

4TH QUARTER 2018 RESULTS ANNOUNCEMENT

HIGHLIGHTS FROM 2018

Revenues

- **Revenues of 8,596 MNOK** (7,432 MNOK in 2017) – up 16% Adjusted for currency and acquisitions, revenues were:
 - Up 11% for TOMRA Group
 - Up 9% in TOMRA Collection Solutions
 - Up 14% in TOMRA Sorting Solutions

Gross margin

- **Gross margin 43%**, up from 42% in 2017
 - Stable margins in TOMRA Collection Solutions
 - Improved margins in TOMRA Sorting Solutions

Operating expenses

- **Operating expenses of 2,429 MNOK** (2,073 MNOK in 2017)
 - Higher activity in both business areas + BBC acquisition

EBITA

- **EBITA of 1,253 MNOK** – up 20% from 2017 adjusted for currencies

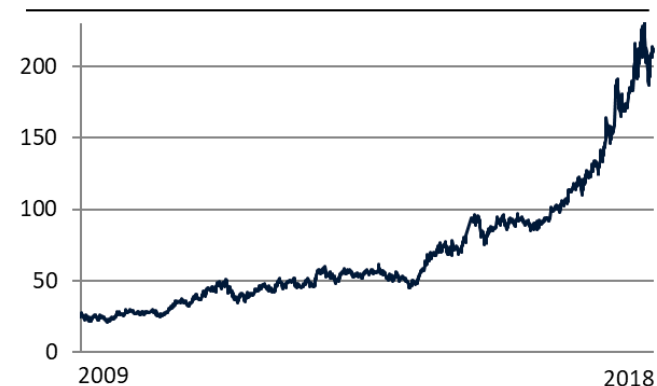
Cashflow

- **Cash flow from operations of 1,025 MNOK** (1,023 MNOK in 2017)

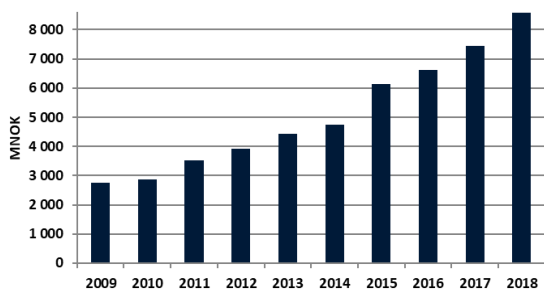
Dividend

- **Ordinary dividend of NOK 2.50 plus extraordinary dividend of NOK 2.00, in total NOK 4.50**

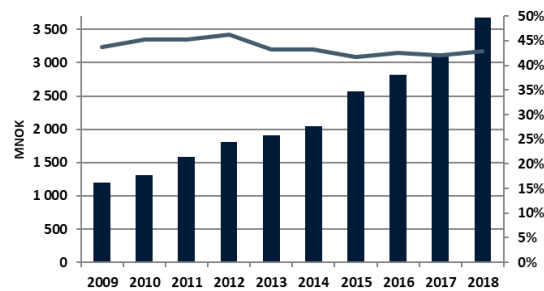
Share price



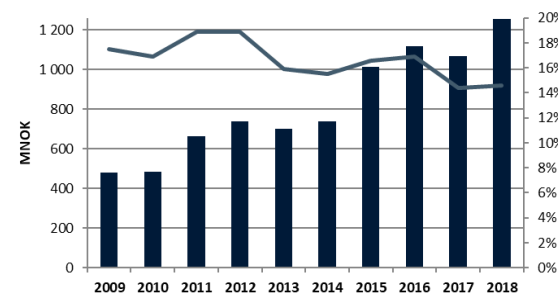
Revenues



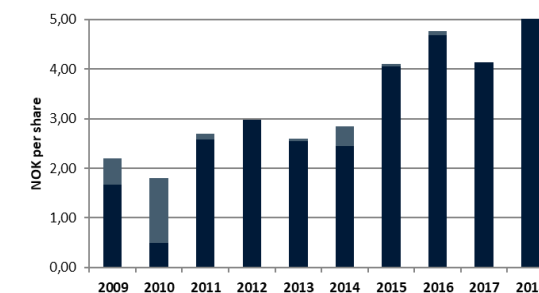
Gross contribution and margin



EBITA and margin



Earnings per share



HIGHLIGHTS FROM THE QUARTER

Revenues

- **Revenues of 2,467 MNOK** (2,041 MNOK in fourth quarter 2017) – up 21%
Adjusted for currency and acquisitions, revenues were:
 - Up 15% for TOMRA Group
 - Up 14% in TOMRA Collection Solutions
 - Up 17% in TOMRA Sorting Solutions

Gross margin

- **Gross margin 43%**, unchanged from fourth quarter 2017
 - Stable margins in both business areas

Operating expenses

- **Operating expenses of 653 MNOK** (574 MNOK in fourth quarter 2017)
 - Higher activity in both business areas
 - BBC acquired in 2018

