

1ST QUARTER 2018 RESULTS ANNOUNCEMENT

HIGHLIGHTS FROM THE QUARTER

Revenues

- **Revenues of 1,754 MNOK** (1,564 MNOK in first quarter 2017) – Up 12%
Adjusted for currency and acquisitions, revenues were:
 - Up 10% for TOMRA Group
 - Up 5% in TOMRA Collection Solutions
 - Up 17% in TOMRA Sorting Solutions

Gross margin

- **Gross margin 41%**, up from 40% in first quarter 2017
 - Stable margin in TOMRA Collection Solutions
 - Improved margin in TOMRA Sorting Solutions

Operating expenses

- **Operating expenses of 580 MNOK** (475 MNOK in first quarter 2017)
 - Higher activity, ramp-up New South Wales and acquisitions
 - Including 4 MNOK in transaction cost BBC

EBITA

- **EBITA of 142 MNOK** (158 MNOK in first quarter 2017)

Cashflow

- **Cash flow from operations of 120 MNOK** (122 MNOK in first quarter 2017)

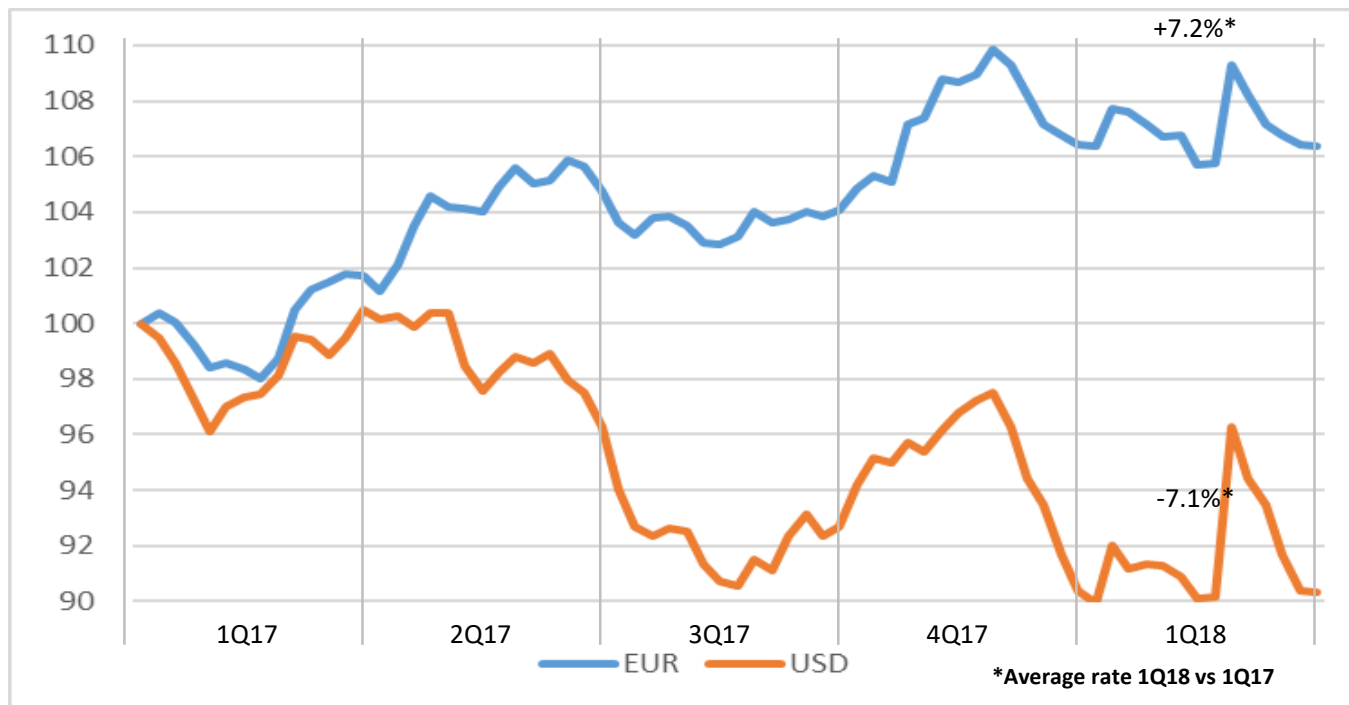
TOMRA Collection

- Stable activity in both Europe and North America.
- Still good momentum in Germany, due to replacement demand
- Ramp-up in New South Wales continues

