

2ND QUARTER 2017 RESULTS ANNOUNCEMENT

HIGHLIGHTS FROM THE QUARTER

Revenues

- **Revenues of 1,972 MNOK** (1,769 MNOK in second quarter 2016) – up 11%
Adjusted for currency and acquisitions, revenues were:
 - Down 4% for TOMRA Group
 - Down 12% in TOMRA Collection Solutions
 - Up 8% in TOMRA Sorting Solutions

Gross margin

- **Gross margin 42%**, down from 43% in second quarter 2016
 - Slightly reduced margins due to consolidation of Compac

Operating expenses

- **Operating expenses of 530 MNOK** (439 MNOK in second quarter 2016)
 - Unchanged when adjusted for currency and acquisitions
 - Including 4 MNOK in transaction costs

EBITA

- **EBITA of 306 MNOK** (319 MNOK in second quarter 2016)

Cashflow

- **Cash flow from operations of 170 MNOK** (239 MNOK in second quarter 2016)

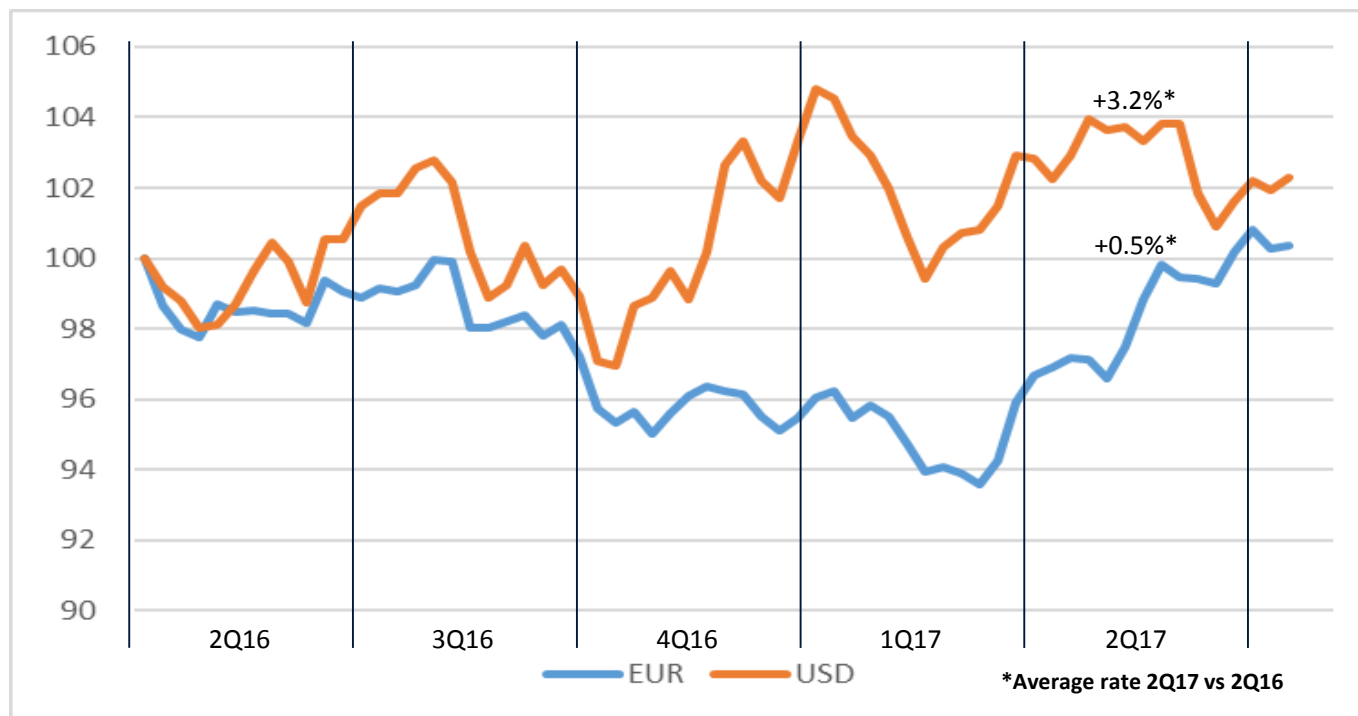
TOMRA Collection

- Slower development in Nordic due to completion of Swedish replacement
- Still high activity in Germany, but slightly down compared to a strong 2Q16