EBITA

- **EBITA of 396 MNOK** – up 32% from fourth quarter 2018

Cashflow

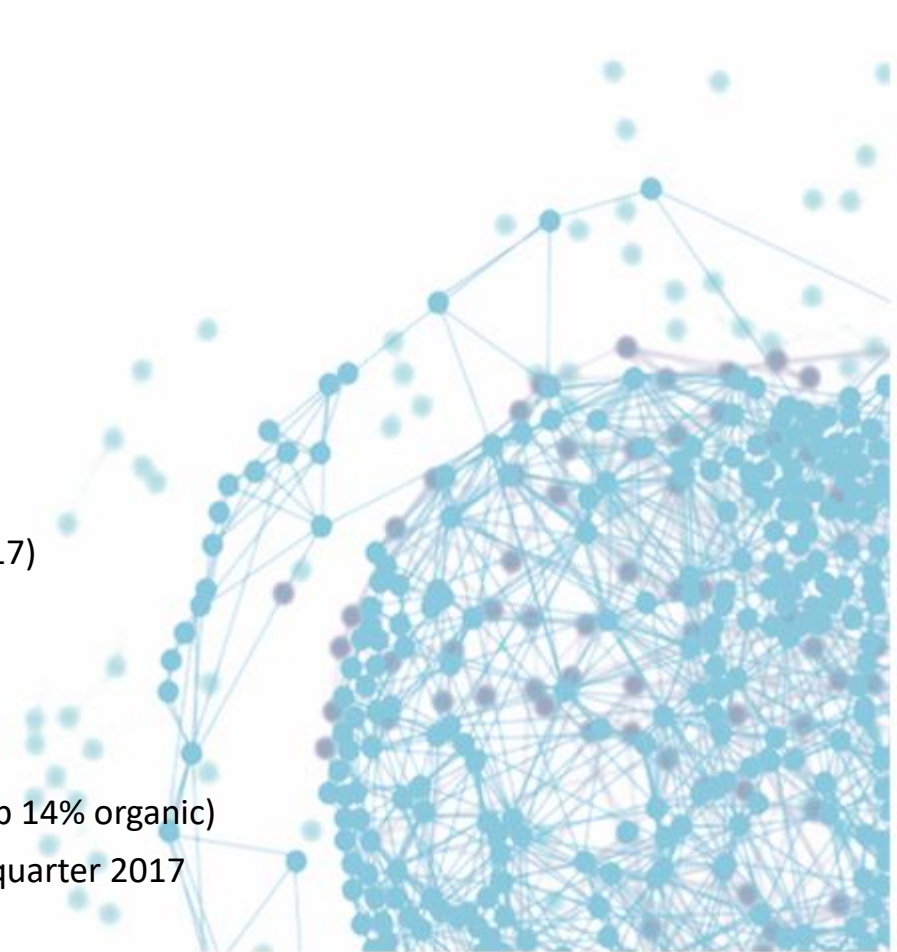
- **Cash flow from operations of 346 MNOK** (356 MNOK in fourth quarter 2017)

TOMRA Collection Solutions

- Higher activity in all geographies
- Queensland live from 1st November 2018

TOMRA Sorting Solutions

- **Order intake of 1,146 MNOK**, up from 967 MNOK same period last year (up 14% organic)
- **Order backlog of 1,399 MNOK**, up from 1,147 MNOK at the end of fourth quarter 2017



UPDATE ON EU SINGLE-USE PLASTICS DIRECTIVE

- REINFORCING EU'S LEADERSHIP ROLE ON ENVIRONMENT

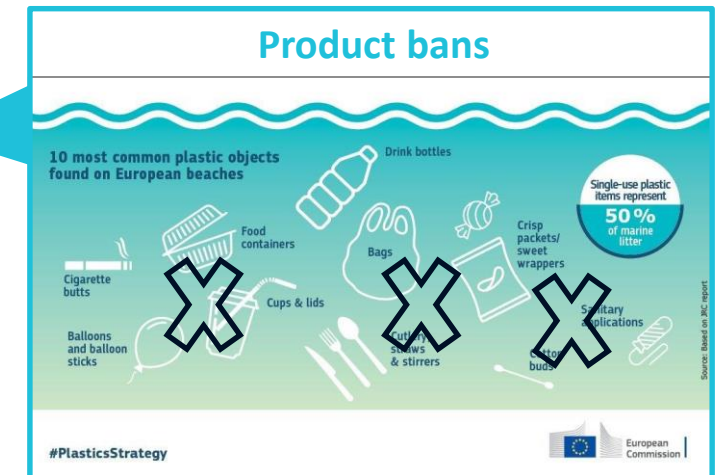
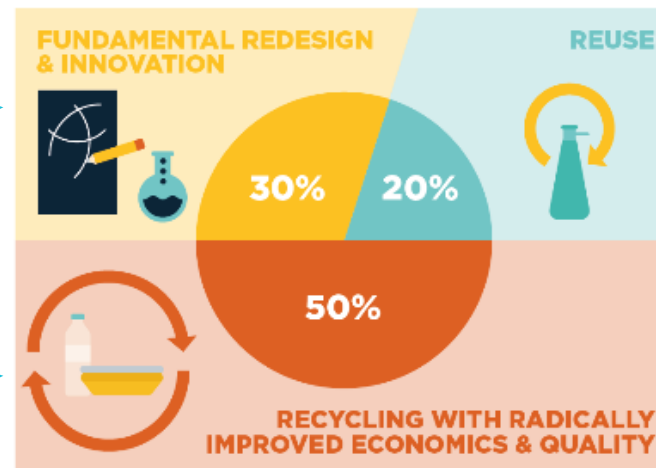
Three strategies to transform the global plastic packaging market

Recycled content in product design:

- 25% by 2025 in PET bottles
- 30% by 2030 in all plastic bottles

Collection target for plastic bottles:

