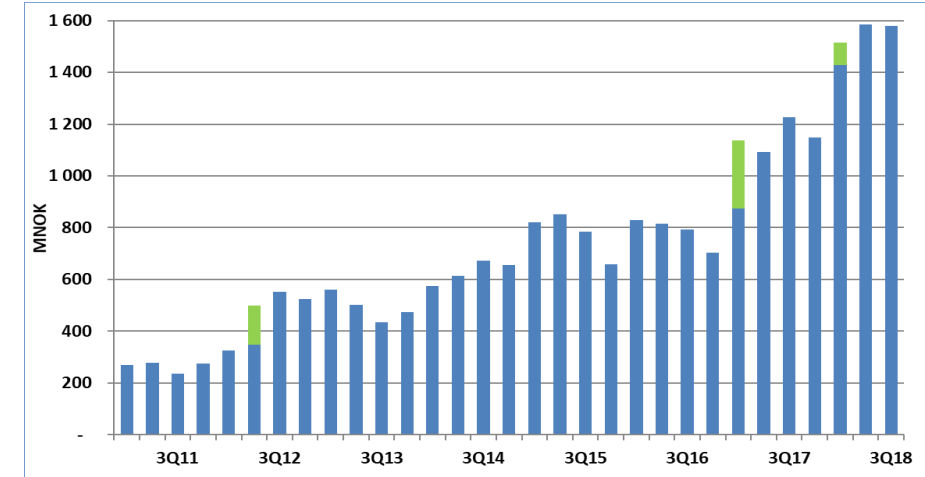


DEVELOPMENT IN ORDER INTAKE AND ORDER BACKLOG

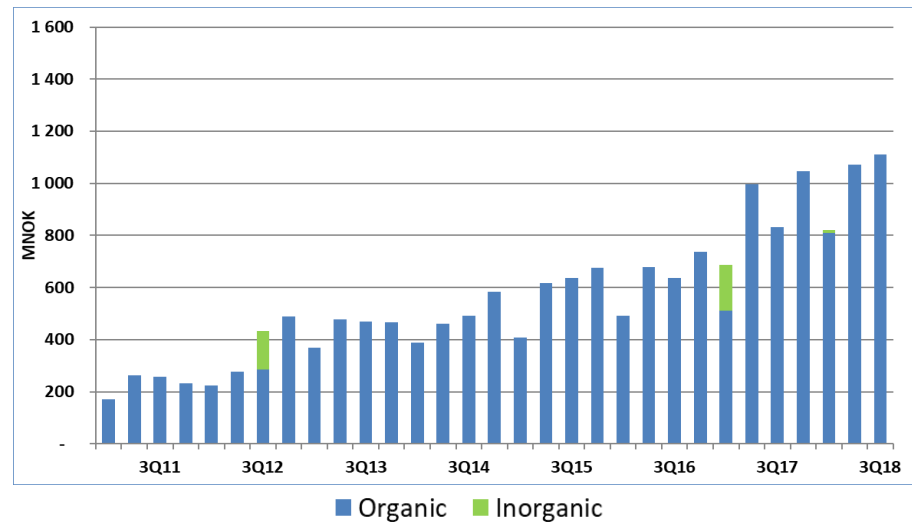
ORDER INTAKE



ORDER BACKLOG



REVENUES



- TOMRA Sorting Solutions (TSS):
 - Revenues of 1,112 MNOK, up from 831 MNOK last year
 - Order intake of 1,105 MNOK in the quarter, compared to 964 MNOK last year
 - Despite all time high revenues in the quarter, a strong order intake led to healthy order backlog of 1,579 MNOK by the end of third quarter
- Estimated backlog conversion ratio in 4Q18: 80%*

OUTLOOK



OUTLOOK

Collection Solutions

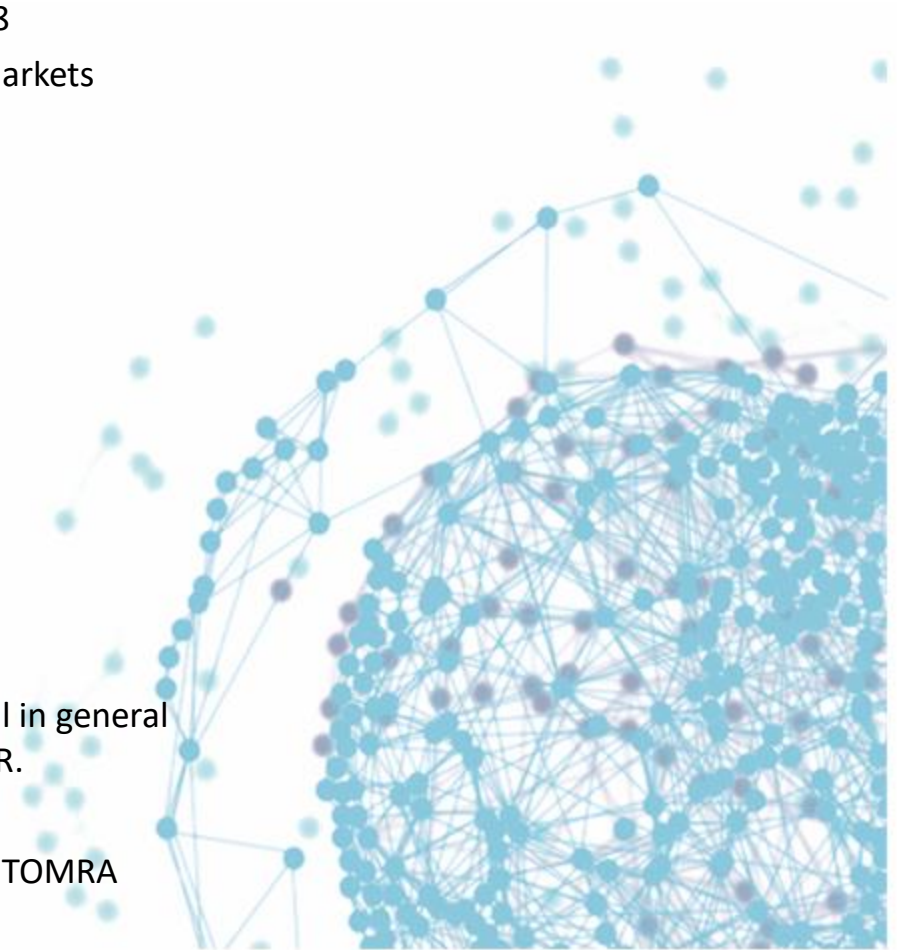
- Queensland ramp-up ongoing - go live 1st of November 2018
- Increased operating expenses due to preparation for new markets