TOMRA Sorting Solutions

- **Order intake (ex Compac) of 752 MNOK**, compared to 667 MNOK same period last year, currency adjusted up 16%
- **Order backlog of 873 MNOK (ex Compac)**, up from 816 MNOK at the end of second quarter 2016

CURRENCY



Limited impact from currencies in 2Q17 vs 2Q16

Revenues and expenses per currency;

NOTE: Rounded figures

	EUR*	USD	NOK	NZD	OTHER	TOTAL
Revenues	45 %	40 %	0 %	0 %	15 %	100 %
Expenses	45 %	30 %	5 %	5 %	15 %	100 %
EBITA	45 %	90 %	- 25 %	- 25 %	15 %	100 %

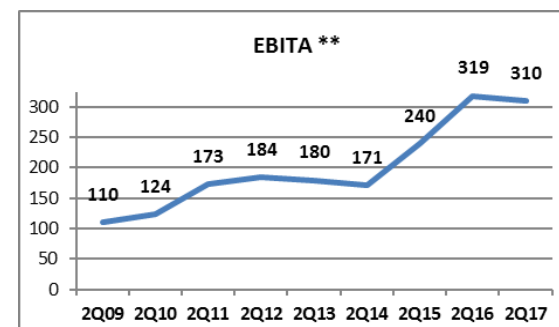
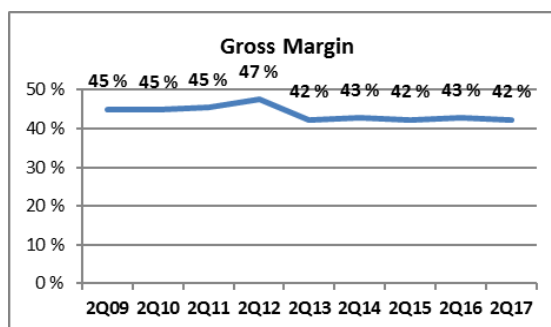
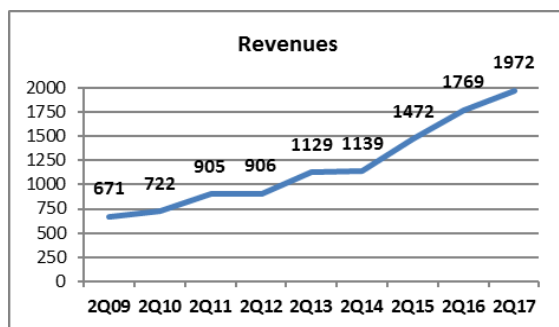
* EUR includes DKK

FINANCIAL HIGHLIGHTS

P&L STATEMENT

Amounts in NOK million	2 nd Quarter			1 st Half		
	2017	2016	16 Adj*	2017	2016	16 Adj*
Revenues	1,972	1,769	1,799	3,536	3,129	3,112
• Collection Solutions	975	1,089	1,105	1,852	1,958	1,943
• Sorting Solutions	997	680	694	1,684	1,171	1,169
Gross contribution	834	758	769	1,467	1,332	1,323
<i>in %</i>	<i>42%</i>	<i>43%</i>	<i>43%</i>	<i>41%</i>	<i>43%</i>	<i>43%</i>
Operating expenses	528	439	452	1,003	860	862
EBITA	306	319	317	464	472	461
<i>in %</i>	<i>16%</i>	<i>18%</i>	<i>18%</i>	<i>13%</i>	<i>15%</i>	<i>15%</i>
<i>One time costs included in operating expenses</i>	4	-	-	8	-	-