TOMRA Sorting Solutions

- **BBC** consolidated into Group accounts, starting 1 March 2018
- **Order intake of 1,188 MNOK**, compared to 826 MNOK same period last year
- **Order backlog of 1,515 MNOK**, up from 1,139 MNOK at the end of first quarter 2017

CURRENCY



TCS:
Positive impact from stronger EUR, partly offset by a weaker USD.

TSS:
Negatively impacted by weak USD vs EUR and NZD.

Revenues and expenses per currency;

NOTE: Rounded figures

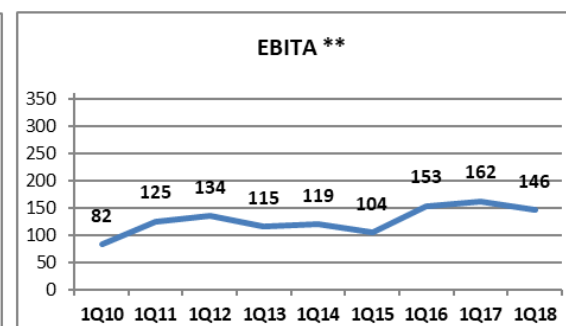
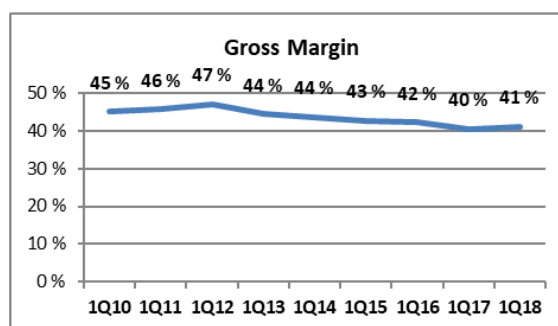
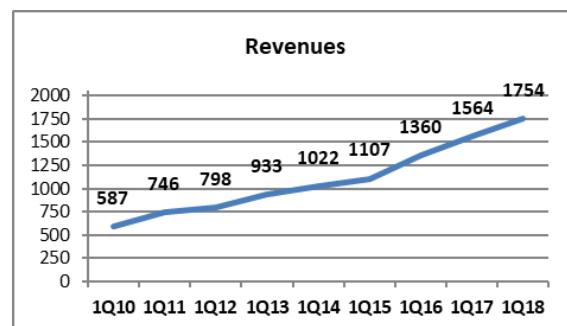
	EUR*	USD	NOK	NZD	OTHER	TOTAL
Revenues	45 %	45 %	0 %	0 %	10 %	100 %
Expenses	40 %	30 %	5 %	5 %	20 %	100 %
EBITA	50 %	100 %	- 20 %	- 20 %	-10 %	100 %