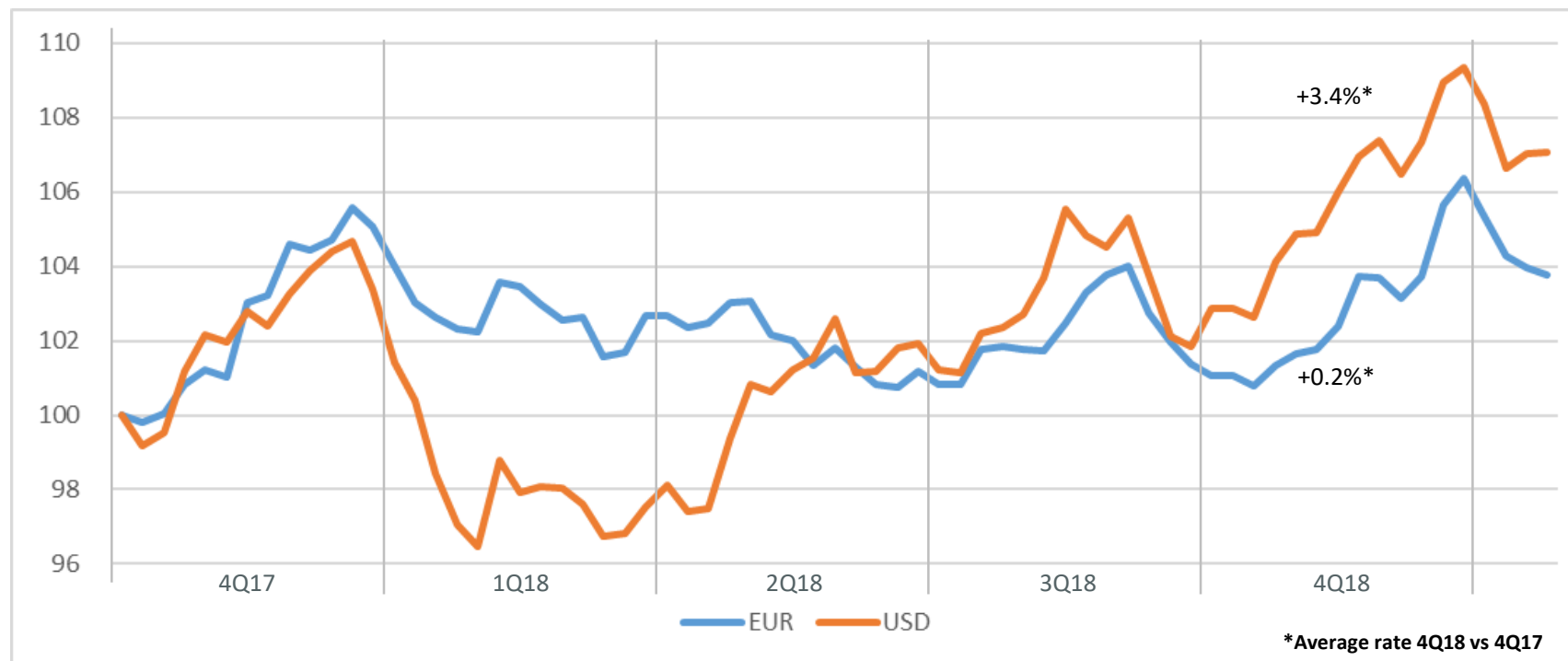
- 77% by 2025
- 90% by 2029



Extended Producer Responsibility

Collaboration across plastics value chain

CURRENCY



Positive impact from stronger USD vs EUR in TSS

Revenues and expenses per currency:

	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 %

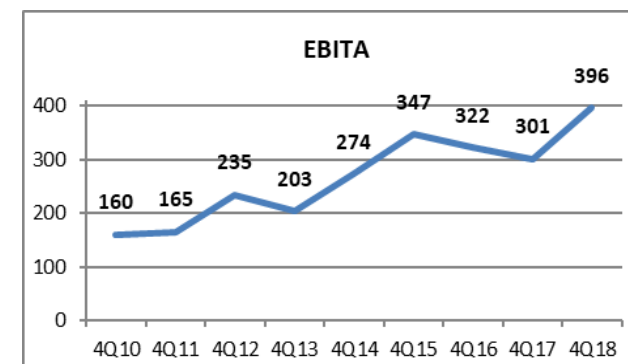
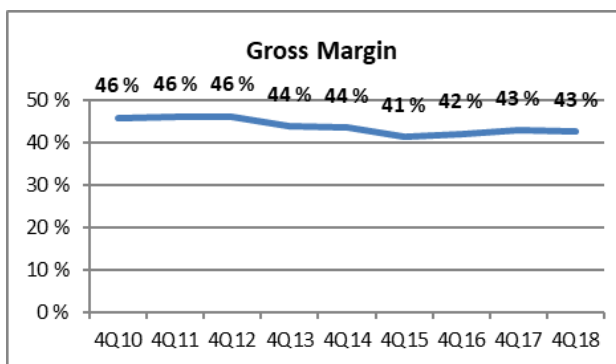
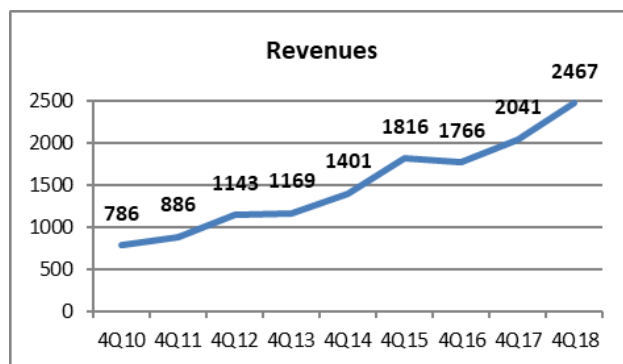
* EUR includes DKK