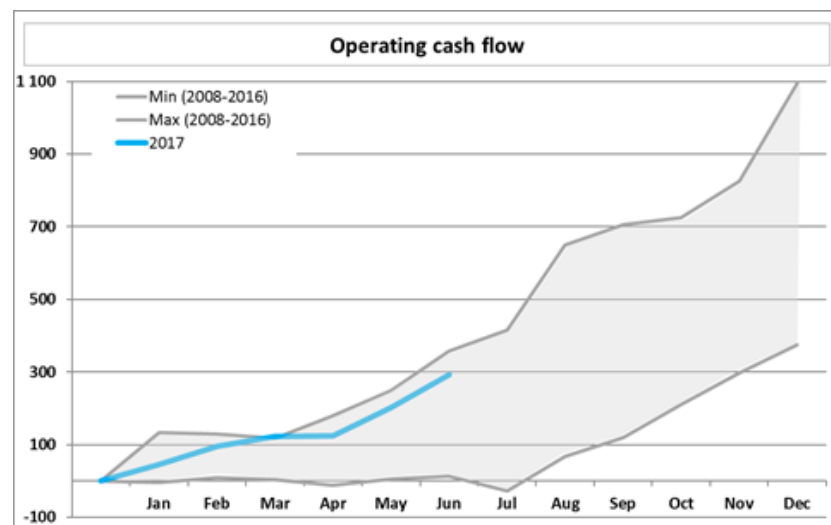
*2016 actual restated at 2017 exchange rates, estimated



FINANCIAL HIGHLIGHTS

BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

<i>Amounts in NOK million</i>	30 June 2017	30 June 2016	31 Dec 2016
ASSETS	8,260	7,355	7,115
• Intangible non-current assets	3,364	2,810	2,750
• Tangible non-current assets	839	793	801
• Financial non-current assets	362	318	342
• Inventory	1,220	1,275	1,127
• Receivables	1,976	1,766	1,696
• Cash and cash equivalents	499	393	399
LIABILITIES AND EQUITY	8,260	7,355	7,115
• Equity	4,275	3,846	4,192
• Minority interest	197	186	178
• Interest bearing liabilities	1,480	1,252	760
• Non-interest bearing liabilities	2,308	2,071	1,985



Ordinary cashflow from operations

- 170 MNOK (239 MNOK in 2Q 2016)

Solidity

- 52% equity
- NIBD/EBITDA = 0.7x (Rolling 12 months)
- Dividend of NOK 2.10 (NOK 1.75 last year) paid out 11 May 2017

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 bear's face. 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 975 MNOK**, down from 1,089 MNOK in second quarter 2016
 - Revenues down 12% in local currencies
- **Gross margin was 42%** in the period
 - Unchanged from second quarter 2016
- **Operating expenses of 220 MNOK**
 - Down 2% currency adjusted
- **EBITA decreased** from 237 MNOK to **191 MNOK**
 - A result of lower revenues

Europe

- Currency adjusted revenues down 17% in Europe
 - Slower development in Nordic following completion of Swedish replacement
 - Still high activity in Germany, but slightly down compared to a strong 2Q16