* EUR includes DKK

FINANCIAL HIGHLIGHTS

P&L STATEMENT

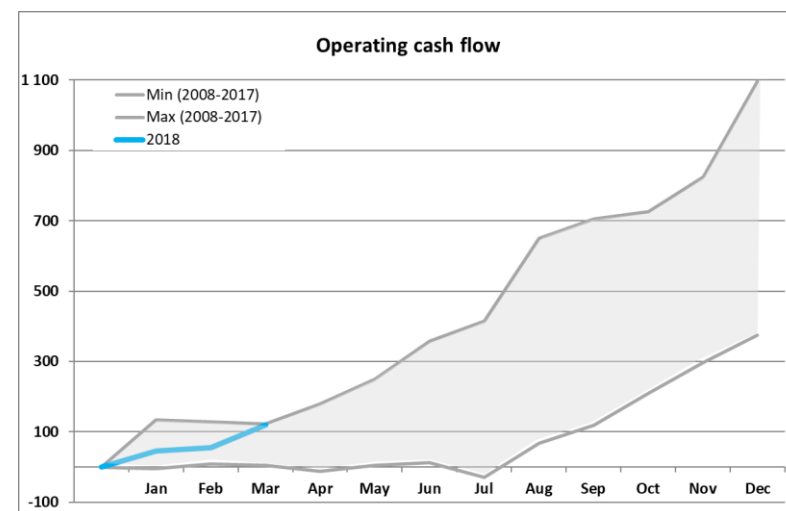
	1 st Quarter		
<i>Amounts in NOK million</i>	2018	2017	17 Adj*
Revenues	1,754	1,564	1,570
• Collection Solutions	934	877	889
• Sorting Solutions	820	687	681
Gross contribution	722	633	626
<i>in %</i>	<i>41%</i>	<i>40%</i>	<i>40%</i>
Operating expenses	580	475	488
EBITA	142	158	138
<i>in %</i>	<i>8%</i>	<i>10%</i>	<i>9%</i>



FINANCIAL HIGHLIGHTS

BALANCE SHEET, CASH FLOW AND CAPITAL STRUCTURE

<i>Amounts in NOK million</i>	31 March 2018	31 March 2017	31 Dec 2017
ASSETS	8,808	7,927	8,437
• Intangible non-current assets	3,673	3,177	3,412
• Tangible non-current assets	996	856	998
• Financial non-current assets	350	349	349
• Inventory	1,276	1,211	1,197
• Receivables	1,917	1,808	1,887
• Cash and cash equivalents	596	526	594
LIABILITIES AND EQUITY	8,808	7,927	8,437
• Equity	4,493	4,301	4,594
• Minority interest	143	184	143
• Interest bearing liabilities	1,668	1,174	1,280
• Non-interest bearing liabilities	2,504	2,268	2,420



Cashflow

- From operations: 120 MNOK (122 MNOK in 1Q 2017)
- From investments: -502 MNOK (-490 MNOK in 1Q2017)

Solidity

- 53% equity
- NIBD/EBITDA = 0.8x (Rolling 12 months)
- Dividend of NOK 2.35 (NOK 2.10 last year) – due 8 May 2018

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

TOMRA COLLECTION SOLUTIONS

HIGHLIGHTS COLLECTION SOLUTIONS

Overall

- **Revenues of 934 MNOK**, up from 877 MNOK in first quarter 2017
 - Revenues up 5% in local currencies, driven by New South Wales' volumes
- **Gross margin was 40%** in the period
 - Unchanged from first quarter 2017
- **Operating expenses of 253 MNOK**, up from 207 MNOK in first quarter 2017
 - Higher activity
 - Ramp-up New South Wales
 - Currency
- **EBITA decreased** from 144 MNOK to **121 MNOK**
 - A result of increased operating expenses

Europe

- Currency adjusted, revenues were stable in Europe
 - Replacement in Germany continues, in line with 2017

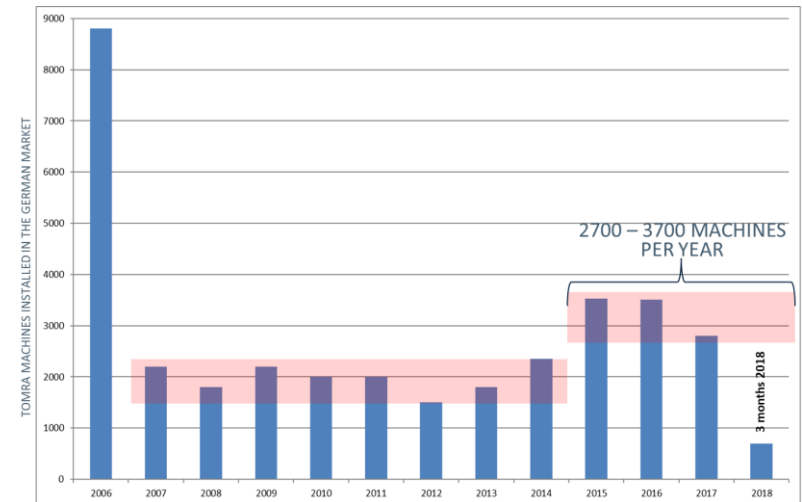
North America

- Currency adjusted, revenues were stable in North America
 - Machine and throughput volumes in line with last year