NOTE: Rounded figures

FINANCIAL HIGHLIGHTS

P&L STATEMENT

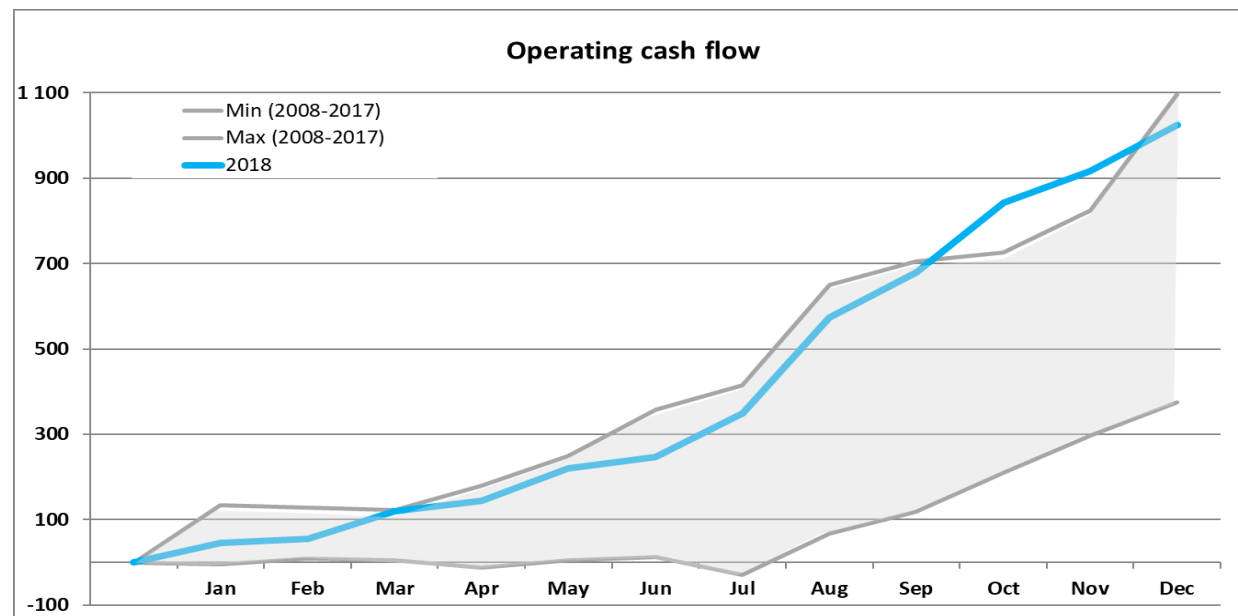
Amounts in NOK million	4 th Quarter			Full year		
	2018	2017	17 Adj*	2018	2017	17 Adj*
Revenues	2,467	2,041	2,066	8,596	7,432	7,470
• Collection Solutions	1,141	995	1,004	4,265	3,871	3,901
• Sorting Solutions	1,326	1,046	1,062	4,331	3,561	3,569
Gross contribution	1,049	875	890	3,682	3,141	3,148
<i>in %</i>	<i>43%</i>	<i>43%</i>	<i>43%</i>	<i>43%</i>	<i>42%</i>	<i>42%</i>
Operating expenses	653	574	581	2,429	2,073	2,101
EBITA	396	301	309	1,253	1,068	1,047
<i>in %</i>	<i>16%</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>	<i>14%</i>	<i>14%</i>



FINANCIAL HIGHLIGHTS

BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

<i>Amounts in NOK million</i>	31 Dec 2018	31 Dec 2017
ASSETS	9,595	8,437
• Intangible non-current assets	3,821	3,412
• Tangible non-current assets	1,276	998
• Financial non-current assets	340	349
• Inventory	1,447	1,197
• Receivables	2,314	1,887
• Cash and cash equivalents	397	594
LIABILITIES AND EQUITY	9,595	8,437
• Equity	5,077	4,594
• Minority interest	159	143
• Interest bearing liabilities	1,524	1,280
• Non-interest bearing liabilities	2,835	2,420



Ordinary cashflow from operations

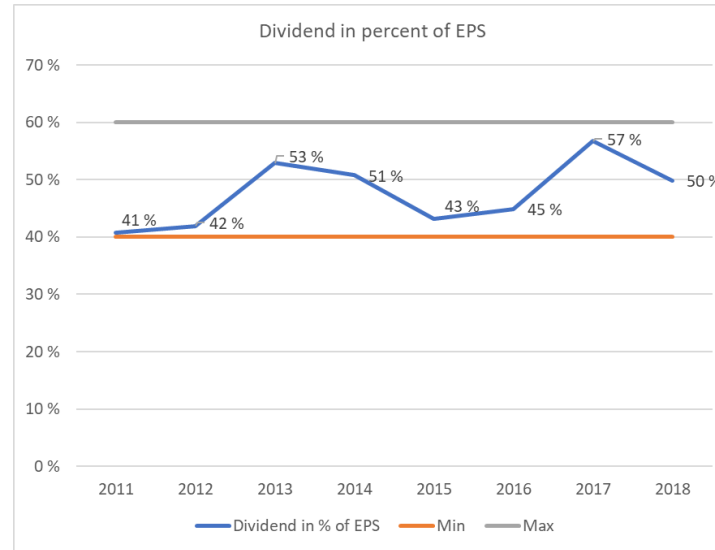
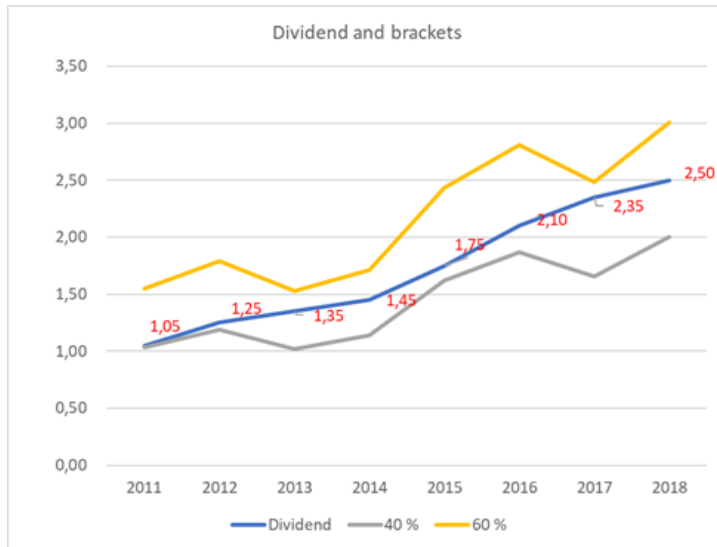
- 346 MNOK (356 MNOK in fourth quarter 2017)