North America

- Currency adjusted revenues unchanged
 - Machine and throughput volumes stable

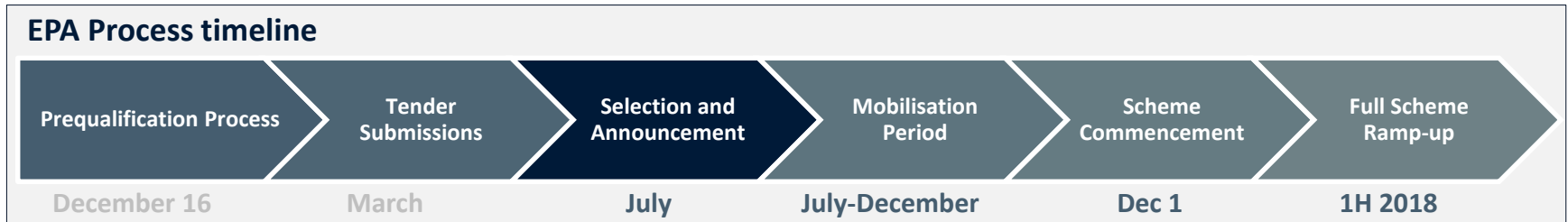
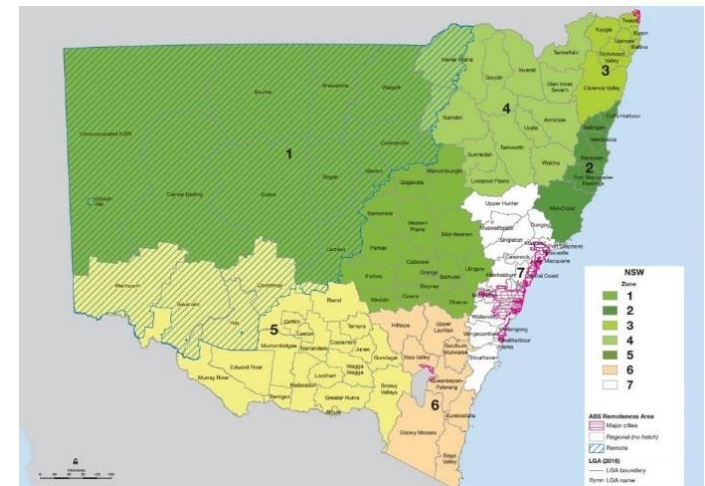
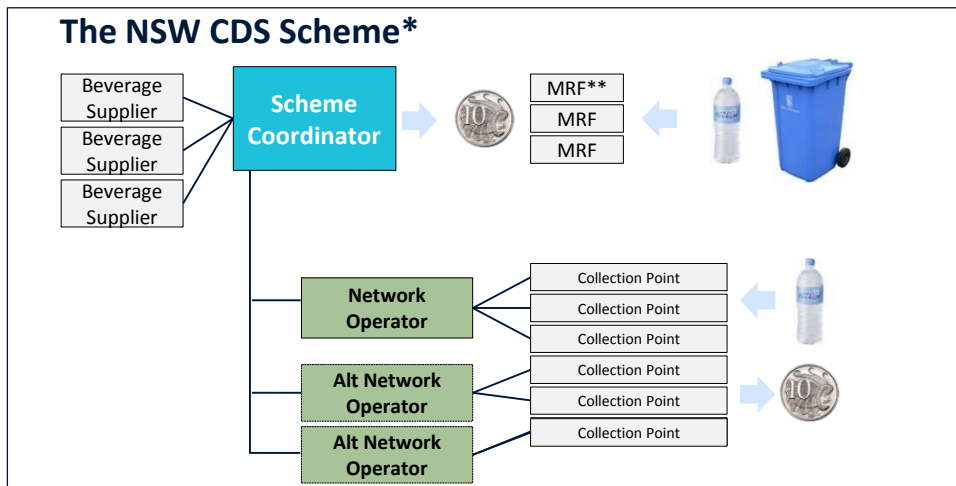


