

# 3<sup>RD</sup> QUARTER 2016 RESULTS ANNOUNCEMENT

# HIGHLIGHTS FROM THE QUARTER

## Revenues

- **Revenues of 1,715 MNOK** (1,748 MNOK in third quarter 2015)  
Currency adjusted revenues were:
  - Down 4% for TOMRA Group
  - Down 5% in TOMRA Collection Solutions
  - Down 2% in TOMRA Sorting Solutions

## Gross margin

- **Gross margin 43%**, up from 41% in third quarter 2015 (currency adjusted)
  - Improved margin in TOMRA Collection Solutions
  - Stable margin in TOMRA Sorting Solutions

## Operating expenses

- **Operating expenses of 408 MNOK** (393 MNOK in third quarter 2015)
  - Up 2% adjusted for currency

## EBITA

- **EBITA of 331 MNOK** (324 MNOK in third quarter 2015)

## Cashflow

- **Cash flow from operations of 348 MNOK** (384 MNOK in third quarter 2015)

## TOMRA Collection

- Good momentum in Germany, due to replacement demand
- Still high activity in the Nordic market, due to replacement in Sweden

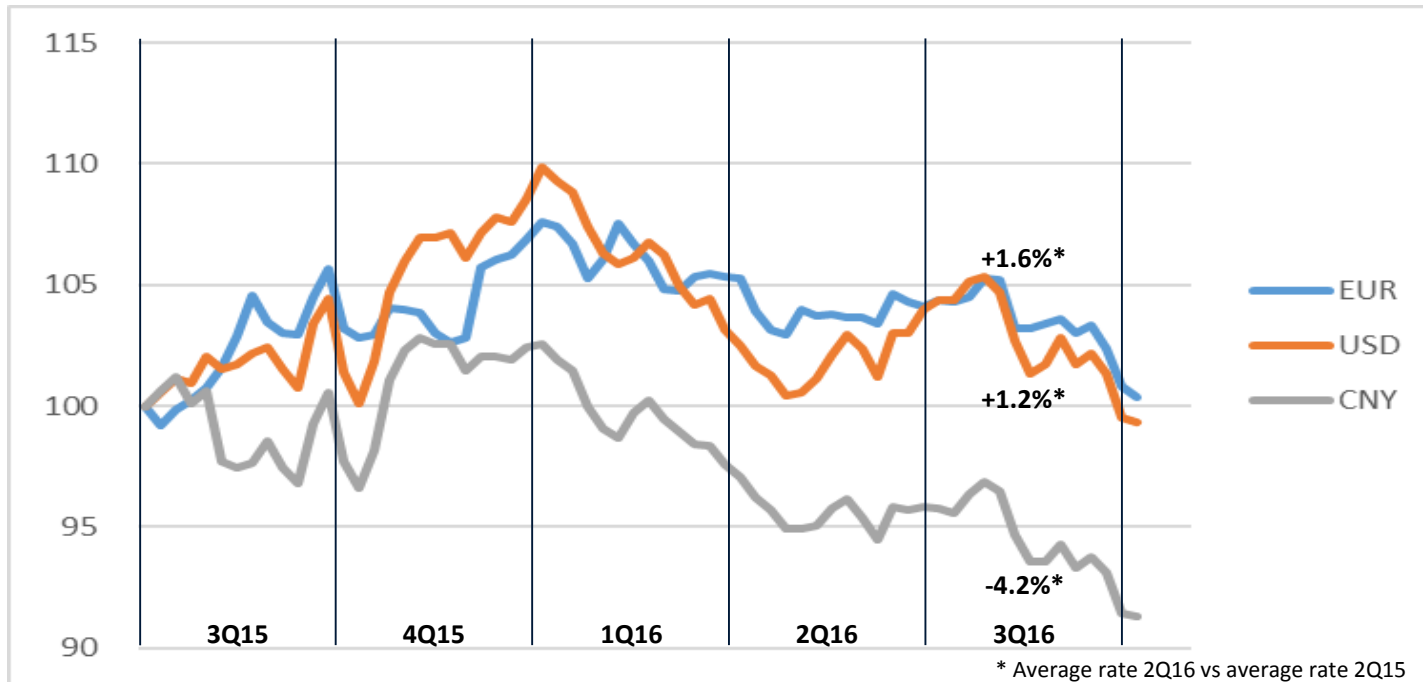
## TOMRA Sorting Solutions

- **Order intake of 613 MNOK**, up from 572 MNOK same period last year, currency adjusted up 5%
- **Order backlog of 793 MNOK**, down from 816 MNOK at the end of second quarter 2016