Australia

- Deposit introduced 1st December in New South Wales
 - Ramp-up continued during first quarter 2018

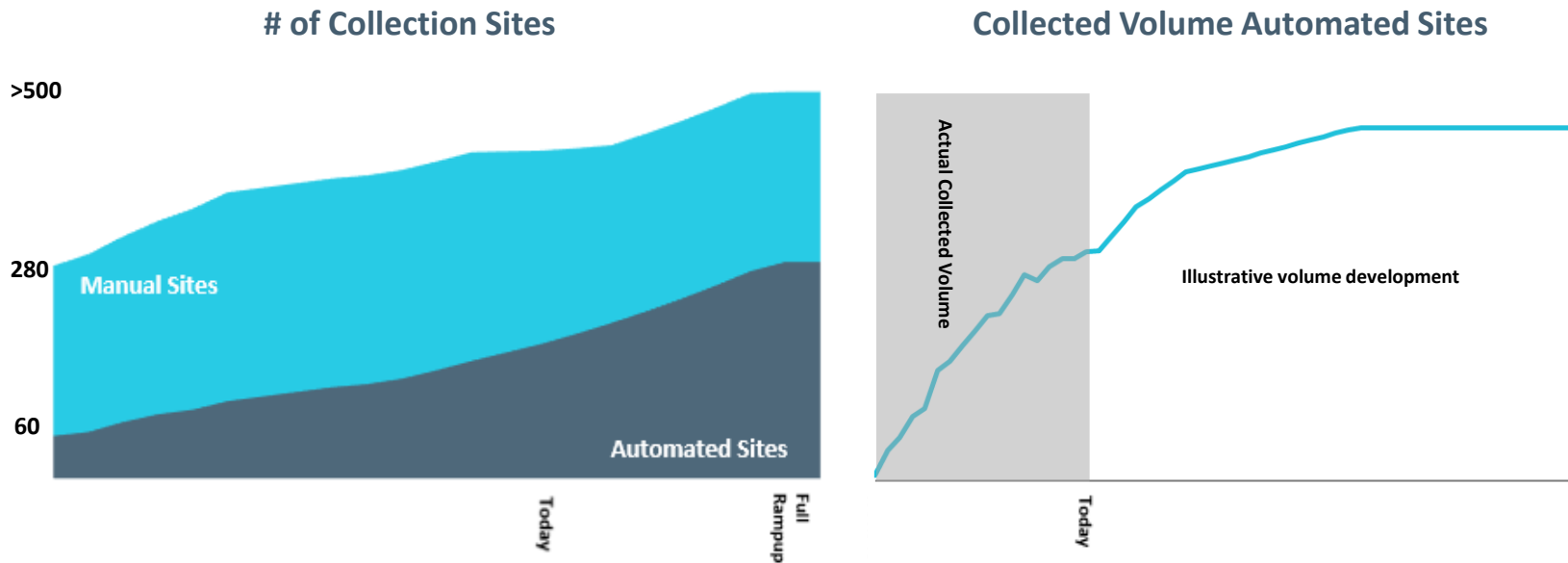
TOMRA machines installed in the German market



VOLUME AND SITE DEVELOPMENT IN NSW

Illustrative

Volume to gradually follow as the number of Automated Sites increases in the total infrastructure