NEW SOUTH WALES CDS: AN UPDATE



NSW Scheme Commencement date is set to December 1st

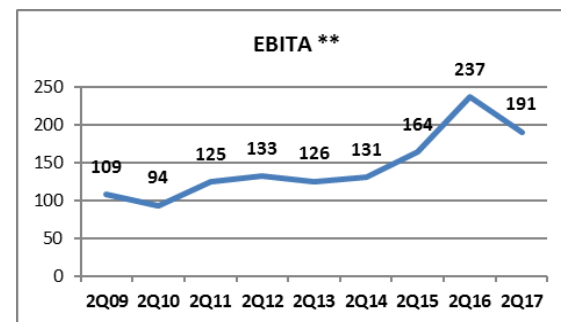
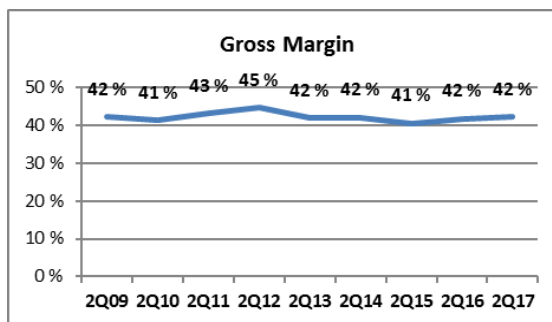
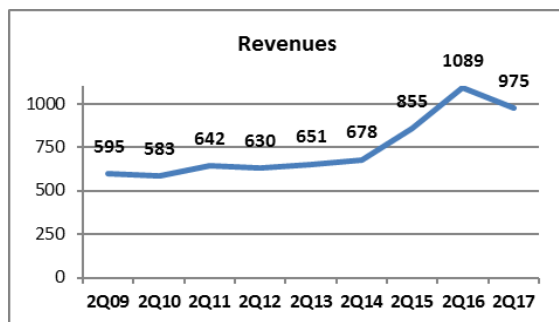
- **Scheme goal:** Reduce littering by 40% by 2020
- Beverage suppliers (incl. own labels) will finance the scheme
- The State of New South Wales is divided into 7 zones
- Given the short mobilization phase prior to Scheme Commencement, there will be a ramp up period to full coverage post December 1st
- TOMRA has submitted a bid for a Network Operator role jointly with Cleanaway, the leading waste management company in Australia