## Subsequent event

- TOMRA to acquire New Zealand Sorting Machine Manufacturer **Compac**

# CURRENCY



Limited impact from currencies in 3Q16 vs 3Q15

## Revenues and expenses per currency;

NOTE: Rounded figures

	EUR**	USD	NOK	SEK	OTHER	TOTAL
Revenues	45 %	30 %	5 %	10 %	10 %	100 %
Expenses	45 %	25 %	10 %	10 %	10 %	100 %
EBITA	45%	50 %	- 15 %	10 %	10 %	100 %

\*\* EUR includes DKK

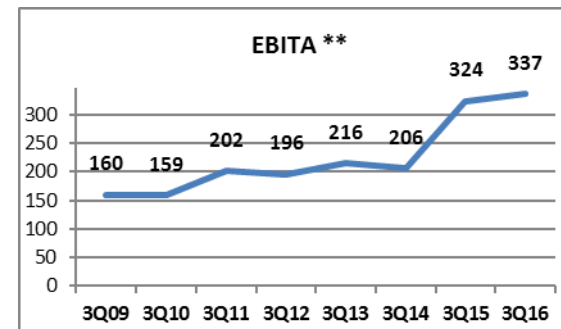
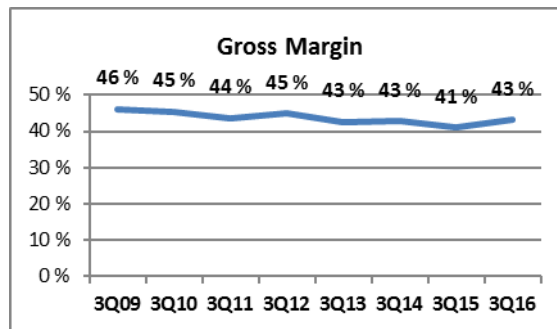
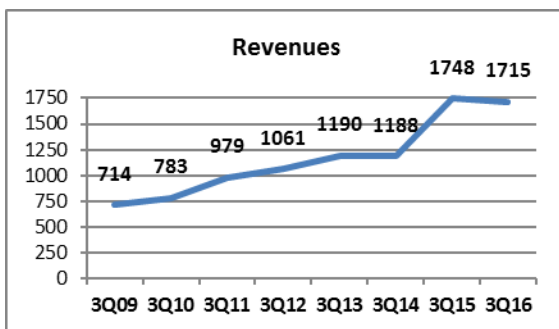
Mainly CNY

# FINANCIAL HIGHLIGHTS

## P&L STATEMENT

<i>Amounts in NOK million</i>	3 <sup>rd</sup> Quarter			YTD		
	2016	2015	15 Adj*	2016	2015	15 Adj*
<b>Revenues</b>	<b>1,715</b>	<b>1,748</b>	<b>1,779</b>	<b>4,844</b>	<b>4,327</b>	<b>4,575</b>
• Collection Solutions	1,079	1,110	1,129	3,037	2,664	2,811
• Sorting Solutions	636	638	650	1,807	1,663	1,764
<b>Gross contribution</b>	<b>739</b>	<b>717</b>	<b>731</b>	<b>2,071</b>	<b>1,812</b>	<b>1,920</b>
<i>in %</i>	43%	41%	41%	43%	42%	42%
Operating expenses	408	393	400	1,268	1,144	1,212
<b>EBITA</b>	<b>331</b>	<b>324</b>	<b>331</b>	<b>803</b>	<b>668</b>	<b>708</b>
<i>in %</i>	19%	19%	19%	17%	15%	15%
<i>One time costs included in operating expenses</i>	6	-	-	6	-	-