Solidity

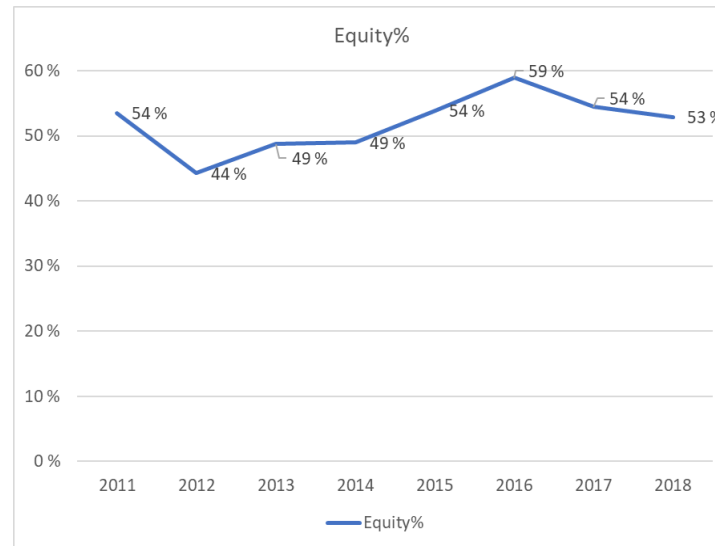
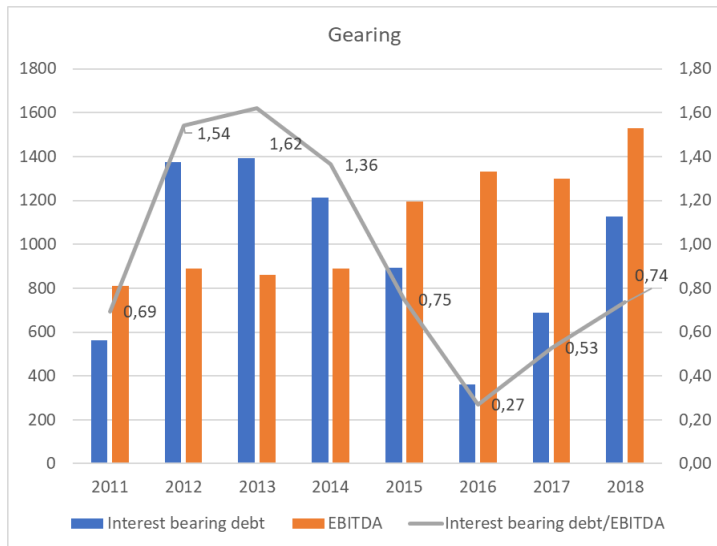
- 53% equity
- NIBD/EBITDA = 0.7x (Rolling 12 months)

IFRS 16 leases:
Implementation effect
of IFRS 16 expected to
be ~1.2 BNOK on the
B/S as of first quarter
2019

DIVIDEND



- Target to distribute 40%-60% of EPS as dividend
- Strong cashflow generation from recurring business
- Solid balance sheet
- Easy access to financing



- **Board proposal to the Annual General Meeting:**
 - Ordinary dividend of NOK 2.50
 - Extraordinary dividend of NOK 2.00
 - Total dividend NOK 4.50

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 1,141 MNOK**, up from 995 MNOK in fourth quarter 2017
 - Revenues up 14% in local currencies, with increased revenues in all geographies
- **Gross margin was 40%** in the period
 - Unchanged from fourth quarter 2017
- **Operating expenses of 273 MNOK**, up from 266 MNOK in fourth quarter 2017
 - Ramp-up
 - Currencies
- **EBITA increased** from 135 MNOK to **179 MNOK**

Europe

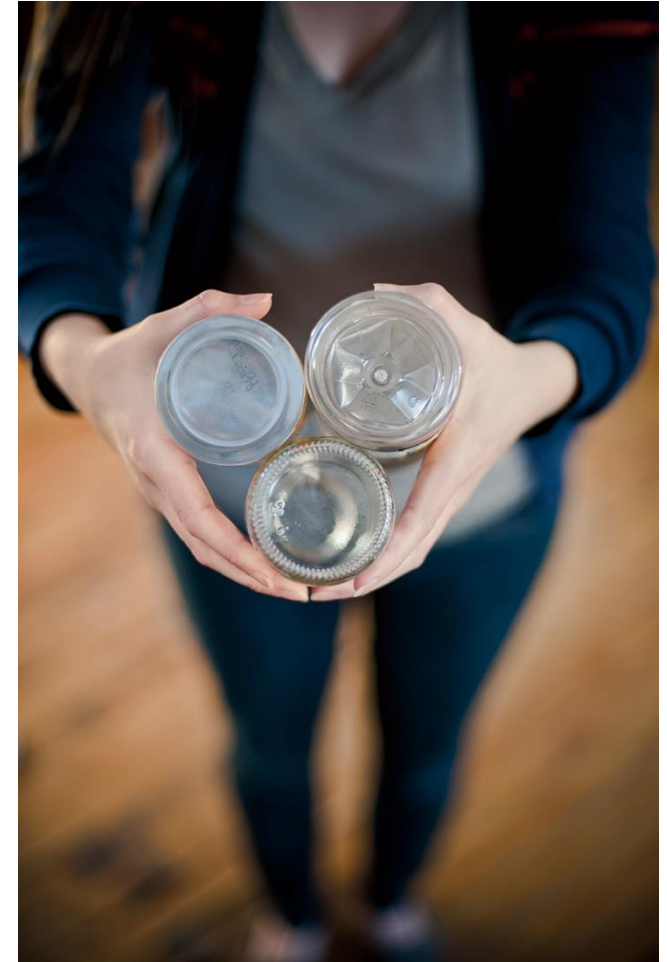
- Currency adjusted, revenues were up 5% in Europe