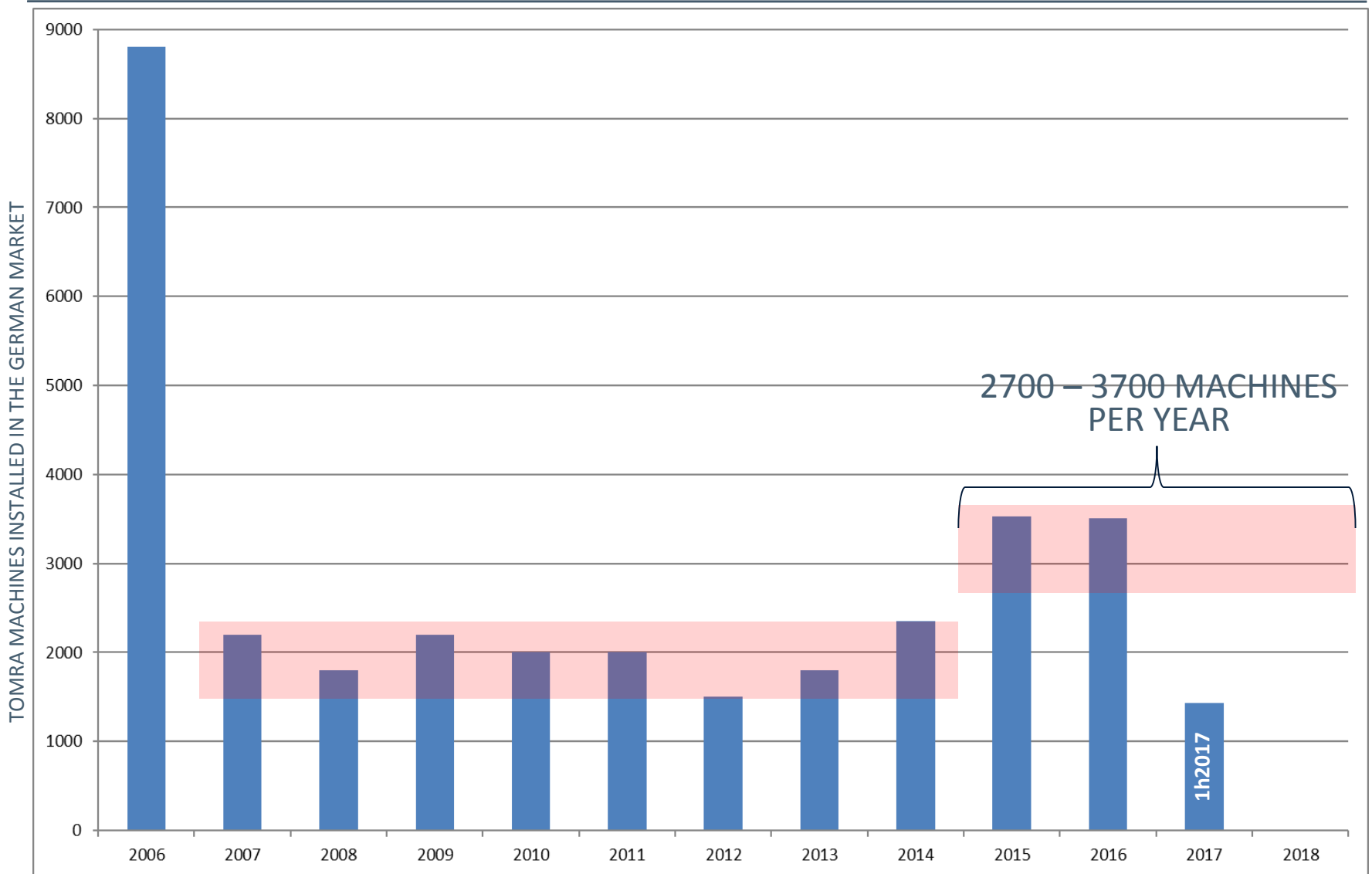
COLLECTION SOLUTIONS FINANCIALS

	2nd Quarter			1st Half		
Amounts in NOK million	2017	2016	16 Adj*	2017	2016	16 Adj*
Revenues	975	1,089	1,105	1,852	1,958	1,943
• Nordic	149	186		288	344	
• Europe (ex Nordic)	411	488		794	862	
• North America	404	390		746	712	
• Rest of the world	11	25		24	40	
Gross contribution	411	455	460	762	807	798
<i>in %</i>	42%	42%	42%	41%	41%	41%
Operating expenses	220	218	224	427	423	424
EBITA	191	237	236	335	384	374
<i>in %</i>	20%	22%	21%	18%	20%	19%

*2016 actual restated at 2017 exchange rates, estimated



GERMANY REPLACEMENT UPDATE





TOMRA SORTING SOLUTIONS

HIGHLIGHTS SORTING SOLUTIONS

Revenues

- **Revenues** equaled **997 MNOK** in second quarter 2017, up from 680 MNOK in second quarter 2016
 - Revenues up 8% in local currencies (organic)

Gross margin

- **Gross margin 42%**
 - Down due to consolidation of Compac

EBITA

- **EBITA of 131 MNOK** (92 MNOK in second quarter 2016)

Orders

- **Order intake (ex Compac) of 752 MNOK**, compared to 667 MNOK same period last year (up 16% currency adjusted)
- **Order backlog (ex Compac) of 873 MNOK**, up from 816 MNOK at the end of second quarter 2016



BUSINESS STREAM UPDATE

FOOD



- Overall good momentum
- Revenues in 2Q17 up from 2Q16
- Order intake up quarter over quarter

RECYCLING



- Momentum increasing, after a period of lower activity
- Revenues in 2Q17 up from 2Q16
- Order intake up quarter over quarter

MINING



- Market still depressed in most commodities
- Revenues and order intake stable, but at a low level