The volume graph does not account for seasonal effects

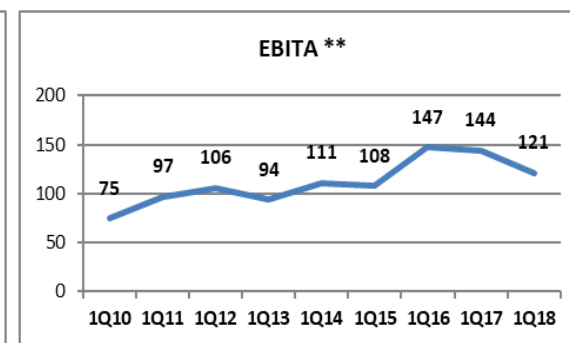
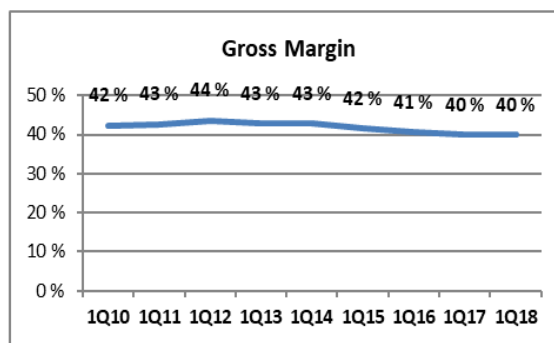
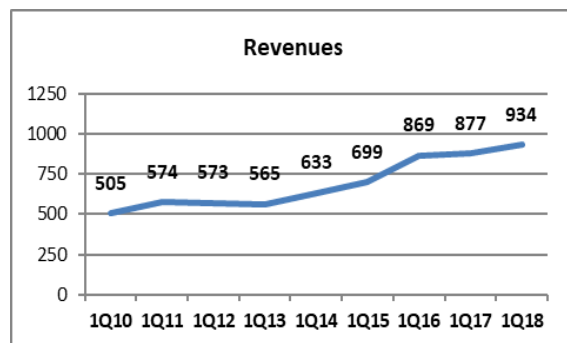
UK GOVERNMENT ANNOUNCES A DEPOSIT RETURN SCHEME IN FIGHT AGAINST PLASTIC POLLUTION

- 28 March 2018, the UK government announced plans for a **deposit return system**
- The goal of the scheme is to **drastically reduce plastic pollution** and is a part of the government's 25 year environmental plan
- UK consumers go through an estimated 13 billion plastic drink bottles a year
 - More than three billion are either incinerated, sent to landfill or left to pollute the streets, countryside and marine environment
- A **consultation period** taking into account views from producers, suppliers and consumers will follow
- The consultation will sit alongside a package of wider reforms of the current packaging waste system
 - Will incentivize producers to take greater responsibility for the environmental impacts of their products and to increase the amount of packaging they recycle



COLLECTION SOLUTIONS FINANCIALS

	1 st Quarter		
Amounts in NOK million	2018	2017	17 Adj*
Revenues	934	877	889
• Northern Europe	148	139	
• Europe (ex Nordic)	409	383	
• US East/Canada	322	342	
• Rest of the world	55	13	
Gross contribution	374	351	359
<i>in %</i>	40%	40%	40%
Operating expenses	253	207	212
EBITA	121	144	147
<i>in %</i>	13%	16%	17%



*2017 actual restated at 2018 exchange rates, estimated

** Adjusted for one-time costs



TOMRA SORTING SOLUTIONS

HIGHLIGHTS SORTING SOLUTIONS

Revenues

- **Revenues equaled 820 MNOK** in first quarter 2018, up from 687 MNOK in first quarter 2017
 - Adjusted for currency and acquisitions, revenues were up 17%
 - Includes BBC revenue of 12 MNOK in March 2018

Gross margin

- **Gross margin at 42%**, up from 41% same period last year
 - Due to product mix

EBITA

- **EBITA of 41 MNOK** (30 MNOK in first quarter 2017)

Orders

- **Order intake of 1,188 MNOK**, compared to 826 MNOK same period last year
- **Order backlog of 1,515 MNOK**, up from 1,139 MNOK at the end of first quarter 2017



ACQUISITION OF BBC TECHNOLOGIES

The natural add-on to Compac

- TOMRA acquired BBC Technologies 26th February 2018
- BBC Technologies is headquartered in Hamilton, New Zealand and is a leading provider of precision grading systems for blueberries and other small fruits
- 145 employees across locations in New Zealand, Chile, Europe and USA
- The company complements TOMRA's own fruit inspection and grading technology portfolio. It also adds an innovative unique quality tracking system: www.freshtracker.com
- The majority of BBC Technologies sales have been in the blueberry segment, but the company also offers solutions for cherries, cherry tomatoes and other small soft fruits
- BBC is a market leader with the new platform (KATO)
- Berries are a very attractive segment, as they represent high value, but are very delicate to handle