Sorting Solutions

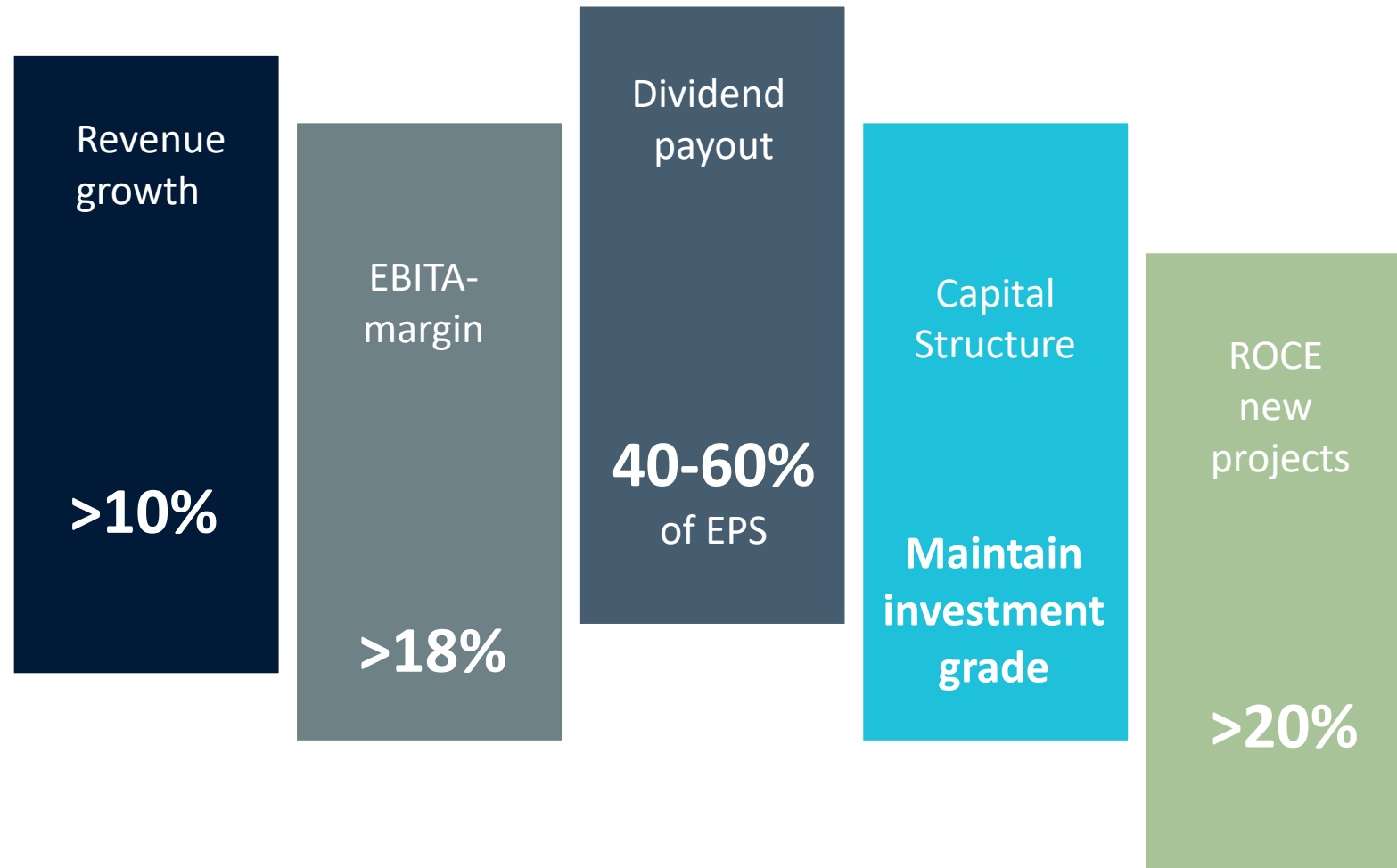
- Currently good momentum in all business streams

Currency

- Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, particularly measured against EUR.
- With significant revenues in USD and costs in EUR and NZD, TOMRA Sorting is exposed to USD/EUR and USD/NZD.



GROUP FINANCIAL TARGETS 2018-2023 – OUR AMBITIONS AFFIRMED



Q&A

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