North America

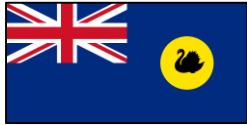
- Currency adjusted, revenues 4% were up in North America
 - Both machine sales and throughput volumes improved from last year

Australia

- Deposit introduced 1st December 2017 in New South Wales
 - Ramp-up concluded in third quarter 2018
- Deposit introduced 1st November 2018 in Queensland
 - Tomra operates 10 Collection Refund Points



INITIATIVES ON NEW CONTAINER DEPOSIT MARKETS



Western Australia

- Beverage containers accounts for 35% of all litter in WA
- Deposit value: 0.1 AUD (150mL – 3L)
- Draft position statement for collection infrastructure published in January 2019
- Ongoing selection of scheme coordinator role

Estimated Startup:
Early 2020



Scotland

- September 2017, First Minister Nicola Sturgeon announced a deposit return scheme for drink containers
- Consultation round ended 25th of September 2018
- Minister of Environment to present deposit system proposal

Estimated Startup:
Late 2020



Portugal

- December 2018, the Government published a law establishing a system for return and deposit of beverage containers
- Decree with details around the scheme to be worked out during 2019
- Pilot projects implemented within 2019

Estimated Startup:
Early 2022



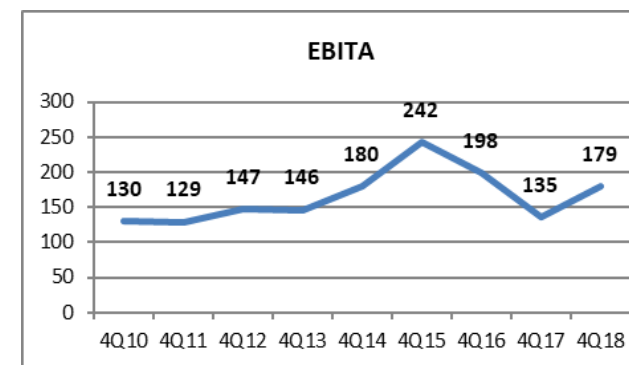
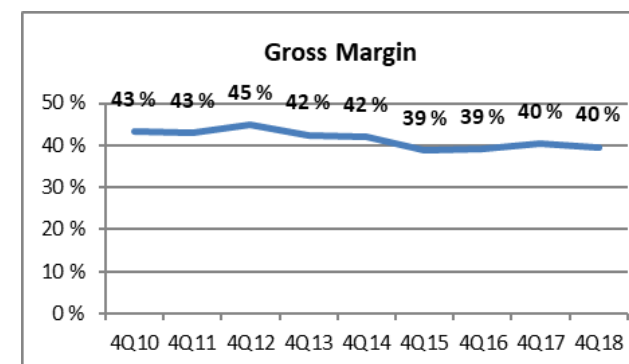
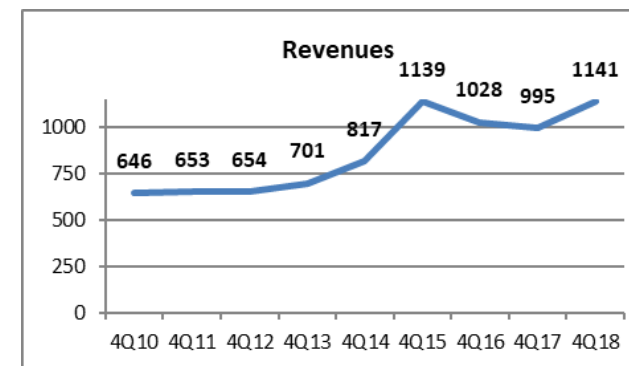
England

- March 2018, UK Environment Secretary Michael Gove announced plans for a deposit return scheme
- December 2018, UK Waste and Resource Strategy was published
- Consultation opened 18th of February 2019

Estimated Startup:
2023

COLLECTION SOLUTIONS FINANCIALS

	4th Quarter			Full year		
<i>Amounts in NOK million</i>	2018	2017	17 Adj*	2018	2017	17 Adj*
Revenues	1,141	995	1,004	4,265	3,871	3,901
• Northern Europe	154	180		611	614	
• Europe (ex Northern)	465	407		1,710	1,671	
• North America	403	377		1,605	1,520	
• Rest of the world	119	31		339	66	
Gross contribution	452	401	403	1,751	1,601	1,614
<i>in %</i>	40%	40%	40%	41%	41%	41%
Operating expenses	273	266	271	1,025	895	909
EBITA	179	135	132	726	706	705
<i>in %</i>	16%	14%	13%	17%	18%	18%





TOMRA SORTING SOLUTIONS

HIGHLIGHTS SORTING SOLUTIONS

Revenues

- **Revenues** equaled **1,326 MNOK** in fourth quarter 2018, up from 1,046 MNOK in fourth quarter 2017
 - Adjusted for currency and acquisitions, revenues were up 17%
 - Includes BBC revenues of 84 MNOK in fourth quarter 2018

Gross margin

- **Gross margin 45%**
 - Unchanged from fourth quarter 2017

EBITA

- **EBITA of 237 MNOK** (182 MNOK in fourth quarter 2017)

Orders

- **Order intake of 1,146 MNOK**, up from 967 MNOK same period last year (+14% organic)
- **Order backlog of 1,399 MNOK**, up from 1,147 MNOK at the end of fourth quarter 2017



BUSINESS STREAM UPDATE



FOOD

- Revenues in 4Q18 improved significantly compared to 4Q17
- Order intake up quarter over quarter
- BBC consolidated from 1 March 2018, ending fourth quarter with a backlog of 53 MNOK