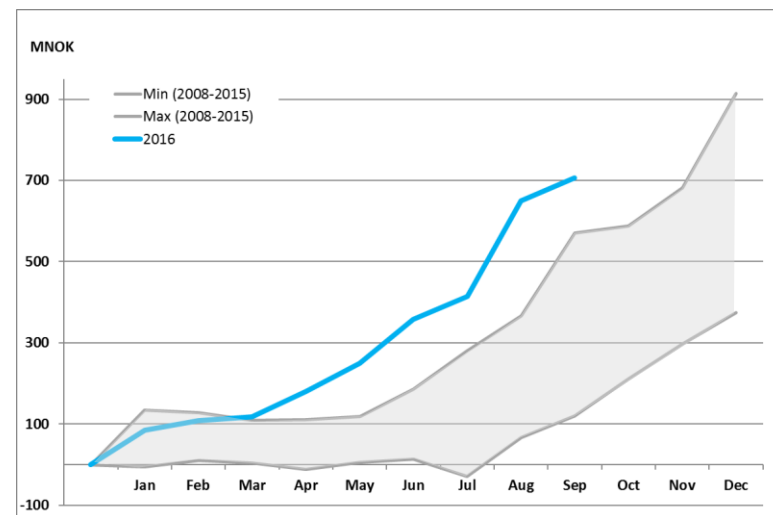
\*2015 actual restated at 2016 exchange rates, estimated



# FINANCIAL HIGHLIGHTS

## BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

<i>Amounts in NOK million</i>	<b>30 Sept 2016</b>	<b>30 Sept 2015</b>	<b>31 Dec 2015</b>
<b>ASSETS</b>	<b>7,206</b>	<b>7,318</b>	<b>7,317</b>
• Intangible non-current assets	2,745	2,816	2,891
• Tangible non-current assets	755	721	837
• Financial non-current assets	322	309	316
• Inventory	1,235	1,158	1,209
• Receivables	1,815	1,918	1,751
• Cash and cash equivalents	334	396	313
<b>LIABILITIES AND EQUITY</b>	<b>7,206</b>	<b>7,318</b>	<b>7,317</b>
• Equity	3,925	3,648	3,945
• Minority interest	173	136	160
• Interest bearing liabilities	980	1,439	1,206
• Non-interest bearing liabilities	2,128	2,095	2,006



### Ordinary cashflow from operations

- 348 MNOK (384 MNOK in 3Q 2015)

### Solidity

- 54% equity
- NIBD/EBITDA = 0.5 (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 t-shirt with a graphic of a clenched fist. 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 1,079 MNOK**, down from 1,110 MNOK in third quarter 2015
  - Revenues down 5% in local currencies
- **Gross margin was 42%** in the period
  - Up from 39% last year, due to product mix and one-offs
- **Operating expenses of 194 MNOK**
  - Up 4% currency adjusted
- **EBITA increased** from 247 MNOK to **261 MNOK**
  - Up 3% currency adjusted, due to improved gross margin

## Europe

- Currency adjusted revenues down 7% in Europe
  - Still good momentum in **Germany** due to replacement demand, but revenues down compared to a strong third quarter 2015
  - Nordic region continues to develop positively due to replacement in **Sweden** and **Lithuanian** deposit introduction

## North America

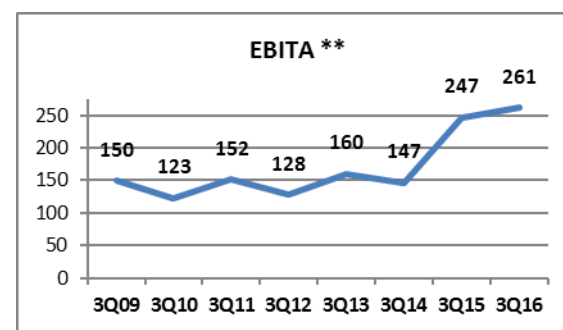
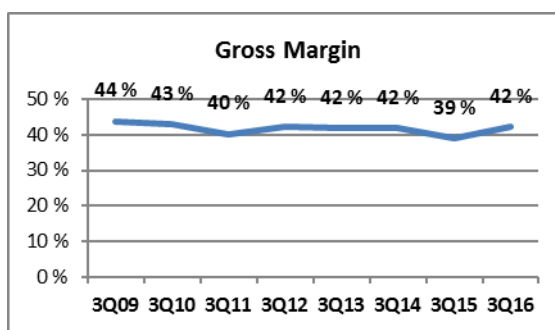
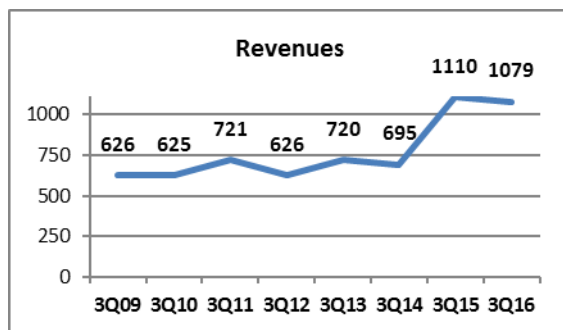
- US up 4% in local currencies
  - Increased machine sales compensated for somewhat lower throughput volumes