COMPAC TRANSACTION

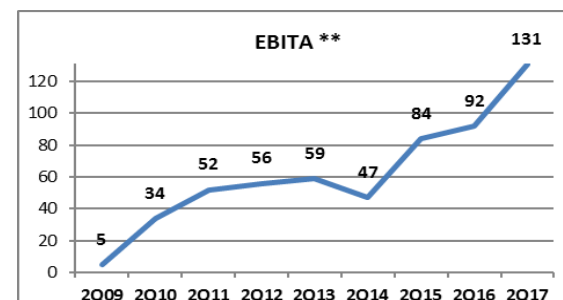
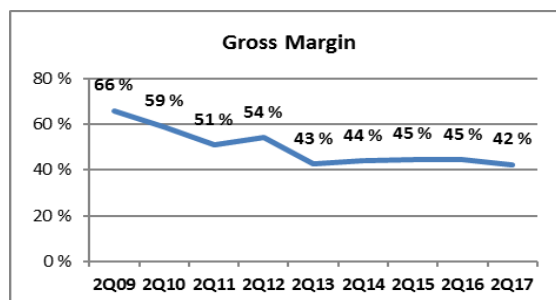
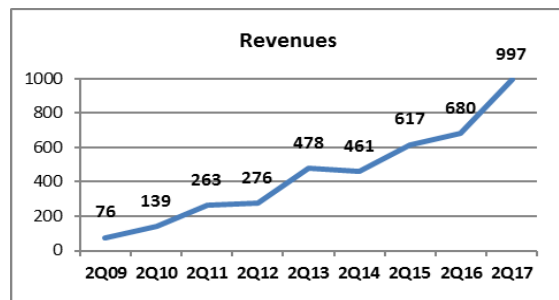
- TOMRA purchased Compac for an **initial purchase price of NZD 70 million**, free of cash and interest bearing debt and with normalized working capital
- In addition, the vendors were entitled to an **Earn-Out based upon the financial performance** for the period 1 July 2016 to 30 June 2019
- Completion took place 1 February 2017
- A financial completion statement has been prepared, which has been subject to discussion between the parties
- The parties have now **agreed a final settlement where the Earn-Out has been cancelled** in exchange for certain upfront agreements regarding level of working capital and warranty clauses