RECYCLING

- Revenues in 4Q18 stable compared to 4Q17,
- Order intake stable quarter over quarter
- Order backlog significantly up from end of 4Q17

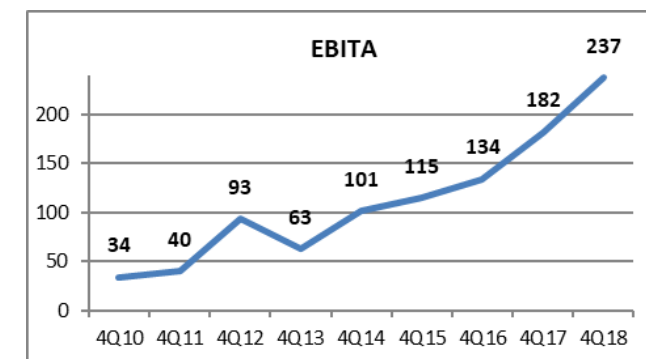
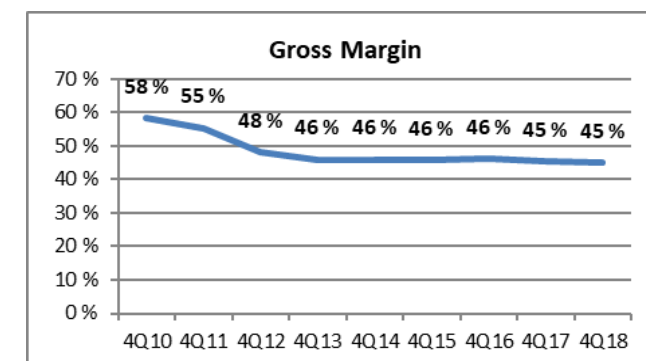
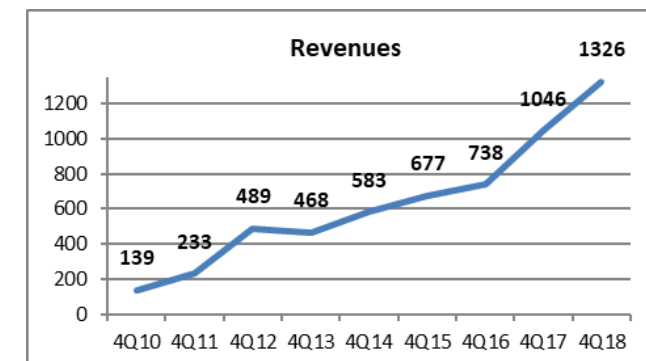


MINING

- Both revenues, order intake and backlog improved in Mining

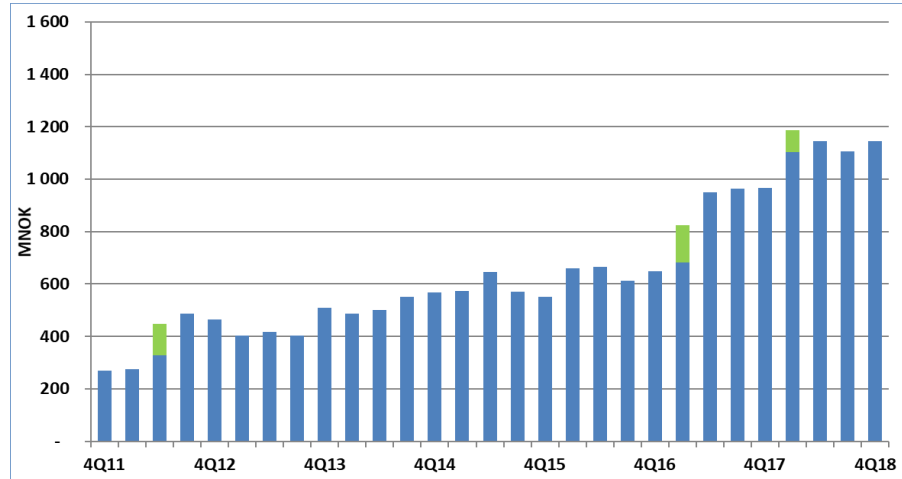
SORTING SOLUTIONS FINANCIALS

Amounts in NOK million	4th Quarter			Full year		
	2018	2017	17 Adj*	2018	2017	17 Adj*
Revenues	1,326	1,046	1,062	4,331	3,561	3,569
• Europe	401	302		1,508	1,182	
• North America	442	354		1,466	1,282	
• South America	111	51		253	140	
• Asia	152	128		491	419	
• Oceania	129	117		383	329	
• Africa	91	94		230	209	
Gross contribution	597	474	487	1,931	1,540	1,534
<i>in %</i>	45%	45%	46%	45%	43%	42%
Operating expenses	360	292	294	1,324	1,114	1,126
EBITA	237	182	193	607	426	408
<i>in %</i>	18%	17%	18%	14%	12%	11%