# COLLECTION SOLUTIONS FINANCIALS

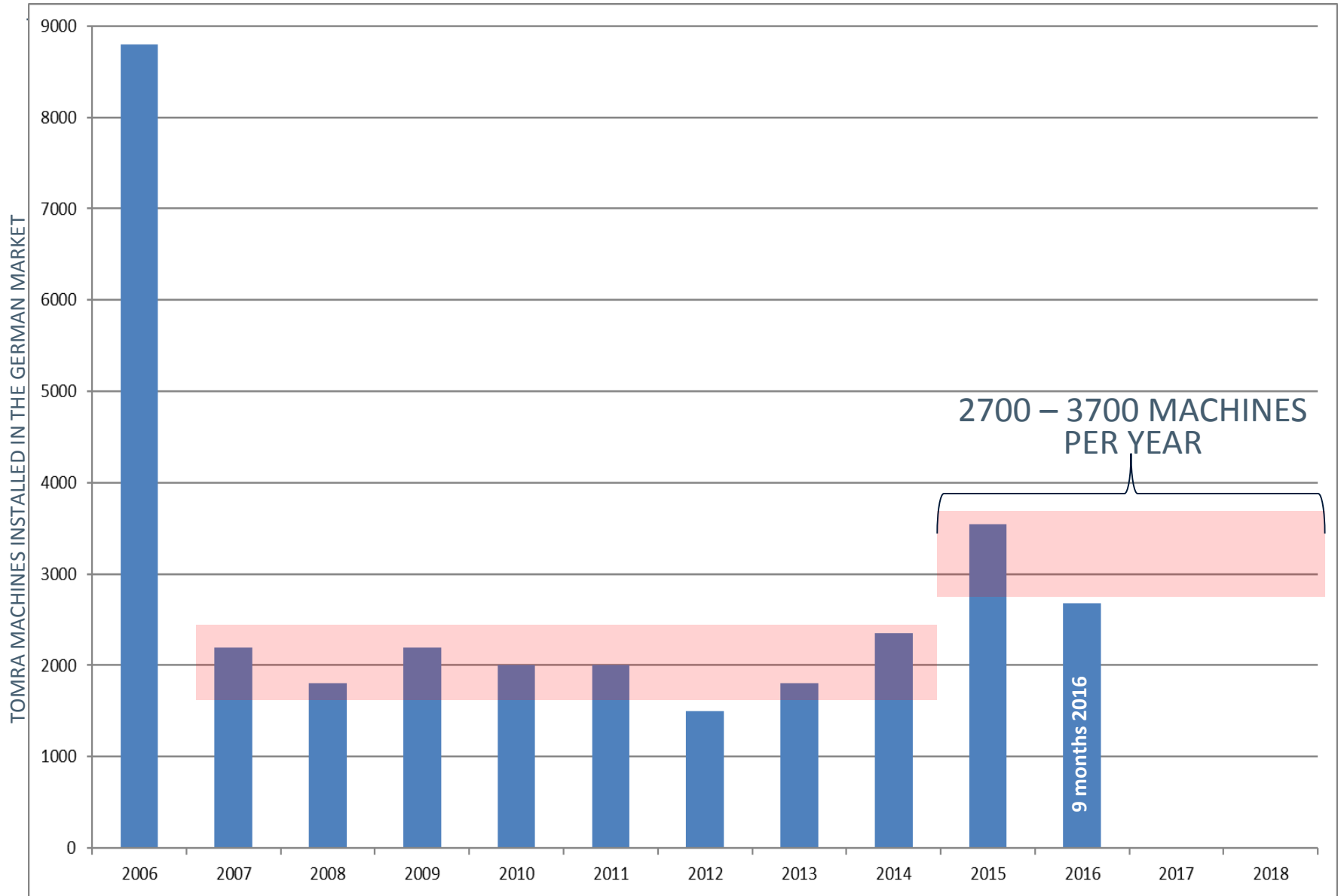
Amounts in NOK million	3 <sup>rd</sup> Quarter			YTD		
	2016	2015	15 Adj*	2016	2015	15 Adj*
<b>Revenues</b>	<b>1,079</b>	<b>1,110</b>	<b>1,129</b>	<b>3,037</b>	<b>2,664</b>	<b>2,811</b>
• Nordic	164	128		508	374	
• Europe (ex Nordic)	493	563		1,355	1,193	
• North America	408	385		1,120	1,040	
• Rest of the world	14	34		54	57	
<b>Gross contribution</b>	<b>455</b>	<b>431</b>	<b>440</b>	<b>1,262</b>	<b>1,069</b>	<b>1,132</b>
<i>in %</i>	42%	39%	39%	42%	40%	40%
Operating expenses	194	184	187	617	550	582
<b>EBITA</b>	<b>261</b>	<b>247</b>	<b>253</b>	<b>645</b>	<b>519</b>	<b>550</b>
<i>in %</i>	24%	22%	22%	21%	19%	20%