Deal details:

- Purchase price of 363 MNOK / 64 MNZD, free of cash and interest-bearing debt.
- Closing 1 March 2018
- Acquisition settled in cash, financed through existing drawing rights
- FY17: 36 MNZD in revenues / 8 MNZD EBIT

The BBC Technology in Operation



Confirming our leading position in Food

**Attractive
Market**

**Complimentary
geographical
footprint**

**Application fit
expansion**

BUSINESS STREAM UPDATE

FOOD



- Revenues in 1Q18 up from 1Q17
- Strong order intake, up quarter over quarter, leading to an all time high order backlog at the end of 1Q18
- BBC consolidated from 1 March 2018, ending the quarter with a backlog of 86 MNOK

RECYCLING



- Revenues in 1Q18 significantly up from 1Q17,
- Very strong order intake, up quarter over quarter
- All time high order backlog

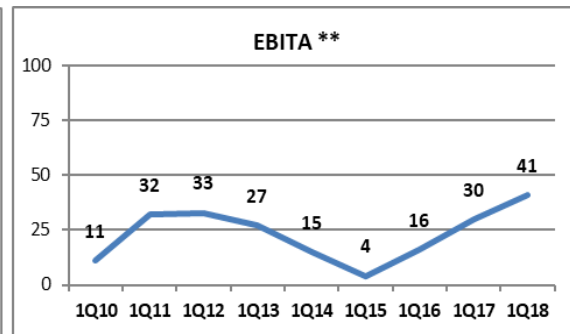
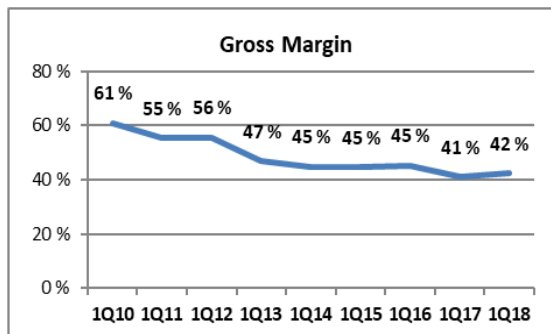
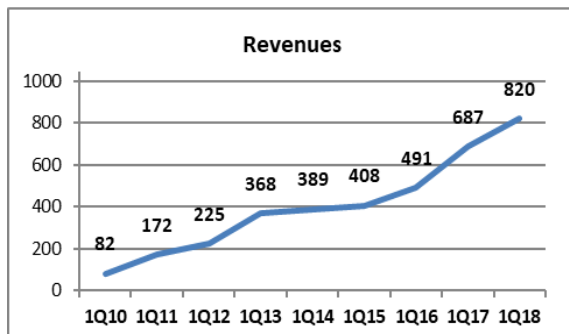
MINING