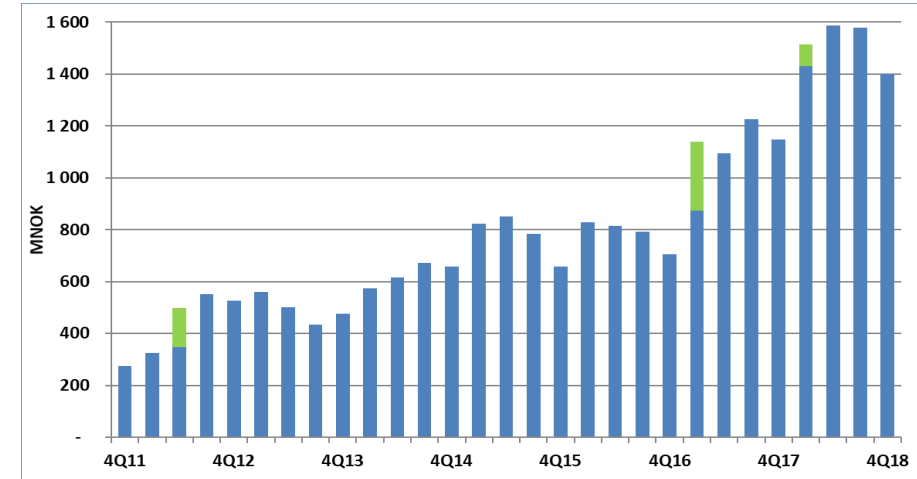


DEVELOPMENT IN ORDER INTAKE AND ORDER BACKLOG

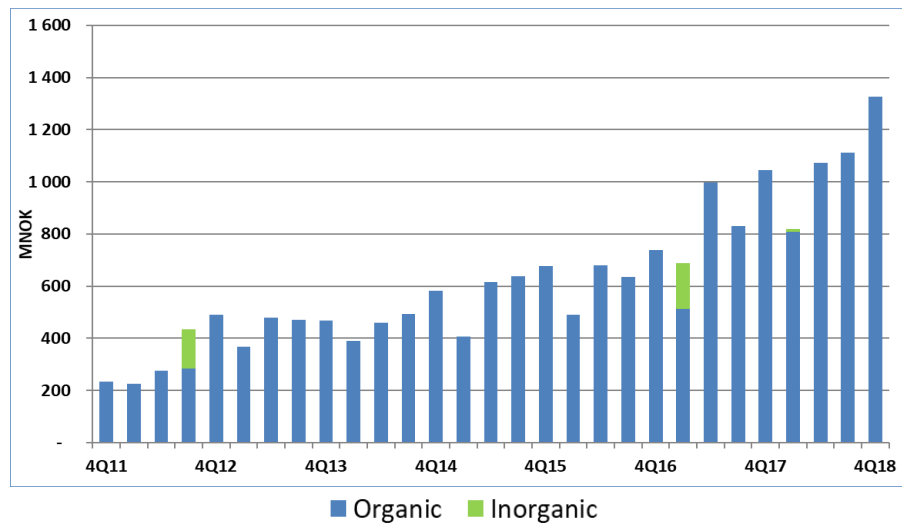
ORDER INTAKE



ORDER BACKLOG



REVENUES



- TOMRA Sorting Solutions (TSS):
 - Revenues of 1,326 MNOK, up from 1,046 MNOK last year
 - Order intake of 1,146 MNOK in the quarter, compared to 967 MNOK last year
 - Despite all time high revenues in the quarter, a strong order intake led to healthy order backlog of 1,399 MNOK by the end of fourth quarter
- Estimated backlog conversion ratio in 1Q19: 75%*

OUTLOOK



OUTLOOK

Collection Solutions

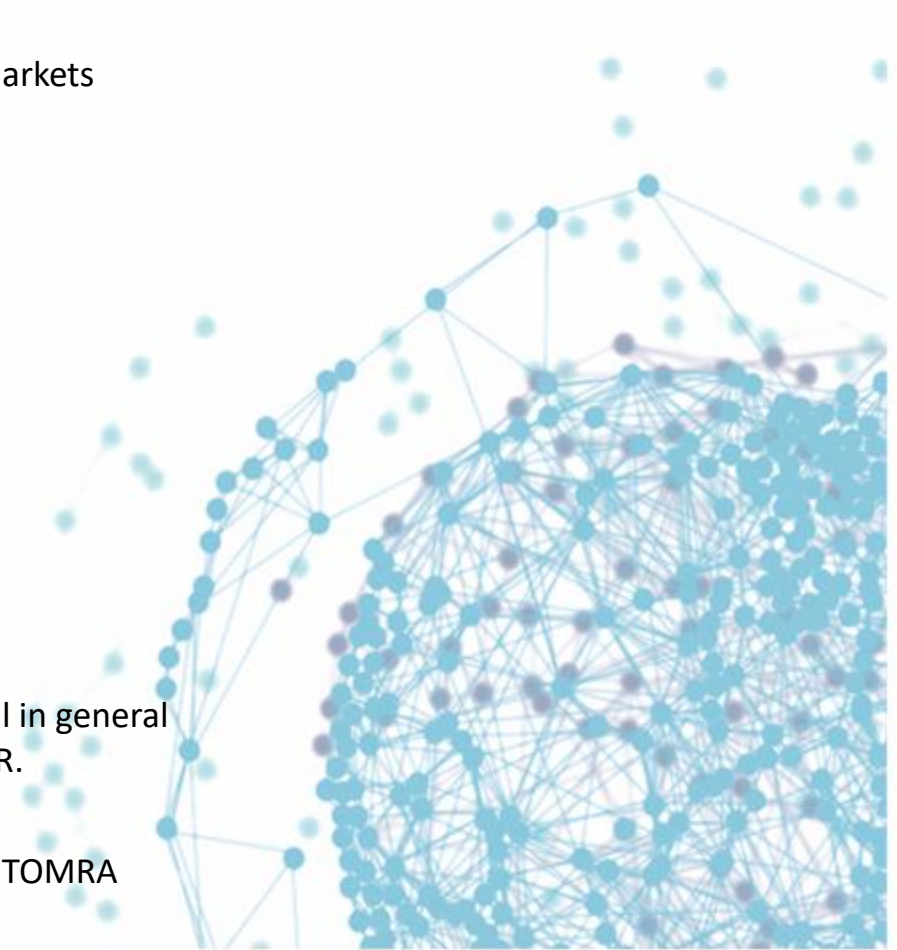
- Overall stable business
- Increased operating expenses due to preparation for new markets

Sorting Solutions

- Currently positive 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.



Q&A

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