\*2015 actual restated at 2016 exchange rates, estimated





# GERMANY REPLACEMENT UPDATE





# TOMRA SORTING SOLUTIONS

# HIGHLIGHTS SORTING SOLUTIONS

## Revenues

- **Revenues equaled 636 MNOK** in third quarter 2016, down from 638 MNOK in third quarter 2015
  - Revenues down 2% in local currencies

## Gross margin

- **Gross margin stable at 45%**

## EBITA

- **EBITA of 86 MNOK** (88 MNOK in third quarter 2015)

## Orders

- **Order intake of 613 MNOK**, compared to 572 MNOK same period last year
- **Order backlog of 793 MNOK**, down from 816 MNOK at the end of second quarter 2016

## Product launch

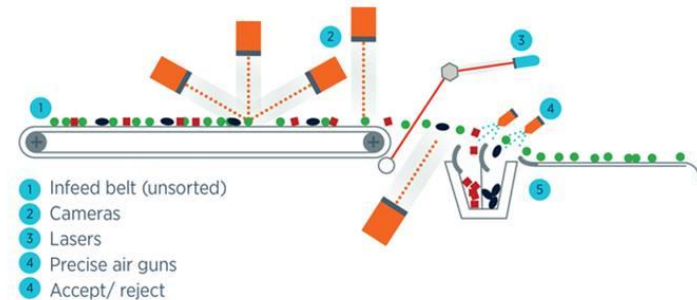
- The newest member of the TOMRA product family, **TOMRA 5B** was released 10<sup>th</sup> of October



# THE NEW TOMRA 5B: NEXT GENERATION FOOD SORTING MACHINE

## TOMRA 5B

- The TOMRA 5B optical belt sorting machine was built on the legacy of the TOMRA Genius sorter which holds a **leadership position in the vegetable, potato and fruit processing industries** worldwide
- User-friendly design, excellent performance, and state-of-the-art hygiene features that comply with the latest standards and regulations



# BUSINESS STREAM UPDATE

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## FOOD

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- Overall good momentum
- Revenues in 3Q16 in line with 3Q15
- Order intake up quarter over quarter

## RECYCLING

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- Continuing low commodity prices have a somewhat negative effect on performance
- Revenues in 3Q16 in line with 3Q15,
- Order intake stable quarter over quarter

## MINING

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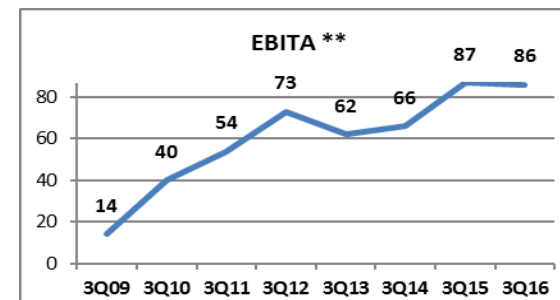
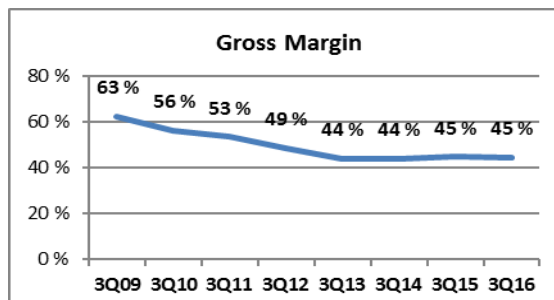
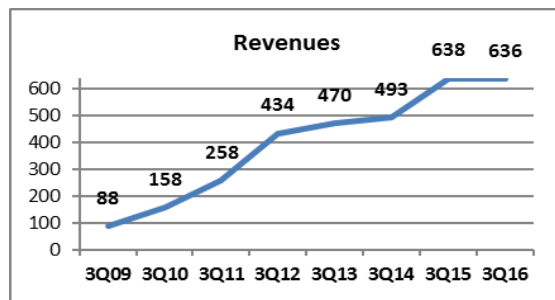