- Revenues and order intake slightly down from 1Q17

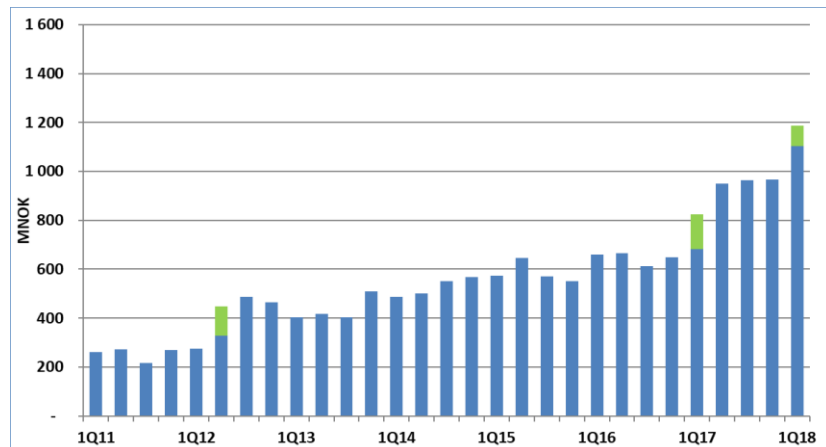
SORTING SOLUTIONS FINANCIALS

Amounts in NOK million	1 st Quarter		
	2018	2017	17 Adj*
Revenues	820	687	681
• Europe	256	207	
• North America	282	252	
• South America	29	25	
• Asia	115	108	
• Oceania	86	57	
• Africa	52	38	
Gross contribution	348	282	267
<i>in %</i>	42%	41%	39%
Operating expenses	307	252	259
EBITA	41	30	8
<i>in %</i>	5%	4%	1%

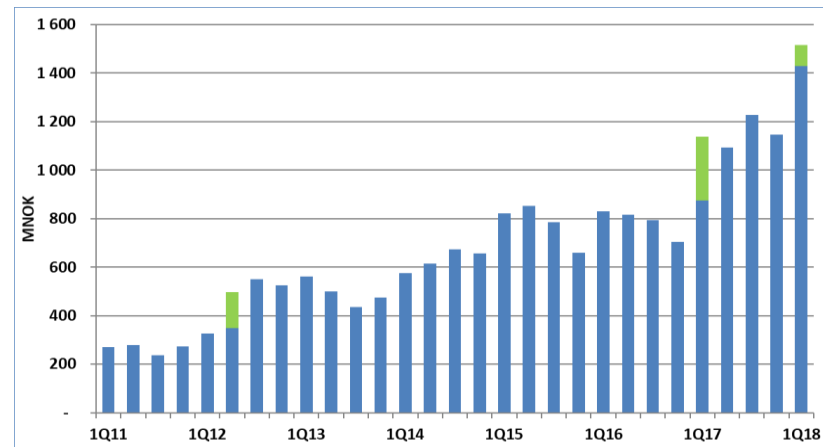


BACKLOG DEVELOPMENT AND MOMENTUM

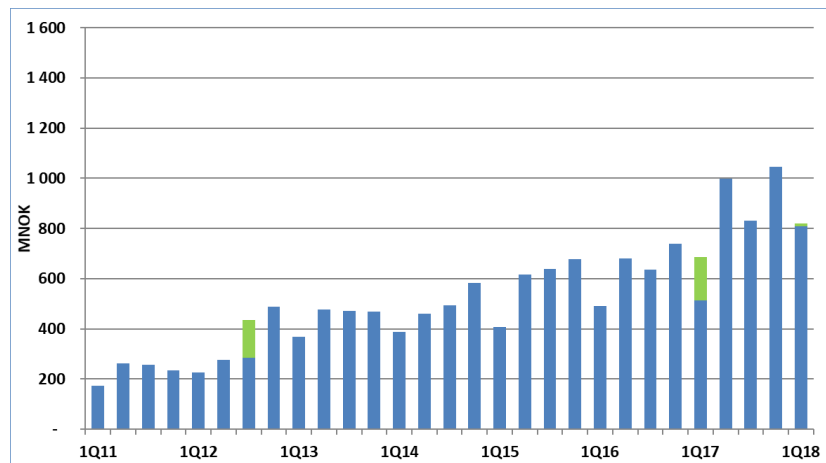
ORDER INTAKE



ORDER BACKLOG



REVENUES



- Tomra Sorting Solutions (TSS):
 - Delivered all time high order intake of 1,188 MNOK in the quarter, compared to 826 MNOK same quarter last year
 - Revenues came in at 820 MNOK (up from 687 MNOK in 1Q17)
 - With an all time high order intake, and somewhat limited number of orders taken to P/L, the quarter ends with an all time high order backlog of 1,515 MNOK
- Estimated backlog conversion ratio in 2Q18: 70%*

■ Organic ■ Inorganic

OUTLOOK



OUTLOOK

Collection Solutions

- The replacement demand in Germany is assumed to continue in 2018
- Ramp-up in New South Wales will carry on throughout second quarter 2018

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.



Q&A

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