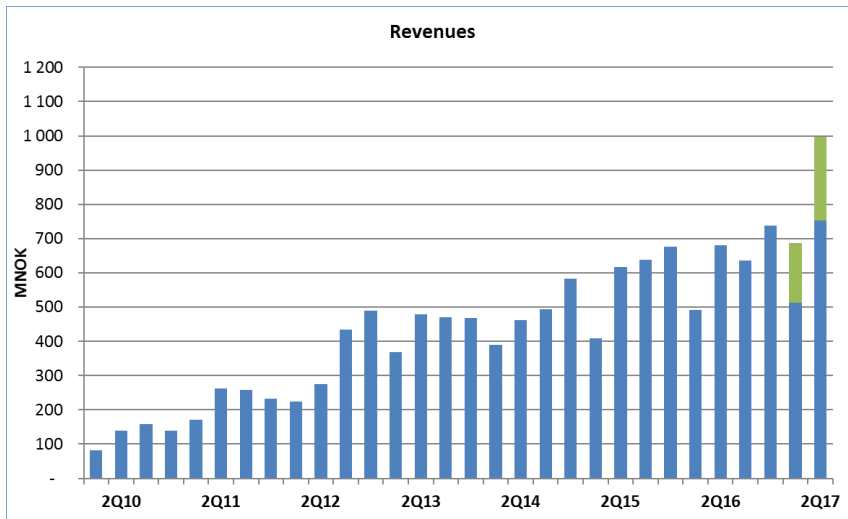
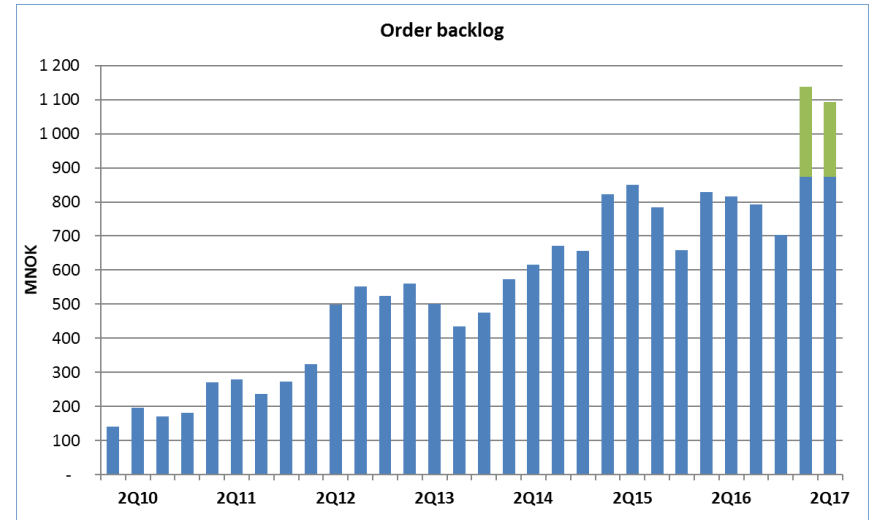
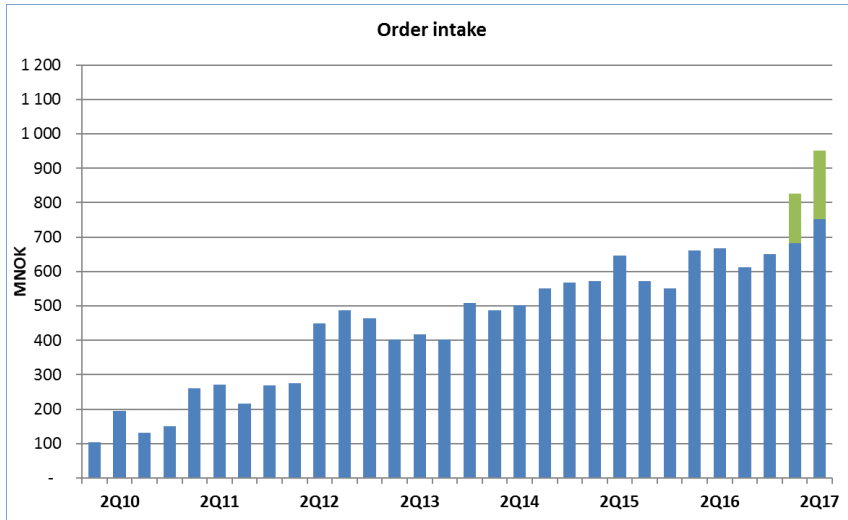
SORTING SOLUTIONS FINANCIALS

Amounts in NOK million	2nd Quarter			1st Half		
	2017	2016	16 Adj*	2017	2016	16 Adj*
Revenues	997	680	694	1,684	1,171	1,169
• Europe	329	303		536	508	
• North America	434	247		686	404	
• South America	33	13		58	17	
• Asia	92	67		200	157	
• Oceania	82	34		139	55	
• Africa	27	16		65	30	
Gross contribution	423	303	309	705	525	525
<i>in %</i>	42%	45%	45%	42%	45%	45%
Operating expenses	292	211	217	544	417	417
EBITA	131	92	92	161	108	108
<i>in %</i>	13%	14%	13%	10%	9%	9%

*2016 actual restated at 2017 exchange rates, estimated



BACKLOG DEVELOPMENT AND MOMENTUM



■ TSS ex Compac ■ Compac

TOMRA Sorting Solutions (TSS) without Compac:

- Delivered all time high order intake of 752 MNOK in the quarter, compared to 667 MNOK same quarter last year
- Revenues came in at 753 MNOK (up from 680 MNOK in 2Q16)
- Order backlog of 873 MNOK, up from 816 MNOK at the end of June 2016

Compac

- Reported revenues of 244 MNOK in the quarter and finished the quarter with a backlog of 220 MNOK
- Estimated backlog conversion ratio in 3Q17, including Compac: 80%*

OUTLOOK



OUTLOOK

Collection Solutions

- The replacement demand in Germany is assumed to continue during 2017
- Replacement in Sweden has now finished

Sorting Solutions

- Currently good momentum in Food
- Improved momentum in Recycling

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

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