- Depressed market in all commodities, except for diamonds
- Revenues and order intake stable at a low level

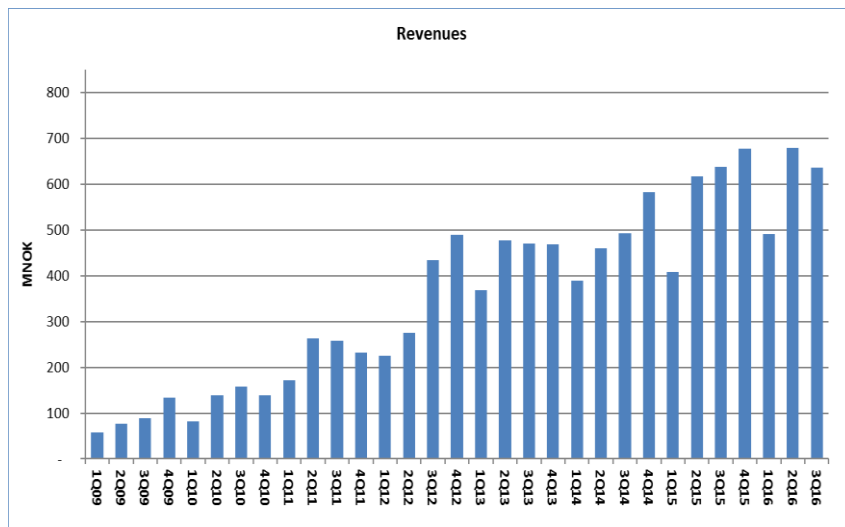
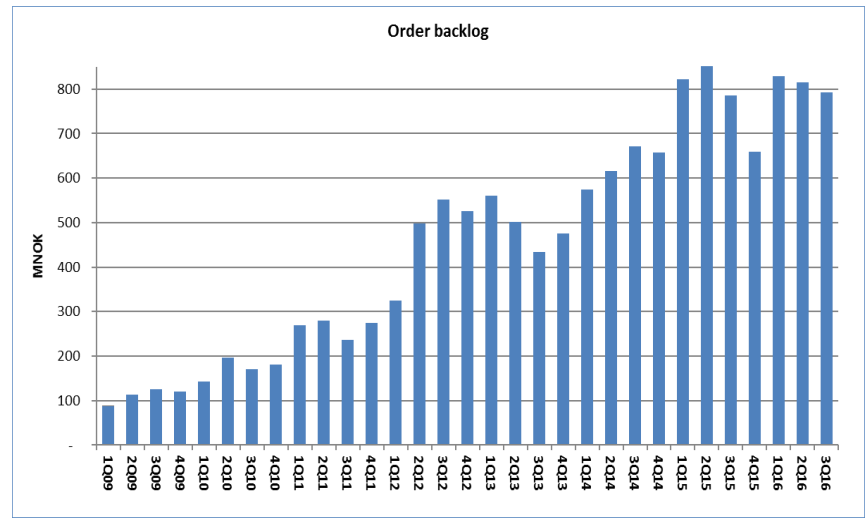
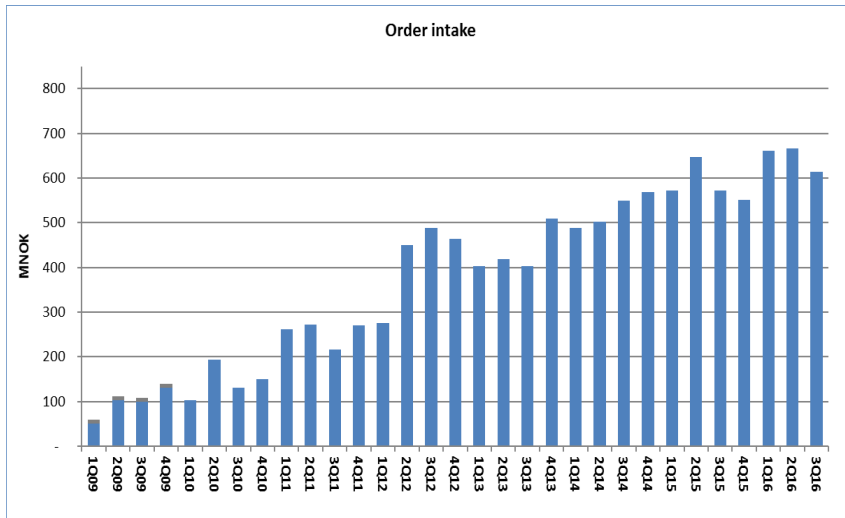
# SORTING SOLUTIONS FINANCIALS

Amounts in NOK million	3 <sup>rd</sup> Quarter			YTD		
	2016	2015	15 Adj*	2016	2015	15 Adj*
<b>Revenues</b>	<b>636</b>	<b>638</b>	<b>650</b>	<b>1,807</b>	<b>1,663</b>	<b>1,764</b>
• Europe	302	296		810	784	
• North America	207	176		611	506	
• South America	16	35		33	57	
• Asia	89	94		246	234	
• Oceania	12	11		67	39	
• Africa	10	26		40	43	
<b>Gross contribution</b>	<b>284</b>	<b>286</b>	<b>291</b>	<b>809</b>	<b>743</b>	<b>788</b>
<i>in %</i>	45%	45%	45%	45%	45%	45%
<b>Operating expenses</b>	198	199	203	615	568	604
<b>EBITA</b>	<b>86</b>	<b>87</b>	<b>88</b>	<b>194</b>	<b>175</b>	<b>184</b>
<i>in %</i>	14%	14%	14%	11%	11%	10%

\*2015 actual restated at 2016 exchange rates, estimated



# BACKLOG DEVELOPMENT AND MOMENTUM



- Order intake of 613 MNOK in the quarter (up from 572 MNOK same quarter last year)
- Revenues were 636 MNOK (compared to 638 MNOK in 3Q16)
- Order backlog of 793 MNOK, down from 816 MNOK at the end of second quarter 2016
- Estimated backlog conversion ratio in 4Q16: 85-90%\*

\* Based upon current production and delivery plans, the revenues in 4Q16 are estimated to be approximately 85-90% of order backlog at the end of 3Q16

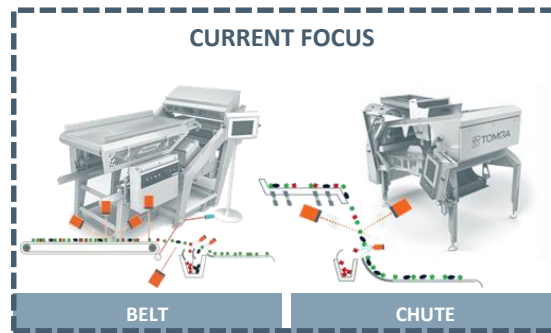
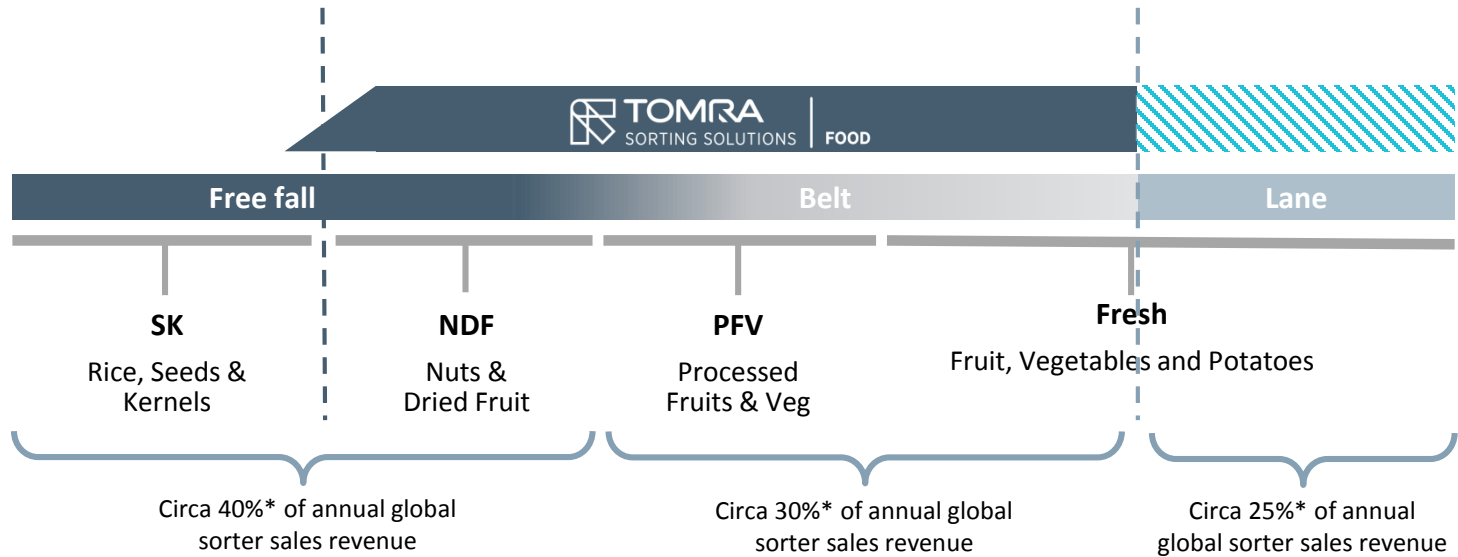


## The way forward together

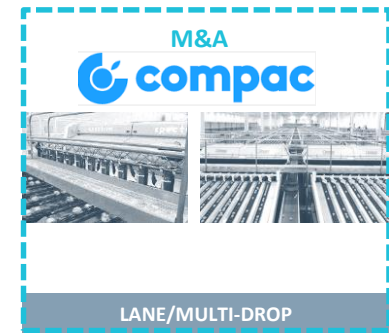
- Compac CEO Mike Riley and TOMRA CEO Stefan Ranstrand at the PMA Fresh summit convention in Orlando Florida 14th of October (2 days after announcement)
- Positive initial feedback from the client universe and our combined workforce



# TOMRA: THE BROADEST FOOTPRINT IN FOOD SORTING



**BULK SORTING**



**SINGULATED SORTING**

A silhouette of a large globe on a tripod stand against a sunset sky, with a crowd of people in the foreground. The globe is made of a grid of lines and is mounted on a tripod. The sun is low on the horizon, creating a bright orange and yellow glow. A person is standing on the tripod with their arms raised in a celebratory gesture. A large crowd of people is silhouetted in the foreground, looking towards the globe.

# OUTLOOK AND SHAREHOLDER STRUCTURE

# OUTLOOK

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## Collection Solutions

- The replacement demand in Germany is assumed to continue into 2017, but the replacement in Sweden is expected to come to an end during fourth quarter 2016

## Sorting Solutions

- Currently good momentum in Food, but low commodity prices are negatively influencing Recycling and Mining

## Currency

- Reporting in NOK and with some NOK cost base, TOMRA will in general benefit from a weak NOK, measured particularly against EUR



# Q&A

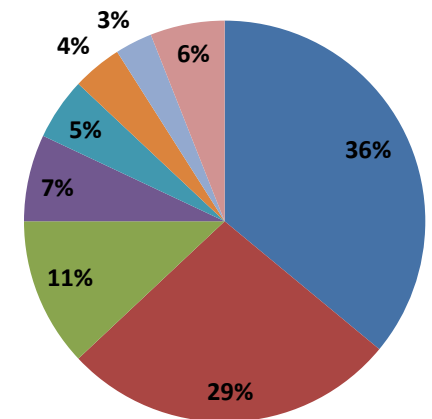
# TOMRA SHAREHOLDER STRUCTURE

## Top 10 shareholders as of 30<sup>th</sup> of September 2016

1	Investment AB Latour	38 130 000	25.8%
2	Skandinaviska Enskilda A/C Clients account	10 344 242	7.0% (NOM)
3	Folketrygdfondet	9 529 819	6.4%
4	The Bank of New York BNYM, Stitching Dep	4 860 701	3.3% (NOM)
5	Goldman Sachs & Co	2 985 697	2.0% (NOM)
6	The Bank of New York BNYM	2 917 659	2.0% (NOM)
7	Clearstream Banking	2 619 713	1.8% (NOM)
8	Nordea Nordic Small	2 349 276	1.6%
9	Odin Norge	2 280 188	1.5%
10	Danske invest Norske C/O Danske Capital A	2 108 830	1.4%
<b>Sum Top 10</b>		<b>78 126 125</b>	<b>52.8%</b>
<b>Other shareholders</b>		<b>69 893 953</b>	<b>47.2%</b>
<b>TOTAL (5,683 shareholders)</b>		<b>148 020 078</b>	<b>100.0%</b>

Source: VPS

## Shareholders by country



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